Financial Lives 2024 survey

Vulnerability & financial resilience

Selected findings

May 2025

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Section 1

Introduction

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The Financial Lives survey: fieldwork dates and methodology

- Robust survey design, using random probability sampling of addresses (with invitation by post)
- All results are representative of all UK adults aged 18+, or of subgroups of all UK adults
- Each survey takes 2 years to set up, run and report
- The vast majority of fieldwork is conducted online
- Some people who do not use the internet take part online, with support. We also offer a way to take part offline. In 2017 and 2020 this was by in-home interviewing. Since 2022 this has been by telephone interviewing. In 2024, just over 1% of all interviews were conducted by telephone

	2017	2020	2022	2024
Number of interviews	12,865	16,190	19,145	17,950
Fieldwork period	13 Dec 2016 to 3 Apr 2017	30 Aug 2019 to 18 Feb 2020	1 Feb 2022 to 6 June 2022	5 Feb 2024 to 16 June 2024
	95% of the interviews were completed in early 2017	Over 70% of the interviews were completed in January and February 2020	Over 60% of the interviews were completed in May 2022	Just under 45% of the interviews were completed in May 2024 – the most in any month
	We refer to the results as 2017 or April 2017	We refer to the results as 2020 or February 2020	We refer to the results as 2022 or May 2022	We refer to the results as 2024 or May 2024
Fieldwork mode	Online & in-home interviews	Online & in-home interviews	Online & telephone interviews	Online & telephone interviews

For more information on our latest survey, see the Financial Lives 2024 survey: Technical Report

The Financial Lives 2024 survey: questionnaire coverage

Nearly **1,300** questions, covering:

Core question sets

Demographics	Attitudes	Product ownership	Assets & debts

Product-related question sets

Retail banking	Cash savings	Payments	
Mortgages	Credit & loans	General insurance & protection	
Consumer investments	Pension accumulation	Pension decumulation	Financial advice & support

Cross-sector question sets

Access	Financial promotions	Claims management
Consumer experiences with financial services	Fraud & scams	

Topic-based question sets

Platforms (non-advised)	Responsible investments	Unbanked
Deferred payment credit	Awareness of the FCA	Pre-paid funeral plans

Please visit the FLS <u>resources library</u> for all published outputs

Main reports

We have published key selected findings from the Financial Lives 2024, 2022, 2020 and 2017 surveys through main reports and short interim reports.

Sector slide decks

We published 6 retail sector slide decks alongside our 2022 survey main report.

For links to our 2024 slide decks, see the next slide.

Questionnaires

The questionnaires from the Financial Lives 2024, 2022, 2020, and 2017 surveys are also published. For a short intro to survey content, see our 2024 survey crib sheets.

Data tables

The data tables from our 2024, 2022, 2020, and 2017 surveys provide access to the results of almost all the survey questions and cut the results by many different subgroups of consumers.

Raw data

Raw data from the Financial Lives 2022, 2020 and 2017 surveys can be accessed by applying to the Geographic Data Service (GeoDS). We will make the 2024 survey data available through GeoDS by September 2025.

FLS team inbox

Please email us with any queries or to share how you use FLS:

financiallivessurvey@fca.org.uk.

The Financial Lives 2024 survey: a main report and 18 slide-based reports
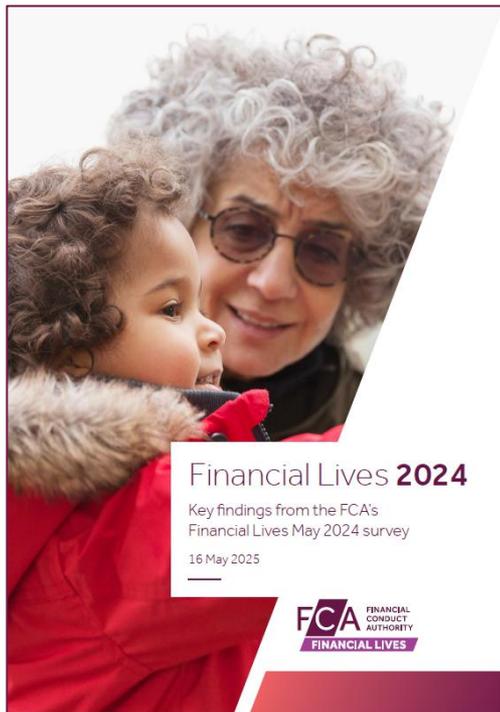
Main report	Slide-based reports			
	Sectors/products		**More specific topics & cross-sector topics**	
	Cash savings	Mortgages	Awareness of the FCA	Forbearance & debt advice
	Consumer investments	Payments	Claims management	Fraud and scams, and financial promotions
	Credit & loans	Pensions	Consumers' experiences with financial services	Platforms (non-advised)
	Financial advice & support	Retail banking	Credit information	Vulnerability & financial resilience
	General insurance & protection		Financial inclusion	

Financial Lives **2024**

Key findings from the FCA's
Financial Lives May 2024 survey

16 May 2025

FCA FINANCIAL CONDUCT AUTHORITY
FINANCIAL LIVES

Citing accurately from our reports

We have tried to provide on the slides all the information you need to read them accurately, not least who was asked the question and the question wording.

Nonetheless, when citing from our reports, we advise that you look at the questionnaire for any additional information given to respondents, eg you will see any definitions provided to respondents.

Other useful resources, to help you understand results fully, are:

o Annex A (Product holdings), a spreadsheet covering over 100 different financial products, or groups of products such as high-risk investments. It shows the proportion and absolute number of UK adults who – in their own name or, where applicable, in joint names – hold each of these products. Results for 2024 are also broken down by sex, age, employment status, ethnicity, individual housing tenure, annual household income, different characteristics of vulnerability, nations and the regions of England, the most and the least deprived areas of the UK, and by rural and urban locations. A Guide to the Annex explains how we calculate product holders, and describes the small changes made to the product holding data we collect in 2024

o Annex B (Full glossary of terms) covers the terms used in all the slide-based reports. Each slide-based report also has its own glossary (at the end), with entries selected from the Full glossary of terms

o Annex C (Caveats) sets out small limitations on the interpretation of results between the 2022 and 2024 surveys, where questions have been amended but not so much that results cannot be tracked

Please note: Financial Lives is a consumer survey of UK adults' financial behaviour, perceptions, and experience with financial services. As such, it tells us what consumers think, feel and know. The results may vary from the results of other surveys based on differences in survey methodology or question wording, or from market data not based on respondent recollection.

A guide to reading most charts

Consumer confidence in managing their money (2017/2020/2022/2024)

	2017	2020	2022	2024
High (9-10)	37%	40%	37%	39%
Moderate (7-8)	39%	37%	39%	39%
Low (0-6)	24%	23%	24%	22%
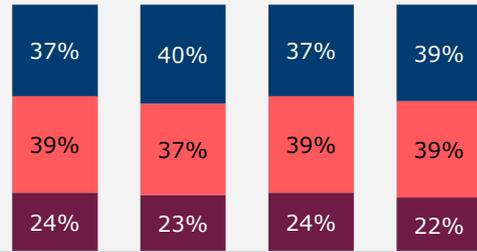
■ Low (0-6) ■ Moderate (7-8) ■ High (9-10)

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (1%/1%/1%/1%)

Question: AT1a (Rebased). How confident do you feel managing your money?

Notes: None.

Title, including the dates of the survey(s) from which the results come. This chart compares results across the 4 Financial Lives surveys (April 2017, February 2020, May 2022, and May 2024 – although the months are not stated).

Proportions of the reported population, weighted to represent – in this case – all UK adults. Check the **Base** to learn what the reported population is.

The **Legend** clarifies what each colour in the chart indicates. In this case, it is three levels of confidence consumers have in managing their money.

Base. The reported population, including the number of respondents. A smaller number of respondents indicates a larger margin of error around the statistic.

The proportion of respondents selecting 'don't know' (and/or 'prefer not to say') is also indicated in the Base. When the base excludes such respondents, this means we have assumed that, had they given substantive answers, these answers would have been distributed proportionately across the other answer options – which, in this case, were 0 to 10.

Question: The question number (here AT1a) is shown, so that you can find the question in the questionnaire or the full results in the data tables. Although the question wording is shown here, the full context, including any additional information given to respondents, is available in the questionnaire.

Where we chart using a summary variable (the results of two or more questions combined), we include the summary variable number instead of a question number. Summary variables can be found in the data tables.

Notes: Any additional notes about the question wording or interpretation, or about the comparison of results between the 2017, 2020, 2022 and 2024 Financial Lives surveys. If there are no notes, this element of the chart will be absent.

A guide to reading charts that show percentage point changes

Life insurance policy held and percentage point change since 2022, by sex and age (2024)

pp change (2022-2024)

	3%			3%	0%	
-1% -2% -1%		-4% -5% -2%				-1%

% of adults who hold a life insurance policy (2024)

- All UK adults: 28%
- Male: 29%
- Female: 27%
- 18-24: 9%
- 25-34: 26%
- 35-44: 40%
- 45-54: 43%
- 55-64: 32%
- 65-74: 16%
- 75+: 14%

Sex | Age

Legend:
- Hold life insurance policy (2024)
- Statistically significant change
- Change that is not statistically significant
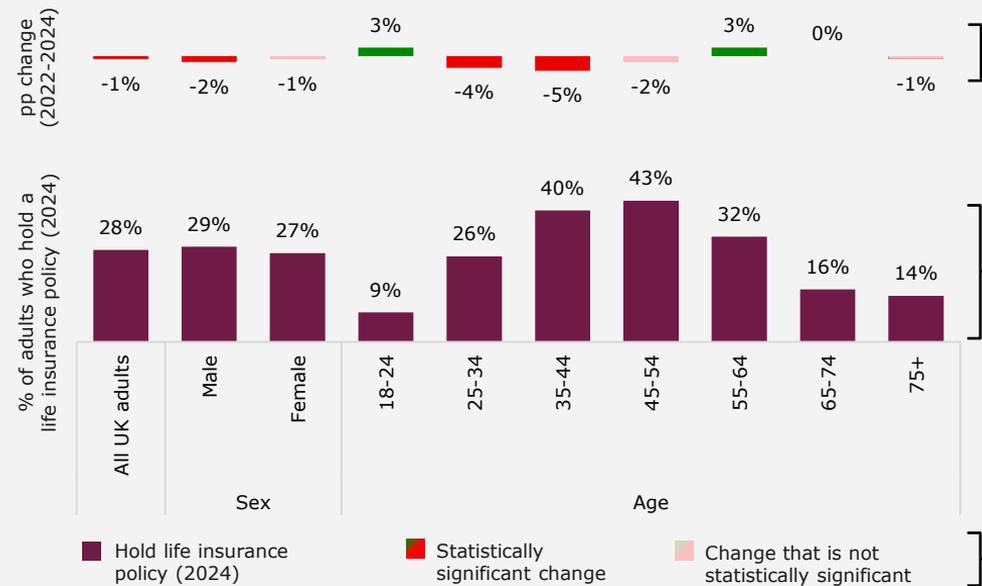
Base: All UK adults (2024:17,950/ 2022:19,145)

Question: POSum1. Product holding summary 1

Percentage point (pp) change in the results between 2022 and 2024

For example, in this case, there was a 2pp reduction in the proportion of men who held a life insurance policy between 2022 (31%) and 2024 (29%), and this change was statistically significant (red colour), while there was a 1pp reduction for women, which was not statistically significant (light red). By age, there was a 3pp increase in the proportion of 55-64 year olds with a life insurance policy, and this change was statistically significant (green colour).

2024 results

For example, in this case, 28% of all UK adults held a life insurance policy in 2024.

Legends

These clarify what each colour in the chart indicates. For all percentage point change charts, maroon is used for the 2024 results, traffic light green and red are used to indicate a percentage point change of +/- 0.5% or more (ie +/- 1pp when rounded to the nearest whole number), and lighter shades of green and red are used to indicate a percentage point change that is not statistically significant.

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A guide to reading tables

Level of knowledge about financial matters (self-rated)
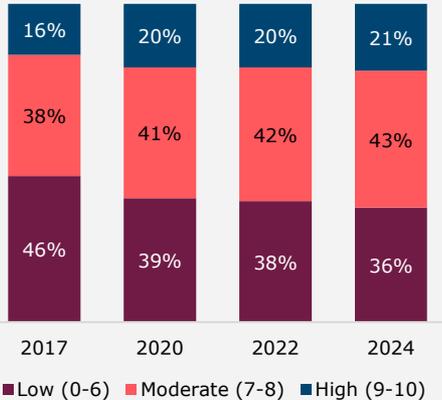
All UK adults (2017/2020/2022/2024)

Year	Low (0-6)	Moderate (7-8)	High (9-10)
2017	46%	38%	16%
2020	39%	41%	20%
2022	38%	42%	20%
2024	36%	43%	21%

- Low (0-6) - Moderate (7-8) - High (9-10)

Demographic groups most likely to have low knowledge about financial matters (2024)

All UK adults	36%
In financial difficulty	59%
Poor financial numeracy	54%
Unemployed	53%
Aged 18-24	53%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (1%/1%/1%/1%)

Question: AT5 (Rebased). How knowledgeable would you say you are about financial matters?

Occasionally, we present results in chart and table form on the same page.

The chart shows the range of results given – in this case, the proportion of all UK adults who rate their knowledge of financial matters as low (36% in 2024), moderate (43%) or high (21%).

Here, we have included **a table** to explore the 2024 results in more detail – in this case, showing demographic groups that were most likely to rate their knowledge about financial matters as low.

The **table title** provides information on the results being explored in the table – in this case, the percentage of adults rating their knowledge as 'low' in 2024.

The **title row in the table** restates the overall results for all UK adults – in this case, the 36% of all UK adults rating their knowledge as low, which can also be seen in the bar chart for 2024.

The **rows in the table** share results for demographic groups most or least likely to state this – in this case, for example, 59% of adults in financial difficulty rated their knowledge as low.

How to read the FLS slides: small but important conventions

Chart conventions

[x%]	Square brackets are used to caveat percentage results that are based on 50 to 99 unweighted observations. We rarely draw attention to such results in the headers to slides. **This is a common convention.**
*	An asterisk is used, and percentage results are not provided, where the number of respondents or observations (also called the unweighted base) is too low, ie fewer than 50.
0%	The result is less than 0.5%.
0.7%	Statistics are cited to zero decimal place, except for product holdings where 10% or fewer adults hold the product, and for a small number of other ad hoc reasons – in these cases, results are cited to one decimal place.
unp	Unprompted response. The answer code frame for many survey questions includes an 'Other (write in)' response option. This allows respondents to give a response which has not been prompted. These responses are not directly comparable to pre-existing, or prompted, response options
na	Question or response option not asked.
n/a	Not applicable.

How to read the FLS slides: rounding, rebasing and statistically significant differences

Rounding

Totals may not add to 100%, or look like they add up:

- Percentages derived from the survey analysis or associated calculations are usually rounded upwards or downwards to the nearest whole number. Where a percentage, calculated to one decimal place, is x.5%: the convention is to round upwards, eg 56.5% is shown as 57%

- Another example: it may be correct to say there is an 8 percentage point difference between 41% and 48%, if these results are rounded from 40.5% and 48.4%

Multi-coded questions

Many questions in FLS allow respondents to select more than one option from a list of response options. As a result, results for these questions will sum to more than 100%.

Rebasing

Findings are usually rebased to exclude respondents who refuse to answer a question by selecting a 'prefer not to say' code. We also rebase results to exclude respondents who say 'don't know', where this is not a meaningful result. The base information below charts gives the details on the weighted proportion of respondents who have been excluded because they selected 'don't know' or 'prefer not to say'. Whether a result is meaningful or not is sometimes a matter of interpretation. We encourage the reader to consult the weighted data tables, which include both the rebased results and the non-rebased results.

Statistically significant differences

We have tested all the survey results to a confidence interval (CI) of 95%. Where we pick out results in the slide text, they are always statistically significant to a confidence level of 95%, unless we explicitly say they are not. This applies to the comparison of results both for different consumers in the same survey (eg men and women) and for the same consumer group between the Financial Lives surveys (eg results for women in 2022 compared with results for women in 2024).

- An example of where we mention a result that is not statistically significant is: "0.7 million adults (1.4%) made a claim for compensation in the 12 months to May 2024 – not statistically different from the 1.2% who did so in the 12 months to May 2022"

How to read the FLS slides: reporting averages for monetary values

Why we report medians for monetary values

Almost all monetary value questions in the Financial Lives survey, such as household income or savings, ask respondents to select from pre-defined ranges rather than provide an exact figure. This is standard practice in surveys, because it encourages more responses – people are more likely to answer when given a range and less likely to give a 'prefer not to say' or 'don't know' answer.

Our principal goal in reporting these questions is to show the proportion of respondents selecting each range. However, averages can also be useful when comparing different groups of consumers and when tracking changes over time, so we sometimes also report an average measure.

While it is common practice in surveys to report means, we have chosen not to do so because calculating a mean requires selecting a single point within each range, which is not straightforward. Responses within any given range (eg £30,000-£50,000) may not be clustered around the midpoint, and for open-ended top bands (eg £50,000 or more), any assigned value would need to be based on assumptions rather than actual data. Since different choices of the point values to use in calculations can lead to different mean estimates, we have chosen to report medians instead.

To do this, we report the median band. This is the range in which the middle respondent falls and provides an objective summary of the data, without requiring an assumption to be made about the distribution of responses within each range. However, the median band also has its limitations. In particular, it can mask small shifts in responses over time or between different consumer groups, as a substantial difference is often needed to move the median into a different band (or range).

How to read the FLS slides: most commonly used analysis groups

Analysis group	Description
Sex	In the 2017 and 2020 questionnaires, we captured a respondent's gender. In 2022 and 2024 we also asked what their sex is, and we use this as the primary reporting variable. We made this change, as sex is one of the 9 characteristics identified as protected in the Equality Act 2010, and to be able to explore better through FLS the different experiences of consumers from diverse backgrounds. We do not chart results for those who 'prefer not to say'.
Age	As standard, we use the following age bands: 18-24, 25-34, 35-44, 45-54, 55-64, 65-74, and 75+. Occasionally, we use other age bands where these are more helpful for analysis. For example, for reporting on adults who have decumulated a pension, it may be more helpful to report for all adults aged 55+, or when reporting for older adults with a mortgage, it may be more helpful to report for all adults aged 65+.
Ethnicity	We report for: White, Black & Black British, Asian & Asian British, mixed/multiple ethnicity, and other ethnicity. In some instances, sample size constraints mean that we report collectively for 'minority ethnic adults' (which includes all non-White adults and White adults who describe their ethnic background as Gypsy or Irish traveller). We do not chart results for those who 'prefer not to say'.
Employment status	We report for: employed, self-employed, unemployed, retired, semi-retired, and other. 'Other' includes: temporarily sick with no job to go to, permanently sick or disabled, students, looking after the home, and full-time carers. 'Semi-retired' is defined to survey respondents as drawing a pension or other income but still working. We do not chart results for those who 'don't know'.
Housing tenure	We report for: own outright, mortgage, renting, and other. 'Mortgage' includes those who own their property with a mortgage, or with a lifetime mortgage, or who pay part rent/part mortgage (shared ownership). 'Other' includes: those who live rent-free (eg with parents, partner, relatives or in friends' property) or who occupy the property they currently live in in some other way. We do not chart results for those who 'don't know'.
Household income	Household income is defined for survey respondents as their 'total annual household income from all sources (including benefits) before tax and other deductions'. As standard, we use the following bands: Less than £15k, £15k - <£30k, £30k - <£50k, £50k+. We do not chart results for those who 'don't know' or 'prefer not to say'.
Characteristics of vulnerability	We define a vulnerable consumer as someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care. We report for adults with any characteristics of vulnerability, or with characteristics associated with one of the 4 key drivers of vulnerability (poor health, capability, resilience, negative life events). To report on vulnerability, we apply an algorithm to our survey results, to identify whether respondents display at least one characteristic of vulnerability across the 4 drivers.

Section 2

Characteristics of vulnerability

- <u>The FCA's definition of consumers in vulnerable circumstances</u>

- <u>How we estimate the number of adults with characteristics of vulnerability</u>

- <u>Adults with one or more characteristics of vulnerability</u>

- <u>Adults with one or more characteristics of vulnerability, across a variety of demographic segments</u>

- <u>The four drivers of vulnerability</u>

- <u>Overlapping characteristics of vulnerability</u>

The FCA's definition of consumers in vulnerable circumstances

Our definition of vulnerability refers to consumers who, due to their personal circumstances, are especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care

Being in vulnerable circumstances may affect the way consumers engage with financial services. Vulnerable consumers may be much less able to represent their own interests; they may have different needs, and they may be more prone to behavioural biases that affect their decision-making.

We think about vulnerability as a spectrum of risk. All consumers are at risk of becoming vulnerable (and hence at greater risk of harm), particularly if they display characteristics under one or more of our 4 drivers of vulnerability:

- Health: Having poor health, ie health conditions or illnesses that reduce one's ability to carry out day-to-day activities a lot

- Life events: Negative life events such as bereavement, job loss, or relationship breakdown

- Resilience: Low ability to withstand financial or emotional shocks

- Capability: Low knowledge of financial matters or low confidence in managing money (financial capability), or low capability in other relevant areas such as digital skills

You can find out more about vulnerable consumers, and what firms should do to ensure they are treating them fairly, in the FCA's Finalised guidance: FG21/1 Guidance for firms on the fair treatment of vulnerable customers.

Survey-based estimates of the number of UK adults with characteristics of vulnerability – and updates to FLS over time

To report on vulnerability, we apply an algorithm to our survey results, to identify whether respondents display at least one characteristic of vulnerability across the 4 drivers. Each characteristic is in effect the answer to a survey question, such as 'Yes, I have very low confidence in managing my money'.

Over time, we have expanded the Financial Lives survey to include additional characteristics of vulnerability.

We present 2 sets of results in this report:

- **Original** FLS vulnerability algorithm (2017–2024): This algorithm, referred to as "Vulnerability summary v2" in the results slides, is based on the original question set, allowing for like-for-like comparisons from 2017 onwards

- **Updated** FLS vulnerability algorithm (2022–2024): This algorithm, referred to as "Vulnerability summary v4" in the results slides, includes an expanded set of characteristics from 2022

Most results in this slide-based report use the **updated** algorithm. However, for trend analysis going back to 2017, we also include results using the **original** algorithm.

All other Financial Lives 2024 slide-based reports and our main report only use the **updated** algorithm.

You can find out more about the FLS vulnerability algorithm in Appendix B.

In the FCA's 2021 guidance we gave examples of characteristics associated with the 4 drivers of vulnerability – most of these characteristics are included in the FLS vulnerability algorithm

Characteristics associated with the 4 drivers of vulnerability given as examples in our <u>Finalised guidance</u>, and whether these characteristics are included in the Financial Lives original or updated vulnerability algorithm

Health		Life events		Resilience		Capability	
Characteristic	*In the FLS vulnerability algorithm?*	**Characteristic**	*In the FLS vulnerability algorithm?*	**Characteristic**	*In the FLS vulnerability algorithm?*	**Characteristic**	*In the FLS vulnerability algorithm?*
Physical disability	Yes	Income shock	Yes	Low financial resilience	Yes	Low financial capability	Yes
Hearing or visual impairment	Yes	Relationship breakdown	Yes	Low emotional resilience	**From 2022**	Poor or non-existent digital skills	Yes
Poor mental health and/or low mental capacity or cognitive difficulties	Yes	Bereavement or serious accident or illness	Yes			Poor English language skills	**From 2022**
Addiction	Yes	Becoming the main carer for a close family member	Yes			Learning difficulties	**From 2022**
Progressive health conditions *(cancer, MS, HIV infection)*	**From 2022**	Economic control (financial abuse)	**From 2022**			Poor numeracy skills**	No
		Retirement*	No			Poor literacy skills	No
		Domestic abuse	No				
		Other circumstances affecting experience of FS (eg leaving care, seeking asylum, modern slavery, convictions)	No				

Notes: See <u>Appendix B</u> for more information. The FLS questionnaire contains questions linked to most, but not all, of these example characteristics. Not including all characteristics is largely due to sensitivity: some characteristics are of a very sensitive nature, and it is not appropriate to seek the information in the Financial Lives survey. *****FLS includes questions on retirement (life events), but this characteristic is not included in the FLS vulnerability algorithm. ******FLS captures people's financial numeracy, but not their basic numeracy.

A note on digital exclusion

Defining digitally excluded adults

Having poor or non-existent digital skills (being 'digitally excluded' (DE)) is a characteristic of vulnerability under our capability driver. We define adults as being DE, if they never/very rarely use the internet, or they use the internet occasionally (less than once a week) but rate their ability to use it as poor or bad.

Challenges in estimating how many adults are digitally excluded

Accurately measuring internet use in any survey is a challenge, as non internet-users may be least likely to participate due to a range of factors such as being infirm, living in remote areas, a lack of trust, or privacy concerns. Yet, understanding the experiences of DE consumers is important. To capture their views, Financial Lives offers invitees the option to participate over the telephone (rather than online). Our survey invitation letters encourage participation from DE adults, whether by phone or by getting help to complete the survey online.

Removal of internet use from our weighting in 2024

Even so, we recognise that our achieved sample will under-represent DE adults. In previous waves, we have used internet use data from the Office for National Statistics (ONS) Opinions and Lifestyle Survey (OPN) to calibrate our survey data. However:

- In the 2022 survey, we had to weight to a population target derived from the February 2020 OPN survey, as this was the most recent and credible source available at the time. Therefore, it is likely that we under-estimated internet use in 2022, especially as FLS 2022 was a post-Covid survey and Covid likely increased internet use significantly (as we acknowledged at the time)
- In the 2024 survey, we have had to remove internet use as a measure in the calibration weighting because the ONS no longer collects this data, and there are no other suitable and reliable sources available. Therefore, it is possible that we slightly over-estimate internet use in the 2024 survey

What this means for reporting digital exclusion and other vulnerability results

Our 2022 survey is therefore likely to over-report the proportion of adults who are DE, and our 2024 survey is likely to slightly under-report DE adults, in indicating an improvement from 2022 (7% DE) to 2024 (2% DE). We have confidence in the direction of this trend, not least because the FLS 2023 recontact survey (4% DE) provides evidence that DE was over-reported in 2022. However, while some of the change we see between 2022 and 2024 will be real (ie there are fewer DE adults), some will reflect our no longer being able to weight the survey results by internet use.

Furthermore, as DE adults are most likely to exhibit other characteristics of vulnerability (especially low financial capability, being in poor health, and low financial resilience), by under-reporting the DE population in the 2024 survey we are also likely to be slightly under-reporting low capability overall and those with some other characteristics of vulnerability. This impact on results is greatest for older adults, as half of all DE adults were aged 75+ in 2022.

Financial Lives users should be mindful of this limitation when using these results.

Almost half (49%, 26.4m) of UK adults showed one or more characteristics of vulnerability in 2024 (updated algorithm) – down 3pp since 2022

One or more characteristics of vulnerability (original algorithm) (2017/2020/2022/2024)
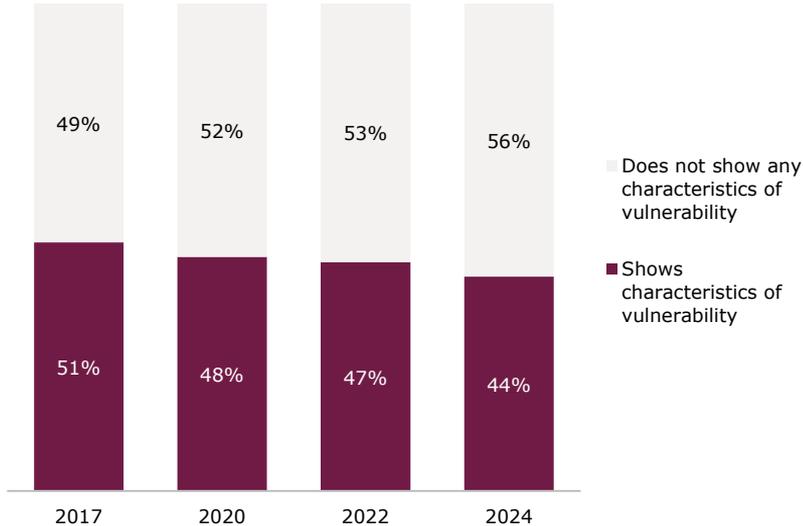
	2017	2020	2022	2024
Does not show any characteristics of vulnerability	49%	52%	53%	56%
Shows characteristics of vulnerability	51%	48%	47%	44%

One or more characteristics of vulnerability (updated algorithm) (2022/2024)

	2017	2020	2022	2024
Does not show any characteristics of vulnerability	na	na	48%	51%
Shows characteristics of vulnerability			52%	49%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.
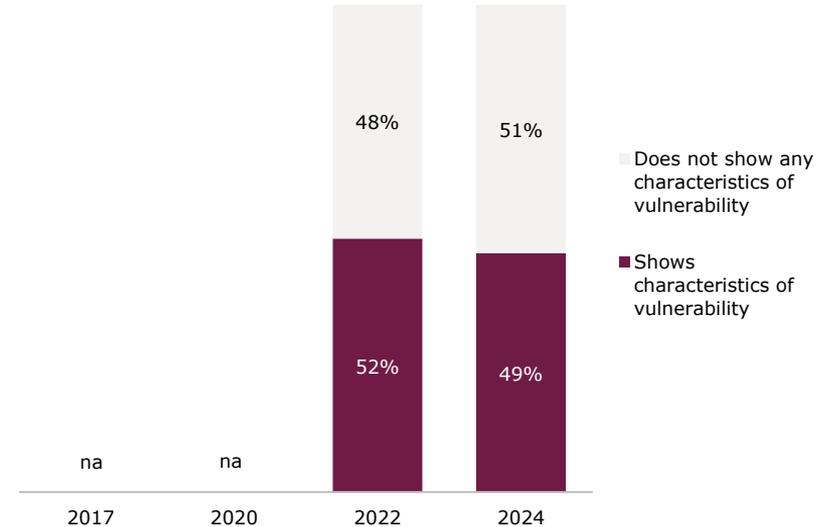
Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

Certain groups were far more likely to display characteristics of vulnerability than others in 2024, particularly unemployed adults (76%), those with 'other' employment status (73%), and those in a low-income household (73%)

One or more characteristics of vulnerability and percentage point change since 2022, across a variety of demographic segments (updated algorithm) (2024)

pp change (2022-2024) / % of adults who have one or more characteristics of vulnerability (2024)

Segment	pp change	value
All UK adults	-3%	49%
Sex		
Male	-3%	44%
Female	-3%	53%
Age		
18-24	1%	53%
25-34	0%	52%
35-44	0%	51%
45-54	-1%	51%
55-64	-2%	48%
65-74	-6%	41%
75+	-14%	44%
Ethnicity		
White	-3%	48%
Black & Black British	-10%	56%
Asian & Asian British	0%	49%
Mixed/ multiple	-5%	59%
Other	-[11%]	[55%]
Employment status		
Employed	-1%	45%
Self employed	-7%	44%
Unemployed	3%	76%
Retired	-10%	41%
Semi-retired	1%	36%
Other	1%	73%
Housing tenure		
Own outright	-7%	36%
Mortgage	0%	41%
Renting		66%
Other		48%
Household income		
Less than £15k	-2%	73%
£15k - <£30k	-2%	58%
£30k - <£50k	-3%	46%
£50k+	-1%	37%

Legend:
- One or more characteristics of vulnerability (2024)
- Statistically significant change
- Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

Looking at the 4 drivers of vulnerability, there was not a large change in the proportion of adults with characteristics related to resilience, life events or health between 2022 and 2024, but there was a 5pp fall in the proportion of adults with characteristics related to low capability

**The four drivers of vulnerability
(original algorithm) (2017/2020/2022/2024)**
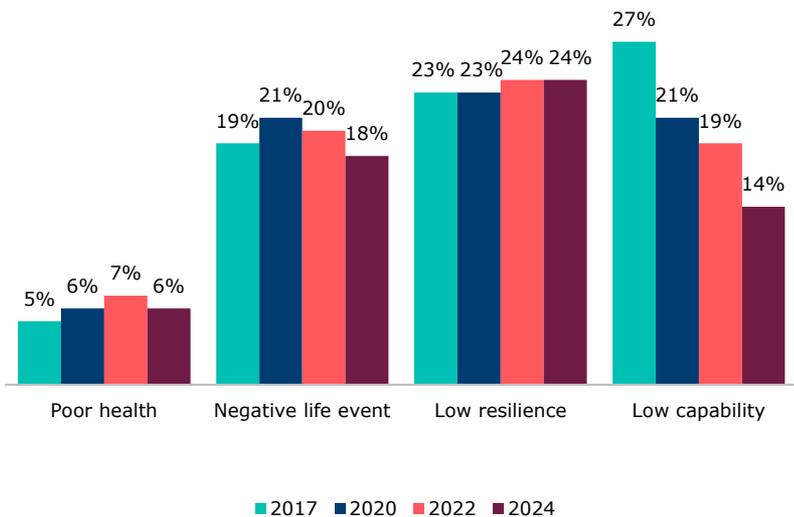
**The four drivers of vulnerability
(updated algorithm) (2022/2024)**

23
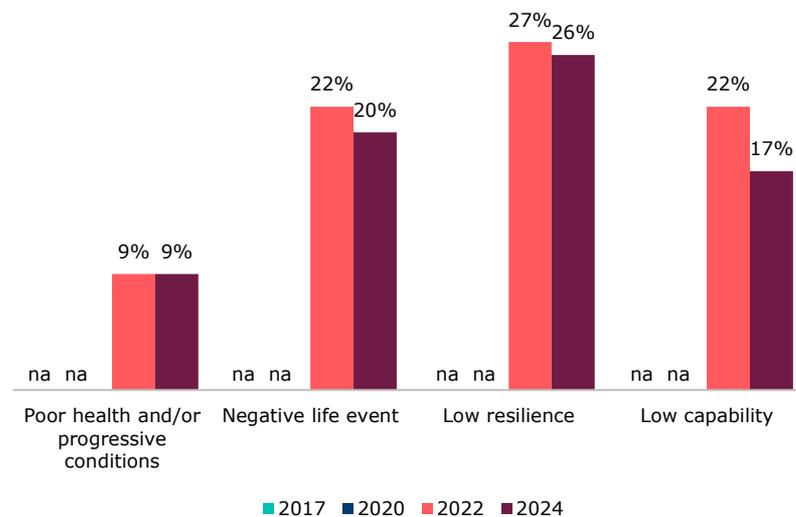
Three-eighths (37%, 9.8m) of adults with characteristics of vulnerability had characteristics across 2 or more drivers in 2024

Adults who have one or more characteristic(s) of vulnerability under 1, 2, 3, or 4 drivers (updated algorithm) (2024)

37%

2%

8%

27%

63%

- Shows characteristic(s) under 1 driver
- Shows characteristic(s) under 2 drivers
- Shows characteristic(s) under 3 drivers
- Shows characteristic(s) under 4 drivers
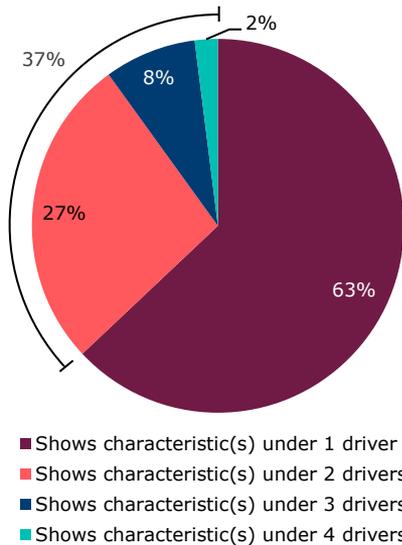
Base: <u>All UK adults who have characteristics of vulnerability</u> (2024:8,111)
Question: Vul_indicator_count_v4. Summary of the number of vulnerability drivers shown

Overlapping drivers of vulnerability as a proportion of all UK adults (updated algorithm) (2024)

Capability 17%

Capability is low

Health 9%

In poor health or have progressive health conditions *(cancer, MS, HIV infection)*

Resilience 26%

Financial or emotional resilience is low

Life events 20%

Experienced one or more negative life events in the last 12 months

Capability only 5.4%

Resilience only 12.4%

Resilience + Capability 3.8%

Health + Capability 0.6%

Health + Resilience + Capability 0.8%

Resilience + Life event 1.1%

Resilience + Life event 3.5%

Health only 1.5%

Health + Resilience + Life event + Capability 0.6%

Life event only 10.1%

Health + Resilience 1.3%

Health + Resilience + Life event 0.7%

1.1%

0.3%

0.7%

Resilience + Life event + Capability

Life event + Capability

Health + Life event + Capability

Health + Life event

Base: <u>All UK adults</u> (2024:17,950)
Question: Vulnerability summary v4 (intersections)

Section 3

Poor health

- <u>How we define and measure poor health</u>
- <u>Adults in poor health</u>
- <u>Adults in poor health, across a variety of demographic segments</u>
- <u>Types of illness/condition</u>
- <u>Adults with mental health conditions</u>
- <u>Difficulties experienced by adults in poor health</u>
- <u>Difficulties experienced by adults in poor health, by type of illness/condition</u>
- <u>Disability using the Government's harmonised standard questions</u>

How Financial Lives defines and measures poor health

We define adults as being in 'poor health', if they have a condition or illness lasting or expected to last for 12 months or more; that their illness/condition affects them physically or affects their hearing, vision, mental health (including addiction), mental capacity or cognitive abilities; and that it impacts their ability to carry out day-to-day activities 'a lot'. So, our measure includes adults whose condition or illness has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.

In the 2022 and 2024 surveys, we added a question about cancer, multiple sclerosis, and HIV infection. People with these progressive conditions automatically meet the disability definition under the Equality Act 2010 from the day they are diagnosed, even if their condition does not currently have a substantial negative impact on their ability to carry out day-to-day activities. To ensure consistency in tracking over time, we present 2 sets of results:

- **Original** FLS vulnerability algorithm (2017–2024): Adults in poor health
- **Updated** FLS vulnerability algorithm (2022–2024): Adults in poor health and/or who have one of these progressive conditions

Most results in this section use the **updated** algorithm. However, for trend analysis going back to 2017, we also include results using the **original** algorithm.

Note that our figures could under-estimate the population in poor health because we rely on self-reporting. Respondents can choose not to answer. It is likely that those with more severe conditions are under-represented among survey respondents because it would be more difficult for them to take part.

Around one in ten (9%) adults were in poor health and/or had cancer, MS, or HIV infection in 2024, equating to 4.8m adults – unchanged from 2022 (updated algorithm)

**Poor health
(original algorithm) (2017/2020/2022/2024)**
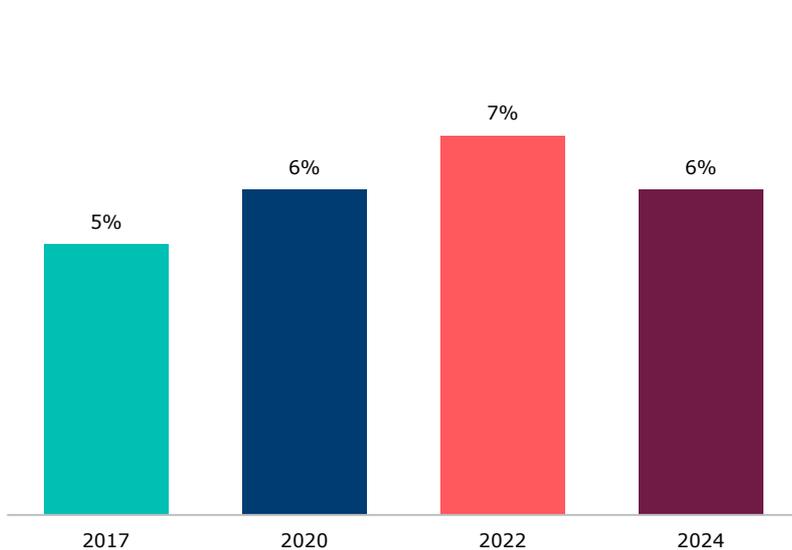
**Poor health and/or have one of these progressive
conditions: cancer, MS, HIV infection
(updated algorithm) (2022/2024)**

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.
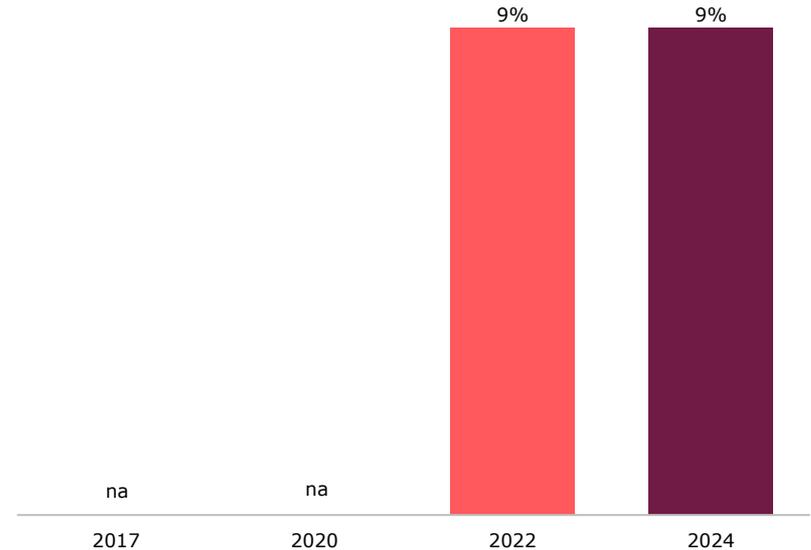
Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

In 2024, a higher proportion of older adults were in poor health and/or had a progressive condition than the UK average. Poor health was also higher among adults in a low-income household

Poor health and/or have cancer, MS, or HIV infection and percentage point change since 2022, across a variety of demographic segments (updated algorithm) (2024)


	pp change (2022-2024)	% in poor health (2024)
Sex		
All UK adults	0%	9%
Male	-1%	7%
Female	-1%	10%
Age		
18-24	0%	4%
25-34	1%	5%
35-44	-1%	7%
45-54	1%	8%
55-64	0%	11%
65-74	-2%	12%
75+	0%	18%
Ethnicity		
White	5%	10%
Black & Black British	1%	8%
Asian & Asian British	0%	4%
Mixed/ multiple	[5%]	8%
Other	0%	[13%]
Employment status		
Employed	-3%	4%
Self employed	2%	4%
Unemployed	-1%	11%
Retired		14%
Semi-retired	0%	9%
Other	0%	26%
Housing tenure		
Own outright	-1%	9%
Mortgage	1%	5%
Renting	0%	13%
Other	-1%	7%
Household income		
Less than £15k	-1%	19%
£15k - <£30k	0%	13%
£30k - <£50k	2%	8%
£50k+	0%	5%

% of adults who are in poor health and/or have cancer, MS, or HIV infection (2024)

■ In poor health and/or have cancer, MS, HIV infection (2024)   ■ Statistically significant change   ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

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In 2024, over half (57%) of the 4.8m adults in poor health and/or with cancer, MS, or HIV infection had a condition that affected their mobility, and 40% of them had a mental health condition or illness

Types of illness/condition for adults in poor health and/or who have cancer, MS, or HIV infection (2024)

Condition	Percentage
Mobility, e.g. walking short distances or climbing stairs	57%
Mental health	40%
Cancer, MS, or HIV infection	36%
Stamina, breathing or fatigue	34%
Memory, e.g. forgetting conversations or appointments	27%
Dexterity, e.g. lifting and carrying objects, or using a keyboard	22%
Learning, understanding or concentrating	16%
Hearing, e.g. deafness or partial hearing	14%
Socially or behaviourally e.g. ADHD, or associated with ASD which includes Asperger's	12%
Vision, e.g. blindness or partial sight	10%
Addiction, e.g. drugs, alcohol, gambling	4%
Other	7%

Base: All UK adults who are in poor health and/or who have cancer, MS, or HIV infection (2024:1,463) **Question:** D34. Do any of these condition(s) or illness(es) affect you in any of the following ways / Do you have any health condition(s) or illness(es) that affect you in any of the following ways? / D35d. Do you have any form of cancer, multiple sclerosis or HIV infection? These are health conditions which, from the day of diagnosis, mean you automatically have a disability under the Equality Act. **Note:** Results add up to more than 100%, because many adults report more than one type of illness/condition.

17% of all UK adults had a mental health condition or illness in 2024, equating to 9.0m adults – up from 13% in 2020

Mental health conditions, by sex and age (2024)
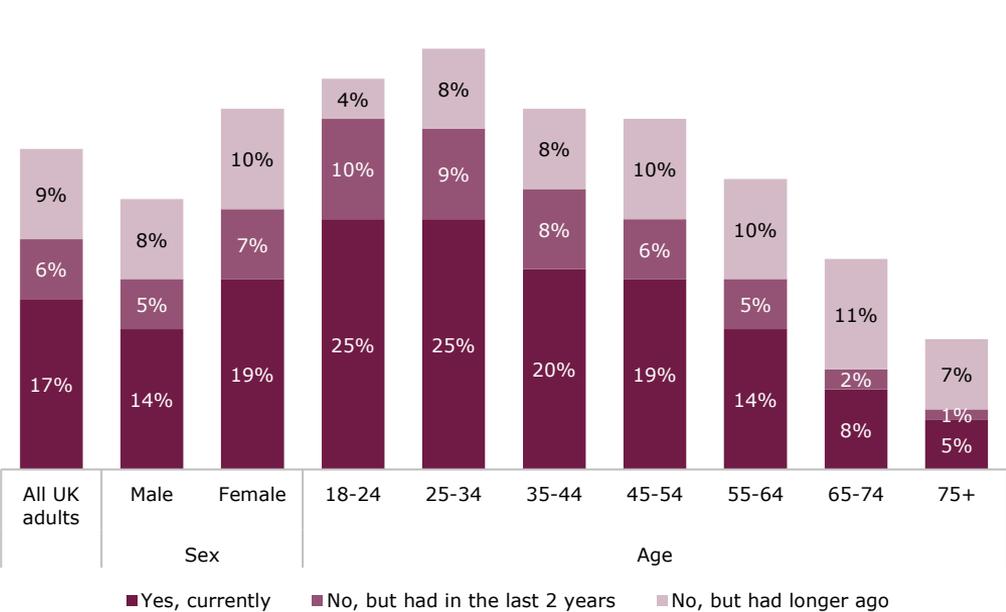
- In 2024, 17% of UK adults had a mental health condition or illness – up significantly since 2020 (13%)

- Around a quarter to a fifth of adults with a mental health condition or illness in 2024 attributed the following issues to their health condition(s) or illness(es) (which may not have been limited to mental health):
  - ➤ 25% (2.0m) had put off dealing with financial matters (eg ignoring or not opening correspondence)
  - ➤ 24% (2.0m) said they struggled to cope managing their money
  - ➤ 18% (1.5m) had fallen into debt, because they did not want to deal with difficult financial situations

Base: All UK adults (2024:17,950) excluding 'don't know' and 'prefer not to say' responses (11%)
Question: D33aD34D35asum (Rebased). Summary of those with mental health conditions

In 2024, 58% of the 4.8m adults in poor health and/or with cancer, MS, or HIV infection said they had experienced issues interacting with providers or with managing their finances, specifically due to their condition/illness

Difficulties when interacting with financial services providers or dealing with their finances for adults in poor health and/or who have cancer, MS, or HIV infection (2022/2024)

Issue	2024	2022
Any of these issues	58%	59%
Found dealing with customer services on the phone confusing and difficult	27%	27%
Difficulty getting to a bank branch	26%	26%
Struggled to cope with managing your money	21%	21%
Too anxious to shop around for FS products in case you make a mistake	20%	19%
Put off dealing with financial matters, eg by ignoring warning letters	19%	18%
Struggle to follow instructions making it hard to interact with providers	14%	16%
Fallen into debt as not wanted to deal with difficult financial situations	15%	15%
Difficulty with numbers making it hard to interact with FS providers	11%	12%
Scared to tell a provider about health in case charged more/ cover withdrawn	11%	10%
Found it difficult to arrange for a trusted person to deal with finances	9%	8%
Been turned down for a financial product or service	8%	8%
Offered product at a price, or with T&Cs, you felt to be unfair/ expensive	7%	5%
Other	2%	2%

Base: All UK adults who are in poor health and/or who have cancer, MS, or HIV infection (2020:1,575/ 2024:1,463) excluding 'don't know' (7%/3%) and 'prefer not to say' (4%/4%) responses

Question: D35b (Rebased). For some people, their condition or illness can result in a range of issues when dealing with financial services. Have you experienced any of the following issues specifically due to your condition(s) or illness(es)?

In 2024, 91% of adults with social/behavioural difficulties said their condition creates one or more difficulties when interacting with providers or dealing with their finances - eg 67% found dealing with customer services by phone confusing and difficult

Difficulties when interacting with financial services providers or dealing with their finances, for adults in poor health and/or who have cancer, MS or HIV infection, by type of illness/condition reported (2024)

	All adults	Socially, behaviourally	Learning, understanding, concentrating	Mental health condition or illness	Memory	Vision	Dexterity	Hearing	Stamina, breathing, fatigue	Mobility	Cancer
Found dealing with customer services on the phone confusing and difficult	27%	67%	55%	44%	48%	26%	42%	35%	34%	28%	10%
Difficulty getting to a bank branch	26%	44%	35%	33%	39%	42%	42%	37%	37%	36%	12%
Struggled to cope with managing your money	21%	64%	45%	40%	40%	25%	21%	20%	22%	20%	4%
Too anxious to shop around for FS in case you make a mistake	20%	58%	42%	39%	35%	22%	21%	14%	24%	19%	6%
Put off dealing with financial matters, eg ignoring/ not opening correspondence	19%	53%	39%	36%	34%	21%	22%	13%	21%	20%	4%
Fallen into debt because you have not wanted to deal with difficult financial situations	15%	44%	29%	28%	28%	13%	20%	11%	18%	15%	2%
Struggled to follow instructions making it hard to interact with FS providers	14%	46%	43%	27%	30%	28%	17%	21%	18%	14%	3%
Difficulty understanding numbers making it hard to interact with FS providers	11%	39%	30%	18%	23%	7%	14%	6%	11%	10%	3%
Frightened to tell provider about illness in case they withdraw insurance cover or charge more	11%	31%	22%	20%	20%	15%	12%	8%	13%	10%	4%
Found it difficult to arrange for a trusted person to deal with finances on your behalf	9%	28%	19%	15%	19%	15%	14%	11%	10%	10%	4%
Been turned down for a financial product or service	8%	19%	18%	14%	14%	10%	10%	5%	12%	9%	3%
Been offered a financial product at price, or with T&Cs, you felt to be unfair/ expensive	7%	15%	14%	11%	11%	11%	10%	8%	8%	7%	4%
Other	2%	1%	5%	2%	3%	2%	3%	2%	3%	2%	1%
Any of these	**58%**	**91%**	**88%**	**81%**	**81%**	**76%**	**75%**	**66%**	**68%**	**65%**	**27%**

Base: All UK adults who are in poor health and/or who have cancer, MS, or HIV infection (2024:1,463) excluding 'don't know' (3%) and 'prefer not to say' (4%) responses

Question: D35b (Rebased). For some people, their condition or illness can result in a range of issues when dealing with financial services. Have you experienced any of the following issues specifically due to your condition(s) or illness(es)?

We can measure disability in Financial Lives using the Government's harmonised approach. Under this measure, 21% of adults were disabled in 2024 – unchanged from 2022

Disability, by sex and age, using the Government's harmonised standard questions for capturing disability in surveys (2017/2020/2022/2024)

Legend: ■2017 ■2020 ■2022 ■2024
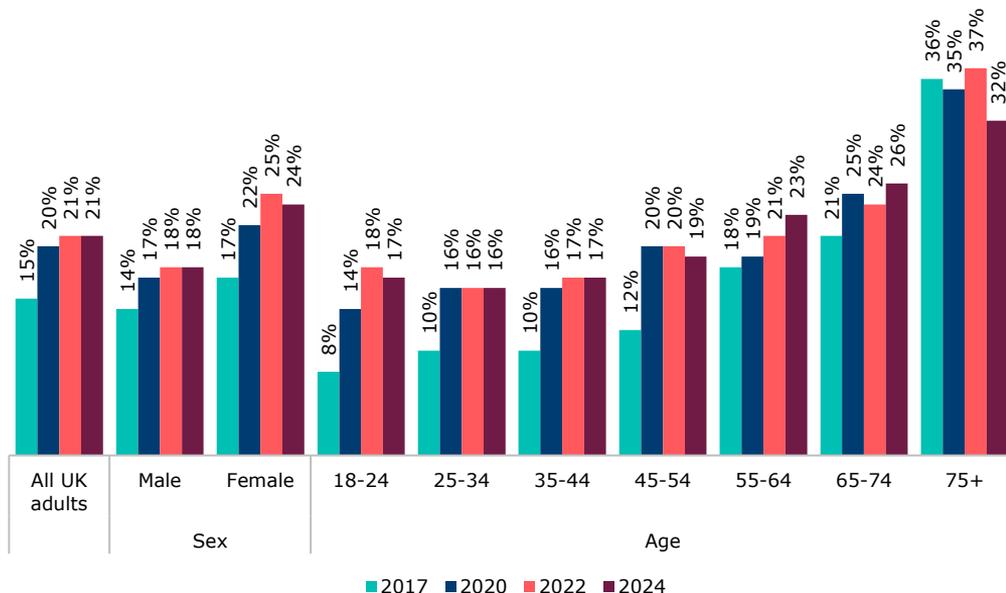
According to the Government's harmonised standard questions for capturing disability in surveys, people are considered disabled, if they have a long-lasting condition or illness that restricts their ability to carry out day-to-day activities to any degree.

It differs from our measure of those in 'poor health' which only includes those who say their activity is restricted 'a lot'.

The harmonised standard approach does not necessarily include progressive conditions (cancer, MS, or HIV infection), except that people with one of these conditions could say they have a long-lasting, restrictive condition.

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)

Question: Disabled using the Government's harmonised standard questions for capturing disability in surveys

Section 4

Negative life events

- How we define and measure negative life events

- Adults who have experienced a recent negative life event

- Adults who have experienced a recent negative life event, across a variety of demographic segments

- Types of negative life event experienced

- Difficulties dealing with finances or financial services for adults who have experienced a recent negative life event

- Difficulties dealing with finances or financial services for adults who have experienced a recent negative life event, by type of negative life event experienced

How Financial Lives defines and measures negative life events

In Financial Lives, we ask respondents whether they or their partner have experienced one or more of a range of life events in the previous 12 months. A number of these life experiences are included in our measure of adults with characteristics of vulnerability related to negative life events*:

- Income shock: Losing their job/being made redundant; reduction in working hours that wasn't wanted; being made bankrupt
- Relationship breakdown: Separation or divorce
- Serious accident or illness: Of a close family member, or experienced themselves
- Bereavement: Death of a parent, partner, or child
- Becoming the main carer for a close family member

In the 2022 and 2024 surveys, we added a new question asking respondents whether they had experienced economic control (financial abuse) by a partner or family member in the previous 5 years.

We present 2 sets of results in this section:

- **Original** FLS vulnerability algorithm (2017–2024): One or more negative life events, **excluding** economic control
- **Updated** FLS vulnerability algorithm (2022–2024): One or more negative life events, **including** economic control

Most results in this section use the **updated** algorithm. However, for trend analysis going back to 2017, we also include results using the **original** algorithm.

There was a decline in the proportion of adults who experienced a recent negative life event in 2024 (20% or 10.9m), compared with 2022 (22% or 11.4m) (updated algorithm)

**Negative life events
(original algorithm) (2017/2020/2022/2024)**
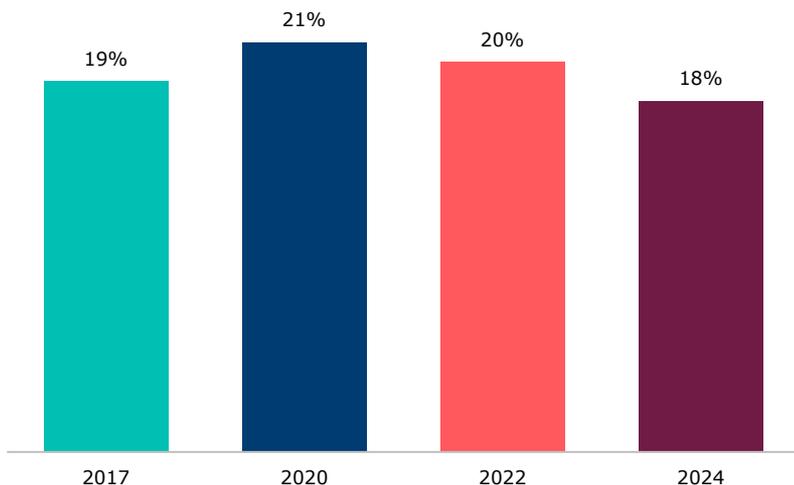
**Negative life events
(updated algorithm) (2022/2024)**

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.
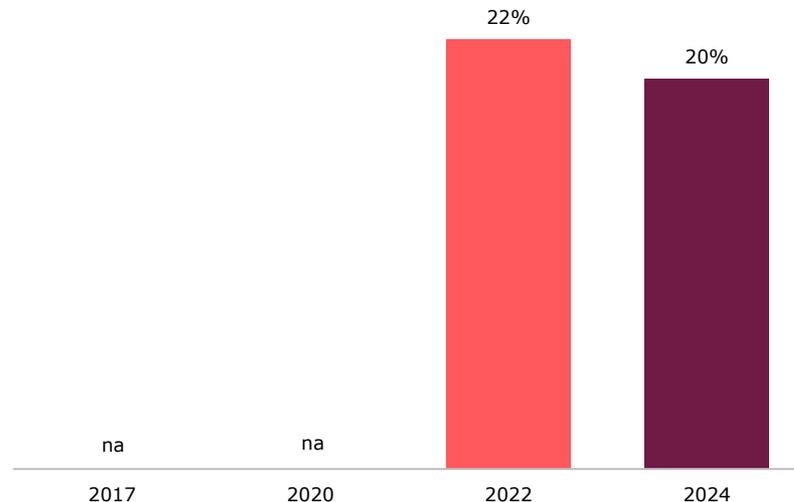
Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

The decline in the proportion of adults experiencing a recent negative life event between 2022 and 2024 was particularly evident among the self-employed (5pp), employees (4pp) and 18-24 year olds (4pp)

Negative life events in the last 12 months (the last 5 years for economic control) and percentage point change since 2022, across a variety of demographic segments (updated algorithm) (2024)

pp change (2022-2024):
- All UK adults: -2%
- Male: -2%
- Female: -1%
- 18-24: -4%
- 25-34: -2%
- 35-44: -2%
- 45-54: -3%
- 55-64: 0%
- 65-74: 2%
- 75+: -1%
- White: -1%
- Black & Black British: -1%
- Asian & Asian British: 0%
- Mixed/ multiple: -4%
- Other: -[21%]
- Employed: -2%
- Self employed: -5%
- Unemployed: -1%
- Retired: 0%
- Semi-retired: 4%
- Other: -1%
- Own outright: 0%
- Mortgage: -1%
- Renting: -2%
- Other: -4%
- Less than £15k: -3%
- £15k - <£30k: 0%
- £30k - <£50k: -2%
- £50k+: -1%

% of adults who experienced a negative life event in the last 12 months (2024):
- All UK adults: 20%
- Male: 18%
- Female: 23%
- 18-24: 15%
- 25-34: 19%
- 35-44: 20%
- 45-54: 24%
- 55-64: 25%
- 65-74: 18%
- 75+: 15%
- White: 21%
- Black & Black British: 20%
- Asian & Asian British: 15%
- Mixed/ multiple: 21%
- Other: [11%]
- Employed: 19%
- Self employed: 23%
- Unemployed: 33%
- Retired: 16%
- Semi-retired: 21%
- Other: 26%
- Own outright: 18%
- Mortgage: 19%
- Renting: 25%
- Other: 15%
- Less than £15k: 28%
- £15k - <£30k: 27%
- £30k - <£50k: 22%
- £50k+: 18%

Categories: Sex | Age | Ethnicity | Employment status | Housing tenure | Household income

Legend: ■ Negative life event (2024) | ■ Statistically significant change | ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

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The reduction in the proportion of adults experiencing a recent negative life event between 2022 and 2024 was primarily driven by fewer adults losing their job or being made redundant and by fewer experiencing an unwanted reduction in working hours

Negative life events in the last 12 months (the last 5 years for economic control), by type of event (2017/2020/2022/2024)

Legend: ■2017 ■2020 ■2022 ■2024

Event	2017	2020	2022	2024
Losing your job/ being made redundant (Income shock)	4.5%	5.0%	4.9%	4.2%
Reduction in working hours that you didn't want (Income shock)	2.3%	2.8%	3.5%	2.1%
Being made bankrupt (Income shock)	0.1%	0.2%	0.1%	0.2%
Relationship breakdown/ separation from your partner (Relationship breakdown)	2.3%	2.9%	2.7%	2.7%
Divorce (Relationship breakdown)	0.7%	0.7%	0.8%	0.6%
Serious accident or illness (yourself) (Serious illness)	3.0%	3.9%	3.5%	3.2%
Serious accident or illness of a close family member (Serious illness)	3.6%	3.8%	3.6%	3.6%
Death of a parent (Bereavement)	4.2%	4.5%	5.2%	4.7%
Death of your partner (Bereavement)	0.7%	0.8%	1.0%	1.0%
Death of a child (Bereavement)	0.3%	0.4%	0.4%	0.4%
Becoming the main carer for a close family member	2.1%	2.4%	2.4%	2.4%
Economic control (financial abuse)	na	na	4.1%	4.0%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' (3%/2%/3%/3%) and 'prefer not to say' (0%/4%/6%/6%) responses

Question: D21b (Rebased). Which of the following events have you or your partner experienced in the last 12 months?/ D50 (Rebased). In the last 5 years which, if any, of the following have you experienced?

Note: Economic control (or financial abuse) was not asked about in the 2017 or 2020 surveys. The data excludes adults who 'preferred not to say' (6%/6%). Of those who experienced economic control in the five years to May 2024, 71% said their experienced it from a spouse or partner, 25% from another family member, and 7% from someone outside of the family.

Around one in five (22%) of the 10.9m adults who experienced a negative life event in the 12 months to May 2024 felt this resulted in problems when dealing with their finances or financial services – not statistically different from 23% who said this in 2022

Difficulties dealing with financial services for adults who experienced a recent negative life event (2020/2022/2024)

Any of these
- 2024: 22%
- 2022: 23%
- 2020: 26%

I now struggle to cope with managing my money
- 2024: 10%
- 2022: 12%
- 2020: 13%

I have fallen into debt because I have not wanted to deal with difficult financial situations
- 2024: 7%
- 2022: 8%
- 2020: 11%

I have been turned down for a financial product or service
- 2024: 6%
- 2022: 5%
- 2020: 7%

I don't want to shop around in case I am turned down because of my change in circumstances
- 2024: 5%
- 2022: 5%
- 2020: 6%

I am frightened to tell my FS providers about my change of circumstance in case they withdraw insurance cover/charge more
- 2024: 4%
- 2022: 4%
- 2020: 4%

I have fallen behind on debt payments and I don't know what to do
- 2024: 4%
- 2022: 5%
- 2020: 7%

I wasn't able to speak to the specialist teams at my provider(s) about my change in circumstances when I wanted to
- 2024: 2%
- 2022: na
- 2020: na

Other
- 2024: 1%
- 2022: 1%
- 2020: 0%

Legend: 2024, 2022, 2020

Base: All UK adults who have experienced a recent negative life event (2020:3,227/ 2022:3,631/ 2024:3,282) excluding 'don't know' (3%/6%/5%) and 'prefer not to say' (3%/3%/3%) responses   **Question:** D21e (Rebased). For some people, dealing with difficult events can result in a range of issues when dealing with financial services, whilst for other people these issues have no detrimental impact. Do any of the following apply to you? **Note:** "I wasn't able to speak to the specialist teams …" added to the 2024 survey. Question not asked in 2017.

In 2024, adults who had experienced an income shock or relationship breakdown in the previous 12 months were the most likely to report this resulted in problems when dealing with their finances or with financial services

Difficulties dealing with finances or financial services for adults who experienced a recent negative life event, by type of negative life event experienced (2024)

Legend:
- Income shock
- Relationship breakdown
- Serious illness
- Become main carer
- Bereavement

Any of these
- 37%
- 33%
- 21%
- 16%
- 13%

I now struggle to cope with managing my money
- 19%
- 16%
- 9%
- 9%
- 6%

I have fallen into debt because I have not wanted to deal with difficult financial situations
- 12%
- 13%
- 8%
- 6%
- 5%

I have been turned down for a financial product or service
- 11%
- 11%
- 6%
- 5%
- 3%

I don't want to shop around in case I am turned down because of my change in circumstances
- 11%
- 7%
- 5%
- 5%
- 3%

I am frightened to tell my FS providers about my change of circumstance in case they withdraw insurance cover/charge more
- 8%
- 6%
- 4%
- 3%
- 3%

I have fallen behind on debt payments and I don't know what to do
- 6%
- 8%
- 4%
- 4%
- 3%

I wasn't able to speak to the specialist teams at my provider(s) about my change in circumstances when I wanted to
- 4%
- 2%
- 3%
- 2%
- 3%

Other
- 1%
- 1%
- 1%
- 2%
- 1%

Base: All UK adults who have experienced a recent negative life event (2024:3,282) excluding 'don't know' (5%) and 'prefer not to say' (3%) responses

Question: D21e (Rebased). For some people, dealing with difficult events can result in a range of issues when dealing with financial services, whilst for other people these issues have no detrimental impact. Do any of the following apply to you?

Section 5

Low resilience

5.1 Overview

- <u>How we define and measure low resilience</u>
- <u>Adults with low resilience</u>
- <u>Adults with low resilience, across a variety of demographic segments</u>

How Financial Lives defines and measures low resilience

The vulnerability driver 'resilience' covers both low financial resilience and low emotional resilience.

Adults are described as having low financial resilience, if they fall into any of these groups:

- Have low savings: They could not withstand losing their main source of household income for even a week; it would be a struggle to meet rent or mortgage payment increases of less than £50 a month; or, for those who are retired, they strongly disagree that they do not have difficulty paying for day-to-day expenses
- Are in financial difficulty: They have failed to pay domestic bills and/or meet credit commitments in 3 or more of the last 6 months – the 3 months do not need to be consecutive months
- Are heavily burdened: Keeping up with their domestic bills or credit commitments is a heavy burden

So, our definition of low financial resilience includes both those adults who are already in financial difficulty because they are missing bills, and those who could quickly find themselves in difficulty if they suffer a financial shock because they are heavily burdened by their existing commitments or have very limited savings.

Adults are described as having low emotional resilience, if they find it very difficult to recover from negative experiences. This question was added to FLS in 2022.

We present 2 sets of results in this section:

- **Original** FLS vulnerability algorithm (2017–2024): Low financial resilience
- **Updated** FLS vulnerability algorithm (2022–2024): Low financial and/or emotional resilience

Some results in this section use the **updated** algorithm. However, for trend analysis going back to 2017, we also include results using the **original** algorithm.

One in four adults (26% or 14.3m) had low resilience in 2024 – 1pp lower than in 2022 (27% or 14.5m) (updated algorithm)

Low resilience (financial)
(original algorithm) (2017/2020/2022/2024)
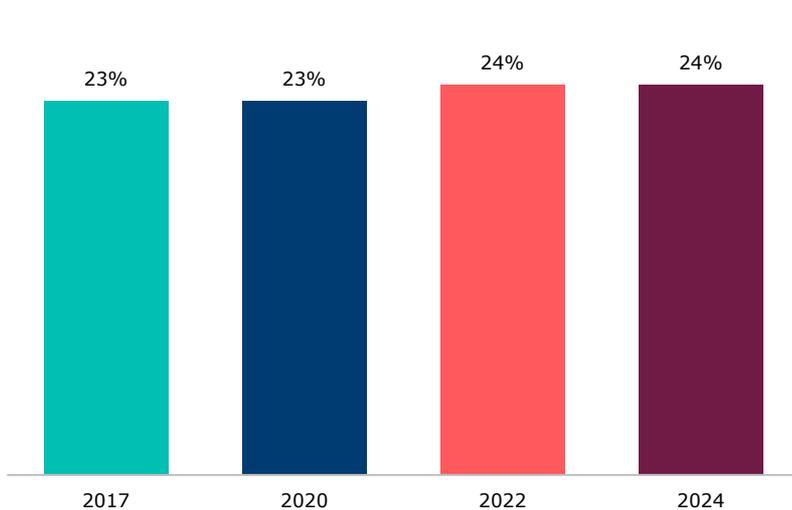
Low resilience (financial or emotional)
(updated algorithm) (2022/2024)

Left chart (original algorithm):
- 2017: 23%
- 2020: 23%
- 2022: 24%
- 2024: 24%

Right chart (updated algorithm):
- 2017: na
- 2020: na
- 2022: 27%
- 2024: 26%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.
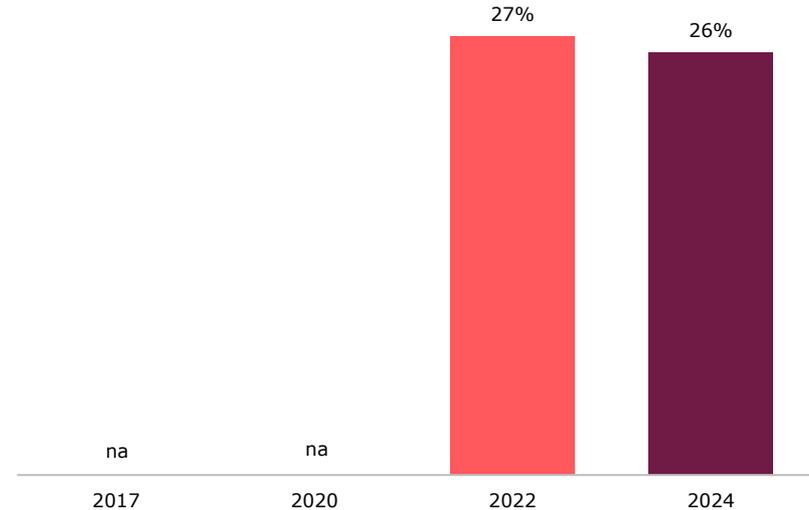
Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

Unemployed adults (56%), adults in a low-income household (51%), renters (48%), and Black adults (42%) were much more likely to have low resilience than others in 2024

Low resilience and percentage point change since 2022, across a variety of demographic segments (updated algorithm) (2024)

pp change (2022-2024) / % of adults with low resilience (2024)

Segment	Low resilience (2024)	pp change (2022-2024)
All UK adults	26%	-1%
Sex		
Male	23%	0%
Female	29%	-2%
Age		
18-24	34%	2%
25-34	34%	0%
35-44	33%	0%
45-54	29%	-1%
55-64	21%	-2%
65-74	16%	0%
75+	12%	-5%
Ethnicity		
White	25%	-1%
Black & Black British	42%	-5%
Asian & Asian British	30%	-2%
Mixed/ multiple	37%	-7%
Other	[34%]	-[7%]
Employment status		
Employed	26%	0%
Self employed	21%	-3%
Unemployed	56%	4%
Retired	14%	-3%
Semi-retired	11%	1%
Other	49%	-2%
Housing tenure		
Own outright	9%	-2%
Mortgage	20%	0%
Renting	48%	-2%
Other	25%	-3%
Household income		
Less than £15k	51%	-3%
£15k - <£30k	35%	1%
£30k - <£50k	24%	0%
£50k+	15%	-1%

Legend: Low resilience (2024) / Statistically significant change / Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

45

5.2 Low financial resilience

- <u>Adults in low financial resilience, across a variety of demographic segments</u>
- <u>Adults in low financial resilience, by nation and English region</u>
- <u>Drivers of low financial resilience</u>

In 2024, 24% of adults (13.1m) had low financial resilience. There was no change in the overall proportion of adults with low financial resilience between 2022 and 2024

Low financial resilience and percentage point change since 2022, across a variety of demographic segments (2024)
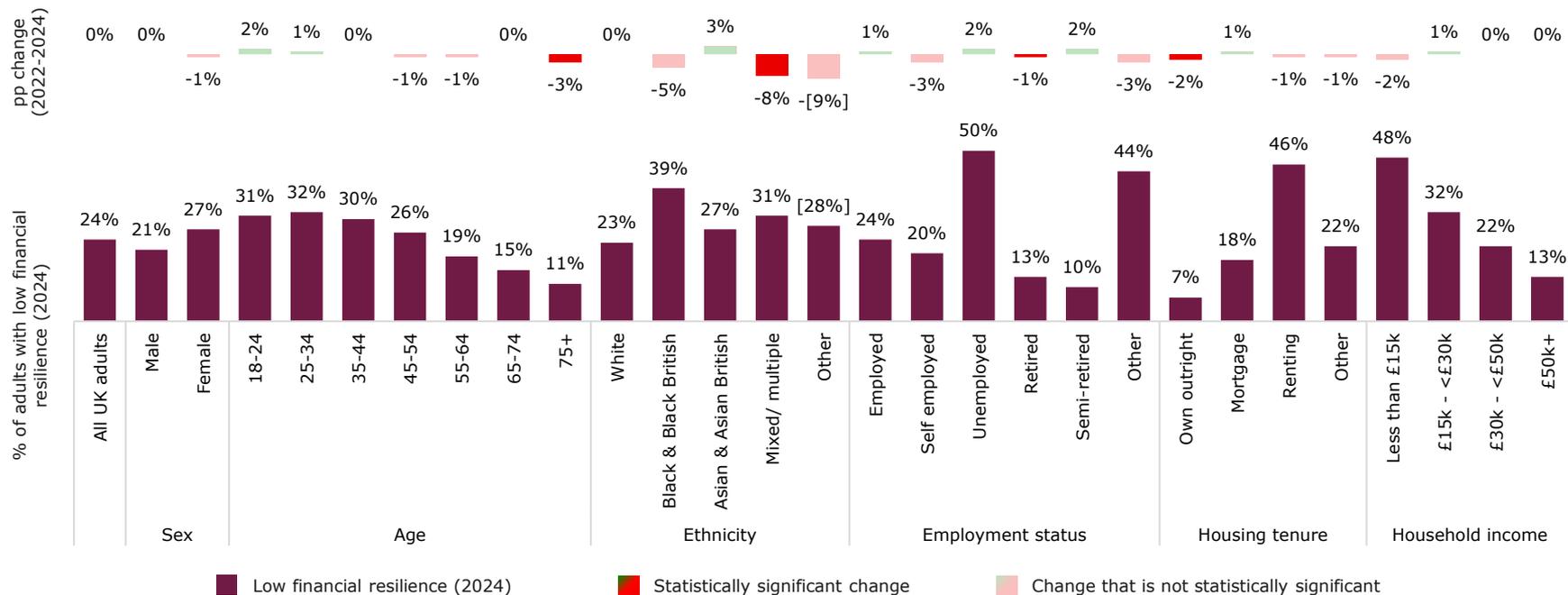
Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.

In 2024, Northern Ireland (27%) was the nation with the highest proportion of adults with low financial resilience. In England, higher proportions of adults in the North East and North West had low financial resilience vs. the South West, South East and East of England

Low financial resilience and percentage point change since 2022, by nation and English region (2024)

pp change (2022-2024)

	All UK adults	Northern Ireland	Wales	England	Scotland	North East	North West	London	Yorkshire and The Humber	West Midlands	East Midlands	South West	South East	East of England
pp change	0%	2%	0%	0%	-3%	-2%	0%	2%	-1%	-2%	0%	0%	1%	-3%
Low financial resilience (2024)	24%	27%	25%	24%	23%	29%	28%	27%	26%	25%	23%	21%	21%	20%

% of adults with low financial resilience (2024)

Nation   English Region

■ Low financial resilience (2024)   ■ Statistically significant change   ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.

48
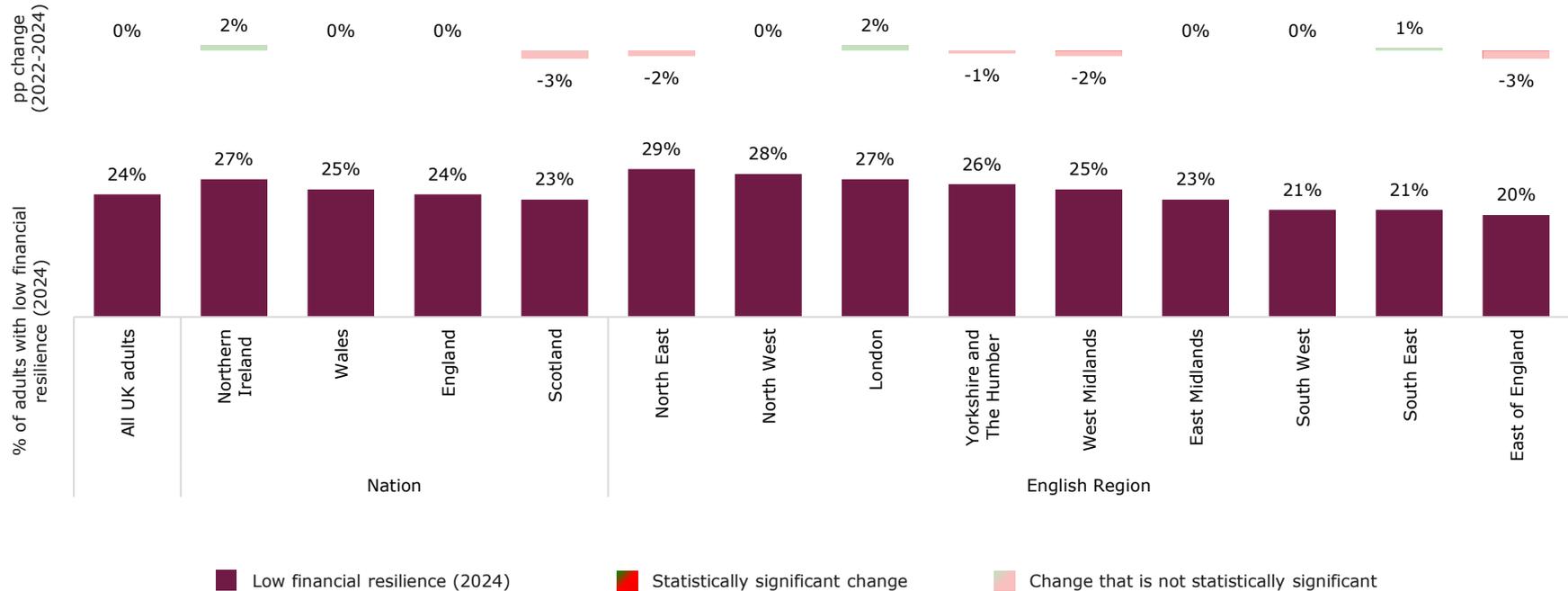
In 2024, 13% (7.3m) of adults were heavily burdened, 14% (7.6m) had low savings, and 8% (4.5m) were in financial difficulty – there was quite a bit of overlap between these 3 characteristics of low financial resilience

Characteristics of low financial resilience among all UK adults (2017/2020/2022/2024)

Heavily burdened
(Keeping up with domestic bills/ credit commitments is a heavy burden)

Low savings
(Little capacity to withstand financial shocks)

In financial difficulty
(Missed domestic bills/ credit commitments in 3+ of the last 6 months)

■ 2017 ■ 2020 ■ 2022 ■ 2024
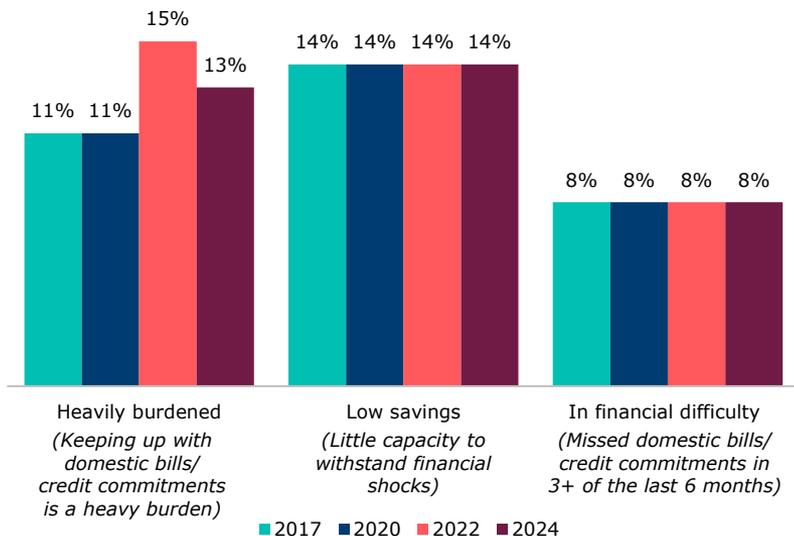
Overlapping characteristics among those with low financial resilience (LFR) (2024)
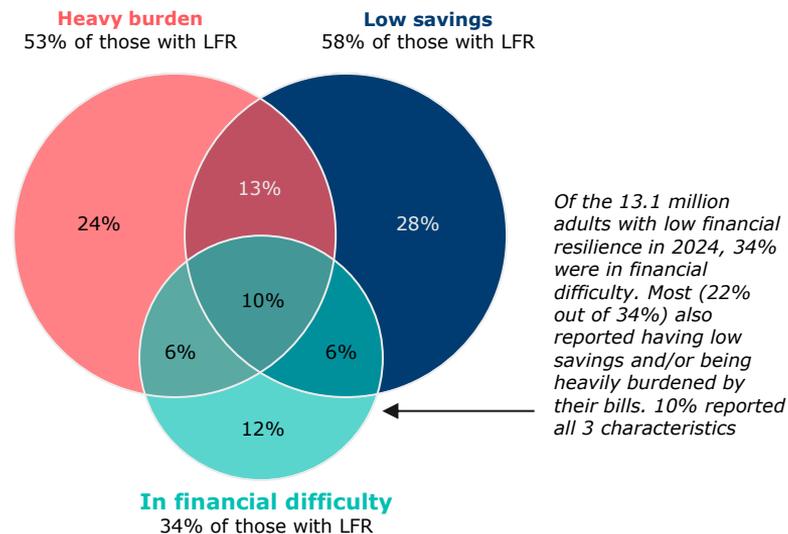
Heavy burden
53% of those with LFR

Low savings
58% of those with LFR

In financial difficulty
34% of those with LFR

Of the 13.1 million adults with low financial resilience in 2024, 34% were in financial difficulty. Most (22% out of 34%) also reported having low savings and/or being heavily burdened by their bills. 10% reported all 3 characteristics

5.3 Adults with low savings

- <u>Adults with low savings, across a variety of demographic segments</u>
- <u>Adults with low savings, by nation and English region</u>
- <u>Length of time adults could continue to cover living expenses, if they lost their main source of household income</u>
- <u>How much monthly mortgage or rent payments could increase before mortgagors/ renters would struggle to pay them</u>
- <u>Extent to which retired adults agree that they 'do not have difficulties paying for day-to-day expenses'</u>

In 2024, 14% (7.6m) of UK adults had low savings, unchanged from 2022

Low savings and percentage point change since 2022, across a variety of demographic segments (2024)

pp change (2022-2024):
0% | 0% | 0% | | 0% | | | 0% | 2% | 1% | 0% | | 4% | | [2%] | | | | 1% | 2% | | 0% | 0% | | 0% | | 1% | 0% | 0%
-1% | | | -1% | -1% | | | | | | | -5% | | -5% | | -1% | -1% | -2% | | | -1% | | | -2% | | -1% | | |

% of adults with low savings (2024):
14% | 12% | 16% | 18% | 18% | 16% | 14% | 11% | 11% | 9% | 14% | 20% | 14% | 15% | [17%] | 11% | 10% | 31% | 10% | 5% | 32% | 4% | 8% | 30% | 9% | 33% | 21% | 11% | 6%

Categories:
All UK adults | Male | Female | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75+ | White | Black & Black British | Asian & Asian British | Mixed/ multiple | Other | Employed | Self employed | Unemployed | Retired | Semi-retired | Other | Own outright | Mortgage | Renting | Other | Less than £15k | £15k - <£30k | £30k - <£50k | £50k+

Segment groupings: Sex | Age | Ethnicity | Employment status | Housing tenure | Household income

Legend:
- Low savings (2024)
- Statistically significant change
- Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vul_resilience Characteristics of vulnerability (v2): Resilience

51

In 2024, a higher proportion of adults in the North East (18%) and North West (17%) had low savings, compared with the total UK adult population (14%)

Low savings and percentage point change since 2022, by nation and English region (2024)

pp change (2022-2024)

All UK adults	Wales	Northern Ireland	England	Scotland	North East	North West	Yorkshire and The Humber	London	West Midlands	East Midlands	South West	South East	East of England
0%	0%	-2%	0%	-2%	-3%	1%	0%	2%	0%	2%	2%	1%	-4%

% of adults with low savings (2024)

All UK adults	Wales	Northern Ireland	England	Scotland	North East	North West	Yorkshire and The Humber	London	West Midlands	East Midlands	South West	South East	East of England
14%	15%	14%	14%	13%	18%	17%	16%	15%	14%	14%	13%	12%	10%

Nation | English Region

- Low savings (2024)
- Statistically significant change
- Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)

Question: Vul_resilience Characteristics of vulnerability (v2): Resilience

52

In 2024, 9% (4.6m) of adults could only cover their living expenses for less than a week – this figure was much higher for some groups, such as lone parents, those with an addiction and those not in work

Length of time adults could continue to cover living expenses, if they lost their main source of household income

All UK adults (2017/2020/2022/2024)

Legend:
- Less than a week
- 1 month to less than 3 months
- 6 months or longer
- 1 week to less than 1 month
- 3 months to less than 6 months
- Don't know
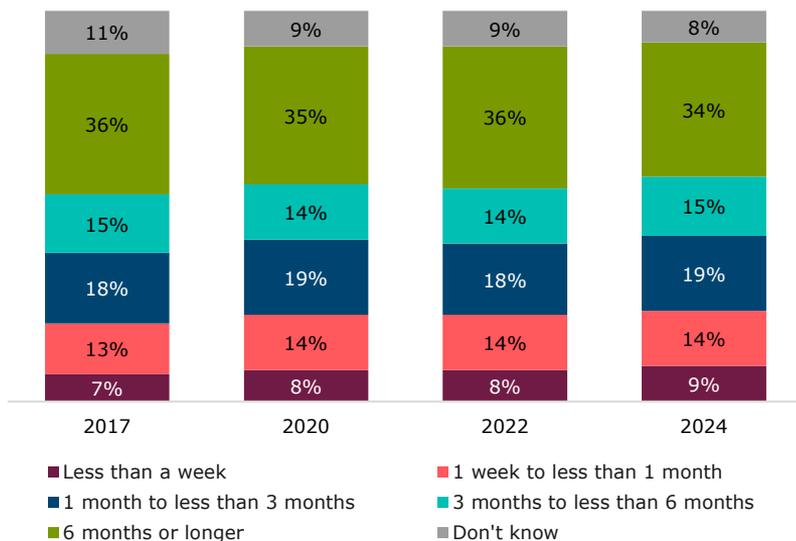
Demographic groups most likely to only be able to cover their living expenses for less than a week (2024)

All UK adults	9%
Lone parents	29%
Health condition: Addiction (eg drugs, alcohol, gambling)	29%
Those not in work, because they are sick/disabled, looking after the home/family or full-time carers	28%
Unemployed	26%
Erratic income	25%
Low financial capability	22%
Household income of less than £15k	22%
Experienced a relationship breakdown, such as a divorce, in the previous 12 months	21%
Renting	19%
In poor health and/or had cancer, MS, or HIV infection	19%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'prefer not to say' responses (4%/3%/5%/5%)

Question: AT4 (Rebased). If you lost your main source of household income, how long could your household continue to cover living expenses, without having to borrow any money or ask for help from friends or family?

In 2024, 13% (4.1m) of adults who rent or have a mortgage said they would struggle with a rent/mortgage increase of less than £50 per month – down 1pp compared with 2022. This figure was much higher for some groups, such as low-income householders and lone parents

How much monthly mortgage or rent payments could increase before mortgagors/renters would struggle to pay them

All adults who rent or have a mortgage (2017/2020/2022/2024)

	2017	2020	2022	2024
Don't know	7%	7%	6%	6%
Not applicable	4%	6%	4%	4%
£400 or more	18%	20%	20%	21%
£300 to £399	8%	8%	8%	9%
£200 to £299	14%	14%	15%	15%
£100 to £199	18%	18%	19%	19%
£50 to £99	13%	14%	14%	14%
Less than £50	17%	14%	14%	13%

Legend: ■ Less than £50 ■ £50 to £99 ■ £100 to £199 ■ £200 to £299 ■ £300 to £399 ■ £400 or more ■ Not applicable ■ Don't know
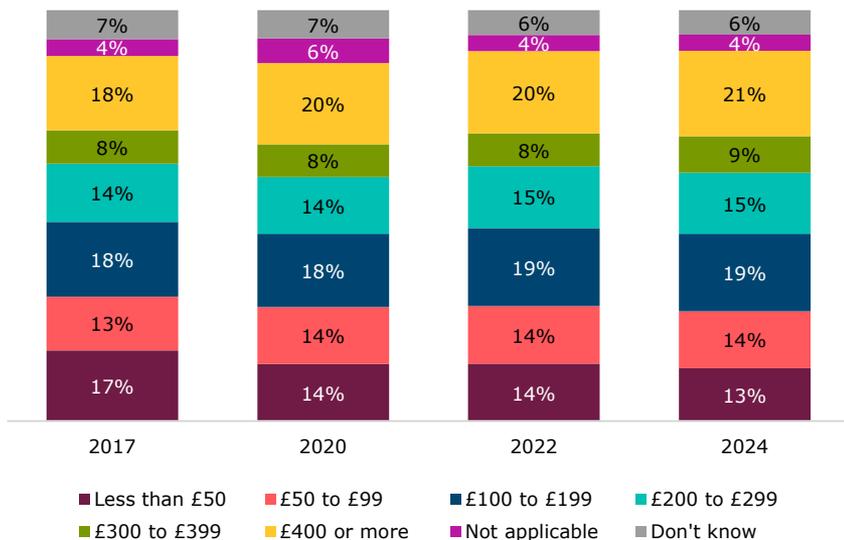
Demographic groups most likely to struggle with an increase of less than £50 per month (2024)

All UK adults	13%
Those not in work because they are sick/disabled, looking after the home/ family or full-time carers	32%
Household income of less than £15k	32%
Health condition: Addiction (eg drugs, alcohol, gambling)	31%
Lone parents	30%
No qualifications	30%
Erratic income	29%
Unemployed	29%
Aged 85+	29%
In poor health and/or had cancer, MS, or HIV infection	28%
Low financial capability	26%
Renting	20%

Base: All UK adults who own the property they currently live in with a residential mortgage, through shared ownership, or are renting (2017:7,324/ 2020:9,540/ 2022:10,147/ 2024:9,400) excluding 'prefer not to say' responses (3%/4%/4%/5%)

Question: M104 (Rebased). Thinking about your monthly (mortgage or rent payments) for the property in which you currently live, by how much could these increase before you would struggle to pay them?

In 2024, relatively few retirees (6%, 0.7m) had difficulties paying for day-to-day expenses since they retired (they strongly disagree with the statement) – retirees most likely to have had difficulties included those with low financial capability and those with mental health conditions

Level of agreement with the statement: 'I do not have difficulties paying for day-to-day expenses since I retired'

All retired adults (2017/2020/2022/2024)

Year	Strongly agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Strongly disagree
2017	55%	25%	9%	6%	5%
2020	55%	23%	8%	6%	7%
2022	51%	25%	11%	6%	6%
2024	47%	27%	13%	7%	6%

Legend: ■ Strongly disagree ■ Slightly disagree ■ Neither agree nor disagree ■ Slightly agree ■ Strongly agree
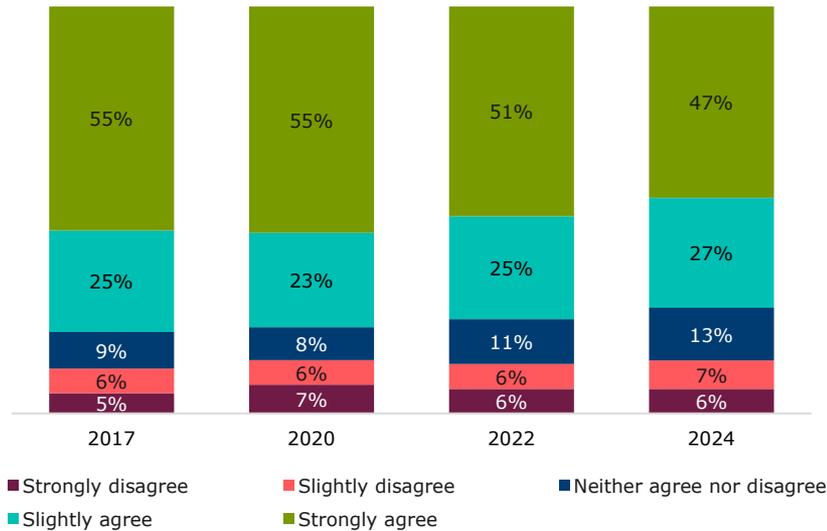
Retirees most likely to strongly disagree they do not have difficulties paying day-to-day expenses (2024)

All retirees	**6%**
Low financial capability	12%
Currently have a mental health condition or illness	11%
Have no investible assets or assets of less than £10,000	10%
Have no private pension provision	8%
Renting	8%

Base: All UK adults who are retired (2017:3,318/ 2020:3,832/ 2022:5,216/ 2024:4,769) excluding 'don't know' responses (1%/1%/1%/1%)
Question: AT10_d (Rebased). How much do you agree or disagree with the statement: 'I do not have difficulty paying for day-to-day expenses since I retired'?

5.4 Adults in financial difficulty

- Adults in financial difficulty, across a variety of demographic segments
- Adults in financial difficulty, by nation and English region
- Types of payments fallen behind on, or missed, in the last 6 months

In 2024, 8% of adults (4.5m) were in financial difficulty – unchanged from 2022. Certain groups (eg unemployed, those in a low-income household, Black adults, and renters) continued, in 2024, to be far more likely to be in financial difficulty than other groups

In financial difficulty and percentage point change since 2022, across a variety of demographic segments (2024)

pp change (2022-2024)

Segment	pp change
All UK adults	0%
Male	1%
Female	0%
18-24	3%
25-34	1%
35-44	-1%
45-54	0%
55-64	1%
65-74	0%
75+	-1%
White	0%
Black & Black British	5%
Asian & Asian British	2%
Mixed/ multiple	-1%
Other	-[5%]
Employed	1%
Self employed	0%
Unemployed	2%
Retired	-1%
Semi-retired	0%
Other	-3%
Own outright	0%
Mortgage	0%
Renting	0%
Other	2%
Less than £15k	2%
£15k - <£30k	1%
£30k - <£50k	1%
£50k+	0%

% of adults in financial difficulty (2024)

Segment	%
All UK adults	8%
Sex	
Male	7%
Female	9%
Age	
18-24	12%
25-34	12%
35-44	11%
45-54	10%
55-64	7%
65-74	2%
75+	1%
Ethnicity	
White	7%
Black & Black British	21%
Asian & Asian British	9%
Mixed/ multiple	13%
Other	[8%]
Employment status	
Employed	9%
Self employed	7%
Unemployed	27%
Retired	1%
Semi-retired	1%
Other	18%
Housing tenure	
Own outright	1%
Mortgage	4%
Renting	19%
Other	9%
Household income	
Less than £15k	22%
£15k - <£30k	12%
£30k - <£50k	7%
£50k+	4%

Legend: ■ In financial difficulty (2024)   ■ Statistically significant change   ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)

Question: K2. In the last 6 months, have you fallen behind on, or missed, any payments for credit commitments or domestic bills for any 3 or more months? These 3 months don't necessarily have to be consecutive months

In 2024, a higher proportion of adults were in financial difficulty in the North East (11%) and North West (10), compared with the South East (6%) and South West (5%). There was a notable increase (3pp) in adults in financial difficulty in London between 2022 and 2024

In financial difficulty and percentage point change since 2022, by nation and English region (2024)

pp change (2022-2024)

All UK adults	Wales	Northern Ireland	England	Scotland	North East	North West	London	West Midlands	Yorkshire and The Humber	East Midlands	East of England	South East	South West
0%	-1%	2%	0%	-1%	0%	0%	3%	0%	0%	1%	-2%	0%	-1%

% of adults in financial difficulty (2024)

All UK adults	Wales	Northern Ireland	England	Scotland	North East	North West	London	West Midlands	Yorkshire and The Humber	East Midlands	East of England	South East	South West
8%	9%	9%	8%	8%	11%	10%	10%	9%	9%	9%	6%	6%	5%

Nation | English Region

- ■ In financial difficulty (2024)
- ■ Statistically significant change
- ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)

Question: K2. In the last 6 months, have you fallen behind on, or missed, any payments for credit commitments or domestic bills for any 3 or more months? These 3 months don't necessarily have to be consecutive months

58
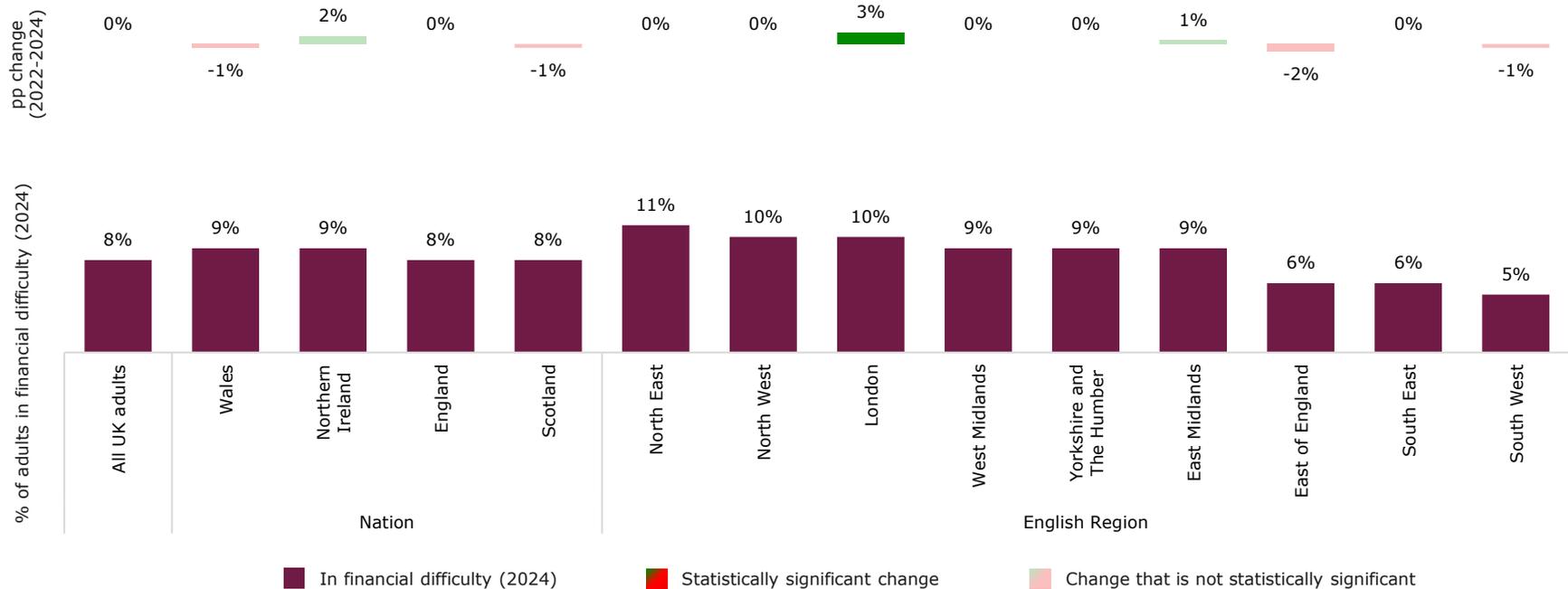
10% of adults fell behind on or missed any credit commitment or domestic bill in the 6 months to May 2024. 4.4% missed a credit or store card bill in this period

Types of payments fallen behind on, or missed, in the last 6 months (2020/2022/2024)

	2020	2022	2024
Fallen behind on, or missed, any credit commitments/domestic bills in the last 6 months	10%	10%	10%
Credit or store card	4.4%	3.9%	4.4%
Council tax payments	3.4%	3.3%	3.1%
Electricity	2.2%	3.0%	3.4%
Gas	1.9%	2.6%	2.8%
Water	2.0%	2.3%	2.1%
Other credit commitments	2.5%	2.0%	1.9%
Rent payments	2.3%	2.0%	2.0%
Broadband/ internet/ TV	1.3%	1.6%	1.5%
Telephone/ mobile phone	1.2%	1.5%	1.8%
Mortgage repayments	0.3%	0.3%	0.4%
Heating oil	na	na	0.2%
Other household bills	0.5%	0.2%	0.1%
Other	0.2%	0.4%	0.4%

Base: All UK adults (2020:16,190/ 2022:19,145/ 2024:17,950)

Question: K2/K2asum. Fallen behind on, or missed, any payments for credit commitments or domestic bills for any one month or more in the last 6 months/ K33/K33asum. Which credit commitments and/or domestic bills have you missed, or fallen behind on, in the last 6 months?

Note: Question not asked in 2017. Heating oil added to 2024 survey.

5.5 Adults who are heavily burdened by their domestic bills or credit commitments

- Adults heavily or somewhat burdened by their domestic bills and/or credit commitments
- Adults heavily burdened by their domestic bills and/or credit commitments, across a variety of demographic segments
- Adults heavily burdened by their domestic bills and/or credit commitments, by nation and English region
- The impact of debt

Since 2020, there has been a large increase in the proportion of adults who feel burdened keeping up with their domestic bills and/or credit commitments – from 52% in 2020 to 61% in 2024

Adults heavily or somewhat burdened by their domestic bills and/or credit commitments (2017/2020/2022/2024)

	2017	2020	2022	2024
It is not a burden at all	51%	48%	40%	39%
It is somewhat of a burden	38%	41%	45%	47%
It is a heavy burden	11%	11%	15%	13%
Burden	49%	52%	60%	61%

■ It is a heavy burden ■ It is somewhat of a burden ■ It is not a burden at all
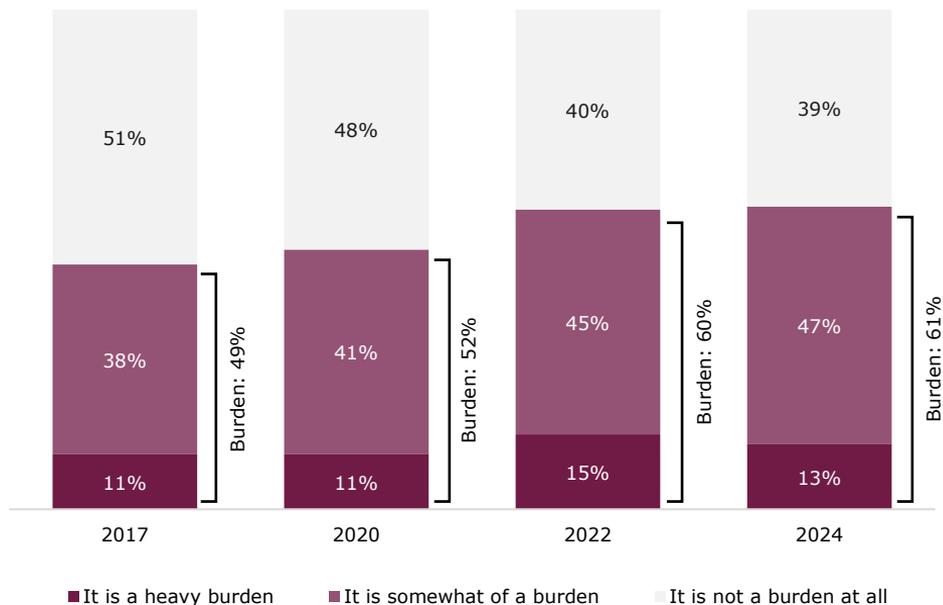
- There was a significant increase in the proportion of adults who found keeping up with domestic bills and/or credit commitments a burden between February 2020 and May 2022. During this period, the 12-month inflation rate increased from 1.7% to 9.1%

- We carried out a recontact survey in January 2023 near the peak of the cost-of-living crisis[1] and reported on the results from this survey in Chapter 4 of our 2022 main report. At that time, 21% of adults were heavily burdened by their bills and a further 51% were somewhat burdened

- The results for 2024 are therefore a significant improvement on those for 2023, but they are still much higher than the historic data shown here for 2017 and 2020

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (4%/4%/5%/4%)
Question: K1 (Rebased). To what extent do you feel that keeping up with your domestic bills and credit commitments is a burden?
Note: [1] Consumer prices, measured by the Consumer Price Index (CPI), peaked at 11.1% in October 2002, just prior to fieldwork for our Cost of Living recontact survey. During the fieldwork period in January 2023, CPI stood at 10.1%.

In 2024, 13% of adults (7.3m) were heavily burdened by their bills – down 1pp since 2022. Unemployed adults (29%), Black adults (24%) those in a low-income household (24%) and renters (23%) were far more likely to be heavily burdened than the UK average

Adults heavily burdened by their domestic bills and/or credit commitments and percentage point change since 2022, across a variety of demographic segments (2024)

pp change (2022-2024):

Segment	Value
All UK adults	-1%
Male	-1%
Female	-1%
18-24	0%
25-34	1%
35-44	-1%
45-54	-2%
55-64	-2%
65-74	-2%
75+	-2%
White	-1%
Black & Black British	-3%
Asian & Asian British	0%
Mixed/ multiple	-9%
Other	-[20%]
Employed	0%
Self employed	-2%
Unemployed	2%
Retired	-1%
Semi-retired	0%
Other	-6%
Own outright	-1%
Mortgage	1%
Renting	-4%
Other	-2%
Less than £15k	-6%
£15k - <£30k	-1%
£30k - <£50k	0%
£50k+	-1%

% of adults who say bills are a heavy burden (2024):

Segment	Value
All UK adults	13%
Male	12%
Female	15%
18-24	16%
25-34	20%
35-44	19%
45-54	16%
55-64	10%
65-74	6%
75+	3%
White	12%
Black & Black British	24%
Asian & Asian British	17%
Mixed/ multiple	15%
Other	[13%]
Employed	15%
Self employed	13%
Unemployed	29%
Retired	4%
Semi-retired	6%
Other	25%
Own outright	3%
Mortgage	12%
Renting	23%
Other	14%
Less than £15k	24%
£15k - <£30k	17%
£30k - <£50k	13%
£50k+	8%

Categories: Sex | Age | Ethnicity | Employment status | Housing tenure | Household income

Legend:
- Bills are a heavy burden (2024)
- Statistically significant change
- Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950) excluding 'don't know' responses (5%/4%)

Question: K1 (Rebased). To what extent do you feel that keeping up with your domestic bills and credit commitments is a burden?

In 2024, Northern Ireland (17%) was the nation with the highest proportion of adults who felt heavily burdened by their bills. In England, adults in London (17%) were most likely to feel this way

Adults heavily burdened by their domestic bills and/or credit commitments and percentage point change since 2022, by nation and English region (2024)

pp change (2022-2024):
- All UK adults: -1%
- Northern Ireland: 4%
- Wales: -1%
- England: -1%
- Scotland: -2%
- London: 0%
- North East: -3%
- West Midlands: -2%
- Yorkshire and The Humber: -1%
- North West: -4%
- East Midlands: -2%
- East of England: 0%
- South West: -1%
- South East: -1%

% of adults who say bills are a heavy burden (2024):
- All UK adults: 13%
- Northern Ireland: 17%
- Wales: 15%
- England: 13%
- Scotland: 12%
- London: 17%
- North East: 15%
- West Midlands: 14%
- Yorkshire and The Humber: 14%
- North West: 13%
- East Midlands: 13%
- East of England: 13%
- South West: 12%
- South East: 11%

Nation | English Region

Legend: Bills are a heavy burden (2024) | Statistically significant change | Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950) excluding 'don't know' responses (5%/4%)

Question: K1 (Rebased). To what extent do you feel that keeping up with your domestic bills and credit commitments is a burden?

63

In 2024, 44% of adults who were over-indebted or held any credit or loan product felt that their debt had had a detrimental impact on their wellbeing – rising to 73% of these adults heavily burdened by their debts

Impacts of debt, for those who are over-indebted or held any credit or loan product (see *Base*)

All adults who are over-indebted or hold any credit or loan product (2020/2022/2024)

Category	2024	2022	2020
Any of these	44%	43%	48%
None of these/ I don't have any debts/ my debts are negligible	56%	57%	52%
Anxiety and stress	40%	39%	43%
Embarrassment	21%	20%	22%
Loneliness or a feeling of having nowhere to turn	14%	15%	16%
Relationship problems	11%	12%	14%
Problems with friends or family members	9%	9%	10%
Being less productive or having to take time off work	7%	7%	6%
Other	1%	1%	0%
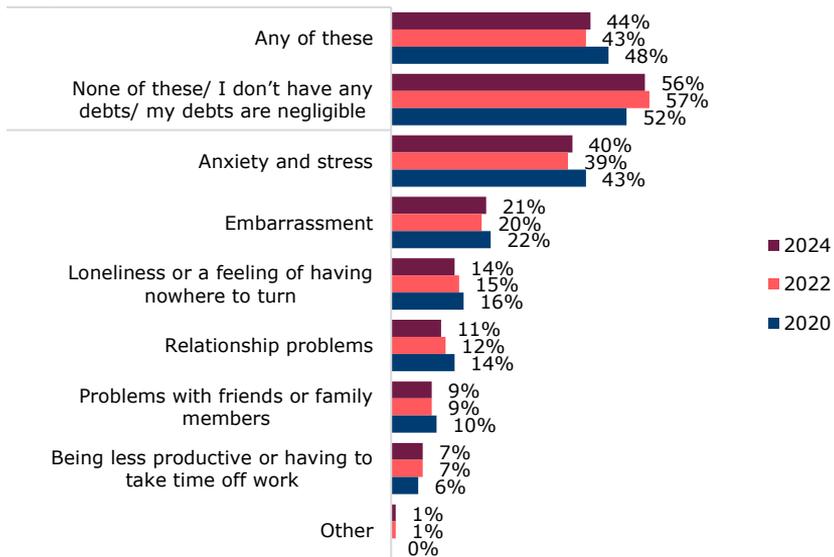
By the extent to which keeping up with domestic bills and/or credit commitments is a burden (2024)

Category	Heavy	Somewhat	Not a burden
Any of these	73%	49%	12%
None of these/ I don't have any debts/ my debts are negligible	27%	51%	88%
Anxiety and stress	68%	44%	10%
Embarrassment	41%	20%	4%
Loneliness or a feeling of having nowhere to turn	34%	13%	2%
Relationship problems	25%	10%	1%
Problems with friends or family members	21%	7%	1%
Being less productive or having to take time off work	18%	6%	1%
Other	2%	1%	1%
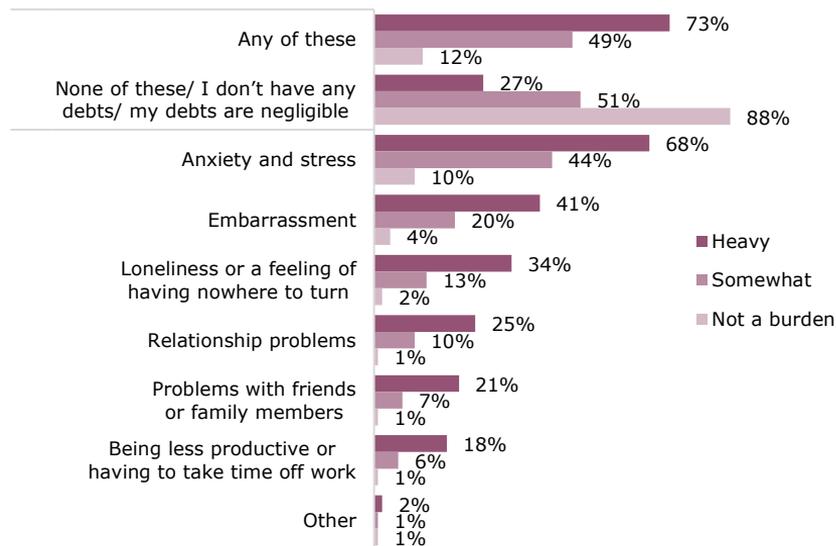
Base: All UK adults who are over-indebted or hold any credit or loan product now or have held one in the last 12 months (excluding those who only hold credit/store cards or catalogue credit, but who pay the full statement balance every or most months) (2020:9,446/ 2022:10,439/ 2024:9,696) excluding 'prefer not to say' responses (3%/5%/6%)
Question: B13 (Rebased). Having debt impacts different people's lives in different ways. Have you experienced any of the following in the last 12 months, because of the debts you have?

5.6 Low emotional resilience

- <u>Adults with low emotional resilience, across a variety of demographic segments</u>

# In 2024, 6% of adults said they find it very difficult to recover from negative experiences – down 1pp since 2022

Adults who find it very difficult to recover from negative experiences and percentage point change since 2022, across a variety of demographic segments (2024)

pp change (2022-2024)

All UK adults: -1%
Male: -1%
Female: -2%
18-24: 0%
25-34: -1%
35-44: -1%
45-54: -1%
55-64: -1%
65-74: -2%
75+: -3%
White: -1%
Black & Black British: 0%
Asian & Asian British: -6%
Mixed/ multiple: -2%
Other: [3%]
Employed: -1%
Self employed: -1%
Unemployed: 5%
Retired: -3%
Semi-retired: 0%
Other: -4%
Own outright: -1%
Mortgage: 0%
Renting: -3%
Other: -2%
Less than £15k: -3%
£15k - <£30k: 0%
£30k - <£50k: 0%
£50k+: -1%

% of adults who find it very difficult to recover from negative experiences (2024)

All UK adults: 6%
Male: 5%
Female: 7%
18-24: 8%
25-34: 9%
35-44: 7%
45-54: 7%
55-64: 5%
65-74: 3%
75+: 2%
White: 5%
Black & Black British: 8%
Asian & Asian British: 8%
Mixed/ multiple: 10%
Other: [9%]
Employed: 5%
Self employed: 4%
Unemployed: 16%
Retired: 2%
Semi-retired: 2%
Other: 18%
Own outright: 2%
Mortgage: 4%
Renting: 10%
Other: 8%
Less than £15k: 14%
£15k - <£30k: 8%
£30k - <£50k: 5%
£50k+: 2%

Sex | Age | Ethnicity | Employment status | Housing tenure | Household income

Legend: Very difficult to recover from negative experiences (2024) | Statistically significant change | Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950) excluding 'don't know' responses (9%/9%)

Question: D43 (Rebased). In general, how easy or difficult do you find it to recover from negative experiences?

Section 6

Low capability

6.1 Overview

- <u>How we define and measure low capability</u>
- <u>Adults with low capability</u>
- <u>Low capability, by underlying characteristics</u>
- <u>Adults with low capability, across a variety of demographic segments</u>

How Financial Lives defines and measures low capability

The vulnerability driver 'capability' covers both low financial capability and low capability in other relevant areas.

Adults are described as having low financial capability, if they fall into any of these groups:

- **Lack confidence managing their money:** They rate their confidence as very low (they gave themselves a score of 0-3 on a 0-10 point scale, where 0 is 'not at all confident' and 10 is 'completely confident')
- **Are not a confident and savvy consumer:** They strongly disagree with the statement 'when it comes to financial services and products, I would consider myself to be a confident and savvy consumer'
- **Lack knowledge of financial matters:** They rate their knowledge as very low (they gave themselves a score of 0-3 on a 0-10 point scale, where 0 is 'not at all knowledgeable' and 10 is 'very knowledgeable')

The other characteristics of low capability captured in our vulnerability algorithm are poor or non-existent digital skills (the 'digitally excluded'), low English language skills, and learning difficulties (specifically having dyslexia, dyscalculia or dyspraxia). Questions on English language skills and learning difficulties were added to FLS in 2022.

We present 2 sets of results in this section:

- **Original** FLS vulnerability algorithm (2017–2024): Low financial capability and/or digitally excluded
- **Updated** FLS vulnerability algorithm (2022–2024): Low financial capability, digitally excluded, low English language skills, and/or learning difficulties

Most results in this section use the **updated** algorithm. However, for trend analysis going back to 2017, we also include results using the **original** algorithm.

Please also refer to our note on digital exclusion and the changes made to the 2024 survey.

In 2024, 17% of UK adults (9.3m) had low capability – down 5pp from 22% (11.7m) in 2022 (updated algorithm)

**Low capability
(original algorithm) (2017/2020/2022/2024)**
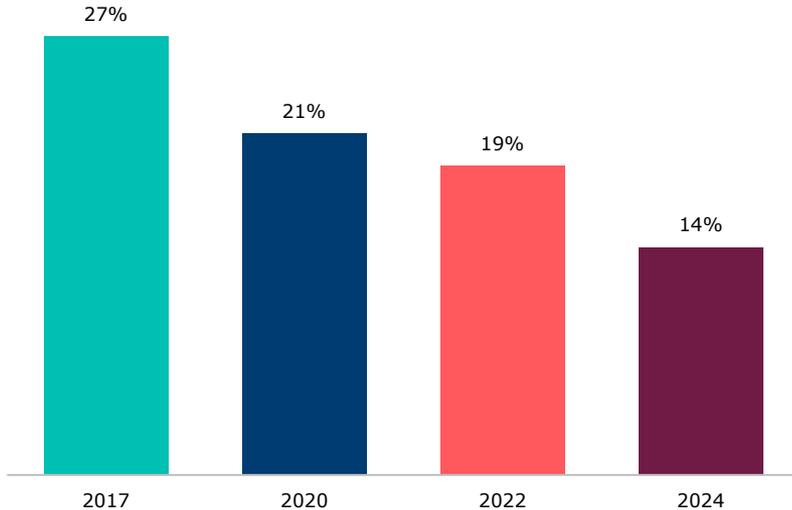
**Low capability
(updated algorithm) (2022/2024)**

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)
Question: Vulnerability summary v2.
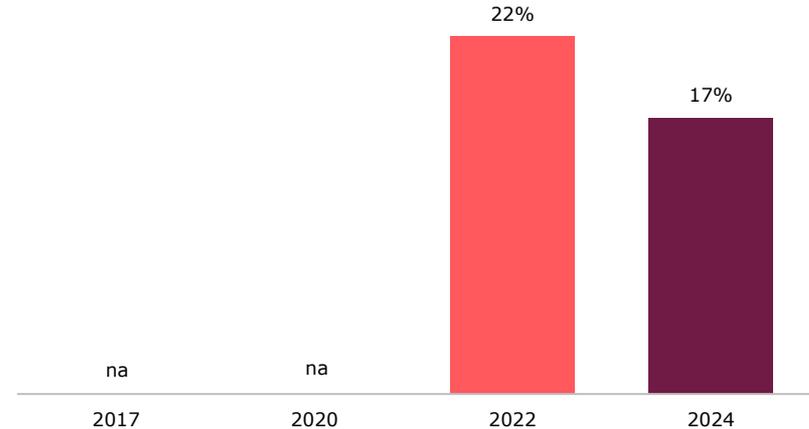
Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vulnerability summary v4.

Since 2017, the proportion of adults exhibiting characteristics of low capability has declined – partly due to a reduction in digital exclusion, but also due to an improvement in financial capability

Low financial capability or low capability in other relevant areas (2017/2020/2022/2024)
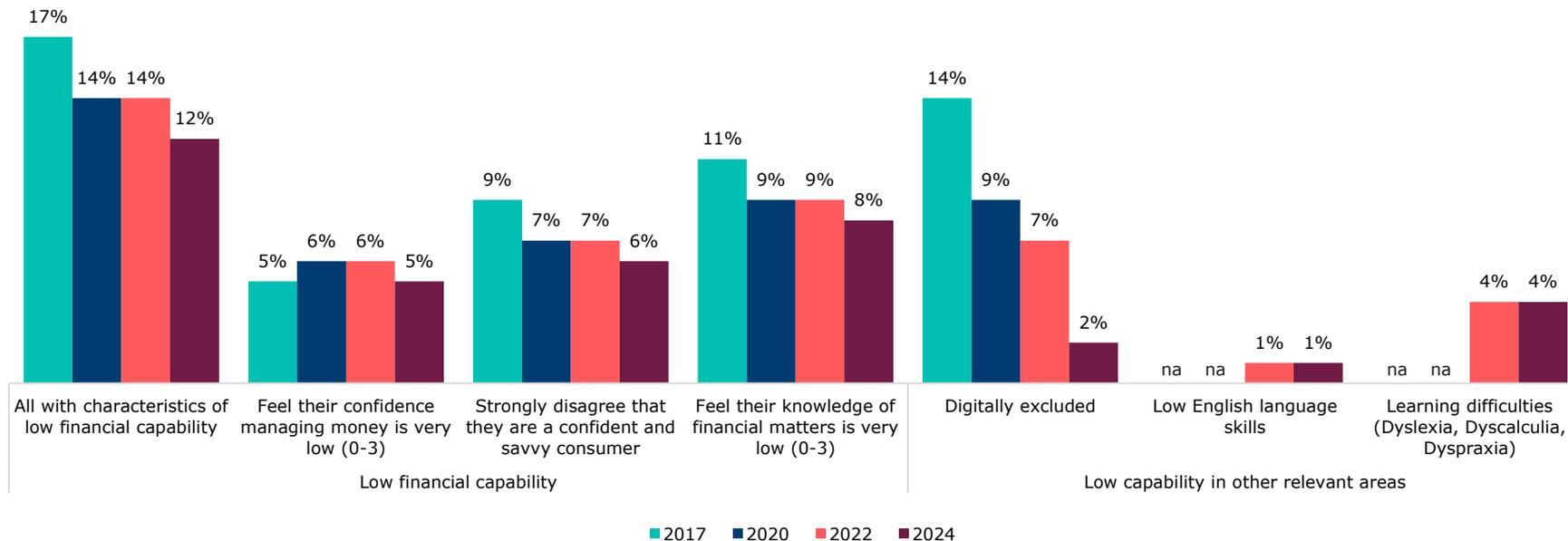
Legend: ■ 2017 ■ 2020 ■ 2022 ■ 2024

Low financial capability

- All with characteristics of low financial capability: 17% / 14% / 14% / 12%
- Feel their confidence managing money is very low (0-3): 5% / 6% / 6% / 5%
- Strongly disagree that they are a confident and savvy consumer: 9% / 7% / 7% / 6%
- Feel their knowledge of financial matters is very low (0-3): 11% / 9% / 9% / 8%

Low capability in other relevant areas

- Digitally excluded: 14% / 9% / 7% / 2%
- Low English language skills: na / na / 1% / 1%
- Learning difficulties (Dyslexia, Dyscalculia, Dyspraxia): na / na / 4% / 4%

The proportion of adults with low capability fell for most demographic groups between 2022 and 2024

Adults with low capability and percentage point change since 2022, across a variety of demographic segments (updated algorithm) (2024)

pp change (2022-2024):

Segment	pp change
All UK adults	-5%
Male	-4%
Female	-5%
18-24	1%
25-34	1%
35-44	0%
45-54	-1%
55-64	-6%
65-74	-11%
75+	-25%
White	-5%
Black & Black British	-9%
Asian & Asian British	-2%
Mixed/ multiple	-4%
Other	[0%]
Employed	-1%
Self employed	-5%
Unemployed	0%
Retired	-15%
Semi-retired	-6%
Other	-5%
Own outright	-11%
Mortgage	-1%
Renting	-5%
Other	0%
Less than £15k	-8%
£15k - <£30k	-5%
£30k - <£50k	-2%
£50k+	-2%

% of adults with low capability (2024):

Segment	%
All UK adults	17%
Male	14%
Female	20%
18-24	25%
25-34	22%
35-44	17%
45-54	15%
55-64	14%
65-74	12%
75+	18%
White	16%
Black & Black British	16%
Asian & Asian British	21%
Mixed/ multiple	24%
Other	[26%]
Employed	15%
Self employed	13%
Unemployed	31%
Retired	14%
Semi-retired	6%
Other	32%
Own outright	11%
Mortgage	11%
Renting	23%
Other	27%
Less than £15k	31%
£15k - <£30k	18%
£30k - <£50k	13%
£50k+	10%

Categories: Sex | Age | Ethnicity | Employment status | Housing tenure | Household income

Legend: ■ Low capability (2024) · ■ Statistically significant change · ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
**Question:** Vulnerability summary v4.

6.2 Low financial capability

- Adults with low financial capability, across a variety of demographic segments
- Consumer confidence in managing their money
- Extent to which adults agree that they are a confident and savvy consumer of financial services
- Level of knowledge about financial matters
- Difficulties adults face with money and financial matters
- Difficulties adults face with money and financial matters, for adults with low financial capability vs. those who do not have low financial capability

In 2024, 12% of UK adults (6.5m) had low financial capability – down 2pp from 2022. Unemployed adults (25%), those in a low-income household (24%), and those aged 18-24 (18%) were more likely to have low financial capability than the UK average

Adults with low financial capability and percentage point change since 2022, across a variety of demographic segments (2024)


pp change (2022-2024)

All UK adults	Male	Female	18-24	25-34	35-44	45-54	55-64	65-74	75+	White	Black & Black British	Asian & Asian British	Mixed/ multiple	Other	Employed	Self employed	Unemployed	Retired	Semi-retired	Other	Own outright	Mortgage	Renting	Other	Less than £15k	£15k - <£30k	£30k - <£50k	£50k+
-2%	-1%	-3%	0%	1%	-2%	0%	-2%	-3%	-11%	-2%	0%	0%	-1%	[3%]	-1%	-3%	4%	-6%	-1%	-3%	-5%	0%	-2%	1%	-3%	-2%	-1%	-1%

% of adults with low financial capability (2024)

All UK adults	Male	Female	18-24	25-34	35-44	45-54	55-64	65-74	75+	White	Black & Black British	Asian & Asian British	Mixed/ multiple	Other	Employed	Self employed	Unemployed	Retired	Semi-retired	Other	Own outright	Mortgage	Renting	Other	Less than £15k	£15k - <£30k	£30k - <£50k	£50k+
12%	9%	15%	18%	15%	11%	11%	10%	9%	10%	12%	12%	16%	17%	[20%]	10%	8%	25%	9%	5%	25%	7%	7%	18%	21%	24%	15%	10%	6%

| Sex | Age | Ethnicity | Employment status | Housing tenure | Household income |

■ Low financial capability (2024)   ■ Statistically significant change   ■ Change that is not statistically significant

Base: All UK adults (2022:19,145/ 2024:17,950)
Question: Vul_capability

74

In 2024, 22% of adults had low confidence in managing their money – many adults who were in financial difficulty rated their confidence in managing money as low, as did those with an addiction, or with social/behavioural or cognitive difficulties and adults aged 18-24

Consumer confidence in managing their money (self-rated)

All UK adults (2017/2020/2022/2024)

Legend: ■ Low (0-6)   ■ Moderate (7-8)   ■ High (9-10)

Year	Low (0-6)	Moderate (7-8)	High (9-10)
2017	24%	39%	37%
2020	23%	37%	40%
2022	24%	39%	37%
2024	22%	39%	39%
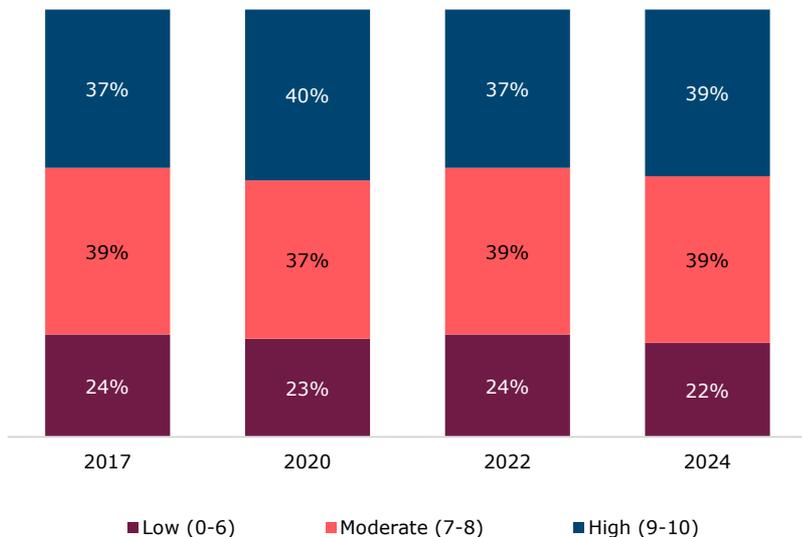
Demographic groups most likely to have low confidence managing their money (2024)

|	
All UK adults	**22%**
Health condition: Addiction (eg drugs, alcohol, gambling)	62%
In financial difficulty	55%
No investible assets (savings or investments)	54%
Health condition: Socially or behaviourally (eg ADHD), or associated with ASD which includes Asperger's	50%
Health condition: Learning, understanding or concentrating	48%
Unemployed	43%
Aged 18-24	40%
Household income of less than £15k	38%
Poor financial numeracy	37%
Renting	34%
Minority ethnic adults	30%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (1%/1%/1%/1%)
Question: AT1a (Rebased). How confident do you feel managing your money?

In 2024, 17% of adults disagreed that they are 'confident and savvy' when it comes to financial services – but this proportion increased significantly among adults with certain health conditions

Level of agreement with the statement: 'When it comes to financial services and products, I would consider myself to be a confident and savvy consumer'

### All UK adults (2017/2020/2022/2024)

Legend:
- Strongly disagree
- Slightly disagree
- Neither agree nor disagree
- Slightly agree
- Strongly agree

2017: Strongly agree 17%, Slightly agree 35%, Neither agree nor disagree 22%, Slightly disagree 17%, Strongly disagree 9%
2020: Strongly agree 20%, Slightly agree 40%, Neither agree nor disagree 21%, Slightly disagree 13%, Strongly disagree 7%
2022: Strongly agree 18%, Slightly agree 38%, Neither agree nor disagree 25%, Slightly disagree 12%, Strongly disagree 7%
2024: Strongly agree 19%, Slightly agree 39%, Neither agree nor disagree 25%, Slightly disagree 12%, Strongly disagree 6% — {17%}

Demographic groups most likely to lack confidence (disagree with statement) (2024)

All UK adults	**17%**
Health condition: Learning, understanding or concentrating	38%
Health condition: Addiction (eg drugs, alcohol, gambling)	36%
Health condition: Memory	34%
Health condition: Socially or behaviourally (eg ADHD), or associated with ASD which includes Asperger's	33%
Aged 85+	31%
Household income of less than £15k	28%
Those not in work because they are sick/disabled, looking after the home/family or full-time carers	26%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (2%/2%/3%/3%)
Question: AT1c_c (Rebased). How much do you agree or disagree with the following statement: 'When it comes to financial services and products, I would consider myself to be a confident and savvy consumer'?

In 2024, 36% of adults felt they had had low levels of knowledge about financial matters – many adults with social/behavioural or cognitive difficulties rated their knowledge as low

Level of knowledge about financial matters (self-rated)
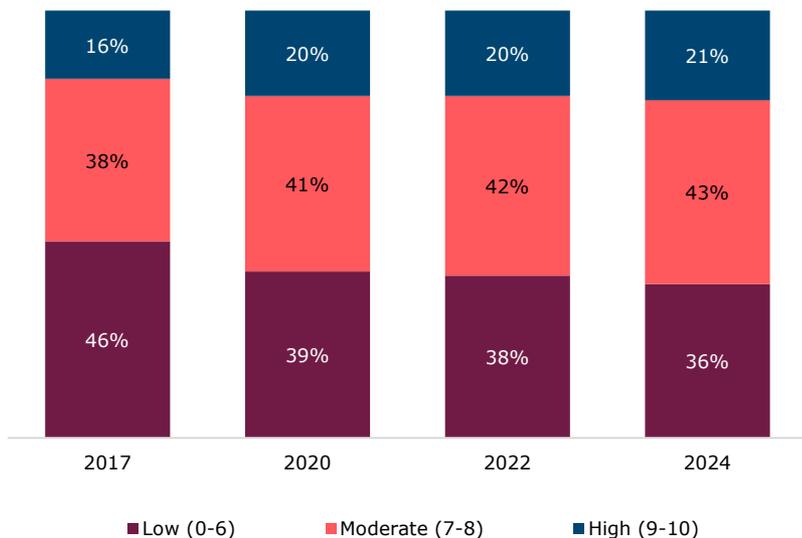
All UK adults (2017/2020/2022/2024)

	2017	2020	2022	2024
High (9-10)	16%	20%	20%	21%
Moderate (7-8)	38%	41%	42%	43%
Low (0-6)	46%	39%	38%	36%

■ Low (0-6) ■ Moderate (7-8) ■ High (9-10)

Demographic groups most likely to have low knowledge about financial matters (2024)

All UK adults	36%
Health condition: Learning, understanding or concentrating	61%
In financial difficulty	59%
Health condition: Addiction (eg drugs, alcohol, gambling)	58%
Health condition: Socially or behaviourally (eg ADHD), or associated with ASD which includes Asperger's	58%
No investible assets (savings or investments)	58%
Poor financial numeracy	54%
Unemployed	53%
Aged 18-24	53%
Household income of less than £15k	52%
No qualifications	51%
Lone parents	49%

Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (1%/1%/1%/1%)
Question: AT5 (Rebased). How knowledgeable would you say you are about financial matters?

In 2024, three in five adults (59% or 32.1m) reported that they face difficulties when dealing with money and financial matters

Difficulties faced with money and financial matters (2022/2024)

Difficulty	2024	2022
Any of these	59%	59%
I find dealing with customer services on the phone confusing and difficult	23%	22%
I feel overwhelmed and stressed when I have to deal with financial matters or interact with financial services providers	22%	22%
I feel nervous about speaking to financial services providers	19%	19%
I feel less prepared for retirement than I would otherwise be, because I don't understand my options (shown if not retired)	16%	16%
I put off or avoid making financial decisions	16%	16%
I don't really understand the products I have taken out and whether I got a fair deal or not	12%	14%
I find it hard to find financial products or services that are suitable for me	11%	10%
I have to rely on my partner or another family member to deal with financial matters	10%	12%
I don't feel able to shop around for financial products	7%	7%
I have difficulty dealing with financial services providers because they do not make reasonable adjustments for my specific needs	6%	7%
I felt less prepared for retirement than I otherwise would have been, because I didn't understand my options (shown if retired)	2%	2%
My lack of confidence or knowledge has contributed negatively in another way to how I deal with financial services	1%	2%

Base: All UK adults (2022:19,145/ 2024:17,950) excluding 'don't know' (6%/5%) and 'prefer not to say' (4%/4%) responses

Question: D21f (Rebased). Earlier you mentioned not feeling particularly confident or knowledgeable about money and financial matters. Because of this, do any of the following apply to you? / Thinking about money and financial matters, do any of the following apply to you?

Note: Question asked to all UK adults, but the question wording presented to those with low confidence or knowledge about money for financial matters was different from the wording for adults who do not have low confidence or knowledge.

# In 2024, nine in ten adults (92%) with low financial capability said this impacts how they deal with money or financial matters, compared with 55% of those who don't have low financial capability

Difficulties faced with money and financial matters, by financial capability (2024)

Difficulty	Low financial capability	Not low financial capability
Any of these	92%	55%
I feel overwhelmed and stressed when I have to deal with financial matters or interact with financial services providers	50%	18%
I feel nervous about speaking to financial services providers	41%	16%
I find dealing with customer services on the phone confusing and difficult	37%	21%
I put off or avoid making financial decisions	36%	13%
I have to rely on my partner or another family member to deal with financial matters	33%	7%
I don't really understand the products I have taken out and whether I got a fair deal or not	30%	9%
I feel less prepared for retirement than I would otherwise be, because I don't understand my options (shown if not retired)	29%	15%
I find it hard to find financial products or services that are suitable for me	21%	9%
I don't feel able to shop around for financial products	20%	5%
I have difficulty dealing with financial services providers because they do not make reasonable adjustments for my specific needs	15%	5%
I felt less prepared for retirement than I otherwise would have been, because I didn't understand my options (shown if retired)	3%	1%
My lack of confidence or knowledge has contributed negatively in another way to how I deal with financial services	2%	0%

■ Low financial capability
■ Not low financial capability

Base: All UK adults with low financial capability (2024:1,863) excluding 'don't know' (6%) and 'prefer not to say' (3%) responses/ All UK adults not with low financial capability (2024:16,087) excluding 'don't know' (5%) and 'prefer not to say' (4%) responses **Question:** D21f (Rebased). Earlier you mentioned not feeling particularly confident or knowledgeable about money and financial matters. Because of this, do any of the following apply to you? / Thinking about money and financial matters, do any of the following apply to you? **Note:** Question asked to all UK adults, but the question wording presented to those with low confidence or knowledge about money for financial matters was different from the wording for adults who do not have low confidence or knowledge.

6.3 Digital exclusion

- <u>Digital exclusion by sex and age</u>

Although digital exclusion has fallen over the past 7 years (from 6.9m in 2017 to 1.2m in 2024) – a significant minority of older adults are still digitally excluded

Digital exclusion

All UK adults (2017/2020/2022/2024)

Year	Digitally active	Digitally excluded
2017	86%	14%
2020	91%	9%
2022	93%	7%
2024	98%	2%

■ Digitally active
■ Digitally excluded

By sex and age (2024)

■ Digitally excluded

		Digitally excluded
	All UK adults	2%
Sex	Male	1%
	Female	2%
Age	18-24	2%
	25-34	1%
	35-44	1%
	45-54	1%
	55-64	2%
	65-74	2%
	75+	10%
Age(2)	75-84	5%
	85+	34%
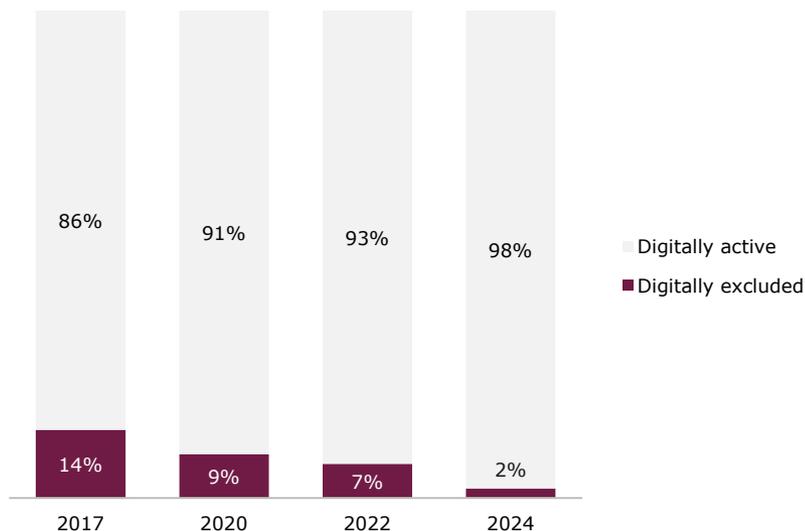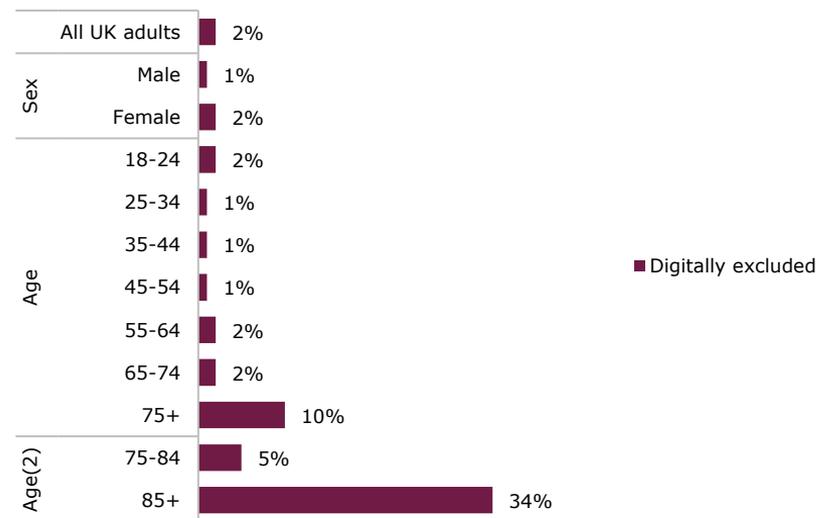
Base: All UK adults (2017:12,865/ 2020:16,190/ 2022:19,145/ 2024:17,950)
Question: DEDV. Those with poor or non-existent digital skills
Note: See notes explaining how our methodology for estimating how many adults are digitally excluded has changed in 2024.

6.4 Low English language skills

- <u>Low English language skills, by nation and English region</u>

In 2024, for 7% of UK adults their main language was not English (or neither English nor Welsh in Wales) and 1% could not speak English well or at all. London had the highest proportion of adults in these categories

Main language not English or Welsh, and not being able to speak English well or at all, by nation and English region (2024)

Legend: ■ Main language is not English or Welsh   ■ Speak English not well or not at all

Nations: UK 7%/1%, England 8%/1%, Scotland 8%/1%, Northern Ireland 5%/1%, Wales 3%/1%

Regions: London 17%/3%, West Midlands 8%/1%, North West 7%/1%, East of England 7%/2%, Yorkshire and The Humber 6%/2%, East Midlands 6%/2%, South East 5%/1%, North East 5%/1%, South West 4%/0%
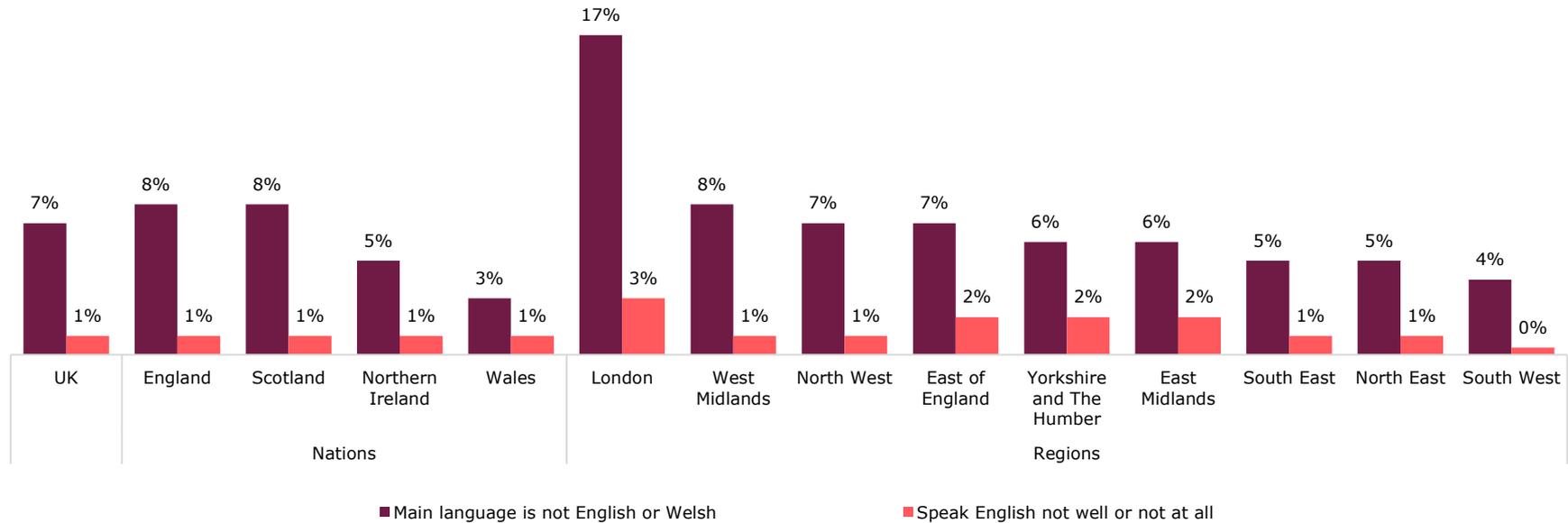
Base: All UK adults (2024:17,950)
Question: D44. What is your main language?/ D44D44asum. Summary of first language and ability to speak English
Note: Question on ability to speak English is only asked to those whose main language is not English or Welsh, but the result is reported here rebased to all UK adults.

6.5 Learning difficulties

- <u>Adults who have dyslexia, dyscalculia or dyspraxia, by sex and age</u>

In 2024, 4% of adults reported that they definitely have dyslexia, dyscalculia or dyspraxia. As these learning difficulties are often undiagnosed, we also asked adults to say whether they suspect they have any of these difficulties: a further 7% suspected they do

Dyslexia, dyscalculia or dyspraxia, by sex and age (2024)

Legend:
- ■ Definitely have one or more of dyslexia, dyscalculia, or dyspraxia
- ■ Suspect have one or more of dyslexia, dyscalculia, or dyspraxia, but do not definitely have any of these
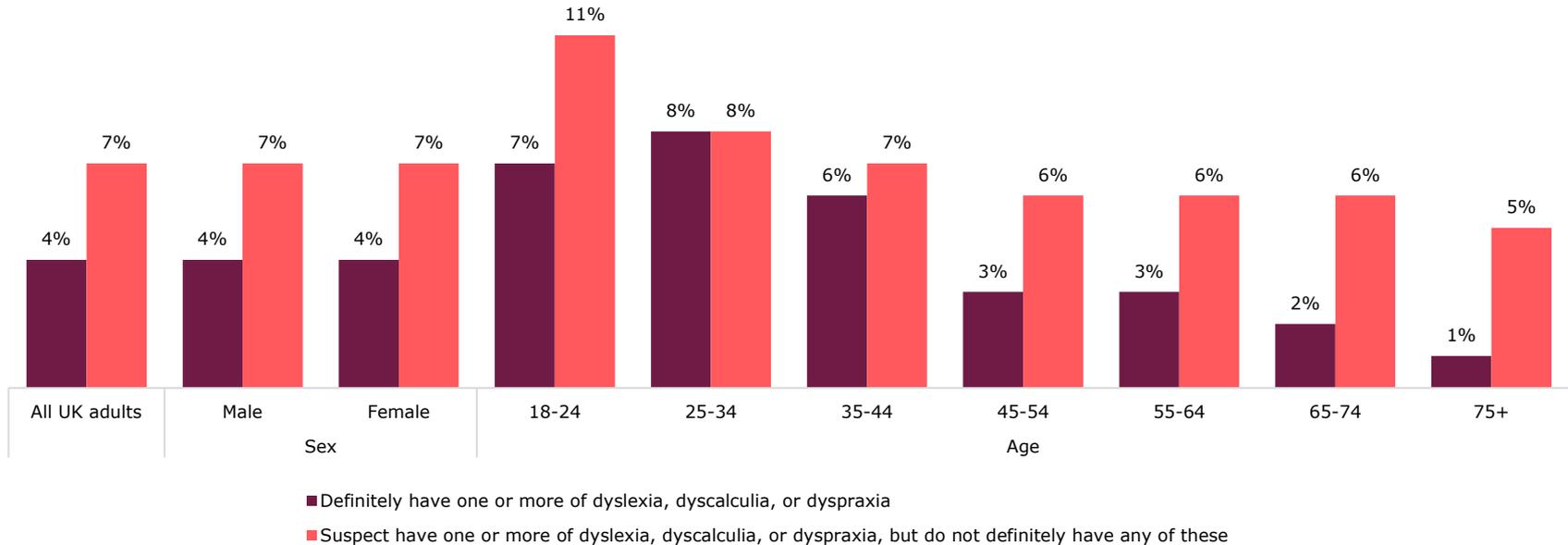
Base: All UK adults (2024:17,950) excluding 'prefer not to say' responses (6%)
Question: D35csum1 (Rebased). Summary of dyslexia, dyscalculia, dyspraxia

6.6 Poor numeracy

- <u>Confidence in working with numbers in everyday life</u>

- <u>Numeracy involving financial concepts</u>

- <u>Adults with poor or low financial numeracy, across a variety of demographic segments</u>

In 2024, 19% of adults rated their confidence working with numbers as low. Confidence was particularly low for certain demographic groups, such as the unemployed, 18-24 year olds, and minority ethnic adults

Confidence in working with numbers in everyday life

All adults (2020/2022/2024)

Legend: ■ Low (0-6) ■ Moderate (7-8) ■ High (9-10)

2020	2022	2024
High 53%	52%	52%
Moderate 28%	29%	29%
Low 19%	19%	19%
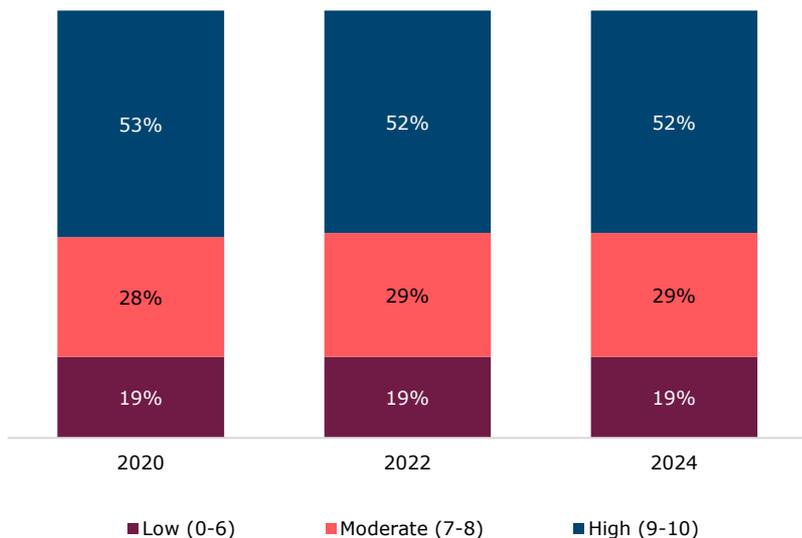
Demographic groups most likely to have low confidence working with numbers (2024)

All UK adults	**19%**
Unbanked (no current account)	53%
In financial difficulty	39%
Those not in work because they are sick/disabled, looking after the home/family or full-time carers	38%
Unemployed	34%
Lone parents	31%
Show any characteristics of vulnerability	29%
Aged 18-24	28%
Minority ethnic adults	26%

Base: All UK adults (2020:16,190/ 2022:19,145/ 2024:17,950) excluding 'don't know' responses (1%/1%/1%)
Question: AT1d (Rebased). How confident do you feel working with numbers when you need to in everyday life?
Note: Question not asked in 2017.

When tested on their numeracy involving financial concepts with 3 questions: 18% of adults answered no questions correctly, and 16% answered only one question correctly – these results have not changed since 2020, ie they are not statistically different

Numeracy involving financial concepts (2020/2022/2024)

Poor or low: 34%

Year	Poor (0 out of 3 correct)	Low (1 out of 3 correct)	Moderate (2 out of 3 correct)	High (3 out of 3 correct)
2024	18%	16%	24%	42%
2022	19%	15%	24%	42%
2020	17%	18%	25%	40%

- Poor (0 out of 3 correct)
- Low (1 out of 3 correct)
- Moderate (2 out of 3 correct)
- High (3 out of 3 correct)

Numeracy questions:

NUM1. Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. There are no fees or tax to pay. You don't make any further payments into this account, and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?

Type in your answer to the nearest pound.

NUM2. And how much would be in the account at the end of 5 years (remembering that there are no fees or tax deductions)?
1. More than £110; 2. Exactly £110; 3. Less than £110; 4. It is impossible to tell from the information given; 5. Don't know

NUM3. If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a year's time?
1. More; 2. The same; 3. Less; 4. Don't know

Base: All UK adults (2020:16,190/ 2022:19,145/ 2024:17,950)
Question: Numeracy (Financial summary)
Note: Question not asked in 2017. Question designed by charity National Numeracy.

Adults most likely to have poor or low numeracy in 2024 were the unemployed (54%) and others not in work (52%), Black adults (52%), and adults in a low-income household (52%)

Adults with poor or low financial numeracy and percentage point change since 2022, across a variety of demographic segments (2024)

pp change (2022-2024)

% of adults with poor or low financial numeracy (2024)

Segment	2024 %	pp change
All UK adults	34%	-1%
Male (Sex)	25%	-1%
Female (Sex)	41%	-1%
18-24 (Age)	48%	0%
25-34	41%	2%
35-44	39%	2%
45-54	32%	-2%
55-64	26%	-2%
65-74	22%	-1%
75+	27%	-4%
White (Ethnicity)	30%	-1%
Black & Black British	52%	-5%
Asian & Asian British	43%	0%
Mixed/ multiple	47%	7%
Other	[46%]	-[2%]
Employed (Employment status)	34%	0%
Self employed	27%	3%
Unemployed	54%	-3%
Retired	22%	-2%
Semi-retired	13%	-5%
Other	52%	0%
Own outright (Housing tenure)	19%	-2%
Mortgage	26%	-1%
Renting	47%	-1%
Other	42%	-1%
Less than £15k (Household income)	52%	2%
£15k - <£30k	36%	4%
£30k - <£50k	26%	1%
£50k+	16%	-1%

Legend:
- Adults with poor or low financial numeracy (2024)
- Statistically significant change
- Change that is not statistically significant

Base: All UK adults (2024:17,950)
Question: Numeracy (Financial summary)

Section 7

Your feedback please

Please email us at:
financiallivessurvey@fca.org.uk

We welcome your feedback on this deck of slides

Please email us at financiallivessurvey@fca.org.uk, ideally including:

- "Feedback on the FLS Vulnerability & financial resilience deck" as the title of your email

- Your organisation and your role

- How useful you have found these findings – how they have helped you/ how you have used them

- Any suggestions for improving our questionnaire or this deck

- Whether you have also looked at our FLS 2024 main report and data tables – and what you think of them

- Your brief suggestions for improving how we make FLS results accessible to users like you

- Whether you would be willing to take part in a short survey about FLS

- Any other feedback you may have

Section 8

Appendices

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Appendix A: Abbreviations and Glossary

- <u>Abbreviations</u>
- <u>Glossary</u>

Abbreviations

Term	Definition
ADHD	Attention deficit hyperactivity disorder
ASD	Autism spectrum disorder
DE	Digitally excluded
DPC	Deferred payment credit
eg	For example
FCA	Financial Conduct Authority
FLS	(The FCA's) Financial Lives survey
FS	Financial service(s)
HIV	Human Immunodeficiency Virus
ie	That is
MS	Multiple sclerosis
na	Not asked
n/a	Not applicable
ONS	Office for National Statistics
OPN	Opinions and Lifestyle Survey
pp	percentage point
UK	United Kingdom
unp	Unprompted responses
vs.	versus

Glossary (1)

Term	Definition
Adult	Aged 18 years or over
Agree	Those answering 'strongly agree' or 'slightly agree'
Black	Shorthand for Black and Black British
Characteristics of vulnerability	Circumstances associated with 4 key drivers of vulnerability that may indicate a consumer is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care. See Appendix B
Cognitive difficulties	Adults who have a condition or illness lasting or expected to last for 12 months or more which affects their cognitive abilities (learning, understanding or concentrating) and reduces their ability to carry out day-to-day activities 'a lot'
Digitally excluded	Adults who have never used the internet; have not used the internet within the last three months or don't know when they used the internet last; or those who have used the internet in the last three months but less often than once a week and rate their ability to use it as poor or bad
Disagree	Those answering 'strongly disagree' or 'slightly disagree'
Drivers of vulnerability	The FCA's 4 key drivers of vulnerability are: poor health, life negative events, low resilience and low capability. See Appendix B
Erratic income	Those whose say their income varies substantially month to month and this makes it difficult for them to manage their finances
High	The description of something when respondents score it 9-10 out of 10. For example: confidence in managing money, knowledge of financial matters, and satisfaction with financial circumstances
Household	Defined for survey respondents as: 'The group of people (not necessarily related) living at the same address who share cooking facilities and also share a living room or sitting room or dining area'
Household income	Defined for survey respondents as: 'Total annual household income from all sources (including benefits) before tax and other deductions'
In financial difficulty	Description used for adults when they have fallen behind on, or missed, any payments for domestic bills and/or credit commitments or in any three or more of the last six months
Income shock	Those who have experienced: losing their job/being made redundant, a reduction in working hours that they didn't want, or being made bankrupt in the last 12 months, or their partner has experienced this
Investible assets	The total value of money held in cash savings plus the total current market value of any investments. Respondents who hold any savings or investments jointly are asked to only include the amount they consider to be theirs. Investible assets do not include real investments (such as property investments, wine, art, jewellery or collectibles) or DC pension assets

Glossary (2)

Term	Definition
Investment products (any)	Hold at least one investment product. Annex A (Product holdings) shows what products are included in 'any investment products.' Other than when reporting overall product ownership, when we report results for adults with investments, we exclude those adults with an investment property or other real investments (such as wine, art, or jewellery) but no other investment products
Learning difficulties	Adults who say they definitely have dyslexia, dyscalculia or dyspraxia. A characteristic of vulnerability under the low capability driver. See Appendix B
Lone parent	Single adult with one or more dependent children living in the household. Dependent children are those aged 16 or under (or those aged 16 to 18 who are in full-time education and do not themselves have a spouse, partner or child living in the household) living in the household, regardless of whether they also have regular contact or partly reside with a second parent/guardian living outside of the household
Low	The description of something when respondents score it 0-6 out of 10. For example: confidence in managing money, knowledge of financial matters, and satisfaction with financial circumstances. Also see 'very low'
Low capability (in the context of vulnerability)	Capability is one of the four key drivers of vulnerability. Adults are described as having low capability if they view their own financial capability as particularly low, have poor or non-existent digital skills (the 'digitally excluded'), have low English language skills, or have learning difficulties (dyslexia, dyscalculia or dyspraxia). See Appendix B
Low emotional resilience	Adults are described as having low emotional resilience, if they find it very difficult to recover from negative experiences. See Appendix B
Low financial capability	Adults who rate their confidence of managing money as very low, rate their knowledge of financial matters as very low, or strongly disagree that they are a confident and savvy consumer of financial services. See Appendix B
Low financial resilience	Adults who have low savings, are in financial difficulty, or find keeping up with their domestic bills or credit commitments is a heavy burden. See Appendix B
Low resilience (in the context of vulnerability)	Resilience is one of the 4 key drivers of vulnerability. Adults are described as having low resilience if they have low financial resilience or low emotional resilience. See Appendix B
Low-income households/ householders	Adults with an annual household income from all sources (including benefits) before tax and other deductions of less than £15,000
Minority ethnic adults/groups	UK adults from a Gypsy or Irish traveller, Roma, mixed/multiple, Asian/ Asian British, Black/African/Caribbean/Black British or other ethnic background. This terminology is used in the UK Census

Glossary (3)

Term	Definition
Moderate	The description of something when respondents score it 7-8 out of 10. For example: confidence in managing money, knowledge of financial matters, and satisfaction with financial circumstances
Negative life events (in the context of vulnerability)	Life events are one of the four key drivers of vulnerability. Negative life events included in our algorithm are events that have occurred in the last 12 months, and include bereavement, an income shock (eg losing their job or a reduction in working hours against their wishes), a relationship breakdown, or becoming the main carer for a close family member. Since the 2022 survey, we also include those who have experienced financial abuse by their partner or a family member in the previous five years. See Appendix B
'Other' employment status	Includes those who are temporarily sick with no job to go to, those who are permanently sick or disabled, students, those looking after the home, and full-time carers
'Other' ethnicity	Any ethnic group other than Asian/Asian British, Black/Black British, mixed/multiple ethnic groups, or White
'Other' housing tenure	Those who live rent-free (eg with parents, partner, relatives or in friends' property) or occupy the property they currently live in in some other way
Over-indebted	Term adopted from the Money and Pensions Service (MaPS) to describe having one or both of the following characteristics: Keeping up with domestic bills and/or credit commitments is a heavy burden; Have fallen behind on, or missed, any payments for credit commitments and/or domestic bills in any three or more of the last six months (the three months do not need to be consecutive months). See Appendix B
Poor health (in the context of vulnerability)	Health is one of the four key drivers of vulnerability. Respondents are considered to have poor health, if they have a condition or illness lasting or expected to last for 12 months or more; and, that their illness/condition affects them physically or affects their hearing, vision, mental health (including addiction), mental capacity or cognitive abilities, and that it reduces their ability to carry out day-to-day activities 'a lot'. In the 2022 survey, we added a question about cancer, multiple sclerosis, and HIV infection. People with these progressive conditions automatically meet the disability definition under the Equality Act 2010 from the day they are diagnosed, even if their condition does not currently have a substantial negative impact on their ability to carry out day-to-day activities. From the 2022 survey they count as having poor health. Where we use the term 'poor health' it is always shorthand for those in poor health or have a progressive health condition (cancer, MS, HIV infection). See Appendix B
Sex	Survey respondents are asked to state their sex, with the options of Male, Female, or prefer not to say. Elsewhere in the survey we ask respondents if the gender they identify with is the same as their sex registered at birth
Very low	The description of something when respondents score it 0-3 out of 10. For example: confidence in managing money, or knowledge of financial matters. Also see 'low'
Working/in work	This is the collective term used for adults that are employed, self-employed, or semi-retired

Appendix B: The vulnerability algorithm

- <u>Health</u>
- <u>Life events</u>
- <u>Resilience</u>
- <u>Capability</u>

FLS vulnerability algorithm: Health

Type of characteristic	Question	Description of characteristic	UK population asked the question	Original algorithm (2017-2024)	Updated algorithm (from 2022)
Physical disability	D33=1 AND D35=1 AND D34=4,5,9,11 (2017: D35=1 AND D34=3,4,8,10)	Have a physical or mental health condition(s) or illness(es) lasting or expected to last for 12 months or more, that reduces their ability to carry out day-to-day activities a lot, and that affects them in one or more of the following ways: mobility; dexterity; stamina, breathing or fatigue; or another effect	All adults	Y	Y
Hearing or visual impairment	D33=1 AND D35=1 AND D34=2,3 (2017: D35=1 AND D34=1,2)	Have a physical or mental health condition(s) or illness(es) lasting or expected to last for 12 months or more, that reduces their ability to carry out day-to-day activities a lot, and that affects them in one or more of the following ways: vision; hearing	All adults	Y	Y
Poor mental health and/or low mental capacity or cognitive difficulties	D33=1 AND D35=1 AND D34=6-8,10 (2017: D35=1 AND D34=5-7,9)	Have a physical or mental health condition(s) or illness(es) lasting or expected to last for 12 months or more, that reduces their ability to carry out day-to-day activities a lot, and that affects them in one or more of the following ways: learning, understanding or concentrating; memory; mental health; socially or behaviourally (eg ADHD), or associated with ASD which includes Asperger's	All adults	Y	Y
Addiction	D33=1 AND D35=1 AND D34=1 (2017: D34=addiction (unprompted)	Have a physical or mental health condition(s) or illness(es) lasting or expected to last for 12 months or more, that reduces their ability to carry out day-to-day activities a lot, and that affects them in the following way: addiction, eg drugs, alcohol, gambling (Addiction was added as an explicit response option to the 2020 survey. In the 2017 survey, respondents had the option of stating this as an unprompted 'other' response)	All adults	Y	Y
Progressive health conditions: cancer, multiple sclerosis, or HIV infection	D35d=1-3	Have any form of cancer, MS, or HIV infection	All adults		Y

FLS vulnerability algorithm: Life events

Type of characteristic	Question	Description of characteristic	UK population asked the question	Original algorithm (2017–2024)	Updated algorithm (from 2022)
Caring responsibilities	D21b=15 OR (D4a=1 AND D37a=8) (2017: D21b=15 OR (D4a=1 AND D37=Carer's Allowance (unprompted))	Adult (or their partner) became the main carer for a close family member in the last 12 months; or live in a one adult household and in receipt of Carer's Allowance (In the 2017 survey, some respondents said that they received Carer's Allowance unprompted when asked what other benefits they receive. Carer's Allowance was added as an explicit response option to the 2020 survey. As a result, there is likely to be some underreporting of Carer's Allowance in the 2017 survey, compared with later surveys)	All adults	Y	Y
Bereavement (or serious accident or illness of a close family member or experienced themselves)	D21b=10-14	One or more of the following events experienced by the adult (or their partner) in the last 12 months: serious accident or illness (or of a close family member); death of a parent, partner or child	All adults	Y	Y
Income shock	D21b=5-7	One or more of the following events experienced by the adult (or their partner) in the last 12 months: losing job/being made redundant; reduction in working hours (against wishes); bankruptcy	All adults	Y	Y
Relationship breakdown	D21b=8-9	One or more of the following events experienced by the adult (or their partner) in the last 12 months: relationship breakdown/separation; divorce	All adults	Y	Y
Financial abuse	D50=1-7	In the last 5 years have experienced any form of financial abuse by a partner or family member	All adults		Y

FLS vulnerability algorithm: Resilience

Type of characteristic	Question	Description of characteristic	UK population asked the question	Original algorithm (2017-2024)	Updated algorithm (from 2022)
Over-indebted	K1=3 OR	Keeping up with domestic bills and/or credit commitments is a heavy burden	All adults	Y	Y
	K2=1 OR	Payments for any domestic bills and/or credit commitments have been missed in any 3 or more of the last 6 months	All adults	Y	Y
Low savings	AT4=1 OR	If the main source of household income were lost, their household could continue to cover living expenses for less than a week, without having to borrow any money or to ask for help from friends or family	All adults	Y	Y
	AT10_d=5 OR	Strongly disagree with the statement 'I do not have difficulty paying for day-to-day expenses since I retired'	All adults who are retired	Y	Y
	M104=1 or 2	Mortgage and/or rent payment increases of less than £50 a month would be a struggle to meet	All adults who own the property they currently live in with a residential mortgage, who rent it, or who pay part rent and part mortgage (shared ownership)	Y	Y
Low emotional resilience	D43=5	Find it very difficult to recover from negative experiences	All adults		Y

FLS vulnerability algorithm: Capability

Type of characteristic	Question	Description of characteristic	UK population asked the question	Original algorithm (2017-2024)	Updated algorithm (from 2022)
Low financial capability	AT1a=0-3 OR	Score 0 to 3 out of 10, where 0 is 'not at all confident' and 10 is 'completely confident' when asked to rate confidence in managing money	All adults	Y	Y
	AT5=0-3 OR	Score 0 to 3 out of 10, where 0 is 'not at all knowledgeable' and 10 is 'very knowledgeable' when asked to rate knowledge about financial matters	All adults	Y	Y
	AT1c_c=5	Strongly disagree with the statement 'When it comes to financial services and products, I would consider myself to be a confident and savvy consumer'	All adults	Y	Y
Poor or non-existent digital skills	D16aDV=2-5 or (D16=4 AND D20=4,5) (2020: D16a=2-5 or (D16=4 AND D20=4,5)) (2017: D16=8-11 or (D16=5-7 AND D20=4-5))	Digitally excluded adults are defined as those who have never used the internet; have not used the internet within the last 3 months or don't know when they used internet last; or those who have used the internet in the last 3 months but less often than once a week and rate their ability to use it as poor or bad. (2020: The coding for the 2022/2024 and 2020 surveys differs, because in 2022 a check question (D49) was added to check whether people not identifying as internet users do in fact use it, but may not be familiar with the term 'internet') (2017: Digitally excluded adults are defined as those who have never used the internet; use the internet about once every 6 months or less often, or don't know how often they use the internet; or those who use the internet about once a fortnight, once a month or once every 2-3 months and rate their ability to use it as poor or bad)	All adults	Y	Y
Low English language skills	D44a=3-4	Main language is not English (or in Wales: it is neither English nor Welsh), and do not speak English well or at all	All adults		Y
Learning difficulties	D35c_a =1, D35c_b=1, and/ or D35c_c=1	Definitely have dyslexia, dyspraxia, or dyscalculia	All adults		Y

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