

The FSA and financial inclusion

**Colin Kinloch, Consumer Sector FSA
22 January 2007**

What I'm going to talk about



-
- **Role of the regulator**
 - **The National Strategy for Financial Capability**
 - **Young People and Money**
 - **Our work in Scotland**
 - **Other regulatory work**

The role of the regulator



- **Statutory objectives fixed in law**
 - No specific objective to promote financial inclusion
- **Exists at the intersections of our objectives**
 - Particularly consumer understanding and consumer protection
- **Contributing to work by other bodies**
 - Government, Treasury Select Committee, Thoresen Review, Transact
- **Working in partnership**
 - Government, charities, networks

The UK's National Strategy for Financial Capability



- A hugely ambitious programme to reach over 10 million consumers through schools, universities, colleges, workplaces, voluntary organisations and online.
- 7 priority workstreams, each of which have financial inclusion as an important element:
 - Schools
 - Young adults
 - Workplace
 - New parents
 - Money advice
 - Online tools
 - Direct-to-consumer communications
- Priorities directly driven by the findings of the FSA's financial capability survey
- We lead the strategy with a range of partners including Government, industry and the 'third sector'
- Long-term strategy - £90million funding over 5yrs from 2005/6 to 2010/11

Young People and Money



- Supporting intermediaries in their work with NEET young adults
- Worked in partnership with Citizen's Advice and Fairbridge to create a one day training course with supporting toolkits for front-line youth work professionals
- Course covers banking, credit, debt and budgeting, and helps signpost young people to specialist advice
- Has so far been delivered to a range of statutory and voluntary organisations including Glasgow City Council
- We aim to train at least 20,000 youth work intermediaries by 2010

Some of our work in Scotland



- We work with more than 50 employers across the country as part of the workplace stream of our financial capability strategy
- We are working with Citizens Advice Scotland on the distribution of our printed guides through their bureaux network
- We are working with student services staff at Edinburgh's Telford College and John Wheatley College in Glasgow to create training materials for further education students
- We are funding three development officer posts at the Scottish Centre for Financial Education

Other regulatory work



- Developed a proportionate regulatory regime for credit unions
- We give mentoring support to Community Development Finance Institutions
- We have worked with the industry to help implement the flexible ID requirements introduced by the JMLSG guidance
- We maintain a flexible regulatory framework for the provision of Sharia compliant financial products