Deloitte.

Growth through financial inclusion

A roadmap for UK banks

March 2021

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Foreword

Improving financial inclusion is a strategic priority for us at Deloitte, reflected in our commitments to Sustainable Finance and our 5 Million Futures social impact strategy.

During 2020 we carried out research that is explored in detail in this paper. Within this comprehensive and interactive report we define financial inclusion, explain the complex nature of the problem and the wide-ranging barriers to inclusion, and demonstrate how the COVID-19 pandemic worsened an already bad situation. We examine existing initiatives across the sector and beyond (see appendix for further details). We discuss the gaps and challenges, and identify opportunity areas for UK banks to improve financial inclusion and generate business growth.

We believe that now is a crucial time for banks - in collaboration with others, including charities, social enterprises and the private sector - to recognise the increasing proportion of customers experiencing a negative impact to their financial wellbeing, and seize the opportunity to respond with innovation to the increasing challenges faced by financially excluded customers. We believe that innovative and inclusive solutions can benefit a broader customer base and lead to growth. We conclude this paper with our own commitments to work collaboratively with the financial services sector and beyond to improve financial inclusion in the UK.

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Introduction

As 2020 began, there were an estimated 12 million people living in the UK with less than £300[1] in their bank account while 4 million people in paid work were living in poverty[2]. As we enter 2021, the nation has suffered the greatest financial shock in over a decade, the economy has shrunk and the pandemic continues to restrict many areas of our lives.

In normal pre-COVID circumstances, financial exclusion affects a broad range of people. Those in vulnerable circumstances are particularly at risk - such as those on low incomes, living with a disability and those who are digitally excluded. Many live with two or more of such vulnerabilities. The last few years has seen an increase in problem debt, low financial capability and lack of trust in financial institutions. Financial products and services are failing to meet complex, changing, individual needs.

Now, with the impact of COVID-19, well-being has deteriorated among the financially excluded. People who might previously have felt financially secure, find themselves either on the brink or are now in financial crisis. In fact, Deloitte's Better Banking COVID-19 Insights survey (2020) showed financial inclusion is now a concern for approximately half of UK banking customers with 45% saying their wellbeing has been affected by financial concerns resulting from the COVID-19 pandemic.

As we look ahead, we believe there is an opportunity for UK banks - and Deloitte - to help those left behind by our current financial system. It is imperative that banks transform their products and services to suit customers in 2021 and beyond, viewing financial inclusion as a strategic priority for all.

This report illustrates the complex nature of financial inclusion; it identifies the most at risk; examines the consequences of the COVID-19 pandemic, and reflects on the financial inclusion initiatives that are already making a difference. It will explain why there is still so much to be done and emphasise the need for immediate action.

Our research identifies six opportunities to improve financial inclusion:

1. Lessons from COVID-19
The pandemic casts new light on specific customer vulnerabilities such as financial abuse, gambling, and bereavement. At the start of the pandemic, the Financial Conduct Authority (FCA) issued guidance around support for vulnerable customers: the sector responded with compassion and pace, offering short-term relief in the form of mortgage holidays and payment deferrals. To continue safeguarding consumers, it is essential the banking and insurance sectors remain agile through and beyond the pandemic.

2. Personalised banking
People require financial products suited to their own particular needs and which adapt as their circumstances change. One size does not fit all.

3. Specialised support
Vulnerable people with complex needs require tailored and expert help to support them into financial inclusion.

4. Approachable banking
Building trust and removing barriers to entry will encourage financial participation. A compassionate approach will help build the trust excluded customers may lack at present.

5. Money made easy
Simplified and targeted financial education is required. Language needs to be clear and concise. Communications and explanations should be relevant, direct and free of jargon.

6. Inclusive financial services sector
Working collaboratively across the financial services sector to show more societal purpose, community empathy and encourage inclusivity and diversity, to change the perception of the sector and leverage its influence to drive greater social good.

1 The Money Advice Service, Market Segmentation (2019)
2 Financial Inclusion Alliance: Tomorrow's Company, Serving All (January 2020)

Deloitte & Financial Inclusion

The following are a few examples of how we are working with our clients to address Financial Inclusion

HSBC UK: Strategic review of financial inclusion in the UK

Deloitte and HSBC UK have a shared goal of social impact. At the beginning of 2020, following a series of collaborative workshops, we set out together to write a paper on the scale and breadth of financial exclusion in the UK, the extent and effectiveness of existing initiatives across the sector and beyond, and to outline key recommendations on how together we could make a significant impact improving lives of the most vulnerable and financially excluded people.

By March 2020, as the COVID-19 pandemic resulted in the first of many national lockdowns, we adapted our approach and began conducting additional research to understand how the crisis was affecting people's financial wellbeing, and their ability to access the banking products and services they needed.

We interviewed multiple experts within the bank as well as charity partners, and surveyed banking customers, and in doing so we uncovered the most significant barriers to financial inclusion. We then led ideation workshops and created a long-list of over forty innovations including new ways of working, novel products and adapted services. The list was subsequently distilled into a three-year journey to improve financial inclusion in the UK.

The Big Exchange

Prior to the COVID-19 pandemic, there were 12 million people in the UK unable to pay an unexpected bill of £300, such as to fix a broken-down washing machine. This low financial resilience left millions vulnerable to the sudden drop in income many people experienced as a result of the pandemic.

Following the onset of the pandemic, Deloitte worked with The Big Exchange to accelerate the delivery of an "inclusive money" app aimed at helping people who are financially excluded. Together, we wanted to respond to the growing need to provide support to financially squeezed and struggling customers.

When developing the design, we conducted research with target customers, such as those furloughed or redundant, more vulnerable to financial shocks and in need of short-term (high cost) credit. We also worked with our charity partners to prioritise relevant products and services and we worked with end users to test and develop the app.

What does the app include?

We designed the app to include money management tools and an ethical marketplace, which gives access to a suite of curated financial products, including credit-building, green energy switching, and access to debt advice and jargon-free financial education.

In addition, the app will allow us to gain greater clarity on customers' financial health, subtly educate them and encourage helpful behaviours, such as switching and saving.

Our next step is to launch the app in Spring 2021 and expand the products on the marketplace further through partnerships with our FS clients and charity partners. The app is expected to help at least 40,000 financially excluded customers in the first year.

FinTech for Schools

Together with Innovate Finance, Deloitte has launched an initiative that aspires to drive financial inclusion, improve financial literacy and inspire young people to explore career opportunities in FinTech. Working in partnership across the ecosystem and with key industry leaders, the vision is to create a programme that drives financial health and wealth: enabling young people to gain access to basic financial know-how and to bring more talent into the FinTech sector.

To deliver on our ambition, we've developed a mobile-first platform that will enable students and young adults to easily gain access to information that will equip them to:

1. Manage their own personal finances;
2. Learn about core topics such as open banking, mobile payments, cryptocurrency, and blockchain, and
3. Gain insight into the career paths that are available across the FinTech and technology landscape.

In addition to our state-of-the art webapp, we have developed mini masterclass videos, delivered by industry experts, to provide an educational overview on some of the hottest trends and topics in FinTech. Our work experience and insight days further enable students to connect with FinTech experts and explore the exciting world of Financial Technology!

Together, we want to enable and encourage young people to understand the importance of digital and financial know-how for the future.

What is financial inclusion and why does it matter?

Financial inclusion means making financial products and services accessible and affordable for everyone who needs them.

Despite the UK's global position as an international financial hub, financial inclusion remains a challenge for many people who live here.

Financial exclusion can affect people from a wide range of demographics: the old and the young are notably impacted as are people with disabilities, women, people facing mental health challenges and almost everyone on a low income. People who are locked out of the "mainstream" financial system, are often penalised by having to pay more for everyday services and products. For example, limited digital accessibility often means people cannot access cheaper online prices. At the same time, they may be limited to accessing higher-cost credit, increasing the likelihood of becoming trapped in spiraling debt.

Financial services need to be accessible, easy to use, and meet people's needs over their lifetime. These requirements should apply for the entire population, even the most excluded. For example, individuals may face challenges entering the financial system due to a poor credit history or limited understanding of banking terminology, which might in turn lead to mistrust.

Aspiring for financial inclusion means enabling access to the products and services that people need, particularly those in vulnerable circumstances. If the minimum benchmark for designing services and products is to cater to the needs of the vulnerable, everyone's needs will be met. This will not only reduce financial exclusion but it will improve product design. Reshaping the process to encompass financial inclusion as a baseline rather than an afterthought will facilitate the creation of safer and more affordable products suited to individuals in their specific contexts.

Financial exclusion is not an isolated issue: it seeps into other areas of people's lives. It can perpetuate individuals' difficulties, making them more susceptible to other concerns such as homelessness, mental health issues, economic abuse, and persistent debt.

Enabling access and empowering people and communities with relevant skills and knowledge is vital if they are to make appropriate financial decisions. Access to financial services and access to good financial services is not the same thing.

Giving people the tools to better manage their challenging circumstances not only helps individuals and families, it collectively develops entire communities and drives economic growth.

Financial inclusion in the UK

1.2 million
people in the UK do not have access to a bank account[3]

One
in four have no savings[4]

3 million
people with disabilities have been turned down or charged extra for insurance[5].

1.9 million
pensioners in the UK are living in poverty and a worrying 8% would not be able to pay an unexpected bill of £200[6] (pre-Covid figure, likely to have worsened)

60%
of people on the lowest incomes do not have home contents insurance[7]

12 million
UK residents would not be able to pay an unexpected bill of £300[8] (pre-Covid, likely to have worsened).

3 HM Treasury - Financial Inclusion report 2018-2019
4 Skipton Building Society
5 The Disability Price Tag (2019)
6 Age UK, Pensioners living in poverty (March 2020)
7 Financial Inclusion Commission Manifesto
8 Money Advice Service

The business case for financial inclusion

Improving financial inclusion is morally the right thing to do, and there are economic and business benefits to be won as well. It helps customers achieve improved financial and non-financial well-being, whilst also improving their credit-worthiness. It is a way to attract new customers. It demonstrates sustainability credentials to shareholders and engages employees. It burnishes brand values. It presents opportunities to support UK society at a time when it is much needed. It assists the UK's economic recovery from the COVID-19 pandemic.

Customers

The Deloitte Better Banking COVID-19 insights survey (2020) shows that COVID-19 has had a negative impact on the well-being of 45% of UK banking customers. They are, for example, more worried, anxious and, or, depressed. The number increases to 60% among customers who have less disposable income or have taken a loan or mortgage holiday as a result of the crisis. Banks can help customers towards financial wellness by supporting them to improve credit scores, manage debt, avoid the collections process, and gain confidence managing their money. With an increased focus on financial inclusion, bolstered by newly personalised products and services, banks can expect customers to want broader and deeper relationships. A basic account may be followed by a current account and insurance. Where appropriate there may be a mortgage, an Individual Savings Account and, or, a private pension. Investment in financial inclusion, in other words, holds potential for attractive returns for banks. It becomes economically viable.

Focus on financial inclusion may also help attract and retain more affluent customers. Deloitte's Better Banking COVID-19 insights survey (2020) shows that the majority of UK banking customers (71%) would be more likely to choose a bank with positive social and environmental impact. Among the 11% of customers who said they had switched accounts since the onset of the pandemic, social impact was cited as the main reason for change.

Brand

Banks can bolster brand values and consumer trust by association with positive social impact. Customers appreciate the support offered by banks during the first waves of COVID-19. Our research showed that 33% of customers trust their bank more since the onset of the pandemic.

Investors

Investors are increasingly interested in sustainability, specifically environmental, social and governance (ESG) factors. ESG stocks have performed well during the pandemic. According to a survey in the Financial Times, 85% of asset managers expect an increased interest in ESG investing.[9] Improving financial inclusion can be a tangible example of a bank's commitment to its social sustainability agenda.

Employee engagement

There is an opportunity to engage employees by raising awareness about financial inclusion and suggesting ways to get involved. We found in a 2015 study that 77% of millennials joined their current employer at least partially because of the company's sense of social purpose[10]. According to 2019 research from Close Brothers[11], the UK merchant bank, 94% of UK employees are worried about money. More than three quarters (77%) of employees say money worries impact them at work. Improving financial resilience of employees can increase productivity, reduce absence, heighten job satisfaction and enhance the sense of pride in their organisation.

9 Financial Times, ESCG passes the Covid challenge (June 2020)
10 Deloitte Millennial Survey 2015
11 Close Brothers, Financial Wellbeing Index 2019

The business case (continued)

Regulators

Regulatory interest in sustainability is likely to increase in coming years, in line with the ambitions of UN's Sustainable Development Goals and the Paris Agreement. It is reasonable to expect regulation will address environmental issues more urgently than social issues, but we expect social sustainability to be a future focus area of regulation.[12] The fair treatment of consumers continues to be a top priority for the Financial Conduct Authority (FCA) and is further emphasised by the increased risk of consumer harm due to COVID-19.

UK society and economy

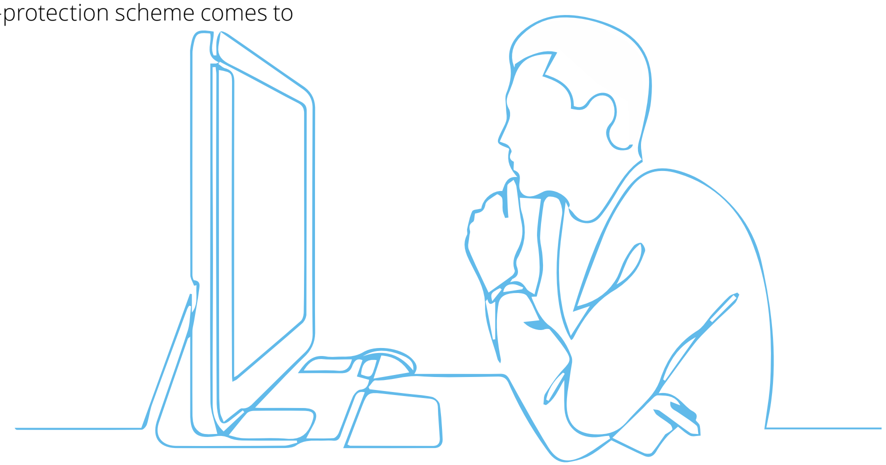
Unemployment rose significantly during the COVID-19 pandemic and at the time of writing is expected to rise further. The UK's Office for National Statistics reported a record 370,000 redundancies between August and October 2020, giving an unemployment rate of 4.9%.

According to the UK Government Spending Review in November 2020, the number of unemployed people in the UK is expected to be as many as 2.6 million, a rate of 7.5%, by mid-2021.

Prior to this, there were millions of people in the UK with little or no savings, and therefore no buffer to soften financial blows brought with COVID-19. Once again, groups who were prone to financial exclusion before the pandemic have felt the strain more acutely. Disabled people, for example, were twice as likely to lose their job than the able-bodied.[13] The Deloitte Better Banking Survey shows that almost half of UK banking customers - irrespective of financial situation - have worse well-being due to the financial impact of the crisis. Levels of employment, growth, financial resilience and mental health may drop even further when the furlough job-protection scheme comes to an end.

Banks are in a good position to tackle financial exclusion but could do more, consumers say. Half (52%) UK banking customers think their bank should increase efforts to help pandemic-struck society[14]. Encouragingly, two-thirds (68%) are pleased with their bank's response to COVID-19.

The business case makes the moral imperative achievable and economically sensible.



12 The Guardian, Parents and carers are twice as likely to lose their jobs (August 2020)
13 Age UK
14 Deloitte Better Banking COVID-19 Insights Survey (2020)).

The cost of poverty

There is a strong correlation between poverty and financial inclusion. Poverty can be measured and defined in various ways and the "poverty line" in the UK is currently around £195 a week for a lone parent with two children[15]. Poverty affects people with jobs as well as those without; according to the Joseph Rowntree Foundation[16], there are 4 million "working poor' in the UK, i.e., people in full or part-time work who have incomes below the poverty line. 1.9 million pensioners are currently living in poverty. Furthermore, there are 1.2 million[17] unbanked individuals in the UK, who are restricted to a cash-only existence.

People living in poverty often pay more for energy bills, insurance, loans and products for their homes. This additional cost—the 'poverty premium'—is defined as 'the extra cost that households on low incomes incur when purchasing the same essential goods and services as households on higher incomes'. People who can afford it least, in other words, are paying the most. Around 14 million people[18] in the UK who live in poverty pay these extra costs, often locking them into a cycle of poverty.

According to research from the Personal Finance Research Centre at University of Bristol[19], the poverty premium costs the average low income household £490 more a year, but for more than one in ten of these households it costs at least £780 more per year.

Although poverty is a significant driver of financial exclusion, the financially excluded often face many complex challenges. Causes such as digital exclusion, financial abuse, poor mental health and addictive behaviours can intersect with poverty, making it difficult to identify the primary trigger.

Poverty

14.3 million people are living in poverty[20] (pre-COVID; figure likely to have worsened)

8.3 million working age adults[20]

4.6 million children[20]

1.3 million people of pension-age[20]

Poverty premium costs the average low income household **£490** a year[21]

More than 1 million additional people living under the poverty line compared to pre-COVID[22]

15 Nourish Community Foodbank, The definition of poverty in the UK
16 Joseph Rowntree Foundation
17 Financial inclusion report 2018-19
18 Fair By Design, The poverty premium (2016)
19 Paying to be poor: the scale and nature of the Poverty Premium (2016)
20 Social Metrics Commission (2017/18)
21 University of Bristol, The Poverty Premium (2016)
22 IPPR, Estimating poverty impacts of the coronavirus pandemic (June 2020)

COVID-19

At the point of writing, the COVID-19 pandemic has increased household financial stress by squeezing incomes making it harder for households to cover living expenses and manage debts. UK households are experiencing the sharpest fall in incomes since the 1970s, with low-paid workers and mid-income households experiencing the greatest income loss[23].

Low and middle income groups are at the highest risk of redundancy, furlough, or involuntarily working fewer hours. This is especially so in the hardest-hit sectors, such as retail, leisure and hospitality. As well as being predominantly low-wage employers, many employees are young, from specific ethnic backgrounds and women. Repeated lockdowns and the eventual end of furlough schemes and other Government support programs is expected to make matters worse.

Again, it is the vulnerable who are hit hardest. Pandemic conditions increase the prevalence of problem issues. Unemployment, bereavement and ill-health have deepened the difficulties many already faced. The pressures of recent months have seen many young people, students, single parents, private renters, people with health problems and those with disabilities become more financially excluded.

As restrictions on trading and movement continue across the UK into 2021, the impact is also being felt by people who have previously felt financially secure. In November 2020, food aid charities, such as Feeding Britain and the Independent Food Aid Network[24], reported a new influx of middle income families to their food banks. These are typically people with mortgages, cars and often self-employed, who have been plunged into crisis by COVID-related job losses and gaps in social security. These 'newly hungry" who, lived quite comfortably before the pandemic and are now an indicator of how the virus has pushed the cost of living crisis, further up the income scale.

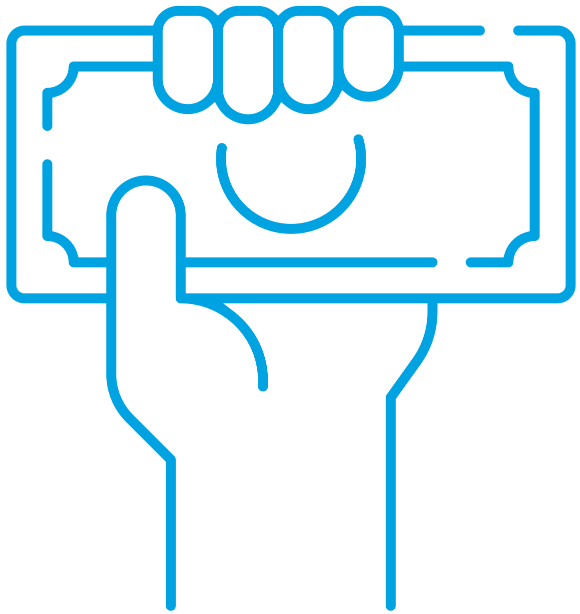
The pandemic has also shifted how people access their money. Many more transactions are made using cards and contactless methods with lower risks of spreading infection - this is likely to have the biggest impact on the most vulnerable who are often reliant on cash. High street bank branch closures, meanwhile, further limit options for those without debit and credit cards or access to online banking. With already vulnerable customers hit hardest and new groups becoming susceptible, it has never been more important to address financial inclusion and support the needs of all customers.

The following are a few examples of the impact of COVID-19 thus far:

- Women, young people and people from ethnic backgrounds have been heavily impacted as they have a higher dependency on zero hours' contract work
- 18% of vulnerable people in the UK reported thoughts of self-harm or suicide during the first lockdown[25]
- Individuals have found it more difficult to access mental health support and difficulties in managing mental health go hand in hand with challenges in managing finances
- Two thirds of 'engaged gamblers'[26] - those who spend on three or more betting products a month - were spending more time and, or, money gambling during lockdown; with gambling sessions lasting an hour or more up by 23% year on year in March 2020, according to a YouGov poll

23 Resolution Foundation (July 2020)
24 The Guardian, Growing numbers of 'newly hungry' forced to use UK foodbanks (2020)
25 The Guardian, Fifth of vulnerable people considered self-harm in UK lockdown, July 2020
26 Gambling commision

- Young carers have been negatively impacted during lockdown, often caring for longer hours on reduced incomes and with limited opportunities for respite[27]
- Financial abuse goes hand in hand with domestic abuse with 95% of domestic abuse victims experiencing economic abuse[28]. When the UK went into lockdown due to COVID-19, victims found themselves "locked" at home with their abuser, which created more opportunities for abuse. In May 2020, two months into the first lockdown in the UK, Refuge reported a weekly average increase of 66% calls to its national helpline, and visits to its website up by 950% compared to pre COVID-19[29]
- The COVID-19 death toll has led to an increase in the number of people turning to bereavement charities for support. Additionally, the cost of funerals in the UK continues to increase
- The consequences of months of shielding, self-isolation, quarantine, lockdowns, government guidelines and ongoing health concerns is having a massive impact on the nation's mental health
- For people not identified on the clinical shielding list during the first lockdown, things were further exacerbated; for example, while supermarkets prioritised deliveries for people on the clinically vulnerable list, some disabled people were forced to access supplies through more expensive routes, such as local stores



27 Carers Trust, My Future, My Feelings, My Family (2020)
28 Surviving Economic Abuse, Surviving economic abuse and the Covid outbreak (March 2020)
29 Refuge, Refuge reports further increase in demand for its National Domestic Abuse Helpline services during lockdown (May 2020)

Influencing factors

While poverty plays a large part in identifying people who are financially excluded, there are other factors at play; many of which overlap and intersect. We found that individuals who are financially excluded are likely to be impacted by a number of factors rather than one theme in isolation. For example, an older man who is homeless may experience mental health problems and addiction, a young person from an ethnic background who is subject to racial bias may also have a zero-hours contract with unstable income, and a single mother who has survived domestic and economic abuse which has damaged her credit score, may also live in a rural area with no access to the internet.

We also know that many people are teetering on the brink of a financial shock. Families relying on low and unpredictable incomes, youngsters coming out of care without family networks and people spiralling into debt through gambling, are just some of the susceptible groups. COVID-19 has illustrated that it doesn't take much to tip an individual, or whole families, into crisis.

A 2019 report by housing charity Shelter stated that almost 3 million people are one pay cheque away from losing their homes because they would be unable to pay the rent.

Gender

Working women are considerably more likely to suffer financial hardship than men. A quarter of working women are in the so-called 'Poverty Zone[30] compared to 16% of men.

'The Poverty Zone' is defined by the Financial Inclusion Alliance, as "being regularly unable to meet basic personal needs in a sustainable way". Women are over-represented in the Poverty Zone partly because lower-paid jobs such as carers, cleaners, caterers, cashiers and clerical jobs are taken by mostly women. It is partly because of the gender pay-gap[31]. which sees women paid an average of 17.3% less than men. There are 33% more women on zero-hour contracts than men[32]. These jobs rarely have career development opportunities that bring about salary progression, social mobility and financial security.

Women also often lose earnings due to maternity commitments. Mothers struggling to make ends meet are the predominant users of unsecured, short-term, high interest loans-sold door to door charging interest at rates as high as 340%[32]. Since women usually take the primary role in childcare, it is not surprising that working mothers with small children find themselves in the bottom 20% of income groups.

Meanwhile victims of financial abuse tend to be female. Financial abuse has long been recognised as one element within a range of controlling behaviours used by perpetrators of domestic abuse. It may manifest itself as financial control, dependency, exploitation or sabotage.

Many victmis are denied access to money or a bank account. Many others have debts placed in their name. On average, the mistreatment lasts more than six years. This kind of abuse is often unreported because it goes unnoticed or people are unwilling to talk about it.

As well as making it harder for the victim to leave the abuser, the abuse may also give women poor and unjustified credit ratings and push women into debt, financial dependence and homelessness.

Gender

25%
of working women are in the 'Poverty Zone' as compared to 16% of men[32]

Approximately **910,000** women in poverty (14%) have faced extensive violence and abuse—most likely including financial abuse[33]

33%
more women are on zero-hour contracts than men[32]

Struggling working mothers are the highest consumers of expensive credit paying up to **340% interest** on borrowed money[32]

Working mothers with small children are often in the bottom 20% of income groups[32]

30 Financial Inclusion Alliance: Tomorrow's Company 'Serving All' (January 2020)
31 ONS figures 2019
32 Financial Inclusion Alliance: Tomorrow's Company 'Serving All' (January 2020)
33 Financial Inclusion Manifesto

Ethnicity

A 2020 report by the Runnymede Trust[34] the race equality think tank, into economic and social fairness in Britain, concluded that extensive and persistent economic inequality is rife among black and minority ethnic (BME) groups.

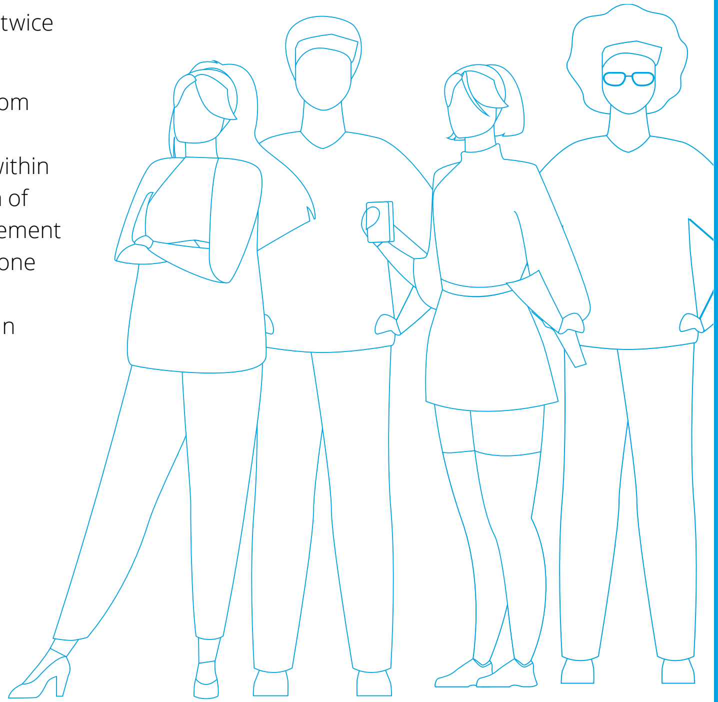
Caution is required when using the terms BME and BAME (Black, Asian and minority ethnic) because inequalities vary by ethnic group. For example, differences are greater for Black, Bangladeshi and Pakistani groups, less so for Indian and Chinese groups. Individuals' experiences differ as well in ways that are not captured adequately by BME and BAME labels.

Existing research referenced in this section uses the term BAME. As a firm, however, Deloitte is moving away from using BAME because we believe it may prompt stereotypical responses and fail to reflect individual experiences.

Ethnicity, culture, socioeconomic influences, and social context are all components which provide crucial insights into how and why groups are impacted in different ways - these insights are lost under the 'BAME' umbrella grouping.

That said, research shows that people from BAME backgrounds are more likely to be the lowest-paid workers in any sector[35]. Research also finds that people with Asian or African-sounding surnames have to send nearly twice as many CVs to get a job interview[36].

Rowntree research shows that people from diverse backgrounds are less likely to be found in senior management positions within institutions and although representation of BAME workers in financial sector management is growing slowly, as of 2018, fewer than one in ten management jobs in the UK are currently held by members of Black, Asian and other ethnic minority groups.



34 Runnymede Trust, The Colour of Money (April 2020)
35 Joseph Rowntree Foundation, Poverty and ethnicity in the labour market (2011)
36 Di Stasio and Heath, 2019

Ethnicity (continued)

In terms of financial services, BAME communities are less likely to have insurance and Black households with low incomes are less likely to have mortgages compared to white households with similar incomes[37].

Trends show that BME people generally have much lower levels of savings or assets than white British people. White British households hold the most wealth closely followed by Indian groups. Pakistani households have under half the wealth of white British households, with Black Caribbean households possessing substantially less. Black African and Bangladeshi groups have much lower wealth.

Trust is also an issue. According to the Community Investment Trust, individuals from BAME communities 'mistrust commercial providers, who they believe are neither interested in nor understand their needs'[38] and evidence suggests people from ethnic minorities sometimes avoid mainstream banks in the hope of finding better value for money, and increasingly turn to credit unions[39].

Ethnicity

BAME millennials are **47% more likely** to be on zero hours contacts and 4.17% less likely to have a contract at all than their white peer group[40]

People with Asian or African-sounding surnames have to send in nearly **twice as many CVs** to get a job interview[41]

Less than **2%** of top management roles in the UK are held by black employees[42]

Around **18%** of Bangladeshi workers, **11%** of Pakistani and Chinese workers, and **5%** of Black African and Indian workers are paid below the National Minimum Wage[41]

Nearly 1 in 3 Bangladeshi men work in catering and restaurants compared to around 1 in 100 white British men[41]

37 Community Investment Coalition; Ethnicity and Financial Exclusion (2018)
38 Kempson & Finney (2009) Saving in lower-income households: a review of the evidence
39 The Guardian, UK banks have a racial discrimination problem. It's time they admitted it (2017)
40 UCL Institute of Education (March 2020)
41 Runnymede Trust, The Colour of Money Report (April 2020)
42 Yahoo Finance UK - Business in the Community, Race at the Top (2020)

Age

Older people

An estimated 600,000 older people[43] are financially excluded In the UK. Older people face a diverse range of challenges that may impact their ability to access services.

Reduced mobility could cause problems travelling to services which are far away, physical disabilities including deterioration of sight and hearing can create problems accessing or understanding materials. Older people may also find it harder to remember passwords and security codes, particularly if they are living with cognitive decline. Financial security issues are raised if they are dependent on carers to assist with banking needs.

Older people are at risk of financial abuse at the hands of a partner, carer or other family member. This might be fraudulent use of money or property or being put under pressure to act in a particular way in relation to financial issues.

A report by Age UK estimates that between 1 and 2 per cent of people aged 65 or over in the United Kingdom today have suffered financial abuse since turning 65 and that those who have dementia or reduced cognitive function are particularly at risk[44].

Fear of fraud is also a significant factor for older people, with a 2019 survey[44] finding that 7%, almost one in fourteen, of respondents aged 65 and older reported being the victim of fraud in the past year—equivalent to over 800,000 older people in England and Wales.

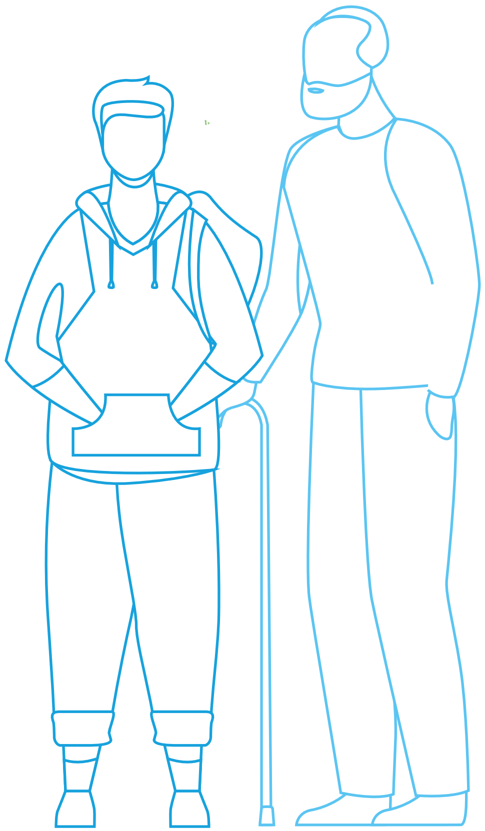
People over 65 find it harder to access insurance, especially if they are disabled or experiencing a serious illness.[44]

Younger people

The squeeze on pay and the prevalence of insecure work means young people struggle to save. More than half of 22-29 year olds have neither a savings account or Individual Savings Accounts (ISAs)[45]. Many younger people are resorting to high-cost credit with recent figures[46] demonstrating that 37% of payday loan borrowers were aged 25-34.

Many young carers (under 18 years) and young adult carers (16-25 years) live in low income households and some are living in poverty. The time they spend caring affects their education and employment opportunities as well as their mental health.

Children and young adults growing up in care are least likely amongst their peers to participate in mainstream education, therefore missing out on the basics including the opportunity to learn about managing their finances.



43 Age UK, Later in life survey (2019)
44 Age UK, Financial Abuse Evidence Review (November 2015)
45 ONS Wealth & Assets Survey
46 Finder.com, Pay Day Loan Statistics (2018)

Health and disability

Health—whether this is physical or mental wellbeing—influences not only an individual's ability to earn and manage their finances, but also their opportunities to participate in society.

The Joseph Rowntree Foundation suggests that nearly half of people living in poverty in the UK come from a family where someone is disabled. Disabled people are also disproportionately affected by the poverty premium, due to the high cost of living with disability and the additional costs paid for financial products and services, like insurance.

People with disabilities tend to have fewer assets and savings and face greater difficulty securing a mortgage due to non-traditional employment patterns and, or, credit history problems. As with other vulnerable groups, disabled people are tempted by higher risk forms of credit. Research shows that about 10% of disabled people take a cash loan offered to them at their front door compared with just 3% of non-disabled people.

The story of disabled people's financial inclusion is a complex one and is not simply linked to a lack of money. Research[47] by Scope shows that one in eight (12%) disabled people cannot physically access their bank; one in 12 (8%) want to protect themselves against financial crises but feel they are turned down for insurance. More than one-fifth (22%) said they are forced to pay higher premiums because they are disabled.

Scope also found that a majority of websites and apps do not meet suggested UK government guidelines on accessibility. This makes it harder for people who are visually or hearing impaired or experience cognitive issues to find the products and services they need at affordable prices.

People with disabilities

48%
of all the 14.3 million people in poverty come from a family where someone is disabled[48]

85%
of disabled people cannot afford to save money, as compared to 79% of non disabled people[49].

Research by Scope revealed that disabled people pay a financial penalty on everyday **living costs** that is on **average £583** more a month through a combination of the additional costs of disability and the poverty premium

1 in 8 (13%)
disabled people have been turned down for credit in the last five years[47]

47 Ipsos Mori, Disabled People and Financial Wellbeing (July 2013)
48 Social Metrics Commission, Measuring Poverty (2019)
49 Wealth and Assets Survey

Mental health and addiction

Research undertaken by the Money and Mental Health charity indicates that people often lose control of their finances during periods of poor mental health[50]. In episodes of mental stress, poor decisions can be taken which decimate savings, create problem debts and damage a person's credit rating. The survey found that, when people were feeling unwell through mental health, 93% spent more than usual, 71% avoided dealing with creditors and 59% took out a loan that they would not otherwise have taken out[51].

As a consequence, people struggling with mental health can struggle to stay in work or manage spending, while being in debt and having financial worries can cause severe stress and anxiety—the two issues feed off each other to create an ongoing cycle.

People experiencing mental health issues may face additional challenges—commonly addictive behaviours such gambling, alcohol and drug use as well as homelessness.

The UK spent £14.5 billion[52] on gambling in 2018, while gambling addiction is estimated to cost up to £1.2 billion per year. Gamblers can be prevented from accessing financial products and services as a result of their addiction[53]. The impact of gambling on a mortgage application, for example, varies depending on the circumstances, and how much a person gambles. An occasional bet is unlikely to affect an application, however large bets or recurring examples of gambling that appear on financial records are likely to affect the success of a loan application.

People who frequently gamble are more likely to miss their payments and other on-going expenses related to bill payments, rent, credit cards and loan repayments. Missed payments and defaulted loans can negatively impact credit reports and damage the credit worthiness of an individual. In fact, payment history is the biggest influencer of credit scores, which helps banks decide on the loan approval process.

Mental health and addiction

67%
of employees in financial difficulty report at least one sign of poor mental health[54]

Half of people
with problem debt also have a mental health problem[51]

Intimidating debt letters are thought to be a key contributing factor to the **100,000 people in debt** who attempt suicide each year in England[54]

People with mental health problems are **six times** as likely to face a debt crisis[54]

People in problem debt are **three times** more likely to have considered suicide than people not in problem debt[54]

As of Dec 2020, new rules will make debt letters less threatening as part of the government's effort to support people in problem debt[55]

50 Moneysavingexpert.com, New money and mental policy institute (March 2016)
51 Money and Mental Health Policy Insitute, The Facts (2019)
52 UK Gambling Commission (UKGC) data
53 Credit.com, Can gambling affect your credit score? (November 2016)
54 Money and Mental Health Institute
55 Gov.uk (October 2020)

Life events

Life is unpredictable. Unexpected events such as bereavement, poor health, abuse or relationship breakdowns can occur without warning, and cause significant disruption. Such events can be the trigger for pulling individuals who were otherwise stable into extreme financial difficulty. Additionally, an accumulation of less obvious yet equally challenging situations can lead to vulnerable circumstances. This gradual process can often be dangerous as it's not as easily detectable and it can take one time to realise the situation they're trapped in. For example, suffering perpetual economic abuse from a partner or relative, or incurring debt over time.

Homelessness

The most powerful predictor of homelessness is poverty, accounting for 25-50%[56] of the explanation for whether someone had experienced homelessness as an adult. Homelessness is an increasing risk for poorer renters, particularly since the housing benefit freeze. Nonetheless, not being able to afford the rent is not the whole story.

There are many social causes, such as a lack of affordable housing, and unemployment. People can become homeless when they leave prison, care or the army with no home to go to. Many homeless women have also escaped a violent relationship and may not have access to any forms of identity.

Key triggers also include mental health, addiction (used as coping mechanism), relationship breakdowns, trauma (childhood/adverse experiences), being on benefits or trying to get access the benefits system.

There has been an increase in the number of people who are sick or disabled who are homeless in the past two years[57] and more than a fifth of homeless households are from ethnic[58] communities.

Homelessness

41%
of homeless people report a long-term health issue[59]

45%
of homeless people have a diagnosed mental health problem[59]

66%
of homeless people report drug or alcohol use as a reason for first becoming homeless[60]

4,266
people were sleeping rough in the UK in 2019 (this fell to 2,688 after the launch of the 'Everyone In' scheme in March 2020)[61]

56 Devon Community Foundation, Housing and Homelessness (2019)
57 The Independent, Homelessness among ill and disabled people rises 53% in a year (December 2019)
58 Gov.uk, Statutory Homelessness (October 2018)
59 Homeless Link (2014), The unhealthy state of homelessness
60 Crisis Skylight Final Report of the University of York Evaluation (2017)
61 Gov.uk, Rough sleeping snapshot in England: autumn 2020

Life events (continued)

Citizenship and identity

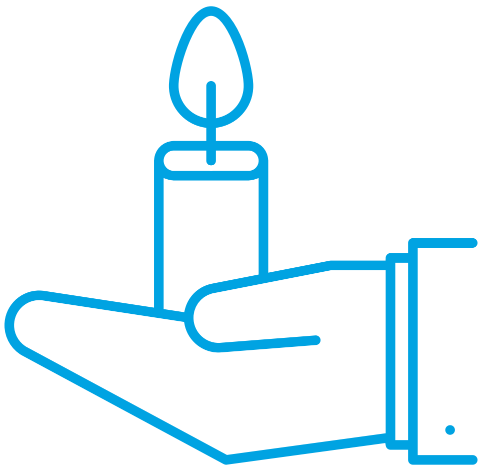
Access to financial services is dependent on having the appropriate documents to verify a person's identity. For people living in the UK, not having a passport, bank account or valid proof of address can create problems opening a bank account, which in turn creates other challenges.

Recently arrived refugees, economic migrants, newly released prisoners and victims of human trafficking are particularly susceptible to this problem.

The Prison Reform Trust believes banks could do more for newly released prisoners who may struggle to open a bank account because they do not have the list of former addresses, identity documents and credit history required.

Funeral poverty

Funeral poverty is where the price of a funeral is beyond a person's ability to pay, and it is a growing problem for people on low incomes. Soaring funeral bills are forcing more bereaved families to borrow money to pay funeral expenses. On average, these people had to find £1,981 to pay for the funeral. Most people funded some or all of their contribution with their own savings or investments (30%), a credit card (25%), or they borrowed money from someone they knew (22%)[62].



62 Sun Life, Cost of Dying Report (2020)

Financial literacy and education

Financial services are complex and increasingly require digital access. We have found that financial literacy and education, alongside digital exclusion present two considerable barriers to financial inclusion.

Complex financial language makes it difficult for many UK customers to understand the financial products and services available. The challenge appears to be two-fold; first a lack of understanding of the financial products themselves, and second, a difficulty in developing this understanding due to the complex language used across financial services.

Poor financial literacy means that individuals are less likely to make good decisions about money because they lack the ability to assess financial risks and opportunities. Knowledge deficits also increase the chances of being caught by fraud or a scam and could magnify the physical and mental health issues associated with being in debt—making it harder to find appropriate solutions.

Although some financial education is now compulsory in schools, it is not part of the GCSE curriculum, and is not embedded in primary education.

According to research by UCL Institute of Education (IOE) and University of Cambridge, one in three adults in the UK cannot work out the correct change from a shopping trip. Those aged between 16 and 24 perform particularly badly. Perhaps unsurprisingly, young people feel particularly disadvantaged and would like to know more about financial products available. Student finance and mortgages are commonly cited as subjects where help is required.

Language is also a likely barrier to financial inclusion. The average reading age of an adult in the UK is between 9 and 11 years old, according to ONS research in 2017. The technical jargon, acronyms and abbreviations associated with banking and finance are notoriously difficult to fathom for even the most determined and literate customer.

Equally, the tone and vocabulary used for delivering the consequences of not complying with lengthy terms and conditions could be off-putting and even threatening to wavering customers.

Financial Literacy and Education

Nine out of ten

consumers in the UK feel that they are undereducated in terms of personal finance[63]

50% of UK

customers believe it is their bank's duty to help them make better financial decisions[63]

75%

of young people in the UK get their financial understanding from parents and other family members[63]

82%

of students would like more financial education in school[64]

39%

of adults (20.3 million) don't feel confident managing their money[65]

63 Business Insider, Research by Bank Leumi and cited by 'Finextra'.
64 London Institute of Banking and Finance; Young Persons Money Index https://www.libf.ac.uk/study/financial-capability/young-persons-money-index
65 Money Advice Service, Market Segmentation (January 2019)

Digital exclusion

With the widespread closure of bank branches - 53% of UK outlets closed between 1989 and 2016[66] - the ability to access many financial products and services now depends on costly technology, digital literacy and access to the internet.

In this increasingly online age, those who do not engage effectively with the digital world are being left behind. Technological change means that both digital skills and access to up-to-date technology are increasingly important for connecting with others. This applies to education, social, health and well-being, and financial products and services as well as meeting the changing demands of the workplace.

Older people are less likely to have the digital literacy skills needed to access information online while some younger people struggle to pay for the digital technology required to connect effectively. People who live in rural locations with poor internet connection or who cannot afford fast broadband connections are also at a disadvantage.

The digital divide between those who have access to information and communications technology and those who do not, presents another barrier to financial inclusion.

3.8 million
UK households have no internet access at all[67]

8%
of people in the UK (4.3 million people) are estimated to have zero basic digital skills[68]

8 in 10
people have concerns about online security[69]

Older age groups
and digitally excluded households still remain significantly less likely to have internet and are still reliant on the post[67]

In 2019, **7%** of adults suffered fraudulent debit or credit card use from using the internet in the last 12 months[70]

47% of the 4 million
adults who had never used the internet in 2019, were aged 75 years and over.[71]

Older, disabled people are **least likely to use the internet**, while younger disabled groups are just as likely as their non-disabled counterparts to use it[72]

17%
of 16-24-year olds say they have had trouble paying for their communications technology services in the last year[67]

66 Financial Health Exchange, Abandoned Communities Report (July 2016)
67 Ofcom, Access and Inclusion in 2018 (January 2019)
68 ONS, Exploring the UK's Digital Divide (March 2019)
69 LLoyds Bank, UK Consumer Digital Index 2018
70 ONS, Internet Access and use in Great Britain (August 2018)
71 ONS, Internet users UK: 2019
72 ONS, Internet Access - households and individuals, Great Britain (2019)

Gaps and challenges

To gain a deeper insight into today's barriers to financial inclusion, we carried out research, including interviews, with a range of charities and social enterprises. We talked to them about the effect of COVID-19, the solutions that are currently on the market and the interventions they feel could have the biggest positive impact. This coupled with our existing research, allowed us to identify several overarching challenges which we have outlined below.

The banking sector, charities and social enterprises need to forge stronger links to tackle the challenge

The complexity of circumstances makes it apparent that a collaborative approach between retail banks, charities and the private sector is required to fully address existing challenges. These organisations cannot work in isolation, as each serves a unique purpose in an individual's journey.

People from deprived communities who do not have support networks in place are particularly susceptible to financial exclusion and, are more likely to seek support from local community groups they feel they can trust, than engage with financial institutions.

Community groups provide targeted support to build confidence, self-esteem and deliver education around basic money management. They also give practical support and advice with finding employment.

To have real impact, the banking sector and community groups should strengthen their ties, working closer together to ensure a holistic understanding of an individual's circumstances. This will help identify the immediate support required and what's needed to get people on their feet. A collaborative approach should ensure all blind spots are covered—for example, while charities may lack the resources of banks, their personal contacts and grassroots support means they can provide unique insights which banks would struggle to access.

Financial inclusion is often a low priority for third sector organisations when they are dealing with clients' complex and multifaceted issues. Charities may only become aware of a client's financial difficulties when the situation has become extreme. Through a more rounded relationship, the third sector and banks could work in partnership to provide earlier and more effective intervention.

How banks interact with vulnerable people can depend on the connection the bank has with the group or charity supporting that individual. For example, if a branch has strong connections with a local group or a partnership with a national charity, a person supported through these organisations might experience a 'warm handover'. However, if someone's support comes from elsewhere, that experience could feel very different.

Specialised support is needed

Life has a very short-term focus for the most excluded in our society. People living hand to mouth are unable to think beyond their basic needs for that week. One-to-one specialist support could help individuals navigate the financial system, while things are still under control. Understanding the specific challenges that people are faced with, and identifying tailored solutions, as opposed to a 'one-size fits all' approach is crucial here.

Many third sector organisations play a pivotal role in educating and informing their clients about their financial options, but this knowledge is dependent on individuals' local networks and contacts, with little formalised training.

People with mental health and resilience challenges, such as care leavers or victims of abuse, are also less prepared to address their finances or seek employment, and need hands-on support and guidance at key life stages.

Gaps and challenges (continued)

Systemic change is required

Currently banks are mainly focused on supporting and meeting the needs of their existing customers and dealing with the impact of COVID-19 on their own business. Existing products and services are no longer serving the shifting needs and preferences of customers that have been triggered since the pandemic. We suggest that a more forward thinking, inclusive approach would be to ensure all products and services are designed with vulnerable people in mind—a shift which would benefit everyone.

Financial exclusion can impact anyone and the pandemic has shown how quickly individuals can move from relative financial security into financial crisis. However, most available financial products and services have not kept pace with our ever evolving society. For example, people with disabilities have found themselves digitally excluded because many websites selling essential goods and services are not accessible. In fact, a study sponsored by the UN in 2005 with accessibility agency Nomensa, found that 97% of websites in the UK did not meet minimum levels of accessibility.

The nature of the banking system, with its extensive risk evaluations, means that individuals who are most in need of financial support are the least able to get it. As a result, people on low incomes are turning to higher risk forms of credit which come with crippling interest rates. This is, in part, due to bank loan application processes not evaluating individual's circumstances holistically and a lack of trust in the system on the side of customers.

Need for simple and targeted financial education

We know there are a myriad of financial education solutions on the market with varying levels of success. These range from educational resources for schools to websites full of advice, workshops and one to one support. However, the central issue of the complex nature of financial products and the language associated with them is still a barrier for many people. Resource developers should be mindful of the approximately nine million adults in the UK are functionally illiterate[73] and that the UK-wide average reading age is equivalent to the expected reading age of a 9-11 year old.[74]

We believe there is a gap in basic financial education that needs to be closed before more complicated issues can be addressed. For example, people should understand how to open a bank account, what words like 'outgoing' mean and how to pay rent, before they start learning about ISAs and APRs.

Financial education could also be offered at key life stages, for example, at the point of independent living, when individuals get their first job, emerge from debt, open their very first bank account and so on.

Building financial education into the curriculum is to be welcomed but vulnerable people not in education and employment (and who most need the advice) can miss out on these valuable lessons. In addition, we believe that good money management skills need to be deep-rooted at an early age to prevent negative behaviours becoming engrained.

The challenge is further aggravated because people most in need of financial education, are the least likely to go looking for it in conventional places. We would argue that consideration could be given to more creative routes to connect with hard-to-reach audiences through influencers, gamification and existing platforms with high traffic.

73 The Guardian, Britain's battle to get to grips with literacy
74 Office for National Statistics, How we read on the web (2017)

Gaps and challenges (continued)

Banks need to be more approachable

We know that 50% of the unbanked would prefer to go without a bank account, relying on friends and family for support instead. We discovered that roughly 70% prefer to borrow from friends and family due to a mistrust in institutions, a fear of being in debt, past experiences with pay day lending, and the perceived reduction in risk borrowing from a friend or relative.

There can be a fear of engaging with financial institutions among the homeless, young people, victims of abuse and other vulnerable groups. There is however an opportunity to break down barriers, for example by training contact centre and branch staff. Consciously or unconsciously, the excluded may remain excluded because of language and appearance.

Financial institutions could simplify their complex language. Bearing in mind the surprisingly low average reading age in the UK, there is an opportunity to apply more concise and approachable language to financial products and services.

Using hyper-personalisation, banks can integrate behavioural nudges into their product design in order to reach underbanked customers. There are both demand-driven and supply driven factors that help explain why some customers are underbanked.

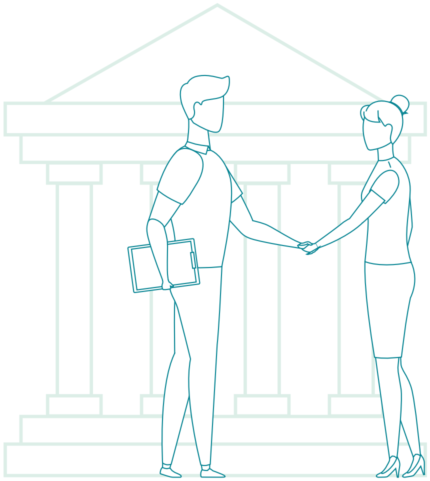
Many vulnerable groups view bank branches as intimidating and accessibility is a challenge for many disabled people with even simple tasks like withdrawing cash proving difficult. Increasing digitisation of banking in branches, such as automatic paying-in points, may help people who struggle with face-face interaction but presents an additional barrier for people uncomfortable with technology or with visual impairments.

Telephone banking also has its challenges. Older people in particular are often agitated by having an inconsistent customer experience, for example, speaking to different representatives and having to explain their situation multiple times. The trend away from human contact, with the increasing use of artificial intelligence (AI) and robotics, limits the opportunity for vulnerable customers with complex circumstances to build trust with their bank and see it as a 'safe space'. This is particularly pertinent to vulnerable groups who are less likely have a query which matches the call centre script.

However the central position of banks on our high streets delivers an opportunity to re-think the breadth and depth of the role they play. Branches could develop more engaging relationships with customers through stronger local connections and charitable collaborations to provide a range of additional support services.

Banks need to re-think their role to support prevention

The breadth and depth of data held by banks about an individual offers an insight into an individual's behaviour that is not widely known. When viewed through a financial inclusion lens this knowledge provides an opportunity for the sector to play a more preventative role; flagging behaviours and patterns and putting mechanisms in place to support individuals before the situation escalates. This intervention has the potential to be lifesaving, particularly in the light of the recognised link between financial abuse and murder by the abuser. However, it does also raise interesting ethical questions around the role a bank should play in supporting its customers and where lines should be drawn.



The opportunity to make an impact

Using the insights gathered, we lay out six areas of opportunity for banks and Deloitte to improve financial inclusion.

As well as improving existing customers' financial well-being, we believe financial inclusion will build trust and help attract new customers. At the core, the six measures involve innovative product and service development.

Building on the lessons learnt from COVID-19

Consumers have taken a hit on both their financial resilience and mental health as a consequence of COVID-19. Banks have responded quickly and flexibly to alleviate the financial strain on customers—particularly those most vulnerable—with a compassionate approach and innovative credit solutions.

As social-distancing restrictions persist, the strain will continue. The onus is on the financial services industry to support consumers in ways that are responsible and most likely to lead to long-term positive outcomes.

Looking to the future, banks can build on the lessons of COVID-19 to address the needs of the most vulnerable, ensure an accessible and inclusive approach. COVID-19 has raised the profile of financial inclusion within banks and highlighted the need to develop and deliver innovative financial products and services which support all customers. Banks have an opportunity to play a crucial role in the UK economic recovery through transforming the way they look at financial inclusion and how they structure themselves to support it.

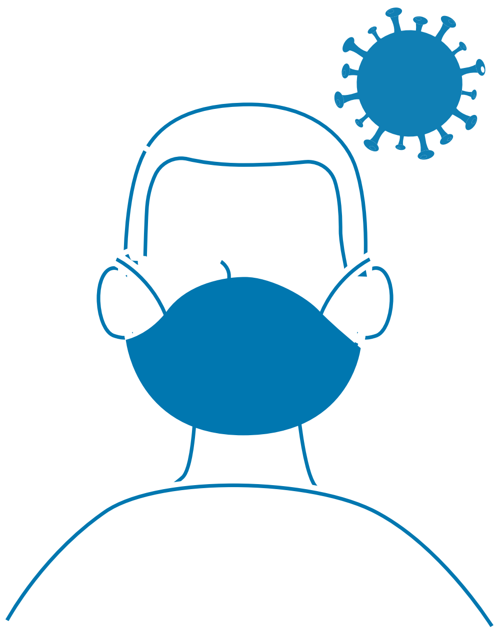
Personalised banking

People who are financially excluded face complex issues that further isolate them from trusting financial institutions. Addressing these challenges could inform the development of services and products specifically designed to target an individual's needs and wants.

The creative design and production of financial products calls for a bottom up approach and insight which reflects a customer's real life requirements. 'One size fits all' does not work because individual circumstances vary considerably across different social, cultural and community contexts. Financial inclusion should be embedded as a criterion during the early stages of product development to ensure that new digital products for financial services are designed with this in mind.

Banks should review existing processes around opening current and savings accounts, granting loans, mortgages and insurance. In doing so, banks need to evaluate risks of bias, conscious or unconscious, directed towards the financially excluded. They should investigate ways to make holistic, rather than purely financial, decisions.

There is also an opportunity for banks to review their target customer base post COVID-19.



The opportunity to make an impact (continued)

Specialised support

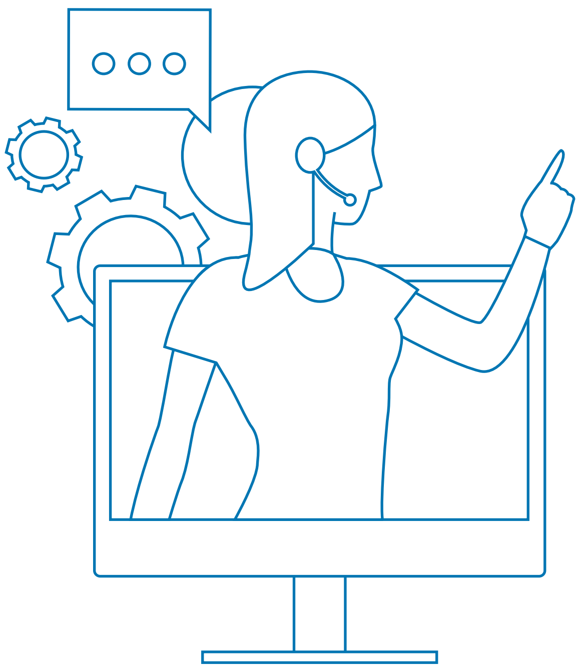
Understanding the needs and wants of an individual means looking at life through their eyes. It means understanding the relevant factors and nuances. In order to achieve the greatest impact, end to end support solutions are required which consider people holistically. A dynamic and responsive process of listening and learning prior to implementing is therefore critical.

This approach can be supplemented with personalised advice, tailored to individuals' circumstances with ongoing specialist support. Within communities impacted by poverty or social isolation, being able to interact face to face with someone and engage at frequent touch points with support providers is crucial for establishing strong, authentic and trusting relationships. Credit unions and charities have mastered this approach and warm-handovers with such organisations will play an important role.

Prevention is critical in supporting vulnerable people. How can we support people to be more pro-active about their own finances and enable the banking sector to play a part in detecting challenges early on?

Banks have a pivotal role to play in identifying early triggers and applying behavioural nudges to intervene appropriately at the relevant stages. They hold the data and capability to identify unusual spending, fraud and financial abuse. They can analyse transactions to flag difficulties individuals may be experiencing. Supplementing this information with knowledge about the lived experience of financial exclusion should enable banks to spearhead support to the most vulnerable. Solutions to address this would require GDPR considerations.

Wider collaboration and knowledge-sharing among stakeholders is key to understanding first-hand experience of financial exclusion. Working with social enterprises, charities and public sector organisations would enable better understanding of the situational contexts and current obstacles individuals face. This insight should allow banks to pre-empt the negative outcomes of financial products that do not accommodate and/or are inaccessible to certain individuals.



The opportunity to make an impact (continued)

Approachable banking

Banks also have some work to do in terms of customer perception. Can they make themselves more accessible, working alongside customers as a trusted friend, to encourage honest conversations to take place, without fear of negative implications? Ensuring a warm, kind and compassionate tone and approach—irrespective of circumstances—would improve communications with customers who might be subject multiple anxieties and stress.

Staff training and cultural change is essential if banks want to improve financial inclusion. This might include raising awareness around specific circumstances such as mental health, but it is also about developing an understanding about the causes of an individual's disadvantage and offering an empathetic approach which might pre-empt a situation getting any worse.

Staff should feel confident in handling challenging circumstances but have the support of specialist teams if an individual's needs are especially complex.

There is more to be done to make products and services easy to understand through the use of more accessible language along with a need for more channels offering free independent guidance for the most excluded.

The opportunity to make an impact (continued)

Money made easy

To be effective, financial education needs to be accessible, digestible and framed to suit customer capabilities, preferences, motivations and behaviours. As well as delivering facts, it should give people the confidence to interact with financial institutions so that they can make good decisions and build a trust-based relationship with their bank.

As things stand, financial language, or jargon, is a significant barrier. It is our belief that it is the responsibility of banks to simplify the language and terminology they use to describe banking products and services to enable more people to access them successfully.

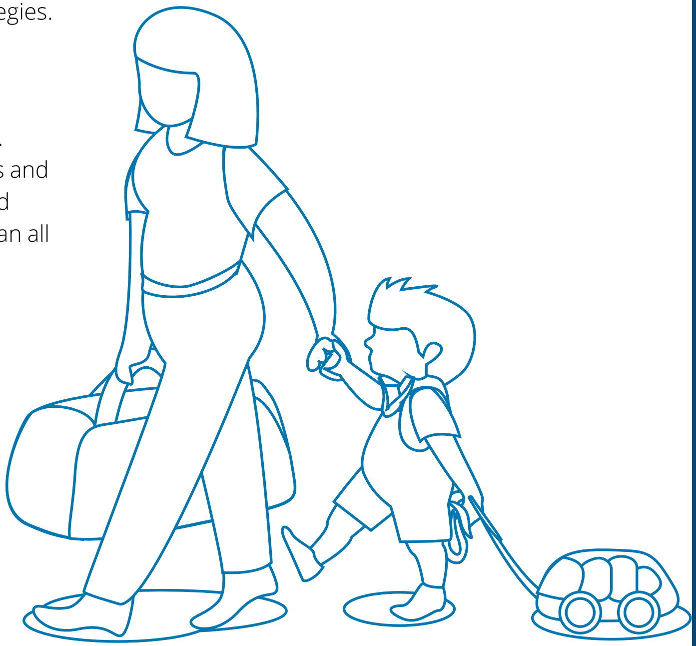
Financial education has two main functions:

1. To enable individuals to better manage their own finances and make good financial decisions
2. To shine a light on an individual's own spending patterns and habits so that they can make better decisions based on their own tendencies and behaviours

Together, the impact will enhance financial well-being. Moreover, there are social, health, and economic benefits to be achieved. Education is required at school ages with reinforcement throughout adult life.

Low literacy and numeracy skills in the UK population as a whole combined with limited access to effective financial education is making financial-decision making increasingly onerous for consumers. Problems with financial decision-making are particularly evident among financially excluded individuals. Enabling education, meanwhile, can be targeted: for example, to support debt prevention strategies.

Without financial knowledge, people may choose unaffordable financial products because they appear to be the only option. Lack of knowledge, low awareness of terms and conditions which can acquire debt, reduced options, and reduced assets and savings can all expose people to financial vulnerability.



The opportunity to make an impact (continued)

Inclusive financial services sector

To become fully inclusive, the financial services sector needs to embrace diversity at all levels forging ties with charities and embedding itself into the local ecosystem. Research from our Better Banking survey demonstrated that customers are more likely to choose a bank which makes a positive social impact.

We believe there is an opportunity for banks to recommunicate their values and explore a range of opportunities to strengthen inclusion and create opportunities to support the more vulnerable through re-skilling and apprenticeship opportunities. There is also an opportunity for banks to improve diversity within their organisations by recruiting and investing in the development of more diverse talent.

Purpose-driven financial organisations that show empathy and inclusion are likely to be recognised as industry leaders. In their actions, they demonstrate they are playing their part not only in the economic life of the nation, but also enabling longer term stability and wellbeing of society.

There is an opportunity for the financial services industry to collaborate on practical and powerful initiatives to lessen financial distress.

Market leaders in banking services will see financial inclusion as more than a nice-to-have add-on. It will be at the heart of all they do.

The opportunity to make an impact (continued)

In 2021, Deloitte will launch a Financial Inclusion Network to bring together people from across the financial services industry, charities, social enterprises and the private sector.

Our aim is to share information about problems, causes and best resolution practice. In collaboration and with innovation, we have the best chance of achieving the shared goal of improving financial inclusion in the UK.

Now is a critical time in the development of financial inclusion. The COVID-19 pandemic has worsened a situation that was already affecting millions of people in the UK. Because of the crisis, even more people are suffering poor financial wellbeing or are at risk of tipping into financial difficulty. Many are finding they are unable to access the financial products and services they need to get their lives back on track.

There is an opportunity for banks to support their existing customers and attract a broader customer base. As this paper has shown, a collaborative approach is likely to produce greater positive impact.

To read more about our work improving financial inclusion, and to sign up to our Financial Inclusion Network, please visit our website.

It is our intention to engage across the sector, to fan the flames of constructive debate, and to drive change. Should you wish to discuss how we can work together, please get in touch.

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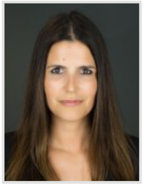

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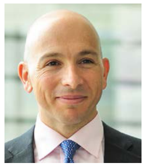

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Appendix

Existing initiatives addressing financial inclusion in the UK

Since the term 'financial inclusion' first emerged in 1997, many milestones have been passed; Basic Bank Accounts were introduced in 2003, HM Treasury published 'Promoting Financial Inclusion' in 2004 and the Financial Inclusion Task Force was set up in 2005.

Over the past decade, the UK government, financial institutions, FinTechs, charities and social enterprises have responded to the challenge of financial inclusion with multiple products, programmes, initiatives and technology solutions. In 2014 financial education was introduced into the National Curriculum and in 2015 the Financial Capability Strategy[51] for the UK was launched by the Money and Pensions Service.

While many of these measures have encouraged more people to access the banking system, financial inclusion is still a challenge; availability of suitable ID, limited money management skills, low levels of financial literacy, and digital exclusion all present considerable barriers.

Trust and suspicion of global financial institutions remains a challenge—as demonstrated by the thousands of UK residents who choose not to open a traditional bank account—while community-based credit unions, social enterprises and specialist charities tend to receive a warmer welcome from consumers.

There are currently 100,000 social enterprises operating in the UK. Some social enterprises support people directly with alternative low-cost financial products while others address the underlying causes of financial exclusion by, for example, providing employment, boosting confidence and signposting people towards additional local support and solutions. These specialised services have been helpful in targeting specific issues experienced by the aforementioned groups, moving beyond the mainstream product offerings which oftentimes lack the nuance required to assist the most disadvantaged.

Specialist charities build close and trusting relationships with the people they support and provide a variety of options for people who are financially excluded. As well as the tailored guidance for a particular issue—such as mental health, homelessness or disability—many charities run campaigns to improve access to benefits, education, training, jobs and online resources.

Credit Unions are run by members who have something in common such as a religious affiliation or community connection. Much like traditional banks and building societies, they can offer a range of savings accounts, current accounts and loans but their not-for-profit framework establishes tends to engender trust with members.

To appreciate the current response to financial inclusion, we have considered the initiatives currently being offered under five broad categories:

- Relieving debt
- Easing access to financial services
- Improving financial literacy
- Addressing specific needs
- Response to COVID-19

Relieving debt

Individuals borrowing more and more money, at higher and higher interest rates, can find themselves in a never-ending debt cycle. People who are financially excluded are more likely to experience this kind of debt and resort to high interest rate options that are easier to access such as pay-day and door-stop lenders. People who don't use banks or accredited lenders are often borrowing from family and friends but this brings its own problems.

Close personal relationships between borrowers and lenders can add stress rather than be helpful. Payment terms may be unclear, repayment can be demanded at any time with little notice, and conditions under which people borrow can subject them to economic abuse.

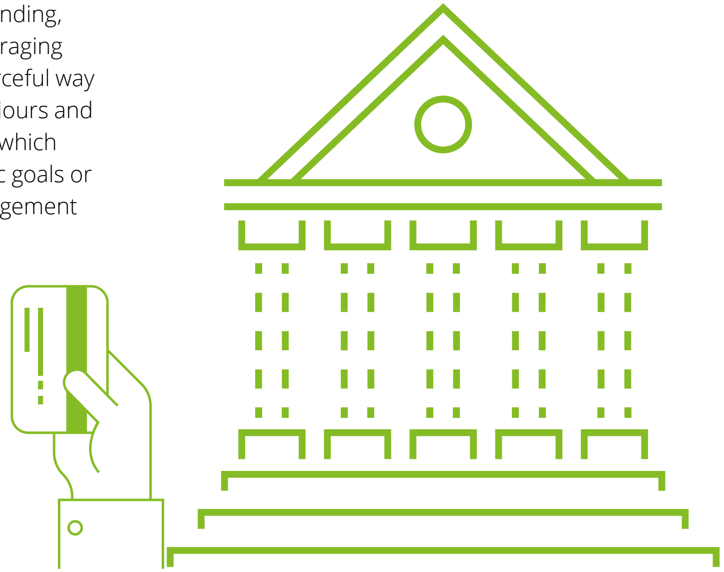
As these are usually personal arrangements, borrowers and lenders are exposed. There is no regulatory protection, and the fear of upsetting friends and family can be a further barrier to seeking help.

Retail banks

Retail banks offer advice in this area both in branch and online. In October 2020, the 'Stop the #DebtThreats' campaign, which is backed by many retail banks, successfully persuaded the government to change the decades-old law where lenders send intimidating letters to people with problem debt, negatively affecting their mental health and contributing to suicidal thoughts. Lloyds has partnered with the Good Things Foundation to deliver financial inclusion programmes which show how digital can empower people to build their financial capability.

FinTechs

On the whole, the FinTech approach nudges behavioural change by tracking spending, setting up budgeting pots or encouraging regular saving. Nudges are a resourceful way to switch away from harmful behaviours and encourage positive habits. Nudges which are tailored to a consumer's specific goals or needs enable better financial management and greater control over spending with the use of prompts and notifications, which remove cognitive effort and increase understanding of one's financial situation. Examples like Plum, Wollit and Tully deliver smart saving tools, bespoke budgeting and accessible banking services. In 2019 Nationwide launched it's 'Open banking for good' challenge, partnering with seven FinTech companies to address financial inclusion.



Relieving debt (continued)

Challenger banks

Challenger banks have also shown themselves to be innovative in this area, incorporating money management elements into their accounts.

Credit unions

A survey of credit union members by the Financial Inclusion Centre[75] found the majority of respondents viewed a credit union as an invaluable alternative to high-cost credit such as payday loans, rent-to-own firms and door-step lenders. Credit unions are leveraging this trust to deliver loans and services with kinder terms than banks. They have successfully engaged with partners such as the Scottish Government and Library Services to offer additional services and encourage regular saving.

Credit Unions and Natwest are backing PayPlan which offers products and advice for people on low incomes or who find themselves in a financial crisis. Customers can contact PayPlan via secure and accessible social media platforms such as WhatsApp.

Social enterprises

Social enterprises are also offering alternative financial products; MoneyLine provides affordable low-value loans to low-income households while Fair Finance aims to deliver financial services that improve the financial wellbeing of its clients.

Social enterprise lender Fair for You was set up as an alternative to payday loans to provide 'fair, flexible and affordable credit' for vulnerable low-income families. It has provided a total of £10 million in loans since it was established in 2015 and reports of the social impact of its work in an annual review.

Charities

Charity StepChange helps people with money management and financial difficulties through free, confidential and personalised expert debt advice, both online and on the phone.

75 The Financial Inclusion summary report (2018)

Easing access to financial services

Hurdles faced by people wanting mortgages, loans and insurance as well as savings and current accounts, are a significant factor in financial exclusion. Our research suggests that FinTechs, challenger banks and charities are moving faster in this area than more established financial institutions.

In general, FinTechs, have made it much easier for new customers to open an account, with the whole process usually achieved, online, in minutes. However, there has been some controversy around e-money institutions—including instances of customer accounts being frozen, leaving vulnerable people unable to access their money.

In 2018 the UK government launched a **Help to Save** scheme, which is a type of savings account which allows certain people entitled to Working Tax Credit or receiving Universal Credit to get a bonus of 50p for every £1 they save over four years.

Improving financial literacy

The UK government, financial institutions, FinTechs as well as charities and social enterprises have tried to bridge the knowledge gap in finance by delivering advice and education across a broad range of channels. Financial education is now part of the National Curriculum and in 2015 the **Financial Capability Strategy**[76] for the UK was launched by the Money and Pensions Service.

Employers are increasingly mindful of the negative impact of money worries on their employees and many offer 'financial wellness' advice and guides as part of their HR resource.

The **Financial Inclusion Alliance** has produced a report with **Tomorrow's Company**[77] which explores the roles of businesses in developing financial security, wellbeing and inclusion strategies to help Britain's working poor.

Credit unions are less visible in this area; concentrating on financial 'health checks' and delivering financial advice via their websites while retaining focus on responsible saving.

The **Charities** play an important role in providing targeted one-to-one support to their clients to help them understand what support and services are available to them, how to manage their finances and to improve their financial understanding.

In a report written in 2019, FT Advisor[78] assessed a number of financial education initiatives and highlighted the importance of the professional qualifications of the person delivering the training, the positive impact of 'gamification' on young people and the increased likelihood of engagement if the content feels relevant and tailored to the audience.

Retail banks are working hard on initiatives to address this issue— through both general and targeted solutions. For example, Natwest MoneySense is a free financial education resource for schools, parents & young people aged 5-18, NatWest has teamed up with broadcaster Emma Gannon to produce a guide for freelancers and Barclays has 'Money Mentors' offering online information and practical learning activities related to budgeting, managing debt and credit scores.

HSBC UK has a primary school initiative called Fairer Tales: Stories, Roles and Dreams

This initiative is targeted at First Steps learning for Reception, year 1 and year 2 in a range of formats including classroom, digital and video. They take familiar fairy tale stories and add a twist to them to support financial education. This encompasses things like an exploration of why we go to work, earn money and how this influences our financial decisions.

The challenger banks have also been proactive although on a smaller scale—MetroBank has introduced a financial education programme for kids and adults and Monzo has an initiative ensuring customers in financial difficulties are contacted in person with tailored advice.

The Big Exchange, which is aiming for 'a financial system which works for everyone', offers accessible advice about how to choose and use financial products on its website.

Among charities, The Money Charity is committed to financial inclusion, delivering free workshops for 11-19 year olds, training for adults to help anyone get on top of their money and a free budget builder tool. The Just Finance Foundation is working with schools to offer Lifesavers financial education.

76 The Financial Capability Strategy
77 Financial Inclusion Alliance: Tomorrow's Company 'Serving All' (January 2020)
78 FTAdvisor, Improving financial education (December 2019)

Addressing specific needs

To reach customers facing specific difficulties some organisations have chosen to partner with third sector organisations while others have taken a more direct approach. In this section we take a closer look at the initiatives which have been launched to tackle:

- Gambling
- Mental health
- Bereavement
- Financial abuse
- Homelessness
- Disabilities and health
- Modern slavery

Gambling

From April 2020 the Department for Culture, Media and Sport imposed a ban on credit cards being used for gambling and over the last two years, eight banks, including HSBC, Lloyds, Natwest and Monzo, have begun offering gambling blockers on certain products and ranges. These enable customers to temporarily prevent spending on a bank cards at gambling outlets, both online and in-person and it's estimated that these cover 60 per cent of personal current accounts.

However, a review of the availability, uptake, and effectiveness of bank card gambling blockers in the UK released by the University of Bristol in July 2020 estimates that 28 million personal current accounts do not have the option to block gambling expenditure.

In collaboration with GambleAware, which commissioned the study[79], the researchers put forward a number of proposals to improve the effectiveness of gamble blockers. The suggested measures include calling on the Financial Conduct Authority to recommend gambling blockers as standard on debit and credit cards, and proposal for a cross-sector consumer awareness campaign placing bank card blockers alongside other forms of self-exclusion and player controls.

Gamcare offers specialist advice to problem gamblers whilst also providing gambling blockers software direct to consumers.

Mental health

HSBC UK launched a mental health education programme for its employees in 2019 and First Direct has partnered with Mind to offer mental health training across its organisation. The First Direct initiative includes Mental Health First Aiders and a core team available to take care of customers identified as being acutely vulnerable.

Mind supports people with accessing benefits and sick pay and is currently running campaigns around Back to Work, Sanctions and the Work Capability Assessment. The Mental Health and Income Commission has been set up by the Money and Mental Health Policy Commission to examine the link between mental health and income.

Lloyds launched a partnership with Mental Health UK in January 2017 and in 2018 launched its "Get the inside Out" campaign, again with the charity, aiming to help normalise conversations around mental health in society. The bank has raised over £11 million in fundraising for Mental Health UK since the partnership began and aims is to raise a further £4 million by the end of 2021 to expand 'Bloom'—a UK-wide program delivered in schools and colleges which supports young people's mental health resilience.

Bereavement

In 2016 banks, building societies, charities, trade bodies and consumer groups came together to form the industry's first Financial Services Vulnerability Taskforce, chaired by Joanna Elson OBE, Chief Executive of the Money Advice Trust. They agreed a set of principles and recommendations for the industry to deliver improved outcomes for customers. Under the Vulnerability Taskforce principles, the UK's largest high street banks and building societies worked to design and deliver the Bereavement Principles for personal banking customers, to offer greater help and support for bereaved families.

79 University of Bristol: Money and Gambling; insight an evidence

Addressing specific needs (continued)

These included greater consistency in steps taken following the notification about the death of a loved one, and an internal one-stop notification system across products within UK brands[80].

Financial abuse

In 2017 UK Finance's Financial Abuse Project Group and Consumer Advisory Group brought together representatives from charities, victim support groups and government departments to develop a voluntary **Financial Abuse Code of Practice.** The ambition is to increase awareness and better understanding of what financial abuse looks like for firms, colleagues, victims, potential victims and their families, and ensure more consistent support for those who need it.

In June 2019, **HSBC UK** introduced an untraceable sort code as part of a new procedure to identify victims of financial abuse and help them regain control of their finances and in October 2019, **NatWest** announced a £1m fund for **SafeLives** for the support of economic abuse victims. Together they have published a guide to help highlight the signs that someone may be experiencing financial abuse.

Lloyds Banking Group has set up a Specialist Domestic and Financial Abuse Team in partnership with **Surviving Economic Abuse (SEA)**. The bank is also backing the government's **#YouAreNotAlone** campaign—which helps those suffering from domestic abuse—and is working with **Relate** to assist customers solve financial difficulties associated with their relationship.

Co-op has run a financial abuse awareness campaign with **Refuge** while **Santander's 'In Someone Else's Shoes'** was designed to increase awareness of the same topic during Domestic Violence Awareness Month.

Homelessness

HSBC UK's 'No Fixed Address' plan is helping people without a fixed home address by providing them a bank account, in partnership with Shelter, and other UK charities. It aims to lift people out of homelessness, by giving them a safe place to keep and spend money received from work benefits. It also helps them spend or save towards their future. Following a successful pilot in Liverpool, the service is currently live in 31 selected branches in major UK cities including London, Birmingham and Manchester.

Monzo and The Big Issue partnered on a pilot to enable **The Big Issue** vendors to re-sell their magazines digitally by their customers **"paying it forward".** Vendors, who were set up with Monzo accounts, benefited from additional revenue from the additional sales.

Addressing specific needs (continued)

Disability and health

Several banks, including **Lloyds** offer support to customers facing long-term health problems such as cancer in partnership with Macmillan. Among other things, customers can get help with mortgage payment holidays.

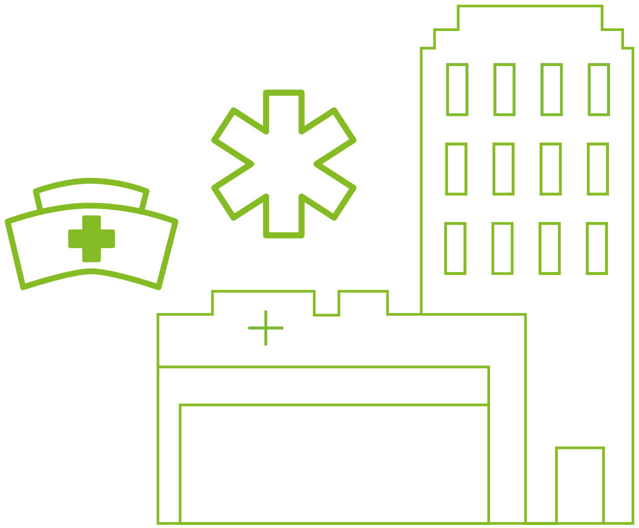
Scope campaigns to create a fairer society for disabled people and their families and runs a number of campaigns including a push to reform sick pay. In 2014 it set up an independent enquiry—**Extra Costs Commission**—to explore the additional financial burdens placed on disabled people and their families.

Website regulations came into law for UK public sector organisations in 2018 which require the inclusion of an accessibility statement on websites and ask for website or mobile apps to be made more 'perceivable, operable, understandable and robust'.

Modern slavery

HSBC UK has launched its **'Survivor Account'** for victims of human trafficking and modern slavery as they work to rebuild their lives after the trauma of trafficking, forced labour, sexual exploitation or domestic servitude.

Santander is a founding partner of **Stronger Together** supporting organisations to tackle modern slavery and also works in partnership with the **Gang Masters & Labour Abuse Authority** to protect vulnerable and exploited workers.



Responses to COVID-19

Financial institutions responded swiftly to the pandemic, with mortgage holidays, easing of credit conditions and support on websites and social media. The government and HMRC have been widely congratulated for communicating and implementing their grant and employment support programmes with clarity and speed. They have made good use of social media, video and email to reach out to people who are entitled to support.

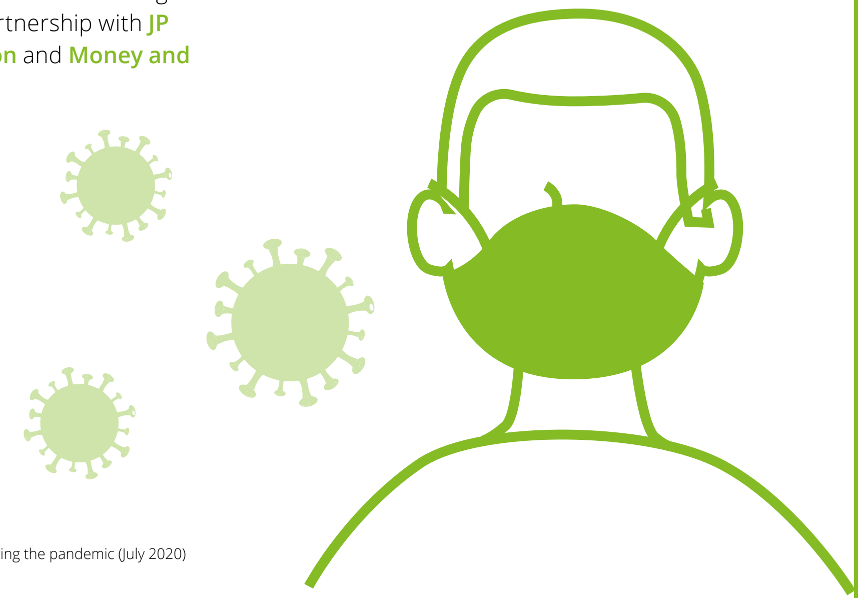
Many other organisations have also provided useful online calculators and advice, notably **Citizens Advice** and **Moneysavingexpert.com**.

A University of College London study found that the government's "**Everyone In**" scheme that rapidly moved 15,000 homeless[81] people into emergency accommodation at the start of the pandemic, saved tens of thousands of England's most vulnerable people from catching the. It also prevented as many as 266 deaths[82]. The successful collaboration of individuals, charities, local organisations and celebrities that made 'Everyone In' a success, is galvanising these groups to work together again to implement measures to prevent a return to pre-COVID levels of rough sleeping.

A new partnership between **NatWest** and the **Prince's Trust** has created a £5million fund to support young entrepreneurs and **Lloyds 'We are Digital'** training was set up to help people access online services such as food shopping and offered priority access to NHS workers.

In the charity sector, **StepChange and PayPlan** have been offering guidance and support to people facing debt and **Turn2us** has made 3,306 grants totalling £1,952,637[83].

In September 2020, **Nesta** the innovation foundation, launched it's **Rapid Recovery Challenge** to find and support tools and services which improve access to jobs and money for people across the UK hardest hit by the pandemic. This £2.8million challenge is funded by Nesta[84] in partnership with **JP Morgan Chase Foundation** and **Money and Pensions Service.**



81 The Big Issue, Homlessness in lockdown
82 The Lancet, Covid-19 among people experiencing homelessness in England: a modelling study (Sept 2020)
83 Turn2Us, Our grant-making during the pandemic (July 2020)
84 Nesta (September 2020)

Case studies

HSBC, Lloyds and NatWest have taken steps to embed financial inclusion more deeply into their organisational structure.

HSBC—supporting victims of financial abuse

The bank has worked alongside charities such as Refuge, Women's Aid and Age UK, as well as other financial service providers, to develop and implement the Financial Abuse Code of Practice. To identify victims of financial abuse and enable them to regain control over their finances, the bank has introduced an untraceable sort code.

HSBC UK branch staff receive training on how to spot the signs of financial abuse and provide appropriate support.

Additional measures introduced by the bank include:

- Separating joint accounts and removing additional cardholders to prevent further abuse
- Appointing a trusted representative to deal with the finances of an individual on their behalf if they are not in the right frame of mind to be dealing with them
- If the customer is unable to provide identification and verification of address due to their circumstances, the bank now accepts a letter from a recognized charity or victim support organization

Lloyds—Helping Britain Prosper

Lloyds Banking Group 'Helping Britain Prosper' plan was established in 2014 to address social, economic and environmental challenges in the UK including financial inclusion.

A Financial Inclusion Steering Group established five themes for the planned initiatives:

- Accessible Products and Services
- Supporting customers in financial difficulty
- Partnerships and signposting
- Culture and capability
- Financial education

In addition, an advisory Group of external stakeholders meet bi-annually to help the bank keep up to date with real effects of financial exclusion in communities and focus on priorities. By 2019, the bank had achieved 91% of the target set including:

- Providing digital skills training to 730,000 individuals, SMEs and charities
- Supporting 2,900 charities through the Group's independent charitable foundations
- Enabling business growth by investing over £2.6bn, helping 230,000 new businesses start up and funding energy efficient real estate

NatWest—Supporting Customers in Vulnerable Situations

NatWest has trained over 69,000 employees in this area and partnered with SafeLives, GamCare, Citizens Advice, Alzheimer Scotland, the Royal National Institute of Blind People (RNIB), BackUp and Samaritans on variety of programmes including:

- Support for British Sign Language users in the UK
- 14,500 Natwest staff became Dementia Friends during 2019
- Accessible bank cards designed with the Alzheimer's Society
- Debt advice with charity partners, such as Money Advice Trust, Samaritans, SafeLives and GamCare Help for people debt
- Commitment to improve financial health of 2.5 million people each year
- Support for young people through its flagship financial education program—MoneySense—which is used in one in three schools across the UK

Case studies

Barclays - Providing access to financial and digital empowerment

Barclays has made a commitment to enhance financial and digital empowerment for millions of individuals and small businesses. The bank is on a mission to help people "embrace the new digital revolution", including providing digital skills education and support for customers and non-customers. Content has been created to suit diverse needs, from in person support to gamified online learning. The bank has brought digital skills programmes to care homes, schools and online into homes.

Barclays has made a commitment to 'making banking easier' through inclusive design and accessible services through the use of new technology. The bank has taken steps to ensure the services it provides are accessible through a range of tools to make banking easier for customers who are:

- Blind, have sight impairment or have difficulty reading
- Deaf, hard of hearing or have a speech impairment
- Neurodiverse and learn and understand information differently

In 2012, Barclays was the first major UK bank to provide customers with audio cash machines, which benefit many customers including those who are deaf, hard of hearing and dyslexic.

Santander – Supporting older people and preventing scams

Santander aims to be the most dementia-friendly bank in the UK. In collaboration with **Alzheimer's Society**, the bank launched a steering group, made up of people living with or affected by dementia. Part of the steering group's role is to review products, services and digital access. In 2020, over half of Santander employees became "Dementia Friends". The bank has delivered training to enable employees to better support customers affected by dementia, and together with **Alzheimer's Society** they launched a practical guide outlining support available for people.
Santander and **Age UK** have been working together since 2016. They joined forces to improve the financial independence of older people. Support has included digital skills programmes and in-person training to help prevent scams and fraud.
The bank has also delivered training programmes to young people, via an in-school mentoring programme 'Wise workshops'. In these sessions, Santander volunteers teach students about topics such as responsible money management, career planning, and staying safe online. Santander partnered with **Kurupt FM** and created an award-winning video series designed to educate young people about online scams.

Nationwide – building homes and community

NatWest has trained over 69,000 employees Nationwide is focused on its roots as a Building Society, in helping people to access quality homes.

The Society is developing Oakfield, a not-for-profit 239 home community in Swindon. In collaboration with the Borough Council, Nationwide identified a brownfield, previously derelict site. The vision for Oakfield is a community of quality homes, where multi-generational families can thrive. Nationwide worked with its members to develop the vision for Oakfield, which will include shared garden, cycle paths, play area and a community hub. The homes will be energy-efficient, with both affordability and the environment in mind.

Nationwide has made £22million available for housing related charities and organisations over the next five years. The Society is working with Shelter and St Mungo's to support rough sleepers. It is a leading sponsor of HomelessWise, a St Mungo's initiative that enables Nationwide branch staff to provide practical help to rough sleepers, including guidance on local services.

The Nationwide Foundation is an independent charity funded by Nationwide. Since 1997 the Foundation has made grants of over £38 million to over 3,000 charitable causes. In 2018, The Nationwide Foundation announced it was awarding over £800,000 in funding to support private rented tenants to have a stronger voice on housing matters.