

**Toynbee Hall Provocation for AgeUK Roundtable: Later older age: how do you maintain control and stay financially included?**

**“The past is a foreign country; they do things differently there.”**

**L.P. Hartley, *The Go-Between***

Our research for the Payments Council in 2012 on the payment needs of the “Older Old”<sup>1</sup> clearly showed that we travel into old age carrying the experiences and knowledge which we have gathered along our life journey; and yet, by the time we arrive in later life, the landscape has changed dramatically and we all too often find ourselves feeling unfamiliar with our new surroundings. Significantly, our research found that our financial resilience in later old age depends, not on how old we are, but on three key determinants: the availability of family support; our personal socio-economic background; and our individual attitude towards technology. These highly personalised factors interact with any particular age-related constraints we are now experiencing in later old age to shape our quality of life and lifestyle. And, of course, these three determining factors can form an infinite array of combinations; in later, as in earlier, life our well-being depends upon our being seen as individuals requiring appropriately tailored services.

From our research and our practical frontline experience in delivering services we know that we must not underestimate the central role which informal family support currently plays in our national “coping strategy” for financial resilience in later old age. For most of us there is simply no one other than a trusted relative who we can ask with confidence to pick up cash, pay in a cheque, pay a tradesperson or other service provider, interpret a bill or other official letter from a service provider, make a call on our behalf, challenge a provider error, check out whether a tradesperson is legitimate, manage our money when we fall ill or are injured, or gather vital information for planning long-term options. When we are lucky enough to have this family support, we can cope with unfamiliar changes in financial and other services and feel confident that we can manage no matter what happens; our relative will help us out, and we know that we will be supported to live life well and manage in a crisis.

But who do we rely on when that support is missing? Friends and neighbours might be willing to help, but there are few protections in place for either side of the relationship, and friends and neighbours will not have the same sense of duty of care which drives a family member to prioritise an elderly relative’s needs. The care sector currently finds the issue of money too hot to handle; unless there are formal powers of attorney in place, carers understandably shy away from handling a client’s money for fear of accusations of theft. Often this fear lies with the employer as a legal entity rather than the member of staff actually providing the care, but rules are strict and few carers will admit to helping clients with financial matters. We know from our research that when formal structures fail us, we

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<sup>1</sup> Ellison, A., Whyley, C. and Williams, S., 2012: *Consumer research with ‘older old’ consumers and those living with cognitive, physical and sensory disabilities*, The Payments Council UK, [http://www.paymentscouncil.org.uk/files/payments\\_council/payments\\_council\\_-\\_policis\\_and\\_toynbee\\_hall\\_older\\_old\\_and\\_disability\\_report\\_24.10.12\\_final.pdf](http://www.paymentscouncil.org.uk/files/payments_council/payments_council_-_policis_and_toynbee_hall_older_old_and_disability_report_24.10.12_final.pdf)

become creative and find our own solutions; we give other people our PIN number and card to withdraw cash for us when we are immobile, and we sign a blank cheque if that gives us the flexibility we need. So without doubt there are care professionals and community members carrying out money-related tasks across our community, but they do so on an ad hoc and unsupported basis. There will be many older people who are not receiving the support around finances which will help them get the most out of what money they do have.

Our relationship with money is a deeply individual and personal one; for today's older old, a personal relationship with a bank manager or other financial services provider (such as the postmaster or –mistress) is an important form of support. As banks move away from a branch-led service, financial services providers will need to find ways to recreate the trusted relationship of the bank manager and branch model; our research showed that many older old disliked overseas call centres intensely due to poor sound quality and non-British accents. Providing alternatives to branches for those who need a face-to-face intervention will require more creative solutions, such as greater partnerships with the Post Office and other trusted high-street providers, such as libraries and community centres. In all aspects of managing money in later life, we found that a patient approach to providing support was central to an individual's level of confidence and their ability to adapt to new tools and services.

Our research highlighted that we urgently need to address the level of support for isolated older people around money management, finding ways to ensure that every older person has an established and trustworthy source of support around money as and when they need it. Part of this solution is the development of more flexible formal and payment delegation solutions; but just as important is ensuring financial services providers continue to offer personalised and trusted services. We also need to find ways to ensure family members have the information and protection they need, and to recreate the kind of trusted support a loyal son or daughter offers, helping those of us without family to cope with the minutiae of financial transactions and decisions required to live in 21<sup>st</sup> Century UK.

Our relationship with technology in later life is rarely different to our relationship with it throughout our life. If we have been exposed to new IT throughout our life, particularly through work, we are much more likely to feel comfortable using new technological tools later in life; conversely, if we have mainly relied on cash and simple paper products (such as cheques, or paper bills and statements), we will feel less familiar and thus less comfortable using new digital and mobile payment options. Our experience of IT is often closely linked with our socio-economic group; the more disposable income we have had throughout our life, the greater the likelihood that we have been able to invest in expensive new technology. Our research identified three broad "types" amongst the older old: "the digitally disconnected"; "the pragmatic silver surfers"; and "the digital enthusiasts".

One important and interesting exception to this segmentation of preferences is mobile technology; regardless of their relationship with IT in general, today's older old rarely feel comfortable with mobile technology as it is still too new, and all too often visual and dexterity impairments make it difficult for the older old to adapt to a totally unfamiliar and fiddly tool. And yet, this too is slowly changing; as mobile technology becomes ever more affordable, working age adults of all socio-economic groups are exposed to new technology such as smartphones. Whilst the current older old generation dislike them, the older old in 20 years

will have a vastly different relationship with their mobiles. Thus our solutions need to travel with time; too static an understanding of people's preferences and skills will lead to outdated solutions which fail to meet true needs or take advantage of genuine opportunities, both for the individual and for the generation as a whole.

And, finally, there is the question of how much money we actually have to support us in old age, whether that is in the form of physical assets such as housing, savings or pension income. For many of our current older old generation, this is fairly fixed; finding mechanisms which enable us to stretch our finances as far as possible is an important part of how financially resilient we can be. Any such mechanisms need to be fair, clear and trustworthy; we deserve equitable treatment in later life, so products and services must be transparent to both us and those who support us access them.

Financial resilience in later old age, then, is often the culmination of our personal financial, social and technological journey through life; for those of us who enter later life with strong family support, experience of using a wide range of financial services and IT, and with a financial buffer of some kind, the picture looks rosy. As a nation – of care providers, of financial services providers, and of communities – we must focus our attention most on those who are isolated; socially, financially or digitally. Establishing and nurturing effective support networks who are trained to talk and act appropriately about money; developing more appropriate delegated payment mechanisms to create flexible solutions which can cater with fluctuating needs; providing financial services and payment-related services in a personalised way which builds trust; recognising that our experiences and circumstances are individual and require tailored solution packages; acknowledging our unique relationship with IT to ensure it acts as an enhancing tool rather than as a barrier for each of us; and ensuring our financial assets are put to best use to support us through transparent and trustworthy products; these are the fundamental principles which need to underpin our national approach to building financial resilience in later old age.