

Accessible Financial Services (UK)

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Older consumers should have safe, convenient and affordable access to financial services. They should be able to expect appropriate protection and fair treatment.

Key Issues

Many older people often face significant barriers to accessing financial services, for example a bank branch closure, financial services companies failing to meet their needs, health conditions preventing easy access to products, or digital exclusion. These are exacerbated by the broad exception for financial services from the Equality Act which means that companies can choose not to offer products and services to older people.

The Financial Conduct Authority (FCA) has recently progressed a workstream on vulnerable consumers – although it is important to emphasise that age does not equate with vulnerability – resulting in new guidance to ensure firms are meeting such consumers’ needs. This followed on from its more specific work on older consumers, which found “there are risks that older consumers’ financial services needs are not being fully met, resulting in exclusion, poor customer outcomes and potential harm”ⁱ.

Access to banking

Despite significant concerns expressed by MPs, media and individuals the bank branch network has continued to shrink with analysis by Which? showing that 736 branches closed in 2021. Many communities have lost all their bank branches, requiring personal and business customers to travel considerable distances to visit a branch of their own bank. The Access to Banking Standard, supervised by the Lending Standards Board, does nothing to ensure access, but rather aims to minimise the impact of closures.

In December 2021 the UK’s major banks, through the Cash Action Group, announced a plan to secure banking services for the longer-term. Age UK is a member of the CAG. The plan includes guaranteeing free access to cash in smaller communities, enhancing Post Offices to provide more banking services, and establishing shared banking hubs in larger communities. The Post Office banking framework, recently renewed for a further three years, remains important in ensuring that customers can access some banking services in the 11,415 Post Office branches.

Financial Capability

Life in retirement can present new demands for older people's financial capability. From managing money and staying safe from scams, to making major new financial decisions such as downsizing or paying for care, many people will benefit from free, impartial, quality money advice. The complexity of some of these decisions means that holistic support is especially important.ⁱⁱ Services like MoneyHelper and Pension Wise must continue to focus on the needs of people approaching and in-retirement.

Public Policy Proposals

- Banking is an essential service, like water, power and communications. The Government, regulators and industry should ensure that all consumers have convenient, safe and affordable ways to receive, store and make payments. This should include placing a Universal Service Obligation on the banks to guarantee delivery of the core services required by older people.
- Older people are more reliant on cash than other age groups, so maintaining free access to cash is vital. The Government should legislate to ensure excellent geographic coverage.
- The Lending Standards Board and Financial Conduct Authority should be given greater powers to prevent banks closing branches. Banks should not close the 'last bank in town' without ensuring that a suitable alternative is available. This should work alongside the new process for protecting access to cash and banking services by the Cash Action Group.
- Banks should ensure robust and accessible third-party access to accounts, where appropriate. Powers of attorney should be dealt with correctly, swiftly and sensitively, and the innovations in 'carers cards' through the pandemic must work well for consumers.
- The broad exception for financial services in the Equality Act is unjustified and should be removed from the statute books. Age UK believes that access to financial services should be based on individual circumstances, not on arbitrary age limits.
- Financial services firms and the regulator must be realistic about the level of responsibility a consumer can take in this complex market. Products and services should be as transparent as possible, while terms and conditions and prices should be fair.
- The Government should ensure the Money and Pensions Service is adequately resourced to deliver the resources that older people on lower incomes need to manage their money.

Want to find out more?

Age UK has agreed policy positions on a wide range of public policy issues. Our policies cover money matters, health and wellbeing, care and support, housing and communities. There are also some crosscutting themes, such as age equality and human rights, age-friendly government and information and advice.

www.ageuk.org.uk/our-impact/policy-research/policypositions/

ⁱ FCA Ageing Population Occasional Paper 2017

ⁱⁱ Financial Resilience in Later Life, Age UK, 2018