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Dear Mark,

The Money Advice Service Business Plan 2013/14

This is the Financial Services Consumer Panel's response to the Money Advice Service Business Plan 2013/14 consultation. The Panel is keen to continue building a closer relationship with the Money Advice Service to help it deliver the unquestionable benefits of a national generic advice service.

We wrote to you in December 2012 setting out some views on the initial draft of the Plan we saw in November and are very pleased to see that the majority of these views have now been taken into account in the published version. We also commend the Money Advice Service for the work it is proposing on lifestyle, customer segmentation, product choice and customer satisfaction. We believe this kind of analysis will be critical to the Money Advice Service's evidence base and to determining and improving its effectiveness in the future. We also commend the joint initiatives you are planning which will help signpost consumers to other appropriate sources of information and advice. Proactive engagement with consumers to keep reminding them of the value and relevance of the service, will also be key.

We offer our further comments below for your consideration.

Key performance indicators

We said previously that we felt more was required to clearly set out the key performance indicators by which the Money Advice Service judges its impact. Therefore, we are pleased to see how much progress has been made in this area and would like to encourage the Money Advice Service to continue to develop robust effectiveness measures across all areas of its work. For example, the website is the focal point of the Money Advice Service strategy. As such, we agree that its effectiveness in helping achieve the service's wider targets should be closely monitored. As well as unique visitors, as mentioned in the plan, there are various other indicators to help demonstrate its value and we would expect the Money Advice Service to be making full use of these. For instance, we think drilling down into measures such as monthly unique visitors, repeat uses per visitor and clicks to

critical pages or external recommended websites, would be helpful. Measuring the cost-effectiveness of the various channels you propose will also be critical and we are keen to see how your web chat initiative develops.

We believe it is important to keep all key performance indicators under constant review. This will ensure the kind of meaningful information the Money Advice Service and its stakeholders require is available. It will also enable you to target corrective action in specific areas – for instance, should you find that your objectives around increased saving or desirable protection products are not being met.

Measuring impact

We support your efforts to measure financial capability. As you may know, we have consistently argued that the early work undertaken by the FSA in terms of benchmarking should be continued so that effectiveness and improvement can be measured. We are aware of various initiatives regarding financial capability being undertaken by others within the debt advice space.

Given the pressure on resources we would encourage the Money Advice Service, and others, to work together so that any appropriate measurement tools developed can be universally used to baseline individual clients and measure the impact of specific interventions. This might also make the hand over of clients between other organisations and the Money Advice Service more streamlined, whilst allowing for the possibility of wider data collection.

Financial capability

We are happy to see that the Money Advice Service has identified increasing the level of financial capability among young people as a core area of focus. We believe this is essential for the future health of the financial services sector. However, we continue to be concerned that there has been a sharp fall in the level of allocated resource in order to achieve this. We would prefer to see greater resource directed to this area and would again encourage the Money Advice Service and its partners to continue to develop robust impact measures against this and other priority areas for the future.

Partnerships

As we stated in our earlier letter, we feel developing successful partnerships will be key to achieving success in the target areas the Money Advice Service has identified. In this regard we believe that the Money Advice Service's recognition of housing associations as key partners is a very positive step. We agree that these organisations might provide an effective route towards engaging with people who will be affected by Welfare Reform.

Awareness

Raising and maintaining awareness of your Service in a cost-effective way is important. We will be interested to see further analysis around the success of your various awareness-raising initiatives, particularly given the levels of spend involved.

Staff development

One issue we did not identify in our previous letter to you, but spoke about when you visited the Panel, was staff development. We think it would be helpful to include within your business plan more information about how you are investing in your people. Given the previous significant staff changes and redundancy programme, information of this kind would perhaps also assuage concerns about organisational culture, behaviours and staff morale.

I hope that you find these points helpful and I look forward to hearing more about your progress against the various measures outlined in your business plan

Yours sincerely,

Adam Phillips
Chair
Financial Services Consumer Panel