

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

### **Team 6 - Inbest & Moneyline**

#### **Delegate 1**

Hi, I'm Shona, I'm the CEO of Moneyline, which is a not-for-profit lender focused on the most financially excluded households in the UK.

Lending is how we get our income, but I know credit isn't always the answer. We decline 19 out of 20 new customer applicants, 19 out of 20. And the need for credit doesn't go away when we decline these people. We're seeing more and more people apply for loans for essential items like food and utilities, things they should not need credit for.

Utilitarianism has actually increased 20% just in the last year. And like many lenders, we signpost to advice at the moment. But actually that's not enough anymore to improve customer outcomes. We need to do more as lenders than just signposting to advice because when somebody applies for credit for essentials, they continue to apply until they get the cash they need to solve their problem, even if it means going to a loan shark, which is a growing and worrying issue in the UK,

At money line. We know it's possible to stop the need for credit. Last year we issued small grants for up to £100 and we were able to do this by receiving a grant from NatWest. And here is one of the customer stories. So Kaylee applied for a loan. It was declined on affordability and because we could see she wasn't managing to pay all her bills.

But we gave her a grant. And why? Because we could see after a conversation with her that the immediate issue she had was that she needed to pay her phone bill to apply for jobs. And actually by then getting £100 at the same day in her bank account, she was able to pay the phone bill, pay for the travel to get to the jobs, and she got the job. She's now in full-time employment and she never needed any credit. And that was just £100.

But we know for many the problem is not enough income. Grocery shopping has increased by 25% in the last two years. Working with Inbest, we've identified two and a half million of unclaimed benefits in money line customers in the last year alone. But there is 23 billion of unclaimed benefits in the UK and we know that if you increase your income, that's going to reduce the long term need for emergency credit.

But what it doesn't do is it doesn't help you now if you need some cash for an essential item. And on that, I'll hand over to Manu. We'll talk more about what we've been doing.

## **Delegate 2**

the next spring. We will then monitor Kit Portal having in mind the feedback that Shona has shared with us. Our objective is to reduce the need for cash for customers who have applied for essential needs, but they will decline. This portal bridges the gap between addressing short term cash needs and building long term financial resilience.

Customers can get an emergency grant up to £100 in the same day. They can view personalised support to pay for their bills and food. They can find out what they need to do to apply for government benefits and increase their income.

But now let me show you how the portal works.

When online customers get declined for the loan, the Money Toolkit portal turns this negative ink outcome into an opportunity to help people find alternative ways to pay for essential needs. We use the long application data to identify the emergency support people are eligible for and in one click, customers can apply for the Money Line Hardship brand.

They can view discounted tariffs for water and energy, and they can find the nearest food bank. But we won't stop here.

After customers have taken the first action, we keep nudging them to remind them to apply for long term financial support like universal credits or council tax reduction.

We launched the portal 5 weeks ago and in this time we helped thousands of people to get the support they needed when they need it.

1000 customers use this portal every week. We provide £12,000 in emergency support for vulnerable customers and 100 customers have shared their feedback with us.

One customer said it was great, easy to use and quick. It helped me so much, and this is showing us we're in the right path.

In just three months, we turned the problem that Shona has shared with us into a solution that is helping people find essential needs, avoid illegal money lending and build long term financial resilience.

Now I hand over to Shona who will share how you can join us to scale this project.

## **Delegate 1**

Thanks Manu. Our solution is transformational, it's scalable and it's live. But to move forward, we do need more help. We want to work with like minded partners who provide support by putting their services in the portal, but we

actually want to create new products and services which will help that short term need as well. One of the challenges we know is it's really hard for people who are working full time to access food banks. That's why so many of our grants are given out for food. So what about if we partnered with them supermarkets who then used our data to get vouchers to go to the supermarket to get access to food. For those that are working, there's lots of ideas, and I know that in this room you'll have lots of ideas that you're going to bring after this hopefully and tell us as well.

But one of the other things we need is we need more grant money. You can see what positive outcomes we've had on people's lives and to stop the need for credit by giving out a small grant at the right time. We need a lot more of that, but help us to reduce the need for credit when credit isn't the answer.

Thank you.