

FINANCIAL RESEARCH SURVEY

IMPACT OF COVID-19 ON FINANCIAL BEHAVIOURS

FRS Money Talks

Qualitative Community Report

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IT'S TIME TO FIND OUT 'WHY'...?

WELCOME TO OUR FIRST REPORT FROM FRS MONEY TALKS

“ Prior to Covid-19, many of you were asking us 'why' we could see some of the results in our FRS data, so we decided to add the 'why' to the 'what' by developing our FRS qualitative Community; [Money Talks](#).

With an ever-changing financial landscape – from disruptor brands entering the market, mergers and acquisitions, and bigger issues such as Brexit, sustainability and now COVID-19 – having the ability to dig deeper into the evolving requirements of the financial consumer has never been more important.

This forum will enable us to be quick and agile, and we hope that the insights in this free to use initial report, provides some answers to the questions being asked by your business.

The next report following this on the 1st May will expand on some of the themes introduced here, and the subsequent waves we will be exploring the main current account landscape and debt management, among other things! Please look at our attached brochure for more detail on upcoming topics and for subscription fees, but if you subscribe in May we're offering an additional 10% discount!

I hope you find the results as illuminating as I did and that Money Talks helps to add colour to the rigour to the FRS data that you currently enjoy. I look forward to hearing your feedback and how further we might be able to support your business with understanding your customer base.

”



Flora Vieites – FRS Divisional Director

KEY TAKE-OUTS

Covid-19 has undoubtedly changed our behaviours. The financial stability that many of us took for granted is now at risk but what impact has it had on consumers immediate finances and their financial behaviours? What are the anticipated longer term impacts? And what can UK financial providers do to help address these changing needs?

THERE ARE THREE KEY THEMES EMERGING AROUND GB CONSUMERS FINANCIAL BEHAVIOUR IN RESPONSE TO COVID-19 AND THE SUBSEQUENT LOCKDOWN:

1

Short term effects

While it is too early to see changes in vulnerability measures, they're likely to follow, with many consumers already feeling the pinch and using short term borrowing – either from official sources or from friends and family to make ends meet.

2

A narrowed focus

Consumers are at different stages, with some settling in to a routine while others feel disrupted. All share concerns about their immediate cashflow and as a result are very much focussed on the here and now, rather than the future. This needs to be incorporated into any consumer communication materials for it to resonate.

3

Changing relationships

While the majority here were already managing their banking digitally, they now find themselves increasingly reliant on it. For those supporting friends / family who are either new users, or reliant on offline methods, new interventions such as those from M&S are welcomed.



Short-term Effects

MANY CONSUMERS ARE ALREADY FEELING A PINCH AND ARE USING SHORT TERM BORROWING - EITHER THROUGH BANKS, OR FROM FRIENDS AND FAMILY TO MAKE ENDS MEET.

1



VULNERABILITY MEASURES

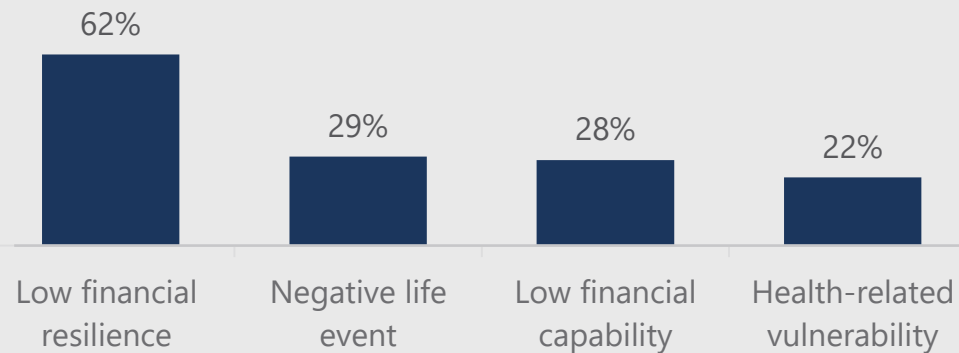
FRS figures reveal 43% of adults in GB are potentially vulnerable; almost two thirds of these are triggered by low financial resilience such as a result of loss of income or feeling burdened by finances. With the latest ONS figures showing that 21% of the workforce have been placed on furlough, this is something that will rise rapidly in coming months.

FRS VULNERABILITY:



43% of GB Adults are "Potentially vulnerable"
 (Dec 2019 = 44%)

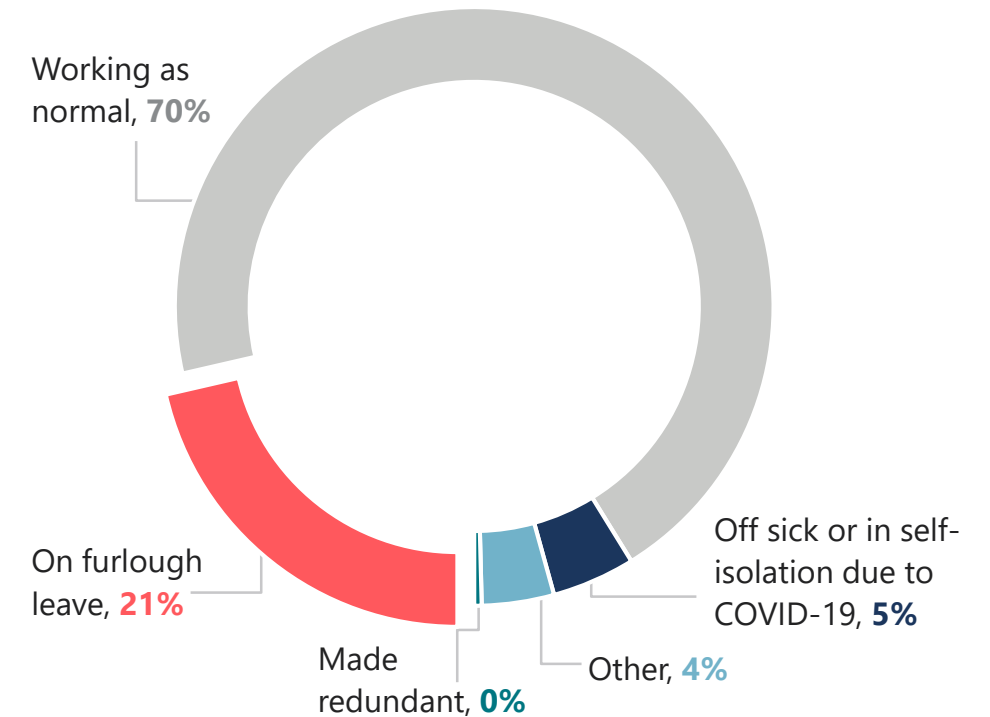
OF THOSE THAT ARE POTENTIALLY VULNERABLE, THIS IS TRIGGERED BY...



Source: Ipsos MORI Financial Research Survey
Base: GB Adults 16+. March 2020 (n=13,538), December 2019 (n=14,593)
Time period: 3 month rolled March 2020 / December 2019



OFFICE OF NATIONAL STATISTICS: WORKFORCE FACTS AND FIGURES



Source: ONS: Wave 2 Business Impact of Coronavirus Survey (n=3,977) Figure 3 Coronavirus, the UK economy and society, faster indicators: 16 April 2020

THE EFFECTS ON PERSONAL FINANCES ARE POLARISED

This pinch is already being felt by many consumers, but opinions are divided on the immediate financial impact. While almost half of consumers feel their income hasn't been affected, or even feel they have more money in the short-term, those that are facing furlough or redundancies are really feeling the strain, with 16% already having to access savings.

IMMEDIATE IMPACT ON CONSUMERS FINANCES

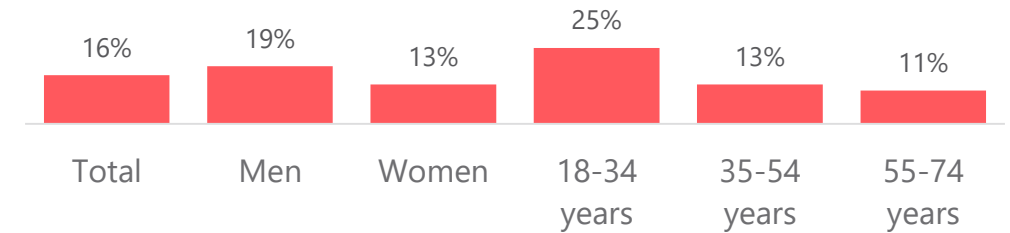
"I also run a business from home which has completely stopped which is a massive impact on my income. If this goes on for much longer how will we pay our bills? I am very worried about how we will cope without my additional income"
 (Female, 25-34 years)

"My monthly expenses are actually a bit lower (Sky Sports is paused, due to no sport)...money saved there. I am not paying my tennis coach every week because we aren't playing. I am not going to the cinema or eating out"
 (Female, 55-64 years)

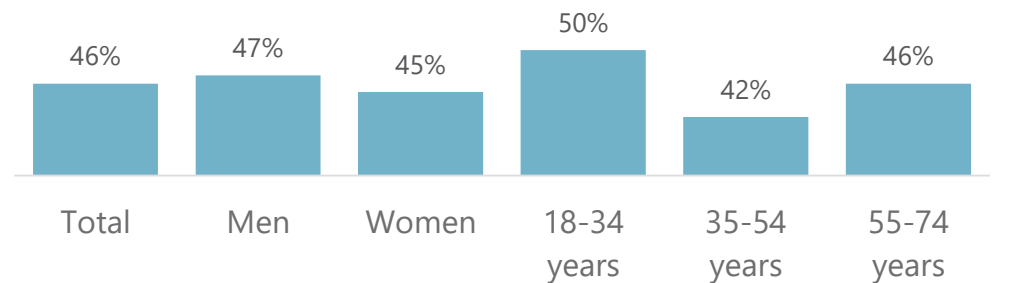
● Financially struggling ● More money in short-term

Source: Ipsos MORI FRS Money Talks
 Time period: March-April 2020

AS A RESULT OF CORONAVIRUS...HAVE ACCESSED MONEY IN SAVINGS



AS A RESULT OF CORONAVIRUS...HAVE SAVED MORE MONEY OR SPENT LESS MONEY OVERALL



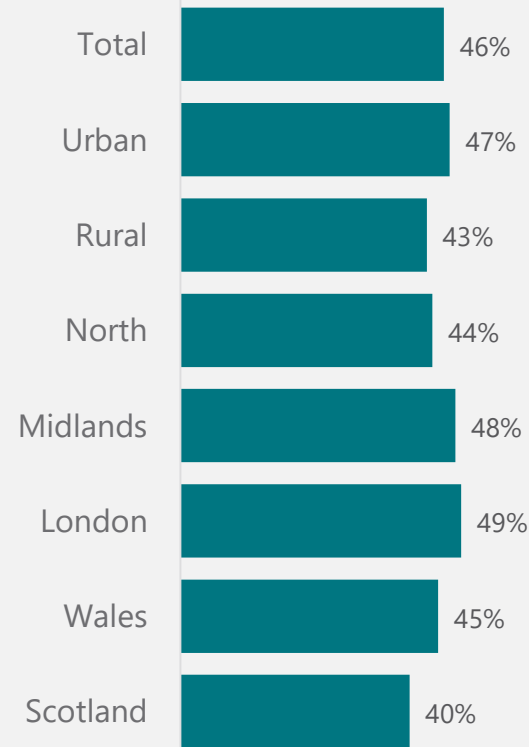
Source: Ipsos MORI Coronavirus Omnibus Polling
 Base: All adults aged 18-75 in Great Britain (n=1,072), Men (n=521), Women (n=547), 18-34 yrs (n=352), 35-54 yrs (n=395), 55-75 yrs (n=325). Time period: 27th – 30th March 2020



SOME ARE FINDING THEY HAVE MORE MONEY THAN USUAL

Those living in urban spaces, especially London, are finding they have more money than usual. This is due to reduced spending on travel, leisure, and the pausing of non-essential subscriptions or memberships. However, savings are often intertwined with social losses. Consumers can be reluctant to seek refunds from smaller, vulnerable, businesses.

AS A RESULT OF CORONAVIRUS... HAVE SAVED/SPENT LESS MONEY



Source: Ipsos MORI Coronavirus Omnibus Polling
Base: All aged 18-75 in GB (n=1,072), Urban (n=882), Rural (n=190), North (n=261), Midlands (n=288), South (n=248), London (n=128), Wales (n=50), Scotland (n=97). **Time period:** 27th – 30th March 2020

THE CLOSURE OF NON-ESSENTIAL SERVICES HAS DECREASED SPENDING

"Surprisingly, even though these days are pretty weird and most likely getting weirder, I am probably saving money this week." (Female, 55-64 years)

"Also noticed that non-essential shopping has of course dried up such as clothes shopping, eating out etc etc so also saving money there." (Male, 45-54 years)

"These are strange times indeed! The kids are missing all their clubs, but it's saving us a small fortune!" (Male, 35-44 years)

"I am slightly better off, no travelling costs or new clothes for work and some of my membership fees to clubs etc have been suspended." (Female, 55-64 years)

"I had only just paid my yearly membership fee for the Victoria and Albert Museum ... maybe I will let them keep the 'lost' money, as they are a brilliant museum ... I would hate for them to really suffer" (Female, 55-64 years)

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020



DECREASED INCOMES HAVE IMPACTED MANY HOUSEHOLDS

On the other hand many face furlough and reduced salaries, which has had an immediate effect on incomes and spending habits. Providing financial support to loved ones is a major source of anxiety, with 12% having already lent money; future uncertainty means that people are unsure how long they can support these extra dependents...

MANY ARE FELING THE SQUEEZE ALREADY

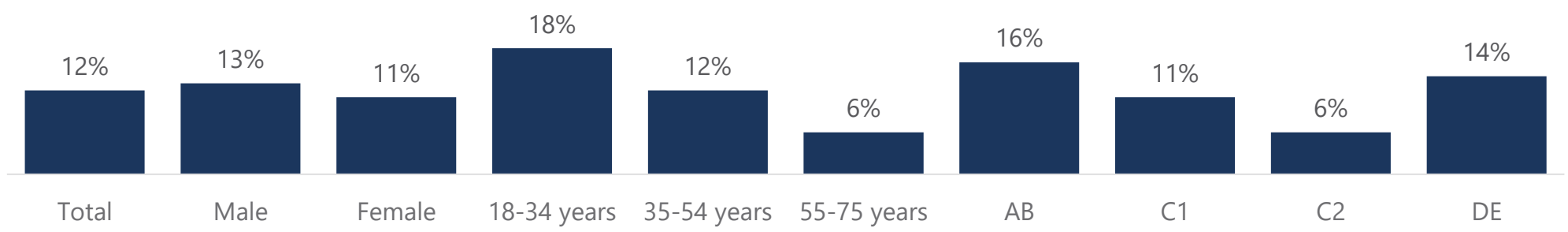
"Finances have been impacted as I don't currently have any way to earn money and I don't know when I will be able to again"
(Male, 25-34 years)

"It's a worrying time for everyone. My day to day has been impacted as I am now getting less income in from my job, and I'm trying to spend less."
(Male, 18-24 years)

"My partner is self employed and his work started slowing down and in the last week almost stopped. We will start feeling the financial impact from now on. Our income is much less than before and we will start having difficulties paying our mortgage, bills etc."
(Female, 45-54 years)

"I worry about repayments next month - what if the 80% hasn't kicked in by then, and tax credits is a minefield"
(Female, 25-34 years)

AS A RESULT OF CORONAVIRUS HAVE...LENT OR GIVEN MONEY TO FRIENDS OR FAMILY WHO NEED FINANCIAL ASSISTANCE



Top: Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020


Bottom: Source: Ipsos MORI Coronavirus Omnibus Polling, **Base:** All adults aged 18-75 in Great Britain (n=1,072), 18-34 yrs (n=352), 35-54 yrs (n=395), 55-75 yrs (n=325), AB (n=358), C1 (n=387), C2 (n=105), DE (n=222)
Time period: 27th – 30th March 2020




AS A RESULT MANY ARE INCREASINGLY RELIANT ON SHORT TERM BORROWING

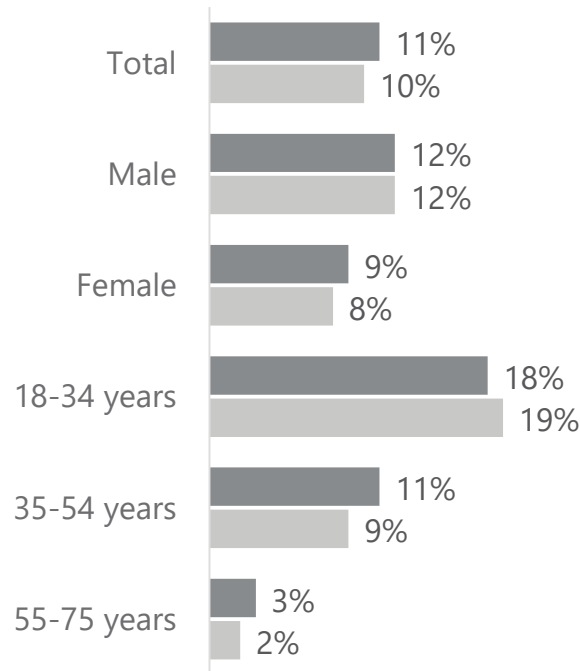
...and as a result many have already had to turn to short term borrowing, with many using overdrafts and credit cards rather than a loan. This short term need for money is particularly felt by young consumers aged 18-34 years who have both the highest proportion of action and intention.

AS A RESULT OF CORONAVIRUS HAVE YOU HAD TO...

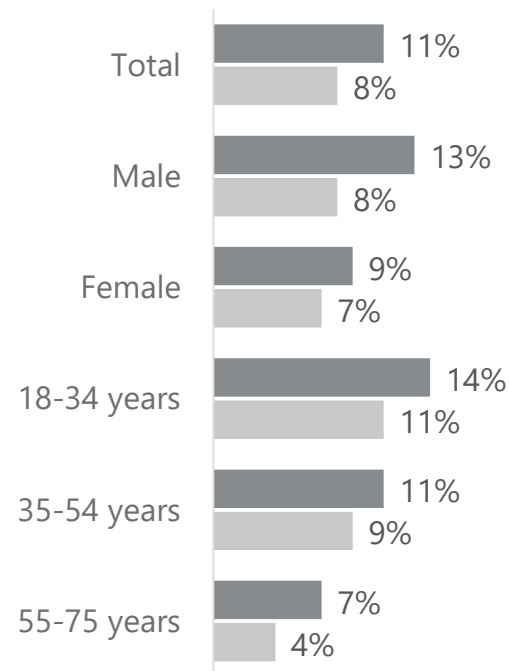
 Have already done this

 Have not done this but I am considering it

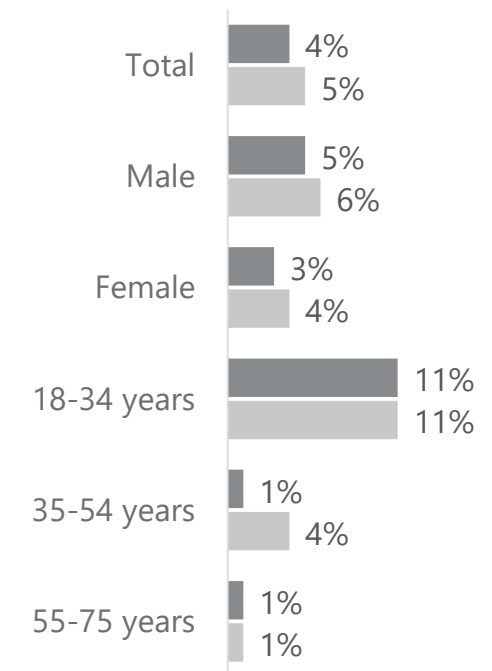
ACCESS MONEY USING THE OVERDRAFT FROM BANK ACCOUNT



SPEND MORE MONEY THAN USUAL ON A CREDIT CARD



TAKE OUT A PERSONAL LOAN THROUGH A BANK



Source: Ipsos MORI Coronavirus Omnibus Polling

Base: All adults aged 18-75 in Great Britain (n=1,072), Men (n=521), Women (n=547), 18-34 yrs (n=352), 35-54 yrs (n=395), 55-75 yrs (n=325).

Time period: 27th – 30th March 2020



PROVIDER ASSISTANCE FOR SHORT TERM LENDING

This growth in short term borrowing has been supported by numerous providers who have launched initiatives to help ease these immediate financial stresses on consumers with many delaying planned changes to overdraft limits, or repayment holidays. Despite concerns from industry figures, these are being taken seriously by consumers.

CHANGES TO OVERDRAFT FEES AND ALLOWANCES:



Barclays waiving interest on all arranged overdrafts from March 27th to end April



Lloyds Banking Group are providing interest free buffer of £300 to all customers from April 6th to July 6th.



Santander have given customers a £350 interest free overdraft buffer from April 6th to July 6th



HSBC temporarily reducing overdraft rate from 39.9% to 19.9. It is also increasing interest free amount from £300 to £500



NatWest Group have frozen rates at the old 19.89% rate and removed all other fees and charges

Source: <https://www.thisismoney.co.uk/money/saving/article-8189253/New-overdraft-rates-40-meant-come-force-today.html>

FCA GUIDANCE ON REPAYMENT HOLIDAYS

Industry experts have voiced concerns about whether repayment holidays will cause issues down the line, and the FCA has asked providers to develop repayment plans to make sure repayments are manageable or considering potential further repayment holidays.

Consumers understand repayment holidays are a “back up plan” to fall back on if needed:

“My son who is self employed and not able to work currently, it’s really eased his stress levels. Payment holidays on his business cards and the Government loan were very helpful. It’s a comfort to know you are this helpful should our finances start to suffer.”

(Female, 55-64 years)

Top: Source: <https://www.fca.org.uk/consumers/mortgages-coronavirus-consumers>
Bottom: Source: Ipsos MORI FRS Money Talks Time period: March-April 2020



Narrowed

Focus

CONSUMERS ARE ALL AT DIFFERENT STAGES OF CHANGE, BUT ALL HAVE CONCERNS ABOUT THEIR IMMEDIATE CASHFLOW; AS A RESULT THEY ARE FOCUSSED ON THE SHORT TERM.

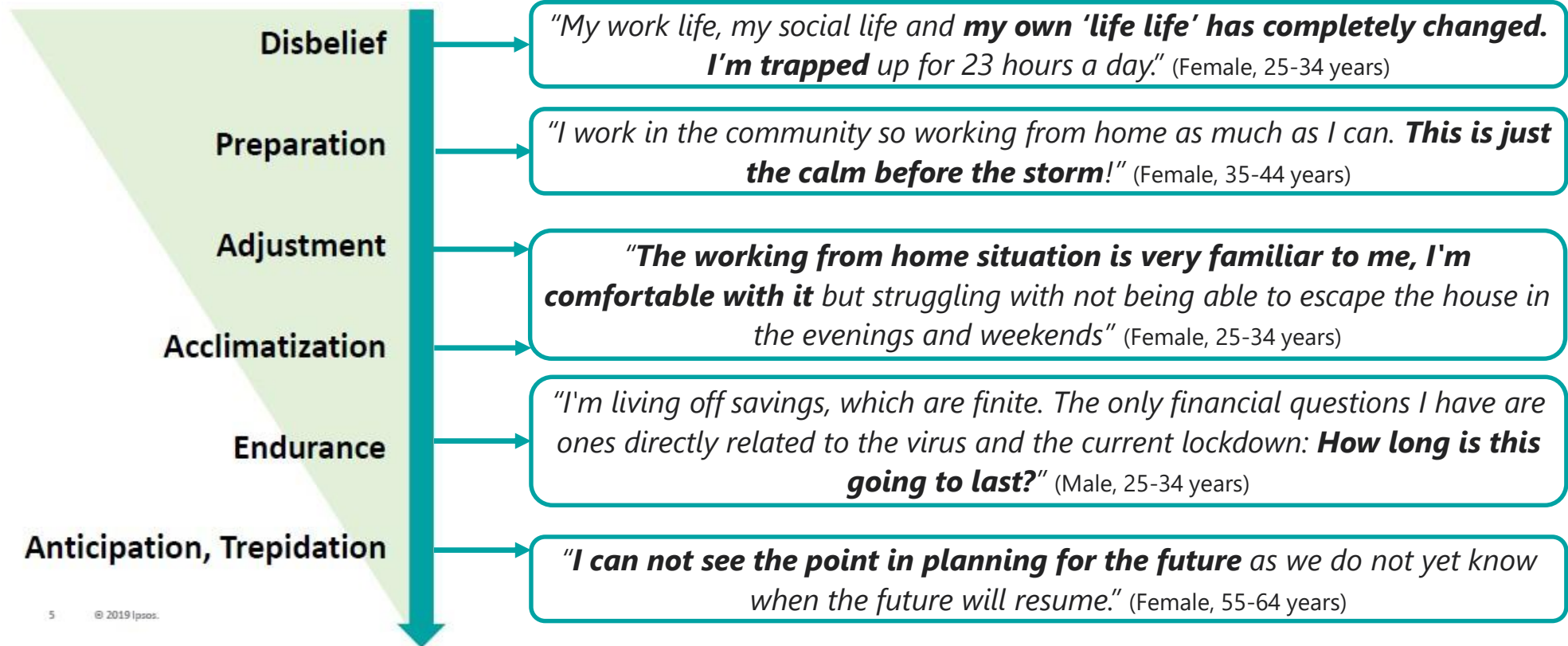
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INDIVIDUALS ARE COPING AND ADAPTING TO COVID-19 DIFFERENTLY

While the UK had time to plan containment and contingency measures, the scale of changes to daily life have caused widespread anxiety. As individual's journeys will vary, as people come to terms with Covid-19 and its effects at different points, it's beneficial if this is reflected and acknowledged in communication.

STAGES OF CHANGE AS INDIVIDUALS COME TO TERMS WITH THE PANDEMIC AND LOCKDOWN LIFE



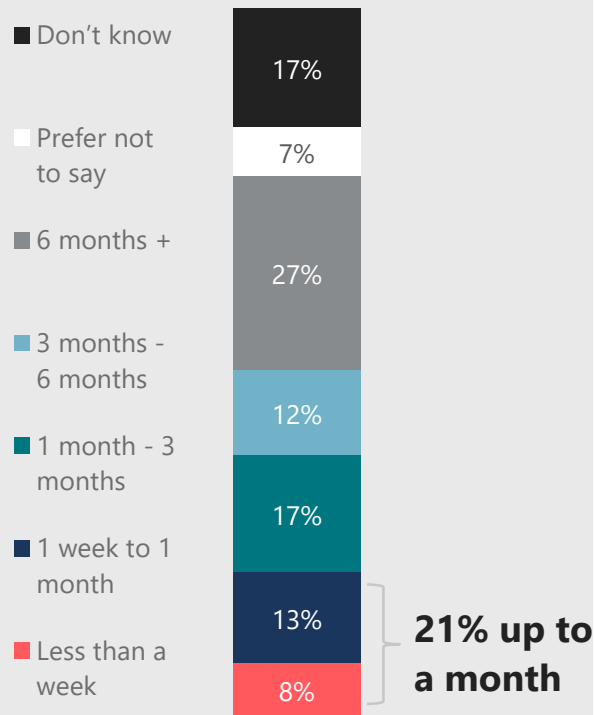
5 © 2019 Ipsos.

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020

SHORT TERM CASHFLOW IS THE PRIORITY

However, regardless of what stage people find themselves, cashflow is the immediate focus. A fifth, feel unable to sustain more than a month without borrowing if they lost their main household income. Consumers are therefore taking increasing care with money to try to get through the difficult months ahead. For most, longer term financial planning feels redundant.

HOW LONG COULD YOU COVER LIVING EXPENSES?



Source: Ipsos MORI Financial Research Survey
 Base: GB Adults 16+. March 2020 (n=13,377),
 Time period: 3 month rolled March 2020

"I am trying not to buy anything that we don't need when doing a supermarket shop, no treats just basics... as not going anywhere so don't need to spend money on going out and also not spending on clothing. Not ordering takeaways." (Female, 45-54 years)

"I can no longer go to the gym due to it being closed. I asked the gym to pause my Direct Debit payment of £25 a month until they reopen." (Male, 25-34 years)

"I don't have a clear idea as to what sum of money I will have at the end of this month or the end of April and need to figure this out for myself to make sure that I am financially stable" (Male, 18-24 years)

"We will from this month start using our saving to try to manage but we know that our savings are not much and will not last for more than a couple of months. We are not sure how we will cope after that." (Female, 45-54 years)

Source: Ipsos MORI FRS Money Talks
 Time period: March-April 2020



HOWEVER, SAVING IN THE SHORT-TERM CAN BE DIFFICULT

The value of saving in the short-term is well known but in reality, many are finding it difficult to curtail some of their non-essential spending. Some are yet to pause memberships due to fears for smaller businesses, and others are looking to retail therapy as a treat. This is an area that financial providers can offer valuable help.

SPENDING CAN CREATE NEW TENSIONS

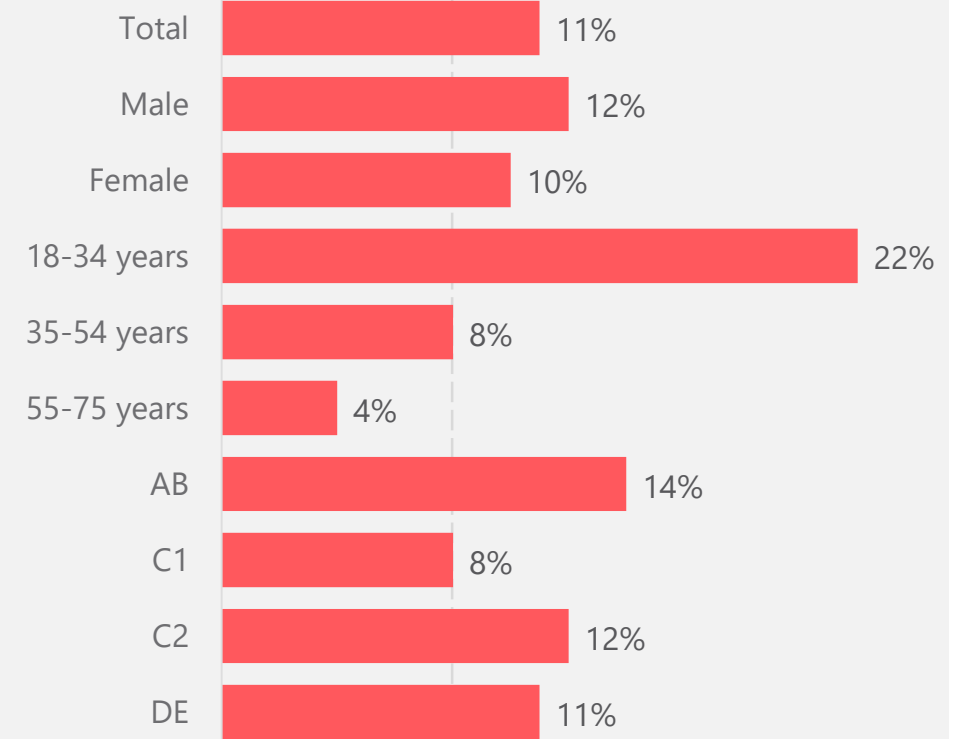
"I'm not sure whether I'm saving more money or spending more money in this lockdown. I think it is a bit of both because I feel like I'm treating myself to online orders and trying to imagine what I'd spend on a day/night out in the weekend and spending half of that. So in a way, I'm saving, well kind of." (Female, 25-34 years)

"I keep thinking about whether to cancel my gym membership. It's another area I could be saving whilst it's closed but feel bad for the lady who owns the gym because she will still have bills to pay" (Female, 35-44 years)

*"I would expect my tennis club to be able to survive. But, if they ultimately can't sustain their business, there are other places to play tennis... **I can't worry too much about these types of issues right now.**"* (Female, 55-64 years)

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020

AS A RESULT OF CORONAVIRUS HAVE SUBSCRIBED TO OR UPGRADED MEDIA ENTERTAINMENT PACKAGES



Source: Ipsos MORI Coronavirus Omnibus Polling. **Base:** All adults aged 18-75 in Great Britain (n=1,072), Men (n=521), Women (n=547), 18-34 yrs (n=352), 35-54 yrs (n=395), 55-75 yrs (n=325). AB (n=358), C1 (n=387), C2 (n=105), DE (n=222) **Time period:** 27th – 30th March 2020



FUTURE SPENDS ARE POSTPONED DUE TO AN UNCERTAIN FUTURE

As incomes become less certain, non-essential aspects of life are put on hold, as personal goals become unrealistic and home improvements are postponed. However for some, good savings habits are likely to be quickly disrupted once confinement is over, and have already earmarked savings for indulgences such as holidays and shopping sprees.

FUTURE THINKING IS PAUSED

"I had intended to quit my job and enrol full-time on an MA for September. I had applied and been accepted but I am uncertain whether this will be the right time to embark on such a life altering process."

(Male, 35-44 years)

"We were planning on getting our boiler fixed as it died just before lock down. Wondering with the financial situation if it will be possible anymore."

We have no hot water apart from a shower and it wasn't a problem before but if this is long term then it is." (Female, 35-44)

"We have a holiday booked and I don't want to go now, and I am hoping it will be cancelled so that we can get the money back to use now instead."

(Female, 45-54 years)

DESIRES FOR SOMETHING TO LOOK FORWARD TO

"I am spending much less as we have to stay indoors, no meals out, no hairdressers, no cinema and music gigs, no pubs, no clothes shopping, I should be able to afford a nice holiday when the virus has gone!"

(Female, 25-34 years)

*"I'm surprised at how little online shopping I've done. It's normally something I'm constantly browsing but since the shops shut I feel like I've pushed it all to the back of my mind. **Once we are out of this I will more than likely have a big shopping spree with all the money I've saved on petrol.** If this continues I could be looking at saving about £900 in petrol and finally feel good with my credit card statements!!"*

(Female, 35-44 years)

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020



Changing Relationships

MANY ARE INCREASINGLY RELIANT ON ONLINE BANKING, AND FOR THOSE SUPPORTING FRIENDS OR FAMILY WHO ARE HESITANT, NEW INTERVENTIONS ARE WELCOMED.

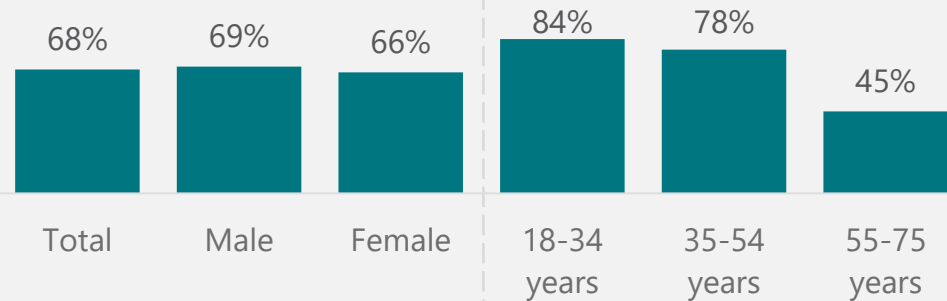
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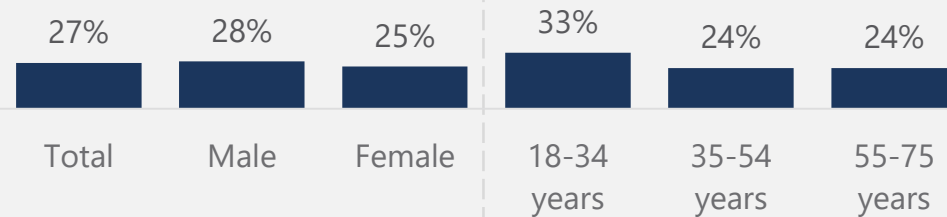
MINIMAL IMPACTS TO THEIR ROUTINES FOR REGULAR ONLINE BANKERS

Although the majority of adults already managed their finances digitally, many are now solely reliant on it as banks have shifted away from branch banking to combat the spread of the virus. For those who typically bank online, the impact of this move has been negligible but for new users it can be daunting with little help from providers.

HAVE USED ONLINE OR MOBILE BANKING TO MANAGE CURRENT ACCOUNT



AS A RESULT OF CORONAVIRUS HAVE USED ONLINE BANKING/ USED MORE OFTEN:



Top: Source: Ipsos MORI Financial Research Survey **Base:** GB Adults 16+. March 2020 (n=13,161), Men (n=6,171), Women (n=6,951), 18-34 years (n=4,303), 35-54 years (n=4,344), 55+ years (n=4,381). **Time period:** 3 month rolled March 2020 **Bottom: Source:** Ipsos MORI Coronavirus Omnibus Polling. **Base:** All adults aged 18-75 in Great Britain (n=1,072), Men (n=521), Women (n=547), 18-34 yrs (n=352), 35-54 yrs (n=395), 55-75 yrs (n=325).

GROWING RELIANCE ON DIGITAL MANAGEMENT

"You have made it so easy to do all my banking online these days, except if I need to pay a cheque in, which is only every few months."
(Female, 55-64 years)

"I am glad that I am able to use online banking as I had not used it before and now, suddenly, found I had no choice... it could be a little daunting.."
(Female, 45-54 years)

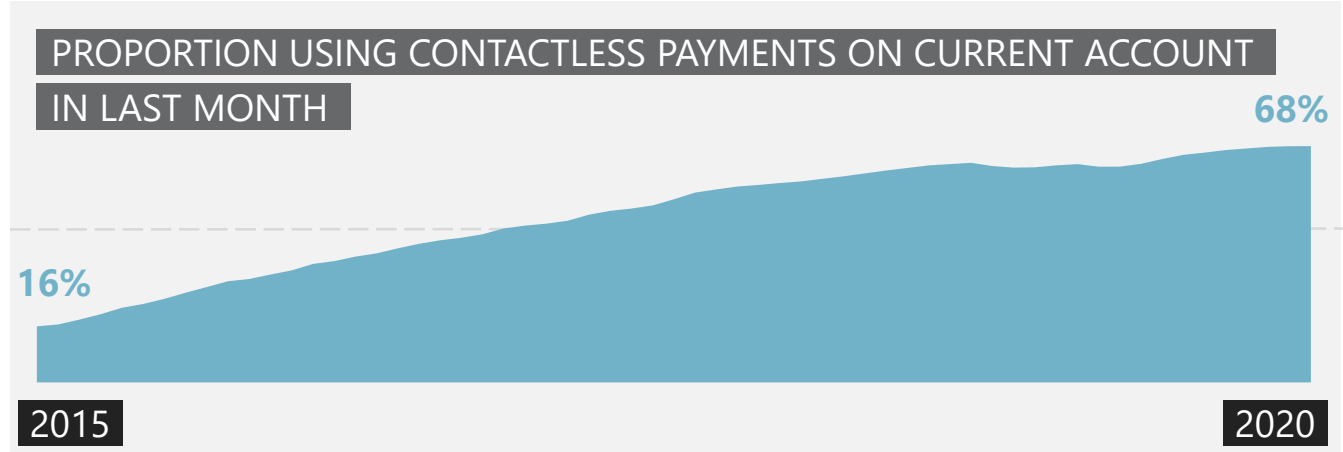
"I am now keeping rather more in my current account because I am worried that at some point in the future I may not be in a position to arrange to transfer funds from my savings when needed and would not want to see my current account banking relationship going haywire."
(Male, 55-64 years)

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020



CASH TRANSACTIONS ARE SEEN AS INCOMPATIBLE WITH A PANDEMIC CONTEXT

Additionally, as consumers move to digital banking, access to cash has fallen. Although contactless payments have been increasing steadily over the last few years, this is likely to grow considerably in months ahead as the hygiene risks presented by coins and notes are well understood.



 UK Finance **increased the contactless spending limit** in the UK from £30 to **£45** on 1st April 2020.

SANITARY EVOKE CONCERNS FOR SOME

*"At the moment I'd rather not be handling cash and receiving change. **I can't help but perceive coins and notes as unsanitary surfaces that may carry disease.** (Male, 25-34 years)*

*"I do feel it is a bit of a worry when a lot of shops are wanting a contactless payment currently (which is fair enough I wouldn't want to be on a till taking cash payments) **will they swap back to cash payments once more people have had to pay contactless**" (Female, 45-54 years)*

*"I usually take so much in cash out per month to use on daily newspapers and any other bits and bobs, pint of milk, loaf of bread etc. **Since this lockdown I'm not going shopping anywhere except to supermarkets, so I'm not withdrawing any cash, therefore using my contactless card is easier.**" (Female, 65+ years)*

Source: Ipsos MORI Financial Research Survey **Base:** GB Adults 16+. March 2020 (n=12,393), **Time period:** 3 month rolled

Source: Ipsos MORI FRS Money Talks **Time period:** March-April 2020



COVID-19 IS ACCELERATING SHIFTS TO DIGITAL BANKING RELATIONSHIPS

Consumers do however, have a number of queries around banking during lockdown; such as the impact on vulnerable consumers and how providers are supporting their staff. These are all areas that providers need to consider and help address in order to ease consumer tensions and the benefits to the brand to be part of a community are evident.

KEY THOUGHTS FROM CONSUMERS



Concerns for the vulnerable; a cashless society will make life harder for the elderly/vulnerable, as financial technologies are often less accessible to these groups



Information they want to hear; as well as the steps taken to slow the spread of the virus, consumers want to hear exactly *how* employees and customers are being protected



Looking for reassurance; even among those who prefer a more distant banking relationship, many are looking for comforting 'check-in' style messaging from their bank.

"My mum doesn't do online banking - she's still terrified of losing all her money or forgetting the passwords. So when she owed me some money lately, she sent me a cheque through the post." (Female, 55-64 years)

"I have concerns about the extent to which this pushes us towards a cashless society, which hurts the most vulnerable people (e.g. the homeless)" (Female, 25-34 years)

*"The sheer volume of Covid emails is a little irritating, especially since the **focus is mostly platitudes and confirming things that have already been announced by the government.** I would like to know more about how they've been supporting their staff and whether they're paying proper sick leave" (Female, 25-34 years)*

"My relationship with my bank has always been friendly. This has changed for the better since Covid-19, as they have shown how they care about their customers" (Male, 45-54 years)

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020

M&S LAUNCHED INTERVENTIONS IN EARLY APRIL

Several providers have also launched new/repositioned offerings in order to help address new consumer needs. For example, M&S have launched a “we’re all in this together” gift card which can be purchased and topped up online, to help support volunteers shopping on behalf of vulnerable consumers.

M&S “WE’RE ALL IN THIS TOGETHER” GIFT CARD SCHEME



Helping your community

This week we added to the many things we are doing across the country to support the communities we serve. We extended our popular dedicated shopping hours to include health and social carers. See [here](#) for more details.

We also introduced a brand-new initiative to provide an easy in-store payment method to support volunteers shopping on behalf of our most vulnerable, older and self-isolating customers. Our 'We're All in this Together' E-Gift Cards can be purchased online, and work using a barcode which is sent to the email address provided during online checkout. The volunteer shopper then simply scans the barcode on their phone at the self-checkout or reads their E-Gift Card number to the colleague at the till, and the value is deducted from the customer's E-Gift Card balance. You can purchase these cards [here](#).

In our 46 stores located in hospitals, we have added new product ranges to provide more essential items. This means hospital workers can get all they need for lunch, evening meals and to stock their cupboards with the basics. We are continuing to maintain food surplus redistribution through our [Neighbourly scheme](#). Over the coming weeks and months we will keep you updated on everything we are doing to support your local community.

Source: <https://milled.com/marks-and-spencer/a-message-from-m-and-s-food-JWcGtyVqXV7rG-ld>

“I also volunteer to shop for the elderly in my building and M&S has just launched a great scheme - brilliant as right now, a lot of people have run out of cash because they are sheltering/self isolating AND exchanging cash is not a good idea anyway..”

(Female, refused age)

Look what I just got sent from M&S in an email. This would be ideal for people shopping for elderly neighbours.... A really good idea.

(Female, 55-64 years)

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020

STARLING ALSO LAUNCHED CONNECTED CARD EARLY APRIL 2020

Starling have also launched their new “connected card”, an additional debit card which is paired to their customer’s account but can be given to anyone spending on their behalf. Customers are able to manage it within the app through a separate designated space, helping to keep funds separate and spending capped at £200.

STARLING: CONNECTED CARD



If someone’s spending on your behalf at the moment, the Starling Connected card could make life a little easier for everyone...it’s an additional debit card you can give to anyone you trust, so they can buy whatever you need; no cash, contact, IOUs or fiddly bank details. The money comes out of a designated Space you’ll set in the app (rather than your main account) and it’s capped at £200, so you’re always in control.



Source: <https://www.starlingbank.com/features/connected-shopping-card/>

WHY IT’S HELPFUL

- ✓ **Easier spending.**
No more worrying about paying someone back or giving them your bank details.
- ✓ **You’re in control.**
Balance running low? Top up your Connected card whenever you want by adding money to your designated Connected space in app.
- ✓ **Share your account.**
Give someone a Connected card and they’ll be able to buy the things you need on your behalf.
- ✓ **But don’t share everything.**
The other person won’t be able to access your whole account, check the balance, access the app, withdraw at an ATM or shop online. They’ll just be able to spend from one Space of your choosing.

INTERVENTIONS HELPING ACCESS CASH OR CHEQUE PAYMENTS

The Post Office has also extended their Payout Now scheme, while already open to most bank and building societies, additional communication would be of benefit to customers. Similarly, a reminder of potential options for other basic functions such as cheque payments could help customers, as many seek new alternatives to functions they usually do in branch.

POST OFFICE "ASK-A-FRIEND" PAYOUT NOW SCHEME



The Post Office have extended their Payout Now Scheme to all bank, building societies and credit unions. If a bank signs up, it enables customers to stipulate how much they would like to withdraw from their account and will generate a one-time code which is sent via text, email or post. This can then be given to family member, trusted friend or volunteer to collect the cash on their behalf, helping to maintain access to cash without handing over a debit card and pin.

“ Being able to easily access cash is a vital service for older people and those self-isolating... [This] means they can access cash quickly and securely to repay someone for a helpful service like shopping, or simply manage their finances, providing peace of mind that cash can be securely sourced with the help of any trusted helper. ”

Martin Kearsley, banking director at the Post Office

Source: <https://www.bbc.co.uk/news/business-52229698>

OTHER HELPFUL INTERVENTIONS

“I used to call at my branch once a month or so to pay in cash and or cheques. This is no longer sensible although it would be nice to have Freepost available to submit cheques.” (Female, refused age)

Many consumers also cite concerns about how to handle cheques. Although many are now able to do this through banking apps, there are a number of consumers that are either unaware of this feature, or unwilling to try it. For those, communication around alternatives would be of use.

Source: Ipsos MORI FRS Money Talks
Time period: March-April 2020

WHAT'S INCLUDED IN THE NEXT REPORT?

Consumers are being inundated with communication. Within the next report due on the 1st May, we will be looking at the information cutting through and how responses to Covid-19 have changed customers perceptions of providers. This Part 2 report is available within the FRS Money Talks subscription, or as a stand alone report for £5,545+VAT.

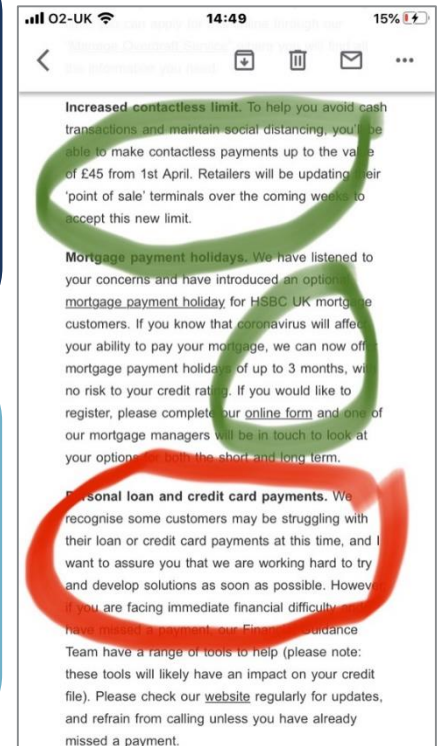
COVID-19 PART 2: EFFECTIVE COMMUNICATION AND CHANGING PERCEPTIONS OF FINANCIAL PROVIDERS

In the latest activities on the FRS Money Talks community, members have been asked to reflect on, and upload examples of communication that they have received from providers – highlighting and feeding back on elements that have resonated with them.

This has given us an opportunity to look deeper into what consumers are looking for from messaging at the moment, and underlying motivations and concerns that providers need to address in coming weeks and months.

*“The most recent was warning me about scams concerning Covid-19 and the different types to look out for, not just for myself, but elderly relatives also. Not just online, but also doorstep scams too. **I did not really have any actions to take, but it was good to see the initiative that the bank had taken to be proactive in protecting its customers.**” (Female, 45-54 years)*

*“**The letter was written in a humanising way which I liked and felt like it was talking to me. Personally it would be good if we all had this type of communication on a more regular basis and coming from a person that I know rather than an automated generic email.**” (Male, 18-24 years)*



Source: Ipsos MORI FRS Money Talks
Time period: April 2020





FRS Money

Talks

4



FRS MONEY TALKS – WHAT IS IT?

FRS Money Talks is an online community of general financial consumers; it has been developed to allow us to delve deeper into the attitudes and feelings of these people in relation to the financial products and services they consume and are our eyes and ears on consumer behaviour in the financial space.

THE ONGOING COMMUNITY

Money Talks has already had an impact with initial explorations in 2019 on vulnerability, Fintech and the role of branches building on FRS insights and providing the following benefits:

- Understand wider market context, beyond your customer base
- Supports and explains FRS insights – bringing the why behind the what
- A finger on the pulse of evolving financial attitudes and behaviours
- Delivering a substantial saving on investing in similar services on an ad hoc basis



TIMINGS AND TOPICS

FRS Money Talks will include six monthly deep dives, exploring key aspects of financial behaviour – both providing the why behind FRS quantitative trends and giving rich, in the moment insights into evolving financial behaviours and needs

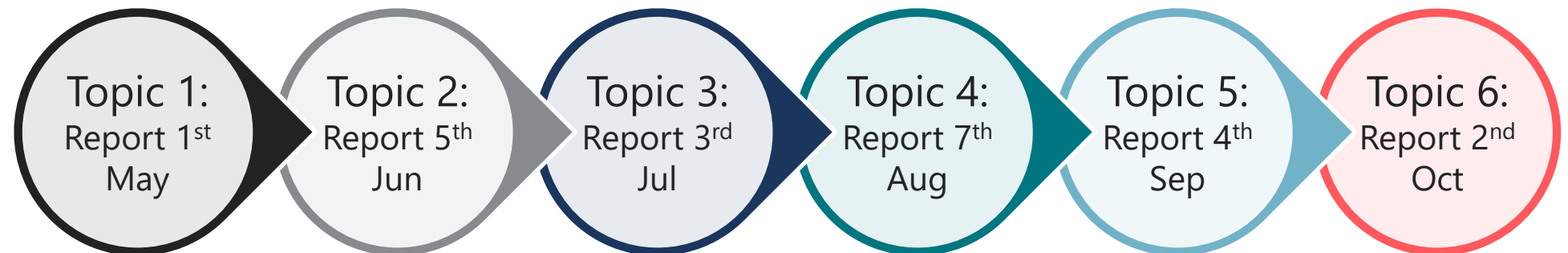
THE PLANNED TOPICS

FRS Money Talks is designed to be flexible to trends as they emerge. For the first topic we are covering Covid-19 and how this has impacted on consumer financial behaviour as well as their perceptions of brands which will be available within the first report released on 1st May.

Subsequent topics could include:

- **Overdraft charges and attitude to debt:** Understanding impact of changing regulation and need
- **Financial decision making and advice:** Exploring decision making processes and sources of influence
- **The drive to invest:** Unpacking the thoughts of investors and those nearing retirement

TIMINGS



FRS COMMUNITY – THE COSTS FOR 2020

The FRS Money Talks Community provides a qualitative lens on FRS insights. Following the success of our 2019 trial series – used to support FRS reports and client discussions - we are running an additional 6 month module for 2020, adding in-the-moment depth to the rigour of the FRS tracker.

FRS COMMUNITY COSTS:

There are two levels of access to Money Talks, both with reduced fees for FRS subscribers:

1) Core access: Subscribe to all 6 monthly reports

And / or

2) Private access: Pay for private access to a bespoke qualitative discussion

OPTION 1: CORE ACCESS

FRS Subscribers:

£25,000_{+VAT}

FRS Non-subscribers:

£31,250_{+VAT}

For a core access subscription to the FRS Money Talks, will enable:

- Subscription to 6 reports, produced monthly
- Topics determined by the FRS on consultation with Money Talks core subscribers
- Reports are standardised for all Money Talks core subscribers

OPTION 2: PRIVATE ACCESS

FRS Subscribers:

£7,250_{+VAT}

FRS Non-subscribers:

£10,000_{+VAT}

For a private activity to be placed on the community, this would involve:

- Bespoke FRS analysis on a business question supported by an online qualitative discussion on the community (3 days, up to 5 topics)
- Costs will be confirmed upon client briefing and assume ppt report and client debrief call
- Alternative approaches can also be explored – please contact the team to discuss further

FRS COMMUNITY – OUTPUTS

The format of outputs will vary based on the type of activity undertaken during that month, but all will be a mixture of both qualitative and quantitative; using the qualitative findings to add colour to the rigour of the FRS data, and will usually be summarised in a short PowerPoint report.

EXAMPLE OUTPUTS

Dearest Bank.

When I first met you, I was attracted to you because I saw you as a genuine bank that treated loyal customers well.

I thought I couldn't live without you because you provided me with a sense of security and safety.

But as I've got to know you better, I've discovered that, there are other banks out there that provide the same if not better loyalty and connection and pay me for banking with them!

I'm in search of a new financial product that will provide me with better returns on my money and treat me like an individual.

In 2 years from today, I'll be using this product and will be wealthier than I am now secure in myself.

CONSUMERS WANT TO DO THE RIGHT THING

However, consumers do want to do the right thing and wish they had done things differently.

WHAT ADVICE WOULD CONSUMERS GIVE THEIR YOUNGER SELVES?

The advice consumers would give to their younger self includes:

- Prepare for the future
- Don't take (too many) credit cards
- Be savvy and look for deals
- Don't try to keep up with others

Video

Messages from the Future: What would consumers do differently?

KEY TAKE-OUTS

BUT WHAT DO CONSUMERS THINK TO THEM? FINDINGS OF THE COMMUNITY

- PICKING A SITE**
Consumers' choice of a price comparison website is usually driven by high recall from TV commercials, or established trust from previous experience – but some stumble across them.
- POSITIVE EXPERIENCE**
Most consumers are very positive about price comparison websites and their experience of using them...
- TRUST**
...however, negative perceptions revolve around issues of trust and transparency. This arises from differing provider coverage between sites and commission fees.

What is the FRS Community?

LOOKING FOR INFORMATION AND ADVICE

A lack of information, embarrassment and scepticism in traditional banking providers is preventing those struggling financially from directly seeking help and guidance. Instead, many are self-serving rather than speaking to the financial institutions, service providers and trained advisors who are best placed to help.

FACTS & FIGURES: CREDIT CARDS

20%	30%
16%	11%
10%	7%
9%	4%

SELECTED SOURCES OF ADVICE

- I tackled my problem myself... there isn't any clear information about what to do in a financial crisis when you are in your 20s
- I look online... but I won't contact the bank for no reason and mainly get financial advice from a friend who has been through whatever is on your mind
- I chat to family members first to see what they do and how it works for them but would also like an FAQ on my bank's own website
- I have friends who can point me in the right direction
- I ask my parents most questions and take down notes when Martin Lewis's show is on
- I speak to a friend, people who are in the same situation or have the same type of financial commitments can offer good advice.
- I don't go for advice because I am embarrassed to admit that I am not coping with my day to day finance

Dearest bank, we've been together approximately 40 years but I now realise that we were only staying together out of habit - I'd like a break but I don't have time yet to go out and find a replacement for you; my husband left you years ago because you levied so many charges on him but I remained loyal. You just don't make an effort anymore, you've stopped trying!! I would have given you everything, all my money, my salary, my kids birthday monies, but you just took it all for granted and now I'm going elsewhere, to someone who actually makes me feel special, valued, offers me incentives to spice things up a bit!! You didn't even want to set up house with me, so I'm going elsewhere for a mortgage! I hope we can remain friends but there's so much more to offer on the internet, so that's where I'm heading - I'll leave a forwarding address!

THE TWO APPROACHES TO PICKING A SITE

There are two main approaches when choosing which price comparison website to use – those that select brands they know and trust, and those that use google. Those selecting for a trusted brand generally use that single site, whereas those using a search engine use multiple aggregator sites for the same query.

ESTABLISHED TRUST

Some have established trust in price comparison websites because they have used them before and therefore return to a site they have previous experience with.

- A friend recommended moneysupermarket, and I've just always stuck with them as they provide everything I need.
- I use Martin Lewis moneysavingexpert.com as I trust his advice.
- I normally go to Compare the Market.
- I used Compare the Market to look for home insurance and again for car insurance when my car insurance went up after I moved.
- I always use money saving expert as I really trust and respect Martin Lewis.

THE GOOGLEERS

But for others, the choice of a price comparison website is driven by the top results in their search engine. Those that do use this method, are quite likely to rely on multiple price comparison websites for any search.

- I do a Google search initially to see what PCWs are available for what I'm searching.
- I did a Google search first then chose a couple from the list.
- I decided which PCW's to use by googling 'compare sites' & working through the ones that appeared.
- I just went to google, and typed in: cheap broadband and different price comparison sites came up.
- I just googled a few for comparison sake.

FURTHER INFORMATION

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www.ipsos-mori.com/

IPSOS MORI'S STANDARDS & ACCREDITATIONS

Ipsos MORI's standards & accreditations provide our clients with the peace of mind that they can always depend on us to deliver reliable, sustainable findings. Moreover, our focus on quality and continuous improvement means we have embedded a 'right first time' approach throughout our organisation.



ISO 20252 – is the international market research specific standard that supersedes BS 7911 / MRQSA & incorporates IQCS (Interviewer Quality Control Scheme); it covers the 5 stages of a Market Research project. Ipsos MORI was the first company in the world to gain this accreditation.



MRS Company Partnership – By being an MRS Company Partner, Ipsos MORI endorse and support the core MRS brand values of professionalism, research excellence and business effectiveness, and commit to comply with the MRS Code of Conduct throughout the organisation & we were the first company to sign our organisation up to the requirements & self regulation of the MRS Code; more than 350 companies have followed our lead.



ISO 9001 – International general company standard with a focus on continual improvement through quality management systems. In 1994 we became one of the early adopters of the ISO 9001 business standard.



ISO 27001 – International standard for information security designed to ensure the selection of adequate and proportionate security controls. Ipsos MORI was the first research company in the UK to be awarded this in August 2008.



Data Protection Act – Ipsos MORI is required to comply with the Data Protection Act; it covers the processing of personal data and the protection of privacy.



HMG Cyber Essentials – A government backed and key deliverable of the UK's National Cyber Security Programme. Ipsos MORI was assessment validated for certification in 2016. Cyber Essentials defines a set of controls which, when properly implemented, provide organisations with basic protection from the most prevalent forms of threat coming from the internet.



Fair Data – Ipsos MORI is signed up as a 'Fair Data' Company by agreeing to adhere to ten core principles. The principles support and complement other standards such as ISOs, and the requirements of Data Protection legislation.

This work was carried out in accordance with the requirements of the international quality standard for market research, ISO 20252 and with the Ipsos MORI Terms and Conditions.