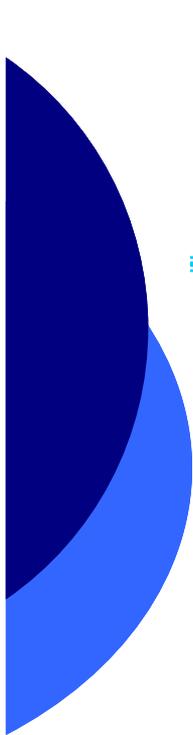


*Financial education:
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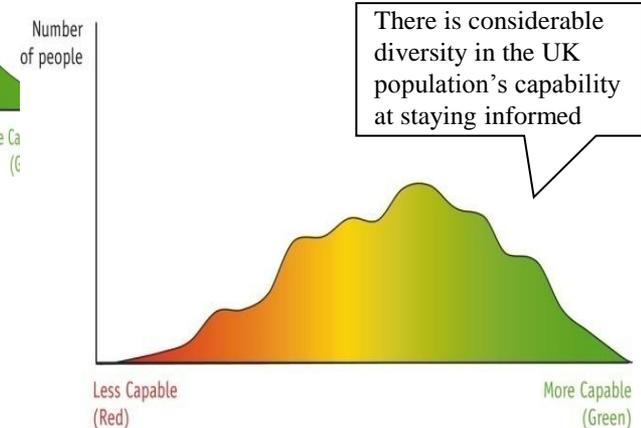
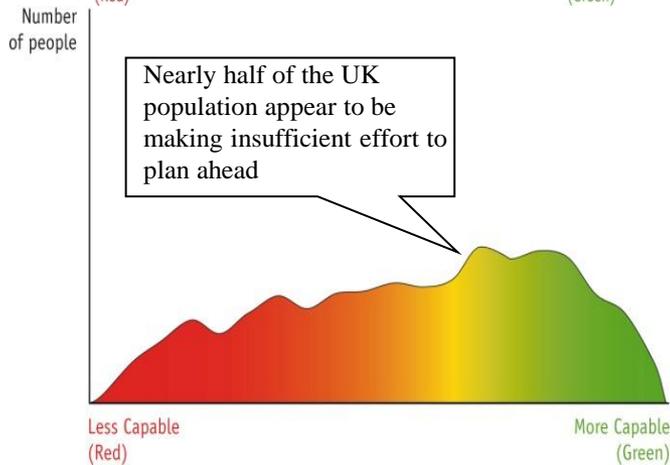
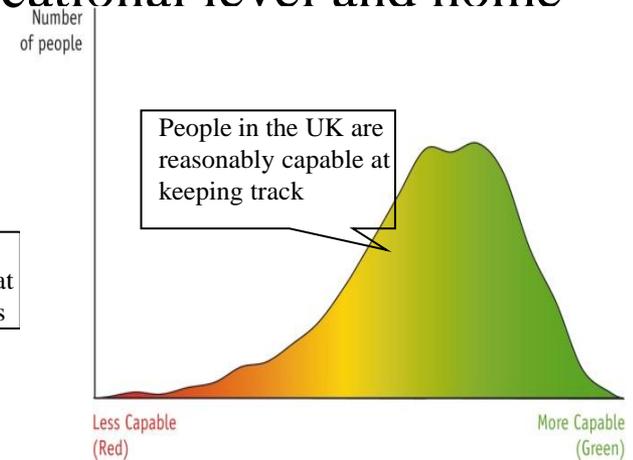
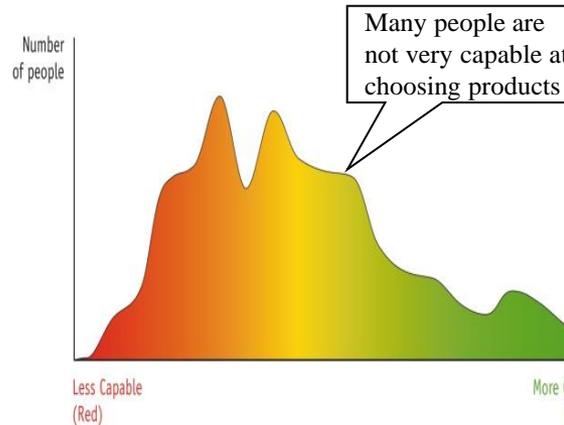
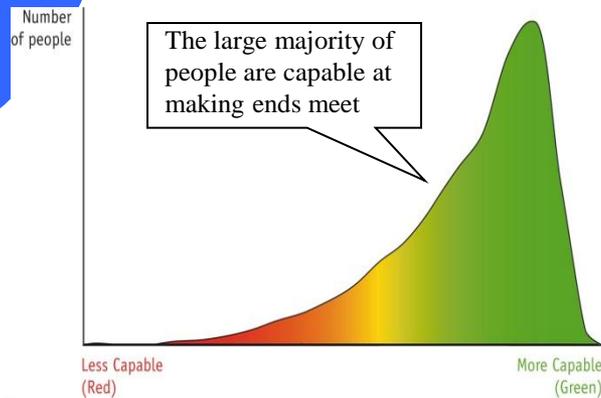


Pressures faced by consumers

- Pressures faced by consumers
 - More responsibility /higher risks
 - Complexity
 - Wide range of choice
 - Lack of clarity
 - Misleading advice
 - Fraud
- Risk of poor outcomes
 - Poor decision making
 - Lack of planning for the future
 - Mis-sold
 - Victims of fraud

Research

- In 2005 the FSA commissioned a Financial Capability survey of 5,300 people
- Financial capability is related to age, educational level and home ownership, but not to income.



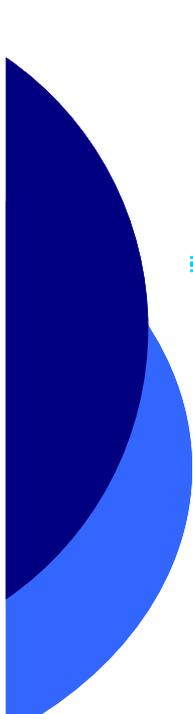
Policy responses

○ Regulation

- Firms are required to provide information in a fair, clear and not misleading way
- Firms must treat their customers fairly
- Regulation needs for consumers' needs to be met

○ Consumer education

- being able to manage money
- keeping track of finances
- planning ahead;
- making informed decisions about financial products
- staying up to date about financial matters



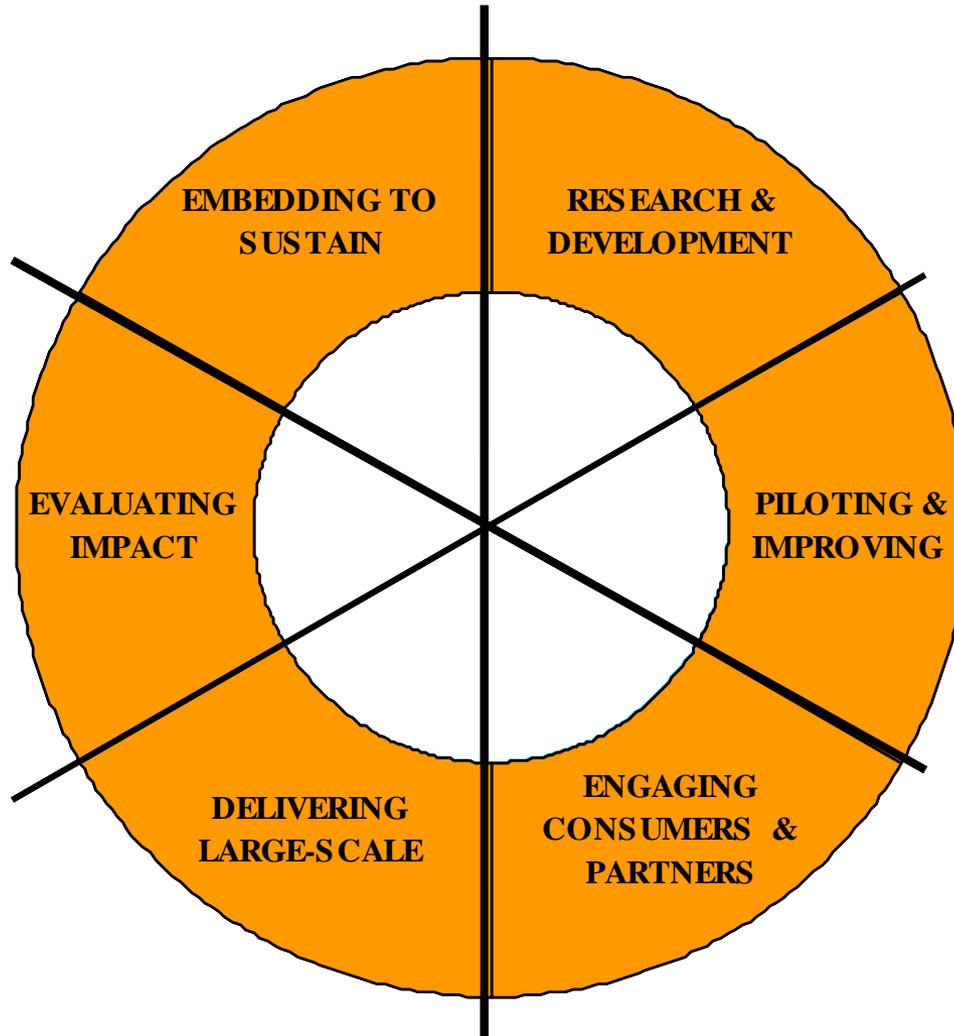
The UK strategy

- National Strategy originally chaired by chaired by FSA (Statutory objective to promote public understanding of the financial system)
- Now responsibility of the Money Advice Service
- Work in partnership with financial firms, government, employers, schools, charities, voluntary groups etc

The UK approach

- **Vision:**
 - Better informed, educated and more confident citizens
 - Consumers able to take greater responsibility for their financial affairs
 - Consumers play an active role in the market for financial services

The UK approach



Education, information, and guidance

Assessment: there is an ‘advice gap’

- Websites (e.g. Including self-assessment tools)
- Telephone helpline
- National network of advisers
- Leaflets /information
- Advertising
- Seminars

Different approaches used

Schools



‘Personal finance education support in secondary schools

Young adults



Training and support to people working with young adults

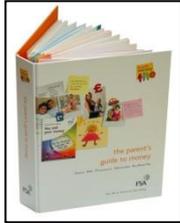


Training, toolkit and support for students at university



The approach

New Parents



The Parent's Guide to Money – for all expectant parents

Workplace



Making the most of your Money – workplace seminars, guide and CD-ROM

Non-profit organisations



Money Advice Service

The screenshot shows the Money Advice Service website. At the top left is the logo with the text "the Money Advice Service" and "FREE · UNBIASED · INDEPENDENT". To the right is a "Chat to us" button with "Talk to the team online now" and an "OPEN" indicator. Further right is a "My Money Advice" section with "Sign in" and "Sign up" buttons and a user icon. Below this is a green navigation bar with a home icon and links for "Life events", "Managing your money", "Money topics", "Tools & resources", and "News". The main content area features a "Debt test" article with a graphic of a pie chart and coins, and a "Read more" button. Below the article is a search bar with the text "Search this site" and a "Search" button. At the bottom are three featured articles: "Making an insurance claim" with a photo of green boots, "Have a savvy Christmas" with a photo of Christmas decorations, and "Annuities and pensions comparison tables" with a photo of a smiling couple.

Aspirations and challenges

- Generational change
- To reach 11 million people a year
- Short term and long term goals
- To work with partners
- But consumer education has limitations

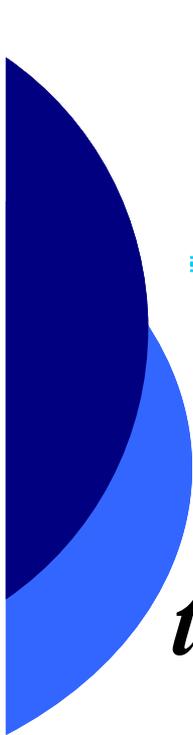
Thoughts for Japan

Changing circumstances

- Population change
- Employment – change (e.g. life-long employment, irregular workers, role of women in work force etc).
- Change in macro-economic conditions

Thoughts for Japan

- Different people have different needs and experiences at different parts of their life
- Needs/research led
- Delivery mechanism – flexibility in approach
- Harness existing trusted organisations
- Over-centralisation v framework for co-ordination
- Think creatively
- Commitment
- Financial capability is but one tool....



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