

# Online communities market engagement

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# Designing and managing an online community

## Overview

Fair4All Finance is conducting soft market engagement with relevant service providers to better understand the requirements and considerations when convening an online community.

The purpose of this engagement is to provide background to Fair4All Finance's requirements, to support the development of tender documentation and allow service providers an opportunity to contribute to designing an approach that meets Fair4All Finance's need.

The assumptions and areas we are looking for feedback on as part of the market engagement include:

- Is an online communities approach the best way to achieve Fair4All Finance's needs?
- What are the key considerations, challenges, and risks in using this methodology over a long period of time?
- How can a service provider take ownership of the research and insight methods, as well as identifying themes and topics to test that would align with our mission and strategic priorities?
- Are insights and data from an online community robust enough to allow for socio-economic analysis? If yes, what are the considerations to think about in research design and methodology? If no, what would be a more suitable route?
- A deeper understanding of costs and mobilisation periods

## About Fair4All Finance

Fair4All Finance is a not-for-profit organisation founded in early 2019 to increase the financial wellbeing of people in vulnerable circumstances by increasing access to fair, affordable, and appropriate financial products and services. We have three main priority areas:

- Expanding provision of affordable credit initially through a scaled community finance sector
- Partnering with banks and financial service providers to support the delivery of products and services for customers in vulnerable circumstances

- Development and scaling products and services to address market gaps

You can find [our full strategy here](#). You can also find our [theory of change for the affordable credit sector here](#).

As a leading organisation in the financial inclusion space, we must play a strategic role in increasing awareness of, and demand into, the community finance sector as well as ensuring that there are fair financial products and services for customers to access. To achieve this we work with existing credit unions and community development finance institutions (CDFIs).

We have made significant investments in the community finance sector so far, including two large early investments into Fair for You and Moneyline and one more recently into Salad Money, along with grant funding commitments in our Affordable Credit Scale Up Pilot and Covid-19 Resilience Fund.

## Introduction

Fair4All Finance exists to increase the financial wellbeing of people in vulnerable circumstances. We primarily focus on people in the bottom four income deciles in the UK and those stuck in debt. These people are often unable to access mainstream credit or other financial services, and as a result either cannot access services or pay a 'poverty premium'.

Since the start of the Covid-19 pandemic we have amended our strategy to include those in precarious financial situations (eg those who have had to use most of their savings to get by and are at risk of becoming financially excluded).

Please see appendix for the criteria we currently use to identify our target customer. We are currently working on a customer segmentation project to develop our understanding and will result in pen portraits to shape our work in the future. We anticipate there to be 6-7 target segments ranging from those who are fully excluded, in precarious situations, to average earners with high outgoings.

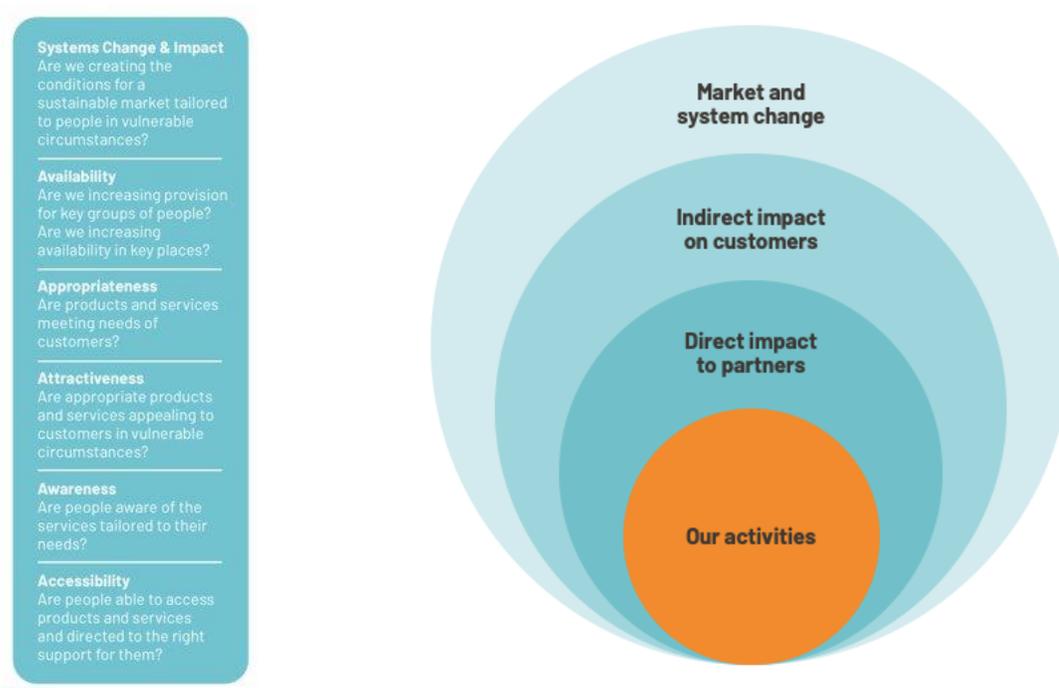
We primarily work with community development finance institutions (CDFIs), credit unions and other community lenders to help serve these customers. These organisations are all non-profit and community focused and aim to serve low-income customers in a sustainable way. There is a diverse range of capability across the sector; some organisations have best of breed technology solutions and a range of routes to market, while others are earlier in their transformation journey. One of our key aims is to increase the provision of affordable credit by 10x through our Affordable Credit Scale Up programme. Organisations are given funding and provided tailored support to their unique needs to test and prove sustainable models that can be scaled and increase the overall provision of affordable credit to those with in vulnerable circumstances. We aim to triple the availability of affordable credit by approximately £900m by 2025.

We operate at multiple levels through a range of partners. Overall our mission is about improving and increasing access to financial products and services that meet the needs of people in vulnerable

circumstances. Though our mission is to benefit the end customer, we do not work with customers directly.

## Impact framework

We see three layers to how Fair4All Finance’s work can influence and create impact. There is direct impact on our partners to who we provide funding and best practice tools and resources, indirect impact on customers who are engaging with our partners, and the wider market and systems change.



We developed the '5A's impact framework to measure the supply and demand of financial products and services across the different layers of influence.

Fair4All Finance has decided on a three-pronged approach to measuring our impact.

1. Metric measurement (through data collected from partners and third-party data sources)
2. Online community (to measure impact on customers and incorporate customer voice)
3. Conducting a socio-economic analysis calculating value of interventions

## Approach

We envision this online community to span multiple years as Fair4All Finance progresses in its strategic aims and influence.

To effectively measure impact of our interventions and gather feedback from a breadth of people, we propose that the online community consists of a mixture of customers from credit unions and CDFIs that we support along with a counterfactual group.

Fair4All Finance believes an online community is an appropriate route to:

1. Gather customer views on a regular basis to provide robust evidence of the changes and impact experienced by individuals living in vulnerable circumstances, because of Fair4All Finance interventions. Broadly, we are looking to measure whether customers:
  - are better able to access products and services that are appropriate to their needs
  - have seen an increase in the variety of products and services that are more personalised to their needs
  - have an improved financial resilience and wellbeing attributable to Fair4All Finance activity
  
2. Use lived experiences to gather feedback that will help shape the design of innovative financial products and services. The online community would help:
  - ensure that lived experience is at the core of innovation and overcoming financial exclusion
  - support the development of ongoing strategy and delivery by providing feedback on fluctuating themes
  - take part in discussions, provide feedback on materials, provide qualitative insight (eg financial diaries or video footage) to support deeper customer understanding

We would anticipate a provider to work with us closely to:

- help design an appropriately sized online community to provide meaningful impact data and have a suitable plan to challenge attrition across time
- advise on and develop a timeline for collecting data that can be used for impact measurement and lived experience feedback on to-be-agreed topics
- help design the research and insights methods including both qualitative and quantitative methods
- own the delivery plan and leading on shaping what themes and topics should be posed to maximise our learning and understanding
- provide a regular data feed, with analysis, to demonstrate Fair4All Finance’s impact across time

- ensure a wide representation of society including geographically and digitally excluded (Fair4All Finance is conducting research into better understanding customer segments that can help shape the composition of an online community)
- gather information and data that is robust enough to allow an economist to conduct socio-economic analysis calculating the value of our interventions
- provide timely insights into evolving matters that may be impacting customers in financially vulnerable circumstances

# Questions

As we do not serve customers directly, our impact is through the work of organisations we invest in and support. It is important that we can collect robust data to understand the difference we are indirectly making to the lives of people in vulnerable circumstances and use the customer voice to ensure financial products and services are well designed.

The purpose of this market engagement is to better understand the process, time and resource required to deliver a large-scale and multi-year project. We would appreciate your thoughts on the below questions to gather feedback on our approach.

1. Is an online communities approach the best way to achieve Fair4All Finance's multiple needs?
2. What are the key considerations, challenges, and risks in using this methodology over a long period of time? Are there any examples that you have experience of that we can learn from?
3. What are the associated costs and mobilisation timeframes required?
4. What would be the best approach to recruiting for the online community and how would you overcome any risks/challenges associated to recruitment? Eg engaging digitally excluded and ensuring geographical representation
5. What are the considerations and safeguards that you can put in place considering the various vulnerabilities that may be within the community group?
6. How should we engage with an online community to ensure data quality? How often should we engage with an online community to ensure low attrition, meaningful impact measurement, and varied insights?
7. Please explain the data analysis process that you would be able to provide and in what formats? Eg to communicate findings externally, inform internal discussions on future strategy
8. How can a service provider take ownership of the research and insight methods, as well as identifying themes and topics to test that would align with our mission and strategic priorities? Have you in the past, or currently, provided a similar service?
9. What input and resource from Fair4All Finance would be needed across the length of this project?
10. Are insights and data from an online community robust enough to allow for socio-economic analysis to calculate value of intervention? If yes, what are the considerations to think about in research design, number of participants, and methodology? If no, what would be a more suitable route?

Please note that this notice does not commit Fair4All Finance to any future competition or award. Participation in this soft market engagement will not prejudice suppliers participating in any future procurement.

The deadline for responding is **12pm 8<sup>th</sup> July 2022**. If you intend to respond, please let us know by 17<sup>th</sup> June via email so we have an indication of interest.

Please send responses to [ayesha@fair4allfinance.org.uk](mailto:ayesha@fair4allfinance.org.uk)



# Appendix

Who we serve	Definition	Population estimate	% in employment or self-employed
<b>Stuck in debt</b>	Multiple debts across providers which has been persistent. May be employed or on benefits. Limited affordability	2.76m	61%
<b>Stable low incomes</b>	On incomes <£17k (equivalised disposable income) or on benefits (excludes other segments). Can cover essentials but not lumpy items. Reasonable affordability	5.83m	31%
<b>Precarious or newly precarious</b>	May have some savings but rapidly depleting. May not have debt yet but don't have good affordability for credit	4.83m	83%
<b>Total</b>		<b>13.42m</b>	