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## **Goss Consultancy Ltd (GCL)**

### **A report for the Financial Conduct Authority (FCA) on the equality issues arising in relation to the FCA's PPI proposals**



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# A report from GCL for the FCA on the equality issues arising in relation to the FCA's PPI proposals July 2016

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# **1 Overview**

## **1.1 Introduction**

Goss Consultancy Ltd (GCL) have produced this report for the FCA looking at the equality issues arising from the FCA's PPI proposals. GCL is one of the UK's leading providers of Equality, Diversity & Inclusion training and consultancy. The organisation was established by Nick Goss in 2005 and has been ISO 9001 certified since 2008. GCL provide a wide range of services to both the private and public sector but we specialise in advising large organisations in relation to the impact of new policies and services on equality. We have experience of working directly with some of the UK's largest Statutory Regulators to ensure equality & diversity best practice.

The purpose of the report is to provide information for the FCA in relation to the evidence about the possible impact of the FCA's PPI proposals on vulnerable consumers and those from protected groups. Additionally the report has set out to identify appropriate mitigations where that impact may be negative, mitigating actions and activities which have already been undertaken and proposals for actions that could be undertaken in the future to continue that mitigation.

## **1.2 Methodology**

### **Evidence base development**

In developing the evidence base behind this report, we took into account:

- (a) General evidence in relation to the wider position of vulnerable people and those from protected groups; and
- (b) Specific evidence in relation to each relevant protected group, those on low incomes and carers.

Information, evidence and data is included in and/or referenced in key sections of this report. In particular it forms the basis of the detailed Evidence Sections for each protected group, as well as for low incomes and carers which are set out in Annexes 1-7 in section 9.

### **Communications Development**

The FCA employed a number of expert consultants, along with GCL the authors of this report, to advise on the implications of its proposed communications campaign. These were BDS Communications and Multicultural Marketing Consultancy.

These agencies, drawing on the detailed evidence review and on their own expert knowledge, informed this report and advised the FCA on its advertising research for the creative concept, including the specification for research participants and the analysis and recommendations emerging from the research findings.

The four advertising concepts tested with consumers are referred to as Concepts A, B, C and D in this report. We do not disclose information about the detail of those concepts as it may impact the effectiveness of the FCA's proposed campaign.

This report takes into account the outcomes from this advice and the research undertaken.

## Analysis of potential impact and actions

We have taken the following approach when analysing potential impacts on relevant protected and vulnerable groups, and making proposals as to how to mitigate those impacts:

- Analysis of potential impact on different groups;
- Consideration of specific ways in which any positive impacts could be maximised and negative impacts identified could be mitigated;
- Consideration (where relevant) of any mitigation actions already undertaken; and
- Proposals (where relevant) for future actions to continue mitigation.

The impacts, mitigations and actions were developed using the wide-ranging evidence base, the information from the development of the proposed communications campaign, feedback from consultation and testing and by considering the impact of actions already undertaken.

Throughout the report we discuss the impact of the proposed deadline and consumer communications campaign as a whole (i.e. without distinguishing between mis-selling complaints and Plevin (*Plevin v Paragon Personal Finance Ltd*<sup>1</sup> ('Plevin')) complaints). It was recognised in CP15/39 that the issues of undisclosed commission raised by Plevin and reflected in the FCA's proposed rules and guidance were complex and likely to be hard to understand for many vulnerable consumers or those who have a protected characteristic. However, our view is that any potentially adverse impact could be mitigated through the FCA's approach to the communications campaign. As such, any references in the report to the proposed communications campaign should be read as including appropriate information about undisclosed commission (where relevant).

The FCA also highlighted a point made in CP 15/39 that there are provisions in the FCA's current and proposed rules and guidance which, together, have the effect of generally expecting firms to consider the issue of undisclosed commission when assessing complaints about relevant PPI sales, even if this issue is not explicitly raised on the face of the complaint.

### 1.3 Consultation

A wide range of consultation and engagement was undertaken by or on behalf of the FCA and much of this related directly to protected groups, vulnerable consumers and equality issues.

#### 1.3.1 FCA paper CP15/39

The FCA consultation paper CP15/39 was published in November 2015. The consultation period closed in February 2016.

This specifically proposed:

- a new rule that would set a deadline by which consumers would need to make their payment protection insurance (PPI) complaints or else lose their right to have them assessed by firms or by the Ombudsman service
- an FCA-led communications campaign designed to inform consumers of the deadline
- a new fee rule on funding this consumer communications campaign

- new rules and guidance on the handling of PPI complaints in light of the Supreme Court's decision in *Plevin*.
- that the proposed deadline also apply to PPI complaints falling within the scope of the proposed rules and guidance on *Plevin*.

The consultation was promoted on the FCA website and through various networks. Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA at the time of publication. This was 20 organisations in total.

The organisations were offered a call where the FCA summarised the proposals and asked for feedback and 6 organisations took up this opportunity. The FCA also offered to document any verbal feedback on their behalf. They were also invited to a consumer network roundtable event which 15 organisations attended and a specific briefing on PPI was delivered.

71 consultation responses were received in total and of these 18 had some relevance in relation to equality.

There were some particular themes which arose from these responses and we summarise some of the relevant evidence in the chapters of this report below.

#### Specific protected characteristics and vulnerable consumers

It is one of the FCA's objectives to secure an appropriate degree of protection for consumers. The FCA must have regard to "the differing degrees of experience and expertise that consumers may have" (Financial Services Markets Act, 2000, 1C). This acknowledges that different types of consumers may need different treatment. The risk of detriment from a failure to address vulnerability is high, so this clearly falls within the regulator's consumer protection objectives.

As the FCA's research<sup>1</sup> shows, the impact of vulnerability on everyday life should not be underestimated. Vulnerability is often characterised by a range of emotional and practical consequences that impact people's ability to deal with their finances and interactions with firms. Detriment could take many forms including emotional aspects such as stress and anxiety; financial detriment arising from sub-optimal or reduced choices, a debt spiral, or inappropriate purchases; and wasted time spent in resolving issues. A negative and unfair experience with a financial service can have a disproportionate effect on people in vulnerable situations, often making a difficult situation worse. FCA Occasional Paper No. 8 Consumer Vulnerability (February 2015)

Some of the responses from firms, consumer bodies and CMCs identified specific individual protected characteristics which they believed should be the focus of particular attention or which should be explicitly identified as vulnerable. These are set out in the evidence in relation to these characteristics.

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<sup>1</sup> <http://www.fca.org.uk/news/occasional-paper-no-8>

One consumer group argued that the deadline should not apply to consumers in vulnerable circumstances (e.g. those with mental health problems, or learning difficulties, or those who are visually impaired or experiencing a life event which makes them vulnerable) and the same should be true for consumers who have experienced discrimination due to a protected characteristic. The response also highlighted that significant numbers of people do not know how to complain due to literacy, mental health or capacity problems. It called for the FCA to monitor firms' treatment of vulnerable consumers closely in the run up to any deadline.

Several organisations raised concerns about protecting very vulnerable consumers in the run-up to the deadline as level of contact from organisations including CMCs may in their view significantly increase.

#### Proposed consumer communications campaign (campaign)

Some industry responses were concerned that:

- there could be some risk of adverse outcomes for some vulnerable customers if these vulnerabilities are not taken into account in the design of the consumer communications plan;
- that any campaign should aim to reach vulnerable and hard to reach consumers and that this should be key objective of the campaign from the outset; and
- professional advice on demographics and channels of communications be sought in advance of proposing the campaign.
- One industry body suggested that key stakeholders should help with the marketing and media aspects of the campaign and that adequate budget should be focused on reaching vulnerable consumers.

Consumer bodies thought that emphasis should be placed on partnering with organisations that could help reach vulnerable consumers and that a free PPI complaints service that would provide customers with information, advice and support should be explored. They also highlighted the need for providing support in different ways such as by phone, email, letter and using third party complaining tools and said that face to face assistance may be required for some consumers, such as those with mental health issues.

All of this information has been considered in the evidence review for this report. Where issues are specifically about a protected characteristic group they are highlighted in the relevant section.

### **1.3.2 Testing of the advertising concepts**

A key activity for the FCA will be communicating to the public any changes to PPI complaint deadlines. Four advertising concepts on how to communicate the PPI deadline were tested with a range of audiences in terms of:

- Appeal, distinctiveness and impact
- Comprehension of the deadline
- Likelihood to act (make a decision about their PPI)
- Fit with, and appropriateness for, the FCA as an organisation/brand



Following on from the consideration of evidence in relation to equality issues, a decision was made by the FCA to undertake specific testing with various groups with protected characteristics or particular vulnerabilities who were identified within the review. Information about this testing is set out under Age, BAME, Disability, Gender and Low incomes.

## **2 Age**

### **2.1 Evidence regarding younger people**

We have not focussed our research on the age group 18-22 because PPI sales significantly contracted in 2009<sup>2</sup> but the FCA have seen evidence of sales up until 2011 and therefore PPI could have been sold to a 23 year old who would have been 18 years old at that time. This means that those who are 18-22 are too young to have been sold PPI policies attached to debt. However, we did identify some evidence in relation to the financial capability of younger people. We summarise the evidence we considered at Annex 1 at 9.1. Given that the age 18-22 year old group is not likely to be widely affected by our proposals we have not used the research to inform specific recommendations within this report, because we do not think it would be proportionate or necessary to do so.

### **2.2 Evidence regarding older people**

There are now 11.6 million people aged 65 or over in the UK.<sup>3</sup> People aged 75 and over now make up 8.5% of the population<sup>4</sup> which equates to around 5.5 million people.

A wide range of evidence was identified focusing on financial capability, complaining, PPI, cold calling, Internet usage, specific issues for people 75+ and communication issues for older people. A detailed summary of this evidence is set out at Annex 1 at 9.1.

### **2.3 Specific consultation and engagement in relation to Age**

#### **2.3.1 FCA consultation CP15/39 on PPI**

Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA (via Consumer Insights team) at the time of publication of FCA consultation paper CP15/39 on PPI. Some of the responses identified issues in relation to older people. This was particularly in relation to older people making up a large proportion of those who do not utilise the Internet and that digital exclusion should be taken into account when formulating the communications campaign and partnership programmes.

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<sup>2</sup> See CP15/39, paragraph 2.1 <https://fca.org.uk/your-fca/documents/consultation-papers/cp1539-payment-protection-insurance-complaints-rules-and-guidance>

<sup>3</sup> *Mid-2015 Population Estimates* UK Office for National Statistics

<sup>4</sup> <http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

One consumer body also put forward the view that equalities data pertaining to complaints is an essential regulatory tool because of the strong correlation between protected characteristics and contributors to vulnerability such as age. The FCA's own work on vulnerable consumers, the Occasional Paper-Consumer Vulnerability, FCA February 2015 was cited, that highlighted that, of the 7.1 million adults in the UK that had never used the Internet in May 2013, over half were disabled (3.7 million) and nearly half were over 75 years of age (3.1 million).

### **2.3.2 Testing of the advertising concepts**

Having analysed the evidence and consulted with the communications and diversity experts instructed it was decided that there should be additional testing and consideration of the communication issues in relation to people aged 75+, who are particularly vulnerable in relation to this issue.

It was also proposed that given the evidence the consideration of the specific barriers faced by the 75 + age group should lead to additional and targeted communications activity. The testing and the additional communications should be directly with the target group, although consideration may be given to some further engagement with third-party organisations working or representing this target group. Specific information about this particular engagement and testing is set out in the paragraph 2.6 below, 'Mitigating activity and actions already undertaken'.

While the channels identified in the FCA's current plan intend to reach adults 75+ it is acknowledged that there will need to be frequent signposting to the FCA helpline as well as utilising relationships with partners.

### **2.4 Analysis of potential effect/impact**

The three areas<sup>5</sup> to consider under s.149 of the Equality Act were analysed within this report. While we did not find any issues in relation to harassment or fostering of good relations, some potential issues were identified which might mean some older people (65+) are at a particular disadvantage in relation to the consultation proposals without certain mitigations being put in place. The mitigations we discuss in the sections which follow aim to eliminate the disadvantages we identified. We consider that giving proper thought to these recommended mitigating steps is also relevant to the advancement of equality of opportunity in terms of older people.

In relation to older people (aged 65+) it is clear from the evidence set out in Annex 1 at section 9.1 that they have in many cases lower financial capability and more financial challenges than their middle-aged equivalents. Whilst many older people are actually better at managing their day-to-day finances than those younger than them, skills and knowledge and confidence are often lower.

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<sup>5</sup> Eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act. Advance equality of opportunity between people who share a relevant protected characteristic and those who do not. Foster good relations between people who share a relevant protected characteristic and those who do not.

These issues often become much more significant in the oldest members of our community and particularly for those aged 75+. At this point financial skills and proficiency very often begin to decrease and some of the evidence indicates that post 80 years old this is often a very significant issue.

It appears that older people have a higher awareness of PPI than much younger people and that middle-aged people are more likely to have been exposed to PPI. However, people who are aged 55+ are less likely to complain than younger people.

One of the most significant issues is the lower levels of Internet usage in people aged 65+ which decrease in older age groups. A significant amount of information about financial issues and particularly PPI is internet-based.

If a deadline for complaining about PPI were to be introduced then there would be positive impacts. This is firstly because of the increased likelihood of older people becoming aware of PPI because of the very large scale communication campaign which is proposed which will raise awareness of complaining about PPI. Secondly, the proposed communication campaign alongside partnership work with organisations working with older people is likely to provide them with more information to support decision-making about complaining which is particularly important for older people who evidence indicates are more reticent to complain. Finally, once the deadline has passed there is likely to be a substantial reduction in cold calling which is a particular issue for older people due to their higher propensity to have a landline telephone.

The evidence also indicates that there is potential for a negative impact on older people who may have lower levels of financial capability, skills, knowledge and confidence. This could deter them from complaining about PPI and result in them allowing the new deadline to expire without them making a complaint. In relation to people aged 75+ the likelihood of negative impact due to difficulties with complaining is likely to be more significant as the issues around financial capability, skills and knowledge become significantly more pronounced.

The very important issue of lower Internet usage amongst older people could potentially have a significant negative impact due to the amount of financial information, particularly about PPI, which is primarily available on the Internet.

Any increase in cold calling could have an impact on older people because they are much more likely to have landlines and to be at home during the day. If there were an increase due to a deadline for complaining about PPI raising the activity level then this could have a negative impact but after the deadline there will be a positive impact because of a significant reduction in this type of cold calling.

## **2.5 Mitigation**

Specific suggestions we recommended that the FCA should consider, included:

- Effectively targeting the 65+ age audience segment through the mainstream campaign and also considering where this might be bolstered outside of the mainstream campaign activity.
- Re-testing the advertising concepts with organisations representing older people informing the proposed communications campaign going forward.

- Any future testing of advertising concepts for the proposed communications campaign including older people aged 65+ in sufficient numbers to assess their effectiveness and at least in proportion to their representation within the PPI eligible population. It will be important that it is possible to disaggregate, with confidence, the findings in relation to people aged 65+.
- Any future testing of the advertising concepts for the proposed communications campaign including older people aged 75+ in sufficient numbers to assess their effectiveness and at least in proportion to their representation within the PPI eligible population. It will be important that it is possible to disaggregate, with confidence, the findings in relation to people aged 75+.
- The proposed communications campaign being both designed and delivered in such ways as to influence people aged 65+ - not only by raising awareness but also by giving them the knowledge and confidence to make a decision in relation to PPI..
- Ensuring communication channels which are particularly used by older people are considered as part of the proposed campaign. Given the data on broadcast access this could include radio, particularly seeking editorial opportunities on non-commercial stations.
- Working with a wide group of partner organisations, for instance, this could include charities, local authorities, national sports organisations, national and regional health bodies and those involved in social care, to provide information, support and confidence for older people in relation to PPI.
- Building specific partnerships with major national organisations that support older people to further engage older people and to more actively support them, where necessary, with the PPI complaints process.
- Developing additional and targeted communications activity and information for those aged 75+.
- Utilising those partner organisations very specifically to reach and support people aged 75+.
- Providing information about PPI, including clear information about decision-making in relation to complaints, being disseminated by a range of methods most likely to be used by older people other than websites and social media.
- For those older people who do use the Internet, providing easily identifiable information about PPI on the landing page of the FCA website and straightforward navigation to further information for people who are less experienced with digital communications and formats.
- The customer journey for protected groups and vulnerable consumers, including older people must be considered and improvements should be made to ensure the barriers are reduced or removed ahead of any deadline.
- Sharing the evidence on the potential impact of the increase in cold calling on older people with relevant regulatory organisations, such as the Information Commissioner and the Claims Management Regulator and exploring steps that can be taken to address this.

## **2.6 Mitigating activity and actions already undertaken**

The FCA engaged with organisations representing older people by drawing on their specific expertise during the research phase.

The independent research agency acting on advice from the consultants tested the advertising concepts with four groups specifically for those in the 75+ group during the mainstream testing.

The response from older people to the four advertising concepts showed significant concerns from an age perspective about the effectiveness of Concept A and Concept B.

Concerns from older people, particularly older women, about the execution including the tone of the preferred choice, Concept D has led to proposing re-testing and investigating in particular the responses by older people and women.

Workshops were held with advocacy and advice organisations supporting older people.

In reference to cold calling the FCA has contacted the Information Commissioner's Office (ICO) to discuss the impact the proposed deadline on PPI complaints may have on consumers in terms of cold calling. The ICO has confirmed it will be willing to work with the FCA and Ministry of Justice and this could include taking steps such as:

- Issuing communications at various points during the proposed PPI communications campaign to remind consumers of their rights
- Reminding companies of their duties under the Privacy and Electronic Communications Regulations
- Working with partners in order to target communications consumers that would be most impacted

## **2.7 Proposals for future activity and actions to continue mitigation**

We recommend that:

- Options for progressing advertising concept 'D' should be re-tested with 65 +, to ensure the proposed campaign will have maximum impact on this group. The FCA should explore the execution by providing a range of options / variations to different test groups and identifying any differential responses by age bracket.
- Media planning should consider the channels most appropriate to reach older people and maintain an appropriate balance between traditional media (such as broadcast and print) and digital communications, to balance reach, ease of use and impact;
- A partnership strategy should be developed to ensure the proposed campaign both reaches and impacts upon older people, including providing specific support in making the decision to complain and to actually complaining. This could include charities, local authorities, national sports organisations, national and regional health bodies and those involved in social care. The FCA should explore what is possible with specific partners, but propose that partnership work would include the provision of both information and support to older people in relation to the PPI complaints process.

- In relation to those aged 75+ additional and targeted communication activity and information should be developed and partner organisations utilised specifically to reach and support this group.
- A review should be undertaken of PPI information provided either on the FCA's website or on additional provision such as a hub site to maximise the benefits for less experienced older Internet users. This should include that easily identifiable information about PPI is on the landing page and there is straightforward navigation to further information.
- Contact the largest firms asking them to improve the offering for protected groups and vulnerable consumers including older people where there are identified barriers in their current operations.
- The impact of any increase in cold calling on older people should be highlighted to the relevant regulatory organisations.
- The FCA should keep the impact of the campaign under review and take appropriate action to ensure that media channels and supplementary campaign materials are altered as necessary to reach older people, particularly those who face the greatest barriers to understanding the deadline and taking action – such as the oldest (75+), who are more likely to have cognitive, mental health, hearing and sight impairments.

### **3 Gender**

#### **3.1 Evidence**

In mid-2015, the population of the UK consisted of 32 million men (49.3%) and 33 million women (50.7%).<sup>6</sup>

A wide range of evidence was considered and utilised in the consideration of the equality impact of these proposals in relation to gender. This detailed evidence specifically looked at financial capacity in relation to gender, propensity to complain, particular issues around PPI and communication channels. A detailed summary of this evidence is set out at Annex 2 at section 9.2.

#### **3.2 Specific consultation and engagement**

##### **3.2.1 FCA consultation paper CP15/39 on PPI**

Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA (via Consumer Insights team) at the time of publication of FCA consultation paper CP15/39 on PPI. See section 1.3.1

The majority of responses which looked at issues for vulnerable consumers focused on older and disabled people. However, the response from one national consumer organisation contained reference to the report by the Parliamentary and Health Ombudsman "Complaint for Change"

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<sup>6</sup><http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2015>

campaign which highlighted South Asian and Muslim women. This very specific research has been considered in section 4 of this report.

### **3.2.2 Testing the advertising concepts**

The mainstream testing of the advertising concepts for the proposed communication campaign included participants across a range of PPI and demographic criteria. There were 186 participants, 51% women and 49 % men.

The mainstream testing looked for any significant differences between men and women in terms of their response to the concepts and, where these were found, these were analysed and considered. More information can be found under section 3.3.

### **3.3 Analysis of potential effect/impact**

The three areas<sup>7</sup> to consider under s.149 of the Equality Act were analysed within this report. While we did not find any issues in relation to harassment or fostering of good relations, some potential issues were identified which might mean some women are at a particular disadvantage in relation to the consultation proposals without certain mitigations being put in place. The mitigations we discuss in the sections which follow aim to eliminate the disadvantages we identified. We consider that giving proper thought to these recommended mitigating steps is also relevant to the advancement of equality of opportunity in terms of women.

It would appear that overall women are, possibly only slightly, less financially sophisticated than men. Directly in relation to PPI men are slightly more likely to have had PPI or the kind of products which are associated with it. They also claim a much higher awareness and to have known about this for much longer<sup>8</sup>.

However, financial skills and knowledge appear to be lower for women than men. Comparisons with other countries identify the UK as having one of the biggest gender gaps in relation to this issue. Women also appear to be less likely to complain in some circumstances.

If a deadline for complaining about PPI were to be introduced then there will also be positive impacts firstly because of the increased likelihood of women becoming aware of PPI because of the very large scale communication campaign which is proposed which will raise awareness of complaining about PPI. Secondly, the proposed communication campaign is likely to provide women with more information to support decision-making about complaining which is particularly

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<sup>7</sup> Eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act. Advance equality of opportunity between people who share a relevant protected characteristic and those who do not. Foster good relations between people who share a relevant protected characteristic and those who do not.

<sup>8</sup> ComRes PPI research November 2015

important as evidence indicates women are more reticent to complain. This campaign will also impact in a positive way on men who are more likely to have PPI.

There is also potential for a negative impact on women if a deadline is introduced limiting the time for complaining due to their slightly lower levels of financial sophistication, overall lower financial skills and knowledge and less of a propensity to complain. However it must be borne in mind that men are slightly more likely to have had PPI so women are less likely to be affected overall.

### **3.4 Mitigation**

Specific suggestions we recommended that the FCA consider included:

- The female audience segment should be effectively targeted throughout the proposed mainstream campaign channels and consideration should be given to where this might be bolstered outside of the proposed mainstream campaign activity.
- Results from previous testing with women should inform the proposed communications campaign going forward.
- Any future testing of the proposed mainstream communications campaign should include women in at least appropriate proportions to their representation within the general population and in such a way as it is possible to disaggregate their responses from those of men.
- Any testing of the proposed mainstream communications campaign in relation to other groups, particularly around age, should be undertaken in such a way as it is possible to disaggregate the responses based on gender.
- The mainstream proposed communications campaign being designed and delivered in such ways as to influence women - not only by raising awareness but also by giving them the knowledge and confidence to make a decision in relation to PPI.
- The channels chosen for disseminating campaign messages should effectively reach women. Women are best reached through mainstream channels but attention could be paid to mainstream programmes particularly targeted at women.
- Ensuring that consideration is given to where advertising is placed and targeting for the overall campaign should be in proportion to female representation within the general population.

### **3.5 Mitigating activity and actions already undertaken**

The gender considerations in relation to equality from the initial evidence gathering were taken on board in the specification for mainstream testing.

The mainstream testing of the advertising concepts included a representative proportion of women. The 'booster' testing included men and women in separate groups and considered any differential insight that could be applied to campaign planning and delivery.

For the 'booster' testing of the advertising concepts, it was advised by the independent consultant that there is an established practice of conducting research separately among men and women of Pakistani and Bangladeshi origin, to conform with cultural norms. It was therefore agreed that



there was merit in conducting separate testing groups for men and women across ethnic groups to gain any relevant insight for a differential approach in relation to men and women.

A number of gender-related concerns were raised during both the mainstream and booster testing in relation to the creative Concept C and as a result this option is not being progressed.

Concept D proved to be the most popular and effective of the four for all audiences during mainstream and booster testing, although there were some comments including from some older women about tone.

### **3.6 Proposals for future activity and actions to continue mitigation**

We recommend:

- Retesting of options for progressing advertising concept D to ensure the possibility of disaggregation of any differential responses by gender. Retesting should also explore the relative balance of impact and the tone of execution by providing a range of options and exploring these with different groups.
- Media planning should take account of the need to ensure reach and impact among women, particularly older women.
- Monitoring and evaluation of the campaign's impact to track and analyse any differences in impact by gender. Learning to be built into amended or new actions during the course of the proposed campaign.

## **4 Race**

### **4.1 Evidence**

Asian (Pakistani, Indian, Bangladeshi, other) 'groups' make up 6.8 per cent of the UK population which equates to 4 million people. Those who define themselves as black, Caribbean or African make up 3.4% of the population which is over 2 million people. The Chinese population is estimated to be around 1/2 million people and 0.7% of the population.

There is some key information within a range of reports in relation to Black and Minority Ethnic (BAME) groups and ethnicity and whilst some reports and surveys did not provide enough information to disaggregate in relation to the individual BAME groups there are some very high quality specialist BAME reports and other information which has been identified. A detailed summary of this evidence is set out at Annex 3 at section 9.3.

### **4.2 Specific consultation and engagement**

#### **4.2.1 FCA consultation paper CP15/39**

Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA (via Consumer Insights team) at the time of publication of FCA consultation paper CP15/39 on PPI. See section 1.3.1

One consumer body highlighted research about poor levels of complaints within the health sector from women from the South Asian community. However, apart from this the majority of responses focused either on vulnerability more generally or on other protected characteristics.

### **4.2.2 Testing of the advertising concepts**

The FCA worked closely with the consultants utilising the evidence set out above and took the view that the best approach was that the proposed mainstream consumer communications campaign should be both designed and delivered in such a way as to specifically influence people from BAME communities - not only by raising awareness but also by giving them the knowledge and confidence to make a PPI claim.

In deciding which BAME audiences to focus on for testing the advertising concepts (and informed by the views of our independent consultant) the size of audience, English proficiency, receptiveness to mainstream communications and evidence in relation to financial awareness were taken into account. Testing also took place directly and with advocates having regard to language and cultural issues.

### **4.3 Analysis of potential effect/impact**

There is a significant amount of good quality information and data available in relation to the financial issues and capability in relation to ethnicity and BAME groups, although information from some of the large mainstream surveys and studies is limited.

The three areas<sup>9</sup> to consider under s.149 were analysed within this report. While we did not find any issues in relation to harassment or fostering of good relations, some potential issues were identified which might mean some BAME consumers are at a particular disadvantage in relation to the consultation proposals without certain mitigations being put in place. The mitigations we discuss in the sections which follow aim to eliminate the disadvantages we identified. We consider that giving proper thought to these recommended mitigating steps is also relevant to the advancement of equality of opportunity in terms of BAME people.

The evidence identified generally supports the conclusions that many members of BAME groups have lower financial capability than consumers who define themselves as white which could impact on decision-making in relation to complaining about PPI. In the main, rates of complaining including to the Financial Ombudsman and other bodies appear to be consistent with the representation of BAME people within the population which indicates little impact on decision-making in relation to complaining about PPI.

Of particular importance is that some members of BAME communities face the additional barrier of language and other issues which appear to lead to lower levels of awareness and interaction with financial institutions. Undoubtedly this could impact on awareness and decision-making in relation to complaining about PPI.

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<sup>9</sup> Eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act. Advance equality of opportunity between people who share a relevant protected characteristic and those who do not. Foster good relations between people who share a relevant protected characteristic and those who do not.

If a deadline for complaining about PPI were to be introduced then there will positive impacts. This is because of the increased likelihood of BAME consumers becoming aware of PPI because of the very large scale communication campaign which is proposed which will raise awareness of complaining about PPI.

Based on the evidence which this review has been able to obtain it would seem that there is some potential for negative impact particularly in relation to issues relating to financial capability in relation to BAME consumers plus awareness and decision-making in relation to complaining for people with limited English.

#### **4.4 Mitigation**

Specific suggestions we recommended that the FCA consider included:

- Results from previous mainstream and “booster” testing should inform the proposed communications campaign going forward.
- Any future “ booster” testing of the proposed communication campaign should include those from BAME communities who have been previously identified and tested.
- Developing effective partnerships with BAME organisations (see Disability section 5.4 where more information about different types of partnerships is set out).
- Consideration should be given to the current availability of FCA information in different languages and the monitoring of this.
- Ensuring that all FCA PPI information is particularly clear, straightforward and easy to follow, as this is particularly important for many people with limited English.
- The customer journey for protected groups and vulnerable consumers, including people with limited English must be considered and improvements should be made to ensure the barriers are reduced or removed ahead of any deadline.
- Identification of opportunities for third-party organisations such as charities, religious organisations or community groups to act as trusted intermediaries and advisors could be explored in relation to this target group.

#### **4.5 Mitigating activity and actions already undertaken**

The BAME considerations in relation to equality from the initial evidence gathering were taken on board in the specification initially provided by the research organisation commissioned to undertake the testing of potential advertising concepts for the communications work with consumers, following discussion between the consultants advising.

A range of BAME organisations were consulted about the four proposed advertising concepts. In addition, ‘booster’ testing directly with specific consumer groups was undertaken. The four groups chosen were Bangladeshis, Black Africans (see below), Chinese and Pakistanis. This was based on key evidence in relation to financial awareness (see section 9.3) and expert advice (see section 4.2.2).

In relation to the decision to test with Black Africans, specifically Nigerians and Ghanaians evidence was provided to the FCA regarding consideration of testing of communication options in relation to the BAME community by the independent consultant. They advised that the Black African population in the UK is the fastest growing ethnic group (Census 2011) and is very diverse. The main Black African communities represented in the UK include Nigerians, Ghanaians, Sierra Leoneans, Gambians, Somalis, Congolese, Kenyans, Ethiopians, Ugandans, Zimbabweans, South Africans and Sudanese.

Nigerians and Ghanaians are the largest Black African communities represented in the UK. Whilst the majority of these communities are proficient in English and have access to mainstream channels, a sizeable proportion live in deprived boroughs. Also, from past government campaigns it is apparent that there are cultural issues that can prevent campaigns from resonating with these audiences, such as:

- The use of colloquial language (which can be common in mainstream advertising) is often misunderstood or misinterpreted particularly by those not born or raised in the UK.
- The lack of BAME representation 'people like me' in the creative materials.
- Cartoon illustrations and humour can be perceived as inappropriate for serious messages.
- Mistrust of messages coming from government and authorities.
- Messages that go against their religious beliefs (these groups are mainly Christians and Muslims).

It was acknowledged that there is validity in researching other African communities that are likely to have language, cultural and religious barriers and as a result may be more vulnerable e.g. Somalis but it was felt that their communication needs could be better understood by talking to advocacy groups that have direct contact with these communities on a regular basis and are trusted by the communities.

The overall response to the four advertising concepts among BAME consumers and advocate organisations broadly mirrored the response from the mainstream communications testing. There was an emphasis on clarity and directness of approach and a preference for advertising Concept D above the other three advertising concepts. The same issues in terms of tone were raised by many participants, alongside emphasising the memorability and impact of this approach.

The preference for Concept D was clear among BAME consumers and advocacy organisations, with the caveats mentioned above about tone.

The lack of diversity of casting was mentioned in relation to the four concepts, although this was echoed across audiences.

#### **4.6 Proposals for future activity and actions to continue mitigation**

We recommend:

- There was a specific element (which cannot be disclosed at this stage due to commercial sensitivity) of Concept D that led to a positive reaction from BAME audiences. If this element is to change then there should be retesting with BAME audiences.

- Media planning should consider the use of mainstream channels by priority groups among BAME audiences and consider which specialist channels could be used to maximise reach.
- A partnership strategy should be developed to ensure the reach and impact of the proposed campaign, including specific support in making the decision to complain. In relation to BAME this should also include identification of opportunities for third-party organisations such as charities, religious organisations or community groups to act as trusted intermediaries and advisors.
- The FCA should consider whether key pages of PPI information on the hub should be translated into the Contact Centre's most frequently requested languages: Welsh, French, Spanish, Arabic and Polish. Ahead of any campaign launch advice should be sought from relevant BAME partners to establish whether there is an evidenced need to provide translation of PPI materials in any other languages. Monitoring of translation requests should also be in place and in the event of multiple requests for a language due consideration given to these.
- A review should be undertaken of the FCA website and any plans for specific PPI information either on the website or on additional provision such as hub sites. This is to ensure that all FCA PPI information is particularly clear, straightforward and easy to follow.
- Contact the largest firms asking them to improve the offering for protected groups and vulnerable consumers including people with limited English where there are identified barriers in their current operations.
- Monitoring and evaluation of the proposed campaign's impact should track and analyse any differences in impact according to ethnic group to monitor the impact of the mitigating activity.

## 5 Disability

### 5.1 Evidence

According to the *Family Resources Survey 2013/14*, published in June 2015, almost 12 million (11.9 million) consumers in the UK, by 2013/14, had a limiting long-term illness, impairment or disability. Very few people under 25 will be impacted by any changes to arrangements for complaining about PPI.

A wide range of evidence was considered and utilised in the consideration of the equality impact of these proposals in relation to disability. This detailed evidence specifically looked at financial capacity in relation to disability, propensity to complain and particular issues around PPI as well as the accessibility of the customer journey. There is specific evidence in relation to mental health issues, learning disabilities, visual, hearing and cognitive impairments. A detailed summary of this evidence is set out at Annex 4 at section 9.4.

## **5.2 Specific consultation and engagement**

### **5.2.1 FCA consultation CP15/39 on PPI**

Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA (via Consumer Insights team) at the time of publication of FCA consultation paper CP15/39 on PPI. See section 1.3.1

There were more responses in relation to disability than many other protected groups. One response focused on their view of the need to ensure the proposed deadline did not apply to consumers in vulnerable circumstances (e.g. those with mental health problems, or learning difficulties, or those who are visually impaired or experiencing a life event which makes them vulnerable). They also felt that a significant number of people do not know how to complain – due to literacy, mental health or capacity problems.

One consumer group put forward the view that equalities data pertaining to complaints is an essential regulatory tool because of the strong correlation between protected characteristics and contributors to vulnerability such as disability. They also cited issues with the inaccessibility of the Internet for many disabled people.

An advisory organisation's statistics showed that clients who were given advice on PPI were more likely to have a long term health condition/have a disability:

- 22 % of clients given advice on PPI had a long term health condition compared to 19 % for all their clients
- 10 % of clients given advice on PPI were disabled compared to 8% for all their clients.

### **5.2.2 Testing of the advertising concepts**

We worked closely with experts in the field and utilising the evidence set out above took the view that it is important to target as many disabled people as possible effectively through the mainstream campaign and also to consider where this might be bolstered, particularly for specific impairment groups, outside of the mainstream campaign activity.

Again utilising experts in the field and the evidence set out above it was decided that there should be additional or 'booster' testing and consideration of the communication issues in relation to people with learning disabilities, mental health issues, cognitive and visual impairments.

It was also proposed by the experts we worked with that based on this evidence the consideration of the specific barriers faced by disabled people and particularly these groups should lead to additional and targeted communications activity.

Specific information about this particular engagement and testing is set out in the following section 'Mitigating activity and actions already undertaken'.

## **5.3 Analysis of potential effect/impact**

A wide range of information was identified in relation to disabled people and financial issues, capability and barriers and this is across a range of impairments.

The three areas to consider under s.149 of the Equality Act were analysed within this report. While we did not find any issues in relation to harassment or fostering of good relations, some potential issues were identified which might mean some disabled people are at a particular disadvantage in relation to the consultation proposals without certain mitigations being put in place. The mitigations we discuss in the sections which follow aim to eliminate the disadvantages we identified. We consider that giving proper thought to these recommended mitigating steps is also relevant to the advancement of equality of opportunity in terms of disabled people.

It appears that many disabled people are effective at managing their day-to-day affairs. However, disabled people appear in many cases to have lower levels of financial confidence, low awareness levels of financial matters, less engagement with financial issues and a lower propensity to complain. There are also obviously issues in relation to the accessibility of financial services for some disabled people. Added to this disabled people are more likely to have taken out PPI<sup>10</sup>.

If a deadline for complaining about PPI were to be introduced then there will positive impacts. This is firstly because of the increased likelihood of disabled people becoming aware of PPI because of the very large scale communication campaign which is proposed which will raise awareness of complaining about PPI. Secondly, the proposed communication campaign alongside partnership work with disability organisations is likely to provide them with more information to support decision-making about complaining which is particularly important for disabled people who evidence indicates are more reticent to complain. Finally, there are likely to be improvements to the accessibility of information about PPI which will have a positive impact on many disabled people as it will be easier to find out about complaining.

There is however also a possibility that some disabled people could be more likely than nondisabled people to be unaware that they have taken out PPI or not to complain within the timescale for the reasons set out above and therefore the deadline could have a negative impact.

There also may be some potential challenges for groups of disabled people with specific impairments in relation to financial confidence, capacity, propensity to complain and access to financial services. Some of the possible impact in relation to these is set out below.

### **5.3.1 Mental health issues**

There is clear evidence in relation to lower financial confidence amongst many people with mental health issues<sup>11</sup>, significant impact of mental health issues for many people on managing finances and a low awareness amongst people with mental health issues of financial issues. All of these issues could prove to be a potential barrier in terms of complaining about PPI and in particular doing so within a limited timescale if not addressed through mitigation.

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<sup>10</sup> Citizens Advice and ComRes PPI research November 2015

<sup>11</sup> <http://www.mind.org.uk/information-support/tips-for-everyday-living/money-and-mental-health/tips-for-managing-money/>

There will be some positive impact in relation to any arrangements for complaining about PPI and in particular a deadline. This would be because of the very large scale communication campaign which is proposed which will raise awareness of complaining about PPI.

### **5.3.2 Visual Impairment**

Over half of people with a visual impairment get help or support from others in managing their finances and this could cause issues in relation to complaining in relation to banks and other financial institutions who may be reluctant or unwilling to deal with a third party acting on behalf of the customer..

37% of people with a visual impairment do not get information in their preferred format from their bank<sup>12</sup> and if this carries over into a PPI complaint it could be a significant barrier and a disincentive.

Over 30% of people with a visual impairment prefer information in an audio format but we have not identified any financial institutions who publicly offer this although some websites do profess to offer audio.

The Internet is a huge source of information about PPI but people with a visual impairment have lower usage levels and report many websites as inaccessible. This could prove to be a significant barrier in complaining about PPI.

The provision of historic financial information will often be part of the complaints process in relation to PPI but this presents a range of issues for people with a visual impairment (and possibly cognitive impairments). Some people may only have information which is in a format they can no longer access due to the onset or increase in their impairment. Others will not have kept financial information because of the difficulties of doing this for example if it was in Braille. Others may never have had financial information which they could access particularly because in the past provision of accessible information has been less widespread.

### **5.3.3 Hearing Impairment**

Much of the communication between firms and consumers in relation to PPI information is currently undertaken by telephone. The FCA also itself operates a telephone helpline and proposes a PPI specific Helpline as part of its proposals. Whilst many older people with a hearing impairment may still have a landline this is not necessarily an effective means of communication and could prove a barrier for many people with a hearing impairment.

### **5.3.4 Cognitive Impairments**

There are very significant numbers of people living with cognitive impairments including around 850,000 people with dementia. In the older population there may be additional cognitive issues in

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<sup>12</sup> <http://www.rnib.org.uk/knowledge-and-research-hub-research-reports/money-and-finance-research>



relation to memory loss which could also have an impact on financial capability and complaining about PPI.

An additional issue relates to carers with a high percentage of people with cognitive impairments having support provided by a friend, relative or formal carer. Therefore the section of this report in relation to carers will be particularly relevant for this group.

There will be particular issues in relation to reaching this group, and any carers, plus the possible impact of the difficulties with historic information identified in the previous section.

### **5.3.5 Learning Disabilities**

As 33% of people with a learning disability do not use a mobile phone and whilst some of them may have had a landline this is likely to leave a considerable number with no telephone access and this could impact when seeking to speak to somebody at the FCA Helpline or when financial institutions are using the telephone as a means to contact complainants.

The Internet is a major source of information about PPI and a route to complaining, but only 73% of people with learning disabilities have access to this. As the Internet is a major source of information about PPI, and this is likely to increase, it could make complaining more difficult for people without access which is primarily older people but also people with learning disabilities.

People with learning disabilities are much more likely to rely on help and support from family, friends, carers and professionals but systems within financial organisations for facilitating this in relation to PPI are not necessarily straight forward or may be perceived as formal.

## **5.4 Mitigation**

Specific suggestions we recommended that the FCA consider included:

- Results from previous mainstream and “booster” testing are utilised to inform the proposed communications campaign going forward.
- Ensuring the very effective detailed testing of the advertising concepts for the proposed communications campaign with disabled people, specifically via organisations representing those with mental health issues, learning disabilities and cognitive impairments, is also undertaken in any future testing.
- That any retesting of the advertising concept is undertaken directly with those with cognitive impairments.
- Ensure all FCA communication, whether this is campaign materials, print or online publications, websites or helplines are inclusive in terms of language, formats and imagery and meet

accessibility standards. Text should always be plain English<sup>13</sup> and follow the Government's guidance in inclusion and accessibility.<sup>14</sup>

- Online communications should continue to follow the WC3 AA standards, which are the industry best practice standards with a longer term aspiration to reach AAA.<sup>15</sup>
- A reasonable adjustments statement and process should be developed for the FCA website.
- An accessibility tab should be developed and placed at the top of every page on the FCA website which also provides information for those less competent with the Internet and those with English as a second language.
- The FCA should consider utilising the Browse Aloud facility on their website.
- All information about accessible methods for contacting the FCA in relation to PPI should be included on the mainstream contacts page.
- FCA helpline staff who may be providing information about PPI should have specific training on accessibility, including around not speaking too quickly, being prepared to repeat or rephrase, giving the caller time to explain fully, not assuming the caller can see and therefore read something and how to receive a call via the text relay service.
- All campaign communications should be available in the full range of accessible formats specified in government guidance.<sup>16</sup>
- Where possible external communication including advertising on websites, social media or using print publications should be inclusive in terms of language, formats, imagery and meet accessibility standards<sup>17</sup>.
- Partnerships should be developed with key disability and other organisations who can reach disabled people who would receive briefings from the FCA and be encouraged to publicise the campaign, the deadline and information about decision-making around claiming in their regular communications to members. This could include suggested blogs for chairs/chief executives or suggested tweets with links to FCA information.

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<sup>13</sup> <http://www.plainenglish.co.uk/free-guides.html>

<sup>14</sup> <https://www.gov.uk/government/publications/inclusive-communication/accessible-communication-formats>.

<sup>15</sup> <https://www.w3.org/standards/webdesign/accessibility>

<sup>16</sup> <https://www.gov.uk/government/publications/inclusive-communication/accessible-communication-formats>

<sup>17</sup> <https://www.gov.uk/government/publications/inclusive-communication/accessible-communication-formats> and <https://www.w3.org/standards/webdesign/accessibility>

- Develop partnerships with key disability organisations who would receive information as detailed above and the FCA should consider using member communications, such as newsletters, website and social media, for paid-for advertising/advertorial of campaign messages.
- Develop partnerships with key disability organisations who would use their helplines and/or other advice and support mechanisms to support those facing the biggest barriers to decision-making around PPI.
- Develop accessible toolkits for specific groups of disabled people to support decision-making about PPI complaints. These could include appropriate explanations of the decision-making journey in relation to complaints and sources of support.
- The customer journey for protected groups and vulnerable consumers, including disabled people must be considered and improvements should be made to ensure the barriers are reduced or removed ahead of any deadline.

#### **5.4.1 Visual Impairment**

Specific suggestions we recommended that the FCA should consider, included:

- Ensuring the highest standards of accessibility for people with a visual impairment of FCA communications and information about PPI.
- Specific checking of online campaign materials, FCA PPI hub and the PPI information on the FCA website with people with a visual impairment or audited by an experienced organisation in relation to ensuring accessibility.
- Inclusion of specific communication media for people with a visual impairment, such as particular radio programmes or talking newspapers, in communication planning.
- Developing effective partnerships with organisations working with people with visual impairments (see general disability mitigation section 5.4).
- Consideration of how to address the specific barrier for people with a visual impairment of accessing historic financial information.

#### **5.4.2 Hearing Impairment**

Specific suggestions we recommended that the FCA considers included:

- Ensuring the accessibility of FCA communications and information about PPI for people with a hearing impairment.
- Providing a signed video service utilising British Sign Language where you can call any FCA number that would provide PPI information and there will be interpretation via an online video service.
- Provision of specific materials such as a BSL interpreted video and subtitled information in relation to PPI.

- Provision of the latest technology in relation to Next Generation text service, text phones or text relay is provided for any telephone communication mechanisms with the FCA including the helpline.
- The provision of FCA communications about PPI for people with a hearing impairment via text messages or online communication apps.
- Developing effective partnerships with organisations working with people with hearing impairments (see disability section). This should include organisations working directly with those who have British Sign Language as their first language and with those working with those with varying degrees of hearing loss who will use a variety of methods to overcome this particular communication barrier.

### **5.4.3 Learning disabilities**

Specific suggestions we recommended that the FCA should consider, included:

- Specific testing of FCA communications and information with people with a learning disability.
- Ensuring the highest standards of accessibility for people with a learning disability of FCA communications and information about PPI.
- Developing effective partnerships with organisations working with people with learning disabilities (see Disability section 5.4).
- Development of a specific Easy Read toolkit for people with a learning disability to support them in making decisions about PPI. This should include working with a national charity to promote and disseminate the toolkit to local networks representing people with learning disabilities and also via their website and social media.

### **5.4.4 Mental Health**

Specific suggestions we recommended that the FCA considers included:

- Testing of the FCA creative advertising concepts directly with people with mental health issues.
- Developing effective partnerships with organisations working with people with mental health issues, in particular to ensure that there is specific help with the decision-making process in relation to complaints for those in this group, who are highly likely to have taken out PPI and face some of the most significant barriers to complaining.
- Ensuring that all FCA PPI information is particularly clear, straightforward and easy to follow as this is particularly important for many people with mental health issues.

### **5.4.5 Cognitive impairments**

Specific suggestions we recommended that the FCA should consider, included:

- Testing of the FCA advertising concepts, communications campaign and information materials directly with people with cognitive impairments.

- Developing effective partnerships with organisations working with people with cognitive impairments (see Disability section 5.4).
- Ensuring that all FCA PPI information is particularly clear, straightforward and easy to follow as this is particularly important for many people with cognitive impairments.
- Specific information and communication mechanisms for people caring for those with cognitive impairments (see Carers section).

## **5.5 Mitigating activity and actions already undertaken**

The additional barriers faced by a range of people with different impairments and health conditions were identified very early on in the planning for the proposed communications campaign.

As a result, ‘booster’ testing was undertaken of the advertising concepts among organisations representing the views of disabled people. The aim of this was to ensure that the core approach taken during the campaign was as accessible and effective as possible for as wide a range of the PPI eligible population as possible.

In addition, there was also early identification of potential partner organisations that could promote the campaign’s messages in an appropriate way to different groups of disabled people.

The booster testing involved speaking to a range of national organisations that represent disabled people.

There were some differences in response among the groups consulted but overall Concept A and Concept B were found to be less effective, echoing the responses from the mainstream testing.

There were reservations about Concept C, again echoing the response from the mainstream testing. This concept was criticised by some groups as being too difficult to understand and confusing for some groups, such as those with dyslexia, autism and dementia, and potentially troubling and disorientating for some people with mental health conditions. As a result, the decision was taken not to progress development of this concept.

Concept D was once again the most popular execution with disability groups, praised for being direct, memorable and clear. Broadly speaking, the response from the booster testing with disability groups showed the same preference and concerns about the specific execution of Concept D.

Those representing people with sensory impairments also emphasised that the key issue would be the accessibility of the execution, rather than the creative concept itself.

## **5.6 Proposals for future activity and actions to continue mitigation**

We recommend that:

- There should be retesting directly with people with cognitive impairments to ensure that the execution of Concept D is refined to make it as effective as possible among as many disabled audiences as possible.
- Testing of adapted communications should be undertaken ahead of campaign launch.

- There should be sufficient consideration given to ensuring the accessibility of campaign content, channels and wider FCA information about PPI to ensure reach and impact among disabled people, including those with sensory impairments, mental health issues, cognitive impairments and learning disabilities.
- Specific consideration should be given to communication with those who have British Sign Language as their first language and those with a hearing impairment for whom English is a first or additional language.
- A review should be undertaken of the FCA website and any plans for specific PPI information either on the website or on additional provision such as hub sites to ensure the full range of features and ease of use for disabled people. This would include not only accessibility standards but also clarity of language, availability of information in Easy Read, an easy to identify reasonable adjustment policy and facilities such as Browse Aloud.
- Any new website sections or hub would be tested to the same rigorous standards as the current FCA website in relation to accessibility for disabled people.
- Arrangements should be put in place to ensure testing of PPI information, to ensure suitability and accessibility, with people with a visual impairment and a learning disability.
- Development of a specific Easy Read toolkit for people with a learning disability should be explored to support them in making decisions about PPI.
- Consideration should be given as to how to address the specific barrier for people with a visual impairment of accessing historic financial information.
- A partnership strategy should be developed to ensure the reach and impact of the campaign, including specific support in making the decision around complaining. This should include engagement with a wide range of disability organisations for specific purposes.
- A training and information programme should be developed for all front-line FCA staff and those involved in PPI in order to ensure the highest standards of customer service for disabled people and others from protected groups.
- Contact the largest firms asking them to improve the offering for protected groups and vulnerable consumers including disabled people where there are identified barriers in their current operations.
- Monitoring and evaluation of the proposed campaign's impact should track and analyse any differences in impact according to priority disability groups, i.e. mental health, learning disability, autism related conditions, cognitive impairments and sensory impairments. Learning should be built into amended or new actions during the course of the campaign.

## **6 Low incomes and with low financial confidence**

### **6.1 Evidence**

Many factors can make somebody vulnerable in relation to finances and financial decision-making. Some key research has particularly highlighted the issues for people with low incomes. A summary of this evidence is set out at Annex 6 at section 9.5.

### **6.2 Specific consultation and engagement**

The FCA has been in contact throughout the planning phase for the proposed deadline and supporting campaign with advice agencies supporting people on low incomes and with low financial confidence.

The mainstream testing of the advertising concepts engaged consumers recruited across a range of PPI and demographic criteria. There were 186 participants in total. The groups included segmentation by socio-economic background<sup>18</sup>. There were 4 groups focussed on the 'AB' segment, 7 groups focussed on the 'BC1' segment, 5 groups focussed on the 'C1C2' segment and 4 groups focussed on the 'C2D' segment.

In addition, there were 20 interviews with low income consumers (10 men and 10 women).

### **6.3 Analysis of potential effect/impact**

There appears to be a correlation between those on low incomes and lower financial confidence and possibly a lower propensity to complain and this could impact on their interaction with PPI and any possible complaints.

### **6.4 Mitigation**

Specific suggestions we recommended the FCA consider included:

- Results from previous testing in relation to people with low incomes should be utilised to inform the communications campaign going forward.
- Any future testing of the mainstream communications campaign should include people from a range of socio-economic groups.
- Developing effective partnerships with organisations working with people on low incomes and with low financial confidence (see also disability section).

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<sup>18</sup> Social-economic grade (SEG) is a classification system based on occupation. For over 50 years it has been the research industry's source of social grade data. <http://www.nrs.co.uk/nrs-print/lifestyle-and-classification-data/social-grade/>

## **6.5 Mitigating activity and actions already undertaken**

The FCA decided to include a significant proportion of participants who are defined as below 'B'<sup>19</sup>, in terms of segmentation by socio-economic group and directed the organisation undertaking the mainstream testing, to ensure that there should not be more than two 'socio-economic group Bs' in any group of participants.

There was no differential response to the 4 proposed creative concepts during the mainstream testing in terms of different socio-economic groups.

## **6.6 Proposals for future activity and actions to continue mitigation**

We recommend:

- Retesting of options for creative concept 'D' should maintain the approach of including people from a range of socio-economic groups.
- Media planning should consider a range of channels, including those known to be consumed by those defined as below 'socio-economic group B'.
- A partnership strategy should be developed to ensure the reach and impact of the campaign, including specific support in making the decision to complain. This should include organisations that support and provide advice to people on low incomes.
- Monitoring and evaluation should pick up any differential impact during the course of the proposed campaign on those defined as below 'socio-economic group B'.

## **7 Carers**

### **7.1 Evidence**

6.5 million people in the UK have significant caring responsibilities and one in eight adults care, unpaid, for family and friends.<sup>20</sup>

There is a wide range of people who, either formally or informally, support, advise or take responsibility for the finances of others. In many cases this will be because the person they are supporting or caring for has a disability or is older. They may never have had PPI themselves but the person they are providing financial support or information for may have. A summary of this evidence is set out at Annex 6 at section 9.6.

### **7.2 Specific consultation and engagement**

#### **7.2.1 FCA consultation CP15/39 on PPI**

Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA (via Consumer Insights team) at the time of publication of FCA

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<sup>19</sup> Occupation of Chief Income Earner is intermediate managerial, administrative or professional.

<sup>20</sup> Carers UK website: <http://www.carersuk.org/>



consultation paper CP15/39 on PPI. Although none of these responses specifically mentioned carers many made general points in relation to vulnerability and specific points in relation to older and disabled people. These are set out in the relevant sections of this report.

### **7.2.2 Testing of the advertising concepts**

The campaign testing phase included direct engagement with organisations supporting carers (as well as disabled and older people). This engagement reinforced the importance of ensuring that the proposed mainstream campaign is direct, clear and understandable and that it presents the importance of making a decision in the context of a deadline for complaints – not pressure to complain.

Carers consume media in the same way as a mainstream audience but experience more time pressures and are less likely to engage as a consequence. While they may make a difference in terms of supporting some of the most vulnerable consumers to complaint, they are prone to feelings of guilt and the campaign execution should not exacerbate this if it is to be effective.

### **7.3 Analysis of potential effect/impact**

There are clearly a significant number of people who support, either formally or informally, older and disabled people with their finances. In order to ensure that those older and disabled people have information in order to make a decision about complaining about PPI, if this is appropriate, then those carers who are supporting them including with their financial issues need to be made aware.

It must be acknowledged that there is a very wide range of carers from informal relationships with neighbours or friends, through to family carers, paid carers and those with specific legal responsibilities.

### **7.4 Mitigation**

The purpose of communicating with a very wide range of carers is in order to support them and the people they care for with information about PPI.

Specific suggestions we recommended the FCA consider included:

- Specific calls to action, in places where their role is emphasised, for example pharmacies and doctors' surgeries, respite centres or local community organisations.
- Particular information including on the FCA website which is targeted at and relevant for carers in relation to supporting those they care for having the appropriate information to make decisions about PPI.
- Ensuring that, where possible, information is available for the different kinds of carers which is relevant to their particular situation.
- Developing effective partnerships with organisations working with carers (see disability section).
- Ensuring that all FCA PPI information is very clear, straightforward and easy to follow as this is particularly important for carers who are often extremely busy.

## **7.5 Mitigating activity and actions already undertaken**

The testing phase included consultation on the advertising concepts with a wide range of organisations, including those supporting carers.

The response to the 4 concepts by advocacy groups was broadly similar to that for the mainstream testing, with a preference for Concept D but some concerns about tone.

## **7.6 Proposals for future activity and actions to continue mitigation**

We recommend:

- Since family carers, in particular, are likely to be well-placed to channel campaign messages to older or disabled relatives or to act directly on campaign messages to the benefit of those relatives, opportunities to communicate with people about PPI and their caring role should be capitalised upon. Media planning should consider this in the selection of channels.
- Carers are likely to access mainstream channels. However, it is possible that targeted messages, via carer support publications and networks, for example through third sector organisations such as Carers UK, could provide a stronger call to action on behalf of someone else.
- A partnership strategy should be developed to ensure the reach and impact of the campaign, including specific support in making the decision to complain and to actually complaining, specifically on behalf of another person. Carers UK and other identified organisations relevant to carers should be included in the partnerships strategy.
- Arrangements should be made for the production of a short, clear and specific information resource explaining 'How to support someone you care for in making a decision about PPI', covering both formal situations involving a power of attorney or deputyship and where those supporting people with reduced capacity for financial decision-making or other barriers to complaining do not formally have these powers.
- Specific information should be produced and disseminated for care providers. These may be local authority adult services departments, Private or 3<sup>rd</sup> sector organisations.
- Monitoring and evaluation of the campaign's impact should track and analyse any differences in impact on carers. Learning should be built into amended or new actions during the course of the campaign.

## **8 Other protected characteristics**

### **8.1 Evidence**

In relation to pregnancy & maternity, religion & belief and marital status no specific and robust evidence or information has been identified in relation to poor financial confidence or propensity to complain.

Regarding lesbian, gay and bisexual people some research has been identified. A summary of this evidence is set out at Annex 7 at section 9.7.

## **8.2 Specific consultation and engagement**

### **8.2.1 FCA consultation paper CP15/39 on PPI**

Organisations with a particular focus on vulnerable customers, protected characteristics or equality were contacted by the FCA (via Consumer Insights team) at the time of publication of FCA consultation paper CP15/39 on PPI. See section 1.3.1. None of these provided any response in relation to LGBT, pregnancy & maternity or religion & belief.

### **8.2.2 Communication Consultation**

The FCA did not consider it necessary to ensure specific testing of LGBT communities due to the relatively limited evidence of any particular impact. Questions on sexual orientation and gender identity were not put to participants as part of recruitment and there were no relevant comments on these issues made by those who did participate.

## **8.3 Analysis of potential effect/impact**

No specific and robust evidence has been identified in relation to poor financial confidence or propensity to complain in relation to religion and belief, pregnancy and maternity or marital status.

There is some evidence in relation to LGBT. This is in relation to concerns amongst LGBT customers about the attitudes and experience from financial service providers. It is likely that they purchased PPI some time ago when they may not have been so alert to or able to find financial services providers with a positive attitude towards LGBT customers.

The nature of some PPI related products such as mortgages or loans means that if these were taken out jointly with a same-sex partner then sexual orientation may be more obvious than for some other products. There is a chance that this could impact on confidence in relation to complaining about PPI.

There may be logistical issues in relation to transgender people complaining as they may have had a different name and possibly even a different birth certificate when they purchased PPI, a deadline for complaining could cause additional pressure.

There will be some positive impact in relation to any arrangements for complaining about PPI and in particular a deadline. This will be because of the very large scale communication campaign which is proposed which will raise awareness of complaining about PPI. In particular for LGBT consumers, where there is no specific evidence in relation to lower levels of financial confidence, this may raise awareness of the options of doing this yourself rather than through a third-party.

## **8.4 Mitigation**

Specific suggestions we recommended the FCA consider included:

- Developing effective partnerships with organisations working with the LGBT community (see disability section).
- Inclusion of exemplar service for LGBT enquirers in any customer service training for FCA Helpline or front-line staff.

- Obtaining advice in relation to any particular logistical barriers or difficulties within the PPI system for transgender people.

### **8.5 Mitigating activity and actions already undertaken**

Equality consultants considered the creative advertising concepts to ensure that there is no unintentional bias exhibited towards any of the protected characteristics highlighted in this section.

### **8.6 Proposals for future activity and actions to continue mitigation**

We recommend:

- As part of a training programme for FCA Helpline and other front-line staff in relation to PPI and vulnerable customers/equality including a specific section on gay friendly customer service. This may be developed in conjunction with a partner organisation such as Stonewall.
- In relation to PPI obtain information in relation to transgender people to identify any specific logistical issues or barriers in concerning verification of identity.

## **9 Annexes**

### **9.1 Annex 1 Evidence in relation to Age**

#### **Younger People**

We have not focussed our research on the age group 18-22 because PPI sales significantly contracted in 2009<sup>21</sup> but the FCA have seen evidence of sales up until 2011 and therefore PPI could have been sold to a 23 year old who would have been 18 years old at that time. This means that those who are 18-22 are too young to have been sold PPI policies attached to debt. However, we did identify some evidence in relation to the financial capability of younger people.

However, we have collected some evidence in relation to the financial capability of younger people because:

- We cannot be sure that none of this age-group will have complaints about more recent PPI policies; and
- We have taken the view that it is relevant to consider at some level how this age group acts in order to inform our research into other age groups who are more likely to have been sold historical PPI policies.

Much of the evidence in relation to younger people, particularly those aged 18-22, points to lower levels of financial confidence and engagement and in some situations suggests that they are less

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<sup>21</sup> See CP15/39, paragraph 2.1 <https://fca.org.uk/your-fca/documents/consultation-papers/cp1539-payment-protection-insurance-complaints-rules-and-guidance>

likely to complain. They do appear to have better engagement with some issues, particularly new technology.

Given that the age 18-22 year old group is not likely to be widely affected by our proposals we have not used the research summarised above to inform specific recommendations within this report, because we do not think it would be proportionate or necessary to do so.

### **Older people**

There are now 11.6 million people aged 65 or over in the UK.<sup>22</sup> People aged 75 and over now make up 8.5% of the population<sup>23</sup> which equates to around 5.5 million people.

### **Financial Capability**

In 2007 the Treasury defined financial capability as:

“... a broad concept, encompassing the people’s knowledge and skills to understand their own financial circumstances, along with the motivation to take action. Financially capable consumers plan ahead, find and use information, know when to seek advice and can understand and act on this advice, leading to greater participation in the financial services market.”

The Financial Capability and Wellbeing<sup>24</sup> report from 2009 was produced by the University of Essex on behalf of the FSA. It presents the analysis from the project ‘Financial capability and wellbeing: Evidence from the BHPS.’ The project focused on the potential relationships between people’s ability to manage and take control of their finances (their ‘financial capability’) and their psychological wellbeing. However, the report covered a wide range of issues including age. They specifically referenced Atkinson et al (2006)<sup>25</sup> who identified five separate strands that contribute to financial capability: making ends meet, keeping track, planning ahead, choosing products and staying informed and this report uses these to assess financial capability. These strands were then utilised to underpin their analysis.

They found a statistically significant association between age and financial capability. In particular they found that on average financial capability increases with age. A similar picture emerged using the income-unadjusted index, although the relationship is less pronounced, suggesting that adjusting for income enhances differences in financial capability across age groups.

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<sup>22</sup> *Mid-2015 Population Estimates* UK Office for National Statistics

<sup>23</sup> <http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

<sup>24</sup> Financial capability and wellbeing: Evidence from the BHPS May 2009 University of Essex

<sup>25</sup> Levels of Financial Capability in the UK Results of a baseline survey Prepared for the Financial Services Authority by University of Bristol Adele Atkinson, Stephen McKay, Elaine Kempson and Sharon Collard 2006

This indicated that people aged below 45 had above average financial incapability (below average financial capability), while those aged 55 and above had below average financial incapability (above average financial capability). The same team looked at the data again in 2011 and found a similar pattern.

A study looking at the profile of those most at risk of detriment as a result of low financial capacity was undertaken by the Personal Finance Research Centre from the University of Bristol in 2014<sup>26</sup>. To do this they analysed the Money Advice Service Financial Capacity Survey 2013/14.

They found that people with below average financial knowledge and numeracy were more likely to be significantly older, almost a quarter (22%) of them were aged 75 and above compared to just 10% overall. For older people, not using the internet was a significant predictor of lower capability in relation to budgeting and financial knowledge and numeracy; this was not the case for young people.

The initial findings in relation to the very substantial Financial Capability in the UK 2015 survey<sup>27</sup> are extremely interesting in relation to age and financial capability. In relation to money management behavioural scores for day-to-day money management appear better among older people – there is a gradual improvement by age until around the age of 75, after which scores drop slightly and they found that older people were also better at tackling financial difficulties.

When it came to accessing the best deals 80% of older people thought shopping around was important in order to make their money go further but good intentions do not always translate into action as far fewer did this for financial products.

A review<sup>28</sup> of the information from ComRes in relation to the FCA consultation on PPI indicated that the data for attitude to finance suggests that older people are more financially sophisticated than the general population – 62% of people of age 65+ and 58% of people of age 55-65 are identified as financially sophisticated.

## **Complaining**

In their annual review<sup>29</sup> in 2014/2015 the Financial Ombudsman included a significant amount of information about the profile of customers who had complained to them particularly in relation to PPI. 63% of new complaints were about the sale of payment protection insurance (PPI) –204,943 complaints overall. It is in middle age that people appear to complain more with 28% of complainants being aged 45 to 54. Those over 65 made up 17% of claimants.

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<sup>26</sup> Understanding the profile of those most at risk of detriment as a result of low financial capability: Analysis of the Money Advice Service Financial Capacity Survey Personal Finance Research Centre University of Bristol October 2014

<sup>27</sup> Financial Capability in the UK 2015 Initial results from the 2015 UK Financial Capability Survey

<sup>28</sup> ComRes research November 2015

<sup>29</sup> Financial Ombudsman annual review 2014/2015

Table 1

Who complains?	
under 25	1%
25 to 34	11%
35 to 44	23%
45 to 54	28%
55 to 65	20%
over 65	17%

The proportion of people with complaints in each age group has remained consistent over the last few years. The proportion of consumers aged over 65 has remained exactly the same as last year, at 17%. And when PPI isn't included, consumers aged over 65 account for around one in three of the people who use their service.

Including PPI complaints, around seven in ten consumers who brought complaints to them that year were aged between 35 and 65. They find that, in general people in this age group have a high awareness of their consumer rights, including their right to complain to them.

Specifically in relation to PPI in the 35 to 44 age group a slightly higher percentage of their complaints are about PPI at 82% but for the over 65's only 53% of their complaints are about PPI. The Financial Ombudsman did not disaggregate by any older age groups.

Table 2

Percentage of complaints that are about PPI by age group	
35 to 44	82%
45 to 54	81%
55 to 64	78%
over 65	53%

Just under a half (47%) of people aged over 65 still told them they didn't have internet access. This compared with 14% of consumers aged between 55 and 64 who didn't have internet access – and only 2% of people aged between 25 and 34.

People aged over 65 were significantly more likely to refer a complaint to them (17%) than they were to look at their website (8%).

Overall this correlates well with information from the Bar Standards Board where on age, the largest number of complainants was middle-aged people and the Legal Ombudsman where the highest percentages were in the 40-56 age group.<sup>30</sup>

This is slightly at odds with the information provided by Citizens Advice in response to the FCA consultation on PPI which stated that 32% of clients given advice on PPI were aged 65 or over compared to 12% of all their clients, but no further disaggregation is available in relation to other ages and this is in relation to seeking information rather than actually complaining.

## **PPI**

GCL reviewed the information from the ComRes analysis<sup>31</sup> of the PPI quantitative consultation survey. Awareness of PPI was higher among older age groups – five in six over the age of 65 said that they had heard of it (84%), whereas only six in ten (58%) of 18-24 year olds had. Of those aware of PPI, understanding was higher among older age groups. Almost half of those aged 65+ (47%) and half of those aged 55-64 (50%) said that they have a good understanding of PPI.

Exposure to PPI was higher among middle-aged groups. 28% of 35-54 year olds said they had or have had PPI, compared to 20% of 65+ year olds, for example.

Older people were more likely to have known of the existence of PPI all along – two in five of those aged 55+ who have had PPI (41%) said they knew of PPI all along. From elsewhere in the research we know that people who have known of the existence of PPI all along are less likely to complain.

Older people were more likely than younger people to have said that they still did not intend to complain because they were happy and had no concerns about the policy that was sold to them. A quarter of those aged 55-64 (26%) said this, as well as a slightly lower proportion of those aged 65+ (22%), compared to one in seven of those aged 25-35 (14%).

## **Cold calling and nuisance calls**

There is a range of evidence in relation to the impact of cold calling on older people who are more likely to have landlines

The Claims Management Regulator (who regulates Claims Management Companies) is clearly extremely concerned about nuisance calls and texts. On their website they state that “the number of unwanted marketing calls and spam text messages continues to be a serious concern for CMR and other regulators with primary responsibility for this area.”

There is a specific rule to address these issues. Client Specific Rule 4 - Cold calling in person is prohibited. Any marketing by telephone, email, fax or text shall be in accordance with the Direct

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<sup>30</sup> <http://www.legalombudsman.org.uk/>

<sup>31</sup> ComRes PPI research, November 2015



Marketing Association's Code<sup>32</sup> and any related guidance issued by the Direct Marketing Association.

### **Older people and cold calling**

Research by Ofcom<sup>33</sup> has identified that people aged 55+ are far more likely to receive cold calls and that this figure is increasing year on year.

In 2013 13% of people aged 55+ received 21 cold calls or more each week and 23% of people in this age group received 11-20 calls each week. By 2015 20% of people in this age bracket received 21 calls or more each week and 30% of people received 11-20 calls.

This compares to younger people who receive dramatically fewer cold calls probably because they don't have landlines but this research did not measure this. For people aged 16-34, 4% received 21 or more cold calls each week and only 12% received 11-20 calls per week in 2015. 93% of people aged 65+ are likely to receive a nuisance call compared to 78% of 25-34 year olds.

Older people are also more likely to receive more "silent calls" and recorded marketing calls. There was a significant increase in the number of recorded marketing calls received by people aged 65+ going from 44% in 2014 to 63% in 2015.

Ofcom also identified that the item most likely to be promoted in a nuisance call is PPI complaints which makes up 23% of calls. 45% of calls with a recorded message are about PPI.

78% of people aged 65+ find nuisance calls annoying but this is the same as or lower than other age groups. 15% of older people are not bothered which is higher than most other age groups who are generally more bothered.

Age UK, the older people's charity, take the view that "Cold calls and text messages can be annoying, frustrating and even frightening."<sup>34</sup> They also provide information for older people about who to complain to and what to do if the caller harasses you or if people ask you for financial information.

A trading standards investigation<sup>35</sup> revealed that about 40% of the phone calls received by older and vulnerable residents in Scotland are nuisance calls. While it is estimated that across the UK the average household receives seven nuisance calls a month, it was found that about 40% of the phone calls received by older and vulnerable residents in Scotland are nuisance calls. The

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<sup>32</sup> [http://dma.org.uk/uploads/Interactive\\_code\\_v29\(24%20June\)ii\\_53e0ecac59009.pdf](http://dma.org.uk/uploads/Interactive_code_v29(24%20June)ii_53e0ecac59009.pdf)

<sup>33</sup> [Http://stakeholders.ofcom.org.uk/binaries/telecoms/nuisance-calls-2015/nuisance\\_calls\\_panel\\_2015\\_annex\\_charts.pdf](Http://stakeholders.ofcom.org.uk/binaries/telecoms/nuisance-calls-2015/nuisance_calls_panel_2015_annex_charts.pdf)

<sup>34</sup> <http://www.ageuk.org.uk/home-and-care/home-safety-and-security/phone-scams/cold-calls-and-texts/>

<sup>35</sup> <http://www.actionfraud.police.uk/nuisance-calls-make-up-40per-cent-of-calls-to-elderly-and-vulnerable>

investigation was conducted by three Scottish trading standards authorities, Angus Council, East Dunbartonshire and East Renfrewshire.

### Landline telephones

Due to the high percentage of cold calling which is undertaken on landline telephones this could have a higher impact on those who are more likely to have and use landlines. Also landline telephones are less likely to have a caller display than mobiles so it is more difficult for the recipient to simply reject the call because they don't recognise the number.

It appears that older people are much more likely to have and use landlines and younger people tend to only have these because there is a link to broadband so they are much less likely to use them. Money-Saving Expert<sup>36</sup> undertook a range of work looking at this area and specifically identified this.

Landline use <sup>37</sup>			
Frequency	Under 30	30-60	61+
Don't have a home phone	27%	9%	5%
Never/rarely use a home phone	53%	45%	14%
Use home phone for 40% of calls or less	10%	14%	7%
Use home phone for roughly half of calls	4%	6%	5%
Use home phone for more than 60% of calls	3%	9%	13%
Use home phone for all/almost all calls	4%	17%	57%

Older people were clearly using their landlines much more often with 57% using their home phone for all/almost all calls. Young people are clearly not using their landlines even when they have them. This leaves older people much more susceptible to nuisance calls on landlines.

In 2014, Abigail David, the author of a key report for Joseph Rowntree Foundation 'A Minimum Income Standard for the UK.'<sup>38</sup>, also noted that younger people are much more likely to have

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<sup>36</sup> <http://www.moneysavingexpert.com/news/phones/2012/09/the-death-of-the-landline>

<sup>37</sup> Based on 20,608 polled on MoneySavingExpert.com between 28 Aug and 3 Sep 2012.

<sup>38</sup> <https://www.jrf.org.uk/report/minimum-income-standard-uk-2014>

mobile phones and less likely to use landlines and that for older people mobile phones were still seen as primarily for emergency use, with most calls being made on the landline.

## **Internet usage**

The additional challenge for some consumers is lack of Internet access. In people aged 65+ Internet access is much lower than for younger people and the older people get, the less access they have to the Internet. There are also some specific barriers for people with some impairments. Many people with poor English will not necessarily easily access the relevant information and there is a lower usage rate amongst disabled people. A significant amount of financial information is now on the Internet and not only are many financial services primarily accessed by this route but this is often the way to reach the more detailed information.

A few responses to the FCA consultation paper CP15/39 from firms identified specific protected characteristics which the respondents believed should be the focus of particular attention or which should be explicitly identified as vulnerable. The justification for this was in relation to older people making up a large proportion of those who do not utilise the Internet and that digital exclusion should be taken into account when formulating the communication campaign and partnership programmes.

The Financial Capability in the UK 2015<sup>39</sup> report set out the initial results from the 2015 UK Financial Capability Survey. 78% of adults (39.3 million) in Great Britain used the internet every day or almost every day in 2015<sup>40</sup>. The report has highlighted that the number of people who have never been online is reducing by approximately 3% a year.<sup>41</sup> 44% of people aged 65 and over (4.8 million people) have never been online. Reasons people give for not having internet access vary with 53% across all age groups feeling that they don't need the internet because it is not useful or not interesting and 32% saying that they don't have the skills to use it.

Within that broad picture of increasing use of the internet for banking and financial transactions there are significant variations by age. The report identifies that Ofcom statistics show that only one-third (32%) of people aged 55 and over use the internet for banking, compared to two-thirds (66%) of 35-54 year olds.<sup>42</sup> Of people over 55 who already use the internet, 53% don't use it for banking and 41% don't use it for purchasing goods and services.<sup>43</sup>

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<sup>39</sup> Financial Capability in the UK 2015 Initial results from the 2015 UK Financial Capability Survey

<sup>40</sup> Internet Access - Households and Individuals (Office of National Statistics, 2014)

<sup>41</sup> Government Digital Inclusion Strategy (Government Digital Service, 2014)

<sup>42</sup> Technology Tracker data tables, Wave 1 2015, Ofcom

<sup>43</sup> Technology Tracker data tables, Wave 1 2015, Ofcom

The percentage of older people who would be happy to use the internet for day-to-day banking transactions declines slightly above the age of 60 and drops very sharply above the age of 70.<sup>44</sup>

This view was confirmed by the Financial Ombudsman who in the annual review in 2014/2015<sup>45</sup> identified that just under a half (47%) of people aged over 65 told them they didn't have internet access. This compared with 14% of consumers aged between 55 and 64 who didn't have internet access – and only 2% of people aged between 25 and 34. People aged over 65 were significantly more likely to refer a complaint to them than they are to look at their website. (8% website 17% complainants)

The impact of not using the Internet was identified by the Money Advice Service Financial Capability Survey 2014<sup>46</sup> which found that for older people, not using the internet was a significant predictor of lower capability in relation to budgeting and financial knowledge and numeracy; this was not the case for young people.

The most detailed work on this issue comes from Ofcom and their Adults' Media Use and Attitudes Report<sup>47</sup> which gives detailed evidence on media use, attitudes and understanding among UK adults aged 16+. It covers TV, radio, mobile phones, games, and the internet, with a particular focus on the latter.

The report found that in 2014 over 8 in 10 (83%) adults were going online using any type of device in any location. Nearly all 16-24s and 25-34s were now online (98%), and there had been a 9 percentage point increase in those aged 65+ ever going online (42% vs. 33% in 2012).

By 2015 internet use across any device and in any location was 86%, for the oldest age group (aged 65+) a majority (52%) now went online. But it was the 65-74s who were now more likely to go online - 70% compared to 56% in 2013.

In the previous 10 years the amount of time spent online had increased but this varied depending on age, the total among 16-24s had increased substantially from 10.4 to 27.6 hours a week, while the increase has been much lower among 65+ year olds (6.5 to 9 hours).

Whilst the report is very interesting and does show a very low usage of the Internet by older people compared to younger people unfortunately it did not disaggregate those in the 65+ age bracket.

### **Older people aged 75+**

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<sup>44</sup> Financial Capability Survey, Money Advice Service, 2015

<sup>45</sup> Financial Ombudsman annual review 2014/2015

<sup>46</sup> Understanding the profile of those most at risk of detriment as a result of low financial capability: Analysis of the Money Advice Service Financial Capability Survey Personal Finance Research Centre University of Bristol October 2014

<sup>47</sup> Ofcom: Adults Media Use and Attitudes Report

There is some very specific evidence in relation to older people over the age of 75.

A report Age Concern produced in 2008, *An Inclusive Approach to Financial Products*<sup>48</sup>, set out to demonstrate the issues of access to financial services and their design and delivery for older people. There is some particularly useful information provided in relation to people aged 70 and 75+.

The study found that memory declined with age for men but that the pattern was less clear among women. Among women, memory appeared to improve in early old age but declined beyond age 70. Memory plays a particularly important role in financial services, in part due to the increased use of PIN numbers and passwords but also in cases where the individual needs to keep track of several different pots of money or in the case of PPI, recall previous financial transactions.

They identified other studies<sup>49</sup> which have found that the speed with which we process information declines with age. This has implications for media where information is supplied at a fast pace (for example, call centres) and where products and resulting decisions are complex (for example, equity release).

Of particular relevance to financial services are the findings on numeracy and information processing. Numeracy was found to be lower in older age groups, although there continues to be debate about the impact of different cohort effects such as education on the data. The report also points to other research<sup>50</sup> which suggested that levels of numeracy play an important part in understanding financial products and in planning for and in retirement. Other studies in the US have, the report claims, also suggested that numerical abilities decline more with age than other abilities.

The Financial Capability in the UK 2015 survey<sup>51</sup> which was considered earlier also looks at issues for people over the age of 75. They demonstrated that from their research people's confidence in their ability to manage their finances increases with age up to around the age of 70 but functional numeracy and awareness of key financial terms and concepts declines steeply after age 70. Skills/knowledge decline from around age 75 and people aged 75 and over may have specific needs in terms of the ways that information is presented to them.

Just one illustration of this was that 65% of people aged 80+ had not checked their electricity deal.

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<sup>48</sup> Age Concern 2008

<sup>49</sup> Salthouse 1991, as reported in Clarkson J, Coleman R, Keates S, Lebbon C (eds), *Inclusive Design: design for the whole population*, Springer-Verlag, London, 2003

<sup>50</sup> 'Understanding Pensions: Cognitive Function, Numerical Ability and Retirement Saving' (2006), Banks and Oldfield

<sup>51</sup> Financial Capability in the UK 2015 Initial results from the 2015 UK Financial Capability Survey

The questions and issues which they specifically focused on and disaggregated in relation to a range of ages which are relevant to this review are set out below.

Table 3	Working age	Older people in retirement	Older people in retirement 75+
Approach to keeping track of income/ expenditure	55%	79%	77%
Maximise income	81%	72%	58%
Skills and knowledge	68%	66%	53%
Confidence and self-efficacy	47%	62%	60%
Take responsibility for their money	58%	61%	59%
Confident making financial product/ service decision	41%	65%	58%
Ease and accessibility	69%	56%	36%
Internet use	94%	63%	58%

Additional information provided in their supplementary report Financial Capability Strategy, Older People in Retirement<sup>52</sup> provides a very illustrative example that 37% of people aged 75 and over renew their home contents insurance with their current provider without checking the quote, compared to 11% of 65-74 year-olds and 9% of 18-64 year-olds.

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<sup>52</sup> Money Advice Service 2014

The paper Measuring Financial Literacy 2012<sup>53</sup> presents the findings from an OECD International Network on Financial Education pilot study undertaken in 14 countries. In relation to ageing the report explained that we might expect financial literacy to increase with age, as people become more knowledgeable, and their attitudes and behaviours change accordingly. However, older people, with experience of a very different financial marketplace may find it difficult to keep up with the fast pace of change in the financial market place, including the introduction of new technologies. Also cognitive deterioration may reduce the extent to which the oldest consumers can retain and apply financial knowledge.

In the UK nearly 30% of people aged 80+ had no high scores at all in the areas the report considered in relation to financial literacy. This is similar to Germany and Ireland but contrasts with Poland and South Africa where levels are much better, with more high scores in the 80+ age group.

### **Communication**

Communicating with older people may be an essential element of ensuring there is no negative impact in relation to any changes around PPI. Therefore detailed evidence has been obtained in relation to communication and age.

The average age of a BBC local/national radio listener is 56. The average age of a local commercial radio listener is 42.

Over a third (36%) of those that listen to BBC local/national stations are aged 55+ compared to 1 in 4 (24%) local commercial radio listeners. Listeners to local radio are more likely to be female, especially listeners to commercial services.

Older people are more likely than younger people to say they are interested in local news: 70% of local radio listeners aged 16-24 say they are interested in hearing about local news compared to 91% of those aged 55+.

Younger listeners are more likely to use local online media compared to older listeners (65% of those aged 25-34 vs. 28% of those aged 55+).

BBC local/national radio, local/regional TV and paid-for local newspapers are more likely to be rated as important by those aged 55+ than those in the younger age groups. Those aged 55+ find free newspapers and commercial radio less appealing.

Currently, listeners aged 65+ tune in for 25.5 hours per week (the highest listening figures for any group), whereas listeners aged 15-24 do so for an average of 15 hours per week. Radio listening

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<sup>53</sup> Atkinson, A. and F. Messy (2012), "Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study", *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 15, OECD Publishing

declined for every group and some by significant amounts but only by 0.4% for older people over the previous 4 years.<sup>54</sup>

These findings emphasise the importance of non-commercial radio, particularly local radio, in reaching older people. Editorial news items on local radio, particularly BBC local radio, are likely to be a more effective way to reach older people than some other channels. Advertising in free newspapers may not be as effective as advertising in the local ones you pay for.

Decline in viewing 'at time of broadcast' was highest among 35-44 year olds and ABC1s. The subgroups who were least likely to claim to have decreased their viewing at the time of broadcast tended to be older (e.g. over 65), and in the C2DE socio-economic groups.

Those aged over 75 actually reported that they felt they were viewing more traditional broadcast compared to a year ago – a net result of +2%.<sup>55</sup> This is relevant because there is a different advertising pattern for 'at time of broadcast' programmes and on delayed programmes.

The same report also indicates that older people are more likely to watch public service broadcasting channels. Older audiences watch more TV daily than the average consumer (65+s watch approximately four hours of TV per day).

While overall, 87.9 per cent of adults in the UK (45.9 million) have recently (in the last 3 months) used the internet, the figures are lower for adults aged over 75, where only 38.7 per cent have used the internet recently.<sup>56</sup>

10.2% (5.3 million) had never used the internet compared with 11.4% in 2015.

Almost all adults aged 16 to 24 years were recent internet users (99.2%), in contrast with 38.7% of adults aged 75 years and over.<sup>57</sup>

## **9.2 Annex 2 Evidence in relation to Gender**

### **Financial Capability**

In 2006 a baseline survey was prepared for the Financial Services Authority by University of Bristol Levels of Financial Capability in the UK 2006<sup>58</sup>. In terms of purchasing financial products

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<sup>54</sup> <http://stakeholders.ofcom.org.uk/binaries/research/radio-research/resssearch-findings13/attitudes.pdf>

<sup>55</sup> [Http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr15/CMR\\_UK\\_2015.pdf](Http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr15/CMR_UK_2015.pdf)

<sup>56</sup> <http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016>

<sup>57</sup> <http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016>

<sup>58</sup> Results of a baseline survey prepared for the Financial Services Authority by University of Bristol Adele Atkinson, Stephen McKay, Elaine Kempson and Sharon Collard 2006



where the average score was 44, men scored slightly above this at 46, women scored an average of 42. The difference is not large but the report sets out that the regression analysis indicates that gender is highly significant, and that even after taking into account other characteristics, women typically score around three points lower than men.

A further report from 2009 was produced by the University of Essex on behalf of the FSA. It presents the analysis from the project 'Financial capability and wellbeing: Evidence from the BHPS.'<sup>59</sup> Utilising 2 of their measures (income-unadjusted index and the number of financial problems) suggests they believe that women have higher financial incapability than men and that these differences are statistically significant.

A study was undertaken by the Personal Finance Research Centre from the University of Bristol in October 2014<sup>60</sup> that looked at the profile of those most at risk of detriment as a result of low financial capacity. To do this they analysed the Money Advice Service Financial Capacity Survey.

They found that people with below average financial knowledge and numeracy make up 15% of the population. 64% of this group are women. Somewhat higher levels of Financial Knowledge and Numeracy were found among men (+6 points); this was particularly true of working age and older men (and conversely women).

The ComRes information<sup>61</sup> in relation to the FCA consultation on PPI identified that 61% of men appear to meet the criteria for financial sophistication but only 45% of women. Of the people identified as financially sophisticated, more (56%) were men than women (44%). The less financially sophisticated group had almost twice as many women (66%) as men (34%).

In relation to the statement 'I take an active interest in my finances and regularly read the financial news.' 23% of men strongly agreed with this and only 12% of women. When it came to having a good understanding of the investments they held 31% of men strongly agreed with this and 18% of women. 20% of men thought they were more clued up about money than the average person but only 11% of women.

There were very clear findings from an OECD International Network on Financial Education pilot study undertaken in 14 countries, Measuring Financial Literacy 2012<sup>62</sup>. The analysis focused on variations in financial knowledge, behaviour and attitude across countries and within countries by

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<sup>59</sup> Financial capability and wellbeing: Evidence from the BHPS May 2009 University of Essex

<sup>60</sup> Understanding the profile of those most at risk of detriment as a result of low financial capability: Analysis of the Money Advice Service Financial Capability Survey Personal Finance Research Centre University of Bristol October 2014

<sup>61</sup> ComRes PPI research, November 2015

<sup>62</sup> Atkinson, A. and F. Messy (2012), "Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study", *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 15, OECD Publishing

socio-demographics. A larger proportion of male respondents than female respondents gained high scores in knowledge in 13 of the countries studied. This is particularly marked in Norway, Poland and the UK with more than a 20 percentage point difference. In the UK 67% of men have a high level of knowledge and only 40% of women.

## **Complaining**

In the annual review in 2014/2015<sup>63</sup> the Financial Ombudsman included a significant amount of information about the profile of customers who had complained to them particularly in relation to PPI. The breakdown of complaints received in the last year was 39% female. More women complained to them last year about PPI than they did the previous year and PPI makes up a bigger proportion of women's complaints than men's complaints (77% of women's complaints and 74% of men's). However, due to the larger numbers of men complaining they still get more complaints from men about PPI than women. Women were also less likely to "formally" bring a complaint to them after talking things through with their consumer helpline.

When they asked questions to find out about people's different attitudes to complaining they found that women were 20% less likely than men to say that they had had a problem with a financial product or service and 10% less likely than men to actually complain.

This is supported by the Bar Standards Board who identified that on gender, of those who provided information, women were significantly less likely to complain than men.

Although not directly in relation to finance the latest communications campaign from the Parliamentary and Health Ombudsman is designed to give women from South Asian and Muslim backgrounds the confidence and knowledge to complain to the NHS when they have problems with their healthcare. They developed the campaign because research they conducted showed that South Asian women are less likely to complain than men and than women from other demographics.

Together with Muslim Women's Network UK, they ran focus groups about complaining with South Asian women in London, Birmingham and Manchester to help shape the key messages for the campaign. They have developed a suite of materials based on the information they gathered from these groups about barriers to complaining. This includes posters and a tips leaflet on complaining to the NHS in England translated into Hindi, Urdu, Bengali, Punjabi and Gujarati.

## **PPI**

The ComRes<sup>64</sup> information<sup>65</sup> in relation to the FCA consultation on PPI identified that 20% of women and 24% of men have had PPI. However, men may be more likely than women to have had the kind of products which PPI is utilised in relation to. Overall in relation to personal loans,

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<sup>63</sup> Financial Ombudsman annual review 2014/2015

<sup>64</sup> <http://www.comres.co.uk/>

<sup>65</sup> ComRes PPI research, November 2015

credit cards, overdrafts and mortgages 63% of the people who said they had never had one were women, as opposed to 37% who were men. Men claimed to have a much greater understanding of PPI than women, 59% of those who answered positively to this question were men and only 41% were women and this is with some very large numbers.

In terms of timing of knowing about PPI men may be much more likely to have known 4 or 5 years ago, 59% as opposed to 41% women and this is based on very large numbers. Women are slightly more likely to have found out a couple of years ago (47% of men answered yes to this question as opposed to 53% of women).

When it comes to what encourages people to decide to complain, of those who answered yes to a deadline there is very little between men and women, 49% were women and 51% were men.

### **Effective communication channels**

We completed a review of communication channels for vulnerable consumers and protected groups and found a range of information in relation to gender.

According to the latest figures from the Office for National Statistics, as of 2016, 89.4% of men (22.8 million) and 86.4% of women (23.1 million) were recent internet users, up from 87.9% and 84.6% in 2015. Women aged 75 and over have seen the largest rise in recent internet use, up 169.0% from 2011; however, still less than a third (32.6%) were recent users in 2016.<sup>66</sup>

There is a wide range of 'women's media' channels – from weekly and monthly magazines to broadcast programmes such as 'Women's Hour' and 'Loose Women' and online media such as 'Mumsnet'. These channels are often used to target women who are carers.

Women and men both consume mainstream media, and women can best be reached through a range of mainstream channels. However, consideration should be given to ensuring that a reasonable proportion of mainstream advertising is deliberately targeted towards women, since we know they are less likely to make a complaint.

## **9.3 Annex 3 Evidence in relation to BAME**

### **Financial Capability**

Runnymede Trust is the UK's leading independent race equality think tank. They set out<sup>67</sup> that data has consistently shown that many of the groups that are disadvantaged generally – including BAME communities– are also more likely to be financially excluded and that according to government-funded research: 'Those most likely to be on the margins of financial services include people who are unemployed, unable to work through sickness or disability, single pensioners and lone parents. It is also much more common in African-Caribbean, Pakistani and Bangladeshi households.'

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<sup>66</sup>

<http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016>

<sup>67</sup> Financial Inclusion and Ethnicity: An Agenda for Research and Policy Action (2008) Omar Khan

They put forward the view that recent migrants and older people are generally less able to navigate banks and other institutions. Younger people and those born in the UK are more likely to be familiar with such systems and therefore to take up a wider range of advice options.

Surveys undertaken for the Trust in 2007 by Ipsos Mori<sup>68</sup> show that BAME groups display lower levels of financial awareness than the White GB/Ireland group- the lowest being those from the African community and the highest awareness being amongst the Caribbean and Indian communities. People who have lived in the UK for longer or who have been born and brought up here are more likely to have a good understanding of UK financial systems and money issues generally. They also draw attention to earlier findings<sup>69</sup> reported by Kempson and Whyley which they believe confirm this.

Ipsos-Mori also set out differences in respect of other financial products and in particular home insurance. In terms of contents insurance only the Indian group are even half as likely to have contents insurance as the white population, where 73% have contents insurance. Within those from African or Bangladeshi communities in the survey only 16% had contents insurance.

One of the most relevant reports was written by Phil Mawhinney at the Runnymede Trust in 2010<sup>70</sup>. This report set out that a lack of English language skills inhibits both recent migrants and longer-established BAME people from fully communicating with, understanding and taking up those elements of financial advice and other services that are currently on offer. This can lead to people taking on credit without fully understanding it, for example. Newly arrived migrants from culturally different backgrounds may not understand how financial, tax and utilities systems work.

The report on Financial Capability in the UK 2015<sup>71</sup> was highlighted in earlier sections. This identified that white respondents tended to score higher in terms of 'managing money well day to day', 'skills and knowledge', most 'attitudes and motivations', and 'ease and accessibility'. However BAME respondents tended to score notably higher on 'attitudes to the future'.

The information collected by ComRes in response to the FCA PPI consultation also looked at financial sophistication. In relation to BAME it appears that 53% of respondents who define themselves as white came out as financially sophisticated whereas 50% of those respondents who defined themselves as BAME. There was a range of differences between different BAME groups and these are set out in the full report but the numbers were relatively small. Overall the differences between those who define themselves as white and other groups were not particularly large, not necessarily consistent and it was difficult to ascertain any definite information.

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<sup>68</sup> Ipsos-Mori data.2007

<sup>69</sup> Kempson and Whyley, 1998

<sup>70</sup> Seeking Sound Advice: Financial Inclusion and Ethnicity Phil Mawhinney Runnymede Trust

<sup>71</sup> Financial Capability in the UK 2015 Initial results from the 2015 UK Financial Capability Survey

A range of different statements was set out and respondents could either agree or disagree with them. In terms of taking an active interest in finances and reading the financial news the largest numbers were 31% of those who define themselves as white slightly agreeing with this and 35% of other groups. In terms of believing that you have a good understanding about the investments you hold 36% of those who define themselves as white slightly agreed with this and 37% of other groups. 25% of those who define themselves as white strongly agreed with this and only 16.5% of other groups.

## **Complaining**

In the annual review in 2014/2015 the Financial Ombudsman<sup>72</sup> included a significant amount of information about the profile of customers who had complained to them particularly in relation to PPI. Their research shows that the backgrounds of people who complain to them are broadly in line with national statistics on ethnicity although there are differences within different BAME communities.

In 2014/15 12% of people who brought complaints to them said they were from a non-white background with most of those people saying they were from Black or Asian communities. 92% of Black/Black British consumer's complaints involved PPI compared with 65% of complaints from Asian consumers.

Awareness levels of the Financial Ombudsman were 59% amongst Asian/Asian British consumers, 82% amongst white consumers and 78% amongst Black/Black British consumers.

The Legal Ombudsman noted that of their complainants in 2014/15 in relation to ethnicity, around 40% preferred not to say but of the rest about 47% were white and around 12% were from BAME communities.

The Parliamentary and Health Ombudsman has undertaken research<sup>73</sup> that showed that in relation to the NHS, South Asian women are less likely to complain than men and women from other demographics. This was highlighted in the responses to the PPI consultation.

## **PPI**

The information collected by ComRes in response to the FCA PPI consultation appears to show that those respondents who defined themselves as white had a much higher awareness of PPI than those from other groups<sup>74</sup>. However, those who define themselves as white also may have had a lower claim rate but this is based on some very small figures. Unfortunately it is difficult to extract much further relevant information because of the relatively small numbers from BAME groups within the sample.

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<sup>72</sup> Financial Ombudsman annual review 2014/2015

<sup>73</sup> <http://www.ombudsman.org.uk/about-us/news-centre/press-releases/2014/ombudsman-encourages-south-asian-and-muslim-women-to-complain-for-change>

<sup>74</sup> ComRes PPI research, November 2015

## Effective communication channels

For BAME groups, there are particular challenges, relating to culture, language and literacy. Specialist communication channels may be a particular priority for some BAME groups.

A recent survey conducted by Marketing Week identifies, “most consumers believe the marketing industry is failing to represent the diversity of life in 21st century Britain”. While 45% of marketers believe ethnic minorities are well represented in the output of marketing and advertising, only 29% of consumers share the same view.<sup>75</sup>

This is a hugely varied group and the independent consultant advising on BAME audiences has identified priority groups from British ethnic minorities. This prioritisation results from analysis of a range of data relating to financial confidence and whether English is likely to be a second language. These BAME groups are: Bangladeshis, Chinese, Pakistanis and Black Africans, specifically Nigerians and Ghanaians. Further information about Nigerians and Ghanaians is set out in the Actions and activity already undertaken section at 4.5.1.

## Language and literacy

More than four million people in England and Wales – around one in 13 – do not use English as their first language and 785,000 people are ‘non-proficient’ – unable to speak English well or at all.<sup>76</sup>

Information is provided in the financial capability section of this report on evidence in relation to the particular barriers facing different groups of people who have limited literacy in English and we have drawn on the experience of the independent consultant.

It is also important to be clear that literacy is not necessarily just an issue within BAME communities. According to the National Literacy Trust,<sup>77</sup> around 16 per cent of the adult population, or 5.2 million people, can be described as “functionally illiterate”. They would not pass an English GCSE and have literacy levels at or below those expected of an 11 year old.

While broadcast media can reach those who struggle with print for literacy reasons and/or because they do not have English as a first language, advertising alone will not overcome the very significant barriers people with limited English or literacy face in obtaining sufficient financial information to make informed decisions about PPI.

## Evidence from good practice

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<sup>75</sup> <http://www.marketingweek.com/2015/11/25/an-utter-disgrace-marketings-diversity-problem/>

<sup>76</sup> Office for National Statistics ‘National Census 2011’  
<https://www.ons.gov.uk/census/2011census>

<sup>77</sup> [http://www.literacytrust.org.uk/adult\\_literacy/illiterate\\_adults\\_in\\_england](http://www.literacytrust.org.uk/adult_literacy/illiterate_adults_in_england)

Digital UK carried out a comprehensive publicity campaign to inform and prepare viewers for the switchover from analogue to digital television and ensure the process was as simple as possible.<sup>78</sup>

In addition to the use of online, mainstream television and press, call centre and events to inform all viewers of the switchover, Digital UK carried out some targeted publicity and awareness raising activity including practical information, advice and guidance aimed at BAME communities, older and disabled people. These included:

- Where roadshows were held in areas with a high ethnic minority population, street teams were recruited to distribute leaflets translated into other languages.
- Promoting awareness about the Digital Switchover Help Scheme to BAME communities by working with community radio stations to promote the benefits of the Scheme in other languages.

The Be Clear on Cancer Campaign was launched in 2010 to promote awareness and early diagnosis. Since its launch there have been various national, regional and local campaigns regarding different types of cancer. The two principal target groups are people aged over 50 and lower socio-economic groups. This includes certain BAME communities. A number of evaluations of local and regional campaigns have been published by Cancer Research UK.<sup>79</sup> Key findings from these reports are summarised below.

The campaign has adopted a number of techniques to target specific protected characteristics including:

- Targeted TV, radio and press advertising in key national and regional Black and South Asian media.
- Recruitment of healthcare professionals and cancer survivors from an ethnic minority background to participate in media interviews to address the cultural, religious and language barriers preventing early presentation to GPs. These discussions take place in other languages where appropriate.
- National campaign symptom cards translated into Urdu, Bengali, Gujarati and Punjabi and are available for organisations to print and distribute accordingly.

## **9.4 Annex 4 Evidence in relation to Disability**

### **Financial Capability**

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<sup>78</sup> Digital TV Switchover 2008-2012, Final Report, Digital UK

<sup>79</sup> A number of local, regional and national campaign evaluations were reviewed which can be accessed via Cancer Research UK website: <http://www.cancerresearchuk.org/health-professional/early-diagnosis-activities/be-clear-on-cancer/programme-evaluation>

There was an extensive and relatively recent research study<sup>80</sup> conducted by Ipsos MORI on behalf of disability charity Scope, which explored the issues of financial inclusion for disabled people in 2013. Three-quarters of disabled people (77%) said that they are mainly responsible for making sure that household bills and other commitments got paid, while 13% said that someone else such as a partner or family member was mainly responsible, and 9% said they shared responsibility with a partner or someone else. These findings suggest that there is a fairly high level of personal financial control among respondents.

The survey asked people how confident they felt in managing their personal finances. 32% said that they were very confident about managing their personal finances, and a further 53% said they were fairly confident. 15% of disabled people said they were not confident about managing their personal finances. People with memory (75%), mental health (72%) or learning, social and behavioural impairments (71%) were less likely than those with other types of impairments to be confident about managing their personal finances.

Confidence in managing personal finances appeared to increase with age. 93% of people aged over 65 years said they were confident, compared with 81% of those aged 45-64 years. Interestingly only 3% of their respondents were aware of having PPI.

The evidence provided by ComRes in relation to the PPI consultation<sup>81</sup> appears to show that there is an apparent pattern of disabled people being less financially sophisticated, particularly but not exclusively people with mental health issues. It is likely that over 18% of disabled people are less financially sophisticated compared with around 11% of nondisabled people.

In response to the statement 'I take an active interest in my finances and regularly read the financial news', 41% of disabled people agreed and 51% of nondisabled people agreed. When it came to the statement about having a good understanding about the investments held 63% of nondisabled people agreed with this strongly or slightly as opposed to 52% of disabled people. 44% of disabled people thought they were more clued up about money than the average person as opposed to 51% of nondisabled people.

## **Complaining**

In the annual review in 2014/2015<sup>82</sup> the Financial Ombudsman included a significant amount of information about the profile of customers who had complained to them.

Over 2014/15, 19% of consumers who brought complaints to the Financial Ombudsman told them that they had a disability. The most common impairments that people told them about involved

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<sup>80</sup> Ipsos MORI, 2013, *Disabled People and Financial Wellbeing*. London: Ipsos MORI, <https://www.ipsos-mori.com/researchpublications/publications/1583/Disabled-People-and-financial-wellbeing.aspx>

<sup>81</sup> ComRes PPI research, November 2015

<sup>82</sup> Financial Ombudsman annual review 2014/2015



mobility issues (19%) and dexterity issues (18%). 6% of people said that they had mental health issues.

A report from the CAB, Double disadvantage<sup>83</sup> in 2011 was essentially looking at debt but they asked advisers about the ability of these disabled CAB clients to complain or seek redress in the event of experiencing bad practice or unfairness. Of those cases on which advisers had enough information to comment, half of the clients had a poor or very poor capacity to complain.

## **PPI**

Citizens Advice noted as part of their response to the PPI consultation that 22% of clients given advice on PPI had a long term health condition compared to 19% for all their clients. Also 10% of clients given advice on PPI were disabled compared to 8% for all their clients.

This is consistent with the information from the PPI consultation provided by ComRes<sup>84</sup>. Disabled people appear from their data to be more likely than nondisabled people to have taken out PPI, more likely to have multiple policies and more likely to have made a claim.

75% of the nondisabled population but only 73% of disabled people appeared to be aware of PPI. Understanding of PPI seemed to have been relatively similar between disabled and nondisabled people. However, the situation appears very different for people with mental health issues who are more likely not to know very much about PPI. They may also be more likely to have only actually found out about PPI in the last year.

## **Internet usage**

The additional challenge for some consumers is lack of Internet access. There are some specific barriers for people with some impairments relating to formats and accessibility and there is also a lower usage rate amongst disabled people more generally, which may be partly age-related. A significant amount of financial information is now on the Internet and not only are many financial services primarily accessed by this route but this is often the way to reach the more efficient financial services.

The most detailed work on this issue comes from Ofcom and their Adults' Media Use and Attitudes Report<sup>85</sup> which gives detailed evidence on media use, attitudes and understanding among UK adults aged 16+. It covers TV, radio, mobile phones, games, and the internet, with a particular focus on the latter.

Ofcom looked at this issue in relation to disabled consumer's use of communication services. Internet access among disabled consumers was significantly lower than for non-disabled consumers. Despite increases in access for each disability group since 2012 (with the exception of

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<sup>83</sup> The barriers and business practices making debt a problem for disabled people CAB 2011

<sup>84</sup> <http://www.comres.co.uk/>

<sup>85</sup> Ofcom: Adults Media Use and Attitudes Report.

hearing-impaired consumers, where levels were unchanged), access remained lower among disabled consumers (65% overall) than among non-disabled consumers (88%). Consumers with multiple impairments had the lowest levels of access at 49%, while visually-impaired consumers and those with a learning disability had the highest levels of access among the disability groups (at 75% and 73% respectively).

Access to the internet (anywhere) was unchanged since 2012 for hearing-impaired consumers, and was significantly lower than for non-disabled consumers. Over two-thirds (69%) of hearing-impaired consumers had access to the internet, at home or elsewhere; lower than the proportion of non-disabled consumers (88%).

6 in 10 mobility-impaired consumers had internet access (anywhere), compared to 9 in 10 non-disabled consumers. Internet access had increased by 13pp (to 60%) since 2012 for this disability group, but remained lower than for non-disabled consumers (up 5pp to 88%). The older age profile of this disability group (over half were aged 65+) explains some of the difference in levels of access.

Three-quarters of visually-impaired consumers had access to the internet (anywhere), compared to 9 in 10 non-disabled consumers. Both non-disabled and visually-impaired consumers' internet access (at home or elsewhere) had increased since 2012, although visually-impaired consumers remained less likely to have access (75% vs. 88%). The older age profile of visually-impaired consumers (33% aged 65+) explains some of the difference in levels of access.

## **Evidence from good practice**

There is a substantial amount of good practice which provides positive evidence in relation to the accessibility of services for disabled people. Just a few examples are set out below.

### **Policies and Standards**

We looked at a range of public and private organisations to consider examples of good practice. We found one regulatory body which has a Reasonable Adjustment policy prominently displayed on their website. This is just for complainants, customers and professionals not employees. It is very clear that they are not providing an exhaustive list of reasonable adjustments for those accessing the services but providing some examples including auxiliary aids, provision of information in appropriate alternative formats, extension of time limits where it is lawful to do so, use of email or telephone in preference to hard copy letters and communication through an intermediary.

### **Accessibility information**

Most organisations across a range of sectors carried technical information about the website accessibility. However, there was a range of examples of very good practice across different sectors.

A High Street Bank has a very wide range of clear and useful disability accessibility information. As well as general information there is also information specifically for people with cognitive impairments and dyslexia.

A Local Authority has a wide range of clear information utilising a combination of text and symbols which focused on what people found as a barrier rather than what their disability was.

An Ombudsman, under their specific tab which is at the top of every page, provides very good information about accessibility but lots of other things about how to help you use the website. They also provide documentation in easy read, a system that enables you to listen to the website, information about how to get things in other languages, information in British Sign Language (BSL) and how to get other things in BSL.

A regulatory organisation provides a wide range of information including a section identifying reports which may be of particular interest to disabled people and very proactive and positive information about adjustments they will make to ensure that information is accessible. They will accept responses in the form of a signed video or other signed material.

### Specific Services

A High Street Bank has a signed video service utilising British Sign Language where you can call any number and there will be an interpretation via an online video service.

A large Local Authority has services including Browse Aloud which allows you to listen to any of the information on the website through a very simple app. Also live BSL interpretation for people with web cams, lots of BSL interpreted videos about key services, a specific text service for people who are deaf and very detailed policies and procedures in relation to web accessibility.

### Accessible complaints systems and forms

A regulatory organisation's website mentions accessibility issues on every complaints page. There is a wide range of adjustments highlighted on the complaints pages and then set out in the reasonable adjustment policy. There is also specific reference to adjustments and formats at the beginning of the complaints form and then reiterated in stronger terms just prior to the section which needs completing. They undertake equality monitoring of complaints forms.

An Ombudsman provides information about how to complain in easy read, BSL and 25 other languages.

Another Ombudsman has a specific section, which is high profile, about accessibility and providing particular advice in making complaints. All of the leaflets about complaining are available in easy read, their contact information includes Next Generation Text Service (which used to be Typetalk and text relay) they also accept complaints by telephone, post or on the very clear online form. They undertake equality monitoring of complaints and explain to people why they do this.

An Ombudsman has a complaints process which is explained in pictures.

### Communication Channels

A range of channels is essential to reach disabled people. Relying on any one channel will always exclude many people. For example, posters will not reach those with a visual impairment. Radio editorial or advertising will not reach those with significant hearing loss. We reviewed a number of other public behavioural change campaigns and noted, for example, that low volumes of traffic to a 'Help Scheme' website required the Digital Switchover campaign to offer other channels of

communication for eligible viewers to find out about the support available, rather than just directing them to the website alone.

For disabled people with sensory or cognitive impairments, learning disability, on the autism spectrum or with mental health conditions, particular specialist channels, including partnerships with third sector organisations, are likely to provide effective augmentation to mainstream channels.

Ownership of communications services is generally lower among people with a disability than among those without, particularly for internet access. The exception to this is fixed-line telephony, which among people with a disability is equal to or higher than for non-disabled people. The biggest gap in ownership of communications services, between people with and without a disability is for internet access. Latest figures from the Office for National Statistics show that as of 2016 25% of disabled adults have never used the internet, down from 27.4% in 2015.<sup>86</sup>

However, social media are increasingly used by younger disabled people and as a means for overcoming communications barriers – for example, deaf people make good use of mobile communication devices to communicate with one another and to access information.<sup>87</sup>

Overall, disabled people are more likely to have access to ‘free to air’ television than the non-disabled population and less likely to have access to pay television. This holds true for a range of impairments groups set out in the table created with statistics drawn from an Ofcom report.<sup>88</sup> The exception is people with learning disabilities, who are more likely to watch both free to air and pay television than the non-disabled population.

	Free to Air Television	Pay Television
Non-disabled	55%	50%
Disabled all	60%	48%
Learning disability	60%	56%
Mobility impaired	60%	43%
Visual impairment	55%	48%
Hearing-impaired	61%	48%

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<sup>86</sup>

<http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016>

<sup>87</sup> <http://www.bbc.co.uk/news/disability-35103292>

<sup>88</sup> <http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/adults/media-lit-10years/>

As a result, advertising on pay television channels such as Sky and BT are less likely to reach significant numbers of disabled people.

### **Evidence Specific Impairments**

There is a large amount of information available in relation to the financial confidence and capability of people with specific impairments.

These issues were also mentioned in responses to the FCA consultation.

### **Mental health issues**

1 in 4 people in the UK will experience a mental health problem each year<sup>89</sup>. The impact of this on access to financial services is substantial.

Financial Capability and Wellbeing 2009<sup>90</sup> was produced by the University of Essex on behalf of the FSA in 2009. The report asserts that there is a strong association between financial capability and psychological wellbeing and also between changes in financial capability and changes in psychological wellbeing. We find that greater financial incapability is associated with greater mental stress, lower reported life satisfaction, and a greater likelihood of reporting health problems associated with anxiety or depression. Higher financial incapability is associated with higher mental stress, lower reported life satisfaction, and health problems associated with anxiety or depression.

Mental health charity Mind provides a range of information on their website<sup>91</sup> for people with mental health issues about financial capability and managing day-to-day. This is helpful to gain an insight into what impact mental health issues may have on financial decision-making.

“Many common mental health problems are likely to make it more difficult to manage your money because of the nature of the symptoms you are likely to experience. Some mental health problems can result in people making rash or unwise decisions about their finances, such as spending money they cannot afford, while others make it particularly difficult to have the energy to keep track of money. If you are very ill, it can be necessary for someone else to take control of your money for a time.

Here are some specific ways that mental health problems may affect your finances:

- If your ability to work is affected there may be a sudden or, possibly, dramatic reduction in your income.

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<sup>89</sup> <http://www.mind.org.uk/information-support/types-of-mental-health-problems/statistics-and-facts-about-mental-health/how-common-are-mental-health-problems/>

<sup>90</sup> Financial capability and wellbeing: Evidence from the BHPS May 2009 University of Essex

<sup>91</sup> <http://www.mind.org.uk/information-support/tips-for-everyday-living/money-and-mental-health/tips-for-managing-money/>

- If you spend time away from home, for example while you are cared for in hospital, it may be difficult to keep up to date with your financial commitments.
- If you have symptoms such as mania your capacity to make financial decisions may be affected as you might act recklessly or unwisely.
- If you have symptoms of depression you may lose the motivation or the ability to concentrate to keep control of your finances.
- If you are unable to make decisions for yourself for any reason you could be more vulnerable to financial exploitation or abuse.”

## **Cognitive Impairments**

It is estimated by the British Dyslexia Association that 10% of the UK population has dyslexia which amounts to 4.5 million people<sup>92</sup>. They also set out that Dyslexia is about information processing: dyslexic people may have difficulty processing and remembering information they see and hear. This can affect learning and the acquisition of literacy skills. It often co-occurs with related conditions, such as dyspraxia, dyscalculia and attention deficit disorder.

Around 700,000 people in the UK are on the autism spectrum.<sup>93</sup> Autistica<sup>94</sup> set out that autism is a lifelong developmental disability that affects how a person communicates with, and relates to, other people. It also affects how they make sense of the world around them.

Autism includes a spectrum of conditions, which means that while all people share certain difficulties, their condition will affect them in different ways. Some people with autism are able to live relatively independent lives but others may have accompanying learning disabilities and need a lifetime of specialist support. People with autism may also experience over- or under-sensitivity to sounds, touch, tastes, smells, light or colours.

Specifically in relation to dementia according to the Alzheimer’s Society report Dementia UK<sup>95</sup> there are 850,000 people living with dementia two thirds of whom are women. The symptoms of dementia significantly affect a person’s ability to manage their finances according to the Alzheimer’s Society. In their survey, 76% of people had experienced difficulties in managing their finances.

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<sup>92</sup> British Dyslexia Association <http://www.bdadyslexia.org.uk/dyslexic/dyslexia-and-specific-difficulties-overview>

<sup>93</sup> <http://www.autism.org.uk/about.aspx>

<sup>94</sup> <https://www.autistica.org.uk/autism/?gclid=CKL96OjIxc0CFRG6GwodmNMF2w>

<sup>95</sup> [https://www.alzheimers.org.uk/site/scripts/download\\_info.php?fileID=2323](https://www.alzheimers.org.uk/site/scripts/download_info.php?fileID=2323)

There were an estimated 600,000 people in the UK acting as primary carers for people with dementia in 2007.<sup>96</sup> In the Alzheimer's Society survey<sup>97</sup>, 15% of carers said that the person for whom they care had been a victim of financial abuse. Direct marketing was a particular area of concern.

'Memory' is specifically identified as a barrier in Financial Conduct Authority (2015) 'Understanding PPI Redress from a Consumer Perspective'. This is highly likely to be an important barrier for people with cognitive impairments and particular conditions such as dementia.

## **Learning Disabilities**

Over 900,000 adults aged 18+ (530,000 men and 375,000 women) were estimated to have a learning disability in 2011.<sup>98</sup>

## **Decision-Making**

A detailed academic research report, Maximising Capacity to Make Financial Decisions<sup>99</sup> identified some key points in relation to people with learning disabilities and decision-making. They set out their findings that financial decision-making abilities vary widely among all adults. Both in the general population and among men and women with learning disabilities, there are individuals who are very able, and also individuals who struggle to make decisions.

In general, men and women with learning disabilities have more difficulties with the five decision-making abilities (set out below) than other men and women, although this is not always so.

- Identifying the decision that needs to be made
- Understanding the information that is relevant to the decision
- Reasoning with the relevant information in order to come to a decision
- Appreciating that s/he will be personally affected by the decision and possibly other people might be too
- Communicating the decision to someone else

However, for most men and women, understanding information relevant to the decision, and reasoning with it, are the decision-making abilities that they find most difficult. Men and women

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<sup>96</sup> Alzheimer's Society, 2007

<sup>97</sup> Shortchanged: Protecting people with dementia from financial abuse

<sup>98</sup> People with Learning Disabilities in England 2011

<sup>99</sup> WMI Suto ICH Clare AJ Holland Department of Psychiatry (Section of Developmental Psychiatry), University of Cambridge

with learning disabilities tend to have fewer decision-making opportunities in general than other adults. More specifically, they have fewer opportunities to make financial decisions.

## **Complaining**

The Parliamentary and Health Ombudsman<sup>100</sup> learning disabilities campaign focuses on giving people with a learning disability and their families, friends and carers the confidence to complain to the NHS if they are unhappy with the service they have received. They developed this campaign because their casework and research showed that people with a learning disability were less likely to complain.

## **Communication**

In 2008 Ofcom did some detailed work looking at communication issues for people with learning disabilities<sup>101</sup> and again in 2015<sup>102</sup>. People with learning disabilities who took part in the research in 2008 faced a range of barriers when accessing communication services including low levels of literacy, numeracy, and/or problems with short-term memory which limited their access to communication services. In many cases, they had grown accustomed to relying on help and support from others (e.g. relatives, support workers). In 2015 3 in 10 (30%) consumers with learning disabilities felt that their disability limited their use of devices and services, significantly higher than the average for all disabled consumers (22%).

## **Mobile and landline phones**

In 2015 people with a learning disability were the least likely to use a landline (53%) and the least likely to have access to one (66%). For mobile phones (simple or smartphone), the smallest gap between access and personal use was among those with a learning disability; 87% had access to a mobile in the home and 77% said they used it.

## **Internet**

In 2015 7 in 10 (73%) consumers with a learning disability had access to the internet (anywhere), compared to 9 in 10 (88%) non-disabled consumers. The lower level of access to connected devices, such as PCs/laptops and smartphones, explains some of the difference in levels of access to the internet, as well as the stated impact of their disability on their use of the internet and these devices.

Access to a PC/laptop or smartphone was significantly lower for consumers with a learning disability than for non-disabled consumers. 7 in 10 (68%) had access to a PC/laptop, compared to

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<sup>100</sup> <http://www.ombudsman.org.uk/complain-for-change/campaigns/south-asian-and-muslim-women>

<sup>101</sup> <http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/disabilities.pdf>

<sup>102</sup> Ofcom Disabled consumers' use of communications services



8 in 10 (79%) non-disabled consumers, and almost 6 in 10 (57%) had access to a smartphone, compared to 66% of non-disabled consumers.

There were similar levels of access to a tablet between consumers with a learning disability and non-disabled consumers. Two-fifths (41%) had access to a tablet, comparable to 42% of non-disabled consumers. Compared to all disabled consumers, those with a learning disability were more likely to personally use a tablet (31% vs. 23%), a reflection of the younger age profile of this disability group.

Consumers with learning disabilities were less likely to undertake various activities on the internet, compared to non-disabled consumers. Communications (91% vs. 96%), obtaining information (82% vs. 88%) and shopping (63% vs. 71%).

### **Visual Impairment**

There are estimated to be almost two million people in the UK living with sight loss. This figure includes around 360,000 people registered as blind or partially sighted<sup>103</sup>.

Undoubtedly age and gender are significant factors<sup>104</sup>:

- 1 in 5 people aged 75 and over are living with sight loss
- 1 in 2 people aged 90 and over are living with sight loss
- 63 % of people with sight loss are female, 37% are male

People from black and minority ethnic communities are at greater risk of some of the leading causes of sight loss.<sup>105</sup>

There is a range of barriers for people with a visual impairment in relation to undertaking activities like financial transactions or complaining which would be parallel to the PPI process. These barriers are best set out in a detailed report by the RNIB in 2011, Barriers to Financial Inclusion<sup>106</sup> and a detailed report from Ofcom on access to communication for disabled people<sup>107</sup> in 2015.

The report from the RNIB shows that almost two thirds (61%) of the blind and partially sighted people in the survey had experienced difficulty when dealing with financial information, money or credit or debit cards.

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<sup>103</sup> Access Economics, 2009

<sup>104</sup> Action for Blind People

<sup>105</sup> Access Economics, 2009

<sup>106</sup> <http://www.rnib.org.uk/knowledge-and-research-hub-research-reports/money-and-finance-research>

<sup>107</sup> Disabled consumers' use of communications services Ofcom 2015

Barriers to financial information were more acute for those who were unable to access print. This group appeared to be the most disadvantaged and were least likely to report obtaining information in their preferred format and most likely to report dependence on other people to exercise control over their financial affairs.

The report recommends that individual services should undergo accessibility checks with blind and partially sighted customers to identify the barriers people encounter along the customer journey.

Ofcom found a third of visually-impaired consumers said their disability limited or prevented their use of communication services and devices. These consumers were less likely to say that their disability limited their use of a landline (6% stated this).

### **Financial Autonomy**

In relation to controlling their finances, of the respondents to the RNIB survey more than half (57%) of the respondents described themselves as managing their financial affairs with the assistance of family and friends. 29% report that they manage their affairs totally independently and 12% that they rely on other people.

### **Formats**

The RNIB survey highlighted considerable variability within the types of formats individuals generally prefer to receive their information, although age was a significant factor. Whilst a preference for information provided in an audio format was reported by smaller proportions of people, it was more likely to be the format of choice for those who were retired (34%) rather than working age (31%).

People of retirement age were also more likely to report a preference for someone to read information to them (18%) compared to people of working age, of whom just 10% stated this as a means of receiving their information.

On the positive side they found that more than half (63%) of the respondents reported that their main bank or building society supplied them with information in their preferred formats.

Blind and partially sighted people who reported in the RNIB survey that they received their information in their preferred format were more likely to be able to access print than those who could not.

### **Preferred format and age group**

Format	Working age	Retired
Audio tape or CD	31%	34%
Large print	24%	30%
Someone to read the information	10%	18%
In ordinary print size	6%	10%
By using a computer or electronic form	19%	7%

Braille	9%	2%
Moon	1%	0%

## Internet

According to the RNIB, barriers to accessing internet banking services independently included inaccessible websites and difficulties accessing the personal security codes that enable customers to access their accounts online. Not having a computer or the access technology which is required to facilitate access to internet resources was also mentioned by blind and partially sighted people.

The relatively low proportion of people who are currently using the internet does not suggest that people do not want to use it. It is difficult to say whether this is due to the inaccessibility of websites, the expense associated with the equipment required to access those sites or other factors.

The report recommended ensuring that websites are completely accessible for blind and partially sighted people, plus working with blind and partially sighted people in more detail to understand the problems encountered when using telephone banking.

Ofcom noted that three-quarters of visually-impaired consumers had access to the internet (anywhere), compared to 9 in 10 non-disabled consumers. Both non-disabled and visually-impaired consumers' internet access (at home or elsewhere) had increased since 2012, although visually impaired consumers remained less likely to have access (75% vs. 88%). Less than 7 in 10 (68%) visually-impaired consumers accessed the internet (at home or elsewhere) several times a day, compared to over three-quarters (76%) of non-disabled consumers.

The older age profile of visually-impaired consumers (33% aged 65+) explains some of the difference in levels of access.

## Access to Historic Information

For many consumers who wish to complain directly about potential mis-selling of PPI, banks will require a range of historic information. Typically the forms from banks ask for information specifically about the PPI but also about employment at the time, savings and income. This could be particularly difficult for people with a visual impairment for various reasons.

A consumer with a visual impairment may not have had that visual impairment when they were sold PPI and therefore the information they hold or held about this may be in a format which they can no longer access.

There have been significant improvements to the accessibility of information over the years. We know from the RNIB that in 2004 the proportion of people receiving information in their preferred format was only 56%. This means that almost half of people with a visual impairment who were sold PPI in 2004, and probably more in previous years, will not have had information in an accessible format so will not be able to check their historic records.

Storage of some kinds of accessible information is sometimes difficult purely because of the bulk of things like Braille printouts. Many people will simply not have kept these for so many years and therefore will not have the information which banks require.

All of these issues, and sometimes a combination, could cause significant additional barriers for people with a visual impairment in complaining directly.

### **Deaf and hearing impaired consumers**

There are more than 11 million people in the UK with some form of hearing loss, or 1 in 6 of the population with more than 900,000 people who are severely or profoundly deaf. More than 70% of over 70 year olds and 40% of over 50 year olds have some kind of hearing loss<sup>108</sup>.

The most comprehensive reports looking at Deaf and hearing impaired consumers' access to information are from Ofcom in 2007<sup>109</sup> and 2015<sup>110</sup>. Some of the information from 2007 is obviously out of date but much is still of interest. Also this provides information about accessibility at a time when people may have been purchasing PPI.

Overall in 2007, people felt that developments in communication services had been extremely positive for those with hearing impairments and that these developments had significantly enhanced their lives. The use of text as a mainstream communication method was specifically highlighted by many as a critical development, because it is both mainstream and suited to the specific needs of those with a hearing impairment.

By 2015 the Ofcom research identified that hearing-impaired consumers were the disability group most likely to say their disability limited their use of telecom services (landline and any type of mobile phone). 3 in 10 (30%) of hearing-impaired consumers said that their disability limited or prevented their use of any of the communication devices and services, significantly higher than the average for all disabled consumers (22%). Hearing-impaired consumers said that using a computing device was the activity least limited by their disability.

### **Text Relay<sup>111</sup>/Typetalk**

Many people will be familiar with Typetalk which was the national text relay service. This has been replaced by the Next Generation Text Service (NGT). By using a smartphone, tablet, or computer and making a phone call someone with a hearing impairment can type to their relay assistant who will speak their words to the person they're calling, and the relay assistant will type the reply so they can read it on their display. Type talk was considered an excellent service by those who used it in 2007.

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<sup>108</sup> Action on Hearing Loss (Formerly RNID)

<sup>109</sup> <http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/annex5.pdf>

<sup>110</sup> Ofcom Disabled consumers' use of communications services

<sup>111</sup> <http://ngts.org.uk/>

## Internet

The internet was perceived as an extremely important, possibly the most important, development in communication services in 2008, by those who used it. Users claimed it had transformed many aspects of their lives, reduced the unpleasant aspects of communicating with a hearing impairment and increased the quality and extent of other communication. However, non-users of the internet, especially those over 60 and those from the DE socio-economic groups, who typically did not use it for reasons of cost and/or confidence, were notably excluded.

More recent information in 2015 identified that access to the internet was significantly lower than for non-disabled consumers. Over two-thirds (69%) of hearing-impaired consumers had access to the internet, at home or elsewhere; lower than the proportion of non-disabled consumers (88%). By hearing impairment split, there were comparable levels of internet access between consumers with partial hearing and deaf consumers.

A majority of younger (15-34) hearing-impaired consumers had access to the internet (91%), although this continued to be lower than the proportion of non-disabled consumers of the same age (97%). The oldest age group (75+) had the lowest levels of internet access, at two-fifths (40%), comparable to non-disabled consumers of this age (42%).

## Mobile phones

Whilst mobile phones were seen by many as very helpful in 2007 because of the text messaging facility, by 2015 mobile phones had moved on and access to smartphones and computing devices was lower for hearing-impaired consumers than for non-disabled consumers. Access levels to smartphones (46%) had increased for hearing-impaired consumers but remained lower than the proportion of non-disabled consumers (66%).

In the youngest age group (15-34s); 7 in 10 (70%) hearing-impaired consumers had access to a smartphone, compared to more than 8 in 10 (82%) non-disabled consumers of the same age. In contrast, the oldest age group (75+) showed the opposite - a fifth (20%) of hearing-impaired consumers in this age group had access to a smartphone, higher than the proportion of non-disabled consumers (13%) of this age.

### 9.5 Annex 5 evidence in relation to Low incomes and with Low Financial Confidence

The Money Advice Service Financial Capability Survey<sup>112</sup> was undertaken by the Personal Finance Research Centre from the University of Bristol in 2014 and looked at the profile of those most at risk of detriment as a result of low financial capacity. It found that those in the lowest income band are identified as having the socio-economic characteristics associated with lower levels of financial capability. This was particularly in relation to financial knowledge and numeracy. 29% of respondents who met these criteria had an annual income of less than £4500 whereas

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<sup>112</sup> Understanding the profile of those most at risk of detriment as a result of low financial capability: Analysis of the Money Advice Service Financial Capability Survey Personal Finance Research Centre University of Bristol October 2014

overall the 19% of those who responded had this level of income. However, this is a very low income and therefore does not necessarily equate with everybody in the lowest income band.

The Parliamentary and Health Ombudsman have undertaken some very specific work<sup>113</sup> in relation to complaining and this includes looking at people with low incomes. This was also highlighted in a response to the FCA consultation. Their research showed that people who live on low incomes are less aware of how to complain about poor service they have received from the NHS or a government department. To explore this further they held focus groups with Citizens Advice and people from low-income households in London, Manchester and Cumbria.

The focus groups allowed them to discover some of the barriers people living on low incomes face when making a complaint to UK government departments and services like HM Revenue and Customs or the Department for Work and Pensions. They found that the key issues included, a lack of confidence to complain, no confidence in the value of complaining and a fear of repercussions.

The work undertaken by ComRes<sup>114</sup> as part of the FCA consultation utilises specific questions to assess financial sophistication. The first of these was whether people took an active interest in their finances and regularly read the financial news. 37% of respondents with an income below £20,000 agreed with this statement (11% strongly and 26% slightly). However, as income levels increased so did the percentage of respondents who agreed with the statement. At £60,000 per year annual household income, 64% agreed and at £120,000 74% agreed.

ComRes also looked at whether people thought they had a good understanding about the investments they held and the pattern was very similar. 38% of respondents with an income under £20,000 per year agreed with this statement and as income increased so the percentage of positive responses increased. By the time income reached £120,000 per year, 83% agreed.

Finally they looked at whether people thought they were more clued up about money than the average person. 40% of respondents with an income under £20,000 per year agreed (10% strongly and 30% slightly) and as income increased so the percentage of positive responses increased with 60% of £60,000 per annum respondents agreeing and 79% at £120,000 per annum.

This clearly shows lower levels of financial confidence amongst those with lower incomes who responded and this can be interpreted as lower levels of financial capability and potentially sophistication.

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<sup>113</sup> <http://www.ombudsman.org.uk/complain-for-change/campaigns/complaining-about-benefits,-tax-credits-or-the-nhs>

<sup>114</sup> <http://www.comres.co.uk/>

## 9.6 Annex 6 evidence in relation to Carers

Consumer research with ‘older old’ consumers and those living with cognitive, physical and sensory disabilities in 2012<sup>115</sup> looked at carers and alternative arrangements for managing finances by other people. The report sets out that people with a learning disability clearly depended heavily on informal support from parents and carers, who could exert a high degree of control over finances. In a family setting, this appeared to be primarily an informal arrangement, with parents and carers frequently looking after cards in case they got lost and writing out cheques for signature. They also facilitated access to and use of bank accounts and helped with payments.

There was clearly something of a range in operation in terms of delegation of the management of affairs, a large part of which appears to be entirely informal and dependent on trust. The range extends from “back-up” arrangements and occasional intervention when the occasion calls for it or, in the event of illness, right up to total take over and responsibility for all aspects of financial affairs, some of which was supported by legal authority and formal powers of delegation and some of which was clearly not.

At one end of the scale, occasional support for intervention and help with financial management might take the form of advice and/or monitoring financial affairs or bank accounts and shared or informal delegation of management of Internet banking or other accounts. At the other end of the scale, individuals would have little or no engagement in the management of their financial affairs, which was managed entirely by their family members. In between these two extremes there was a range of subtle gradations and more or less conscious ceding of control and authority.

In some cases Lasting Power of Attorney arrangements had been set up as a precautionary measure or on diagnosis of terminal or degenerative conditions. In some cases this had been undertaken long before there was any need for it on a “just in case” basis. Most of these situations were in the context of considerable trust and close family relationships.

Also looking at learning disabilities was Money, finance and the personalisation agenda for people with learning disabilities in the UK: some emerging issues<sup>116</sup>. They cited Emerson<sup>117</sup> from 2003/4 who found that half of all adults with learning difficulties were still living with their parent(s). Another 1 in 10 (12%) were living with other relatives. Only about 1 in 15 (7%) were living either on their own or with a partner. They also identified that some services saw it as part of their remit to support with money but not to give money advice. Direct care staff generally did not want to take on a money advice role; sometimes because they felt they did not have the skills, but more often because they did not want to risk becoming embroiled in possible questions about financial abuse, irregularities or challenges from families.

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<sup>115</sup> The Payments Council, 2012

<sup>116</sup> David Abbott and Anna Marriott, Norah Fry Research Centre, University of Bristol

<sup>117</sup> Emerson Lancaster University Adults in England with learning difficulties 2003/4

There were an estimated 600,000 people in the UK acting as primary carers for people with dementia in 2007<sup>118</sup>. In the Alzheimer's Society survey<sup>119</sup>, 15% of carers said that the person for whom they care had been a victim of financial abuse. Direct marketing was a particular area of concern. In many cases, people with dementia receive unrequested contact from companies, including banks, that is potentially open to misunderstanding from the person with dementia.

In terms of communicating changes to PPI family carers, in particular, are likely to be well-placed to channel campaign messages to older or disabled relatives or to act directly on campaign messages to the benefit of those relatives. Carers are likely to access mainstream channels. However, it is possible that targeted messages, via carer support publications and networks, for example through third sector organisation Carers UK, could provide a stronger call to action on behalf of someone else.

Care providers, whether local authority social services departments or private or third sector companies could also provide useful channels to reach older or disabled people.

## **9.7 Annex 7 evidence in relation to LGBT**

Stonewall<sup>120</sup> showed that lesbian, gay and bisexual people aged 55+ were more likely than their heterosexual peers to have plans in place for their future financial needs. Of lesbian, gay and bisexual people over 55:

- 90% in social category ABC1 have planned for their financial futures compared to 80% of heterosexual people in the same category.
- 66% in social category C2DE have planned for their financial futures compared to 58% of heterosexual people in the same category.

Research by the Nationwide Building Society<sup>121</sup> in 2014 showed that amongst the LGBT community:

- 60% would switch providers if they believed a financial services provider took LGBT issues seriously.
- 13% have experienced an uncomfortable situation with a financial services provider because of their sexuality. This rises to 17% for women, compared to 11% for men.

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<sup>118</sup> Alzheimer's Society, 2007

<sup>119</sup> Shortchanged: Protecting people with dementia from financial abuse

<sup>120</sup> [http://www.stonewall.org.uk/sites/default/files/LGB\\_people\\_in\\_Later\\_Life\\_2011\\_.pdf](http://www.stonewall.org.uk/sites/default/files/LGB_people_in_Later_Life_2011_.pdf)

<sup>121</sup> <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/press-releases/archive/2014/3/12-mar-nationwide-calls-on-financial-services>



- Nearly two thirds (65%) would switch providers to one that trains customer service staff on issues and concerns LGBT people may have regarding banking finance.

A substantial amount of equality data and information is made publicly available by the Legal Services Board in relation to their area of work. This includes a range of information in relation to LGBT people and legal and other services. One example is information that they have utilised from the Lesbian and Gay Foundation research<sup>122</sup> which amongst other things identified a significant number of LGBT people with mental health issues but these mainly negatively impacted on relationships, socialising and family activities. The impact on accessing services was only felt by 17% of respondents (compared with 71% who highlighted a negative impact on socialising).

The Legal Ombudsman produced equality related information on people who made complaints. This showed a very low declaration rate in relation to LGBT with significant numbers saying they preferred not to say. If this were a widespread picture it could possibly lead to concerns that LGBT people may not complain because of concerns about disclosing their sexual orientation. However, sufficient evidence has not been obtained to confirm this.

This limited evidence shows no particular lack of financial confidence but some issues relating to the experience of LGBT people with financial services providers and possible concerns about disclosure.

Some potential issues in relation to Trans people have been identified where there may be logistical barriers or difficulties within the PPI complaint procedures and processes and this needs to be investigated further. However, good practice has also been identified for example a major financial organisation who has recently introduced a new system to ensure that Trans people can update their records more easily.

There is considerable further evidence of good practice within the financial sector in relation to LGBT. Several large financial organisations feature within the Stonewall Top 100 Employers including the FCA who are at 40. Major high street banks have Director level champions for LGBT, have LGBT staff groups, are involved in Gay Pride, organise LGBT focused events and have senior staff who volunteer in LGBT projects.

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<sup>122</sup> <http://lgbt.foundation/get-support/downloads/detail/?downloadid=127>