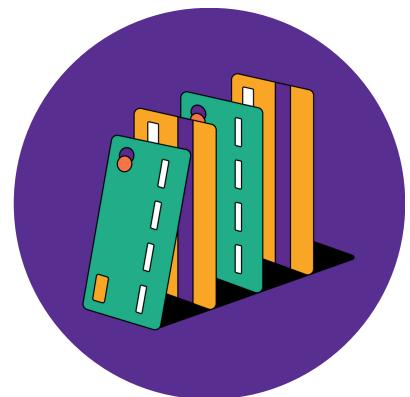


Ensure access to affordable credit in the Financial Inclusion Strategy

Fair4All Finance is a not-for-profit organisation working to boost financial inclusion. We're here to make sure that everyone has access to the right financial products and services, whenever they need them.

StepChange is the largest provider of debt advice and solutions in the UK, offering free, expert debt help and advice to individuals struggling financially.



Summary

Across the UK, more than 20 million people are in **financially vulnerable circumstances**. Yet millions are excluded from affordable credit and forced to rely on **unsafe** or **inappropriate** alternatives, increasing risks of poor outcomes and problem debt.

We are calling on the Government, regulators and mainstream lenders to ensure that the upcoming Financial Inclusion Strategy tackles financial exclusion and **closes the £2 billion gap** in affordable credit provision. Everyone should be able to access responsible, affordable credit when they need it.

Please write to Lucy Rigby KC MP, the Economic Secretary to the Treasury, to show your support for action that helps ensure people have access to safe, affordable loans.



StepChange can provide template letters and briefings

Get in touch to find out more:

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Why change is needed

- Millions are currently excluded from safe, affordable credit solutions, leaving them **vulnerable** to unexpected financial shocks. Without legitimate access to credit, people are pushed into harmful alternatives.
- One in ten people have **no savings at all**, and another 21% have less than £1,000.
- Two in five (41%) adults say they would not be able to meet all of an unexpected £1,000 expense without borrowing.
- While credit unions and Community Development Finance Institutions (CDFIs) are growing, the scale of the challenge requires new solutions with mainstream lenders playing a greater role.

What works

Proven solutions do exist. The Financial Inclusion Strategy should consider and, where feasible, scale up initiatives like the following:

- In the US, several large banks now offer 'small dollar loans' of under \$1,000 which are displacing high-cost payday lending. With government and regulatory support, a similar model could succeed in the UK.

- Fair4All has supported no-interest loan scheme pilots around the country, which provide no interest loans of up to £1,000 through models tailored for borrowers in financially vulnerable circumstances. Early evaluation findings show positive impacts on financial inclusion and low default rates.

Julie's story

Julie joined Enterprise Credit Union during what she described as a real low point – both personally and financially. With the help of the team at Enterprise, Julie set up a plan to change her financial future, repaying her loan each week and building her savings. Since joining, Julie has borrowed and repaid more than £16,000. In addition, she has saved consistently and is proud of her £2,300 in short-term savings.