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FROM THE BARONESS PENN

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04 March 2021

Dear Lucy,

Following the Grand Committee debate on the Financial Services Bill on Monday 22 February, I committed to write to you to address the issues you had raised regarding financial education.

The subject of financial education for children and young people is an important one, and I am grateful for your contributions on this point in the debate.

The Government strongly believes in supporting individuals to improve their financial capability and to ensure they have the confidence and skills to successfully engage with their finances throughout their lives.

In particular, the Government believes it is vital that children and young people receive financial education to help them shape their financial habits. The Department for Education (DfE) has a rigorous mathematics curriculum (5-16 year olds), which provides young people with the knowledge and skills to make important financial decisions. And financial literacy was made statutory within the secondary national curriculum in England in 2014, as part of the curriculum for citizenship education for 11-16 year olds. The curriculum covers knowledge around the functions and uses of money, the importance of personal budgeting, money management and the need to understand financial risk. Pupils are taught about income, expenditure, mortgages, loans, credit, debt, insurance, savings, pensions and financial products.

The Government also works closely with the Money and Pensions Service (MaPS) to provide a high-quality and free financial guidance offering for people at all stages of life. MaPS has a statutory function to develop and coordinate a national strategy to improve the financial capability of members of the public, including the provision of financial education to children and young people.

The Baroness Neville-Rolfe
House of Lords

MaPS published their *National Financial Wellbeing Strategy* in early 2020, which sets out five agendas for change to improve UK's financial wellbeing, including goals for increasing the number of children and young people receiving financial education, encouraging saving, access to credit, increasing the number of people receiving debt advice, and supporting people to plan for later life. A wide range of organisations are joining forces with MaPS, who will be publishing their implementation plans for this strategy in the Spring. DfE are also currently working with MaPS and HM Treasury to consider how we can further support quality teaching of financial education in schools.

I hope that you find this information helpful, and I'd like to thank you again for your valuable contributions to the debate and strong interest and commitment in this area. I look forward to continuing our engagement on the Financial Services Bill. I am copying this letter to all those who spoke in the committee debate on Monday, and I am placing a copy of this letter in the Library.

A handwritten signature in black ink, appearing to be 'Baroness Penn', written in a cursive style.

BARONESS PENN