

Community Investment Coalition 2018 Manifesto



This May, seats are up for grabs on 150 local councils in England. In anticipation of this, the Community Investment Coalition urges local councils to make a commitment to tackling financial exclusion.

Families struggling with unstable incomes are five times more likely to turn to high-cost credit¹. Outstanding doorstep loan debt has doubled since 2014, and 1 in 10 catalogue credit purchases ends in default². Half of people in financial difficulties have a mental health problem³.

The Community Investment Coalition (CIC) was born out of the financial crisis and subsequent economic recession. In the context of rising household debt, falling rates of savings and the continued exploitation by high-cost credit firms of vulnerable people, the need for a strategic approach to tackling financial exclusion is now more pertinent than ever.

To help address this ongoing problem, the Community Investment Coalition calls on all political parties to adopt a strategic approach to tackling financial exclusion at a local authority level by making the following commitments:

1. Require the Government to undertake a cross-departmental review of community finance provision across the UK to:
 - a. Understand the impact of financial exclusion and a lack of household financial resilience on the delivery of other policy priorities;
 - b. Assess the strengths and weaknesses of current community finance providers to address financial exclusion, and identify how provision can be improved;
 - c. Encourage FinTech innovation so that this expressly benefits people on low to middle incomes. This could, for example, include measures to encourage investment in FinTech solutions that are delivered through the Responsible Finance sector;
2. Ensuring improvements are made to the current, voluntary, framework for the disclosure of lending data by the main banks so that local authorities can make better use of the data in assessing local lending patterns and so more effectively target any interventions required. This should include action to ensure that data is released on the number of people borrowing in local communities as well, as currently, the outstanding stock of debt. The scope of the disclosure framework should also be extended to cover overdraft and credit card lending from the main banks and other lenders.

¹ <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/people-with-unstable-finances-five-times-more-likely-to-turn-to-high-cost-credit-citizens-advice-reveals/>

² <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-calls-for-action-on-high-cost-credit-as-households-face-growing-insecurity/>

³ <http://www.moneyandmentalhealth.org/wp-content/uploads/2017/05/MMHPIOverstretched-Overdrawn-Underserved.pdf>