

For immediate release

The Resolution Foundation is an independent research and policy organisation, which is currently focusing on how people on low incomes can access and use the financial services system

MPs BACK NEW FINANCIAL ADVICE SERVICE

A powerful cross-party committee of MPs has backed the Resolution Foundation's call for a national resource to provide financial advice aimed at people on low incomes. In a new report published today, the Treasury Select Committee concluded that “the desirability of developing generic financial advice services is not in doubt” and recommended that the Treasury be tasked with taking this forward. (1)

The report follows the publication earlier this year of the Foundation's proposals to establish a national advice resource to provide impartial, generic financial advice to people on low to moderate incomes. (2) Further research commissioned by the Foundation from Deloitte also shows that providing financial advice to this income group would deliver significant benefits to individuals, the State and the financial services industry. (3)

The proposals also recently received ministerial backing. In a recent speech, Treasury Minister, Ed Balls MP, stated that a more comprehensive and preventative approach to financial advice would be a key theme in the Government's forthcoming 10 year strategy on financial capability. (4) (5)

Sue Regan, Chief Executive of the Resolution Foundation, said: “The Treasury Select Committee's report is a further illustration of the consensus emerging around the need for a national financial advice resource. As the Select Committee have found in their investigations, this is in the interest of individuals, government and the financial services industry.”

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Notes to editors:

(1) *Financial inclusion: credit, savings, advice and insurance*; Twelfth report of the Treasury Select Committee (HC 848–I)

(2) See *Closing the Advice Gap: Providing financial advice to people on low incomes* which can be downloaded from the Foundation's website www.resolutionfoundation.org

(3) Research found that young people on low incomes could be £60,000 better off by the time they reached 60 if they have access to financial advice. The government could also

make savings of up to £100 million a year within 10 years of financial advice being provided, rising to £800 million a year later in the century. See *A national dividend: The economic impact of financial advice* which can be downloaded from the Foundation's website www.resolutionfoundation.org

(4) The Economic Secretary to the Treasury, Ed Balls MP, was speaking at a joint HM Treasury/FSA conference on financial capability held on 18 October 2006.

(5) See *Financial inclusion: credit, savings, advice and insurance*, published by the Treasury Select Committee on 16 November 2006.