



Building financial resilience

Chair: Sir Brian Pomeroy

Speakers:

- Lucy Malenczuk, Senior Policy Manager, Age UK
- Tom McPhail, Head of Policy, Hargreaves Lansdown
- Melinda Riley, Head of Policy, Technical and Advocacy Team, Pension Advisory Service

Overview

The workshop looked at how to support and encourage financial resilience in later life, exploring what is meant and understood by the term ‘financial resilience’ as well as identifying some of the opportunities and barriers for people to plan and manage their finances for later life.

A definition of ‘financial resilience was proposed as ‘whatever stage of life we are at, being able to cope with what life throws at us’.

Speaker 1- Lucy Malenczuk presented Age UK research funded by Money Advice Service

- Context matters – people talk about wider issues than finance – include family, health, friends and family
- We need to communicate about financial matters in a way that is meaningful for older people. Today matters to older people so important to recognise the importance of living day to day, as well as being prepared for the future
- Social care needs a positive and possible offer, perhaps more emphasis on independent living
- Need high quality products and information
- Peer support is helpful, providing older people with opportunities for discussing and sharing their experiences, not as experts

Speaker 2 - Tom McPhail

- New financial freedoms have been welcomed and so far experience appears to show people acting responsibly
- Concern that next generation who will not have additional final salary pension may find finances harder to manage
- Stock market boom over past 10 years may not last



- More needs to be done to support vulnerable customers
- Most people know more than they think they do about finances although financial confidence dips in early 50s and later in retirement
- Midlife financial MOT could be helpful at around 50
- Auto enrolment has done some good but concern that people could end up with multiple pensions over a working life as they change employer

Speaker 3 - Melinda Riley

- People need choice and control
- Some people have lost pension pots over time, some don't know how much they have
- People seek help when there is a trigger such as divorce
- Children seek clarification over costs of care and pensions
- Important for everyone to have a record of financial matters and for this to be known by and accessible to next of kin

Questions

Q1: Was there any divergence on financial management and understanding by gender in the research?

- There were slightly more women than men in the research but didn't identify big divergence
- One point was that couples who had planned together for one future were sometimes really thrown by later significant change to one partner
- Experience and research - Hargreaves Lansdown - is that women feel less confident and engaged in financial matters than men. It is likely this is a communication issue and the least engaged group are young women in their 20s

Q2: Do people need to be able to access more person centred advice. People can take £500 from their pension pot for independent financial advice, do people know this?

- £500 is not sufficient for robust financial advice for most people
- 2019 the FCA will review the market to look at retail distribution of advice and guidance, there is a recognition that there is a gap



- Need to understand the advice journey that people are on – how many places does a person have to go to get the information they need

Final thought

Need a vision for your life and you need to save for those goals