

Lowell backs radical rethink of financial education in Britain

New report from the Centre for Social Justice reveals dire state of financial literacy in Britain and recommends compulsory money management lessons for primary school students

- Report finds that lack of financial knowledge among children is posing unprecedented risks
- Nearly 14 million adults with experience of financial problems believe that low money management skills had contributed to their plight
- Primary schools should be required to provide lessons in money management to pupils

Lowell Group ("Lowell"), one of Europe's leading credit management services providers, is pleased to partner with the Centre for Social Justice ("CSJ") on a new report into the current state of financial literacy in Britain. The report, endorsed by Education Select Committee Chair Robert Halfon MP, revealed that a significant portion of the British population lacks financial literacy and the skills necessary to manage money effectively.

John Pears, UK Chief Executive at Lowell, said: "With the cost-of-living increases hitting home, financial literacy would be a strong barrier. Unfortunately, we just aren't good enough at it in this country.

Our own customers have told us how ill-prepared they felt to deal with debts. The lack of financial literacy and budgeting skills creates spirals of debt that are hard to break and have a long-lasting impact, individually and on our economy.

We need to look at radical change, over the course of people's lives, to ensure that everyone has the skills to manage their money and navigate modern financial products. We need to build proper financial resilience in the UK."

The findings in the report, which involved a nationally representative poll of 4,000 adults by Opinium, include:

- Nearly half of the population (44 per cent) believe that more financial education would help to improve their financial situation
- Over two thirds (68 per cent) of young people (aged 18-34) with experience of financial problems believe that low money management skills contributed
- Half of Brits failed a financial literacy test run by the OECD, putting Britain below Thailand and Albania in the global rankings
- Twenty-four million adults report not being confident handling their money day to day
- Only one in three children receive financial education at primary school, yet financial literacy disparities between children in different socio-economic backgrounds are already pronounced by the age of 11
- The introduction of financial education on the national curriculum in 2014 in secondary schools in England has not translated into all pupils receiving adequate financial education; two-thirds of teachers believe that students leave school with a poor level of financial understanding

As the internet has become an established part of life for children from an early age, with nearly all children between 5-15 going online in 2020, the report found that the lack of financial knowledge among children is posing unprecedented risks. For those aged 8-11, digital spending within online marketplaces and mobile games has hit record highs and according to the National Audit Office as

many as 55,000 children aged 11-16 were found to be 'problem gamblers', with an additional 85,000 at risk.

Poor financial education in school years leaves young adults exposed, particularly amid a rapidly evolving financial market where new risks crop up all the time. The inquiry heard that one in eight young adults who have taken out a "buy now, pay later" credit agreement ended up being contacted by a debt collector.

The report also found that learning how to manage money is a particular challenge for children from the most deprived backgrounds. The CSJ present evidence showing that children from low-income backgrounds are less likely to receive pocket money, and therefore have fewer opportunities to develop positive spending and saving habits. The accelerated move to a cashless society combined with fewer poorer children having online bank accounts has also reduced opportunities to practise money management from an early age.

Evidence shows that there are profound geographical disparities in financial skills in Britain, and financial literacy and budgeting skills are especially lacking in areas of high deprivation. The inquiry heard that 76 per cent of schools with children most in need of financial education are in areas of high deprivation. Heightened levels of financial vulnerability in the Midlands and North of England post-pandemic, as revealed by Lowell and the Urban Institute's Financial Vulnerability Index, suggest the additional need for better financial education in areas key to the Government's Levelling Up agenda.

Lowell and the CSJ recommend that lessons in money management are added to the national curriculum for primary schools. There should be a legal requirement for such lessons for youngsters in secondary schools (via PSHE). Current arrangements mean financial education is, according to the report, "woefully absent" for the most disadvantaged.

To read the full findings and recommendations of the report, follow this link: [*On the Money: A roadmap for lifelong financial learning.*](#)

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About Lowell

Lowell is one of Europe's largest credit management companies with a mission to make credit work better for all and a commitment to fair and ethical customer practices. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland, and Sweden. The Group employs over 4,000 people, including 1,500 in the UK.

Lowell's unparalleled combination of data analytics, deep consumer insights and robust risk management provides clients with expert solutions in debt purchasing, third party collections and

business process outsourcing. With its ethical approach to debt management, Lowell is committed to delivering the most fair and affordable outcome for each customer's specific circumstances.

Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and GFKL Group. In 2018, Lowell completed the acquisition of the Carve-out Business from Intrum, which has market leading positions in the Nordic region. It is backed by global private equity firm Permira and Ontario Teachers' Pension Plan.

For more information on Lowell, please visit our investor website: www.lowell.com.

