More and More Money Advice Service Customers Are Taking Action

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More and more people are taking action after receiving support from the Money Advice Service. New figures reveal that in the year from April 2013 to March 2014 its customers took 653,000 positive steps to manage their debt better, save regularly, prepare for retirement, protect their assets or provide for their dependants.

Meeting the demand for advice

The Service has also released its performance figures for April – June 2014, which show it is well on track to meet its targets for 2014/15. There were almost five million customer contacts (4,979,000) during the period, twice as many as in quarter one of 2013/14, when there were 2.5m customer contacts. Customer satisfaction remains high, with 89% saying they would recommend the service to others and 91% saying they would revisit the Service.

Providing guidance on everyday issues people face

The Service continues to provide advice on new subjects for customers. Over the quarter, it launched a range of new interactive tools and tips on its site, including:

- a debt locator tool, which enables people to locate the best and nearest way that they can access free debt advice;

- a mortgage affordability calculator which helps people to work out how much they can afford to borrow, taking into account all of their income and outgoings;

- a payday loan tool which helps people consider alternatives to taking out a payday loan; and

- a set of resources called “You, Your Kids and Money” designed to help parents teach their children about money.

To coincide with the FCA's new rules on mortgages, introduced in April, the Service launched a consumer campaign to warn people against rushing into a hasty house purchase without considering all the costs of buying and running a home.

Helping more people by working in partnership

The Service continues to develop a range of partnerships with organisations in the private, voluntary and public sectors, to help people to access its advice as they go about their daily lives. It has begun a new partnership with Standard Life and produced a topical blog to help their customers understand the changes to pensions announced in the Budget.

Working with Zoopla, the Service has developed guidance for homebuyers on the impact of potential interest rate rises; Holmesdale Building Society has developed a special Money Advice Service section of their website; and the Service launched a tool with NHS Choices to help people assess whether money worries are affecting their well-being.

Funding more debt advice

The Service continues to increase the number of people it is helping to get out of debt. Over the quarter, the Service's partners helped over 50,000 people with free, face-to-face debt advice across the UK. Almost 45,000 actions were taken by people as a result of the debt advice they had received.

Commenting on the results **Caroline Rookes, CEO of the Money Advice Service** said:

“These figures show we're helping more people than ever take action to manage their money better. Whether it's planning for a new home or buying a car; dealing with a major life event like starting a family or coping with redundancy; we're giving people the help they need to budget, save and protect what they own. We're well on track to build on last year's excellent results and making a really positive impact on people's lives.”

Please find Results tabes attached to this press release as images.

Notes to Editors:

All data is for Q1 (Apr-Jun 2014), except for the money management steps in Table 1 which are for Q4 because this data is collected a quarter behind, i.e. to allow for the action tracking survey to be completed. The actions align with the outcomes set out in the Service's Business Plan for 2013/14. Figures are rounded to the nearest 1,000.

1. Methodology for measuring progress against outcomes (Table 1):

- Data has been weighted to be representative of the Service's total customer base, and the confidence level of the resulting figures is within 10% (to be cautious the figures are from lower end of that confidence band)

- In Q1 the Service surveyed 723 people – a mix of web, phone and face-to-face customers. Customers were asked five questions to gauge what action they took as a result of using the Service (Do you save some money every month? Do you have one or more pension into which you personally are paying? Do you have contents insurance? Do you have life insurance? In the last six months, have you missed more than one payment on a loan, credit agreement or mortgage or had an unauthorised overdraft charge?). They were also asked if their experience of the Service had influenced their behaviour in a positive way.

- To further understand 'how well people are managing debt' the Service asked: If, in the last six months, your debts have been a heavy burden, are they now more manageable? Based on independent analysis (by OPTIMISA Research) 76% of people said their debts had become more manageable, i.e. after receiving advice from one of the Service's debt advice delivery partners in England and Wales.

1. Customer satisfaction scores are measured through monthly exit polls - customer surveys are conducted by independent market research agencies across all three Service delivery channels - online, phone, face-to-face. During the three months of quarter one, 4,131 respondents were surveyed across all channels. Since April 2014 we have extended our exit poll questions to incorporate 'did we provide you with the help required.' The result of this question is then used to calculate the new KPI 'Number of times we have provided customers with the help they required'.
2. The 50,651 free, face-to face debt advice sessions delivered in quarter one is made up of the following:

- 41,723 sessions delivered by the partners funded by the Service in England and Wales-

- 7,956 face-to-face debt advice sessions delivered through projects funded in collaboration with the Scottish Government (between March and May 2014 – as per Scottish financial calendar)

- 972 face-to-face debt advice sessions delivered through projects funded in collaboration with the Scottish Government Department of Enterprise, Trade and Investment in Northern Ireland.

1. The number of people taking actions as a result of receiving debt advice is derived from the formula that just over 88% of people receiving debt advice take some form of action subsequently – this is also based on independent analysis by OPTIMISA research.
2. In our 2014/15 Business Plan, we said that we would publish the debt advice KPIs for the second half of 2014/15 with this performance report.

a) Our target for the number of people helped through free debt advice delivered by our partners in the UK between October 2014 and March 2015, on the phone or face-to-face, is 150,000.

b) Our targets for the number of positive outcomes from debt advice between October 2014 and March 2015 are proportions of the total number of clients who receive advice from one of our partners, who go on to reach the following positive outcomes.

Knowledge - the client has a clear idea about the steps required to try and sort their debt problems – target is for 93% of clients to achieve this

Actions taken – the client has taken the steps they should to sort out their debt problems – target 88%

Impact – the client's outstanding debt is reducing – 76%

Performance against these targets will be measured by independent evaluation conducted at the end of quarter four.

About the Money Advice Service

The Money Advice Service is an independent organisation. Set up by government to help people make the most of their money, it gives free, unbiased money advice across the UK – online, over the phone and face to face. Paid for by a statutory levy on the financial services industry, raised through the Financial Conduct Authority, its statutory objectives are to enhance the understanding & knowledge of members of the public about financial matters (including the UK financial system), and to enhance the ability of the public to manage their own financial affairs.

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