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Dear Caroline

Financial Services Consumer Panel response to Money Advice Service's business plan consultation

This is the Financial Services Consumer Panel's response to Money Advice Service's (MAS) business plan consultation. The Panel appreciated the opportunity to discuss the outline of the business plan with you in November 2013. Overall we believe that the plan is an improvement on previous MAS business plans.

It is helpful that the business plan takes account of the National Audit Office (NAO) value for money report on helping consumers to manage their money¹. We think that the NAO made some sensible and constructive recommendations.

Do you think the business plan sets the right direction for the Service?

The Panel agrees that the business plan sets the right direction for MAS and we support the identified strategic themes. However, there appears to be some overlap between the strategic themes, objectives and priorities set out on page 12. Is there scope to incorporate the priorities within the three strategic themes as objectives? This would maintain the emphasis on the strategic themes, which is important given that they underpin the plan, without unnecessary duplication.

Does the Plan present our priorities, initiatives and budget in a clear way and it easy to understand (written in plain English)?

The priorities and budget are set out clearly, but the language is loaded with jargon. This means in some cases it is not at all clear what MAS is actually going to do. For example, one of the priorities is: *"Enhance our role as a leader and influencer, turning the enthusiasm and efforts of all stakeholders into joint action plans to improve the financial capability of the UK"*. This sentence could easily be simplified to something like "Lead the development of a UK financial capability strategy".

Overall is there anything missing from the business plan you would wish to see?

As discussed in November, we recognise that it is not easy to evaluate MAS's impact. The plan sets out key performance indicators which measure a range of activities. However, we would like to see a clear narrative demonstrating how the individual strands link to outcomes and MAS's statutory objectives, and how each level will be measured. One of the NAO recommendations was for MAS to create a coherent evaluation strategy to bring its existing evaluation projects together. We agree this would be helpful.

We would also like to see details of the risks MAS has identified for the organisation and its beneficiaries.

¹ <http://www.nao.org.uk/report/helping-consumers-to-manage-their-money/>

Coordination with the Financial Conduct Authority (FCA)

We would like to see more about how MAS will work with the FCA over the coming year. From time to time there appears to be duplication between the two organisations. For example, the FCA carries pages on its website on how consumers should protect themselves from fraud and has a consumer helpline offering impartial information and general guidance. It would be better for MAS to deliver this kind of information and the FCA to signpost consumers to it.

We recognise you are working hard to build a positive culture within the organisation, through the development of new values, a mission statement, etc. We think this is important and should be referenced in the Plan.

Working with international partners

As a leader and influencer of financial capability in the UK, the Panel believes that it is vital that MAS is engaged with counterparts at a European and international level. As well as influencing wider financial capability initiatives, this would allow MAS to monitor best practice and benchmark against other organisations and other jurisdictions. We would like to see this international benchmarking reflected in the business plan.

Themes and chapters

Theme 1

We would like to see more details of what will be delivered under this theme. It is common knowledge that people are more receptive to money advice when facing big life events, such as buying a house or going through a divorce. It might be helpful to set out some illustrative case studies. These could show where MAS's role starts and finishes and how this links with the role of partners, both at the 'front end' and for those requiring specific, more technical, advice.

We would like to see the segmentation work reflected more within the plan. In particular, we would like to see how it informs planning and resource allocation.

Theme 3

We are pleased to see that MAS is now working more closely with partners. In addition to sharing materials and tools, the move to three-year funding for debt advice will help providers to plan more effectively and provide stability for their staff. This is a positive development that we welcome. However, MAS needs to take better account of debt advice that it does not fund directly. There is no reference to this in the plan. The general message about 'improving' the sector needs to be more specific about what the problem is that MAS is trying to fix.

When we met in November, we suggested that it would be useful for MAS to partner with social landlords and Shelter in order to reduce the impact of government welfare reform. We hope this is something that MAS will consider as part of your response to Universal Credit.

Sincerely,

Sue Lewis
Chair
Financial Services Consumer Panel