



# Financial Inclusion & Disability

Rebuilding trust in financial services

## Executive summary

Background and approach	2
Key findings	2
• Nuanced needs	2
• Can I invest?	2
• Catering for complexity	2
• Jargon jungle	3
• Access to advice	3
Recommendations	3
• Address complexity	3
• Recognise cost of living constraints	4
• Accessibility and inclusion and standard	4
• Promote representation and collaboration	4
• Key insight 'Showing that you can listen'	5

## Report aims and methodology

Approach	6
Focus of the report and those disabled people who can invest	7

## Inclusion is for everyone

Disability in the UK	8
Cost of living crisis and rising financial vulnerability	9
• Key insight: 'How do people feel about their finances?'	9
Regulatory responsibilities and a revised consumer duty	10
Opportunities to innovate for inclusion	10
Real-world impact	11

## The opportunity space

Appetite for investing	12
The challenges	13
• Key insight: The role of professional advice 'Ready to hear it'	14-16

## 'Investing is not available for people like me'

Factor: Regulatory considerations	17
• Key insight: The role of trust and relatability	17
• Recommendations	18-20

## Understanding complexity

Factor: Complex circumstances	21
• Recommendations	22
Factor: Vulnerability	23
• Recommendations	23
Factor: Higher cost of living	24
• Recommendations	24

## Accessibility is multidimensional

Factor: Physical accessibility	25
• Recommendations	25
Factor: Digital accessibility	26-27
• Recommendations	28
Factor: Decision making - usability and clarity of information	28
• Recommendations	29

## Appendix 1

• Acknowledgements	30
--------------------	----

## Appendix 2

• Research methodology	31-32
------------------------	-------

## Appendix 3

• Key findings: Literature review	33-36
-----------------------------------	-------



# Executive summary

## Background and approach

With the cost of living crisis causing much financial distress and uncertainty, and the backdrop of the FCA's new Consumer Duty coming into play, investment firms have an opportunity to reach out disabled people and offer straightforward assistance and flexible services.

City Hive sought to understand what can be done to make investing more accessible to those who are disabled and recommend avenues that can help support all customers to build the financially secure future they want and need. We reviewed existing literature and asked over 1000 disabled and non-disabled people in the UK about their experiences, thoughts and expectations. This report offers insights into several key factors that can help discern what is needed to improve inclusion and participation for a significant part of the UK population who are disabled.

## Key findings

Our research shows that 47% of disabled people and 44% of non-disabled people expect their financial situation to be worse in two years' time, however a majority of people also believe investing could help give them a more secure financial future. This report offers insights into what the financial services industry can do to be more responsive at a time when people's need for both financial security and flexibility is likely to be on the rise.

## Nuanced needs

- Like all people in the UK, disabled individuals experience a range of financial outcomes and circumstances. While recognising that on average disabled persons face more financial hardship and often higher costs of living, understanding the nuances and needs of a broad group of people (21% of UK working age adults) can help the financial industry in offering the right kind of products and services.
- We found that almost half (47%) of disabled people said they had money set aside for a rainy day and 43% say they can afford to save some money every month.

## Can I invest?

- Despite a widespread belief among disabled and non-disabled people that investing is a means to support a more financially secure future, disabled people were almost twice as likely to say that "Investing is not for people like me".

This is compounded by accessibility barriers related to both physical spaces and digital platforms, and usability barriers from a cognitive perspective. Products and services do not offer the clarity of information that is key for enabling informed decisions. There are areas where industry firms can mitigate barriers, however.

## Jargon jungle

- People feel dissuaded by financial jargon. Over half of all people surveyed, disabled and non-disabled, say they don't understand the language used when people talk about investing across the range of services, providers and products on offer. Over half of all people surveyed also said they would not know where to look when thinking about investing.

## Access to advice

- For those disabled people who had sought and accessed advice in relation to their savings and investments nearly 9 in 10 found the advice helpful. The source of advice was most likely to be from independent financial advisors, followed by banks and building societies, and family and friends.

# Recommendations

Building trust and a loyal customer base requires building a bridge to the community, which means understanding the constraints faced when attempting equal access to products and services. Firms cannot simply rely on disabled communities to find relevant and applicable products and services. They must consider outreach through relevant community forums, networks such as IFAs and providers of products such as insurance, as well as personal recommendations. Creating more appealing and representative marketing will help to normalise and reset societal attitudes towards disabled people.

## Acknowledge complexity

Reach out to and engage various disabled populations to build an understanding of the complex and inter-related needs. Explore tapping into existing networks led by non-profits, community providers and support groups.

## Recognise cost of living constraints

- Ensure offerings include ways to move from a small base to build capital (considering whether there is any interaction with means-tested benefits).
- Consider products that have simplicity and flexibility at their core, recognising that disabled people may need more ready access to liquid capital to address emergency or highly specific financial outlays.

## Have accessibility and inclusion as standard

- Take the opportunity provided by the new Consumer Duty requirements to review offerings for inclusion and accessibility. Use a holistic approach to inclusion across physical and digital assets and services, including to:
  - Ensure universal design principles are involved in the creation of any online access portals or information sources and test them with relevant groups.
  - Ensure clarity in language, suitability of information provided and support to holistically assess products to enable good outcomes for disabled customers.
  - Provide training for staff that not only recognises the complex issues that customers will be facing, but the impact that will have on their ability to participate in discussions and decision making. People may have time constraints due to pain or other discomfort, processing ability and general overwhelm from the intersection of their needs.

## Promote representation and collaboration

- Demonstrate that disabled people are a valued customer segment by ensuring representation in marketing materials with an understanding of their lives and how different products are applicable.
- Consider the due diligence that firms are carrying out on their clients and business partners with regards to inclusive practices in client servicing. This should include the efforts that are being undertaken to cater for disabled populations and how they measure engagement and progress.

- Examine how investment firms can offer proactive support to IFAs including how to explain products and services through different lenses. This will help IFAs provide tailored advice that can cater to the complex range of needs that disabled individuals can face.
- Take up the opportunity for wider industry collaboration in particular to bring in life companies, and those with life companies within their group of companies should leverage their insight.

## Key insight

### Showing that you can listen

Start by understanding what disabled people are asking for. The qualitative feedback from disabled respondents and interviewees on what they wanted from product and service provision received fell into the following categories of request:



# Report aims and methodology

This report draws on insight and analysis from our research, supported by an in depth survey and qualitative interviews with experts and disabled people and literature review during 2022. City Hive surveyed 1000 adults, 506 who were disabled, from across the UK to understand how people feel about their finances and their financial future. We asked people to talk about their experience of accessing products and services, in digital and non-digital settings. They talked about concerns, confusions and aspirations for service offerings that would recognise the complexity of their decision making. In a series of in depth interviews with disability advocates, industry experts and lay-users of products and services that built on survey findings, we explored barriers to participation across different categories, and opportunities to provide a more inclusive experience.

This research was conducted specifically to ensure that the affected people are being asked about their financial situations, their perceptions of the future, their experiences and the solutions that could support improved access to saving and investing. Often, solutions are presented to marginalised groups, however well intentioned, without prior consultation. This is not only a failure of consultation and delivery of targeted solutions, it is a missed opportunity to understand more inclusive solutions that would benefit wider or additional groups of people in addition to the target.



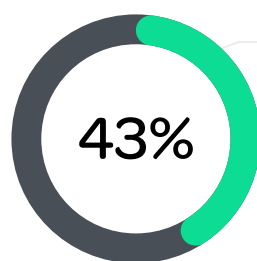
## Focus of the report and those disabled people who can invest

The focus of the report is primarily to look at what can be undertaken by the asset management industry to attract and enable sustained participation from disabled people who are in a position to save by understanding more about their needs and motivations.

A substantial proportion of people in the UK face so called 'hard' barriers to investing and saving. When we asked more than 1000 UK individuals what would help them save and invest their money about 4 in 10 reported that actually having the money to do so would be the most helpful. This was the case for both those who were disabled and those who were not. Some people, especially those on means tested benefits also face additional barriers in the form of restrictions on how much capital they can have before benefits required for daily living are reduced or removed completely. This means saving or investing becomes effectively impossible outside of private pension savings or trusts. Disabled people faced this barrier more often than non-disabled people, with about 1 in 10 disabled people reporting that benefit rules prevented them from saving or investing.

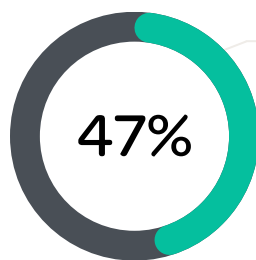
Nevertheless, 43% of disabled people surveyed said they can afford to save some money every month, 47% say they have some money set aside for a rainy day and 6 in 10 say they think investing can give them a more secure future.

FINANCIAL INCLUSION: DISABILITY INVESTMENT GAP



of disabled people

Said they can afford to save some money every month



of disabled people

Say they have money set aside for a rainy day'



<sup>1</sup> Details on sample and data collection in appendix 1



# Inclusion is for everyone

While we live in a world that is largely designed for those who can see, hear, speak, learn, process, move and talk with little or no difficulty we also live in a world where, according to the World Bank, over one billion people experience some form of disability.<sup>2</sup> In fact disabled people represent a significant proportion of the UK population with 21% (or 1 in 5) working age adults reporting being disabled in 2021.<sup>3</sup> This number will only increase as access to healthcare improves and the population ages - one estimate is that even at this steady proportion the number of people living with disability in the UK will have increased by 25% between 2015-2025 (not taking into account the impact of Covid-19).<sup>4</sup>

In the shift to a remote-work, digital-led world that was driven by the global response to the Covid-19 pandemic, disabled people saw positive and negative outcomes. Some long-requested access needs were suddenly met as it became widely possible to live and work digitally, and have services delivered to the doorstep - albeit at a cost. At the same time, many service resources were lost and many disabled people faced and continue to face an unprecedented threat to their immediate and long-term health. Many disabled people express frustration that their needs have been overlooked until accessibility and inclusion became a much broader need across the population, and continue to be excluded from full participation in the solutions being offered.

## Disabled adults in the UK



**1 in 5**

21% of working age adults in the UK report being disabled, rising to 2 in 5 (42%) when people reach state pension age

<sup>2</sup> <https://www.worldbank.org/en/topic/disability>

<sup>3</sup> <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2020-to-2021/family-resources-survey-financial-year-2020-to-2021#disability-1>

<sup>4</sup> [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(17\)30091-9/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(17)30091-9/fulltext)

## Cost of living crisis and financial vulnerability on the rise

Being disabled can incur a number of complicated and unique costs as well as a complexity of financial and living arrangements that is not always visible to the majority of the population. According to the most recent Financial Lives Survey by the Financial Conduct Authority (FCA), post pandemic financial vulnerability and lower financial resilience is on the rise across households<sup>5</sup>. It is compounded by the increasing cost of living crisis hitting during 2022.

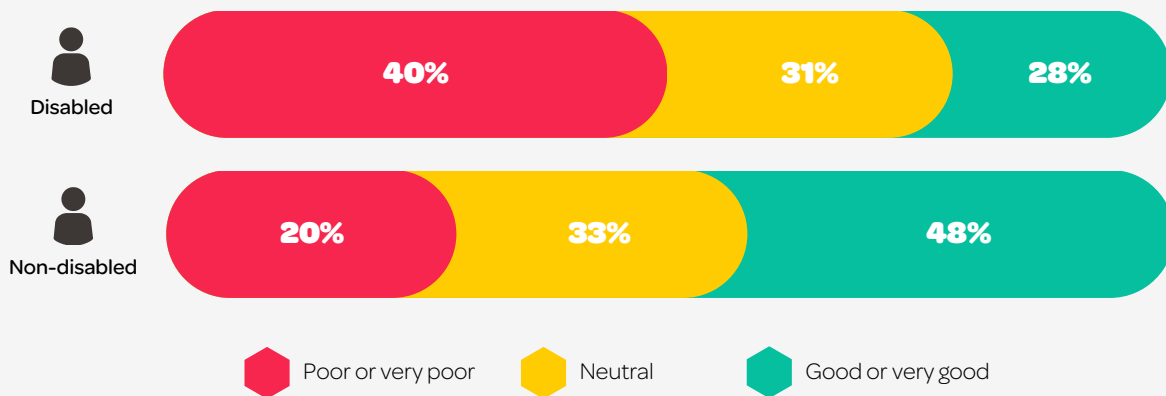
Households with disabled people find themselves disproportionately impacted due to their complex arrangements and vulnerability to emergency events.

There have been efforts to increase the numbers of employed disabled people that will have provided income uplifts, but this is not always due to progress<sup>6</sup> in workplace accessibility. Reductions in benefit eligibility will have led some to seek out work despite finding it challenging. Finding a suitable role can be hard and may mean experiencing a pay gap of 17% compared to non-disabled counterparts<sup>7</sup>. Research by the TUC has found this is compounded by intersectional issues such as gender and ethnicity.

Many people feel like they are struggling financially at the moment, but a greater proportion of disabled people feel like they are in a worse position. Twenty percent of people said they felt their current financial situation was poor, and for those who were disabled this number doubled to 40% (or 4 in 10) and almost half of all people surveyed said they expected their financial situation to become worse over the next two years.

FINANCIAL INCLUSION: DISABILITY INVESTMENT GAP

### How do people feel about their current financial situation?

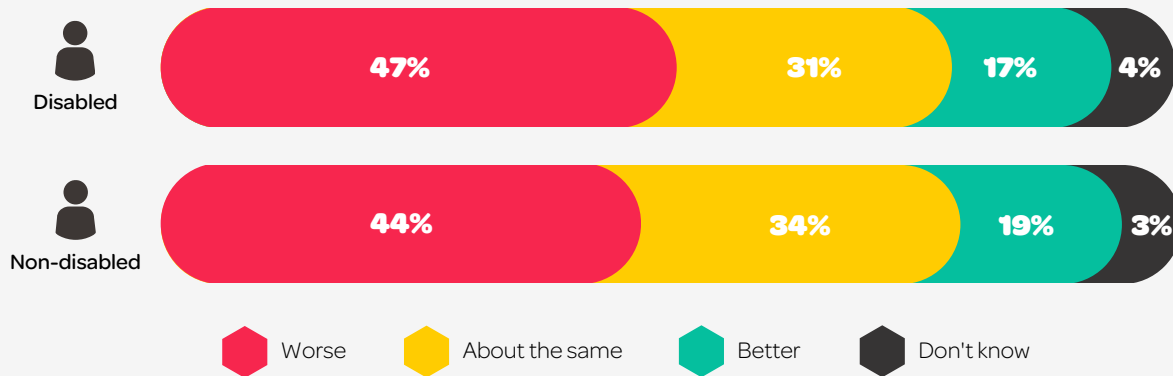


<sup>5</sup> <https://www.fca.org.uk/publication/research/financial-lives-survey-2020.pdf>

<sup>6</sup> <https://www.gov.uk/government/news/government-hits-goal-to-see-a-million-more-disabled-people-in-work#:~:text=Over%20one%20million%20more%20disabled,the%20lives%20of%20disabled%20people.>

<sup>7</sup> <https://www.tuc.org.uk/news/non-disabled-workers-paid-17-more-disabled-peers-tuc#:~:text=New%20analysis%20published%20by%20the,working%20a%2035%2Dhour%20week.>

## How do people expect their financial situation to be in 2 years time?



FINANCIAL INCLUSION: DISABILITY INVESTMENT GAP

## Regulatory responsibilities and a revised consumer duty

Regulated financial services have a duty to provide coverage for the whole market in the UK. Learning from and listening to the experiences of an often overlooked part of the population who face complex circumstances and often higher cost of living is all the more important. Firms have the opportunity to use the enhanced provisions set out in the FCA’s revised Consumer Duty regulation, which sets out the standard of care that customers should experience in retail financial markets. The Consumer Duty comes into force in 2023-24, meaning firms should be responding to requirements to review their offering now.

## Opportunities to innovate for inclusion

Beyond regulatory requirements, firms should recognise the opportunity that is available to reach a less-served population with an inclusive approach that will bring innovation and broader benefits for society. Many times adaptations, services and products designed to enable people with specific impairments end up being enjoyed by all people, driving innovation and ease of access for all. Take for example the typewriter and keyboards, automated captions on social media videos, the electric toothbrush and audiobooks. All designed to enable access and usability for people with specific impairments and all illustrating how starting from an inclusive perspective can open up opportunity spaces and innovation that might otherwise be overlooked.

# Real-world impact

Offering inclusive services should align with any firm’s efforts to progress towards achieving the UN’s Sustainable Development Goals (SDGs). The set of 17 global goals first adopted by UN member states in 2015 was developed with the principle of ‘leaving no one behind’. Investment firms have increasingly sought to incorporate SDGs into their responsible and sustainable investment approach, as a general set of principles but also by identifying specific SDG targets that the firm wishes to support progress towards. Inclusion is explicit across a number of the SDGs, but of particular note are;



<b>SDG 8</b>	Decent work and economic growth, with inclusive access to markets.
<b>SDG 10</b>	Reduced inequalities, encompassing the social, economic and political inclusion of people with disabilities.
<b>SDG 11</b>	Sustainable communities and cities, which should include universal access to sustainable, inclusive and accessible communities.

Incorporating inclusive practices in product design and service provision contributes towards progress in these areas and helps the full and inclusive participation in economic and civic life for disabled people, by supporting a more secure financial future.

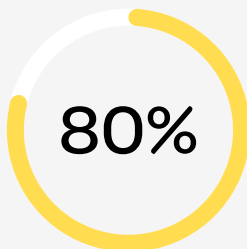
# The opportunity space

## Appetite for investing

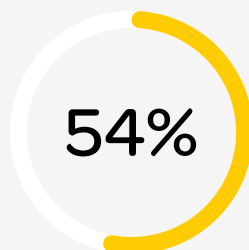
For investment firms, there is an opportunity to engage with an underserved population. The narrative emerging from the research data shows that disabled people are engaged with the possibility of accessing financial services and products at varying levels of wealth, but some face a number of barriers to participation. These could be solved with targeted outreach and simplification of offerings.



8 in 10 disabled people say they often think about how to improve their financial situation. Over half (54%) wish they understood more about how to invest money. Nearly half (47%) of all disabled people surveyed said they wished someone could help them with investing their money and 66% worry about their finances when they retire.



**8 out of 10** disabled people say they often think about how to improve their financial situation

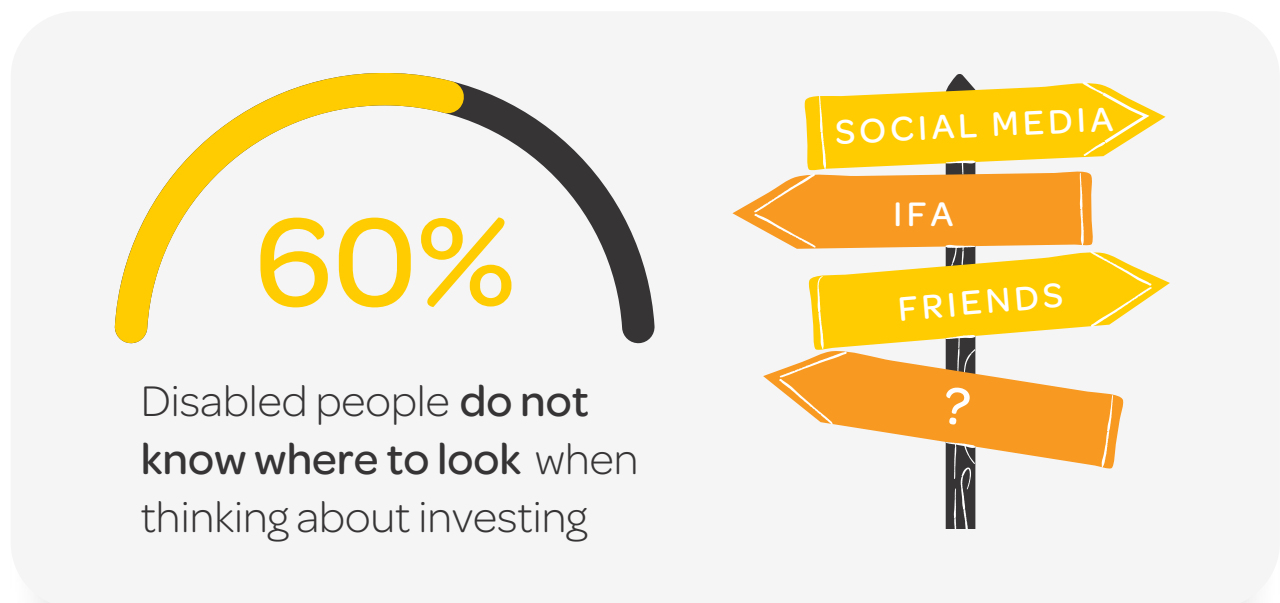


Over half (54%) wish they understood more about how to invest money

## The challenges

As we detail in the findings section of this report, a key barrier many disabled people face is complexity of life circumstances and needs, but before that is even a consideration, a high percentage of people demonstrate disengagement because they don't feel like they belong in or are representative of the investment community. In fact, disabled people are more than twice as likely to not feel confident in managing their finances compared with those who do not face disability. And are almost twice as likely to say that "Investing is not for people like me" compared to those who are not disabled.

Moreover, nearly 6 in 10 (58%) disabled people say they would not know where to look when considering investing and almost 6 in 10 (58%) also report they do not understand the language used when talking about investing.



Many firms have already worked to reduce the complexity of the language they use to refer to products and services. Some people will have yet to see the outcomes of this as they have been disengaged for a longer period of time. However, the complexity that is described is not just in relation to the language used but how it applies to individuals. This underlines the importance of having clear relatability in products and services where individuals can see how they could incorporate them into their lives. But also that there is easy to access guidance that smooths the decision pathways.

**58%** & **50%**  
of disabled of non-disabled

people **do not understand the language** people use when talking about investing



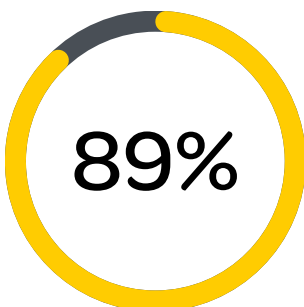
Equity - ROI -  
Shares - Portfolio  
- Capital

Fund - Stock -  
Depreciation -  
Net - Yield - Bond

FINANCIAL INCLUSION: DISABILITY INVESTMENT GAP

## The role of professional advice

Over half of the disabled people in our survey (54%) had either received or wished they had received financial advice in the past five years (36% and 19% respectively). Of those disabled people who had sought and received advice an overwhelming majority of 89% found the advice helpful.



Found the advice they received helpful



## Key insight

### Showing that you can listen'

The research showed an encouraging picture for people who had sought advice in relation to their finances and investment. Over half of disabled respondents in this group (56%) had sought advice on savings, 26% needed advice on pensions and 1 in 5 sought advice on stocks and shares. Of those, the quality of advice was reported as high. The source of advice was most likely to be from independent financial advisors followed by banks and building societies, and family or friends. This suggests that when disabled people are able to access targeted advice they find it helpful - and this is encouraging to consider when the IFA community may not always be considered to be a highly diverse one.

This suggests that there would be strong benefit from increasing the engagement and encouragement of advice seeking, especially professional advice. Barriers to this include the potential costs, in particular in comparison to the amounts available to invest, and finding a trusted advisor. Due to the ongoing and one-off costs associated with managing disability, many disabled people may find that the cost of engaging an IFA is not sensible in comparison to the assets they have available.

And there is room for engagement with the IFA community too, to ensure they are able to provide advice on services that demonstrates knowledge of the range and intersection of other financial products and services - especially insurance coverage for life, health and income protection.

To address the cost barrier from a dedicated IFA, firms should consider improving the communication of products and services.

### Top 3 sources of advice





## Recommendations

- Investment firms should examine how they can offer proactive support to IFAs including how to explain products and services through different lenses. IFAs can provide tailored advice to cater to the complex range of needs that disabled individuals can face. This will help bridge the gap between individuals and how they access the right products and services.

“There are very few Financial Advisors who have knowledge and experience with navigating the benefits system let alone combined with investing.”

[Expert interviewee Kathryn Knowles]

- Firms should seek to create opportunities for wider industry collaboration, in particular to bring in life companies that are closer to understanding day-to-day challenges and costs. Those firms with life companies within their group of companies should leverage their insights.

### Snapshot: US ABLE scheme helps navigate complexity

In the US, financial instruments have been established with the support of disabled people in mind. Supplemental needs trusts and ABLE accounts provide instruments for disabled people to save money that does not impinge on the requirements of benefits programmes. The former are more complex to establish and manage, and as the name suggests are administered by a third party. The latter were established in 2014 under the Achieving a Better Life Experience ACT, and provide more direct control for a disabled person. There are some limitations; on the amount of money that can be saved (up to US\$15,000 per year, to a limit of US\$100,000). In addition, the disability must have been identified before the individual is 26 years of age (though there are hopes to increase that to 46). Despite these instruments, uptake is low. Only 46,000 out of a possible 8 million eligible had an ABLE account as of June 2019.

The ABLE National Resource Centre may have part of the answer as to why. The website has a helpful array of resources for individuals to understand eligibility and how to get started. This includes decision guides, step-by-step illustrations of how to identify financial goals and save, and FAQs on eligibility for the individual. This recognition of the complexity of a specially-designed instrument illustrates how difficult it can be to navigate the waters - but also is a useful example that investment companies can emulate to help provide the right resources to potential customers.

<https://www.ablenrc.org/>

# Finding: 'Investing is not available to people like me'

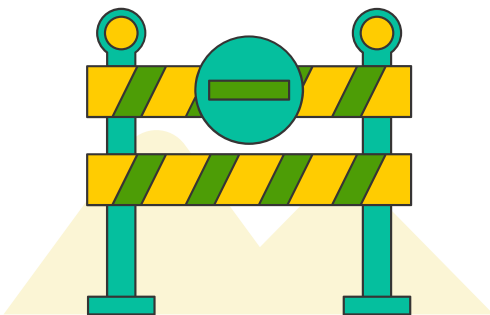
## Factor: The role of trust and relatability

The majority of both disabled (6 in 10) and non-disabled people (7 in 10) said they think investing could give them a more secure future. Yet, when we asked, we also found that disabled people were almost twice as likely (83% more likely) to say that 'Investing is not available to people like' compared with those who were not disabled.

A majority of both disabled and non-disabled people say they think **investing** could give them a more secure future



Yet...



Disabled people were **83%** more likely to say that 'Investing is not available to people like me'

## Key insight

### Showing that you can listen

#### Building trust

- Building trust and a loyal customer base requires building a bridge to that community, which understands the constraints they face when attempting equal access to products and services. Firms cannot rely on disabled communities finding relevant and applicable products and services so they must consider outreach through relevant forums, networks such as IFAs and providers of products such as insurance, and personal recommendations.

#### How we speak

- How we speak about and understand disability is key to building trust, and essential for designing services that enable access and drive innovation. The **Social model of disability** makes a distinction between an impairment and a disability meaning that **a person who experiences an impairment may or may not be disabled in different contexts**. The impairment itself is not the disability, it is the barriers that prevent people with a temporary or permanent impairment from having full access that disable the individual. When we understand disability from this perspective it is easy to see how for example sloped curbs or ramps enable, rather than disable a range of people to access buildings or venture around town including those who use wheelchairs and those who have to navigate a buggy.

## Recommendations

- Demonstrate that disabled people are a valued customer segment by ensuring representation in marketing materials that shows an understanding of their lives and how different products are applicable.
- Consider the role of language and how disability is referred to in marketing and communication materials. Referring to people as disabled acknowledges the responsibility of services and products to be inclusive and ensure the offering is not disabling people with different needs from accessing it.

## Factor: Regulatory considerations

In 2022, the FCA confirmed that it would be introducing a new Consumer Duty,<sup>9</sup> increasing the requirements and responsibilities of financial services providers towards consumers. The new Consumer Principle, Principle 12, places emphasis on the expectation of firms to take a proactive approach to deliver good outcomes for retail customers, think more about customer outcomes and place customer outcomes at the heart of their activities. Among the enhanced requirements are considerations for:

- Consumer understanding and ability to make informed choices
- Suitability of products offered
- Inclusive customer support
- Clarity in pricing

### What people are asking for

Clarity in how  
information is  
provided

“I think it would really help if they used easy to understand language and less ‘financial jargon language’. They also need to make things really transparent, lay out the benefits and the cons in a simple to understand manner and it would be great if everyone had equal access to someone like a financial advisor”

“They [financial services] are really good if you look for their advice. As a consumer, you need to be proactive in finding the information sources.”

Meet people  
where they are

Disabled respondents

<sup>9</sup> <https://www.fca.org.uk/publication/finalised-guidance/fg22-5.pdf>

## Key insight

### The new consumer duty

The areas of action outlined by the Consumer Duty and summarised in the table below, offers a useful framework for the industry to consider their offering for disabled customers.

Consideration areas from the new Consumer Duty	
<b>Consumer understanding</b>	Can the customer make an informed decision with the correct product information (including charges), and understand how it affects their personal circumstances, including how it interacts with other products they use?
<b>Product and services</b>	Are the offerings suitable and appropriate for the customer, or merely what is available to be sold. This includes exposure to new types of products that lack guidance or regulation, such as cryptocurrency products, as well as more established offerings such as equity release that are generally aimed at vulnerable customers but for which targeted advice is lacking.
<b>Customer support</b>	Digital and non-digital services need to be inclusive from a service offering perspective. Those providing the support should be able to understand the circumstances that the customer is coming from or that these may affect how the customer approaches servicing.
<b>Price and value</b>	At each firm's discretion, but with consideration of barriers to entry. Many customers remain confused about costs or believe that they are priced out of investing because they are not able to afford to participate due to fees.

## Recommendations

### Internal processes

- Consider the due diligence that the firm is carrying out on clients and business partners with regards to inclusive practices in client servicing. This should include the efforts that are being undertaken to cater for disabled populations and how they measure engagement and progress.

# Understanding complexity

“

Consumers should come away satisfied and confident; their needs met and understanding the product or service they've got.

Sheldon Mills<sup>10</sup>

”

Central to our findings is highlighting that those who are disabled are also likely to face a complex set of circumstances both in daily life and in managing their finances. Many disabled people face additional costs in order to participate in every-day life due to physical or digital access needs or special equipment.

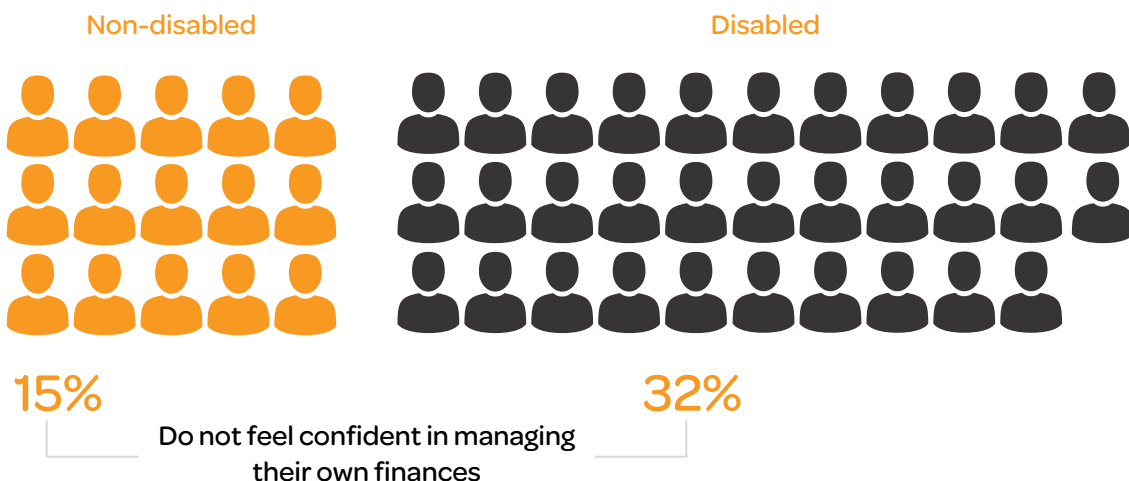
They may have limited access to other financial products such as insurance that would help to provide a financial safety net, often because they are not eligible for certain life, health or income protection products. Alternatively, they may only have access to very expensive products.

Access to the right kind of insurance can enable better financial security and peace of mind and in turn enable investing. Investment firms with connections to insurance, such as a group that includes life and investment or wealth arms, may want to understand if they can leverage these businesses to create a better safety net offering.

Those in the advice space that are offering insurance coverage may also benefit from better product market coverage. One insurance expert explained that an advisor with an expertise in individual coverage may not have specialist knowledge that could help to bridge these gaps; for example, there may be coverage options available through workplace policies.

Any combination of these factors is a drain on energy and focus that layer difficulty onto even engaging with or starting activities. Complex circumstances and multiple considerations contribute to making informed decision making more difficult and highlight the important role the industry plays in enabling everyone to pursue their financial goals.

## FACTOR: Complex circumstances and competing priorities



The confluence of constraints and financial costs may also be compounded by the emotional burden of being in a precarious situation. As such, making financial decisions can be much more complicated and taxing. For those who are disabled, there can be more variables to consider and the consequences of higher risk activities, loss of income and assets or making an insufficiently informed financial decision can be much more significant. It is therefore not surprising that disabled people were more than twice as likely to say they did not feel confident in managing their finances compared with those who were not disabled.

## The new FCA Consumer Duty requires firms to

“

**“Pro-actively act to deliver good outcomes for customers generally and put customers’ interests at the heart of their activities.**

**Focus on the outcomes customers get, and act in a way that reflects how consumers actually behave and transact in the real world, better enabling them to access and assess relevant information, and to act to pursue their financial objectives.**

**Ensure they have sufficient understanding of customer behaviour and how products and services function to be able to demonstrate that the outcomes that would reasonably be expected are being achieved by those customers.**

**Where they identify that good outcomes are not being achieved, act to address this by putting in place processes to tackle the factors that are leading to poor outcomes.**

**And, consistently and regularly challenge themselves to ensure their actions are compatible with delivering good outcomes for customers”**

Financial Conduct Authority  
FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty, p.24 subsection 4.8

”

## Recommendations

- Reach out to and engage various disabled populations to build an understanding of the complex and inter-related needs. Explore tapping into existing networks and groups that are connected into relevant communities.
- Provide training to staff to understand complex needs and how to approach customers with sensitivity.

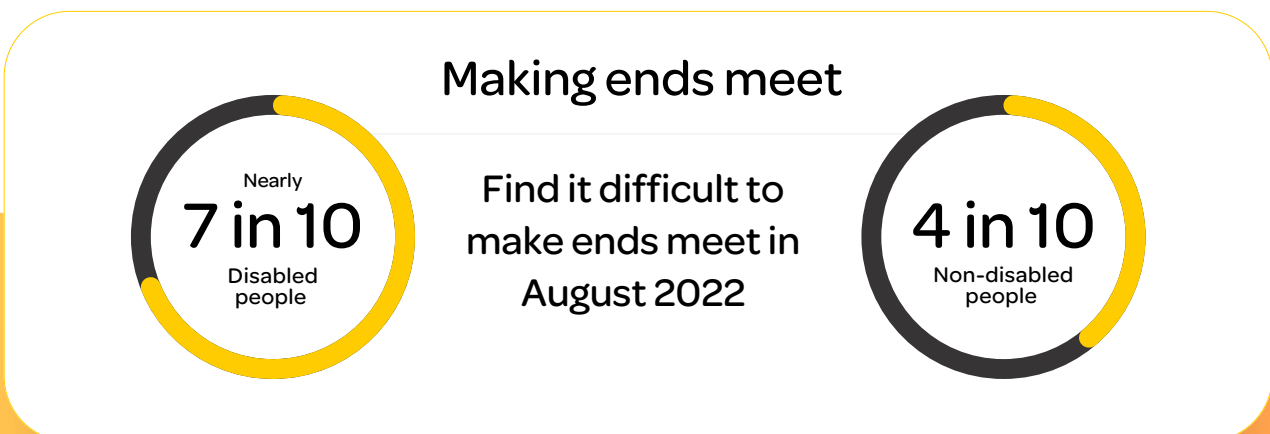
## FACTOR: Vulnerability

Disabled people fall within the definitions of what the FCA consider to be vulnerable customers, providing an additional set of factors for firms to consider when designing and offering products and services. This includes the limited eligibility that may apply to mainstream products, as well as the physical, mental or processing needs of the customer being serviced and any practical limitations that may be present.

The FCA published guidance in February 2022 for how firms cater for vulnerable customers to achieve good outcomes. While the guidance covers a much broader potential customer base than the target of the research for this report, the underlying recommendations include a good understanding of customer needs, that staff are appropriately trained to understand complex needs with sensitivity, that product and servicing is flexible, and that the offering is being monitored. These are relevant and aligned with the enhanced areas of coverage in the new Consumer Duty.

Much of the implementation is up to individual businesses to work through, however, and our survey and interview responses indicated that firms still have some way to go to demonstrate that they are able to cater sufficiently for disabled customers. Some progress can be seen in areas such as reducing jargon but there remain key areas of risk to consider, such as how products are marketed. Vulnerable customers are at higher risk of exploitation and taking up products and services that are not needed, inappropriate or disproportionate to need. This could include fee-based products that are not cost-effective, insurance that does not include the required cover, promotion of investment products that are at an inappropriate risk level, or equity release that has not been calibrated to a specific need. It can be difficult to assess whether advice providers have the necessary skills, and where vulnerable people are not catered for appropriately it will lead to a further erosion of trust between consumers and financial providers.

When we surveyed over 1000 people in the UK in August 2022, nearly two thirds (67%) of disabled people said they found it difficult to make ends meet and 4 in 10 (41%) of non-disabled people said the same.



## Recommendations

- Continue efforts to protect vulnerable customers and combat aggressive marketing strategies that can influence vulnerable customers to take up high cost or inappropriate financial products.



## FACTOR: Higher cost of living

Many disabled people face financial constraints at a proportion higher than the general population. Research conducted by SCOPE in 2018 highlighted a number of factors that contribute to the higher 'price tag' of disability.<sup>11</sup> These factors include reduced ability to earn money due to health-related constraints related to their disability. Those who are disabled may, as a result, face barriers to access and participation that limit their potential to earn, including discriminatory practices. Disabled people often also face additional one-off and ongoing costs including medication, equipment and home alterations, and may need to rely on goods and services that are more expensive or difficult to source.

High costs of living and financial constraints are however not limited to the disabled population, in the current climate with soaring inflation and when many more find themselves in a precarious financial situation remedies that target better inclusion, access and simplification of choice will have benefits for broader populations.

## Recommendations

- Ensure offerings include ways to move from a small base to build capital (considering whether there is any interaction with means-tested benefits)
- Consider products that have simplicity and flexibility at their core, recognising that disabled people may need more ready access to liquid capital to address emergency or highly specific financial outlays.

### What people are asking for Stepping Stones

I'd like a lower investment threshold, rather than a this product is available to join from only three thousand quid starting point

Helping people with smaller amounts of money to invest wisely without too many risks, people need more information and presume investment is only for people with lots of money

Disabled respondents

# Accessibility is multidimensional

Accessibility means ensuring that products and services, and where applicable, operations, are able to be used by people with different impairments (ideally with the same degree of access as people without impairments). Factors to consider include physical – access to buildings, service desks, equipment and digital – adverts, websites, platforms are designed to accommodate sensory and processing issues.

We asked people to talk about how they access products and services in digital and non-digital settings, which drew findings in three categories related to accessibility.

## Factor: Physical accessibility and inclusion

Findings in this area considered how interviewees interacted with services that needed their physical presence or input. While the Equality Act 2010 provides the basis for buildings to be accessible, this is in fact a small part of the potential journey that a disabled person might make to access financial services.

Travelling to a physical location could entail a set of challenges related to mobility and pain management, from preparing to leave their home, navigating private transport that requires parking or public transport that must be accessible and considering the optimal time of day for travel. Simply arriving can feel like the end of a long journey. Many will have additional concerns about the set up that awaits them, including access routes that might include steep ramps, 'accessible' doors that do not open for long enough or seating that is too low. Sitting or standing for long periods of time may not be possible and they may have specific needs to be sufficiently comfortable to access services, including hearing loops. Asking for accommodations can be off putting if staff are not tuned into the range of needs that might be in play. In some cases, this concern is enough to postpone or prevent a journey to access services in a physical location.

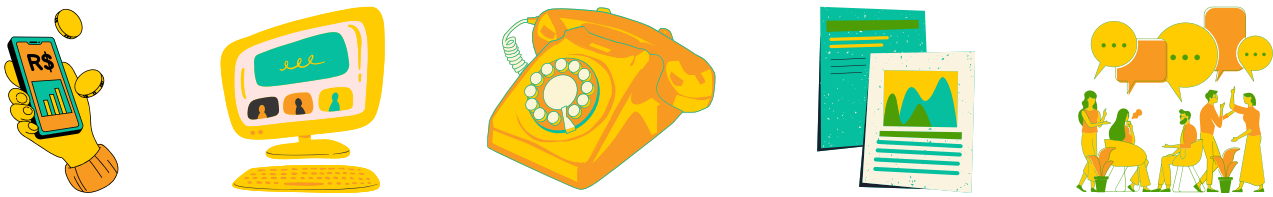
This may mean that access via phone would be a more appropriate medium. However, this requires that customer service provision is excellent. Making a call may still be challenging for a person managing chronic pain or with cognitive processing difficulties. And being in a remote setting means that more attention is needed via the customer servicing to ensure that the information being shared is understood and can lead to good decision making.

## Recommendations

- Enabling physical accessibility means considering the many ways physical barriers can impact engaging with financial services.
- Training for staff that not only recognises the complex issues that customers will be facing, but the impact that will have on their ability to participate in discussions and decision making. People may have time constraints due to pain or other discomfort, processing ability and general overwhelm from the intersection of their needs.

## Factor: Digital accessibility and inclusion

There are many aspects of client interactions with financial services that can be inclusive, such as accessible web services and platforms. Digital platforms are a great pathway for many disabled people to access financial services, in fact when we asked disabled people to choose their preferred ways of accessing financial and banking services **57% said using an app/mobile** was the preferred way of accessing financial or banking services, followed by **online (39%)**. Just over **one in five preferred to do it in person** and a slightly lower proportion preferred access via **telephone (17%)**. Only a minority indicated a preference for **paper (8%)** or via an **advisor (7%)**.



Like many people in the population, the understanding of newer ways of investing such as retail platforms is slowly on the increase. But there is a particular focus on the need for trust in the institution and the platform for people who may have trouble with access.

Some people do not associate online platforms as a suitable solution for them due to their financial circumstances, for example if they have small or irregular sources of disposable income, or because they are not familiar with how a product or service works.

Moreover, knowing a digital platform or product exists is not the same as feeling comfortable using it. This can be because it feels risky to use a service that feels intangible, or because access issues in the past have prevented people from starting to use a product or accessibility has been reduced or taken away for some reason (such as the removal of many telephone banking services). This perception can be further compounded when online content and digital products are designed to be perceivable only by a certain segment of the population, namely those who can see, hear, move and process digital content with ease, without considering usability for people with impaired vision or hearing, or who face cognitive, vestibular or motor or dexterity related challenges.

We do not routinely start from an inclusive perspective; many accessibility accommodations are making changes to existing resources or tools to overcome specific barriers. This does not necessarily mean they are designed to be as easy or helpful as they could be. Investment firms should consider web accessibility guidelines as a starting point when designing online products and services.

The Web Content accessibility guidelines (WCAG) provides principles and guidelines for making online content accessible. Including detailed technical guidelines that developers can refer to and compliance ratings from A to AAA and specific success criteria for making content accessible for people with impairments. Key to these principles is ensuring that online content is:

<p><b>P</b> Perceivable:</p>	<p>Everything can be perceived in more than one way. For example reading is someone can see, read by a screen reader, captions on audio content.</p>
<p><b>O</b> Operable:</p>	<p>Everything can be operated in more than one way. For example mouse, touchpad, keyboard, voice command.</p>
<p><b>U</b> Understandable:</p>	<p>Everything can be understood. For example a button does what you expect it to do.</p>
<p><b>R</b> Robust:</p>	<p>Solutions are long term and compatible with new technologies and hardware/updates.</p>

Ensuring practical usability and accessibility for a broad range of users does not automatically translate to real world access. There is room for investment companies to create pathways to illustrate to people with different disabilities why their product or service has been designed with their usage in mind. Even if digital services and products are built on core web accessibility rules, which is a meaningful starting point, communities have to:

- i) Know where to find this access, rather than relying on them to stumble across it and;**
- ii) The content of the product, the offer, has to be responsive to and reflect their needs.**

## Recommendations

- Universal design principles should always be employed to create the best possible conditions for accessibility and inclusion and investment firms should consider web accessibility guidelines as a starting point when designing online products and services.
- Practical accessibility is only part of the solution for digital access. Ensuring the relevant communities know about, and feel comfortable engaging with online services and products is also key.

### Factor: Decision making and clarity of information

Usability of products and services from a cognitive perspective is multifaceted, and enabling informed decision making is a key consideration in the new Consumer Duty.

Customers seeking advice or financial products and solutions may experience temporary or ongoing difficulties with understanding how the products they consider interact with other life circumstances. For example, the ability to have income available for savings or investment may be impacted by the type or availability of insurance.

Understanding and servicing one’s own complex needs may be time consuming and at times overwhelming. The additional barrier of feeling like terminology is not clear or failing to be able to apply information to their own situation can leave people feeling isolated, adrift and unlikely to persist with research for products and services.



**Wishing that I could trust IFAs, I don't really trust what they say. Too many complicated questions are asked. I tend to go with what my trusted friends recommend and that's worked well**

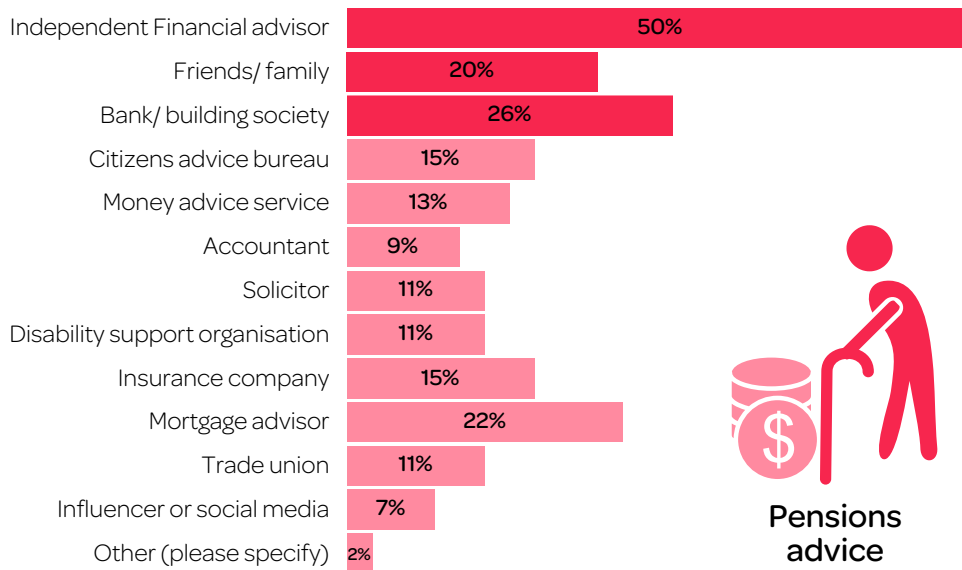
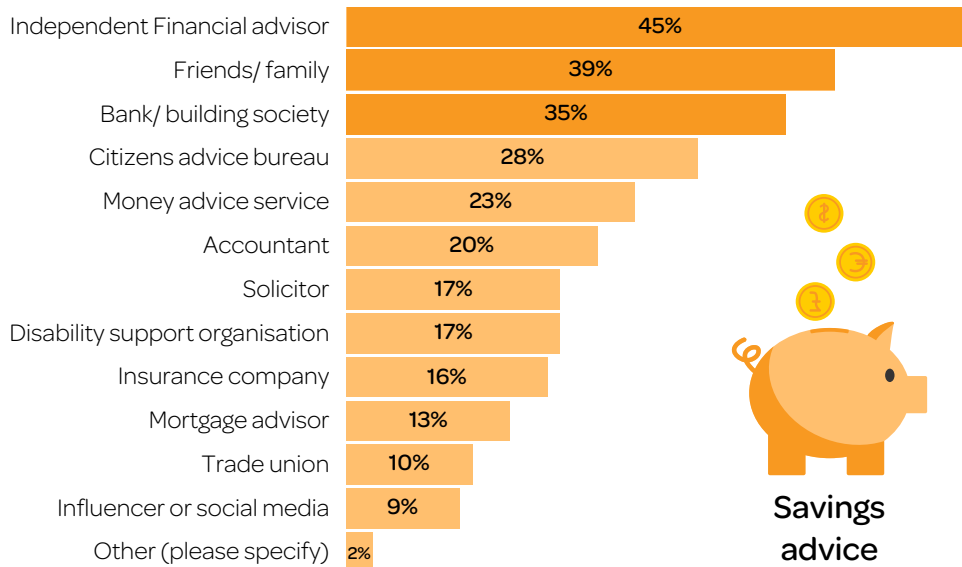
Disabled respondent.



People often consider information from a variety of sources when making financial decisions, and ensuring that these are reliable and appropriate can be challenging - especially if it comes from unregulated sources such as social media. The most likely sources of information will be the formal advice channels such as financial institutions and advisors. But family and friends play an important role, as do trusted channels such as charities and informal community networks. Being able to understand the starting position for disabled people and appropriately manage expectations for what service and indeed outcomes they can expect, and provide relevant information is particularly important.

## Key insight

We asked disabled people where they had sought advice on Savings and Pensions with independent financial advisors being cited as the most common source



## Recommendations

- Ensuring clarity in language, suitability of information provided and support to holistically assess products to enable good outcomes for disabled customers are paramount. Access to easy to understand, high quality information can help disabled people cut through the ‘noise’ of advice from unregulated sources, and help build trust in the financial industry to support building more financially secure futures.

# Appendix 1

## Acknowledgements

City Hive would like to acknowledge all the participants in this research who have contributed through openly sharing their experiences with and expertise within disability and to the sponsors for enabling insights into the important topic of disability within the investment industry.

Expert insight was provided by several organisations and experts including Christine Hemphill from Open Inclusion, Eleanor Lisney, co-founder of Sisters of Frida, disability and accessibility advocate Kelly Allbutt and Kathryn Knowles from Cura Insurance.

We would also like to acknowledge the research team and authors who designed and delivered the study; with research direction by Ingrid Broch-Due, expert survey design and delivery by Louise Stacey and Tanya Lipshen, visual design by Taylor Thompson and oversight by Mandy Kirby.

# Appendix 2

## Research methodology

The project used a phased approach to reach the research objectives which consisted of:

- A review of relevant literature on the topic of disability and finances in the UK combined with a number of in-depth qualitative interviews.
- A UK wide online survey, conducted in August 2022, of 1011 individuals in total, 506 who self-identified as being disabled using the Government Statistical Service (GSS) Harmonised Standards for measuring disability.
- Analysis and further qualitative interviews with disabled individuals to triangulate findings and generate a deeper understanding of what can be done to overcome barriers to accessing investment services and products.

### Phase 1: Initial research, May - July 2022

#### Literature review and qualitative in-depth interviews

- The initial phase of the research consisted of a review of relevant current literature on financial inclusion and disability in the UK combined with a number of qualitative interviews to triangulate findings and generate further insights. Twenty sources were included in the final review which aimed to generate a detailed understanding of disability and finances in the UK today, access and accessibility, inclusive definitions and language when talking about disability. See appendix 2 for an overview of key findings from the initial research.

### Phase 2: Survey, August 2022

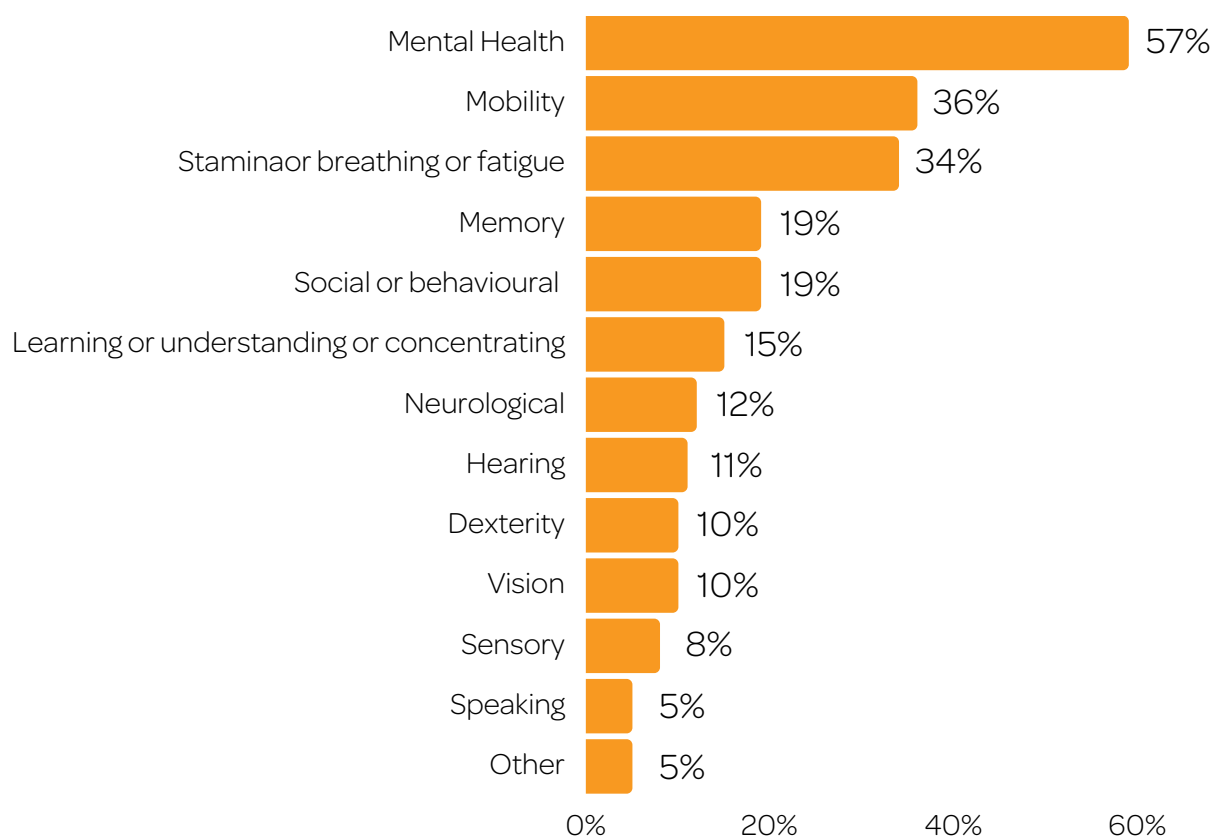
#### Survey of over 1000 people across the UK

- **Sample:** An online survey was distributed to disabled participants within an inclusive access panel. The survey questions were developed based on the findings from the initial research. Information about disability<sup>12</sup> was collected following the GSS harmonised standards for collecting information about disability and impairments.<sup>13</sup> Responses were monitored to ensure a good distribution of the type of impairments, severity of disability, age, gender and region. A nationally representative sample (using quotas on age, gender and region) of non-disabled individuals was run in parallel with a subset of questions to allow comparison on key insights. A final sample of 1011 respondents, 506 disabled individuals, and 505 non-disabled individuals was achieved.
- Of the disabled sample just over one third (35%) reported a severe impact of their impairment on their ability to carry out day-to-day activities. Mental health, mobility, and stamina or breathing or fatigue were the most commonly reported impairments. Further details on the sample is available upon request.

<sup>12</sup> Measuring disability: [Harmonised standard guidance on questions](#), Office for National Statistics

<sup>13</sup> Measuring impairment: [Impairment harmonised standard](#), Office for National Statistics





- **Accessibility:** While recognising that no online survey can be completely accessible to everyone, several steps were taken to ensure accessibility of the survey itself for people with various impairments ensuring the survey was for example possible to navigate in a number of ways (via keyboard, touch screen and trackpad/mouse), compatible with various text readers and considerations were made in relation to font size, complexity of language and question type to improve accessibility of the survey itself.
- **Timings:** Data collection took place during August 2022
- **Geography:** Respondents were recruited from all countries within the United Kingdom.

## Phase 3: Further qualitative research and analysis, September-October 2022

### Qualitative follow up interviews and free text analysis

- A number of follow up interviews and qualitative data analysis was conducted to generate further depth of insights related to findings in the initial and middle phase of the research. The qualitative data consisted of both in-depth interviews and analysis of over 300 free text responses provided by disabled individuals. Findings from all three phases of the projects were combined and analysed for the final report.

# Appendix 3

Key findings from the initial research phase consisting of a rapid literature review and qualitative interviews with experts in the field of disability are detailed below.

## Key findings - phase 1: Disability and finances in the UK

### Disability prevalence in the UK

- 22% of people in the UK reported having a disability (21% of working age adults, 42% of state pension age adults, 9% of children)<sup>14</sup>

### Disability and employment in the UK

- Between July and September 2021, 53.5% of disabled people aged 16 to 64 years in the UK were employed compared with 81.6% of non-disabled people.<sup>15</sup>
- Data from 2019 notes that the disability employment gap has reduced between 2013-2019.<sup>16</sup>
- In 2018, disabled employees were generally under-represented, compared with non-disabled employees, in the higher skilled and typically higher paying occupation groups.<sup>17</sup>
- Disabled employees had higher than average representation in the lower skilled and typically lower paying occupation groups
- Over- and under- representations might be related to education outcomes for disabled people being different to non-disabled people. For example, analysis published on 2 December 2019 shows disabled people were less likely to have a degree than non-disabled people in 2018;<sup>18</sup> this may then have the potential to limit their choice of occupations.

### Disability and education

- In 2021 a quarter (24.9%) of disabled people aged 21 to 64 years had a degree or equivalent as their highest qualification, compared with 42.7% of non-disabled people.
- The proportion of disabled people obtaining degrees has steadily increased<sup>19</sup>

### Disability, age and employment

- The proportion of people with disabilities increases for older age groups
- Disabled people in older age groups are also less likely to be employed than non-disabled people.
- The employment gap increases for disabled people over 50 years old and coincides with higher proportions of disability.<sup>20</sup>

<sup>14</sup> Data on disability/finances UK: [Family Resources Survey 2020-21](#), Office for National Statistics

<sup>15</sup> Data on disability/finances UK: [Outcomes for disabled people UK, \(2021\)](#), Office for National Statistics

<sup>16</sup> Data on disability/finances UK: [Disability and Employment outcomes \(2019\)](#), Office for National Statistics

<sup>17</sup> Data on disability/finances UK: [Disability Pay Gaps \(2019\)](#), Office for National Statistics

<sup>18</sup> Data on disability/finances UK: [Disability and Education \(2019\)](#), Office for National statistics

<sup>19</sup> Data on disability/finances UK: [Outcomes for disabled people UK, \(2021\)](#), Office for National Statistics

<sup>20</sup> Data on disability/finances UK: [Disability and Employment outcomes \(2019\)](#), Office for National Statistics

## Disability and finances

The Family Resources Survey 2020-21 provides a detailed overview of the distribution of savings and investments in the UK. The data includes information on disabilities and impairments but a detailed picture of disabled people would require analysis of the relevant data tables. Headline general population statistics are:

- 42% of families have no or less than £1,500 in savings and investments.
- 58% have savings and investments of £1,500 or over
- 16% have more that £30,000
- Pensioners couples had higher levels of savings and investments: 40% of pensioner couples reported more than £30,000
- Almost all households reported having a current or basic bank account 96%
- Pensioner couples were most likely to hold an ISA: 41%
- On average only 8% said they owned stocks and shares. This increased with age to 13% of those between 65-74 years.<sup>21</sup>

## Disability and earnings

- In 2018, average pay for disabled employees was 12.2% lower than average pay for non-disabled employees. In monetary terms, for every £1 that a non-disabled employee would earn in 2018, on average a disabled employee would earn 88 pence. Disabled 88p vs. £1 non-disabled.

## Disability and pension

- Overall there has been a steady increase in participation in workplace pension schemes since the introduction of auto-enrolment in 2012.
- Eligible disabled people are more often enrolled in workplace pension schemes: There is a small but persistent gap between disabled and non-disabled eligible employees participating in a pension scheme 88% vs. 82%.<sup>22</sup>
- Disabled people are much more likely to be solely reliant on the state pension and pension credit for their income during retirement.
- Only a quarter (24%) expect to have funding from an occupational or personal pension during retirement, compared to half (51%) of non-disabled people.
- 60% say they worry a lot about having enough income to get by, compared to less than half of non-disabled people (44%)
- Over a third of disabled people feel their income in retirement will be less than enough to meet their needs (36%)<sup>23</sup>

<sup>21</sup> Data on disability/finances UK [Disabled people and financial wellbeing \(2013\)](#), SCOPE/Ipsos Mori

<sup>22</sup> Data on disability/finances UK [The disability price tag \(2019\)](#), SCOPE

<sup>23</sup> Data on disability/finances UK [Savings and benefits](#), SCOPE

## Increased Living Costs for People with Disabilities

- Disabled people face extra costs in order to enjoy the same standard of life as a non-disabled person. Disability benefits do not sufficiently cover extra costs.
- Drivers of extra costs:
- Specialist goods and services: E.g. equipment and adaptations to carry out everyday tasks/life, therapy or specialist toys (for children)
- Greater use of non-specialist goods and services: E.g. higher energy bills and transport costs
- Higher cost of non-specialist goods and services: E.g. higher insurance costs (and mortgage costs)<sup>24</sup>

## Key findings - phase 1: Access and accessibility

A number of barriers to accessing investing and accessing financial products that support saving and accumulation of wealth were highlighted mainly in chats with experts.

Most notably:

### Structural/systemic barriers

- Benefit eligibility criteria limit the amount of capital such as savings, stocks and shares that an individual is allowed before entitlements are reduced or disappear altogether.<sup>25 26</sup>

### Suitability of information

- Combined complexity navigating ‘the system’ and the complexity of understanding finance and investing adds an additional layer of inaccessibility for people with disabilities.
- Additionally information may be limited because of a general perception that disabled people do not need financial advice “as they don’t have any money anyway” [Interviewee]
- One expert likened this lack of information to the lack of suitable information on sex and relationships for disabled people. And equally, and wrongly, forgotten need.

### Coping with multiple accessibility barriers in daily life

- Disabled people have many other, and more pressing concerns in relation to basic day-to-day living.
- Capacity to engage with the idea of investing, and the time and energy required to understand the complexities of investing as a disabled person may simply not reach the top of the priority list.

<sup>24</sup> Data on disability/finances UK: [The disability price tag \(2019\)](#), SCOPE

<sup>25</sup> Data on disability/finances UK: [Savings and benefits](#), SCOPE

<sup>26</sup> Data on disability/finances UK: [Benefits affected by savings](#), Money helper

## Digital Accessibility<sup>27 28 29 30</sup>

- The Web Content accessibility guidelines (WCAG) provides principles and guidelines for making online content accessible. Including detailed technical guidelines that developers can refer to and compliance ratings from A to AAA and specific success criteria for making content accessible for people with impairments.
- The WCAG uses the following categorisation of impairments and accompanying accessibility guidelines v:<sup>32</sup>
  - Cognitive and Learning Disabilities
  - Low Vision
  - Speech Input
  - Vestibular
  - Motor and dexterity
  - Blind

## The 4 principles of (web) accessibility are:<sup>33</sup>

- P - Perceivable: Everything can be perceived in more than one way. For example reading is someone can see, read by a screen reader, captions on audio content.
- O - Operable: Everything can be operated in more than one way. For example mouse, touchpad, keyboard, voice command.
- U - Understandable: Everything can be understood. For example a button does what you expect it to do.
- R - Robust: Solutions are long term and compatible with new technologies and hardware/updates.

## Key findings - phase 1: Inclusive definitions and language

- Using the term 'Disabled People' acknowledges the Social Model of disabilities: "The social model makes a distinction between an impairment and a disability. Impairment is described as "a characteristic or long-term trait, which may, or may not, result from an injury, disease or condition". The impairment itself is not the disability but the barriers that prevent people with an impairment from having full access, disable that individual. The difficulty experienced by people with an impairment when the barriers put up by society interact with their impairment to deny them access or participation"<sup>34</sup>.
- A person with an impairment may or may not be disabled in different contexts.

<sup>27</sup> Access and support: [Introduction to web accessibility](#), World Wide Web Consortium

<sup>28</sup> Access and support: [Making financial apps accessible](#), Level access

<sup>29</sup> Access and support: [Making investment and wealth management accessible](#), Level access

<sup>30</sup> Access and support: [Accessibility Barriers and best practice for banking website](#), Level access

<sup>31</sup> Access and support: [Understanding the four principles of accessibility](#), World Wide Web Consortium

<sup>32</sup> Access and support: WCAG 2.1 [Exploring the new success criteria](#), Level access

<sup>33</sup> Access and support: [Quick guide to WCAG](#), Level access

<sup>34</sup> Social model of disability: [Creating an Inclusive environment \(2021\)](#), University and College Union