HOUSE OF COMMONS

Education Committee

Oral evidence: Financial Education, HC 265

Tuesday 5 March 2024

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Watch the meeting

Members present: Mr Robin Walker (Chair); Mrs Flick Drummond; Vicky Ford; Andrew Lewer; Ian Mearns; Mohammad Yasin.

Questions 62 - 122

Witnesses

I: Martin Lewis CBE, Broadcaster and Founder of MoneySavingExpert.com; and Russell Winnard, Chief Operating Officer, Young Enterprise.

II: Rt Hon Damian Hinds MP, Minister of State for Schools, Department for Education; and Kate Dixon, Director of Pupil Wellbeing and Safety, Department for Education.

Examination of witnesses

Witnesses: Martin Lewis and Russell Winnard.

Q62 **Chair:** Welcome to today's session, which is our last session on financial education. We have two panels this morning. We will be coming to the Minister after 11 o'clock, but first we have Martin Lewis CBE, Broadcaster and Founder/Chairman of MoneySavingExpert.com, and Russell Winnard, Chief Operating Officer of Young Enterprise. You are both very welcome.

First, Martin, you were at the heart of the campaign for financial education to be involved in the national curriculum and that was achieved in 2014 with strong cross-party support. Ten years on, what is your assessment as to the current state of financial education in schools and colleges in England?

Martin Lewis: In many ways, getting it on the curriculum was a pyrrhic victory. In some ways it was counterproductive. Beforehand, you had volunteer groups and other people funding and providing support in schools, to go in and to teach financial education. We campaigned hard to get it on the national curriculum and we got it on the national curriculum in England, of course. At that point, a lot of the resources were pulled from those who had been volunteering in the private sector. Then we had the change in the way that schools work, the academisation programmes, the free school movement, which all mean that they don't have to follow the national curriculum.

The holy grail of trying to get it taught on a compulsory basis in every school, which is what getting it on the curriculum was about, became self-defeating. It also meant that fewer resources were put into place. Frankly, the number of resources that the state and Government have put in since then has been completely flaccid to a detrimental level.

While I cannot say that I regret that we won the campaign at the time, I am not sure it really changed the game in any way because the rules were changed afterwards about what being on the national curriculum means. I still think that there is a real poverty of financial education in the UK and much of it comes down to a lack of resourcing for schools, a lack of resourcing for teacher training and a lack of emphasis being put on this, so that headteachers who are already stretched have the ability and the wont to prioritise and make sure that this is being done. For obvious reasons I would say that it is an absolute necessity.

Q63 **Chair:** Some of that challenge in getting resource is about where it sits within the national curriculum as well. What is your view on that? Where do you think financial education should be included if this was being followed by every school?

Martin Lewis: It was me who sat in the room with the then Minister for Education at the time and who had the cut and thrust debate about, "We want it to be here," "Well, we don't want that; we want it here." We negotiated and it was a result of a negotiation rather than some great policy idea that this should be split across maths and citizenship.

One of the things I wanted in maths is that if you do financial numeracy it should be called financial numeracy, so that the pupils understand that that is what they are doing at the moment, and it should be using contemporaneous examples. If you are doing credit cards, go and get some credit card leaflets or go online and look at them. Use actual current, contemporaneous examples to make sure it is understood that this is a practical, general real-life situation. We talked about that. The split across maths and citizenship is not a particularly bad one, but you then need some co-ordinating body within the school. You need a financial education co-ordinator within the school who makes sure that those two topics are being married up at the same time. I understand that anything we want to put into schools means something else will have to give.

In the research that we did in the run-up to 2014, and it was very detailed, while there was some pushback from maths teachers many years before that, in the early days, a lot of the research said that for the pupils who were disengaged from maths in secondary school, once you do proper, contemporaneous financial education they understand it is practical. It is re-engaging and it brings them back in. It is not a negative; it is a positive. It is a positive for maths, not just a positive for financial education.

I will leave Russell to talk about where it should sit in the curriculum because that is his business. We work together on this a lot and we work together very well. I just think that it needs to be somewhere. It is too wishy-washy at the moment. We have to find a way to make sure that every school is teaching this.

Q64 **Chair:** Is it every school in every phase? Are we talking primary, secondary, post-16, or are you focusing there only on secondary schools?

Martin Lewis: For me, it is integral that it is secondary and post-16. I would like it to be in primary. Russell may differ on that but that is my view. I think that it is integral.

This is a deliberate soundbite but it is worth saying. In payment protection insurance mis-selling, where I was heavily involved in helping people to get their money back, £40 billion was paid back. That was a policy that people should not have been sold and mis-sold and was done by confusion marketing and deliberate systemic mis-selling by script by Britain’s biggest financial institutions. It is not 10% or 1% of that money that we need. If 0.1% of the amount of money that was mis-sold on payment protection insurance was put into financial education, which would be £40 million, we would completely revolutionise everything that we have ever done. We are talking rounding errors of the amount paid back on just one mis-selling scandal. Perhaps if we had put the £40 million in, we would not have the £40 billion mis-selling scandal in the first place.

This is about being joined up as a society and making sure that, as we live in one of the world's most competitive countries and societies, where companies spend billions of pounds a year on advertising and marketing and teaching their staff to sell, we try to redress that balance with a little bit of consumer and buying training and financial education for our young people when they are professionals at learning. That is when they are at school. It is much tougher once they are adults. Teach them when their whole job is to learn.

Q65 **Chair:** Russell, I will come to you on this question about the last 10 years. Martin referred to the number of outside organisations that were working with the education sector. Young Enterprise has been a fantastic co-ordinator in bringing in some of that outside expertise over the years. Do you recognise the drop-off from the private sector engagement on that front that Martin is talking about? Do you recognise the challenge in curriculum time and curriculum space?

Russell Winnard: Yes. Financial education is an important part of Young Enterprise's offer—so much so that 10 years ago we created a brand, Young Money. All our financial education provision sits under that brand.

We have seen over the last 10 years opportunities to evaluate how successful the implementation of financial education on to the curriculum has been. Two years after it was placed on the national curriculum the all-party parliamentary group on financial education for young people ran a report. We are the secretariat of that APPG. That found that there had been no substantial difference in the level of provision but, as Martin said, the drop-off in resourcing and support had begun. There were quite significant central budgets coming towards financial education prior to that point; there is very little that comes from central Government to financial education now.

We also saw that the Money and Pensions Service, the arm's length government body that oversees the UK financial wellbeing strategy, which was implemented in 2020, a 10-year strategy to 2030, has a financial foundation strand. It looks to increase the number of young people receiving meaningful financial education by 2 million to 6.8 million by 2030. We had a survey done by the Money and Pensions Service prior to that strategy launching, so prior to 2020. That found that 34% of young people in schools were receiving meaningful financial education. Three years on, so three years into that strategy, we find that that has plateaued. It is actually slightly less now. Financial education has not had an uplift from being placed on the national curriculum, for sure.

We ran a YouGov survey a couple of weeks ago. We found that 67% of secondary school teachers believed that financial education was being delivered in their school. They were not the deliverer but they believed it was being delivered. That is an interesting stat because that means that there is a third of schools where teachers believe it is not being delivered. There is a third of schools where the teachers believe it is being delivered but young people are saying it is not. Then there is a third where the teachers are saying it is being delivered and the young people are saying it is being delivered. This is inconsistent on many levels and for me the fundamental thing we need to get better is consistency across all schools in delivering financial education.

Q66 **Chair:** Schools tend to focus time and attention and value on what they get measured on, so it is either what is inspected or what they get grades in exams for. Do you think that there is a case for more dedicated, specific financial education qualifications? Are we comfortable that this is being done through maths, in which everyone takes a qualification of some sort, and citizenship, in which the vast majority do not?

Martin Lewis: In my dreamworld, we would have a financial education qualification at GCSE and A-level and pupils would be able to take it, but that is not the priority. The priority is remedial, basic understanding of what is going on out there. Therefore, the issue for me is not the maths/citizenship split. I think that it could be improved. It could be better, it could be stronger and there could be more. I would like to give evidence to you in five years' time on that. At the moment the fact is that it is just not being done at all. That is what we have to address before we address how we do it better.

Chair: There are some striking points for us to raise with the Minister very shortly. I will hand over to Mohammad Yasin.

Q67 **Mohammad Yasin:** My question is to Martin. You personally funded a financial education textbook "Your Money Matters"—yes, there, well done—and almost 350 copies have been sent to state secondary schools in England. Why did you feel that it was necessary?

Martin Lewis: I was told it was necessary by the then Minister for Education, Nick Gibb, who I sat in a meeting with. I went to complain that we had had it on the curriculum for about three years and nothing has been done, no state funds have been put in. He said, "We need a textbook." I said, "Yes, we need a textbook." He said, "We need a textbook." I said, "We need a textbook." This went around in circles for a little bit because I could not quite understand what was being said. I said, "You should do a textbook." He said, "No, you should do a textbook."

I am not the Government; I am a private individual. I have a substantial political objection that a private individual should be asked to pay for a textbook to go into all schools. I think that we would not ask the chair of GlaxoSmithKline to pay for chemistry textbooks. I don't understand why I was asked to pay for it.

However, practically, I was told quite succinctly that it was not going to happen unless I funded it, so I funded it over my own objections. We funded the English textbook, 350,000 textbooks to all schools. It is still available, for those watching. Forgive me plugging it: free download from the Young Money website, anybody can get it. Lots of adults say that it is useful. After that we did Scotland, Wales and Northern Ireland, which was jointly funded, 50% by me and 50% by the Money and Pensions Service. I am glad that it stepped up to the plate. As an aside, I have just funded Young Money to work on an adult non-curriculum mapped version because lots of adults said that it was useful. We thought that we could do some small tweaks and get it out there for them.

I think that it is completely wrong and the problem is we have a teacher's guide as well and there is still no teacher training. There is no ongoing training for teachers. There is just zero resources put into this. Tell me, what was my donation for this, Russell? You will remember more than I do.

Russell Winnard: It was in excess of half a million in the end.

Martin Lewis: Okay, so half a million pounds. That is quite a lot from my charity budget but it is not a lot from state education funds.

The farce of this, if you will forgive me because it is a good place to say it, is we came back with our first proposal, working through a publisher where I would fund the writing of it and some of the distribution and we would have a publisher. The Department for Education said, "Oh no, you can't do that." I said, "What do you mean we can't do that?" They said, "We can't support it if you go via a publisher. We aren't allowed to support it if you go via a publisher." Again, I said, "What are you telling me?" They said, "You have to publish it." Not only did I have to fund the writing and the distribution, we had to fund the publishing and the printing. Basically, we had to self-publish. If we did not self-publish, we could not get the Department for Education to do the letter that it did to schools supporting the textbook.

Forgive me: what a bloody farce. Is that not just ridiculous? A private individual was asked to fund this. Very deliberately, in the contract of funding that I did with Russell, I wanted it stated that I did not have editorial control because I thought that was important. I have written the foreword and because of what I do in my day job I read it and gave some feedback about things I thought could be nice, but not editorial control. I could have gone in a contract for some form of editorial control over writing it, couldn't I, as a private individual? I could have done that. I could have put my stance into schools. I could have used it as a piece of propaganda. I could have done all those things. It doesn't seem right to me.

Q68 **Mohammad Yasin:** What response do you get from teachers, pupils and school leaders?

Martin Lewis: I funded Young Money to do it. Of course everyone is always very nice to me about it because of what I do, so it is probably better to ask Russell for an honest opinion.

Russell Winnard: We have conducted a number of surveys on this and, just to caveat, it is impossible for us to go out and conduct significant surveys with young people. We focused on the teachers because those are the individuals to whom the textbook has been sent.

The very latest survey suggests that in excess of 13,000 teachers have used "Your Money Matters", the textbook. That equates to a very conservative figure of 1.5 million young people, but that is conservative. On the outcomes, 89% of teachers agree that the textbook has improved the quality of their financial education delivery; 88% agree that it has increased their confidence to deliver financial education. That is a crucial one.

Irrespective of the survey, it will come back that teachers are not confident to deliver financial education. The textbook enables teachers to have the security of being able to read through it. I was a teacher myself. I remember doing it with science textbooks. I would have a read through before I went and delivered it. In exactly the same way, this can build that confidence, enabling teachers to deliver financial education themselves, which, if we are truly talking about sustainable financial education, has to be teacher-led. All sorts of enrichment can be added in to build that provision, but it has to be led by the teachers who know their young people, know their ability, know the community. That is important. All that has been made accessible because of the textbook.

Martin Lewis: Can I read into the record, if you don't mind, what the chapters are? I think that is quite useful to make everybody understand what the textbook is about.

Chapter 1 is saving, which is ways to save, interest, money and mental health. Chapter 2 is making the most of your money, which is budgeting, keeping track of your budget, ways to pay, value for money and spending. Chapter 3 is borrowing, which is debt, APRs, borrowing products and unmanageable debts. Chapter 4 is after school in the world of work, student finance, apprenticeships, earnings, tax, pensions, benefits. Chapter 5 is risk and reward, which is investments, gambling and insurance. Chapter 6 is security and fraud, identity theft, online fraud and money mules, which are all crucial points that children should know about.

That is the English textbook. It is nuanced differently in each of the other nations because it is curriculum-mapped, but that gives you an overview of the breadth of information we are talking about. There are lots of practical examples in the teacher's guide that goes with it. All these were free and sent to schools. It is the right thing to do but you still want to teach it. You just have to teach it.

Q69 **Mohammad Yasin:** There are people who think that there is no shortage of resources and they say the problem is that teachers are completely overwhelmed because they have to choose from so much. What is your view?

Martin Lewis: I am not going to argue with teachers if they say they are overwhelmed, because they are the ones who know. I disagree. I think that there is a shortage of proper curriculum-based resources. There is only this textbook. There are lots of after-school clubs and volunteer groups and wonderful organisations that do great forms of financial education—more power to their elbow—but ultimately to do this properly you need a universalised financial education that is taught in every school and is on the curriculum, taught by the professionals in teaching, which is the teachers who are properly resourced, properly educated themselves and who get ongoing teacher training to keep up with it. I don't believe the resources are being put in place to do that. I don't think that schools or headteachers feel that the resources are in place to do that. Yes, there are some of the Young Money brilliant centres of excellence where the headteachers are making it a priority.

It is worth noting that among parents and the general public—I did another poll; it was only a Twitter poll so it was self-selecting—there is 96% support. When we did proper polling before 2014 we found that 98% of people supported this. It is ridiculous that so many parents say to me, "I wish I had that. I hope my kids get it." We need to remember that the one counterargument to this is that it is a parent's responsibility. That is great for my daughter because it will go pretty well, to be fair, but what you will do then is perpetuate a cycle of the financial knows and the financial know-nots.

Q70 **Mohammad Yasin:** Your wonderful work did not stop at the school level. You also work with the Open University and teamed up with it to provide free—

Martin Lewis: On my website we have what I like to call Academoney, which is the MSE Academy of Money jointly with the Open University, where we have six totally free two-hour courses where you can go and self-qualify and teach yourself more about finance. Frankly, half of my life is financial education on my—

Mohammad Yasin: How is that going?

Martin Lewis: The academy is very popular. I cannot remember the numbers; it is probably in my briefing pack somewhere but I am not wearing my glasses. I think that we are in the high tens of thousands of people who have taken the course, and people love it. There is an appetite out there for this. People feel ill-educated. They know that they have a lack of financial capability and they are scared.

A lack of financial capability does more than just make people disengage. The problem with a lack of confidence, even when you try to engage—I know this from lots of data and the work I do—is that people never take the final mile. When I used to do roadshows, two-thirds of the questions I would get were what I would call permission questions. They were people who had done all the reading, done everything they could, but they go, "Should I do it?" It is that lack of movement, the lack of making the final decision. In the end, people just don't do it because they are too scared. They are far happier to do nothing than to take a decision that they may regret later because they are worried about it. In our entire society, our economic structures, our personal finance structures, while we are in the middle of a cost of living crisis, this echoes violently in a path down all of it.

We are not talking education here today. I also chair the Money and Mental Health Policy Institute. Money and mental health are so intricately linked. You are four times more likely to have a debt problem if you have mental health issues. The clinical treatment time for depression is exacerbated by up to 18 months if you have a financial problem. We have to be very careful not to think that of course what we are teaching is financial education. This is, in a capitalist consumer economy, at the core of individual wellbeing, financial capability, financial knowledge and living in a good society.

Even though it may put extra pressure on teachers, I think that we need to work through that. We need to give them the resources and encourage headteachers. That would not be a reason for me for not trying to push ahead with it.

Q71 **Mrs Drummond:** Who is best to provide this education—external providers or teachers? In which case, what teacher training, and how do we give that? Should we have specific teachers delivering just financial education? Who should be delivering it?

Martin Lewis: I will give my answer before Russell. This is not rocket science. We are not asking these teachers to become a professional money-saving expert. We are talking maths teachers. Maths teachers are perfectly capable of understanding financial numeracy. We are talking PSHE with good resources. We are talking remedial, getting kids up to a decent start point. I do not believe I have ever met a secondary school teacher who is not capable of doing this. It is just about putting the resources and the teaching in place. It is in the curriculum. As it is in the curriculum, it would be great to have guest people coming in to help, but I think that it has to be the teachers who are teaching maths and citizenship who are doing this.

Q72 **Mrs Drummond:** We have heard from various sources that teachers are not confident in walking into the classroom and teaching financial education.

Martin Lewis: They would not be because there are no teaching resources, no teacher training. It is not in teacher training school and there is no ongoing teacher training. Until we break that cycle—I promise that if you give me 1,000 teachers who are in these subjects who are not confident, they can come and spend the day with Russell and me and they will walk away full of confidence. I will happily do it for the state for free if the resources are set up to put in a teacher training conference. I will pay my own transport. We have to start resourcing the training of this. I understand that teachers are not confident. They have never been taught to do it. Of course they are not confident.

Russell Winnard: On the teacher training, we train around 3,500 teachers every year, and to put that in perspective there are around 216,000 secondary school teachers. It is a very small proportion. The training that we provide is from a half day to a whole day, no more than a whole day of training. That used to be in person. Now potentially it is hybrid, so it is online. The impact of that teacher training, just that half day, maybe three to six hours' worth of training, enables teachers to increase their confidence. They are far better at being able to develop and deliver appropriate financial education for the young people in front of them. They can adapt it accordingly.

The University of Edinburgh business school did a big research piece on our teacher training and it found that the impact of training teachers just for that short period began to have an effect and continued to have an effect two years on. They developed their training. They developed their ability, their pedagogical practice, and they were still delivering financial education that was of better quality and consistency than without training. It does not have to be huge amounts of training; it can be relatively small.

To Martin's point, it is not rocket science. This is about confidence and understanding the financial areas we are expecting young people to be developing, whether that is secondary or primary. We have some planning frameworks that have learning objectives for young people from age three all the way to age 19. If a teacher can understand what those areas are, how it can be delivered and what further support there is, which is important—there are great organisations out there who support financial education. I sit on the Youth Financial Capability Group with some of them—MyBnk, Money Charity, Red Star, Just Finance Foundation, all committed to delivering financial education.

I will come back to my earlier point. The education has to be driven by the teacher. The teacher has to have the oversight of what is being delivered because they know the young people the best.

Q73 **Mrs Drummond:** We have just done a teacher retention and recruitment inquiry. The workload is massive and I think that is part of the issue. Trying to give them a day off to go and do financial education or whatever, which is fundamental and I agree with you on this—

Martin Lewis: I would not call it a day off. It is not a day off.

Mrs Drummond: Sorry, a day of training. I meant out of school.

Martin Lewis: However, I will also say that frankly if you want recruitment and retention of teachers, it is quite useful to give them financial education as well. When I went into a school when I first started this back in 2008, I think, I did a programme called Teen Cash Class, where I taught a group of kids for a day before this all came off. We sent the kids home to save their parents money, but the person who saved the most money was the teacher who sat at the back of the class to supervise. I think that teachers might appreciate it. There is nothing in here that a teacher should not know, and if they don't know, it would be a useful course for them.

Q74 **Mrs Drummond:** What about outsourcing financial education to external providers? You have very clearly said that teachers are the best to provide it, but if there is a shortage of maths teachers, which there is, and teachers are unable to do that, where do you see external providers coming in and who would they be?

Russell Winnard: It is part of that picture of provision. The teacher ought to be at the heart of building the provision, but that can consist of tools and resources that the teacher uses in their school. It can be professional development. It can be in-school support from other organisations. Again, to Martin's point about having a co-ordinator in school, there needs to be someone in the school who is aware of where that is being delivered, through which subjects and how it is being delivered.

It is important that we have this variety. The Money and Pensions Service did a provision mapping exercise: 102 programmes and supports, tools and resources for financial education. I don't think that is excessive at all. As an educator, you want to be able to select from all the resources, select what works for you, what works for your young people and make it appropriate. I don't think there should be a situation where financial education provision looks exactly the same in every single school. I don't think that is right. It should be tailored to the needs. Yes, teacher driven, teacher co-ordinated, but bring in the range of support that is available and accessible.

Q75 **Mrs Drummond:** The financial co-ordinator is possibly the most important person, aren't they?

Martin Lewis: For me, a wonderful solution would be that you have this running through the curriculum, you build it up. Then when you get to the point where in old money you are either getting near or in sixth form where it starts to all become real to you—maybe post-GCSE time when you are still at school—that is where you want a week or two. You could even do a dedicated week on this where you start to educate children. That is the point where externals coming in could be incredibly useful, going into schools, educating and teaching the proper life skills that children could then have once they become independent adults at the point where it is nearest. You could also do that at similar points in the sixth form.

I am very much not opposed to external teaching, but I don't want to sacrifice the curriculum base, that teachers teach on the curriculum within a curriculum subject that is exam-marked, like maths. All of that gives it the strength and the resourcing in schools. Otherwise it gets dropped and put at the bottom of the pile.

Q76 **Andrew Lewer:** Building on that curriculum point, how would you both describe the difference between enterprise education and financial education? Should enterprise education be delivered separately or should it be not the same but part of the same thrust of teaching?

Martin Lewis: We may philosophically disagree on this. I am always very plain when I donate money to Young Money that I don't donate money to Young Enterprise. I think that enterprise education is incredibly valuable and important but it is a completely different subject.

There are crossover skills, as there are in many subjects, but ultimately there is one thing to tell people. We live in an adversarial consumer society. You can argue that a company's job is to make money from people and a consumer's job is to stop them. They are two sides of the same coin, but when you are teaching people about enterprise, profit, going and making money from people, that does not empower you to look after your own personal finances. Equally, when you are teaching somebody about their own personal finances, how to not be scammed, not be defrauded, to understand that adverts are there not because they are good for you but because they are being paid to be there to sell you stuff, it is a totally different form of education.

I would like some clear lines between the two. They are both important but my side is the money side. It is not that I am anti the enterprise side; it is just not what I do. I would keep the two quite distinct. You have economics A-levels and you have business studies A-levels and they are all factored in and seen as a valuable thing. Looking after your own personal finances quite rightly is not going to set you up with a job for life. It is a different skill base. I think that the separation is there and I would keep the separation.

Russell Winnard: We might slightly disagree, only because, working with children and young people as we do, and thousands of children and young people on various enterprising activity, we have found it is interesting that in some of the most immersive enterprise experiences that we provide, the skill that young people are developing the most is financial capability. It is fascinating, particularly when we are working with schools in less advantaged areas. It skyrockets.

There is something about young people being able to have access to money, to make money decisions and choices, in some cases for the very first time—that applied learning that enterprise scenarios can afford young people. I take the point that it is business finance, not necessarily personal finance, but I feel like the two overlap. We see it overlapping in young people. Young people's enterprises are all environmentally and sustainably focused, community focused. They have a passion for good. We see that financial capability being an integral part of a lot of the enterprise work.

Martin Lewis: For me it is clear lines and understanding the difference between the two. A company making profit: where is that profit coming from? You have to wear both hats. Most people do both. Most people work in a job and work for a company that is trying to profit-maximise, but at the same time they are also consumers trying to keep the money in their own pockets. An understanding of that necessary friction is very important.

Q77 **Andrew Lewer:** Has the fact that financial inclusion is now part of the national curriculum made a difference to enterprise education particularly, Russell?

Russell Winnard: It is a great question. I don't necessarily think that it has. There is a great opportunity there because they are inextricably linked, and with careers as well. Young people have very limited views of the roles available to them within financial services. It is a banker or it is nothing, whereas you can pretty much do anything in the financial services space. I have always felt that there has been a vacuum for volunteering within the financial services sector and beyond. You don't have to be in financial services to come into a school and talk about financial education. That role model, that aspirational piece, is quite important. We know it is important for careers development, but it is equally important for financial education and we haven't got that working quite yet.

Q78 **Chair:** You both mentioned the link there with careers and that side of things. We completed a big inquiry on careers education, information, advice and guidance. One of the things we were looking at within that was the Gatsby benchmarks. They are at least producing something that is measurable in this, and therefore schools are being encouraged to engage with them. Do you think that there is more scope to link those to financial or, indeed, enterprise education and to achieve some of the measurable outcomes through marrying it into that process?

Russell Winnard: I think there are, for sure. It works for both enterprise education and financial education. The engagement with employers piece is important and experience of work is also important. Again, financial capability and an individual being financially capable is inextricably linked to the world of work.

Q79 **Chair:** There is something to Martin's point. Preparing people for the world of work and supporting them is understanding that when you get your payslip you are not just getting all the money that is in your salary; it is being divided between the tax, the pension and everything else. I think that is something that universally the education system has failed to equip people for.

Martin Lewis: The education system has not. I think that universities have singularly failed in explaining student finance and how it works. We educate our youth into debt, or at least into what we call debt—I would argue it probably is not a debt, but that is another discussion—yet we never educate them about debt.

People don’t understand their paycheques. They don’t understand that their tax code number is their responsibility, not their employer’s. People feel it is derogated up to the employer but it is not. Right across society we don’t do this well enough. By starting this in school, you think of the benefits that you have but also the employability of young people. Whatever industry you are in, there are very few jobs that don’t involve some idea of budgeting, or at least understanding that you have a budget and you have to stick to it.

While I would still want those clear lines, I think that there are very transferable skills, from looking after your own personal finances to then looking after your employer’s finances once you get there. It is understanding what an interest rate is, that a high APR is a bad thing, not a good thing. It is as simple as that. Don’t assume that everybody knows that.

Chair: I remember during the 2014 debates we were quoting statistics about university students and the proportion of them who thought that the higher an APR, the better. It is definitely a challenge. Vicky Ford, I will bring you in.

Vicky Ford: It is a lovely book.

Martin Lewis: Thank you.

Q80 **Vicky Ford:** You are obviously an amazing communicator, which is why you do what you do. How do you find it best to communicate with young people? Picking up a textbook is something that they may do in school, but a lot of young people will communicate in other ways as well.

Martin Lewis: There are great exercises in the textbook as well. It is quite practical. I have always found that it is best, whenever I speak to young people about this, to just be straight and honest and open and not try to patronise them. Just talk to them how it is. Pensions are tough to engage a 14-year-old in, let’s be honest, so you need to keep that pretty simple. Mobile phones and car insurance are a lot easier once they are in the higher teens.

My philosophy on this, and my philosophy on the whole of finance for adults as well, is that it is very difficult to teach everybody the answers to anything. You can’t. I am still learning every day and still researching and working myself. What we have to teach them to do is to understand the language and to know what questions to ask. That is the point of financial education—to know that there are questions to ask and to try to help figure out what the questions are, so that you can navigate a path through. Even though there is a lot of practical stuff in there, even if pupils don’t retain it, as long as they understand it, that is worthwhile.

You have to give them a level of natural scepticism, so they know that when somebody says, "This is good for you," you have to ask, "Who is saying it is good for me, and are they acting in my interests?" Is it a debt crisis counselling agency that only has your interests at heart, or is it a bank whose job is also to sell products to you? That is all part of financial education. Those honest, straight conversations work very well, but I don't go into schools in the way that—

Q81 **Vicky Ford:** Given that the young people I know spend a lot of their life outside school on mobile phones and not necessarily reading books, should more of this information be available in online formats?

Martin Lewis: If we go back to the original textbook, the Minister was very keen that there was a textbook. When we talked about maybe doing budgeting via digital, no, budgeting needed to be done on paper. There was a little bit of to and fro on that. I don't disagree with what you say.

Vicky Ford: We could recommend that as a Committee.

Martin Lewis: Digital engagement and digital inclusion is a core part of any form of financial inclusion. It is integral to it. I think that the textbook works well because it is also democratising. Everybody can have it. It is free to schools. They are all available in there. However, that does not mean that there should not be supplementary ways to do this, and that many of the exercises could not be digitised. Maybe the state could pay this time, not me.

Vicky Ford: I hear that. We can make recommendations at this time about that. We could make recommendations about more digital means available for young people.

Martin Lewis: I am sure that Young Money would be delighted to build it.

Vicky Ford: You are the expert.

Martin Lewis: Absolutely. We want ongoing teacher training and proper textbooks for schools. We want apps and games and things that people can play that give financial education. We need a rounded, funded way to do this. We are talking low numbers of millions of pounds; we are not talking hundreds of millions. Russell is the educator, the teacher, not me.

Q82 **Vicky Ford:** I will carry on. I have a couple of constituency cases—tragic cases of young people who have been groomed into becoming money mules or groomed into county lines: "We will give you loads of money if you do this for us." One of them has ended up in a young offenders institution. They have not only lost their money but they have lost their independence and nearly lost their lives. I wonder if that real risk of serious criminal activity should come earlier on rather than on page 136.

Russell Winnard: There are resources that focus entirely on that area. Stop Loan Sharks has a great resource. We provide a quality assurance piece called the quality mark, so we will review organisations that come through it. If it has the quality mark it is of that good standard. There is the variety around that you speak about, the digital resource.

The biggest challenge we have at the minute for the 102 different products is making them as accessible as possible to teachers and other educators. Some of the learning is the learning that is best within the home, so parents and carers, and how parents and carers can become involved in financial education in a meaningful way that complements what is happening in school.

Q83 **Vicky Ford:** A lot of charities and different organisations like banks have suggested that there need to be practical as well as theoretical ways of teaching people. What is the best balance to get here? I love the exercises within that book, which are quite practical.

Russell Winnard: For me it is a fairly equal balance. There are some things that you just cannot do in school—that it is not practical to do in school, or that there is very limited opportunity to do. There are things that can be done in the classroom, but there are things that are far more appropriate to be done at home if that is applicable and possible. If you can combine the two, the biggest influence on a young person's financial capability is evidenced as their parents or carers. The second is their teacher. These two really need to be coming together. There is a primary programme that we operate called Money Heroes together with HSBC UK. We built that so that parents and teachers could connect around the one young person they have in common. There are things that happen in school, in the classroom, and there are things that happen at home, and those two complement each other to develop financial capability.

Q84 **Vicky Ford:** A lot of evidence we have had says that there should be more financial education at primary level. You have mentioned Money Heroes. Do you agree with that recommendation? What would be other effective ways to have more at primary?

Russell Winnard: I do agree. For me, you have the Money and Pensions Service and Cambridge University. I am sure you have heard this before: research says that young people begin to form their money habits by the age of seven. Their money cognition begins well before that. When they can see transactions happening that have all moved cashless, which can be quite a strange thing for a three-year-old to comprehend what is going on now—far more difficult than it was 15 years ago—that cognition is starting through observation, listening to discussions in the family home. If we know that habits begin to be formed by age seven, we need to be beginning the process a whole lot earlier. For me it is important that we begin at primary.

As to how we do that, realistically it would make sense to mirror what we have in secondary so that you have sequential progression through primary and into secondary. Primary young people are so capable. They will tell you the difference between an AER and an APR. They will tell you the difference between a debit card and a credit card. They are amazing. If we can get that foundation by the time they leave primary, think what we can do by the time they leave secondary or further education. I think it is crucial that we do more in primary.

Martin Lewis: I am very supportive of it being in primary education as well. If you made me choose, I would go for secondary, but I am very supportive of it being in primary.

On the money mule thing, you have to understand the situation we are in. We don’t really have state support for this. We do a textbook that goes into schools and is, frankly, in most headteachers’ and teachers’ purview and we want parental pressure to get it to be taught. Money mules, which is at the more extreme side, is very important but in actual numbers of children is a very small percentage. If you start a textbook on money mules, all the parents who are supporting this at home, who want their kids to learn about saving, investment and debt, are going, “What the hell is this?” You are right that it needs to be taught, but there are different risks for different children in different schools. I totally get why, with your constituency, you feel passionately about it, as rightly you should. I will say that we are probably in the right order.

Q85 **Chair:** To that point, the fundamental lesson that applies to money mules, as to many other things in marketing, is that if it sounds too good to be true it probably is. Understanding how to work that out financially is probably the capacity you need to build.

Martin Lewis: That is what the textbook is about. Go to my questions, not answers. It is not just what you teach them factually; it is starting to build the decent, sceptical consumer brain, which is what you need to survive. The textbook takes you through that. If you are in a school where that is a plausible risk and you are in an area where that is a plausible risk for your pupils, we need to prioritise that.

Q86 **Vicky Ford:** I was interested in what you just said about digitisation, Russell. It probably makes it harder for young people to understand the value of money because it is not a physical, “Here is a fiver” and how you spend a fiver. Are there any comments you want to make about that and how the Committee might think about recommendations on that?

Chair: Bear in mind that we are also doing an inquiry in parallel on screen time.

Russell Winnard: It feels a very nuanced difference to some of us who are quite used to tapping out with a watch or a phone, but from a very young person’s perspective it is incredibly different. From a parent, carer or educator’s perspective, it adds a number of additional steps into what the story is: how do you dig into what is actually happening there?

On the digital piece, one of the opportunities is for young people to begin to understand in an applied way, if there were some freely available learning tool that young people could use to understand that cashless process and see what is happening, that there is an account and it is taking money from that account. As you say, it is far less tangible. Yes, it is an important area. It has created more of a challenge in the financial education space.

On things like saving, since the cost of living crisis we have seen a movement back to jam jar saving, where you literally have on your mantelpiece the jam jars for different things and cash put in them. That is because it is far easier to see, it is more tangible and it makes more sense. We need to use that principle, but young people are going to grow up in an age where everything is digital and cashless.

Martin Lewis: One of the problems for young people that I hear through parents is understanding the difference between real money and in-app money, and the number of children who are playing games where they are spending money and then suddenly that converts from in-game currency to real currency paying for in-game currency and paying for things. The in-app purchases is a real issue. There is a confusion out there among young people and that is one of the problems with digital money. In the old days when you had cash and you had money in a game, the money in the game was not real and the cash was real. Now the two things are very similar.

Q87 **Vicky Ford:** How systemic an issue is in-app money and is it something that this Committee should be making recommendations on?

Martin Lewis: I have not done a study systemically on in-app payments and the security of in-app payments for children. I have a mailbag like you do. Parents constantly get in touch and say, "My kid has just spent this much money and I didn't know." Let's be honest: you can say, "Don't let them have your PIN code," but kids are better digitally educated than parents. They see it. They know your PIN code without even having to look at it. That is just what they do. We know how that works.

There isn't a difference. I don't think that there is a big enough flag between real money and fake money in app purchases, especially in games that are targeted—or rather they are never targeted, so games that some young people play, marketed. You think about that from a primary level because certainly by the age of 10 those kids are involved in that sphere. All that would be useful in primary education, and understanding what is real money is quite an important lesson. One difficulty of a game with fake money is that, again, you might blur the lines between real money and fake money if you have a game that is teaching you how to spend real money but it is not real money in an app, if you see—

Chair: That is even before we start talking about the marketing of bitcoin to young people and teenagers.

Martin Lewis: Exactly. I am getting a bit meta.

Russell Winnard: I will just add that we held a surgery for teachers and a number of teachers said that young people in their school, under-18s, are trading cryptocurrencies on their phones. That is their activity. They are not texting their friends. They are trading cryptocurrency. It definitely needs a focus.

Chair: Ian Mearns is waiting very patiently and I know he wanted to come in earlier.

Q88 **Ian Mearns:** I was struck by a point you made earlier about people having researched something but then not being able to make a decision. I remember when I first became a councillor, many years ago, the leader of the council said to me, "Every time you don't make a decision you've made one." I think that is an important point. It is a very simple lesson, but it is an important point. It means that you stay with the status quo.

I am also chair of governors of a primary school in Gateshead where 50% of the youngsters are on free school meals. The school serves quite a poor community. Is financial education for some families almost like an abstract concept? How do you manage with no money?

Martin Lewis: That is an existential crisis right across our society at the moment. Over 50% of people who go to debt counselling agencies are still deficit-budgeting afterwards. I cannot fix that one. Frankly, that is your issue, not mine. That is a political issue in society.

You have to teach them because hopefully life will improve. Hopefully they will be able to get work and not be in that situation later on. I am very minded of a project I did with another charity, the Trussell Trust, with food banks. I have funded money and debt counselling in food banks. What we found was that at the point of asking for help people—adults, obviously—were the most receptive to getting help.

While it is that concept, if you talk about this in the round, I often do a speech in my shows when we get to Christmas and when I am talking about debt, which is about when someone says they cannot come out. Let's stop saying, "Oh, come on!" and let's be in a society where we can say, "My finances don't allow me to come out," and that is seen as a reasonable excuse to not be able to do something. We all need to go, "I totally get you. Maybe we'll come round to your house and we'll all sit in and watch the telly"—or whatever it is.

There is something to be said, in those 50% of free school meals, for financial education. We have to be very careful not to scare children but to help children understand. I was listening to Peter Kay's book, bizarrely, on the way in and he was talking about when his dad lost his job and he didn't get the Atari he wanted; he got a different present. I am not sure there is anything wrong—we won't get into the Father Christmas issue, but anyway—in that environment with a little bit of understanding that things have to be paid for and your parents might not always have the money and budgeting is tight. Whenever I have spoken to kids about that—I have probably only done it for kids over the age of nine or 10 and certainly teenagers—when they have the epiphany moment of understanding what budgeting means, they become more supportive. It takes the pressure off the parents and it makes life easier. I would say that it is maybe more crucial in those environments than anywhere else.

Russell Winnard: Can I build on that? We have observed that particularly in primary school there can be vertical education going on. Young people are learning and are taking it home. They are having those conversations in the home and the parents are then realising that there is a different way of doing this. We have heard stories of parents saving money, parents opening credit union accounts, borrowing far less. That education can work.

Martin Lewis: In that Teen Cash Class I talked about all those years ago, there was a 15-year-old boy who was very bright at maths. He had a single mum who was a cleaner, who was from an immigrant family and who really struggled. After that he went home and he saved his mum £1,500 and took over the household budgeting. It wasn't theoretical for him. It became, "I see what we are doing," and he took over. The conversations can be really important. I think that we would both push more on that level.

Q89 **Ian Mearns:** I was also struck earlier when we were talking about the resources available to schools. I have been around a long time and I have seen lots of interactions that are providing resource for financial education in schools but which come from a vested interest, being provided by banks or insurance companies or whatever. That concerns me. It has to be said that this stuff is not done without branding, so what is the branding? It is an advertisement. As you said before, an advertisement is to make sure that the organisation concerned sells you stuff. That concerns me. I think that we should have a situation whereby this is done from a position where there is no vested interest involved. Do you agree with that?

Martin Lewis: I have always said the same thing. I always used to find it very difficult to see banks going into schools branded to teach kids. We know that when many people set up a children's account you have just bought their custom for life. So I have a real problem with it. I am very happy for financial institutions to pay and to fund it, but I don't want them to brand it. We had discussions. This does not relate to my website in any way. This was a private donation. There is no branding on the textbook. This was all very deliberate. I didn't want it to be, because I am opposed to branding in schools. There is MyBnk, which is a financial education provider and it is great. That is the bank I would like to see go into schools because it teaches you about banking but it isn't trying to make provision from you. I think that we have to be very careful.

This is one of those frictions. When you asked me whether teachers should teach, yes, because otherwise you will have branded institutions going in and selling their message. Equally, some could argue that my message is not right as well, and I am happy to accept that. I don’t want to be the one dictating it.

Russell Winnard: We run the financial education quality mark for the organisations that come to us for that quality mark—some are financial services organisations, others are educational organisations—and there is nothing that we allow to be student-facing and branded. That is part of the quality assurance process. If it is branded and in front of young people it does not get the quality mark. It will not be on our website available to teachers as a quality mark resource.

Q90 **Ian Mearns:** I also chair an all-party parliamentary group for parental involvement in education. We have talked about this earlier. There is an organisation called Parentkind, which supports that all-party parliamentary group. We have heard that young people who receive a meaningful financial education at home are much more likely to be active savers and confident with money. How can parents and carers be supported to provide this advice? We have talked about youngsters taking it back into the home, but how can we support parents directly?

Martin Lewis: It is one of the reasons we made it a free download for any parent—and the teacher’s guide as well. This is why we are doing the adult guide and we do the Academoney as well. You have to educate.

My honest view is that we can put the resources in and the parents who want to do it will find a way and will do it. There are resources out there. I worry about the reliance on that because there are many parents who are too scared, who don’t have the time or don’t have the capability to do it themselves. While it is great, I think that we need to make sure we are putting in as much provision as we can make universal to everybody as possible.

There are great resources and we are building more great resources for parents to enable them to help their kids. The textbook helps. When we put the textbook out for the first time, the number of parents who came back and said, “I’ve learnt so much”—you can imagine. It is straight and factual and takes people through it. There are good resources out there and I am sure that Russell has many good resources for supporting parents. I just don’t want us to be reliant on that.

Q91 **Ian Mearns:** Finally, what should the Government’s priorities be when it comes to improving financial education? We have gone through a lot of it, but in a nutshell, what do you think?

Martin Lewis: Making it happen.

Russell Winnard: Consistency and assessment. How do we know that it is having an impact? That is challenging and schools need to know that it is having an impact. Equally, the Government need to know that it is having an impact. We are not subscribed to the OECD PISA study into financial literacy in the UK. That would be a fantastic position for us to be in, so that we can benchmark against other countries.

Q92 **Ian Mearns:** Earlier, Martin, you gave a figure for how much you could launch this with. Now that the Minister is sitting behind you, why don't you repeat the figure?

Martin Lewis: I said if we put 0.1% of the amount of PPI that was mis-sold, which is £40 million, into financial education. As the Minister is in the room, I will go back. I funded this textbook because the state would not and told me it had to be funded by an individual. That is a political failing. I could have put bias into this textbook. We need proper textbooks and digital resources; we need teachers to be trained and ongoing teacher training. The impact on our economy, on mental health, of capability of young people and employability of young people would be manifest. The £40 million is not a costed figure and I know that is very important. It is not a costed figure; it is a totemic figure. Those are the scales of magnitude we are talking to be able to make a radical difference. If you gave Young Money £40 million to go and sort all this out, you could do a hell of a lot of good work. I think it should be you, the state, or all of us, not reliant on private individuals, whether they are well-meaning or not.

Chair: Thank you. That has been a very useful session. Vicky, you were taking me to task for keeping sessions to time. As we have the Minister in the room, I am going to bring him on, but I am very grateful for your evidence, Martin and Russell. Thank you.

Examination of witnesses

Witnesses: Rt Hon Damian Hinds MP and Kate Dixon.

Q93 **Chair:** For our second session we have the right hon. Damian Hinds, Minister of State for Schools at the Department for Education, and Kate Dixon, Director of Pupil Wellbeing and Safety at the Department for Education. I know you have heard a little bit of the last session, but I will start by asking, what is your assessment of the adequacy of financial education in schools and colleges in England?

Damian Hinds: There is more than there used to be and we would like there to be more. There is this ambition for 2 million more children and young people to be getting meaningful financial education by the end of the decade and I support that. Chairman, you and I have debated these matters for a long time since we first arrived in Parliament. I think it is really important that children leave school with a firm grasp of the knowledge and the life skills that will help them to thrive and protect themselves in adult life. Financial understanding, financial literacy, financial capability—it goes by many names—is clearly an important part of that.

Q94 **Chair:** I think you will find the Committee in violent agreement with that aspiration. Our concern is that during the first session of this inquiry we heard financial education described as dismal, inconsistent, in a parlous state. During this last session, we have heard a description of getting it into the curriculum being a pyrrhic victory and resulting in less outside resource getting into schools and not sufficient resource. Clearly, there is demand for much more. You just talked about 2 million more pupils getting access by the end of a decade, but surely the point of having this in the curriculum is that every pupil should already be getting access to an adequate financial education. Why isn't that happening?

Damian Hinds: Well, I don't think you can say that it isn't happening. Every child does maths, and we have financial aspects of maths in the national curriculum from infant school all the way through. The way our overall school curriculum works—no doubt someone will ask at some point about the distinction between being subject to the national curriculum or being an academy and not subject to the national curriculum—whether you are or are not subject to the national curriculum, you must have a broad and balanced curriculum. You will be inspected by Ofsted on those criteria and that curriculum should be comparable in breadth to the national curriculum.

The way it works is that over time, from the first years in school, you gradually build up the knowledge, the skills, the practice that you require in a number of subjects and disciplines. With financial understanding, that clearly starts with maths, with numeracy. As school develops, so that develops. In secondary school you study concepts like simple interest and, crucially, compound interest. I am looking at Mr Mearns, because I think we are about the same age.

Ian Mearns: Do you reckon?

Damian Hinds: I am complimenting you, Ian. When we were at school, we didn't do compound interest. That is possibly the single most important mathematical concept to understand in financial capability and building up a pension, but also self-protection against accumulating interest rates. On top of that, there is the citizenship curriculum, which covers more direct applied aspects of financial literacy and education.

Q95 **Chair:** We will come back to that in a moment. Do you recognise the picture? Certainly what we have seen in the written evidence to this inquiry is a degree of disappointment that, 10 years on from changing the national curriculum to make this a fundamental part of it, we still don't see more than about 34%, 35% of children in schools telling us that they are getting a financial education. Some of the figures that you may have missed earlier are quite striking. Young Enterprise says that about two thirds of teachers tell us it is being taught in their school, but about one third of pupils tell us that they are being taught financial education. Those figures feel a bit too low.

Damian Hinds: Not quite, Chairman. I think what is tested in that survey is that recalling having had a meaningful financial education requires two things—first of all, to have recalled it, but also to determine it to have been useful. You could probably ask a lot of children if they had had a meaningful education about the Vikings and you might not get the same answer as you would get from teachers. We know that, as you say, a majority of secondary schools—from memory 69%, but Kate may correct me on that—

Kate Dixon: Yes, it is 69%.

Damian Hinds: —and a smaller proportion of primary schools are covering money management and money education specifically. I am not getting away from it. As I said earlier, I want there to be more financial education. I would like kids to say they had remembered it and had found it useful. We must also always remember that what happens at home and outside school is exceptionally important, and not everything that is relevant to financial capability and self-protection is actually about financial products. Some of it is about broader behaviours, broader attitudes—things like delayed gratification, which we teach in a much broader way through what happens at school and indeed, really importantly, what happens at home.

Q96 **Mrs Drummond:** One of the things that was very apparent from the session this morning is that you need a financial co-ordinator in the school. At the moment the timetable is insufficient and it is also spread between maths and citizenship, but there is no co-ordination of how that works. My question is: should financial education be timetabled so that lessons are protected and delivery time is guaranteed, and also that the financial education is delivered in the right way?

Damian Hinds: I certainly agree with the last part. Financial education should be delivered in the right way. It depends what you mean when you say there is no co-ordination between maths and citizenship. The way that the national curriculum is set up is that it is designed as a whole. I know people will say that not everyone is subject to the national curriculum but a lot of schools that are not subject to the national curriculum still follow the national curriculum. Those that don't still have to follow a broad and balanced curriculum and that has to be comparable breadth and stretch to the national curriculum. When we brought financial education into the national curriculum, following the campaigning of your Chairman and others, of course that was within the context, the framework, of the overall national curriculum. On protected time, citizenship will be timetabled into the secondary curriculum for the schools that are following that.

Let's also be fair and realistic. There are a lot of things that we want to put into what kids learn at school. Again, your Chairman will remember this from his time at the Department for Education. As a Government Minister you spend quite a lot of time hearing about all the extra things that people would like to have in the school day, or that are already in the school day and they would like to have more of. At the end of the day, you create a balance. Particularly with this subject, we think the most important thing is to have that mathematical grounding because it underpins so much else.

Q97 **Mrs Drummond:** This morning we have heard about how fundamental financial education is for mental health and for life skills basically. It is incredibly important. We have heard already that insufficient time is spent on it. What I was asking you is, could we produce a financial co-ordinator in each school who can put that programme into place and make sure that every child receives a decent amount of financial education, which is absolutely crucial and what we have been hearing about?

Damian Hinds: Ofsted evaluates schools on a number of criteria, including quality of education and their support for the personal development of children, both of which touch on these areas. In our school system as a whole—not just with regard to financial education but for everything—we don't specify that you should have these particular job roles and so on. Every school obviously has a headteacher, but there is also a great deal of autonomy within the system. We have Ofsted as the external body to inspect and to make sure that a broad curriculum is being delivered, that there is support for children and so on. Of course, mathematics and financial education would be part of that overall judgment.

Mrs Drummond: I will put it to you again though, because this is a really important subject, and it is fundamental to our productivity and to the economic success of this country. It is so important that the Government really should be putting more emphasis on making sure that it works and that there is sufficient time, but I will leave it at that.

Q98 **Chair:** Thank you. To drill into some of the detail of this, I think it is important that we look at where it is in the curriculum, where it is with extracurricular activity and how it is supported. Currently, financial education is taught as part of PSHE, citizenship and maths.

Damian Hinds: And a little bit of computing, for absolute completeness.

Chair: Yes, okay. The only elements that are statutory are maths at primary level and maths and citizenship at secondary level. We have heard from a lot of witnesses who believe that that statutory provision of education should be expanded, and you will know that the all-party group has been pushing very hard around statutory expansion of the provision at primary. What is your view on that? Do you think that would make a difference in sending the signal to schools about how important this is?

Damian Hinds: I don't want to get too repetitive during the course of this session, but it has been our long-held view—and I am here as a Government Minister but it has also been my personal long-held view, for what that is worth—that the single most important thing is the grounding that children get in mathematics and being comfortable with mathematics, including financial mathematics. That goes with a series of things. We have personally debated these things a number of times over the years, but some of the principles that go with that are quite closely related to character development and understanding about the trade-offs between risk and reward, don't put all your eggs in one basket, understand the link between effort and reward, and so on. All of those things, of course, we do more broadly through education, not just as today in PSHE or in citizenship we are doing financial education. Those things are things about overall child personal development, which really should run through what the school does.

Q99 **Chair:** You have just said the fundamental thing, and I am inclined to agree—that mathematical capability is very important to all this. Yet at the moment—I remember sitting in your position, writing lots of letters to colleagues about where financial education was—a lot of the content in financial education sits currently within the citizenship curriculum. We have heard a strong argument from the Association for Citizenship Teaching that it wants to see that expanded and driven forward. However, at the moment there are 22,000 entries for GCSE in citizenship per year, compared with 750,000 entries for maths.

Given that discrepancy and given that, understandably, schools tend to focus on what they get measured on—and they get measured on grades and passes at GCSE—do you support increasing the proportion of financial education that is delivered within the maths curriculum to guarantee delivery time? We have heard in this inquiry that citizenship is often only an hour a week in a secondary school. Yes, it is compulsory but it is often being delivered for only a small amount of time. People are not taking the GCSE in it. Does that mean that we are putting a lot of the potential content that we all wanted to see delivered through the national curriculum into a subject that is not being measured and is not being given sufficient preference for time?

Damian Hinds: There is financial mathematics, and certainly financially relevant mathematics even more broadly in mathematics, starting in infant school all the way up to GCSE and beyond. If you are doing functional skills qualifications at 16 to 18, that is a significant proportion of that curriculum. We may come on later to talk about the Advanced British Standard. That is an additional opportunity and a really important one, but children are learning financial mathematics. On top of that, as you say, there is citizenship, which is a statutory part of the national curriculum in secondary.

Q100 **Chair:** Again, to this point, the mathematics curriculum, understandably, and maths GCSE, particularly since it was reviewed in 2014, has a lot of content in it. A small proportion of that content is financially focused.

Damian Hinds: Yes, although a lot more of it is relevant to finance—being comfortable with maths, being able to do percentages in your head, being in Tesco and seeing that they have put per kilogram on one thing and per 100 grams on the other and being able quickly to compare the two and see which one is a better deal. You might not call any of these things financial education, but they are all very relevant to not being ripped off and to being able to find your way through life, taking competitive financial products and providing for yourself.

Q101 **Chair:** I don’t deny that, but we know—and we have plenty of evidence from other inquiries that we have done—that around 30% of people don’t get a pass in maths GCSE. Of those, the vast majority, even when they do multiple retakes, don’t get grade 4 in maths GCSE. Wouldn't it be better for those people to be getting support to take a qualification in numeracy and financial literacy rather than repeatedly running at the same hurdle and not getting a pass in maths GCSE?

Damian *Hinds:* Well, Robin, as you know, there are different thresholds for what will happen at 16 to 18 if you don’t get a GCSE at that grade straightaway. If you miss by one grade you would be redoing GCSE, but if you miss by two grades you would not necessarily be doing GCSE. You may be doing a functional skills qualification, and that is what I was referring to. A significant part of that content is about trying to focus on the day-to-day maths, not only about financial stuff. It is what you would need in your job, and it varies depending on occupation but it will also include financial maths.

Q102 **Chair:** The Committee has previously expressed views in our post-16 qualifications inquiry, for instance, that that needs to be scaled up. I know Robert Halfon, having discussed this with him, agrees from his position as Skills Minister. I hope there is an opportunity to scale that up.

Damian Hinds: Before you move on, I think the seam that you are mining there is a rich one and there is more focus now on maths through 18 for more young people and for everybody. To be clear, I am not sitting here to try to argue against the points you and the Committee are making. We welcome the fact that you are doing this inquiry and look forward to hearing what you recommend as that system evolves.

Ian Mearns: I was 12, Damian, when you were born.

Damian Hinds: Actually, I kind of knew that.

Q103 **Ian Mearns:** We have heard that citizenship and the economic aspects of PSHE should be given statutory status at key stage 1 and 2 to improve the delivery of financial education in primary schools. Have you any particular views on that?

Damian Hinds: As you know, we have citizenship as a statutory part of the national curriculum in both lower secondary and upper secondary. We don’t have it as a statutory part of the national curriculum in primary school, but there is national curriculum content non-statutorily there. We think that balance is right. It is most important in primary school to focus on getting the core mathematical skills, knowledge, and practice, which can then be built on into secondary school. I think a lot of people would agree with that. The curriculum is about building up, building on and developing as the child grows.

Q104 **Ian Mearns:** I know there is an element of how long is a piece of string about this, and about trying to cram stuff into the curriculum, but from the evidence that we have heard it seems to be vitally important for young people's educational development but also their personal development as functioning adults once they leave the education system. Are there any other steps that you might take to expand the provision of financial education at primary level?

Damian Hinds: There is the non-statutory national curriculum content in citizenship and explicitly financial aspects of mathematics in infant school as well as in juniors, like calculating in currency and being able to calculate change and all those sorts of things. One of the things that your previous session spent some time on—quite rightly so and I think maybe our session will as well—is how you support and promote the teacher in this. Of course, particularly in primary, you are talking about typically a teacher who will teach everything, and that is quite a different thing. Even in secondary school, the materials and the support are incredibly important.

I know you have talked a bit already about the financial services institutions who create materials, so we might come back to that. For now, the Committee will know well that Oak National Academy turned around pretty much instantly in Covid to support online off-site learning and that is now central to our plans on teacher workload and simplifying the task. This Committee will have heard many times over the years about the amount of time teachers spend on a Sunday evening trawling through the internet trying to find the appropriate thing. That will be true in this financial education arena, too, especially as it is perhaps something that the teacher is not as familiar with to begin with. There are so many different programmes, including from different banks and financial services institutions. Oak will be developing maths content but also citizenship content. That will hopefully shorten the time that it takes to find high- quality material, because that is highly-certified, high-quality teaching support.

Q105 **Ian Mearns:** On the amount of financial education in the maths curriculum, do you think the balance is currently about right or would you look at that again?

Damian Hinds: Ian, we will look at your Committee's report, obviously, and, as I hope you know, we always take very seriously what this Committee says. It is a very thoughtful, reflective and diligent Committee and does not jump to conclusions or make points for the sake of it. We will look at that very carefully. As things stand, to be clear, I am content with where we are on the maths curriculum. I think that there is a further opportunity with simplifying the process of teachers finding the best materials to support some of these areas of teaching.

Q106 **Ian Mearns:** What are your plans to deliver financial education more robustly at post-16 level, and is this being considered as part of the development of the new Advanced British Standard?

Damian Hinds: Yes, that is a really important question. The short answer is yes, and with ABS different young people will be taking different types of maths, as they do now of course. Already there are three or four different types of maths you could be taking at that age group, but there is more opportunity to do that with more young people studying maths in some form, either as a major or a minor. I think there is a good argument that a lot of young people aged 18 will be not just leaving home but moving from their home area to go to another part of the country and doing serious budgeting for the first time. They may have done budgeting before, but this sort of budgeting involves high risks if you are not paying your rent or something like that. There is a strong argument for saying that perhaps more can be done in that area.

Q107 **Ian Mearns:** Are you looking at the post-16 curriculum outside of maths for financial education?

Damian Hinds: Again, we will look at anything that you recommend. I forget what it is called now—Kate will remind me—but in the Advanced British Standard there is also the pastoral one.

Kate Dixon: As part of ABS, we don't want to lose the physical activity, relationship, sex and health education that are part of the curriculum in secondary at the moment. You might be going there but you want to also talk a little bit about the content in computing and relationships and sex education. Listening to Martin's session, there was the conversation about being a savvy consumer and you got on to gaming a little bit. We were talking yesterday about the distinctions for what is in each part of the curriculum. In computing, the curriculum is teaching children to understand how the internet works, how algorithms are put together. The relationship, sex and health education curriculum is teaching about behaviours and online safety comes into both. There was a conversation going on this morning about wisdom, being savvy, knowing that people might not be who they seem. I think all of that is very relevant in the financial market. Vicky was also talking a lot about the communication with children online and the digital space.

Q108 **Chair:** This Committee did a session on county lines and safeguarding. A major factor that came up in that was the use of online gaming as a grooming tool and the risks of children being put under financial pressure through entirely virtuous-looking platforms that were designed to allow them to communicate. There is the point we have raised today about game currency suddenly turning into real currency. There are some genuine safeguarding concerns around this. In your role, Kate, and that side of things, are you comfortable that we are providing sufficient financial education to children at the right stage that they are alert and aware to those risks? How much are we relying on the computing curriculum or PSHE, which we know is delivered at varying quality and amounts of time in varying schools, to cover those messages versus curriculum taught subjects?

Kate Dixon: I think the relationship, sex, and health education and the computing curriculum are teaching the broad behavioural antennae skills that fall into the safeguarding space. On the percentages or working out exactly what is happening in the numbers, that is coming through maths, but the awareness to ask the right questions, to decide whether something is as it appears, interlinked with misinformation and disinformation, is all very relevant in the behaviour space. I think the two combined are getting young people to ask the right questions. You broadened it a little bit into adults as well, didn't you? I know that is not the focus of this inquiry, but we are trying to work being savvy consumers of information in general into those bits of the curriculum.

Q109 **Ian Mearns:** I wonder how we are going to encapsulate and ensure that the personal and societal limits of financial education are incorporated into post-16 delivery. It seems to me that we are trying to do it a bit here, a bit there. Would it not be better if it was done in the round, particularly for that age group?

Damian Hinds: Post-16?

Ian Mearns: Preparing people for the real world. They are already living in the real world but now they are going to be living independently in the real world.

Damian Hinds: Yes. Before we come on to that, if I can pick up on where you were just moments ago, we have used the phrase before—I have used the phrase before, as well—a sort of fusion of these different curricula: citizenship, PHSE and computing. They come together in a number of these things. We want children to not just understand how to keep themselves safe but to understand a bit about how some of these things happen, why somebody might pretend to be someone that they are not, how they can make themselves come across in a certain way, and so on. I have no doubt that we will have to continue to develop all that over time. However, the best defence usually about all these things—and it is true also with financial capability—is to get the base principles right.

When we have debated some of these things in the past, I have commented that if, when I was at school, we had had financial education we would have learned about cheque clearing, endowment mortgages and final-salary pensions. By the time we arrived here in Parliament, all that was pretty much irrelevant. Then, if you remember, we were debating payday loans, doorstep credit and debit cards and we were just about to have—had not quite had—auto-enrolment at that point. Now we are in a whole other world again.

I think that the development of cashless makes a big difference in this area. All of us, when we were growing up, got used to money as a physical thing. Pocket money was like a coin in a jar. It is a very different world now and it calls for more focus. Again, this highlights that the more you can focus on the principles and the general good advice for life, rather than learning the specifics of particular financial products, the better.

Sorry—I was not trying to dodge the question about post-16. In short, yes, and I might let Kate come in on it as well. That is why in what at this stage is the broad design of the ABS, which we will develop, we are explicitly talking about the necessity for the pastoral element.

Kate Dixon: Yes. Whatever you say in your report is very helpful because everyone is always fighting for space in the curriculum, aren't they?

Ian Mearns: We will see how important you think it is when we get the response.

Kate Dixon: You were talking about how the world moves on. I remember very vividly my mum paying for a school trip with a cheque when I was about five or six. I remember very vividly asking her why she didn't pay with real money—why she paid with this cheque, which demonstrates the point about how everything moves on. At that point, there was a difference between real money and cheques. Now, it is what you swipe on your card.

Q110 **Chair:** It is an interesting point. The point you make about changes in money and the way it works is one of the arguments for moving away from teaching everybody IT and focusing on computing in the curriculum. The other shift that took place as a result of that, though, was a much greater degree of specialism, with people who study computing being a much smaller subset of people in schools compared with the people who study IT. Given that these issues are so pervasive—and certainly, from what we have been hearing in our screen time inquiry, something that confronts every child during their teenage life, let alone their adult life—is there not an argument that that needs to be more universal? What you are teaching through the computing curriculum is only being taught to a quite small set of people who pursue computing to GCSE.

Damian Hinds: We must distinguish the computing curriculum from GCSE computer science. In the same way as lots of children do art or drama but never do art or drama GCSE, children who are doing computing in schools at a much younger age may not go on to do computer science. You are right: computer science is taken by a relatively small number of young people, but the number is growing and that is good to see. However, discussion about and understanding of the principles behind how coding works and the real-life applications is delivered to a much broader set of children.

Q111 **Chair:** I think some computer safety information is also delivered through PSHE and that side of things in schools.

Kate Dixon: Yes, both. As the Minister says, before you get to GCSE, computing in primary school covers online safety, as does computing in the early stages of secondary school.

Q112 **Chair:** One observation that may be useful for you, Minister, in conversations is that when I was sitting in your chair we did the White

Paper, and as part of that we committed to not rewrite the curriculum but there were—Kate will remember this—a lot of internal conversations around that. One of the areas I was very wary of not rewriting the curriculum in was specifically financial education. Wording put into the White Paper—I cannot remember if it made the final draft—specifically left space for enrichment of the existing curriculum. In my mind, writing it at the time, that was specifically to do with financial education and some other areas that I reckon could benefit from enrichment. I just point that out. I think it is important.

While I accept the basic premise that you or any Minister for Schools will always be under immense pressure to put extra things into a curriculum and there is a good reason to not rewrite it every few years—teachers need consistency and we need consistency for qualifications and so on—I think there is a particularly strong case for enrichment in this space.

How can you ensure that the work you are commissioning from Oak Academy to showcase on that front includes real enrichment of financial education rather than it just being fitted in as a subset of the various curriculum subsets? Do you think there is scope for providing greater enrichment in the work, with Oak Academy showcasing what can be done?

Damian Hinds: First, on not changing the curriculum all the time, that is true for teachers and their workloads and also for consistency for qualifications and so on. It is also important for the quality of teaching, and therefore for the benefit of the children, to have some stability. We have a very good curriculum. We have very good results when measured against other countries in mathematics and other subjects and we should remember our strengths and the great work that is delivered by our amazing teachers.

To your point, who is going to argue against enrichment? Enhancement and enrichment are good things and we support them, of course. The work with Oak that I mentioned does not change the curriculum but it does, in a sense, enrich and enhance what was already written in. A lot of development work goes into these materials and then it is easy to deploy because it fits into an ordered sequence.

Chair: Enrichment and enhancement are very important. On the point about international comparisons and measurement, I will bring in Mohammad Yasin. We have heard quite a lot about it in this inquiry.

Q113 **Mohammad Yasin:** My question is about the Programme for International Student Assessment's financial literacy assessment. We have heard about the benefits. The financial literacy assessment is different from maths, science and reading assessments. It is optional, as you know. Since 2012, 23 other countries have taken advantage of the programme. In the UK, we decided to not take part. Why is that?

Damian Hinds: The simple answer to why we decided to not take part was to reduce the burden on schools. Not all countries take part in the financial literacy part of the PISA assessment. You have to find schools to take part in PISA. It is not compulsory. This time around, a number of countries found it harder than previously to find enough schools to take part. We determined not to do this optional part, partly for that reason. You need a significant number of extra children—something like 30, maybe 40. I can't remember the exact number, but you need a certain number of children to sit the regular PISA test and need to find additional children for the optional test and that makes a bigger burden for schools. That being said, I don't rule out the UK doing it in the future. I think the financial capability assessment might be every other cycle in PISA. I am not sure it is every cycle.

Chair: The next one would be 2025.

Damian Hinds: We don't rule it out. We would have to look at that at the time in the context of the burdens I mentioned.

Let me say another thing about PISA. We do take part in the maths assessment. We also know, from the countries that do both the maths and the financial literacy assessments, that there is a strong correlation between doing well in the one and also the other. In this cycle, but also in the previous cycle, we have scored well in maths, which suggests, because of that strong linkage, that children in England would also have strong results in financial capability. I don't rule out our taking part in the future.

Q114 **Mohammad Yasin:** But you are not committing to that at the moment.

Damian Hinds: No, I am not committing to it at the moment. We will have to see. These are decisions that we have to make. We would have to make sure we had enough schools and children taking part without overburdening them. I am not dodging the work but I do want to see the value. Truth be told, the question does not come up for a while and when it does come up, we will address it seriously.

Q115 **Ian Mearns:** Rather than deciding not to participate at a ministerial level, why do you not just ask schools if they would like to participate?

Damian Hinds: You don't do that. You do it country by country. Kate, you are sufficiently close to entry to PISA to be able to say, but you have to have whole countries. In our case, the whole country is England because England is an educational jurisdiction. As you know, some PISA results are reported on an England level; other results are reported on a UK level. You cannot enter as an individual school, for example.

Kate Dixon: I don't know that but I think it is probably unlikely. I think your point is that you are doing a lot of work with another hat on to try to reduce the burden on teachers. The question in the round is—

Damian Hinds: It is a balance, always.

Q116 **Chair:** You have kindly said you would pay a lot of attention to this

Committee's recommendations and this may well be among them. This is a political observation. Any incoming Government is likely to be looking at some kind of review of curricula and qualifications. Would it not be invaluable to be able to show any potential incoming Government the value of work that has been done in this space and the level of capability they are working with when it comes to financial literacy? Further, from a civil service perspective, isn't there some value in having these kinds of pieces of research available to support work that is likely to be done by any Government of any colour, if that were the unfortunate event of an early general election—I think I can say that?

Damian Hinds: What can I say? You have made that point. However, I encourage the Committee to also look at the R2 correlation in the PISA results of the countries that did both assessments. That is probably worth reporting on, too, because it is directly relevant to financial capability.

Q117 **Mohammad Yasin:** I want to move on to Ofsted's role. How will financial education not being a separate curriculum subject affect Ofsted when it comes to examine it?

Damian Hinds: Like the number of meetings that your Chair will have dealt with when he was Minister for Schools, people will want to add things to the curriculum. The second-longest queue is of people who want to add things to the Ofsted inspection. I sound slightly flippant but it just is true. Everybody wants to add everything as specific criteria, specific elements of inspection. Ofsted assesses the school in the round. Schools have quite a high level of autonomy, including setting curricula and timetable time and all the rest of it, but they need to be able to demonstrate a high quality of education, the breadth of the curriculum and how they are supporting children's personal development. Financial education touches on all those elements without there having to be separate evaluation categories.

Q118 **Mohammad Yasin:** Will the Department review how financial education is being inspected by Ofsted?

Damian Hinds: Ofsted frequently think about what they inspect and how they inspect it. You may know that an exercise will be going on shortly with Ofsted listening to views on the system. No doubt this Committee will be discussing it. If you are inviting me to say if I think financial education should be a specific line item on Ofsted reports, no, I am not saying that today.

Q119 **Chair:** In evidence to the House of Lords inquiry looking into citizenship education, there was a huge level of frustration from the House of Lords and the citizenship teachers and associations at the time that the evidence from Ofsted miscategorised what they saw as the teaching of a subject for a small element of personal development. Back then, a couple of years ago, it caused great frustration and resentment within that part of the profession. I think there is a specific challenge here. As you have very neatly illustrated, it falls between various stools. This comes back to the point that Flick Drummond and Martin Lewis were making to us about the need for co-ordination and support in this area.

What has struck me, from just listening to this session and the previous session, is that there is a lot of read-across here. The work that we and the Department have been doing on careers education, advice and guidance and the co-ordinating role around those things that we have encouraged and supported in schools could be married up to some degree of co-ordination when it comes to financial education and looking across extracurricular aspects. Can you envisage a way of engaging with that process and supporting it?

Damian Hinds: Are you talking about the Careers and Enterprise Company and the Gatsby benchmarks?

Chair: Yes, but also the role of careers advisers in schools where you have a person co-ordinating curricular and extracurricular activity. That is what we have been hearing is needed for financial education and is not currently designed into the system.

Damian Hinds: In what sense?

Q120 **Chair:** In the sense of making sure that there is coherence between what is taught as part of PSHE, maths and citizenship, and that there is a structure going through the school's curriculum for building up overall financial capability. That is something to think about.

I also want to come back to the point about Martin Lewis's book. I understand the challenges for a Department engaging with specific materials. I can understand the concerns about that. However, the reality is that we have heard consistently through this inquiry that there is a need for high-quality materials and support for teachers to deliver what was, after all, a new curriculum subject in 2014. We have heard consistently that there is a concern within the teaching profession about its capacity to deliver on this subject. Across Oak, the work that has already gone on with Martin Lewis and so on, one of the messages that the Department can take away is that if we want to succeed in our aspirations for financial capability to be a major subject in schools, there needs to be some investment in the source material.

I reflect on Ian's concerns. We all share some degree of concern about the amount of branded material on these issues that finds its way into schools. I am all in favour of the private sector engaging with schools, but when we are trying to build up financial capability I worry that relying on some of the big banking brands may not be the best way to do it. There are lots of other organisations—the *Financial Times*, for instance, and we have heard a lot about MaPS—who want to lean into this space. How can the Department create and support the space for them to contribute?

Damian Hinds: First, can I join you in thanking Mr Lewis for what he did with the textbook and for funding it?

You are right that a number of different organisations—46 different financial services organisations, we think—are providing materials, not necessarily all branded or with an advertising bent. You mentioned the *FT*. HMRC and the National Crime Agency also provide materials. One criticism, which you have not levelled, is that there is so much material and how can you discern and find your way through it? At the end of the last session, we talked about MaPS and the MaPS quality mark certifying products, which I think is important and is also a defence against the branding and marketing aspects that Mr Mearns was talking about.

As you know, there is no national textbook for any subject—say maths or history—and there never has been. That is just not the country that we are. Some countries have a national history textbook and you would have met Foreign Ministers from those countries who have said, "We have just changed it," and the mind boggles because that is just not the way our system works. To change an aspect of what a child learns in school is a multilayered thing, involving many different people—it is about the national curriculum, the GCSE specification, who writes the materials and the person standing in front of the class.

Q121 **Ian Mearns:** It is fast becoming standardised by the Oak Academy, isn't it?

Damian Hinds: Maybe I am taking too long with my answers. You anticipated where I was going there. This is not, by the way, to replace diversity, which is a great feature of our system, but we are now investing in Oak National Academy and the reason for that is partly to do with consistency and sequencing. You may recall this. If you track the history back here, there was a project about coherent curricula—

Q122 **Ian Mearns:** There is a contradiction here. You are celebrating the diversity of what is being taught and investing in a standardised approach.

Damian Hinds: It is not a standardised approach because it isn't compulsory.

Ian Mearns: I know it isn't, but yes—

Damian Hinds: But it is there to be sequenced, a coherent programme, fitting together and, crucially, quick and easy to access. Teacher workload is very high on my list of things that we need to keep addressing and this approach is an important part of that.

Yes, you are right, but you call it a contradiction and I was going to say a balance to be struck. At the end of the day, they are two sides of the same coin. There is a balance to be struck and we think the work with Oak is a helpful addition. By the way, Oak's is a very important part of this. Oak is not the same as somebody in the Minister's office in the Department for Education saying what should be in the curriculum. This is about a body of experts coming up with it.

Ian Mearns: Yet who picks the experts?

Chair: They do—exactly. I know that if Andrew were here, he would potentially be a little more challenging on the Oak front. I think he has already raised a number of questions about it over the years.

It has been a useful session. I think all of us here recognise the importance of financial education. Remembering my school reports, I am not sure we could say this was a case of job done. I think it might be a case of "must try harder" on the report here on getting financial education universally taken up and delivered. However, we recognise some of the points that you have made about what is currently going on. We very much appreciate the warmth that you have suggested towards being able to respond to the Committee's recommendations and we will bear that in mind when we are drafting them. I am grateful for your input today, Minister.