

Financial Services Authority

*Better informed  
consumers*

Assessing the implications for  
consumer education of research by BMRB

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# Foreword

The Financial Services Authority (FSA) will soon have statutory objectives to protect consumers and promote public understanding of the financial system. Consumers' need for protection and education depends on a wide variety of factors. Generalisations about consumers are almost invariably misleading. We know that their needs vary according to their personal circumstances, their financial needs and expectations, what financial products or services they are buying or have bought, and their level of experience and confidence with financial services.

Consumer research plays a fundamental role in our efforts to understand better the consumers we are working to help. It helps us to achieve our objectives in several ways – identifying areas of potential harm, underpinning and informing policy development across the FSA, helping to prioritise and shape our activities, and measuring the effectiveness of our performance. This is why our Consumer Relations Division commissions and manages a substantial, ongoing, programme of consumer research.

As part of our commitment to transparency and accountability, we will publish the results of any substantive research we undertake. We will do this either as part of consultation papers and policy statements or, where appropriate, as a separate research paper.

*Better Informed Consumers* is the first in a series of papers on consumer research commissioned by the FSA. The research was designed to help the targeting and effectiveness of the FSA's consumer education work by establishing where consumers currently get information and advice on financial services and assessing attitudes towards services provided by the FSA. We believe that the findings published here will help inform other organisations involved in providing consumers with financial information and advice.

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# Summary

- 1 To inform its consumer education work the FSA commissioned BMRB to undertake a quantitative survey of a representative sample of 1,081 financial decision-makers throughout the UK and qualitative research with ethnic minorities and people with a disability, which also included separate groups with white respondents for control purposes.

## Consumers of financial services

- 2 Since financial decision-makers make up 52% of the adult population and are similar in profile to the UK adult population, the categorisation of adults into financial decision-makers and non-decision-makers is a poor targeting tool for the FSA to use in its consumer education activity.
- 3 To assist with targeting different groups, financial decision-makers can be categorised into two extremes according to their potential receptiveness to information and advice. This categorisation is based on their attitudes and confidence in financial matters and their consumption of financial products.
  - **Most receptive:** these are the most interested, experienced and active people. They are most likely to understand what information and advice they need. They are more likely than average to be in social grade AB (also C1), in the higher household income band and to be young couples or older respondents with no family. They are more likely to have the highest levels of awareness of the FSA, are more likely to understand the type of advice it is able to provide, are most likely to shop around when taking out financial products and to have access to independent advice.
  - **Least receptive:** these are the least interested, experienced and active people. They are least likely to be aware of the information they need to make financial decisions. They are more likely than average to be in social grade DE, on a low household income, in the 18-24 age group and not working. They are more likely than average to say that it would be complicated to decide on the right product for them for all of the products included in the survey. They also have the lowest levels of awareness of the FSA, are more likely to have the wrong impression about the sort of advice that the FSA can provide, are least likely to shop around when taking out financial products and are more likely to rely on one company for advice.
- 4 Most of the differences in attitudes and behaviour between respondents in England, Scotland, Wales and Northern Ireland are related to these differences in social profile between these countries. This suggests that the FSA does not need to take a different approach to reach financial decision-makers in these different countries.
- 5 Take-up of financial products, attitudes to financial matters, and information and advice needs are more related to financial sophistication rather than ethnicity or disability, although some people with disabilities and from ethnic minorities do have some specific communication needs (see paragraph 10 below).

## Identifying information needs

- 6 Attitudes to savings and money varied among respondents in a predictable way. For example, those on lower incomes tended either to say they had no money left to save or to be more likely to save for a specific event rather than a rainy day. Many people with disabilities fell into this category because of their low income.
- 7 Young people aged 18-24 years have some distinct needs:
  - **help with managing money:** they are less likely than average to say that they are good at managing money;
  - **help to develop financial skills:** they are less likely to rate their financial skills highly;
  - **advice on savings:** they are more likely to have taken out a savings account than any other product covered by the survey;
  - **help to prepare for the future:** they are about to enter a lifestage when their financial planning needs will increase;
  - **in need of sound advice:** they are more likely than average to be dependent on family and friends for advice; associated with this is the danger that the advice they get might be out-of-date.
- 8 Most respondents in the quantitative survey who had taken out or considered a product in the last five years were not dissatisfied with the information available, claimed that they did not want more information and were confident that they had all the information to make the right choice of product. The fact that so many consumers had confidence in recent financial decisions, despite the relatively low levels of shopping around reported, suggests that many would benefit from further information but are unaware that they need it. Therefore, a major task for the FSA is getting consumers to recognise that they have information needs in the first place. However, these findings need to be treated with caution as the qualitative research revealed problems with information and advice that were common across all groups:
  - not knowing what products are available or appropriate for their needs;
  - being overwhelmed and confused by information in leaflets;
  - not understanding the jargon and terminology in the information and advice received;
  - being shocked, surprised or disillusioned by the small print for financial services they had taken out;
  - being unaware of how to access comparative information on products.
- 9 Respondents who had not taken out or considered any products in the last five years said that this was partly due to lack of money, but also due to a lack of knowledge and perceived complexity, thus suggesting that consumer education has a role to play. However, only 7% identified the provision of information and advice as something that might help them make financial plans in the future.

## Getting information and advice

- 10 The process by which consumers get information and advice when buying or considering a financial product reveals the following important points for the FSA's consumer education work.
- **Lifestage events** – the consideration/purchase of financial products was prompted by lifestage events in a third of cases. The qualitative research found that people knew they had a financial need but did not know which specific product would meet their needs. To fill this gap, the FSA is intending to develop lifestage-or event-based financial planning material for consumers.
  - **Personal contact** was the most common, and the most preferred, means of getting information. This suggests that it is important for the FSA to provide personal contact through services such as the Consumer Helpline.
  - **Financial services regulators have been little used to date** as a source of information. Only 1% said that they obtained information from this source and only 7% mentioned this as a preferred information source despite being prompted.
  - **Use of advisers** – in a third of cases where consumers used an adviser they relied completely on what the adviser recommended without checking. This suggests that the booklet, the *FSA guide to financial advice*, is meeting a clear need by providing information on the types of adviser and the questions consumers should be asking of advisers.
  - **A significant proportion of consumers do not shop around** – only a fifth of those not using an adviser said that they looked at a lot of companies before deciding what product to buy and only two-fifths of those using an adviser supplemented the adviser's recommendation with their own research. This may mean that consumers are not getting a good deal. As noted, the qualitative research found that shopping around was inhibited by consumers being overwhelmed and confused by the plethora of information and by being unaware of how to access comparative information. The FSA's proposals for comparative information should help consumers shop around with greater ease, check out the recommendations of advisers and get a better deal.
  - **Some ethnic and disabled groups face barriers** when accessing information and advice. These include:
    - language barriers among the Bangladeshi community;
    - deaf people's preferences for videophones to communicate using British Sign Language (BSL);
    - preferences of those with visual impairments for face-to-face contact.

## The FSA as an information provider

- 11 If the FSA is to meet its objective to promote public awareness of the financial system, it needs to overcome the following barriers.
- **Low awareness:** other research shows that unprompted awareness of the FSA is low. The BMRB research shows that awareness is lowest amongst those who were identified as least receptive to FSA information, which compounds the difficulty of reaching these groups (see paragraph 3 above).

- **Wrong impression of the FSA's role:** while four out of five respondents who were aware of the FSA correctly believed that it was able to provide generic advice, just under half (45%) erroneously believed that the FSA was able to provide specific advice. The qualitative research found that consumers did not understand the distinction between generic and specific advice, which highlights the difficult task the FSA faces in getting the message across clearly. Those groups that are potentially least receptive to FSA information were more likely than average to have the wrong impression about the type of advice the FSA is able to provide.

12 In overcoming these barriers the survey suggests that the FSA could capitalise on the following opportunities.

- **High level of trust:** of the organisations asked about in the survey, the FSA – once described – was ranked second as the source that consumers would trust the most. Advice services were ranked as the most trusted source, suggesting that the FSA might benefit from working in partnership with the advice sector particularly when trying to target those consumers most likely to come into contact with advice services. The FSA already uses advice agencies to disseminate its material to consumers.
- **Importance of independent advice:** 56% of respondents said that they would prefer to get information and advice from an independent adviser for a product they regarded as complicated and 41% would prefer to use an independent adviser for a product they regarded as straightforward. This can be compared with 14% who claimed that they had used an independent adviser.
- **Interest in the services it is providing:** there was a high level of interest in the services that the FSA is providing or proposing to provide. While this interest cannot be used as a predictor of the level of demand, it does indicate that the most popular services are information booklets (44% said that they were very likely to use them) and the Consumer Helpline (39% said that they were very likely to use it), and provides an indication of which services appeal to different groups of consumers.

13 In reaching different groups of consumers the research shows the following.

- **Booklets** appeal to most consumers. To capitalise on this broad appeal, the FSA's booklets need to cater for different levels of skills and experience. Consumers are interested in picking up the FSA's booklets in banks and building societies and in the Post Office and in getting them with statements about financial products (financial providers can order booklets from the FSA to provide to their customers). The survey suggests that the Post Office might be a particularly good way of targeting lower social grades and lower income groups.
- **Helpline** – enables the FSA to meet consumers' preferences for personal contact. It appeals more than average to lower income and social grade groups.
- **TV and radio programmes** – the use of these to convey FSA information appeals more than average to those on low household incomes, those in low social grades and those who are not working. Obviously the audience profiles for different programmes will influence which groups the FSA reaches using this means.
- **Newspaper supplements** – with 32% of financial decision-makers saying that they regularly read the personal finance pages of newspapers, the FSA could reach a large proportion of financial decision-makers by this means. Obviously the groups reached will vary depending upon the newspapers used, but readership of the personal finance pages and interest in the newspaper supplements containing FSA information is higher than average amongst the higher social grades, higher income groups and those with higher perceived skills.

- **FSA website and interactive computer financial planning aid** – these held greatest appeal among the younger age groups, higher social grades and higher income groups. Longer term, however, the penetration of the Internet is likely to spread far more widely and it is a relatively cheap and cost-effective delivery tool.
- **Courses** – one-fifth of those in full-time work would be interested in financial planning courses held at their place of work. Financial planning courses at local colleges were less popular, but appealed most to young people.
- **Public meetings and speakers for community groups** held the lowest appeal among respondents. In the qualitative research, the Bangladeshi respondents felt that speakers for local groups would be a good way of reaching members of their community.

# 1 Introduction

## Public awareness objective

- 1.1 The Financial Services and Markets Bill gives the FSA the specific objective of '*promoting public understanding of the financial system*'. In May 1999, following consultation, the FSA published a strategy for fulfilling this objective.<sup>2</sup>
- 1.2 The FSA identified two distinct policy objectives:
- **financial capability** – providing individuals with the knowledge, aptitude and skills base necessary to become questioning and informed consumers of financial services and to manage their finances effectively;
  - **consumer information and advice** – providing impartial and generic advice to help enable consumers to plan their finances and make informed choices.
- 1.3 The high level aim of consumer education is to empower consumers to make informed choices and manage their finances effectively. If successful this would help promote competition leading to innovation, better quality products and services and better value for money.
- 1.4 Since resources are limited, the FSA needs to focus its efforts and decide groups of people and areas of education which should be its prime targets. It also needs to recognise that it will be able to target different audiences depending on the means of communication it uses and the topics it covers.

## BMRB research

- 1.5 To help make its consumer education services more targeted, the FSA commissioned BMRB International to undertake research with financial decision-makers to:
- establish whether there are gaps in the effective communication of information and advice (see section 3);
  - establish where people currently go for information and advice about financial products and services (see section 4);
  - assess people's willingness to use different sources of information and advice, including attitudes towards what the FSA is providing or proposing to provide (see section 5).

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<sup>1</sup> Financial Services and Markets Bill, Clause 4.

<sup>2</sup> *Consumer education: a strategy for promoting public understanding of the financial system*, FSA, May 1999.

- 1.6 BMRB interviewed over 1,000 adult financial decision-makers (see section 2 for an explanation of why the research focused on financial decision-makers) and carried out qualitative research amongst ethnic minorities and people with a disability. These groups were included in the research to explore whether they had different communications needs. Qualitative research was carried out among these groups because they would not be captured in sufficient numbers through the quantitative survey of financial decision-makers. The qualitative research also included group discussions with white respondents for control purposes. In fact, as discussed later in this paper, the main finding from the qualitative research was the similarity between the different ethnic groups, disability groups and white groups, rather than the differences. In view of this, many of the findings from the qualitative research reported in this paper give a picture of consumers generally. The research methods used are detailed in annex A. This report presents the results of the BMRB research and explains how the FSA is framing its current and future consumer education work in the light of the findings of this and other research.

## Consumer education work to date

- 1.7 To date the FSA has adopted, or is proposing to adopt, a number of different approaches to its consumer education work, including:

- consumer publications;
- the Consumer Helpline;
- the *Consumer Help* web resource and the FSA Register;
- the comparative information scheme;<sup>3</sup>
- financial education for adults;
- financial education for pupils and young people;
- Town Meetings.

These approaches are briefly described here to provide a context for assessing the implications of the findings from the BMRB research for these activities.

## Consumer publications

- 1.8 In January 1999, the FSA launched its first five titles in a range of booklets and factsheets giving generic information and advice on selected financial topics. Further titles have been added up to the end of March 2000 (see box below) and more are planned. To date, many of the consumer education publications have tended to be product-oriented, focusing on topics such as pensions, Individual Savings Accounts (ISAs) and mortgages. Exceptions include booklets entitled the *FSA guide to financial advice* and the *FSA guide to making a complaint*. The FSA has pitched the content and text towards consumers with a low starting knowledge and sought (and gained) accreditation from the Plain Language Commission to ensure jargon-free, accessible language.

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<sup>3</sup> *Comparative information for financial services*, FSA Consultation Paper 28, October 1999.

- 1.9 Evaluation research<sup>4</sup> of two early titles was undertaken to establish what various sections of the public understood from the information in the booklets and how the delivery of the information could be improved. The points raised are being incorporated into subsequent titles and into existing ones as revised editions are being prepared. The objective is to maintain the depth of information but to use clear English, good layout and practical tools (such as examples and decision trees) to make topics accessible, interesting and relevant to the target groups.
- 1.10 Reply-paid cards have been included in all FSA booklets since Summer 1999. The cards invite feedback from users. It had been anticipated that mainly readers who were dissatisfied would use them. However, on a five-point scale from 1 (bad) to 5 (good), over 90% of respondents so far have given a 4 or 5 rating for helpfulness/usefulness, ease of understanding, good presentation and sufficient detail.
- 1.11 In addition to the booklets, the FSA also publishes short event-oriented factsheets addressing topical issues (see box below). The aim is to give accurate, unbiased information and advice to consumers who are facing a particular problem or who are worried that they might be affected by a certain issue.

### **FSA consumer publications up to end of March 2000**

#### **Booklets**

Information guide: the Financial Services Authority  
 FSA guide to boosting your occupational pension  
 FSA guide to the euro  
 FSA guide to financial advice  
 FSA guide to ISAs  
 FSA guide to pensions  
 FSA guide to the risks of pension transfers  
 FSA guide to the risks of opting out of your employer's pension scheme  
 FSA guide to making a complaint  
 FSA guide to repaying your mortgage  
 FSA guide to pension annuities and pension fund withdrawal  
 FSA guide to contracting out of SERPS

#### **Factsheets**

Personal pensions – your choices before stakeholder pensions start  
 Personal pension mis-selling – the facts  
 Your endowment mortgage – what you need to know  
 Is an endowment mortgage right for you?  
 FSAVC pension top-ups – were you badly advised?  
 Joining or re-joining your employer's pension scheme  
 Comparative information for financial services (and questionnaire for respondents)  
 High-income products – make sure you understand the risks

#### **Other**

Directory of consumer information and enquiry services in personal finance (targeted at consumer advice services)

<sup>4</sup> *Evaluation of two public information booklets*, Report to the FSA by Reflexions Communications Research, June 1999 (unpublished).

- 1.12 An important aspect of the booklets/factsheets output is ensuring that they reach the target audience. All publications can be ordered from a freephone leafletline whose number is published on the publications themselves and promoted elsewhere.<sup>5</sup> All consumer publications can be downloaded or ordered from the FSA's website. In the past, the press was informed simply through the issue of a press release. Judging from the peak in calls to the leafletline which generally occurs on the launch of a new title, this has proved to be a successful strategy. However, the FSA hopes to raise the press profile further in the future by planning consumer campaigns around new titles wherever possible. In 1999, the FSA distributed over 500,000 copies of its consumer publications.
- 1.13 When a new booklet is launched, there is proactive mailing to advice agencies, libraries, regulated firms, MPs (for use in their constituency surgeries) and others and periodic updates in the FSA's newsletters to regulated firms.
- 1.14 The Association of British Insurers (ABI) recently encouraged its members to send out the FSA factsheet on mortgage endowments to all endowment mortgage policyholders. This meant that the factsheet was distributed directly to around six million people which proved a very cost-effective means of making sure that information went to all those needing details about their options.

### Consumer Helpline

- 1.15 The Helpline has been in operation for some time. To date, the local-rate call line<sup>6</sup> has not been actively promoted, though it is published on all FSA consumer literature and is being given ever more frequent airings in the media. The volume of calls, now running at around 10,000 a month, is expected to increase, as are enquiries by email<sup>7</sup> and letter. The Helpline is being restructured to ensure that it has sufficient capacity and flexibility to handle this increase and the peaks and troughs.
- 1.16 The FSA is currently investigating ways to promote the Helpline effectively to inexperienced consumers. A first step has been the publication of a directory of information and enquiry services dealing with personal finance.<sup>8</sup> This includes the FSA and more than 60 other organisations active in this area. The directory is intended to facilitate networking between consumer advice organisations.

### Consumer Help web resource and the FSA Register

- 1.17 The *Consumer Help* web resource<sup>9</sup> is designed to give inexperienced consumers access to basic generic information and explain the help the FSA can give them through the Consumer Helpline and publications. It also aims to give consumers an understanding of their rights and their responsibilities, so that they can be encouraged to make informed decisions and manage their financial affairs better. At launch in March 2000 it included:
- an introduction to FSA's *Consumer Help* (web resource, Consumer Helpline, written and email consumer help);
  - an explanation of how regulation protects consumers' rights;
  - what to do if you have a complaint and details on compensation services;
  - an introduction to shopping around and getting the best deal;

<sup>5</sup> The FSA's leaflet line telephone number is 0800 917 3311 (freephone).

<sup>6</sup> The Consumer Helpline telephone number is 0845 606 1234 (local call rate).

<sup>7</sup> Consumer enquiries can be sent by email to [consumerhelp@fsa.gov.uk](mailto:consumerhelp@fsa.gov.uk).

<sup>8</sup> *Directory of consumer information and enquiry services in personal finance*, FSA, 1999.

<sup>9</sup> The *Consumer Help* address is [www.fsa.gov.uk/consumerhelp](http://www.fsa.gov.uk/consumerhelp).

- frequently asked questions on well known financial products and services;
  - consumer rights on a product by product basis;
  - what's new from *Consumer Help*, the FSA as a whole and topical wider issues of interest to consumers.
- 1.18 New sections for students, teachers and the individual consumer will be added on a regular basis. The consumer web service will work closely with the Consumer Helpline to offer a complementary and increasingly integrated front-line consumer service from the FSA. The student site is seen as a priority because students already have a high level of Internet access and use and, longer term, will transfer into adult consumers with complex financial planning needs.
- 1.19 The FSA has commissioned research to test the usability of the *Consumer Help* resource among consumers and consumers' advisers as an integral part of the development of the site to ensure that it delivers information and education effectively. The FSA also uses sophisticated web-tracking tools to monitor the way visitors use the website. This provides valuable information which can be used to modify and improve the site design.
- 1.20 A separate, but related, initiative is the development of the FSA Register. The Financial Services and Markets Bill will require the FSA to establish a public register of firms that it authorises. The FSA is developing the Register as an Internet resource that can be used by consumers to check whether the firm they are dealing with is authorised. Consumer research is also being used to test the usability of the Register and comprehension of the language used.

### Comparative information scheme

- 1.21 The FSA intends to assist consumers in comparing financial products and to stimulate more shopping around by publishing comparative tables of product information. The proposals are set out in a consultative document.<sup>10</sup> The FSA intends to publish a statement setting out the way forward in early Summer.
- 1.22 The FSA undertook early research amongst consumers to assess their reactions to prototype comparative information tables.<sup>11</sup> This research found that consumers reacted positively to the tables, thought they would assist in the buying process and were able to trade-off a number of different indicators to select a single product or to narrow down a shortlist of products for further investigation. Further consumer research is planned to inform the development of comparative information tables.

### Financial education for adults

- 1.23 While financial capability for young people is a long-term aim for the FSA, a more immediate task is the objective of helping adults become more confident and competent consumers of personal finance. In addition to the information provided by the *Consumer Help* site, a financial education programme for adult consumers is also under development, which will focus on developing consumer skills in the context of personal finance. It is being designed to be interactive and to enable people to learn through a modular system that can be tailored to their own needs. The programme will be designed to meet the criteria of 'Learn Direct' (the University for Industry) and be suitable for all modes of learning – individual, group, at home, in the workplace, formal and informal learning groups and through the Internet. The learning programme will be based on national standards and learning objectives. It will

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<sup>10</sup> *Comparative information for financial services*, FSA Consultation Paper 28, October 1999.

<sup>11</sup> *Consumer reactions to comparative information on six financial products*, Report to the FSA by Reflexions Communications Research, FSA, October 1999.

include the facility for self-assessment and third party assessment of learning through questions and case studies designed to reinforce learning. The Internet version of the programme will enable consumers to access those elements that they see as relevant to their immediate needs but will also provide the facility to carry out a personal financial needs analysis. The primary aim is to satisfy consumers who access the site for specific information and to encourage them to engage in a broader learning activity. Hard copy versions will be distributed via the web for more traditional learning groups in colleges, communities and workplaces. Tutor support will also be a feature.

- 1.24 The FSA has a representative on the Adult Financial Literacy Advisory Group (chair: Derek Wanless) which was formed at the request of David Blunkett to investigate the role of adult education in combating financial exclusion. This Group will report in June 2000 and the FSA will be involved in implementing its recommendations.

### Financial education for pupils and young people

- 1.25 The FSA has an active policy to introduce financial learning into the National Curriculum (and equivalent systems in Scotland, Wales and Northern Ireland) and is committed to a rolling programme to provide educational resources. The focus initially has been on Key Stages 1 and 2. In March 2000, the FSA launched *Mega Money*, a teacher resource based around giant coins that are designed to link into the National Numeracy Strategy. In September 2000, the FSA will be launching a resource for Key Stages 1 and 2. In 2001, the impetus shifts to secondary schools with programmes on Channel 4 schools television for Key Stage 3. For Key Stage 4, the FSA will be producing a resource linked to the new framework for personal, social and health education and citizenship. Targeting school pupils also reaches teachers as a secondary audience and so helps to promote financial confidence and understanding among adults.
- 1.26 The FSA is also a co-sponsor of the 'Young Scot' scheme. This is part of a European-wide initiative. It aims to bring young people information and guidance about a very wide range of relevant topics, not just finance. The scheme is innovative because it is based around a successful discount card scheme. Youngsters get money off everything from bus fares to McDonalds and, along the way, receive an information pack, a regular journal and can access a website. These are all used to promote information, including personal finance education.
- 1.27 The FSA is also joining forces with the BBC in developing educational material aimed at students entering university. This is an opportunity to target relevant financial topics not just at new students, but also at their parents.

### Town Meetings

- 1.28 The FSA piloted a series of Town Meetings to promote the FSA's profile and provide consumer information to less experienced consumers. The format was a panel of FSA experts explaining the role of the FSA and answering financial questions. The first three pilots in Bristol, Edinburgh and York attracted primarily people who were already well informed about personal finance and many of them worked in the financial services sector. A further workplace-based pilot was tried in conjunction with the London Borough of Lewisham which was successful in attracting a less experienced audience. However, based on the experience so far it has been agreed that Town Meetings will not be given a high priority by the FSA as they are not a cost-effective method of reaching the wider target audience.

## Using this report

1.29 The remaining sections of this report are as follows.

- **Section 2** looks at who financial decision-makers are; which groups are likely to be more or less receptive to FSA information; geographical differences and differences associated with ethnicity and disability.
- **Section 3** explores the information needs revealed by the survey including attitudes to savings and money; how consumers view different products and whether they are satisfied with the advice and information available when taking out products; and whether lack of information acts as a barrier to taking out products.
- **Section 4** considers how consumers go about getting information and advice on financial services and how they would prefer to get it.
- **Section 5** reviews the various aspects of the FSA as an information provider, including awareness of the FSA; understanding of the FSA's role; trust in the FSA; and the likelihood of using various FSA services.
- **The annexes** provide more detailed tables of results.

# 2 Consumers of financial services

2.1 In order to be effective the FSA must target its information and advice at consumers who need it. The BMRB research focused on consumers who see themselves as financial decision-makers<sup>1</sup> since they are most likely to need information about financial services and products from the FSA and to be receptive to any FSA information. This section looks at:

- **Financial decision-makers** – Who are they? Which groups are likely to be receptive to information produced by the FSA? Which groups are harder to reach?
- **Geographical differences** – Do the results suggest that the FSA needs to take a different approach to reach consumers in Scotland, Wales and Northern Ireland?
- **Ethnic groups and people with disabilities** – Do their attitudes and behaviour differ from other consumers?

Detailed tables of the results reported in this section are presented in annex B.

2.2 At the outset it is important to note that financially excluded consumers are likely to be under-represented among the financial decision-makers covered by the BMRB study. Other research into financial exclusion<sup>2</sup> shows that many of the most vulnerable consumers have little opportunity to become financial decision-makers; it suggests that combating financial exclusion requires changes in product design to meet the needs of these groups whose low and variable incomes make regular financial commitment difficult or impossible. While this is outside the FSA's remit, there is also a role for consumer education in increasing knowledge among the financially excluded of more suitable products where they become available. The FSA has commissioned a separate research review to look at the barriers faced by financially excluded groups. This review will be published in the FSA's Consumer Research Series shortly.

## Who are financial decision-makers?

2.3 Table 2.1 shows the demographic profile of financial decision-makers who make up 52% of the adult population. Since the profile of financial decision-makers does not differ greatly from that of all adults in the UK, the categorisation of adults into financial decision-makers and non-decision-makers is a poor targeting tool for the FSA to use in its consumer education activity. The remainder of this section looks at other means of categorisation.

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<sup>1</sup> Defined in the BMRB study as those who ever get involved in any decisions to take out financial products or services such as savings, mortgages or investments for themselves, or members of their household.

<sup>2</sup> See, for example, *Kept out or opted out? Understanding and combating financial exclusion*, Elaine Kempson and Claire Whyley, The Policy Press, 1999.

**Table 2.1: Profile of financial decision-makers**

	% of respondents						
	Base	Social Grade				Sex	
		AB	C1	C2	DE	Men	Women
Total population	1,020	22	27	23	28	48	52
Decision-makers	530	26	30	24	19	55	45
	Age						
	Base	15-24	25-34	35-44	45-54	55-64	65+
	Total population	1,020	16	20	16	15	13
Decision-makers	530	9	22	20	23	13	14

*Note: Percentages do not total 100 due to rounding.*

*Base: All respondents in general public omnibus survey (1,020).*

*Source: BMRB, 1999.*

## Different types of financial decision-makers

2.4 Financial decision-makers are diverse. The BMRB study found variation between decision-makers in terms of:

- attitudes to financial matters;
- confidence in dealing with financial matters;
- consumption of financial services.

Looking at each of these characteristics, it is possible to identify different categories of consumers who are likely to be less or more receptive to information on financial services produced by the FSA, and who are likely to be in need of different types of information. These categories are not mutually exclusive and it is likely that individual financial decision-makers could fall into different groups depending upon the product under consideration. They do, however, assist in identifying different groups that will be more or less easy for the FSA to reach and that have different needs.

### Attitudes to financial matters

2.5 The BMRB survey included a number of attitude statements, the following of which can be used to assess level of interest in financial matters:

- *'I like to shop around for the best deal on interest rates, mortgages, etc.'*;
- *'Thinking about my finances is boring'*;
- *'I regularly read the personal finance pages in my newspaper'*;
- *'I regularly review my savings and investments to make sure they meet my needs'*.

2.6 Based on responses to these statements, Table 2.2 shows which groups had consistently higher or lower levels of interest in financial matters.

**Table 2.2: Level of interest in financial matters (based on responses to the attitude statements)**

	Like to shop around	Do not find thinking about finances is boring	Regularly read newspaper personal finance pages	Regularly review savings and investments
AB	✓	✓	✓	✓
C1	✓	✓	✓	✓
DE	✗	✗	✗	✗
18-24 age group	✗	✗	✗	✗
Chief income-earner not working	✗	✗	✗	✗
Young singles	✗	✗	✗	✗
Older no family	✓	✓	✓	✓
Household income under £8,300 pa	✗	✗	✗	✗
Household income £41,600+ pa	✓	✓	✓	✓

✓ = higher than average interest in financial matters  
✗ = lower than average interest in financial matters

Base: All respondents (1,081).

### Confidence in dealing with financial matters

2.7 Turning to the second characteristic, respondents were asked to rate their perceived skills on a seven-point scale. The skills rated were:

- whether or not they would find it easy to decide what products were right for them;
- whether or not they knew how to find out about different types of financial products;
- whether or not they generally find it easy to understand leaflets about financial products;
- whether or not they feel they know much about financial services;
- whether they would try to find out what product was right for them before consulting an adviser or whether they would leave such decisions to the experts.

2.8 An aggregated perceived skills level score was calculated for each respondent by taking an average of his or her responses to the five statements. Respondents were then allocated to a low, medium or high perceived skills group (see annex A for further details). Those with higher perceived skills may perhaps be more receptive to FSA information, whereas the FSA will need to overcome the lack of confidence amongst those with the lowest perceived skills if it is to help them to become questioning and confident consumers of financial services. Table 2.3 shows those groups more likely than average to have low perceived skills and those more likely than average to have high perceived skills.

Table 2.3 Perceived skills

More likely than average to have low perceived skills	More likely than average to have high perceived skills
<i>Social grade</i>	
DE	ABC1
<i>Sex</i>	
Women	Men
<i>Age group</i>	
18-24, 55+	25-34, 35-44
<i>Working status of respondent</i>	
Not working	Working full-time
<i>Working status of chief income-earner</i>	
Not working	Retired
<i>Lifestage</i>	
Young families	Young couples, older families, older no family
<i>Gross household income pa</i>	
Under £8,300	£26,000+

Base: All respondents (1,081).

## Consumption of financial products

2.9 The third factor to be taken into account is whether or not respondents are actively taking out or considering financial products. Those who are taking out products are most likely to be receptive to FSA information and vice versa. Respondents were asked if they had taken out or seriously considered taking out a list of 14<sup>3</sup> products in the last five years (respondents were asked to exclude products obtained via an employer). Based on the number of products they had taken out or seriously considered in the last five years, three types of consumer can be identified:

- **inactive:** those who had not taken out or considered any products in the last five years – 14% of financial decision-makers fell into this group;
- **reasonably active:** those who had taken out or considered one to three products in the last five years – 31% of financial decision-makers fell into this group;
- **active:** those who had taken out or considered four or more products in the last five years – 55% of financial decision-makers fell into this group.

Table 2.4 shows which consumers are more likely than average to fall into each of these types.

<sup>3</sup> PEP, equity ISA, unit trust, investment bond, gilts, stocks and shares (not from privatisation or conversion), savings account, TESSA, cash ISA, life assurance, endowment, personal pension/FSAVC, mortgage and insurance that pays for hospital bills or money if you are ill.

Table 2.4: Products taken out or considered in the last five years

Inactive	Reasonably active	Active
<i>Social grade</i>		
DE	DE	AB, C1, C2
<i>Age group</i>		
55+	18-24, 55+	25-54
<i>Working status of respondent</i>		
Not working, retired	Working part-time, not working, retired	Working full-time, working part-time
<i>Working status of chief income-earner</i>		
Not working, retired	Not working, retired	Working
<i>Lifestage</i>		
Young singles	Young singles, older families	Young couples, young families, older families, older no family
<i>Gross household income pa</i>		
Under £8,300	Under £8,300, £8,300-£15,599	£15,600+

Base: All respondents (1,081).

## Categories of consumers

- 2.10 Looking at these three characteristics (interest, confidence and level of consumption of financial products) in the quantitative research and at the findings from the qualitative research, it is possible to identify two polarised categories of consumers who differ in terms of their likely receptiveness to FSA information, their financial sophistication and their information needs – here termed ‘most receptive’ and ‘least receptive’ consumers (see boxes below). The analysis in the remainder of this report shows that these two extreme groups have different needs, use different means of getting advice and information and have different levels of interest in the various services that the FSA is proposing or already providing. Most other financial decision-makers fall somewhere in between these two extremes. The qualitative research identified two other groups that fall mid-way between these two extremes – uninterested consumers and those with basic skills and some knowledge and experience (see boxes below).

### **MOST RECEPTIVE CONSUMERS – interested, confident and active**

The following demographic groups are more likely than average to fall into this category.

- Higher social grades (ABs in particular, but also C1s) and those in the higher income bands.
- Young couples and older respondents with no family.

The qualitative research found that sophisticated consumers had experiences of different types of investment. They understood how to get the information and advice they needed and they understood the nature of the advice they were receiving.

## **LEAST RECEPTIVE CONSUMERS – uninterested, unconfident and least active**

The following socio-demographic groups are more likely than average to fall into this category.

- Lower social grade (DE) and lowest income band.
- Young people aged 18-24 and to some extent older people. Those aged 55 and over are polarised into those who are reasonably financially sophisticated and those who are financially inexperienced. Ideally a low income retired group would be singled out. However, the profile of retired people is spread across all income levels and the sample of low income respondents is too small to be divided into retired and non-retired respondents.
- Those who are not working.
- Those in households where the chief income-earner is not working.
- Young single people.

This group includes financial decision-makers who are inactive or only reasonably active in terms of buying or considering products. By targeting the groups described above a large proportion of inactive consumers would be reached. It would be of limited use to target inactive consumers specifically as the largest barrier to purchasing financial products is lack of money rather than lack of skills and information (see section 3). However, they should not be excluded as a change in circumstances could result in them becoming more financially active and therefore in need of help.

This group is likely to be least aware of what information they need so FSA information provision should aim to fill this gap.

## **Uninterested consumers**

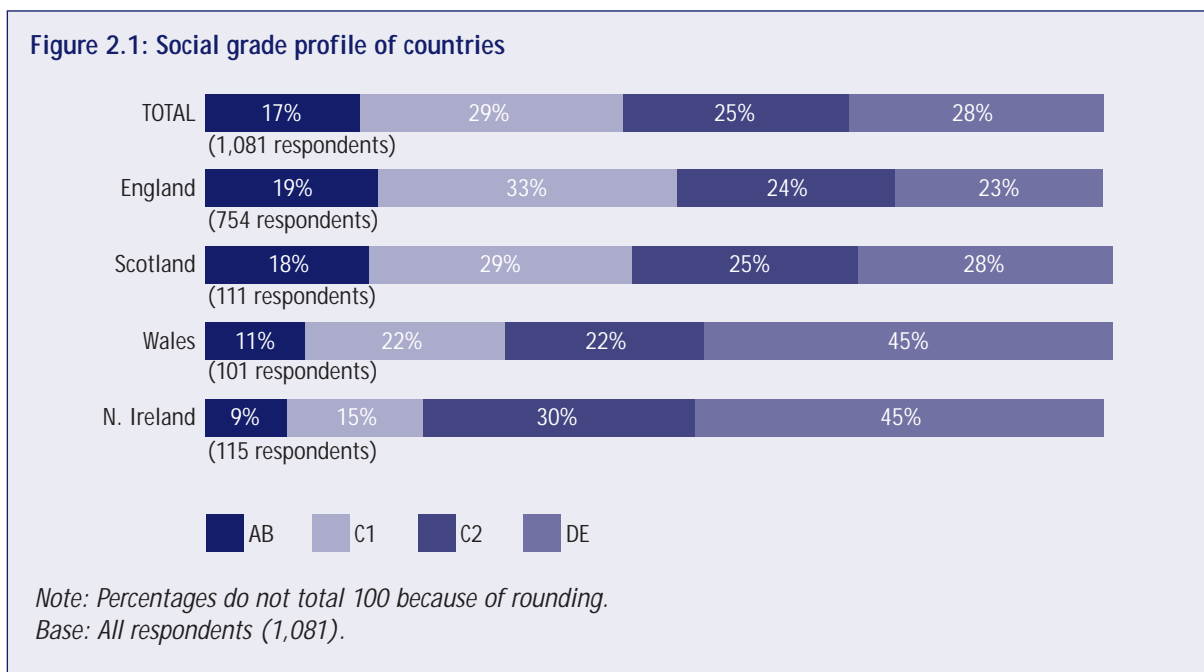
These respondents had basic financial skills and some knowledge and experience but were generally disinterested in acquiring more knowledge about financial matters. Their lack of interest and motivation was either due to laziness (by their own admission) or lack of time or because they had a partner who took responsibility for financial matters. These respondents wanted someone to tell them the best deal and did not want to bother checking. Typically, they would put their trust in one company or person and hope for the best.

## **Basic skills with some knowledge/experience**

Respondents in this group demonstrated mixed levels of financial sophistication but often had large gaps in their understanding of how to acquire the information they need and how to assess that information. Typically they would have a current bank account, might have life assurance associated with a mortgage and perhaps shares from demutualisation and denationalisation, and would probably shop around for the best deal for car and house insurance.

## Geographical differences

- 2.11 The BMRB survey was designed to test whether consumers' behaviour or information needs differed in England, Scotland, Wales and Northern Ireland. The results would inform whether the FSA needed to take a different approach to information provision in these countries. As Figure 2.1 shows, financial decision-makers in the different countries have different social profiles. Most of the differences in behaviour and attitude between the countries are closely related to social profile. This suggests that the FSA does not need to take a different approach in its consumer education work in England, Scotland, Wales and Northern Ireland but needs to be sensitive to differences in social grade throughout the UK, which this report identifies.



## Ethnic groups and people with disabilities

- 2.12 The BMRB qualitative study found that the take-up of products, attitudes to finance and savings, and information and advice needs tended to be related to financial sophistication rather than disability or ethnicity. It did, however, find that some consumers in these groups faced barriers to getting information and advice on financial services. This is discussed further in section 4 (paragraph 4.25).

# 3 Identifying information needs

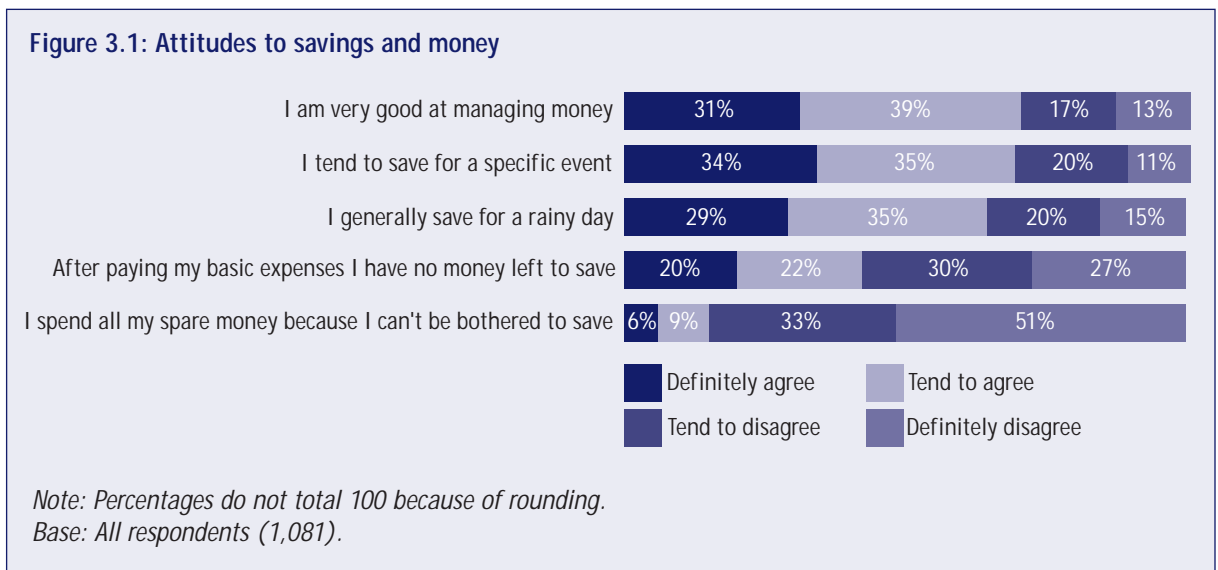
3.1 The first objective of the BMRB survey was to establish whether there are gaps in the effective communication of information and advice about financial services that the FSA might be able to fill. This section looks at three aspects of this.

- **Attitudes to savings and money** – What do the responses reveal about the information needs of different groups?
- **Information on products** – How do consumers view different products? Were they satisfied with the information and advice available when they were taking out financial products?
- **Is lack of information a barrier?** – Is it a reason why some respondents have not taken out or considered products in the last five years? Is it a reason why some respondents seriously considered taking out a financial product but ended up not taking it out?

Detailed tables of the results reported in this section are found in annex C.

## Attitudes to savings and money

3.2 Most respondents said that they were good at managing money and that they saved either for a specific event or for a rainy day (see Figure 3.1).



3.3 Seven in ten agreed that they were good at managing money. This did not vary by social grade, but increased with age from 57% of under 25s to 75% of those who were 55 and over. The remaining statements concern attitudes towards savings. Those in the higher social grades are more likely to save for a rainy day whereas the lower social grades are more likely to focus on a specific event. Not surprisingly, those on a lower

income and those in the lower social grades were most likely to say they had no money left to save after their basic expenses. This is an important barrier to buying financial products for these groups and four in ten respondents in general. Only a minority does not save because they cannot be bothered (16%)<sup>1</sup>. The FSA's consumer education material needs to cater for this range of different attitudes to saving.

### Young people's needs

3.4 Given the particular attitudes of under 25s and the FSA's work on young people, the needs of under 25s are looked at in more detail in this section. The 18-24 year-old age group was identified in section 2 as one of the groups who are least interested in and confident about financial services. Their responses to attitude questions and their buying behaviour indicate that the information needs among this age group include the following.

- **Help with managing money:** 43% of this age group disagreed that they were good at managing money compared with 29% of all respondents.
- **Advice on savings:** the under 25s are far more likely to take out a savings account than any other product covered by the survey whereas the range of products bought by the other age groups is more evenly spread. In addition, this group would benefit from advice about how to save – 28% of this age group agreed that they spend all their spare money because they cannot be bothered to save compared with 16% of all respondents.
- **Help to develop financial skills:** only 18% of this age group had high perceived financial skills compared with 26% of all respondents.
- **Help to prepare for the future:** as the BMRB survey and other research shows, young people take up a fairly limited range of financial products and services, restricted mainly to current accounts, savings accounts and credit. However, they are at an ideal stage to develop sound financial habits which will aid their decision-making as they mature. As this group get married and have children their need for financial planning will increase. A key message that the FSA aims to get across to young people is the need to plan and review their finances.

3.5 The 'Young Scot' project and the student website, mentioned in section 1, are aimed at young people. The FSA is also involved in pilot projects with the National Youth Agency to provide information to young people through a variety of channels including youth clubs and one-stop youth information shops in the North East of England. In addition, the FSA has commissioned further research to look at the needs of young people in more detail.

### Ethnic minorities and people with disabilities

3.6 The qualitative study found that attitudes to money and savings related more to age, lifestage, presence of dependent children and financial sophistication rather than disability or ethnicity. Virtually all felt it was desirable to save money but lack of income and the need to spend on other things were barriers. Asian respondents often spoke of saving for the long-term and, particularly among older Asians, saving was part of their culture. Amongst people with disabilities (hearing impairments, visual impairments or mental health problems), the emphasis seemed to be more on short-term saving. They were inclined to use simple savings accounts rather than special schemes. This appeared partly due to lack of income (which made them reluctant to commit to regular saving) but also to be due to lack of understanding of other savings products, such as Personal Equity Plans (PEPs), Tax Exempt Special Savings Accounts (TESSAs) and Individual Savings Accounts (ISAs).

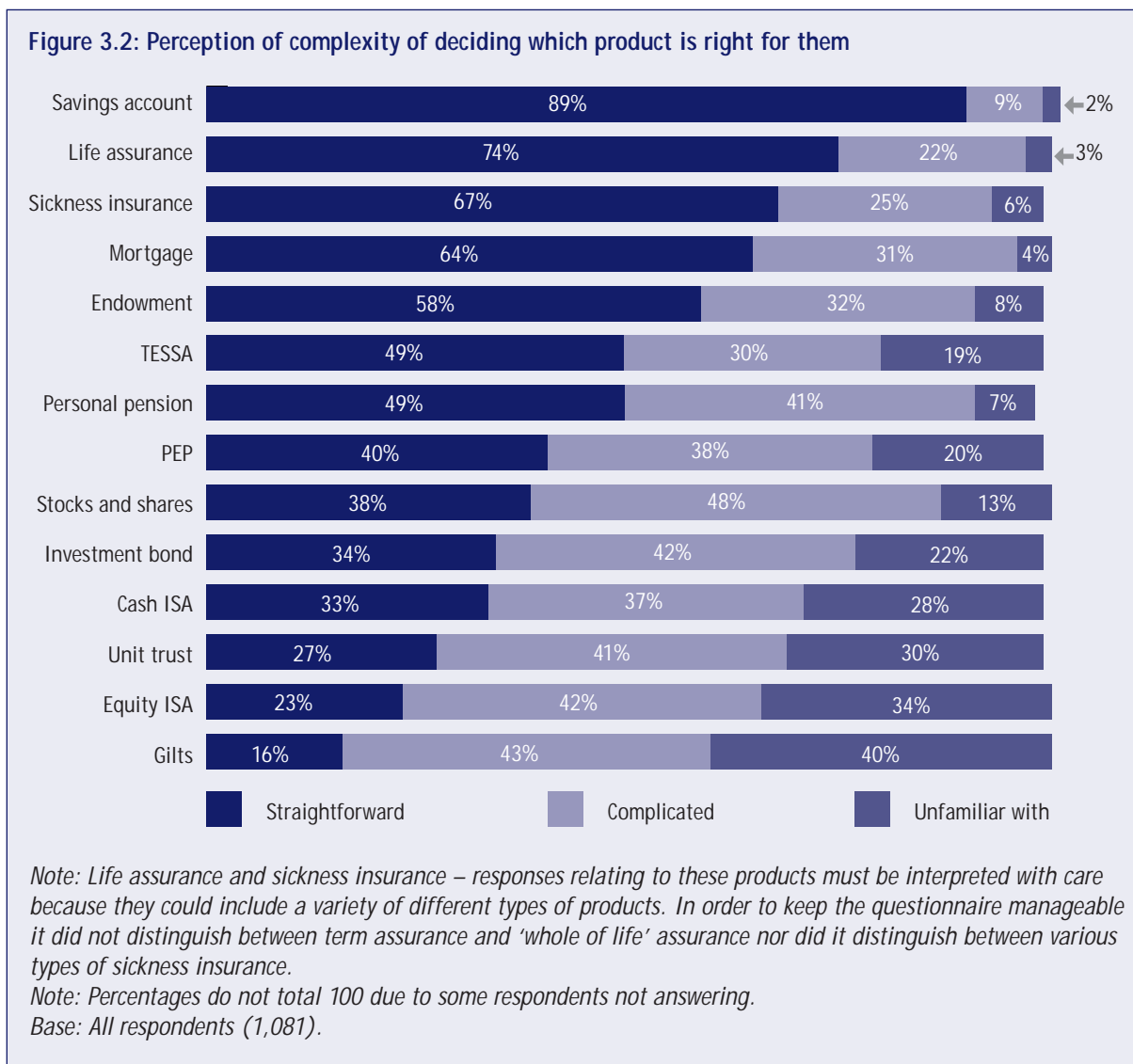
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<sup>1</sup> Note that this percentage has been calculated using base figures and so does not exactly match the percentages in Figure 3.1 because of rounding. This affects other percentages quoted in this report.

## Information on products

### How do consumers view different products?

- 3.7 For each of the 14 products included in the survey respondents were asked whether they thought it would be straightforward or complicated to decide which product was right for them (see Figure 3.2, but note the word of caution below it).



- 3.8 The general picture is that:

- most see cash-based savings, life assurance, sickness insurance (defined as insurance that pays for hospital bills or money if you are ill) and mortgages to be straightforward to decide which product is right for them;
- opinion is more divided over personal pensions, although the decision concerning which product is best is more likely to be seen as straightforward than complicated;
- investments, stocks and shares and gilts are largely more likely to be seen as complicated to decide on.

There is some differentiation within the product groupings. For example, savings accounts are considered very straightforward to decide on, whereas cash ISAs are seen as more complicated. It is possible that this is, in part, an issue of familiarity and that cash ISAs will begin to be seen as more straightforward over time.

3.9 There were some differences in perception of complexity between different groups of consumers.

- **Those with low perceived financial skills** were consistently less likely to say that it would be straightforward to decide on the right product for all products covered in the survey. They were particularly less likely to say this for investments, especially PEPs and investment bonds, for the more complex cash-based savings products (cash ISAs and TESSAs) as well as for endowments. Unsurprisingly, this group were more likely to be unfamiliar with products, particularly investments and TESSAs and cash ISAs.
- **Lower social grades and those on a lower income** had similar views to those with low perceived skills, which is not surprising as these also tend to be the groups with lower perceived financial skills.
- **Under 25s** were less likely than average to see most products as straightforward to decide on, with the exception of savings accounts and personal pensions.
- **Older respondents**, particularly those aged 55 and over, were more likely than average to see investment and cash savings products as straightforward to decide on. However, they were no more likely than average to feel that deciding on the right product was straightforward for life assurance, mortgages, pensions, endowments and sickness insurance. This reflects their reported purchasing behaviour in the last five years – the products they were most likely to have bought or considered were those most likely to be considered straightforward to decide on.

3.10 The qualitative research shows that the perceptions of disabled and ethnic groups about the complexity of different products were broadly the same, with level of financial sophistication being a more important factor than disability or ethnicity. However, access to information was a problem which could make products seem unduly complex. For example:

- **people with visual impairments** were heavily dependent on other people to explain products and contract terms and could not confirm things in writing;
- **deaf people** were often using a second language to negotiate financial matters, signing (BSL) being their first language;
- **ethnic groups** were often also using English as a second language. However, the only group identified in the study as experiencing a major language barrier was Bangladeshis (although there may be other groups not included in the study who experience language difficulties). It needs to be borne in mind that all the groups were conducted in English and so all respondents included in the study had a reasonable command of English, although they were asked about the language needs of the rest of their community as well as their own needs.

Problems of access to information among these groups are considered further in section 4 (paragraph 4.25).

3.11 What these results highlight are the differing views of consumers. An implication for the FSA is that, in providing product-based information, it needs to be sensitive to and cater for these different perceptions which probably reflect varying levels of experience and familiarity with each of the products. Furthermore, if half of respondents perceive a product such as a personal pension as straightforward to decide on, these people are unlikely to feel they need advice or help. This suggests a role for the FSA in educating people in the need for information, as well as providing the information itself.

## Are consumers satisfied with the information and advice available?

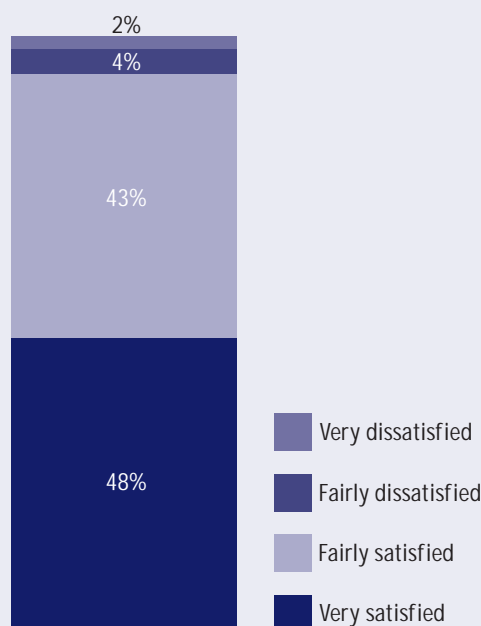
3.12 In the quantitative survey respondents were asked the following questions about the information they obtained for up to two products they had taken out or seriously considered:

- whether there was any information that they did not get that they would have liked and details of what information they would have liked;
- satisfaction with the information they obtained and reasons for any dissatisfaction;
- confidence in whether they had all the information to make the right choice;
- confidence that they made the right decision (if they bought the product).

3.13 The results show that:

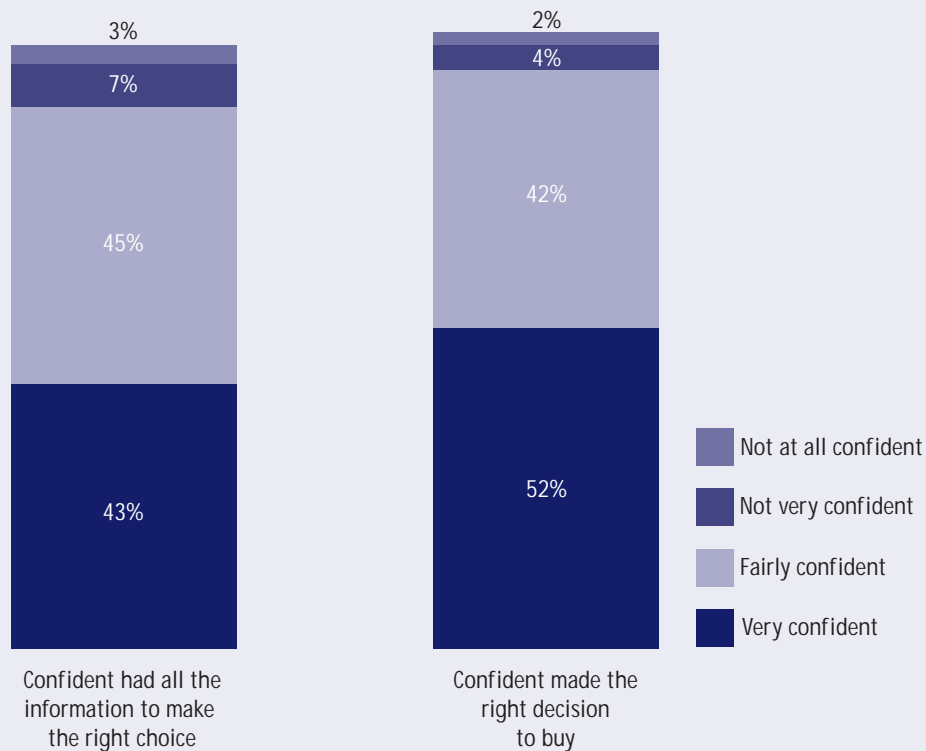
- **Most are satisfied with the information obtained** – for nine in ten products bought or considered, respondents claimed to be satisfied with the information obtained. The few who were dissatisfied said that this was because they did not have enough information, or that information was unclear (see Figure 3.3).
- **There is low demand for more information** – only one in ten said that they would have liked any more information. This was most likely to be more detailed information about the product, with specific mention of projections of returns or value, clearer information or comparative information on products (9% spontaneously mentioned a desire for comparative information).
- **Most were confident that they had all the information needed** – nine out of ten were confident that they had enough information to make the right choice and more than nine out of ten felt confident that they had made the right decision over what to buy (see Figure 3.4).

Figure 3.3: Satisfaction with information obtained



*Note: Percentages do not total 100 as 3% said 'don't know'.  
Base: All products bought or seriously considered (1,362).*

**Figure 3.4: Confidence in information and decision made**



*Note: Percentages do not total 100 as 2% and 1% respectively said 'don't know'.  
Base: All products bought or seriously considered (1,362).*

3.14 These responses should be treated with some caution for several reasons.

- The qualitative research, discussed below, shows that consumers experienced numerous problems with advice and information.
- Many of the products being considered are long term. Since the questions asked about the most recent purchase, the respondent will in most cases have had little time to experience the product and make an informed judgement about satisfaction.
- Some of the products are complicated. It may have been hard for the respondent to have formed expectations about the product, so they might not have a clear standard against which to judge the product.
- Cognitive dissonance theory suggests that, once a product has been purchased – particularly an important purchase, such as a mortgage or pension – consumers will tend to downplay any faults with the chosen product and overstate problems with rejected products in order to reduce any unease with the decision made.
- Just over half of the products (55%) were bought with the help of an adviser, so it might be that in these cases the adviser, rather than the consumer, is doing all the work selecting products.

Nevertheless, these findings do have an important implication for the FSA. The fact that many consumers have confidence in recent financial decisions, despite the relatively low levels of shopping around reported (see section 4), suggests that many of those who would benefit from further information to help them get a good deal are unaware that they need it. So, the huge task facing the FSA is to get consumers to recognise that they have additional information needs in the first place.

3.15 The qualitative research, which could probe more deeply into respondents' information and advice needs, found the following problems which were common across all groups.

- **Not knowing what products are available or appropriate for their needs** – people rarely seemed to seek out generic information in the first place. There were two reasons for this. First, it was not immediately obvious who or what was out there to provide generic information independently of companies. Secondly, people lacked confidence in their ability to understand products themselves and so their search for information and advice often became more of a search for someone to tell them what to do.
- **Being overwhelmed by information in leaflets and not knowing which ones to read** – the profusion of leaflets from a variety of sources made it difficult to compare products and the information that was given needed to be simpler and jargon-free.
- **Not knowing where to go for information** – there appeared to be an element of chance as to whether or not people ended up with the information and advice they were seeking and there were some respondents who did not know who to turn to for information.
- **Not understanding the information or advice received** – there were many complaints about jargon and terminology in written and oral communication that people found difficult to understand. This did not appear to be specifically associated with having English as a second language or with communication problems experienced by people with a disability since other respondents shared this difficulty.
- **Small print** – there were many stories about people being surprised or even shocked or disillusioned when they discovered the conditions attached to their financial product; for example, when they suffered penalties for trying to cash in a life assurance policy early or when paying off a mortgage or a long-term loan before the end of the term. It was not always clear whether this was because of the product provider/salesperson failing to provide information or because the respondent had not taken in the information in the small print.
- **Being unaware of how to access comparative information on products** – respondents frequently complained that comparative information on products was not available thus making the task of researching the best product extremely difficult, if not impossible.

## Is lack of information a barrier?

### Inactive consumers

3.16 One in seven (14%) financial decision-makers had neither bought nor seriously considered any of the products covered in the survey in the last five years (referred to in this report as 'inactive consumers'). A sizeable proportion of these inactive consumers fall into the socio-demographic groups that were identified in section 2 as being least interested in financial services and having low perceived financial skills. For example, inactive consumers are more likely than people who have bought or considered products within the last five years ('active consumers') to fall into the following groups:

- **DE social grade** accounts for 57% of inactive consumers against 23% of active consumers;
- **respondents in households where the chief income-earner was not working** account for 38% of inactive consumers against 12% of active consumers;

- **household income under £8,300 pa** accounts for 31% of inactive consumers against 10% of active consumers;
- **low perceived financial skills** accounts for 39% of inactive consumers against 23% of active consumers;
- **aged 55 and over** accounts for 55% of inactive consumers against 29% of active consumers.

3.17 The BMRB survey probed the reasons for inactivity to see if it were due to:

- **informed choice** which would indicate no need for action on the part of Government or regulators;
- **lack of information** – in other words, an information gap to be addressed under the public awareness objective;
- **other reasons** – some possible reasons, for example lack of income, are not issues which can be addressed through consumer education. Others, such as lack of confidence or skills, can be addressed in this way.

3.18 Figure 3.5 shows that the barriers inactive consumers face to taking out financial products are in part due to a lack of money, but are also attributable to a lack of knowledge and to perceived complexity. This suggests that there is a role for consumer education.



3.19 However, when respondents were asked what might help them make financial plans in future, provision of advice or information was only identified by 7%. More common responses were:

- 41% thought nothing would help;
- 24% said more money;
- 17% didn't know.

### Those who considered but did not buy

3.20 Those respondents who had considered a product but decided not to buy were asked their reasons for not buying. Figure 3.6 shows the main reasons given. One in six (17%) were related to information, but a quarter cited lack of money.

3.21 These results suggest that information does appear to be one of several barriers affecting take-up of products. However, it is unlikely that provision of information alone will lead to many inactive consumers becoming active or convert many 'serious considerers' to purchasers.



# 4 Getting information and advice

4.1 The second objective of the BMRB study was to establish what information and advice consumers use when buying or considering financial products. The FSA is interested in this to guide its provision of information and advice to consumers. Five aspects relating to the provision of information and advice are relevant.

- **When to provide it** – Finding out what prompts consumers to take out financial products could help the FSA to introduce information at an early stage in the decision-making process.
- **Medium and source used** – What media and sources do consumers use and what lessons are there for the FSA?
- **Preferred medium and source** – What media and sources would consumers prefer to use?
- **Use made of information and advice** – Do consumers shop around? Do they supplement any recommendations from advisers with their own research? What are the key factors in selecting a financial product?
- **Barriers that some consumers face** – Do consumers from ethnic minorities and those with disabilities face any barriers?

Detailed tables of the results reported in this section are shown in annex D.

## When do consumers need information and advice?

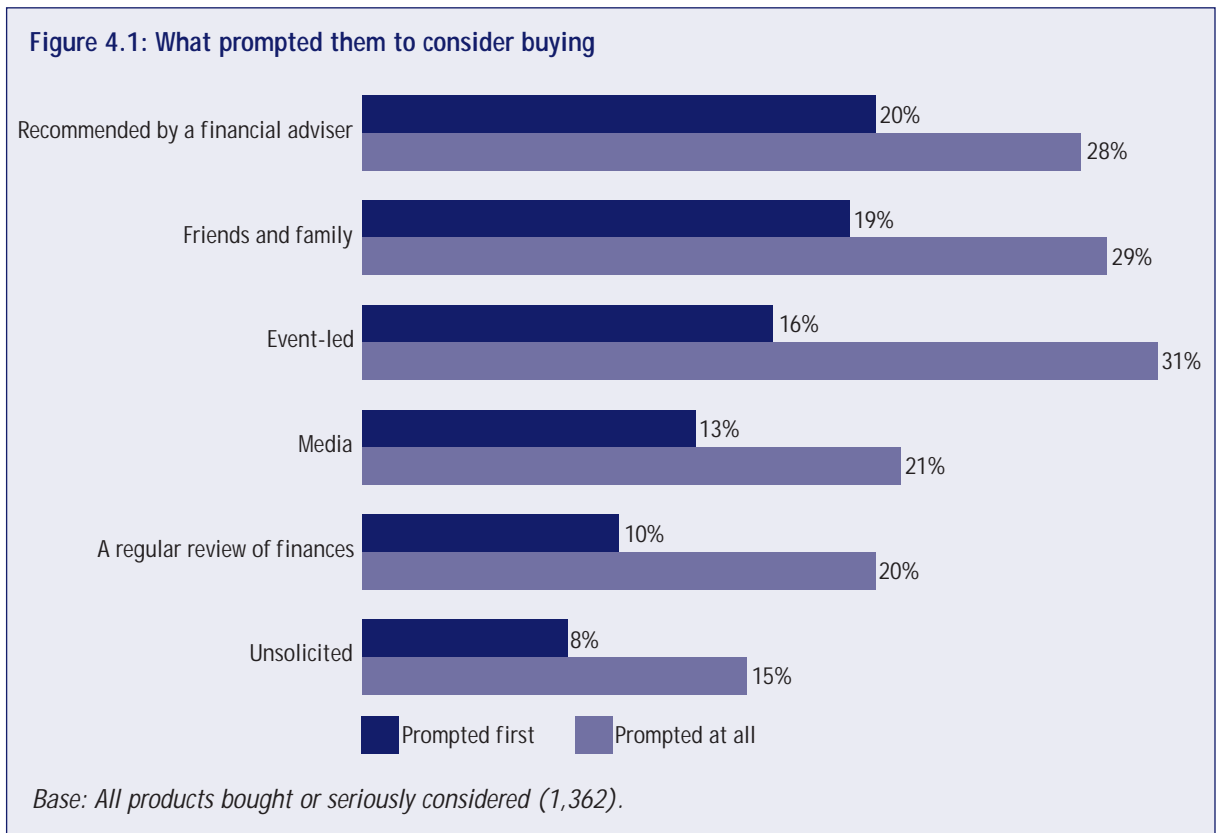
### All respondents

4.2 Respondents were asked what first prompted them to take out the product concerned and then about all prompts. Figure 4.1 shows that the three main prompts were:

- event-led;
- family and friends;
- recommendation from a financial adviser.

4.3 As Figure 4.1 shows, event-led factors (such as a pay rise, a wedding, buying a house or planning for retirement) first prompted the purchase or consideration of products in one in six cases and played a part in one in three cases. The qualitative research also highlighted the importance of lifestyle or other events in stimulating consumers to do something about their financial affairs. A common theme was that respondents knew they had a financial need (for instance, to save for a specific purpose that might

be long term or short term, to plan for retirement and so on) but did not know the types of products that would be suitable. They therefore saw a need for event- or lifestage-based information that they could use to find out which products might meet their needs. Less financially experienced respondents were particularly interested in this.



4.4 The FSA is intending to develop a series of lifestage- or event-based consumer education resources with a heavier focus on overall financial planning. This approach will also enable the FSA to emphasise the logical progression from generic planning to the selection of specific products, which may help to encourage more reasoned decision-making and more shopping around. The lifestage/event materials will complement product-oriented booklets rather than replace them. For example, a consumer who is facing redundancy might start with redundancy-focused information which acquaints the reader with the relevant range of financial matters – pensions, temporary homes for savings, investing a lump sum, and so on. Consumers would then be signposted to product-based material for more detail about the areas they were most interested in. This two-tier approach – event-based material covering the broad territory and more detailed product-based material – may help the FSA to extend its output to a wider audience. This technique should enable the FSA to target both inexperienced and more experienced consumers. If the foundation has been laid in the event-based materials, product-oriented materials could take consumers beyond the basics.

4.5 The importance of event-led factors also has implications for how the FSA targets its information. Some obvious examples of getting information to consumers when they need it include:

- articles about mortgages in specialist publications and in the property pages of local newspapers, and putting material in estate agents;
- redundancy-focused information available through employers or local benefits offices.

## Different groups

4.6 Some groups were more likely to mention specific prompts (see Table 4.1).

- **Family and friends** were more likely to be mentioned amongst the younger groups and those from the lower social grade (DE). The disabled groups in the qualitative research, particularly those with hearing or visual impairments, appeared to be very dependent on their family to help them with their financial decisions as well as the practical aspects of getting information and advice. This has two implications for the FSA:
  - the opportunity to target information and advice at these groups indirectly through family and friends;
  - the danger that some of these groups might be getting outdated and possibly misleading information. For example, parents who might have received a large surplus on an endowment to pay off their mortgage might pass this information on to their children. However, changes in economic conditions and in tax relief mean that endowment mortgages are less attractive nowadays than they might have been some time ago when the parents took their mortgage out.
- **Press coverage and a regular review of finances** were mentioned more often among retired respondents and those in the highest income band.
- **Event-led prompts** were mentioned more often by ABs, young couples and those in the higher income band. Young couples may be facing events such as getting and changing a job, house purchase, marriage and expecting children and could particularly benefit from the FSA's plans to introduce event-based material.

Table 4.1: Groups more likely to mention selected prompts to buying

Prompt	Group	% of products
Family and friends	<b>All respondents</b>	<b>29</b>
	DE	36
	18-24 age group	58
	25-34 age group	36
	Chief income-earner not working	39
	Young singles	54
	Young families	41
Read in the press	<b>All respondents</b>	<b>16</b>
	Retired	24
	Household income £41,600+ pa	28
Regular review of finances	<b>All respondents</b>	<b>20</b>
	AB	28
	55+ age group	27
	Chief income-earner retired	27
	Household income £41,600+ pa	29
Event-led	<b>All respondents</b>	<b>31</b>
	AB	41
	Young couples	42
	Household income £26,000-£41,599 pa	41

Base: All products bought or seriously considered (1,362).

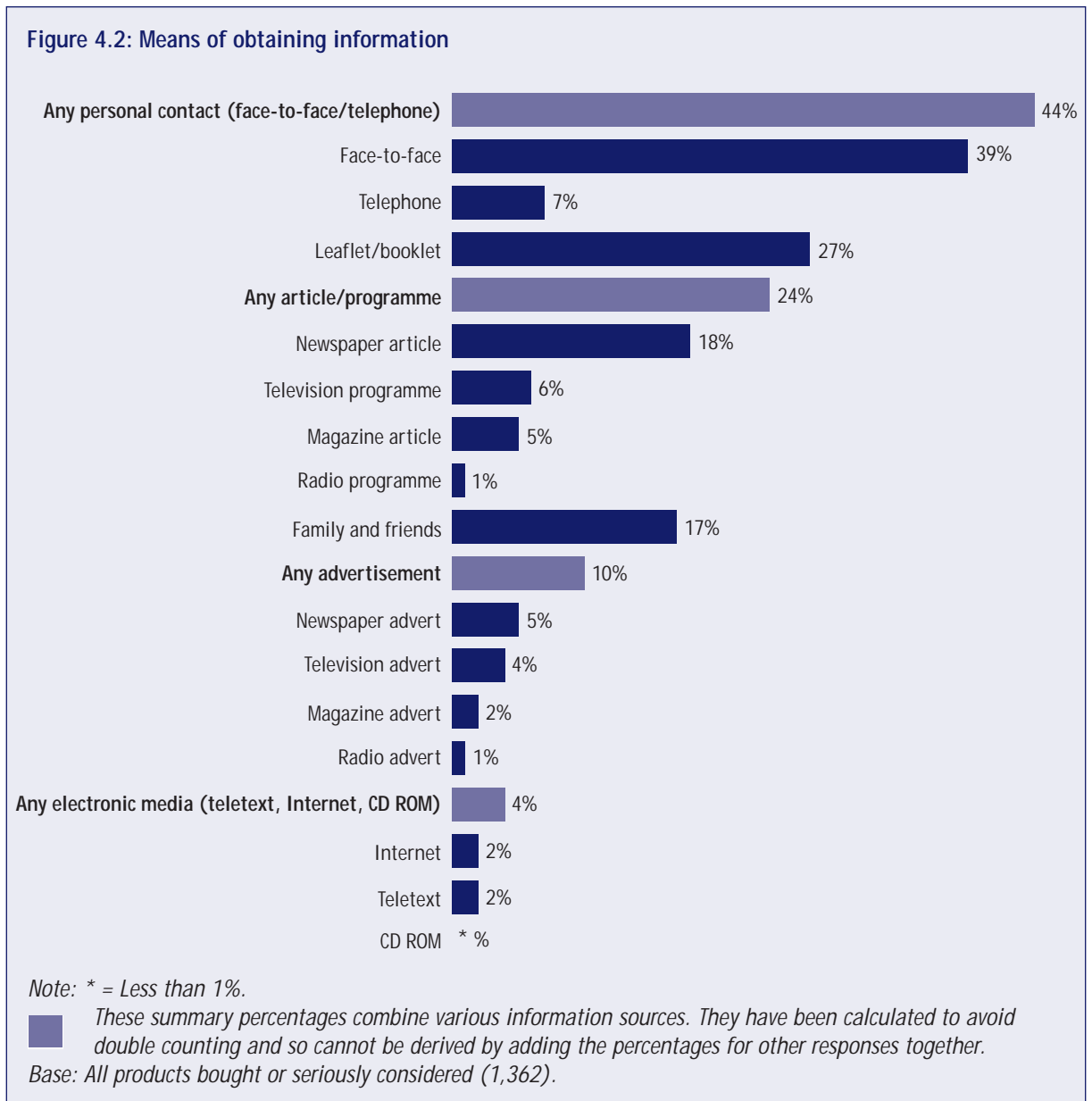
# How do consumers get information and advice?

## Getting information

### All respondents

4.7 The qualitative study revealed that, very often, respondents did not actively seek information at all. Instead, they obtained information purely by luck, for example picking up a leaflet in the bank or having a chance chat with someone in a bank or building society branch. Another problem, common to all respondents, was not realising a need for information and so not being in a position to seek it. The implication of this for the FSA is that consumers may not actively seek out FSA information; therefore, to increase the likelihood of consumers using FSA material, it needs to be available in convenient locations that consumers use as part of their everyday lives.

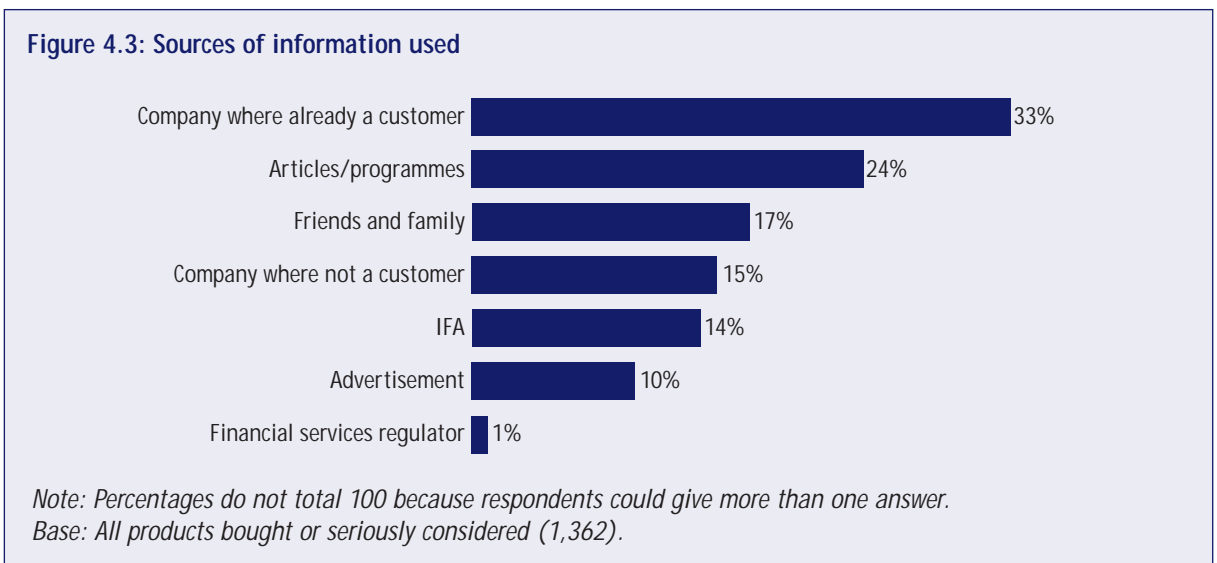
4.8 Figure 4.2 shows the types of information sources used by consumers when buying or considering financial products.



- **Personal contact** was the most popular means. Most of this (39%) was face-to-face. The qualitative research found that the most important aspect of financial information was the ability to trust it. Information obtained from face-to-face contact was seen as the most trustworthy source in the qualitative research and this is likely to be one of the reasons for the wide use of this type of information. The implication for the FSA is that it needs to explore options for providing personal contact – the FSA Consumer Helpline and Town Meetings both meet this criterion and are discussed in section 5.
- **Leaflets/booklets or articles/programmes** were each used for around one in four products bought or seriously considered, suggesting that the FSA's information booklets and appearances in the media (print and broadcast) are a good way of targeting consumers.

4.9 Figure 4.3 shows that:

- **a company where the respondent is already a customer** was the most commonly used provider of information. Linked to this, section 5 (paragraph 5.19) explains that consumers express a strong preference to obtain FSA booklets from banks and building societies;
- **information from an independent financial adviser (IFA)** was reported to be used in 14% of cases – this needs to be treated with caution as other results from this survey (see paragraph 4.13) and other research<sup>1</sup> show that consumers may be confused about the status of advisers;
- **information from financial services regulators** is hardly used at all (it was mentioned in only 1% of cases) which is not surprising as none of the previous financial regulators had a specific consumer education objective.



<sup>1</sup> See, for example, *Financial Services Consumer Panel response to: HM Treasury discussion paper on mortgage regulation*, Financial Services Consumer Panel, 11 October 1999, which found that some consumers were confused about mortgage intermediaries providing independent advice on mortgage loans but tied advice on the sale of investment products.

## Different groups

4.10 Some groups were more likely than average to use certain types of information.

- **Face-to-face sources** increased among the lower social grades and those with lower perceived skills. This bears out the findings of other studies – for example, research by Janet Levin Associates<sup>2</sup> in 1995 which found that naive purchasers depended on oral sources of information including friends and relatives, whereas sophisticated purchasers were more inclined to use published sources as their starting point.
- **Articles** – the percentage of respondents using information from this source increased with social grade, income and perceived skill level (see Table 4.2). This is in line with readership of the financial pages of newspapers (see section 5, Table 5.9).
- **Family and friends** – as with prompts to purchase, those in the younger age groups were much more likely than average to use family and friends.
- **Leaflets, booklets and the Internet** were also used more than average by the younger age groups.
- **Independent financial advisers (IFAs)** were used least by DE social grade, 18-24-year-olds, respondents not in work, those on a low income and those with low perceived financial skills (see paragraphs 4.12 to 4.14 for further details of advisers used).

Table 4.2: Groups more likely to use certain information sources

Information source	Group	% of respondents
Articles and programmes	<b>All respondents</b>	<b>24</b>
	AB	36
	45-54 age group	30
	Household income £41,600+ pa	42
	Retired	33
	High perceived skills	32
Family/friends	<b>All respondents</b>	<b>17</b>
	18-24 age group	37
	Young singles	41
Leaflets/booklets	<b>All respondents</b>	<b>27</b>
	18-24 age group	38
	Young singles	42
	Young couples	36
Internet	<b>All respondents</b>	<b>2</b>
	18-24 age group	5
	Young couples	6
Independent financial adviser	Household income £41,600+ pa	11
	<b>All respondents</b>	<b>14</b>
	25-34 age group	22
	Young couples	31
	Household income £41,600+ pa	25

Base: All products bought or seriously considered (1,362).

<sup>2</sup> *The decision series: the information needs of consumers*, Janet Levin Associates, 1995.

- 4.11 The qualitative study of disabled and ethnic groups did not find many differences in sources of information used which were due specifically to disability or ethnicity, except that Asians appeared rather more likely to trust members of their own community as sources of advice and were slightly less inclined than other groups to trust financial professionals. On the whole, level of financial sophistication was the key factor.

## Getting advice

### All respondents

- 4.12 Respondents were asked whether they had used an adviser to help them decide which product to buy.<sup>3</sup> Just over half (55%) of all products bought or seriously considered involved an adviser. This was more likely than average for a mortgage, investment or personal pension and less likely for cash-based savings, stocks and shares or gilts and sickness insurance.
- 4.13 Those who had bought or considered a product using the help of a financial adviser were asked to say whether the adviser was:
- tied to a single company ('tied') – used for 30% of products bought/considered;
  - able to advise on a few companies ('multi-tied') – used in 10% of cases;
  - able to advise on any company ('independent') – used in 14% of cases.

In 44% of cases an adviser was not used. Care needs to be taken with responses to this question. Only the tied and independent categories can be correct for investment-type products because of the polarisation requirement which came into effect in 1988. For non-investment products, such as mortgages and some types of sickness insurance, multi-ties are allowed. In the BMRB survey, the respondent was being asked to describe the status of advice they *thought* they were getting. The high level of responses for multi-ties for investment-type products reveals that the respondents' perceptions were not always accurate (see Figure 4.4). Other research carried out for the Personal Investment Authority (PIA)<sup>4</sup> found that, in general, only 1% of buyers thought their adviser was multi-tied. However, it was apparent in the BMRB qualitative research that at least some consumers are not always aware that some advisers are tied to the products of one company and mistakenly believe them to be independent. In February this year the FSA launched a detailed study of polarisation. It will take account of the recommendations made by the Director General of Fair Trading in August 1999 which proposed change to the polarisation regime for certain products. As part of this study, which is expected to be completed by Summer 2000, further research will be conducted into consumers' attitudes, understanding and preferences for the advice they receive.

### Different groups

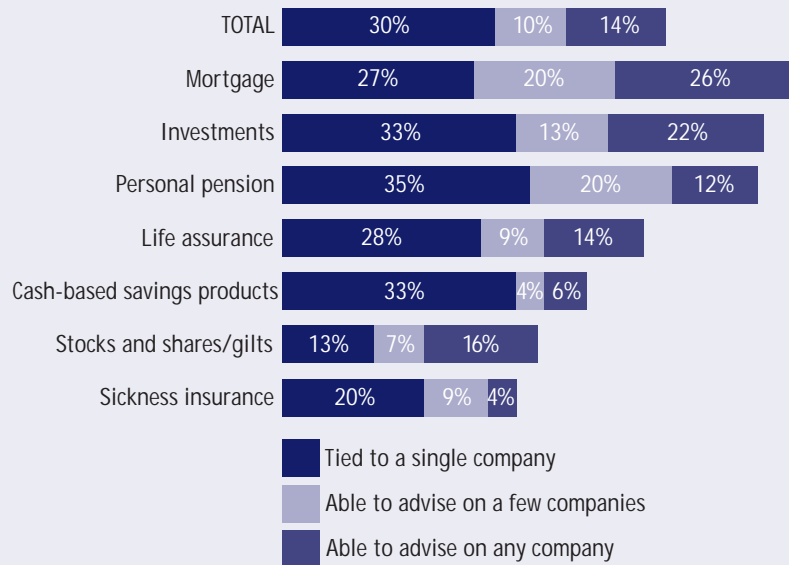
- 4.14 There was some variation in the use of advice and the type of adviser used between demographic groups, with lower use of IFAs and higher use of tied advisers amongst the groups noted at paragraph 4.10. The qualitative research found that less sophisticated respondents were more likely than the sophisticated to have used a company salesperson and appeared not to be concerned that they were being sold the products of just one company.

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<sup>3</sup> The question asked whether they had used a professional adviser or member of staff of a financial company. This wording was used to cover the possibility of their bank manager being used as an adviser as it was found in the qualitative research that people did not see their bank manager as a financial adviser.

<sup>4</sup> *PIA Evolution Project Consumer Research*, PIA (undated).

Figure 4.4: Independence of financial adviser (by product type)

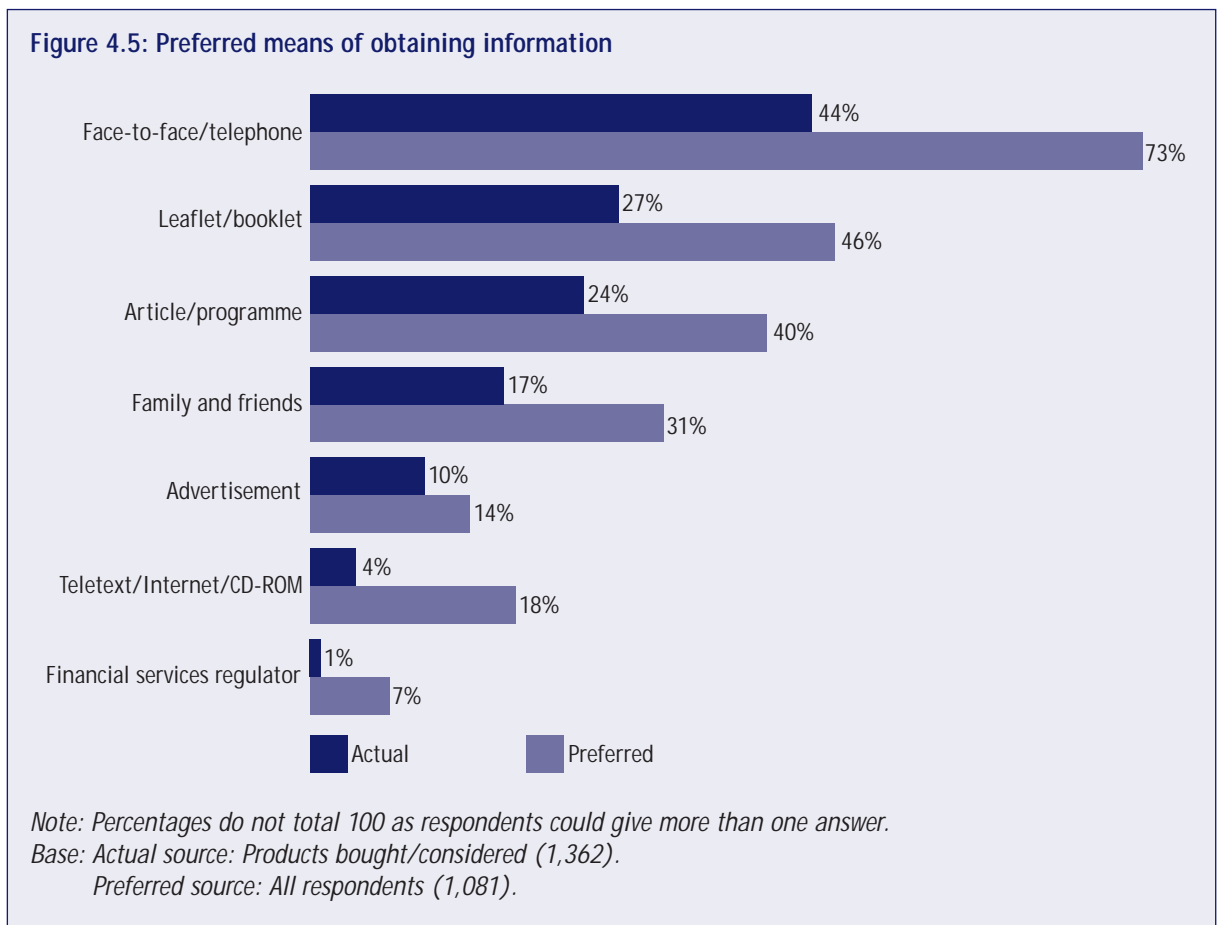


Base: All products bought or seriously considered (1,362).

## How consumers would prefer to get information and advice

- 4.15 While the paragraphs above describe the most common types and sources of information and advice used, this is not necessarily a description of the way consumers would *like* to go about getting information and advice. To put this in context, respondents were asked how they would prefer to get information. The responses confirm that personal contact is favoured – consumers obtain less face-to-face information than they would ideally like (see Figure 4.5).
- 4.16 The ranking of the most preferred means of getting information mirrors those actually used, except for electronic media which are slightly higher in the ranking for preferences than use (see Figure 4.5). This suggests that there may be potential for the FSA to exploit electronic media and web-enabled call centres to provide information to certain consumers who would prefer to use them (such as ABs, those aged under 45 and those with high perceived skills). However, we know that use of the Internet is rising rapidly in the population as a whole, so data from this research on electronic media can be expected to be out-of-date very soon.
- 4.17 In line with the most commonly used source of information, the preferred source is a company where respondents were already customers. Respondents were much more likely to say that they would prefer to use an IFA for information than they were to have used one (but see paragraph 4.13 for potential confusion about the definition of an IFA). This suggests that there is a desire for independent information, which the FSA could capitalise on. However, the financial regulator was chosen as a preferred source by 7% – higher than the 1% who have used it before, but much lower in preference to other sources of information. This highlights the need to raise consumer awareness of the FSA's role as an information provider, which is discussed further in section 5.
- 4.18 Consumers' preference for information and advice on a face-to-face basis is most readily achieved by going to an adviser. However, while 85% of financial decision-makers say they want to use an adviser, an adviser's help was sought in only 55% of cases. Even then, the advice was independent in only 14% of cases, despite 56% of respondents saying that they would prefer to get information and advice from an independent adviser for a product they regarded as complicated and 41% saying they would prefer to use an independent adviser for a product they regarded as straightforward. This pattern occurs across

all demographic groups. The qualitative research showed that many consumers use familiarity, rather than independence, as a guide to the trustworthiness of advisers and so tend to use companies where they are already customers as their main information source. These findings suggest that consumers are confused about where and how to get advice, so the *FSA guide to financial advice* was clearly a relevant early title for the FSA's booklet series.

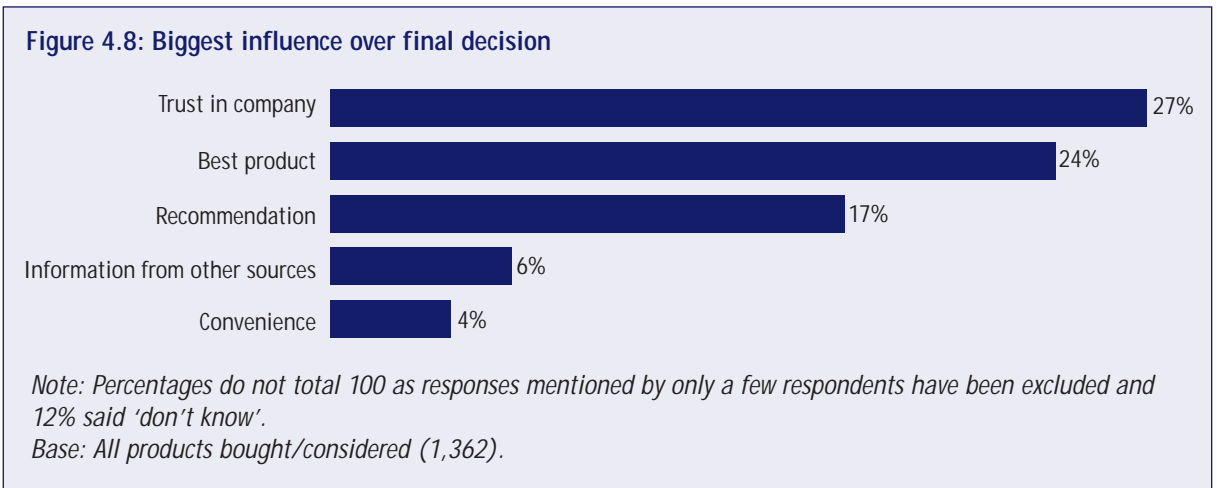
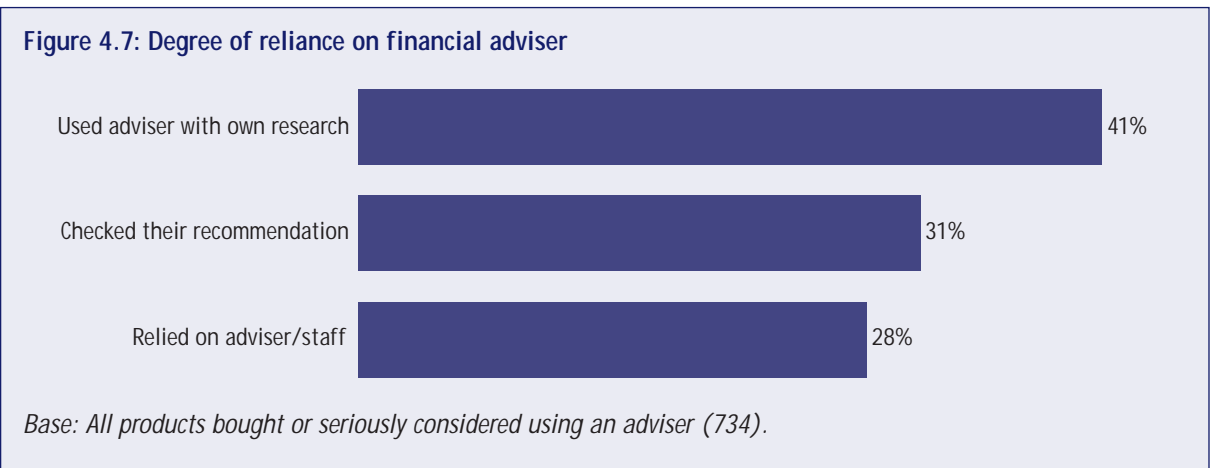
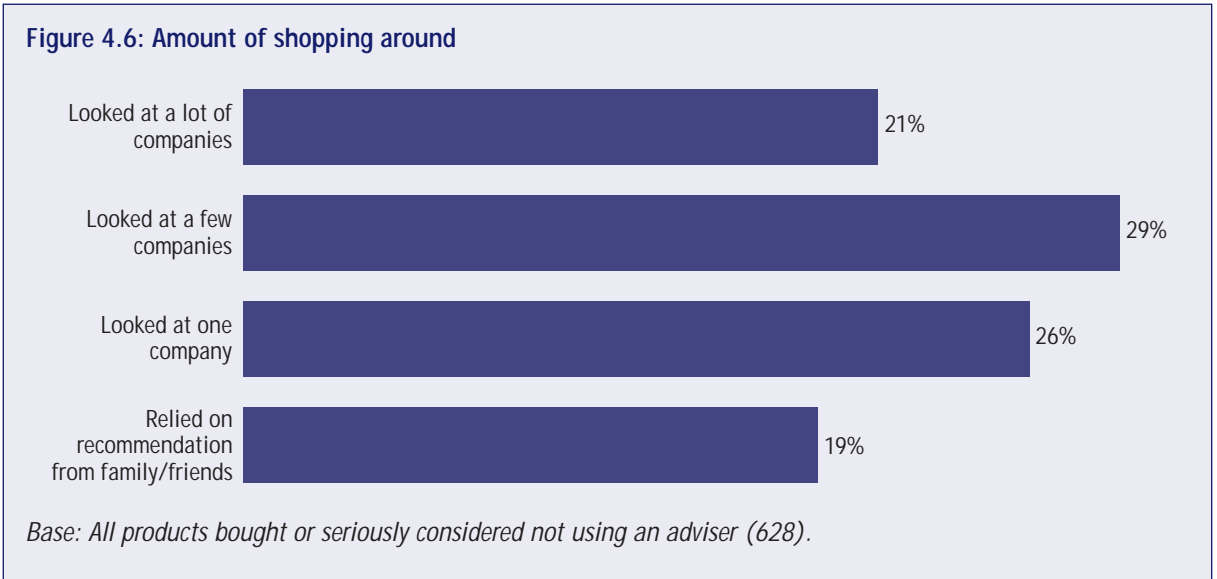


## How do consumers use information and advice?

### All respondents

- 4.19 This section looks at how consumers use the advice and information they obtained. Through its consumer education work and initiatives such as the comparative information scheme, the FSA aims to empower people to become questioning and discerning consumers of financial services so that they are less susceptible to mis-selling. It is therefore important for the FSA to know whether consumers shop around much and whether they actively review the advice they get from advisers or whether they take it at face value.
- 4.20 The amount of shopping around was assessed for products bought or considered without the use of a financial adviser. As Figure 4.6 shows, half did some shopping around – a fifth looked at a lot of companies and about a third looked at a few companies. However, a quarter just went to one company and a fifth relied on family and friends.
- 4.21 Those using an adviser were asked the extent to which they relied on the information or advice provided by their adviser. Figure 4.7 shows that, while two-fifths supplemented what the adviser told them with their own research (though the questionnaire did not cover how extensive or in-depth this research was), nearly a third relied completely on their adviser.

4.22 Three out of five products (58%) were bought from a company where the respondent was already a customer. This is not surprising given that the most popular source of information was a company where the respondent was already a customer. One of the most common reasons for choosing a particular company was trust (see Figure 4.8).



4.23 These results suggest that the FSA needs to assist consumers to shop around and to check what financial advisers are telling them. The provision of comparative information should help consumers shop around and check their advisers' recommendations with greater ease. The booklet, the *FSA guide to financial advice*, and other titles in the series, encourage consumers to ask questions of financial advisers and to check their recommendations. They also encourage people to do their own research and suggest the sorts of questions they need to ask to determine whether a product or service is value for money.

## Different groups

4.24 Certain groups were much more likely to shop around than others and therefore would probably be most receptive to FSA information to assist them. Table 4.3 shows those consumers who were most likely to shop around and those who were least likely to do so. Table 4.4 shows which groups were most likely to use their own research alongside an adviser's recommendation and those which were most likely to rely completely on the adviser's recommendation. This suggests that those most likely to be in need of information to help them shop around and to check out the recommendations of advisers are:

- social grade DE;
- those in the lower income bands;
- 18-24-year-olds (who are more likely to do their own research when using an adviser, but less likely to shop around when not using an adviser).

All these groups were identified in section 2 as being less receptive to information and advice produced by the FSA. This highlights the difficulty facing the FSA – that those most in need of help from the FSA are the groups which are likely to be the least responsive to such help.

**Table 4.3: Groups more and less likely to shop around**

	Group	% of respondents
Most likely to shop around	<i>Looked at a lot of companies</i>	
	<b>All respondents</b>	<b>21</b>
	High perceived skills	35
	Household income £26,000-£41,599 pa	34
	Household income £41,600+ pa	33
	AB	31
	25-34 age group	29
	Young couples	29
Least likely to shop around	<i>Spoke to one company</i>	
	<b>All respondents</b>	<b>26</b>
	Household income under £8,300 pa	38
	Low perceived skills	37
	18-24 age group	36
	DE	34
	Household income £8,300-£15,599 pa	34
55+ age group	32	

*Base: Products bought/considered without an adviser (628).*

Table 4.4: Groups more and less likely to rely on an adviser's recommendation

	Group	% of respondents
Least likely to rely on an adviser	<i>Used own research alongside adviser's information</i>	
	All respondents	41
	Household income £41,600+ pa	59
	High perceived skills	49
	18-24 age group	49
Most likely to rely on an adviser's recommendation	<i>Relied completely on the adviser's recommendation</i>	
	All respondents	28
	Low perceived skills	42
	Chief income-earner not working	38
	DE	35

Base: Products bought/considered with an adviser (734).

## Barriers to the use of information and advice

4.25 The qualitative study identified some barriers associated specifically with disability or ethnicity.

- Ethnic minorities** – with most groups, language was not a barrier (but see the point made in paragraph 3.10 about groups being conducted in English). Members of the Bangladeshi community were the only respondents to express concerns about isolation due to language difficulties. They tended to stick to their own community for information and advice, partly so they could get explanations in their own language. However, this meant they were in a closed circle with little new information coming in. As a result, they tended not to know about new financial products or developments: *'that's why a lot of new things are unknown to us, because we're just going around in circles'* (Bangladeshi male). It was not enough just to have leaflets in their own language; they also needed people to explain things to them directly.
- People who are deaf** generally use British Sign Language as their first language. So, apart from the communication problems caused by deafness itself, having to operate in English as a second language tended also to make accessing and understanding information difficult: *'Yes signing is a big language barrier, it does prevent me from finding out a lot of things or getting anything I want sorted out quickly ... I would like to know more about those new tax-free savings accounts but they are quite difficult to understand when you read the leaflets'* (Deaf female). Videophones were identified as a preferred source of communication by deaf respondents but these are not widely used.
- People with visual impairments** prefer face-to-face contact so they could get information direct without the aid of a third party. Not all blind or partially sighted people can read Braille, so some have to rely on, say, a warden or other third party to read information to them with a consequent lack of privacy.
- People with mobility impairments** mention problems of physical access, for example heavy revolving doors and offices on first floors without lifts. A more subtle barrier can be attitudes towards people in wheelchairs – sometimes there is an assumption that the person with a disability must be unsophisticated and vulnerable. Able-bodied people also often literally talk down to people seated in wheelchairs. This lack of eye-to-eye contact can lead to a failure to establish trust. They could also have particular financial needs relating to their disability such as large compensation payments, disability benefits and difficulties getting insurance.

- **People with mental health problems** may have particular difficulties understanding terms and conditions. Many respondents had been in situations where others had taken advantage of them and this made them inclined to lack confidence.

4.26 The FSA is currently considering how it should address some of these needs in its consumer education work. It intends to introduce a textphone service as part of the restructuring of the Consumer Helpline and make provision for minority languages according to demand. The FSA *Consumer Help* web pages are designed to be accessible to all specifications of computer and to be readable by text readers for visually impaired people. Part of the usability testing being carried on the *Consumer Help* web pages will look at the accessibility and ease of using the website by those using text readers.

# 5 The FSA as an information provider

5.1 The third objective of the BMRB study was to assess consumers' willingness to use different sources of information and advice including attitudes to the services that the FSA is providing or proposing to provide. Four aspects are relevant.

- **Awareness** – Do financial decision-makers know of the FSA's existence?
- **Understanding** – Do financial decision-makers have a realistic idea of the type of information available from the FSA?
- **Trust** – To what extent do financial decision-makers trust the FSA compared with other providers of information?
- **Relevance** – Are financial decisions-makers interested in the services the FSA is providing or proposing to provide? Which services appeal to which type of consumer?

Detailed tables of the results reported in this section are in annex E.

## Awareness of the FSA

### All respondents

5.2 When prompted,<sup>1</sup> over a third (36%) of respondents claimed they had heard of the FSA before taking part in the survey. Other research on unprompted awareness of financial regulators provides a more realistic indicator of actual awareness (see Figure 5.1);<sup>2</sup> this research reveals a very low awareness of any financial regulators at all. Even ombudsman score only 8%, despite the earliest financial ombudsman (the insurance ombudsman) having existed since March 1981. Awareness of the financial regulators, which the FSA replaces, ranged from 0% to 7% in 1998, but declined in 1999. The FSA has, therefore, made a good start in achieving 6% awareness during its early existence. However, in absolute terms, 6% awareness is very low. The main implication is that the FSA has a long way to go to raise awareness of its existence and its role as an information provider among the general public.

### Different groups

5.3 The level of awareness expressed in the BMRB survey – albeit suspiciously high – varied across the different groups of decision-makers that have been identified in the previous sections. Table 5.1 identifies those groups with the highest and lowest levels of awareness. Those groups that were identified as least receptive to FSA information in section 2 (lower social grades, lower income groups, respondents in households where the

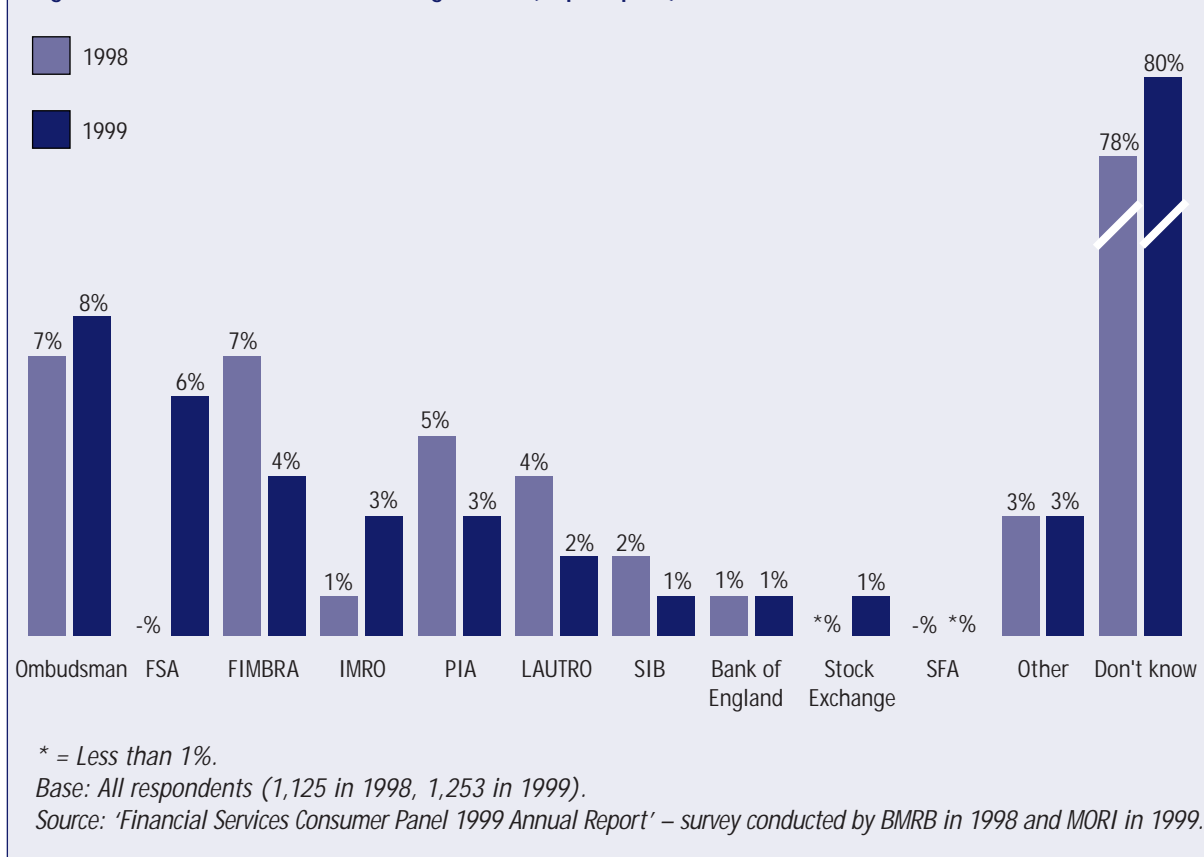
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<sup>1</sup> Respondents were told at the start of the interview that the survey was being carried out by the FSA to increase levels of co-operation. Respondents were subsequently asked if they had heard of the FSA before taking part in the survey.

<sup>2</sup> *Financial Services Consumer Panel Annual Report 1999*, Financial Services Consumer Panel, March 1999. In this survey, respondents were asked to name all official bodies or watchdogs they could think of which regulate people and companies selling financial products.

chief income-earner is not working, and 18-24-year-olds) all had lower than average levels of awareness. On the other hand, those groups that were identified as most receptive (higher income groups and higher social grades) were more likely than average to be aware of the FSA. This compounds the difficulty of the FSA in reaching the least receptive groups and suggests that, in raising awareness of its existence amongst the general public, the FSA needs to make a special effort to target the more difficult to reach groups that have been identified in this analysis.

**Figure 5.1: Awareness of financial regulators (unprompted)**



**Table 5.1: Awareness of the FSA (prompted)**

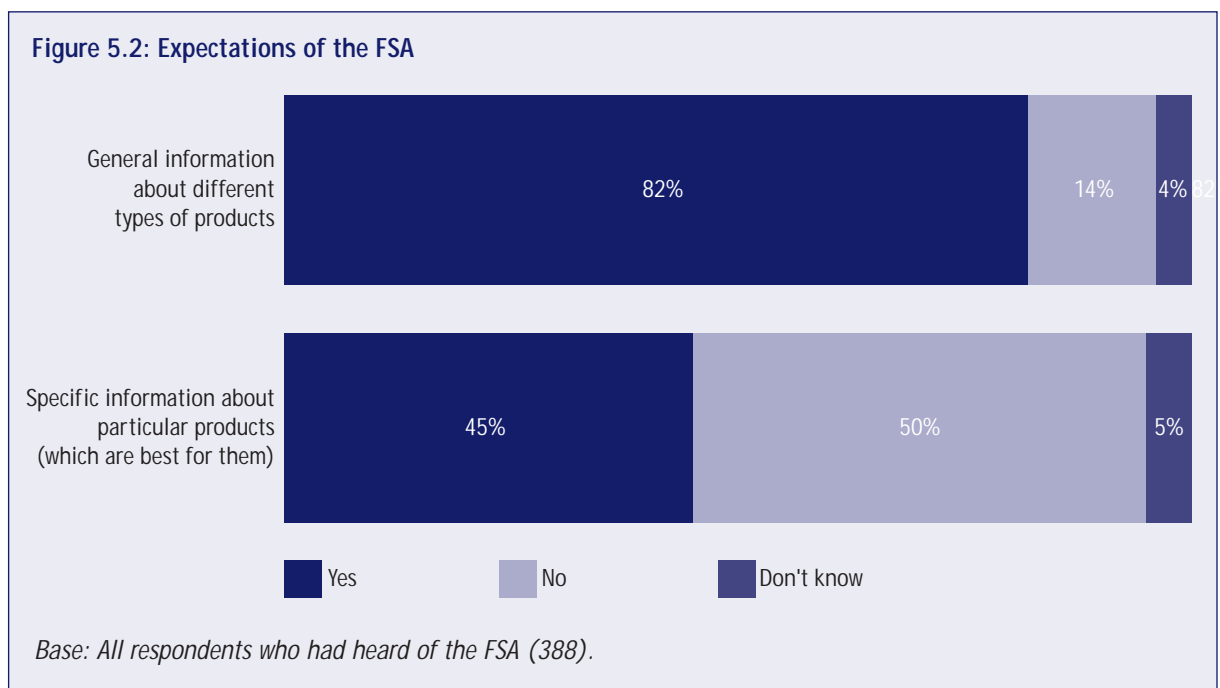
	Group	% aware of the FSA
Most likely to be aware	AB	48
	C1	45
	35-54 age group	44
	Older no family	48
	Household income £26,000+ pa	53
	Active consumers (four or more products taken out in the last five years)	50
	High perceived skills	56
<b>Average</b>	<b>All respondents</b>	<b>36</b>
Least likely to be aware	DE	21
	18-24 age group	23
	Chief income-earner not working	21
	Household income under £8,300 pa	23
	Inactive consumers (no products taken out in the last five years)	17
	Low perceived skills	20

Base: All respondents (1,081 – varies for different groups).

## Expectations of the FSA as an information provider

### All respondents

- 5.4 It is not sufficient simply to raise public awareness of the FSA; consumers also need to be made aware that the FSA is an information provider and about the sort of information it can provide and what it cannot do.
- 5.5 It has already been shown in section 4 that, in line with the low awareness described above, financial services regulators are not a frequently used source of information nor do financial services regulators, to date, feature highly as a preferred source of information when taking out financial products.
- 5.6 All the respondents who said they had heard of the FSA prior to the interview were asked whether they expected it to provide:
- general information about financial products ('generic advice'), which is within the FSA's remit;
  - guidance on which actual product from a particular company is best for the individual (e.g. which company they should purchase a pension from) ('specific advice'), which is outside the FSA's remit.
- 5.7 As Figure 5.2 shows, it is encouraging that four out of five respondents did expect the FSA to be a provider of generic advice. However, it is worrying that just under half the respondents (45%) thought that the FSA would give specific advice.



### Different groups

- 5.8 Table 5.2 shows those who were less likely to see the FSA as a provider of generic information and those groups who were most likely to see the FSA as providing specific advice. Those identified as the least receptive group in section 2 (with the exception of 18-24-year-olds) were more likely than average to erroneously believe that the FSA could provide specific advice.

**Table 5.2: Groups that are most likely to have incorrect expectations of the FSA**

	Group	% of respondents who expect the FSA to provide generic advice
<b>Average</b>	<b>All respondents</b>	<b>82</b>
Least likely to think that the FSA provides general advice	C1	76
	55+ age group	75
	Chief income-earner retired	77
	Household income under £8,300 pa	77
	Household income £41,600+ pa	76
	High perceived skills	76
		<b>% of respondents who expect the FSA to provide specific advice</b>
<b>Average</b>	<b>All respondents</b>	<b>45</b>
Most likely to think that the FSA provides specific advice	C2	57
	DE	52
	Chief income-earner not working	57
	Chief income-earner retired	56
	Household income under £8,300 pa	58
	Household income £8,300-£15,599 pa	56
	Inactive consumers (no products taken out in the last five years)	54
	Low perceived skills	68

*Note: Care should be taken in using these statistics as the sample sizes are small – see Table E.2 in Annex E for details of bases.*

*Base: Respondents aware of the FSA (388 – varies by group).*

- 5.9 The FSA needs to take care that, in positioning itself as a provider of generic advice, it does not raise expectations that it cannot meet (i.e. that it can provide individually tailored advice on the best company or the best product for them). The distinction between specific and generic advice can be difficult to understand – respondents in the qualitative study generally did not understand the distinction. The results from the quantitative survey suggest that getting this message across will be an uphill task – 45% of respondents already expected that the FSA would give specific advice.

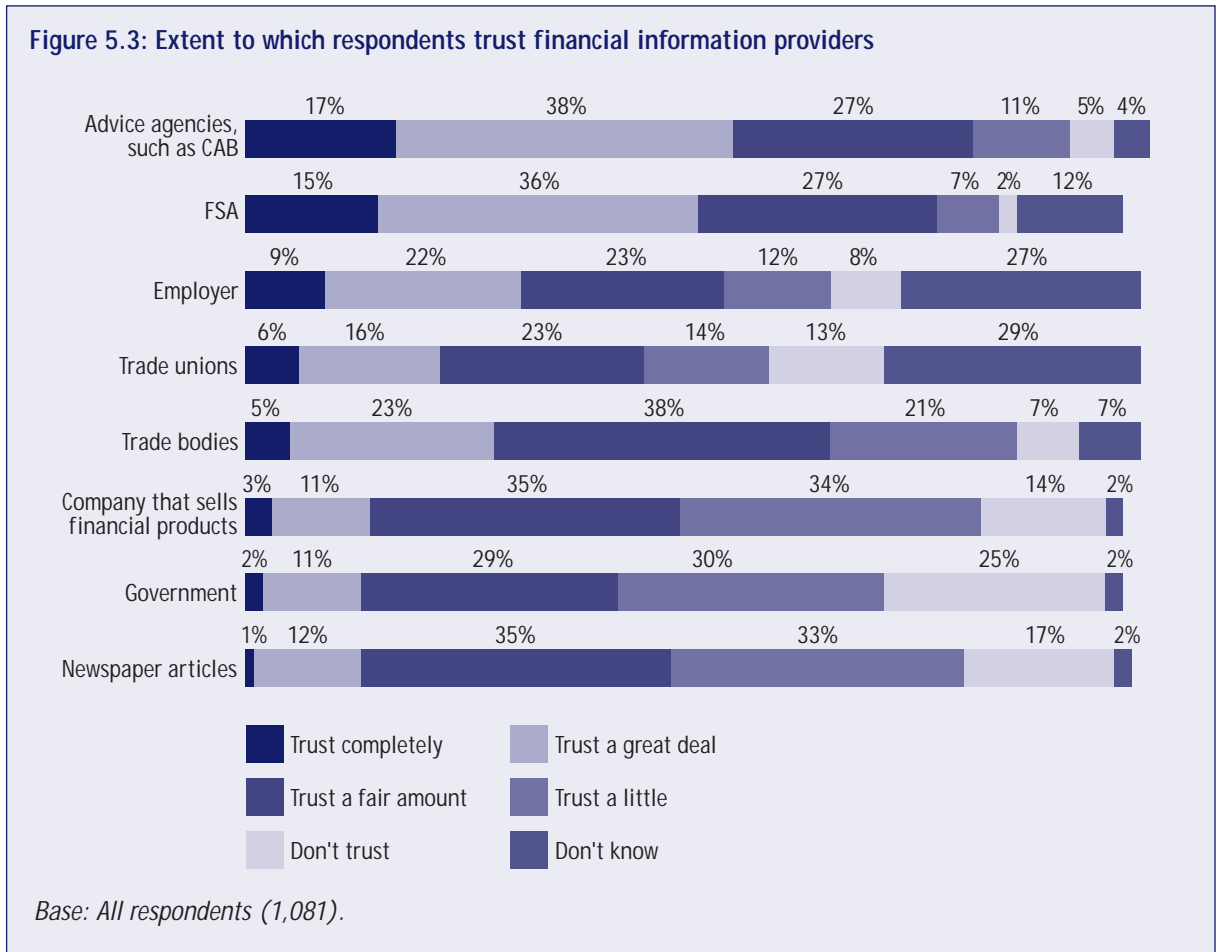
## Trust in the FSA and other information providers

### All respondents

- 5.10 The survey asked financial decision-makers to what extent they would trust the various bodies that might provide information on financial services. The FSA was interested in this information to inform its strategy about possible partnerships in the future. The qualitative research that BMRB undertook and other qualitative research that the FSA has commissioned has shown that consumers would place the greatest trust in information from an independent source. For example, other research into reactions to comparative information tables shows it needed to be clear that the tables were independent if consumers were to be motivated to use them.<sup>3</sup>

<sup>3</sup> *Consumer reactions to comparative information on six financial products*, Report to the FSA by Reflexions Communications Research, FSA, October 1999.

5.11 As Figure 5.3 shows, the most trusted bodies are advice services, such as the Citizens Advice Bureau (CAB). The FSA is ranked a clear second. This ranking is higher than can be expected from the general public as a whole because general awareness of the FSA is low (see paragraph 5.2). Responses recorded here were given after the nature and role of the FSA had been explained to respondents, in the following way: *'The FSA is the independent regulator of the financial services industry. It can provide general information about financial products, but it cannot tell you which product from a particular company is right for you'*.



### Different groups

5.12 The least receptive groups were most likely to say that they trust advice services completely or a great deal (see Table 5.3). This might be linked to familiarity. A large part of the work of advice agencies concerns debt problems and those falling into the least receptive groups are amongst those most likely to experience debt problems (see, for example, the NatWest study<sup>4</sup>). At the same time those in the lower social grades and lower income band were least likely to say that they trusted the FSA completely or a great deal.

5.13 The qualitative research found that the CAB was the only organisation mentioned spontaneously as a potential partner for the FSA. CAB was used by many ethnic and disabled respondents. This was partly because of its perceived impartiality but also because it could provide staff who could deal with enquiries in different languages or via signers. However, some respondents were less enthusiastic about the FSA entering into partnerships with the advice sector as they tended to see advice agencies as dealing with problems rather than as a source of information. It was also thought that the advice sector would not have the expertise to offer financial advice unless their funding resources were substantially increased. As mentioned in section 1, the FSA has published a directory for consumer advisers to assist in providing information and advice to consumers.<sup>5</sup>

<sup>4</sup> *Financial literacy in adult life*, National Foundation for Educational Research, Report to the NatWest Group Charitable Trust, 1996.

<sup>5</sup> *Directory of consumer information and enquiry services in personal finance*, FSA, 1999.

- 5.14 These results suggest that the FSA might gain credibility by working in partnership with the advice agency sector, and that this is likely to be particularly fruitful if trying to target the least receptive groups whom the FSA will otherwise have difficulty reaching. In terms of working with other bodies it is important that the FSA maintains its independence otherwise the trust that consumers have in it might be eroded. The distribution of consumer publications is an example of how the FSA is working with the industry while maintaining its independence. The FSA allows regulated firms to supply its consumer publications to their clients provided only originals are given out to ensure that the FSA livery is preserved. This is important to emphasise the independence of both the FSA and the material and to promote awareness of the FSA as a source of information.
- 5.15 There was a strong indication in the qualitative research that trust was associated with familiarity. It was also found that face-to-face contact was an essential element in assessing trustworthiness. Therefore, it is important to achievement of the public awareness objective that the FSA increases consumer familiarity with its work. Part of its strategy to do this involves using the media as much as possible. This includes getting FSA spokespeople into print and on to radio and TV to give the FSA a friendly, human face.

**Table 5.3: Extent to which the least receptive groups would trust financial information providers**

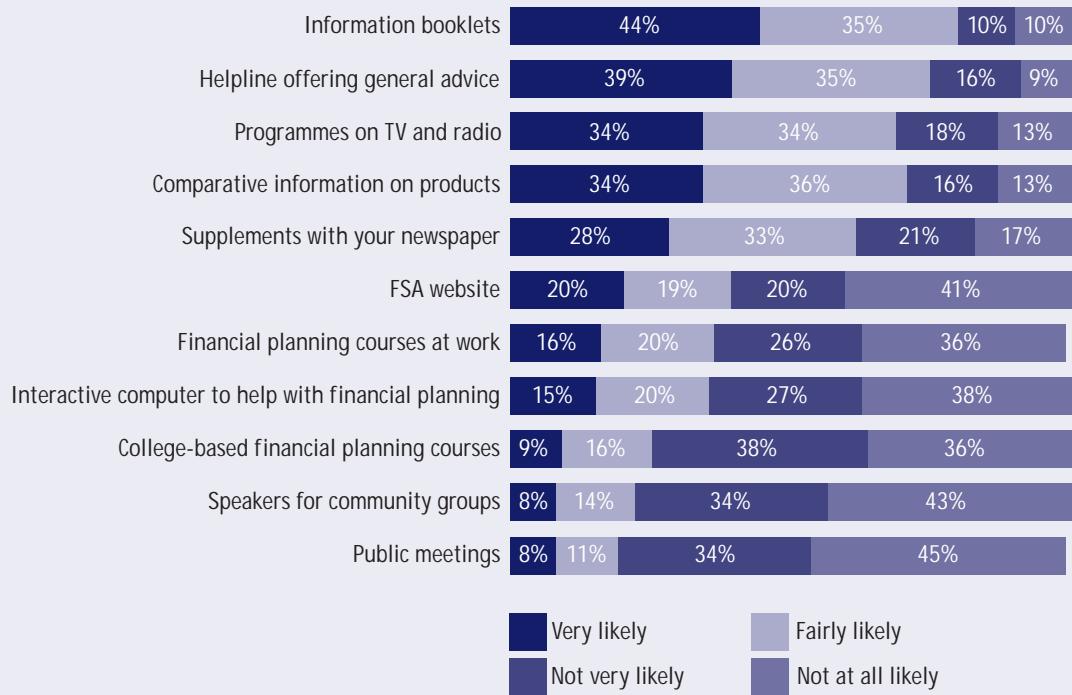
	% who would trust completely or a great deal							
	Advice agencies	FSA	Employer	Trade unions	Trade bodies	Product provider	Government	Newspaper articles
<b>All respondents</b>	<b>54</b>	<b>51</b>	<b>30</b>	<b>22</b>	<b>27</b>	<b>15</b>	<b>13</b>	<b>13</b>
DE	60	36	25	22	23	16	9	6
Household income under £8,300 pa	60	35	24	18	23	12	7	12
Chief income-earner not working	58	34	16	16	20	14	9	8
18-24 age group	68	55	44	27	29	27	22	12
Inactive consumers (no products taken out in the last five years)	51	33	20	15	19	10	7	9
Low perceived skills	56	43	26	22	24	13	11	8

*Base: All respondents (1,081 – varies for different groups).*

## Relevance to financial decision-makers of existing and potential FSA services

- 5.16 As noted in section 1, the FSA is already providing or proposing to provide a range of information services for consumers. Eleven services which are already, or could potentially be, provided by the FSA, were described to respondents in the qualitative research and in the quantitative survey. They were asked to indicate the likelihood that they would use each service if it were provided free of charge. While responses cannot be used to predict take-up of a service (although the proportion saying 'very likely' would be the best predictor), the ranking of services does give an indication of which would be the most popular. Figure 5.4 ranks them in order of popularity. These results must be viewed in the context of the very low levels of unprompted awareness of the FSA described earlier.

**Figure 5.4: Likelihood of using FSA services**



Base: All respondents (1,081).

## Information booklets

5.17 Just over two out of five respondents said that they would be very likely to use information booklets produced by the FSA compared with other FSA services. Booklets were popular across all groups, but appealed more to:

- younger age groups;
- young singles, young couples and young families;
- those with high perceived skills;
- those who had taken out four or more products in the last five years.

They appealed least to those aged 55 and over, retired people, consumers who had not taken out any products in the last five years and those with low perceived financial skills (see Table 5.4).

5.18 Given the wide appeal of information booklets they offer a good way of targeting most consumers. However, if they are to appeal to all consumers they need to cater for different levels of knowledge and skills. The planned introduction of lifestage- or event-based booklets should help those who are not aware of the type of product they need and then enable them to progress on to product-specific booklets (see paragraph 4.4).

5.19 If the FSA's booklets are to reach the potentially wide range of consumers to whom they appeal, they need to be disseminated effectively. To assist with this, respondents who said that they were very or fairly likely to use the FSA's booklets were asked where they would prefer to get them from (see Figure 5.5). Consumers cited similar locations to those found in separate qualitative research on consumer reactions to comparative information tables.<sup>6</sup>

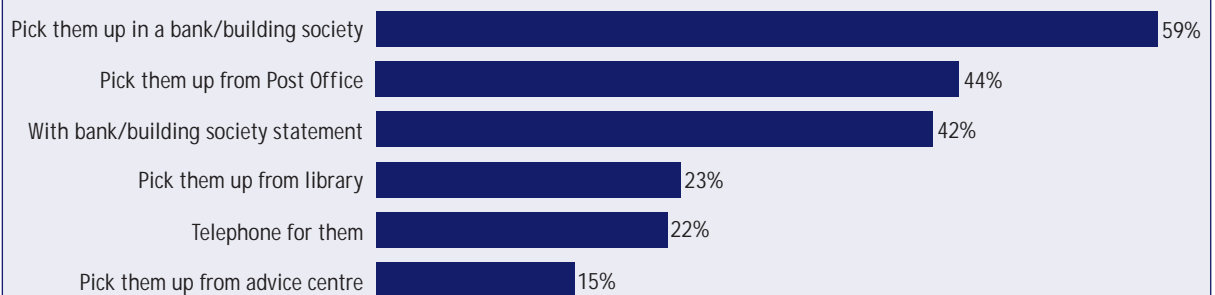
<sup>6</sup> *Consumer reactions to comparative information on six products*, Report to the FSA by Reflexions Communications Research, FSA, October 1999.

**Table 5.4: Those who said that they would be very likely to use the FSA's information booklets**

	Group	% of respondents
Most likely	18-24 age group	52
	25-34 age group	54
	Young singles	56
	Young couples	52
	Young families	52
	Household income under £8,300 pa	49
	High perceived skills	49
	Active (four or more products taken out in the last five years)	48
<b>Average</b>	<b>All respondents</b>	<b>44</b>
Least likely	55+ age group	34
	Retired	31
	Chief income-earner retired	34
	Household income £8,300-£15,599 pa	39
	Low perceived skills	39
	Inactive (no products taken out in the last five years)	40

Base: All respondents (1,081).

**Figure 5.5: Preferred locations for the FSA's booklets (prompted)**



Base: All very or fairly likely to use the FSA's information booklets (857).

5.20 There were some differences across the respondent groups (see Table 5.5). Those who were identified in section 2 as potentially less receptive to FSA information put the Post Office at the top of their list (except 18-24-year-olds and those in the lowest income band). They (including 18-24-year-olds but excluding inactive consumers) also tended to favour advice centres more, but favoured making booklets available at bank/building society branches and including them with statements less. Higher income groups and higher social grades, on the other hand, were more likely to prefer including the booklets with statements or being able to phone up for them.

5.21 As previously noted (paragraph 5.14), the FSA already provides its information booklets to regulated firms on request (up to 100 free on request and bulk supplies at cost) for distribution to their customers. Thus, potentially, the booklets can be provided both in branches of financial institutions (some may already be doing this) and with statements for financial products and services.

**Table 5.5: Preferred locations for the FSA's booklets by different groups**

	Group	Bank/ building society branch	With state- ment	Post Office	Library	Phone for them	Advice centre
		% of respondents (row percentages)					
Least receptive	DE	47	33	57	24	20	20
	Household income under £8,300 pa	57	30	50	20	17	20
	Chief income-earner not working	47	21	58	23	15	18
	18-24 age group	53	38	44	17	22	21
	Inactive consumers (no products taken out in the last five years)	48	28	54	20	15	13
	Low perceived skills	54	33	58	22	15	21
	<b>Average</b>	<b>All respondents</b>	<b>59</b>	<b>42</b>	<b>44</b>	<b>23</b>	<b>22</b>
Most receptive	AB	60	53	39	24	30	11
	Household income £41,600+ pa	54	60	36	31	31	18
	Chief income-earner working	62	46	42	24	24	16
	35-54 age group	63	47	42	26	24	16
	Active consumers (four or more products taken out in the last five years)	59	48	41	26	26	13
	High perceived skills	64	51	36	24	30	11

*Base: All very or fairly like to use the FSA's information booklets (857 – varies for different groups).  
Based on the groups identified in section 2.*

## Helpline offering general advice

5.22 Just under two out of five respondents said that they would be very likely to use an FSA Helpline offering general advice. The Helpline is one of the few services asked about in the survey that appealed most to the groups identified in section 2 as being least receptive to FSA information (see Table 5.6). It was less popular with:

- those in social grade AB;
- higher income groups;
- those with high perceived skills.

5.23 A major difficulty for the FSA is anticipating potential growth once the Helpline has been publicised. The BMRB research suggests that demand could be high if awareness of the Helpline and the FSA is raised. Once the nature and role of the FSA were explained to respondents, it claimed second place as a source respondents would trust and the Helpline was the second most popular service.

**Table 5.6: Those who said that they would be very likely to use the FSA's Helpline**

	Group	% of respondents
Most likely	C2	44
	DE	44
	Household income under £8,300 pa	44
	Respondent not working	42
	Chief income-earner not working	44
	25-34 age group	43
	45-54 age group	43
	Young families	46
	Older no family	44
	Low perceived skills	46
	<b>Average</b>	<b>All respondents</b>
Least likely	AB	34
	C1	34
	Household income £41,600+ pa	30
	55+ age group	35
	Young singles	34
	High perceived skills	32

Base: All respondents (1,081 – varies for different groups).

## Comparative information scheme

- 5.24 Previous sections have highlighted the relatively low levels of shopping around when respondents took out the financial products covered by this survey and suggested that the FSA's proposed comparative information scheme could make shopping around an easier task. Around a third of respondents said that they would be very likely to use comparative information produced by the FSA on products offered by different providers, such as how products compare on charges, etc. This appealed most to those in the higher income and higher perceived skills groups. This is not surprising as these are the groups most likely to *want* to shop around and most likely to be actually doing it (see Table 5.7). Comparative information appealed least to those in social grade DE, in the low income group, with low perceived skills, those who had not taken out any products covered by the survey in the last five years and those who were retired.
- 5.25 The National Consumer Council (NCC)<sup>7</sup> also found a demand for comparative information. Respondents to the NCC survey said it was difficult to compare similar products provided by different companies with the result that they could not see the advantages and disadvantages of each product – 64% of decision-makers agreed with this view (30% agreed strongly and 34% agreed slightly).

## TV and radio programmes

- 5.26 Table 5.8 shows that the use of TV and radio programmes to convey FSA information appealed most to low income groups, DE social grade and respondents who were not working. They appealed less to young couples, older people and higher income groups. Obviously, if TV or radio were used by the FSA to target particular groups, appropriate programmes will need to be selected based on audience profiles.

<sup>7</sup> *Consumer Concerns 1999: Consumers' views of advice and information on financial services*, National Consumer Council, November 1999.

**Table 5.7: Those who said that they would be very likely to use comparative information produced by the FSA**

	Group	% of respondents
Most likely	35-44 age group	43
	Household income £41,600+ pa	52
	High perceived skills	46
	Active (four or more products taken out in the last five years)	43
<b>Average</b>	<b>All respondents</b>	<b>34</b>
Least likely	DE	24
	18-24 age group	31
	55+ age group	24
	Respondent not working	26
	Retired	25
	Household income under £8,300 pa	24
	Household income £8,300-£15,599 pa	28
	Low perceived skills	21
	Inactive (no products taken out in the last five years)	19

*Base: All respondents (1,081 – varies for different groups).*

**Table 5.8: Those who said that they would be very likely to watch/listen to TV and radio programmes containing FSA information**

	Group	% of respondents
Most likely	DE	38
	45-54 age group	38
	Respondent not working	38
	Chief income-earner not working	39
	Older no family	38
	Household income under £8,300 pa	42
<b>Average</b>	<b>All respondents</b>	<b>34</b>
Least likely	55+ age group	28
	Young couples	29
	Household income £26,000-£41,599 pa	28
	Household income £41,600+ pa	29

*Base: All respondents (1,081 – varies for different groups).*

- 5.27 The FSA already uses TV and radio programmes when opportunities arise to publicise its information booklets and factsheets. The peaks in request for booklets and factsheets and in calls to the FSA's Helpline following media coverage show how effective TV and radio programmes can be in raising awareness of the FSA as an information provider.

### Newspaper supplements

- 5.28 With almost a third of financial decision-makers saying that they regularly read the personal finance pages of newspapers, this medium potentially offers an opportunity for the FSA to reach a large group (see Table 5.9). Readership of the personal finance pages is higher amongst the higher social grades, those in the highest income brackets and those with high perceived skills.

**Table 5.9: Readership of personal finance pages in newspapers**

	Group	% of respondents
Most likely	AB	42
	C1	40
	Men	38
	45-54 age group	37
	55+ age group	39
	Retired	42
	Older no family	40
	Household income £26,000-£41,599 pa	41
	Household income £41,600+ pa	57
	High perceived skills	56
	<b>Average</b>	<b>All respondents</b>
Least likely	DE	20
	Women	26
	18-24 age group	13
	25-34 age group	22
	Working part-time	24
	Respondent not working	25
	Young singles	22
	Young families	15
	Household income under £8,300 pa	24
	Low perceived skills	16

*Base: All respondents (1,081 – varies for different groups).*

- 5.29 Not surprisingly, use of newspaper supplements by the FSA to provide information held greatest appeal among those most likely to read the personal finance pages (see Table 5.10). As with TV and radio programmes, the FSA will need to take account of the readership profiles of different newspapers if it is to target different groups effectively.

**Table 5.10: Those who said that they would be very likely to read newspaper supplements containing FSA information**

	Group	% of respondents
Most likely	AB	35
	45-54 age group	33
	Household income £41,600+ pa	38
	High perceived skills	34
	Active (four or more products taken out in the last five years)	33
<b>Average</b>	<b>All respondents</b>	<b>28</b>
Least likely	DE	23
	18-24 age group	22
	Household income under £8,300 pa	21
	Low perceived skills	20
	Inactive (no products taken out in the last five years)	21

*Base: All respondents (1,081 – varies for different groups).*

## FSA website<sup>8</sup> and interactive computer help<sup>9</sup>

5.30 According to an NOP survey,<sup>10</sup> around 32% of GB adults have Internet access at home. (Others have access through work or at a place of education). The NOP survey shows that the following groups are less likely than average to have Internet access at home:

- social grade DE (15%) compared to 54% of ABs;
- unemployed (27%);
- household income under £9,500 pa (11%).

Young people in the 16-20 age group are more likely than average to have Internet access at home (47%). Internet access is growing very fast. Interactive digital TV is likely to become a major gateway to the Internet and it is expected that every UK home will have access to digital TV within 10 years.<sup>11</sup> This will offer enormous potential for interactive financial planning aids and web-enabled call centres.

5.31 One in five respondents said that they would be very likely to use the website and more than one in ten said that they would be likely to use the interactive computer help service. The most interest in the website and interactive computer service was displayed by young people (including young families), higher social grade, higher income and higher perceived skills groups, and those taking out four or more products in the last five years. Retired and low income groups were the least likely to use either of these services (see Tables 5.11 and 5.12).

**Table 5.11: Those who said that they would be very likely to use the FSA's consumer website**

	Group	% of respondents
Most likely	AB	28
	18-24 age group	30
	Working full-time	26
	Young singles	27
	Young couples	25
	Young families	26
	Household income £26,000-£41,599 pa	25
	Household income £41,600+ pa	38
	High perceived skills	28
	Active (four or more products taken out in the last five years)	24
<b>Average</b>	<b>All respondents</b>	<b>20</b>
Least likely	DE	12
	55+ age group	11
	Retired	8
	Household income under £8,300 pa	11
	Low perceived skills	12
	Inactive (no products taken out in the last five years)	12

<sup>8</sup> Described to respondents as: 'A website on the Internet giving access to up-to-date information on what the FSA can do for you, along with copies of information booklets online'.

<sup>9</sup> Described to respondents as: 'Interactive computer help with financial planning'.

<sup>10</sup> *Financial Research Survey*, NOP, data available at March 2000. The statistics quoted include people with Internet access from a PC with modem, PC with Internet/www access, web TV, games console with Internet access, palm top computer with Internet access, mobile phone with Internet access. They relate to people with Internet access, not all of whom have necessarily used the Internet.

<sup>11</sup> e.business magazine, November 1999.

**Table 5.12: Those who said that they would be very likely to use an interactive computer-based financial planning aid**

	Group	% of respondents
Most likely	18-24 age group	24
	25-34 age group	19
	35-44 age group	20
	Young couples	21
	Young families	22
	Older families	22
	Household income £41,600+ pa	27
	High perceived skills	22
	Active (four or more products taken out in the last five years)	20
<b>Average</b>	<b>All respondents</b>	<b>15</b>
Least likely	55+ age group	7
	Retired	5
	Older no family	12
	Household income under £8,300 pa	10
	Low perceived skills	12
	Inactive (no products taken out in the last five years)	9

*Base: All respondents (1,081 – varies for different groups).*

### Courses in the workplace<sup>12</sup> and in colleges<sup>13</sup>

5.32 One in six of all respondents said that they would be very likely to attend a course of financial planning held at their workplace). This increased to one in five respondents who were working full-time. People in the highest income bracket and those who had taken out four or more products included in the survey in the last five years were more likely to say that they would use such a service. Only one in eleven said that they would be very likely to attend a college-based financial planning course. Young people were most likely to show an interest. This accords with other research showing low demand for college courses. This is not a major area of work for the FSA given the low popularity, although the FSA has worked with the Qualifications and Curriculum Authority (QCA) and examining boards on units in personal finance for the General National Vocational Qualification (GNVQ).

### Public meetings<sup>14</sup> and speakers for community groups<sup>15</sup>

5.33 It would be expected that Town Meetings and speakers for community groups would be a useful way of meeting consumers' stated preferences for face-to-face sources of information and advice. However, both of these had the lowest appeal to respondents – only 8% said that they would be likely to use each of these.

5.34 In the qualitative study, people with disabilities were interested in such meetings. The Bangladeshi community also thought that this could be an effective way of communicating to overcome the language problems; other ethnic groups did not show interest. The preference expressed in the qualitative research was for smaller groups rather than large Town Meetings.

<sup>12</sup> Described to respondents as: 'Courses on financial planning held at your workplace'.

<sup>13</sup> Described to respondents as: 'Courses on financial planning held at your local college or adult education centre'.

<sup>14</sup> Described to respondents as: 'Public meetings of several hundred people held in a location where you can ask a panel of experts about the FSA and financial matters in general'.

<sup>15</sup> Described to respondents as: 'Speakers for community groups e.g. W.I., men's social club, tenants'/residents' association'.

# Research method

## Qualitative research

- A.1 The aim of the qualitative study was to examine the specific needs of people from ethnic minorities and people with disabilities in terms of getting information and advice about financial services and products. In addition, the results aided the construction of the questionnaire which formed the basis of subsequent quantitative research (see paragraph A.5 onwards).

## Sample

- A.2 Respondents were recruited as being actively involved in considering or deciding to purchase financial products or services. The study consisted of 16 individual depth interviews, six mini-groups (with four to six respondents each) and eight focus groups (with seven to nine respondents each).

- **Depth interviews**

- people with hearing difficulties (eight interviews);
- people with mental health problems (eight interviews).

- **Mini-groups**

- Indian Punjabi (two groups);
- Indian Gujarati (two groups);
- Bangladeshi (two groups).

- **Focus groups**

- Black African and Caribbeans (two groups);
- Pakistanis (two groups);
- people with a mobility disability (one group);
- people with visual impairments (one group);
- white respondents who were included for control purposes (two groups).

- A.3 All the groups were single sex, with one group of males and one group of females for each of the categories, with the exception of the mobility and visually impaired groups which were mixed sex. Quotas were set for each group so that a range of ages, social grades, lifestyles and financial experiences would be reflected. An exception to this was the Bangladeshi, Pakistani, Indian Punjabi and Indian Gujarati female groups where the age range was 40 years and younger on the basis that this age group was more likely to get involved in financial decision-making than the older generation.

### Fieldwork

- A.4 Fieldwork was conducted in three separate areas in May 1999 – London (Southall and Southwark), Birmingham (Handsworth) and Newcastle (Whitley Bay).

### Quantitative research

- A.5 The aim of the quantitative research was to:

- establish whether there are gaps in the effective communication of information and advice;
- establish where people currently go for information and advice about financial products and services;
- assess people's willingness to use different sources of information and advice, including attitudes towards what the FSA is providing or proposing to provide.

### Sample

- A.6 The survey involved interviews with financial decision-makers in the UK. Respondents were screened on the doorstep to ensure they were eligible for the survey using the following question: '*Do you ever get involved in any decisions to take out financial products or services such as savings, mortgages and investments, either for yourself or your household?*'
- A.7 A random location sampling design was used. (This is a sophisticated form of quota sampling that avoids most of the biases in simple quota methodology.) Quotas for sex, working status and presence of children were derived from questions placed on the weekly BMRB Omnibus Survey, a nationally representative survey of 1,000 individuals. This ensured that the demographic profile of financial decision-makers surveyed matched the profile of decision-makers in the adult population as a whole.

### Fieldwork

- A.8 The survey was carried out using face-to-face Computer-Assisted Personal Interviewing (CAPI) with financial decision-makers aged 18 and over between 28 June 1999 and 18 July 1999. In total, 1,081 interviews were achieved:
- 754 in England;
  - 111 in Scotland;
  - 101 in Wales;
  - 115 in Northern Ireland.

## Questionnaire design

- A.9 The questionnaire was designed to look in detail at the decision-making process for taking out financial products. In designing the survey there were two issues to consider. First, over what time period should respondents be asked about products they had purchased? Secondly, which products should they be asked about if they had purchased several within the timeframe selected?
- A.10 In order to maximise the number of respondents who could be asked about the decision-making process, respondents were asked about the products they had bought or seriously considered buying in the last five years. This inevitably means that there may be some recall problems compared with an approach that looks at more recent purchasing decisions, but the advantage is that it yields a large sample of respondents. An alternative approach to generating a sufficiently large sample of respondents would be to only interview those who had taken out a product in the last 12 months, for instance, by screening respondents on the doorstep. In order to generate sufficient sub-samples for products, respondents would need to be asked about specific products on the doorstep. BMRB advised against this because asking detailed questions about financial services on the doorstep would be likely to reduce response rates.
- A.11 Respondents were asked whether they regarded 14 different products<sup>1</sup> as complicated or straightforward to decide whether they were right for them. This was based on the hypothesis that respondents would alter their information-gathering and purchasing behaviour depending on whether they thought the decision-making process was complicated or straightforward. The qualitative study had suggested there would be differences in the level of shopping around and confidence between straightforward (such as cash-based savings) and complicated products (such as pensions). However, see paragraph A.15.
- A.12 Respondents were then asked about the decision-making process for up to two products that they had bought or seriously considered buying in the last five years as follows:
- if they had not bought or seriously considered any products in the last five years, they were not asked these questions (14% of respondents fell into this category);
  - if they had bought or seriously considered product(s) that they put in **either** the ‘complicated’ category **or** in the ‘straightforward’ category only, they were only asked about the decision-making process for **one** product they had bought or seriously considered most recently (46% of respondents fell into this category);
  - if they had bought or seriously considered products that they put into **both** the ‘complicated’ **and** ‘straightforward’ categories, they were asked about the decision-making process for **two** products (one from each category) separately. The product selected from each category was the one that they had bought or seriously considered most recently (40% of respondents fell into this category).
- A.13 The qualitative research suggested that a major differentiator of consumer behaviour is level of financial sophistication. Therefore, in the quantitative study, respondents were asked to indicate their agreement (on a seven-point scale) with five pairs of statements, shown below, designed to test their perceived level of financial skill.

---

<sup>1</sup> PEP, equity ISA, unit trust, investment bond, gilts, stocks and shares (not from privatisation or conversion), savings account, TESSA, cash ISA, life assurance, endowment, personal pension/FSAVC, mortgage and insurance that pays for hospital bills or money if you are ill.

<b>A</b> I would try to find out what financial products were right for me before consulting an adviser.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	I would leave such decisions to the experts.
<b>B</b> I know how to find out about different types of financial products.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	I don't know how to find out about different types of financial products.
<b>C</b> I generally find it easy to understand leaflets about financial products.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	I generally find it difficult to understand leaflets about financial products.
<b>D</b> I would find it easy to decide which financial product is right for me.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	I would find it difficult to decide which financial product is right for me.
<b>E</b> I feel I know a lot about financial products.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	I feel I know very little about financial products.

## Analysis

A.14 There were high levels of correlation between four of the five statements measuring perceived skills (B, C, D and E) and reasonable correlation between the remaining statement and the other four (see Table A.1). This meant that the aggregate score for the series could be used as an analytical tool. Respondents' mean scores for the five statements were calculated and associated with perceived skill level as follows:

- 1–2.9 = high skills;
- 3–4.9 = medium skills;
- 5–7 = low skills.

Table A.1: Correlation between skills statements

	A	B	C	D	E
A	1				
B	0.338	1			
C	0.325	0.561	1		
D	0.367	0.483	0.517	1	
E	0.353	0.593	0.603	0.503	1

A.15 The survey produced a total sample of 1,362 product incidents for analysis, with respondents who had bought or considered both a straightforward and a complicated product appearing twice in the sample. However, the results showed that the sources of information and advice used by respondents and their decision-making process did not vary according to whether or not the product was regarded by the respondent as straightforward or complicated. In addition, the products placed in each category were too mixed to frame a useful tool for analysis. Therefore, instead of relying on a split between straightforward and complicated products, the product sample was weighted to match that of all products bought or considered by respondents in the last five years (see Table A.2). This weighted analysis is used in the paper based on product incidents.

**Table A.2: Weighting profile for products**

	Unweighted		Weighted	
	Base	%	Base	%
<i>Investments</i>				
PEP	89	7	109	8
Equity ISA	51	4	54	4
Unit trust	19	1	54	4
Investment bond	66	5	82	6
Endowment	55	4	95	7
<i>Stocks and shares/gilts</i>				
Gilts	5	–	14	1
Stocks and shares	104	8	95	7
<i>Cash-based savings</i>				
Savings account	297	22	204	15
TESSA	71	5	95	7
Cash ISA	86	6	68	5
<i>Life assurance</i>	136	10	150	11
<i>Personal/private pension</i>	117	9	123	9
<i>Mortgage</i>	190	14	123	9
<i>Sickness insurance</i>	76	6	95	7

A.16 The weighted rather than the unweighted bases are shown in all the product based tables in the annexes.

## Annex B: Tables – consumers of financial services

Table B.1: Attitudes to finance

Respondent group (base)	% of respondents definitely agreeing or tending to agree			
	Like to shop around	Regularly review savings	Regularly read the personal finance pages of their newspaper	Thinking about finances is boring
All decision-makers (1,081)	70	59	32	38
<b>Social grade</b>				
AB (188)	71	62	42	36
C1 (317)	77	65	40	28
C2 (269)	73	58	29	39
DE (304)	59	52	20	49
<b>Sex</b>				
Male (553)	70	58	38	38
Female (528)	70	59	26	38
<b>Age</b>				
18-24 (100)	64	47	13	42
25-34 (198)	79	55	22	39
35-44 (230)	76	55	35	41
45-54 (202)	74	60	37	39
55+ (348)	60	66	39	35
<b>Working status of respondent</b>				
Full-time work (508)	76	60	34	39
Part-time work (125)	68	53	24	38
Not working (271)	64	56	25	38
Retired (177)	63	64	42	36
<b>Working status of chief-income earner</b>				
Working (741)	74	58	32	38
Not working (165)	56	50	24	47
Retired (175)	67	69	40	32
<b>Lifestage</b>				
Young singles (90)	64	47	22	39
Young couples (52)	88	63	27	29
Young families (156)	75	51	15	44
Older families (205)	73	52	32	42
Older no family (227)	77	63	40	37
<b>Gross household income pa</b>				
Under £8,300 (136)	53	53	24	45
£8,300-£15,599 (170)	74	57	31	40
£15,600-£25,999 (162)	77	62	28	35
£26,000-£41,599 (138)	80	62	41	38
£41,600+ (79)	77	70	57	25
<b>Perceived skill level</b>				
Low (270)	59	46	16	56
Medium (484)	73	59	30	37
High (279)	82	75	56	22

Table B.2: Perceived skill level

Respondent group (base)	Perceived financial skill level		
	High	Medium	Low
	% of respondents		
All financial decision-makers (1,081)	26	45	25
<b><i>Social grade</i></b>			
AB (188)	41	39	16
C1 (317)	32	51	17
C2 (269)	22	48	26
DE (304)	13	40	38
<b><i>Sex</i></b>			
Male (553)	30	45	22
Female (528)	21	45	28
<b><i>Age</i></b>			
18-24 (100)	18	53	28
25-34 (198)	28	44	26
35-44 (230)	31	47	20
45-54 (202)	23	47	23
55+ (348)	25	41	28
<b><i>Working status of respondent</i></b>			
Full-time work (508)	30	48	21
Part-time work (125)	19	50	25
Not working (271)	21	40	32
Retired (177)	27	40	26
<b><i>Working status of chief income-earner</i></b>			
Working (741)	27	48	22
Not working (165)	16	33	39
Retired (175)	29	41	25
<b><i>Lifestage</i></b>			
Young singles (90)	24	51	23
Young couples (52)	31	54	15
Young families (156)	22	42	33
Older families (205)	27	46	23
Older no family (227)	28	48	19
<b><i>Gross household income pa</i></b>			
Under £8,300 (136)	19	35	34
£8,300-£15,599 (170)	20	52	24
£15,600-£25,999 (162)	25	50	23
£26,000-£41,599 (138)	36	47	15
£41,600+ (79)	46	42	13

**Table B.3: Number of products<sup>1</sup> bought or considered in last five years**

Respondent group (base)	Products bought in last five years			Products seriously considered but not bought in last five years		
	None	1-3	4+	None	1-3	4+
	% of respondents					
All decision-makers (1,081)	21	42	37	49	37	13
<b>Social grade</b>						
AB (188)	12	36	52	47	36	16
C1 (317)	11	45	44	44	42	13
C2 (269)	14	46	39	46	39	15
DE (304)	41	40	19	59	30	11
<b>Sex</b>						
Male (553)	20	41	39	47	37	16
Female (528)	22	44	35	52	37	11
<b>Age</b>						
18-24 (100)	26	52	22	34	41	24
25-34 (198)	12	36	52	35	46	19
35-44 (230)	13	41	47	46	39	14
45-54 (202)	20	44	36	45	41	13
55+ (348)	30	43	27	67	26	6
<b>Working status of respondent</b>						
Full-time work (508)	11	41	48	39	41	19
Part-time work (125)	13	48	39	50	38	10
Not working (271)	35	41	24	54	37	8
Retired (177)	30	45	25	70	23	6
<b>Working status of chief income-earner</b>						
Working (741)	13	43	44	41	41	17
Not working (165)	49	36	15	67	27	5
Retired (175)	25	45	30	66	27	6
<b>Lifestage</b>						
Young singles (90)	28	46	27	39	40	20
Young couples (52)	6	35	60	21	54	25
Young families (156)	14	41	45	37	44	19
Older families (205)	14	44	42	42	43	13
Older no family (227)	18	41	41	48	37	15
<b>Gross household income pa</b>						
Under £8,300 (136)	44	39	17	65	30	4
£8,300-£15,599 (170)	15	56	29	52	34	15
£15,600-£25,999 (162)	14	44	43	40	46	15
£26,000-£41,599 (138)	6	38	57	40	41	20
£41,600+ (79)	3	33	65	32	39	28
<b>Perceived skill level</b>						
High (279)	12	38	50	41	39	19
Medium (484)	17	43	40	47	38	14
Low (270)	32	45	23	57	34	7

<sup>1</sup> PEP, equity ISA, unit trust, investment bond, gilts, stocks and shares (not from privatisation or conversion), savings account, TESSA, cash ISA, life assurance, endowment, personal pension/FSAVC, mortgage and insurance that pays for hospital bills or money if you are ill.

Table B.4: Products taken out during the last five years

Respondent group (base)	PEP	Equity ISA	Unit trust	Investment bond	Gifts	Stocks & shares <sup>1</sup>	Savings accounts	TESSA	Cash ISA	Life assurance	Endowment	Personal pension/ FSAVC	Mortgage	Sickness insurance <sup>2</sup>
	% of respondents													
All decision-makers (1,081)	20	5	9	16	2	21	56	18	9	36	23	25	29	17
<b>Social grade</b>														
AB (188)	33	10	13	22	4	34	67	28	12	41	22	28	41	23
C1 (317)	27	7	12	20	3	28	65	26	13	36	26	29	33	21
C2 (269)	15	3	7	16	2	19	58	13	5	44	28	33	30	17
DE (304)	8	3	5	9	1	8	40	7	6	28	15	13	16	10
<b>Sex</b>														
Male (553)	22	6	9	15	3	24	58	19	10	37	23	26	29	18
Female (528)	18	5	8	17	2	18	55	16	8	36	23	24	29	16
<b>Age</b>														
18-24 (100)	3	1	3	9	2	13	62	5	4	24	18	13	19	17
25-34 (198)	11	3	5	17	1	20	69	12	4	55	42	38	57	27
35-44 (230)	22	5	7	11	1	27	65	16	8	47	31	37	44	19
45-54 (202)	24	7	9	16	1	22	52	19	11	37	18	27	23	14
55+ (348)	26	7	14	20	5	20	44	25	12	22	11	13	9	13
<b>Working status of respondent</b>														
Full-time work (508)	19	5	9	15	2	26	64	18	9	48	29	36	42	23
Part-time work (125)	18	6	6	16	2	20	69	17	8	41	34	30	38	21
Not working (271)	13	3	5	14	2	12	45	11	7	24	15	14	15	10
Retired (177)	32	8	15	21	5	23	44	29	11	18	10	8	7	10
<b>Working status of chief income-earner</b>														
Working (741)	19	5	8	15	1	23	62	17	9	44	29	33	39	21
Not working (165)	10	3	5	12	2	8	36	10	7	16	8	5	5	5
Retired (175)	33	9	15	25	7	25	50	30	11	24	11	12	9	13
<b>Lifestage</b>														
Young singles (90)	3	2	3	8	1	14	62	6	3	30	14	26	22	26
Young couples (52)	13	4	4	15	–	29	75	12	6	58	54	33	75	27
Young families (156)	9	1	4	18	2	15	66	12	3	49	39	31	47	21
Older families (205)	21	5	7	13	1	23	59	15	7	46	27	29	41	19
Older no family (227)	24	7	9	14	2	26	59	19	11	39	23	34	28	14
<b>Gross household income pa</b>														
Under £8,300 (136)	9	4	4	12	1	12	37	11	10	25	10	11	10	7
£8,300-£15,599 (170)	17	2	9	12	1	14	63	19	9	32	19	19	22	14
£15,600-£25,999 (162)	17	5	6	14	1	24	60	12	7	43	29	30	40	20
£26,000-£41,599 (138)	28	7	12	23	2	27	70	20	14	51	30	40	46	20
£41,600+ (79)	32	9	11	22	4	38	77	23	9	54	25	44	53	35
<b>Perceived skill level</b>														
High (279)	25	7	14	19	3	34	68	24	15	42	27	29	38	20
Medium (484)	20	5	8	18	2	20	60	18	7	39	24	30	30	19
Low (270)	14	5	5	11	2	12	44	11	6	30	21	17	22	13

<sup>1</sup> Excluding privatisation and conversion shares.

<sup>2</sup> Defined as insurance which pays for hospital bills or money if you were ill.

Table B.5: Products seriously considered but not bought during the last five years

Respondent group (base)	PEP	Equity ISA	Unit trust	Investment bond	Gilts	Stocks & shares <sup>1</sup>	Savings accounts	TESSA	Cash ISA	Life assurance	Endowment	Personal pension/ FSAVC	Mortgage	Sickness insurance <sup>2</sup>
	% of respondents													
All decision-makers (1,081)	12	12	7	9	3	9	8	13	15	10	7	11	9	13
<b>Social grade</b>														
AB (188)	14	18	10	11	3	9	4	15	22	6	5	11	5	13
C1 (317)	14	15	8	9	5	12	7	14	15	7	3	12	7	12
C2 (269)	14	13	7	9	3	11	9	16	16	13	9	11	10	16
DE (304)	8	6	3	8	1	5	11	8	8	13	10	12	11	11
<b>Sex</b>														
Male (553)	13	14	8	9	4	12	8	14	14	11	7	12	9	14
Female (528)	11	11	5	9	3	6	8	11	15	9	7	11	8	12
<b>Age</b>														
18-24 (100)	15	9	6	15	2	15	20	11	16	23	7	28	24	18
25-34 (198)	22	12	7	9	3	13	11	19	21	11	8	17	12	17
35-44 (230)	14	17	7	7	3	10	5	15	16	10	8	12	11	17
45-54 (202)	10	14	9	10	3	10	8	12	17	12	8	11	6	12
55+ (348)	6	9	5	7	4	4	5	9	9	5	4	3	3	7
<b>Working status of respondent</b>														
Full-time work (508)	18	17	9	11	4	13	9	18	19	10	8	16	11	18
Part-time work (125)	10	8	7	7	-	6	6	12	14	10	7	14	6	10
Not working (271)	7	8	4	7	2	6	9	7	9	13	6	8	8	10
Retired (177)	6	10	5	6	4	4	7	7	10	6	3	3	3	6
<b>Working status of chief income-earner</b>														
Working (741)	16	15	8	10	3	12	9	16	18	11	8	14	10	16
Not working (165)	3	2	3	5	2	2	7	4	4	13	4	7	9	7
Retired (175)	6	12	6	6	5	5	6	8	11	5	3	4	3	6
<b>Lifestage</b>														
Young singles (90)	18	10	6	12	1	13	12	17	14	13	6	24	17	10
Young couples (52)	27	12	10	13	4	19	13	19	33	13	10	27	6	25
Young families (156)	18	12	6	10	3	12	15	15	17	17	8	17	19	19
Older families (205)	11	13	6	7	3	11	5	15	14	13	9	14	12	15
Older no family (227)	14	18	10	10	3	9	7	12	19	9	7	10	6	15
<b>Gross household income pa</b>														
Under £8,300 (136)	6	7	2	4	1	2	12	7	4	10	7	8	7	10
£8,300-£15,599 (170)	11	5	5	11	5	8	8	9	8	13	9	14	15	18
£15,600-£25,999 (162)	19	14	6	9	2	10	9	18	18	10	10	14	11	14
£26,000-£41,599 (138)	17	20	9	9	5	17	8	19	22	10	7	14	7	15
£41,600+ (79)	23	29	20	11	8	15	3	27	30	6	6	19	10	14
<b>Perceived skill level</b>														
High (279)	17	23	11	11	7	13	5	17	22	10	9	12	9	16
Medium (484)	15	12	7	9	3	10	8	15	16	10	7	13	9	12
Low (270)	5	5	2	6	—	5	11	6	7	10	4	9	9	13

<sup>1</sup> Excluding privatisation and conversion shares.

<sup>2</sup> Defined as insurance which pays for hospital bills or money if you were ill.

## Annex C: Tables – identifying information needs

Table C.1: Attitude to savings and money

Respondent group (base)	Save for specific event	Save for rainy day	After basic expenses no money to save	Spend spare money because can't be bothered to save	Good at managing money
	% of respondents definitely agreeing or tending to agree				
All decision-makers (1,081)	69	64	43	16	70
<b>Social grade</b>					
AB (188)	58	70	27	14	69
C1 (317)	69	67	35	10	74
C2 (269)	76	65	43	16	70
DE (304)	68	57	59	22	67
<b>Sex</b>					
Male (553)	63	62	39	16	67
Female (528)	75	66	47	15	73
<b>Age</b>					
18-24 (100)	74	46	48	28	57
25-34 (198)	77	57	46	21	64
35-44 (230)	71	60	44	14	69
45-54 (202)	69	69	41	13	75
55+ (348)	60	72	39	11	75
<b>Working status of respondent</b>					
Full-time work (508)	71	62	36	13	69
Part-time work (125)	77	70	49	19	66
Not working (271)	71	61	56	20	71
Retired (177)	53	68	37	13	74
<b>Working status of chief income-earner</b>					
Working (741)	71	64	40	15	69
Not working (165)	67	55	62	24	75
Retired (175)	60	71	35	12	71
<b>Lifestage</b>					
Young singles (90)	73	56	43	27	57
Young couples (52)	73	58	21	19	67
Young families (156)	78	51	57	22	62
Older families (205)	71	55	51	15	67
Older no family (227)	70	72	35	13	76
<b>Gross household income pa</b>					
Under £8,300 (136)	69	59	61	24	72
£8,300-£15,599 (170)	69	61	46	12	74
£15,600-£25,999 (162)	78	64	41	12	70
£26,000-£41,599 (138)	64	66	38	12	73
£41,600+ (79)	61	71	25	13	70
<b>Perceived skill level</b>					
Low (270)	67	54	56	23	57
Medium (484)	70	67	39	12	72
High (279)	68	70	32	11	83

Table C.2: Proportion of respondents finding each product complicated

Respondent group (base)	Savings accounts	Life assurance	Sickness insurance <sup>1</sup>	TESSA	Mortgage	Endowment	Cash ISA	PEP	Unit trust	Personal Pension/ FSAVC	Equity ISA	Investment bond	Gilts	Stocks and Shares <sup>2</sup>
	% of respondents													
All decision-makers (1,081)	9	22	25	30	31	32	37	38	41	41	42	42	43	48
<b>Social grade</b>														
AB (188)	5	21	19	23	29	25	37	29	44	45	44	43	45	41
C1 (317)	7	19	21	24	28	30	35	37	44	39	42	39	42	45
C2 (269)	6	20	23	31	26	27	35	38	35	36	39	39	41	45
DE (304)	14	27	35	40	42	43	40	46	42	47	44	48	44	57
<b>Sex</b>														
Male (553)	8	23	25	29	29	30	37	38	40	40	42	42	44	44
Female (528)	9	21	26	31	34	34	37	39	43	43	42	42	41	51
<b>Age</b>														
18-24 (100)	11	33	31	42	45	48	34	44	42	36	42	48	40	51
25-34 (198)	7	25	25	35	40	40	37	47	37	48	41	47	37	52
35-44 (230)	5	17	20	27	23	27	34	37	39	39	39	40	38	46
45-54 (202)	8	17	25	24	26	25	34	36	43	42	43	38	42	47
55+ (348)	12	22	26	30	31	30	41	34	43	41	45	42	50	46
<b>Working status of respondent</b>														
Full-time work (508)	6	21	21	29	27	30	34	38	40	41	40	44	41	46
Part-time work (125)	7	19	26	33	30	28	36	45	46	42	46	43	41	52
Not working(271)	15	26	34	33	39	38	39	40	40	46	42	41	43	52
Retired (177)	10	19	24	27	33	31	41	33	45	36	47	40	49	42
<b>Working status of chief income-earner</b>														
Working (741)	6	21	22	28	29	30	35	39	41	40	41	44	41	47
Not working (165)	17	27	42	41	45	44	41	44	42	47	45	42	45	52
Retired (175)	13	19	23	26	30	27	43	32	43	40	46	37	48	45
<b>Lifestage</b>														
Young singles (90)	9	32	29	37	46	42	30	40	34	41	39	47	41	57
Young couples (52)	6	31	23	27	37	35	35	37	44	48	40	52	33	46
Young families (156)	8	24	28	41	42	46	40	53	40	45	44	46	38	51
Older families (205)	7	19	23	28	28	28	34	40	45	41	40	42	41	47
Older no family (227)	6	16	22	23	22	23	34	34	37	39	41	36	38	45
<b>Gross household income pa</b>														
Under £8,300 (136)	15	24	31	38	41	40	37	41	41	40	42	42	41	49
£8,300-£15,599 (170)	6	25	31	28	38	34	37	35	39	42	44	47	45	55
£15,600-£25,999 (162)	5	23	21	27	30	33	35	40	35	43	36	40	34	44
£26,000-£41,599 (138)	2	17	16	25	24	21	33	38	43	38	41	40	40	38
£41,600+ (79)	5	23	13	17	23	20	27	27	41	33	35	34	39	37
<b>Perceived skill level</b>														
Low (270)	16	32	35	39	43	46	41	43	44	56	44	48	40	56
Medium (484)	6	20	23	31	27	30	36	39	40	36	44	44	44	48
High (279)	3	11	16	17	24	18	31	30	37	32	35	32	41	37

<sup>1</sup> Defined as insurance which pays for hospital bills or money if you were ill.

<sup>2</sup> Excluding privatisation and conversion shares.

Table C.3: Profile of 'inactive' and 'active' consumers

	Respondents who have neither bought nor considered products within last five years ('inactive' consumers)	Respondents who have bought or considered products within last five years ('active' consumers)
<b>Base</b>	<b>152</b>	<b>929</b>
	% of respondents	
<b><i>Social grade</i></b>		
AB	13	18
C1	14	32
C2	16	26
DE	57	23
<b><i>Sex</i></b>		
Male	47	52
Female	53	48
<b><i>Age</i></b>		
18-24	7	10
25-34	9	20
35-44	12	23
45-54	17	19
55+	55	29
<b><i>Working status of respondent</i></b>		
Full-time work	23	51
Part-time work	7	12
Not working	39	23
Retired	30	14
<b><i>Working status of chief income-earner</i></b>		
Working	38	74
Not working	38	12
Retired	24	15
<b><i>Lifestage</i></b>		
Young singles	9	8
Young couples	1	5
Young families	6	16
Older families	10	20
Older no family	19	21
<b><i>Gross household income pa</i></b>		
Under £8,300	31	10
£8,300-£15,599	9	17
£15,600-£25,999	7	16
£26,000-£41,599	5	14
£41,600+	1	8
<b><i>Perceived skill level</i></b>		
Low	39	23
Medium	36	46
High	14	28

## Annex D: Tables – getting information and advice

Table D.1: What first prompted the purchase or consideration of a product

Products bought/ considered by the following groups (base)	Friends or family	Recomm- endation from professional adviser	Something read in press	Something on TV or radio	Unsolicited information	Regular review of finances	Event-led
	% of products						
All decision-makers (1,362)	19	20	10	4	8	10	16
<b>Social grade</b>							
AB (262)	13	20	12	2	8	12	19
C1 (448)	19	19	13	4	7	12	14
C2 (360)	20	20	6	4	11	7	17
DE (290)	26	19	6	5	7	9	14
<b>Sex</b>							
Male (704)	21	19	12	4	7	10	15
Female (658)	18	21	7	4	10	10	16
<b>Age</b>							
18-24 (117)	42	9	4	1	11	4	12
25-34 (291)	22	23	3	3	7	8	17
35-44 (303)	19	18	9	3	9	10	16
45-54 (272)	16	16	11	6	10	8	19
55+ (377)	12	23	16	4	7	16	12
<b>Working status of respondent</b>							
Working full-time (734)	19	18	9	3	9	10	17
Working part-time (170)	23	25	6	6	8	9	12
Not working (272)	21	19	9	4	11	7	15
Retired (186)	18	20	17	4	4	15	15
<b>Working status of chief income-earner</b>							
Working (1,043)	19	19	8	4	9	9	16
Not working (125)	29	20	9	4	6	12	8
Retired (194)	15	21	16	4	5	14	16
<b>Lifestage</b>							
Young singles (101)	38	11	4	6	11	7	14
Young couples (84)	13	23	2	4	6	9	21
Young families (222)	29	22	4	1	8	6	14
Older families (274)	21	20	7	4	8	11	15
Older no family (301)	15	15	12	5	11	7	20
<b>Gross household income pa</b>							
Under £8,300 (116)	17	16	7	5	10	11	19
£8,300-£15,599 (216)	21	17	10	5	11	10	14
£15,600-£25,999 (226)	16	26	7	1	7	6	21
£26,000-£41,599 (204)	15	20	10	5	5	11	19
£41,600+ (127)	20	15	14	2	8	11	17
<b>Perceived skill level</b>							
Low (294)	27	20	6	3	8	7	16
Medium (638)	19	22	9	4	8	10	15
High (387)	16	14	13	4	9	15	15

Table D.2: All prompts to the purchase or consideration of a product

Products bought/ considered by the following groups (base)	Friends or family	Recomm- endation from professional adviser	Something read in press	Something on TV or radio	Unsolicited information	Regular review of finances	Event-led
	% of products						
All decision-makers (1,362)	29	28	16	8	15	20	31
<b>Social grade</b>							
AB (262)	21	29	21	7	13	28	41
C1 (448)	28	28	21	9	14	23	29
C2 (360)	30	29	13	8	17	15	32
DE (290)	36	25	10	8	18	12	25
<b>Sex</b>							
Male (704)	30	26	19	9	14	19	32
Female (658)	27	29	13	7	16	20	30
<b>Age</b>							
18-24 (117)	58	16	7	3	17	8	25
25-34 (291)	36	33	8	7	12	16	34
35-44 (303)	30	25	16	7	16	18	31
45-54 (272)	22	25	21	11	16	20	36
55+ (377)	19	31	22	9	16	27	28
<b>Working status of respondent</b>							
Working full-time (734)	29	26	15	7	15	20	35
Working part-time (170)	33	35	15	12	13	17	26
Not working (272)	30	24	16	8	18	18	26
Retired (186)	23	30	24	8	14	24	29
<b>Working status of chief income-earner</b>							
Working (1,043)	29	27	15	8	15	18	33
Not working (125)	39	26	15	7	16	17	18
Retired (194)	21	32	23	9	14	27	30
<b>Lifestage</b>							
Young singles (101)	54	15	9	7	18	14	31
Young couples (84)	32	32	8	7	12	16	42
Young families (222)	41	33	7	5	12	13	27
Older families (274)	32	27	15	8	14	20	32
Older no family (301)	21	24	21	9	18	18	35
<b>Gross household income pa</b>							
Under £8,300 (116)	23	24	10	7	17	15	34
£8,300-£15,599 (216)	27	25	16	9	21	15	30
£15,600-£25,999 (226)	26	33	14	4	12	11	39
£26,000-£41,599 (204)	27	29	21	11	12	24	41
£41,600+ (127)	28	25	28	10	11	29	32
<b>Perceived skill level</b>							
Low (294)	38	30	11	7	14	13	31
Medium (638)	28	31	16	8	14	18	31
High (387)	24	20	20	9	17	28	33

Table D.3: Type of information used

Products bought/ considered by the following groups (base)	Advertise- ments	Articles/ programmes	Friends or family	Leaflets/ booklets	Face-to- face	Phone	Internet
	% of products						
All decision-makers (1,362)	10	24	17	27	39	7	2
<b>Social grade</b>							
AB (262)	10	36	15	31	35	13	4
C1 (448)	8	25	18	27	39	7	4
C2 (360)	9	21	17	25	40	6	1
DE (290)	12	16	18	26	40	3	*
<b>Sex</b>							
Male (704)	11	28	19	25	39	6	3
Female (658)	8	20	15	29	38	8	1
<b>Age</b>							
18-24 (117)	14	10	37	38	29	5	5
25-34 (291)	7	17	21	33	47	8	3
35-44 (303)	11	26	15	27	37	10	2
45-54 (272)	9	30	17	24	36	7	3
55+ (377)	9	29	10	21	38	4	1
<b>Working status of respondent</b>							
Working full-time (734)	10	24	18	27	41	8	3
Working part-time (170)	6	21	18	31	39	7	2
Not working (272)	11	21	18	27	33	5	1
Retired (186)	9	33	12	21	37	5	1
<b>Working status of chief income-earner</b>							
Working (1,043)	9	23	18	28	39	8	3
Not working (125)	12	19	22	24	35	2	–
Retired (194)	8	35	10	22	38	4	1
<b>Lifestage</b>							
Young singles (101)	10	18	41	42	37	6	3
Young couples (84)	7	15	25	36	47	8	6
Young families (222)	10	13	19	30	41	7	3
Older families (274)	12	28	18	26	36	10	2
Older no family (301)	8	28	14	25	38	8	3
<b>Gross household income pa</b>							
Under £8,300 (116)	13	15	20	33	37	4	–
£8,300-£15,599 (216)	11	20	14	27	42	6	1
£15,600-£25,999 (226)	8	27	16	25	37	5	1
£26,000-£41,599 (204)	10	27	14	32	38	9	2
£41,600+ (127)	18	42	23	29	29	15	11
<b>Perceived skill level</b>							
Low (294)	10	17	19	21	44	5	1
Medium (638)	9	23	18	27	40	4	2
High (387)	9	32	14	32	34	12	5

Note: \* =less than 1%

Table D.4: Sources of information used

Products bought/considered by the following groups (base)	Company where already a customer	Company where not a customer	Independent financial adviser
	% of products		
All decision-makers (1,362)	33	15	14
<b>Social grade</b>			
AB (262)	31	15	16
C1 (448)	33	13	17
C2 (360)	34	14	14
DE (290)	32	17	8
<b>Sex</b>			
Male (704)	31	14	14
Female (658)	34	15	14
<b>Age</b>			
18-24 (117)	26	20	9
25-34 (291)	30	20	22
35-44 (303)	34	15	12
45-54 (272)	33	13	15
55+ (377)	36	10	10
<b>Working status of respondent</b>			
Working full-time (734)	31	16	17
Working part-time (170)	34	15	15
Not working (272)	35	16	7
Retired (186)	34	10	13
<b>Working status of chief income-earner</b>			
Working (1,043)	33	15	15
Not working (125)	30	19	3
Retired (194)	32	10	15
<b>Lifestage</b>			
Young singles (101)	30	19	12
Young couples (84)	30	13	31
Young families (222)	27	23	16
Older families (274)	32	13	14
Older no family (301)	34	15	13
<b>Gross household income pa</b>			
Under £8,300 (116)	29	20	8
£8,300-£15,599 (216)	34	17	13
£15,600-£25,999 (226)	26	12	16
£26,000-£41,599 (204)	35	12	15
£41,600+ (127)	24	21	25
<b>Perceived skill level</b>			
Low (294)	31	15	9
Medium (638)	32	11	16
High (387)	34	21	14

Note: Percentages do not total 100 as those using other sources have been excluded, and respondents could give more than one answer.

Table D.5: Type of financial adviser used

Products bought/considered using an adviser by the following groups (base)	Can only sell the products of ONE company	Can sell the products of MORE THAN ONE company	Can sell the products of ANY company
	% of products		
All decision-makers (1,362)	30	10	14
<b>Social grade</b>			
AB (262)	23	11	18
C1 (448)	29	11	17
C2 (360)	32	12	12
DE (290)	34	8	10
<b>Sex</b>			
Male (704)	28	11	14
Female (658)	31	10	15
<b>Age</b>			
18-24 (117)	32	9	9
25-34 (291)	25	16	15
35-44 (303)	27	12	17
45-54 (272)	32	7	15
55+ (377)	32	8	13
<b>Working status of respondent</b>			
Working full-time (734)	27	13	15
Working part-time (170)	36	9	15
Not working (272)	32	7	13
Retired (186)	30	8	12
<b>Working status of chief income-earner</b>			
Working (1,043)	30	12	15
Not working (125)	34	8	10
Retired (194)	26	7	14
<b>Lifestage</b>			
Young singles (101)	28	11	15
Young couples (84)	26	14	19
Young families (222)	28	15	11
Older families (274)	26	12	16
Older no family (301)	33	8	15
<b>Gross household income pa</b>			
Under £8,300 (116)	33	9	7
£8,300-£15,599 (216)	35	12	9
£15,600-£25,999 (226)	31	12	17
£26,000-£41,599 (204)	28	14	16
£41,600+ (127)	13	11	25
<b>Perceived skill level</b>			
Low (294)	33	11	13
Medium (638)	31	11	15
High (387)	25	10	16

Note: Percentages do not total 100 because the remainder did not use an adviser.

Table D.6: Type of information preferred

Respondent group (base)	Advertise-ments	Articles/ programmes	Friends or family	Leaflets/ booklets	Face-to- face	Phone	Internet
	% of respondents						
All decision-makers (1,081)	14	40	31	46	69	15	12
<b>Social grade</b>							
AB (188)	18	56	26	48	69	20	23
C1 (317)	14	42	31	47	67	16	15
C2 (269)	16	38	30	49	74	13	8
DE (304)	12	29	36	40	65	14	4
<b>Sex</b>							
Male (553)	17	44	30	44	66	13	14
Female (528)	11	35	33	48	72	18	9
<b>Age</b>							
18-24 (100)	20	33	47	62	72	20	14
25-34 (198)	16	37	31	55	78	19	19
35-44 (230)	18	46	32	51	66	20	21
45-54 (202)	14	44	32	44	73	16	10
55+ (348)	10	37	26	35	61	8	2
<b>Working status of respondent</b>							
Working full-time (508)	18	42	31	51	72	18	17
Working part-time (125)	13	39	34	57	79	19	12
Not working (271)	14	36	32	38	62	14	8
Retired (177)	7	40	30	35	62	8	2
<b>Working status of chief income-earner</b>							
Working (741)	16	42	32	51	72	18	15
Not working (165)	12	28	35	34	58	12	5
Retired (175)	9	43	26	34	62	9	3
<b>Lifestage</b>							
Young singles (90)	16	38	39	56	70	18	20
Young couples (52)	17	29	33	56	79	15	21
Young families (156)	18	37	37	58	79	21	14
Older families (205)	20	47	31	53	66	18	17
Older no family (227)	12	43	33	43	72	19	15
<b>Gross household income pa</b>							
Under £8,300 (136)	13	28	29	42	63	11	4
£8,300-£15,599 (170)	15	34	34	51	72	18	6
£15,600-£25,999 (162)	17	40	26	55	69	15	8
£26,000-£41,599 (138)	17	44	23	53	68	20	19
£41,600+ (79)	24	68	32	51	65	18	41
<b>Perceived skill level</b>							
Low (270)	12	33	36	37	71	11	6
Medium (484)	16	41	35	49	70	15	11
High (279)	15	49	21	37	65	22	21

Table D.7: Sources of information preferred

Respondent group (base)	Company where already a customer	Company where not a customer	Independent financial adviser	Advice centre (e.g. CAB or community centre)	Which/Consumers' Association	Trade body	Financial services regulator
	% of respondents						
All decision-makers (1,081)	56	14	46	12	10	9	7
<b>Social grade</b>							
AB (188)	56	20	66	9	16	10	11
C1 (317)	57	15	48	9	11	9	8
C2 (269)	59	12	48	12	9	9	6
DE (304)	51	12	29	17	5	7	6
<b>Sex</b>							
Male (553)	53	15	45	11	11	8	8
Female (528)	58	13	47	13	8	9	7
<b>Age</b>							
18-24 (100)	47	22	50	22	7	6	8
25-34 (198)	54	19	58	14	11	9	10
35-44 (230)	58	18	57	13	15	12	8
45-54 (202)	60	13	48	12	14	12	9
55+ (348)	55	8	29	7	3	4	4
<b>Working status of respondent</b>							
Working full-time (508)	56	18	55	11	13	10	8
Working part-time (125)	64	14	56	14	8	10	8
Not working (271)	51	11	34	16	6	7	6
Retired (177)	54	7	29	8	6	6	6
<b>Working status of chief income earner</b>							
Working (741)	57	16	54	12	11	10	8
Not working (165)	51	10	25	16	6	5	4
Retired (175)	55	8	31	7	5	6	7
<b>Lifestage</b>							
Young singles (90)	49	26	44	18	16	8	7
Young couples (52)	54	15	65	12	10	8	15
Young families (156)	53	18	58	18	6	8	8
Older families (205)	57	14	55	14	16	11	5
Older no family (227)	61	17	50	12	13	14	11
<b>Gross household income pa</b>							
Under £8,300 (136)	51	9	29	16	7	7	7
£8,300-£15,599 (170)	62	16	45	13	5	7	5
£15,600-£25,999 (162)	59	15	49	14	10	9	7
£26,000-£41,599 (138)	55	14	62	7	17	12	7
£41,600+ (79)	43	27	73	5	19	15	11
<b>Perceived skill level</b>							
Low (270)	54	10	40	18	4	6	6
Medium (484)	56	14	48	10	12	9	7
High (279)	59	22	50	9	12	11	10

Table D.8: Preferred and actual use of financial advisers

	Use a financial adviser?		Use independent adviser?		
	Prefer to use an adviser	Did use an adviser	Prefer to use an independent adviser for a straightforward product	Prefer to use an independent adviser for a complicated product	Did use an independent adviser
<i>Base</i>	<i>All respondents (Base: 1,081 respondents)</i>	<i>All products (Base: 1,362 products)</i>	<i>All respondents (Base: 1,081 respondents)</i>	<i>All respondents (Base: 1,081 respondents)</i>	<i>Products bought/considered (Base: 1,362 products)</i>
	%	%	%	%	%
All decision-makers	85	55	41	56	14
<b>Social grade</b>					
AB	89	53	50	71	18
C1	87	58	43	62	17
C2	86	56	41	55	12
DE	80	52	34	41	10
<b>Sex</b>					
Male	83	53	40	56	14
Female	87	57	42	56	15
<b>Age</b>					
18-24	86	51	40	60	9
25-34	90	57	49	67	15
35-44	89	57	45	63	17
45-54	84	53	44	57	15
55+	79	54	33	43	13
<b>Working status of respondent</b>					
Working full-time	89	56	45	62	15
Working part-time	96	61	44	66	15
Not working	80	52	40	52	13
Retired	73	50	32	40	12
<b>Working status of chief income-earner</b>					
Working	89	56	45	62	15
Not working	77	53	38	46	10
Retired	75	49	31	39	14
<b>Lifestage</b>					
Young singles	86	56	38	56	15
Young couples	96	61	62	79	19
Young families	88	54	46	65	11
Older families	90	53	43	61	16
Older no family	84	56	46	60	15
<b>Gross household income pa</b>					
Under £8,300	85	51	39	49	7
£8,300-£15,599	89	55	40	54	9
£15,600-£25,999	88	59	48	59	17
£26,000-£41,599	88	57	43	66	16
£41,600+	90	51	54	84	25
<b>Perceived skill level</b>					
Low	82	57	38	49	13
Medium	89	56	46	61	15
High	83	51	40	58	16

Table D.9: Forming a decision without using an adviser

Products where no adviser was used by following groups (base)	Looked at a lot of companies and made comparisons	Looked at a few companies and made comparisons	Spoke to one company	Relied on recommendation from family or friends
	% of products			
All decision-makers (614)	21	29	26	19
<b>Social grade</b>				
AB (124)	31	35	15	15
C1 (190)	25	31	24	18
C2 (160)	15	30	29	18
DE (138)	15	20	34	27
<b>Sex</b>				
Male (331)	24	28	24	20
Female (283)	18	31	28	18
<b>Age</b>				
18-24 (57)	9	11	36	36
25-34 (124)	29	27	18	23
35-44 (131)	16	36	26	17
45-54 (128)	24	31	21	17
55+ (173)	21	30	32	14
<b>Working status of respondent</b>				
Working full-time (326)	23	31	24	18
Working part-time (66)	15	30	25	25
Not working (129)	20	24	29	22
Retired (93)	22	28	31	17
<b>Working status of chief income-earner</b>				
Working (456)	21	30	26	19
Not working (58)	15	19	26	35
Retired (99)	25	32	28	11
<b>Lifestage</b>				
Young singles (45)	22	21	22	31
Young couples (33)	29	27	16	20
Young families (103)	21	20	26	28
Older families (127)	17	38	24	17
Older no family (132)	23	30	22	18
<b>Gross household income pa</b>				
Under £8,300 (57)	7	24	38	24
£8,300-£15,599 (97)	12	32	34	18
£15,600-£25,999 (92)	17	29	25	22
£26,000-£41,599 (87)	34	31	17	14
£41,600+ (62)	33	31	13	22
<b>Perceived skill level</b>				
Low (126)	6	23	37	27
Medium (278)	21	30	25	20
High (189)	35	33	19	11

Table D.10: Reliance placed on adviser

Products where an adviser was used by the following groups (base)	Adviser's information used alongside own research	Checked whether they agreed with adviser's recommendation	Relied completely on adviser's recommendation
	% of products		
All decision-makers buying/ considering products using an adviser (748)	41	31	28
<b>Social grade</b>			
AB (138)	42	27	31
C1 (258)	43	35	21
C2 (200)	40	31	28
DE (152)	36	28	35
<b>Sex</b>			
Male (373)	41	35	23
Female (376)	40	27	32
<b>Age</b>			
18-24 (60)	49	32	19
25-34 (167)	40	29	29
35-44 (172)	41	30	27
45-54 (144)	44	32	23
55+ (204)	35	33	32
<b>Working status of respondent</b>			
Working full-time (408)	43	33	24
Working part-time (104)	40	24	36
Not working (142)	40	30	27
Retired (93)	31	34	36
<b>Working status of chief income-earner</b>			
Working (586)	42	32	26
Not working (67)	28	33	38
Retired (95)	43	25	32
<b>Lifestage</b>			
Young singles (56)	46	24	29
Young couples (52)	44	34	19
Young families (119)	40	31	28
Older families (146)	40	33	26
Older no family (170)	45	28	25
<b>Gross household income pa</b>			
Under £8,300 (59)	38	31	31
£8,300-£15,599 (119)	39	40	21
£15,600-£25,999 (133)	39	33	28
£26,000-£41,599 (117)	42	35	23
£41,600+ (65)	59	24	17
<b>Perceived skill level</b>			
Low (168)	29	27	42
Medium (360)	42	34	24
High (198)	49	28	22

## Annex E: Tables – the FSA as an information provider

Table E.1: Awareness in the FSA (prompted) and trust in financial information providers

Respondent group (base)	Aware of the FSA – % of respondents	Level of trust mean score out of a maximum score of 100 (higher score = greater degree of trust)							
		Advice agencies	FSA	Employer	Trade unions	Trade bodies	Product provider	Government	Newspaper articles
All decision-makers (1,081)	36	63	65	54	46	49	39	33	36
<b>Social grade</b>									
AB (188)	48	55	69	57	44	51	36	36	44
C1 (317)	45	61	67	57	46	50	39	36	39
C2 (269)	33	68	67	50	48	51	40	33	35
DE (304)	21	67	59	51	46	47	40	29	30
<b>Sex</b>									
Male (553)	39	62	65	52	48	49	37	35	37
Female (528)	32	64	66	55	44	50	41	31	36
<b>Age</b>									
18-24 (100)	23	69	68	58	55	51	46	40	36
25-34 (198)	33	68	67	54	47	53	44	38	36
35-44 (230)	45	64	70	55	48	54	39	34	37
45-54 (202)	43	66	65	54	46	52	40	32	37
55+ (348)	31	56	60	49	41	42	33	30	36
<b>Working status of respondent</b>									
Working full-time (508)	39	63	68	55	49	53	42	35	39
Working part-time (125)	45	68	69	56	48	55	41	35	36
Not working (271)	30	64	61	47	39	44	36	31	32
Retired (177)	31	58	61	54	44	42	32	31	38
<b>Working status of chief income-earner</b>									
Working (741)	39	64	68	55	48	52	41	34	38
Not working (165)	21	64	56	45	40	42	36	30	30
Retired (175)	35	58	62	55	41	42	32	34	37
<b>Lifestage</b>									
Young singles (90)	29	64	64	52	47	48	46	39	39
Young couples (52)	35	70	70	61	51	60	46	44	35
Young families (156)	28	71	68	55	51	51	44	36	35
Older families (205)	39	65	68	55	49	52	41	34	37
Older no family (227)	48	66	67	55	45	53	38	32	37
<b>Gross household income pa</b>									
Under £8,300 (136)	23	67	57	50	41	45	37	29	34
£8,300-£15,599 (170)	32	63	67	52	45	48	40	34	36
£15,600-£25,999 (162)	33	65	68	57	48	55	42	35	37
£26,000-£41,599 (138)	51	65	72	52	52	55	40	39	39
£41,600+ (79)	57	51	64	60	46	49	41	35	44
<b>Perceived skill level</b>									
Low (270)	20	65	62	49	43	46	37	29	29
Medium (484)	35	64	66	54	48	49	40	36	39
High (279)	56	59	68	57	47	52	39	34	41
<b>Products taken out in the last five years</b>									
None (223)	17	64	57	47	38	43	33	27	32
1-3 (458)	33	64	65	54	46	49	39	34	36
4 or more (400)	50	62	70	56	49	54	41	36	40

**Table E.2: Expectations of the FSA as an information provider**

Respondent group (base)	Would expect FSA to provide general information about different types of products	Would expect FSA to provide information about which particular products from which particular companies are best for the respondent
	% of respondents	
All decision-makers who are aware of the FSA (388)	82	45
<b><i>Social grade</i></b>		
AB (90)	80	37
C1 (143)	76	41
C2 (89)	89	57
DE (65)	88	52
<b><i>Sex</i></b>		
Male (217)	81	45
Female (171)	82	46
<b><i>Age</i></b>		
18-24 (23)	83	30
25-34 (65)	85	48
35-44 (103)	85	43
45-54 (87)	83	46
55+ (109)	75	49
<b><i>Working status of respondent</i></b>		
Working full-time (197)	79	39
Working part-time (56)	86	54
Not working (80)	86	50
Retired (55)	80	55
<b><i>Working status of chief-income earner</i></b>		
Working (291)	82	42
Not working (35)	86	57
Retired (62)	77	56
<b><i>Gross household income pa</i></b>		
Under £8,300 (31)	77	58
£8,300-£15,599 (55)	93	56
£15,600-£25,999 (54)	80	46
£26,000-£41,599 (70)	84	36
£41,600+ (45)	76	36
<b><i>Perceived skill level</i></b>		
Low (53)	92	68
Medium (170)	84	49
High (53)	76	32
<b><i>Products taken out in the last five years</i></b>		
None (37)	86	54
1-3 (151)	79	42
4 or more (200)	83	46

*Note: Care should be taken in using these statistics as the sample sizes are small.*

Table E.3: Very likely to use rating for most popular potential FSA services

Respondent group (base)	Information booklets	Helpline	Comparative information	TV and radio programmes	Newspaper supplements	FSA website
	% of respondents					
All decision-makers (1,081)	44	39	34	34	28	20
<b>Social grade</b>						
AB (188)	43	34	41	30	35	28
C1 (317)	43	34	40	30	31	23
C2 (269)	45	44	31	37	26	19
DE (304)	45	44	24	38	23	12
<b>Sex</b>						
Male (553)	42	39	37	34	30	22
Female (528)	46	40	30	34	26	17
<b>Age</b>						
18-24 (100)	52	37	31	37	22	30
25-34 (198)	54	43	36	33	30	24
35-44 (230)	48	41	43	37	27	27
45-54 (202)	42	43	39	38	33	16
55+ (348)	34	35	24	28	27	11
<b>Working status of respondent</b>						
Working full-time (508)	46	39	40	33	30	26
Working part-time (125)	49	37	36	33	28	18
Not working (271)	46	42	26	38	26	15
Retired (177)	31	37	25	30	27	8
<b>Working status of chief income-earner</b>						
Working (741)	47	39	38	34	30	24
Not working (165)	41	44	22	39	24	9
Retired (175)	34	38	25	30	25	12
<b>Lifestage</b>						
Young singles (90)	56	34	34	36	26	27
Young couples (52)	52	38	42	29	29	25
Young families (156)	52	46	31	36	28	26
Older families (205)	47	39	40	37	32	24
Older no family (227)	44	44	41	38	28	20
<b>Gross household income pa</b>						
Under £8,300 (136)	49	44	24	42	21	11
£8,300-£15,599 (170)	39	43	28	36	26	15
£15,600-£25,999 (162)	40	36	35	35	27	19
£26,000-£41,599 (138)	45	36	41	28	30	25
£41,600+ (79)	47	30	52	29	38	38
<b>Perceived skill level</b>						
Low (270)	39	46	21	36	20	12
Medium (484)	44	40	34	33	29	19
High (279)	49	32	46	33	34	28

Table E.4: Very likely to use rating for least popular potential FSA services

Respondent group (base)	Workplace financial courses	Interactive computer help	College-based financial courses	Public meetings	Speakers for community groups
	% of respondents				
All decision-makers (1,081)	16	15	9	8	8
<b>Social grade</b>					
AB (188)	15	18	9	4	5
C1 (317)	18	15	5	6	5
C2 (269)	15	13	10	11	6
DE (304)	16	14	12	11	15
<b>Sex</b>					
Male (553)	15	16	8	9	8
Female (528)	17	13	10	7	8
<b>Age</b>					
18-24 (100)	16	24	15	9	6
25-34 (198)	21	19	11	8	9
35-44 (230)	17	20	7	5	6
45-54 (202)	23	13	11	11	8
55+ (348)	10	7	6	9	9
<b>Working status of respondent</b>					
Working full-time (508)	21	19	8	6	6
Working part-time (125)	18	14	11	7	6
Not working (271)	13	13	12	10	10
Retired (177)	8	5	7	11	12
<b>Working status of chief income-earner</b>					
Working (741)	20	17	9	7	6
Not working (165)	8	12	12	13	13
Retired (175)	7	7	6	9	10
<b>Lifestage</b>					
Young singles (90)	23	19	14	9	8
Young couples (52)	25	21	8	8	6
Young families (156)	15	22	12	8	9
Older families (205)	19	22	10	9	7
Older no family (227)	20	12	8	6	7
<b>Gross household income pa</b>					
Under £8,300 (136)	13	10	10	17	17
£8,300-£15,599 (170)	11	13	6	6	11
£15,600-£25,999 (162)	18	12	6	6	6
£26,000-£41,599 (138)	18	16	9	7	3
£41,600+ (79)	23	27	8	8	3
<b>Perceived skill level</b>					
Low (270)	15	12	9	10	13
Medium (484)	16	13	10	7	7
High (279)	20	22	9	6	5

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