



advice and support for older age
**Independent
Age**

**Independent Age response to the Financial Conduct Authority's
Intergenerational Differences discussion paper**

July 2019



About Independent Age

We are here to transform the lives of older people, providing timely personalised support and fearlessly campaigning for equality and fairness, and putting older people at the heart of what we do. We work to put independence in later life at the forefront of the work and activities of all influencers and decision-makers who are responsible for improving the lives of older people, particularly the most vulnerable.

We offer regular contact, a strong campaigning voice, and free, impartial advice on the issues that matter to older people: care and support, money and benefits, health and mobility. Our mission is to enable older people to stay independent and live well with dignity, choice and control.

For more information, visit our website www.independentage.org

Registered charity number 210729. For more information about the submission please contact: Emma.Seaman@independentage.org.uk

Independent Age response to FCA Intergenerational Differences discussion paper

Independent Age is a charity for older people, offering regular friendly contact and a strong campaigning voice, as well as clear, free and impartial advice on the issues that matter: care and support, money and benefits, health and mobility. We welcome the opportunity to respond to your discussion paper.

We are pleased that you want to highlight the issues that different generations face in order to stay relevant for tomorrow's consumers and their changing needs. We understand that you want to ensure that your assumptions about their needs are correct, but we believe that the picture you present in terms of older people is over-simplified.

An opportunity to challenge assumptions about older people's circumstances

The paper suggests that the majority of older people are in a comfortable financial position and appears to assume that everyone who falls within the 'baby boomer' age range is in the positive financial position typically associated with this group. It is however important to recognise that people in, and approaching, later life are not one homogenous group and many are at risk of being left behind in a financial market that is quickly evolving around them. As part of this, we feel there is a particular gap in terms of those aged 75 and over who are not part of the 'baby boomer' generation.

You will be aware that:

- There are almost two million pensioners currently living in poverty in the UK, and 1.1 million older people are living in severe poverty¹
- Older people from a non-white ethnicity are more likely to be living in poverty²
- Older people aged 75 and over are twice as likely as younger groups to have lived in poverty for the past four years³
- Currently one in three pensioners do not receive any income from a private pension⁴
- An estimated 500,000 older people are privately renting and more than 1 in 4 private renters sometimes or often have too little money⁵
- Approximately 143,000 older people face 'catastrophic lifetime costs' of £100,000 or more – that's more than one third of those in residential care⁶

We are aware that you have conducted work that looks at issues relating to older people in more detail, as set out in your report 'Ageing Population and Financial Services' which we read with great interest. The FCA clearly has existing knowledge that can be drawn on to understand the varied financial needs of older people and how they need to be protected. As such we believe that you

¹ UK Poverty 2018 (December 2018), Joseph Rowntree Foundation

² Households below average income: an analysis of the income distribution 1994/95 to 2017/18 (March 2019), Department for Work and Pensions

³ The over-looked over 75s: Poverty among the 'silent generation' who lived through the Second World War (2016) Independent Age

⁴ Pensioners' Incomes Series: An analysis of trends in Pensioner Incomes: 1994/95 to 2017/18 (2019), Department for Work and Pensions

⁵ Unsuitable, insecure and substandard homes: The barriers faced by older private renters (2018) Independent Age

⁶ Free personal care: How to eliminate catastrophic costs (2019) Independent Age

could take a more nuanced approach to this group when considering specific action that needs to be taken.

Insight and evidence from our work

We have conducted a number of pieces of work which may be of interest to you:

- We are currently coming to the end of our summer blog series - [Pounds, shillings and Pensions](#) – which has included dozens of contributions from expert organisations and from older people about a wide range of issues relating to financial security. Insights from this series have included the impact of the shift to electronic payments, ongoing challenges from the poverty premium, the difficult choices many older people have to make every day to make ends meet, and the devastating impact that scams can have
- [Credit where it's due: Ending the £3.5 billion Pension Credit scandal](#) – our report, published last month, sets out the rising levels of pensioner poverty and the impact this is having on the individual older people we have spoken to
- [The overlooked over-75s: poverty among the 'Silent Generation' who lived through the Second World War](#) – this report that provides an analysis of the financial challenges faced by people aged 75 and over.

We hope the information above is of use as you take your work forward. We would welcome the opportunity to discuss our policy work in this area with you.