

Work and Pensions Committee

Oral evidence: Money and Pensions Service, HC 135

Wednesday 11 March 2020

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Members present: Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Siobhan Baillie; Neil Coyle; Steve McCabe; Nigel Mills; Selaine Saxby; Dr Ben Spencer; Chris Stephens; Sir Desmond Swayne.

Questions 1 - 69

Witnesses

I: Sir Hector Sants, Chair, Money and Pensions Service; Caroline Siarkiewicz, Chief Executive, Money and Pensions Service; Chris Curry, Principal of Pensions Dashboard Industry Delivery Group, Money and Pensions Service.

Examination of Witnesses

Witnesses: Sir Hector Sants, Caroline Siarkiewicz and Chris Curry.

Q1 **Chair:** Welcome. Thank you all for coming to the second meeting of our Committee. Just for the record, can I ask each of you to introduce yourselves?

Sir Hector Sants: I am Sir Hector Sants, chair of the Money and Pensions Service.

Caroline Siarkiewicz: I am Caroline Siarkiewicz, chief executive of the Money and Pensions Service.

Chris Curry: Good morning. I am Chris Curry, principal of the Pensions Dashboard Industry Delivery Group at the Money and Pensions Service.

Q2 **Chair:** Sir Hector, can I ask you first of all to outline briefly your key priorities and the challenges that you see for the Money and Pensions Service in the period ahead?

Sir Hector Sants: Certainly, yes. First of all, may I start by thanking you for the opportunity to come before the Committee and take questions on this important topic of financial wellbeing? As you know, the Money and Pensions Service—MAPS, as we call it—commenced operating on 1 January 2019. Our purpose is clearly set out: it is to help everyone make the most of their money and pensions. Central to this purpose is our responsibility to create and mobilise a national strategy for financial wellbeing.

I would maybe say a word on the concept of financial wellbeing, just so we are all, as it were, speaking the same language. The reason we have chosen the phrase “financial wellbeing” is to recognise that, to make the most of your money, you need a combination of financial capability—i.e. the technical skills—financial information to inform your actions and also here, critically, the right behavioural relationship with money. This attitudinal question is very important in order for our strategy to be successful. We need to get people into a place where they have a good relationship with money, which is not bogged down by issues such as shame, which is a big factor here.

In addition to this role as a strategy mobiliser—we are obviously happy to talk more about our strategy—MAPS is also a service provider in support of the strategy. In a moment, I will ask Caroline to expand on the services we provide, but we are very clear that there is a set of services that we are required by Government to provide directly, and there is a set of services that we are choosing to provide in support of the strategy. We realise the absolute importance of making sure that service delivery is of the highest standard and reaches everybody that we would like it to reach.



Before I hand over to Caroline, I want to say a brief word further in terms of our goals and a little bit about the change from the predecessor bodies. This is around a goal that is not specifically in the Act, if I might say that, which is that we are not going to succeed in helping everyone make the most of their money and pensions without raising awareness of the importance of financial wellbeing. If I look over my tenure to come, I would say that, in a way, the most important goal for me personally is to see the issue of financial wellbeing truly appreciated in the public community, in society, as the issue that it is, i.e. an extremely important issue that underpins personal wellbeing and personal contentment. We do have this goal, in addition to our statutory responsibilities, of raising the profile of financial wellbeing in public discourse.

As I say, service delivery is extremely important to us as well. We are hoping to do that more efficiently and more effectively than our predecessor bodies. Caroline, you might like to expand a little bit on that.

Caroline Siarkiewicz: Yes, just in terms of delivery, there are clearly three areas that are very important to us. First of all, this is in terms of pension guidance. This is bringing the Pensions Advisory Service, Pension Wise and MAS into a single body, the Money and Pensions Service. In terms of delivery, what we have done in the current year is put more money into frontline delivery services. We actually want to help more people in the debt space, the pension space and the money guidance space. We have done that by looking at our back-office costs. We have been looking for reductions in that space so that we can put more money into the frontline.

The other thing that is really important to us is mobilising this UK strategy. As Sir Hector said, we cannot do this on our own; this is very much a collaborative approach across the whole of the UK. It is really important that we actually build the momentum, which we are doing now, through this activation phase.

There is a third area that is important to us. Because we are an organisation that has brought three separate and distinct organisations together, we very much need to mould that into a single team so that we can actually approach the work we need to do as one single organisation, completely focused on our vision, which is around helping everyone make the most of their money and pensions.

Q3 **Chair:** Can I ask you about a specific point? A number of MPs have informally raised with me the British Steel pension scheme and what happened there. Quite a lot of its members were mis-sold a cash lump sum. A year ago the Pensions Regulator told this Committee that it was going to work with you to fix some of the problems that that case revealed. For example, together you produced guidance for defined benefit scheme members considering transferring out of their scheme. Can you tell us what progress there has been since then, over the last year or so, in coming up with some of the things that the Pensions



Regulator and you were going to work together on?

Caroline Siarkiewicz: One of the things that we have been very mindful of is the Rookes report, which set out a number of recommendations. We have implemented those recommendations across the piece. In terms of our pension guidance operations, we have a team that go into hotspots. Where there have been issues with particularly large employers, British Steel of course being one of those, we have a team that will go in and work with employers, local trade unions and communities to make sure we can provide the additional guidance that people need during those times of uncertainty. In terms of the Rookes report, we have implemented the recommendations.

Q4 **Chair:** Has written guidance been produced?

Caroline Siarkiewicz: Our pension guiders work through a series of scripts. We will cover off numerous rafts of different areas. In terms of the quality control around the guidance that we provide, our technical experts will make sure that the information and guidance coming from our guiders is appropriate and of high quality.

Q5 **Chair:** If scheme members ring you up, they hear the scripts that you are talking about. Is that right? Is there written guidance that people can look at to inform them?

Caroline Siarkiewicz: We have a series of tools that we have available for people on the website, including information packs and factsheets that are available for people outside our normal operation, which would be by telephone.

Q6 **Sir Desmond Swayne:** Sell me a pensions dashboard. What does it look like? What will it tell me? Why do I really need one? Why do I really want one?

Sir Hector Sants: I am going to turn to Chris to start with.

Chris Curry: Good morning. The pensions dashboard, this particular initiative, has a long history. There are a number of potential benefits for having a pensions dashboard for all three different groups: individuals, Government and industry. For individuals, the rationale for a pensions dashboard is threefold. It is really to help people understand or find and view their pension, so they know what pensions they have and are entitled to.

That is particularly important given the success of automatic enrolment and the big increase in the number of people who now have access to pensions saving who did not have that before. At the moment, because of the way that automatic enrolment works, some people may not be aware that they have pensions at this particular point in time; they may not know who their pensions are with or how much they are worth. This is partly about enabling people to understand their own position.



This is also about giving people the confidence to understand their position, and this links in very closely to what Hector and Caroline were saying earlier about financial wellbeing. The dashboard enables people to start thinking about their future and to get comfortable with their finances. If they can improve their financial wellbeing, they can be in a position maybe to seek guidance or advice.

Thirdly, the final part, is to act on that. If they are in a better place, if they understand everything they have, if they are more confident with what they are doing, they are then able to take decisions that will improve their outcomes in retirement. That is from the individual point of view.

For the industry, there are challenges posed by automatic enrolment, with a large number of people with large numbers of pensions. This is a way to make the system operate in a more efficient way, if people take appropriate action. There is also a challenge for the industry in terms of improving the quality of the data they hold and operate. If dashboards are to be successful, high-quality data, which individuals should already be able to access, needs to come through. This is a kind of call to action to help them do that.

From a governance perspective, if you have a population that has better financial wellbeing, better understanding and makes better decisions, over the longer term you get better outcomes in retirement and potentially better focused public expenditure.

Sir Hector Sants: I might just briefly link the point back into the national strategy, just to emphasise that, because that is one of our key messages today. Financial wellbeing, which is central to living a contented life and central to healthy society, clearly requires the individual to feel empowered and in control. All the behavioural insight and research will show that feeling contented about your money is as much to do with feeling empowered and in control as it is with having the required technical skills. The dashboard is an absolutely central tool in that empowerment agenda. I just wanted to make that linkage into the wider picture.

Q7 **Sir Desmond Swayne:** Is it a piece of paper that someone will send me once a year or is it something I log on to with my own password?

Chris Curry: The pensions dashboard is going to be online or digital. "Digital" is probably a better way to describe it, because it might be accessed in a number of different ways, but it will not be paper-based. It requires an identity service to verify and identify who is trying to access it, and it will then reunite individuals with all of the pensions that they have.

At the moment, the system is that some pension providers will send out annual statements once a year on paper to individuals, assuming that they have the right contact details and assuming that the disclosure



requirements require them to do that, because that is not the case for every pension system. The pensions dashboard will be driven by the individual, who will be deciding to access that information, but all of the information will then come back in one place to that individual, so it makes it much easier for them to find out about their pension position.

Q8 Chris Stephens: One of the debates around the dashboard is who owns and who controls the dashboard. Can I ask each of you about the infrastructure of the dashboard and who should own it? Should it be run by the industry or by yourselves?

Chris Curry: As you said, there are three key strands to what we are delivering with the infrastructure of the pensions dashboards. That is what the Government have asked the Money and Pensions Service to do, and we are convening an industry group to help us do that. This is very much a collaboration between Government, the public sector and industry in pulling this together.

What we have been tasked with at the moment, as well as making sure the infrastructure and the technical/digital side is constructed and that all the appropriate governance for consumer protection goes alongside that, is to look at the appropriate way for this to be run on a long-term basis. We are currently being tasked with constructing the ecosystem and the architecture. There has been no long-term decision yet about what happens when that is built and who runs that beyond that. In their consultation response last year, the Government said that they would take a view as to whether the Money and Pensions Service was the appropriate place to host that on an ongoing basis. That would be the starting point for any discussions going forward.

If you look internationally, there are a number of different models for how this could work. Sometimes it is run by specific not-for-profit agencies; sometimes it is run by Government; sometimes it is run by trade associations. Over the course of the project but starting very early on, in order to make sure the design matches where the service eventually ends up being run, we will start looking at all those options and make sure the DWP, whenever it makes that decision, has the appropriate information and the right recommendations from us as to how that should work appropriately.

Q9 Chris Stephens: Would it be your intention, Chris, or MAPS's intention, to ensure that your dashboard it is available and delivered first, before the industry-led ones?

Sir Hector Sants: It might be helpful to distinguish between the two components of the programme that MAPS is currently engaged in at the Government's request. There is the programme that Chris is running to create the plumbing through which the information will flow and to engage with industry in creating the standards to specify what information is flowing through the plumbing. The question, as Chris has already answered, as to who, in the long term, operates the plumbing is



one that Government is considering, as he has already answered. MAPS is an option, but certainly when you look overseas it is not commercially owned; it is normally owned by some form of non-commercial body, as a generalisation.

The question, then, of what is hung on the end of the plumbing, i.e. when that data comes out of the plumbing, is a different question and a separate project. Government have asked the Money and Pensions Service to establish its own dashboard, which would be hung on the end of the plumbing. They have also indicated that other organisations can do the same, so the plumbing is available to all. That is a policy decision by Government.

Caroline can elaborate if you want the detail, but it most certainly is our intention to ensure that our dashboard is available when the plumbing is ready, not least because the development process requires you to have some form of testing environment, and the most obvious testing environment for us to utilise—although we might choose to utilise other ones—would be our own in-house dashboard. Drawing the distinction between the plumbing and what gets hung on the end of the plumbing is quite a useful one when one is understanding the landscape here.

Q10 Chris Stephens: That is helpful, Sir Hector. Can you just tell us about the interaction between MAPS's dashboard, the Industry Delivery Group and the steering group?

Sir Hector Sants: Yes, certainly. Maybe Chris, who is actually chairing the programme, can explain.

Chris Curry: The steering group is part of the Industry Delivery Group. The Industry Delivery Group is the part of the Money and Pensions Service that is delivering the infrastructure for the dashboard. The industry steering group, as a part of that, is helping to drive and provide advice around the design, implementation and delivery of that part.

At the moment we have what we would call an arm's-length relationship with the Money and Pensions Service dashboard, because we will have a relationship with a number of different dashboards to help us construct the infrastructure in a way that will allow the dashboards to interact appropriately with that. As Sir Hector has mentioned, we will be doing considerable testing throughout this process, both with dashboard providers and with consumers, to ensure, first, that the technology works but, secondly, that the technology delivers something that is of use to individuals as we go forward.

We are envisaging that we will have a continued close working relationship with the Money and Pensions Service dashboard team in order to make sure that works, but we will not be working exclusively with the Money and Pensions Service dashboard team; we will be speaking to other potential or actual private sector dashboard providers to ensure that we can meet the Government's objective of having an



infrastructure that allows there to be the capability and capacity for multiple pensions dashboards.

Q11 Chris Stephens: I am looking at the members of the steering group, and I am genuinely curious as to why the pension master trusts are not represented on it. I am thinking about organisations like NEST. I would have thought the funds with the most members would have some sort of membership on the steering group. Is there any particular reason for that?

Chris Curry: We did a very detailed exercise last summer to select the members of the steering group, and we asked individuals and organisations to apply to be part of that. We went through quite a rigorous process. It would not be accurate to say there is no representation. Direct members who work for those particular master trusts may not be part of the steering group, but both the ABI and the PLSA, for example, work closely with the master trust community as part of that.

We have also identified 12 different segments within the industry that are represented as part of this. We did not want an enormous steering group; we wanted 10. Where we are talking about representation from the pensions industry, we decided it was most appropriate to invite those that had a broader representation across multiple different parts of the industry, rather than specific representatives from each part. Rather than having, say, a master trust, a commercial contract provider, a SIPP provider and a public sector pension provider, we decided to go for the ABI, the PLSA, PASA and the Institute and Faculty of Actuaries. Between them, they cover the whole range of industry representation.

It is also fair to say that we are engaging with the industry outside the steering group. We have a number of different calls and a number of different fora in which we will talk to these particular groups. It is not as if they are not involved in what we are doing; it is just that the steering group has a very particular role as part of that. Part of that is about representing the whole of the industry rather than one particular part of it.

Q12 Chris Stephens: But the master trusts and the funds with the most members can feed into that.

Chris Curry: Yes.

Q13 Nigel Mills: I am slightly worried, Chris, by what you are saying. Naively, if I want to have my bathroom done, I work out what I want in the bathroom before I start working out what the plumbing is; otherwise, I may end up having water pouring out of holes or my toilet not working or something. Are you sure you have worked out what the dashboard is going to offer people so that you are plumbing the right things in before you start putting in the plumbing and find that you do not have all the data that it turns out you wanted?



Chris Curry: Yes, so we are taking a lot from the Department for Work and Pensions consultation response, which is almost like our going-in document, when the responsibility and accountability was handed over to the Money and Pensions Service. That details quite a lot of the policy, as it were, around exactly what pensions dashboards are looking to deliver and what kinds of information will be part of that. I am aware it is also part of the discussions as the Bill progress as to exactly what those things are.

Q14 **Nigel Mills:** In terms of your arm's-length links with MAPS, are you talking to each other and making sure you both know what each is working on so it will work when you get there?

Chris Curry: Exactly, yes. We are doing that. There has already been a considerable body of consumer research to help us understand what consumers want from a dashboard. There are other organisations that produce research as well. Just recently, two weeks ago, Which? published research that suggested around three quarters of people wanted to see the state pension on their dashboard; a little under two thirds wanted to see a pension income on their dashboard. Just over half wanted to see the value of their pot.

Q15 **Nigel Mills:** Will the state pension be there? Is the plumbing going to work for that?

Chris Curry: Yes, our intention is that the state pension will be part of any initial dashboard.

Q16 **Nigel Mills:** Have the Government agreed to release the data involved?

Chris Curry: We are working closely with the Department for Work and Pensions as to how that will be delivered.

Q17 **Nigel Mills:** If the Government have agreed that they will, is it now a matter of how?

Chris Curry: I cannot speak on behalf of the Department for Work and Pensions or the Minister, but I am sure he would agree that it is very important that the DWP and the Minister ensure the state pension is part of any functional dashboard that is going forward, because for many people it will provide maybe the most important part of their retirement income.

Sir Hector Sants: It might be worth just adding a couple of points on this important topic. While on the question of governance, you mentioned earlier about whether the MAPS dashboard is joined up with the plumbing work, to use the earlier terminology. Just to reassure you, yes, from Chris's point of view, as he said, he has to maintain a certain distance because of his need to engage with other potential dashboard providers, but the overarching governance is provided by the MAPS board and its related pension programme subcommittee. Everything does end up within the oversight and visibility of the board to ensure it is fully joined up, and



Caroline sits on the board sub-committee, along with Chris, so there is a high-level forum ensuring that co-ordination is taking place.

The second point was about whether we are comfortable that we know what is going in the plumbing. Yes, of course. There is considerable work yet to be done in terms of the technical specification of the standards, but, as Chris has said, we are very clear, from the earlier DWP work and indeed from our market research, about broadly what needs to be shown on a dashboard.

In that respect, maybe just to confirm, we will be publishing our first report. We intend to publish regular reports, and we will be publishing our first report on this in April. We will be setting out quite a lot of answers to the questions you have just raised. At that point we would be more than happy to come back again and have a rather more detailed session when you have our document in front of you. We are only about a month away from that.

Q18 Nigel Mills: Sir Hector, it sounds like we might be quite a long way away from having a dashboard that I can go and access. When are you thinking that we will have one going live?

Sir Hector Sants: It is just not possible. It is literally not technically possible to answer that question at the current time. In the document in April, we will set out the dependencies and questions we need to resolve before we can set out a—

Q19 Nigel Mills: You must have some vision for when you think it is going to be.

Sir Hector Sants: Realistically, in order to answer that question, there are a variety of issues we have to address. In particular, we have to answer the question of what the actual technical solution to the plumbing is. We have made a decision that, given the speed of change in the technology sector, it would be appropriate to make a fresh appraisal of the options in that space, which we can certainly do over the coming months. Once we know what the technical solution is, we then have to engage with the Government procurement rules. The rules on Government procurement vary considerably, and, in certain circumstances, run to a number of years. DWP has also said that the data issue could be a number of years in final resolution, when all the data would be available.

Nigel Mills: I might have retired by the time you get there.

Sir Hector Sants: We will set out a plan to take forward the answer to your question, but it is literally not possible to answer that question.

Q20 Nigel Mills: You must be able to give me an earliest date. It is not this year, clearly. Is the end of 2021 possible?

Sir Hector Sants: It is not realistic for me to float a date at all. The choices available to us currently create a significant range in outcome.



We will lay out in detail what the challenges are for coming forward with a date in the April document, and I would be delighted to come back with all of that laid out and go into a longer conversation. Potentially you might want to invite the DWP along with us.

Nigel Mills: I am sure we will ask the Secretary of State.

Sir Hector Sants: We could have a more detailed drill-down on the dashboard at that point.

Q21 **Chair:** Is it conceivable we might have one in 2022?

Chris Curry: Do you mean the dashboard or an answer to when it is going to be available? As Sir Hector has been saying, there are a number of different dependencies that we are looking at as part of this. The technical solution and the data are the ones that most people think are top of mind. There are also a number of other issues. Digital identity is a really important one. The safety and security of anybody using the dashboard and their data is paramount in what we are doing here. We know the digital identity service is undergoing a review at the moment; we are waiting for the response from the consultation.

There are a number of different features that the availability of a public dashboard is heavily dependent upon, and it would be very premature of us to put a target date out there, which then might drive or change the focus on to the date rather than actually delivering the right service. At the moment, our focus is on making sure we deliver the right service.

Sir Hector Sants: We are perfectly aware that this is a question people want answered, and we will seek to answer it as quickly as possible. We did make clear when we took on the project that we wanted to go forward in a logical and thoughtful manner and that the first deliverable should be a plan. That is what we are on target to deliver.

Q22 **Nigel Mills:** How many people have you both got working on this?

Chris Curry: At the moment, within the Industry Delivery Group, in terms of people being employed, there are around 15 on that side.

Sir Hector Sants: 15, yes.

Chris Curry: We are expanding all the time. That was at the end of February. We have more people starting this month and next month. It will be a programme where the numbers and the roles required fluctuate as we go through a number of these different stages in terms of looking at what we need.

Caroline Siarkiewicz: In terms of that, in terms of the MAPS team, we have provision in our own staffing resource to support a lot of the work the dashboard team needs. If we think about some of the core services, the central services, we actually have our own team, which works very



closely on supporting that resource we have in the pensions dashboard team.

Q23 **Nigel Mills:** I assume these are all on permanent employment contracts, not on short-term ones, given the timing issues.

Chris Curry: There is a mixture. Again, that will be a feature of anything going forward, just because of the range of different skills and experiences that we need. For any work that is in the technical and digital space, we have to work with the ongoing market conditions and the way that work is normally supplied as part of doing that.

We also need flexibility. As I mentioned, the programme will move from task to task and will look at different aspects of the dashboard as we go through. Having everybody on permanent contracts would be a very inefficient way of dealing with this. We need to make sure we have the right team and the right people at the appropriate time in the appropriate way. That is a very important part of this.

Having said that, given that this is now within the public sector, value for money is a very important part of what we do. All the decisions we take are done with an eye to making sure we get value for money for the ultimate person we are working for here, which is the taxpayer.

Q24 **Nigel Mills:** What are you telling pension schemes? Presumably, they have to fit in to the plumbing at their end. When are you telling them that they are going to need to have the data ready for release?

Chris Curry: As Hector mentioned, we are publishing a progress update in April. Alongside that we will also be publishing two other documents. One will set out the broad scope of pensions dashboards and what we think they will need to deliver, and another part will be a first draft of the detailed data definitions in terms of what we need the industry to provide us with. We have been talking to the industry—and certainly the Department has been talking to the industry over a longer period—about the expectations that data will need to be provided and will need to be ready when the dashboard requires it to be ready, but the function of exactly when that is going to need to be provided is part of the discussions currently going through legislation in the Pension Schemes Bill at the moment.

We are expecting a timetable to be set out for staging of data providers or pension providers to come in. There are potentially up to 40,000 of them, so it is not a small job. We are working closely with both the Department for Work and Pensions and the Pensions Regulator on determining the right timeline for that and which organisations we would expect to be at the start of that process and which would be later in that process, which will be determined by how efficiently we think we can make this work and how well this will work to get a dashboard available as quickly as possible.

Q25 **Nigel Mills:** Will your plan be for the dashboard to be available without



all 40,000 at the start?

Chris Curry: That is, again, a question that we will be asking in one of the documents we will be publishing at Easter. We think there will be a point when most people will be able to access most of the information they require in order to make the dashboard useful. Again, we will keep coming back to this point: we only want to provide a dashboard that consumers will want to use and will find a positive and reinforcing experience. The one thing we do not want to do is to rush out something that only provides partial data and potentially misleads individuals or gives them such a poor experience they never come back. We need to make sure we get that balance right

Q26 **Nigel Mills:** Is your plumbing one-way or two-way? Are you envisaging this to be a data suck-up or are you building it so you can send instructions back?

Chris Curry: It is very much a find-and-view service. The way it works is that information from the dashboard will come through to a central digital ID verification and matching service, as well as a governance register, which allows everyone operating within the ecosystem to be able to trust each other. That will go down to the pension providers, who will then undertake a matching exercise to see whether they have any information that is relevant to that verified identification, but then that information goes back to the dashboard outside of the central pension-finder service, so there is no data repository or storage of data anywhere in that place, mainly for security reasons. The information then goes back to the dashboard.

At the moment, we are not envisaging—and it is explicitly ruled out within the consultation response from last year—any transactional ability within the dashboard ecosystem and infrastructure. That is not to say it will not be developed on top of dashboards that other organisations will use, but that will be outside of the architecture we are designing.

Q27 **Siobhan Baillie:** I was going to ask about the timeline as well. This may be difficult to answer, given that we may be on hover boards by the time the dashboard is available, but digital-only services do worry some people because not everyone has access to digital or is capable of using it. What assessment have you done of the population who do not have access to digital services or will need some training and capability to use it? It should be a universal service, should it not?

Chris Curry: It should be. That is one of the user cases that we have identified. One of the important things we are looking at doing here that could potentially help with that is the idea of delegated access. This is the idea that, if an individual does not have access themselves, they can nominate someone to access on their behalf. That is something that is quite novel in this particular area.

It does not always apply to every other digital service that is available, but there are additional constraints or issues around that in ensuring



safety and security. We need to ensure the person who has delegated access really does have authority to do that and that the access can be revoked at any time, if the individual decides that is not what they want to do. We will also be looking at whether there are other ways of making it available through any other ways in which people may currently get access to digital services, if they do not have their own means of doing that. That could be through public libraries, for example.

Q28 **Chair:** Sir Hector, you made the point about MAPS taking over this project and picking it up. How would you characterise the state of it when you took it on?

Sir Hector Sants: I would characterise it as being broadly where I was given the impression that it was, i.e. one where had been a lot of policy and theoretical thinking as to what its purpose was and the policy framework within which the project was to be delivered. In terms of an actual delivery project, it had not yet commenced. We felt we had been given a clear Government framework, within which we are working, as Chris has outlined. As I also indicated in my opening comments, we are starting from scratch in terms of creating an actual delivery programme, which is why we are not able to answer all the questions you posed us today but we will hopefully be able to do during the course of the coming 12 months.

Q29 **Chair:** Can I just press you one last time on the timing point? Am I correct that you have not ruled out the possibility that this might be available in 2022?

Sir Hector Sants: We have not given you any answer to that question at all, and we have been open about that. What we are saying is that we will seek to answer that question as quickly as we can. We are optimistic that we could answer it before the end of the year in terms of offering a clear programme. It may still have some variables and dependencies in it, but it will give you the shape of where we are going. I am happy to talk about it at that point.

Q30 **Steve McCabe:** I want to ask a couple of questions about pension scams. I saw that some joint research from the FCA and the Pensions Regulator estimated that there could be 5 million people at risk of pension scams, which struck me as a pretty big number. What do you do at the moment to try to prevent them and help those who are the victims of scams?

Sir Hector Sants: I will give you a quick policy overview, and then Caroline will pick up your particular question. We as a board are very conscious that we have a new consumer protection obligation in our Act that did not exist for our predecessor bodies. We are taking that extremely seriously and we have been giving a lot of thought to what the best way to discharge that is.

We are conscious of two principles in carrying out that mandate. The first is that, clearly, we want to avoid duplication and overlap with existing



structures and existing responsibilities. We are giving careful thought to how we co-ordinate and interface with other bodies in this space. Secondly, however, we think the most helpful contribution that we can make, which reflects our customer and consumer orientation, is to utilise our interface with real people, both to ensure we are analysing the information that is coming into us to pass on to the relevant authorities and, secondly, to help people be educated to avoid scams. That is the sort of framework, but, Caroline might like to provide some illustrations.

Caroline Siarkiewicz: That is right in terms of working jointly and collaboratively. As you say, in terms of the numbers of people we want to reach, working across multiple organisations is important.

I would add one specific in terms of how we can get messages across. Clearly, in terms of people's understanding, there are some pretty sophisticated scammers out there. We have been trialling the use of trusted messengers. These are people in the community such as carers, some emergency services workers and social workers, who are going into people's homes. Generally, they are going into the homes of people who are pretty vulnerable. Actually, it is a really good way of testing out whether we can give those people training and help them get some of the key messages across and, in that safe and trusted messenger space, we can really start to push out the message further.

That is very much in trial stage at the moment. The trial started off in Wales, and we are now trialling it out in Scotland and also in Northern Ireland. If we can judge and make an assessment of the success of that, it is something additional that we can put in place.

Q31 **Steve McCabe:** This is a prevention approach. What about the victims? Do you have any role if people fall foul of scams?

Caroline Siarkiewicz: There are numerous organisations that will be able to help and support, and we will guide people through our online services, our online fact sheets and through our guidance workers, who can talk about how they can take steps.

Q32 **Steve McCabe:** Does Pension Wise figure in this strategy at all? You talked about using your interface with people. Most people think Pension Wise is quite a positive bit of the structure, but it never seems to get talked up very much.

Caroline Siarkiewicz: Yes. Our pension freedoms teams are helping over 200,000 people in the current year. If we combine all of the interfaces we have with customers who are coming to us for advice on debt, their money or their pensions, then we forecast that, by the end of this current year, we will have helped almost 1.3 million people. That is a significant number of people.

Of course, the key thing about any frontline service delivery is, if you are providing a good service—and certainly the data that comes through in terms of how we assess satisfaction levels in these spaces is high—what



that means is that people will start to talk to their friends and their colleagues. There is something that is really important for us at MAPS, which is about getting people to talk about money. If people start to have those conversations and it becomes normal for them to share information, people will learn from that.

It is really important that we focus on identifying the interventions that will work in this space. There is something about working with people who have the trust of people in local communities, so that we can reinforce the importance of that message and use success in that space to really build the momentum and get that message further out across the UK.

Q33 Steve McCabe: Do you have any role in intervening in inappropriate defined benefit transfers?

Caroline Siarkiewicz: We will take calls from people who are looking at a range of different things. Some people will call about accumulations; some people will start to talk about their options. Certainly, our pension freedoms work is all about the options people have if they want to start to draw down from their pensions. In terms of transfer, it is important to reinforce that, currently, our operations are around guidance. What we do not do is give regulated advice in that pensions space. We provide pension guidance.

We do have a number of tools, like locator tools, that are available to people. They can then identify the right person to go to talk to, who are independent financial advisers. If we look at the number of people who are going on to our retirement adviser directory, one of the things that is really pleasing is the increase in the number of people who are looking to find the right person to give them the right level of support and advice, because we will only provide guidance currently.

Q34 Steve McCabe: What about these poor folk who are clobbered by liberation scams? Is it fair that they are then clobbered again by the tax bill from HMRC?

Sir Hector Sants: As you would expect, our answer to that is that matters for HMRC are not really for the Money and Pensions Service to comment on.

Q35 Steve McCabe: No, but I am just asking. Given that you are interested in the welfare aspect of people's pensions, I wondered whether you thought it was fair that they got hit twice.

Sir Hector Sants: As I say, if I am allowed to say it, we are here as representatives of the Money and Pensions Service; commenting on tax matters would not be within our remit.

Q36 Steve McCabe: Should there be any kind of compensation or any kind of opportunity for some kind of payback or compensation for those who are victims of liberation scams?



Sir Hector Sants: I am sorry to, effectively, say what I have just said: as an arm's-length body of the DWP, it is not really for us to comment on HMRC. The question is better addressed to DWP officials and Ministers rather than us.

Q37 **Steve McCabe:** How many people who you deal with are you aware of being victims of liberation scams?

Caroline Siarkiewicz: I cannot give you the answer now, but I am happy to write to you with the number.

Q38 **Neil Coyle:** Caroline, you just gave us some helpful figures on this, but, to prevent scams and make sure people make effective and good decisions, how are you ensuring enough people get advice and guidance before they make a decision on their pensions? How are you building use of Pension Wise and the Pensions Advisory Service?

Caroline Siarkiewicz: In terms of where we currently are in our evolution, we came into being on 1 January last year. I have set out where our priorities are currently, which is around mobilising the national strategy, bringing the three organisations together into one and really driving improvements in the number of people who can access our services. Part of the work we need to do this year is to map out what the appropriate different touch points are along the customer journey, so we can really try to embed more of a holistic space for people.

What we know is that, when people come to us for a money issue, it is rarely a single issue. It usually has a multitude of other requirements and needs that people will need in terms of advice. It is really important that we map them out to make sure the significant number of people who are now coming forward to us have the opportunity to get a more holistic service.

In terms of how we will work to draw more people in, we have created a new regional partnership team because we are very keen to try to use organisations across the UK. If we think about employers, there is a really good opportunity for us, as the Money and Pensions Service, to start to forge links with employers, because through that we can almost start to normalise that talking about your money and getting help, support and guidance is something that is day to day; it is normal.

If we can really start to reinforce that message by working collaboratively—that is really important; we cannot do this on our own—we can start to drive more people to come forward and talk about their money, take the guidance and get the information they need, so they can start to make really good decisions that will have an impact on their financial futures.

Sir Hector Sants: Just linking it across, if I may, to the national strategy document, the national strategy goal on later life is that everyone in later life has the right level of information, knowledge and understanding to be

able to manage the money they have at that stage of life as well as possible. Obviously, that includes pensions.

At present, as Caroline has said, we are offering guidance to approximately 400,000 people, of which roughly half are in the freedoms space. It is clear that this number will have to go up considerably to achieve that goal. There are various statistics set out in the document, but it would clearly have to go up considerably. From the market research we have done and from looking at the historic experience in the Pension Wise service, we know that, essentially, unless we promote and encourage people to contact us, we will not hit those goals.

One of the questions we need to address over the coming months is to work out not just how we provide that extra guidance capacity but how we explore all possible mechanisms to encourage people to take guidance before making these very important decisions. It is not going to be enough just to say, "We are here".

Q39 Neil Coyle: Just to be clear, Caroline, you said 200,000; Sir Hector, you said 400,000.

Sir Hector Sants: I did indeed, because 400,000 is the total number of pension guidance sessions we have across the two services. Remember that we have the two legacy services, TPAS and Pension Wise, of which half is the pension freedoms conversation, which is what people currently commonly call the Pension Wise service.

Q40 Neil Coyle: What are your goals at Pension Wise for each of the following years?

Caroline Siarkiewicz: What we are setting out in our national strategy is that we want 5 million more people to understand how better they can plan for a financial future. Our goal is set out very clearly there. What we are working through now, ready for publication in the autumn, is our own corporate strategy. We are working on a one-year business plan that we will launch in spring, and what we are then working on is a longer-term, three-year corporate strategy. How do we drive an increase in the number of people coming forward? You will be aware that we are working on a nudge pilot currently. We are looking to see whether we can find the best way to have a conversation with someone so that they will come forward to pension freedoms conversations and guidance. What we will do is explore, as we go through this year, ready to publish our corporate strategy, which is our three-year plan for how we will drive this and what the best way of doing that is so that we can reach more people.

There is another thing in terms of bringing that in. In terms of the national strategy, we are in the activation phase. The activation phase is about working with around 130 different organisations on challenge groups. We are asking the question: "These are the national goals. These are the differences where we know we will have an impact and improve people's futures. How do we do it? What are the ideas around the table?"



We have experts around the table from a whole raft of organisations. What things are going to come out of that that we will be able to talk through? Again, this is something that may be of interest to the Committee later on in the year, and we are of course happy to come back and talk about that in some detail.

Sir Hector Sants: If it helps, I can give you a bit more detail. There are a lot of numbers flying around, but we are currently giving 200,000 pension freedoms sessions. That covers about 300,000 pots. As I am sure you appreciate, any given individual can have more than one pension. The FCA numbers suggest that about 750,000 pots were likely to have been accessed in 2019-20. The figure of 5 million people in later life is about understanding their money to be able to manage it well.

To zero in on what you were specifically talking about in the last couple of questions—the freedoms question—to give you a sense of the landscape as we develop our targets for our guidance service in that space, you have this figure of about 750,000 pots being accessed currently in the year. How many of those people would benefit from guidance from us, of course, is a secondary question, but that should give you a sense of the numbers.

Q41 **Neil Coyle:** That is really helpful, and we all appreciate that you are only a year old. When do the nudge pilots and the trials end? When do you expect to be reaching that figure of 750,000?

Caroline Siarkiewicz: In terms of the nudge pilots, we will publish the results of those in the summer. We tested two different elements, and we are just starting to draw that to a close. We will then work through the data and see what it has told us, and we will publish the results of those in the summer. That is pretty imminent.

In terms of our goals, the national strategy has 10-year goals. As I mentioned earlier, our own corporate strategy, which we will publish in the autumn, is looking at a three-year timeline in terms of the achievements we are looking to put in place during that three-year period.

Q42 **Neil Coyle:** I have one final question. The FCA is required to consult you on how the opt-out of pension guidance works, so what are you telling the FCA about the opt-out?

Sir Hector Sants: We have to be careful that we do not tell the FCA precisely what to do.

Q43 **Neil Coyle:** What is your advice to the FCA?

Sir Hector Sants: What we are doing at the moment is collecting information and providing them with data. We would not feel that it was our job to tell the FCA to do something per se. What we want to do is to end up in the position where, once we have completed the pilots, we can give a good assessment of the likelihood of everybody being properly



empowered to come up with the right course of action when they engage with the advisers. Until we have the results from the pilots, we are really in a position to give that analysis over to the FCA. Again, those are questions we will be more than happy to pick up in the autumn, after the pilots have been published.

Q44 **Chair:** Can I check something about those nudge pilots? Those are with commercial organisations, are they?

Caroline Siarkiewicz: They are, yes. They are with pension providers.

Q45 **Chair:** Are you able to tell us who are they?

Caroline Siarkiewicz: Can I write to you and give you the confirmation of the individual organisations?

Chair: That is fine, thank you. We come now to working-age issues.

Q46 **Dr Spencer:** Could you tell us a little about the debt advice that you provide and how you approach that?

Caroline Siarkiewicz: What we do with debt advice provision is we commission external organisations to deliver it. This is not a service that the Money and Pensions Service provides directly. What we do is we commission a number of organisations across England to deliver advice, and this year we are on track to see help delivered to around 540,000 individuals with their debt advice problems.

Primarily, those will be through Citizens Advice and individual advice agencies. We work with some of the national charities to deliver debt advice over the phone. We also have online advice primarily through email and web chat services so that there are different channels for people to access that advice. What we know is that currently there is not enough provision for the number of people who need debt advice. We also know that debt advice works, so when we evaluate how those services perform, we know that people who have gone through and taken advice actually do start to take control of their finances.

Q47 **Dr Spencer:** How would you define the population that you think needs debt advice? What would you say are the main drivers of problem debt?

Caroline Siarkiewicz: How many people need debt advice? There are a lot of statistics out in this space. We conduct measures ourselves in terms of the number of people who are struggling with their debts, and there are various measures. Our best estimate for the number of people who would benefit from debt advice is around 5 million people. Currently there are around 1.6 million people who are accessing debt advice. Our national goal to increase that number by a further 2 million is actually very challenging.

What can we do about increasing the capacity of debt advice? That is very much around working with partners. It is about trying to look into some of the infrastructure and some of the barriers that prevent growth.



We are working very much on the recommendations made by Peter Wyman in his review.

What we do know about the people who need debt advice is that the primary driver for people needing debt advice is around sickness or disability. That still remains the biggest driver as to why people tip over and need debt advice. Second to that is around people who experience job loss, but illness and disability are the main driver.

In terms of the types of debts people have, the banks are still the group that hold both the biggest number and the biggest value of the debts of people who present for debt advice, but we are seeing a change in the complexion of the debt basket that people have. There is more growth in the public debts that people have. The number of debts that people present with from local authorities, specifically around council tax, has increased, but the amount of debt that is owed to local authorities is still a lot less than it is to the banks. What we are seeing is a difference in the types of debts that people are presenting with, but in terms of number and value, it is still highest in the financial services sector.

Q48 Dr Spencer: Following on from that, in those areas where people are accruing debts, how is that connecting to your decision making around commissioning services to provide debt advice? What does your approach look like? How do you make sure you are targeting things correctly?

Caroline Siarkiewicz: One of the things we will conduct on an annual basis is a review of supply and need. We are very keen to make sure that, where we are looking to provide face-to-face services—because there will always be a need for face-to-face services in this space—those are located in the right areas for people so they can access them easily.

We are also working on something called a PACE pilot. This is a collaborative endeavour with the three main advice charities across the UK. We are working with referral partners to test out a new mechanism of referring people into a virtual helpline so we can then make sure they are given the fastest possible place to receive that advice. That pilot kicked off very recently at the end of February. We are very excited about exploring how we can start to create some new efficiencies in the structure and actually try to join up the sector to a much greater degree than is currently the case.

Sir Hector Sants: There is also a strategic perspective here. We want to improve the availability of debt advice by that figure of 2 million that Caroline referred to earlier, and we do take the view that it is appropriate to work through the existing network of authorised debt advisers. As you know, it is an authorised activity, so we definitely are committed to working in partnership with principally the charities but also the existing network of debt advice delivery agents.

Essentially, there are two components to achieving that target. There is the degree to which we can facilitate through, to some degree, small



investments and through interventions to improve the efficiencies and the interactions within that debt advice community, of which the PACE project would be an example. The second question is the degree to which physical capacity still has to be increased even after the benefits of efficiency gains have been realised. To do that, we ultimately need to work with the debt advice community to expand capacity. That is a funding, training and long-term proposition.

We need to drive forward on both points. It is not just a question of making a couple of small changes and then being able to deliver that figure of 3.7 million overnight. We need some long-term investment in those two components.

Q49 Dr Spencer: What are the metrics that you are measuring that show the advice has been successful? Is it the number of people accessing the service? Is it changes in behaviour? What is it you are pulling back to show that what you are doing is having an impact?

Caroline Siarkiewicz: We measure across a range of indicators, as you might expect. Clearly, we are looking at the volume of people we are helping. How many people are coming forward for advice and actually receiving that advice? The other thing we are interested in is the outcomes that people will have, because it is very important to us that we do not just see this as a transactional service just moving people through, because the impact and the support they need has to move them to a better place. Being able to measure the impact that the debt advice has had is really important.

We have been discussing these issues with our partners in this space. MAS, which was one of our legacy organisations, was very much focused on the volume. MAS was about chasing, and chasing the volumes. What we are finding now is that the complexity of people's lives requires a different type of intervention and generally a slightly longer intervention. If investing in that longer intervention works, that is the right thing to do.

We are now working through looking at the outcomes, so we will measure across 15 different indicators. We look at things like how many people say yes to, "I am starting to repay my debts" or, "I have taken action as a consequence of the advice". The good thing is that 90% of people are taking action as a result of the advice. It could be, "I am starting to sleep at night", or "I feel in control". There are 15 of them. If you want them in detail, I will happily share them with you.

Dr Spencer: That would be helpful.

Caroline Siarkiewicz: The important thing is that we measure across a whole range, because, yes, it is about helping as many people as we can, but really helping them cannot just be a transaction; we have to move them through to a better place. We have to make sure the quality of the intervention is good enough to drive good outcomes.



Sir Hector Sants: I am being slightly repetitious on this point, but, to link it back to the national strategy point, we are very conscious that Parliament gave us a clear mandate in the Act to give particular consideration to vulnerability. We have done a lot of work on that, which is laid out in the document.

This issue of making sure that we think carefully about how we are helping the more vulnerable who need extra help is very much linked to the debt advice question. Debt advice and mental health in particular are inextricably interlinked. The outcome measurements are not just about how they are managing their money; they are also about their personal wellbeing circumstances and the degree to which that has been improved by the debt advice. It is a holistic approach we are taking.

Chair: Thank you. We would like to take up your offer of sending us the list of 15 statements, so we can see that.

Q50 **Steve McCabe:** I was interested in your answer about public debts. The previous Committee heard about some of the issues around the problems with the implementation of universal credit. The delays, the advances and then the repayment of the advances were creating a bit of a debt problem. I wonder whether you have seen any evidence of that yourself.

Caroline Siarkiewicz: It is a really good question. We are of course an arm's-length body of DWP. Recently, we had a very useful meeting with the team on universal credit to see whether there was a way we could work with them specifically around the length of time of claim. We are now working with them to link up services so that we can provide some money guidance during this period, to help people plan and start to budget.

We are also working in this space, because Citizens Advice has a role in this with Help to Claim. We are working with Citizens Advice on Help to Claim, the universal credit team and our own money guidance. It is an issue that we are very much involved in and very interested in, because what we want to make sure we can do in the services that we can provide and flag is make that period helpful so that people can get through that. That is a very important point.

In terms of the levels of public debt, as I mentioned earlier, it is still very much around financial services, but there is growth in this space. We can send you a full list, but council tax debt, particularly, accounts for around 6.2% now of the debts people are presenting with, so there is a growth in this space, but it is important that these things change over time. The role for us is around making sure that we can intervene in spaces where we can provide some help and support.

Q51 **Selaine Saxby:** I have a more practical question about the strategy, talking about how you deliver the debt advice. You have just spoken about the telephone service, but within the strategy it says you are not looking for the lowest-cost delivery channel, and that may include



technology. I want to understand how that is being delivered. Some of the people we are talking about probably struggle with technology and with access to that technology, even if they can use it if they have it. How are you ensuring that these people are able to access the service?

Caroline Siarkiewicz: Yes, that is really helpful. In terms of the preference people will have for channels, we measure that through surveys on an annual basis. What we have seen is that there is a growth in number of people who want access on a digital channel. There are several reasons for that. One of the things Hector mentioned earlier is that there is a whole thing around shame in this space. We know that there are a number of people who are reluctant to have that face-to-face conversation. They are also reluctant sometimes to have it on the telephone. We want to make sure that those people can use this channel. We estimate that around 49% of the over-indebted population want to access these services online. We want to work through organisations that are in this space to help develop the types of services that people need.

There are a number of tools available that are not completely digital, but they take the client through most of the journey on the digital channel. There is then an intervention that is a human intervention, either sending something out or a conversation on the phone. There is an opportunity to start to develop truly, fully digital offerings, and we know there is a whole raft of people out there who want that.

That said, we also know that there are people who will only go for advice if it is face to face; they need that human interaction. We are very careful to plan out in our own commissioning strategy how much volume we need to provide in each of the channels in which places so that we can make sure we are having the maximum reach. I have already said that we know there is not currently enough capacity in the sector for what people need, so people will wait. That is inevitable. We need to make sure that we are delivering and helping our partners to deliver in the channels that we know people want to access.

Q52 **Debbie Abrahams:** Good morning. I just want to carry on with the debt theme, if I may. Obviously, the strategy has a target of an additional 2 million people to be lifted out of debt. Given that you have said that people who are sick and disabled or who have lost employment are the most likely to be in debt, what proportion of that 2 million are people who are currently in receipt of social security support?

Caroline Siarkiewicz: I am not sure I can answer that specifically. What I can tell you is that, of the population who are presenting, 11% of them cite loss of or reduced benefits as the reason they are coming forward, which is not quite the question you asked me, but it is an indicator in terms of the number of people who are presenting because of that issue. We can probably write to you with a specific answer in terms of the numbers, if that would be helpful.

Debbie Abrahams: Yes, that is very helpful.



Sir Hector Sants: When we look at that presenting data that Caroline has just mentioned, there is a category of “low income”, which is 10%. We can certainly write to you with an analysis, but even if you add those two together, you are creating a figure of around 20%. It is still less than the “life events” categories all added together, which was Caroline’s point.

Q53 **Debbie Abrahams:** Indeed, yes. That is the point I am really driving at, so you are absolutely right. Most people on social security are actually in work, with working-age benefit. We need to be mindful of that.

I have to say that I have been concerned that some of the conversation that we have been having this morning has implied—this may be completely my interpretation, and I am sure you can put me right if I have got this wrong—that it is more an individual issue rather than a structural issue. Since 2010, £37 billion in social security has been cut in support. You mentioned sick and disabled people, and they have additional costs because of their disability. Since 2010, through social security support cuts, they have lost between £1,000 and £4,500 a year, with escalating costs.

Given all of that, it is not surprising, is it, that it is particularly sick and disabled people and lone parents, predominantly women, who are another group who have had reductions in income, who will also be experiencing debt?

Sir Hector Sants: That is a worthwhile and very good question, and it touches on a rather wider question that was very prominent when we went through our listening phase: the degree to which MAPS is engaging with the question of people just not having enough money as opposed to the role of MAPS in engaging with helping people make the most of their money and pensions. As you have identified, those are two different things. They overlap, but they are not the same.

We have to be transparent and clear. As an arm’s-length body set up by statute, our remit is clearly to address that second question of helping people make the most of whatever they have. We absolutely acknowledge—and we can see this from the data we accumulate from our customer interfaces—that quite often people presenting for debt advice just do not have enough money. We were not in any way disputing that is the case, and there are a lot of other drivers that you have alluded to.

From our point of view, we obviously have to work within our statutory mandate, so our focus is on helping people make the most of what they have. We have been very upfront about the fact that what we are saying in the national strategy is that, yes, indeed, while there are quite a few people who just do not have enough—there are various different numbers that you could cut to have that debate, and politicians and MPs rightly do that—there is still a very large number of people who we can help. With the tools and services that we are looking to mobilise or deliver, we will be able to significantly improve their circumstances.



We have to be honest or upfront about saying that we are not really there to enter that debate about the people who do not have enough.

Q54 **Debbie Abrahams:** That is very pleasing to hear. Finishing off this particular point about nudge, Sir Hector, you referred in your opening remarks to having the right behavioural attitudes and relationship with money. Caroline, you spoke about making sure people do not feel guilt.

By suggesting that this is an attitudinal issue, that it is about people having the right behaviour and that we can nudge them into doing the right things, it does not give the message and support that will put people in the frame of mind to understand that it is not their fault that they do not have enough money. That is so important. If there is one thing we can get out of this morning, it is about that balance you have is so important. I appreciate exactly what you have said, Sir Hector, but it needs to be put in that context of people's day-to-day experience.

You did talk about your engagement exercises. In terms of that target of 2 million, I did wonder how much had been as a result of discussions with people on low incomes in and out of work.

Sir Hector Sants: We had a very significant engagement exercise before we came up with the national strategy. Caroline, do you want to explain this?

Caroline Siarkiewicz: Yes, we did. We engaged across the whole of the UK in the spring of last year with over 1,000 different organisations, and we were very much talking to people working on the frontline, who have that day-to-day experience of people coming into an agency looking for help and of the despair, to be quite frank, that people feel.

Debbie Abrahams: Yes, absolutely.

Caroline Siarkiewicz: In terms of how we have pulled together the UK strategy, it is very much in that space of responding to those people who have told us what is needed. It is really important to emphasise that we have not just sat in Holborn and come up with some good ideas. We have tried to look at the evidence. What is the landscape like? Where is the change needed? Clearly, there are an awful lot of areas that we could move into, so we are prioritising. In terms of being responsive to need on the ground, we have been very careful to make sure this strategy is something that responds to the realities of life on the ground in the UK today.

Sir Hector Sants: To add a related point, which again goes back to the national strategy, this was the first ever national financial wellbeing strategy. It is the first one of any description, and it comes with targets and ambition, which has not existed in our predecessor bodies' documents, in the components of wellbeing. In order to drive those targets, not only do we have a set of MAPS-led interventions and institution-led interventions; we are also extremely keen on seeing



communities come together and come up with their own propositions to contribute to taking the agenda forward.

One of the themes we have not really touched on—it is very relevant to your point about making sure we understand what is actually happening on the ground and in communities—is the fact we are very keen on community-led initiatives being brought forward and making sure we plug those into our overall assessment of the best solutions. It is a bottom-up as well as a top-down concept of delivery. We maybe have not brought that out so far.

Q55 Debbie Abrahams: That is good to hear. I have one final question, on universal credit. Steve has already mentioned it. There is escalating evidence about universal credit. We have 2.8 million. There are due to be 7 million people on universal credit. This is a driving factor around debt, rent arrears and, increasingly, homelessness. I will put that to one side, because Steve has asked about that. The Money Advice Service had a money manager tool for universal credit claimants. How many universal credit claimants have access to that? How effective has it been?

Caroline Siarkiewicz: I have the answer to that in front of me, which is really helpful. One of the many tools we have available is called exactly that: the universal credit money manager tool. What I can tell you is that in 2018, pre the existence of MAPS, there were 1,000 people completing that a year.

Debbie Abrahams: That is 1,000 out of 2.8 million.

Caroline Siarkiewicz: It has now increased to 4,000, so it is moving in the right direction, but we are still not really engaging in that space.

Q56 Debbie Abrahams: There is some improvement needed there. Thank you for that. Moving on to what the strategy has to say about increasing savers, I want to ask the same question, really. Of the additional 2 million people you would like to see saving, the words in the goal are “working-age”, “struggling” and “squeezed” people. You want to see more working-age, struggling and squeezed people saving. Given the context of what we have just been talking about, is there a specific proportion of those 2 million who are social security claimants?

Caroline Siarkiewicz: I do not have an answer I can give you off the top of my head. We probably have some data back at the office about that aspect, which might be helpful.

Debbie Abrahams: Yes, I appreciate that, Caroline.

Sir Hector Sants: This segmentation, which is seeking to address the vulnerability point, was constructed by MAS, but we have refined it. It has this concept of “struggling and squeezed”. In the squeezed segment, which is the high-risk segment, there are 16.7 million people, i.e. 32% of the UK population is in our “squeezed” segment; 25% is in the



“struggling” segment. Our target audience is around 50% of the adult population.

Debbie Abrahams: There are 7 million working-age people on social security. What I would like to know—and you may not have this data currently, but I would appreciate it if you could possibly get back to me—is the proportion on social security. Otherwise, that is a group that is going to continually fall behind. We already know that we have growing inequalities, and this group is going to continually fall behind. Within that, if you are able to say anything about sick and disabled people, who again are continually falling behind, I would be very grateful. Thank you very much.

Q57 **Shaun Bailey:** I just want to touch a little bit more on the wider education piece that you are trying to do, particularly around young people. I know you have set this national goal of 2 million more younger people and children getting a meaningful financial education in 2030. Where do those 2 million young people come from? From your end, is that target a blanket target or is it a much more streamlined approach?

What I mean by that is that, certainly from my experience, it is often those younger people in those more vulnerable communities who are probably the ones that would benefit the most from that that financial education. I am just wondering whether or not that 2 million target is a broad-brush figure. Where do those 2 million people come from? That is the first question I have.

Sir Hector Sants: In respect of financial education, which is for children and young people, that is a long-term project. That is one of the reasons we have a 10-year strategy. Nobody is thinking that we can address that in a year or two.

In terms of delivering on the overall vision of everyone making the most of their money in pensions, that ultimately needs to be underpinned by every young person having a meaningful financial education. It is a bit challenging to say exactly the percentage of children and young people who are currently receiving that. We know that around 40% of children say they have had some sort of financial education. It is reasonable to assume the number of children and young people who have had a meaningful education is a lot less than that 40% figure. That is a long-term goal.

It is a universal objective, in the sense that we want everybody to have that meaningful education ultimately. However, where we would differentiate those who are more vulnerable is in the delivery. The figure of 2 million is a universal figure, but we realise that the delivery needs to be tailored to individual circumstances, which is what we are currently working through in the six-month activation phase.

Critically, I am sure you appreciate—it may well be a point you were going to come on to anyway—that for young people it is not just what happens in the classroom; it is also what happens at home. One of the



key areas of vulnerability is those individuals who get less home support in this area. Therefore, we need to be looking at our interventions in a holistic way. It is not just about what happens in the school, although that is very important.

Q58 Shaun Bailey: That segues quite nicely into my second question, and how you view the relationship between this and ongoing adult financial education. Quite often the issue I am seeing on the ground is where you get these issues trickling down. Again, particularly people who are in much more vulnerable situations have not necessarily had that financial education. That then trickles down to their children. I am just wondering about that wider piece around financial education. What is the segue between the two, if that makes sense?

Sir Hector Sants: I am hearing two slightly different points, and, if there are others, please do come back to us. Caroline also might want to supplement this but, at a high level, I have a couple of points worth mentioning.

It is fair to say that there is not really, anywhere in the world, any very long-term longitudinal data that enables one to say definitively that, if you leave school having had a meaningful financial education, it sets you up for life. There is good information already that suggests that, if you leave school with a meaningful financial education, that is going to make a difference in the way you tackle financial decision making, but the degree to which it stays with you is not something the research is fully answering at this stage. In passing, that is something we need to track.

Having said that, everybody's intuitive view is that you need constantly to reinforce things, not least you need to provide the information that encourages the right behaviour and attitude. It is important to recognise that financial education for young people needs to be part of an overall programme that encompasses continuing support for adults.

The second thing is just to make the point that a lot of adults are not going to be capable of making good financial decisions, partly because of the vulnerabilities we have already discussed, such as mental health and so forth, but also because of digital capability. There is a good percentage of the adult population that do not have the necessary digital and arithmetic skills—basic maths, basically—to do that. Again, there are different percentages, but a significant percentage of the adult population are short on that core skillset. As part of our vulnerability work, we will need to think about how we address that. I am not sure I have totally answered your question.

Caroline Siarkiewicz: Can I try to give you a real-life example of where we are in this space? You are right: if you have children from particular family backgrounds, they may be more or less vulnerable. One of the things that has been interesting—we piloted it first in Wales—was something called Talk, Learn, Do. This involved working with parents and carers, along with their children, to start those conversations around



money, finding out how to have those conversations around what things cost, the choices you might have to make because you have a finite income and actually starting to engage children in that space. It was pretty successful and is being rolled out now further. That is working with other funders as well. Big Lottery Wales is part of that funding link. It is something around helping the children start to learn, but the impact it also had was on the adults. The parents and the carers were also starting to have those lightbulb moments. We found that it was actually having an impact on their relationship with money as well.

Again, we are talking about fairly small-scale pilots, but having the opportunity to test something out in real life on the ground is something very important. If we can identify that it works and it makes a difference, it is something we can start to widen out and start to share successes. Again, that is really what our national strategy is about. It is about making sure we can find out, either through our own work or through the work of other organisations, what is going to make a difference. If we can identify what will make a difference, then we know where we want to try to start to focus the resources.

Q59 Shaun Bailey: Just to take a bit of a step back, talking about more organisational partnerships and cross-working, what do you feel is the base duty that particularly schools and colleges have to their students and pupils in providing this education? Should there be a baseline duty, so they have to provide something to young people in these institutions? Do you feel that might be enhanced a bit by cross-working with the private sector as well to perhaps bring those sorts of initiatives in?

Caroline Siarkiewicz: There is something that perhaps Hector would like to comment on in terms of the work that the banks are doing, particularly in the skills space. One of the things I want to highlight before Hector comes in on that is the work that we are trying to do with teachers. It is all very well creating these additional responsibilities for people to deliver, but we need to ensure that teachers are also equipped to have these kinds of conversations. One of the things we are starting to work through is training teachers in those sorts of money skills. Teachers are intelligent people, but there are some things around how you have the conversations around money and how you can bring it to life that are helpful, and we can help in that space. There is something there, but Hector will probably talk to you about what banks are doing in this space and how we are working with them.

Sir Hector Sants: I have two points worth developing in response to your question. The first is the one Caroline has already touched on. Just to be clear, as you know, there is, to a degree, a financial education obligation already in the national curriculum. That is at the secondary level, by the way, and not the primary, which is an interesting question.

From our perspective, speaking as the Money and Pensions Service, seeking to deliver the goal we have just been talking about, we would like to see a meaningful financial education proposition being deployed in

every school with every child. That logically follows from our whole conversation, but we absolutely recognise that, to do that, we have to energise and engage with the teaching community. It is not to say, “It is a good idea”.

We are actively working on that, and we have had begun discussions with the Department for Education in that respect, but there is a huge amount more to be done in that space. From our point of view, with our mandate, yes, we would like to see it in every classroom. There is then an interesting question, which we can research further, as to whether that is in every age group or whether that is only at the secondary level. There is actually some very good evidence that intervening in primary schools is incredibly helpful. Nevertheless, we can do more work on finding the right intervention, but there is a lot of research in this space.

The second point is on maintaining momentum in the funding of products and services. We have taken into the national strategy a piece of work that we had commenced at the beginning of MAPS a year ago, which is a piece of work we are doing with UK Finance and the financial community, primarily the UK banks. If you look at the main providers of financial education in schools, there are a number of not-for-profit organisations, but the biggest group is indeed the banks, who primarily do it—I have to choose the right words here—as individual organisations with their own individual branding. We have started a conversation, to which they have been receptive, as to whether we can encourage a more collective approach to that, which gives a more efficient outcome to the resources that the banks are deploying. Hopefully, we will have more on that initiative to share with you later in the year, but that is something that is already underway, because we started that last year.

Q60 Siobhan Baillie: Just before I move on, I have a question for Caroline. Before I came into Parliament, I worked for a charity called OnePlusOne, which works with Relate. They were all part of the workshops about money secrets and relationship issues. We know from research that couples and families do hide things from each other, and that ranges from men and women hiding the new purchase in the back of the wardrobe, which I have done, and also to hiding the fact that you have been made redundant by putting a suit on, going out and pretending you still have a job.

The research is already there. I love a pilot, but we already know that. The research came through the Money Advice Service. We could do all the training with young kids in schools, but that is what is going on in families and it is not being addressed. We could also give people debt support, but if that is what is going on at home, the debt work will not be effective. Why are we not using that more? What are we doing with that learning? OnePlusOne—I can send this to you if you have not seen it—did a range of animations that were supported by DWP. They were very short animations to try to highlight some of these issues, and they were brilliant. They were backed by Martin Lewis and they went all over the



place. Relate went in to work with banks. I just do not have any sense that that work is continuing. There was money spent on it. Have you seen those animations, by the way?

Caroline Siarkiewicz: I have not seen the animations, no.

Siobhan Baillie: That is interesting, being on this side of it, because there was a lot of pride in those. I will send those to you.

Caroline Siarkiewicz: Thank you. In terms of the issues around hidden debts, in the days of MAS there was a Talk Money Week. There was an event, and Relate were represented there. It was an evening event, and it was moving into this space of behaviours. The one thing we know is that behaviour change is something that happens over a period of time, so you need to have those kinds of prompts in place. It is probably not true to say that nothing has happened from that work, but we have to be realistic about how it is a continued effort in terms of getting people to talk about it. It is about the fact that we know that people hide it, and we can try to encourage them to almost normalise the idea that people struggle and there is help at hand. It is an ongoing thing that we need to have in place.

Certainly in terms of the organisations that we are working with in our commissioning space, we are very much encouraging them to have those discussions on the ground, but there is the whole thing around engagement—it is not an easy problem to solve.

Q61 **Siobhan Baillie:** The research says that you need to get people into relationship support to have these conversations, as part of the signposting. That is really helpful, but I was digressing. I will move to my actual questions.

Sir Hector, you talked about the Act mandating and requiring you to particularly consider vulnerable people, but the strategy only has one reference to financial abuse. Why is that not more prominent? What has worked and not worked from the Financial Abuse Code of Practice? I think we should be doing more. What are your plans for that?

Sir Hector Sants: That is a very good question. Let me make a general point about the document. Obviously, the strategy document is a set of goals, out of which we then need to develop the operational plans. If you were a consultant, you would say a strategy document has to have the operational component as well as the goals but, because we need to deliver the strategy in partnership with the community, we wanted to make sure that we worked out the operational proposition through that co-creation engagement process, which is what the challenge group exercise is designed to do.

There is a section on vulnerability, as you say. It very briefly describes each vulnerability, often in no more than a single line, as you identify, but that does not mean we do not take the matter very seriously. We are now in our phase of constructing the operational plans, which will then be



reflected in the MAPS three-year plan in the autumn, which Caroline alluded to earlier. It is very important that this phase gives careful consideration to all of the types of vulnerability that we have identified. We defined vulnerabilities, from our statutory perspective, as those issues that place people at risk of falling into financial detriment and financial distress. Clearly, financial abuse is one of those vulnerabilities. We do, however, have some work already ongoing, because we do recognise its importance.

Caroline Siarkiewicz: Yes, I am happy to talk through that. The research shows that around one in five adults have experienced financial abuse, so it is a significant part of the population. In terms of our own service delivery areas, both those that we commission to be delivered externally and those that we run internally, our operators, advisers and guidance teams are trained in trying to identify what some of those signals might be, and we have organisations that we can refer people on to. Whilst we cannot necessarily help in that space, we actually ask our advisers and guiders to watch out for the signals and make the referral, which in itself is a difficult thing. It is not a case of, "I think you need to go there". It is around having this conversation and building trust, and we need people to be able to do that.

In terms of what else we do, Hector has already talked about the challenge groups. We are putting together what the delivery and action plans will be for the UK strategy. We do have somebody working with us who is from an organisation called Surviving Economic Abuse. In terms of that interface and involvement, we are very mindful, given that around 25% of adults will have experienced it, that we must incorporate that into any delivery plans going forward.

Q62 **Siobhan Baillie:** Is all of that work being done with the charity sector and the third-sector experts? I mean organisations like Women's Aid and Age UK, for example. Are you working quite closely with them? I am always conscious that Government agencies, no matter how arm's-length they are, are not going to be as trusted as some of the people on the ground.

Caroline Siarkiewicz: Yes. Let us take the number of referral partners that give debt advice. In that space, they are potentially dealing with some of the most vulnerable people who have really suffered. Each of them has to evidence to us before we will award the funding that they have the appropriate referral mechanisms in place. Those can be very specific groups. It could be around gender change, abuse, potential crime, people's employment or people's immigration status. There is a whole raft of referral partners, which go well beyond the scope of Government Departments and Government bodies. Given that it is charitable organisations that are delivering the services for us through the funding, those links and those networks are pretty strong.

Q63 **Siobhan Baillie:** There is a new Domestic Abuse Bill coming into place, and that is going to redefine abuse and harassment, and it is going to



include financial and coercive control. You need to have that on your horizon. We probably need to look again at your guidance and what is going out to anybody you are working with on that. That should be later in the year. Do you know how many financial institutions have signed up to the Financial Abuse Code of Practice?

Caroline Siarkiewicz: No, not off the top of my head.

Q64 **Siobhan Baillie:** There are about 18. Do you know what is being done to try to encourage more institutions to sign up? Has it been well received? Do you know whether more work is going to be done to get people signed up to it?

Caroline Siarkiewicz: I am not sure I can say much more.

Sir Hector Sants: No, you have posed us a good question. We should come back to you with a considered answer.

Q65 **Chair:** Yes, drop us a line. Can I just raise a couple of final points? Sir Hector, you made clear that a big part of MAPS's work relates to pension freedoms. Next month, we will have had the pension freedoms in place for five years. They were announced six years ago, and they were quite controversial at the time. What is your verdict on how pension freedoms have worked out in practice?

Sir Hector Sants: That question is of a rather universal nature, and it is important that I answer it from, as it were, the MAPS perspective. The data we have, which is what is driving our national strategy, clearly says that, generally speaking, a large percentage of the people making those decisions, at the point when they initially think they might want to make such a decision, are not fully equipped to make the right decision. That is in our national strategy.

We want 5 million more adults to have a full and proper understanding of what their financial resources are going to be in later life. That target is not just about those in later life managing what they have; it is also about those approaching later life to make sure they have a full understanding of what they are going to have when they get there. The evidence is currently clear that a large percentage of the population are not equipped to make that good judgment.

Q66 **Chair:** How large is the percentage? I know this is with your finger in the air.

Sir Hector Sants: There are different statistics. Certainly, there is a figure of 46%. I often say 50%, because I always think about surveys in round numbers. Somewhere around half of the adult population are going to say they do not feel comfortable about their knowledge of money in terms of what is going to happen in later life.

We also have some statistics that are slightly different but throw light on this. A significant number of the people who contact Pension Wise will come away saying that, after having spoken to our guidance service, they



have concluded that they should do something different from what they had in mind in the first place. That is maybe a rather more practical statistic. There is a figure that suggests that 72% of people are saying they have changed their mind about what they will do as a result of talking to our guidance service. In a way, that is a simple statistic that tells you that the vast majority of people, left to their own devices, will probably make a poor decision.

We need to be careful, of course. If they get good advice at the point of sale, the outcome will be somewhat different, so we need to be careful about how we characterise that. In terms of where we start from, we can clearly say that the current adult population is not well equipped, without help, to make a good decision about their freedoms options.

Q67 **Chair:** That is very helpful, thank you. Chris Curry, can I put a final question to you on the pensions dashboard? Clearly, if the pensions dashboard system operating in the future were hacked, the damage could be quite serious. How close are you to solving the identity-verification challenge the pensions dashboard presents?

Chris Curry: As you know, there is a lot of work going on around the Government, and the industry more widely is looking at this. We are waiting for the response from the Government consultation on the Digital Identity Unit from last July. We are expecting that to be announced shortly. We are also working closely with industry and other experts to look at all the available options that there might be for making sure we get the right identity solution that is appropriate for the dashboard. It is very important that we get that, in particular because, as we discussed earlier, if the state pension is part of that, that is probably a higher level of security that might be required in order to ensure the security of that data.

As you say, it has to be central to the development of a working infrastructure for the pensions dashboard. We need to make it as secure as we possibly can, in order to make sure we do not get people losing confidence in the system if they lose data or find that people who should not have access to that data use that data. Part of that is also in the design of the system, because there will be no central data repository. There is no one place that can be hacked. That does not mean there are not weaknesses. Everywhere through the chain, we need to make sure that everything is as secure as it possibly can be.

Q68 **Chair:** You are saying you are waiting for the outcome of a wider Government consultation.

Chris Curry: We are working with them. We are in discussion with the Department for Digital, Culture, Media and Sport, which is leading on that with the Cabinet Office. We are also having conversations with other interested parties and other potential solution providers. We are trying to drive that discussion going forward to make sure there is an appropriate solution that is available in the right timeframe for what we need.



Q69 **Chair:** You said that the Government consulted on it last July and we are now awaiting their response.

Chris Curry: We are waiting for their response to that.

Chair: That concludes our questions. Can I thank you all very much indeed for a very interesting and informative session?