

Spring 2004




Net gains

Financial skills and the Citizens Advice service



The Citizens Advice service helps people resolve their money, legal and other problems by providing information and advice, and by influencing policymakers.

The Citizens Advice service is the largest provider of money advice in the UK. Most Citizens Advice Bureaux (87 per cent) provide specialist level money advice services, helping people resolve a range of money and debt issues. Last year, Citizens Advice Bureaux dealt with over one million new debt problems on behalf of clients.

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All available to download at www.citizensadvice.org.uk or call 020 7833 7054.

Introduction

Thirty years ago, most people's financial affairs were simple. A bank account, a repayment mortgage and a state pension you could rely on. If you needed a loan, the bank manager thought long and hard before he (usually a he) turned you down. These days, there is a dazzling array of companies lined up to offer a huge range of financial products and services, from savings, investments and pensions to mortgages, personal loans and credit cards. Understanding them and the jargon that goes with them, keeping up with what's on offer and the best deals around is a job that most people don't have the skills, the time or the inclination for.

Two in three consumers¹ feel that financial matters are too complicated for them. Many of us lose money because we lack enough understanding to shop around. It also means that we buy (or are sometimes mis-sold) unsuitable financial products.

Add to this, the fact that many people simply don't apply for tax credits or other state benefits to which they may be entitled because they find the system so complex and difficult to grasp. It is not hard to see how a lack of financial confidence and a shortage of good advice and information impacts on us all.

Fourteen per cent of households with an income of between £150-£200 per week have no mainstream financial products². People on low incomes often incur extra costs because of their lack of financial

understanding and a lack of the advice and support they need to make good financial decisions. And, while customers are losing money, the financial services industry is losing customers. It makes sense that a more financially literate public will have the confidence to buy more financial products and services.

It is in everyone's interests to develop consumer financial capability and as the largest independent free money-advice service in the country, Citizens Advice is at the heart of current initiatives by government, industry and voluntary organisations to increase the financial skills of the public.

Many Citizens Advice Bureaux have developed their own financial education initiatives. At least sixty-five bureaux run projects that help people, especially those at key stages in their lives, to learn how to get - and keep - a grip on their money matters. Financial Skills for Life, a new three-year national financial literacy programme developed by Citizens Advice and Prudential plc, funds nine bureaux to deliver face-to-face financial education to adults on a range of issues.

Net Gains looks at some Citizens Advice Bureaux financial capability work and we hear how some people have benefited. Plus we talk to Ruth Kelly, Financial Secretary to the Treasury, about why financial capability is at the top of the Government's agenda.

David Harker, Chief Executive, Citizens Advice

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Cradle to the grave

If there is one thing we've all got in common, it is money. Understanding it is another matter and we all vary in what we know and what we need to know.



People need support and advice in order to make good financial decisions for themselves throughout their lives. Managing money, handling credit and debt and budgeting are central to all Citizens Advice Bureaux money advice work. Many bureaux have built on that foundation to deliver specific financial capability programmes, helping adults and young people develop the skills to manage their finances effectively.

Schools out

Citizens Advice Bureaux are working with schools to increase students' understanding of money and consumer affairs and to give them the confidence in decision-making they need to start their adult lives.

Basildon CAB in Essex runs 45-minute Money Sense sessions with year six students, who are in their last year of junior school. "These days, many children have televisions in their bedrooms so they are seeing advertising the whole time," says Mary Hennessey, financial literacy co-ordinator in Basildon. "We encourage children to see the difference between needing and wanting something and about the many demands on their parents' money, like the bills, rent etc. Actually, we find

that children from less well-off homes sometimes have more understanding of the value of money, because the family finances are discussed often and more openly in the home."

At secondary level, the CAB sessions fit in with the PSHE and citizenship requirements of the national curriculum. "We cover much more about basic banking, going to work, paying tax and national insurance, what it costs to live independently and so on. The children are always shocked to find out how much tax people have to pay!" says Mary.

"I am saving more for the future than I would have done."

First jobber

Starting your first job brings with it new and sometimes baffling financial decisions, as Matthew Smith found out when he started work after leaving Staffordshire University. His new employer offered him the chance to join the company stakeholder pension scheme. "I found the pack I was given so confusing that I knew I was going to need help to make a decision about it," says Matt, 22. "I made an appointment to see a financial literacy trainer at the local CAB. We sat down together and she basically explained pensions to me, in terms I could understand." The trainer explained that some pension schemes are more transferable than others, a feature that was quite



Matthew Smith, saving for his future

important to Matthew at this early stage in his working life. "She just gave me all sides of the story, without telling me what to do," says Matthew. He eventually opted to join the stakeholder plan and pay 4 per cent extra on top of what his employer puts in. "I am saving more for the future than I would have done if I hadn't had that session because I wouldn't have understood the benefits of paying in the extra contributions," says Matt.

Growing up

Julie Burnett at Lichfield and District CAB gives financial awareness training to other young people just starting out - at a local young offenders' institute, as part of a pre-release course for 18-21 year-old men. "Many of the young men we see have come through the care system. Often they have had limited opportunities for making decisions themselves and don't respond well to 'chalk and talk'. We try and present training in ways that grab their attention." Julie talks to them about practical things such as what their options might be to meet the cost of new clothes upon release. Many of them are still growing and have actually grown out of the clothes they arrived in, so things like community care grants for new ones are important to them, she says. "They are often shocked to

Bedworth and District CAB provides Bite Size money management courses to local people. "I attended a Bite Size confident consumer course here a few months ago, picking up some valuable tips to make sure I get value for money when out shopping" says Jackie Smith, a local receptionist (pictured, centre). The Bite Size money management courses have proved so successful that the CAB has expanded its premises, converting the upstairs of the building, making learning at the CAB easier and friendlier.



find how little the benefits are, that they might need to live on," says Julie. "We talk about how they will manage: how much a pint is or a ticket to a football match, things that mean something to them."

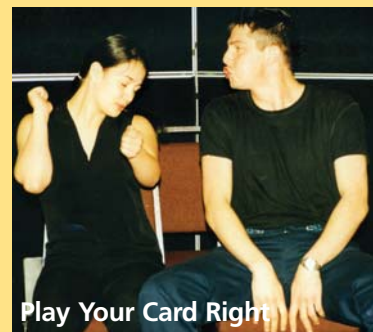
Work in progress

As part of their on-going commitment to staff personal development, Bracknell Forest Borough Council asked Bracknell and District CAB to deliver, Money Talks, a series of lunchtime financial awareness sessions for their employees. "We deliver one-hour sessions on all aspects of financial planning, such as clearing debt, building an emergency fund and retirement planning. We usually start with a fun money personality quiz to break the ice. It's surprising how much people seem to enjoy talking about money and their attitudes to it.

The pensions sessions are usually over-subscribed which just shows how much need there is," says Anne Harding, CAB financial literacy tutor.

Julia Brewer, a library assistant at Bracknell Forest Borough Council, recently attended one of Anne's sessions. "It was really interesting and I picked up some really useful things," says Julia. As the sole breadwinner and mother of four, Julia is keen to find ways to make the most of her income. "My son lives in the States with his wife, so I'd like to visit them. My youngest daughter is keen to go to university, which is great but will obviously mean extra costs. I am going to keep a 'spending diary' for a fortnight, as Anne suggested, so I can show my daughter our budget and we can work out ways to make savings to pay for all the things we want to do."

St Helens CAB in Merseyside took a play - 'Play Your Cards Right' - out to 13-14 year-olds in local secondary schools to promote money awareness. The show, performed by a local theatre group, is followed by a group discussion. "The play is about a young jack-the-lad who runs up credit in order to buy things to impress his girlfriend. Of course, it all goes belly-up and he runs into debt problems," says Vernon Fuller, financial literacy co-ordinator at the bureau. "The kids responded really well and it was a good way of looking at attitudes to money in quite a short timeframe. It was a great opener and enabled me to go back to the schools and run more in-depth sessions about debt, credit, budgeting and saving, at a later date."



Citizens Advice works in many ways to present practical information about handling money matters to the public, when they want and in ways that suit them. We work with media partners, like the BBC's Cash Wise magazine, to increase public understanding of financial matters. And clear, practical information is always available at our public information website, www.adviceguide.org.uk.

Family life

Starting a family is a pricey business at the best of times but, if you're managing on a low income, understanding credit and knowing how to budget can stop badly-needed cash draining out of the household purse to pay for high interest credit deals.

The credit market has boomed in the last thirty years and is now worth a staggering £169 billion³. There are over 1300 different credit cards and store cards, and credit agreements.

You can borrow money to buy everything from clothes, cars and computers to home improvements and disability aids. But the terms of many credit agreements are so complex that many people sign up for deals that they don't fully understand. 84 per cent of people find the language used in credit paperwork was confusing⁴. Debt has become a more socially acceptable way of managing personal finances. But recent Citizens Advice research found that one in five people who have loans and credit are using that credit to cover everyday household bills and a rising number of people are becoming over-committed and slipping into unmanageable debt⁵.

Shop around

Powys CAB runs regular sessions for Sure Start clients at various community venues in Wales, attended by young mothers, who are often

"We know they won't necessarily come to us, so we go out to where they are."

trying to manage on little money. "As well as talking to them about benefits and tax credits, we also do well-attended sessions on how much expensive consumer credit can cost," says Jayne Wynn, financial literacy trainer. "Many of the women we see are renting basics, like fridges and washing machines, which, in effect, they have paid for many times over. Once they understand more about how credit works, they might have the financial confidence to choose a cheaper option, like buying the goods outright." The sessions are held at 'drop-in' coffee mornings and a crèche is available on site. "We know they won't necessarily come to us," says Jayne, "So we go out to where they are."

Young at heart

These days, people are expected to make adequate provision for their own old age and not to rely on a shrinking working age population to fund their retirement. Understanding pensions is crucial to all of us but the complexity of products and a backdrop of mis-selling scandals means that many people just aren't saving enough for their retirement, which could mean twenty or thirty years of impoverished old age.

The approach to retirement is a period of great change for most people and Godalming CAB works closely with the Pre-Retirement Association (PRA) to help local people develop the confidence to plan effectively for this. CAB manager Carol Dunnett says, "We are working with the PRA to develop better ways of delivering financial support to older people planning for their retirement."

Citizens Advice Bureaux are also helping many older people living in retirement.

Older and wiser

Castle Morpeth CAB runs financial literacy sessions for older people at local day centres, to raise awareness about issues like the recent changes that saw pensions being paid into bank accounts and help them to understand the new arrangements. Many older bureau clients can be confused and worried about alterations to the system. "We see clients in groups at a number of community outreach venues and then offer home visits, to give individuals the real one-on-one support they need," says Jane Miller, financial literacy adviser. The bureau provides financial awareness support as an integral part of its general debt and money advice work. "If we have been working with a particular person, helping them to get on top of any debt issues they may have, we will also make sure they are receiving all the benefit to which they may be entitled. Then we try to help them understand more about budgeting, money management and so on," says Jane.

Financial Skills for Life

Financial Skills for Life is the Citizens Advice national financial literacy project. It was established in partnership with Prudential plc in recognition of the growing number of bureaux working at the heart of their communities as trusted and independent sources of information and financial education. Currently, nine bureaux, funded directly through Financial Skills for Life, are capturing 'what works' through working with a range of audiences including mental health service users, prisoners and unemployed people.

"Our work really demonstrates the benefits of community level financial literacy projects. Local partner agencies and learners themselves value the expertise in money matters that bureaux bring to the job," says Kate Taylor, National Financial Literacy Development Officer at Citizens Advice.

Financial Skills for Life is also providing opportunities for all bureaux involved in financial capability to have access to the right training, tools and opportunities to share good practice. "Thanks to the project, we can now provide bureaux with things like our new three-day training course for financial literacy tutors. These 'behind the scenes' activities help to ensure that our work is based on good practice," says Kate.



Recent MORI research for Prudential plc showed that independent, non-profit making organisations such as Citizens Advice, schools and education centres are the preferred organisations to take the lead in the drive to improve personal finance education⁶. Liza Vizard (left) is Head of Corporate Responsibility at Prudential plc. "Financial Skills for Life

was established in response to Citizens Advice evidence that showed how many individuals lack confidence and are ill-equipped to make crucial decisions on matters such as consumer credit, government tax credits, utilities, pensions and insurances. Citizens Advice called for improved consumer information from financial services providers and government and we are fully committed to playing our part in pushing for that." Prudential plc's involvement with Citizens Advice is part of their Plan for Life Learning initiative, which includes work with the Personal Finance Education Group (pfeg) and National Institute of Adult Continuing Education (NIACE).

The following bureaux are part of Financial Skills for Life: Fenland CAB, Islington CAB, Bradford CAB, Debt Advice Within Northumberland, Citizens Advice in the Borough of Wigan, Bracknell and District CAB, Powys CAB, North Liverpool CAB and Walsall CAB.



PRUDENTIAL

Moving on

Social and financial exclusion are inextricably linked. Research shows that people who use few or no financial services are more likely to be living on benefits in deprived neighbourhoods, without paid employment. Many, but not all, are social housing tenants⁷.

The particular circumstances of some socially excluded people mean that accessing financial services and handling their finances effectively is even harder. Citizens Advice Bureaux already deliver financial literacy training, advice and support for groups such as homeless people, mental health service users, refugees who are just starting their lives in the UK, people soon to be released from prison and those going through alcohol and drug rehabilitation programmes.



Unlocking your finances

Beverley Grainger and Alex McCoy of Fenland CAB run financial literacy courses for prisoners at HMP Edmunds Hill, a women's prison in Cambridgeshire. The four two-hour CAB sessions are part of the six-week pre-release course. "We cover everything from opening basic bank accounts, budgeting, handling debt, benefits and tax credits. The course is very interactive and we give the women a range of leaflets on the subjects we have covered so they can refer to them later, when they need them," says Alex.

Emma Denton is from the Foundation Training Company, which provides pre-release courses for the Prison Service. She recently evaluated the first series of CAB workshops at Edmund Hill, using feedback from prisoners and prison

workers. "For a pilot, we thought it was excellent and the response from the women was very positive," says Emma. The target is for 500 prisoners to benefit from the courses over the next three years.

A fresh start

Research shows that 6.8 million (21 per cent) of adults aged 16-65 have numeracy skills below Entry Level 3, the standard expected of 9-11 year olds⁸, a key factor to address in tackling the impact of poor financial literacy.

Sue Walduck of Wolverhampton CAB runs financial skills sessions at the bureau and at outreach venues, like the Bridge, where they are part of a drugs and rehabilitation programme.

"There are often numeracy and literacy issues," says Sue, "But just because a person doesn't

have good basic skills doesn't mean they can't understand their own money matters." The CAB sessions are part of a 12-week community rehabilitation course run from the YMCA. Sue sees clients in small groups of about six and each has an individual learning plan that is reviewed half way through the 12 weeks. Needs differ and everyone has varying levels of understanding, when it comes to managing their money. "They receive certificates for attendance and achievement when they complete, which can be a real confidence-booster in itself for someone who is striving to turn their life around," says Sue.

New world

Bradford has one of the highest asylum-seeker and refugee dispersal rates in the Yorkshire and North Humberside area and there are 61 different countries of origin represented in the city.

Language barriers and a lack of understanding of how our system works quickly result in acute problems – insufficient money to buy food; a lack of access to basic requirements like heating; ill-health and even homelessness.

Bradford CAB already does a lot of work with new communities in the city and targets preventative financial literacy work at refugees.

"Many of the people we see are very capable citizens and perfectly financially literate in their own countries. But understanding the system here – benefits, housing, how to get a

Mrs G is a 65-year-old retired schoolteacher and an Iraqi citizen from Baghdad. She was subjected to torture and imprisonment by the previous Iraqi government because of her political beliefs. Last year, she was granted exceptional leave to remain in the UK for four years. Jabrail Aziz, also originally from Iraq and now a CAB advisor at South Tyneside CAB, helped Mrs G maximise her income by claiming her full benefit entitlements. He also helped Mrs G secure suitable social housing and a crisis loan to help pay for essential items for the house. "Because I speak Arabic, she felt more secure speaking freely to someone from her own country," says Jabrail, who has also helped Mrs G enrol onto a language course at a local college. "It's all about understanding the system as a whole. Without our help, it is likely that Mrs G would have suffered from ignorance of the system and been financially worse-off because of it."

gas supply and knowing you have a choice of supplier for example – is a tall order for anyone. Add the fact that many people remain traumatised because of what they have gone through, while they are trying to tackle all these practical issues, and you can see they may need quite a lot of support, certainly in the short-term" says Razina Bostan, the financial literacy team leader.

When people receive a positive decision from the Home Office and know they can stay, the CAB aims to support them through the basics, like finding somewhere to live, how to open a basic bank account, how to meet the costs of essentials like furnishings, cookers etc. If they don't learn to budget and manage the money they do have at that point, problems can escalate very quickly," says Razina.

Understanding differing cultural attitudes towards financial matters is crucial. For example, many Muslim people prefer not to choose products that attract interest payments (when saving or borrowing) because they do not fit with Islamic teachings. Some Muslim people are part of a 'committee', a sort of informal community

savings plan, where they may pay in £10 or so a week. If they need to pay for a large item, they can ask the committee to give them the money. Unlike a mainstream bank, there is much more of a personal commitment to other members of the group. "If a person gets into personal financial difficulties, it can be much harder for them to admit that to other people in the committee who they feel are depending on them. They don't want to fall behind with those payments," says Razina. "Our financial skills work is all set in the context of these cultural distinctions."

Making sense

Basildon CAB in Essex runs Money Sense, a financial literacy programme, working with a number of local partners to deliver workshops, which include budgeting exercises, group

South Tyneside CAB has been awarded funding from the Neighbourhood Renewal Fund, part of which will be used to fund a dedicated financial literacy officer. The bureau will use its existing minority ethnic project to deliver those services to ethnic communities in the area. Councillor Bill Brady, lead member for social inclusion says: "The South Tyneside CAB has developed strong local partnerships which are foremost in our drive to tackle poverty, help create and maintain wealth and increase financial literacy for our residents."

discussions and quizzes, designed to meet the needs of specific clients. One partner organisation is the charity Rethink, which provides support for mental health service users in the area. Kathy Peach is a financial literacy support worker at Basildon CAB. "We run sessions for Rethink clients at Panorama House, as part of their six-week life skills course, which is designed to help service users back into work. It is important to meet them in an informal environment where they feel safe and comfortable, particularly for those who had poor learning experiences at school." So far, over 250 adults have benefited from the sessions. Kathy sees financial understanding as an essential



Kathy Peach, Basildon CAB

skill for people trying to move forward with their lives. "We had one man who told me he'd opened a basic bank account straight away after one session and a woman who decided to put a small amount of savings into a mini cash-ISA. She felt financially confident enough after the course to make that decision for herself."

Training the trainers

Citizens Advice Bureaux have found that 'training the trainers' is a very cost-effective way of spreading their expertise, increasing the capacity of others to build the financial skills and knowledge of their own clients.

Jayne Wynn, the financial literacy trainer at Powys CAB in Wales, trains workers from Cymryd Rhan, a local charity that helps people with mild learning disabilities live independently in their own homes.

"In essence, the workers want financial literacy training themselves in order to provide that advice and information to their clients and to keep their skills and knowledge up to date. They ask us to provide training on whatever area they feel they need – budgeting, insurance or benefits, for example," says Jayne.

Ady Hendry, a support worker at Cymryd Rhan, spends an average of three to four hours a day with her clients, helping them deal with their



everyday matters like bills and benefit payments. She recently attended one of Jayne's courses in Llandrindod Wells.

"It was actually one of the best training days I have ever had. Really, really useful," she says. "The work we did on benefits was great. The forms are so daunting for our clients and we spend a lot of time helping them fill them in so we need to know that we are doing it right. Also consumer rights - I learnt some really useful stuff. The day just flew by."

Peter Tyson of North Liverpool CAB has run workshops for Sure Start 'community parents', who act as a link between local parents, often single young mothers, and local services that are available to them. They are in an ideal situation to stop a small problem developing into a crisis. "We've run two sessions for the 'community parents' of Sure Start clients in West Everton and Breckfield. We look at debt awareness, helping them to spot when their clients might be getting into difficulties. The

course increases their confidence in knowing what steps to suggest to the client so that they can get a grip on the situation before it gets out of hand."

Speak up

Debt Advice Within Northumberland (DAWN) is a Citizens Advice project that works with Northumberland User Voice. Part of the Northumberland Mental Health Trust, User Voice is an independent organisation which helps mental health service users to make their views and opinions heard and involve them in service development. "User Voice helps us to recruit ex-service users who are trained to give CAB financial literacy support to current mental health service users," says Mary McCullough of DAWN. "We look for people who have had debt problems themselves and who understand the specific needs of mental health service users, because they have been there themselves. Workshops look at

Wolverhampton CAB is developing a financial literacy course for parents at primary schools in the area. "The best people for children to learn money management skills from are their parents or carers," says Sue Walduck. "But many parents feel as though they themselves lack the knowledge to give their children the best advice."

credit cards, borrowing and the meaning of jargon like 'payment holidays'. Financial assertiveness is central to the success of their work," says Mary. "It's very easy to say 'I don't understand so I won't bother trying'. We want to focus on what they are already doing and build on skills they already have."

"It feels very good to be able to help empower people and give them the guidance they need. I really enjoy it."

Michael Lavelle came into contact with DAWN when he gave a talk to their workers about his experiences of debt as a mental health service-user. "The main thing about debt is that the huge anxiety and despair that you feel, just compound the low self-esteem and sense of failure that people with mental health problems experience anyway." Michael had his own problems that the CAB advisers at DAWN helped him through. "I had lost my job suddenly and had credit card debts. They helped me tremendously," says Michael. "They really got me back on track. They re-educated me, really. I learnt to think about my finances and how to be careful with my money." Now, Michael volunteers with DAWN, visiting mental health user groups, delivering financial workshops about money and debt. "I've worn the t-shirt, as it were. It feels very good to be able to help empower people and give them the guidance they need. I really enjoy it."

Shaping future markets



Whilst Citizens Advice Bureaux and others can help people to improve their skills and confidence, for many the market is just not delivering a good deal. In Beyond Bank Accounts, jointly published by Citizens Advice and IPPR we urged the Government to maintain pressure for full financial inclusion, ensuring access to appropriate financial products and services⁹. People need the opportunity, ability and confidence, as well as support and advice to make informed decisions. The report called for a strategy that encourages:

- a mix of private, public and voluntary activity to help people access and use financial services;
- the development of new products such as loans designed for people on low incomes;
- a real improvement in levels of financial literacy and the availability of financial advice and
- reform of the Social Fund, which helps people in need with certain important expenses.

"Tackling financial literacy needs to go hand in hand with a strategy for dealing with and preventing unmanageable debt. Achieving responsible lending, fair trading and informed borrowing should be at the heart of that strategy," says Sue Edwards, Social Policy Officer at Citizens Advice.

Citizens Advice is running an innovative pilot with independent financial advisers, to provide free or low cost non-product-specific advice to consumers within Citizens Advice Bureaux. It continues to lobby industry and the Government to ensure more effective services and protection for customers.

More people concerned with money issues are working together to ensure that consumers are better equipped to make informed financial choices. The Financial Capability Steering Group, brought together by the Financial Services Authority, includes companies, advice givers like Citizens Advice Bureaux, regulatory bodies and the Government. The Group will develop and oversee a national strategy for financial capability, to provide consumers with the education, information and generic advice needed to make confident financial decisions.

"Citizens Advice Bureaux are key routes for helping consumers find their way through the financial maze. Their financial literacy work fits in with the need to tackle financial exclusion and to help individuals understand and plan their financial affairs with confidence, and we at the FSA look forward to working closely with them on the challenges ahead."

John Tiner, Chief Executive Financial Services Authority



Ady Hendry at Llandrindod Wells training session.

Last word



Net Gains talks to Ruth Kelly, Financial Secretary to the Treasury.

Where does financial capability work sit in the Government's overall commitment to tackle social exclusion?

Raising levels of financial capability is a key element of the Government's wider commitment to tackle the causes and effects of social and financial exclusion. We recognise more needs to be done. Consumers will only respond to trustworthy information if they are properly equipped to interpret it. It is not just about educating, informing and advising consumers, but giving them the skills and confidence they need to put their finances on a sound footing – to avoid exploitative credit – both legal and illegal, and get the boost from proper benefit take-up.

Efforts to raise financial capability must focus on all the key life stages and events, from schools to the workplace and in retirement and we want consumers to be able to act with confidence throughout their lives when making financial decisions. This is reflected in the emphasis the Government has put into raising awareness of and education in financial matters in all its major reforms, for example, the Child Trust Fund and the DWP's Informed Choice programme.

How can the financial advice needs of people on low incomes be met?

There are real challenges here, but I think there is good evidence that effective and responsive work that is rooted in communities – and works with and through groups in the community – can rise to those challenges.

Who is best placed to deliver financial skills education and advice?

Citizens Advice is one of the key delivery channels here. It is rightly held in very high regard by all who come into contact with it – Government, industry, consumer groups, and most importantly of all, consumers. Trusted community-based groups can play a big role so working through groups, like Mothers and Toddlers, or with employers, or credit unions is probably one good way to go. Schools, and adult education services, are already active - with young people, with those searching for or in work.

Is there not a basic need for product-specific financial advice delivered free or at low-cost to people on low incomes that takes into account benefits, tax credits and other financial aspects?

We are very keen to explore this further. For example, we are interested in looking at the regulatory hurdles that might face the voluntary sector if they were interested and supported efforts to tackle these sorts of issues.

Citizens Advice is to run a small-scale pilot with one of the IFA associations to test how independent financial advisors might work within Citizens Advice Bureaux. Is that an idea that you would support?

We would be very interested to hear more details of this initiative. These sorts of initiatives draw on the trust that people have for voluntary community groups and the expertise of practitioners provided "pro-bono". I would congratulate local industry practitioners who have supported this sort of initiative – and also pay thanks to those firms who take their corporate citizenship responsibilities seriously and support sustainable voluntary sector initiatives.

A woman, with ongoing mental health needs, recently attended a CAB financial skills session in Basildon. Afterwards she decided to put the small amount of savings she had into an ISA. She felt financially confident enough after the course to make that decision for herself.

This is a really good example of what we aim to achieve. Our long-term goal is to give people the skills and confidence they need to take charge of their own finances throughout their lives. Industry benefits from having confident and demanding consumers, which drives competition and innovation. This is why, Government as a whole, is serious about raising levels of financial capability. We all stand to benefit.