

Listening Exercise  
Money and Pension Service  
120 High Holborn  
London  
EC1N 2TD

30 June 2019

Dear Sir Hector and Caroline

Barclays is pleased to submit our response to the Money and Pension Service's (MAPS) Listening Document consultation.

Barclays is a transatlantic consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US. With over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 85,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

Barclays has worked closely with MAPS predecessor organisations, in particular the Money Advice Service (MAS), inputting into MAS' thinking across the debt advice, money guidance and financial education. In doing so we have leveraged our extensive expertise providing financial products and services to our 24 million customers and clients, our close relationships with key stakeholders in the debt advice sector and our LifeSkills programme which has had 8 million young people participate in it since its launch in 2013.

**Summary of Barclays response and answer to Q1 What are the top priorities the Money and Pension Service should focus on over the next three years?**

Barclays welcomed the creation of the MAPS and the opportunity to reset and revitalise progress on financial capability, debt advice and pensions guidance. Ensuring consumers have the information, knowledge and, where needed, access to specialist advice to manage their money and pensions well is in the collective interest of financial services, regulators, government and wider society.

We strongly agree with the sentiment expressed in this Listening Document that a step-change is needed from the progress made by MAPS' predecessor bodies, in particular the Money Advice Service. Significant challenges persist in both the financial capability and debt advice landscapes that MAPS must overcome:

- The provision of money guidance is fragmented and unaligned to consumer journeys or channels

- There is a lack of evidence about the key points when consumers may be receptive messages about managing their money and the messengers who consumers trust to deliver these messages
- Funding for debt advice is largely restricted to financial services and does not follow a “polluter pays” principle, customer journeys can be fragmented and inefficient and there is limited evidence on outcomes from debt advice
- Whilst auto-enrolment has been a success, more needs to be done to ensure consumers are fully engaging with their pensions and decisions about retirement.

MAPS has an expansive remit and limited resources at its disposal. We believe a critical flaw in the approach taken by MAS was that it spread its resources too thinly across a huge spectrum of activity, rather than focussing on key wins and driving change. To avoid repeating this flaw, MAPS must consider carefully how it marshals the limited resources at its disposal and works in partnership with those organisations who have the existing scale, reach and architecture to shift consumer behaviour.

Below we have outlined Barclays view on where MAPS should prioritise on each of the areas of MAPS responsibility. We have reiterated these points in response to relevant questions within the consultation document.

#### Financial education

Barclays believes MAPS should focus its resources and energy on increasing uptake of existing financial education resources. Whilst we agree there are relatively few scale programmes, those that do exist provide high quality materials adhering to sector approved quality marks. MAPS should focus on improving awareness and uptake of existing scale programmes and supporting providers of those programmes to fill gaps in provision. Key to this is supporting marketing of resources to educators and helping educators understand how financial capability can be embedded in a wider range of subjects beyond maths and PHSE.

#### Money guidance

Barclays believes MAPS should take a targeted approach to shifting consumer behaviour and so we welcome the focus on increasing savings and reducing inappropriate use of credit. However, MAPS will need to work closely with the FCA around inappropriate credit use to ensure its approach aligns to regulatory interventions around persistent debt and high cost credit. Further, MAPS will need to ensure its messages reflect that customers may be using credit for sound reasons (eg to iron out uneven income/expenditure), or because they have no other option and in reality need debt advice.

On both savings and credit use, Barclays believes that to shift consumer behaviour MAPS needs to set out more clearly how they will work with financial services, employers and other sectors to understand when consumers are receptive to messages. In particular, MAPS need to seek to understand who consumers trust to deliver messages and what channel is most effective for engaging them, then work with those sectors and through those channels to deliver messages at scale.

We would also encourage MAPS to explore the opportunity for API-based data sharing between guidance providers, to reduce the time consumers have to spend providing basic information and

improve the relevance of guidance to specific consumer circumstances. For its own guidance services, Barclays believes MAPS should look to build signposting to other guidance in the wider landscape to avoid duplicating existing content and provide holistic information to those consumers accessing MAPS' services.

#### Debt advice

The current funding settlement for debt advice is inadequate; it does not provide for sufficient capacity in the sector and the funding that it does provide is too narrowly drawn from financial services, failing to reflect that demand for debt advice is often driven by other sectors. Barclays believes MAPS should work with HM Treasury (HMT), Department for Work and Pensions (DWP) and the Financial Conduct Authority (FCA) to create a new funding settlement which increases available funding and, critically, broadens the funding base to all sectors who drive demand for debt advice. Such an approach was endorsed by the Debt Advice Steering Group and should be progressed urgently, with MAPS laying out a clear roadmap and timescales for the development of a new settlement.

Ahead of any new settlement coming into being, MAPS should focus on progressing its proposed pilot for improving efficiency and customer journeys in debt advice. If delivered, the pilot could have a transformative impact on debt advice, freeing up advisor time to provide advice to more clients and helping ensure clients can more quickly find the right advice for their circumstances. MAPS should engage fully with creditor organisations and debt charities to ensure the pilot is able to progress as planned by the 1 January 2020 timescale MAPS has set itself.

#### Pensions guidance

Within pensions, we would encourage MAPS to focus on how to leverage auto-enrolment to increase engagement with pensions. There is a risk that consumers feel that because they are auto-enrolled they will be saving enough for their retirement, yet this may not be the case with default contribution levels.

Further, we would encourage MAPS to consider how to ensure consumers engage with all of their pensions, especially as auto-enrolment is likely to lead to many consumers having several small pension pots from a number of employers. Open Banking enabled pensions dashboards could play a vital role in this space, however MAPS will need to consider what information and guidance consumers need in advance of the implementation of pension dashboards and ensure that its pensions guidance services anticipate and respond to this demand.

#### Consumer Protections

Barclays would encourage MAPS to work closely with those organisations leading fraud and scam prevention work to disseminate existing fraud and scam prevention messages. We would also encourage MAPS to consider what role other sectors; such as telecommunications, online retailers and social media should play in reducing harm perpetrated through their systems and platforms, and what messages they could deliver to consumers to inform them how to protect themselves.

Beyond fraud and scams, we would encourage MAPS to help consumers understand the risks of using services or products with more limited consumer protections, for example those outside of

Financial Services Compensation Scheme, or outside of the scope of the Financial Ombudsman. Barclays is concerned many consumers may not understand that many products and services- particularly those from providers outside of traditional financial services- come with more limited consumer protections.

#### **Answers to Questions 2, 3 and 4**

**Q2 We are required to help those ‘most in need’ and those who are ‘in vulnerable circumstances’. How can we best identify and reach them? What evidence do you have to help us target these groups effectively?**

**Q3 For each area of our remit, how should we balance maximising impact with ‘most in need’ and ‘vulnerable’ groups (even if that means reaching fewer people overall) and reach as many people as possible (even if that means we have less impact on each individual reached)?**

**Q4 How should we balance Money and Pensions Service resources between preventing financial difficulties occurring in the first place, and helping people who are in need or crisis right now?**

Barclays supports MAPS aligning its approach to vulnerability to the FCA definition of vulnerability, which should help ensure that MAPS’ approach is consistent with that followed in financial services. We would strongly encourage MAPS to ensure the guidance and advice services it commissions and provides align to the expectations within the FCA’s forthcoming guidance on customer vulnerability.

We agree data sharing has the potential to help identify and support customers in vulnerable circumstances at earlier points, giving consumers greater opportunity to change behaviour and potentially avoid crisis. In particular, Open Banking, and broader open approaches to open data, could allow data to be shared (with consumer consent) with third parties to help ensure customers and clients in need of support, information and advice can more easily access it.

However, MAPS should be careful of relying on an approach of looking to “find and help” customers who are in vulnerable circumstances or approaching financial difficulty. Barclays has recently published research showing that consumers had nuanced views on banks using data to identify vulnerability and engage them. Our Data and Vulnerability report, commissioned from GfK, found that consumers were more supportive of banks using data to identify and proactively engage vulnerable customers in scenarios of actual financial detriment (eg. missed payments), than they were in scenarios where no detriment had taken place (eg. financial stress but no missed payments). A copy of our research has been sent with this response.

The findings from our research have been supported by a “Test and Learn” we ran to engage customers identified as financially vulnerable through a data engine we built in 2018. This “Test and Learn” found customers who had missed payments were more likely to respond to SMS messages offering help than customers who had not yet missed payments, but we could see were financially stressed.

Both our research and our experience of engaging customers indicate that MAPS should seek to better understand the points at which consumers, in particular those in vulnerable circumstances, may be receptive to receiving messages from trusted providers. We would encourage MAPS to commission more consumer research on this topic and then work with relevant sectors to land

messages at scale. This would allow MAPS to focus its specific resource on helping those consumers most in need.

**Answer to Q5 How should we facilitate the improvement of quality, efficiency and capability within the money guidance, financial capability, debt advice or pensions guidance sectors.**

Barclays would encourage MAPS to develop clear outcome measures for the services it commissions and provides. Such measures should be sufficiently robust to reflect the customer outcomes from these services, but also realistic for providers to meet.

We would also encourage MAPS to consider opportunities for API-based data sharing between advice and guidance providers, with customer consent, to reduce the time consumers have to spend with different providers providing basic information about their circumstances. Such data sharing could ensure guidance and advice providers can spend more time providing advice and information and less time recording basic information. Data sharing could also enable more effective and tailored delivery of messages to consumers.

**Answer to Q6 What are the most significant gaps for public financial guidance to fill?**

As outlined in response to Question 1, Barclays believes the most crucial gaps in public financial guidance are understanding when consumers are receptive to information that might shift their behaviour, who they trust to deliver messages and the appropriate channels through which such messages are best delivered. We would encourage MAPS to focus on filling these gaps and sharing insights with financial services and other sectors who could leverage these insights to deliver messages at scale. MAPS will also need to consider what guidance needs consumers have in relation to pensions dashboards and ensure that its pensions services anticipate and respond to this need.

**Answer to Q7 Do you have any reflections on the current regulatory boundary between guidance and advice? What experience do consumers have of this in practice?**

Barclays believes that the distinction between what constitutes “advice” and what constitutes “guidance” makes little sense to consumers and is inconsistently applied across industry. Different organisations often adopt different approaches to this definition, leading to consumers receiving a varied service from different providers. However, we would caution MAPS about over-stepping its statutory responsibility in looking to amend distinctions that are the responsibility for HMT and the FCA. MAPS has a considerable remit and we believe it is vital that its attention is focussed on those areas within its statutory remit and responsibility. Where we think MAPS could have a role is supporting a consistent application of the existing definitions and providing clear information to consumers on this difference between financial advice and guidance.

Barclays does not provide mass-market financial advice, however across our products and channels we provide a range of tools, information and guidance to consumers. We are also delivering money guidance sessions to consumers through our Money Mentors programme of sessions to help young adults understand issues like budgeting and credit scoring, and to think about their own financial needs. This programme is progressing from a pilot and has been very well received by consumers.

**Answer to Q8 How can we achieve our target outcomes at scale by working with different sectors (eg. employers, financial services firms).**

Barclays welcomes recognition in this consultation of the need to work closely with those organisations and sectors who operate at scale and have existing touch points with consumers. Collaborating with sectors such as financial services, employers and retail will be crucial to MAPS achieving the shifts in behaviour on savings and credit use outlined in this Listening Document.

We would encourage MAPS to engage with key organisations and trade bodies to obtain buy-in for MAPS' priorities for action. MAPS will need to be mindful of the competing priorities for scale sectors and may need to be flexible in amending its goals. MAPS should then look to work with scale providers and their trade bodies to test scale interventions to consumers, drawing on consumer insight about who consumers trust to deliver messages on money management.

**Answer to Q9 How could we maximise funding in the sector and attract new sources of funding?**

MAPS should look to maximise the impact of its existing resources before seeking additional funding. Further, and as outlined in response to Question 1 and the debt advice questions in this response, where new funding is required this should come from broadening the funding base to reflect the drivers of demand, not simply tapping existing funding avenues.

Barclays accepts that additional funding is needed in debt advice to meet demand. However, this should come from a new funding settlement based on a "polluter pays" principle, so that all organisations that drive demand for debt advice are responsible for funding it. We also believe there are significant efficiencies to be gained by streamlining customer journeys and access into debt advice, enabling greater impact from existing funding.

**Question not relevant to Barclays: Q10 If you are not already involved, what would motivate you or your organisation to support people to make the most of their money or pension? What is currently stopping you and how can we reduce those barriers?**

**Answer to Q11 What more could we do to make the best use of the different channels through which consumers could access information and guidance about money and pensions?**

Barclays has seen a significant shift in consumers engaging with their finances through digital channels, in particular through mobile banking, and corresponding declines in more traditional branch and telephone channels. We know that consumers who use digital channels engage much more frequently with their finances, offering greater opportunities to land messages that could shift consumer behaviour.

Digital channels can also offer consumers greater insight and control over on their financial circumstances. Features such as our spend analysis allow our customers to visualise and track their spending, whilst our Barclays Cards Hub gives customers greater control over their spending, allowing them to turn off certain merchant categories, set their own ATM limits or turn off remote (including online) spending.

Other sectors, such as retail, have also seen significant shifts away from traditional channels towards digital services. We would encourage MAPS to work more fully with financial services and other sectors to test the opportunity of digital channels, in particular mobile channels, for landing messages at scale with consumers that shift behaviour.

**Answer to Q12 What opportunities are available to address issues around money and pensions in a holistic way now that three organisations have been brought together into one?**

Barclays would encourage MAPS to consider ways that money and pensions guidance services could be more closely interlinked to increase impact and more fully meet customer need. In particular, Barclays would encourage MAPS to consider the opportunities for data sharing between advice and guidance providers, such that providers have more holistic views of client need and can tailor information and advice appropriately. We believe there is significant potential for an API-based ecosystem for advice and guidance, through which consumers consent to share data with providers in order to receive more tailored guidance and, where appropriate, advice.

However, Barclays would encourage MAPS not to overestimate the opportunity for holistic services. Consumers seeking information, guidance or advice on one topic may not be receptive to messages on another. For example, consumers accessing regulated debt advice may not be receptive to information about pensions, or even aspects of money management. The overprovision of information may have a negative impact on what information consumers retain and dilute key messages and required behaviour changes.

**Question not relevant to Barclays: Q13L How would you characterise your local area- what does the landscape look like, what are the challenges and opportunities?**

**Answer to Q14. What are the priority gaps in consumer protection that the Money and Pension Service is uniquely placed to fill?**

Barclays notes a significant focus in this Listening Document around protection from fraud and scams. Whilst we think this is a crucial area of consumer detriment, we note, as MAPS does, that there are a range of organisations already acting on consumer protection around fraud and scams and MAPS will need to be mindful to avoid duplication.

We also note that there are some oversimplifications in this Listening Document around fraud and scams. The inclusion, for example, of vulnerability to scams in the section on People in Retirement does not reflect that large numbers of scam victims are younger consumers.

Nevertheless, Barclays believes MAPS could add value on fraud and scams in two ways;

- Disseminating existing key consumer protection messages, such as Take Five, out to other channels and sectors, where MAPS may have/develop better links that financial services providers or the police.
- Considering what role sectors outside financial services (eg social media, telecommunications, online retailers etc.) can play to protect consumers from fraud and scams perpetrated via their systems and platforms. As part of this, MAPS should encourage organisations in those sectors to consider what messages they should land with consumers to alert them to risk of fraud. Unlike financial services, there is a lack of clear consumer protection messages around fraud in sectors such as telecommunications, social media and retail, despite fraudsters exploiting weaknesses in these sectors to target and defraud victims.

More broadly, we would encourage MAPS to also consider how it can ensure that consumers understand the risks of using services or products with more limited consumer protections. Examples include saving with a non-Financial Services Protection Scheme provider, making payments via payment systems with more limited consumer protections, or using a service or product outside of the scope of the Financial Ombudsman Service. Barclays is concerned that consumers may not fully understand the varying degrees of protection/regulation of such services and believe MAPS could have a key role providing impartial information to the public on consumer protections.

### **Children and Young People**

#### **Answer to Q15. Do you agree with our analysis of the issues?**

Barclays agrees that educating young people about the importance of managing money well is vital to driving a step-change in behaviour that could yield significant benefits in adulthood. Improving attitudes towards money among children and young people could help reduce demand on intensive debt advice services later in life, and help people build financial resilience to manage economic shocks.

We support MAPS continued work to develop evidence around what works in financial education, in particular opportunities to scale up interventions in education. We note MAPS acknowledgement that there are few interventions that do operate at scale. One of those interventions is our LifeSkills programme, which has had over 8 million young people participate since its launch in 2013. Our LifeSkills materials are available free to use by children, educators and others working to improve financial and skills of young people and carry the Young Money Quality Mark.

Barclays feels that there is already wide-ranging provision of financial capability content, which can and is being used at scale and is aligned to Quality Marks demonstrating their effectiveness and alignment to key outcomes. The challenges in financial education lie more in uptake of content and effective targeting and marketing of resources. Key to this is supporting educators to understand the importance and benefits of financial capability to young people and how it can be embedded across the curriculum in subjects beyond PHSE and maths.

#### **Answer to Q16 Are we focusing on the right outcomes?**

Barclays supports the outcomes of ensuring all children and young people receive a meaningful financial education and as a result, become adults able to make informed decisions and achieve their goals.

#### **Answer to Q17 Have we highlighted the right priorities for action?**

Barclays broadly agrees with the priorities for action, albeit with some caveats in relation to the detail that MAPS have laid out.

In relation to Pathfinders, we agree it is important to target and scale support for parents, teachers and young people aged 16-17 transitioning to independence. These are crucial groups and points in the journey. We believe that plans for teacher training could be more ambitious and would encourage MAPS to roll out training to all educators through a scale platform and includes CPD based solutions so educators have the confidence to teach financial capability. Such a platform could also provide a dual function of supporting parents.



Barclays supports rolling pilots and believe it is critical that these focus on vulnerable children and foster carers, two groups that are particularly underserved at present. We would encourage MAPS to leverage existing networks and resources that already exist, in particular resources that include the Young Money Quality Mark. Barclays believes in diversity in provision, by volunteers, educators, parents and foster carers.

In relation to infrastructure, as outlined in response to Question 15, Barclays believes the key challenge is increase awareness and take up of existing resources, rather than the creation of new resources or programmes. Further, we would strongly discourage MAPS from looking to drive a consolidation of volunteer run programmes by financial services firms, as suggested at one of the Listening Events. Instead, MAPS should look to work with UK Finance to disseminate existing resources to organisations who wish to run programmes, to avoid duplication of effort in creation of materials, but giving organisations the flexibility to run and manage their own volunteering.

Barclays strongly supports MAPS plans around research, in particular looking at the role of fintech. We know many people 18-24 use fintech providers to meet their banking needs and manage their money and understanding the opportunity and role of these providers in helping young adults manage their money is key.

**Answer to Q18 Should we seek to influence the wider policy and regulatory context, and in what areas?**

With regard to influencing, Barclays believes it is important that MAPS does not overstretch its statutory remit. MAPS is not a regulatory, ombudsman body. Further, as a statutory body it is important that does not interfere with matters of social policy. However, we would support MAPS looking to inform the wider policy context through two ways

- We would welcome MAPS playing a convening role across industry and stakeholders on issues related to financial education
- We would support MAPS itself engaging directly in private with regulators and policy makers on issues related to financial education.

**Working age people**

**Answer to Q19 Do you agree with our analysis of the issues?**

Barclays agrees with the summary of issues affecting working age people; that consumers are not savings enough, that use of credit can be inappropriate and that consumers often access support too late. Whilst we recognise the focus on “financially squeezed” and “financially struggling” segments, we note that other more affluent groups may also lack sufficient barriers to withstand shocks, such as unemployment, bereavement, or significant rises in the Bank of England Base Rate.

We note and agree with findings from the MAS Financial Capability Survey that many consumers struggle with budgeting and managing their finances. In recent research carried out by SWNS for Barclays in September 2018, surveying 2,000 UK adults, 27% of millennials admitted feeling panicked by how easily they lost track of their spending throughout the month, despite 70% setting themselves a monthly budget. This is despite this group being the most likely to engage with mobile banking apps which enable easy access to transactional data.

**Answer to Q20 Are we focusing on the right outcomes?**

Barclays believes the focus on increasing savings and decreasing reliance on inappropriate use of credit are sound. We note, however, that inappropriate credit use is the subject of extensive regulator and industry action, in particular in response to FCA Persistent Debt Remedies, as well as forthcoming potential changes to unauthorised overdraft rules. As a guidance body and not a regulator, MAPS should focus its work on credit use on identifying when and how consumers may be receptive to messages around credit use that shift behaviour, as well as identifying the channels and organisations consumers trust to deliver these messages. MAPS should not play any role in scrutinising credit providers.

MAPS will also need to consider how use of credit for everyday spending may be a logical choice by consumers to iron out uneven income or expenditure, or be an unavoidable outcome of financial stress and reflect a need for debt advice.

**Answer to Q21 Have we highlighted the right priorities for action?**

There is already extensive work being done to encourage customers to manage their money more effectively, so it is vital that MAPS work with industry and other sectors to avoid duplication or conflicting information. We would strongly encourage MAPS to investigate ways data can be shared, with consumer consent, with advice and guidance providers to allow more tailored messages and information and reduce time spend understanding a client's situation.

We would also encourage MAPS to think about alternative channels when trying to reach audiences who do not typically engage with money guidance, for example many millennials follow key influencers on social media and may be more receptive to support and guidance in the channel of their choice. In a survey by One Poll for Barclays in June 2018 it highlighted the demand for more advice and support on how to save money, with over half of those surveyed (52 per cent) saying that they would like to see this type of content on their social media news feeds.

Barclays believes consumer behaviour can best be shifted by scale delivery through trusted providers and effective channels; in particular digital channels where consumers are increasingly spending their time. We know that messages such as encouraging consumers to save money when they are paid, rather than waiting for the end of the month are known to be effective. MAPS should look to work with key sectors to scale the delivery of messages such as this through the messengers and channels consumers trust. We believe this will be more effective in shifting consumer behaviour than delivering messages through guidance organisations alone, with whom many consumers may have limited interaction.

**Answer to Q22 Should we seek to influence the wider policy and regulatory context and in what areas?**

With regard to influencing, Barclays believes it is important that MAPS does not overstretch its statutory remit. MAPS is not a regulator, nor an ombudsman body. Further, as a statutory body it is important that does not interfere with matters of social policy. However, we would support MAPS looking to inform the wider policy context through two ways:

- We would welcome MAPS playing a convening role across industry and stakeholders on issues related to working age adults
- We would support MAPS itself engaging directly in private with regulators and policy makers on issues related to working age adults.

Further, and as outlined in response to Question 19, it will be vital MAPS works closely with the FCA to ensure it does not conflict with regulatory interventions around high cost credit and persistent debt.

### **Working-age people dealing with financial difficulties and debt**

#### **Answer to Q23 Do you agree with our analysis of the issues?**

Barclays agrees with the issues MAPS has outlined related to financial difficulty and debt, however there are a number of current issues and challenges which are not appropriately identified.

Firstly, Barclays believes MAPS should explicitly state that current funding is insufficient to meet demand and needs to increase. MAPS should also state that the funding base for advice is too narrowly focussed on financial services and does not reflect the fact that demand for debt advice is now driven from a much broader range of creditors, including utilities and statutory creditors.

Secondly, whilst we agree with MAPS conclusions around quality of debt advice, we think MAPS also need to explicitly state that there is a lack of data on outcomes from debt advice and greater clarity is needed on the customer journeys into and from debt advice.

#### **Answers to Q24 and Q25**

##### **Q24 Are we focusing on the right outcomes?**

##### **Q25 Have we highlighted the right priorities for action?**

We are disappointed that there are no clear priorities or outcomes around funding for debt advice within the Listening Document. As we have highlighted, the funding base for advice is too reliant on financial services and insufficient to meet demand. We believe it is vital that MAPS lead the development of a new funding settlement for debt advice, as has been agreed by the Debt Advice Steering Group. Barclays believe the basis of this should be a “polluter pays” principle, whereby all those organisations that create demand for debt advice are responsible for paying for its provision.

Relating to the Target Operating Model (TOM) and proposed pilot, Barclays, working with RBS and the three main debt advice charities, was central to instigating the TOM, largely in response to a lack of progress by MAS on debt advice transformation. We are therefore pleased to see this work has been adopted, but we are frustrated that the work has taken over six months to progress in any meaningful form since proposals were put to MAS in 2018. Progress by the 1 January 2020 operational deadline is now imperative for stakeholders to have faith in MAPS ability to deliver on this issue.

Further, as Barclays has communicated directly to MAP bilaterally and in industry forums, for the proposed pilots within the TOM to be a success MAPS must adequately support debt advice charities. In relation to the TOM more broadly;

- We are unsure of the status of the 33% increase in efficiency goal within the TOM. MAPS have previously stated in industry forums that this will not be an explicit measure, yet it appears as one in this document. We would strongly encourage MAPS to clarify this.
- The other goals outlined within the TOM lack any metrics or measures of success and we would encourage MAPS to develop these urgently and test them with stakeholders.

Barclays feel the wider outcomes MAPS have documented on debt advice more reflect the key challenges. However the level of detail MAPS has provided is limited and outcome measures insufficient to measure success of debt sector transformation. In particular:

- Barclays is unsure if a simplistic measure of increasing the numbers of people accessing debt advice by 500,000 is appropriate. Such a measure could be met by increasing funding from existing sources, but this would represent a missed opportunity to transform debt advice journeys and funding. We would encourage MAPS to instead develop metrics around early access to advice and number of advice sessions per unit spend.
- Barclays feel the simplistic proxy of monitoring the proportion of consumers who are continuing to miss payments post-advice may reward the wrong behaviours by providers. Drivers of financial difficulty are complex and we would be concerned that providers who support clients with more complex debt situations could end up being disadvantaged and providers may become more reticent about supporting clients with complex needs. We would encourage MAPS to think more fully and broadly about creating measures that accurately reflect desired outcomes from debt advice.

**Answer to Q26 Should we seek to influence the wider policy and regulatory context and in what areas?**

With regard to influencing, Barclays believes it is important that MAPS does not overstretch its statutory remit. MAPS is not a regulator, nor an ombudsman body. Further, as a statutory body it is important that does not interfere with matters of social policy. However, we would support MAPS looking to inform the wider policy context through two ways

- We would welcome MAPS playing a convening role across industry and stakeholders on issues related to debt advice, in particular around funding issues as outlined in response to Questions 24 and 25, and in our response to Question 1
- We would support MAPS itself engaging directly in private with regulators and policy makers on issues related to debt and financial difficulty.

**Pensions and Planning for Retirement**

**Answer to Q27 Do you agree with our analysis of the issues?**

Barclays welcomed auto-enrolment as a positive move that will help ensure consumers save for their pensions. However, MAPS need to be mindful that consumers may need to more fully engage with their pensions to understand if they are saving enough for retirement, which may not be the case for consumers simply saving minimum amounts through auto-enrolment. We would encourage MAPS to consider how auto-enrolment could be leveraged to improve consumer engagement with their pensions.

Further, Barclays believes consumers need greater support around the points at which they take responsibility for their own investments as they retire and their funds move from default

investments to self-selected products. At this point many consumers will have more wealth than at any point in their lives and they need appropriate guidance and support. We believe greater education, both early on and also at point of retirement, is needed to ensure that consumers save enough funds and make appropriate choices with them when they need to. MAPS will need to consider what information and guidance consumers need in advance of the implementation of Open Banking enabled pension dashboards and ensure that MAPS pensions guidance services anticipate and respond to this demand.

**Answer to Q28 Are we focussing on the right outcomes?**

Barclays agree with MAPS focus to deliver more pension freedom sessions and make pensions more accessible, including through the pensions dashboards. We would also encourage MAPS to work with regulators and government to improve broader consumer understanding of pension matters, potentially supported by a simpler pensions framework.

**Answer to Q29 Have we highlighted the right priorities for action?**

Barclays is concerned that MAPS is spreading its efforts too thinly. We would encourage MAPS to think more strategically about the major challenges of consumers planning for retirement, including whether they have adequate saving, consumer knowledge of investments and consumer understanding of tax implications of decisions. Specifically we would encourage MAPS to think about how auto-enrolment could be leveraged to improve consumer engagement with their pensions.

As there is already significant efforts on scams led by other sectors, we do not believe this should be a major focus for MAPS specifically for people planning for retirement, beyond those areas we have highlighted in response to Question 14.

**Answer to Q30 Should we seek to influence the wider policy and regulatory context, and in what areas?**

As we have outlined in response to other sections, as a sponsored body of the Department for Work and Pensions MAPS need to be mindful of not overreaching their statutory remit. However, we would welcome MAPS playing a convening role on pensions issues, as well as privately engaging regulators and government on key challenges. In particular, we would encourage MAPS to work with regulators and government to improve consumer understanding of pension matters and ensure consumers can make the most of the opportunities created by Open Banking enabled pensions dashboards.

**Answer to Q31 How do we get consumers to engage actively in pensions and planning for retirement?**

Barclays believe ensuring consumers can more easily access data on pensions will help drive engagement and improve consumer interaction with their pensions. Open Banking enabled pensions dashboards will be crucial to achieving this and we would encourage MAPS ensure that they fully consider demand for information about pensions guidance. Increasing consumer knowledge of pensions is likely to also drive engagement. We strongly believe that mandating data provision to pension dashboards will be beneficial in helping drive consumer interaction with their pensions. We hope that, in time, pension dashboards will be extended to other products, such as ISAs and GIAs

**People in retirement****Answer to Q32 Do you agree with our analysis of the issues?**

Barclays recognises the issues outlined, in particular, that many older consumers do not engage in care decisions and may not appropriately plan for ill health. However, we note that a significant focus of the issues is on customer vulnerability. Whilst a vital area, we would encourage MAPS to reflect that there is also a large proportion of older consumers who are not vulnerable or where vulnerability does not significantly impact on their finances. We would encourage MAPS to outline the needs of these consumers and how they can be supported to make the most of their assets. In particular, we would also encourage MAPS to more fully recognise that older consumers have significant amounts of equity in property and there is a lack of holistic information about how to manage this effectively.

**Answers to Questions 33 and 34.****Q33 Are we focussing on the right outcomes?****Q34 Have we highlighted the right priorities for action?**

Barclays was closely involved in the “In Retirement” group of the financial capability strategy and recognise the difficulty that MAPS has documented in identifying areas to progress for older people in retirement. However, we are uncertain that the priorities MAPS outline are the right ones

- Whilst we understand the thinking beyond a later life review, we are concerned such a review may be too late for consumers to be able to make changes to meaningfully affect their circumstances
- Barclays would strongly discourage MAPS from having any role in age-proofing financial products and services. MAPS is not a regulatory body or an ombudsman and has no enforcement powers or remit to assess or enforce how “age-proofed” financial products are, nor does MAPS have the necessary expertise to make any judgements of this kind in the first place.
- As we outline elsewhere in this response, it will be vital for MAPS to work closely with financial services, retail and other sectors in delivering messages to consumers at scale, through messengers they trust and at times consumers are likely to be receptive.
- As we outline in response to Question 36, below, we believe MAPS could play a fuller role in promoting and enabling digital inclusion.

**Answer to Q35 Should we seek to influence the wider policy and regulatory context, and in what areas?**

As we have outlined in response to other sections, as a sponsored body of the Department for Work and Pensions MAPS need to be mindful of not overreaching their statutory remit. However, we would welcome MAPS playing a convening role on pensions issues, as well as privately engaging regulators and government on key challenges. In particular, we would encourage MAPS to work with regulators and government to improve consumer understanding of pension matters and ensure consumers can make the most of the opportunities created by the pensions dashboards.

**Answer to Q36 How can we ensure that people in retirement who are digitally excluded get the help and guidance they need?**

Barclays believes telephone and face-to-face services will have a key role in ensuring consumers with no or limited digital access or skills can access to the information and guidance they need. However,



we would encourage MAPS not to discount the vital role that messages and services delivered through digital channels can play supporting older consumers.

As outlined, digital channels have the potential for much greater scale and reach, and services such as mobile banking can offer consumers greater insight and control over their finances. Whilst digital engagement is low among the current cohort of older consumers, this may change as more digitally engaged consumers age.

Barclays would encourage MAPS to think more fully about the role it could play in promoting and supporting digital inclusion, both for older consumers and for the wider population who may not yet engage digitally. Barclays believe person-led interventions can play a key role improving digital skills. Our Barclays Digital Eagles work to help both customers and non-customers to become more confident with computers, technology and the internet. Last year we over 60,000 people participated in a 'Tea and Teach' session with our Digital Eagles.

**Answer to Q37 What are the merits and challenges associated with developing a Later Life Review?**

Whilst we see merit in the concept of a Later Life Review, we note that a mid-retirement review may be too late for consumers to be able to make meaningful changes to their circumstances, beyond setting up wills or Powers of Attorney, if not in place.

**Answer to Q38 Should we develop a single UK-wide 'National Strategy', or separate strategies for each nation?**

Barclays believes that MAPS should develop a National Strategy, rather than separate strategies for each country. The UK has a single market for financial services and guidance and advice journeys should reflect this.

**Answer to Q39 What are the benefits and challenges of collaboration on debt advice across the UK given the new devolved debt funding arrangements?**

Barclays believes it will be vital that MAPS works closely with devolved administrations on matters related to devolved commissioning of money guidance and debt advice. We do not believe where a consumer lives should have an impact on the quality or consistency of the information and guidance available to them.

**Answer to Q40 What are your reflections on the recommendations from the Financial Capability Strategy for the UK 'lessons-learned' report?**

Barclays broadly agrees with the conclusions of the lessons learned report on financial capability. We agree that MAS did not make significant progress either on the creation of simple digestible messages, or on establishing effective governance and communication structures.

We disagree, however, that MAPS should look to mandate a segmentation model on commercial firms (recommendation 2). Customer segmentation within firms is often proprietary, subject to regulatory scrutiny and may involve considering a broader range of consumer circumstances than financial capability alone; for example channel use and levels of engagement are critical to

commercial segmentation, but largely ignored by MAPS segmentation. Customer segmentation is also a key area on which firms can compete and requiring adoption of a fixed segmentation model from MAPS may stifle competition and innovation.

**Answers to Questions 41 and 42.**

**Q41 How do we ensure that organisations other than the Money and Pensions Service deliver on the plans and towards the coordinated goals of a National Strategy?**

**Q42 We have outlined some design principles and suggestions for possible governance models. Do you agree with these design principles? What other governance models do you think could be effective in helping to deliver the National Strategy?**

Whilst we believe implementation of the recommendations from the Financial Capability Lessons Learned report could lead to increased responsibility and governance for a strategy, Barclays is unsure if they will help ensure progress towards coordinated goals of a National Strategy. To achieve buy-in for a National Strategy, MAPS will need to co-design it collaboration with wider stakeholder organisations and build governance and engagement structures that maintain momentum and alignment. Also, MAPS need to set out more fully how they will make progress towards the goals set out in this Listening Document.

Crucial will be identifying ways to maintain engagement from commercial organisations, in particular financial services organisations, whilst ensuring that any collaboration is carried out in compliance with competition law. Engagement from financial services, retailers and other large commercial entities will be vital to the success of a strategy as these organisations have the scale and touch points with consumers to land messages and shift behaviour.

To obtain engagement of commercial organisations we would encourage MAPS to adopt to the following approach

- As outlined in response to Question 1 and throughout this response, MAPS should seek to understand when consumers are receptive to messages about financial capability, what organisations they trust to deliver these messages and what channels are most effective.
- MAPS should then engage with organisations and trade bodies in those sectors, setting out clearly the shifts in consumer behaviour MAPS is looking to achieve.
- Ensure relevant organisations and sectors are fully represented on governance structures for the National Strategy to maintain momentum and alignment.

**Answer to Q43. We recommend that the National Strategy needs a sustained, long-term perspective if we are truly to achieve a transformation in financial capability. Short timescales may only lead to tactical efforts, but long timescales may dilute the sense of urgency and responsibility from senior leaders. What is the right planning horizon for the National Strategy; 5, 10 or 20 years?**

Barclays would encourage MAPS to keep the timeframe of any strategy to no longer than 5 years. We would be concerned that longer timescales may be disrupted by changes in social policy or macro-economic factors outside of MAPS control. A five year timescale would also ensure that any strategy could be refreshed to reflect changing behaviours and attitudes towards money, which will be crucial given the significant innovation in financial services products and shifts in consumer behaviour taking place.



**Answer to Q44 What are the advantages And disadvantages of keeping specialist brands, compared with one overarching customer-facing brand?**

Barclays recognises the value of retaining a specific pension guidance consumer brand. Consumers seeking information on pensions may not engage so effectively with a more generic consumer brand, which could impact on uptake of MAPS pension services.

Regarding the Money Advice Service, we recognise the value in replacing this consumer brand as it inaccurately implies that MAS provides regulated advice, which it does not. However, MAPS will need to give stakeholder organisations significant advance notice of any change to use of MAS. MAS is referenced extensively by other advice organisations and financial services organisations, including in statutory letters to customers in arrears. Charities and financial services organisations will have to change large volumes of correspondence, web pages and other materials to reflect any new brand replacing MAS. Ideally stakeholders should be given a year's notice of any new brand replacing MAS to give time to reflect the new brand in consumer communications.

**Answer to Q45 How can the Money and Pensions Service best support other providers of guidance, help and information through different channels?**

As outline above, we would encourage MAPS to understand who consumers trust to deliver messages on money management and the points and channels through which these are most effective. This insight could then be shared with other providers of guidance, help and information to ensure they maximise the impact of their services. We would also encourage MAPS to work to ensure greater consistency and clarity around the line between advice and guidance and improve consumer understanding of this distinction.

**Answer to Q46 What are your views on the issues we have set out in relation to outcome targets, and accountability, for a National Strategy?**

Notwithstanding our concerns about the simple metric of 500,000 more debt advice sessions set out in our response to Questions 24 and 25, Barclays welcomes MAPS suggesting targets against the outcomes it has set out in the Listening Document. However, we are concerned MAPS have not laid out any detail on how these targets will be achieved and the stakeholders MAPS will need to work with to do so. Without this detail, it is difficult to assess whether the outcome targets MAPS has outlined are realistic.

Further and linked to this, Barclays believes MAPS needs to provide greater clarity on the accountability of any strategy and the targets within it. We note that MAPS asks whether the targets in the national strategy should be based on what MAPS can achieve on its own, or broader and more ambitious, based on collective action. Barclays would favour the latter approach, as MAPS alone has very limited opportunity to shift consumer behaviour and no powers to compel other sectors. However, targets that require action by other sectors to achieve them would need to be designed in conjunction with those sectors. We have set out how this could be done in our response to Questions 41 and 42.

**Answer to Q47 What should the Money and Pensions Service do to promote the use of evidence in funding decisions and service design across the sector?**



Barclays supports the use of evidence in funding designs and service design. In particular, we believe greater information is needed on the outcomes of consumers accessing debt advice, as well as a better understanding of who consumers trust to deliver messages on money management, and the points where they may be receptive to such messages.

We would strongly encourage MAPS to work with financial services and other scale sectors in the development of its evidence and impact frameworks. Frameworks should be developed in a way that they can be easily used by scale providers, rather than tailored for smaller face-to-face interventions or directly commissioned services, where funding is dependent on providing information to MAPS.

We would be happy to discuss our response in further detail and look forward to our continued close engagement with MAPS as it develops its strategy and future plans.

Yours Sincerely

A handwritten signature in black ink that reads "Kirstie Mackey".

**Kirstie Mackey**

Managing Director, Citizenship and Consumer Affairs  
Barclays UK