

## **Financial Inclusion TechSprint (May 2024) video Transcript.**

### **Team 8 - Lloyds Banking Group**

#### **Delegate 1**

Lloyds Banking Group. Firstly, thank you for having us today. I think it's an absolute privilege to be in a room with so many people who want to make a difference. It's definitely what we buy for and we try and connect, create those connections quite often and you'll hear about that today.

So our ultimate vision here is bold, and it's bold for reasons that you will see in a moment, but it requires bringing together multiple parties across multiple areas. And this aligns very much with what Sheldon and the panel were talking about earlier. It's you and you'll hear about this more through what we are calling our 3C's to drive systemic change, which is ultimately our aim.

We believe the three C's model is a really good one and that is connecting, convening and collaborating. And I'll talk more about those, but they essentially refer back to what the panel were talking about earlier.

So what the other thing we'll do today is we'll take you through what Lloyds have been doing in this space and we will bring to life a test that we have been running in the Liverpool region. It's not yet using technology, but it's the path to how we design for the future.

So if we start with the why, I'm not going to labour this because I think this is a room full of people who understand the why very well. But there's one stat that I think is I found quite powerful, which is the TransUnion. There's a trans union study that showed that if you earn about 14K or less, there's about 37% of people are denied access to credit in the mainstream. But actually even when you look at the 50 plus, it's still quite high at 17%.

So, you know, there may be a misnomer that says this is just for low income. It's not everybody can experience a financial shock. So this ultimately is inclusive and for everybody and that can happen any time in your life based on what is happening. It could be, you know, a divorce, a funeral spend, it could be anything. And I think that's a really important point is that this is for everybody and it could be for people in this room.

So at Lloyds, we have been focused on learning for many years. So in terms of what we're bringing today, it is reflective of a long journey. The IT might sound big and bold, but we've been working and working across the industry and market for a number of years. And this is what's led us here today. And we have done things like we've provided funding to credit unions, we've partnered with individual credit unions in local communities, and we've worked

with experts and experts is charities, people like Fair for All Finance and we've even done lived expert interviews and we continue to do those and we are learning so much from those and they're incredibly powerful. I haven't seen a room who haven't cried when they watch one of those videos.

So the test in Liverpool, what this ultimately looks to do is to create a safe pathway to affordable credit and that's really important and that goes with the theme that we're talking about.

So what we're doing in that test is we're creating and we are connecting customers today with the local community finance sector. So we are doing that today and we'll bring that to life in a persona in a moment. But where we want to go from there is we want to take those learnings to convene the industry, the government and other experts so we can collaborate to solve this societal issue at scale.

And it's very important to give a nod to those from Fair for All Finance in the room because we are Co funding this test that we are doing in Liverpool today.

Now back to recognising this big bold ambition. It includes a wider ecosystem of support. So what we recognise and what we've learnt is we have a greater chance of making an impact and systemic change for individuals, which leads to financial empowerment if we bring together multiple areas of support. And how can we do that in an ecosystem that ultimately helps the customer?

It's not easy, which I think we all know from the different presentations we've heard in the room today.

Now as part of the testing Liverpool region, we actually have convened a number of those bodies that I touched on and we're convening them and we're working a test that is led from branch referral and telephony referral.

Now to bring an example to life that is slightly outside of affordable credit and then we'll do an affordable credit example. We're working with the charity sector to understand who is excluded due to financial limitations. We are working with two wonderful firms and we are giving those people free devices and free data.

So then they become included in digital experiences and we're also expanding that support by providing them digital and financial education.

So that's one example. But this live, this test is live. And I'm now going to pass you to Matt, who is going to be Chris and Chris's persona for the next few minutes.

## **Delegate 2**

Excuse me. Hello everyone. I'm Chris and last week my washing machine broke down. It absolutely knackered some of my kids school uniforms too, so I need a new one urgently. I'm on a tight budget, I don't have £300 to hand and

as you can tell by the picture, uh, my financial worries are really taking a toll on my hairline.

I needed to borrow so I went into my branch. Unfortunately they told me that the limited credit history that I have and the small amount that I needed sat me outside what their normal lending criteria would be. I have actually been through something like this in the past, but I was just turned away back then and I actually ended up going to a really expensive loan from that guy down the pub. And this time I wasn't turned away.

Lloyds told me about the partnership with Nest Egg and connected me to Community Finance. It was a really simple process. The bank just asked if I was happy for my details to be shared. I said it was and so pretty quickly I had an e-mail with a link.

Once I got onto Nest Egg, I could see a few more options once I put some more details in. Um, but importantly, I was given some guidance on maximising my income before we even get to the loan and that turns out I might actually be eligible for working tax credits.

Finished off my loan application and now I'm on a safer path. I have, uh, the loan that I need to get my washing machine, I'm in a better place. My kids aren't screaming at me and I, uh, my credit file is being built as I go.

### **Delegate 1**

We're doing badly on time, so really quickly on lessons in terms of, we are still learning. We don't have the data and the fact Don't ask Me panel, but some of the key learnings we do have at the moment is shifting colleague mindset and making sure they're completely aware of the ecosystem of support ensures they access the whole ecosystem #1.

#2 collaboration is incredibly complex, incredibly complex. Bringing all these people together. We've managed to do it through relationships we've built over the years, but it's hard and that's where we think technology can play a key role in digital journeys to make those connections easier and centred around customer experience, not around individual company experience. and this is what it could look like.

### **Delegate 1**

OK. So very quickly in as simple as the experience was walking into a branch, it can be that simple and easier outside simple referral from a banking app to the right level of support. But if you can create that referral across the whole ecosystem, that's when the magic happens.

Thank you very much.