A FAIR DEAL FOR YOUNG PEOPLE IN WALES

Improving the financial skills of vulnerable young people.
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Action for Children – Gweithredu dros Blant speaks out for the most vulnerable children and young people in Wales. Through our community-based services, we ensure that every child and young person we work with has the support and opportunity they need to reach their full potential. Our dedicated network of staff provide support to more than 22,000 children and their families across Wales each year, including looked after children, care leavers, young carers, young parents, young people with disabilities and homeless young people. We act early to remove the barriers that prevent young people from flourishing and then we empower them with the skills that they need to become independent.
INTRODUCTION

Action for Children recognises the importance of equipping young people with the financial skills and knowledge that they need to manage money in an increasingly complex world.

We welcome the focus and importance that the Welsh Government has given to improving the financial inclusion of everyone in Wales through the Financial Inclusion Strategy. The delivery plan now needs to translate its commitments into effective delivery of support, education and advice, particularly for vulnerable young people. This will be a significant element in breaking the intergenerational cycle of poverty and deprivation in Wales.

In this report we consider the factors that influence vulnerability in young people, the everyday challenges that vulnerable young people face as they try to achieve their goals and how they affect different groups, like young carers and young parents. We look at the way these challenges shape their approach to managing money and we present the solutions that they would like to see from the Welsh Government’s delivery plan in relation to: when they need financial support, where they need it provided, what they want to know and who they trust to deliver it. We found that overall, young people want advice about budgeting, paying bills and other practical support. They want it at teachable moments, in the community and from people they can trust, like practitioners.

This qualitative report has been produced in conjunction with Action for Children’s services in Wales and, most importantly, it reflects the opinions of the young people we support. The contents are based on one-to-one interviews, workshops and focus groups with 25 young carers, young parents, care leavers, looked after children and young people with disabilities living in urban and rural areas. Where we have referred to young people in the evidence gathered, we have not used real names. Sessions took place in a range of Action for Children’s community-based services, including family support services, youth support services, disability services and leaving care and specialised wellbeing services. Where appropriate, we have provided the knowledge and insight of 11 practitioners. The contents of the report are also supported with reference to the existing evidence base.
The Welsh Government recently published a refreshed version of the Financial Inclusion Strategy, which acknowledges the importance of tackling poverty and aims to improve the financial capability of everyone living in Wales. In particular, it recognises the needs of the most vulnerable people.

Mainstream education and parenting programmes will play a key role in developing the financial knowledge and skills of young people. But the strategy also acknowledges the importance of finding alternative ways to build financial capability, which is particularly important for vulnerable young people whose formal education has been disrupted.

“When you finally get money coming in and realise you owe it all out, it’s the worst feeling in the world. It makes you feel like dying.”

Young person

The Financial Inclusion Development Group is now looking to develop a delivery plan for the Financial Inclusion Strategy. The needs of the most disadvantaged families should be given prominence as this plan is developed. This report presents the views of the vulnerable young people that we support and reflects their priorities for increasing financial capability among all vulnerable young people and their families in Wales.

Recommendation: The Welsh Government and the Financial Inclusion Development Group should actively seek the views of vulnerable young people as the delivery plan is developed.
THE KEY FINDINGS

Our research has highlighted the following key issues:

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<tr>
<th>DIFFERENT GROUPS OF YOUNG PEOPLE HAVE DIFFERENT NEEDS</th>
<th>The most vulnerable young people have acute and complex needs. But they don’t all have the same problems. Some have children to support and others live alone. Some care for sick relatives and others aren’t given the opportunity to manage their money at all. These factors need to be considered when developing solutions to their financial issues. Nevertheless, these groups do have many similarities, including inconsistent contact with the education system, additional demands on their time and resources and a need to handle money responsibly at an earlier age than their peers.</th>
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<tr>
<td>EARLY IDENTIFICATION IS THE KEY</td>
<td>Due to difficult circumstances, the most vulnerable young people lack the confidence and resilience needed to tackle money issues early and effectively. Early identification of a money problem is key to tackling and preventing further problems from developing. The Welsh Government can identify those most at risk before vulnerable young people can identify their issues themselves. This can be aided by professionals in the education system, government programmes like Flying Start and the use of a population needs assessment tool.</td>
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<td>VULNERABLE YOUNG PEOPLE ARE FINANCIALLY EXCLUDED</td>
<td>With limited knowledge, time and resources, vulnerable young people can get into financial difficulty. However, they’re also excluded from accessing the appropriate support from jobcentres, banks and other financial providers, which haven’t considered their needs when developing products and services. This creates a negative cycle of debt and money worries that is difficult for the young person to break out of.</td>
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<td>TRusted PEOPLE CAN DELIVER INFORMATION IN TEACHABLE MOMENTS</td>
<td>Vulnerable young people want to develop financial skills during “teachable” moments, in practical settings where they feel at ease, like at home or in the community. Young people want basic money management support, like learning how to pay bills and budgeting or finding out where to seek help. They want support from people they trust, who can be proactive and persistent in helping them to deal with money pressures and encourage them to build their resilience. Trusted people can also provide information in a language young people can understand for longer-lasting, behavioural effects.</td>
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<td>THE FINANCIAL SECTOR HAS THE NECESSARY EXPERTISE</td>
<td>The banking sector has the expertise to provide training to vulnerable young people and practitioners to ensure a joined-up, collaborative approach to improving financial inclusion. Banks should work with young people to identify gaps in understanding and to develop creative products, materials and services that will alleviate the difficulties that vulnerable young people face.</td>
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THE NEED FOR ACTION

Based on the key findings of this research, we call on the Welsh Government to:

1. **Prioritise the needs of the most vulnerable young people to break the intergenerational cycle of debt in Wales.**

   By carefully considering the needs of different groups and working with delivery partners, the Welsh Government can provide more effective, tailored solutions to meet these needs.

2. **Explore the role of practitioners.**

   They can provide a holistic, consistent and persistent community-based approach to increasing the financial capability of vulnerable young people by building their confidence and resilience through trusted and established relationships.

3. **The delivery plan should explicitly call for collaboration between professionals and practitioners, and between sectors.**

   This should identify sectors including education, housing, employment, local government, finance and the third sector, which are crucial to developing the financial capacity and resilience of vulnerable young people.

A full list of the recommendations we make throughout this report can be seen on page 22.
THE PROBLEM WITH MONEY FOR YOUNG PEOPLE

Most young people are ‘vulnerable’ when it comes to managing money. Their knowledge is limited and they haven’t had a chance to learn from their mistakes. Poor financial literacy and money struggles can have a devastating impact on their health, housing, access to employment, training and their overall wellbeing.4

Action for Children’s Paying the price report5 found that:

- 67% of households across the UK headed by 18 to 25 year olds have unsecured debt. This debt has typically high interest rates.
- 42% of our frontline staff know of young people getting high interest credit, cash or payday loans.

Young people need additional and tailored support to develop financial skills, including budgeting, managing bills and understanding loans.

But some young people are far more vulnerable than others. Looked after children, care leavers, young carers and young parents face additional challenges, like renting a home and supporting families at an early age. They are often overwhelmed by the responsibilities that they must shoulder and this can have an adverse effect on their mental health.6 As a result, they may miss school, have low self-esteem and they find it hard to trust adults, so managing money becomes a bigger challenge.
Poor mental health and low self-esteem can impact on a young person’s ability to cope with independent living. Many of the most vulnerable young people suffer from mental health issues, including stress, anxiety and depression as a result of their circumstances.

We know that depression can affect a person’s willingness to engage with others and anxiety can affect a person’s judgement when making decisions. As a consequence, many do not have the confidence or resilience, to deal with the challenges that come with managing money. Before they came to Action for Children, many young people had previously turned to drugs to cope instead.

“BUT I DIDN’T HAVE THE CONFIDENCE TO JUST RING SOMEONE AND SAY ‘OH, I HAVE A PROBLEM’. SO I DIDN’T.”

Young person

CONFIDENCE AND RESILIENCE ARE ESSENTIAL FOR HANDLING MONEY ISSUES EFFECTIVELY, DEALING WITH PROBLEMS WHEN THEY ARISE AND PREVENTING PROBLEMS FROM DEVELOPING FURTHER.

Looked after children: becoming independent early

As they move between foster placements, looked after children often have to change schools. As a consequence, they do not have the opportunity to consistently engage with the education curriculum. Despite this, they are more likely to need the skills developed from a good financial education at a much earlier age than their peers. They often struggle to deal with the emotional impact of their circumstances and as a result, they find it difficult to interact socially. They struggle to develop relationships with their parents, their teachers and their foster carers. This can damage the trust they place in adults. Others do not attend school at all.

When looked after children leave formal education, most choose to live independently. At a young age, many no longer have the same support from their foster carers that other young people continue to receive from their parents. They live in hostels and bedsits and find themselves accessing benefits, paying rent and bills. In addition to this increased level of responsibility, they continue to struggle with emotional issues. They are also more likely to not be in education or training.
Young parents: higher living costs

Young parents face the pressures of rent, bills and accessing benefits at an early age. They also deal with the additional costs involved with having a child. Their attendance at school can be poor due to the instability of their circumstances. They’re more likely to have low educational qualifications and, once their child starts school, to remain out of work or work fewer hours than they would like to.

Those who seek to re-engage with education or training face barriers that include exclusion, stigma and social isolation, lack of family support, childcare issues and dependency on benefits. Those who do attend school need to manage the pressures of their wider responsibilities in addition to their education. Many young parents also struggle with emotional difficulties and mental health issues.

Young carers: early responsibility

Occasionally, young carers have to miss school to care for a sick relative. They will often take on the day-to-day responsibilities that their parents would normally assume. Some young carers are given tasks, like going to the bank and handling money, because a sick parent isn’t able to do it themselves. When they do move on, money is a key transition issue. Many young carers do not have the confidence that comes from spending time socialising and interacting with their peers because they cannot prioritise these activities.

Young people with disabilities: barriers to independence

Young people with disabilities face different challenges. Many of those who have the ability to manage money would like to be responsible for their own income (e.g. Educational Maintenance Allowance or Personal Independence Payments) in the same way as their peers, but the majority are not given the opportunity. Others aren’t aware of these payments. According to practitioners, this money tends to be absorbed into household running costs due to pressures on the family finances.
Common themes
Many young people fall into more than one of these categories and, even within these groups, individuals needs vary. However, we know that there are common factors that affect them, which can impact on their ability to manage money.

Many of the most vulnerable young people have inconsistent contact with the education system and are less likely to benefit from financial education at school.

They haven’t had the chance to develop the confidence and resilience required to manage the additional responsibilities that they are expected to deal with. Many suffer from emotional and mental health issues.

Despite this, they are often in need of financial skills and education at a much earlier age than their peers.

| Recommendation: The Financial Inclusion Development Group should consider the factors that affect the financial capability of different groups and seek to address these problems. |

It is important that the acute and complex needs of vulnerable young people are effectively identified so that they can be offered appropriate support at the earliest opportunity. The next section will consider the importance of early identification of the most vulnerable young people.

The importance of early identification
By providing financial education at school, young people who are vulnerable or likely to become vulnerable can be identified at the earliest opportunity. Educational psychologists, counsellors and other professionals in the education system are well positioned to identify vulnerabilities at this stage and signpost young people to the appropriate support before their problems develop. Programs like Flying Start, Families First and Communities First and professionals in other sectors, like housing, could also play a role in the early identification of vulnerable young people.

| Recommendation: The Financial Inclusion Development Group should actively identify those most in need of financial information and support and consider commissioning a population needs assessment tool to aid this task. |

“The key to identifying vulnerable young people is to identify problems early, because easy cases quickly become complex.”

Practitioner

However, many of the children and families in greatest need do not meet the high threshold of support from social services. Furthermore, government schemes are not accessible to disadvantaged families in all areas of Wales and some families choose not to engage with these services where provision does exist. Therefore, it is likely that a sizeable proportion of disadvantaged young people and their families will miss out on consistent financial information and education. Nevertheless, it is important that all those who need financial skills are appropriately identified.

“I’m glad I got the help when I did, but I wish I’d had it earlier.”

Young person

To address this issue, the most disadvantaged and vulnerable groups should be identified for targeted support. Population needs assessment tools are a useful way of identifying individuals. For example, Action for Children has developed a tool to help local authorities identify children at risk of neglect by their parents. By using tools and by accessing information held by practitioners, the needs of disadvantaged and vulnerable young people and their families can be effectively identified at the earliest opportunity.
WHAT ARE THE PROBLEMS WITH MONEY FOR THE MOST VULNERABLE?

We asked young people we work with about managing money.

Costs
At Action for Children’s Swansea Young Families service, we asked young parents to tell us about the money problems they had when they first moved into their homes. They told us that they struggled to pay their bills. Many weren’t aware that they had to pay for things like water, council tax and a TV licence until they started renting their property. They didn’t know how to budget their money or deal with the temptation to buy goods and services offered by sales professionals. And they didn’t realise how much money it would cost to buy food when their children were born.

“I DIDN’T KNOW YOU PAID FOR WATER. I THOUGHT IT WAS FREE.”
Young person

Young people in other services across Wales talked about the pressures of having to deal with unexpected fines for things they weren’t aware of. For example, one young person couldn’t pay a parking fine she received when her car broke down. For some, these fines resulted in hassle from bailiffs and landlords. They faced eviction letters and court orders, even when they were making their best efforts to tackle the problem. Many young people will also resort to unsecured loans, which can make the problem worse.

However, it isn’t just the money going out that’s the problem.

Income
Young people we spoke to mentioned that their benefit payments were stopped unexpectedly, through no fault of their own. Others reported that they weren’t aware that they had to update the jobcentre when their circumstances changed. They found themselves having to return their benefits at a time when their outgoings had increased in other ways, like paying for course books for example. And in particular, one young person wasn’t aware that she could get her bond back from a previous property until she was told by a practitioner at Action for Children many months later. In fact, many young people have had issues with difficult landlords.

“As she rang him loads to get my bond back. She had to meet him in that dodgy car park at the back of town. I wouldn’t have got it otherwise.”
Young person

Young people told us that money problems can be time-consuming, over-whelming and that, sometimes, they’re too frightened to look for help. When vulnerable young people try to resolve their financial issues, they don’t know where to seek advice and sometimes turn to inappropriate coping mechanisms.
Excluded from the mainstream

Action for Children’s *Getting a fair deal?* report found that jobcentres were seen as “no-go” areas and 59% of young people surveyed thought that banks were intimidating and unhelpful. This issue was once again reflected in the interviews and focus groups in Wales. Young people stated that services and products offered by banks were not designed for their age group, or for their needs, and that they couldn’t understand the small print. Banks use language they’re not familiar with, so they don’t understand what financial products are on offer or if these products are appropriate. In addition, the young people were put-off by the attitude of the staff in banks and jobcentres, both on the phone and in person, and they weren’t inclined to ask for further help or information if they hadn’t come away with what they needed.

This section has highlighted the number of issues that vulnerable young people face when managing money. Young people have told us that they lack the knowledge to manage money in basic ways, like knowing what bills to pay. On the other hand, they’re prevented from accessing appropriate support because of the language that’s used and the service that is provided. These factors seem to generate a negative cycle of financial management that’s difficult for vulnerable young people to get out of. The next chapter of this report will consider the support that’s needed to end this negative cycle.

**Recommendation:** The delivery plan should consider the type of issues faced by vulnerable young people so that they can be tackled effectively.
**IN HER OWN WORDS:**
**DIANA’S STORY**

Diana is a Young Ambassador at Action for Children.

**Getting support and working through debt**

“My life was a huge struggle. I was 18 and living in a women’s refuge. I was studying for my A levels at the time and aiming for university, but everything around me was piling up. I was literally freaking out. I had no clue about how to pay bills, and I never really had any support from the refuge. I was all alone and had no family here.

“I was paying a TV licence without owning a TV. I thought I had to pay for the service. I was so scared someone would turn up and I would be in trouble because I didn’t have a licence. My water bill was really high as they were over charging me. I had trouble with my benefits, especially housing benefits. The council had the wrong details of me after I left the refuge, and the refuge failed to notify authorities when I left, so they did not pay the rent on time. I was in severe debt and I didn’t know how to sort that out. I was totally panicking. I was trying to sit my final A Level exams at the same time and had all these debts and bills coming through the post.

“I never had a bed to sleep in as I couldn’t afford to pay for one. I was sleeping on a second hand couch in my flat and living off 11p noodles most days. Sometimes on a good week I would buy cooked chicken, which was about £4.00 that lasted me about a week. I could never afford to eat proper cooked meals with veg as the money never stretched that far. There were times when the benefits weren’t paid into my account on time and that’s what I relied on. So I had to go without hot water and heating.

“The refuge referred me to Action for Children as I was a young person in need of desperate help. I was so scared about meeting Diane my support worker at first. I thought she was going to tell me off like a mother because of all the debt I was in. However Diane has been the best support I have ever had.

“I moved into new housing and she helped me sort out my finances. All the money was put back in my account from the TV licence and she looked into my water bill. She found out they were charging me high rates. I was paying over £40 and she managed to reduce this to £15 - £20 because she asked them to fit in a water meter instead. That helped me so much financially. I never trusted my past support workers because they always said they would do something and never did. Diane really delivered on what she said she would do. She was so passionate about her job and I could see that she really wanted to help me. I trust her so much.

“Diane showed me how to budget my money properly. She told me places where I could shop wisely with the money I had and she also taught me how to use the water wisely. She actually showed me how to run my flat more efficiently.”
In Action for Children’s *Getting a fair deal?* report, we examined the financial experiences of vulnerable young people. Our survey showed that 67% have never had, or do not remember having, any financial education in school. Financial education at school is important. But, it cannot cater for all the needs of the most vulnerable young people. We found that school-based education can improve financial literacy, but it’s harder to find evidence that it can improve the way that young people behave with money. This is crucial if we’re going to break the negative cycle of financial management that traps these young people.

**FORMAL EDUCATION AT SCHOOL CANNOT BE THE ONLY WAY TO PROVIDE VULNERABLE YOUNG PEOPLE WITH THE FINANCIAL SKILLS THEY NEED.**

This chapter will consider the most appropriate ways to enable vulnerable young people to manage their money effectively through alternative methods.

**When do they need financial information?**

Young people really want advice about budgeting and paying bills at ‘teachable’ moments in their lives. Teachable moments occur when young people are doing things for the first time, like living independently or going to university.

“It’s hard to teach when it’s not appropriate. They don’t seem to want to know.”

Practitioner

In Action for Children’s *Getting a fair deal?* report, we asked young people when they would like to be provided with financial information and skills.

For **72%**, a teachable moment occurs when they leave home.

**59%** would be receptive to financial information when they have a baby.

Only **27%** said they wanted financial education at school.
At Action for Children’s Swansea Young Families service, we asked young parents to tell us when they wanted financial information. Many told us that they wanted to know about rent, bills and budgeting before they started renting their homes. Although they were inundated with forms and information immediately before they moved into their properties, it took time for suitable houses to be located. They said that this waiting period would have been the ideal time to receive financial education, particularly information that related to rent and bills. However, practitioners noted that pre-tenancy support is no longer provided by the local authority.

One young parent asked for more information at university. She received information and support when her student loan didn’t arrive in time, but when she got into debt during her course, she didn’t go back for support. She was under the impression that the support she received was only given to those with delayed loan payments. She would have liked more email correspondence from the university throughout her course to encourage her to contact their support services if she had a problem. She also suggested that 5 minute presentations during lectures at the start of the year would be a good moment to reach a large number of students.

Ultimately, most young people suggested that they would be receptive to financial information and education when it is needed, in ‘teachable moments’, which supports Action for Children’s existing research in this area. Until these teachable moments arrive however, they want to know where to access this information and who to ask when they do need support.

Where do they want it?
In the focus groups, most young people across Wales emphasised the importance of learning about money when they are doing things in the local community. For the most vulnerable young people, it’s important to have someone to provide guidance when they’re entering banks or the jobcentre, or when they’re out shopping for example. Others, particularly young carers and young parents, also wanted financial education in their homes, while they care for a sick relative or watch their children play. This is the environment in which they feel most comfortable and where many of their activities take place.

Recommendation: The Financial Inclusion Development Group should work with vulnerable young people to determine when teachable moments occur for different groups of young people and consider this information when developing solutions.
What do they want to know?

In Action for Children’s *Getting a fair deal?* report, young people told us that they wanted to know:

- what bills need paying and where to go to set them up
- how to be able to budget to buy food, clothing and household items
- how to spend well
- how to prevent debt accumulating
- how to manage debt effectively without getting into too much debt
- how to save
- how to manage large amounts of money, like student loans

In further discussions with young people across Wales, they told us that they also needed to know:

- about energy tariffs and how to change them
- what to do when their benefits stopped
- who to seek help from when they got into trouble
- how to prevent unexpected fines
- how to deal with difficult landlords
- how they should respond to bailiffs
- how to manage the stress of money worries

Before they can begin to address these questions, however, they need to know where to get help, what help is on offer and if the support, products or services available are the right options for their needs.

Who do they want it from?

As discussed, Action for Children’s *Getting a fair deal?* report found that 59% of young people would not go to a bank because they find banks intimidating and unhelpful and that, generally, jobcentres and banks are not trusted. However, according to practitioners, trust is a difficult thing to gain among vulnerable young people. Winning trust depends on an understanding and empathetic attitude, simple language and a flexible approach.

“PEOPLE IN THE BANK USE BIG WORDS AND I JUST AGREE WITH THEM. I AGREE WITH WHAT THEY SAY BUT DON’T UNDERSTAND IT.”

Young person

Most of the young people we spoke to across Wales said they’d like to receive financial information and skills from practitioners in organisations they already knew. They told us that practitioners could help them manage their emotions, make the right decisions, deal with people, like landlords, and provide information on how to do things more efficiently. Importantly, practitioners can demonstrate how to do things from start to finish and step in when they can’t do it themselves.

Wellbeing services, provided in the community, could therefore be an effective source of financial information and skills. These services are delivered by people whose primary aim is to support and strengthen the vulnerable young person, rather than hold them to account for their challenging behaviours. Furthermore, practitioners are more likely to have access to young people during teachable moments, when trusting relationships can be used to facilitate financial awareness. They’re also well-practised in using language that service users can understand. These services are focused on changing a young person’s behaviour, as well as improving their understanding of the world, which could ensure longer-lasting outcomes.

VULNERABLE YOUNG PEOPLE ARE MORE LIKELY TO TRUST PROFESSIONALS WHO ARE FOCUSED ON IMPROVING THEIR WELLBEING, LIKE YOUTH SUPPORT WORKERS, COUNSELLORS AND HEALTH VISITORS.
CASE STUDY: **SKILLS FOR LIVING**

In Action for Children’s response to the Welsh Government’s updated Financial Inclusion Strategy, we highlighted the important work we do at Skills for Living. This is a project based in Torfaen that provides services to care leavers. This support aims to be consistent and persistent as the young people move across local authority boundary areas.

During their time at the project, service users have the opportunity to develop supportive and trusting relationships with staff members. The project aims to challenge the thoughts and emotions that trigger unhealthy behaviours and the negative circumstances that arise as a consequence of these behaviours.

In addition, the practitioners promote the development of skills that result in positive outcomes for the young person. Many of the young people live with foster carers, but others live independently and have the financial responsibility that accompanies independent living. Therefore, staff members are frequently involved in supporting young care leavers with financial issues.

The Skills for Living project is now being rolled out across Wales through Action for Children, supported by the Sustainable Social Services Grant, and is the kind of project that would be well-placed to deliver financial skills and education for care leavers.
“WHEN YOU’RE WORKING ON [A CARE LEAVER’S] WELLBEING, A FINANCIAL PROBLEM IS THE ELEPHANT IN THE ROOM THAT STOPS US FROM MOVING FORWARD.”

Practitioner

Many young people we spoke to, particularly the young carers in Pembrokeshire, wanted to have financial information from their parents. But, young parents told us that their families were often in the same situation, or unable to provide help. This once again highlights the importance of considering the needs of different groups.

“The last person I’d ever go to is my mother.”

Young person

Young parents also pointed out the important role played by other professionals. They told us that housing providers are well-positioned to provide advice about rent, bills and budgeting and, could deliver this information before a young person moves into a property.

We welcome the Welsh Government’s recent commitment to improving the employability of young parents. Employability services could also help young people to understand how to manage their monthly income, deal with unexpected costs and manage their debts. These services could show young people how to maximise their income at the same time. It has been noted by a service manager, however, that the journey to employability takes a long time, so support would need to be provided over a lengthy period.

As noted earlier, some young people would like more consistent information and proactive support from those based within the education system, particularly at university where they receive large loans and grants.

Young people have told our practitioners that their personal advisors do not always provide effective support. Contact with personal advisors at the local authority is inconsistent and the quality of contact is dependent on the particular advisor. If the young person has already received and spent their benefits, they try to avoid this contact.

“We encourage them to manage their money and to see their personal advisors at the local authority, but it’s no use. [The care leavers] avoid them because they know they’ll get a bollocking if they’ve already spent their money.”

Practitioner

Furthermore, a practitioner in Pembrokeshire told us that many of the community-based roles are no longer being funded. They are now being provided directly by the council, but the parents have not responded well to this move because they distrust professionals who work for the local authority. Given the pressures on local authority budgets, creative solutions to tackling these problems should be proposed, considered and explored.

Recommendation: The Financial Inclusion Development Group should consider how professionals, both within and outside the education system, can facilitate the development of financial education and skills for vulnerable young people. The group should seek to provide support through trusted, proactive professionals who can provide tailored solutions.
IN HER OWN WORDS:
DIANA’S STORY CONTINUED...

The benefits of consistent and persistent support from a trusted source

“MY life completely changed after receiving help for a year with Action for Children. I was struggling so much and Diane helped me through my darkest days. Things were going so well. I managed to finish my A levels and get into university. I was so excited about doing my Law degree. However after finishing my first year at university I got myself a summer job and things took a turn for the worst. I became really ill – I was on a life support machine.

“I contracted Lupus. My kidneys, heart and lungs were failing. To top it off I got fired from my job, and I couldn’t manage the bills again. I didn’t know who to ask for help from. I was lying there in hospital with no one. All my friends disappeared. The last person I thought would be there for me was Diane. I explained to her from my hospital bed what had happened and I never imagined that she would be able to help. Within a week she put me back on support. She started to sort out all my benefits, which were really complicated as I was a student and I couldn’t work because I was so ill. I had to make a choice. Do I give up my dream of being a lawyer and claim benefits to get myself better or do I continue with university?

“With the support of Diane we spoke to my university and they allowed me to take a year out so that I could concentrate on my health and then return back for my second year. I went through the chemo and was in recovery, only to face hate crime after coming out of hospital. The neighbours who moved in to the flat next door gave me hell. With the support from Action for Children I now live in a new area. I have returned back to university and just completed my 2nd year, passing with a 1st. I have also been elected by my university as a Student with Disabilities Officer and elected as an NUS Student with Disabilities Campaign Officer. I am also a mentee for the local Diversity in Democracy project, where I represent disabled students on a national and international level at conferences.

“I have just been advised by my doctors last month that the chemo has worked and that I do not need a kidney transplant. So things are looking up and I feel really positive. I still keep in contact with Diane. Without her help I could not have achieved any of this. I know she will always be there for me. I am forever indebted to Action for Children. I would not be here now if it wasn’t for all the support from them. I am so grateful and thankful”.

Since writing this case study, Diana has graduated from Law School with a 2.1. and secured her first job. She has also been nominated for the Enriching Student Life Award at her university on behalf of her work for students with disabilities.

Her nomination said:

“DIANA HAS BEEN REALLY PASSIONATE AND EMPOWERING TO NOT ONLY [THIS] UNIVERSITY BUT ALSO STUDENTS AND PEOPLE WITH DISABILITIES ACROSS WALES. SHE HAS BEEN REALLY RIGOROUS IN MAKING SURE DISCRIMINATION IS NOT TOLERATED AND ACCESSIBILITY IS PROVIDED TO ALL. SHE’S HELPED PEOPLE STOP FEELING ASHAMED OF DISABILITY AND HELPED PEOPLE DETACH MISCONCEPTIONS.”
Vulnerable individuals who lack the confidence and information they need are unlikely to deal with financial pressures at the earliest opportunity. Sign-posting services are not enough to guarantee that vulnerable individuals will access this information in a timely manner. Young people require a greater degree of encouragement and support to access the information they need.

In Action for Children’s response to the proposed Financial Education and Inclusion Bill, we said that getting the right support, at the right time, to the most vulnerable young people and families will require effective, strategic programmes. It will need partnerships between other agencies, including Flying Start, Families First, Social Services, professionals in the education system, housing providers, banks and others.

Youth practitioners have the necessary expertise to communicate effectively with vulnerable young people, though they would like to have a greater understanding of the financial solutions available. Housing providers and other professionals could also benefit from similar training to ensure consistency in the information provided.

> **Recommendation:** A specific requirement should be placed on local authorities to provide financial management advice and skills to vulnerable young people who require additional support and training to those who deliver it.
There are also a number of actions that banks and building societies could take. As outlined in Action for Children’s Getting a fair deal? report, young people provided a list of recommendations to help banks, building societies and other providers to make financial products more accessible to young people. They include:

- Working with vulnerable young people to develop products and services they can use and can trust
- Using simple language that everyone can understand
- Making sure that all frontline staff understand how best to work with vulnerable young people and what challenges they face
- Telling young people where they can get extra help.

For vulnerable young people with inconsistent access to education, it’s important to provide information and advice in language that is easy to understand. Banks and building societies should work with young people to:

- Identify gaps in knowledge and understanding
- Determine the factors that cause debt
- Provide creative solutions and consider the language through which they are presented – from products, materials and services to customer service trained staff.

As discussed in Action for Children’s Getting a fair deal? report, these creative solutions might include low cost loans, automated ‘jam-jar’ payment facilities and a small, but protected overdraft facility that doesn’t involve charges.

“IF A VULNERABLE YOUNG PERSON IS GIVEN THE WRONG PHONE NUMBER, IF THEY’RE CUT OFF ACCIDENTALLY OR IF SOMEONE’S RUDE TO THEM ON THE PHONE THEN THEY MIGHT NOT HAVE THE CONFIDENCE TO CALL BACK. THE FIRST POINT OF CONTACT NEEDS TO BE EXCELLENT.”

Practitioner

Banks could provide training, delivered locally both to vulnerable young people and practitioners, to ensure that products, information and services are fully accessible. This would also help to ensure that all professionals, from housing providers to practitioners, can coordinate the support they provide with the right information that they can then deliver at teachable moments.

Financial services should employ the tips for firms on developing good practice as outlined in the FCA’s recent Consumer Vulnerability report, to improve awareness amongst staff of the areas affecting vulnerable children and young people. Ultimately, the banking sector has the expertise to deliver the information that’s needed, but needs to work with partners and young people themselves to ensure that it is delivered in the right way for the most vulnerable.

Recommendation: The Financial Inclusion Development Group should ensure that there are joined-up, effective working practices between the agencies involved in providing financial education and skills and those who provide financial products and services to ensure that vulnerable young people can fully benefit.
CONCLUSION

Young people need to be given the chance to develop the confidence and resilience to become independent. These factors are essential in managing money, dealing with problems and preventing money issues from escalating. They will help to ensure that vulnerable young people engage in training, employment and can actively contribute to the world.

The views and opinions of vulnerable young people are crucial if this strategy is to succeed in tackling poverty. Vulnerable young people need a tailored approach that considers the circumstances in which they live, the factors that affect their wellbeing and the barriers they face when managing money. These will differ for different groups of young people, but with careful planning and early identification of those most in need, we can help vulnerable young people to tackle these issues quickly and effectively.

The education system can play a crucial role in delivering financial education and can provide early assistance to those in need of further help. It can signpost the most vulnerable young people to support networks, information and advice that is delivered at the right time, by the people they trust most.

Local authorities can help to ensure that professionals work collaboratively so that they’re well-placed to provide the information needed.

And the financial sector can ensure that these professionals have the right information to hand and that vulnerable young people have access to solutions that can increase their financial capability.

By working together, we can make a real difference to the lives of the most vulnerable young people in Wales.

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RECOMMENDATIONS

In Action for Children’s response to the consultation that preceded the Financial Inclusion Strategy, we made the following recommendations:

- The Welsh Government should actively identify and target the most disadvantaged and vulnerable groups so that it can effectively respond to their needs.
- The Welsh Government should ensure provision of choice in access to financial services and financial advice, and equitable access to financial skills and education.
- Existing youth support services provide the key to success for vulnerable young people. They build on trusted relationships to provide advice at teachable moments.
- Due to the complex needs of vulnerable young people, stakeholders should work with these groups when developing recommendations, proposals, products and services.
- An outcomes-focused approach should be adopted during the delivery stages of the strategy to ensure that it is most effective.

We have also made the following recommendations in this report:

- The Welsh Government and the Financial Inclusion Development Group should actively seek the views of vulnerable young people as the delivery plan is developed.
- The Financial Inclusion Development Group should consider the factors that affect the financial capability of different groups and seek to address these problems.
- The Financial Inclusion Development Group should actively identify those most in need of financial information and support and consider commissioning a population needs assessment tool to aid this task.
- The delivery plan should consider the type of issues faced by vulnerable young people so that they can be tackled effectively.
- The Financial Inclusion Development Group should work with vulnerable young people to determine when teachable moments occur for different groups of young people and consider this information when developing solutions.

- The Financial Inclusion Development Group should consider how professionals, both within and outside the education system, can facilitate the development of financial education and skills for vulnerable young people. The group should seek to provide support through trusted, proactive professionals who can provide tailored solutions.
- A specific requirement should be placed on local authorities to provide financial management advice and skills to vulnerable young people who require additional support and training to those who deliver it.
- The Financial Inclusion Development Group should ensure that there are joined-up, effective working practices between the agencies involved in providing financial education and skills and those who provide financial products and services to ensure that vulnerable young people can fully benefit.
REFERENCES


27. Stevens, R. In publication. Local area population needs assessments: A report as part of the Welsh Neglect Project 2014/15. Action for Children, on behalf of the Welsh Government.


