Older people make use of a wide range of financial services from transactional banking to investments and pensions. Many interactions with the financial services industry proceed smoothly. However, we receive persistent enquiries and feedback about a range of challenges and barriers that suggest there are significant access issues for the regulator to study. This submission highlights key issues that have come to our attention and gives examples of the comments and evidence we receive. In our view, these warrant systematic study by the FCA and the development of appropriate remedies.

Access to physical banking services

As FCA wi
sets out the procedures to be followed in the case of planned closures of individual bank branches. This protocol was negotiated between the BBA and BIS with input from (but not formal agreement with) the charity and consumer sector including Age UK. It reflects widespread concern, particularly on the part of older people and the small business community, that withdrawal of physical banking services from smaller towns and rural communities will impose significant detriment on local residents and businesses. One Age UK correspondent described his situation as follows:

An issue revealed by Age UK research for our 2011 report *The Way We Pay* was the concern of people aged 75+ about security of on-street cash withdrawal. Only 34% of the 75+ age group preferred withdrawing cash from an on-street cash machine, compared with 79% of the 45-54 age group.[3] Their preference was for cash withdrawal in branch, in post office, by cashback when shopping or from an ATM in a bank or building society branch. The security concerns were about being mugged or not noticing that an on-street cash machine had been tampered with.

The key point is that there will continue to be a need for physical banking services in safe locations for a substantial group of older people for the foreseeable future. This is an access issue the FCA should study. FCA interest will complement the planned 2016 review b

Persistence of a non-digital group of older people

Older people are highly diverse when it comes to Internet and mobile uptake. Some older

devices and services, while others are late or non-adopters for a variety of reasons. Surveys by Ofcom, ONS and others have shown a strong statistical association between Internet use and age and Internet use and income, with older and low income people having particularly low rates of Internet uptake.

According to Ofcom, in Q1 2014 significant proportions of older people did not have access to the Internet at home: 33% of the 65-74 age group and 68% of the 75+ age group.[4] According to ONS, in Q1 2014, only 37% of adults aged 75+ had used the Internet. Of these, 15% had not used the Internet within the last three months.[5]

There is a pronounced regional pattern in Internet usage. In most of London and surrounding areas the Internet usage rate for all age groups is over 90%, but in outlying regions it is often less than 80%. The UK does not yet have a policy for universal fast Internet access and there are significant variations in Internet speed even within London.

In addition, many pensioners have low incomes. In 2013, 60% of pensioners had incomes of £10,000 or less per person per year. Twenty per cent of pensioners had incomes of £5,500 or less per person per year.[6] 1.6 million were living below the official poverty line.

and to pay broadband charges.

An Age UK adviser reported a conversation with a 78 year old female participant in an

[3] Age UK, *The Way We Pay* (2011), p 45, based on an omnibus survey carried out for Age UK by Ipsos MORI.
[4] Ofcom, *The Communications Market 2014*, p 264.
[5] ONS, *Internet Access Quarterly Update*, Q1 2014.
[6]

taught to do. Now she feels left behind with the computers and phones th

Access to cash or paper-based payment methods (e.g.

staff how I was to know this and the answer was :

a) I am not expected to remember (?)

b) statement (I get a printed statement *monthly*, so this is clearly aimed at online banking)

c) mini statement (this means a trip to a [named bank] ATM in town, see above, and only covers a few days)

d) transaction slips (filed in batches and kept in safe)

e) writing down up to two weeks

lot of transactions).), so it is

the information the Bank relied on included untested assumptions, stereotypes or generalisations in respect
circumstances.

Age limits continue to exist in travel and motor insurance. We think the FCA should consider the extent to which these age limits inhibit the effective working of competition in the interests of older customers.

Age UK receives many calls about mortgages. Often the mortgage is an aspect of complex financial circumstances facing the caller or person on whose behalf they are calling. However, some of the calls reveal access issues of a more general nature. Looking at recent call logs from our Information and Advice Department, the most frequent of these are:

The application by lenders of an age limit of 70 or 75, which appears to our callers to be an arbitrary age limit rather than being based on an analysis of affordability for the caller or specific risks relating to the caller.

Callers unable to re-mortgage or extend the term of an endowment or interest

When we have raised these issues with individual financial institutions we have been given a variety of explanations, none of them completely convincing. We have formed the impression that the industry is hesitant to manage loans in the later life of customers. This has found expression in rules that may breach the Equality Act, appear unfair to our callers and in some situations threaten the loss of their home.

We recommend that the FCA look into mortgage availability for the over-70s. While nobody would condone lending to someone who cannot afford to repay, we are concerned that the imposition of blanket age limits is unnecessary (given the strict affordability rules under the MMR) and we question whether lenders are necessarily complying with the Equality Act. For those who can afford to service a loan in later life, it is unfair to be forced into the more expensive loans (or equity release) offered by niche lenders, rather than having access to the wider marketplace. We think such a review would also be timely in

may encourage lenders to lean on people to use their pensions to repay a mortgage even if it is not in their best interests to do so. We have previously called for good practice guidelines to be developed to ensure that the interests of borrowers and lenders are balanced.

and discuss this with the solicitor, but obviously more input from the solicitor will made a formal response.[15] Our response supported the remedies proposed by the FCA but suggested, in the light of the large cash savings balances in low interest rate accounts,