



BRIEFING TO THE NORTHERN IRELAND ASSEMBLY COMMITTEE FOR FINANCE

Consumer Council for Northern Ireland

6 November 2024

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1. Introduction

This is a written briefing submitted by the Consumer Council for Northern Ireland (Consumer Council) to the Northern Ireland Assembly Committee for Finance in relation to changes to the banking and financial services landscape in Northern Ireland, ahead of the oral briefing to the Committee on Wednesday 6 November 2024. The evidence in this document has been drawn from our extensive portfolio of consumer research and data from partners in regulation, government, civil society and industry.

This section summarises the unique dynamics of Northern Ireland that will help shape the deliberations and assessments by the Committee, as it enters the process of this inquiry.

Key points

- 1) Banking and financial services play a crucial role in people's daily lives. Universal access, regardless of background, income or personal circumstances, to the appropriate products and services they need, guarantees all citizens can fully participate in society. This safeguards financial inclusion, which in turn advances economic prosperity and strengthens consumer resilience.

Banking landscape

- 2) The Northern Ireland Assembly recently published a briefing paper¹ on the current financial services landscape in Northern Ireland, highlighting key themes concerning access to cash services following recent branch closures.

The paper referenced the Consumer Council's 'Access to banking services' research report², which found between May 2020 and January 2023, 52 branches closed in Northern Ireland, representing 27% of the total bank branch network.

The Consumer Council has conducted further analysis following publication of our report and found Northern Ireland will lose around 40% of its bank branch network between 2020 and early 2025. With every branch closure, consumer choice is further limited, and its impact on the local community can be widespread.

- 3) Ensuring universal access to banking and financial services will be a key enabler for financial inclusion. As products and services, including many banking and financial services, move online (and grow in popularity), we must be mindful of the digital literacy and capability challenges amongst some consumer groups, and increased cost barriers. In the event of bank branch closures, it is critical that:
 - a) the needs of customers and the local population are balanced and supported
 - b) customer communication is underpinned with community engagement
 - c) customers impacted by branch closures are informed of all choices
 - d) processes for appeals or alternative arrangements are promoted
 - e) support is provided during the transitional period and beyond
 - f) the needs of vulnerable groups are prioritised
 - g) consumer protection principles are met

¹ [The Current Financial Services Landscape in Northern Ireland: Preliminary Considerations](#), October 2024

² [Access to Banking Services in Northern Ireland | Consumer Council](#), August 2023

- 4) Due regard must be given to challenges faced by consumer and business segments, such as vulnerable groups, sole traders and microbusinesses. There should also be:
 - a) Greater consistency of how impacted customers and communities are supported in the event of a bank branch closure, including any migration of services to digital delivery, or through post offices or banking hubs.
 - b) Greater connectivity with consumer representative bodies, like the Consumer Council, and civil society organisations, so mitigations and alternative solutions can be co-designed with consumer and customer needs prioritised.

Financial lives

- 5) When considering solutions to increase financial inclusion and improve the access and participation of all consumers in banking and financial services, it is important to:
 - a) Ensure the needs and challenges of vulnerable groups, who can be marginalised and excluded from mainstream products and services, are met. This should cover:
 - financial education and literacy
 - a focus on transitioning the unbanked population
 - accessible banking services and financial products and services
 - accessible options to save to build resilience against financial shocks
 - mitigations for gender and ethnicity disparities and poverty premiums
 - accessible and good quality money and budgeting advice
 - accessible, affordable and legitimate credit options
 - digital capability and literacy
 - inclusive credit scoring
 - b) Solutions must be co-designed with input sought from consumers and communities through consumer representative bodies, and pilots conducted with relevant consumer groups reflecting population demographics, before full implementation.

Affordability

- 6) The Consumer Council's research into the importance of the consumer to the Northern Ireland economy³ found 64% of economic output was driven by consumer spending. Economic security and success is inextricably linked to increasing consumer confidence.
- 7) Northern Ireland represents 2.7% of the total UK population (at 1.92M⁴ vs 68.3M⁵) but has more than double the proportion of citizens living in rural areas at 36%⁶ compared to England (17.1%⁷) and Scotland (17%⁸). Population growth in rural areas between 2001 to 2020 outstripped urban areas by a factor of almost three to one⁹ (20% to 7%).
- 8) Northern Ireland also has a more vulnerable population than parts of the UK with:
 - a) more lowest income households reliant on social securities¹⁰

³ [The Importance of the Consumer to the Northern Ireland Economy | Consumer Council](#), December 2022

⁴ [2022 Mid-year Population Estimates for Northern Ireland](#), Northern Ireland Statistics and Research Agency, September 2023

⁵ [Population estimates for the UK, England, Wales, Scotland and Northern Ireland](#), Office of National Statistics, October 2024

⁶ [NI: IN PROFILE Key statistics on Northern Ireland](#), Northern Ireland Statistics and Research Agency, November 2022

⁷ [Statistical Digest of Rural England](#), Department for Environment, Food and Rural Affairs, October 2021

⁸ [Rural Scotland Key Facts 2021](#), Scottish Government, February 2021

⁹ [Key Rural Issues 2023](#), Department of Agriculture, Environment and Rural Affairs, February 2024

¹⁰ [Q1 2024 Northern Ireland Household Expenditure Tracker | Consumer Council](#), August 2024

- b) more households on less than £15,000 per year (22% vs 17%)¹¹
 - c) the highest rate of economic inactivity¹² in the UK (28.5% vs 21.8%)
 - d) lower financial resilience and capability and more likely to use cash¹³
 - e) more households with no savings or investments¹⁴
- 9) The Consumer Council believes lower levels of consumer confidence can lead to heightened detriment and greater exclusion. Increasing consumer affordability is key to improving financial wellbeing and resilience and building sustainable household budgets.
- 10) Financial inclusion not only creates a level playing field for consumers, but also microbusinesses, who account for 89% of in Northern Ireland's business base. Many can act like consumers and share similar experiences, problems and concerns, and can operate at similar levels of market engagement, and understanding and redress.

Financial inclusion

- 11) The Consumer Duty¹⁵ from the Financial Conduct Authority (FCA) was operationalised from July 2023 with a final implementation milestone on 31 July 2024, setting the regulatory standards for firms to deliver the best outcomes for their customers.
- 12) As the FCA prioritises increasing competitiveness and growth, this must be done in a way that consistently safeguards consumer protection standards. The Consumer Council has co-signed a letter to Rachel Reeves MP, Chancellor of the Exchequer, asking for financial inclusion to be one of the FCA's economic policy priorities to balance the growth and competitiveness objective.
- 13) The UK Government's upcoming national financial inclusion strategy offers Northern Ireland an opportunity to develop a tailored action plan in support of this, cognisant of the unique considerations of its market and population. This should enable consumers access to their own transaction account, affordable credit, appropriate insurance and necessary advice; to be encouraged and empowered to save both for rainy days and for retirement; and to receive financial education in school and throughout life.
- 14) The Consumer Council is well placed to support the Committee and Northern Ireland Executive Departments in developing and implementing the above ambition, given its responsibilities and statutory powers, set out in Annex 1. We have written to Tulip Siddiq MP, Economic Secretary to the Treasury and City Minister, offering to help advance the UK Government's financial inclusion priorities through participation on the appropriate structures dedicated to implementing the national financial inclusion strategy.

The remainder of the written briefing provides a comprehensive evidence base of the key aspects of the banking and financial services landscape in Northern Ireland, through the prism of the Consumer Council's eight consumer protection principles in Annex 1. The Consumer Council hopes the Committee will find this a useful reference guide for the inquiry.

¹¹ [Financial Lives 2022](#), Financial Conduct Authority, July 2023

¹² [Northern Ireland Labour Market Statistics | Department for the Economy](#), October 2024

¹³ [Financial Lives 2022](#), Financial Conduct Authority, July 2023

¹⁴ [Financial Lives 2022](#), Financial Conduct Authority, July 2023

¹⁵ [Consumer Duty](#), Financial Conduct Authority

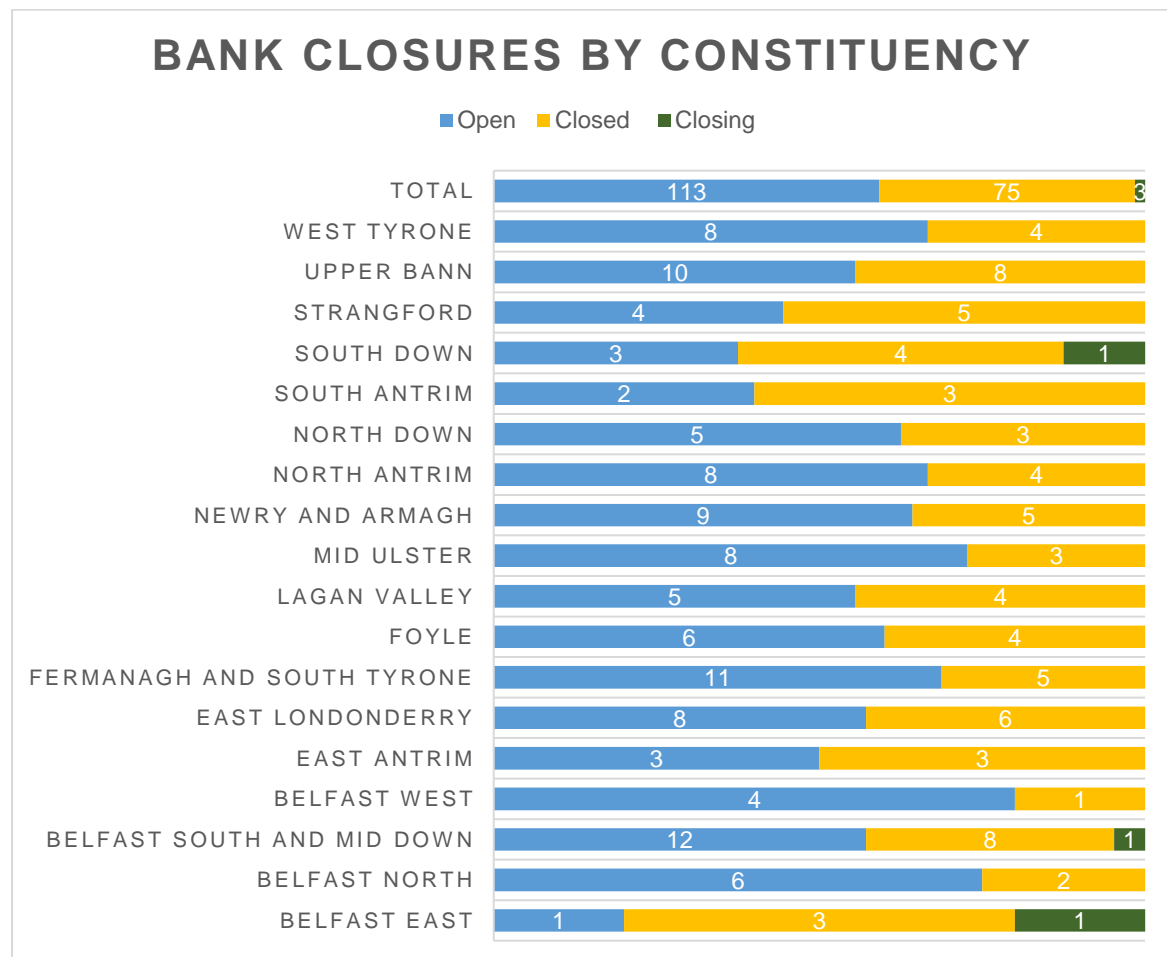
2. Banking landscape

The Consumer Council has been recording bank branch closures since 2020. Between 2020 and early 2025, Northern Ireland will have lost around 40% of its bank branch network, impacting the banking needs of consumers, businesses and communities.

Bank branch closures

15) When the Consumer Council first began recording bank branch closures in 2020, we found there were 192 bank branches in Northern Ireland. By October 2024, this has dropped to 116 bank branches due to 75 closures, a drop of 39%.

A further three bank branches in Connswater, Castlecourt and Downpatrick have been announced to close. Connswater and Castlecourt are scheduled to close in February 2025, with the Downpatrick bank branch closure date to be confirmed.



16) The Consumer Council does not record comparative data of other regions of the UK. We hope to work with LINK, the operator of the UK's largest ATM network, and UK Finance, the trade association for the UK banking and financial services sector, to better contextualise local impacts, including population considerations, against national data.

Access to banking services

17) In June 2023, the Consumer Council published its 'Access to banking services' research report¹⁶ which found that between May 2020 and January 2023, 52 bank branches closed in Northern Ireland, some 27% of the total network. The impact was widespread.

a) 21% of consumers had seen their local bank branch close. Of those affected:

- 84% said that it had impacted them personally, and 48% said the closure had impacted them and/or their local community.
- 94% of consumers with a disability said the closure had an impact on them, and 70% said the impact was major.
- 90% of consumers on a low income said the closure had an impact, and 60% said it was major.
- 54% of older consumers and 53% of rural dwellers said the impact was major.
- 81% said banks should improve consultation regarding bank closures.

b) Distance to a banking service (including bank branches and post offices):

- 40.2% of the population lived within 1km of a banking service.
- 66.7% lived within 2km of a banking service but 59% of rural population lived more than 2km away from a banking service.
- 44% of consumers over 65 lived within 1km, and 46.3% of consumers with a disability lived within 1km.
- 72% of consumers living in urban deprived areas, lived within 1km. In Lisburn and Castlereagh Council only 50.8% of those living in urban deprived areas lived, within 1km.
- 24% of electoral wards had no banking service at all.

c) Alternatives to branch banking:

- 28% used post offices to withdraw cash at least once per month, and 19% used post offices to pay in cheques or cash.
- 58% said they were satisfied with the levels of privacy in their post office branch; 26% were neither satisfied nor dissatisfied; and 14% were dissatisfied.
- Focus group participants indicated that they could manage most of their banking needs via alternative means (telephone, online or post office) but preferred going to a branch and dealing directly with staff when experiencing difficulties or for 'more serious forms of banking' such as loans or mortgages.

¹⁶ [Access to Banking Services in Northern Ireland | Consumer Council](#), August 2023

- Focus group participants also identified difficulties with mobile and online banking, including cost and difficulty using the equipment. This was particularly highlighted by older consumers.

18) It should be noted that there is no statutory requirement for post offices to offer a banking service in the wake of a bank branch closure. The fact that post offices provide this service is welcome and a lifeline for many consumers, businesses and communities.

However, this depends entirely on a commercial agreement, known as the Banking Framework, between the banks and the Post Office to support it. The latest framework agreement, Banking Framework 3¹⁷, began at the beginning of 2023 and runs until the end of 2025. The Consumer Council understands that confidential negotiations between the banks and the Post Office is underway.

Access to cash

19) Cash usage is in decline and so is the number of facilities providing cash access services, mainly withdrawals and deposits, such as bank and building societies and ATMs. Despite this, cash remains an important method of payment for many consumers and businesses, and reliance on cash is higher in Northern Ireland.

20) The FCA has published research¹⁸ which found the strongest association with reliance on cash was if someone:

- a) had low digital capability or poor digital access (four times as likely);
- b) was in a low income household of less than £15,000 a year (three times as likely);
- c) was not employed (twice as likely)
- d) was in poor health
- e) lived in an urban area
- f) lived in Northern Ireland or Scotland

21) The FCA has introduced new 'Access to Cash' rules for bank branch closures and the decommissioning of ATMs. Under these rules "designated firms" (banks¹⁹) must identify gaps in cash provision, assess a wide range of local needs, and provide additional cash access services promptly if assessments find a significant gap in provision.

- a) Closures announced after the FCA consultation was launched on 7 December 2023 were also subject to these rules. For example, the planned closure of the Ulster Bank branch in Downpatrick in late 2024 fell within this period, and subject to assessment. LINK completed this assessment in October 2024 and did not recommend any additional provision, and the date of closure is to be confirmed.
- b) Under these rules, banks must also carry out an assessment before making a change which significantly alters access to cash. This could be the closure of a bank branch, or an ATM. Banks must, through LINK:
 - Assess cash access and understand if additional services are needed, when changes are being made to local services.

¹⁷ [Banking Framework 3 Agreement announced](#), Post Office, April 2022

¹⁸ [An empirical analysis of characteristics associated with cash reliance in the UK](#), Financial Conduct Authority, July 2024

¹⁹ In Northern Ireland the designated firms are: AIB NI, Bank of Ireland UK, Barclays, Danske Bank, Lloyd's Banking Group (Halifax), NatWest Group (Ulster) and Santander.

- Deliver reasonable additional cash services, where significant gaps are found.
- Keep facilities, including bank branches and ATMs, open until any additional cash services identified are available²⁰.

22) Banks must also (through LINK) respond to local residents, community organisations and representative groups, who will be able to request an assessment of whether there are gaps in local community cash access.

- Done through a LINK 'Request Access to Cash'²¹, anyone can make this application.
- It is important to note requests do not have to follow a bank closure or withdrawal of an ATM. They can be made if there is a perceived lack of cash access in an area.

For example, an area may have seen an increase in population with no improvement in provision. The assessment by LINK can recommend a variety of services including a banking hub, a banking hub with ATM, an ATM, or an ATM with a deposit facility.

- If the 'Request Access to Cash' is unsuccessful and no additional facility is recommended by LINK, there is a 28-day period for appeals.

23) The criteria for the LINK 'Request Access to Cash' application is as follows:

- LINK first considers whether 95% of population in the town/city can withdraw and deposit cash within one mile of where they live. In rural areas, they consider whether 95% of people can withdraw and deposit cash within three miles of where they live.

It is worth noting LINK defines settlements/retail centres as follows.

- Small: five to 39 retailers who rely on cash
- Medium: 40+ retailers who rely on cash
- Large: 70+ retailers who rely on cash and 10,000+ population
- Very Large: 100+ retailers who rely on cash and 30,000+ population

- LINK then undertake the following steps:

Step 1: What services are left on the high street and are they enough?

Step 2: Is the impact of the change significant?

Step 3: What services, if any, does the community need instead?

24) The Consumer Council will continue to work with the FCA, LINK, UK Finance, the banks and the Post Office, to represent consumer interests in Northern Ireland, including leading the cash access requests. This has resulted in four new banking hubs for Northern Ireland, in addition to the already open Kilkeel banking hub.

Alongside this, the Consumer Council has highlighted the need for greater publicity of the ongoing assessments undertaken by LINK, at a local community level, alongside the result, to improve awareness, understanding and engagement with consumers, businesses and communities.

²⁰ [FCA confirms plan to protect access to cash for consumers and small businesses](#) Financial Conduct Authority, July 2024

²¹ [Request Access to Cash](#), LINK

Banking hubs

- 25) The UK Government has committed to working with industry to ensure 350 new banking hubs are delivered across the UK.
- 26) A banking hub is a shared banking space on the high street. They are owned by Cash Access UK, who oversee the banking hub rollout, and are operated by the Post Office, in partnership with ten of the UK's biggest banks: AIB NI, Bank of Ireland UK, Barclays, Danske Bank, HSBC UK, Lloyds Banking Group (Halifax), NatWest Group (Ulster), Santander, TSB and Virgin Money.
- 27) Banking hubs offer a counter service operated by the Post Office:
- a) Customers from these banks - and building societies - can carry out regular cash transactions, Monday to Friday, such as pay in cash/cheques, withdraw cash, check balances, pay bills and top up their gas/electricity.
 - b) Business customers can use the counter services to make cash withdrawals, cash and cheque deposits and other cash services, including floats and coinage.
 - c) There is a Community Banker service where customers can talk to their own bank about more complicated banking issues, who work on rotation, with a different bank available on each day of the week. Representation varies from hub to hub as Community Bankers are provided by the banks with the most local customers, and banks 'opt in' to this based on their customer base in the area.
- 28) To date, over 80 banking hubs have opened, and the UK Government expects 100 hubs to be operational by the end of this year²². Northern Ireland has three operational banking hubs in Kilkeel (2023), Warrenpoint (October 2024) and Portrush (October 2024), with hubs for Newcastle and Comber scheduled to open (November 2024)²³.
- 29) In June 2022, the Consumer Council made the case that the criteria used by LINK to consider the needs of those affected when notice of a bank closure is given was not adequately meeting the needs the unique circumstances of Northern Ireland consumers.
- Site visits to Warrenpoint, Kilkeel and Comber were facilitated in August 2023 by the Consumer Council's Financial Services Team, who led the two-day visit programme, and in October 2023, the LINK Community Cash Advisory Panel²⁴ stated, "it agreed the cash landscape in Northern Ireland is different to that in the rest of the UK".
- After the Consumer Council's direct intervention, the assessment criteria was amended and Holywood was approved for a cash depositing and withdrawal service pilot, and Kilkeel was approved for a banking hub.
- 30) In late 2023, the Consumer Council worked with LINK to review other towns in Northern Ireland which had lost their last bank branch. From this engagement, LINK advised there were eight locations that may merit consideration for banking hubs, if 'Request Access to Cash' applications was made.

²² [Banking Hubs: Rural Areas - Question for Treasury](#), October 2024

²³ [Banking Hubs in Northern Ireland](#), Cash Access UK

²⁴ [Second Opinion, LINK Community Cash Advisory Panel](#), October 2023

The Consumer Council submitted applications for Comber, Killinchy, Maghera, Portaferry, Portrush, Portstewart and Warrenpoint. LINK assessed the applications and approved banking hubs for Warrenpoint, Portrush, Newcastle and Comber.

Alternative services

- 31) The FCA's 'Access to Cash' rules, require banks to give 12 weeks' notice, in writing, before closing a bank branch. They must also identify gaps in cash provision, assess a wide range of local needs, and provide additional cash access services promptly if assessments find a significant gap in provision. This includes:
- a) Factsheets detailing the nearest bank branches, limited to the closest branches of the bank in question, and post offices (part of the Banking Framework 3 Agreement).
 - b) Information signposting to alternatives such as mobile, online, telephone and video banking.
 - c) Available support, for example through community outreach events or online events, for customers impacted.
- 32) The support available to customers after a bank branch has closed varies from bank to bank. The Consumer Council is aware of the following initiatives:
- a) Some banks have mobile branches which visit outlying towns that have lost their last branch, for example Ulster Bank (Newcastle, Hillsborough and Lisnaskea) and Barclays (Coleraine). However, this service has met with a mixed response as access can be limited. For example, Lisnaskea's last Ulster Bank branch was replaced with a 45 minute-per-week service, attracting criticism in the local media²⁵.
 - b) Barclays offer 'Barclays Local', operating in community facilities such as libraries, for example in Lisburn, Newry and Portadown, offering customers appointments with Barclays staff to discuss their banking needs.
- 33) The Current Account Switch Service (CASS) enables people to switch their current account from one bank to another, and is also an option for consumers impacted by bank branch closures. It is a free of charge, seven-working-day automatic process, once the consumer has successfully applied for an account with a new bank.

CASS comes with a Switch Guarantee for anyone who wants to switch current accounts and fully close their existing current account in the process, offering additional protection against any financial liabilities, should anything go wrong.

The Consumer Council recommends banks include this service in the information provided to customers when a branch is approved for closure, to ensure consumers are aware of the choices available to them.

²⁵ [Anger over pop-up bank open for just 45 minutes a fortnight after branch closure](#), Belfast Telegraph, October 2024

3. Financial lives

Increasing financial inclusion in Northern Ireland results in resilient and confident consumers. To achieve this, citizens and businesses must have access to, and be empowered to use, legitimate and responsible financial services that meet their needs.

Financial Lives survey

- 34) The 'Financial Lives' survey is the FCA's nationally representative survey of UK consumers about their attitudes towards managing their money, the financial products they have, and their experiences of engaging with financial services firms.
- 35) The 'Financial Lives' survey includes Northern Ireland, and while the sample size of some Northern Ireland specific insights may be relatively small compared to the UK sample, they are statistically robust. The most recent publication with representative data from Northern Ireland is Financial Lives 2022²⁶, and was published in July 2023.

Use of bank branches

- 36) Adults most likely to regularly use a branch in the 12 months to May 2022 included:
- a) those who are digitally excluded (42%)
 - b) those who were heavy users of cash (42%)
 - c) those with a household income of less than £15,000 a year (37%)
 - d) those aged 75 and over (35%)
 - e) those in poor health (27%), particularly those who are blind or partially sighted (37%)
 - f) those living in Northern Ireland (29%)

Cash use

- 37) Over 6% of UK adults (3.1 million) used cash to pay for everything or most things in the 12 months up to May 2022. In Northern Ireland, this figure was 13% so Northern Ireland consumers are twice as likely to use cash to pay for everything or most things, compared to their UK counterparts.
- 38) There was a rise of those who had one or more characteristics of vulnerability such as low financial resilience, poor health or low capability including digital capability. These individuals rely on cash for a variety of reasons, the most common being convenience (58%), budgeting (50%), and due to trust and privacy (47%).
- 39) Consumers in Northern Ireland using cash for everything or most things, gave the following reasons as to why they relied on cash to a great extent in their day-to-day life:
- a) cash was more accepted at 35% (UK at 28%)
 - b) the convenience or was paid in cash at 58% (UK at 48%)
 - c) for budgeting purposes at 50% (UK at 46%)
 - d) for trust and privacy reasons at 47% (UK at 50%)

²⁶ [Financial Lives 2022](#), Financial Conduct Authority, July 2023

- 40) Consumers in Northern Ireland using cash for everything, or most things, were asked if they found it more difficult to withdraw or deposit cash because a local bank branch, post office or ATM had either permanently closed or has reduced its opening hours:
- a) because a bank branch had closed or reduced hours at 40% (UK at 45%)
 - b) because a bank branch, post office or ATM had permanently closed or reduced hours at 41% (UK at 41%)
 - c) because a post office has permanently closed or reduced its opening hours at 16% (UK at 16%)
 - d) because a bank branch or post office has reduced its opening hours at 29% (UK at 28%)
- 41) The Consumer Council works in close collaboration with the FCA in several ways, including consumer representation and advocacy, with a complementary research programme to accurately capture the lived experience of consumers.

Financial literacy

- 42) The 2020 and 2022 surveys asked four questions²⁷ on financial literacy:
- a) Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year, how much would be in the account at the end of the first year, once the interest payment is made?
 - b) How much would be in the account at the end of five years (remembering that there are no fees or tax deductions)?
 - c) If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a year's time?
 - d) Is the following true or false: Buying shares in a single company usually provides a safer return than buying shares in a range of companies?

Those surveyed were assessed as having high, moderate or poor financial literacy. Northern Ireland had 41%, scoring Low or Poor in 2022, up from 33% in 2020.

Numeracy	UK 2020	UK 2022	NI 2020	NI 2022
High (3 correct)	40%	42%	39%	37%
Moderate (2 correct)	25%	24%	29%	21%
Low (1 correct)	18%	15%	17%	15%
Poor (0 correct)	17%	19%	16%	26%

Lending, savings and debt

- 43) The Consumer Council has conducted three waves of this research, carried out in 2019, 2021 and 2023, into the opinions, thoughts and experiences of Northern Ireland consumers on lending, savings and debt. The 2023 wave, due to be published by

²⁷ [Financial Lives Tracker Tables 2022](#), Financial Conduct Authority, July 2023

December 2024, comprised of a demographically representative survey of 1,013 consumers, alongside a boosted survey of 502 consumers living in low income areas.

Cash use

44) Cash was the most prevalent payment method, with 56% in the main sample and 60% in the boost sample using it. Amongst the main sample, 42% used contactless, 22% used a credit card and 17% used online banking; and the corresponding figures in the boost sample were notably lower at 34%, 9% and 12%, respectively.

45) Those more likely to use cash regularly were:

- a) aged 65 and over and made up 70% of the responses
- b) from the C2DE (66%) rather than the ABC1 (44%) socio-economic group
- c) with a disability (77%) rather than those without a disability (53%)
- d) households receiving benefits (69%) rather than those not receiving them (53%)
- e) living in social housing (78%) than having any other housing tenure

46) Those from the C2DE socio-economic group were less likely to use a mobile phone app (C2DE: 16%; ABC1: 29%) and a credit card (C2DE: 17%; ABC1: 28%).

Current accounts

47) Nine in ten (90%) respondents in the main sample had a current account, and a similar proportion (86%) of the boost sample also had one. In the main sample, having a current account was less likely amongst the following:

- a) those aged 65 and over (83%) when compared to younger age groups
- b) those with a disability (79%) when compared to those who were not disabled (91%)
- c) Households receiving benefits (85%) compared to those not receiving them (90%)
- d) those living in a rural area (86%) compared to urban residents (92%)

This supports the 'Financial Inclusion in the UK²⁸' report from the Financial Inclusion Commission in partnership with the University of Birmingham and the Centre on Household Assets and Savings Management. The report states 5% of UK households have no current account, increasing to 8% in North-West England and Northern Ireland, and 9% of households with gross weekly income under £200.

Savings and credit union accounts

48) In the main sample, 55% had a savings account, whereas 49% of the boost sample had a savings account. In both samples, 23% had a credit union account.

Use of 'challenger banks'

49) The term challenger bank is used to describe any bank that challenges the big four banking groups in Britain: Barclays, Lloyds Banking Group (which includes Halifax, Lloyds Bank and Bank of Scotland), HSBC and the NatWest Group (which include RBS, NatWest and Ulster Bank).

50) Most are authorised by the Prudential Regulation Authority and are covered by the Financial Services Compensation Scheme (FSCS), offering protection of up to £85,000.

²⁸ [Financial Inclusion in the UK](#), Financial Inclusion Commission, October 2024

51) A number of challenger banks have been established for several years such as first direct and TSB. The newer entrants to the sector offer a new approach to providing banking services via apps and mobile devices and often utilise the latest technological innovations. Examples of firms in this category include Monzo Bank and Starling Bank.

52) While Monzo and Starling have UK banking licences and are categorised challenger banks, there are also fintech firms operating under electronic or e-money licences. Examples such firms include Revolut (who recently secured a banking licence with conditions) and Monese.

Consumers using these firms do not get direct protection under the FSCS, even though their money must be ring-fenced. The FCA supervises these regulated firms to make sure they comply with the associated regulation and store customer funds correctly.

53) In the 2019 survey, published in 2020, 1% of respondents said they did most of their banking with an online bank such as Revolut, Starling and Monzo.

54) In the 2023 survey, due to be published December 2024, 4% of respondents said they did most of their banking with an online bank such as Revolut, Starling and Monzo.

Buy now, pay later

55) Few products have experienced the rise in popularity as 'Buy now, pay later' (BNPL). While BNPL products can offer consumers convenience and flexibility, increase spending power, and help to manage monthly finances, they are currently unregulated.

56) The Woolard Review²⁹, commissioned by the FCA, identified several risks to consumers from BNPL, including:

- a) how the product is promoted to consumers and presented as a payment option
- b) misunderstanding of BNPL by consumers including features of the loan agreement
- c) the absence of any requirements to undertake affordability assessments
- d) the potential to create high levels of indebtedness
- e) inconsistency of treatment of customers in financial difficulty
- f) wider credit market impacts including little visibility of BNPL debts on credit files

The review found the risks of detriment could be heightened, as customers using BNPL included many borrowers who are potentially vulnerable.

57) The FCA's research found adults with characteristics of vulnerability were more likely to report using BNPL, and 44% of the most frequent users of BNPL were over-indebted. The research also found that although those on low incomes owed less on BNPL, compared to a typical credit card or store card debt, they owed considerably more as a proportion of their income.

58) In October 2023, the UK Government launched their six-week consultation on the draft legislation designed to bring BNPL into the FCA's regulatory perimeter, something the Consumer Council has long called for.

- a) Bringing the sector under the FCA's regulatory perimeter and applying the Consumer Credit Act, will mandate BNPL companies to provide clear, simple and accessible

²⁹ [The Woolard Review - A review of change and innovation in the unsecured credit market](#), February 2021

information about loan agreements so that consumers can make fully informed decisions and understand the risks associated with late repayments.

- b) Consumer protection is also bolstered through Section 75 of the Consumer Credit Act, which protects purchases if a BNPL company breaches its contract or provides faulty goods. This protection, which covers good and services costing between £100 and £30,000, already exists on credit card purchases.

59) The Consumer Council was the first to conduct comprehensive research³⁰ into BNPL in Northern Ireland. Published in December 2023, this found that BNPL was Northern Ireland's second most popular form of credit used.

- a) 48% of BNPL users said they used it more now because of cost of living increases.
- b) The vast majority (92%) found it useful as it helped them to manage finances (78%), and buy things that they otherwise wouldn't be able to (76%).
- c) Use of BNPL products is around one in five (18%), which is lower than credit cards (58%) but it was now the second highest form of credit used in the last three years.
- d) The main reasons for purchases in the last year were smaller household purchases (50%), Christmas and other occasions (30%) and larger household purchases (24%). Low numbers used it for food (6%) or utility bills (2%).
- e) The use of BNPL products increases significantly for those with disabilities compared to those without a disability at 56% vs 29%.
- f) 18% of BNPL users with a disability reported having used it for food/grocery expenses compared to just 1% of those without a disability.
- g) Amongst those with BNPL debt, 18% said their debt is becoming difficult to manage or they are unable to manage their debt.
- h) Those with a disability, compared to those without a disability, were less likely to say they have no debt or have debt they can easily manage at 48% vs 59%.

Living with debt

60) Debt advice charities are reporting more and more people are now living on negative budgets. Recent research conducted by Christians Against Poverty (CAP) found 22% of UK adults said they had a deficit budget³¹.

61) The Consumer Council works in collaboration with Advice NI, CAP and the Women's Regional Consortium covering consumer research, advocacy, education and outreach.

Advice NI

62) In 2023-2024 Advice NI supported 3,385 people with the average debt per client increasing significantly by 42% to £12,989, compared to £9,133 in 2022-2023. In the same year, they dealt with over £44.1 million of debt.

³⁰ [Buy Now Pay Later | Consumer Council](#), December 2023

³¹ [Deficit Budgets the Cost to Stay Alive](#), Christians Against Poverty, September 2024

CAP

63) CAP reported 14% of Northern Ireland adults said paying monthly bills is the main reason they have used a credit card in the last six months. For CAP clients, housing costs were a key issue, given rises in mortgages, private rents and rates arrears. They also reported financial pressures leading to isolation with CAP clients isolating themselves due to embarrassment or shame about their financial position.

Women's Regional Consortium

64) The Consumer Council's qualitative research with the Women's Regional Consortium into levels of personal debt and vulnerability of women on the lowest incomes³² found:

- a) 56% had debts of over £1,000 with 35% reporting debts of over £2,000.
- b) Most of the borrowing was for essential spending such as Christmas (39%), white goods (30%), household bills (30%), inability to make ends meet (28%), and unexpected expenditure (23%).
- c) Many had multiple debts with a variety of lenders, and 51% reported using high-cost credit (doorstep loans, credit/store cards and payday loans) with 6% borrowing from illegal lenders.
- d) 60% reported having difficulty meeting their repayments and/or missing payments, and 75% reported their debts had been impacted by changes to social security benefits or other issues.
- e) 72% reported being negatively impacted by being in debt with many stating impacts of their mental health, wellbeing, the struggle to pay essential bills, and to provide for their children.
- f) 47% women reported their children were negatively impacted by the debts because they were unable to provide them with sufficient food, heat or clothes, and that their children missed out on activities, clubs and the ability to learn new skills.

Marginalised populations

65) In May 2021, the Consumer Council worked with NIACRO to explore the issues faced by people leaving prison³³ in Northern Ireland, focusing on their ability to access financial services and accruals of debt, including the use of illegal money lenders.

66) The research found those leaving prison face critical barriers to accessing financial services (including credit) and are often driven towards informal banking and credit arrangements. The consequences compound financial and other lifestyle difficulties. In particular, the research found that prison leavers often face:

- a) Widespread difficulties in opening new or accessing existing bank accounts (because of having no photographic ID, no proof of address, little financial history and a criminal record).
- b) Exhausting or being refused access to all legal forms of credit.

³² [Women Living with Debt](#), Consumer Council and Women's Regional Consortium, March 2022

³³ [Barriers to Inclusion | Consumer Council and NIACRO](#), May 2021

- c) Depending on access to friends or family members' bank accounts to receive payments, often leading to them being exploited by the bank account holder.
- d) Poor budgeting skills, impulsive behaviours, and addictions lead many to spending lump sum payments (from pre-paid Universal Credit vouchers, often the only option for those without bank accounts, or from benefit back payments) quickly and not on essentials.
- e) Pressing needs to service legal debts and/or repay illegal debts (such as drug debts) on top of having to meet costs associated with household bills, insurance, etc.
- f) Changing circumstances which necessitate quick and convenient money from lenders who do not require detailed applications or forms of identification.
- g) Being perceived by criminal gangs/money lenders to be vulnerable and therefore targeted and exploited.
- h) Accruing illegal debt which they (and family members) struggle to repay, with threats of violence/coercion to repay debts by being drawn into illegal activities.
- i) Viewing illegal money lenders as a relatively normal interaction within their community.

67) From this research, the Consumer Council worked with UK Finance to introduce the 'Offender Banking Programme' in Northern Ireland.

Other parts of the UK had agreed a scheme in which banks would 'adopt' a prison. This meant prisoners due for release could have a basic bank account opened for them by prison staff working with the bank.

Following our intervention, all three prisons in Northern Ireland (Hydebank Wood College, HMP Maghaberry and HMP Magilligan) have now been 'adopted' by a bank, providing access to banking services for prisoners due for release.

Digital literacy

68) Digital delivery can enable financial inclusion by making financial products and services more accessible and lowering operating costs so savings can be passed on to the customer. However, the shift towards technology-led solutions can also exacerbate digital exclusion due to low levels of digital literacy and capability.

69) The 'Digital Skills in Northern Ireland' report from the Northern Ireland Statistics and Research Agency (NISRA) examined the level of digital skills of people aged 16 and over in Northern Ireland. The latest report³⁴, published in November 2023, found:

- a) Over two-fifths of people aged 16 and over in Northern Ireland had an above basic level of digital skills in 2022-2023 (44% or 663,000 people).
- b) Almost one in five people (18%) had no digital skills (276,000 people).

³⁴ [Digital Skills in Northern Ireland 2022/23 | Northern Ireland Statistics and Research Agency](#), November 2023

- c) A higher proportion of females reported having no digital skills (21%), and a lower proportion reported having basic digital skills (36%) when compared to males (15% and 40% respectively).
- d) Almost half (47%) of those aged 65 and over had no digital skills, compared to less than 10% of those aged 16 to 49.
- e) Over a third (34%) of those who were economically inactive had no digital skills.
- f) The least deprived areas in Northern Ireland had a higher proportion (58%) of above basic digital skills when compared to the most deprived areas (34%).
- g) Over half (55%) of respondents with no qualifications reported having no digital skills, compared to 5.9% of those with at least degree level qualifications.
- h) The proportion of people with no disabilities reporting above basic digital skills was 14 percentage points higher than those with disabilities.

Financial literacy

70) Consumer empowerment and education is a key focus of the Consumer Council. We deliver several initiatives to improve the financial literacy prioritising adults and young people, as our research has identified those most at risk of becoming involved with illegal money lenders are aged 16 to 24, those over 65, those in in social housing, and those in low income households. These include:

- a) An award-winning campaign, True Cost, to increase understanding on the true cost of borrowing and promote awareness of free to use sources of financial advice and legitimate alternative forms of credit.
- b) A financial education programme is delivered in partnership with schools with online resources available on the Council for the Curriculum, Examinations and Assessment (CCEA) website, augmented by train the trainer sessions with organisations supporting those living in low income households, social housing tenants, migrants, food bank users, and those living with long-term or terminal illness.
- c) Supporting service users of organisations such as Habinteg, Triangle Housing, Macmillan, St Vincent de Paul, Homeless Connect, Migrant Help, Trussell Trust and independent food banks with budgeting and money management tools and planners.
- d) A 'Struggling with your finances' guide, distributed through community groups and Moneyguiders and Advice NI training sessions to civil society organisations, offering advice on maximising income, reducing outgoings and signposting sources of further support and debt advice.
- e) A 'Safer Finances' partnership initiative with Stranmillis University College aimed at improving financial literacy, safer borrowing and money matters amongst Key Stages 1 to 5 pupils, using a train the trainer approach with teachers. In the last 12 months, 77 teachers and 55 student teachers educated 2,486 pupils as part of the project.
- f) A partnership initiative with Ardoyne Youth Enterprise to develop an Open College Network Northern Ireland (OCNNI) endorsed course on 'Safer Finance' which has

been extended to the NOW Group. The Consumer Council is working through the application process to become an OCNNI recognised centre for financial literacy.

Accessible credit options

Family Saver Loan Scheme

71) The Consumer Council established a Family Saver Loan Scheme pilot with Advice NI, CAP and the Irish League of Credit Unions, overseeing the delivery of the pilot. Individuals can apply for a loan for any purpose that supports their family for up to the value of £500 with the interest rate set at 1% per month (around 12.68% per annum).

72) Applicants must also be willing to agree to two fundamental features of the loan:

- a) Their Child Benefit is paid directly from HM Revenue & Customs (HMRC) to the credit union for the duration of their loan repayments.
- b) They commit to save an identified amount each week or month that cannot be withdrawn until their loan has been fully repaid (exceptions can be made in certain circumstances such as emergencies).

73) The pilot was launched in October 2024 with the following credit unions involved: Enniskillen, Coalisland, Waterside, SAG Credit Union (Belfast) and Newington Credit Union (Belfast). A report will be completed in Q1 2025 to inform future direction.

Disability Benefit Linked Loan Scheme

74) The Consumer Council is currently investigating the feasibility of the Disability Benefit Linked Loan pilot to build on the Child Benefit Linked Loan pilot as part of the Sub-regional Economic Plan³⁵ from the Department for the Economy (DfE).

75) The future direction of the project will be informed by the report for the Family Saver Loan Scheme pilot and shaped by the working group alongside engagement with key stakeholders with expertise in supporting consumers with a disability.

³⁵ [Sub-Regional Economic Plan | Department for the Economy](#), October 2024

4. Affordability

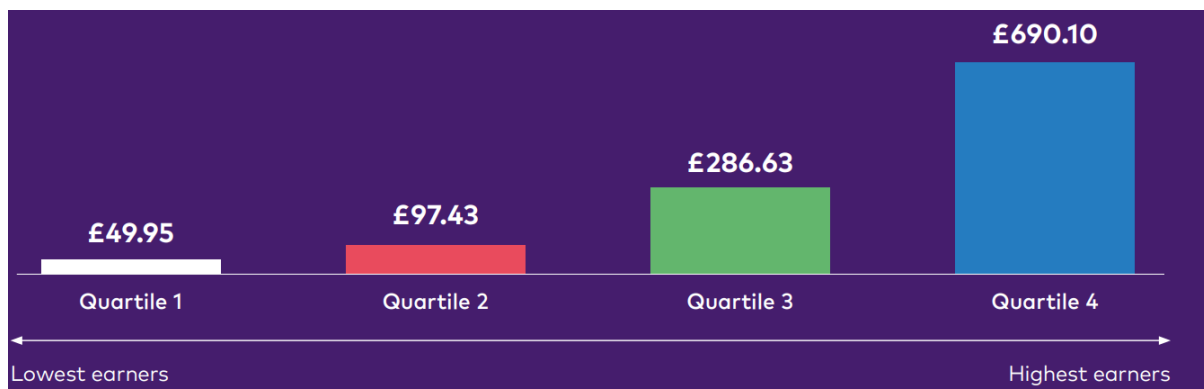
The financial services sector has a vital role to play in supporting consumers cope with ongoing cost of living challenges. Affordability is a key factor in financial inclusion as it can impact on a consumer's ability to access and use the products and services they need.

Discretionary income

76) According to the Asda Income Tracker, Northern Ireland has the weakest spending power of all UK regions with the average discretionary household income at £129 per week for September 2024, compared to the UK average of £250 per week.

77) The Consumer Council has examined changes to income and expenditure for Northern Ireland households since 2021. Using data from the Office for Budget Responsibility, HMRC and the Bank of England, our quarterly Household Expenditure Tracker divides Northern Ireland's 768,810 households into four equal income groups (quartiles).

78) Our Q2 2024 Household Expenditure Tracker (April to June), due to be published w/c 4 November 2024, has found Quartile 1, the lowest earning households, have less than £50 per week on average after paying for essentials.



Quartiles 1 and 2 have seen the weakest recovery with current weekly discretionary income being 22% and 37% below Q1 2021 levels respectively.

79) On average, households in Quartile 1:

- a) Have 6% less income before tax than the UK average.
- b) Spent 50% of their total basic spending on food, rent, energy, and transport per week.
- c) Saw their discretionary income rise almost 20% over the last quarter from £41.73 to £49.95 per week, an increase of £8.22 per week.
- d) Saw a rise of 4% in income after tax over the last quarter from £268.63 to £279.38 per week.

80) The ability of households in Northern Ireland to absorb unexpected bills or price rises differs sharply depending on household income. Northern Ireland's highest earning households in Quartile 4 have on average almost 14 times more discretionary income left to spend every week, compared to the lowest earning households in Quartile 1.

81) Discretionary income changes for all four quartiles between Q1 2021 and Q2 2024:

	Quartile 1 (lowest earners)	Quartile 2	Quartile 3	Quartile 4 (highest earners)
Discretionary income per week	-22.0% (£64.02 to £49.95)	-37.2% (£155.04 to £97.43)	-10.7% (£320.96 to £286.63)	-5.4% (£729.38 to £690.10)

82) Changes for Quartile 1, Northern Ireland's lowest earning households:

Quartile 1 (lowest earners)	Quarterly change (Q1 2024 to Q2 2024)	Six-month change (Q4 2023 to Q2 2024)	Yearly change (Q2 2023 to Q2 2024)
Income after tax per week	+4.0% (£268.63 to £279.38)	+6.0% (£263.46 to £279.38)	+10.2% (£253.46 to £279.38)
Spending on basics per week	+1.1% (£226.90 to £229.44)	+1.2% (£226.81 to £229.44)	+1.1% (£226.88 to £229.44)
Discretionary income per week	+19.7% (£41.73 to £49.95)	+36.3% (£36.65 to £49.95)	+87.9% (£26.58 to £49.95)

Cost of basics

83) Our 'Consumers' views and behaviours in response to the rising cost of basics' research report³⁶, published in March 2024, found the majority (90%) were either very concerned or concerned about the cost of basics.

³⁶ [Consumers' views and behaviours in response to the rising cost of basics | Consumer Council](#), March 2024

- a) When broken down by specific areas of essential spend: 91% were concerned about energy costs, 80% were concerned about food and non-alcoholic drinks, 71% were concerned about transport costs, 67% were concerned about communication and technology costs, and 64% were concerned about their mortgage/rent/rates.
- b) Words like “scared”, “concerned” and “worried” appear often in a consumer’s comments when talking about how they are managing the current cost of basics.

84) In relation to coping with the cost of basics:

- a) Similar numbers of consumers are struggling to afford the cost of basics (44%) and are not coping well with the cost of basics (46%).
- b) Over a third (34%) said their household is struggling with debt because of the cost of basics, with more than a quarter (28%) concerned about their ability to cope.
- c) Over two-thirds (68%) of consumers are worried about their ability to cope in the future if the cost of basics stay as they are.
- d) Over half (54%) say they try to hide their struggle to cope with the rising cost of basics from friends, family, and children, and almost half (49%) are using their savings to try and keep up with rising costs.
- e) A significant number (15%) had taken out additional credit/loans with official lenders such as banks and building societies. Other actions included: 13% getting financial support from friends and family members, 6% had turned to food banks, and 3% said they were using unofficial money lenders.

Cost of living

85) While there has been an improvement in the lived experience of consumers, challenges remain for many. The Consumer Council conducts ‘Pulse Surveys’ to monitor consumer sentiment and their financial circumstances. Our September 2024³⁷ publication found:

- a) 43% of consumers felt their household was worse off relative to 12 months ago, and 30% felt their household would be worse off in 12 months’ time.
- b) 36% of respondents stated they have £150 or less remaining each month after their mortgage/rent and all essential bills have been paid, with 18% stating that they have less than £50.
- c) Nearly two in five (38%) agreed that recently their mental health has been negatively affected by their financial situation.
- d) About three in five (62%) respondents stated they had to cut back on spending on essentials after mortgage/rent and any loan or overdraft payments have been made.

86) Confident, informed consumers are essential to growing the Northern Ireland economy and reducing consumer detriment. This research shows that whilst consumer sentiment is improving in terms of people’s perceptions of their own financial circumstances, they are improving from a very low base and there are many who do not feel confident.

³⁷ [Cost of Living Pulse Survey | Consumer Council](#), August/September 2024

Consumer price index

87) The Consumer Price Index (CPI) is how the UK Government measures change over time in the prices paid by consumers for a representative basket of goods and services, and is the measure used in the target for inflation. It is produced to international standards and based on European regulations for the Harmonised Index of Consumer Prices³⁸.

88) Since January 2022, the Consumer Council, with DfE and NISRA, has collaborated with the Office of National Statistics (ONS) on a pilot study to produce a regional CPI estimate for Northern Ireland, the only regional CPI in the UK. The project provided the proof of concept for producing indicative regional CPI figures.

89) To date, ONS has released two publications on 20 September 2022 and 19 May 2023, detailing the work to produce consumer price inflation estimates for Northern Ireland through a boosted sample for the price collection.

In the May 2023 publication, the project had amassed 15 months of locally boosted data. This allowed ONS for the first time to produce an experimental Northern Ireland annual CPI rate for March 2023, which was 7.5% compared to 10.1% for the UK.

90) The latest publication, 'Developing a Northern Ireland Consumer Prices Index'³⁹, was published on 29 October 2024, and focused on improvements to the accuracy of CPI estimates for Northern Ireland using a boosted Northern Ireland price collection and adjusting expenditure weights to be more reflective of local spending patterns.

The CPI rates for Northern Ireland are considered 'statistics in development' and ONS advise they should not be used in policy or decision making.

- a) The experimental Northern Ireland annual CPI rate has been higher than the UK rate since October 2023, with the Northern Ireland CPI in July 2024 showing 3.3% compared with the UK's 2.2%.
- b) Between the periods January 2022 and July 2024, Northern Ireland inflation was 17% compared with 16.5% for the UK.
- c) The publication shows that housing, water, electricity, gas and other fuels caused the largest difference in the annual rates between the UK and Northern Ireland CPI.

It is important to note the differences in energy sources between Northern Ireland and the rest of the UK. The electricity industry in Northern Ireland operates as a single wholesale market across the island of Ireland which is known as the Single Electricity Market (SEM), and Northern Ireland is also much more reliant on heating oil as a source of home heating compared to Great Britain.

As gas prices have fallen more quickly than oil prices recently, gas and other fuels had a stronger downward effect on UK annual inflation since October 2023 than in Northern Ireland.

91) The project will continue throughout 2025 and will include future developments to improve estimates, review weighting methodology, boost sample sizes and improve identification and treatment of excessively volatile Northern Ireland prices within the data.

³⁸ [Harmonised Index of Consumer Prices](#), Eurostat

³⁹ [Developing a Northern Ireland Consumer Prices Index](#) | Office for National Statistics, October 2024

5. Financial inclusion

Increasing levels of financial inclusion in Northern Ireland, and across the UK, requires co-designed solutions to resolve the poverty premium and enable consumers to manage their money with confidence, build lasting financial resilience and participate fully in society.

- 92) Financial services is a reserved matter and the responsibility of the UK Parliament. The Consumer Council has long advocated for a coordinated effort to addressing financial inclusion in Northern Ireland, given the pivotal role it plays in economic growth.
- 93) The Consumer Council believes financial inclusion can only be achieved through collaboration and partnership initiatives between the government, the public sector, civil society and industry, by creating a connected ecosystem delivering shared societal outcomes that advance safe and universal access to financial products and services.
- 94) The FCA's Consumer Duty and the UK Government's commitment to establishing a national financial inclusion strategy, backed by Tulip Siddiq MP, Economic Secretary to the Treasury and City Minister, are key steps in this journey.

Consumer Duty

- 95) The primary regulatory standard introduced by the FCA to improve consumer protection in financial services is the Consumer Duty⁴⁰, was operationalised from July 2023 with a final implementation milestone on 31 July 2024.

The Consumer Duty requires the firms in the FCA's regulatory perimeter to act in good faith, avoid causing harm and support customers in achieving their financial goals. It has:

- a) A consumer principle which reflects the overall standard of behaviour the FCA expects from regulated firms.
- b) Cross-cutting rules that set out how firms to act to deliver good outcomes, and how these should be applied to all areas of conduct.
- c) Four outcomes that underpin the firm's relationship with consumers covering the governance of products and services; the price and value of the products and services; consumer understanding of the products and services; and the support available to consumers. Within this framework, firms must:
 - Provide products and services that: (i) meet customer needs, (ii) provide fair value, and (iii) help customers achieve their financial objectives and not cause them harm.
 - Communicate so customers make effective, timely and informed decisions.
 - Not exploit behavioural biases, lack of knowledge or characteristics of vulnerability.

⁴⁰ [Consumer Duty](#), Financial Conduct Authority

- Act in the interest of customers without unreasonable barriers.
- Consider customer needs and behaviours at every stage of product/service lifecycle.
- Learn from a growing focus and awareness of real customer outcomes.
- Ensure customer interests are central to culture, purpose and structures.
- Monitor and regularly review outcomes and address any risks to these.

National financial inclusion strategy

96) The vision for a national financial inclusion strategy is drawn from the Labour Party's six policy priorities⁴¹ for the financial services sector:

- a) Deliver inclusive growth of the UK's financial services sector.
- b) Enhance the international competitiveness of the UK's financial services sector.
- c) Reinforce consumer protection and financial inclusion.
- d) Lead the world in sustainable finance.
- e) Embrace innovation and fintech as the future of financial services.
- f) Reinvigorate capital markets.

97) In reinforcing 'consumer protection and financial inclusion', this includes:

- a) Exploring alternative models for increasing financial resilience including longer-term fixed rate mortgages, adopting a coordinated cross-sectoral approach to fraud prevention, creating a national financial inclusion strategy, and regulating BNPL.
- b) In this context, financial inclusion will cover all UK consumers to have access to their own transaction account, affordable credit, appropriate insurance and necessary advice; to be encouraged and empowered to save both for rainy days and for retirement; and to receive financial education in school and throughout life.

Other steps

98) The Consumer Council has:

- a) Co-signed a letter to Rachel Reeves MP, Chancellor of the Exchequer, with the Financial Inclusion Commission and civil society partners, asking for financial inclusion to be made one of the economic policy priorities the FCA must have regard to, in order to balance their growth and competitiveness objective.
- b) Written to Tulip Siddiq MP, Economic Secretary to the Treasury and City Minister, offering to help advance the UK Government's financial inclusion ambitions through participation on the appropriate structures dedicated to implementing the national financial inclusion strategy.

⁴¹ [Financing Growth: Labour's plan for financial services](#), The Labour Party

6. Contact information

The Consumer Council is happy to deliver follow-up briefing sessions following the oral briefing to the Committee on Wednesday 6 November 2024.

For more information, please contact:

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Annex 1

About the Consumer Council

The Consumer Council was established in April 1985 as a non-departmental public body (NDPB) under the General Consumer Council (Northern Ireland) Order 1984 (The Order). We operate under DfE, our sponsor department, on behalf of the Northern Ireland Executive.

We are Northern Ireland's statutory consumer body. Our extensive legislative underpinning covers consumer affairs, energy, transport, water and sewerage, post, and food affordability and accessibility. We also have a comprehensive brief for financial inclusion and EU Exit matters.

We champion Northern Ireland consumers, understand their needs, safeguard their rights and interests, and act as their trusted, independent voice. We represent all citizens but prioritise those who are disabled or chronically sick, are of pensionable age, are on low incomes and live in rural areas.

In relation to financial inclusion, we are funded by HM Treasury under Section 333S of the Financial Services and Markets Act 2000 to deliver a portfolio of work covering consumer research, advocacy, education and outreach, with a view to increasing knowledge of the risks of illegal lending and working with partners to mitigate its use.

In this role, our specific responsibilities are to:

- Improve understanding of the nature of illegal lending in Northern Ireland.
- Maintain Northern Ireland's Responsible Lending Forum, which we established, and improve awareness of legitimate lending opportunities.
- Develop consumer education programmes on responsible lending and budgeting to improve understanding of responsible lending.
- Develop small loan projects with regulated lenders and community organisations to increase awareness and access to legitimate alternatives.
- Train staff within other organisations, particularly civil society organisations, on responsible lending options.
- Advocate on behalf of consumers, promoting their interests in relation to financial services to support financial inclusion.

We are a designated super-complaints body set up under the Enterprise Act 2002 and the Financial Services and Markets Act 2000 Order 2013. Under these Acts, the Consumer Council can, if we believe a UK market is, or appears to be, significantly harming the interests of consumers, raise a super-complaint on behalf of consumers to the: Financial Conduct Authority (FCA), Civil Aviation Authority (CAA), Office of Rail and Road (ORR), Payment Systems Regulator (PSR), Competition and Markets Authority (CMA), Office of Communications (Ofcom), Office of Gas and Electricity Markets (Ofgem), Utility Regulator (UR) and Water Services Regulation Authority (Ofwat).

We are also a designated body under the Rural Needs Act 2016 and Section 75 of the Northern Ireland Act 1998. In this role, the Consumer Council aims to ensure government

policies recognise consumer needs in rural areas, and promote equality of opportunity and good relations across a range of equality categories.

Consumer protection principles

We use eight guiding principles to assess where the consumer interest lies, and to develop and communicate policies, interventions and support. These:

- Provide a framework through which we deliver our work and engagement.
- Serve to protect consumers by setting out the minimum standards we expect from all markets when delivering products or services in Northern Ireland.
- Frame our policy position and approach to addressing detriment, resolving disputes and analysing and validating outcomes, particularly amongst vulnerable groups.



Access

Can people get the goods and services they need or want?



Choice

Is there any?



Safety

Are the goods or services dangerous to health, welfare or sustainability?



Information

Is it accessible, accurate and useful?



Fairness

Are some or all consumers unfairly discriminated against?



Representation

Do consumers have a say in how goods or services are provided?



Redress

If things go wrong, is there a system for making them right?



Education

Are consumers aware of their rights and responsibilities?



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