

# An introduction to **Fair4All** **Finance**

Working to make the financial services sector fairer for everyone

# Contents

- Who we are
- Why we exist
- Who we serve
- What we mean by financially vulnerable circumstances
- What we do
- How we work
- Making a difference
- Our impact
- Join our mission

# Who we are

**We're a not for profit organisation driving change in financial services to help the millions of people in vulnerable circumstances.**

We were founded in 2019 through the Department of Digital, Culture, Media and Sport (DCMS) to tackle the issue of financial inclusion.

Our funding comes from the [Dormant Assets Scheme](#). The scheme is led by the financial industry and backed by the UK government. This makes it possible for money in dormant bank and building society accounts to be used to help good causes.

While our funding is for England, we seek to collaborate across all four nations where possible.

## Our mission

Is to increase the financial resilience and wellbeing of people in vulnerable circumstances by increasing the availability of fair and accessible financial products and services

## Our vision

Is a society where the long term financial wellbeing of of all people is supported by a fair and accessible financial services sector

## Why we exist

**There are  
14.2m adults in  
the UK with low  
financial  
resilience**

**What do you do if your cooker stops working? Or if the car you rely on to get to work lets you down?**

And what if you suddenly have to stop working because you're ill or looking after someone you love?

In tough times many people can turn to financial safety nets like savings, credit cards or an overdraft at affordable rates.

And yet for the millions of people in financially vulnerable circumstances these options are often out of reach.

## Why we exist

# Unfair

**Millions of people are living with the daily realities of financial exclusion.**

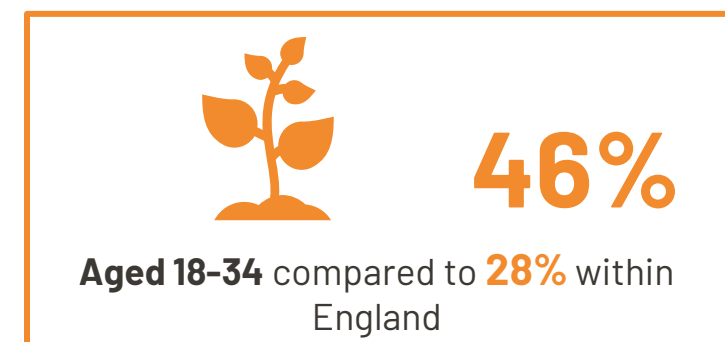
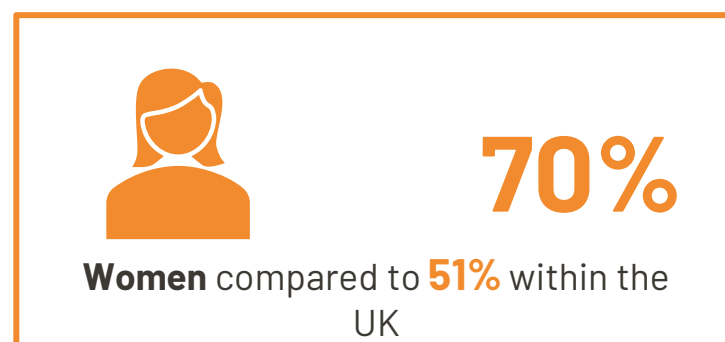
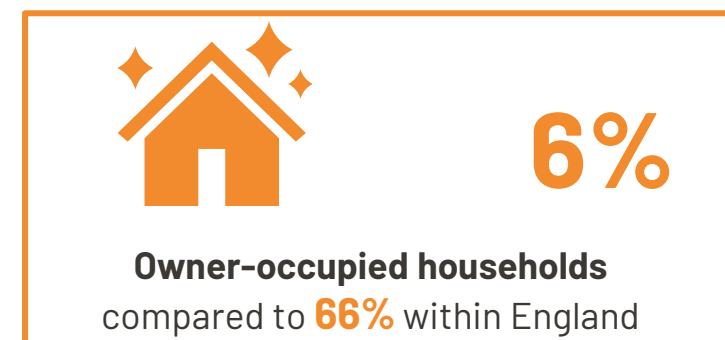
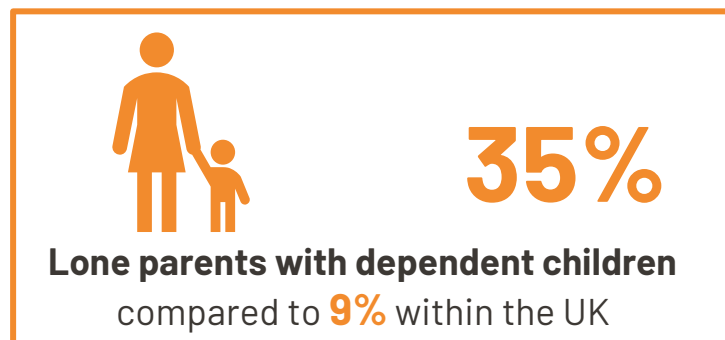
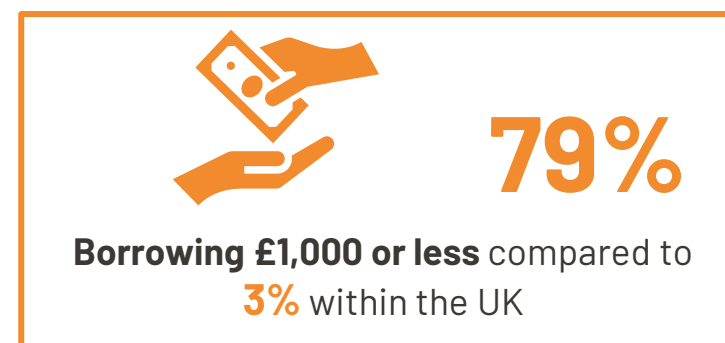
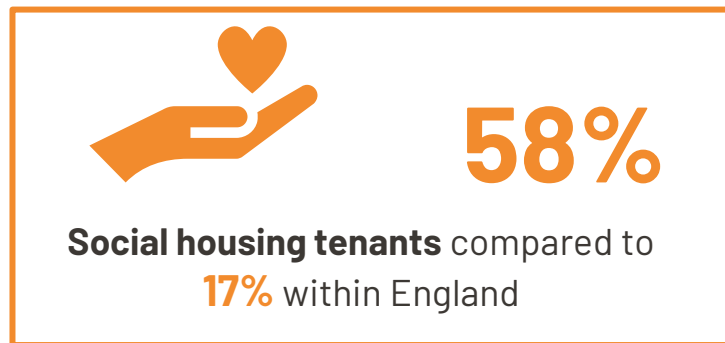
Unable to access mainstream financial products and services others rely on, people are prevented from playing a full part in their communities.

- **One in five adults** has less than £100 in savings
- **11m people** struggle to access affordable credit
- **1 in 4 households** in the UK have no insurance at all

**We think it's time to change that and make the financial services system fairer for everyone**

**'Financial inclusion** means that individuals, regardless of their background, income or personal circumstances are aware of and have timely access to appropriate and affordable financial products and services which enable them to manage their finances day to day, build their long term financial resilience and wellbeing, and participate in society.'

# Who we serve



**People in financially vulnerable circumstances aren't spread evenly across the country.**

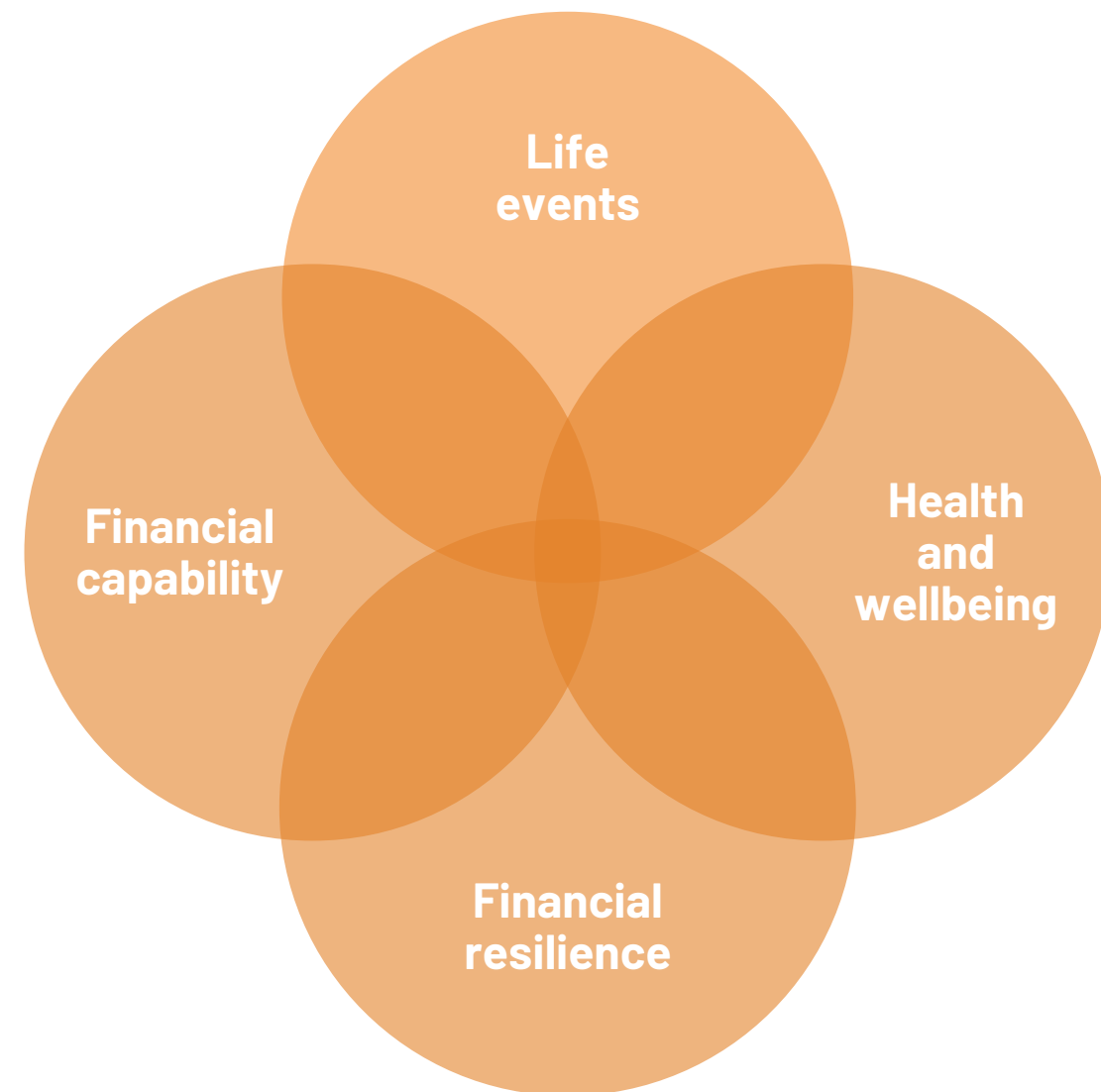
The majority of those we support live in the **most deprived 20% of areas of the country**, based on the Index of Multiple Deprivation.

They are hardest hit by the growing cost of living crisis and facing dwindling options as traditional finance providers struggle or exit the market altogether.

The Covid-19 pandemic has delivered uneven outcomes too. Since March 2020, **11m people have accumulated £25bn of debt to pay for essentials.**

Source: Estimated data from sources including [Statistica](#), [Gov.uk](#), [Office for National Statistics](#) and reports from various community finance providers

# What we mean by **financially vulnerable circumstances**

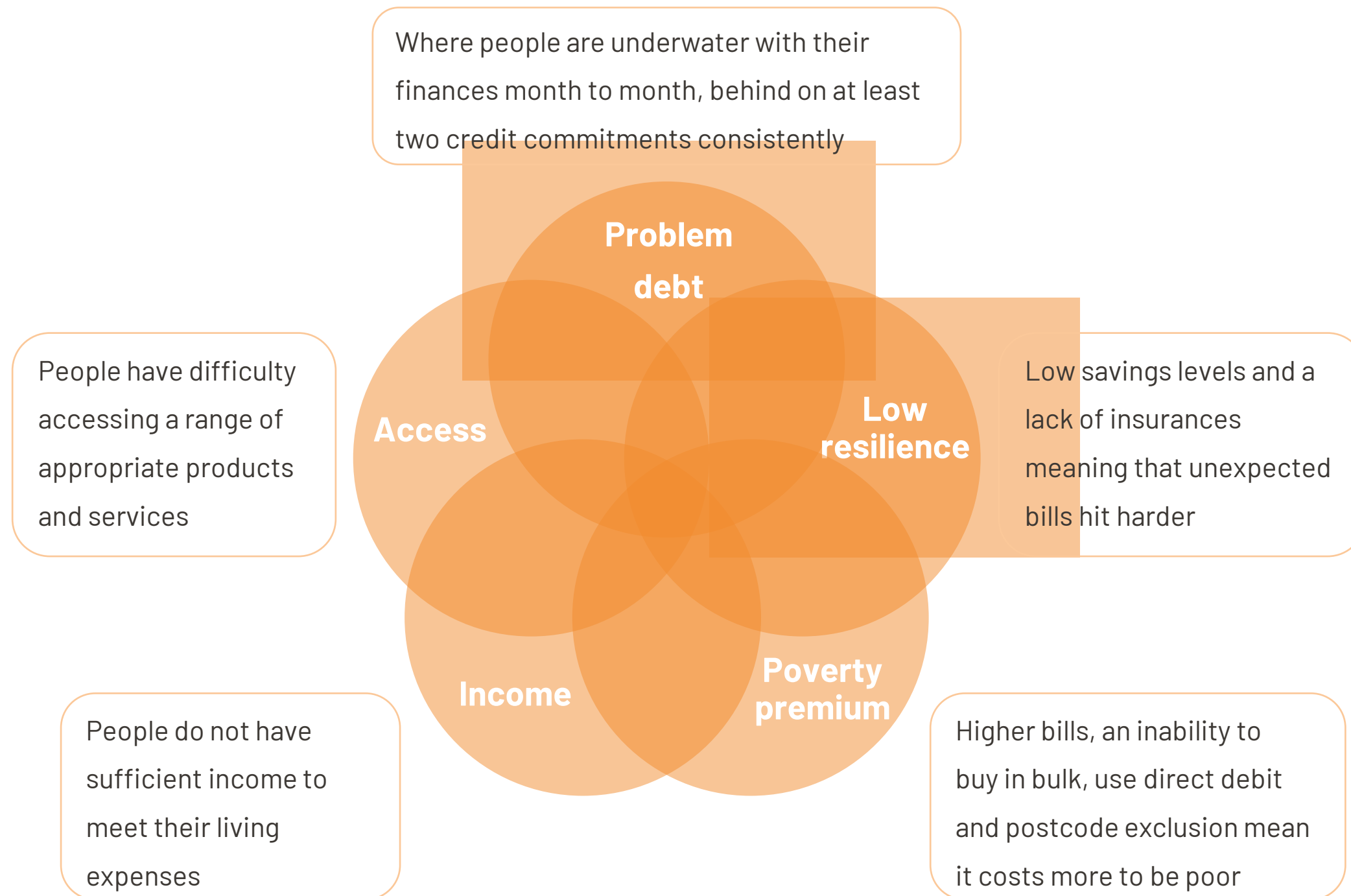


The FCA sets out four characteristics that can put someone into **financially vulnerable circumstances** meaning that they are at greater risk of harm from a lack of access to fair and appropriate financial products and services.

Everyone is at risk of becoming vulnerable at some point during their lives and **over 27.7m people** (53% of UK adults) show one or more characteristic.

Evidence suggests those in the **most vulnerable circumstances** are impacted by each of the four characteristics.

# Challenges people in vulnerable circumstances face



- **8.5m** adults in the UK are overindebted
- Lower income households pay an **extra £490** a year for essentials like energy, credit and insurance
- On top of this, **cost of living increases** are exacerbating the issues people are facing
- At the same time there has been a collapse of regulated credit provision - in 2021 home credit and high cost short term credit issued **3.25m fewer loans issued than 2019 (£1b less in value)**

Sources: FCA, 2021; Fair by Design, 2020; Bank of England stats and lender reports



## What we do

**Financial exclusion and low financial resilience are key barriers to opportunity. Yet with access to fair and affordable financial products and services, everyday life events or financial shocks can be managed.**

Our role is to level up financial inclusion. We want to see well designed financial products and services that better respond to people's needs and support their financial wellbeing.

Everything we do is focused on whether we're changing the financial services system for the better - so that the whole sector provides financially inclusive products and services in a sustainable way.

We've prioritised three key areas for our work:

**Expanding the provision of affordable credit**

**Partnering with banks and financial services providers to increase provision of services**

**Developing new products and services to address market gaps**

# How we work

We work to address supply, demand and how the overall market functions.

Our **theory of change** is simple:

- **Prove what works** to deliver better customer outcomes – through research and pilot programmes with providers focused on serving this customer group
- **Support solutions to scale** and find out what it takes for a sustainable market to work – which may include supporting subsidy or regulation
- **Share our learning** to enable the wider financial services market to play their part in serving people in financially vulnerable circumstances

Our **programmes** widen access to fair and affordable financial products and services across England:

- We **invest** in organisations already serving people in vulnerable circumstances well to help them grow and reach more customers
- We support **development** of new products and services, supporting all financial service providers to better serve this customer group
- Our **research** programmes generate a rich evidence base to inform policy and regulation that supports serving people in vulnerable circumstances

Our goal is to create an **accessible financial system** that delivers the right products and services for everyone who needs them.

## Systems Change & Impact

Are we creating the conditions for a sustainable market tailored to people in vulnerable circumstances?

## Availability

Are we increasing provision for key groups of people?  
Are we increasing availability in key places?

## Appropriateness

Are products and services meeting needs of customers?

## Attractiveness

Are appropriate products and services appealing to customers in vulnerable circumstances?

## Awareness

Are people aware of the services tailored to their needs?

## Accessibility

Are people able to access products and services and directed to the right support for them?

# Making a difference

We're working to change both supply and demand of fair and affordable products and services. In addition, we want to improve the operation of the market as a whole.

## Direct impact to partners

So far we've committed nearly **£30m to 35 community finance providers, supporting over 50% of affordable lending capacity** to people in some of the most deprived areas in the country.

Our investments are backing business plans projected to **triple the availability of affordable credit to c£900m** by 2025.

## Indirect impact on customers

An [independent report](#) into one of our investees, Fair for You, showed how they have helped move **over 70% of their customers away from harmful high cost credit** in their first five years of operation.

Other customer impacts include **reduced living costs, healthier diets and improved physical and mental health.**

## Market and systems change

Our policy recommendations have been reflected in the [Woolard Review](#) and we're working with others to take those forward.

We're also delivering a **No Interest Loan Scheme pilot** in some of the most deprived areas of the UK, with funding from HM Treasury, JPMorgan Chase and each of the devolved administrations.

## Addressing systemic financial exclusion

Our research programme is delivering insights to **tackle systemic financial exclusion**, including:

- The financial exclusion of minority ethnic communities (with NatWest Group)
- Illegal moneylending in the UK
- The role of financial inclusion as the 'S' in ESG for financial services

Join **our mission**

**Together we  
can make a  
difference and  
improve the  
lives of millions  
of people**

**For far too long customers in vulnerable circumstances have been talked about as a problem area.**

We want to reframe that as a massive opportunity for the whole financial services sector. Do it right and you can make a huge difference to the lives of millions of people.

**We believe it's possible to create a fairer financial services system that enables financial wellbeing for everyone.**

From community finance providers to major players, we'd love to hear from anyone interested in working and investing with us: [hello@fair4allfinance.org.uk](mailto:hello@fair4allfinance.org.uk)