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**Immigrants and Financial Services:
Literacy, Difficulty of Access,
Needs and Solutions**

The UK Experience

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1. Immigrants in the UK

1.1 Terminology and History

The word immigrant causes considerable misunderstanding between people in Britain and the rest of Europe. Britain has always had people coming to its shores from abroad. Some, like the Huguenots (protestant refugees who came to Britain in the 17th Century) gradually became assimilated. Others have maintained separate group identities to some extent. The most recent substantial period of immigration was in the post-war period, particularly the 1950s and 1960s when the largest groups came (first) from the West Indies to help meet severe labour shortages and (slightly later) from the Indian subcontinent -- either directly from India, Pakistan and Bangladesh or, in some cases, via East Africa.

Subsequent UK legislation effectively prevented further significant non-white immigration, though there has been a small amount of continuing immigration by families to join heads of households. Recent arrivals have also included refugees and asylum seekers from a variety of countries including Somalia, Sri Lanka, China, and the former Yugoslavia, and most recently from Iraq, Afghanistan and Zimbabwe¹. However, already the majority of members of non-white ethnic minority groups were born in this country. It is therefore perhaps not surprising that most people of Asian or Afro-Caribbean origin do not regard themselves, and are not generally regarded, as immigrants. The majority of immigrants, in the sense of people living in the UK but born abroad, are white.

1.2 Ethnic Minority Groups

Over the UK as a whole, in the 1991 census 5.5% of the population did not classify themselves as white. Half are south Asian (Indian, Pakistani and Bangladeshi descent) and 30% described themselves as black ("Black Caribbean", "Black African" or "Black Other"). However, non-white ethnic minorities are highly concentrated in England (rather than Scotland or Wales) and in large urban centres, especially Greater London, the West Midlands and the Greater Manchester area. The Greater London area contains nearly half of Britain's non-white population, who make up 20% the people living in the area. By contrast, only 10% of the white population lives in the area.²

Differences

In addition, different ethnic minority groups tend to be concentrated in different regions, the Bangladeshi community in Greater London (54%), Pakistanis in the West Midlands (21%) and Indians in the South East (53%) and Midlands (30%). Black groups are heavily concentrated in London, though 16% of black Caribbeans live in the West Midlands. The Chinese population is more dispersed. Within these

¹ Asylum statistics 1999 to 2002 first quarter (Q1) Refugee Council at <http://www.refugeecouncil.org.uk/infocentre/>

² CRE Factsheets Ethnic Minorities in Britain London Commission for Racial Equality 1999 http://www.cre.gov.uk/pdfs/em_fs.pdf

areas, there are also big concentrations, for example, the Bangladeshi community in Tower Hamlets in the east end of London.

Household size

Household sizes also differ between ethnic minority and white groups and also, markedly, between ethnic minority groups. The largest households, often containing several generations, are to be found amongst Bangladeshis and Pakistanis (5.7 people) followed by Indians and African Asians (3.9 each), Chinese (3.3), Caribbean (3.2). The figure for white people is 2.4. The Black Caribbean community has by far the largest proportion of one-parent families (45%), compared with 21% amongst white people and 8% among south Asians. Nearly a third of Britain's non-white population are under 15 years old. Only 3% are pensioners compared with 17% in the white population. It is worth noting that the biggest change in the demographic profile of all ethnic minority groups is likely to be in the age structure, particularly amongst older groups.³

Housing tenure

One major difference between different ethnic minority groups concerns patterns of housing tenure, with much higher levels of owner occupation amongst Indians and Pakistanis than amongst Caribbean, Bangladeshi and Chinese groups, with more Indians and Pakistanis buying their homes outright. Around eight out of ten householders from Indians, African Asians and Pakistanis own their homes, compared with two thirds of white and around half of Bangladeshi and Caribbean households.⁴ Commenting on these differences, Lakey comments that, like differences in settlement patterns, they reflect a large number of historical, geographical, economic and cultural influences, but suggests that the relatively low level of owner-occupation among Chinese, Caribbean and Bangladeshi households is related to

Their concentration in inner London, their lower than average incomes, and, for Caribbean and Chinese groups, the predominance of small (lone parent and single adult) households.⁵

On the other hand, Indian, African Asian and Pakistani households have higher levels of home ownership despite having relatively low incomes. These differences in housing tenure and ownership have considerable implications for access to financial services and patterns of savings amongst different ethnic minority groups.

1.3 Social exclusion and access to financial services

The problem of lack of access to financial services on the part of a significant minority of the population is, ironically, a consequence of the same social and economic changes in Britain and the increasing growth and range of financial products that have become available to a growing majority of the population. In the face of this growing polarisation, resulting from developments in both the social and

³ *ibid*

⁴ Lakey, J, (1997) *Neighbourhood and Housing in Mahood T and Berthoud R, Ethnic Minorities in Britain London, Policy Studies Institute p 198-201*

⁵ *ibid* p 222

economic sphere, and in the financial services sector, it is “unlikely that all sections of the population will be included within the financial services sector unless there is some shift in policy or practice”⁶.

Social and Economic Factors

Amongst the social and economic factors are a growing gap between the incomes of rich and poor, changes towards a more flexible labour market with less job security and more casual and part time work, especially by women, and a growing polarisation between two earner and no-earner households. Demographic changes have also contributed, including the rise in lone parenthood and, at the other end of the scale, a growing gulf between the increasing number of better off pensioners and the still significant numbers of poor pensioners who have traditionally operated in a cash economy. Changes in housing tenure have contributed to financial exclusion since, while more people are homeowners with mortgages and access to other financial services, the right to buy council houses has also helped create geographical pockets of poor people living in a dwindling supply of social housing for rent. Furthermore, the increase in home ownership amongst those who previously rented has created a concomitant risk of financial difficulty (and in extreme cases homelessness) in the event of changes in personal or financial circumstances, including the birth of children, marital breakdown or the loss of a job.

Changes in Financial Services

Within the financial services sector, parallel changes have contributed to financial exclusion. Increased competition in the financial services market led to an increased segmentation of the market for financial services. Often using sophisticated risk assessment techniques, based not on knowing individual customers, but based on the profiling of geographical areas, financial services providers have concentrated on generating geodemographic maps of what they perceived to be more profitable and less risky customers, making access to financial products by those excluded more difficult or expensive, if not impossible. One very visible aspect of this process has included the closure of bank and building society branches in the more deprived and already financially excluded areas. Among people living in these poorest areas, bank closures can only add to their feeling that financial products are not for them.

1.4 Ethnic Minority Groups and Access to Financial Services

It is within this broader context that access to financial services by members of minority ethnic communities in Britain must be seen. The services that ethnic minorities need come into two categories, personal and business.

Personal Financial services

Ethnic minority groups differ amongst themselves, and the Afro-Caribbean, Pakistani and Bangladeshi communities in particular are amongst those that have fewer personal financial products than the rest of the population. As Kempson summarises the situation,

⁶ E Kempson, C Whyley, J Caskey and S Collard (2000). 'In or out? Financial exclusion: a literature and research review'. London: Financial Services Authority. p11

Those most likely to be on the margins of financial services include people who are unemployed, unable to work through sickness or disability, single pensioners and lone parents. It is also much more common in African-Caribbean, Pakistani and Bangladeshi households than it is among other ethnic groups.⁷

Above all, she argues, financial exclusion is mainly a function of household income. Certainly these groups are over represented amongst low-income households, Indian and black males earn 10% less than white males, and Pakistani and Bangladeshi one third less. As already noted, there is also a high proportion of lone parents amongst Afro-Caribbeans, and lone parents tend to be low-income groups.

Looking in more detail at households with no products at all, while 6% of white households have no financial products, the figure is 14% for Pakistani and Bangladeshi households and 16% for Black households. For Indian households, the pattern is much closer to the white one. While statistical modelling shows that low income is the main explanation for African-Caribbeans being at the margins of financial services, in the case of Pakistani and Bangladeshi households, a whole range of cultural and institutional factors also come into play.

When it comes to having a bank account, African-Caribbean, Pakistani and Bangladeshi people are disproportionately likely to be without an account. While African-Caribbean people's lack of accounts was because they were disproportionately living on low incomes, there were additional factors related to ethnicity and cultural differences in the case of Pakistani and Bangladeshi people.

The influence of ethnicity is greater amongst Pakistani and Bangladeshi women than men and Kempson has described account holding amongst Pakistani and Bangladeshi women as "incredibly low"⁸. In a report for the British Bankers' association, Kempson and Whyley (1998) point out that while, for men, being either Pakistani or Bangladeshi at least "doubled the odds" of someone not having a current account, amongst women

Being anything other than white or Black-African significantly increased the likelihood of not having an account. This effect was most pronounced amongst Pakistani and Bangladeshi women who were, respectively, more than five and more than four times more likely not to have a current account than white women.⁹

As they add that

This almost certainly reflects cultural differences in the way that household responsibilities are divided between men and women.¹⁰

Cultural factors are also reflected in the fact that the use of formal savings products is also much lower amongst all minority ethnic groups than amongst the white British population. This is particularly unlikely again amongst people of

⁷ Kempson 2000 op cit p 21

⁸ Op cit p 28

⁹ Kempson, E. and Whyley, C. (1998) Access to Current Accounts, London: British Bankers' Association. P 10

<http://www.bba.org.uk/pdf/currentaccounts1998.pdf>

¹⁰ ibid

African-Caribbean, Pakistani and Bangladeshi origin. As Kempson (1998) points out, this too cannot be explained by income alone, as use of formal savings is much lower than even the lowest income households amongst the white population.

A recent report from the British Bankers' Association highlights action taken by the banks to improve access by their ethnic minority customers¹¹. For example both Barclays and Lloyds TSB monitor the representation of ethnic minorities amongst their employees and Barclays claim that 7.2% of its staff are from ethnic minorities.¹² Barclay's Home Finance also have used a "Language Line" offering a facility for three way telephone calls between the bank and customers whose first language is not English. According to the BBA Report, the most popular languages have been Urdu, Bengali and Punjabi.¹³ Lloyds TSB provide cultural awareness training for branch staff, particularly in areas with high ethnic minority populations and, in areas with a high concentration of ethnic minorities, "seek to recruit multi-lingual staff to ensure our workforce reflects the composition of the local community and serve customers whose first language is not English".¹⁴ Halifax have a similar policy and if staff can speak languages other than English, these are identified on name badges. In addition many banks are involved in supporting a range of initiatives to promote financial literacy and access to financial services on the ground, many of which involve substantial numbers of members of ethnic minority communities.

Yet the groups who are least likely to save in formal accounts are, in fact, most likely to save via informal means. Afro-Caribbeans, Pakistanis and Bangladeshis, the groups least likely to be saving formally, are the groups that are more likely to be saving in other ways. Many credit unions were started by Afro-Caribbeans, who had previously been part of more informal, unregulated savings and loans schemes at home. Members of the Afro-Caribbean community have generally made more use of Credit Unions in Britain than most white British households. Pakistani and Bangladeshi communities have tended to retain these schemes, which rely on mutual trust and "moral capital" not unlike the "common bond" in a credit union to enforce both saving and repayment of loans¹⁵. Here again cultural factors as well as difficulties in accessing formal financial products when they arrived in Britain may be important. As previously noted, buying houses outright (common among the Indian and Pakistani communities) is another form of saving.

Personal credit use amongst African-Caribbean, Pakistani and Bangladeshi communities resembles that of low-income groups in the population as a whole, and with the exception of the use of community based savings and loans schemes, the Afro-Caribbean community studied by Herbert and Kempson (1996)¹⁶ followed most closely the general pattern of sources of credit too. However, Pakistani and Bangladeshi communities were much more likely to borrow from family and friends

¹¹ BBA (2000) Promoting Financial Inclusion: the work of the banking industry, London: British Bankers' Association.

¹² Social and Environmental Report 2001 http://www.society.barclays.co.uk/employees_content.htm

¹³ BBA (2000) op cit. p 36

¹⁴ Diversity in the workplace Sept 01

<http://www.epolitix.com/data/companies/images/Companies/Lloyds-TSB/diversity.htm>

See also *Truth behind the window dressing: Diversity training*, The Guardian, November 25, 2000 <http://www.guardian.co.uk/racism/Story/0,2763,402783,00.html>

¹⁵ For more details of these schemes see Kempson, E. (1998). Savings and low income and ethnic minority households. London: Personal Investment Authority, and Herbert, A. and Kempson, E. (1996). Credit use and ethnic minorities. London: Policy Studies Institute.

¹⁶ Herbert, A. and Kempson, E. (1996) op cit

than from commercial sources. Lack of knowledge of the options for sources of credit and other financial services, especially amongst Asian and other non-English speaking communities, tended to restrict choice to those tried and recommended by others in their community.

Members of ethnic minorities are also less likely than average to have home contents insurance and believed that they were charged higher premiums for it. Reluctance to take out insurance products generally can be linked to religious beliefs amongst some ethnic groups. Conventional insurance involves a number of elements, for example gambling in the face of uncertainty, as well as interest, which go against Islamic principles.

Religious and cultural factors may well underlie the lack of private pension provision amongst some minority ethnic communities and Pakistani and Bangladeshi men are particularly unlikely to have made private pension provision beyond the basic state pension. Islamic teachings on interest and on types of investment, together with unfamiliarity with British financial services, may well act as a deterrent, and many prefer to send money back to accounts in their country of origin, with the intention of returning there in old age.

Furthermore, many in the Pakistani and Bangladeshi communities, living as extended families in the same house, expect that their own children will care for them in their old age and, with higher than average levels of self-employment, many regard their businesses (and houses) as providing security in old age.

Business financial services

Self-employment has been a traditional option for many ethnic minorities and, just as many ethnic minorities have above average rates of owner-occupation, so many also have higher than average rates of self-employment. Businesses run by those from a minority ethnic background account for some 7% of all small businesses in the UK. Access to financial services of different kinds, but particularly access to bank accounts, start-up finance and overdraft facilities as well as access to advice and support, is of particular importance to members of ethnic minority groups embarking on self-employment. Both structural and cultural factors influence the patterns of access.

As with housing tenure, however, the picture varies greatly between different groups and again, members of the Indian, Pakistani, African Asian and Chinese communities have a higher rate of self-employment than white people, while in the Caribbean and Bangladeshi communities self-employment is much less common.

Ethnic Minority businesses share a number of characteristics. According to a recent study, “most ethnic minority businesses are “not just small, but very small firms”¹⁷ Furthermore, they are located in Britain’s inner cities, reflecting ethnic settlement patterns more generally. They also tend to be in different sectors, South Asians in catering, clothing and food retailing, the Chinese in the takeaway restaurant trade, and the Afro-Caribbean community, though much less involved in self-

¹⁷ Ram M and Smallbone D Ethnic Minority Enterprise: Policy in Practice Final Report prepared for the Small Business Service June 2001 p 13
http://www.sbs.gov.uk/content/pdf/embf/Ethnic_Minority_Enterprise_Policy_In_Practice.pdf

employment, in the construction industry. All these factors can make access to finance more difficult.

One consistent finding of research on ethnic minority is that they have less propensity to use mainstream support agencies and that ethnic minority enterprises have particular difficulties in accessing finance from mainstream financial institutions, particularly at the start up and growth stages. This is particularly true for Afro-Caribbean businesses, which have

Less success in accessing bank loans than either their white or other ethnic minority counterparts, a higher propensity to turn to non bank formal sources of start up finance (including various sources of last resort lending) and a below average propensity to access informal sources of start up capital.¹⁸

Part of this is to do with the greater difficulties experienced in providing collateral compared with other communities in which homeownership is higher. Weaker family and social networks compared, for example with Pakistani communities where members have been able to sidestep the banks' reluctance to fund ethnic minority businesses through community self-help, have also put Afro-Caribbean entrepreneurs at a disadvantage.¹⁹ The Afro-Caribbean community has not provided the same support. In part, this reflects the fact that most original black immigrants to the UK came from working-class backgrounds and found employment in the public sector. Afro-Caribbeans from a middle-class, entrepreneurial background instead favoured the US as an emigration destination and Afro-Caribbean involvement in business there is correspondingly greater²⁰.

Recently arrived refugees and asylum seekers face a particular set of problems. They often arrive without papers with them, including any financial records, and absolutely no track record in the UK. Many experience additional difficulties even in opening bank accounts, as identity documents possessed by the refugees are not deemed acceptable.

Under money laundering regulations, banks need to check the identity and address of those who open accounts. Typical items asked for may be a current passport, a current full driving licence, a pension book or benefit book, a council tax or utility bill. An Electoral Register check may also be made. Few who have arrived recently will be able to meet any of these requirements.

Perceptions

But the question of perceptions by both members of ethnic minority groups and mainstream financial services is also crucial. The wariness of some ethnic minority groups about even approaching mainstream sources of finance, according to a Bank of England report “is based on the belief that they will receive less favourable treatment than others with similar business proposals” as well as fears about stereotyping²¹. This perceived lack of understanding is sometimes presented as

¹⁸ *ibid* p 15-17

¹⁹ Bank of England (1999) *The Financing of Ethnic Minority Firms in the United Kingdom* A special report

²⁰ Guthrie J *Unequal Struggle for black entrepreneurs* Financial Times 21 March 2002

²¹ Bank of England (1999) *op cit* p 15

insensitivity to issues relating to ‘ethnicity’” and “can reflect a frustration with agencies’ apparent lack of insight into the particular dynamics of the business”²² Whether this amounts to discrimination remains a matter of debate, these perceived barriers are nevertheless important. They appear to apply particularly to members of the Afro-Caribbean community.

Like other institutions, the banks are required to comply with laws and regulations against racial discrimination. These laws include discrimination in the provisions of services and to customers. Some of the initiatives by banks to encourage access to banking services by personal customers from ethnic minority backgrounds have already been noted. Within the business sphere, HSBC have gone further and set up an initiative specifically aimed at the Asian Business Community - South Asian Banking - staffed by specialist business managers who have an appreciation of the specific needs of Asian Businesses.

Despite this, the Bank of England report admits that discrimination against members of ethnic minority groups may exist as a result of “an unintentional by-product of a bank’s profit maximizing exercise”, so that a member of an ethnic minority group may be treated differently in applying for a loan, for example, “not because of prejudice against the individual, but because the characteristics of the race group on average give the lender a negative signal about the individual”. On this argument, “banks use race as a proxy for the unobservable characteristics that cause the difference in loan risk.” However, as the report acknowledges, if this is because businesses owned by this ethnic group are concentrated in riskier sectors of the economy, “then discrimination against the entire racial group is unjustifiable, as sectorial concentration is an observable characteristic.”²³

Challenge

Education is only part of the answer to promoting financial literacy amongst members of ethnic minority groups. At least as important is making the services that are offered attractive and appropriate to different client groups. Different approaches will attract different groups. The challenge of promoting financial literacy amongst members of ethnic minority groups must be seen in this light. The examples that follow give an indication of some of the ways in which it can be done.

²² Ram M and Smallbone D (2001) op cit p 43

²³ Bank of England (1999) op cit p 26 and 38

2. Examples of Good Practice

2.1 Street Cred

Street Cred is a micro-finance project that helps ethnic minority women living in the poorest boroughs of east London gain access to credit and to business advice in order to start businesses of their own. Nearly 100 women from over 20 nationalities are currently involved in the project and nearly 50 loans have already been granted.

Many of the women have been surviving on benefits and do not have a bank account and a recent survey in one borough revealed that over 20% of households were without any bank/building society/ supermarket or other retail accounts whatsoever. As a result, high street banks generally will not consider them credit worthy enough to warrant issuing a loan for a business start up. Street Cred fills the gap by providing loans to women who cannot get money from elsewhere, and who have a skill that they feel they might be able to use and develop in self-employment. The project focuses particularly on women because many existing business services do not take account of factors such as confidence and childcare into account, as well as the language and cultural barriers faced by many people from ethnic minority groups.

The project takes its inspiration from the Grameen Bank in Bangladesh, which provides small business loans of as little as €50, to millions of low-income people - overwhelmingly women - and has a default rate of less than 3 per cent.

In order to borrow from Street Cred clients must first join or form what are known as Borrowing Circles, groups of around five women who come together to provide each other with support whilst they develop their respective enterprises. The groups meet every two weeks, usually in a member's home with the children present but cared for. Members are also encouraged to get involved in a range of other community activities - including a parent and toddlers group, English as a Second Language Classes as well Craft fairs, and a weekly community meal.

Bi-lingual workers, with community backgrounds, are employed to support the women in achieving their goals and the groups work in the most convenient language.

Often members come with a specific idea for a business, on other occasions it develops through the meetings, and they support each other in developing ideas together. When they are ready, the group choose two of their number to apply for a loan, outlining their proposed business, the experience they have and what they need the loan for. A first loan is for up to £500 and second loans of up to £1000 are available, repayable within a year. No interest is charged on the loan and there is a 6% administration fee. This makes the loan more acceptable to Shariah law, though some members of the groups would like reassurance of a religious leader's approval. The fund is managed by the London based Environment Trust as part of its community finance arm.

Loans are dependent on the approval of group members and all the members sign for a loan taken out by one of their number. If one person fails to repay their loan then other members of the group will be denied access to further credit. The groups continue to meet every two weeks during the repayment period repaying typically £20 each time they meet during the period of the loan.

No collateral, credit history or business plan is required since the group acts both as a support and as a mutual guarantee. This "moral collateral" has proved a powerful substitute for the credit checks and guarantees required by high street banks and Street Cred has experienced no problems in the repayment of loans to date.

As women develop experience of trading and related issues the support workers are able to direct them to support services suited to people with more experience of business. Already two women, who have repaid their original loans, have taken on a second loan to develop their businesses.

Enterprises being developed include a service that imports rice from Somalia to sell to the Somali community of east London, a woman who sells underwear for larger women from her home in Tower Hamlets and another, an Afro-Caribbean woman who registers Polish companies here in the UK (as it is cheaper than in Poland), and a catering business. Others include a nail technician, a seamstress and a woman who makes greetings cards to order. Another runs an Asian Social Club.

The project helps reduce the isolation that many of the women would otherwise feel, allowing them initial access to education about financial services, for example about the role of credit, which is tailored to their needs, while opening the door to wider social and economic integration and education in financial literacy.

Street Cred is a project of Quaker Social Action (QSA), founded by members of the Society of Friends nearly 150 years ago to tackle poverty in the East End.

2.2 Toynbee Hall

Originally established as a university settlement in 1884, Toynbee Hall has - for nearly 120 years - been developing practical and innovative solutions to address social problems and then exporting them to wider society. Founded at a time of an enormous increase in urban poverty and the associated miseries of squalid housing, ill health and high crime, Toynbee Hall aimed to bring the most privileged - the future elite - to live in the poorest area of London; and quickly became the influential powerhouse of social reform that it remains today, with involvement in a number of projects including working with children and families, work with older people, arts and culture, education and free legal advice services.

At the time of its foundation, Toynbee's location in the Tower Hamlets borough of East London was at the heart of both the Jewish and Irish immigrant communities and Toynbee Hall has had an ongoing concern with the situation of ethnic minorities living in the area from the beginning of its existence. Since the Second World War, other newcomers - particularly from Bangladesh - settled in the area. The London Bangladeshi community is now concentrated in Tower Hamlets and comprises 26% of its population. Within the borough, however, there are much more concentrated pockets. In one ward (Spitalfields) over 60 per cent of the total population is of Bangladeshi origin, and in four other wards in the western half of the borough Bangladeshis account for over 30 per cent of the population. With its culture and cuisine, the predominant Bangladeshi community gives such life and vitality to the area that it has been dubbed Banglatown.

At the same time, Tower Hamlets is also officially ranked as the most deprived of all boroughs in England. Unemployment in the area runs at around twice the London average and over 60% of households (80% of council tenants) in Tower

Hamlets had a gross income in 1999 of less than £10,000, an almost unimaginable level for most London residents. 13% of households in Tower Hamlets are overcrowded - double the London average. Amongst Bengali households, this figures rises to 42%.

Work with the local Bangladeshi community has been a major priority in recent years and Toynbee Hall's Asian studies programme has included literacy classes for isolated Bangladeshi women with young children delivered at home, language classes in English and a professional diploma course in interpreting for public service professionals as well as social care and cultural projects with the Bengali community.

Building on the contacts and trust built up with the Bengali and other Asian communities over the years, Toynbee Hall is embarking on a major Financial Literacy project in which work with members of ethnic minority communities is a major element.

The recently appointed coordinator of the project, Services Against Financial Exclusion (SAFE), is Faith Reynolds, a major part of whose role will include engagement with members of ethnic minority groups, especially the Bangladeshis, who represent a high proportion of the financially excluded in the area. Toynbee Hall's front line work and evidence received by a working party that drew up the proposal highlighted the fact people from the Bangladeshi community were most vulnerable to being excluded from financial services; and that they represented over a quarter of the Tower Hamlets population. Furthermore, this was in a wider context in which the borough had been hit particularly hard by bank branch closures; and the local Citizens Advice Bureau had seen huge rises in multiple debt issues for those on low incomes - the majority of those in the area.

The consequences of financial exclusion were immediate and severe. Lacking banking facilities of any kind people were vulnerable to the theft of cash (especially in areas of high crime, such as Tower Hamlets); furthermore, without direct debit and standing order facilities, it was impossible to take advantage of the cheapest payment procedures now on offer for many goods and services; lack of insurance meant that accidents and theft made those on low incomes even more vulnerable to descending into a spiral of debt in which further debt had to be taken on to cover earlier debt.

As a result they paid over the odds for basic goods and services, including utilities and were often exploited when they needed credit, especially by illegal moneylenders who, anecdotal evidence suggested, were used predominantly by those who were most disadvantaged and vulnerable. One extreme - but not unique - example came from a Toynbee Hall children's project: a single mother came in with nowhere else to go and in a desperate state. She owed unlicensed moneylenders £150 which she was currently unable to pay. They had just come round to her flat, pinned her 10 year old daughter to the floor and threatened to come back the next day and rape her if the mother did not come up with the cash. Financial exclusion is therefore about a great deal more than money alone and has, as the SAFE proposal document put it, "a significant detrimental impact on the life chances and experiences of tens of thousands of people in the borough".

SAFE's initial educational response will start with money advice, in the belief that it is the most cost effective way of helping people avoid financial difficulties in the first place and can help build relationships from which to move to other financial

literacy initiatives. These other services could include information on basic bank accounts and other financial products and initiatives locally, or acting as a high profile collection point for people to deposit money with the local Tower Hamlets Credit Union or with inexpensive schemes to make payments to utilities, such as gas and electricity. They could also include referrals to advice of different kinds, including legal advice and advice on self-employment. A range of additional innovative products and services may also be developed, including a not-for-profit cheque cashing service, which would bring those without a bank account into contact with the project and provide a platform from which to build. The use of volunteers, where possible from the same communities, will be one key element in encouraging members of the local ethnic minority communities to engage with the project. In February this year, Toynbee Hall learned that it had been awarded one of four pilot *Community Finance and Learning Initiative* and *Savings Gateway* schemes to promote financial literacy, which will provide a further boost to SAFE's work and open the way to a more coordinated approach, including incentives for individuals to save and access to microfinance.²⁴

2.3 Two London Credit Unions

Credit Unions are co-operative mutual financial institutions, owned and controlled by their members generally through volunteer boards of directors. They are organisations run not-for-profit, but for service. Membership is limited to individuals sharing a "common bond" based on residence, occupation, association or a combination of these.

Credit Unions are uniquely able to address financial exclusion and promote financial literacy by helping people learn the value of making regular savings, using the resulting pool of money to provide a source of low-cost credit which is especially valuable for those who have difficulty borrowing at affordable rates of interest from mainstream financial providers and who might otherwise turn to loan sharks.

A number of credit unions offer other financial services, including a regular bill paying facility, thus enabling members without bank accounts to pay for utilities in the most cost-effective manner. Following changes in the structure and regulation of credit unions which came into effect on July 1st 2002, they are now able to offer a transaction account with an overdraft facility (made possible by the presence of funds in the member's share account) enabling someone on a very low income the confidence to pay utility bills by direct debit. Credit unions also provide free life insurance and loan protection insurance to their members and provide links to other financial services providers.

Of particular significance is the credit union's educational role. Under the 1979 Credit Unions Act, they are bound to promote the training and education of members in the wise use of money and in the management of their financial affairs. Credit Unions can thus play a valuable role in financial literacy education and in equipping people to be effective and responsible users of financial services. In addition, credit union development requires office bearers to develop a range of additional skills, from community and business development through financial skills such as bookkeeping and accountancy to business management.

²⁴ For more information on these projects see *New Help for People to get on top of their Finances*.
http://www.dfes.gov.uk/pns/DisplayPN.cgi?pn_id=2002_0037

Though as yet not well developed in the UK, serving only around 0.5% of the population, where credit union membership is strong, as in the USA (25% of the population), Ireland (50%) and the Caribbean (over 70% of the population in some islands) the evidence suggests that credit unions can be a potent vehicle for combating financial exclusion. Offering a community-owned and community-based solution, based on self-help and the development of social capital rather than state handout, they provide a means of ensuring that money created within the local economy circulates within the local community rather than leaking outside it.

Though cooperative financial institutions have a longer history, the first credit unions in England were established in the 1960s by immigrants from the West Indies living in London in such places as Wimbledon, Hornsea and Croydon. They took their inspiration from Caribbean informal savings and loans arrangements known variously as “sou sou” in Trinidad, “partners” in Jamaica and “meeting” in Barbados.²⁵

The Croydon Caribbean Credit Union is one of these. It was established in April 1967 with 100 members sharing the common bond of “persons resident in the London Borough of Croydon who have an association with the Islands of the Caribbean” who committed to each save £1 and so create a pool of funds of £100. Today, over 35 years later, the Croydon Caribbean Credit Union has assets of £400,000 and over 500 members and is run by volunteers from a small office.

Tower Hamlets Credit Union, on the other hand, only began trading in December 2000, but is the fastest growing credit union in the country with over 1200 members in the first 17 months (approximately 30% from the local minority ethnic communities) and assets of over £350,000. It has 3 full time staff as well as a team of dedicated volunteers. The manager, Colin Eddy, previously ran a credit union in Trinidad that has a staggering 50,000 members and offers a whole range of ancillary services from childcare to hairdressing.

Tower Hamlets Credit Union is one of a new breed of “new model” credit unions, larger and run by paid professional workers, using modern information technology and communication, and seeking to attract more diverse income groups as members.²⁶ Based on a “live or work” common bond, it includes both people who live in some of the poorest housing in Europe as well as those who live in, or commute to, the multi-million apartment and office developments stretching along the Thames from Tower Bridge to Canary Wharf.

Over the next four years Colin Eddy hopes that the credit union will attract 5000 members. Already, it has opened a second high street branch on Bethnal Green Road, in addition to one based in what had been - before the Abbey National Bank pulled out - an Abbey National branch, and there are hopes to open two more branches. Already important links are being developed with a wide range of agencies. Benefits Offices send people to the Credit union where they can open an account offering standing order facilities to pay regular bills into which their benefits are then paid direct. All those who open accounts are encouraged to save a part of the money they deposit so that they will be able to borrow against it in future. In addition, Colin would like to open more pay points enabling people to pay money in (and eventually take money out) without coming into the Credit Union offices. Apart from offering

²⁵ For details of these see Kempson, E. (1998) and Herbert, A. and Kempson, E. (1996) op cit

²⁶ Association of British Credit Unions Ltd., 1999, 'Towards Sustainable Credit Union Development', ABCUL, Holyoake House, Manchester M60 0AS.

much cheaper loans than those generally available to members elsewhere, the credit union offers loan protection insurance against death or permanent disability at no extra cost. Other insurance services are available at a competitive rate.

Colin Eddy would also like to develop more social activities based around the credit union. These include a residential summer camp for young people, as well as daytrips for pensioners. Certainly there is evidence that credit unions can contribute greatly to the health of poor communities and that access to finance can be an initial first step to a much wider set of opportunities.

A recent study in the area suggests that having access to money not only gave members peace of mind about everyday needs, such as buying food, but that also, by offering relief from financial worries, the credit union had the potential to reduce crime, suicide, alcohol and drug abuse and family conflicts - as well as leading to improvements in the quality of life of the community as a whole. Financial and social exclusion were closely linked.

Some members even pointed out that a visit to the credit union was a way of getting out of the house and interacting with other people. It was seen almost as a forum for community links, with staff living locally and getting to know the members who visited the office regularly. This, the report says, could improve the "quality of life and mental well-being of older people or those that live alone". The report also highlights how these benefits apply specifically to the social inclusion of the credit union's ethnic minority membership²⁷.

2.4 Birmingham Settlement and Dudley Citizens Advice Bureau

Like Toynbee Hall, the Birmingham Settlement was founded in the late 19th Century when the educated classes were becoming increasingly aware of the stark contrast between their own wealth and the poverty of the working classes.

Unlike many of its predecessors, however, it was a women's Settlement, established by a group of ladies from more affluent areas of the city and tending to focus in its early years on work with women and children.

Today, Birmingham Settlement's range of work has expanded greatly, but it remains close to its roots and to the community it has served over the last hundred years. One important element of its work today is money advice, and the Settlement set up the first money advice debt project in Europe over 30 years ago. It now runs a National Debtline providing an independent, free and confidential telephone advice line throughout Great Britain. Birmingham Settlement trains over 1000 advisers a year in advice networks and 90% of free money advice initiatives now use the model developed by the Settlement.

As an extension of its advice work, Birmingham Settlement is now becoming heavily involved with financial literacy initiatives. The focus here is not on solving debt and other pressing money problems, but more on preventing such situations arising in the future. They have recently been developing and piloting financial literacy modules aimed at social and community workers working with socially

²⁷ Investing in Health: A Health Impact Assessment of a New Model Credit Union

http://www.sel.org.uk/health_invest.html

Alison Benjamin, Healing power of loans, Guardian Wednesday November 7, 2001

<http://www.guardian.co.uk/Archive/Article/0,4273,4293149,00.html>

excluded people in Birmingham to help them to be better able to support clients who have financial literacy needs. Resource materials have also been produced.

The Settlement will shortly also be taking this work further by launching a new project, called “Making Sense of your Money”. This project, which is sponsored by Barclay’s Bank, offers a “money advice Plus” service and is based on the idea that there are a number of key life events when people need money advice, and that it is important to be able to respond at that time. Examples of such life events are starting work, buying a house, having children, relationship breakdown, redundancy, retirement or receiving a lump sum, ill health or disability. The consequences of not receiving appropriate advice at these times can be lasting and far-reaching. “Making Sense of your Money” aims at preventing the crisis situations that bring clients to one to one money advice counselling as a result of these life events being managed badly.

Targeting the needs of low income households, many in parts of the city with large ethnic minority populations, the project will be promoted through a range of agencies and will include free information surgeries in 4 different locations on topics as varied as savings and investments, retirement planning and pensions, borrowing and lending terms, mortgages and insurance, financial management, income maximisation and budgeting, as well as various new government initiatives. The project will draw on both money advisers and independent financial advisers to ensure that clients will be able to consider specific financial products and services as well as generic information and will be promoted through community groups, including those involving members of minority ethnic communities.

While this initiative will not be specifically targeting members of minority ethnic communities, it builds on a significant project aimed at (mainly Urdu speaking) women with disabilities run by Dudley Citizens Advice Bureau. Part of a pilot “Money Talks” programme, designed to look at aspects of money management, including maximising income, according to participants’ interests, the Lye Disabled Ethnic Women’s Group looked at the problems of claiming the state benefits available to people with disabilities and their carers. Other groups in the project looked at topics like the real cost of credit, saving and investing, including credit unions, and energy efficiency.

The group of 6 women were aged 40+ (and most over 60) who had been recruited through the local mosque. While they had lived in Britain for the past 20 years or so, they had spent their time raising families and had limited knowledge of English. They all now had mobility problems and had tried to apply for state benefits. However, they had found that they were not being specific enough in filling in the forms, and both the questions and their replies had had to be translated. Furthermore, once rejected, they were reluctant to appeal.

The project worker for the CAB, Debbie Smith, has long experience in Benefits advice and in teaching and is now working on financial literacy with Birmingham Settlement. She saw the opportunity to help the women understand both the UK benefits system better and to introduce wider money management skills and knowledge of how the financial system works.

Over two sessions, held at the Project base on Wednesday afternoons in May 2001, and with the help of an interpreter, the group looked at how to claim Disabled Living Allowance and Attendance Allowance within this broader context of preventing problems in the future. For example, they looked at how the benefits

system works, at why some benefits are means tested, while others were not, and discussed why the criteria to be eligible for the benefits they were claiming (relating to the exact nature and extent of the disability) were so detailed and how each case needed to be evaluated individually, which was why the forms themselves went into such detail themselves. Only then did they run through a sample form to demonstrate how it might be filled in.

A further session then looked at other benefits they might be entitled to and how they worked, as well as how they could reclaim Value Added Tax on an item that was for medical use or to alleviate disability. Other organisations that could help were also highlighted.

2.5 Black Business in Birmingham (3b)

Established out of the turmoil in Britain's inner cities in the mid 1980s, Black Business in Birmingham (3b) is an enterprise agency delivering support to new and existing businesses, focusing particularly on the needs of the African-Caribbean community. As one of the country's most experienced agencies dealing with Black businesses, 3b works closely with local ethnic minority communities, community leaders and business leaders, through a network of ethnic minority advisers who are attuned to the requirements of their ethnic minority clients. 3b offers a range of services to its clients, including Business support, financial advice, education and training and specialist business consultancy. They recently moved into a state of the art business village which offers 13 units to small and growing businesses, including meeting and conference facilities and an Information Technology Centre.

Business Adviser George Barango believes that African-Caribbean people have a number of distinctive needs in accessing finance from mainstream sources compared, for example, to their Asian counterparts. Compared with the Asian community, members of the African-Caribbean Community suffer two particular disadvantages. Firstly, they lack the informal family networks available to Asian business people seeking finance. Secondly, they have greater difficulties in providing collateral for loans, particularly in view of the different patterns of housing and income between the African-Caribbean and the Asian communities.

Many would-be black entrepreneurs find dealing with mainstream financial institutions difficult and also find that they can deal more easily with an organization that is in tune with the black community in the area. 3b can offer them both general business support and access to a variety of funds particularly targeted at those people who cannot raise all the funds required from mainstream sources like bank loans and overdrafts. To date they have helped a wide variety of businesses, mainly in the IT, hairdressing, catering and care sectors. One example is a takeaway cuisine company that invested in new kitchen equipment through £5000 it received through one of 3b's loan funds.

3b has recently started to focus on the needs of new businesses, as well as established ones, and is now an established Community Development Finance Institution, one of a growing number of sustainable independent organisations that provide start up capital in under-invested communities and markets enabling enterprises to grow, adding value and creating jobs. They thus have both financial and social objectives, since they make it possible for new businesses, set up in deprived areas, to start generating income and employment and thus keep money circulating in

the area. CDFIs are funded by a variety of sources, including individuals and charitable foundations as well as banks and government and loans are typically under £20,000²⁸.

2.6 Muslim Loan Fund, East London Small Business Centre

The Muslim Loan Fund is an innovative finance initiative, targeted at the needs of ethnic minorities who for religious reasons are unwilling to access interest bearing funds. The fund is run by the East London Small Business Centre, which was set up in 1978 as a private-public partnership to regenerate the East End, and which specialises in working with businesses in disadvantaged and ethnic minority communities. It operates from part of a former garment factory in Brick Lane, near the centre of London's Bangladeshi community.

Embracing the whole of Tower Hamlets and Newham in the east end of London, areas with large ethnic minority populations, the Muslim Loan Fund is able to make loans of up to £10,000 for viable new and existing businesses. Funding comes from the Government's Phoenix Fund, designed to encourage entrepreneurship in disadvantaged areas.²⁹

Instead of paying interest on the loan, successful applicants are invited to make a £200 donation on loans of up to £5000 and a donation of £500 on loans of between £5,001 and £10,000. These donations are paid directly back into the loan fund for its continuing growth.

The scheme has already attracted considerable interest and, in its first 3 months, 6 loans totalling over £50,000 had been agreed - including loans for a book publisher, a convenience store, a clothing manufacturer and a clothing wholesaler. Applicants also benefit from the free business advice and counselling which the Centre offers to all its clients.

The work of the East London Business Centre, and the Muslim Loan Fund in particular, shows the potential for initiatives that are customised to the needs of specific ethnic minority groups. For example, though the Business Centre advises applicants of all faiths, it can draw on counsellors from within the Muslim community and this is particularly relevant in the case of the Loan Fund. In addition, the approach it adopts to the vetting of applicants for loans (through a loan fund panel) is specifically designed to overcome language and communications issues.

The Muslim Loan Fund is one of 14 loan funds offered by ELSBC, over 70% of whose loans are to ethnic businesses. All the others - unlike the Muslim Loan Fund - are loans of last resort.

On average the Centre supports over 200 business start-ups each year, as well as offering continuous support to existing businesses. Since 1991, the ELSBC has advanced loans to east London small businesses valued at almost £2.15 million.

²⁸ Details of CDFIs can be found at <http://www.enterprising-communities.org.uk/cdfi-report.shtml>

²⁹ Further details of the Phoenix Fund are to be found at <http://www.sbs.gov.uk/phoenix/default.asp>

2.7 South Asian Banking, HSBC Bank plc

Headquartered in London, HSBC Holdings plc is one of the largest banking and financial services organisations in the world. HSBC's international network comprises some 7,000 offices in 81 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. The group's origins lie in the Hong Kong and Shanghai Banking Corporation Limited, which was established in 1865 to finance the growing trade between China and Europe.

The acquisition in July 1992 of one of the major UK banks, Midland Bank, created one of the largest banking and financial services organisations in the world. It greatly increased HSBC's presence in the UK and led to the establishment, in 1997, of South Asian Banking, a specialist division of HSBC Bank plc - the group's UK arm.

South Asian Banking comprises 13 teams of specialist business banking managers based in different areas of the country with large South Asian communities, each of which is devoted exclusively to the needs of South Asian businesses and professionals in those particular areas. A senior business-banking manager, who has the authority to make decisions for his or her customers, heads each unit. Many are from south Asian backgrounds themselves.

South Asian Banking is part of a concept born in the mid 1980s and is replicated by HSBC in fourteen other countries around the globe. It aims to grow and nurture closer banking relationships, business as well as personal, with the South Asian community with origins in India, Pakistan, Bangladesh and Sri Lanka where HSBC already has a wide network of branches and can offer a "window" to Islamic financial products to its Muslim clients, for example.

The establishment of South Asian Banking follows a feasibility study that showed the growing importance of South Asian Businesses in the UK. While South Asian businesses do not necessarily want preferential treatment they do want a bank that is South Asian friendly, proactive in meeting the needs of their businesses and bank managers and staff who are culturally aware, with a knowledge and understanding of the culture and business practices within the South Asian community.

Business owners expect to be able to see a commercial banking manager who has knowledge of the local community and environment relevant to the business and their markets and able to get appropriate advice about maximising opportunities. Building relationships takes time, often over generations, and SAB encourages the nurturing of such continuous relationships within a dedicated team.

The market for South Asian Banking falls into 4 main categories. Besides targeting South Asian businesses domiciled in the UK generally, SAB also targets businesses incorporated in the UK, which trade with the Indian sub-continent; as well as businesses incorporated in the Indian sub-continent, which trade in the UK. Wider liaison between the SAB teams and the South Asian community is also important.

While South Asian Banking does support some small start-ups, the typical loan is in excess of €70,000. At the end of 2001 it had some 3000 customers³⁰. While this may not be more than scratching the surface as far as the wider ethnic minority

³⁰ BBC Radio 4 Money Box 3 Nov 2001
http://news.bbc.co.uk/1/hi/english/audiovideo/programmes/moneybox/transcripts/sept01_dec01/newsid_1641000/1641130.stm

population is concerned, it shows one model that could be applied more widely to encouraging more members of ethnic minority groups to open bank accounts and to become more linked to, and knowledgeable about, mainstream financial services generally.

3. Conclusions

This study has highlighted the close links between social and financial exclusion, to the extent that they can be seen as two sides of the same coin. It has sought to illustrate how the diverse cultural traditions and needs of different ethnic minority groups in the UK are reflected in the diverse ways in which they relate to financial services. The examples cited have sought to illustrate this diversity as well as some ways forward. That the battles against social exclusion and financial exclusion are closely linked is also readily apparent in many of them.

One weapon in this battle is to make education as accessible and culturally relevant as possible, linked to the real situations in which people find themselves at different periods of their lives. This has been recognised for many years amongst providers of community based education for adults, and it is no less true of financial literacy education. It is also a feature of many of the examples cited.

Providers of financial literacy education need to pay more attention to tailoring provision to particular groups. As a specifically targeted group, members of ethnic minorities have been largely ignored by several major players in the financial literacy field. As a result, provision has not been as accessible and relevant to members of such groups as it might have been. For example, neither the Basic Skills Agency, focusing on financial literacy in the context of basic skills such as numeracy and literacy, nor the Financial Services Authority, having chosen to target the “mass market” of consumers of financial products in its newly acquired role in consumer education, is specifically targeting ethnic minority groups.^{31 32}

Furthermore, those initiatives that have been specifically targeted at members of ethnic minority groups have focussed mainly on supporting Ethnic Minority businesses. There is, for example, a growing recognition of the particular problems that members of the Afro-Caribbean community have in gaining access to mainstream business financial services. Initiatives have focussed on businesses, rather than on personal finance and the financial inclusion of individuals.

Bridging the gap

There is a need to develop measures to bridge the gap between financial services providers and members of minority ethnic groups in a way that addresses the bigger issue of the financial and social exclusion. And while many of the problems in

³¹ Despite this, a recent report by the governments social exclusion unit suggested that the FSA should target people from minority ethnic groups to ensure that they made greater use of financial services. See Cabinet Office (January 2001) *National Strategy for Neighbourhood Renewal: Policy Action Team Audit Report by the Social Exclusion Unit* downloadable from <http://www.cabinet-office.gov.uk/seu/published.htm>

³² FSA (1999) *Consumer Education: A Strategy for Promoting Public Understanding of the Financial System* Policy Statement May

accessing financial services described in this report have much in common with the financially excluded generally, there are also a large number of specific issues particular to individual groups within the ethnic minority population.

How to bridge this gap is an issue that needs to be addressed at both a practical and at a deeper philosophical level. If members of ethnic minority communities are to have greater access to financial services, there is a need for those financial services to have a presence in areas where they live and to be culturally sensitive in the widest sense.

This goes beyond mere knowledge to deeper open mindedness about cultural differences. It goes beyond putting more ethnic minority employees in front-line jobs in areas of high concentrations of black and Asian people, important as this may be, and could involve a willingness to work through the many networks that already exist in ethnic minority communities. It could involve, as described in a number of the examples cited, developing a presence in those community centres and places of worship used by target communities, for example.³³

It could also mean a willingness to work more within the webs of kinship and reciprocity and of social and cultural capital that are present in many ethnic minority communities. A number of initiatives discussed have built on these resources, using them, for example, to provide collateral for loans. There is much scope for those concerned with promoting financial inclusion amongst ethnic minority groups to build on such initiatives by studying and learning from them.

Products

At the same time, there is also a need to develop appropriate financial products that meet the needs of people from different minority ethnic groups, both in respect to personal finance and in respect to business customers. For example, there is a need to meet the market gap represented by the lack of banking and investment products acceptable and accessible to the 1.8 million Muslims permanently resident in the UK. There has been some recent discussion about how to bring this about³⁴. The development of micro finance and of credit unions are additional encouraging signs of initiatives that build on the cultural factors mentioned above.

Beyond this, as many of the case studies show, building on social capital offers the possibility of powerful synergies for combating both financial and social exclusion.

³³ One model could be provided by Grand Central Savings - a "branch" of Bank of Scotland for the exclusive use of homeless people based in the Glasgow offices of "the Big Issue in Scotland" - the magazine sold by the homeless to help them get back on their feet. The bank has agreed to accept Big Issue vendor badges as proof of identity to open a bank account and Grand Central Savings offers them and other homeless people without the normal documentation required to open a bank account (including a number of refugees and asylum seekers from ethnic minorities) access to no-frills accounts. See Guardian *Banking on helping the homeless* March 6, 2001 <http://society.guardian.co.uk/homelessness/story/0,8150,447421,00.html>

³⁴ A brief (but optimistic) overview of developments was given by Sir Howard Davies, Chairman of the Financial Services Authority at a seminar on Islamic Finance in Leicester on 20th September 2002. See Davies, H., *Islamic Finance and the FSA* <http://www.fsa.gov.uk/pubs/speeches/sp103.html>

Broader context

These developments are taking place within a wider context. Many in the population at large share with members of ethnic minority groups some misgivings about mainstream financial products and institutions. Inflexible products with opaque charging structures, coupled with recent high profile cases of the mis-selling by salespeople remunerated on the basis of upfront commissions have dented consumer confidence in the industry generally, and highlighted the persistent unmet need for independent advice for financial consumers of all kinds, rich and poor.³⁵ Concerns about the sales and performance of endowment mortgages together with recent downturns in equity markets are also affecting consumer attitudes to financial services.³⁶

Nor are the specific concerns by some members of Muslim communities about the policies of banks, investment houses and insurance companies are not unique to them, but are shared with many others who implicitly agree with the Muslim distaste for usury and for investment in products and services that they consider unethical. The growth of the community and social banking movements and of ethically screened investment funds, which has come from almost nowhere in the past 15 years, reflects this trend.³⁷

Looked at in this way, there is the clear message that the barriers to access to financial services are complex and will require a broad range of imaginative and innovative responses that take account of the social context in which people live. The example of Britain's different ethnic minority groups highlights the complexity of the issue. It is hoped that this study will have suggested at least some directions for the future.

³⁵ See for example HM Treasury (2002) Medium and Long-Term Retail Savings in the UK, A Review. (The Sandler Report). Available from <http://www.hm-treasury.gov.uk/>

³⁶ See Financial Services Consumer panel Annual report 2001/02
http://www.fs-cp.org.uk/public/pdf/020520_AnnualResport.pdf

³⁷ For an excellent overview of these issues see the Ethical Investment Research Service
<http://www.eiris.org/index.htm>, also The Guardian Ethical Finance Special
<http://money.guardian.co.uk/ethicalmoney/>

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465 Mitcham Road, West Croydon,
CR0 3HR
Tel +44 20 8688 5000

Tower Hamlets Community Credit
Union
473 Bethnal Green Road
London
E2 9QH
Tel +44 20 7729 9218

Birmingham Settlement
318 Summer Lane
Newtown
Birmingham
B19 3RL
Tel +44 121 248 3000
www.birminghamsettlement.org.uk

Black Business in Birmingham (3b)
3b Business Village
Unit 7, Alexandra Road
Houndsworth
Birmingham
B21 0PD
Tel +44 121 523 1820
www.3b.org.uk
East London Small Business Centre
Universal House

88-94 Wentworth Street
London E1 7SA
Tel +44 20 7377 8821
www.goeast.org

HSBC Bank plc
South Asian Banking
1st Floor
27-32 Poultry
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Tel +44 20 7260 3920
<http://www.ukbusiness.hsbc.com>

