HOUSE OF COMMONS

Treasury Committee

Oral evidence: Consumers' access to financial services, HC 1642

Wednesday 14 November 2018

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Watch the meeting

Members present: Nicky Morgan (Chair); Rushanara Ali; Colin Clark; Stephen Hammond; Stewart Hosie; Wes Streeting.

Questions 72 - 123

Witnesses

I: Katie Evans, Head of Research and Policy, Money and Mental Health Policy Institute; Eleanor Southwood, Chair of Trustees, Royal National Institute of Blind People (RNIB); Jane Vass, Director Policy and Research, Age UK.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of Witnesses

Katie Evans, Eleanor Southwood and Jane Vass.

Q72 **Chair:** Good afternoon. My name is Nicky Morgan. I am the Chair of the Treasury Select Committee. I am very grateful to all three of our witnesses for being here this afternoon for this inquiry session on vulnerable consumers' access to financial services. I am going to ask the witnesses to introduce themselves first, and then we are all going to introduce ourselves as Members of the Committee.

Katie Evans: I am Katie Evans from the Money and Mental Health Policy Institute.

Eleanor Southwood: I am Eleanor Southwood. I am chair of the Royal National Institute of Blind People.

Jane Vass: I am Jane Vass. I am the director of policy and research at Age UK.

Chair: Thank you very much indeed. I am going to ask the Members of the Committee to introduce themselves.

Colin Clark: I am Colin Clark. I am the Member of Parliament for Gordon.

Stephen Hammond: I am Stephen Hammond, Member of Parliament for Wimbledon.

John Mann: I am John Mann, Member of Parliament for Bassetlaw.

Chair: I am Nicky Morgan, Chair and Member of Parliament for Loughborough.

Rushanara Ali: I am Rushanara Ali, Member of Parliament for Bethnal Green and Bow.

Wes Streeting: I am Wes Streeting. I am the Member of Parliament for Ilford North.

Stewart Hosie: I am Stewart Hosie, the MP for Dundee East.

Q73 **Chair:** Thank you for being here. We are very grateful to you for the expertise that you will be sharing in this session. I am going to start, as the Chair. My first set of questions is about where help is needed for the people that your organisations represent, regarding managing their money and personal finances. Perhaps, Katie, I might start with you. When people come to the institute, what questions do they ask? What do they need help with?

Katie Evans: The first thing to clarify is that Money and Mental Health is a policy institute. We do not provide any direct services to people either in financial difficulty or with mental health problems. We are here to understand the issues people are facing and to think about the kind of

practical policy solutions that might help. Responding to your question in a slightly different way, of the top three issues that we would love the Committee to consider in your work, the first is access to affordable credit. People experiencing metal health problems are three times as likely to be in problem debt. Half the people in problem debt are experiencing a mental health problem. People experiencing mental health problems end up in problem debt for three interlinked reasons. The first is low income. If you have a mental health problem, you are less likely to be in work; you are more likely to be in flexible or part-time, low-paid work. You are also more likely to spend more. You are less likely to be able to cook for yourself and things like that. You need taxis, rather than taking the bus. It all adds up.

Finally, experiencing mental health problems can make it significantly more difficult to manage your money. Mental health problems affect things like our short-term memory, which makes keeping track of a budget much more difficult, our ability to process information, so shopping around and getting a good deal is harder, and our motivation. If you are not feeling like you can get up in the morning, get washed, feed yourself and go to work, funnily enough, you are not going to be wondering whether your bank account is the best deal for you. That means we see lots of people who either are using expensive products or who have been defaulted into expensive products: credit cards that started off with a teaser rate, using overdrafts, often without realising they are in an unarranged overdraft, and ending up using credit that is more expensive than a payday loan.

The second set of issues we would like the Committee to consider is the accessibility of financial services, by which I mean not just being able to get a product, but how well that product works for you. We are used to thinking about accessibility for people with physical and sensory disabilities. We talk about ramps. We can talk—and I am sure we will—about braille and talking ATMs. Actually, people with mental health problems experiencing these cognitive and psychological challenges need adjustments too, and we need to think about what those are.

Finally, another big issue is around third-party access, making sure that, when someone is very unwell and those adjustments will not be sufficient to help them manage their own money, they are able to seek support from friends or family members, and do that in a safe way.

Q74 **Chair:** Eleanor, can I turn to you? When people come to the RNIB about managing their money, what help do they ask for?

Eleanor Southwood: I would like to start by saying that we were very, very pleased to see the FCA's recognition that there are significant challenges for blind and partially slighted people, in response to this Committee. That was really, really welcomed by us. There are three areas we would love the Committee to focus on. The first is access to information. That is about getting your bank statements in a format that you can read. It is also about being able to communicate to the bank in

the way that works for you. It is about making sure there is a consistent service across different products in one bank. We certainly know of examples where everything to do with your current account is absolutely fine, but if you go for a mortgage, suddenly you do not have that consistency of accessibility. People experience enormous frustration. But it is also about financial literacy. It is about financial independence. It is about not being more vulnerable to any kind of financial abuse, because you are entirely on top of and aware of your own financial arrangements and situations.

One of the main ways RNIB responds to that is in our secure transcription service. We can do those things to help, but it is absolutely not consistent. The second area is around the physical, practical access to money. Great work has been done. RNIB worked directly with the Bank of England on the new notes. I know there is a mixed view out there about the notes themselves, but the tactile markings on the notes have been incredibly positively received. It is much easier now to identify what money you have.

Cards are a bit more of a mixed bag. RBS is particularly good at tactile cards, but flat cards are starting to arrive. That poses a challenge for people who use the tactile markings to be able know which way in the cash machine to put the card, for example, whether it is your store card, your Boots advantage card or your credit card.

Katie alluded to talking ATMs. The frustrations people have with arriving at an ATM and finding that it does not speak are enormous. They also use headphone jacks, which are 3.5 jacks, which most mobile phones are now phasing out. It is actually quite hard to find one now. Also, of course, digital cashpoints are coming in. People are anxious about how they will get their money when it is all digital, and how they will pay for things when chip and PIN is also touchscreen. That is a huge concern.

The final area is around websites, apps, the ways information is presented and the ways you can interact with it. We are still retrofitting accessibility to websites. Very often, a website update will be an upgrade to a downgrade as far as our community is concerned. You have to learn it all over again. If a website is not accessible, that drives you to your local branch, and we know that branch closures are a major concern too. It is again about ways of getting your money. Those are the three areas: access to information, access to money, and digital access to things on the web and apps.

Q75 **Chair:** You have identified a few issues we are going to delve into in more detail during this session. Jane, perhaps I can throw the same question to you and ask whether there are particular challenges for older people in accessing financial services.

Jane Vass: Of course, older people are the same as any other consumers. But, as you grow older, you are more likely to develop mobility problems and live with a limiting long-term illness. Some of the

time, these things come on quite gradually. You do not really, for example, start to regard yourself as disabled, but you just know you are having difficulties and life gets very difficult. A common question for simply the most basic financial service is how you pay for stuff as the world is changing around you and all these new systems are coming in. Bank branches retain their huge importance for older people. What do you do if you can no longer get to the bank branch? Then we see people needing to get cash, so getting a little bit of cash to pay somebody—a carer—who does some shopping for you. If you cannot get out to the ATM or the supermarket for cashback, how can you do that? That is where people start to become reliant on other people. The systems and processes simply have not been designed with that sort of thing in mind.

Then there is outright exclusion from some areas of the market. For example, in the past there have been lots of complaints about travel insurance. These days, we get probably more complaints around access to mortgages and repaying interest-only mortgages. Lots of people who come to us are dealing with change, like a gentleman who said he was trying to open a savings account for his mother. She had gone into residential care. He had sold her house, wanted to put the money into a savings account, but even though he had a power of attorney they wanted her to be there to open the account. Of course, she could not do that. She did not have any ID, she did not have any verification and they would not do a home visit. Then, once he had got it opened, they limited what he could actually do as the attorney on the account.

Finally, loads of people come to us for information and advice generally. It is never just about the money. It is about all human life, really. It is about care. People come to you with this great bag of issues and you have to unpick them.

Q76 **Chair:** I think you probably speak for all MPs' caseworkers as well when you say that, Jane. We are going to come on to ask questions about powers of attorney, because that has come up in our scoping exercise. I wanted to ask Katie about safeguards for people with mental health issues, particularly when they are going through a time of crisis. Obviously, mental health can be a fluctuating condition. There might well be times when people are able to manage on a fairly even keel, but then something might happen. How do financial institutions respond when needs change and change quite suddenly?

Katie Evans: It is a really good question. We talk to our research community, which is a group of 5,000 people with lived experience of mental health problems, every single week at Money and Mental Health. Things change very rapidly for people, so the key is people being able to set up tools and systems for themselves in advance, when they are well, that will then offer that protection when they are unwell. In practice, unfortunately, I have to say that at the moment, those systems are relatively underdeveloped. We have done lots of scoping work at Money and Mental Health to understand what benefits fintech tools could offer to

people experiencing mental health problems, such as clever card controls that let you block spending during certain times of day. For example, many people with mental health problems will find they are more vulnerable to impulsive spending, particularly at night. With online shopping, that is a really dangerous issue for lots of people. We know that is possible.

We know that you can turn off certain types of transactions. Gambling is an area in which we are starting to see some traction on this. Committee Members may know that two of the newer banks, Monzo and Starling, have both introduced gambling card controls. You turn them on and off in your app. It is very clever. They block all gambling transactions apart from lottery tickets, because you buy those at a supermarket or newsagent. We know that, so far, over 40,000 people have turned on those controls in those banks' customer bases. Not all of them will have gambling problems, but we know those types of tools can be very helpful.

I am very glad to be able to report that UK Finance is looking into this issue, and I know its membership more broadly is looking at it. For us, this is a first step towards looking at how these kinds of tools could be used. We really need to see movement more quickly where we know things are technologically possible. As Jane has alluded to, when the tools are not there, people end up managing things in ways that are not ideal. We know of people who are using cash to manage spending when they are unwell because they cannot turn on clever settings on their cards. At best, I have heard of people literally putting their credit cards in a Tupperware full of water and putting it in the freezer, which is fantastic: how clever for someone to come up with that system for themselves, to try to put in place the friction they need when they are unwell.

When it comes to selling us credit, banks have made it as easy as they can. I can take out a loan on my phone with about five taps of an app. When I want to protect myself and I want that friction to be the other way, it is not there yet. To me, that is a thing that we technically can address and should be addressing.

Q77 **Chair:** Eleanor and Jane, obviously we are going to hear about problems today, and Katie might have a contribution as well, but do any of the people who come to RNIB or Age UK say there are institutions that are getting this right, or at least trying to head down the right path, even though they do not get it right all the time? Eleanor, is there anybody you would like to pick out in particular?

Eleanor Southwood: Yes. It is a mixed landscape, as you would expect. In terms of the web and app accessibility, Barclays has been very proactive and keen to make sure its products are accessible. Similarly, as we mentioned with the tactile cards, RBS has worked with us on that, asking people who cannot see how they use their card and what is useful about tactile markings. There are certainly some really good examples. Generally, it is fair to say that banking is probably an area that, up until now, has been a bit ahead of the curve on online access. Things are

changing a little bit for technical reasons and so on, so some of that is starting to feel like it is going backwards. Certainly up until this point, the banking industry has been ahead of the curve if we compare it to other retail experiences.

Q78 **Chair:** Jane, is there anyone Age UK would particularly rate?

Jane Vass: There is good practice across a lot of financial institutions, but it tends to be a particular thing for a particular institution. We published a report called *Age-Friendly Banking*, which produced examples of good practice. One example of good practice was where a bank had set up a live feed, so to speak, for powers of attorney, so that if the counter staff were unsure they could immediately phone somebody who really knew. That is an example of the good practice that is out there. It is just a question of ensuring it is embedded throughout the bank and throughout all banks, and indeed all financial institutions.

Q79 **Colin Clark:** Good afternoon. I am going to ask you about access to travel insurance. The Committee is interested to understand whether insurance is accessible for all consumers. How would you characterise the provision of travel insurance for the consumers your organisations represent?

Katie Evans: Money and Mental Health went and did some national polling on this. Our research showed that half of people who have experienced a mental health problem do not disclose this to travel insurers. That is not surprising, given that we know premiums increase by between 50% and 2,000% when someone discloses a mental health condition to a travel insurer, depending on when they were unwell and the nature of that condition.

Now, we understand that insurers are pricing around risk. Of course, if someone has a mental health problem, there is a risk that they may become unwell on holiday. But in some of these cases the disclosure processes we see around travel insurance simply do not seem to reflect a modern understanding of what mental illness is. I struggle not to laugh at some of the questions in standard disclosure forms, used by a wide range of insurers. There is one out there, from one of the bigger companies that do these assessment forms, that asks if someone is experiencing "bad nerves". I would love to know when a psychiatrist last diagnosed someone with "bad nerves". It is like being 100 years ago.

One of our cases studies is a chap called Ben, who is a little older than I am. Ben had depression nearly a decade ago. He still finds that his premiums increase by 50% when he discloses that depression, despite not experiencing any symptoms at all now and having been very successfully treated with CBT. These questions just do not reflect people's lives and the additional cost weighting does not reflect the true nature of people's illness or the steps people take sensibly to manage their illness. This is the other thing we hear from people. There is frustration that

someone's compliance with their medication or therapy is not recognised by travel insurers as reducing that risk.

Eleanor Southwood: Insurance is a really interesting area. Our honest sense is that we are less convinced about the extent to which the industry asks people in the first place about their access requirements. I wonder partly if it is because it tends to be a service that, because you might get an annual insurance cover, for example, you are not interacting with every day. Sometimes, people perhaps do not challenge accessibility as much as they might for a service they only engage with annually. We are less convinced that the industry is really asking people about their accessibility needs. Given the reams, often, of in-depth documentation that you need to understand your insurance policy, I find that surprising and disappointing, because it is even more important that you are able to read it in a format that is appropriate for you.

Q80 **Colin Clark:** Jane, to answer the Chair's questions, you mentioned insurance for older people. There are some very specialist companies now. Is this a market that has sorted itself out or is better?

Jane Vass: We get many fewer complaints about automatic age limits than we used to. However, there are still problems in the marketplace, particularly around pre-existing medical conditions, as Katie said. For example, we see people travelling without insurance, which is obviously a big concern, depending on what happens to the European health insurance card. We see somebody, for example, who went on holiday, had a fall and was in hospital for three days. The bill was £5,000 but the insurance company sent the bill to him because, apparently, his GP said he had a chest problem and he had not disclosed that.

Then we have concerns about price. For example, there was one man with a packaged insurance policy linked to his bank account, but he could only get non-medical cover at the age of 72. He had to buy that separately. It was very expensive. From personal experience, I can attest to large numbers of declines. There are concerns about some of the screening practices and extremely high prices.

Q81 **Colin Clark:** Picking up the point Eleanor made, are older people more likely to have travel insurance on an annual basis? There are several companies in the marketplace that provide very competitive insurance.

Jane Vass: In the past, automatic age limits particularly applied to annual travel policies. I do not know what the situation is now, but if it is a very expensive product because you have pre-existing medical conditions you will probably buy the shorter term. The other factor is that one needs to look at the terms and conditions very carefully to see what they say about disclosing conditions if they appear during the year.

Q82 **Colin Clark:** Katie, the Money and Mental Health Policy Institute published a paper around the implications for the price of travel insurance for those with mental health conditions, which you have mentioned. The

paper found that, for example, someone with long-term stable depression can expect an increase in premiums of between 0% and 81%, although you mentioned a figure between 50% and 2,000%. Why do you think the price of premiums differs so widely between insurers, as opposed to why there is such a big gap?

Katie Evans: To be entirely honest, I do not think I can answer that. The fact that I cannot answer that tells you about part of the problem in this industry. The way that insurers assess risk, and the degree to which they are transparent about what they are looking at and what they are taking into account, is frankly a black box. Organisations like ours cannot go and properly scrutinise what is driving these very large, worrisome price differentials. You are right to point out that some insurers, happily, do not load for milder and more moderate conditions. But I cannot tell you why that is happening. I would really like to be able to understand why they are happening. As Sian Williams of Toynbee Hall told you in your last session of this inquiry, this industry is not very transparent. They will tell you it is for commercial reasons, and that their risk models are how they manage their businesses—I understand that that is core to the business, but there are questions about discrimination here and whether these prices are reasonable. We cannot get to the heart of that when things are so non-transparent.

Q83 **Colin Clark:** On that point, one of the recommendations of your report is that insurers could encourage a supportive disclosure environment. Why is that so important? Just explain a little more about that.

Katie Evans: If someone is going to shop around to try to get a good travel insurance deal—and, given some of the prices we are seeing, people often do want to shop around and try to get a better price—that might mean talking about their mental health problem, going through a screening process, talking about medication they might be on, and periods of hospitalisation, potentially. We are talking about some of the most stressful times in a person's life, usually. A mental health crisis will often be tied up with all sorts of other things that are happening.

We have talked to people whose crises have been brought on by a rape, a traumatic divorce or some other family issue or housing issue. Having to explain all that, usually over the phone to a stranger, or to multiple strangers, is a distressing experience, in and of itself. To an extent, insurers need that information, I understand, to properly assess risk. The way that disclosure is managed by the customer service agent on the end of the phone makes such a difference to the experiences of people, in terms of the extent to which they feel heard, and the degree of alienation they might feel at the end of that process if they feel they have not been heard or the person at the end of the phone is judging them. It really is important.

Q84 **Colin Clark:** On that, have you had any productive conversations with insurers, or indeed regulators, about improving practice in this area? Is there anybody who has best practice? On these Committees, we often

look for the white knight where somebody goes, "This person really gets it. This organisation really gets it right".

Katie Evans: I had an interesting meeting yesterday with a group called tifgroup, which specialises in travel insurance. They are just starting to think about mental health. As I say, I have had a single meeting so I do not want to overstate it, but I understand from colleagues at Macmillan Cancer Support that they have been very successful in improving the disclosure journey and screening for various types of cancer. It might be worth the Committee having a conversation with them at some point.

Q85 **Colin Clark:** To everyone, do you think the FCA is doing enough to ensure there is competition in the travel insurance market for people with any sort of health condition?

Eleanor Southwood: For us, the major concern is that, however much competition there is, it is only meaningful if you can access information about it and make your own choices about it. We really welcome the focus on best practice and reminding regulated firms of their responsibilities, and that accessibility and access to information should be consistent and should be entirely across products, including insurance products.

Jane Vass: The problem with insurance is that, as soon as one company stands up and says, "Yes, we have brilliant practice for cancer" or whatever, they will get all the business, which they may not want or may not have the capital to support. Risk pooling is incredibly important in this market. The FCA's recent paper on travel insurance puts a lot of focus on signposting. There are specialist insurers, and I know the insurance market says you can get anything at a price, but we are disappointed that there is not more consideration of this point of fair pricing within the mainstream market. We understand there may need to be specialists at the top end of the market but, looking across the market as a whole, what could the market bear? I would point out that the Equality Act has a very, very broad exemption for financial services that allows them to price by age, by risk, as long as it is based on evidence on which it is reasonable to rely. That is a principle where we would like to see a proper review, both of that market but also of the mortgage market, because they are making a risk judgment there as well, to really reflect this point about whether the pricing truly reflects the risk.

Q86 **Colin Clark:** Is there almost a disincentive for someone in the market to really get a handle on it?

Jane Vass: Yes. The problem with insurance is self-selection. It is something that they have to enter into very carefully. I understand that.

Katie Evans: I would echo much of what Jane has already said on this point about the Equality Act and the line about reasonable evidence, particularly when firms will not tell us what the evidence that they are drawing upon is. Yet, when what we see in disclosure processes does not even match modern diagnoses, I have to question what that evidence is.

In terms of the FCA's intervention, we welcome its decision to look at this issue. We were particularly pleased when they decided not just to look at cancer but to open up their call for evidence to look at other conditions. We are disappointed with the signposting remedy, which we do not think is sufficient to tackle the scale of detriment we are seeing across this market. When one in four of us is experiencing a mental health problem at any given time, saying that should be specialist provision is really missing the point.

Q87 **Colin Clark:** Jane, could I come on to packaged bank accounts with you? We know the FCA did some work on them. Is it your experience that packaged bank accounts, which can include annual travel insurance, which we have been speaking about, are still being mis-sold to older consumers?

Jane Vass: I did look. We have had very little evidence on this recently. I cannot really comment.

Q88 **Colin Clark:** That is encouraging. Do you think the firms hide behind complex terms and conditions, rather than favouring open and clear disclosure to consumers about the limits of their cover?

Jane Vass: Things actually have got a bit better. There has been a change in the law about insurance disclosure. My concern is that I have heard some firms will then put restrictive clauses into their contracts. That is the sort of thing that would be really great for the FCA to look further at.

Colin Clark: Of course, it is in the small print. It is what you said earlier about reading that very closely.

Jane Vass: Yes.

Chair: We are going to move on. I am going to ask Stephen who will introduce himself and say what he is going to cover.

Q89 **Stephen Hammond:** Good afternoon. Thank you for coming to give evidence this afternoon. I am going to ask some questions more specifically about access to financial services for people with visual impairments, so they will mainly be directed at Eleanor and at Jane. Eleanor, in your response to the Chair at the beginning you started to set out some of the issues. I wonder if you could set those out in a bit more detail for us. Also, I think the Committee would be interested to understand the scale, how often you are contacted by the members of the RNIB, and how often you hear about people struggling to access information from financial providers. Both the nature and the scale would be helpful.

Eleanor Southwood: In terms of the scale, it is a very, very frequent complaint by people. We know that, for every one of those people who complains, there are a good number of people who do not because there is a lot to deal with, particularly if you have been newly diagnosed. Every

day, 250 people are told they are losing some or all of their sight. Sometimes, challenging accessibility of financial services does not come to the top of the pile when you are thinking about who you are, your own identity and how you go about the most basic of day-to-day tasks. We feel strongly that, for every one person who does pick up the phone to us, there are lots more who do not.

There has been a huge focus on access to information and the way that lots of organisations communicate with people who cannot see. There has been quite a focus on the NHS information standard, for example. It is still very common to receive letters with some pretty sensitive test results in a format you cannot read. Ditto goes for banking and financial services. It is frustrating and it is a fundamental challenge to your financial independence. It sometimes puts people in a very vulnerable position. I do not know how Committee members feel, but I certainly would not want somebody reading my credit card statement. I certainly would not want that person reading my credit card statement to be somebody I did not know particularly well, somebody who could use that information in any way. The things it can do to the dynamic within a relationship anyway can be quite unhealthy. While I would not want to labour the point, financial abuse and so on is something we are very conscious of. This does not help.

It does not help either that, as I mentioned at the outset, the same bank can really vary in its accessibility across different products. You might have set up all your requirements around your current account, but you are not getting the same, for example, with mortgage statements. You have to do it on a product-by-product basis, rather than having an understanding that, in order to access the information, it does not change depending on what sort of information that is. The requirements remain the same. Consistency is a real challenge, as is not being able to respond to your bank in the way that works for you either. You may reach a point where perhaps you are logged into online banking, but you are not able to email your bank to give it information.

Email is a really interesting one. One of the biggest frustrations we hear is that people will say, "Can you email me a copy of the statement?" In fact, it happened to me the other day. They will say, "No, because of security". When you probe—"Okay, what do you mean?"—you very rarely get a response that is convincing. Security is used as a bit of a catch-all for when they do not really want to do it. I am sure there are challenges around encryption and so on but, given the other sorts of information we willingly and safely exchange across the internet quite frequently now, it is starting to feel a bit unconvincing.

The significant issues around access to money itself are becoming increasingly concerning. We know that there is great work on tactile notes and so on, as I mentioned, and some tactile cards, but ATMs are a real concern. We know that lots of ATMs do not talk. There was initially a really supportive drive. A couple of the banks were particularly good—

Santander was one of them—but it seems to have fallen off. We really want to see this everywhere there is an ATM. These things must require maintenance or something, so that every time that happens, part of it should be about whether it is accessible. In order to have a licence to install one of these things, perhaps there should be a legislated accessibility requirement.

There are digital ATMs, as well. The talking ATM is about today. The digital ATM challenge is about tomorrow and the future. We are profoundly disappointed with the lack of engagement by the industry and manufacturers on this issue. That is a source of real concern, not dissimilar to the touchscreen PIN machines. It is a challenge, if you cannot see, to be faced with a new and different machine every time you go to pay for something. It is even worse if you cannot put in the numbers independently. The other day I got into a taxi and had to pay on my card. It was a touchscreen. I just had to give the driver my PIN. That is a deeply unsatisfactory arrangement. He did not do anything untoward with it; it was all fine, but why on earth should somebody who cannot see be putting themselves at that level of risk of financial crime, just because it is not accessible? That is a huge area of concern.

Then there is the internet landscape, as I mentioned. Often, the banks will do an upgrade, but instead of asking people at the point of designing the new interface what will work, what is going to be difficult, they launch their sparkly new website only to discover it is entirely inaccessible. One of the classics is the replacement of boring text with graphics, for example. A screen reader, like the one I use, needs to be able to hook on to the characters and text in order to tell me what is happening on the screen. It is no good if it is a picture. It does not mean anything. But it is cheaper to do pictures and graphics than it is nowadays to do text.

Apps are still a bit hit and miss, but there are some really good apps. The functionality of apps is not always complete. People often come a cropper when they try to do something with an app and find they have to register for online banking, which may or may not be accessible. If you cannot look at your statement online, what options do you have? You can ring up the bank or go into a branch. Obviously, with branches closing, that is a challenge. Often, people are signposted then to the Post Office. Lots of, particularly older, blind and partially sighted people prefer to use a chip and signature card. You cannot do that in the Post Office, because the transaction is closer to buying something, rather than a financial transaction, if you like. Again, you find that people are excluded. Those are the key issues. It is hugely underreported but has a massive impact, day in, day out, on hundreds if not thousands of people's lives.

Jane Vass: This really goes to the heart of the question around vulnerability and what one should expect. Often, you read the back of your statement and there is loads of stuff there. For some people, banking is not their top priority; it is just whether they can sit down in the next half an hour or find a loo, so they just do not think to ask. They

are not aware that reasonable adjustments have to be made. Situations may vary. Some people are living with dementia. They may have fluctuating capacity. Some people find it difficult to speak on the phone or cannot hear sibilance. There are these different dimensions of vulnerability.

From our point of view, there are several things that would really help. One is promoting the alternatives throughout people's lives, a culture of inclusivity, rather than putting that in a special box, so people expect to ask. The other is inclusive design. I agree very strongly with you there, Eleanor. The third is having and promoting a range of different alternatives, so that people are not squeezed down one sausage machine, and they know and expect they can ask for that range of alternatives.

Q90 **Stephen Hammond:** When the CEO of the Equality and Human Rights Commission wrote to the Chair in June this year, she set out a number of actions that they were taking and, in particular, that they had entered into two agreements with high street banks about upgrading their accessibility. For the high street banks, the commission concluded that it was content with the progress they had demonstrated. Eleanor, could I ask you what the RNIB's opinion is on the human rights commission's enforcement and pressure on organisations to deliver accessibility? Similarly, there is an issue about the FCA, directly in financial services, in that, although it does not have any statutory powers, it does have powers to set standards. Again, I have the same question: has the RNIB had any views on how they are exercising their ability to set those standards?

Eleanor Southwood: I will take the second question first, if that is okay. We welcome the focus on best practice and so on, but actually the FCA does have considerable powers in terms of standards. We are not talking about standards that are nice to have and gold-plated services. This is about whether you can see how much money you have in the bank and make your own financial decisions. We would very much like to see them use the teeth that they have to a greater extent. It is great to remind the regulated firms that they have a responsibility, but we do have equality legislation. There is a duty. This is absolutely the realm we are in.

Similarly, on the work of the Equality and Human Rights Commission, what it found is undoubtedly true; some progress is being made. It is a bit carrot and stick, I think. Of course, enforcement, probably through the FCA, is really, really important, but so is helping banks to understand what the solutions might be. We really want to see all financial institutions working increasingly with organisations like those the three of us are representing today to get it right first time. Updates are constant on websites. This is not something that a bank will do once every five years; this is an everyday event and everyday responsibility. The EHRC work is inevitably a moment in time. Having two providers is great, but

there are many more than two providers that people need to use every day.

Q91 **Stephen Hammond:** Indeed, and that neatly brings me to my last question, again to you, Eleanor. I want to know what level of productive conversation the RNIB is having with other financial providers to assess the solutions or provide the solutions you have been referring to.

Eleanor Southwood: One of the major ways that we do this is through user testing. In fairness to them, if you are doing a website update or looking at service redesign, you need to find some consumers who can test it. Organisations like RNIB—we certainly do this regularly—provide groups of willing blind and partially sighted people, who will test things. That is the most constructive and productive relationship we can hope to have, because then you identify issues early and you do not get to a point where, as sometimes happens, an organisation will contact you and say, "We have made a terrible mistake. It is entirely inaccessible. Help us". It is really hard to do it then, and often costs them quite a lot of money. The best way for everybody concerned is to do it at the outset. We are having productive conversations. The industry is quite fragmented, though, across product and of course across firms. It is quite easy to get to the big high street banks, but sometimes they are not the best deal. I and we want blind and partially sighted people to have whole-market choice.

Q92 **Wes Streeting:** I am going to be asking about the issue of bank branch closures. In October, we had a fantastic evidence session with Toynbee Hall and Citizens Advice to help frame our inquiry. Both provided us with an insight into how bank branch closures affect vulnerable consumers as well as the wider community. Can I begin by asking each of you to give your opinions on how bank branch closures affect particularly the consumers that your organisations represent? Jane, let us begin with you and Age UK's perspective on this.

Jane Vass: When we asked older people recently about their experience of bank closures, around two-thirds were very aware of bank closures in their area. In some cases, it had forced people to rely on other people. That is a really significant concern for us. Our principle is that people should be enabled to be as independent as possible. One of the concerns about branch closures is the focus on regular users. For example, in implementing the banking protocol some banks have classified a regular user as somebody who goes in virtually every week for the past six months. A lot of people are not using their bank branch like that. They are using it for the one-off difficult things. That goes across age ranges. The Post Office commissioned a piece of work called *Balancing Bricks and Clicks*, which showed that young people also quite valued their branches for the difficult one-off situations. There are then the occasions when you are asked to go into the bank branch because you want to open an account for somebody and they want to see the identification is correct, or indeed when there is a problem.

To give you a very recent example, somebody called us because their mother had tried to use telephone banking but had had her account frozen because she got her password wrong twice. The account was frozen, and that was the one she used to pay for her care and to pay for food. The bank agreed to pay the care through a direct debt, but they said, "Bring her in". This person had no identification. She had not been on holiday recently. She did not have a driving licence. The bank in that case would not do a home visit. I am pleased to say we got in touch with the bank, which sorted it out and said it should not have happened, but this is the sort of thing that people come across.

Q93 **Wes Streeting:** It is that detachment and lack of the personal service you would get in a branch. Turning to you, Eleanor, from RNIB's perspective, what are your concerns about bank branch closures and how they might particularly affect people who are blind or visually impaired?

Eleanor Southwood: It is quite interesting. We get quite mixed feedback on this. Lots of people enjoy that personalised service. Yes, it is about the interaction. We know the levels of isolation are very, very high among blind and partially sighted people, particularly where they live in more rural areas. Also, it is about not having to explain what you need every time you ring up. It is about seeing the same person who will know that you need things in braille or a bit of extra support. That removes a huge amount of pressure and anxiety from the whole business of shopping.

On branch closures, like I say, we get quite a mixed response. Some people say to us, "We would rather they focused on great online and telephone service", because, to be honest, finding the branch is pretty hard work. You need a lie down by the time you get there, because you have had to work so hard, particularly given the amount of street clutter we have now enabled. It is mixed, but the real concern we have is that when a branch does close, the option people are given, like I mentioned earlier, is the Post Office. For some people, that does not work, so effectively there is no option for those people to take out money from their own account. That is a real source of concern for us.

Q94 **Wes Streeting:** I am going to come back to the point about the Post Office specifically in a moment. Turning to you, Katie, I noticed, in a blog post from September, MMHPI were discussing issues around branch dependence, and in particular linking your organisation's concern to the fact that people in rural areas are disproportionately more likely to suffer with long-term mental health conditions—that was in itself an interesting issue, which I do not have time to go into this afternoon. It would be very helpful for us as a Committee if you could expand on the relationship between mental health and accessing a branch.

Katie Evans: I have one piece of disclosure first. The report Jane referred to, *Balancing Bricks and Clicks*, I actually wrote, in a previous role at the Social Market Foundation. I wear a slightly broader hat when it comes to branch access, as well as mental health. When it comes

specifically to mental health, the important thing, in a way to add to Eleanor's point, is about the diversity of people's preferences. Our research shows there are people who find it really difficult to use the telephone. About half the people with a mental health problem find it significantly distressing to have to use a telephone. Equally, there will be people who are experiencing paranoia as a symptom of a mental health problem, which either can make dealing with people face to face very difficult, for staff as well as for the person with lived experience, or can make them very suspicious of online transactions and not trust that they are safe and not being tapped.

It really is about a diversity of needs. Particularly for people with more severe needs, the branch can be a really important part of that puzzle. For us, the Post Office just is not a substitute for that. We know that banks, not universally but broadly, have invested in training their frontline staff and have good protocols developed. A bank cashier and a Post Office clerk are different people with a different range of things they have to do as part of their job. As to whether someone working in a Post Office can give the same degree of support to a person experiencing a particularly serious mental health problem when they turn up a branch looking for help, I am not always convinced.

The other time we see physical access as being particularly important goes back to Jane's points about people's difficulties in remembering the things that make online banking work. Pins and passwords we know are particularly difficult for a lot of people experiencing mental health problems, which can directly affect your memory, and lots of medication for mental health problems also has side effects for your memory.

This is partly to say that some people who are currently reliant on branches might not be if tech tools were better. The road towards biometrics, for example, really works for people who struggle with memory. If some of those tech-based tools got cleverer, perhaps people would not need to be taking cash out regularly to help them control their spending. We would see an approach that continues to recognise that diversity of need and gives people the tech tools that could help, alongside making sure that physical access, just someone to talk to, is maintained for people with more significant needs or in difficulty.

Q95 **Wes Streeting:** The point about the importance of a diverse provision is a message we have received loudly and clearly from all of you already this afternoon. Sticking with this Post Office issue, Katie, you have already given us your views on the Post Office as a provider. Eleanor, I am keen to hear from you, and then I will turn to you, Jane, to hear about your thoughts on the Post Office as an alternative to standard high street banks.

Eleanor Southwood: Like I have said, for people whose preference is to use the chip and signature, it is not an alternative, effectively. That is really challenging. If you are somebody who likes to use the branch and you want that interaction, you are more likely to be one of those

customers who use the chip and signature. The environment in a Post Office is quite different. This plays to some of what Katie was saying. People often feel quite anxious about privacy, and the layout is not conducive to privacy. When, for example, someone who is blind or partially sighted goes into the bank, they might have to fill in a form. Of course, you have to dictate your responses to a form. It is embarrassing enough to have to do that in public, but when it comes to financial disclosure it is really not ideal at all. You do not have the same snug seating areas that are away from everybody. In the Post Office, you might be standing behind someone who is trying to post a parcel to Australia. There are some things about the environment. If the Post Office is to be a genuine alternative, it needs to be set up in such a way that people feel as comfortable and as able to use that alternative as they would be going into their branch.

Jane Vass: The Post Office is a really useful option for transactional banking. We are pleased that more services are available at the Post Office. Many older people like to support it. But our concern is that nobody really knows what has happened to the most vulnerable people whose branches have closed. Are they using the Post Office? Does it meet their needs? What about those very difficult one-off cases? That is why we think, as well as the Post Office, there should be a really serious look at shared bank branches again.

Q96 **Wes Streeting:** I am conscious of time. I have a whole load of other questions I could ask, but let us conclude with a final question. We have covered concerns about closures and Post Office provision. I thought I would end by asking what success would look like and what best practice currently looks like for access to banking. Katie, would you like to start by, hopefully, giving us some successes to point to in our report?

Katie Evans: Yes. We do hear from people who have had really positive interactions with individual bank staff. I would like to acknowledge how hard some individual staff members work to hear people, be non-judgmental and often go out of their way to do something that really makes a difference to people. What good would look like for me is that being available when people need it, in a way that suits them. To Jane and Eleanor's points, queues in Post Offices are particularly stressful, and avoiding that kind of distress is really important. It should be available to everyone who needs it. That is what I would say.

Eleanor Southwood: It is about fabulous customer service. We can sometimes get very caught up in the special training that you would need to talk to or help a disabled person, particularly someone who is blind or partially sighted. Very often, it comes down to how you are made to feel as a customer when you walk into a bank branch or a Post Office. One does not expect to be patronised or asked to disclose things publicly that you would not dream of asking somebody else. If you are treated with dignity and know that staff are well trained and confident about talking to and working with you, whatever your needs, you are much more able to

express those needs and, sometimes, jointly find a solution to meeting them.

Jane Vass: It is about inclusive design. We have had productive discussions with a number of the banks. The FCA has been doing some good work in its retail banking review. It needs to be embedded, though. Talk to your older customers. They can always come and talk to us, but they have their own customers they need to ask. I mentioned shared branches. We really think that is an option. Perhaps it would be possible to use new technologies, smart pods or something, to deal with competition concerns. Can you put the old and the new together?

Q97 **Stewart Hosie:** I am going to try to be as quick as I can. Katie, can I start with you? You described earlier the factors that can lead to people with mental health conditions getting into problem debt. What is the balance between consumers with mental health conditions getting in problem debt with, say, high-cost, payday-type lenders, and more traditional forms of credit, such as mortgage repayments and credit cards? Where is the balance of difficulty?

Katie Evans: We see the whole suite. I can truthfully say that, statistically, people with mental health problems are about three times as likely to be in problem debt across the whole spectrum. This really does affect all product types. When we look at the proportion of people in problem debt, splitting it by, say, housing arrears, shopping credits, catalogues, high-cost credit and things like that, it is pretty consistently about 50% when you look at that granular breakdown. That seems to me to speak to, as I explained at the beginning, this dual set of problems people experience. We know there is a whole set of people out there, who we reached in our research, who frankly are in poverty and for whom these financial difficulties are systemic. For this group of people, it is this high-cost credit use that we see very consistently, such as people using BrightHouse to buy white goods because they do not have any alternatives.

Particularly when you are in a mental cul-de-sac because you are unwell, the gas bill comes in and it needs to be paid, you do not want the heating to go off and your kids to be cold, you go and get a payday loan because that solves your immediate problem, and you do not have the cognitive bandwidth to work out that, further along the line, that is going to be more expensive and make a bigger problem. You do not have the emotional energy to go and have that conversation directly with your energy provider. It lets you put off that really difficult and draining conversation to another day. We know there is that group of people who consistently go without essentials and are in really serious difficulties as a result of their health and financial problems.

Q98 **Stewart Hosie:** The key point is that it is across the debt spectrum.

Katie Evans: It really is, yes. We equally hear from people with long-term problems. We particularly see difficulties there when people

have gone into a mental health crisis, have become acutely unwell and have, through no fault of their own, been unable to engage in financial management for a period of time. We are very pleased that the Government have committed to extending their breathing space regime to people who are receiving NHS treatment for a mental health crisis. That is fantastic news and will make such a difference to the people we talk to. We now need to think about the design of those products and how we make sure the flexibility for those circumstances is built in, so that, when someone experiences a period of poor mental health and is not able to engage in the way the market currently expects, they are not penalised for that.

Q99 **Stewart Hosie:** Once the new legislation is in place and that breathing space is extended, it would be helpful if you could write back to this Committee, even if it is in a year or two years' time, to tell us whether it is working, or whether there are self-evidently problems or certain sectors of the credit industry that are effectively ignoring the breathing space. It would be useful for us to know that.

Jane, Age UK has produced research into problem debt among older consumers in the past. What would you say are the biggest issues for older consumers with problem debt today?

Jane Vass: We have looked again at those figures. The level of unsecured debt has stayed very similar. Older people do try their best not to borrow. Secured debt, in other words mortgages, has jumped from 8% to 14%. We get regular emails, letters and phone calls about interest-only mortgages. Even more recent data is coming out today from the Money Advice Service's financial capability survey. They asked people if they often had to borrow to buy food or pay bills because they run short of money. I was somewhat alarmed to find that, whereas for all ages it is 17%, it is 6% for older people in retirement. There is a significant minority of people there who are under stress. Although I am very pleased to see what came out in the Budget around affordable credit and breathing space et cetera, for older people, it is often about the advice that can go across everything, their housing, their benefits, because it is incredibly complicated. Statutory mortgage interest will be turned into a loan from next April. It takes a lot of skill to do that. Sir Hector Sants, the new chair of the Single Financial Guidance Body, has set out one of his calls to action today: that everybody who needs it should have access to debt advice. Older people need particularly specialist forms of debt advice.

Q100 **Stewart Hosie:** That is helpful. Can I go back to the 2013 publication, though? It said that problem debt among older people is associated with self-employment, unemployment, depression, lower income, renting one's home or being an owner-occupier with a mortgage. Are those the same indicators of debt today? Are they still relevant today? If they are not, or even if they are, what is the biggest contributing factor to older consumers with problem debt?

Jane Vass: We have not reviewed those specific factors. I suspect they are very similar. The newest one of course is interest-only mortgages and people coming to us saying, "I am 75. My interest-only mortgage is ending but the lender will not extend it. I am worried I am going to be made homeless".

Q101 **Stewart Hosie:** It is interesting, because maybe 10 years ago the issue was that the endowments that people had taken at the time of the mortgages were not big enough. I think there were few expectations that people would be in these properties until the interest-only mortgage got to the end of its period. Have you any indication of the scale of this problem in terms of numbers?

Jane Vass: UK Finance has come out with some information recently. The FCA said that, in about 2027/28, if I recall rightly, there will be a wave of people with mortgage shortfalls. The latest UK Finance data suggests it is not as bad as that. It is all very well saying that, but it is not much comfort for the people affected. Some lenders are being supportive. Some are suggesting people take out equity release, which is a useful safety valve for older people but it is expensive. We also see cases where people have taken out equity release because of a consumer credit debt. That shows some of the difficulties and the need for really specialist advice in this area.

Q102 **Stewart Hosie:** Eleanor, in terms of people who are blind or partially sighted, are there any specific product types that cause the most difficulty? Are there any circumstances, in addition to being blind or partially sighted, such as being an owner or a renter—the same list I had for Age UK? Are there any particular issues for people who are blind or partially sighted?

Eleanor Southwood: We know that the challenges exist across products. I do not think we would identify one specific product. The issue really is about choice and how that potentially skews your realistic options. It is always more comfortable to stay, for example, with a bank that you know you can access the information from. That may not be the best deal. If you are unable to meaningfully shop and purchase stuff online—this is similar to other groups—you may not be getting the best deal too.

Q103 **Stewart Hosie:** Does the first part of that answer, about going to a bank because you can get the information, indicate that there is an even larger loyalty penalty for blind people than there might be for the general population?

Eleanor Southwood: Purely my instinct, my gut, says yes. It is not something that I am aware we have solid evidence of, but it is a logical conclusion, if it is so much more difficult to get the right information about products. If you find a bank, you will probably be with one of the big high street ones, because it is more challenging, for lots of reasons, for some of the smaller banks to provide the accessibility. My response to

your question is really about your choice—realistic choice—being skewed across all markets. Yes, you may well be right about the increased loyalty penalty.

Q104 **Stewart Hosie:** As a final question, starting with you, Katie, are creditors doing enough to help vulnerable consumers who have problem debt? If not, what more can they do?

Katie Evans: When it comes to the collection space, when someone is in problem debt, practice among creditors has vastly improved over the last decade. We are particularly pleased that, when it comes to making additional flexibilities for people who disclose a mental health problem, increasingly we are seeing creditors, particularly financial services creditors, to be specific, not asking for medical evidence to do that. That is very pleasing. Quite often that evidence comes at a cost. That is the good news.

At Money and Mental Health, we are particularly concerned about the steps creditors can take further up the chain to avoid people getting into problem debt. To take an example, say you are in the manic phase of bipolar disorder. Bipolar disorder does not affect a very large number of people; it is 1% to 2% of the population, but a clinical symptom of the manic phase of bipolar disorder is drastically increased impulsivity. Increased spending is a thing that a doctor would look for to diagnose bipolar disorder. We hear stories of people going out and buying five sports cars in a week, all on credit.

It should be possible, and we know it is technically possible, to put things in place that allow people to protect themselves against that type of spending. We are not, I do not think, seeing progress quickly enough. For example, something we would be really interested in is whether it would be possible to utilise the existing notice of correction scheme around credit referencing to let people put a proactive block in place that says, "I do not want you to lend to me. Please do not lend to me", or to block themselves from increases in credit card limits, advertising for credit cards, all those mechanisms by which people get into difficulty when they are unwell.

Another big issue we see, which I have not seen any financial services institutions responding to in great detail just yet, is about when someone is in the process of applying for credit, particularly online. If I was that unwell and I turned up in a bank branch—perhaps I was not properly dressed, perhaps I was displaying some sense of delusion when I was trying to fill in paperwork—you would not lend to me. That would clearly be sufficient under the FCA's CONC guidance for a bank to choose not to lend to me.

We know that you can probably see, when someone is filling in an online form to take out credit, similar patterns. People may take a long time to fill in certain forms. They may go much more quickly than a person usually would, if they are manic. People may get simple factual

information about themselves wrong. We think there are probably slightly different things, like mouse patterns, that we know firms are already using when it comes to thinking about the offers they are willing to make to customers. I heard an interesting example about the recently demised Wonga. They used to look at customer behaviour. They had a slider on their website, and they looked at how you used that slide, which showed you how much they would lend you and how much it would cost, to decide what loan they would offer you. If you went very quickly up and down that slider, it indicated to them that you were at higher risk. If they can do that, looking at my mouse movement on their website, there are probably patterns they can pick up in the way people are inputting information and interacting with their online tools that may indicate somebody is at higher risk of experiencing mental health problems.

Q105 **Stewart Hosie:** I would love to see some proper research on that. You would not want to deny someone with a decent income a loan because they had a shaky hand.

Katie Evans: I am not saying they should have blocked someone's lending. I would like to be very clear on that.

Stewart Hosie: It is a serious point. I would love to see the research.

Katie Evans: Using that opportunity to start a conversation, saying, "We think there might some irregularities here; could we have a chat with you?", rather than lending automatically over the internet, would be a sensible halfway house in protecting people.

Q106 **Stewart Hosie:** I agree. Eleanor, what more can creditors do?

Eleanor Southwood: This is an area we have not specifically looked into. The important thing, to my earlier point, is that lack of choice in your financial products means you may be incurring greater risk and perhaps increased interest rates than you might otherwise. We also know that disabled people generally—and it is no less true for blind and partially sighted people—are disproportionately likely to be living in poverty. Therefore, your risk in terms of debt is heightened.

The issue about disposable income comes to the fore when only one in four people of working age who are blind or partially sighted have a job. It is one in 10 if you are totally blind. We are talking about a group of people who may not have comparable access to disposable income compared to the general population, who do not have adequate or suitable whole-market choice of the products they take out. It does increase the risks.

Q107 **Stewart Hosie:** It is a different set of issues, because it is more to do with choice and, as you say—I did not realise those numbers—the poverty aspect of it. That is helpful. Jane, in terms of older people, what more can creditors do there to help those who are vulnerable?

Jane Vass: Apart from, in general, establishing who is vulnerable and understanding the patterns, I would like to concentrate on the need for advice when things go wrong, particularly with older people whose needs may be crossing several areas. Take, for example, advice about housing and equity release. That is a regulated product, but there are other parts of the regulatory system that affect other types of advice. Then you have to know about older people's benefits. If somebody comes to us and says, "We have a mortgage problem. We do not know what is going to happen. We do not know if they are going to make us cash in their pension", we tend to refer to StepChange Debt Charity, because it is a specialist area. Ensuring that all these lenders refer people on, and, to be honest, pay and contribute to the costs of this very specialist advice that is needed, would be our prime ask.

Q108 **Chair:** That is very interesting. Katie, you made a point about mouse patterns and the way some creditors or loan companies use that. Is it published research?

Katie Evans: That is not published research. It is something I have heard mentioned several times. We know it is used in advertising. If you google "mouse movements and advertising", you will find lots of content on retail sites, for retailers, about how you can optimise sales by designing your website in such a way as to look at people's mouse patterns and things. It is based on other bits of internet science, but I cannot point to anything specific on that Wonga slider thing.

Q109 **John Mann:** I will start with you, Jane, if I may. How can you help us in our inquiry on the issues relating to power of attorney, access and dilemmas of access to financial services?

Jane Vass: Do you mean in relation to encouraging people to take them out, or for carers and people who have a power of attorney?

Q110 **John Mann:** Yes, all of them. I have condensed lots of questions into one. It is the biggest single problematic issue, not in volume, but in complexity, that I deal with on financial services. I am interested in your perspective in relation to power of attorney, and what the issues are when it comes to financial services.

Jane Vass: The first issue is that people consider them too late, so they simply do not have them. They do not appreciate the need for them. Some people think, "I do not have anything; therefore I do not need one". Encouraging people to have them is a really important step forward. We mention them all the time.

When people do have them, and you have to bear in mind that some people cannot afford them, as in the case I referred to earlier, sometimes financial institutions, front desk staff, do not appreciate the rules round them. For example, once they know that a power of attorney exists, even if it has not been activated, they may refuse to talk to the older person directly and instead they talk to the carer, which is very disempowering and not always necessary. Then there are all the difficulties of getting it

registered. I know that banks in particular have invested quite a lot of time and money in getting that right, but in addition to power of attorney there is a whole hinterland of support needed. The FCA has done a lot of work on the third-party access debate, but things seem to move rather slowly in this area. For some people looking at powers of attorney, either they do not have a trusted person or they may want to manage their money themselves. People come up with all sorts of workarounds.

We know UK Finance has been doing some work on third-party mandates but, back in 2011, we did some work on third-party access suggesting that a carers card be put in place, whereby you could give a card to the carer but there was a better audit trail, so you could tell who was using it and that sort of thing. I have to say it has been incredibly slow, although we know that some banks are going to come out with things like that. It is about making sure powers of attorney are properly recognised, used and administered, encouraging people to have them, but also thinking about other ways to pay, and building in both security and things that might be helpful for carers. For example, I referred to the gentleman who was not able to manage his mother's savings, although he had power of attorney, over the internet. There is still a huge piece of work to be done on third-party access.

Q111 **John Mann:** The problems that come to me are often of what could be described as elder abuse. It is not always young people, though it normally is. They just happen to have a sum of money, often property, and somebody—usually a family member; a son or a daughter—is desperately keen to manage affairs, sometimes without consulting other relatives. There seems to be some correlation between the amount of money that might be available and the issues and complaints that come to me, often directly—in fact, usually directly—from the individual themselves, about the person and the misuse of the power of attorney. What observations do you have on that, Jane?

Jane Vass: We see those as well. That is why we think the first step is to enable people to stay independent as long as necessary so, for example, they do not have to rely on a power of attorney, because they can do what they can themselves, so there is a separate carers card they can give to an ad-hoc carer with a proper audit trail. Having said that, it is always a difficult one. I know people have said powers of attorney are very dangerous but, when you consider the amount of abuse that probably goes on without any protection at all, the OPG has a role there. On balance, they have an important role to play. The principle must be to maintain independence for elder people as long as possible and, where a power of attorney is really necessary, ensure there is proper monitoring, support and enforcement in case of suspicious behaviour.

Q112 **John Mann:** Eleanor, I do not know if you have any additional observations from your perspective.

Eleanor Southwood: I have two quick observations, and they are just that: observations. It occurs to me that it was RNIB's 100th anniversary

a couple of weeks ago, and we did some research about the biggest barriers facing blind and partially sighted people today. You expect to get back lots of concerns about practical things. Actually, the biggest barrier was other people's outdated, old-fashioned perceptions and assumptions about what being blind or partially sighted is and might be like. I raise that because one of those outdated perceptions is around equating one's inability to physically access information with one's inability to comprehend the information and, therefore, to make meaningful choices about that information. While I do not know of any specific research, the playing out of that misperception, the old-fashioned view that blindness is an issue of comprehension, not just a sensory issue of knowing what is around you, potentially raises some concerns.

The other observation is that, if I undertake power of attorney on somebody's behalf, I have exactly the same access requirements as I do if the money is my own. You are fulfilling an incredibly important function on behalf of somebody else. If I cannot be confident in the information I get about my own affairs, it feels almost even more important that I have appropriate information to support somebody to manage their affairs.

Katie Evans: Third-party access is a really big issue for a lot of people we work with, in two separate ways. We hear lots of concerns about power of attorney, quite a lot about the actual tool itself, particularly for people with fluctuating mental health problems who might be well enough to manage their own affairs for years at a time, before becoming very suddenly acutely unwell and then, at some point in the future, recovering again and wanting to take back that autonomy and independence. The power of attorney tool as we currently have it is not well designed to be turned on and off like that. Particularly, the procedures that institutions use to put it into action are, again, not well designed to be turned on and off in that way. It does not serve very well the needs of people with fluctuating mental health problems.

Another issue we see is that, when someone has become very acutely unwell very quickly, the medical evidence that can be needed to activate power of attorney can be difficult to obtain. We heard one story some time ago, when doing research on this, of a carer whose brother had been admitted to hospital. She had power of attorney. She had gone to the bank and said, "He is really unwell; I need this credit card turned off now". The bank had said, "We need a letter from his consultant". It took her two weeks to get the consultant psychiatrist to write and sign that letter for her. In that time, her brother had run up several thousand pounds' worth on debt on that credit card, which this person then paid off for her brother, leaving herself in financial difficulty. Sadly, we hear stories like that. I am sure you hear similar stories from your constituents repeatedly. There really are issues with the activation and the switching on and off mechanisms around power of attorney.

We also hear from a great many people who need some help but do not want to use, partly to Jane's point, a power of attorney that is all

encompassing, signing over that power to someone else. It does not need to be, by the way, the legal instrument. You can write a very complex power of attorney that hands over certain powers and not others, but that is not something that financial service providers are well able to implement, so it just does not work in practice. Instead, we need a wider range of third-party accessibility tools from financial service institutions that really match the needs of consumers, and consumers with varying, fluctuating health conditions.

It might be as simple as an emergency contact. My employer has my emergency contact details. They know to call my partner if I am suddenly unwell. My gym has my partner's phone number in case I collapse on a treadmill. My bank does not. If I suddenly become very acutely unwell, there is no one with that kind of emergency permission to get in touch and even do very basic constrained things like know my balance, check there is enough to pay that direct debit and make a payment in if there is not. The banks will come back with concerns about data protection and know your customer regulations for emergency contacts. These are of course very important points. We know those structures are there for a reason, but if my gym can manage to get around the necessary permissions for having an emergency contact it should be something my bank can do as well.

Beyond that, carers cards, as Jane has already pointed out, are something we would be very, very keen to see. When we do come across issues of financial abuse, it is much harder to get justice for those who have been affected by these issues if there is not a very clear audit trail, particularly when someone is unwell and their spending may be unpredictable, about who has done what. Separating out online banking access where a third party is undertaking financial management on behalf of someone else, or giving them their own debit card with a separate PIN number, would be an enormous step towards keeping people safe.

Q113 **John Mann:** If there are any changes in the law in relation to power of attorney that you think we ought to be aware of, we would be delighted and it would be useful to receive them. I have a second question I would first like to direct to you, Eleanor, and then, Jane, you might hopefully have an observation on the same issue. That is in terms of literacy, because there are great problems, from the regulators through to financial services institutions, of getting literacy deemed as an issue of vulnerability. That covers literacy issues per se; it is also, in a significant number of cases I have, compounded by low levels of literacy and what could euphemistically be described as failing eyesight. It is the combination of the two. I have observed that on hundreds if not thousands of cases I have dealt with. Would you agree that is a problem and what should be done about it?

Eleanor Southwood: That is a really, really interesting one. Financial literacy specifically can be a challenge, often due to the way financial information is presented. For example, if you are somebody who needs

very large print, you can probably only get half of one of the normal tables you would see in your statement on one piece of paper. Automatically, you have an additional challenge of taking in the information. Those who lose their sight later in life, and even at working age, are unlikely to learn braille and therefore are more likely to have things in audio, which for many, many things is absolutely fine but, for some literacy things, is not enough. One of the reasons we are so passionate about blind children learning braille is the literacy issue. It is about spelling and being able to comprehend what you are looking at. That kind of literacy is a challenge.

For people who are losing their sight, there are ways around it, but that comes back to the fundamental issues about confidence, the loss of confidence, the loss of confidence in yourself to understand the information. Sometimes, it may not actually be a literacy issue, but that is how it shows itself, because it is somebody who may not want to admit they can no longer read their bank statements and pretends that they can. That is not a literacy issue, but it is an issue about accepting or getting used to living with sight loss. There is a group of connected issues, but it is really important to separate the ability to read something with the confidence about interpreting that information. That is very often something that decreases, particularly in older people. It is an important issue, but we need to be really careful not to attribute lack of confidence, or perhaps not wanting or feeling able to engage with information in a different or new format, to literacy problems.

Jane Vass: We would agree that financial literacy and financial capability—

John Mann: I am talking about reading ability.

Jane Vass: Oh, I see. There is good evidence to show that, in the past, many older people's numeracy and literacy were not as high because education stopped a lot earlier. There are also factors around cognitive change, changes in your thinking skills as you age, and understanding that. For example, people may know that their thinking skills have changed so they may ask for information to be backed up. That is when very simple language and being prepared to provide information in written form are really important.

Q114 **John Mann:** This is a big issue in my area and it is not recognised by financial services institutions. There is no system for recognising it by regulators. I have lots of affected constituents. If I take my own family, my grandfather never wrote a thing in his life. Even when he had a cheque book, he never wrote a thing in his life. Even when he had a postal vote, he never wrote a thing in his life. In that situation, if that person is left on their own, the person who has done their reading and writing for them is no longer there. That was not recognised in anything until very recently, and hardly is even now, in this sector. I could give vast numbers of examples where that is the case. In coalmining constituencies, boys left school at 14 or 15. They did not need to read or

write. That remains the case with people I deal with even today, but it is not regarded as essential so the skill is not there. In terms of vulnerability and assessing vulnerability, what changes are needed to ensure that those people, who get sent lots of nice letters with lots of small-print, technical detail on them, are able to make informed decisions and, if they are not, that there is proper redress?

Jane Vass: We certainly see people with perhaps very marginal literacy in some areas. The particular sort of thing that might happen is where one partner dies and the other person has been dependent on them. People do come to Age UK. Even where there is some literacy, to be quite honest, I think all of us would struggle with some of the language in financial services. In terms of actions, that is why local information and advice services are absolutely essential. It is not just written literacy; it is also online literacy. Increasingly, people come to us for help with completing a blue badge form online. I am sure you have come across that. Increasingly, people are being directed to a website. If perhaps their written skills are not so great, or they do not have an internet connection, they come to us. Local information and advice is hugely important.

As we move increasingly online as a society, there are some really important issues. If somebody comes and asks for your help with filling out a form online, whose email address do you give if they do not have an email address and they are being told, "You have to do it online"? We have done some research on housing benefit claims and people are being told, "There is no help; your granddaughter will have to do it for you". That is exactly the sort of situation where people lose their independence, the risk of abuse is high and, frankly, there are lots of practical problems. If people's identity becomes something written, their email address, what happens to a significant part of the population?

Q115 **Rushanara Ali:** Good afternoon. I am going to focus on open banking and financial crime. I am going to start with Eleanor. Could you say a bit about whether you think open banking presents an opportunity for vulnerable consumers?

Eleanor Southwood: Yes, it does. Again, though, this is about the access you have to information on how it works, what you need to do. That is the critical thing for us. It all comes down to information. If people are unsure, they will not take advantage of something even if it could be advantageous. You do not have the confidence level if you really do not know what it is all about. For us, it is quite simply that.

Jane Vass: Yes, potentially, for some people it might. But, if you consider that only 20% of older people even have a smartphone, we are yet to see a specific use that really targets that and is aimed at older people. The other factor that has been mentioned is caregiver apps, for example. They exist in the US. Although they might be very handy for the caregiver, we go back to our principle: it has to be as useable as possible. To be honest, open banking has to earn the trust of consumers.

Q116 **Rushanara Ali:** You mentioned the US. Are there any examples you have come across where you can see it has potential for vulnerable or older people who may be able to use it?

Jane Vass: Not yet, not aimed at older people.

Katie Evans: I am going to be a change of tone. I have long been an open banking enthusiast. There is a degree to which I have staked my professional reputation on it. I sometimes wonder if that was a wise thing to do, because I have to say it has not been quite as exciting to date as I perhaps hoped it would be. I maintain my optimism that there is potential in this to genuinely transform financial services, in the UK and across the world. I do not think we have seen that yet. I can tell you about some of the tools I would like to see. Particularly thinking about people who need to share the management of their financial affairs, open banking provides a very safe way to do that. As a person who sits on the Open Banking Consumer Forum, I know that the implementation entity has worked very, very hard on making sure banking is properly secure and it really is gold standard. It goes far beyond the PSD 2 requirements that the rest of Europe are implementing. That is something we should be proud of.

In terms of practical tools, we are asking, as an organisation for people with mental health problems, for things like spending tools and controls. I can see that they are specialist. I can see that, if you are a big bank, they require investment and you are not sure what proportion of your customers will want them. Open banking could provide another way to offer those tools to the consumers who really want them, particularly taking into account the enormous variation of need we see across people with mental health problems. As it is a quarter of the population at any given time, it is very hard to generalise because it is so big, but this really could provide a way to make those specialist tools available. We have seen initial evidence from some people that they would be willing to pay for that, when they recognise that it would save money in the long run.

Q117 **Rushanara Ali:** Across your individual networks, how much concern is there about data sharing?

Katie Evans: I start by assuming that people are going to be quite sceptical, but when we go out and talk to people with lived experience of mental health problems I see a much greater willingness to share than I initially assumed. That is because they recognise there will be information in their data that can help to protect them and, if we can leverage that in the right way, it will be valuable to them. It is all about how well those systems are designed to make that happen.

Q118 **Rushanara Ali:** Eleanor, did you want to add anything to that point about data sharing?

Eleanor Southwood: Yes, only to say that there is. Partly, that concern comes from being unsure sometimes of exactly what data you are sharing, because in some circumstances you are unable to verify that for

yourself. That raises a concern. The fear of the old-fashioned assumptions that I mentioned—people making assessments of what to do with what you share—is a concern too.

Q119 **Rushanara Ali:** Jane, did you want to add anything on data?

Jane Vass: It has its place. People often assume, for example, that Government agencies share data—for example data that you are on pension credit and, therefore, whether you can get other state benefits. Older people we have talked to do not always appreciate the extent to which their data is shared, and what they can and cannot do about it.

Q120 **Rushanara Ali:** Some of this has been touched on, but I wanted to draw your attention to the Committee's inquiry into economic crime, and ask whether you would like to add anything in relation to consumer fraud and vulnerable consumers. We have heard a lot in the press about push payments. I was listening to "Money Box" earlier this week and there were various reports, related not necessarily to vulnerable customers but to any customer. Do you have a view on how consumer fraud could be addressed when it affects vulnerable customers? How should banks and other financial institutions be tackling it and making sure that additional things are being done to protect vulnerable customers?

Jane Vass: Colleagues at Age UK are involved with the steering group, looking at a code of practice for Authorised push payment (APP) fraud. That is under consultation at the moment. There is stuff in there about vulnerable consumers. It is really important. If the financial services industry wants people to go online to reduce their costs and make things easier for them, it will really have to take this issue seriously and come up with the strongest possible solution, so we do not see vulnerable people, like an 80-year-old woman, being scammed out of £100,000 from investment fraud.

Q121 **Rushanara Ali:** Would you say the fear of financial crime is greater among your members? Earlier on, the word "trust" was used, which is obviously an issue for other groups as well. Is that more prevalent among older people?

Jane Vass: I am not sure the evidence really exists. We know from research we have done that lots of older people think they have been approached by a scammer online. Most people do not succumb, but lots of people do. However, the risk of succumbing to a fraud online like that seems to occur across the age groups as well. That is just the nature of fraud. Scammers are very good at what they do.

Eleanor Southwood: Making every ATM or opportunity to get your own money out accessible helps hugely, so you are never in the position of having to, like I had to with that taxi driver, give a complete stranger your PIN number, which is the one thing we are always told never, ever to do. It is also so you do not have to ask someone, "Can you type in the numbers for me?" If you cannot know where the buttons are, which

button is what, you have to ask for assistance anyway, even if it is not with your PIN.

The second thing is this issue about touchscreen chip and PIN. The idea that I will get to the front of a busy queue in Sainsbury's, have to extract some old-style 3.5 jack headphones, find their machine, then plug them in, while I have the queue behind me, is kind of laughable. It is not going to happen. It is more likely that, in sheer frustration, you are very tempted to say, "Can you just do it? It will be a lot quicker". That is an enormous risk. Contactless has been really helpful, but obviously and understandably there are limits. Those two things would go a really long way. It is a real concern of ours, with the digitisation of both cashpoints and pay methods, that people are going to be very vulnerable.

Katie Evans: The same things that make it harder for some people experiencing mental health problems to manage their money are the things that make them more vulnerable to financial crime, like having to share PIN numbers and passwords with the people they need to help them manage their money. One other point that might feel small and practical but can make an enormous difference is that, to report financial crime or fraud to your bank, a lot of the time you have to make a telephone call. Half the people who experience a mental health problem really struggle to do that and find it distressing. That means some of this crime is, sadly, going unreported and people are not getting the redress they are due. That is a practical problem we really can tackle.

Q122 **Rushanara Ali:** I have one final question. Early on, one of you referred to the Equality Act. Taking some of the issues that have come up in this session and all the work that you do, given rapid technological advances, and the Equality Act is quite a few years old now, if you wanted to see the financial services sector do more to address vulnerability and the needs we have talked about, what are the one, two or three things you think should be done in legislative terms? It might be just the one thing. There might be more. This is your opportunity to give the Government some ideas.

Jane Vass: Mine would be very short. Examine the exemption for financial services and see how well that works. It has not been used very much. The ombudsman has decided some cases referring to it. Does it do the right job and how is it being used? Could it be used more? Is that exemption necessary?

Eleanor Southwood: The FCA should use the teeth it has to enforce the duty that already exists, which may have been around for some time but is still patchy in its reality. In terms of providing accessible information and a way to communicate with your bank, any ATM that is licensed or allowed to be put in place absolutely has to be accessible. It would also be a relook at the rollout of touchscreen chip and PINs and what is wrong with the ones we currently have.

Katie Evans: I have three; I am sorry. I would not be doing my job properly if I did not. First, at the moment, to count as a disability, it has to be a condition that affects you for 12 months or longer. That is continuous in the current Act, and there is already a manifesto commitment for the Government to extend that for people experiencing mental health conditions that can fluctuate over time. That is so important. It must happen. Secondly, I would copy Jane with the financial services exemption. I want to know what this reasonable evidence is. We really need to clarify what that means.

The third is quite big. It is this concept of adjustment. I find the idea that you have to work out what is wrong with someone, what their additional needs are, and go and do something extra for them, a really interesting way of looking at this whole problem of vulnerability. You sit in my shoes and you say that a quarter of people are unwell at any given time, half of us over our lifetime, and that a lot of those people will not know they are unwell and will not be seeking medical help. You put that alongside the FCA's definition of vulnerability and then say that half the population are potentially vulnerable at any given time. This tells us that we need a twin-track approach to vulnerability. There will be a group of people with really very severe needs, for whom this idea of making a special adjustment is the right one. More broadly, we need to be thinking about how we make services accessible to everyone, even when they are not in a position to disclose that they are potentially vulnerable, even when that is a transient state. That goes to the points we were making earlier about literacy. It goes to the points about making things accessible. Jane has already used the phrase "inclusive design".

If there is one message I would want to leave you with, it is that to make services accessible for people who rely on them every day, we need to be taking a universal design approach to adjustments, which means building things in from the start so they work for real human beings in all their wonderful complexity and variation, rather than trying ad hoc—you used the word "retrofit" earlier, Eleanor, which I really like—to retrofit to people with additional needs.

Rushanara Ali: Especially as we get older, the likelihood of having a disability is more prominent than not.

Katie Evans: Absolutely.

Jane Vass: Duty of care should be considered in this context. I will leave it there.

Q123 **Chair:** We touched on that yesterday with the Banking Standards Board, which is interesting. We are very grateful. We are almost at the end of the session. Rushanara has probably covered it with that last question, but was there anything that any of you came today wanting to say that we have not covered? Of course, you are very welcome to send us further evidence as the sessions unfold, or if you think about something after today that you wanted to say. I would hate you to be sitting there and

thinking, "They did not ask me that question and I really wanted to have that opportunity".

Katie Evans: Can I come back with one thing on open banking? One is to tell you about a really good use case, which we did not get a chance to talk about earlier, which is income and expenditure forms for people seeking debt advice. Particularly if you are unwell, filling in that long form about everything you have coming in and everything going out is a nightmare. It stops people getting practical help. Open banking can fix that and there are already people building solutions, which is so exciting.

Secondly, if we are to see more tools like that with open banking that work for vulnerable consumers, they are not going to be the first place the market goes to. For me, there is an opportunity here, particularly looking at recent Government announcements around data trusts, to think about creating an anonymised pool of data, particularly transactions data, that would allow innovators to come and try to find both problems and solutions to fix them with open banking-enabled technologies.

I am very excited in this space by the idea of an equivalent to the 100,000 Genomes Project, which is making ground-breaking progress in rare genetic disorders and cancers, where they have collected the genetic material of 100,000 volunteers and are using that to find new medical advances for these really rare conditions. There is an opportunity to do the same in financial services for vulnerable consumers. It is exactly the sort of ambitious idea we need people like you to give a push to. I would really encourage you to think about how we can make available the resource and the data that people need to build exciting, innovative things that could help.

Eleanor Southwood: I just want to summarise, in the sense that lots of what we have talked about is common sense and much of it is not very difficult. My point really is that there is a duty; there is an expectation that every consumer has that they can actually interact with the services they are choosing to interact with. That is no less true for blind and partially sighted people. There absolutely are solutions out there. It is about shifting the anxieties that financial institutions might have about having to do something special or expensive towards a conversation about how we can make ourselves accessible to more people and be a really inclusive service provider.

Jane Vass: The loyalty premium has been mentioned, but that is another thing. The work the CMA is doing there is really important and another reason why the duty of care potentially has a role.

Chair: I would like to thank you all very much indeed for your time and evidence this afternoon. It has been fascinating. We have covered a lot of ground and are really grateful for your expertise. I hope we are able to do it justice when we get to our report. Thank you for this afternoon.