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Witnesses: Mr Guy Rigden and Mr Russell Winnard

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Members present

Baroness Tyler of Enfield (Chairman)
Viscount Brookeborough
Lord Fellowes
Lord Harrison
Lord Haskel
Lord Holmes of Richmond
Lord Kirkwood of Kirkhope
Lord McKenzie of Luton
Lord Northbrook
Baroness Primarolo
Lord Shinkwin

Examination of Witnesses

Mr Guy Rigden, Chief Executive, MyBnk, and **Mr Russell Winnard**, Head of Programme and Services (Financial Education), Young Enterprise

The Chairman: Thank you very much indeed for coming. We appreciate it very much. For the record, I will introduce our next two witnesses. We have Guy Rigden, chief executive of MyBnk, and Russell Winnard, head of programme and services at Young Enterprise. Welcome to this evidence session of the Select Committee on Financial Exclusion. You have in front of you a list of interests that have been declared by members of the Committee. The meeting is being broadcast live via the parliamentary website, a transcript will be taken and published on the Committee website, and you will have the opportunity to make corrections to that transcript where necessary.

Q13 Lord Northbrook: What financial literacy and education do children and young people require, and to what extent are these needs being met?

Russell Winnard: First, there is a range of needs. All young people have different needs, and the best practice for financial education is to develop that provision according to young people's need. That said, there has to be a starting point. As such, as a charity we have developed a financial education framework that provides a starting point for teachers and others involved in financial education to identify key financial topics that may well be appropriate for young people of different ages. It is most certainly not a mandate, but it is a tool that teachers, parents, guardians and carers can use.

On the question of other requirements for high-quality financial education, we need the people involved in its delivery, which in the main are teachers but are also the range of parents, carers and guardians, to feel knowledgeable and confident enough to deliver it effectively. That also has to be in place. It is those two things together: having a wide range of topics that meet the needs of young people, starting at age four with coin recognition and giving and receiving change and going up to age 16 to 19 with financial product information and so on that is more in depth and relevant to them. That, combined with teachers who for the most part are confident and knowledgeable enough to deliver that effectively, is what creates that good provision of financial education, in my opinion.

Guy Rigden: MyBnk designs, develops and delivers financial education, and indeed enterprise education, to young people, so I agree with what Russell has said about what young people need, which is not one size fits all. Clearly, different things are needed at different ages, and age is a big indicator of what might be needed certainly by those in the mainstream. It is less of an indicator, of course, when you get to older children, or young adults, who might not be in the mainstream and who might have specific needs. You need to respond to what is relevant to them. Relevance is very important. As I say, age works for mainstream, but when you get out of mainstream you need to know what sort of young person you are dealing with. Are they leaving care? Are they a single mother? There might be two contrasting needs and you might just need to ensure that the single mother's baby is safe before anything happens. That is key.

The second thing that I would really endorse is that whoever is imparting this financial education—whether it is a teacher, a parent, a volunteer or, in MyBnk's case, an expert—needs to be seen as a specialist, as an expert, because that relates very much to whether the message will go on.

Overall, it has to be holistic. That is the other thing. Maths is important, but skills, knowledge and attitudes are what lead to being able to engage in present and later life and to make informed financial decisions.

Lord Northbrook: As a supplementary question, do you think that groups of children and young people with distinct needs with regard to financial education might find accessing financial education particularly challenging and difficult?

Guy Rigden: I would say yes. I have a whole list of such groups of children and young people, who could include those leaving care, those with special educational needs, young offenders, those who are excluded from school for some reason. There is a whole list that you could group as relatively disadvantaged or with some special needs, but they are not the same.

The second characteristic of that group is that they are probably not in the mainstream, so you need to access them. MyBnk would do that by working with maybe 300 organisations a year, 200 of which will be schools and 100 all sorts of organisations where these young people might be or where they may be looking for a particular outcome. Perhaps they are on the waiting list for assisted housing, or something like that, and will need financial education.

There are many groups with separate characteristics, and you need to be able to deal with those characteristics, rather than as a one size fits all.

Q14 Viscount Brookeborough: I declared my interests at the start of the sitting.

What has been the impact of the inclusion of personal finance education in the national curriculum so far? I know that financial education is relatively young.

Russell Winnard: It is. It was embedded within citizenship in September 2014, and it had a contextual reference in mathematics. We have seen no significant improvement in the uptake of financial education particularly in the citizenship subject area. We are still looking at around 50% of maths teachers delivering maths in a wider financial context. In a survey that was commissioned as part of the all-party parliamentary group report into financial education, 75% of citizenship teachers responded that they were delivering. There is a further question there, however. Delivery is one part, quality is another, and ensuring the quality of that delivery is really important. We need to train teachers in order to get that quality.

On the question of having financial education on the national curriculum and making a difference, schools have a mandate, but, as we heard in the previous session, that is only for state-maintained secondary schools. It is not applicable to academies. The driver does not seem to be that it is on the national curriculum. The driver seems to be that senior leaders in school recognise the importance of financial education for their young people, and they are inclined to deliver it because of the difference that it makes. This is why it happens also at primary level. We know that it does not happen as much as we would like, but there is a large element of financial education going on in primary schools that is not yet on the national curriculum.

Viscount Brookeborough: So in effect there is no standard approach. First, there is not an approach in every school because there are different schools. Secondly, even if children are at a school that will provide it, it may vary from the school next door. There is a big vacuum.

Why can somebody not say, "The minimum we require is that all children will be told"—I am not quite sure what they will be told—"that there is a bank account and they can save", and you then specialise thereafter as far as the different groups go? I fail to see that teachers who are graduates or whatever actually have the ability to teach this very basic thing. It is terribly simple to say, "It is good in life to save. Here are some examples of how to do it. We can start in class by saving sweets or whatever. We should have an account and a place to keep them and so on". That does not take the brains of—

Russell Winnard: I absolutely agree. In fact, in providing teacher training, it is not really about them learning how to deliver something. They understand bank statements, the use of credit cards and debit cards, et cetera—those basics, those fundamentals—but what they do not have is the confidence. They are not confident enough to stand in front of children who ask questions, and they do not know where to get the resources to do that delivery. We often find that it takes a two-hour training session, and teachers leave with the confidence to go and deliver that on an ongoing basis, and they will deliver that to every cohort of young people that comes through their class. But they need that intervention in the first place just to make sure that they are doing the right thing and not teaching something that might be erroneous.

Viscount Brookeborough: But it takes a two-hour training session.

Guy Rigden: I actually think it takes more training than that to be effective. We have to begin from the starting point that teachers are good at engaging with young people. They would not be teachers otherwise. Certainly, from our point of view, that is the first thing we would look for if we were going to engage a trainer to deliver our programmes. They have to be able to do that. That is important. I say that because one of the answers that is often suggested is, "We should have a volunteer coming in". That could be good, it could be bad, but essentially it is random. At least teachers are very good at engaging.

Then you get the other side: how do they become expert enough to be effective, given all the constraints that there are on schools? We have to face the fact that often the answer is, "Teachers can do that. We'll absorb it, we'll train them and add another thing". The curriculum—even if not all schools have to follow it, they generally do—is very crowded and focused on academia and there is not a lot of time. Unless you are a very progressive school that has a fully integrated programme, perhaps with pfeg—with finance, capability and enterprise going throughout it—you might have one drop-down day or a few afternoons or a few hours, and you have to make sure that that works.

Just using us as an example, we do not think it is years of training but it is certainly not two hours. Typically, if you are an ex-teacher—maybe 60% of the people who work with us are ex-teachers—you would go through one week of home study to become expert in the relevant financial knowledge for young people. You would then go through two weeks of training—which is a mixture of observing, learning the programme, being observed, co-delivery and being inspected—before you are allowed out on your own. The reason for that is not because we think that a MyBnk trainer going in for a drop-down day is the perfect answer to financial capability—it is not. I think the best answer is what pfeg does and you get the whole-school approach. But our experience—and we work with 200 schools a year—is that, practically, most schools are not in a position to do the whole-school approach. Maybe we will get there over time but we cannot see that happening at present.

It is a relatively specialist subject—I suspect if I quizzed members of the Committee about the minimum wage for a 17 year-old you would not know, and why should you know?—but if you are teaching it there is a lot of knowledge you need to have and you need to be in tune with the decisions that the young people are making.

Baroness Primarolo: These points you are making, Guy, are interesting and I want to explore them a bit more. A parallel would be that people are always nervous about doing their tax returns even though they know how to do them, because there is that commitment. Schools often operate in clusters now—primary clusters linked to a secondary school—and I take your point about a whole-school approach. Have you explored having champions within the cluster and therefore helping teachers to be more creative in how they start integrating into what they are already doing some of the basics of financial education?

Guy Rigden: I think this more is for Russell.

Baroness Primarolo: Okay, sorry.

Russell Winnard: I also just wanted to qualify—Guy mentioned pfeg a couple of times. Pfeg was an independent charity in its own right—it stands for the Personal Finance Education Group—and we merged with Young Enterprise two years ago. In all our programmes which focus on financial education, we work with the teachers rather than directly with the young people because we believe that if we can work with the teachers, embed into the curriculum, provide the training required as well as resources, it remains sustainable within the school. One of our key programmes is Centres of Excellence, where we will work with a school over nine to 12 months. The school has to complete a number of criteria. It has a lead teacher in the school who champions financial education. The senior management and leadership are on board and commit to it. Quite often financial education becomes a core part of the school improvement plan. One of the criteria is that once those centres of excellence achieve their status, they go on and share with other schools in their local area, well after we have withdrawn. What that means is that, exactly as you were saying, the knowledge, the skills, the creativity that that school has developed in becoming a centre of excellence for financial education is then shared with other local schools. It does not have to be those at the same phase of education: we have had secondary schools sharing with primary and with further education. We have 106 centres of excellence throughout England and Wales. Those schools should then mushroom out as they disseminate to more and more schools over time. It is a model that we replicate throughout a number of our programmes; sharing is important.

Baroness Primarolo: Perhaps you could follow up on that. Do you have examples of where schools share the cost? In getting one school to have that champion, obviously there is a cost to that school in the loss of teaching time elsewhere. Because of some of the financial budget controls schools now have, a cluster of primary schools with a secondary could agree to invest in getting one of them past the post so that that could then be shared back with the broader base. Are you working with that sort of model as well?

Russell Winnard: In a way, because we do not charge the schools for any of this.

Baroness Primarolo: But there is still a loss of teaching time.

Russell Winnard: There is a loss of teaching time. We are working with teaching alliances—federations of schools that support each other—and we have just started working with a multi-academy trust, which will operate in that way. It is an investment from the school in time and commitment but the schools get quite a lot out of it as well: the teachers are developing their own professional standards as they go through—we have evidence to show that they gain quite a lot—the school as a whole is developing that financial education package and it is sharing it with others within its group. Most of those groups—those clusters—are informal but we have these teaching alliances and multi-academy trusts, which are beginning to develop more.

Guy Rigden: I think schools is a really key question. You can look at it at different levels. Again, it is worth looking at the scale. I think I am right in saying that there are something like 6,000 or 7,000 secondary schools. Again, with respect to the pfeg approach, 150 is great and I hope you get to 1,000, but there is a long way to go. What is very interesting and encouraging—and

I know we are going to be asked about the Money Advice Service later—is that it appears to us that a series of interventions can be effective, from teachers doing it themselves, to outside experts coming in, to volunteers, to national campaigns; whatever it might be. Therefore, with differing amounts of investment and training you will get a differing impact, and you need to measure those impacts. So we are certainly participating. We are working with the Money Advice Service evidence hub, as we know Young Enterprise is, on what works in schools. We have financial education on the national curriculum, at least for secondary schools, but there is no systematic inspection or examination—we have surveys and bits and pieces—so the honest answer is that we do not know if it is working or if it is any good. So we need to make sure that that works first. That is a key priority.

If the answer is that teachers can do that, and I hope it is, that would be a great solution, but we should also remember that one recommendation from the APPG report is that we should embed financial education into teachers' training requirements as they go through university to train to be teachers. Unfortunately, we know that the direct-access route is now increasing substantially and accounts for about half of new teachers—I think that is right; Russell will probably know the figures better than me—which gives rise to the issue that new teachers are now coming into schools to be trained in schools that do not have the experts to train them. Then, you are relying on Young Enterprise to come in. The whole ecosystem will take a long time to build, which is why we need a series of direct interventions now—perhaps by MyBnk, but not by MyBnk in 10 years' time because the problem will have been solved, I hope—and other things to ensure that all young people are getting this basic financial education and that it is being delivered effectively. You will have to inspect it, at least, if you are not going to examine it.

Q15 Baroness Primarolo: I think we are beginning to address some of the issues to which our next set of questions relate. Perhaps you can expand on some of those points. The Government have proposed significant changes in the provision of public finance guidance, including the creation of this new money guidance body. Building on what you have just said, what role would you like this new body to play, if it can, with regard to the provision of financial education to children and young people? Big question.

Guy Rigden: Our view is that the proposals are going the right way and that the successful parts of the old Money Advice Service, such as the financial capability strategy, which was developed with a lot of input from the third sector, the corporate sector, the academic sector and so on, are a good thing and should be maintained. Having some sort of road map, albeit a road map that will develop, is very important.

Secondly, being a body that co-ordinates, influences and guides is very important, and MAS is well placed to do that, clearly working upwards with the Treasury, the FCA, the Department for Work and Pensions and the DfE, and outwards with the corporates, us and so on. That is a very good role for it to have and it is already successful. It is strange to us that there are two bodies rather than one, because we regard pensions as a specialist savings product. They are very important, but that is what they are. Why is there not one body? I think it would help to have one body.

The new body must also have the capability to know what is going on in the sector, to generate evidence and to assess what interventions will work. As I am sure you are aware, MAS is now going through the process of commissioning what works. It is looking for evidence of interventions that work for all sorts of cohorts of young people. We are certainly putting in applications to test what we do, to see whether certain interventions work better and to develop new things, and I am sure Young Enterprise is as well. That is a good thing for it to do. It needs that capability. It cannot just be an entity without capability. If those things are looked after, I am quite encouraged by the direction that this body is moving in.

Russell Winnard: I concur on the co-ordinating role. MAS has had its criticisms, but one thing it has done particularly well in the last 18 months to two years is provide that facilitating conduit role between organisations such as MyBnk and Young Enterprise, which are out there and involved in delivering, and the banks and financial services sector, which are potential funders of ours, and bringing everything together. It has also played a key role in driving forward the focus on the evaluation of the impact of financial education in schools for children and young people. There has been a noticeable shift in focus on evaluation in the last couple of years. MAS has a set of impact principles which it has asked us and other charities to sign up to, and equally the people who fund us. Everybody recognises that importance. It is important for our funding, it is important for the young people we work with, and it is important for the schools to know why they are delivering this financial education, because if it has no impact they might want to free up time in the curriculum. If it does, we need to think about it in a more planned and coherent way and establish that in every school.

On the one-body/two-body question, my feeling is that irrespective of whether it is one body or two it has to speak with one voice on financial capability for children and young people. It is a big strand, it is a very important strand, and there has to be co-ordination. We are probably heading in the two-body direction, but it would be more sensible if one of them focused on children and young people.

Q16 Lord Shinkwin: My question concerns the forthcoming life chances strategy. You may be aware the Prime Minister announced plans for such a strategy back in January. To put it into context, he outlined in his speech a range of measures to transform the life chances of the poorest people in our country and offer every child who has had a difficult start the promise of a brighter future. I am interested to know what role you think the Prime Minister's life chances strategy might play in supporting the development of financial literacy and capability for children and young people.

Russell Winnard: I think that financial capability, financial literacy, is a fundamental part of those life chances. To me, it underpins all those life chances and should be there as a foundation for the young person in deciding whether to go on into further education, an apprenticeship or the world of work. All those stages of an individual's personal development have a financial element underpinning them. If we could have that as a thread that runs throughout and at each stage reflect back on the financial skills, that literacy capability, which that young person needs in order to make those decisions, that would be a really positive move for the life chances agenda.

Guy Rigden: The objectives of the strategy are obviously very laudable, and I concur absolutely with Russell. What worries me slightly is that initiatives such as this can come and go. We have seen evidence that this one has temporarily gone, at least as far as I understand it. It was supposed to be coming a week ago, but it has been delayed. I hope it is coming.

One of the issues—picking up on the point about MAS, the evidence and so on—is that if you want effective financial education and capability for all, you need a stable environment for resourcing and funding it. What we tend to have—indeed, this was the APPG's recommendation to corporates—is, "Use your CSR budgets", and to schools, "Please use your pupil premiums to fund this". It means that there is an awful lot of effort all the time going into, "How do I get the money or the training to do this properly?" That provokes competition and innovation, which is good, but it is very inefficient in itself. So I worry a bit and this is an example. I just do not know now if life chances is going to happen. If it does, that is great and there will be an application process going through and we will get involved in that with our fundraising team and so forth. Is this the most efficient way to do it?

Q17 Lord Holmes of Richmond: Following on from that, what level of cross-government co-ordination is there in improving financial capability for children and young people?

Guy Rigden: I think the co-ordination is very good. If you look at the APPG, I think it is the biggest committee there and if I look at the interests of the members of this Committee, clearly there is a huge belief that financial capability is a good thing. Where we fall down is in the specifics of: what does that mean for which cohorts? Who should do it and how should we address it? How do we train and how should we resource it? The second disconnect is that we can look at macroeconomic surveys talking about trillions in losses out there from poor financial capability but we do not have a good mechanism at the moment for, "An intervention here leads to a saving there". Some of us are working on that, and this is another thing that MAS is very well placed to do. It can fund this sort of macroevidence, which helps to establish what works and at what cost. I am pretty encouraged by the co-ordination. It is more the erratic nature of the support that you get if you are relying on all these different actors to do something. I would rather have something that was clear, perhaps through schools, that you have to do this.

Lord Holmes of Richmond: You raise a number of important issues around the hows and the whos. How clear a vision do you have on all those hows and whos?

Guy Rigden: If I were looking at schools—sorry to be hogging this—at some point you have to ask: where is the money and where are the resources? In the long term schools do have money; it is a question of how they allocate it. We ask schools to make a contribution to what we do. However, you also need innovation, evaluation, to keep up to date and so on, and perhaps it is not fair for schools to be funding that. Perhaps the charitable sector does that, perhaps the Government do that, but you need a long-term structure to ensure that if this is as important as everyone says, it ought to be funded properly, and it is not funded properly at the moment.

To give you a real example, we work with 200 schools a year. Since financial education went on the national curriculum, it has become "statutory", even though it is not being done, so those charitable funders are funding it less than they used to. We have systematically introduced a contribution. Schools need to get used to that. Clearly, they do not have limitless budgets—they have very tight and shrinking budgets—but they will pay that contribution. But we will do less in schools this year than we did last year and that is not demand-driven—demand is constant or up—it is supply-driven. We can afford to do only so much. Next year we will raise the contribution to about a third of the cost—it is about a quarter at the moment—and we will see what happens.

The Chairman: Following up on what you have been saying, what is your understanding of the real join-up or co-ordination between the Treasury and DfE on this issue? What I really mean is: who is really leading this?

Russell Winnard: All right, I will take that.

Guy Rigden: Russell, you go first.

Russell Winnard: You are absolutely right. That is a really key point, for the Department for Work and Pensions as well. Those three departments are crucial to this. If we have to have a front-runner, I would say the Treasury. I do not know whether that is the most effective front-runner because the weight that the Department for Education has is really significant. We have never really felt that there has been that level of support or co-ordination from the Department for Education. The Treasury has fed into—actually, via life chances—one of the programmes that we operate, LifeSavers, which works with primary schools to promote savings behaviours and attitudes. If we are talking about co-ordination, those three departments are crucial. There is co-ordination over the recommendations of the APPG report. That is clear. They are good recommendations but they need to be taken forward. We do not want to be in a position in two years' time of reflecting back on this report and seeing that nothing has happened. They are good recommendations, which need to be actioned.

Q18 Lord Kirkwood of Kirkhope: Staying with this important question of co-ordination, it is my impression—it may be because I know more about it—that the integration that is available in this important public policy sector in countries such as Scotland and Northern Ireland and, to a lesser extent, as far as I am aware, Wales, may be simply a question of scale. I assume that your respective organisations have a remit that covers only England and Wales.

Russell Winnard: We license ours out to Scotland and Northern Ireland.

Lord Kirkwood of Kirkhope: Are you satisfied that there is enough communication across the various jurisdictions of the United Kingdom to make sure that best practice is captured and efficiencies are made? There are obviously differences in the curriculums and all the rest of it, but could that be improved? Is that something we should find out more about?

Russell Winnard: Absolutely, it can be improved. The curriculum for excellence in Scotland was a shining example, really, many years ago now, of how we can include financial education in a more thematic-based learning approach. It worked incredibly well in Scotland, with the support of financial inclusion officers throughout the local authorities. My understanding—and I have done a few tours of Scotland—is that with the demise of those financial inclusion officers, the level of financial education in Scottish schools is decreasing somewhat, which is really, really sad.

Lord Kirkwood of Kirkhope: I think that is fair.

Russell Winnard: But there are certainly lessons for us to learn. Even though our remit is for England and Wales, the Welsh education curriculum is slightly different. It has more of that thematic-based learning. The Welsh baccalaureate works far better for financial education than our siloed, subject-led education system in England. To answer your point succinctly: yes, there are lessons to be learned and, yes, we probably do need to explore that more.

Guy Rigden: At least in the financial capability strategy there is a devolved nation strand that co-ordinates against the main themes so I think something is being done to share best practice both ways. Whether we want to do more of that, it is recognised that we ought to be sharing.

Q19 Lord Fellowes: Would it be fair to say that you have mixed feelings on the advantages and disadvantages of being part of the national strategy, but you are part of it? Should banks not be helping with the financing and co-ordinating of this national strategy? They can afford it.

Russell Winnard: In terms of the national strategy, it is important. All of us who are involved in financial education provision and financial capability—even going as far as debt advice and support—ought to be reflecting back on that one national strategy so that we have something which is directing everybody in the sector. Should the banks and the financial services sector be doing more? I am sure there is always more the financial services sector can be doing. As a charity that works closely with it, we have to make sure that what we are doing not only meets the objectives of the national strategy but in some way meets the objectives of the individual banks we work with, otherwise they are not going to want to engage with it. They already fund, via the levy, the Money Advice Service itself, so there is that level of funding. But it is about us working in partnership and making sure that—

Lord Fellowes: Yes. Broadly speaking, it is in their interests.

Russell Winnard: It is, and it fits very well with their corporate social responsibility strategies. Unfortunately, when the markets are not behaving, the CSR is one of the first things that gets cut. It is an area we have to be careful of.

Guy Rigden: We have to say that the banks are involved. They are funding various programmes. They have their own interventions. Again, they wax and wane to some extent. Going back to the fundamentals, we like to ask: who is our customer, who is our client here? For us, it is the young person. The school or the organisation is the facilitator. Whoever is funding it also has an interest. The national framework informs us but in the end it goes back to what is right for that young person. It is very important to always keep that in mind when making decisions.

Coming back to the banks, I absolutely believe that the banks have money and should contribute. Most of their interest is self-interest and altruistic, but there is certainly a marketing and PR aspect to it. You have to be very careful that you put that in the right place and you have not effectively nudged a young, vulnerable consumer to do something that perhaps they would not want to do. We are always very careful to do that and I know Young Enterprise is as well. My personal view is, we would not ask the corporates in any other sector to fund education that we believe to be vital and necessary, and we should not rely just on the banks either. They should help but not fund all of it.

Q20 Lord Harrison: Gentlemen, how important is it that the impact of financial education delivered to children and young people is tracked and measured, and how might we best go about that?

Russell Winnard: In my opinion, it is crucial. It has to happen. There are some significant challenges, as we have heard in this and the previous session: what are we trying to measure? In many cases it is the choices that people make a long, long time after they have had the intervention. There needs to be something that is more longitudinal as well. But it is crucial for the schools themselves. It is crucial for the young people to know that they are learning. It is crucial for us as a society to know that we are improving that financial education.

In terms of how we do that, there are a number of areas. We have to provide schools with the opportunities to evaluate themselves and recognise and understand the importance of evaluating to make sure that they are meeting the needs of their young people. On a wider scale, we can involve Ofsted. If we incorporate something around financial education into the Ofsted common inspection framework, there really is a driver in schools to be delivering high-quality financial education, and for Ofsted to be involved in that monitoring of quality would really move things forward. At an even broader level we have things like the OECD's financial literacy test, which the UK is currently not involved in. To be able to opt in to that so that we can reflect on how we are doing against the benchmarks set in other countries would be really useful. In fact, that is one of the recommendations of the APPG report, that we should be involved in those assessments.

Guy Rigden: I agree that evidence is vital but, again, I would be slightly nuanced on that. If you are working with younger ages, there is a number of things you should have in place and that a good organisation will have in place. First of all, do you have a theory of change? Do you know what you are actually trying to address? The national curriculum has a series of topics; it is not a theory of change. We would always have that. What are we actually trying to do? Whether you are a teacher or anyone else, you need to make sure you are doing that. Secondly, you can employ methodology that is likely to result in success. Our acronym is SUPER: specialist, unique, participatory, effective and relevant. Basically, that means it is good teaching, so do that. Thirdly, you can do simple measurements. You can measure the baseline: what could I do beforehand? What did I know beforehand? What was my motivation beforehand? You can do that sort of thing.

When you get to the longitudinal, it is pretty difficult and challenging to measure a short-term intervention with a 10 year-old and what is going to happen at 24. To some extent, let us go through the Money Advice Service evidence process, but at some point you will say, "Come on, if it is potentially going to save you billions, perhaps you should invest a few tens here and not get too het up about it". At older ages, when there are many more financial decisions and choices that could be made, absolutely, you can do it. So in the work we do with vulnerable young people, we will do the theory of change, we will have a view of what we are trying to do, so we are empowering them to take control of their money and we can measure: have you opened a bank account? Have you checked your credit score? You can do more at that age.

Q21 Lord Harrison: Guy, you have mentioned cohorts several times. Is one of the recommendations that this Committee might make that we need to be more sophisticated about where we target this financial advice to younger people? The other point you have linked in, which you have repeated, is that there are times when we intervene which have a powerful effect later on in life. You think that, too, should be reflected?

Guy Rigden: I think there is a natural tension between the best time to educate being the younger the better—that forms habits—but also when something is relevant. You do not make so many financial decisions as a primary school child, so you have to contextualise it.

Those are the two points and there is a tension there. Yes, we agree: start at primary, try to set habits; but also, if you are just going into independent living and all sorts of decisions are coming up, your mind is focused on that and you can really educate; or you are considering going to university—that is another time.

Lord Harrison: Russell, you have twice mentioned the importance of knowledge for children later in life. You almost implied that we should look at the curriculum as a whole and get rid of those parts that do not add value and, in your case, prioritise the financial advice.

Russell Winnard: The curriculum should be seen as a whole. We most definitely advocate a whole-school approach to financial education. Teaching financial education on its own is not going to work in many cases, unfortunately. Schools just do not have the time or the capacity to fit that into a timetable. So schools will teach their normal subjects—that might be maths or citizenship but, equally, it might be drama or music—but if they can use a financial context, it is a great way of bringing that financial education in and saving teachers time.

Lord Harrison: That is a good example: drama.

Russell Winnard: Drama is brilliant. Role-plays of situations and circumstances and getting young people discussing them in groups are really powerful.

The Chairman: Russell, you mentioned the OECD financial literacy test. Would you be able to give the Committee a short note about that? It sounds very interesting and pertinent.

Russell Winnard: Yes, will do.

Viscount Brookeborough: I like the idea of introducing finance into everyday life in schools, whether it is in drama or whatever else, because if people want to learn about it, they will learn about it, and it is much better than trying to dump it on their plate, especially when you bring up the cost, the time and the school activities or whatever. I am being too simplistic about it, I know, but if you have something on the curriculum there must be a way of testing it, even if it is only a general knowledge questionnaire. You say you cannot have an examination or whatever. I do not disagree with you because you are the expert, but I talked previously about the basic knowledge that would be of help to a child of 10 and you said the basic minimum wage—I think we are making this all too complicated. There is a basic knowledge, which does not involve the minimum wage, the tax rate and whether the Conservatives or Labour might change it, or what happens internationally. It is quite simple. It is about pounds, shillings and pence—no, pounds—and bank accounts. It is about whether you have a bank account and whether you keep it.

Guy Rigden: I beg to differ. You can say whether or not you should have a bank account. We can all agree generally that having a bank account is a good thing and having a pension in the future is a good thing. It is when you get asked the questions that go beyond that—how do I choose a bank account? What factors might I look at? What is important to me? What are my motivations?—that you need a deeper set of knowledge to be convincing as a teacher, in any subject. We would not expect a history teacher to be teaching to a pack and we should not do that with financial education either.

Viscount Brookeborough: You get some children leaving school—the schools where it is not taught—who simply do not know whether they should save or not. Incidentally, nobody told me to save until far too late.

Guy Rigden: It may be wrong for some people to save. Again, if you took a vulnerable group—let us say you have got your first job—

Viscount Brookeborough: It is a good thing to aim for.

Guy Rigden: It is a good thing to aim for.

Viscount Brookeborough: A pension is saving.

Guy Rigden: For instance, it may be that, if you are nudged into a workplace pension and you have not taken a decision and that money is now locked up for 30, 40 or 50 years, and because you do not have any cash you now have to access high-cost credit, that is not a good decision.

Russell Winnard: To address your first point about evaluation and potentially a knowledge-based test, schools do evaluate financial education and they do it in their own way. What we do not have is anything standardised. The IFS provides qualifications in finance and financial studies. They are GCSE or A-level equivalents. The problem is that young people have to opt in to those qualifications, so it does not reach everybody. But if there were a way of standardising the assessment, that would be very interesting.

Lord Northbrook: Do you think that this should be two-step process—a GCSE in basic bank account knowledge and then the technology side coming along later?

Russell Winnard: I am very reluctant to say that there should be a formalised qualification because you are then forcing schools to provide something that does not necessarily work for them. I see it as a staged and progressive learning experience. You need to begin financial education as early as possible. I am a big advocate of financial education in primary schools, building that basis of knowledge, which can be the very simple things, and you progress that on through your secondary education. What we are not good at currently is meeting that transition point between primary and secondary. Secondary schools are all very ready to say, "Let's start from zero, assume they know nothing", and actually some 10 and 11 year-olds know an awful lot about finance. It has always been the case. I was a science teacher and we did exactly the same: we assumed that the students who came to us knew nothing and we would start again and repeat learning about vertebrates and invertebrates, for example, which they had done three years ago. The same thing is happening and we need to work really hard on how we assure secondary schools that the vast majority of young people are coming to them with some financial education knowledge and experience.

Q22 The Chairman: Thank you. I will round off this evidence session by asking you both to say where you think this Committee should focus its efforts. We are at the beginning of our work but we have a short time so I would be really interested to hear, say, two suggestions from each of you of where you think we should focus our work.

Guy Rigden: I will answer just in respect of young people, as you would expect. There is a major gap with vulnerable or disadvantaged young people that is not being met. Local council services are being reduced; they are out there, this is real, it is now.

Lord Kirkwood of Kirkhope: You mean financial disadvantage?

Guy Rigden: I mean all sorts of disadvantages that result in financial pressure. There is a whole list of different circumstances. Our fastest-growing programme is something called Money Works, which is survival money management. It is about confronting money issues, building self-belief and aspirations, and gaining control of financial lives. That is what we are trying to do. There is a lot of demand for that and I think that needs to be joined up with what the councils are doing. That is one. The second thing I would do is concentrate on making sure that what has been legislated already is being done effectively. It is what is on the national curriculum and what is in schools. There is a process there that is being followed, but if in a year's time or 18 months' time we start to get a lot of evidence and we are not systematically implementing, that would be very concerning.

Russell Winnard: From my side, it would be really interesting to consider the balance between prevention and cure. We have financial education being delivered in a safe environment where you can reach the vast majority of young people, and that has some advantages in terms of cost and reach and being that safe, secure environment where things can be trialled, tested and role-played and if they are wrong it does not matter. Compare that to what happens at the point where people get into financial difficulties and have to access the services and support. Both are always going to be needed. It would be really interesting for the Committee to look at what that balance is. If we can provide financial education to everybody, what does that look like in terms of the cure? Does it reduce the number of people who would experience financial difficulties and get into those situations where they need support? My other suggestion would be that there are a huge number of recommendations in the APPG report—this is reiterating something I said before—on how we can ensure that these are actioned appropriately. What are the channels for these to be actioned so that in another two years' time we do not have a report that looks very similar and makes the same recommendations? That is key.

The Chairman: Thank you very much indeed. It has been another excellent session. Thank you very much, both of you, for your time. We really appreciate it.