

# Annex 6

## Feedback from the Consumer-Friendly version of the Interim Report

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6.1 The Review commissioned The Value Engineers (TVE), a strategic brand consultancy, to produce a consumer-friendly version of the Interim Report, which was published alongside the main Interim Report.<sup>1</sup> The Review asked TVE to send this to the people who had been involved in earlier consumer research to seek their opinions on the direction that the Review was taking. The Review felt that it was important to continue to engage with those who may ultimately become users of the service.

6.2 The findings of this work form part of the Review's evidence base, and have provided a highly valuable contribution from the perspective of potential users. The Review team is grateful to everyone who agreed to participate in the research.

6.3 Hard copies of the full debrief pack provided by TVE to the Review team are available on request.

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<sup>1</sup> [http://www.hm-treasury.gov.uk/media/F/1/thoresenreview\\_interimleaflet.pdf](http://www.hm-treasury.gov.uk/media/F/1/thoresenreview_interimleaflet.pdf)

**the value engineers**

value creation through brands and branding



**Generic Financial Advice - Thoresen Review  
Debrief of Consumer Feedback on Interim Report**

**November  
2007**



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## Executive summary

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Research was conducted via 10 minute telephone interviews with respondents who had previously taken part in the Phase 1 qualitative research stage. The objective of the research was to gain responses to the 'consumer friendly' version of the Thoresen Review Interim Report.

### Main findings

- Responses to the study tend to corroborate our qualitative hypothesis that the groups most in need of financial advice (especially the Pre-Family group) are also those who are the most difficult to engage.
- Once again, the key audiences for GFA appear to be Pre-Family, Nursery Family and Pre-Retirement, with the lowest proactive levels of engagement coming from the Established Families and Retired groups.
- At this stage the key takeouts of the GFA service are that it will offer independent, impartial financial advice and guidance for everyone (except those in extreme financial difficulty, i.e. crisis).
- The messaging around 'making the most of your money' is not currently being communicated clearly enough. Given that this message is likely to be a significant trigger for many people to consider the GFA service, future communication development should aim to bring this out further.
- It is largely anticipated that the GFA service will be most relevant for people making significant decisions at key lifestages, although there is some understanding that it will also be appropriate for resolving day-to-day issues (including jargon busting). Several segments felt that the service would have been useful at a previous lifestage or will be useful in the future at a forthcoming lifestage.
- Impartiality is a core tenet of the proposition, implying a service that is independent and where there is no hard sell (non-profit making). Linked to this, it is believed that the optimum structure for delivering this service will be joint funding by government and the financial services industry (FSI), but delivery via an independent organisation.
- There appear to be benefits in identifying a more consumer-friendly name than 'GFA', ensuring that it is clearly understandable, benefit-driven, approachable and memorable – we would recommend a separate naming process to identify such a name.



## Background and objectives

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### The macro objective

To understand, from a potential user's perspective, what the desired content, style and governance should be for a national generic financial advice service.

### Background to the research

Phase 1, conducted in August and September 2007, included a series of focus groups and depth interviews, conducted by The Value Engineers (TVE) to understand from a potential user's perspective what the desired content, style and governance should be for a national generic financial advice service – the 'GFA service'.

The findings, presented to the Thoresen Review team in early autumn 2007, helped further inform the work they were doing to develop the optimum model for delivering generic financial advice to the UK population.

On 22 October 2007, Otto Thoresen and his team published an Interim Report detailing the progress they had made so far. The findings from phase 1 are published in annex 3 of the Interim Report: [http://www.hm-treasury.gov.uk/media/9/E/thoresenreview\\_annex3.pdf](http://www.hm-treasury.gov.uk/media/9/E/thoresenreview_annex3.pdf).

It was felt that this interim phase provided a unique opportunity to re-contact the members of the public who had participated in phase 1 to gauge their views of how they thought the service had developed since giving their input.

With this in mind, the Thoresen Review team and TVE collaborated in developing a 'consumer-friendly' leaflet version of the Interim Report, aimed to cover the team's main ideas about what the GFA service should be.

TVE have thus re-contacted the original respondents involved in the Phase 1 qualitative research stage in order to canvas their opinions on the content of the consumer friendly interim report. The findings from this research will then further assist in informing the recommendations of the Thoresen Review.



## The 'consumer-friendly' leaflet



"Worries about money are a major source of stress. As a nation we need to look for ways to equip people to manage their money – and therefore their lives – confidently, competently and realistically."

*Otto Thoresen*



### WHO IS OTTO THORESEN AND WHAT IS THE THORESEN REVIEW OF GENERIC FINANCIAL ADVICE?

Otto Thoresen is Chief Executive of AEGON UK, one of the country's big insurance companies. He was asked by the Government to produce a framework for delivering generic financial advice (GFA). The 'Thoresen Review' will make recommendations to the Government next year. Meanwhile, the 'Thoresen Review' team has published an interim report that sets out where we have got to in our thinking so far and the work we need to do next to collect more evidence about the best way of delivering generic financial advice, so that it is the kind of service you will want and use.

We are now also in a position to tell you about the progress we have made in developing a GFA service.

### WHAT IS GENERIC FINANCIAL ADVICE?

'Generic financial advice' is any advice about your personal finances that does not involve someone recommending that you buy a particular product. It may also include related topics like tax and benefits. The idea behind a generic advice service is to make sure that information & guidance on money matters is available to everybody. The service could be at the end of the telephone, on the internet or on your local high street. It will be ready to listen to you, give you guidance and help you make good financial decisions for your future.

### WHAT ARE OUR AIMS?

To develop a service that is:

1. On your side: impartial from government and the industry
2. Supportive and coaching: it won't judge or criticise you but will try to help you to take action
3. Preventative: to help you take charge of your and your family's money
4. Available to everyone in the UK – we're focussing on the groups who we think would get the most out of the service, but nobody should be turned away
5. Not trying to sell you anything
6. Able to give you personalised information and guidance and help you feel confident about what to do next

### WHAT SHOULD THE SERVICE BE LIKE?

Everyone's financial situation is unique. One of the most important parts of the service to get right is to ensure that everyone knows it is for them. This means that it should not judge or criticise, but give information and guidance, helping you to come to well-informed financial decisions that are right for you and your family.

There is a lot that GFA could cover to enable people to make better financial decisions. Let's take a familiar example: financial documents are full of jargon and they are not always the easiest things to read. So, we think the service should be there to help with 'jargon-busting' questions like "what does APR mean?" or "what's an annuity?"

The GFA service should also be there to help you understand the pros and cons of different options and to suggest a course of action.

People have told us that the GFA service should not make you feel under pressure to buy anything. The GFA service would not recommend or sell any specific products or services from financial organisations.

We agree it's important that the service does not support any business or government's special interest. It should just be about giving people good, practical and realistic information and guidance.

The service will not be aimed at people in financial crisis – we want to try to help people avoid difficulties! The service should direct people in financial trouble to the places where they can find the kind of specialist help they will need. GFA will also be able to equip people to avoid crises in the future.

The GFA service is intended to fill a gap in the provision of information and guidance about money.

Where appropriate, the service will point you in the right direction for more specialised help that is available to deal with any questions you might have.

### HOW SHOULD WE LET YOU KNOW ABOUT THE SERVICE?

There's no point in having a great new service to give you guidance about your finances if you've never going to hear about it. So, we think one of our most important challenges will be to make sure everyone knows about GFA. We also want to make sure that it does not feel intimidating and that everyone would feel comfortable using it.

We think it will be important for you to be able to find out about the service in places you go to regularly like your workplace, jobcentres, and even GP surgeries. By making information available in the places you trust, we hope you will start to feel you can put your trust in us and in a service which will be all about helping you.

We are thinking of making information from the GFA service available as widely as possible. We will also be considering how the service might operate on social networking sites, interactive digital TV and even your mobile phone.

We want the service to keep up with you and be easy to use no matter where you are. In the end, the service should be where you would expect to find it. So, we are looking at having a mixture of centres where you will be able to talk to advisors face-to-face, a phone line and web site. All of this means we are looking really carefully into how we can make the service available to you when you want it.

### WHEN MIGHT YOU USE THE SERVICE?

Whenever you want! Whether you are getting married, are having a baby, are wondering what will happen to your finances after a divorce or anything else, we believe it will be important for the GFA service to be there to give information and guidance when you need it. Or it might not be a change in your life that gets you thinking about your money. You might read something in the paper (for example, about changes in interest rates) and wonder what it means if you have savings or a mortgage.

### WHAT'S IN A NAME?

All along, we have been talking about this service as GFA or generic financial advice. However we are aware that it is not very obvious what this means. In the end the service will be about giving information and guidance to people and providing them with the tools to make more informed decisions. So, we want to change the name to make sure that it gives a better picture of what the service is trying to do and what it can do.

If you would like to contact the Review, you can write or email us:  
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Email address:

For more information on the Thoresen Review and its work visit the website at:

[http://www.fca.gov.uk/independent\\_reviews/thoresen\\_review/thoresenreview\\_index.htm](http://www.fca.gov.uk/independent_reviews/thoresen_review/thoresenreview_index.htm)

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## Research methodology

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- All of the participants of the original qualitative research study were re-contacted and asked if they would be willing to take part in a semi-structured questionnaire to be conducted over the phone ('semi-structured' means a mixture of questions that can be answered in a quantitative/qualitative manner). Interviewees were then sent a copy of the consumer friendly leaflet before the interviews.
- The interviews ran for approximately 10 minutes each.

### Research methodology - questionnaire

- The questionnaire covered the following areas:
  1. From what you have read, what is your understanding of what the GFA service offers? Why do you say that?
  2. Who do you think this service is aimed at? Why do you say that?
  3. When (i.e. in what circumstances) do you think this service is likely to be most helpful to someone? Why?
  4. The leaflet says that the service is intended for everyone. Who do you think will get the most out of it?
  5. The leaflet says the service aims to be 'impartial'. What do you think it means by that?
  6. Which of the following options would you prefer in order for you to consider the GFA service to be truly impartial? Why do you say that?
  7. Is it a service that you think you would use personally? Why do you say that? What do you think the benefits of the service will be for you?
  8. Currently the service is called 'GFA', but it might change. What name would you give it?
  9. This leaflet is being used to explain the GFA service. How could the leaflet be improved and what would you recommend?

*Please note that the sample for this research is very small – the findings can be considered to be indicative, but are not statistically robust.*



## Questionnaire response rate

SEGMENT / GROUP (inc. depth interviewees)	Potential	Actual achieved	Percentage achieved
Pre-Family	18	7	38
Nursery Family	17	11	65
Established Family	18	9	50
Pre-Retirement	9	8	88
Retired	9	5	56
<b>Total</b>	<b>71*</b>	<b>40</b>	<b>56</b>

\*As Phase 1 found that there were no significant differences between ethnic origins or any regional bias (with regard to reception of the GFA service), for this round of research the findings reflect a combination of the respondents from both the depth and group interviews. This will help to provide evidence on an appropriate engagement strategy and to guide where future work will be required.

A total of 56% of the original respondents agreed to participate in the second round of research – this high response rate could be attributed to a relatively high level of interest in the GFA service overall.

The highest response rate was achieved among the Pre-Retirement segment, possibly reflecting their increased anxiety about planning for retirement.

The second highest response rate was for the Nursery segment, who are very busy juggling jobs and young families – despite the suggestion from the qualitative research that this group does not have time or the inclination to think about finances.

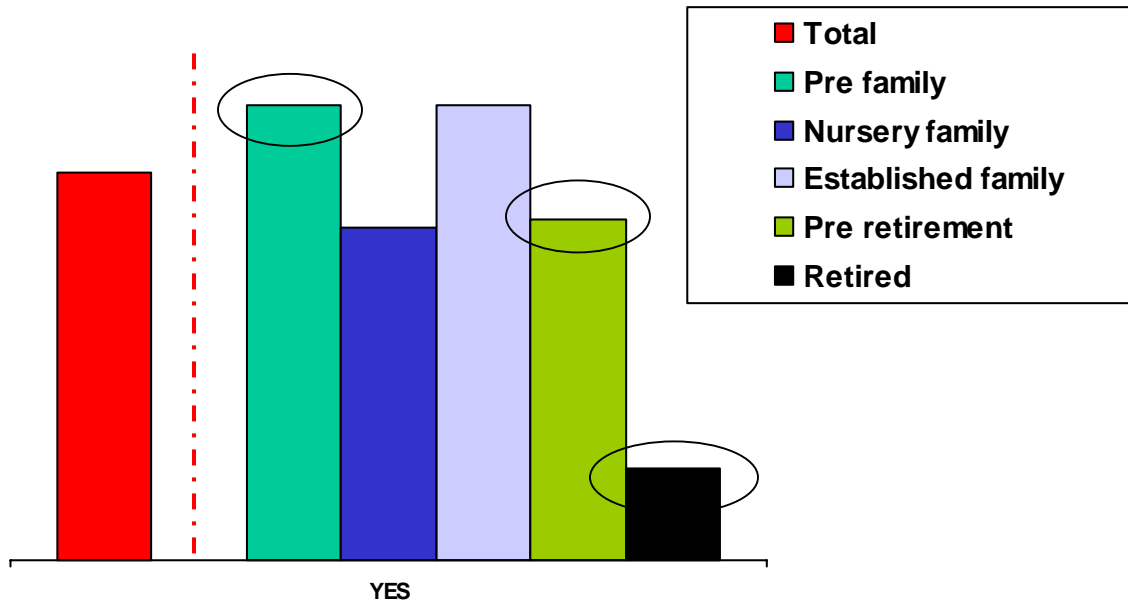
The lowest response rate was achieved among the Pre-Family segment, suggesting either that they are the most difficult segment to contact or that their unwillingness to participate (*in a short, paid interview*) reflects their lack of engagement with financial planning matters.

- This corroborates the findings of the qualitative research phase – the Pre-Family segment may have a significant need for financial information, but will be among the most difficult to engage.



## Relevance

Is this a service that they would personally use?



- Despite their relatively low response rate to the study, those members of the Pre-Family segment who did respond claim to be more likely than average to use the service.
- Conversely, despite their relatively high response to the study, the Pre-Retirement segment claim to be slightly less likely than average to use the service.
- The Retired segment claim to be significantly less likely than average to use the service.

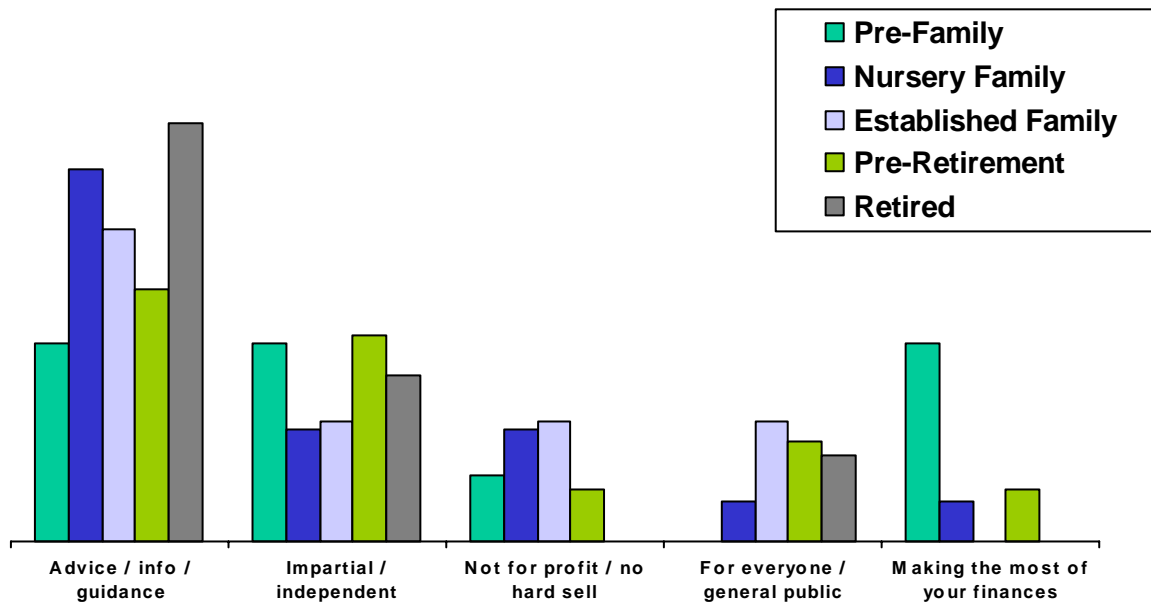
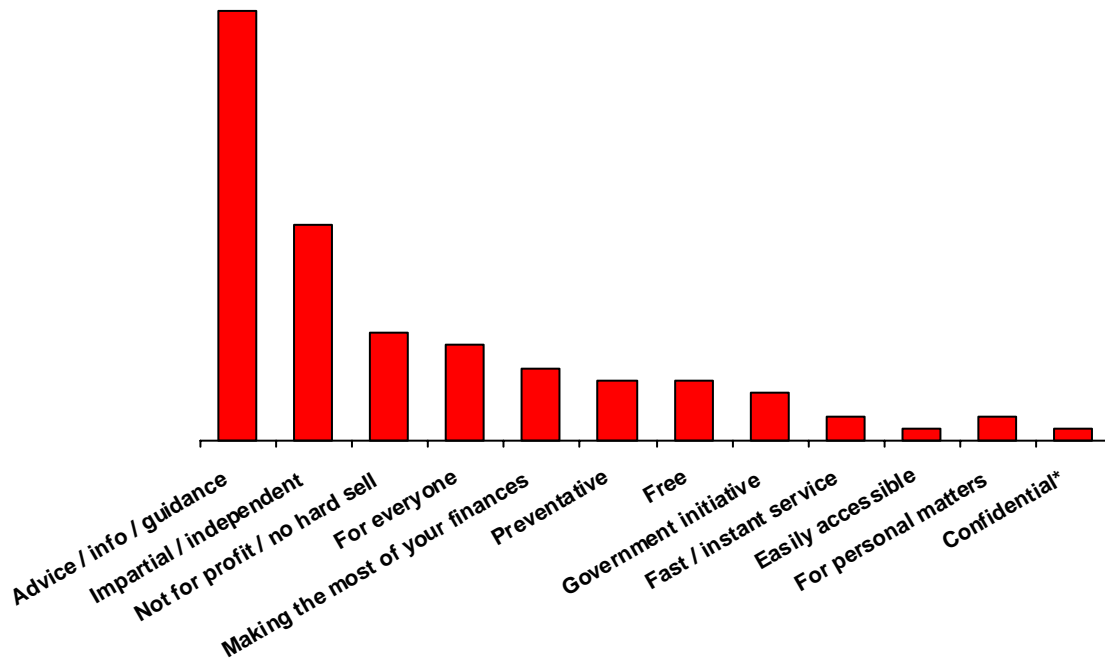
*The implication of this is that these segments will each, in their own way, require more energy to engage and to motivate to use the service.*



## Comprehension

### What is their understanding of what GFA offers?

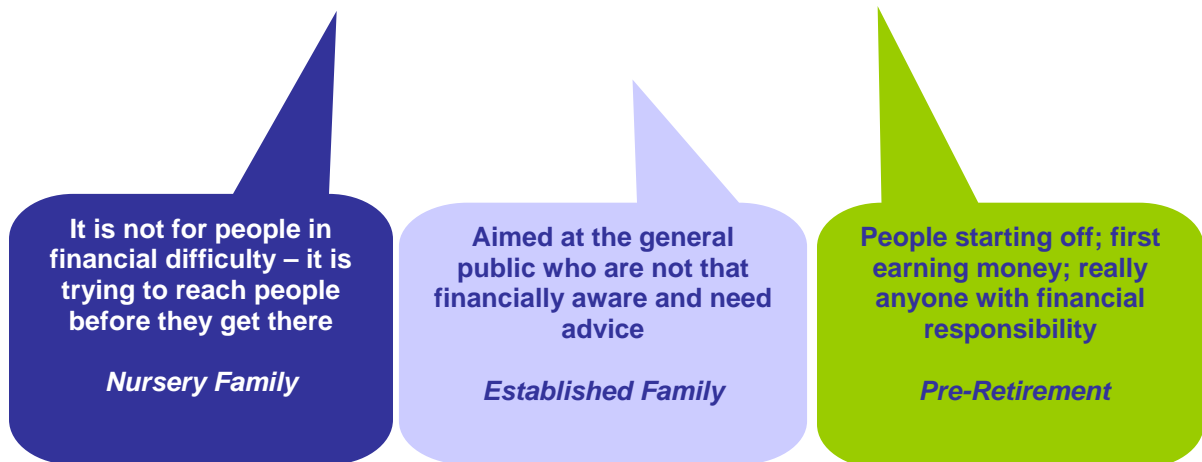
Base: Total Sample



\* 'Confidential' here is used to mean that people's personal and financial information will not be shared with other Financial or Governmental institutions



- Across all the targets (except for the Pre-Family segment) there is a clear understanding that the service is intended for ‘everyone’ / the ‘general public’.
- The majority of segments understand that the GFA service will offer advice, information and guidance.
  - The Pre-Family segment, however, are significantly less likely than average to believe this to be true. They are also significantly more likely than average to perceive the service as offering the benefit of ‘making the most of your finances’. This reflects the qualitative learning that they are expecting tangible benefits from using the service.
- The majority of segments also associate the service with offering impartiality and independence (linked to the idea that it is neither ‘for profit’ nor a ‘hard sell’). This will be an important value and proposition for the future development of the service.
  - The Retired segment was the least inclined to associate the service with being not for profit / no hard sell





## Targeting

### Who do they think this service is aimed at?

Nearly half of the respondents appreciate that this is a service aimed at 'everybody', although their reasoning differs:

- It offers lots of different advice to cater to different types of people.
- The fact that it is free means it is available to anybody who wants it.
- The language ('simple terminology') and tone used suggests is easy to grasp.

There is a strong sense that it is for people 'in the middle of the road', not those people at the extremes of financial stability, i.e. NOT:

- the wealthy – people who have money to invest
- the very poor / debt-laden – people in financial difficulty.

This indicates that there has been a development of understanding since the qualitative research, which found respondents struggling to see the relevance of the service to "people in the middle – except for when seeking advice regarding mortgages and pensions".

Many respondents' understanding of the scope of the target (and spectrum of according benefits) appears to have broadened upon reading the consumer friendly leaflet.





Three specific targets were suggested:

1. Young people, i.e. starting out / first-time buyers etc. – those ‘new to the game’.
2. The financially naïve / unaware – those who need a lot of guidance.
3. Those who are afraid of falling into financial difficulties and wish to gain advice to avoid this.

**Those who are fearful or ignorant, who are afraid of making the wrong financial decision**

*Established Family*

**Although it says it's for everyone it implies it is for the financially naïve**

*Nursery Family*

**People starting out, first earning money, really anyone with financial responsibilities**

*Pre-Retirement*



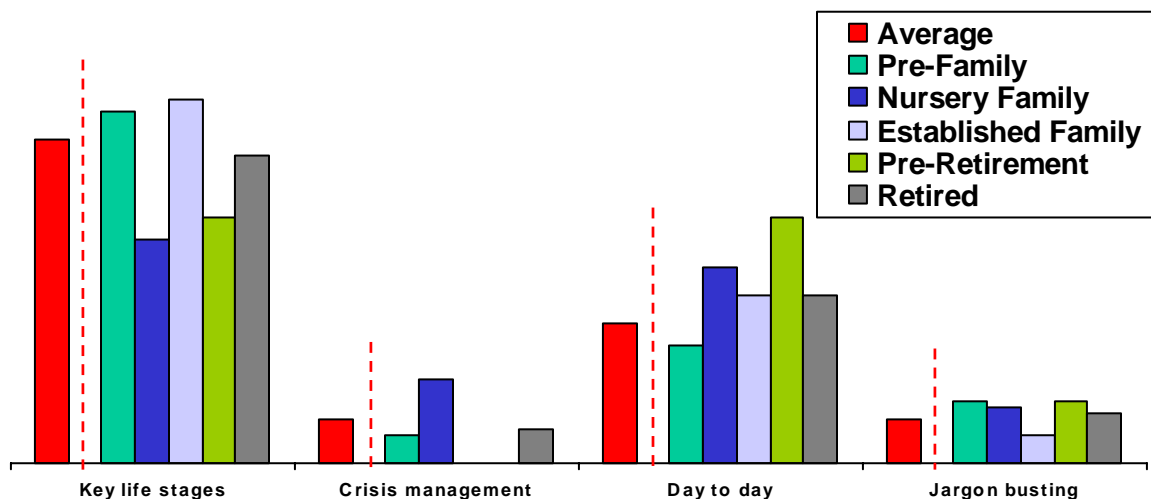
### **In what circumstances is this service most likely to be helpful to someone?**

This part of the questionnaire required a spontaneous response from the interviewees, which invited a wide distribution of answers – however, their answers fell into clear categories:

<b>At key life events / key lifestages</b>	<ul style="list-style-type: none"><li>▪ Enrolling at university/graduating</li><li>▪ First-time buyers/renters</li><li>▪ Getting married/divorced</li><li>▪ Death</li></ul>
<b>Coping with unexpected events</b>	<ul style="list-style-type: none"><li>▪ Redundancy</li><li>▪ Bankruptcy</li><li>▪ Ill-health</li><li>▪ Death (inheritance)</li></ul>
<b>Managing financial affairs</b>	<ul style="list-style-type: none"><li>▪ Savings</li><li>▪ Investment</li><li>▪ Opening a new account</li><li>▪ Family tax credit</li></ul>
<b>Jargon busting</b>	<ul style="list-style-type: none"><li>▪ E.g. terms and small print</li></ul>



## In what circumstances is this service most likely to be helpful to someone?



Most interviewees see the greatest value of the GFA service at key life events or lifestages, particularly the Pre-Family and Established Family segments, suggesting that occasions when they have to make ‘major financial decisions’ may be strong triggers to using the service.

People appreciate that this is a service that can also be used on a day-to-day basis for help with everyday money management – not just for ‘peak moments’ in their life.

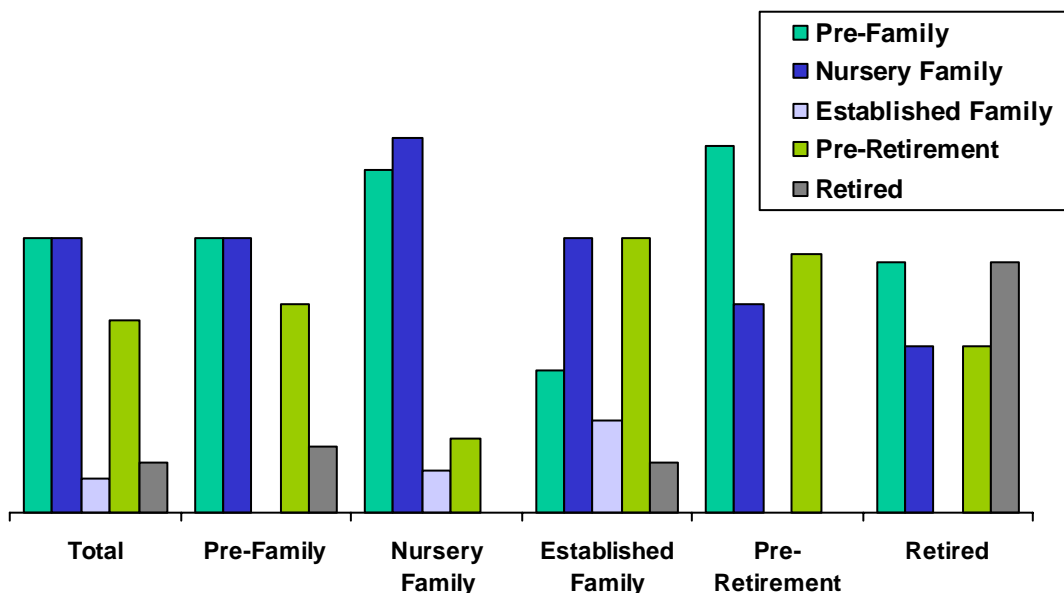
- This strongly reflects the desire of Nursery Families for help to get from day to day successfully without falling into crisis.
- It also includes the Pre-Retirement group’s concern about their financial management – starting to watch their everyday spending closer / think about their spending.

The majority do not think that this service is designed to deliver help for people in financial crisis.

Regardless of age group or lifestage, all segments mentioned ‘jargon busting’ as a very welcome positive feature of the service.



## Who do they think is likely to get the most out of it?



All groups see the GFA service as something that they are likely to get something out of. Overall, however, most groups perceive that this is a service for those at the younger end of the spectrum.

Nursery Families are the group which recognises that they are slightly more likely to benefit from it than any other. It is likely that this is caused by their need to match the more 'grown-up' decisions they are now making with increased long-term financial planning / vision.

Established families are most likely to perceive the service as one for other people (especially for Nursery and Pre-Retirement Families).

- Their belief that GFA would strongly benefit Nursery Families and not themselves at this point in time suggests that they may regret not having made better financial decisions when they were *establishing* their own families, but now that they are more 'established' they feel it is less relevant.
- Further to this, Established Families see it as something that will also strongly benefit the Pre-Retirement group – given that this is their next lifestage, we could also infer that they see the service as something they will benefit from *in the very near future*.

The Pre-Retirement segment's fear about pensions and future planning is a key factor influencing their interest in the service.



Not knowledgeable enough – need to learn how to avoid debt

*Retired  
(re Pre-Families)*

Downsizing home – looking to put the money somewhere

*Pre-Retirement*

Change of financial situation – planning for the future – without an income

*Pre-Retirement*

Need advice on mortgage rates, charges, family tax credits

*Nursery Family*

Have no time to do everything

*Nursery Family*

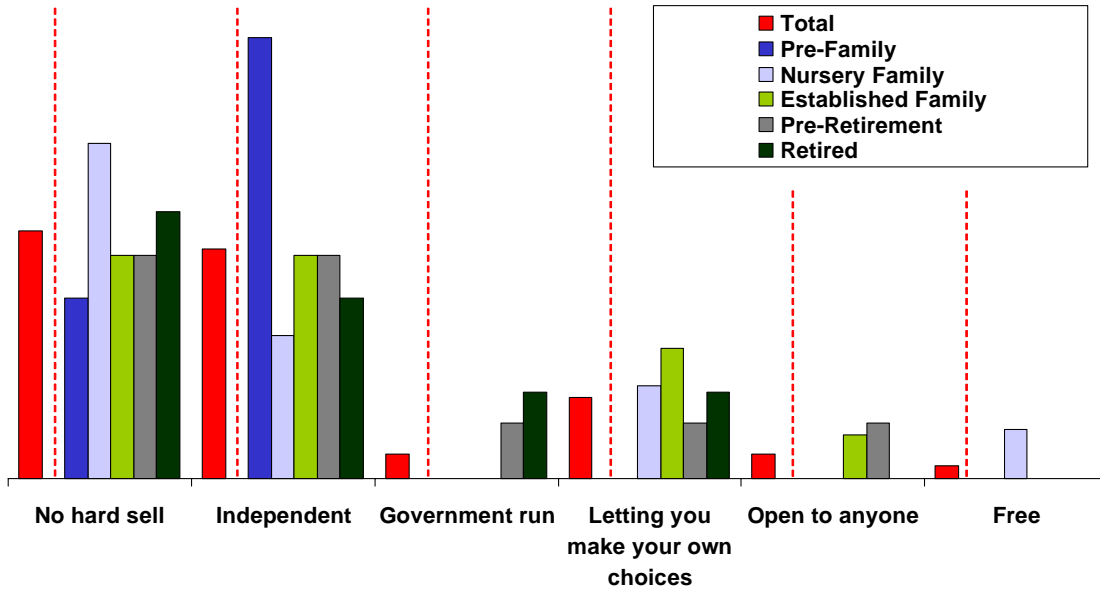
More financially worried – (new) more expenses

*Nursery Family*



## Impartiality

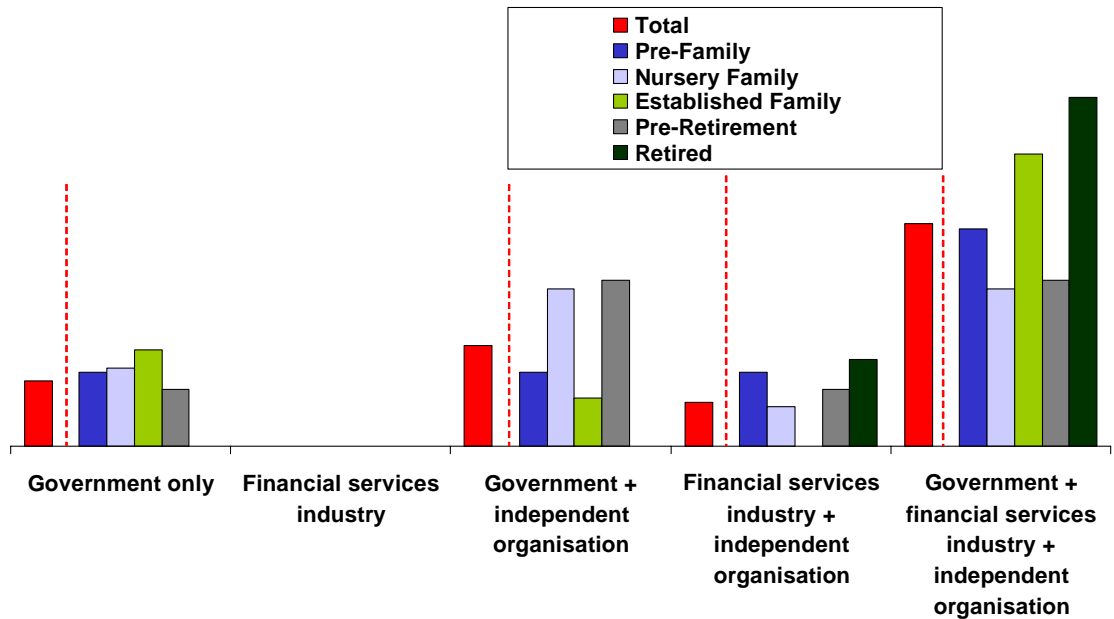
### What do they think the leaflet means by 'impartial'?



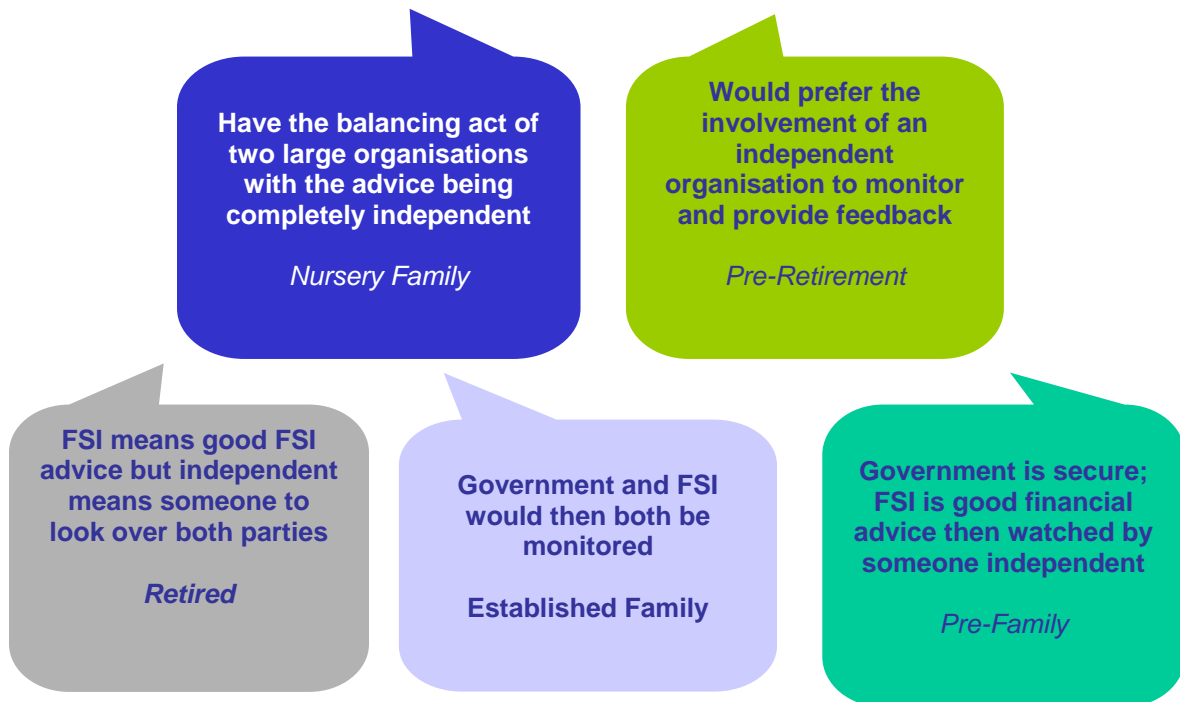
Interviewees' overwhelming belief that impartiality means 'no hard sell', 'independence' and 'letting you make your own choices' reinforces the intent of the GFA service to enable people to make the 'right financial decisions'. It also suggests that the leaflet has succeeded in communicating to people that the service is one that aims to empower people, not to interfere with or control their lives.



**Which of the following options would they prefer in order for them to consider the GFA service to be truly impartial?**



'Government and financial services industry funded, but run by an independent organisation' was significantly the most favoured model.





## Additional Learning

### Suggested alternatives for the name 'GFA service'?

- People were divided regarding the name – several said it was fine and to “leave it as it is” and several favoured the fact it “doesn’t sound like it’s trying to sell you something”.
- However, those who did not like it raised the following concerns:
  - ‘Generic’ is not a word understood by everyone
  - Sounds too formal
  - Does not say what it is / no clear benefit
  - Not at all catchy
  - Does not refer to finance in a positive way
- Alternatives suggested were:
  - Independent Financial Advice
  - Independent Financial Bureau
  - Financial Help Advice
  - Financial Advice Bureau
  - General Financial Advice
  - Advice & Ask
  - Finance for All...

### Responses to the leaflet design

Strengths	Weaknesses
<ul style="list-style-type: none"><li>▪ Easy to read / very clear:<ul style="list-style-type: none"><li>○ Simple explanations</li><li>○ Step-by-step information</li></ul></li><li>▪ Good layout</li><li>▪ Would not associate it with finance</li><li>▪ Simple and easy to use</li><li>▪ Use of logo ‘swirls’</li></ul>	<ul style="list-style-type: none"><li>▪ Too long</li><li>▪ Could be smaller</li><li>▪ A bit ‘dry’</li><li>▪ Would not associate it with finance</li></ul>

Reflected here, but also spontaneously implied *throughout* the questionnaire feedback, is people’s positive response to simplified use of language and terminology - again, their absolute desire for jargon-busting. This should be a core principle for the development of the tonality of GFA communication.