HOUSE OF LORDS

Liaison Committee

Corrected oral evidence: Financial exclusion—follow-up

Tuesday 16 March 2021

4.05 pm

[Watch the meeting]

Liaison Committee—members present: Lord McFall of Alcluith (The Chair); Lord Bradley; Baroness Campbell of Surbiton; Lord Davies of Oldham; Lord Judge; Lord Lang of Monkton; Lord Smith of Hindhead; Baroness Walmsley.

Financial Exclusion Committee—members present: Baroness Tyler of Enfield (former Chair); Baroness Primarolo; Lord Empey; Viscount Brookeborough.

Evidence Session No. 4 Virtual Proceeding Questions 20 - 26

Witnesses

I: John Glen MP, Economic Secretary to the Treasury and City Minister, HM Treasury; Guy Opperman MP, Parliamentary Under-Secretary of State (Minister for Pensions and Financial Inclusion), Department for Work and Pensions.

Examination of witnesses

John Glen MP and Guy Opperman MP.

The Chair: Good afternoon and welcome to the fourth evidence session of the afternoon, and a particularly warm welcome to both Ministers, Mr Glen and Mr Opperman. I am Lord McFall of Alcluith, as you probably know, Chair of the Liaison Committee. I am delighted to be assisted today by Baroness Tyler of Enfield, Chair of the former Select Committee on Financial Inclusion, and some of the former members of that committee. I will hand over straightaway to Baroness Tyler.

Q20 **Baroness Tyler of Enfield:** Thank you very much, Lord Chair, and a very warm welcome to both Ministers. It is very good of you to give up your time this afternoon. I think we can all agree that a lot has happened since we reported in 2017, not least of course the impact of the pandemic.

Before I start asking questions, I declare my interests. I am a member of the Financial Inclusion Commission and president of the Money Advice Trust debt advice charity.

When we reported in 2017, we recommended that the Government appoint a designated Minister for Financial Inclusion. We seem to have two for the price of one, which we are absolutely delighted with. Could we kick off with you both saying what you think you have achieved as regards financial inclusion since you were appointed in 2017 and 2018 respectively, and what progress has been made through the Financial Inclusion Policy Forum, of which you are co-chairs?

Guy Opperman MP: Greetings from my kitchen in Northumberland. My apologies if you hear a dog or a cat. Home-schooling puppy style is interesting.

You have made what I think is our best point, which is that the practical reality is that for too long government departments have been operating in silos. John and I have gone to unbelievable lengths to try to get the Treasury and the Department for Work and Pensions, and, where possible, other departments, to sing off the same hymn sheet.

The creation of the policy forum is clearly key. We chair it jointly, and I would like to think that the answer to the question is quite simple. I was tempted to do a written reply, but, putting it bluntly, if you have not yet gone to GOV.UK Financial Inclusion Policy Forum and looked at the reports of 3 May 2018, 17 December 2018, 13 September 2019, 5 January 2020, 22 May 2020 and 18 December 2020, which are six separate reports in quite a lot of detail, I strongly urge you to do so. To a certain extent, judge us on what is in the content of the reports, because, clearly, time is limited today, and we would struggle to elaborate in great detail all the various matters we have addressed there.

It is not just the two of us. You will be aware that the policy forum has a very distinguished group of individuals, who represent a whole host of different specialisms, but all of whom are passionate about trying to make a difference in this area. We draw on the capabilities of individual specialists within it, and we sometimes get outside organisations to come and speak to us. The best thing by far is that the attempt is made; we are not always perfectly successful, but we are all doing the best we can to get government working with one concerted voice. I think that is the strongest point.

I will briefly deal with some of the points myself and then hand over to John, because many of the issues I know you want to discuss are more directly Treasury policy. Self-evidently, the key creation as a result of the recommendations would be one particular organisation taking things forward. The Money and Pensions Service, which as Ministers we both took through Parliament, was created and has been formed from a single financial guidance body to the now fully fledged Money and Pensions Service. We have recruited a significant team, which is making a significant difference.

The Money and Pensions Service reports to me, but it also receives funding from the Treasury. It seems to me that it is important that we both scrutinise it. Recently, we had a joint meeting with the Money and Pensions Service chief executive and the chairman, and we both scrutinise and drill down on the policies it is taking forward on our behalf. Quite clearly, that is the best thing. I could talk at great length about the benefits of automatic enrolment, and the transformation that we have managed to achieve in respect of that. I could talk about the midlife MoT that we are pioneering and the work we are doing on payroll savings. I am quite sure John will talk about Help to Save, and there is Help to Claim as well. I will pause there and allow him to come in.

Q21 **Baroness Tyler of Enfield:** May I ask one quick follow-up question before going over to Mr Glen? I recently had the benefit of attending a parliamentary round table run by the Money and Pensions Advice Service. It was very helpful in talking about its new financial well-being strategy. The issue that arose was the extent to which that had financial inclusion at its heart. There was a feeling that the financial well-being strategy could do more to look at financial inclusion. Is that your view?

Guy Opperman MP: I will take that away and I will happily write to the committee to give you a bit more detail. At all stages, we have to accept that the Money and Pensions Service is a young organisation. It has been barely a couple of years in existence. It is very much trying to find its feet and build on the good works of the previous organisations that were there. I will have a look at that and write to you.

My support for the Money and Pensions Service is such that I would say that it is deeply aware of ministerial priorities, and that it is going to great efforts to ensure that financial well-being, in all its forms, is addressed on an ongoing basis across the entirety of the United Kingdom.

Baroness Tyler of Enfield: Thank you very much, Minister. Mr Glen.

John Glen MP: Thank you for the opportunity to make this contribution.

Any forum like that is not going to solve every issue for every interested party, but it brings together the regulator, consumer groups, charities and industry. Over the last three and a half years, as Guy said, he and I have worked closely together to tackle a number of important issues. I think we have made significant progress, looking at basic bank accounts, for example, and the need to upgrade those, and the need to continue to focus on particularly the most vulnerable groups. We have done the affordable credit package, which was quite important in looking at some of the challenges with high-cost credit. That was aligned to the regulator that did that important study in May 2018. We looked at the package, and verified the need for a feasibility study into no-interest loans, which we have kept working on, and we now have the pilot agreed, as per the Budget two weeks ago.

We have also looked at the affordable credit challenge fund, and we are looking at the power of fintech to try to deal with some of the particular challenges. We had some conversations last year about the impact of COVID on vulnerable consumers. We have used the forum to discuss practical changes in supporting credit unions and on the operation of prize-linked saving schemes. I am conscious that in this area there are many other issues, such as access to cash and bank branch closures. You could put a financial inclusion tag on many of the issues.

In a forum meeting twice a year, we will not resolve everything, but it has been a very useful focus for some of the long-standing challenges, particularly on access to credit, where I think we have made a lot of progress. Obviously, there is more to be done. People have different views, and I suspect that was reflected in the contributions you heard in earlier sessions this afternoon, but it remains a valuable place for us to come together and look thematically at some of the big challenges that exist.

Baroness Tyler of Enfield: To follow up on that point, in the joint working arrangements between you as two Ministers, which sound as though they operate effectively, how do you avoid issues falling through the cracks? That has been one of the themes of the evidence we have received and the discussions we have had. How do you attempt to join up financial inclusion policy with poverty issues and the welfare benefit system more generally?

John Glen MP: Which issues do you think have fallen through the cracks?

Baroness Tyler of Enfield: Some of the issues to do with products and services being available for the really financially excluded people—the bits that were proactively looking at what needs to happen there.

John Glen MP: As I said, we will never cover every single issue that everyone wants to look at. Some of them deal with the role of the regulator in stepping in to deal with unfair practices. It is about how you enhance the provision of affordable credit providers such as credit unions, to give them more licence to operate and more freedom, with proportionate regulatory interventions to oversee that. Guy and I work very closely together, as he said. We have conversations with Sir Hector Sants and his team at the Money and Pensions Service. We have had collaborative conversations with other colleagues in government about financial education.

I am very happy to look at any specifics that you bring us. In that forum, we do not seek to run every element of consumer finance policy. What we are doing is providing meaningful, collaborative conversation to deal with some of the key challenges that particularly the most vulnerable people face in accessing credit and moving to a higher level of financial inclusion in the country.

Guy Opperman MP: Can I add to that point?

Baroness Tyler of Enfield: Yes, please do.

Guy Opperman MP: It is almost unique in government—there is an argument that it should be more common in government—that you have two Ministers from two different departments, particularly because the two of us have both done a number of years together, who are genuinely utterly committed to this policy. There is no doubt whatever in my mind. We are trying to drive forward policy together across two different departments. To do that is exceptionally difficult. Do not underestimate how difficult it is. If you then add on, "Well, the Department for Business or the Department for Education should do this", and another department, you water down the main event, which is trying to get the two key departments to drive policy forward.

There is a genuine how you organise government way; you could have every Minister from every department and every devolved matter trying to do that, but in my humble opinion you would end up with a committee, and it would not necessarily make the steps which I genuinely believe, if you read the six reports, we have made. Sure, there is more to do, but I believe we have the right policy. By the way, we are also following the advice that you gave in your House of Lords report in 2017.

Q22 **Baroness Tyler of Enfield:** Thank you very much. Pursuing that point, because it has come up so much in our discussions both this afternoon and from the written evidence we have received, another of our recommendations was that the Government should publish their overall financial inclusion strategy. I am familiar with the reports you have referred to, Mr Opperman, and I know you have also published two annual financial inclusion reports to date. Do they represent your overall strategy and make it clear who within government needs to do what?

Another of our recommendations was that there should be an annual report to Parliament, a Command Paper, so that there could be an annual discussion in Parliament of what has been achieved. To the best of my knowledge, that has not happened. Are you able to say whether you have any plans to do that in the future?

Guy Opperman MP: I will take the second point and hand back to John on the first point. Clearly, it is a matter for Opposition and Government Whips to determine what goes into government business and parliamentary time. You have to go back to our detailed response to the 2017 report, which sets out the position—it was the view of the Government under Theresa May and it continues under this Government—that the Financial Inclusion Policy Forum is the appropriate way to drive forward real and meaningful change in the various things that we are all passionate about. We look at individual problems and try to solve them on an individual basis throughout the process, as and when they arise and as and when Treasury policy or DWP policy allows us to do so.

John alluded to a number of the different things that he has brought through. Those have to happen in a budget, for example. Treasury has to go off and formulate policy and drive it forward. It is much more about addressing the individual problems to the best of your ability. You raised one thing in particular which I want to address very briefly. There are certain departments, such as the business department, from which we are perfectly entitled to seek views on certain policies. I keep coming back to this point. It is the two ministries together trying to work for and drive forward policy in what are genuinely unique circumstances. I will let John answer the other point.

John Glen MP: We need to make the distinction between constant conversations about process and which documents are produced, and looking at the substance. We produced the reports that Guy has referred to, which cover our ongoing priorities, ensuring access to useful affordable products and services, and improving financial capability and resilience.

From that, there have been a number of concrete policies that we have put together. I mentioned them in my previous answer, so I will not repeat myself. The £96 million of dormant assets that have gone to Fair4All Finance, the no-interest loans pilot, and protecting access to cash by allowing credit unions to offer a wider range of services are critical substantive interventions.

On areas that clearly necessitate dialogue across government, there will be complementary views—for example, about financial education. There is certainly a role for banks, which put a massive amount of effort into financial education, working with schools. That is in the national curriculum. In the context of the fact that some academies will take a different view about what would be appropriate in their school, there is a challenge to get that completely aligned. That will need an ongoing set of conversations. Not everything can always be conveniently packaged up in one single document, but we can hope that, by having the forum, having dialogue with the regulator, and continuing to have industry representatives there, we can collaborate and find meaningful solutions to matters that are of great interest to the committee.

Baroness Tyler of Enfield: Thank you very much. As we go through, I am sure we will pick up the point about the social policy/regulatory divide, because that is another issue that has come up of where things can fall through the gaps. I invite Baroness Primarolo to ask the next question.

Q23 **Baroness Primarolo:** Thank you very much. Good afternoon. John, I would like to ask three questions on the remit of the Financial Conduct Authority. I will take them one by one and keep them short.

Will the Government expand the remit of the Financial Conduct Authority to include a statutory duty, first, to promote financial inclusion, and, secondly, to give it a statutory duty of care, by which I mean protecting the consumer from harm? If you do not think that is the way forward, could you explain why?

John Glen MP: We work very closely with the FCA. We in the Treasury consider that as an independent conduct regulator for the financial services industry, which involves over 60,000 firms, it has the necessary powers to ensure that those protections are in place for consumers. It can do that without a statutory duty of care requirement. That would not add to the FCA’s existing powers in this area. The key point as to why I would not do that, to answer your question directly, is that it would be incredibly challenging to apply that requirement in a single duty consistently and proportionately across the extremely wide range of products and relationships that exist in financial services.

Given the evolution in financial services, with lots of fintech firms, or buy now, pay later, for which we will introduce an amendment at Report Stage in the House of Lords next week, you would struggle to codify something; that you would need to be constantly refreshing. My view is that the FCA has to continue to work with the firms that they regulate, to observe bad practices and to intervene. Through their business principles, as well as the specific requirements of the handbook, they has that facility, and they have announced that it will be doing so.

You probably heard from Sheldon Mills earlier today about its responsibility to look at deficiencies in consumer protection by reviewing those principles of business, which are thrown into focus on a recurrent basis. That is what they do at the FCA. We talk to them about what colleagues in the House of Commons and consumer groups tell us through the forum and obviously, they are part of that forum as well.

Baroness Primarolo: Thank you. Would you not agree that in the current regulatory framework there is a conflict in treating customers fairly, which is a much weaker duty to the consumer, with the principle in the Financial Services and Markets Act that consumers take responsibility for their own decisions? Finally, there is an unequal balance between the market power of the providers and consumers, and that conflict of principles leads to a lack of clarity and transparency for consumers, and indeed for the FCA in knowing exactly what it is supposed to do when.

How would you balance all of those to make sure that consumers do not fall between the gaps, in a declared social policy of financial inclusion? The facts speak for themselves where people are financially excluded, whether from auto-enrolment of pensions or basic bank accounts. It does not join up.

John Glen MP: The FCA has a responsibility, across the range of services and companies that it regulates, as to the appropriate set of interventions that it needs to make. It is absolutely right that they continue to do that. I welcome the fact that they are refreshing the application of their principles of business in the handbook, and how they apply in different consumer contexts. As I tried to set out, it would be unrealistic to have a single duty of care and believe that somehow that will sort everything out. It will not. I have seen an evolution in the way the different parts of financial services behave with respect to their consumers.

We have seen the work that banks, building societies and credit unions have done to ensure that customers had access to their services over the recent COVID experience, making sure that people can get access to cash by having cash delivered, by helping to deal with shielding, the companion card by NatWest or the Lloyds trusted person card. Just last month, the FCA published its finalised guidance to firms on the fair treatment of vulnerable consumers.

This is not a static moment when nothing has happened. There is always an evolving conversation. With Chris Woolard's review when he was in the supervisory role in 2018, there was an intervention to change the way high-cost credit firms dealt with consumers on repeat lending and so on.

Baroness Primarolo: Yes, Minister, but what you describe, quite rightly, is that technological innovation is driving the development of products in the financial services. At the moment, within the FCA's perimeter of regulation, when it sees something change in the market it cannot make a recommendation directly to you that its regulations should be changed or expanded. The House of Commons Select Committee, looking at the perimeter—

John Glen MP: No, that is not true.

Baroness Primarolo: Informally, they can discuss with you, but they cannot formally ask you to respond to a market change. Correct me if I am wrong. Would you allow that to happen?

John Glen MP: That totally misunderstands the nature of the relationship between the Treasury and the regulator. I want what it wants, which is to have a well-regulated marketplace where consumers are protected and firms have responsibility. The question is about the most efficient way to achieve that. If we look at what is happening with buy now, pay later, you have an evolution in the market that for some people will be a responsible new product and an opportunity to defer payment over a certain period of time. If you use the same concept but multiply, people could get into unsustainable levels of debt. How you respond to that needs considerable thought.

It needs to look at the Consumer Credit Act and which bits of it need to apply and which do not need to apply. That will not be easily achieved by a single responsibility. It needs an evolving conversation between the Treasury and the regulator, and we work closely together and have regular conversations with Nikhil Rathi at the FCA and with Sheldon on a whole range of matters. We then respond as we see the data and experience of the market change, as it does on a very regular and fast-ranging basis.

Guy Opperman MP: Can I come in on two points very quickly? I am conscious that there is much to be done, but I have just two points. The first is that I utterly endorse what John says. I look after multiple arm's-length bodies, and I really do not recognise what is portrayed in your previous comment.

The second point is very strongly this. You criticised automatic enrolment in pensions. I will deal with it very briefly. That is a Labour Party policy pioneered by the Turner commission, formulated and brought forward under the coalition, and ultimately expanded to 8% by the Conservative Government. It is an unquestioned success story, widening financial inclusion to well over 10.5 million people with 1.7 million employers. Young people used to be languishing at about 38% access to pensions and savings in this way. They are now above 80%. Women used to be below 40%. They are now above 80%.

Baroness Primarolo: I am not disputing that, Minister. I absolutely agree. Congratulations. Forgive me. That was not the point I was making. I do not want to deride the record.

Guy Opperman MP: What was the point?

Baroness Primarolo: I was simply asking about what is called the perimeter regulations, which both the FCA and the House of Commons Treasury Select Committee had commented on. I was asking the Minister whether he agreed that that remit should be changed. I had moved to a different subject. I entirely agree. I am not here to point-score with you. I am here to probe what might be necessary in future change, nothing else. Forgive me for interrupting you, but I did not want you to misunderstand. I am not making a partisan point. Not at all.

John Glen MP: Can I say something?

Baroness Tyler of Enfield: Yes, please do.

John Glen MP: What we are trying to do in a fast-moving industry is get to the right roles for the regulator and get a framework in a new environment where we are not, essentially, downloading the consequences of directives from outside the UK. We have had a detailed consultation on the future regulatory framework, which it might be helpful to reference here.

We will be bringing forward a second consultation on that in the near future. That will look at the responsibility of the regulator and its accountability to Parliament, and the role of who should initiate what and how we should relate to one another. I hope that that will give an enduring answer to the issue that Baroness Primarolo raised about roles and responsibilities and where the perimeter should lie between the regulator and the Treasury.

Baroness Tyler of Enfield: We look forward to the outcome of that review. Can I move on to Viscount Brookeborough?

Q24 **Viscount Brookeborough:** The number of people experiencing low financial resilience has grown during the pandemic. Do you have any special ways to address that in the shorter term? Do you have crisis management of it? Is that possible?

John Glen MP: Clearly, this has been an extremely challenging time for lots of people. About £7.4 billion-worth of interventions on the welfare side alone have been introduced during the 2020-21 year. The support package is well documented, and I am not sure that this occasion is the best place for me to set out all of that. Guy may want to comment on some of the interventions from the DWP perspective.

On the enduring challenges of financial inclusion, we have seen an acceleration in the reduction in the use of cash. That has been well documented, and I am sure Natalie Ceeney referenced it earlier. Although we have made significant progress with the number of people who have got into banking with free bank accounts, about one in 40 people is still unbanked, as of February last year. As Guy mentioned earlier, there is work in progress, and there is more work that can be done in that area.

Exclusion from access to financial services and to affordable credit is something that I am very motivated by. The no-interest loans pilot, on which we secured £3.8 billion in the Budget from the Chancellor, is really important. It is an incredibly complex and difficult area to get right, but if we can get it to work, and establish that principle, I hope that many organisations that take a deep interest in this will want to use that facility.

There are so many elements of support that we want to give, and so many stakeholders that provide valuable contributions in different ways across communities across the United Kingdom. We are constantly looking at how we can support more, and pilot new solutions, empower credit unions and others, and sometimes adjust regulation, so that those who are providing things in the wrong way in the market, leaving people in a higher state of vulnerability, are checked in terms of that behaviour, and we have a well-regulated marketplace so that people who need higher-cost credit can access it in a safer way.

Viscount Brookeborough: Thank you. You mentioned affordable credit, so I will go on to Help to Save accounts. I was looking at the evidence from Money Advice Trust. The Government's targets originally were 3.5

million people for the whole thing, and 500,000 people in the first two years. Apparently, only half have signed up. Why do you think that is and what can you do to improve it? I understand they automatically close after four years. Is that necessary? Might that be reviewed?

John Glen MP: On 26 February, we issued the latest figures, which showed that 264,800 people set up an account, and £40 million was saved between August 2020 and January 2021. We can always see more. We have seen 42,000 additional accounts opened in the last six months. Help to Save is a massively important scheme, as you know. You can save up to £50 a month for four years and the Government provide a 50% bonus. That is a massive additional sum of money, and it is available to anyone, if they are just on universal credit or working tax credit for one week, they can access it for four years.

On the second part of your question about whether they should end after four years, the policy objective is to get people into the habit of saving. We believe that four years to get into the habit of saving is a reasonable amount of time. What you are really asking is whether we should continue giving a bonus beyond four years. I hope that, if people have been saving small amounts, up to £50 a month, for four years, they will be in a place where the intervention will have been successful. They will have at least a few hundred pounds, hopefully more, and that money will give them the financial resilience that stops them having to use high-cost credit and other providers in a way that would be very damaging, in many cases, to their financial well-being. We do not have any plans to change that time period.

On getting higher take-up, absolutely. I have worked with Birmingham University, which has done some work on how we can promote it better, and we have looked at that. We are using interventions and advertising on Facebook and things like that. I do not want to waste money on advertising campaigns that will not be effective, and I take advice from professionals on what we can do to improve uptake. It has an enormous contribution to make. You do not have to put in large sums each month. You can put in a couple of pounds, and you can do it online as well.

Guy Opperman MP: John alluded to what DWP is doing. Building on Help to Save, which is a great product and does a great piece of work, we have pioneered two particular similar but different ideas. The first is the sidecar savings trial run by NEST and Harvard University, which has been pioneered with a number of key businesses—BT, Timpson and others are involved. That is clearly a great opportunity and builds on the concept of payroll savings deductions. I am absolutely certain that sidecar is a real opportunity for people to get greater savings and to address financial resilience. In my view, the learnings from that pilot, which is ongoing, will form a significant policy in the future.

The other pilot we are running at the moment is the midlife MoT. The argument goes that, by the time people reach 50-55, 60-65, they have already made up their minds on many different things, on a different ways approach, but it builds on the Aviva model. Aviva basically looked at wealth, work and well-being. I invite people between the ages of 45 and 50 to address those three issues. We are doing 10 pilots around the country. I am happy to send you details of what we are doing on both of those, because I genuinely think they will make a big intervention on a long-term basis and will formulate future policy.

Viscount Brookeborough: Thank you very much indeed. Would you like to tell us a little more about the no-interest saving pilot scheme?

John Glen MP: I cannot give you any more at the moment on that. In Budget 2018, we commissioned London Economics to do a feasibility study. We are now working on what the pilot would look like. We have a commission and people to do that. You could always do things more quickly, but I am hoping that we can do this really well. If you think about the client base that we are serving, they are vulnerable groups. If we can identify those who are worthy of getting that support and access to the interest-free loans, I believe we can establish and manage that in a relatively affordable way. There will be a lot of cost involved in it.

I have met lots of philanthropic institutions that want to do something to support people with affordable or no-cost credit. I am hoping that, if we can get it right over the course of the pilot, we will be able to scale it up significantly in the years ahead. I cannot give you any more practical details, other than that we have £3.8 million from the Chancellor and we will move ahead as quickly as we can and give more details in due course.

Viscount Brookeborough: Thank you very much. Those schemes are very interesting indeed. Thank you for explaining them.

Baroness Tyler of Enfield: The committee would like to take up your offer of more details on some of the interesting schemes you just talked about. Thanks for that. Could I move to Lord Empey?

Q25 **Lord Empey:** Can I ask you, Minister, about the Post Office?

John Glen MP: Yes.

Lord Empey: Is it, in practice, becoming the provider of last resort? Let us face it, bank branch closures will not stop. Banks are commercial organisations, not social organisations, and they will continue the process of consolidation, I believe. Could you say something about the community ownership fund? Rural areas and small businesses are becoming progressively more reliant on the Post Office, and a question about it obviously arises. Let us hope nothing happens to it.

John Glen MP: This is a massively important issue. The change in the profile of banks reflects the change in the way we use banks overall. Post offices have a massive role to play. There is a framework agreement between the biggest banks and the Post Office that is being refreshed. BEIS leads on that conversation. Post offices can provide 95% of business banking requirements, and 99% of personal banking requirements across their 11,500 branches. They have an obligation; 95% of the total population lives within three miles of a post office. Post offices have played a massive role and will continue to do so, in cash delivery, working in a similar way to the high street banks over the COVID period.

We have to accept, though, that there are some resistances. Probably over the three and a quarter years I have been doing this job, there has been a change in expectations. People are beginning to realise that the number of banks is declining and, therefore, post offices will fill that role and expand the functions that they take on board. They are often a very key focus of communities.

The £150 million community ownership fund was announced only two weeks ago. The full eligibility criteria and the bidding process prospectus will be published by June, in a few months' time. We want to keep it on place-based assets or amenities that are important to local communities, and try to focus it on assets that can be sustainable in community ownership. I cannot you offer you details today. As I say, in just a few months' time we will publish the prospectus and bidding process in full. It reflects an appetite that exists out there.

In February last year, on one of my last visits before we were shut down, as it were, I went to Yarm in Stockton and looked at how Barclays has worked within the community to become a single point of focus in that town for resilience in the banking environment. We will have to see more collaboration between banks, and the use of the post office too where that is not possible as we try to ensure that we have resilience in access to banking for everyone, but in different forms than perhaps a generation ago.

Guy Opperman MP: Clearly, John leads in the main. I cannot overstate that both of us are MPs for fundamentally rural areas. As Members of Parliament, we are acutely conscious of this. I represent the biggest constituency in England. I have way more sheep than voters. Looking at the statistics on closeness to a post office, some of my constituents are 15-plus miles away. It is very passionate in our hearts.

The key thing I would say is this. The innovation was introduced in 2009 and 2010 whereby a number of post offices were closed under the Labour Government in 2009. In my significantly rural area—what we call the upper north Tyne, which is absolutely vast; Kielder forest and everything around that—we have a van that drives around to all the individual local communities and stops for 20 minutes or half an hour a day outside each and every village hall. Everybody knows when it will be there, and it works really well.

There is no doubt that the concerns that were expressed in 2009-10 have been alleviated by that. There is great scope as well. We are all liaising with the Post Office for enhancement of those services on an ongoing basis. The Post Office is very much part of the Financial Inclusion Policy Forum. We speak to it on a regular basis. While BEIS are the reporting Ministry for the Post Office, there is no doubt that both Treasury and DWP deal with them all the time.

Lord Empey: Thank you very much.

Q26 **Baroness Tyler of Enfield:** Thank you very much indeed. To round off, could I ask you one final question? To achieve what we all want in greater financial inclusion and financial resilience, particularly post the pandemic, what is the one thing that keeps you awake at night as regards barriers to achieving all the things we have been talking about today?

Guy Opperman MP: The biggest barrier to making progress is the lack of integration by government. The more joined up government is, the greater the opportunity to make a difference. We are all one government. We all know that. Everybody who has ever been in politics knows that that applies. Integrating the two departments, the two private offices, and driving forward a proper policy forum, we will see a real change. If there are any wedges appearing in the Government and a change of approach, that would be a big concern of mine. There is no doubt, powerful politics aside, that since we joined up our approach to this, we have had a lot more critical mass and we have been a lot more effective. Two Ministers for the price of one is the eloquent way you put it. I think, thats how it is as well.

Baroness Tyler of Enfield: Thank you. John?

John Glen MP: A lot of things keep me up at night. I do not think I can settle on one particular pillar of my responsibilities. It is about the fusion of evolving consumer behaviours in a world where technology provides an opportunity but also a threat when it comes to access. It is about how to regulate in that environment, how to get the balance in mandating private sector entities to provide services in a sustainable way for vulnerable people, and about ensuring that that vulnerable cohort has access to more and more options. That is a terribly long-winded answer, but it is a complex area.

Guy is right. We have to continue to look at the integration of government perspectives, not just in our two departments but in the Department for Education and BEIS. I am pleased that we have made some progress in a number of areas over the last three years. Contrary to what some said earlier, I do not think the financial inclusion forum is a talking shop. We are more than just about creating a media headline. We are about trying to work methodically through complex issues, and we will continue to try to draw the right people together to try to deal with significant challenges, with my focus being on the most vulnerable, who need a combination of innovation and support, as well as regulated intervention on occasion, to make sure that we improve their access to financial services, which is one of the key drivers for my involvement.

Baroness Tyler of Enfield: Thank you both for your very thoughtful responses to that last question. As we draw to the end of the session, could I thank you both very much? It has been very good to have both Ministers here.

Looking back on what has happened since our report was published in

2017, it is clear to me that a lot has happened. Thank you for what you have done. It is also clear that the world has changed a lot and that there is still an awful lot more to do.

On that point, thank you again for coming to the committee. I hand back to the Lord Chair.

The Chair: Thank you very much, Baroness Tyler. Ministers, thank you very much for your double act and for the time you have given us. It has been very helpful to us. We are grateful for that.

Can I finish by thanking my colleagues? Sadly, we did not all have time to come in today, but it has been a fascinating session. The report itself was excellent; it was a ground-breaking report. The idea of the innovation with the Liaison Committee was to continue the dialogue, so that we see proposals going forward to implementation. Perhaps this is not the last word, but it has been a very good word today, so I thank everyone for their help—the committee, Baroness Tyler and her colleagues, and Ministers. Thank you. I draw this session to an end.