

Saving Gateway

**Following up the second Saving
Gateway pilot participants**

June 2009

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Contents

Executive Summary	4
Introduction and background.....	4
Saving behaviour	4
Attitudes towards saving	5
Marketing and communication	6
Introduction	8
Background.....	8
Methodology.....	8
Data Analysis	9
Saving Behaviour	12
Changes in saving behaviour.....	12
A typology of savers and associated saving behaviour.....	14
Reasons for continuing to save	15
Reasons for not continuing to save	16
Saving intention versus saving behaviour	17
Savings and investment portfolios.....	17
Debts.....	20
Patterns of saving and debts over time	22
Use of Total Savings	23
Characteristics of Liquid Gold savers.....	26
Attitudes to saving	28
A popular scheme	28
Changing attitudes to saving	29
Factors impacting changing saving attitudes	29
Cutting back on spending.....	30
Short-term gains versus long-term saving.....	31
Understanding of financial institutions.....	31

Intentions for the future	33
Marketing and communication	36
Characterising the Saving Gateway	36
Attitudes to possible future marketing messages	37
The Saving Gateway leaflet	39
Communication channels and sources of information	41
Conclusions	43
Appendices	46
Appendix 1: Statistical reliability	
Appendix 2: Profile of participants	
Appendix 3: Quantitative questionnaire	
Appendix 4: Advance letter and pre-task	
Appendix 5: Qualitative discussion guides	
Appendix 6: Qualitative stimulus material	
Table 1 Match rates	8
Figure 1 Regularity of savings deposit	13
Figure 2 Changes in saving behaviour between account opening and two years after account matured	14
Figure 3 Savings and investments	18
Figure 4 Current accounts and informal savings	20
Figure 5 Patterns of debt over time	21
Figure 6 Savings and debt over the past three months	22
Figure 7 Savings, spending and expenditure over the past two years	23
Figure 8 How the Saving Gateway total savings was spent: intention versus actual	24
Figure 9 How the Saving Gateway total savings were re-invested	25
Figure 10 Perceived impact of the Saving Gateway on attitudes and behaviour	31
Figure 11 Perceived impact of the Saving Gateway on attitudes and behaviour	32
Figure 12 Saving convert	33
Figure 13 Possible long-term change	34
Figure 14 Suggested marketing messages	37
Figure 15 Suggested marketing messages	39

Executive Summary

Executive Summary

Introduction and background

The second Saving Gateway pilot was introduced in 2005 and ran for 18 months. It was offered to people with individual incomes below £25,000 and household incomes below £50,000, or those on benefits. This research re-visited participants two years after the second Saving Gateway pilot ended to explore long-term changes in saving attitudes and behaviours, as well as gauging participants' feedback to inform the national roll-out of the Saving Gateway scheme, announced in the 2008 Budget. The research design also incorporated questions to gauge the effects of the recent economic downturn on participants' saving behaviour.

Saving behaviour

The second Saving Gateway pilot scheme was aimed at promoting saving among working age people on lower incomes. It is, therefore, encouraging that three in ten participants were not saving regularly prior to the scheme and were regular savers (i.e. saving at least monthly) at the time of the follow-up research¹. Furthermore, 61% of Saving Gateway participants were saving regularly two years after their accounts matured, and 60% agreed that the scheme had helped them to save more regularly each month.

The research identified three types of Saving Gateway participants:

- **“short-term” savers** who were most likely to revert to their previous behaviour of never or sporadically saving;
- **“new savers”** who would continue saving regularly where they had not before; and
- **“committed” savers** whose pre-existing strong saving habits have simply been reinforced by the scheme.

“New savers” offered a range of reasons for continuing to save. Those who were completely new to saving often experienced specific turning points during or after the Saving Gateway scheme, when their attitude towards saving changed. For those who had once been regular savers but had lost the habit by the time of the Saving Gateway, the scheme worked as a reminder for them, not changing their attitude but allowing them to revert to their previous behaviour. Children and families were also key catalysts for long-term saving, and the new regular savers tended to have children under the age of 16.

Reasons for not continuing to save were equally mixed. Participants most commonly said they were unable to afford regular saving even though they often did so during the scheme. These tended to be the “short-term” savers who lost the motivation to save without the government match as an incentive. Other reasons for stopping saving included a change in circumstances for the worse, such as job loss, or the onset of retirement and a subsequent wish to enjoy money saved.

Overall, participants reported an increase in investment and savings portfolios: 86% said they have a savings account compared to 66% before the Saving Gateway scheme. The motivations for trying new financial products included getting the highest rate of return,

¹ Please note that this statistic is based on the number of individuals in the follow-up research who we have baseline data for (N=894).

convenience and ease of physical access. Many, however, were continuing to save through more informal means, such as jam jars or giving money to friends or relatives for safekeeping, or by setting aside money in their current account, although these tended to be used only for short-term saving alongside formal accounts for longer-term saving. Positively, fewer had debt compared to previous waves of research, with 46% saying they have no debt compared to 38% when the accounts were six months old and at account maturity.

The economic climate at the time of fieldwork² appeared to have had little impact on participants' ability and willingness to save. Comparing participants' saving rate and debt at the time of follow up fieldwork to three months previously revealed little change. Most reported that their debt and saving had remained the same; a quarter reported saving more, and, encouragingly, a third said they had less debt. Comparisons to two years ago (at account maturity) paint a similar picture with half saying their incomes and saving rates had not changed. Where these had changed, participants were evenly split on whether their income had increased or decreased, while a quarter (26%) said they were saving less and 12% said they were saving more. Most said their expenditure had increased in that time.

Participants broadly did what they said they would with the total savings accrued through the scheme; nearly as many saved or invested the money as spent it, while one in six combined saving and spending. Participants with children under 16 tended to save for a purpose, so were more likely to have spent their money but they were also more likely to have continued to save. Those more likely to save the money they had accrued in their Saving Gateway account included pre-existing savers, older participants (aged 55 plus), and those who were saving for the long-term (these also tend to be older savers).

Of those who spent the money saved in their Saving Gateway account, the most popular way to spend the total savings accrued through the Saving Gateway scheme was on a holiday or home improvement, while 12% used their total savings for bills or day-to-day expenses. Of those who saved or invested the money, a third kept the savings in the Halifax's Liquid Gold account and three in ten transferred it to another savings account. A number of Liquid Gold savers mentioned they chose this option because of the account's better interest rate, which as it provided a relatively low rate of interest may indicate a lack of understanding or information about the account. Other Liquid Gold savers said they kept the savings in the account because they did not have time or were not inclined to do anything else with it. Two typologies of Liquid Gold savers were identified: those new to saving and perhaps less knowledgeable about their options, and more passive savers who already had larger savings, and thus the scheme did not feature highly compared to the rest of their savings.

Attitudes towards saving

Participants were very positive about the Saving Gateway scheme and many said it had helped them develop a saving habit. A majority (60%) felt that they saved more regularly as a direct result of their participation in the scheme. Nearly seven in ten believed the Saving Gateway scheme had assisted them in planning ahead. Participants were more evenly divided on whether the scheme had helped them cut back on their spending though there had been an increase in the percentage agreeing two years after the accounts matured (45% said they have cut back compared with 36% on account maturity).

"New savers" often cited specific shifts in attitude attributable to the Saving Gateway scheme that led them to start saving regularly or, at least, intend to save in the future. These included having the confidence to save, gaining a sense of achievement from saving and realising that saving up for purchases was cheaper than buying on credit or with overdrafts.

² Quantitative research took place from 6 November to 6 December 2008 and qualitative interviews between October 2008 and January 2009.

Depending on the maturity of the saver, these turning points had either led to people becoming *proven converts* and changing their behaviour, or becoming *possible long-term changers* who anticipate saving regularly in the future, where they did not before.

Participants' reasons for saving have changed little throughout the research. Three in ten were saving to buy things they wanted or needed, and nearly the same again put money away for the long-term. However, slightly more said they save for a rainy day at the time of the follow up research (25% compared with 20% when participants first opened their account). Additionally, at follow up, fewer said they did not save at all; the proportion saying this is nine percentage points lower than at six months into the Saving Gateway accounts.

The majority agreed that the Saving Gateway scheme gave them a better understanding of the financial products available, and nearly half felt they had become more confident in dealing with financial institutions. For some, the scheme increased general awareness of institutions and made them pay more attention to the details of different products – a behaviour often triggered when deciding where to transfer the savings accrued on maturity. Others said they had learnt specifically about how interest rates and banks operate.

Attesting to the popularity of the scheme, 98% would open another Saving Gateway account if offered and 99% would recommend it to a friend. Nearly four in five found the rules of the scheme easy to understand. While one in nine would make the account length longer and one in eleven would expand the choice of the banks or building societies offering the scheme, half would change nothing about the Saving Gateway scheme.

Marketing and communication

Participants suggested that the most attractive features of the scheme were the match rate and the development of a saving habit. Although participants felt that the sense of achievement gained from saving was also important, this was secondary to government involvement in the scheme. This was consistent with the broader use of language around 'safety' and 'security' afforded by government-backing and reflected the start of greater economic uncertainties at the time of the research.

Discourse analysis highlighted the variance in language that different savers used when discussing the Saving Gateway, which could be used to target marketing activities relating the national scheme. "New savers" in particular emphasized the positive 'parent-child' relationship they felt they had with the government during the scheme and often cited how the scheme "matured" them or "taught" them to save.

On the whole, participants were positive about the Saving Gateway leaflet that accompanied the second pilot. Specific aspects that gained praise were its official look, by virtue of the HM Treasury logo, its clear, concise content, and the summary table on the inside cover. Indeed, many participants said they did not need to read beyond this to know they wanted to join the scheme. Overall, participants agreed that this leaflet was comprehensive, although some would have liked a clearer explanation on the rules and implications for withdrawals.

Introduction

Introduction

Background

The Saving Gateway is a scheme aimed at promoting saving for working age people on lower incomes.

An initial pilot of the Saving Gateway scheme involving 1,500 accounts was trialled in 2002. Following on from this, a second pilot was announced in 2004. The second Saving Gateway pilot was much more extensive and involved nearly 22,000 accounts. Individuals were eligible for the account if they were aged 16-65, earning less than £25,000 per year, and had an annual household income of below £50,000 or were in receipt of an out-of-work benefit, such as Jobseeker's Allowance, Incapacity Benefit, Income Support or Severe Disablement Allowance.

The second Saving Gateway pilot started in 2005. The account was offered in six areas: East Yorkshire, Cambridge, Cumbria, East London, Manchester and South Yorkshire. The term of the account was 18 months and the match rate varied across areas.

Table 1: Match rates			
	Match (per £1.00)	Contribution limit (£ per month)	Match range (total)
Cambridge	£0.20	£125	£0-£400
Cumbria	£0.50	£50	£0-£400
East London	£0.20	£50	£0-£160
Manchester	£1.00	£25	£0-£400
East Yorkshire	£0.50	£25	£0-£250
South Yorkshire	£0.50	£25	£0-£200

Methodology

The findings contained in this report are based on 1,002 telephone interviews and 50 in-depth face-to-face qualitative interviews among a subset of participants of the second Saving Gateway pilot and who had participated in all waves of research throughout the second pilot. These re-contacted participants had individual incomes below £17,000 per annum on opening of their Saving Gateway accounts. This level was chosen to enable better comparison to those who will be eligible for the national scheme (those on qualifying benefits and tax credits will be eligible to open accounts in the national scheme).

The aim of this research was to track participants' long-term saving attitudes and behaviour from when they first opened their Saving Gateway account in 2005), as well as to explore key marketing messages to inform the national roll-out of the Saving Gateway scheme. As such, the telephone survey questionnaire covered the following areas:

- What participants did with the money saved in the Saving Gateway.
- Participants' perception of the scheme and what changes, if any, they would make to it; their views on the key marketing messages and communications channels.

- Participants' attitudes towards saving and their saving and debt portfolios.

In conjunction with this, the qualitative research sought to explore these areas in more detail, and the discussion guide (see appendices) covered the following areas:

- The key reasons for, and barriers to, changing saving behaviour after taking part in the Saving Gateway scheme.
- The influence of partners and family on participants' saving behaviour and attitudes.
- Participants' attitudes to, and understanding of, banks/other financial institutions and financial concepts.
- Participants' views on current marketing materials and how the national roll-out of the Saving Gateway should be marketed.

Both the quantitative and qualitative research design incorporated questions to gauge the effects of the recent economic downturn on saving. The survey asked people to compare their saving behaviour to three months previously and participants in qualitative research were probed on recent changes to their attitudes and behaviour.

Where relevant, data is compared to previous waves of research, but only between those who had incomes below £17,000. The four waves are the following:

- A baseline wave, conducted when the second Saving Gateway pilot accounts were first opened in 2005.
- A second wave of research conducted six months after the account was opened, towards the end of 2005, with participants who took part in the baseline research.
- A final wave of research, conducted around account maturity, towards the end of 2006.
- This follow-up study was conducted two years after account maturity, during November and December 2008.

Additionally, the survey was prefaced and followed by depth interviews with account holders across all six areas. Fifteen pilot interviews were completed in three Saving Gateway pilot areas prior to the quantitative survey (during September-October 2008), and 35 interviews were conducted afterwards (during December 2008 and January 2009). Quotas were used to ensure interviews covered a cross section of participants over the six pilot areas in terms of gender, age, ethnicity and saving intention six months into the account.

The key characteristics of the people interviewed in the quantitative and qualitative research are summarised in Appendix 2.

Data Analysis

Upon completion of the telephone survey, quantitative results were analysed through several stages. In the first instance, data tables including prescribed crossbreaks were produced which revealed the key 'topline' findings, as well as indicating where there were significant differences between key subgroups; for example, differences between pilot areas, or differences between household type. Secondly, where relevant, the survey findings were compared to previous waves of the research in order to measure any long-term trends and

changes. CHAID³ analysis was conducted to identify key characteristics associated with those who did not save, or were irregular savers, at the beginning of the Saving Gateway second pilot but had become regular savers.

All qualitative interviews were transcribed and findings were linked to certain demographic details and recorded on an analysis spreadsheet. The benefit of recording interviews in this way was that transcripts of interviews conducted with Saving Gateway participants who had clearly changed their behaviour as a result of the scheme could be quickly identified. Transcripts were then used to illustrate the thematic content identified by the research team.

The process of analysing the qualitative data from the 50 in-depth interviews similarly proceeded through several stages with the interviewing team meeting on several occasions. Initially the team met in order to 'brainstorm' after the interviews, to identify key themes and emerging findings. During subsequent meetings the research team discussed the subject areas indicated in the discussion guide used during interviews (which are those subject areas presented in this report) and developed the narrative based on broad consensus emerging from the data, plus exploring the wider variety of findings that did not 'fit-in' with the broad story. Through these meetings the research team explored the data in detail, comparing and contrasting perceptions and looking for connections until the data is compiled into a coherent narrative which is suitable for reporting.

³ CHAID (CHI-squared Automatic Interaction Detector) Analysis is used to segment a population into different groups according to their tendency to exhibit one particular attitude or behaviour. The analysis involves identifying the strength of the relationship between the target or 'dependent' variable and a range of 'explanatory' variables and sub-dividing the population into a series of sub-groups that share similar behaviours so that the segments are mutually exclusive and exhaustive.

Saving Behaviour

Saving Behaviour

At the time of the research more participants said they were saving regularly compared to when they first opened their Saving Gateway accounts (61% were saving monthly compared to 42% when the accounts were first opened). Three in ten claimed to be regular savers whereas they were either irregular or non-savers prior to the Saving Gateway. Additionally, a higher proportion of participants reported having savings accounts compared to before the Saving Gateway and fewer claimed to have any debt.

Participants who had changed their behaviour cited various reasons for continuing to save. Some had undergone a substantial change in attitude towards saving as a result of the scheme, while others who may have once saved regularly but no longer did so were able to revert to their previous saving behaviour because they had taken part in the Saving Gateway. Children and families were also key motivators and new savers were likely to have children under-16 years.

Almost equal proportions of participants had saved or invested as spent their savings from their Saving Gateway account. This is broadly in line with participants' declared intentions on account maturity. Those who had saved or invested the money had either kept it in the Halifax's Liquid Gold account (34%) or transferred it to another savings account.

The majority of people who kept the money from their Saving Gateway account in a Liquid Gold account had done so simply due to inertia. A quarter said it was because of a high interest rate, whereas in fact Liquid Gold had a relatively low interest rate compared to some other savings accounts. This suggested a lack of understanding about interest rates or perhaps a lack of clear information about the account details. The qualitative research identified two typologies of Liquid Gold savers – those who were not used to saving and those who had existing savings and had forgotten they were taking part in the Saving Gateway scheme.

Participants with children under-16 were more likely to have spent the money accumulated in their Saving Gateway account, but they were also more likely to have continued to save, tending to save regularly for a purpose. Pre-existing savers were more likely to have saved or invested all of the money, along with those aged 55 plus and those who saved for the long term.

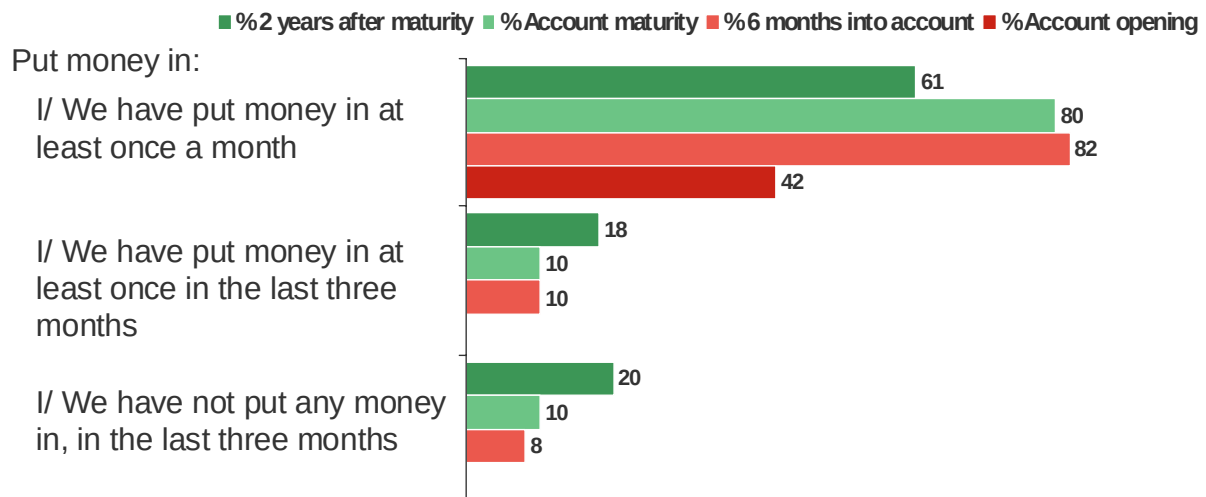
Changes in saving behaviour

At the time participants first opened their Saving Gateway account, two in five (42%) were regular savers in that they reported putting money in their savings account **at least monthly**. This proportion increased significantly - almost doubling - during the lifetime of the Saving Gateway accounts (Figure 1). Though some participants did not continue to save regularly, 61% of participants were still saving regularly two years after the pilot ended, despite no longer being offered a generous match.

Indeed, a majority - 61% - said they were committed to saving on a regular basis, including 46% who said they were committing to saving around the **same amount each month**. Couples with children and women were more likely to save the same amount regularly (53% and 49%, respectively, compared with 46% overall). By contrast, participants living in single person households were most likely to say they did not, or were unable to, save regularly (49% compared with 36% overall).

Figure 1: Regularity of savings deposit

Q Which of the following BEST describes how often you (and your partner/spouse) have put money into your savings account(s) in the last three months?



Base: All Saving Gateway account holders; 2 years after maturity (958), Account maturity (1002), 6 months into account (776), Account opening: (894)

Figure 1: Please note that the research at the time of the opening of the accounts only asked if participants deposit money in their savings account(s) at least once a month.

Analysis of changes in behaviour at the individual level (as opposed to the group of participants as a whole), showed a positive change in saving behaviour among three in ten participants (Figure 2): 28% of participants were irregular savers prior to the Saving Gateway scheme but were saving at least monthly two years after the accounts matured, and an additional two percent were new regular savers two years after account maturation, having not saved at all prior to having a Saving Gateway account. A further 30% of participants were regular savers two years after account maturity, but had also been saving at least monthly before opening their accounts; their saving behaviour had therefore not been altered⁴. Of those saving regularly at wave 3, 50% had been irregular or non savers prior to taking part in the Saving Gateway⁵.

⁴ Please note that this information is based on the number of individuals in the follow-up research who Ipsos MORI have baseline data for (N=894).

⁵ Please note that those saving regularly in the follow-up research represent 60% of the matched sample. Therefore, *new* regular savers equate to 30% of the matched sample.

Figure 2: Changes in saving behaviour between account opening and two years after account matured

Two years after account matured					
Account opening		Not a saver	Irregular Saver	Regular Saver (at least monthly)	Total
	Not a saver	0.4%	0.7%	2.0%	3.1%
	Irregular Saver	2.3%	9.4%	28%	41%
	Regular Saver	1.3%	26%	30%	56%
	Total	4%	36%	60%	100%

Again, the key discriminating factor in explaining changes in saving behaviour was the presence of children under 16 years at the time the Saving Gateway account was opened: participants with children under 16 were more likely to have **developed** regular saving behaviour since taking part in the Saving Gateway scheme. Those who were saving regularly two years after the scheme, where they did not before, were also more likely to:

- save the same amount each month;
- not have any debt;
- attribute changes in saving behaviour to participating in the Saving Gateway scheme.

A typology of savers and associated saving behaviour

Analysis of the data from in-depth interviews suggested that there are three different types of savers and **saving behaviours**. The groups identified were:

- **“Short-term” savers** - These tended to be people with no history of, or interest in, saving prior to taking part in the Saving Gateway scheme. They would typically have saved regularly during the scheme, viewing the government match as a strong, yet temporary incentive. However, they would not think of transferring their matched-funding to another savings account on account maturity, as typically they were not motivated to continue saving using ‘regular’ saving accounts and products.
- **“New savers”** – These were people who saved sporadically, if at all, prior to participating in the Saving Gateway. Before the scheme, their behaviour would often be similar to “short-term” savers, however they would be more likely to successfully complete the 18 months scheme without withdrawing money and to continue saving regularly after the scheme ended, often opening a new account or choosing new financial products.

- **“Committed” savers** – These were people who recognised and wanted to take advantage of the generous terms of the scheme – a few were even willing to borrow money from relatives in order to deposit the maximum amount into the Saving Gateway account. They were more likely to have already had a savings account prior to participating in the Saving Gateway scheme and were more likely to transfer their money to a new savings account offering the best interest rate once the scheme finished.

Of all saver types, the scheme had the most significant effect on the behaviour of “new savers”, who were not regular savers prior to taking part in the scheme. Qualitative interviews suggest that although people in this group were not necessarily saving in greater amounts after the Saving Gateway scheme, they were saving **more regularly**.

By contrast, the scheme appears to have had little effect on “short-term” or “committed” savers. “Short-term” savers were likely to have relapsed into their original behaviour of sporadically or never saving, while “committed” savers would likely have saved their money regardless of the Saving Gateway scheme, which merely served to reinforce their pre-existing habit.

Active versus passive savers

A further distinction could be made between those who actively sought out new savings products and shopped around for higher rates of interest following the Saving Gateway scheme, those who passively continued the same regular saving routine in one or two types of savings product and those that became disinterested and often forgot about the money they had saved. The active savers tended again to be those “new savers” that had undergone some attitudinal change but also tended to be the younger end of this group, generally under 45 years old.

Reasons for continuing to save

Amongst the “new savers”, who continued to save after the Saving Gateway scheme ended, the qualitative interviews revealed a range of reasons for doing so. These were split between those who continued to save for short-term gain, with examples ranging from acquiring small items such as electronic goods through to larger treats like holidays, and those saving for the longer-term. Even among savers with a long-term focus, there were those with specific outcomes in mind, such as housing repairs or paying off the mortgage, while others had less defined long-term reasons such as their children’s futures or saving for a rainy day.

The different saving behaviours and reasons for continuing to save post the Saving Gateway reflected the differing levels of saving attitudes. “New savers” with immediate goals in mind were aligned to the “short-term” view, while those who thought of their children’s futures or some vague, unspecified need were closer to the “committed” outlook. In the *“Attitudes towards saving”* chapter of this report, we discuss how these more committed savers, saving for less defined long-term outcomes, were more likely to be *proven converts* – the subset of “new savers” who would be most likely to keep up their saving in the years to come.

The qualitative interviews also highlighted possible explanations for participants becoming “new savers” and continuing regular saving, as opposed to “short-term” savers, reverting to their previous sporadic or non-saving behaviour:

- Firstly, there were specific turning points that many “new savers” experienced. These were changes in attitude that people who had never saved regularly before attributed directly to participation in the scheme, and included things such as realising for the first time that they could **afford** to save regularly. This was the key difference between

“new savers” and “short-term” savers. These turning points are discussed in greater detail in the *Attitudes towards saving* chapter of this report.

- Secondly, there were those participants who had previously saved regularly but no longer did so by the time they took part in the Saving Gateway, due to various reasons such as debt or illness of a partner. For these people, the scheme did not change attitudes towards saving, but simply acted as a reminder to them of their earlier regular saving behaviour and allowed them to revert back.

‘I think it made me feel guilty that I wasn’t saving. It made me think, well I should be doing it because it’s not very much, why am I not just carrying on? But it did just allow for me to then get my act together and sort it out’

Female, Cumbria

- Thirdly, participants with children and those who underwent life changes such as starting a family were more likely to have changed their behaviour and become regular savers. Children often appeared to be catalysts for regular long-term saving, with several participants wanting to put aside money for their children’s futures. In addition, there were instances of a life change, such as becoming a parent, coinciding with the Saving Gateway scheme, which led participants to *become* regular savers. In these cases, involvement in the scheme had not started participants’ saving per se, but had a positive impact in terms of making saving an option while changes in personal circumstances had been the trigger.

‘Well yeah, I’m saving more now, so we have like for instance we have a Child Trust Fund... there’s more money that’s going towards his [the child’s] savings accounts’

Male, Cambridgeshire

Reasons for not continuing to save

In the qualitative interviews, savers who stopped saving regularly after the Saving Gateway matured gave several reasons for doing so. These typically included not having enough money to afford to save, life changes for the worse since the scheme ended such as job loss, or wanting to stop saving and enjoy the money they had accumulated in their lifetime. The latter applied to those aged 55 or over who were retired or had retired since the scheme ended. These tended to be “committed” savers who now wanted to enjoy their retirement.

The argument of not being able to *afford* to save typified “short-term” savers. In the interviews with these participants there appeared to be a contradiction in that while many said that they could not afford to save, they had been able to find the money to put the maximum, or at least a large amount, into their Saving Gateway account each month. Indeed, there were a number of “short-term” savers who did not acknowledge that the majority of the money they had in their Saving Gateway scheme account at maturation was not given to them by the government, but had been placed there by their own efforts. In this sense, these savers were not making the link between their own actions and the money accumulated within their accounts – they could only visualise it in terms of the ‘added’ value from the government match. This, again, highlighted the difference between “short-term” savers whose attitudes did not change as the result of taking part in the scheme and “new savers” who often said they learnt through the Saving Gateway scheme that they could afford to save each month.

'I think I saved about £400 [in the Saving Gateway account]... I was just in it for the money to tell you the truth... I can't see the point [of continuing to save], not in my situation I can't really see the point. Because we're not earning that much, we're not on big wages'

Male, Manchester

Saving intention versus saving behaviour

Six months into the Saving Gateway scheme, participants were asked if they intended to continue saving after the scheme finished. While some participants said that they intended to save and managed to keep their intention, others had not continued to save despite stating that they would. Among these there were a few who had experienced an unexpected change in circumstances, such as losing their job or experiencing a rise in their costs of living. For these participants, saving intentions from this point onwards were highly uncertain. There were also participants who claimed to have changed their attitude towards saving but had not yet changed their behaviour to match. When asked, this latter group still said they intended to save regularly in the future. This group typified a subset of "new savers" called *possible long-term changers*, discussed in the *Attitudes towards saving* chapter of this report.

'I just thought oh gosh I went to start, what was it 2006 and I was like what 28 and I was like, oh why bother, there's no need, just I'm young let's spend it and do whatever. But you can't really can you? I'm matured a bit after this'

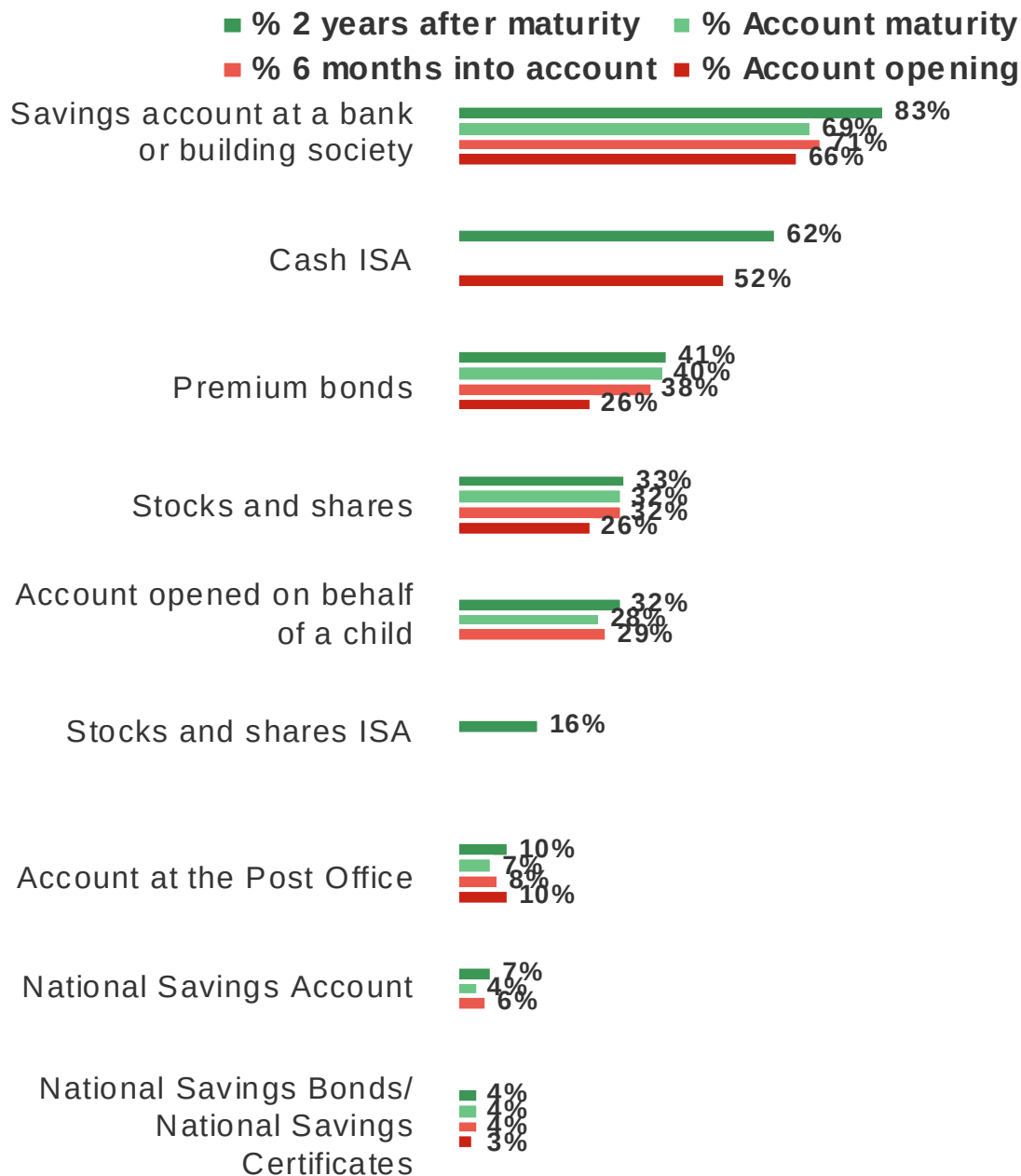
Male, Manchester

Savings and investment portfolios

Two years after the scheme ended, participants' savings and investment portfolios had expanded compared to when they first opened their Saving Gateway account (Figure 3): 83% said they had a savings account at a bank or building society, rising to 91% among new regular savers, compared with 66% at the opening of the Saving Gateway account. Three in five (62%) had a cash ISA – an increase of ten percentage points since account opening. Those who had been regular savers throughout the research were more likely to have had an ISA (70% said this).

Two years after the Saving Gateway, just four percent of participants said they did not have a savings account, while two in five (40%) did not have investments. Three percent had **neither** a savings account nor investments.

Figure 3: Savings and investments



Base: 2 years after maturity: Saving Gateway pilot account holders (1002); Account maturity: Saving Gateway pilot account holders (1002); 6 months into account: Saving Gateway pilot account holders (776); Account opening: (894)

*Please note research six months into the account and at the time of account maturity did not ask about Cash ISAs.

Participants in East London and Manchester were less likely to have had investments than participants in other areas, as were single adults compared to adults with partners. East London participants were more likely to be single whilst Manchester participants had a higher than average number of single parent families, who had the lowest incomes. As would be expected, participants who were saving for the long-term were more likely to have investments.

The qualitative interviews revealed the variety of different financial products that participants had acquired since the Saving Gateway scheme ended. Particularly popular were ISAs,

bonds and combi-bonds, and high-interest savings accounts. Other mentions included web saver accounts, Post Office accounts, National Savings and Investments, pensions and work saving schemes.

There were various motivations behind choosing these products. The most common was a high rate of return, with many new regular savers noting ISAs as particularly good options because they are tax-free. Also important was convenience and ease of physical access, with many people withdrawing money from the Halifax and depositing it in a savings account in a bank which they already used or for which the branch was easier for them to get to. Online savings accounts were noted for their convenience as well as their often high interest rates.

Current accounts and informal savings

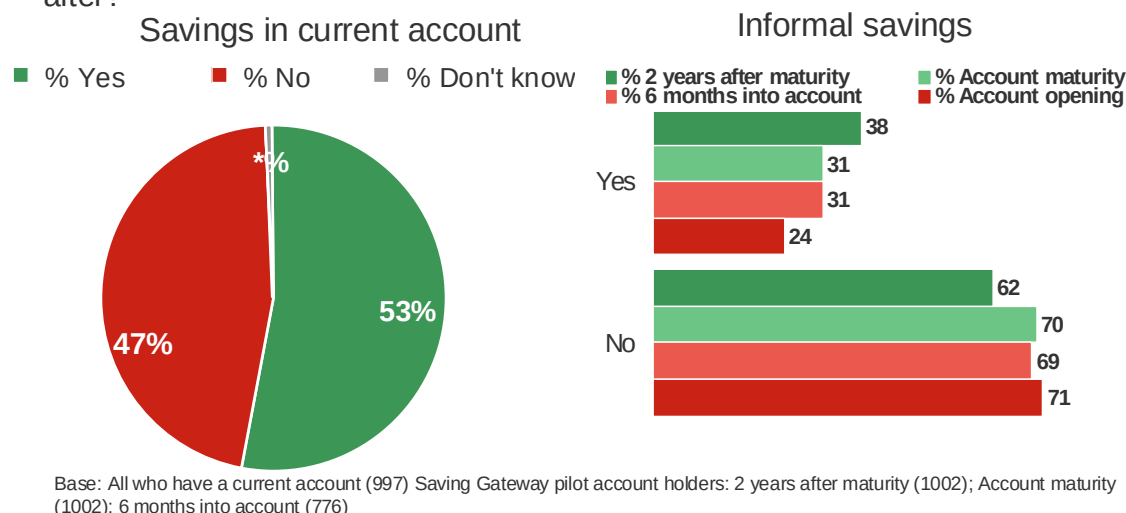
Two years after the Saving Gateway scheme ended, almost all participants had a current account or a basic bank account - 98% - and this has remained unchanged since participants first opened their Saving Gateway accounts. Over half (53%) said they deliberately set aside money in their current account which they did not intend to spend immediately, rising to 62% among participants who saved regularly (thus indicating that some of this money was earmarked for saving).

In addition to these formal channels, 38% also used more informal means to save such as putting money in jars, envelopes or giving money to family and friends to look after (Figure 4). This form of saving had increased since participants first opened their Saving Gateway account, when just a quarter (24%) reported saving in this way. This increase may be related to participation in the Saving Gateway scheme; whilst the intention was to encourage formal saving, informal saving may be a step towards this, or it may reflect a feeling, indicated in some of the qualitative interviews, of a greater public distrust of financial institutions following the recent difficulties that they have experienced. Women and people with debts were slightly more likely than average to use informal means of saving (41% and 43%, respectively, compared with 38% overall).

Figure 4: Current accounts and informal savings

Q Do you deliberately set aside money in your current account which you do not intend to spend immediately (i.e. to be used as savings)?

Q Do you and/or your spouse/partner save money in any other ways, for examples in jars or envelopes, or by giving money to a friend or relative to look after?



Participants in the qualitative interviews also mentioned a number of less formal methods of saving, such as using interest-free Christmas Clubs, using coin jars and holding money in safes or just in envelopes under the bed. Generally, these would only be methods of short-term saving, for items to buy in the following week or for larger spending like holidays.

Male: I save all the coppers and things in that [jar] so that pays for us to go on holiday for every year, believe it or not... When I get home I just empty all the shrapnel out and then put £1 coins or a £2 coin, whichever I've got.

Female: But these are the kind of savings we're not putting away... it's something we use.

Cambridgeshire

Among the "new savers" that changed their behaviour after the Saving Gateway scheme, some of these informal methods of saving would often continue alongside new, more formal saving methods, with the latter being used exclusively for longer-term unspecified saving.

Debts

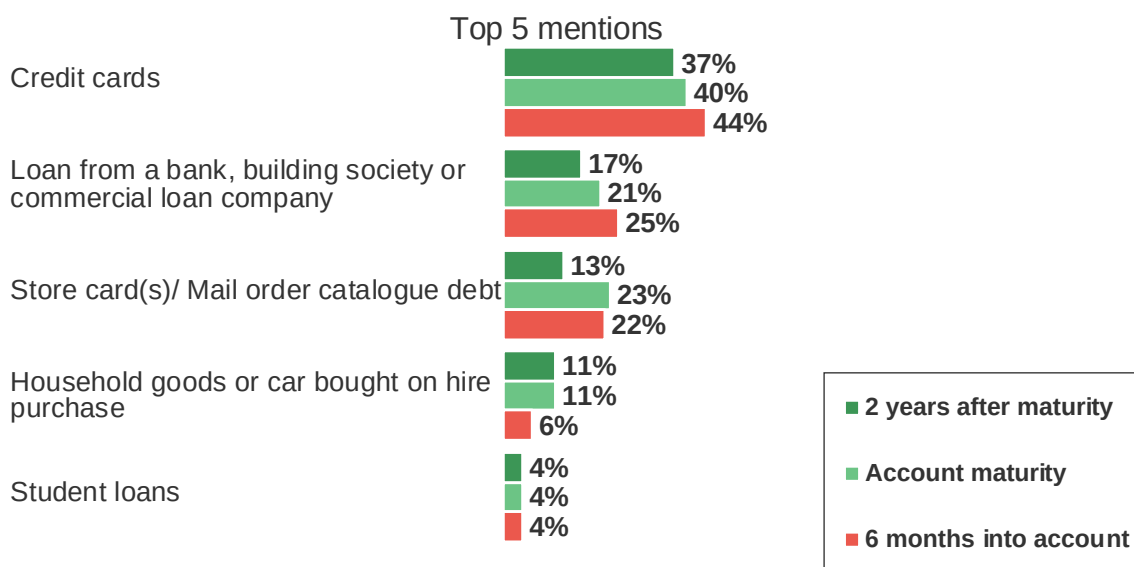
Encouragingly fewer participants reported having debt than in previous research: 46% said they had no debt two years after the scheme ended compared with 38% six months into the account and on account maturity. Credit card debt, bank or building society loans and store cards or mail order catalogue debt have all witnessed a decline (Figure 5). Credit cards remained by far the most common type of debt (reported by 37%).

Couples **with** children were particularly likely to have debt, especially credit card debt (71% had some form of debt, and 50% had credit card debt). Those who had been regular savers throughout the research were more likely to have had debt from household goods or a car bought on hire purchase which tends to attract lower interest charges.

The gradual trend away from debt was reflected in participants' current attitudes: 84% said they preferred **not** to buy things on credit and 88% said they were never late paying their bills. Non-savers at the time of research two years after account maturity, however, were most likely to **disagree** (28% and 26%, respectively).

Figure 5: Patterns of debt over time

Q Excluding any mortgages, do you (and your spouse/partner) currently owe money on any of the following...?



Base: Saving Gateway pilot account holders: 2 years after maturity (1002); Account maturity (1002); 6 months into account: (776);

In the qualitative interviews, participants reported they have moved away from relying on debt to using savings as a result of taking part in the Saving Gateway. Explaining this, one participant said that the scheme taught him that he could save up to buy items, rather than buying them on credit or using an overdraft facility, and that saving was the cheaper option in the long-run.

‘Well I’m someone that used to deal with current accounts... but having a savings account means that you can save up for things you want to buy and you can buy more things by saving instead of paying up to 30% interest on some of these goods’

Male, Cambridgeshire

Patterns of saving and debts over time

In order to gauge the effects of the economic slowdown (the survey took place during November 2008 and January 2009), participants were asked how their saving and debt levels compared with **three months previously** (Figure 6). The majority reported that they owed the **same** amount or **less** (53% and 34%, respectively). Just 12% reported owing **more** money than three months prior.

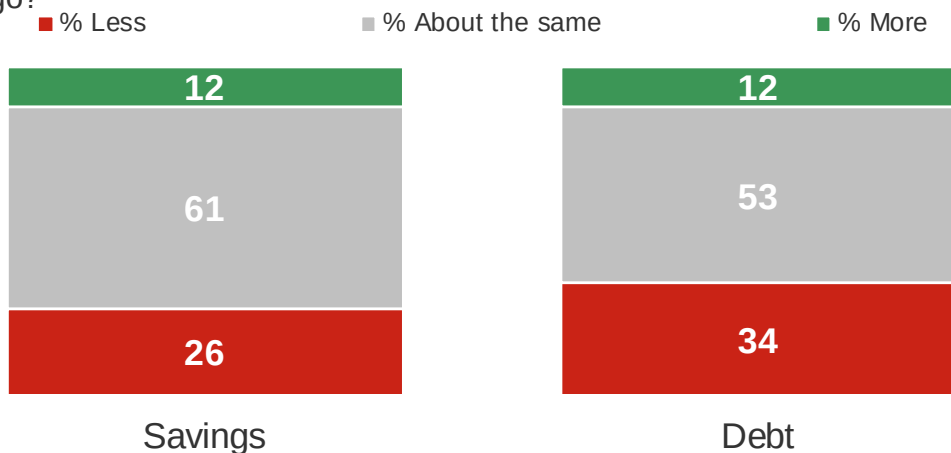
However, not all of the reduction in debt had been translated into more savings: just 12% said they were saving **more** than three months ago – this was significantly less than the 34% who reported owing less money. A quarter (26%) were saving **less** but the majority – 61% - were saving the same amount. Participants who did **not** save regularly or who saved variable amounts were more likely to be saving less than three months prior to follow up fieldwork (36% and 37%, respectively).

Figure 6: Savings and debt over the past three months

Q And thinking back over the last three months...

a) Would you say that you are saving more or less now than you were three months ago?

b) Would you say that you owe more or less than you did three months ago?



Base: Saving Gateway pilot account holders (1002), fieldwork dates: 6 November – 6 December 2008

A similar pattern emerged when participants were asked about a longer time frame of **two years**, when they would have been just finishing the Saving Gateway scheme (Figure 7): At the time of the follow up research, 71% said they were saving the same amount or more as two years ago and 28% said they were saving **less**.

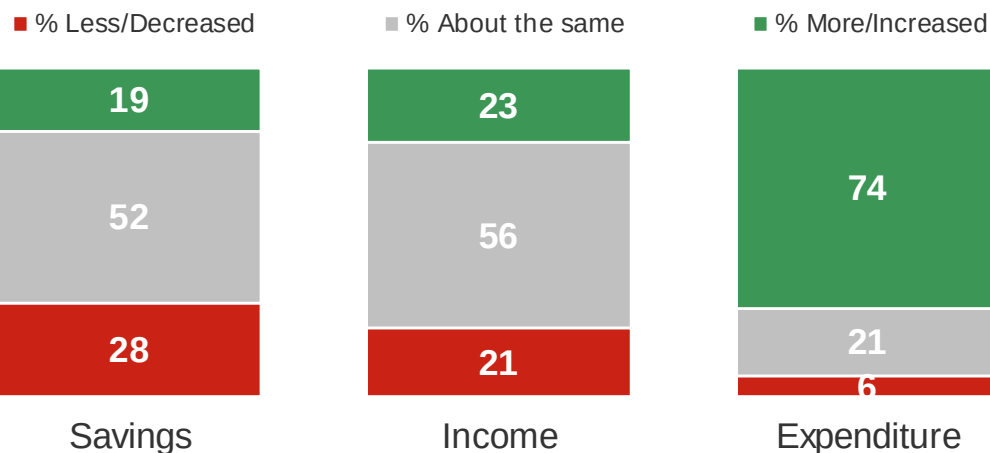
During this period, 56% reported that their income was unchanged (after accounting for inflation) and almost equal proportions said that their income had increased as decreased: 23% said it had increased and 21% said it had decreased. Men were more likely to say their income had increased (27%), while non-savers were more likely to say their income had decreased (35%). A third (32%) of those who said they were saving less also said that their household income had decreased in the past two years.

The most significant trend reported by participants during this period was the rise in the cost of living: 74% said that their outgoings had increased over the past two years and this had impacted on people's ability to save. For example, 84% of those who were saving less said their outgoings had increased compared to two years ago.

Figure 7: Savings, spending and expenditure over the past two years

Q And thinking back over a longer time frame of the past 2 years. Over the past 2 years, would you say that you are saving more, less or roughly the same amount?

Q And thinking back over a longer time frame of the past 2 years. Over this period, has your household income/expenditure increased significantly, decreased or stayed roughly the same?



Base: Saving Gateway pilot account holders (1002), fieldwork dates: 6 November – 6 December 2008

The qualitative interviews also revealed that participants, in general, did not feel that the current economic climate had impacted on their patterns of saving. Instead they tended to focus on the higher costs of living. The reason for this may be that fieldwork was undertaken slightly before the worst impacts of the recession were felt or simply because many of those that were interviewed did not think that this was something that would impact them directly.

Use of Total Savings

Almost equal proportions of participants said they had saved or invested their total savings and match, as spent it (41% and 39%, respectively). A further 17% had spent some and saved some. Overall, actual behaviours were broadly in line with participants' intentions at maturation of the accounts; although slightly more of those who thought they would save some of the matched funds actually ended up spending all.⁶

Couples with children were most likely to say they had spent their entire Saving Gateway savings (47% compared with 39% overall); this was in line with this group's tendency to save for a particular expenditure in mind. This group were also more likely to continue to save following account maturation. Linked to this, women were more likely to have spent all of the savings accrued through the Saving Gateway scheme (41%). By contrast, participants who

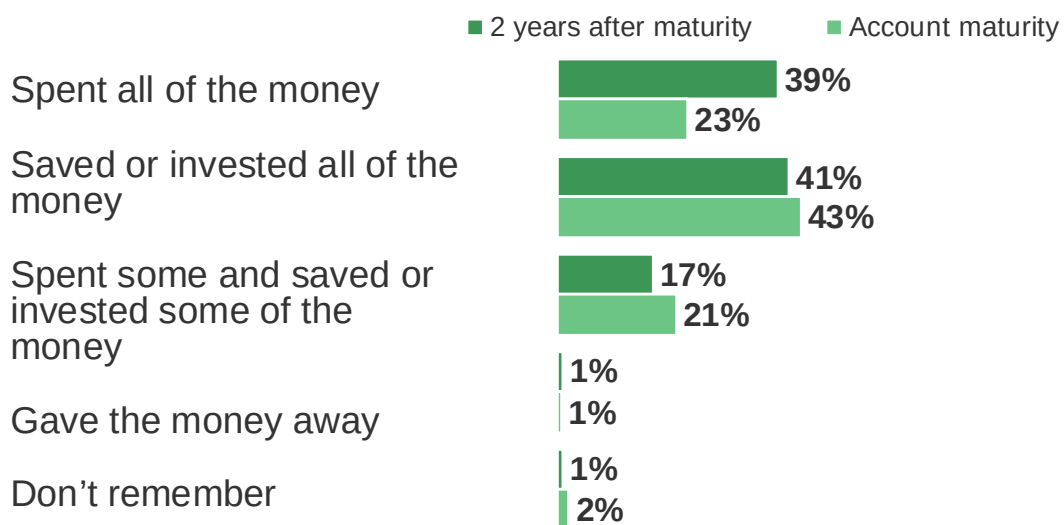
⁶ Based on participants' intentions at research when accounts matured. At this time some, but not all, participants may have already spent or saved their money.

saved for the long-term were more likely to say they had saved or invested all of the savings (59% compared with 41% overall).

Participants in Manchester were less likely than those in other areas to save or invest their money (34% compared with 41% overall). Again, this might have been due to the larger number of single parent households in this area who were more likely to have spent their Saving Gateway money.

Figure 8: How the Saving Gateway total savings was spent: intention versus actual

Q Please can you tell me what you did with the money that you had saved in your Saving Gateway account? Have you ...?

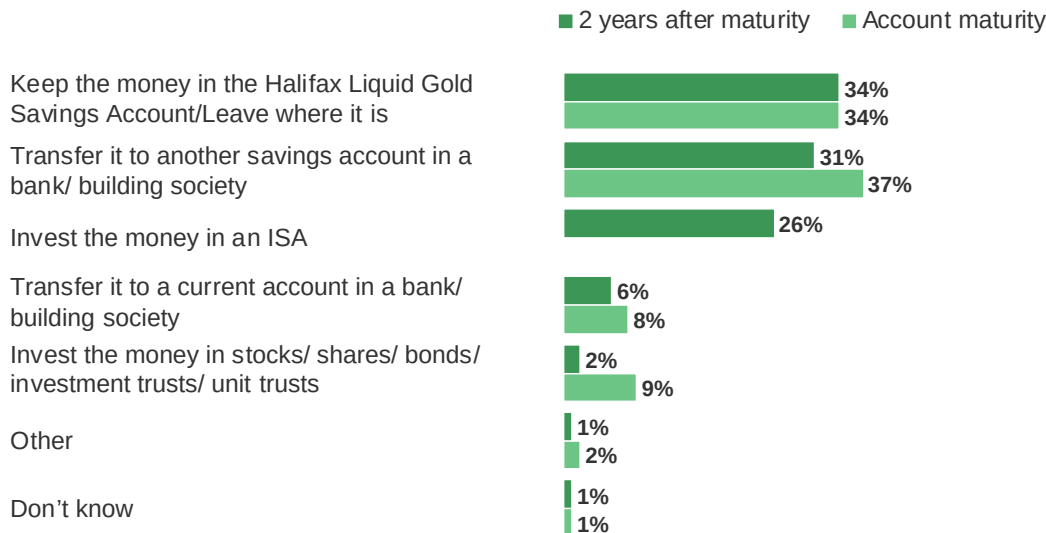


Base: 2 years after maturity: Saving Gateway pilot account holders (1,002); Account maturity: Saving Gateway pilot account holders (1,002)

Of those who spent some or all of the savings accrued through the Saving Gateway scheme, three in ten (29%) spent it on a holiday, and one in five (19%) made home improvements or bought items for their home. One in eight (12%) used their total savings to pay bills or for day-to-day expenses. As shown in figure 9, for those who saved or invested all or part of their money, keeping it in Halifax's Liquid Gold account or transferring to another savings account were the most popular options (34% and 31%, respectively). A quarter (26%) invested in an ISA.

Figure 9: How the Saving Gateway total savings were re-invested

Q How did you save or invest the money when your Saving Gateway account finished? Did you ...?



Base: Saving Gateway pilot account holders who saved or invested SG money: 2 years after account maturity (584); Account maturity (631) *Some accounts had not matured at this time, and so participants were asked what they *would do* with their total savings.

On account maturity, any savings accrued through the Saving Gateway scheme that had not been withdrawn were automatically transferred into the Halifax's Liquid Gold account, which paid an interest rate lower than some other savings accounts. A third of participants who saved all or some of their money (34%) kept it in the Halifax's Liquid Gold account, rising to 45% among participants in Manchester and single people with children (48%) (who were also predominantly women). The most common reason for keeping the money in this account was inertia: 67% of people who kept their money in a Liquid Gold account said they could not be bothered or did not have time to do anything else. However, a quarter (25%) thought it provided a better rate of return, indicating a need for more information about saving options on account maturity.

The qualitative interviews gave an insight into the diverse ways participants used the total savings that they had placed into the Saving Gateway account. Many "new savers" opened up and transferred the total savings to new savings accounts. Others simply transferred the money to their existing savings accounts in different banks for the convenience of having all their money in one bank. There were many cases of "new savers" choosing to spend some of the money as a reward for their efforts during the scheme and to save the rest. In other instances, participants still held the money in the same Halifax Liquid Gold account.

Characteristics of Liquid Gold savers

As noted above, when the Saving Gateway accounts matured the money was automatically transferred to a Liquid Gold account, unless the participant chose to withdraw or move the money into a different account. The qualitative interviews highlighted the types of savers that were likely to keep their total savings in the Liquid Gold account. On the one hand, there were 'passive savers' who were generally disinterested in financial engagement or in shopping around for higher interest rates. Among this group, some already had other primary savings accounts and simply forgot about their Saving Gateway money. In addition, they often assumed that the Liquid Gold account would have an interest rate similar to other savings accounts and tended not to read any letters sent by Halifax on account maturity.

'In fact I think it's still sitting in the Saving Gateway account because I think it then converted to a normal account so I just left it there. I think the interest rate was comparable with other building societies so I just left it there'

Female, Cambridgeshire

In a number of instances, these passive savers eventually realised, through bank statements, that they would be able to obtain a higher interest rate in a different savings account. However, in other cases participants still appeared to be unaware that some other savings accounts offered a higher rate of interest.

Whether a passive saver moved their total savings from the Liquid Gold account also appeared to have depended on the extent of Halifax's involvement at maturation. There were a number of participants who claimed that Halifax staff advised them to move their money out of the Liquid Gold account, while others received no guidance from the bank and felt that they were left to their own devices. Passive savers were more likely to feature in the latter group and subsequently left their money in the Halifax Liquid Gold account.

Distinct from passive savers, there were other "new savers" who were typically disengaged with banks and formal saving prior to the Saving Gateway. These informal savers were also more likely to have left their total savings in the Liquid Gold account and to have lost track of it altogether. Unlike passive savers, however, this was not because of a lack of interest in financial engagement, but more related to lack of experience with financial institutions. Moreover, although these participants may have left their money in the Liquid Gold account, the scheme had still impacted on their attitudes to saving, leaving them as *possible long-term changers* (see 'Attitudes towards saving' chapter for more detail), who may yet become more financially engaged.

It was clear that there were a number of people who had, for one reason or another, not taken the opportunity to maximise the return from the savings accumulated through the Saving Gateway scheme. Whilst there were those who did feel that the process of going through the second Saving Gateway pilot had educated them and led them to ensure that they strove to shop around and consider interest rates on offer, for others, there had clearly been no impact. Participants felt that there was an opportunity, moving forward, for the scheme and those administering it to provide more information for savers on 'life after the Saving Gateway scheme'.

Attitudes towards saving

Attitudes to saving

The Saving Gateway was highly popular among participants and nearly all would recommend it to a friend. A majority (60%) felt that they saved more regularly, 69% were able to plan ahead, and 52% had a better understanding of financial products as a direct result of their participation in the scheme. More agreed than disagreed that they had more confidence in financial institutions. Participants were divided on whether they had since cut back on their spending in order to save, though more agreed compared to when they were surveyed on account maturity.

Participants often cited certain attitudinal shifts, or turning points, attributable to Saving Gateway as the reason for starting and continuing to save regularly. These included starting to have the confidence to save, starting to get a sense of achievement from saving and realising that saving up for purchases is cheaper than buying on credit or with overdrafts. Some participants became complete *proven converts*, immediately saving regularly, while others became *possible long-term changers* who intended to save regularly in the future.

A popular scheme

Most participants said that taking part in the Saving Gateway scheme had had a positive impact on their attitudes and saving behaviour. For example, 60% said they saved more regularly as a result of the Saving Gateway scheme, rising to 71% among new regular savers (i.e. people who were not saving regularly prior to the Saving Gateway scheme but were two years after maturity). Some subgroup differences emerged: Cambridge participants and those not working were more likely to disagree (42% and 35%, respectively compared with 32% overall).

Nearly all participants (98%) would open another Saving Gateway account if offered. Participants in East London (where the match rate and contribution limit meant that participants were able to obtain less match payment than in other pilot areas) and those who did not save at all were more likely to say they would **not** (6% and 9%, respectively). Almost all - 99% - would recommend the scheme to a friend. Evidence from the qualitative element of the research indicated that participants were very positive about the impact of the Saving Gateway scheme, both in terms of the financial reward, and on their actual experience of saving. As such, the majority were keen to see the scheme continue on a wider scale. There was a strong feeling that, for people on benefits and lower incomes, the scheme had the potential to make a real difference, both in the short- and long-term.

In the short-term, participants felt that the scheme offered a relatively straight forward opportunity for savers to accumulate a significant sum of money. Longer-term, participants were encouraged by the potential the scheme had to educate savers about saving and the workings of financial institutions, whilst also feeling that the scheme was one which helped members get into a saving routine, and develop a habit that had the potential to continue and become a permanent fixture.

Savers were also positive about other benefits afforded by participation in the scheme, such as an introduction to financial institutions and interest rates, saving for others, a sense of achievement and the discovery of 'will-power' within themselves. Similarly, the scheme led many to look at financial institutions, saving concepts and products in a different light.

Changing attitudes to saving

Many participants' attitudes towards finances changed during and after the period in which they were involved in the Saving Gateway scheme. In many cases the Saving Gateway account was the principle or only trigger, though in a small number of cases other developments also had an impact on saving and borrowing behaviour.

“New savers” were the most likely to become long-term *proven converts*, this is those who realised and acted upon an ability to save after being part of the Saving Gateway. Proven converts found that their own success in managing to save in a Saving Gateway account made them feel more confident about their ability to be able to save in the future. In many cases participants had previously believed in the value of saving, but had not realised that their income and own self control were sufficient to allow them to save regularly.

A number of participants who had previously only saved for short-term benefits, claimed to have started saving in the longer term either for specific things that they could not have previously bought, or to have a rainy day fund or nest egg that they could call upon either when needed (due to unforeseen circumstances) or when they wanted to buy themselves a treat.

“Committed” savers continued to believe in the value of saving even after their Saving Gateway account had closed.

Factors impacting changing saving attitudes

Participants' attitudes to saving were often shaped by a number of factors: the experience of having the Saving Gateway account was key to many along with other factors such as changes in participants' personal circumstances. The most commonly mentioned factor was an increased level of confidence in their ability to save and to continue saving in the future.

‘Actually, because I’ve been saving it actually feels like it is possible. When you’re doing stuff you normally think, well I would like to do it, but in the back of your mind you think it’s never going to be possible. But as I’ve seen, even though it’s a little £50, it does, it does add up’

Female, London

There were some participants for whom the ability to save had a major impact on their lives by giving them a new sense of achievement. For example, one man who was too ill to work said that his saving had increased his general confidence.

Even those saving purely for short-term benefits found that they could improve their financial situation by saving. One participant attempted to save for a long-term nest egg but found that she had to spend the savings on paying for unexpected household costs that would have previously been paid for by taking on more debt.

In some cases, before being part of the Saving Gateway scheme participants had been forced to stop saving because their costs of living had risen or their circumstance had changed, for example, the birth of a child. However, the Saving Gateway scheme had encouraged some of these lapsed “new savers” to re-start their saving.

However, a number of participants did not change their attitude towards saving as a result of taking part in the Saving Gateway scheme. In some cases this was because they felt that the

savings that they had accumulated were unsustainable. For example, one saver said that she had cut back on food and utility in order to save. She felt that there was no reason to continue doing this once she had stopped receiving the rate of return that had been available in the Saving Gateway scheme.

The depth interviews revealed a number of different “trigger points” that could affect participants’ attitudes towards saving. These included;

- having children and the desire to save money to help them later in life.
- concerns about someone in the family becoming ill.
- concerns about a family member losing their job.

In these cases, participants were more likely to believe in the importance of saving than previously.

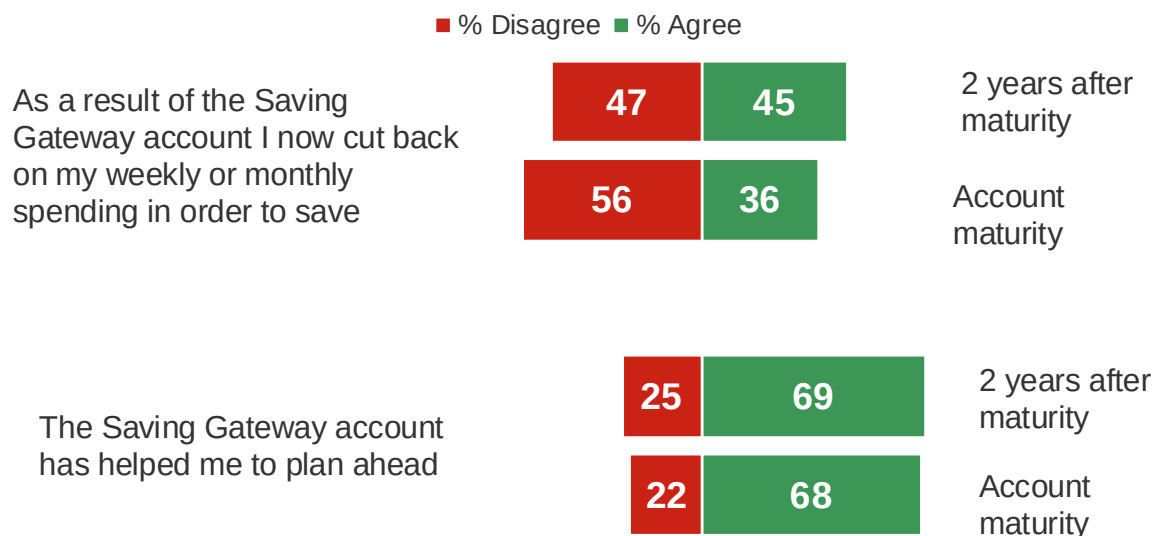
Cutting back on spending

Participants were divided on whether the Saving Gateway scheme had disciplined them to cut back on their weekly or monthly spending in order to save: 45% agreed and 47% disagreed. However, more believed that it had helped them to cut back compared to when they were surveyed on account maturity two years previously (36%). Many found that by changing their day-to-day spending behaviour they could increase the amount of money they had available for saving. For example, there were participants who increased the value of their savings by shopping around for bargains as a means of saving money, while others felt that they could save money by cutting back on luxuries.

Seven in ten (69%) agreed that the Saving Gateway scheme had helped them to plan ahead; a quarter (25%) disagreed. Participants in Cumbria and new regular savers were most likely to agree (74% and 76%, respectively).

Figure 10: Perceived impact of the Saving Gateway on attitudes and behaviour

Q Please tell me how strongly you agree or disagree with the following statements about the Saving Gateway account.



Base: 2 years after maturity: Saving Gateway pilot account holders (1002); Account maturity: Saving Gateway pilot account holders (1002)

Short-term gains versus long-term saving

The qualitative findings suggested that savers could be categorised according to whether they meant to save for short-term or longer term goals. Often those saving for short-term reasons had a specific aim in mind such as paying for a holiday or other treat, whilst those saving for the longer term had less specific intentions, such as saving for their child's future, or for a "rainy day" or a "nest egg". In many cases, participants saved for a combination of short and long-term goals. The former gave savers something to look forward to, while the latter allowed them to build financial reserves.

Understanding of financial institutions

Participation in the Saving Gateway pilot increased understanding of financial institutions for a number of scheme participants. This either occurred in specific areas such as in their understanding of interest rates, how banks work, and the types of accounts that are available, or in a more general way, with participants feeling more confident in using banks or paying greater attention to the details of financial products.

'I do feel a lot more confident with banks and building societies than I did prior to the Saving Gateway scheme, a lot happier. I'm not nervous about going back to a bank or building society – my money's as good as the next man's, and I've got some money in this bank'

Male, East Yorkshire

Often these attitudinal changes were exhibited in behavioural change as participants decided to convert their Liquid Gold account to higher interest accounts.

'I've had to go into the bank more and I've realised that they do have other products, you know? So it opened up into what you can do financially in a bank'

Female, London

In some cases, participants suggested that their participation in the Saving Gateway scheme encouraged them to shop around for the best possible interest rate that matched their needs; something they would not have necessarily done in the past. In many ways this form of active saving was mirrored in participants' spending behaviour where they were more likely to shop around for better value products.

Within the survey findings, participants were less convinced about the impact of the Saving Gateway scheme on their understanding of financial products and dealings with financial institutions though, on balance, more were positive than negative:

- 52% felt they had a better understanding of financial products as a result of taking part in the Saving Gateway scheme; 39% disagreed.
- 47% said participating in the Saving Gateway scheme had increased their confidence when dealing with financial institutions; 36% disagreed.

Figure 11: Perceived impact of the Saving Gateway on attitudes and behaviour

Q Please tell me how strongly you agree or disagree with the following statements about the Saving Gateway account.



Base: Saving Gateway pilot account holders (1002)

Intentions for the future

Findings from the qualitative research suggested that many participants were *proven converts* who had already made changes to the way they spend and save. There was also evidence that others may become *possible long-term changers*. These were people who intended to save more in the future. In general, “new savers” were amongst the most likely to be converts or possible future long-term savers. The different features of both typologies are described below using case studies undertaken during the qualitative interviews.

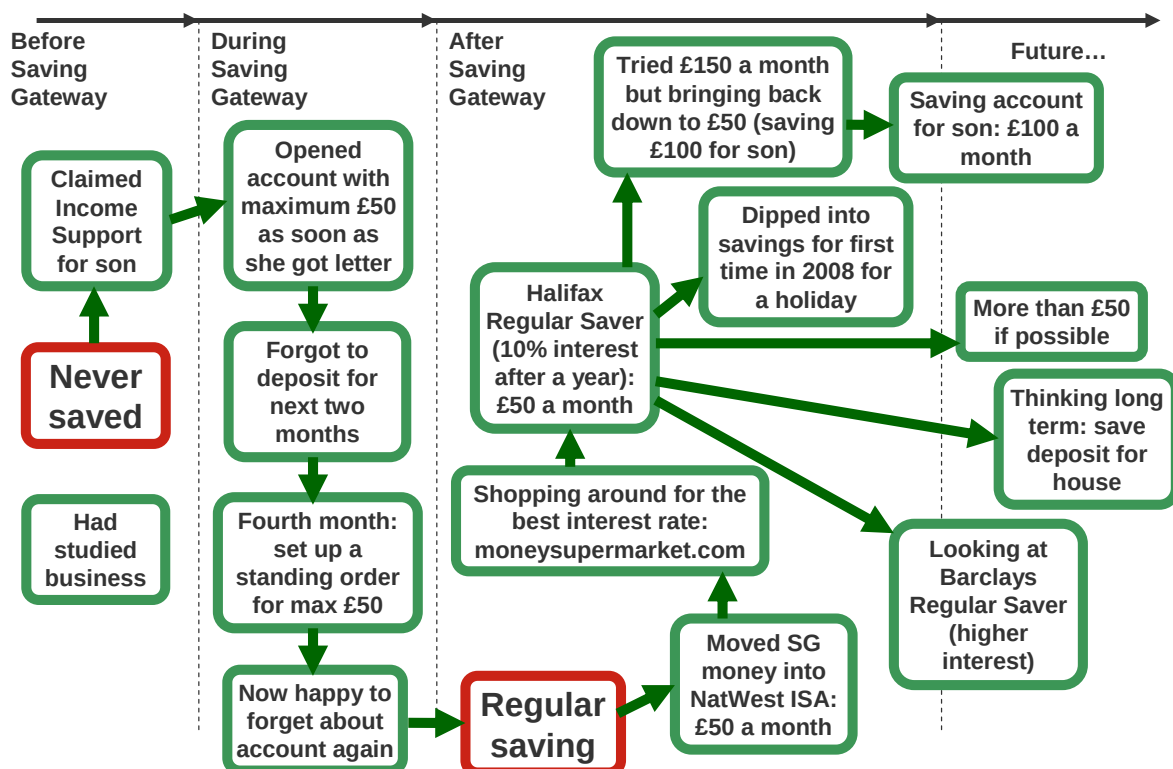
Case study 1: Proven Convert

The first chart illustrates the ‘journey’ of a *proven convert*, who had never saved prior to opening their Saving Gateway account. The participant opened a Saving Gateway account but took some time to begin paying in money. On the fourth month she set up a standing order allowing her to automatically deposit savings into her account.

She continued to save regularly after the Saving Gateway and now manages a number of savings accounts. She is in the habit of saving for short-term treats (such as a holiday) as well as a number of different long-term goals.

This saver’s efforts to investigate different types of accounts and to move money from one account to another indicate a significant increase in her awareness of the different types of savings products that are available. In the longer term, the participant was considering new forms of investment such as a property.

Figure 12: Proven Convert

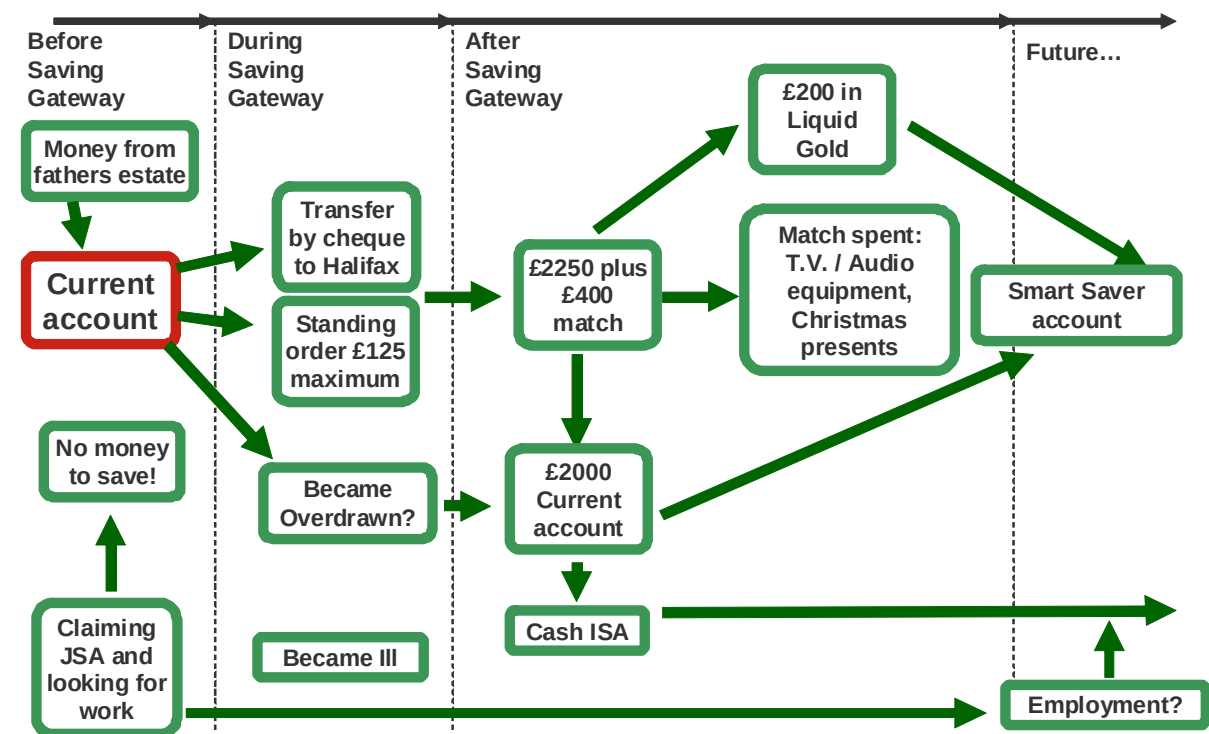


Case Study 2: Possible long-term change

This case study highlights the experience of a participant who may become a long-term saver in the future. The participant claimed Jobseekers' Allowance and believed that he had no money available to put into a savings account. Despite this, he took part in the Saving Gateway pilot and managed to place £2,250 into a Liquid Gold account by using a standing order. He used his savings to pay off his overdraft, buy new equipment and Christmas presents while some was left in the Liquid Gold account and deposited in a cash ISA which he intended to use to start a programme of longer-term saving. He also intended to open a 'Smart Saver' account using some of the funds which he had moved into his current account.

He felt that his levels of savings could also be increased significantly by finding employment in the future. In this case, there is some indication that the saver may move from a "short-term" saver to a "new saver".

Figure 13: Possible long-term change



Marketing and communication

Marketing and communication

When talking about the scheme, those who had begun saving regularly for the first time often mentioned how the scheme “matured” or “taught” them and highlighted a newfound sense of achievement. Participants felt that the match rate, the development of a saving habit, and the security afforded by government involvement were key features to emphasise in roll out of the national scheme. Television, radio and newspaper advertisements were the most commonly cited marketing channels. Venues such as Jobcentres, Benefit offices and Post Offices were also cited as avenues for reaching potential participants. Participants were also keen on the information leaflets they received about the scheme.

Characterising the Saving Gateway

Detailed discourse analysis highlighted both the different language savers adopted when discussing the scheme and saving in general, and gave insight into the nature of the relationship they described between themselves, the government and financial institutions.

Many of the terms used by participants to describe their involvement in the scheme and experiences of the scheme could parallel a *parent-child* relationship. For example, many of the “new savers” stressed that the scheme had made them “more mature”, by “teaching” them the importance of saving. They were grateful for the scheme’s support in encouraging them to save and, for some, in taking their ‘first steps’ into the world of finance. They wished to see these benefits conveyed to potential participants.

This *parent-child* metaphor could also be extended to describe some of the less positive aspects of the scheme. For example, once the scheme matured, there were savers who expressed their disappointment and felt let down by being left to ‘fend for themselves’. They felt that there was a danger that they would be unable to continue saving on their own. “Short-term” and “new savers” were most likely to express concerns about their will-power and motivation and urged the government to consider ways to encourage people to continue saving.

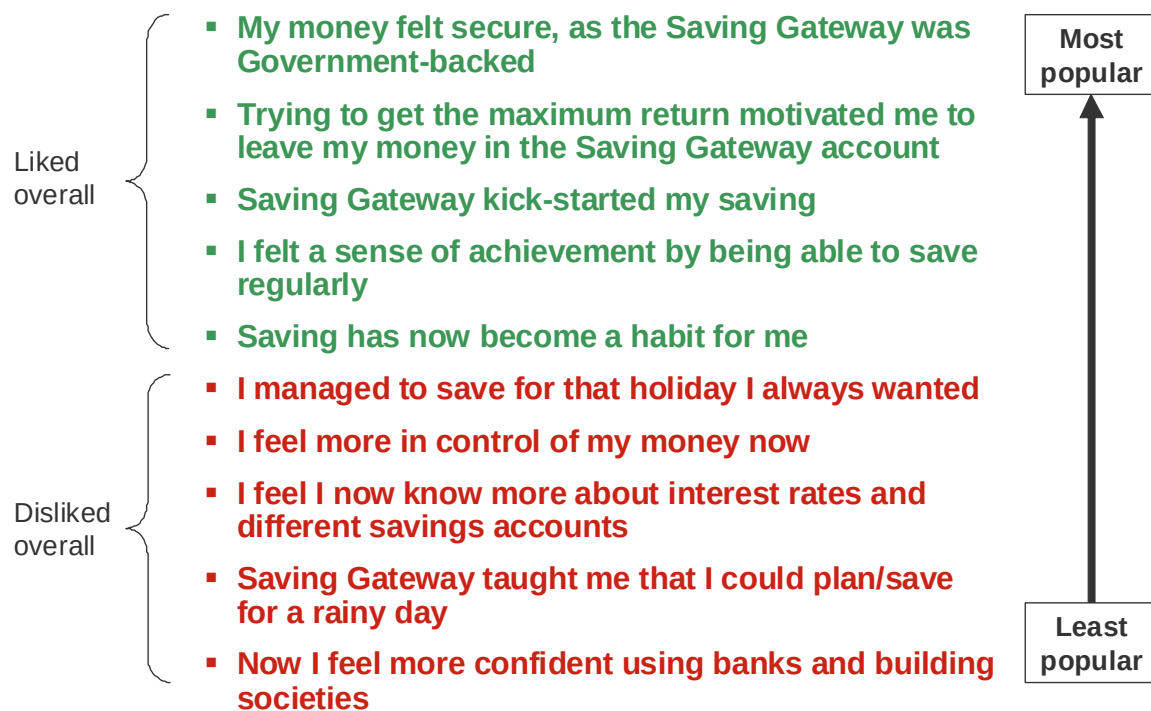
That said, almost all participants invoked ideas of discipline or control when talking about saving. Indeed, some surprised themselves at their ability to save in a disciplined and controlled manner. For these savers, it was the added incentive of what they describe as a *generous* matched rate of return, together with a desire to adhere to the ‘rules’ of the scheme which facilitated and encouraged their saving. These participants suggested this, and the ‘outcome’ of the scheme, could be a focus for any marketing. This tallied with the outcome of the ‘messages’ exercise⁷ adopted in the interviews.

⁷ Participants were given a number of cards, ten in total, each with a key ‘take-out’ message from the scheme. These were derived from various comments made within the initial pilot phase interviews. Participants were then asked to pick the messages which came closest to their views of the scheme, the aspects that they would urge the government to stress about the scheme in any future marketing for national roll-out. They also picked those which they did not feel should be used as ‘slogans’ or messages to highlight key features and encourage take-up of the scheme in future. Analysis summarised those messages most likely to rank highly, and those most likely to not prove favourable amongst participants.

Attitudes to possible future marketing messages

Participants were keen to stress the positive ‘habit forming’ benefits of the scheme, and this was reflected in the way they prioritised the messages they were asked to reflect upon within the interviews. These are listed in Figure 14 below, in order of declining popularity. Those highlighted in green were the most popular messages participants felt about the scheme, whilst those highlighted in red were least popular.

Figure 14: Suggested marketing messages



As can be seen, the perceived benefit and value of government involvement was a clear favourite amongst participants. This was felt to be particularly pertinent in the current climate, and a real selling-point at a time when people are worried about the security of their savings, particularly those held in other financial institutions;

‘Government backed is important especially in this economic condition – it’s a cannot lose scheme – wonderful’

Male, East Yorkshire

This tallied with the broader use of language throughout the course of the interviews around ‘safety’ and ‘security’ afforded by government ‘backing’ or ‘guaranteeing’ of the scheme.

Beyond this, other messages that participants felt were important related to the personal *sense of achievement* and creation of a saving habit that they directly attributed to the scheme. “Short-term” and “new savers” were motivated by the matched funding in the first instance, and felt that this did change their behaviour, if only in the shorter term;

'The Saving Gateway is a discipline – it makes you keep your money in the account to get your return'

Female, Cambridgeshire

Participants new to saving were keen to stress the 'sense of achievement' gained from being able to save, to stick to the scheme, and from the financial reward gained. Indeed, for some this was something of a revelation – and one they would be keen for others to benefit from:

'It's a revelation – a bolt of lightning and nudge in the right direction'

Male, East Yorkshire

However, for many there was a sense that the messages need to be really focussed and targeted towards those who would, in their view, most benefit from the Saving Gateway scheme. Views differed as to who this should be, with older participants (most likely those aged over 45) feeling that the scheme was an ideal opportunity to foster a saving habit in younger people.

Others, discussing the broader societal implications of the schemes, were more positive about the opportunity being given to those on lower incomes and benefits to start accruing some savings;

'But this scheme was, it made you feel good, like the government is thinking about, you know, like lower working class people, at least they're giving something back'

Male, Manchester

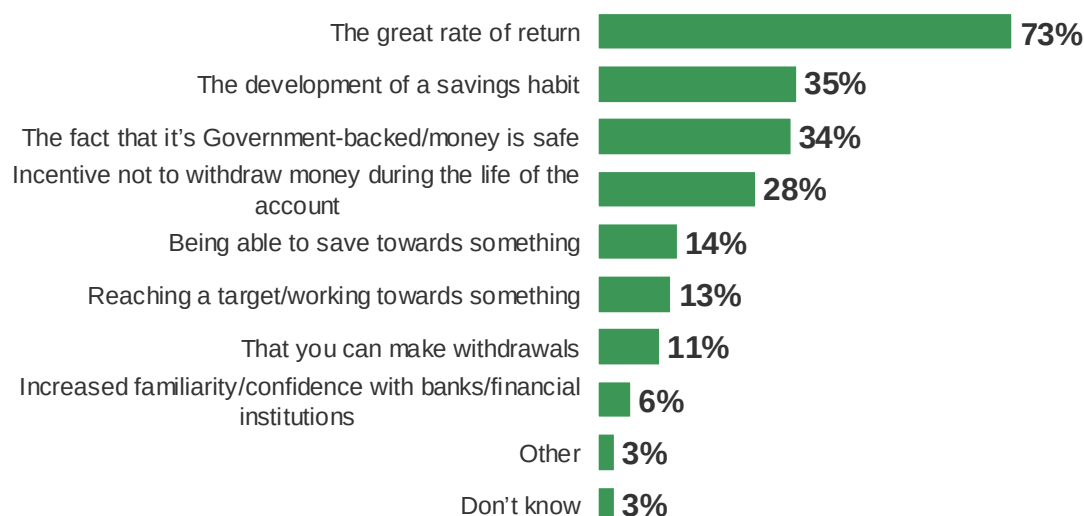
During the course of the qualitative interviews, participants were given the opportunity to suggest alternative key messages for the national scheme. One such suggestion concerned the realisation that saving and paying for goods with their own money rather than relying on credit was more financially advantageous;

'Having a savings account means that in the long-run you can save up for things you want to buy, and you can buy more different things by saving instead of paying up to 30% interest on some of these goods that you can buy through book clubs and things like that'

Male, Cambridgeshire

Results from the survey found that participants cited the match rate (76%) and the incentive to save regularly (52%) as being the best features of the scheme. It was, therefore, unsurprising that 73% cited the great rate of return as the main thing to emphasise when promoting the national scheme.

Figure 15: Suggested marketing messages



Base: Saving Gateway pilot account holders (1002)

Other popular marketing messages included the role of the account in helping to develop a saving habit (35%) and that the scheme was government-backed (34%).

The discrepancy in the greater emphasis placed on *government backing* by participants in the qualitative interviews compared to the stress on the *great rate of return* found within the survey may reflect the rapidly changing economic climate and outlook throughout the autumn and winter of 2008. The qualitative interviews took place later in the year when concerns about the security of financial institutions were significantly heightened.

Likewise, within the qualitative interviews, participants were on balance happy with the set-up and rules of the Saving Gateway scheme. Those who did express a view on the scheme rules were most likely to comment on the ending of the scheme, and wanted to see some form of continuation to encourage further saving.

The Saving Gateway leaflet

In the qualitative element of the research, participants were asked to review the second Saving Gateway leaflet (appendix 6) and to give their views on the style, content and layout.

On balance, participants were positive about the previous leaflet; indeed many were able to produce the original that they had been sent. The leaflet was felt to be clear, informative and had a sense of legitimacy by virtue of the Treasury logo. The summary table inside the leaflet was by far the most popular feature, as participants found this to be very concise, clear and comprehensive, giving them quick access to all the key information. For many, this table alone was enough to 'sell' the scheme to them, with many claiming not to have read much more of the leaflet.

‘No, the first page this with the facts is really good, because it’s just like you could skim through that saying, is it worth me reading the rest of the book basically and it is worth reading’

Male, Cambridgeshire

Others, though, were reassured by the detail and did take time to read through all of it – these were more likely to be the ‘financially aware’ who wanted to compare the Saving Gateway against other products. As such, it was the ‘existing savers’ who made the most of the comprehensive nature of the original leaflet. ‘Short-term’ and “new savers” were more likely to register the key features and skim read the rest.

Others took time to realise the leaflet was, in fact, something that was of benefit and not a ‘bill from the tax man’. A small number felt the leaflet contained too much writing and small print.

‘Sometimes they’ve got too much writing, you can’t be bothered with [reading] all this small print. You can hardly see it. Yeah, sometimes there’s too much small print. It’s too much reading’

Female, Manchester

There were also a number of savers who felt that they would have benefited from clearer explanation and clarification on the implications of withdrawals on match payments, though they did acknowledge that it was clear where to go for this information. Others preferred to learn about the key over-arching features of the scheme and to have more detailed face-to-face discussions with a staff at the bank. These participants were more likely to favour a more concise leaflet.

Participants were also given an alternative style of leaflet to work through - the Child Trust Fund⁸ leaflet (appendix 6) which was shorter, to see if they think this would be a more suitable format for communicating and marketing the Saving Gateway.

Whilst there were participants who did claim to prefer a shorter, more visual style of leaflet, the overwhelming consensus was for the Saving Gateway, a more detailed leaflet was required. There was a concern that not everyone would be able to access supplementary information via alternative sources and, as such, having everything in one place was of value;

‘Not enough information [on the Child trust Fund leaflet] - it will only cover the basics and not everyone can go on the website for more information’

Male, Cambridgeshire

⁸ This comparison was selected as an example of another government scheme aimed at encouraging saving by providing an incentive for participants. This example contained considerably less text and adopted a different style of presentation.

Communication channels and sources of information

Participants also discussed a range of communications approaches. The television was thought to be a good way to reach 'everyone' easily and relatively cost-effectively. However, there were concerns that those not eligible would get sight of the scheme and try to take advantage of it.

Others discussed making use of venues that are visited by people on lower income, such as benefits offices, JobCentres and post offices. They felt that not only did people trust these institutions but that there were staff on hand to answer questions and 'champion' the scheme.

The telephone survey revealed that the most popular method of marketing the scheme was through media outlets such as television, radio and newspaper advertisements (69% say this). However, Ipsos MORI often finds that these are common 'top of mind' suggestions. Other suggestions included leaflets through the post (19%), direct contact from the government (15%), and advertisements in banks and building societies (14%).

Overall participants of the second Saving Gateway pilot were positive about the scheme and keen to see it continue. They were positive about the way the scheme was previously communicated – with the leaflet used felt to be clearly written. Whilst mass-marketing on a national scale was widely favoured, participants expressed concern that the scheme should only be communicated to those 'in need' and, as such, would want to ensure the scheme was not be abused by those not eligible.

Conclusions

Conclusions

The scheme was highly popular with research participants, many of whom reported a number of positive outcomes and benefits from taking part. Significant proportions saved for the first time and continue to save even after the scheme ended (61% continue to be regular savers, and 60% agree they save more regularly as a result of taking part in the scheme). There were also indications that participants' financial literacy and general awareness of financial products and institutions have improved. However, some felt that the government could take on a more proactive role in this aspect, in particular, working with financial institutions to provide people with information on the options available to them on account maturity. This could take the form of a face-to-face meeting, a telephone follow-up or mail-drop, either by the bank or from HMRC.

There are clear lessons emerging for those charged with communicating more widely about the Saving Gateway scheme, and in particular when it comes to considering which 'messages' are going to appeal to the target audience. The research suggested that the messages to stress are the motivational and habit forming benefits of the scheme, as well as the reassurance that government involvement and backing is felt to afford.

There were mixed views about the best strategy in term of 'mode' of communication. Whilst many favoured national mass-marketing campaigns utilising the television and national and local media, others urged caution and felt that a targeted approach would be more effective, using for example, benefits offices, Jobcentres, and post offices amongst others to reach people on lower incomes and benefits. Direct targeting via a leaflet, as adopted during the pilot, was also felt to be an effective approach and participants were, on balance, positive about the style, content and language taken by the previous leaflet.

Saving behaviour

Survey findings revealed an increase in the number of people saving regularly (ie. at least monthly) from when the Saving Gateway second pilot began, with three in five continuing to save regularly two years after the scheme ended. Additionally, three in ten had become regular savers when they had not been saving regularly before the Saving Gateway. Our analysis highlights these converts as "new savers" who felt the scheme gave them the opportunity and incentive to 'kick start' their saving and develop a habit.

Others, however, were unmotivated to continue saving once the scheme had ended. They were motivated by the short-term outcome of the scheme (the matched funding) and not by the process of saving. There were, however, savers who whilst initially motivated by shorter term gains and 'outcome' of the scheme became more interested in the 'process' of saving as the scheme went on, and felt that this was what they had benefited most from.

The scheme also had the benefit of introducing a number of savers to a wider range of financial products and institutions. The majority now had a saving account of some form (96% of survey respondents) and three in five now had a cash ISA. Participants felt that the scheme had prompted them to think more about interest rates and had encouraged them to look around more widely at other products to see what would be more beneficial to them. There were, however, significant numbers who have not sought to move the savings accumulated through the Saving Gateway into alternative products, leaving it instead in the Halifax Liquid Gold accounts, which not all were aware offered a lower rate of interest than many other savings accounts available to them. There is an opportunity for the scheme to take a more active role in raising awareness of the options available to savers beyond the

realm of the Saving Gateway scheme though participants do acknowledge the government would need to take care when discussing the relative merits of private sector 'products', and particularly those which involved some degree of risk.

Two in five said they had spent the savings accrued through the Saving Gateway scheme, whilst a further two in five claimed to have saved their accumulated funds. Couples with children were most likely to have spent their savings but were also likely to have continued saving afterwards. Regular savers were more likely to have saved their total savings. Those who spent all their savings tended to do so on things like holidays and home improvements.

Attitudes towards saving

Account holders were very positive about the Saving Gateway scheme and three in five tended to agree that the account had encouraged them to save more regularly, had provided them with a better understanding of different types of financial products and improved their confidence in dealing with financial institutions. Indeed, many now claimed to be 'shopping around' for the first time to ensure that, in the future, their savings were in the most convenient place and/or in one which ensured they would be able to maximise the return they receive.

Seven in ten also considered that the account had helped them to plan ahead. For some, the scheme provided a real 'kick start' and was the motivation that they felt they needed to get saving, and felt that they have realised now that they *can* plan ahead, and *can* save. Participants were more divided, however, on whether the Saving Gateway scheme had disciplined them to cut back on their weekly or monthly spending in order to save.

Participants' overall approach to saving had tended to remain relatively stable overtime. Similar proportions throughout the waves of research tended to save up to buy things, or to put money away for the long-term. However, significantly fewer said they '*do not save at all*', and more said they were "*saving for a rainy day*" than before – an increase of five percentage points since the initial research when accounts were opened.

Taking the Saving Gateway scheme forward

Participants were very positive about the Saving Gateway scheme and would not want to change much about it. Those that did suggest change felt that a longer term would serve to reinforce the sense of 'habit' for new savers, and would be more likely to foster a permanent change in attitude and saving behaviour. Perhaps predictably, participants suggested the scheme could offer a higher match rate, though this was more common in areas with lower match rates. Others, however, were conscious of the high cost to the taxpayer of large incentives in a scheme that was to be rolled-out more widely, and did not feel that the level of matched funding on offer was an issue.

There was also a call for a wider range of financial institutions to be involved in the running of the scheme in future, and this was particularly important for those who had access issues. Participants were keen to be able to use 'their own bank' for the scheme, and a number of savers – particularly those in receipt of benefits – felt that the Post Office was a suitable place for the scheme.

The scheme clearly had a positive impact on participants, and they were keen to ensure that future marketing of the scheme reflected the 'benefits' that they themselves had gained. In particular - and again perhaps predictably – it was the match rate which was widely cited as a real benefit of the scheme and something to stress in future communication.

There was also a very strong sense that the scheme operated in a way which really motivated and encouraged people to save, some of them for the first time. Participants were very positive about the regularity of the deposits, which they felt did help them to form a 'habit' – something they reported to have continued in the period since maturation of the second Saving Gateway pilot accounts. In particular – the phrases “the Saving Gateway kick-started my saving” and “I felt a sense of achievement by being able to save regularly” were felt to encapsulate this sentiment.

Savers were concerned about the current economic climate and, in this context, were particularly positive about the government support and backing of this scheme. This was something which they felt would be a particularly strong selling point as it offered safety and security for their savings. It was also a 'feature' of the scheme which gave confidence and could empower savers, particularly those new to saving and inexperienced at dealing with financial institutions.

Language is important when it comes to communicating to what is often a target audience with low levels of financial experience and literacy. As such, participants were keen to ensure that future communications keep a 'plain' and 'simple' language that does not cause confusion. Participants were particularly keen on the leaflet used to promote the second Saving Gateway pilot, and thought that the language used was suitable, and that the summary table was a good way to encapsulate the key benefits and features of the scheme. A number of participants felt that a shorter version would be suitable, whilst others felt the detail was necessary to ensure there were no question marks over what at first seemed like something that was 'too good to be true'. On that note, clear labelling of government and Treasury logos were felt to be key to ensuring those eligible in future were suitably reassured of the legitimacy and authenticity of the scheme invitation.

As the key aim of the scheme is to develop a long-term savings habit, there is evidence to suggest that, in the future, more action should be taken at the point of account maturity by banks (and possibly HMRC) to encourage an ongoing saving habit. This might involve a face-to-face meeting, telephone call or mail-drop at the point of account maturity or shortly prior to this, informing savers of possible 'next steps'.

Appendices

Appendix 1: Statistical reliability

It should be remembered at all times that a sample, and not the entire population of participants in the Saving Gateway scheme have taken part in the survey. In consequence, all results are subject to sampling tolerances, which means that not all differences are significant.

We cannot be certain that the figures obtained are exactly those we would have if everybody had been interviewed (the “true” values). However, we can predict the variation between the sample results and the “true” values. This is based on knowledge of the size of the samples on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95% – that is, the chances are 95 in 100 that the “true” value will fall within a specified range. The table below illustrates the predicted ranges for different sample sizes and percentage results at the “95% confidence interval”:

Size of sample on which the survey results are based	Approximate sampling tolerances applicable to percentages at or near these levels		
	10% or 90%	30% or 70%	50%
	±	±	±
100 interviews	6	9	10
200 interviews	4	6	7
500 interviews	3	4	4
776 interviews	2	3	4
894 interviews	2	3	3
1,002 interviews	2	3	3

For example, with a sample size of 1,002 where 30% give a particular answer, the chances are 19 in 20 that the ‘true’ value (which would have been obtained if the whole population had been interviewed) will fall within the range of +2 percentage points from the sample result.

When results are compared between separate groups within a sample, different results may be obtained. The difference may be “real”, or it may occur by chance (because not every Saving Gateway scheme participant has been interviewed). To test if the difference is a real one – i.e. if it is “statistically significant”, we again have to know the size of the samples, the percentage giving a certain answer and the degree of confidence chosen. If we assume the “95% confidence interval”, the differences between the two sample results must be greater than the values given in the table below:

Size of samples compared	Differences required for significance at or near these percentage levels		
	10% or 90%	30% or 70%	50%
	±	±	±
100 and 100	7	13	14
100 and 200	7	11	12
200 and 200	7	10	11
250 and 400	5	7	8
100 and 400	6	9	10
200 and 400	5	8	9
500 and 500	4	6	6
776 and 1,002	3	4	5
894 and 1,002	3	4	5
1,002 and 1,002	3	4	4

Appendix 2: Profile of participants

The tables below summarise the key characteristics of people interviewed in the quantitative and qualitative research.

Table 1: Characteristics of the follow-up quantitative research participants							
	All	East Yorkshire	Cambridge	Cumbria	East London	Manchester	South Yorkshire
	%	%	%	%	%	%	%
Age							
16-24	1	*	-	*	4	1	-
25-34	6	8	6	4	13	9	4
35-44	22	21	15	25	20	22	24
45-54	23	25	21	24	22	22	24
55-64	25	29	26	24	20	21	27
65+	6	5	5	6	6	7	7
Refused	16	12	27	17	15	18	14
Gender							
Male	32	32	31	34	41	26	34
Female	68	68	69	66	59	74	66
In household							
No one else	19	20	13	16	20	24	20
Couple with no children	42	41	53	47	37	30	43
Couple with children	24	24	21	24	15	26	26
Single with children	10	11	6	8	13	16	9
Other adults	5	4	6	5	15	5	3

Table 2: Characteristics of the qualitative research participants							
	All	East Yorkshire	Cambridge	Cumbria	East London	Manchester	South Yorkshire
Number interviewed	50	8	9	8	9	8	8
Age							
16-24	4	-	-	1	2	1	-
25-34	6	-	-	2	2	2	-
35-44	11	3	2	1	2	1	2
45-54	11	2	2	2	1	2	2
55-64	11	3	1	2	2	2	1
Refused	7	-	4	-	-	-	3
Gender							
Male	24	4	4	4	4	4	4
Female	26	4	5	4	5	4	4
Ethnicity							
White	41	8	8	7	4	6	8
BME	9	-	1	1	5	2	-
Work status							
Working	21	3	4	3	4	4	3
Not working	29	5	5	5	5	4	5
Saving Intention*							
Save	35	5	5	6	7	6	6
Not save/don't know	15	3	4	2	2	2	2

* Participants were asked whether they would continue to save as part of the evaluation of the second Saving Gateway pilot.

Appendix 3: Quantitative questionnaire

Saving Gateway Evaluation: Wave 3 Follow-up FINAL

Introduction

Good morning/afternoon/evening. My name is . . . and I am calling from Ipsos MORI, the independent research agency.

Can I speak to <<INSERT NAME>> please?

IF YES, ASK TO SPEAK TO HER/HIM AND COMPLETE INTERVIEW IF POSSIBLE.

NOTE: WE CAN ONLY INTERVIEW NAMED SAMPLE.

You may recall taking part in an interview conducted by Ipsos MORI two years ago about your Saving Gateway account. We are conducting a follow-up research study for HM Treasury on similar issues. At the time you expressed an interest in helping us with any follow-up studies, designed to help the government understand what role it can play in helping people save. You should have received a letter from HM Treasury in the last few weeks asking for your help with this important study.

If necessary: This was the savings account, administered through the Halifax, which allowed you to save regularly for an 18 month period. At the end of this period you were able to earn a set level of matched-funding, depending upon the amount which you had saved over the life of the account.

Would it be convenient to ask for your help now? The interview should take around **<INSERT>** minutes.

I would like to assure you that all the information we collect will be kept in the strictest confidence by the research team. It will not be possible to identify any particular person, household or address in the results and it will not affect any current or future dealing you have with any government department.

NOTE TO INTERVIEWER:

If respondent would like to find out more about the research they can contact Jane Darragh or Angie Klein at Ipsos MORI on 0207 347 3000.

Section 1: Saving Gateway scheme

I'd firstly like to ask you some questions about your Saving Gateway account.

Add if necessary: This was the savings account, administered through the Halifax, which allowed you to save regularly for an 18 month period. At the end of this period you were able to earn a set level of matched-funding, depending upon the amount which you had saved over the life of the account.

Source: SG2 baseline – From Wave 1

Q1. Please can you tell me what you did with the money that you had saved in your Saving Gateway account? Did you...READ OUT A- C only. SINGLE CODE ONLY

		0	
A	Spent all of the money	1	GO TO Q2
B	Saved or invested all of the money	2	GO TO Q3
C	Spent some and saved or invested some of the money	3	GO TO Q2
	Gave the money away	4	
	Don't remember	5	
	Other (WRITE IN)	6	
	Don't know	7	

ASK ALL SAYING SPEND MONEY (CODES 1 OR 3) AT Q1

Q2. And what did you spend your Saving Gateway money on? DO NOT READ OUT. PROBE FULLY.

		0
	A holiday	1
	Leisure activities e.g. days out, evenings out	2
	Christmas	3
	A special occasion (e.g. wedding)	4
	To pay bills/ day-to-day expenses	5
	To Pay off loans/credit cards etc	6
	DIY/decoration/home improvements/ To buy something for my home e.g. household goods	7
	Buying things like video, TV, computer, hi-fi/ Buying leisure goods e.g. bikes, sports equipment	8
	Buying clothes and shoes for your children/ Buying other things for your children	9
	Buying clothes and shoes for yourself/partner	10
	Buying a car/motorbike	11
	To help buy a home	12
	My education	13
	My children/grandchildren's education	14
	My children's future generally	15
	My retirement/old age	16
	A rainy day/emergency	17
	Nothing in particular	18
	Another reason (PLEASE WRITE IN)	19
	Not sure – know it was spent on something specific though	20
	Not sure	21

ASK ALL SAYING SAVE OR INVEST (CODES 2 OR 3) AT Q1

Q3. **How did you save or invest the money when your Saving Gateway account finished? Did you...**READ OUT. MULTICODE OK

	0
Transfer it to a current account in a bank/building society	1
Keep the money in a Halifax Liquid Gold Savings Account/Leave money where it was	2
Transfer it to another savings account in a bank/building society	3
Invest the money in National Savings and Investments	4
Invest the money in stocks/shares/bonds/investment trusts/unit trusts	5
Invest the money in an ISA (Individual Savings Account)	6
Buy life insurance or an endowment policy	7
Invest the money in a pension	8
Invest the money in property/own home	9
Other (WRITE IN)	10
Don't know	11

ASK ALL WHO MENTION AT LEAST ONE AT Q3 (CODES 1-10)

Q4. **Why did you decide to save or invest the money in this particular way?** MULTI CODE OK. DO NOT READ OUT.

	0
I was advised by family/friends	1
I was advised by staff at the Halifax/Financial Advisors	2
Easier to make withdrawals/have access to my money	3
Better rate of returns/higher interest rate	4
I couldn't be bothered/didn't have time to do anything else	5
I wanted something that doesn't allow instant access/withdrawals	6
I didn't know what else to do	7
Because I could operate my account online	8
Because it offered tax free interest	9
Because it was the safest way to save/don't trust banks	10
Because I needed to build up my pension	11
Don't know	12

ASK ALL

- Q5. **And looking back, how easy or difficult did you find the 'rules' or terms of the scheme to understand? For example, the match rate, how long you had to keep the account open, and how much of your money would be matched.**

	()
Yes easy	1
Fairly easy	2
Neither easy nor difficult	3
Fairly difficult	4
Very difficult	5
Don't know	6

()

Source: New

- Q6. **Please tell me how strongly you agree or disagree with the following statements about the Saving Gateway account.**

READ OUT STATEMENTS. REVERSE SCALE. ROTATE STATEMENTS

	Strongly agree 1	Tend to agree 2	Neither/ nor 3	Tend to disagree 4	Strongly disagree 5	Don't know 6	()
I'm saving money more regularly in a savings account as the result of taking part in the Saving Gateway							()
As a result of the Saving Gateway account I now cut back on my weekly or monthly spending in order to save	1	2	3	4	5	6	()
The Saving Gateway account has helped me to plan ahead	1	2	3	4	5	6	()
As a result of Saving Gateway I have a better understanding of the different types of financial products available	1	2	3	4	5	6	()
Participating in Saving Gateway has increased my confidence in dealing with banks, building societies, and other financial institutions	1	2	3	4	5	6	()

- Q7. **If you were offered the chance to open another Saving Gateway account in the future, how likely would you be to do so? SINGLE CODE ONLY**

	()
Very likely	1
Fairly likely	2
Neither likely nor unlikely	3
Fairly unlikely	4
Very unlikely	5
Not sure	6

()

Source: New

Q8. **Would you recommend the Saving Gateway scheme to a friend?** SINGLE CODE ONLY

	()
Yes	1
No	2
Don't know /No opinion	3

Source: NEW

Q9. **What would you say are the THREE best things about the Saving Gateway?** PROBE FULLY. DO NOT PROMPT. MULTICODE OK

	()
Government match	1
Incentive to save regularly	2
Having more financial security	3
A sense of achievement	4
Greater understanding of the ways I could save	5
Feeling of independence	6
Building up savings which I can use in the future	7
Increased confidence in dealing with banks/building societies/financial institutions	8
Government backed scheme/money would be safe	9
You have to keep the account open for 18 months/discourage withdrawals	10
Ability to make withdrawals	11
Other (WRITE IN)	12
Nothing	13

Source: New

Q10. **And what THREE things would you change about the Saving Gateway scheme?** PROBE FULLY. DO NOT PROMPT. MULTICODE OK

	()
More choice on which banks/building societies can offer the account	1
Closer/more convenient location of branch	2
Being able to access the account over the internet	3
More/better information on how the account would work	
Ensure bank staff more knowledgeable about the account/better informed	4
More information on how the match rate was calculated	6
More information on the monthly limit	7
Make the account length shorter	8
Make the account length longer	9

Change the match rate to make it more generous	10
Change the match rate to make it less generous	11
Other (WRITE IN)	12
Nothing	13

()

Source: New

Section 2: Attitudes Towards Savings

Q11. I'm now going to move on to ask you some questions about money and savings generally. Here are some things that other people have said about managing money. Please tell me how strongly you agree or disagree with each.

READ OUT STATEMENTS. REVERSE SCALE. ROTATE STATEMENTS

INTERVIEWER: PLEASE ASK RESPONDENT TO THINK ABOUT HOW THESE STATEMENTS APPLY TO THEIR GENERAL ATTITUDE AND OUTLOOK RATHER THAN WHETHER THEY CAN OR CANNOT AFFORD TO SAVE

	Strongly agree	Tend to agree	Neither/ nor	Tend to disagree	Strongly disagree	Don't know	
I prefer to buy things on credit rather than wait and save up	1	2	3	4	5	6	()
I am never late at paying my bills	1	2	3	4	5	6	()

NOTE: MEASURE CHANGE IN VIEWS

Q12. Which of the following best describes your own approach to saving? READ OUT. SINGLE CODE ONLY – IF RESPONDENT WISHES TO SELECT MORE THAN ONE EMPHASISE WE WANT THEIR BEST DESCRIPTION

ROTATE STATEMENTS

I don't really save at all	1
I tend to put money away for no particular reason	2
I save up to buy things I want or need	3
I tend to put money away for the long term	4
I save for a rainy day	5
Don't know	

Section 3: Saving behaviour

NOTE: This section will enable us to measure changes in savings behaviour.

I'm now going to ask you some questions about how you manage your money so that we have a better understanding of how different people manage their income.

- Q13. **First, can you tell me who normally shares your accommodation with you. This is to enable me to work out which questions are relevant to you.**
MULTICODE OK

	()	NB (SINGLECODE)
No-one else	1	
Wife, husband or partner you live with as a couple	2	
Pre-school children	3	
Children aged 16 years or under and at school	4	
Older children (16+ - 18 years) and at school or college)	5	
Older children (16+ - 18 years) and NOT at school or college	6	
Other adults (aged 18+ years) who share meals or a living room with you	7	

NOTE: INFORM ROUTING FOR REST OF QUESTIONNAIRE

I'm now going to ask some questions about any current accounts or basic bank accounts you may have.

- Q14. **Do you (or your spouse/partner) have any current account or basic bank account with a bank or building society, or at the Post Office?**

I will ask you about any savings accounts later. Please just consider current accounts used for managing money day-to-day at this question

IF NECESSARY: By a current account I mean any account that has a cash machine card, a debit card or a cheque book. By a basic bank account I mean any account which allows withdrawals and paying-in but does not have an overdraft or loan facility or provide a cheque book.

	()
Yes	1
No	2
Don't know	3
Refused	4

ASK IF YES AT Q14 (CODE 1)

- Q15. **Do you deliberately set aside money in your current account which you do not intend to spend immediately (i.e. to be used as savings)?** READ OUT. SINGLE CODE ONLY

	()
Yes	1
No	2
Don't know	3

I would now like to ask you some questions about any savings you might have. This is to enable us to gain an accurate picture of people's saving behaviour.

REASSURE AS REQUIRED: we are asking these questions in order to understand people's saving behaviour so that Government can see what role it needs to play. The results will be combined in the analysis so no-one can identify what you have told us individually.

ASK ALL

Q16. Excluding Stocks & Shares ISA's, do you (your spouse/partner) have any of the following types of savings accounts? READ OUT. MULTICODE OK.

	()	
Account at the Post Office	1	
National Savings Account	2	
Account at the Credit Union	3	
Savings account at a bank or building society (excluding ISAs)	4	
Cash ISA (excluding Stocks & Shares ISAs)	5	
Account opened on behalf of a child	6	
Other <u>savings</u> accounts (excluding Stocks & Shares ISAs) – WRITE IN	7	DO NOT READ OUT
All-in-one and/or offset accounts	8	DO NOT READ OUT
No savings accounts	9	DO NOT READ OUT

ASK IF HAVE SAVINGS ACCOUNT (CODES 1-8 AT Q16)

Q17. Which of the following BEST describes how often you (and your partner/spouse) have put money into, and taken money out of your savings account(s) in the last three months? READ OUT. SINGLE CODE FOR A) AND B)

A) Put money in:	()	B) Take money out:	()
I/We have put money in at least once a month	1	I/We have taken money out at least once a month	1
I/We have put money in at least once in the last three months	2	I/We have taken money out at least once in the last three months	2
I/We have not put any money in, in the last three months	3	I/We have not taken any money out in the last three months	3
Don't know	4	Don't know	4
Refused	5	Refused	5

NOTE: HAVE KEPT REFERENCE PERIOD AS 3 MONTHS FOR COMPARABILITY WITH WAVE 2

ASK ALL WITH AT LEAST ONE SAVINGS ACCOUNT (ANY CODES 1-8 AT Q16)

Q18. **And approximately how much money in total do you (and your partner/spouse) currently have across all the savings accounts you have mentioned? Again, please do not include any Stocks & Shares ISAs.**

WRITE IN AMOUNT IN POUNDS. . IF "DON'T KNOW" OR "REFUSED", USE BANDS.

RANGE CHECK: UP TO £49,999 (soft check)

Would it amount to:

		()	
A	£1,000 or more	1	IF YES (B), IF NO ASK (D)
B	£5,000 or more	2	IF YES (C), IF NO ASK (F)
C	£25,000 or more	3	AND THEN STOP
D	£250 or more	4	IF YES (E), IF NO ASK (G)
E	£500 or more	5	AND THEN STOP
F	£2,500 or more	6	AND THEN STOP
G	£100 or more	7	AND THEN STOP
	Nothing	8	
	Don't know	9	
	Refused	10	

0

ASK ALL

Q19. **Do you commit yourself to saving a certain amount on a regular basis? SINGLE CODE ONLY**

	()
Yes, around the same each month	1
Yes, around the same amount but not every month	2
Yes, I save regularly but the amount varies	3
Don't save/not able to save regularly	4

Q20. **Do you (and your partner/spouse) save money in any other way, for example in jars or envelopes, or by giving money to a friend or relative to look after?**

INTERVIEWER: OTHER POSSIBLE EXAMPLES ARE A SAVING CLUB OR COLLECTING SUPERMARKET STAMPS FOR CHRISTMAS ETC

	()
Yes	1
No	2
Refused	3

0

Q21. **Do you (and your spouse/partner) have any of the following?** READ OUT.
MULTICODE OK

	0	
Premium bonds	1	
Stocks and shares	2	
National savings bonds/National Savings Certificates	3	
Stocks and Shares ISA (Individual Savings Account)	4	
"Buy to Let" property	5	
Other investments (PEPs, Unit trusts)	6	
None of these	7	DO NOT READ OUT. SINGLE CODE
Don't know	8	

0

ASK IF AT LEAST ONE INVESTMENT MENTIONED (ANY CODE 1-6 AT Q21)
OTHERWISE SKIP TO Q23

Q22 **Thinking about the investments (and Stocks and Shares ISAs – if CODE 4 at Q21) you have mentioned, approximately how much money do you (and your partner/spouse) currently have in them in total?** WRITE IN AMOUNT IN POUNDS. IF "DON'T KNOW" OR "REFUSED", USE BANDS

RANGE CHECK: FROM £1UP TO £49,999 (soft check)

Would it amount to:

		0	
A	£2,000 or more	1	IF YES (B), IF NO ASK (D)
B	£10,000 or more	2	IF YES (C), IF NO ASK (F)
C	£50,000 or more	3	AND THEN STOP
D	£250 or more	4	IF YES (E), IF NO ASK (G)
E	£1,000 or more	5	AND THEN STOP
F	£5,000 or more	6	AND THEN STOP
G	£100 or more	7	AND THEN STOP
	Don't know	9	
	Refused	10	

0

ASK ALL WITH AT LEAST ONE SAVINGS ACCOUNT (ANY CODES 1-8 AT Q16) OR SAVING IN A CURRENT ACCOUNT (CODE 1 AT Q14A/B) OR INVESTMENT PRODUCTS (ANY CODE 1-6 AT Q21)

SCRIPTING NOTE – BRING IN CODES FOR <> AS RELEVANT

Q23. **IF INVESTMENT MENTIONED: What are you saving for with your <savings account(s)>/<current account>/<investments>? MULTICODE OK. DO NOT READ OUT.**

IF INVESTMENT NOT MENTIONED: Earlier you mentioned that you save in a current account/have a savings account. What are you saving for with your <savings account(s)>/<current account>? MULTICODE OK. DO NOT READ OUT.

	0
For a rainy day/emergency	1
To help buy a home	2
To buy something for myself	3
To buy something for my children	4
For a holiday/a car	5
To meet day-to-day expenses	6
To pay bills	7
For retirement/older age	8
For my education	9
For my children's educations	10
To provide a regular income	11
To buy something for my home	12
For a special occasion (e.g. wedding)	13
Re-invest	14
Home improvements	15
To clear debt	16
To have savings	17
For a funeral	18
Nothing in particular	19
Another reason (PLEASE WRITE IN	20
Not sure	21

0

I'd now like to ask you a few questions about any credit commitments you might have.

ASK ALL

Q24. **Excluding any mortgages, do you (and your spouse/partner) currently owe money on any of the following...? Please do not include any overdraft you may have in your current account. READ OUT. MULTICODE OK. ROTATE STATEMENTS 1-11i**

INTERVIEWER NOTE: BANK LOANS USED TO BUY PROPERTY SHOULD NOT BE INCLUDED HERE

	0
Credit card(s)	1
Student loan	2
Loan from a friend/relative	3
Household goods or car bought on hire purchase	4
Store card(s)/ Mail order catalogue debt	5
Loan from a bank, building society or commercial loan company	6
[NO CODE 7]	7
Social Fund	8

Overdue council tax bill/ Overdue utility bill(s)	10
Benefit/tax credit overpayments	11
Other types of debt (WRITE IN)	12
None of these	13

SINGLE CODE

()

ASK IF AT LEAST ONE DEBT MENTIONED (ANY CODES 1-12 AT Q24)

Q25. **Thinking about all the different types of financial commitments we have just discussed, approximately how much money do you (and your partner/spouse) owe in total?**

WRITE IN AMOUNT IN POUNDS. IF DON'T KNOW OR REFUSED, OFFER BANDS

RANGE CHECK: FROM £0UP TO £99,999 (soft check)

Would it amount to:

		()	
A	£2,000 or more	1	IF YES (B), IF NO ASK (D)
B	£10,000 or more	2	IF YES (C), IF NO ASK (F)
C	£50,000 or more	3	AND THEN STOP
D	£500 or more	4	IF YES (E), IF NO ASK (G)
E	£1,000 or more	5	AND THEN STOP
F	£5,000 or more	6	AND THEN STOP
G	£100 or more	7	AND THEN STOP
	Don't know	9	
	Refused	10	

()

ASK ALL

Q26. **And thinking back over the last three months...**

a) Would you say that you owe more or less now than you did three months ago?
SINGLE CODE

b) Would you say that you are saving more or less than you were three months ago?
SINGLE CODE

	()
More	1
Less	2
About the same	3
Don't know	4

Source: new question to explore impact of credit crunch

ASK ALL

Q27. **And thinking back over a longer time frame of the past 2 years.**

a) Over this period, has your household income increased significantly, decreased or stayed roughly the same? By significant increase, I mean increases that are more than the rate of the rate of inflation.

b) Over the past 2 years, would you say that you are saving more, less or roughly the same amount?

c) And over the same period, would you say your outgoings have increased, decreased or stayed roughly the same

SINGLE CODE

	Q27a	Q27b	Q27C
	0	0	0
Increased/More	1	1	1
Decreased/Less	2	2	2
About the same	3	3	3
Don't know	4	4	4

Section 4: Roll out of the National Scheme

The Government has announced that the Saving Gateway scheme will be offered nationally from 2010. The accounts will run for a period of 2 years and will be administered through banks and building societies – some other details about the scheme are still being decided. I'm now going to ask you a few questions on how the Government might roll-out the national scheme.

Thinking about your experience of the Saving Gateway account...

Source: NEW

Q28. **Which key features of the scheme should be emphasised in any marketing material about the Saving Gateway? Please choose UP TO THREE. DO NOT READ OUT. MULTICODE UP TO THREE.**

	0
The great rate of return	1
The development of a savings habit	2
Reaching a target/working towards something	3
Increased familiarity/confidence with banks/financial institutions	4
Incentive not to withdraw money during the life of the account	5
Being able to save towards something	6
That you can make withdrawals	7
The fact that it's Government-backed/money is safe	8
Other (WRITE IN)	9
Don't know	10

Source: NEW

Q29. How do you think the Saving Gateway scheme should be marketed?
MULTICODE OK

TV/Radio/Newspaper advertisements	0 1
In banks/building societies	2
In post offices	3
Leaflets/flyers through the post	4
Direct contact from the government to those who are eligible	5
Community centres/voluntary sector	6
Other (WRITE IN)	7
Don't know	8

()

Source: NEW

Section 5: Demographics

Finally, I'd like to ask you some questions about your household income to help us analyse the results of the survey. <REASSURE: This information will help us to understand how different groups of people save>.

Q30. And what is your current work status? If you are involved in more than one activity, please tell us your main activity – that is involving the most number of hours.

IF HAVE PARTNER/SPOUSE (CODE 2 AT Q13): **What is your partner/spouse's current work status?** SINGLE CODE FOR EACH PERSON.

	Respondent	Partner/spouse
	0	0
An employee	1	1
Self-employed	2	2
Unemployed and looking for work	3	3
Looking after the home/caring for family	4	4
Unable to work because of ill-health or disability	5	5
Studying and not looking for work	6	6
Retired	7	7
Other (PLEASE WRITE IN)	8	8

()

NOTE: FOR ANALYSIS/CALCULATION OF HOUSEHOLD INCOME

ASK ALL NOT CURRENTLY WORKING AND/OR PARTNER/SPOUSE NOT CURRENTLY WORKING (CODES 3-8 AT Q30)

Q31. **Are you (and your partner/spouse) doing any regular paid work at all at present, even a few hours a week?**

	Respondent	Partner/spouse	
Yes	1	1	0
No	2	2	0

Source: SG1

ASK ALL **RESPONDENTS** WHO ARE DOING SOME PAID WORK (INCLUDING SELF-EMPLOYED) -(CODES 1 OR 2 AT Q30 OR CODE 1 AT Q31)

Q32. **What is your usual take home pay, that is AFTER deductions made for tax, National Insurance, pensions, unions dues etc? Please include your usual take home pay for all your current jobs if you have more than one. Please also include any tax credits that are paid through your pay packet.**

INTERVIEWER: IF RESPONDENT HAS DEDUCTED FROM THEIR WAGE PACKET, "GIVE AS YOU EARN" (GAYE) OR "SAVE AS YOU EARN" (SAYE) PLEASE ASK THEM TO INCLUDE THEM IN THE TOTAL

ENTER EXACT AMOUNT & CODE FREQUENCY. IF UNSURE OR REFUSED, CODE BAND **What is your best estimate?** SINGLE CODE ONLY. IF NO USUAL AMOUNT, GIVE AVERAGE AND CODE "AMOUNT VARIES"

RANGE CHECK: FROM £1 UP TO £2,500 PER MONTH; £555 PER WEEK (soft check)

Per week	Per month	
Less than £100	Less than £430	1
£100-£199	£430 - £859	2
£200 - £299	£860 - £1,299	3
£300 - £399	£1,300 - £1,719	4
£400 - £480	£1,720 - £2,080	5
£481 or more	£2,081 or more	6
	Refused	7
	Don't know	8

0

ASK ALL WITH **PARTNER/SPOUSE** DOING SOME PAID WORK (INCLUDING SELF-EMPLOYED) -(CODES 1 OR 2 AT Q30 OR CODE 1 AT Q31)

Q33. **What is your partner/spouse's usual take home pay, that is AFTER deductions made for tax, National Insurance, pensions, unions dues etc? Please include their usual take home pay for all their current jobs if they have more than one. Please also include any tax credits that are paid through their pay packet.**

INTERVIEWER: IF PARTNER/SPOUSE HAS DEDUCTED FROM THEIR WAGE PACKET, "GIVE AS YOU EARN" (GAYE) OR "SAVE AS YOU EARN" (SAYE) PLEASE ASK THEM TO INCLUDE THEM IN THE TOTAL

ENTER EXACT AMOUNT & CODE FREQUENCY. IF UNSURE OR REFUSED, CODE BAND **What is your best estimate?** SINGLE CODE ONLY. IF NO USUAL AMOUNT, GIVE AVERAGE AND CODE "AMOUNT VARIES"

RANGE CHECK: FROM £1 UP TO £2,500 PER MONTH; £555 PER WEEK (soft check)

Per week	Per month	()
Less than £100	Less than £430	1
£100-£199	£430 - £859	2
£200 - £299	£860 - £1,299	3
£300 - £399	£1,300 - £1,719	4
£400 - £480	£1,720 - £2,080	5
£481 or more	£2,081 or more	6
	Refused	7
	Don't know	8

()

ASK ALL

Q34. **Do you (and your partner/spouse) receive any of the following tax credits or social security benefits?** READ OUT. MULTICODE OK.

INTERVIEWER NOTE: IF STATE PENSION IS MENTIONED, PLEASE NOTE AND PROMPT AT Q42 AND DO NOT INCLUDE IN 'OTHER' HERE.

	()
Child Benefit	1
Child Tax Credit	2
Income Support	3
Jobseekers' Allowance	4
Statutory Maternity Pay/Maternity Allowance	5
Disability Living Allowance	6
Pension Credit	7
Housing Benefit (including direct payments to LA/HA/Landlord)	8
Council Tax Benefit (including direct payments to LA/HA)	9
Incapacity Benefit	10
Severe Disablement Allowance	11
Carer/Attendance Allowance	12
Working Tax Credit	13
Other (PLEASE WRITE IN)	14
None	15

NB: SINGLECODE

()

ASK IF IN RECEIPT OF ANY TAX CREDIT/BENEFIT (ANY CODES 1-14 at Q34)

Q35. **Thinking about all the tax credits and social security benefits you (and your partner) receive(s), even if you are not sure what they are called. Approximately how much do you receive in total? Please do not include any tax credits received through the pay packet.** INTERVIEWER NOTE: AGAIN, RESPONDENTS SHOULD NOT INCLUDE PAYMENTS OF STATE PENSION HERE BUT AT Q38

ENTER EXACT AMOUNT (BEST ESTIMATE) & CODE FREQUENCY: WEEKLY, FORTNIGHTLY, MONTHLY, OTHER (WRITE IN)

RANGE CHECK: UP TO £500 PER WEEK; £1,000 PER FORTNIGHT; £2,250 PER MONTH (soft check)

"Don't know" and "Refused" options

ASK IF COUNCIL TAX BENEFIT MENTIONED AT Q34 (CODE 9)

Q36. **Does this include Council Tax Benefit?**

	Respondent
Yes	1
No	2

()

ASK IF HOUSING BENEFIT MENTIONED AT Q34 (CODE 8)

Q37 **Does this include Housing Benefit?**

	Respondent
Yes	1
No	2

()

ASK ALL

Q38. **Do you (and your partner/spouse) have any other kinds of income that we have not mentioned such as . . . ?** READ OUT. MULTICODE OK

		()
a)	Maintenance payments from an ex-partner	1
b)	Other regular payments from relatives living outside your household	2
c)	An occupational pension from an employer	3
d)	A private pension or annuity	4
d)	State pension	5
e)	Payments from a trust fund or income from savings/investments	6
f)	Rent from property or subletting	7
	Other sources (WRITE IN)	8
	None at all	9

()

ASK IF ADDITIONAL INCOME/S MENTIONED AT Q38 (CODES 1-8)

Q39. **Thinking about these other kinds of income you (and your partner) receive(s), approximately how much do you receive in total? Please give us the NET amount you receive (I.E. AFTER TAX IF APPLICABLE)**

ENTER EXACT AMOUNT & CODE FREQUENCY **And how often do you normally receive payments from these other incomes?** I.E WEEKLY, FORTNIGHTLY, MONTHLY, OTHER (WRITE IN).

RANGE CHECK: UP TO £500 per week; £1,000 per fortnight; £2,250 per month (soft check)

Don't know
Refused

ASK ALL

Q40. **Do you (and your spouse/partner)...?** READ OUT. SINGLE CODE

	0
Own your home outright	1
Own your home with a mortgage or loan	2
Rent your home from a private landlord	3
Rent your home from a local authority or housing association	4
Live with your parents	5
Have some other arrangement	6

0

Appendix 4: Advance letter and pre-task



HM TREASURY

Ipsos MORI

«unique_serial_no»

«Title» «First_name» «Surname»
«M_ST_Address_Line»
«M_ND_Address_Line»
«M_RD_Address_Line»
«M_TH_Address_Line»
«Pcode»

01 September 2008

Dear «Title» «Surname»

Government Funded Saving Gateway Scheme

You may remember speaking with an Ipsos MORI interviewer two years ago (in 2006) about your Saving Gateway account. This was the savings account, administered through the Halifax, which allowed you to save regularly for an 18 month period. At the end of this period you were able to earn a set level of matched-funding, depending upon the amount which you had saved over the life of the account.

The information we collected last time we spoke to you was very useful and has helped with the development of this important policy. The Government has now announced that the Saving Gateway will be offered nationally from 2010. We are now interested in speaking with people who participated in the scheme again. This will help HM Treasury to better understand people's views and behaviour in relation to savings and money management and help the national scheme to be as successful as possible.

We have commissioned Ipsos MORI to carry out this study on our behalf. Ipsos MORI are completely independent of Government and political parties. Everything you tell them will of course be treated in complete confidence - no personal views or information will be passed to anyone outside the Ipsos MORI research team.

An Ipsos MORI interviewer may contact you over the next few months to arrange an interview with you. I hope that you will take part in this study and play a role in shaping future Government policy on this important issue. However, if you do not want to take part, please contact Toby Cotton at Ipsos MORI on 020 7347 3149 or email savinggateway@ipsos-mori.com, quoting the reference number at the top of this letter, and your name will be taken off the list of people Ipsos MORI contact. Alternatively you can let the Ipsos MORI interviewer know when they call you.

If you have any questions relating to this research, please call Toby at Ipsos MORI on 020 7347 3149 or you can email the team at savinggateway@ipsos-mori.com.

Thank you in advance for your help.

Yours sincerely,

Miranda Worthington
HM Treasury

About this project

1

Thanks for agreeing to take part in further research on the Saving Gateway scheme which you were involved in two years ago. The interview will be a chance to reflect on the scheme.

The Government has announced that the Saving Gateway will be available nationally from 2010, so the information you give us will help us to ensure this scheme benefits as many people as possible.

We look forward to seeing you soon.

Toby Cotton, Research Executive, Ipsos MORI

Please take some time to read through this booklet, which should hopefully refresh your memory of the Saving Gateway scheme.

The first part has some background information on the Saving Gateway scheme. It would be helpful if you could read through this before the interview.

The second part has a few questions to get you thinking about your saving during the last two years. Please have a think about these questions and fill them in. This should give us a 'head start' when we come to speak to you.

Background to the scheme

3

Some features of the Saving Gateway scheme

Who ran it...

Saving Gateway was an initiative run by the government aimed at encouraging people to save.

The scheme took place over an 18-month period and was administered by the Halifax bank.

Who it was for...

People aged 16-65 years were eligible for the Saving Gateway scheme if:

- they earned less than £25,000; **or**
- their family earnings were less than £50,000; **or**
- they received out-of-work benefits (like Jobseekers Allowance)

How it worked...

- For every **£2** you saved, the government would match this contribution by giving you an extra **£1** at the end of the 18 months.

- For example, if you saved **£40**, your account would have **£60** at the end of the month (i.e. **£20** had been added).

- You could save up to **£50** every month, so a total of **£900** after 18 months.

- Over 18 months, the government would make a maximum total contribution of **£400**.

- For example, if you saved as much as possible each month (£50), the government would give you **£400** in total and at the end of the 18 months, you would have **£1300**.

Some short questions...

4

1. How much did **you save** in total through the Saving Gateway scheme, and how much did you get **from the Government**?

2. What did you do with the money which you had saved as part of the Saving Gateway scheme at the end of the 18 months?

3. If there was **one thing** about the Saving Gateway scheme you could have changed, what would it have been?

Some short questions...

5

4. In the two years since the Saving Gateway scheme ended, have you *done* any of the following?

Please tick ✓ all that apply

- Used a high street bank
- Opened a current account
- Opened a savings account
- Opened an ISA
- Invested in shares
- Invested in government premium bonds
- Joined a pension scheme
- None of these



**Thanks for your time
and we look forward
to meeting you soon**

Ipsos MORI

Appendix 5: Qualitative discussion guides

J33838: Saving Gateway - In-depth interview**FINAL – 31st October 2008****Interview Objectives:**

To investigate what impact participating in the Saving Gateway scheme has had on long term saving behaviour

To investigate what impact participating in the Saving Gateway scheme has had on long term attitudes towards and understanding of saving

To identify key incentives and key barriers to saving as part of the Saving Gateway scheme

To understand how national roll out of a Saving Gateway scheme might best be marketed to its target audience

Interview sections	Notes	Approx timing
Section 1 - Scene-setting and introductions	Introduction of subject matter and begins process of reflection on participation in the Saving Gateway scheme	5 minutes
Section 2 - Reflection on previous pilot	Investigates how much was saved as part of the pilot and how the money was used	10 minutes
Section 3 - Recent saving behaviour (last two years)	Looks at recent saving behaviour and at any future saving plans	10 minutes
Section 4 4.1 Lessons learnt from participation in the scheme 4.2 Lessons for the national scheme	Explores what the participant has learnt from the scheme and any changes in saving behaviour; and Any lessons learnt about how the scheme might run better in the future	15 minutes
Section 5 - Marketing the Saving Gateway scheme	Investigates how the scheme might best be promoted more widely and explores views on previous marketing materials used	15 minutes
Section 6 - Conclusions	Summing-up and conclusions	5 minutes

Timing/ Materials	Moderator Guide	Why this exercise, and how will we analyse the results?
5 mins	<u>Section 1: Scene setting</u> Thank interviewees for taking part Introduce self, Ipsos MORI and explain the topic and aim of the interview: You were part of the Saving Gateway scheme which was run by the Government and implemented through the Halifax building society from January 2005 to June 2006. The aims of this interview are: For us to reflect further on the scheme with which you were involved; To explore how you have saved (if you have) since the end of the scheme; and To think about the good and bad things about the scheme and how the scheme might be advertised to others like you. Confidentiality: reassure participants that responses are anonymous and that at reporting comments will not be attributed to them personally Permission to record – transcribe for quotes <u>1.2 Introduction and background</u> As part of the interview we are going to build up a ‘timeline’ mapping your saving behaviour and any life changes before, during and after the scheme. <u>TIME LINE EXERCISE</u> Moderator to note key events and saving behaviour before, during and after the Saving Gateway scheme on timeline. Timeline to be used throughout discussion in order to set out key dates/experiences and saving behaviour. First name What are your living arrangements? Probe for living with spouse, partner, children / living in rented/owned accommodation. Have there been any changes to this in the last couple of years/since the end of the Saving Gateway scheme? NOTE KEY EVENTS Are you working/unemployed/in education/training? Have there been any changes to this in the last couple of years/since the end of the Saving Gateway scheme? NOTE KEY EVENTS	Sets the scene for the interviewee and prepares them for the discussion Introduces a reminder of the topic and leads into further reflections on involvement in the previous pilot of the Saving Gateway scheme Timeline exercise will ‘map’ saving behaviour and provide materials for more detailed analysis of interviews

10 mins Pre-task materials, time line	Section 2: Saving behaviour a) Saving behaviour prior to the Saving Gateway scheme Did you save before you were involved in the Saving Gateway scheme? Probe on what for, why, how, was this regular, how much. Have you always saved? Why? MARK ON TIMELINE b) Saving behaviour during the Saving Gateway scheme What do you remember about the Saving Gateway scheme? Probe on: length of scheme, maximum that could be saved, level of match, any other rules Do you remember how much you saved? Probe for amount and frequency. Was this saving regular? How much did you save in total? How much matching did you earn? Was there anything that you found challenging about saving into the scheme? MARK ON TIMELINE c) Post maturation/Saving in the last two years What did you do with your savings and the match when the account matured? Probe for how much was spent/saved. Why? <u>If spent:</u> what on? Did you spend all of it? How long did it last? Did you buy anything else with it? MARK THIS ON TIMELINE <u>If saved:</u> Did you leave it in the 'Liquid Gold' account (Halifax) or did you move it elsewhere? Probe on where (own bank, ISA, etc) Why did you move it? Probe on why (better interest rate, to put it with other money)? MARK THIS ON TIMELINE Why did you opt for these forms of saving instead of others? Were you aware of these forms of saving prior to learning about the Saving Gateway scheme? Have there been any particular life changes since the Saving Gateway Scheme for which you saved or spent this money? Did you plan for this during the time you took part in the scheme? MARK THESE ON TIMELINE	This provides introductory detail relating to participants saving behaviour prior to the scheme. This information will be important in exploring how much the scheme has changed behaviour To reflect on the scheme and to consider the scheme before more in-depth questions later This begins to provide information relating to the participant's awareness of different financial products / institutions and begins to gain an understanding of whether being part of the scheme has influenced behaviour Moderator must be careful to tease out 'natural' saving behaviour from that which is targeted toward particular 'goals'
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10 mins	<u>Section 3: Saving Intention</u> Did you <i>intend</i> to continue to save after the end of the Saving Gateway scheme? (INTERVIEWER TO check against information held on the sample.) Have you continued to save? <u>IF NEVER INTENDED TO CARRY ON</u> If never any intention on carrying on saving: did you indeed <u>not</u> continue saving? If did not continue: why was this the case? Probe fully. If in fact <u>did</u> continue saving why did you continue? Where did you continue saving? Probe on what (Premium Bonds, trust funds, pension, life insurance etc) Why did you not intend on continuing saving after the saving gateway scheme? Probe on affordability, available scheme to save in? What would have to have been different for you to have continued saving after the end of the saving gateway scheme? Probe fully <u>IF INTENDED TO CARRY ON SAVING</u> If didn't continue to save where had originally intended to: why do you think you didn't carry on? Was there a particular reason? What was it? What do you think would have had to have been different for you to have continued saving as planned? If continued to save: how much, how often? Is this the same as during the scheme or more/less? What are you doing with the money? Continuing to save or planning to spend it on something? Is this something specific? Where are you saving? Probe: same place as Saving Gateway savings or elsewhere? Have you taken out any other financial products over the last two years? Probe on what (Premium Bonds, trust funds, pension, life insurance etc) MARK ON TIMELINE Why have you used these institutions/financial products? What are the advantages and disadvantages of these to you personally? Probe on: convenience / accessibility, interest rate If higher rate of interest mentioned: What rate of interest is this? How does that compare to the Saving Gateway rate? (INTERVIEWER NOTE: if interest rates have been mentioned previously it is not necessary to ask about this further)	Looks at the issue of saving intention in order to go into further detail regarding recent saving behaviour and gaining an understanding of the degree to which this is due to being involved in the Saving Gateway pilot Looks in further detail at the understanding of different financial institutions, products and concepts
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	Saving intention for the future What are your thoughts on saving in the future? Are your attitudes to saving the same as they were a year/18 months ago? Have these attitudes changed more recently – say, in the last 3 months? Probe for feel more or less secure – or the same? Concerned about the future? What about work/job? Will these attitudes make you spend less and save more? Or will savings stop if worried about cost of living going up? PROBE FULLY Does any of this impact on your views about your own finances? Probe – what in particular? MARK FUTURE SAVING PLANS/ATTITUDES TO SAVING IN THE FUTURE ON TIMELINE	Looks at attitudes to saving given the current economic climate without discussing this explicitly
15 mins	<u>Section 4: Lessons learnt from the scheme</u> <u>4.1 What has been learnt from participation in the Saving Gateway scheme</u> What in general did you like or dislike about the scheme? Apart from the money, did you get anything else out of the Saving Gateway scheme? Probe on: increased confidence with financial institutions, independence, stability, a sense of achievement, a greater understanding of the ways I could save etc. Do you think that you would have saved at all/as much if you had not been part of the scheme? If encouraged to save by scheme: what was it about the scheme which encouraged you to save? Prompt: it helped to explain ways in which I could save, made saving easy, saving became a habit... If not encouraged to save: why not? If the scheme was available to you again would you be interested in taking part? Why / Why not? Do you plan your saving/spending/write a budget? Did you previously? Has this changed? Probe: Why? <u>4.2 Improving the Saving Gateway scheme</u> Was there anything that you found particularly challenging about the scheme? How could Government address the challenges with the scheme that you mention? Probe for: provide help-lines, dedicated website, training for savers, etc How easy/difficult to understand did you find the financial terminology (words) used during the scheme? Do you feel you understand any of the financial	This part of the section asks explicitly if behaviour change / attitude to saving has been as a result of being part of the scheme This part of the section looks at learning points for the Saving Gateway scheme and specifically at any further information / services that can be provided to help meet savers needs

terms/concepts used during the scheme better since being part of the Saving Gateway scheme? What are these? Prompt on rate of interest, budget/planning.

What about different financial products? ISAs etc. Why?

Has the way you think about banks and/or building societies changed at all since taking part in the scheme? Probe on feel more 'familiar' and comfortable? Feel more/less trusting? **Why do you think this is?**

MODERATOR NOTE:

NATIONAL SAVING GATEWAY SCHEME WILL RUN IN 2010, THOSE ON QUALIFYING BENEFITS AND TAX CREDITS WILL BE ELIGIBLE, ACCOUNTS WILL RUN FOR TWO YEARS AND WILL BE ADMINISTERED THROUGH BANKS AND BUILDING SOCIETIES. PARTICIPATION IN PILOT WILL NOT RENDER PEOPLE INELIGIBLE FOR THE SCHEME

Could the Saving Gateway scheme have been made easier to access? Could access to the Saving Gateway scheme have been arranged in different ways? Probe for use of telephone, internet, post offices, different banks

How would using these methods/these institutions have made the Saving Gateway scheme easier to use?

Are there any other ways that the scheme could be improved? Probe fully

If you were in charge of the scheme, what changes do you think you would make to it? What do you think will make it work best, drawing on your experience of it? Probe fully

15 mins

Section 5: Marketing

How were you invited to take part in the saving gateway scheme? Probe letter invite, telephone, through another way? **Do you remember anything about the marketing materials used with the scheme?** Prompt for recall of leaflet. **What else do you remember?**

Was there enough information about the scheme do you recall? Was everything clearly explained?

What more, if anything would you have like to have seen at that stage? Probe fully

Do you recognise this leaflet (show leaflet). If recognise: **what did you think about it at the time. What was good/bad about it?**

If don't recognise it: **what do you think about it? Is this a good way to advertise the scheme? Does it make things easy to understand? What is good/bad about it?**

Looks at benefits of the scheme in participants 'own words'

Marketing Materials – old Saving Gateway leaflets and other leaflets such as the Child Trust Fund leaflet	MARKETING MATERIALS EXERCISE Moderator to look through some marketing materials with participant What is it about these materials that you like/dislike? Why? Would materials such as these emphasise the best parts about the Saving Gateway scheme clearly? How would you amend the materials in order to advertise the Saving Gateway scheme's best features? Is this the best way to market the Saving Gateway scheme? Why/why not? If not: Through which other ways should the Saving Gateway scheme be marketed? Which other channels might be used in order to market the scheme? How would this work? How would this emphasise the best features of the Saving Gateway scheme? Would a national campaign or more local channels be appropriate? Which local channels might be appropriate Probe for non-media channels such as through estate managers, those running community centres, other community 'leaders' ROLE-PLAY/KEY MESSAGES EXERCISE Would you recommend the Saving Gateway scheme to others? Why? Imagine that I'm a friend at your house enjoying a cup of tea, how would you 'sell' the scheme to me? Which key features would you emphasise? What words or phrases would you use to describe the scheme or to advertise it to others? MODERATOR TO WRITE THESE DOWN ON BLANK CARDS/POST-ITS (AND THEN INTRODUCE OTHER CARDS) As well as the things that you said, here are some things that others have said was good about the scheme. Overall, which of these things do you think are most important to say about the scheme? What are your key messages? Which ones are not as important? MODERATOR TO GET RESPONDENT TO ORDER ALL THE KEY MESSAGES TO IDENTIFY <u>MOST AND LEAST IMPORTANT MESSAGES</u> Is there any other key message that you would add to these?	Exploration of marketing materials to get a feel for the types of communication that respondents find effective. Exercise to inform how participants feel that the Saving Gateway scheme might best be promoted to people like themselves Aim is to get at the key messages that participants feel sums up their experience of the scheme – and highlights the key benefits of Saving Gateway.
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5 mins	CONCLUSIONS Thinking about all the things that we've talked about today what do you think is the most valuable thing that you learnt in participating in the scheme? What is the most valuable lesson for Government in terms of running and marketing the scheme? Do you have any further messages about the scheme for those involved in running the Saving Gateway scheme?	Sums-up discussion, gathers most important aspects of conversation and gives participant the chance to make any further comments/ask questions
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J33838: Saving Gateway - Paired-depth interview**FINAL – 31st October 2008****Interview Objectives:**

To investigate what impact participating in the Saving Gateway scheme has had on long term saving behaviour

To investigate what impact participating in the Saving Gateway scheme has had on long term attitudes towards and understanding of saving

To identify key incentives and key barriers to saving as part of the Saving Gateway scheme

To understand how national roll out of a Saving Gateway scheme might best be marketed to its target audience

Interview sections	Notes	Approx timing
Section 1 - Scene-setting and introductions	Introduction of subject matter and begins process of reflection on participation in the Saving Gateway scheme	5 minutes
Section 2 - Reflection on previous pilot	Investigates how much was saved as part of the pilot and how the money was used	10 minutes
Section 3 - Recent saving behaviour (last two years)	Looks at recent saving behaviour and at any future saving plans	10 minutes
Section 4 4.1 Lessons learnt from participation in the scheme 4.2 Lessons for the national scheme	Explores what the participant has learnt from the scheme and any changes in saving behaviour; and Any lessons learnt about how the scheme might run better in the future	15 minutes
Section 5 - Marketing the Saving Gateway scheme	Investigates how the scheme might best be promoted more widely and explores views on previous marketing materials used	15 minutes
Section 6 - Conclusions	Summing-up and conclusions	5 minutes

Timing/ Materials	Moderator Guide	Why this exercise, and how will we analyse the results?
5 mins	<u>Section 1: Scene setting</u> Thank interviewees for taking part Introduce self, Ipsos MORI and explain the topic and aim of the interview: You were part of the Saving Gateway scheme which was run by the Government and implemented through the Halifax building society from January 2005 to June 2006. The aims of this interview are: For us to reflect further on the scheme with which you were involved; To explore how you have saved (if you have) since the end of the scheme; and To think about the good and bad things about the scheme and how the scheme might be advertised to others like you. Confidentiality: reassure participants that responses are anonymous and that at reporting comments will not be attributed to them personally Permission to record – transcribe for quotes <u>1.2 Introduction and background</u> As part of the interview we are going to build up a ‘timeline’ mapping your saving behaviour and any life changes before, during and after the scheme. <u>TIME LINE EXERCISE</u> Moderator to note key events and saving behaviour before, during and after the Saving Gateway scheme on timeline. Timeline to be used throughout discussion in order to set out key dates/experiences and saving behaviour. First names What are your living arrangements? Probe for living with spouse, partner, children / living in rented/owned accommodation. Were you both living here during the Saving Gateway scheme? Have there been any changes to this in the last couple of years/since the end of the Saving Gateway scheme? NOTE KEY EVENTS Are you both working/unemployed/in education/training? Have there been any changes to this in the last couple of years/since the end of the Saving Gateway scheme? NOTE KEY EVENTS	Sets the scene for the interviewee and prepares them for the discussion Introduces a reminder of the topic and leads into further reflections on involvement in the previous pilot of the Saving Gateway scheme Timeline exercise will ‘map’ saving behaviour and provide materials for more detailed analysis of interviews

10 mins Pre-task materials, time line	Section 2: Saving behaviour a) Saving behaviour prior to the Saving Gateway scheme Did you both save before you were involved in the Saving Gateway scheme? Did you save together/separately? Probe on what for, why, how, was this regular, how much. Have you both always saved? Why? MARK ON TIMELINE b) Saving behaviour during the Saving Gateway scheme What do you remember about the Saving Gateway scheme? Probe on: length of scheme, maximum that could be saved, level of match, any other rules Do you remember how much you saved? Probe for amount and frequency. Was this saving regular? How much did you save in total? Did the money come from both of you or just one? Was it pooled money or treated separately? How much matching did you earn? Was there anything that you found challenging about saving into the scheme? MARK ON TIMELINE c) Post maturation/Saving in the last two years What did you do with your savings and the match when the account matured? Probe for how much was spent/saved. Why? Did you make the decision to use the savings in this way together? How did this work? <u>If spent:</u> what on? Did you spend all of it? How long did it last? Did you buy anything else with it? MARK THIS ON TIMELINE <u>If saved:</u> Did you leave it in the 'Liquid Gold' account (Halifax) or did you move it elsewhere? Probe on where (own bank, ISA, etc) Was this something you discussed together? Why did you move it? Probe on why (better interest rate, to put it with other money)? MARK THIS ON TIMELINE Why did you opt for these forms of saving instead of others? Were you both aware of these forms of saving prior to learning about the Saving Gateway scheme?	This provides introductory detail relating to participants saving behaviour prior to the scheme. This information will be important in exploring how much the scheme has changed behaviour To reflect on the scheme and to consider the scheme before more in-depth questions later This begins to provide information relating to the participant's awareness of different financial products / institutions and begins to gain an understanding of whether being part of the scheme has influenced behaviour Moderator must be careful to tease out 'natural' saving behaviour from that which is targeted toward particular 'goals'
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	Have there been any particular life changes to either of you since the Saving Gateway Scheme for which you saved or spent this money? Did you plan for this during the time you took part in the scheme? MARK THESE ON TIMELINE	
10 mins	<u>Section 3: Saving Intention</u> Did you <i>intend</i> to continue to save after the end of the Saving Gateway scheme? (INTERVIEWER TO check against information held on the sample.) Have you continued to save? <u>IF NEVER INTENDED TO CARRY ON</u> If never any intention on carrying on saving: did you indeed <u>not</u> continue saving? If did not continue: why was this the case? Probe fully. If in fact <u>did</u> continue saving why did you continue? If joint saving previously – did you continue saving jointly? Where did you continue saving? Probe on what (Premium Bonds, trust funds, pension, life insurance etc) Why did you not intend on continuing saving after the saving gateway scheme? Probe on affordability, available scheme to save in? What would have to have been different for you to have continued saving after the end of the saving gateway scheme? Probe fully <u>IF INTENDED TO CARRY ON SAVING</u> If didn't continue to save where had originally intended to: why do you think you didn't carry on? Was there a particular reason? What was it? What do you think would have had to have been different for you to have continued saving as planned? If continued to save: how much, how often? Is this the same as during the scheme or more/less? Have you been saving as a couple or separately? What are you doing with the money? Continuing to save or planning to spend it on something? Is this something specific? Is this something that you planned together? Where are you saving? Probe: same place as Saving Gateway savings or elsewhere? Have you taken out any other financial products over the last two years? Probe on what (Premium Bonds, trust funds, pension, life insurance etc) Were these taken out together or separately? MARK ON TIMELINE	Looks at the issue of saving intention in order to go into further detail regarding recent saving behaviour and gaining an understanding of the degree to which this is due to being involved in the Saving Gateway pilot Looks in further detail at the understanding of different financial institutions, products and concepts

	Why have you used these institutions/financial products? What are the advantages and disadvantages of these to you personally or to you as a couple? Probe on: convenience / accessibility, interest rate If higher rate of interest mentioned: What rate of interest is this? How does that compare to the Saving Gateway rate? (INTERVIEWER NOTE: if interest rates have been mentioned previously it is not necessary to ask about this further) Saving intention for the future What are your thoughts on saving in the future? Are your attitudes to saving the same as they were a year/18 months ago? Have these attitudes changed more recently – say, in the last 3 months? Probe for feel more or less secure – or the same? Concerned about the future? What about work/job? Do you both feel the same way? Why/why not? Will these attitudes make you spend less and save more? Or will savings stop if worried about cost of living going up? PROBE FULLY Does any of this impact on your views about your own finances? Probe – what in particular? MARK FUTURE SAVING PLANS/ATTITUDES TO SAVING IN THE FUTURE ON TIMELINE	Looks at attitudes to saving given the current economic climate without discussing this explicitly
15 mins	<u>Section 4: Lessons learnt from the scheme</u> <u>4.1 What has been learnt from participation in the Saving Gateway scheme</u> What in general did you like or dislike about the scheme? Apart from the money, did you get anything else out of the Saving Gateway scheme? Probe on: increased confidence with financial institutions, independence, stability, a sense of achievement, a greater understanding of the ways I could save etc. Do you think that you would have saved at all/as much if you had not been part of the scheme? If encouraged to save by scheme: what was it about the scheme which encouraged you to save? Prompt: it helped to explain ways in which I could save, made saving easy, saving became a habit... If not encouraged to save: why not? If the scheme was available to you again would you be interested in taking part? Why / Why not?	This part of the section asks explicitly if behaviour change / attitude to saving has been as a result of being part of the scheme

Do you plan your saving/spending/write a budget? Did you previously? Is this something that you do/have done together or separately? Did you plan your saving/write a budget previously? Has this changed? Probe: Why?

4.2 Improving the Saving Gateway scheme

Was there anything that you found particularly challenging about the scheme?

How could Government address the challenges with the scheme that you mention? Probe for: provide help-lines, dedicated website, training for savers, etc

How easy/difficult to understand did you find the financial terminology (words) used during the scheme? Is this the same for the both of you?

Do you feel you understand any of the financial terms/concepts used during the scheme better since being part of the Saving Gateway scheme? What are these? Is this both of you? Prompt on rate of interest, budget/planning.

What about different financial products? ISAs etc. Why?

Has the way you think about banks and/or building societies changed at all since taking part in the scheme? Probe on feel more 'familiar' and comfortable? Feel more/less trusting? Why do you think this is?

MODERATOR NOTE:

NATIONAL SAVING GATEWAY SCHEME WILL RUN IN 2010, THOSE ON QUALIFYING BENEFITS AND TAX CREDITS WILL BE ELIGIBLE, ACCOUNTS WILL RUN FOR TWO YEARS AND WILL BE ADMINISTERED THROUGH BANKS AND BUILDING SOCIETIES. PARTICIPATION IN PILOT WILL NOT RENDER PEOPLE INELIGIBLE FOR THE SCHEME

Could the Saving Gateway scheme have been made easier to access? Could access to the Saving Gateway scheme have been arranged in different ways? Probe for use of telephone, internet, post offices, different banks

How would using these methods/these institutions have made the Saving Gateway scheme easier to use?

Are there any other ways that the scheme could be improved? Probe fully

If you were in charge of the scheme, what changes do you think you would make to it? What do you think will make it work best, drawing on your experience of it? Probe fully

This part of the section looks at learning points for the Saving Gateway scheme and specifically at any further information / services that can be provided to help meet savers needs

15 mins Marketing Materials – old Saving Gateway leaflets and other leaflets such as the Child Trust Fund leaflet	<u>Section 5: Marketing</u> How were you invited to take part in the saving gateway scheme? Probe letter invite, telephone, through another way? Do you remember anything about the marketing materials used with the scheme? Prompt for recall of leaflet. What else do you remember? Was there enough information about the scheme do you recall? Was everything clearly explained? Was this something that you discussed together? What more, if anything would you have like to have seen at that stage? Probe fully Do you recognise this leaflet (show leaflet). If recognise: what did you think about it at the time. What was good/bad about it? If don't recognise it: what do you think about it? Is this a good way to advertise the scheme? Does it make things easy to understand? What is good/bad about it? MARKETING MATERIALS EXERCISE Moderator to look through some marketing materials with participant What is it about these materials that you like/dislike? Why? Would materials such as these emphasise the best parts about the Saving Gateway scheme clearly? How would you amend the materials in order to advertise the Saving Gateway scheme's best features? Is this the best way to market the Saving Gateway scheme? Why/why not? If not: Through which other ways should the Saving Gateway scheme be marketed? Which other channels might be used in order to market the scheme? How would this work? How would this emphasise the best features of the Saving Gateway scheme? Would a national campaign or more local channels be appropriate? Which local channels might be appropriate Probe for non-media channels such as through estate managers, those running community centres, other community 'leaders' ROLE-PLAY/KEY MESSAGES EXERCISE Would you recommend the Saving Gateway scheme to others? Why?	Looks at benefits of the scheme in participants 'own words' Exploration of marketing materials to get a feel for the types of communication that respondents find effective. Exercise to inform how participants feel that the Saving Gateway scheme might best be promoted to people like themselves
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	Imagine that I'm a friend at your house enjoying a cup of tea, how would you 'sell' the scheme to me? Which key features would you emphasise? What words or phrases would you use to describe the scheme or to advertise it to others? Are these the things that both of you would prioritise? Why/why not? MODERATOR TO WRITE THESE DOWN ON BLANK CARDS/POST-ITS <u>(AND THEN INTRODUCE OTHER CARDS)</u> As well as the things that you said, here are some things that others have said was good about the scheme. Overall, which of these things do you think are most important to say about the scheme? What are your key messages? Which ones are not as important? MODERATOR TO GET RESPONDENT TO ORDER ALL THE KEY MESSAGES TO IDENTIFY <u>MOST AND LEAST IMPORTANT MESSAGES. ENCOURAGE THEM TO DISCUSS BETWEEN THEMSELVES AND OBSERVE HOW THESE ARE DELIBERATED.</u> Is there any other key message that you would add to these?	Aim is to get at the key messages that participants feel sums up their experience of the scheme – and highlights the key benefits of Saving Gateway.
5 mins	CONCLUSIONS Thinking about all the things that we've talked about today what do you think is the most valuable thing that you learnt in participating in the scheme? What is the most valuable lesson for Government in terms of running and marketing the scheme? Do you have any further messages about the scheme for those involved in running the Saving Gateway scheme? Probe both respondents	Sums-up discussion, gathers most important aspects of conversation and gives participant the chance to make any further comments/ask questions

Appendix 6: Qualitative stimulus material

Participants in the qualitative research were shown the following materials for comparison and discussion:

- Saving timeline
- HM Treasury Saving Gateway scheme leaflet
- HM Revenue and Customs Child Trust Fund leaflet
- Key message cards

Saving timeline

Saving Behaviour

Before
Saving
Gateway

During
Saving
Gateway

After
Saving
Gateway

Future
Saving

Key Events



Saving Gateway

Helping your savings grow
£1 added for every £2 you save

The Saving Gateway: facts

What you need to know	The answers						
Account opening amount	£1 - £25						
Paying in money	You can pay in up to £25 a month						
Do I have to pay money in every month?	No						
Government match	For every £2 you pay in, the Government will contribute £1						
Total Government match you could earn	£200 (if you save £25 a month for 16 out of 18 months - if you miss a couple of months you can still earn the maximum match)						
Total savings illustration	<table> <tr> <td>£400</td><td>Your savings (maximum)</td></tr> <tr> <td>£200</td><td>Government match (maximum)</td></tr> <tr> <td><u>£600</u></td><td>Total savings</td></tr> </table>	£400	Your savings (maximum)	£200	Government match (maximum)	<u>£600</u>	Total savings
£400	Your savings (maximum)						
£200	Government match (maximum)						
<u>£600</u>	Total savings						
Do I get paid interest?	No interest is paid, but the Government will match your savings up to the maximum Government match. This match will greatly exceed typical interest rates						
Taking money out	Providing you leave £1 in the account you can withdraw the rest of your money at any time, whenever you like						
When do I receive the Government's matched funds?	When the account ends						
How long does the account last?	18 months						
Keeping track of your money	Passbook updates and statements every three to four months						
Can I close the account at any time?	No, only after 18 months but you don't have to contribute every month						
Number of accounts allowed	One						

The Saving Gateway: main features

- Saving has an important part to play in people's lives. By saving small amounts of money regularly, you can soon build up a valuable pot of money.
 - The Saving Gateway is a savings account that lasts 18 months. The Government has designed it to help your savings grow by making contributions to your account on top of the money you pay in.
 - For every pound you save, the Government will also put in money (up to a limit) when the account ends. It's as simple as that!
 - The Government's contribution is more generous than traditional interest rates.
 - To open an account visit a Halifax branch, listed in your invitation letter.
- You have been personally invited so keep your invitation letter - you'll need it to open your account**

Who can have a Saving Gateway account?

You can only open a Saving Gateway account if

- you have been invited to and have an invitation letter;
 - you are 16-65 years old.
- and one of the following applies to you:
- You are out of work and receiving benefits.
 - You are in work and your earnings are less than £25,000 a year and your household income is less than £50,000 a year.

Full-time students and pensioners do not qualify for a Saving Gateway account.



Child Trust Fund



**Don't forget, your new baby
is entitled to £250.**

Once you've claimed and been awarded Child Benefit, we'll send you a £250 voucher to open a Child Trust Fund account.

What is the Child Trust Fund?

Launched in April 2005, the Child Trust Fund is a savings and investment account designed to give children a financial head start in life and to help teach them the value of saving.

Who is eligible?

Every child born on or after 1st September 2002 is eligible for a Child Trust Fund account, if they live in the UK, Child Benefit has been awarded for them and they are not subject to immigration restrictions.

How much will my child receive?

All eligible children will automatically receive a £250 voucher from the Government to kick start their Child Trust Fund account.

In addition to this, if you receive the full amount of Child Tax Credit (CTC), because your household income is at or below the CTC income threshold (currently £14,155), your child will automatically receive a further £250. This will be paid direct into their Child Trust Fund account once your tax credit award for the year has been finalised.

Another payment of £250 will be made to your child on their seventh birthday.

Again, children who are part of a lower income household will receive an extra £250 payment.

How does it work?

Once you receive your child's voucher, you need to open a Child Trust Fund account. There are different types of accounts available to suit everyone's needs, as well as a range of different providers to choose from. You will receive an information pack from us with more details on these. Remember, if you choose a savings account its value may not increase as much as an account with shares in it. However, the value of shares can go down as well as up.

The money in the Child Trust Fund account cannot be taken out by anyone but your child, and they can only do so after their 18th birthday. Once they are 18, they will be free to use it as they wish.

During the 18 years, family, friends and your child can also make contributions. The maximum total amount that can be contributed to the account each year is £1,200. And remember neither you nor your child will pay tax on the account.

What do I need to do now?

Nothing at the moment, apart from completing the Child Benefit application form. Once you've been awarded Child Benefit, you will automatically be sent the information pack and £250 voucher within a month.

How can I find out more?

If you have any questions or queries, please visit

www.childtrustfund.gov.uk

or call the Child Trust Fund Helpline on 0845 302 1470.



Saving Gateway
kick-started my saving

Saving Gateway taught
me that I could plan/save
for a rainy day

I feel I now know more
about interest rates and
different savings accounts

I felt a sense of
achievement by being
able to save regularly

I feel more in control of
my money now

Now I feel more confident
using banks and building
societies

I managed to save for
that holiday I always
wanted

Saving has now become
a habit for me

My money felt secure, as
the Saving Gateway was
Government-backed

Trying to get the
maximum return
motivated me to leave my
money in the Saving
Gateway account