Saving Better

Encouraging savings and investment diversification to help families manage

Matthew Oakley
Nicole Gicheva

Social Market Foundation

Saving better

Encouraging savings and investment diversification to help families manage

Matthew Oakley

Nicole Gicheva

Kindly sponsored by:

FIRST PUBLISHED BY

The Social Market Foundation, August 2017
ISBN 978-1-910683-28-6

11 Tufton Street, London SW1P 3QB

THE SOCIAL MARKET FOUNDATION

The Foundation's main activity is to commission and publish original papers by independent academic and other experts on key topics in the economic and social fields, with a view to stimulating public discussion on the performance of markets and the social framework within which they operate. The Foundation is a registered charity and a company limited by guarantee. It is independent of any political party or group and is funded predominantly through sponsorship of research and public policy debates. The views expressed in this publication are those of the authors, and these do not necessarily reflect the views of the sponsors or the Social Market Foundation.

DESIGN AND PRODUCTION
Pistachio Design
www.pistachiodesign.com

PRINTED BY
Diversified Global Graphics Group
www.dg3.com

CONTENTS

ABOUT THIS REPORT

Throughout this report we refer to both saving and savers. Where we do so, we use the terms as a catch-all to encompass all of the money that households put aside from consumption activity, and those people that engage in this activity. In practice, this means that our definition of "saving" includes both saving and investment activity, we have done so for ease of reading. Where we need to refer to distinct savings and investment behaviour we have indicated this in the text, for example with reference to "cash savings products" or "investment products".

Unless otherwise stated, all analysis in this report is based on the Wealth and Assets Survey: Office for National Statistics. Social Survey Division. (2017). *Wealth and Assets Survey, Waves 1-4, 2006-2014*. [data collection]. 5th Edition. UK Data Service. SN: 7215, http://doi.org/10.5255/UKDA-SN-7215-5

HEADLINE FINDINGS

The UK is not saving enough:

- 14.4 million working age adults in Britain are not saving at all.
- 26.5 million working age adults in Britain do not hold adequate asset balances in either rainy day or pension savings.

When households do save, they are not making the most of their money:

- Seven in ten people in Britain hold no medium to long-term assets (characterised by assets that are less liquid than cash deposits (e.g. term deposits) or that come with a higher rate of return to reflect increased risk (e.g. investment in asset classes such as shares, bonds or loans).
- 6.8 million people hold more money in cash assets than they require to cover their rainy day needs.
- The total amount of savings that are excess to rainy day needs which are held in cash accounts amounts to £200billion across Britain.

Poor diversification can be very costly:

- Money left in instant access cash savings accounts over the last five years would have fallen in value by over 4% in real terms due to inflation.
- Applied to the level of cash savings that is excess to household's rainy day needs (£200billion) this suggests that savers have lost around £8billion in value from savings in the last five years.
- Over the same time period:
    - Money invested in the FTSE 100 would have increased in value by 47% in real terms (or a £94billion return on the £200billion cash savings excess);
    - Money invested across the leading peer-to-peer platforms would have increased in value by over 20% in real terms (or a £40billion return on the £200billion cash savings excess).

SUMMARY

Despite the best attempts of policy makers, regulators and consumer groups, UK households do not save enough. The clear links between saving, wellbeing, living standards and economic growth make the UK's poor saving performance a major social policy concern.

This report builds on previous SMF work and research from other organisations to set out a comprehensive framework with which to understand the UK's poor savings behaviour. It outlines three key savings motives that each household will have:

- **Rainy day motive:** to build a buffer stock with which they can meet unexpected expenses and manage if they see their earnings fall;
- **Retirement motive:** to smooth incomes over the life course and provide for themselves in retirement, when their earnings potential is lower; and
- **Goals motive:** to meet their long-term spending goals, for instance by saving for a holiday, new car, house deposit or home improvement or providing for the costs of children's education.

We use original analysis of the Wealth and Assets survey to show that the majority of households are either failing to save at all, or have a deficient level of saving for one of their savings motives.

The report then argues that the UK's savings problem runs much deeper than just a deficiency in saving. In short, the UK's problem is not just the amount of saving that households undertake, there is also a wider problem with the behaviour of those who do actually choose to save. This is typified by a bias for "riskless" and easily accessible asset classes which leads to a reliance on current accounts, cash savings accounts and cash ISAs for very large proportions of overall savings portfolios.

This reduces the returns to individual savers and, in the current low interest rate environment, often means that savers are seeing their savings lose value in real terms. A lack of diversification also limits the extent to which saving and investment activity can boost the economy. A wider allocation of savings across asset classes and investment products could have a number of positive economic impacts. For instance it could stimulate investment in SME's, business start-ups and fast-growing companies that have sometimes struggled to secure lending from high street banks.

This means that helping UK households to save more and save better could increase living standards for all households, help those struggling to get by to be better able to manage and provide a much needed injection to UK businesses and economic growth. But doing so will take radical action to end the cash bias and create an asset owning democracy where all households have a stake in the economy and gain from the UK's economic growth.

Ending the cash bias

Ending the cash bias in UK savings behaviour will take significant policy action from both the regulator and Government. This report identifies a number of areas where current policy is encouraging a cash bias:

- Government policy on Individual Savings Accounts. Recent reforms both significantly increase the yearly subscription limits in ISA products and remove the requirement to hold at least a portion of yearly subscriptions in non-cash ISAs. This has led to a fall in the proportion of funds flowing into non-cash ISAs, without this fall, investment in non-cash ISAs might have been £2billion higher last year.
- Financial Services Compensation Scheme (FSCS). Recent reforms have increased the value of cash deposits that are covered by the scheme (to £85,000). There are a number of concerns with this:
  - A further wedge has been driven between the coverage of cash deposits and other investments (where £50,000 is covered). This could be contributing to savers' cash bias.
  - The scheme comes with significant costs (totalling close to £5 billion over the last five years) – which firms have to bear through an industry levy. Lower costs would mean that savers could receive higher interest rates.

- Some 94% of savers could still be completely covered if the cash deposit coverage were set at the same level as that for investments (£50,000), putting into question the need for such a high (and differential) level of protection.

- Risk warnings. The warnings for investment products required by the FCA emphasise the risk and potential losses that may come from investment. In contrast, there are no warnings that money in cash savings products may well lose value in real terms and these products regularly promote the safety of the FSCS.

On their own, each of these issues could be having a significant impact on the attitudes and behaviour of savers and, in turn, could be leading to poorer outcomes for both savers and the economy. When considered together, it is likely that these effects are compounded and could lead to significant detriment.

To tackle this, these issues should be considered together through a full review from the Government.

Recommendation: the Government should commit to undertaking a full review of the savings and investment incentives and regulation that is currently in place in the UK and how this is impacting on savers' choice of asset classes.

As part of this:

- The PRA and HM Treasury should assess whether the FSCS could be reformed to better encourage portfolio diversification, whilst maintaining its macro-prudential objectives.
- The FCA should build on its recent work on risk warnings and undertake a full review into the use of product warnings across asset classes. This should include behavioural investigations into the extent to which they deter savers from investing in non-cash asset classes and the impact this has on household asset accumulation and wellbeing.

As well as improving the diversification of savings and economic growth, this approach could also increase the level of savings across households. Some 85% of savers say that rates of return (interest rates) are an important factor in making savings and investment decisions, meaning that if diversification led to an increase in average rates of return, more households could be encouraged to save or to save more.

Creating an asset-owning democracy

To encourage a much higher proportion of UK households to invest in a range of different asset classes, the Government must take bold action. To do this, it could look to build on initiatives from the past that looked to do just this. For example, significant retail offerings through privatisations in the second half of the 20th Century contributed to a situation where the number of individuals holding shares increasing fourfold to 12 million over the course of the 1980s.

There are clear routes for the Government to take a similar leading role now. For example, the Government has shown interest in setting up a number funds to deliver its economic goals. These include the:

- National Productivity Investment Fund: a £23billion fund focussed on investing in areas that are critical for productivity (for example housing, research and development, economic infrastructure and skills); and
- Future Britain funds: UK sovereign wealth funds backing UK infrastructure and the British economy.

Opening up a retail offering for financing these funds would provide UK households with a real opportunity to both increase their wealth and invest in the future of the UK economy. This could be packaged up through NS&I and sold under the banner of *Britannia Bonds*.

Recommendation: the Government should allow for up to 25% of its Future Britain Funds and National Productivity Investment funds to be held by British retail investors (identified by requiring a National Insurance Number).

It should actively market this opportunity to the British public as a chance to invest in the future of the UK, under the banner of ***Britannia Bonds*** issued through NS&I. Doing so would provide an investment opportunity worth at least £30billion over the course of the Parliament.

The Government can also take radical steps to improve asset ownership and financial capability in the next generation of savers. To do this, from 2020, it should give each 15 year old £1,500 that they can invest in a set of cash and non-cash asset classes. This should be financed by reversing recent increases in ISA allowances in future years. Research has suggested that increasing these allowances has little impact on the overall volume of saving and this report suggests that they may incentivise poor saving behaviour in terms of a reduction in asset diversification.

Recommendation: the Government should reverse recent increases in ISA allowances and refocus incentives on ensuring that all children leaving school own financial assets and have real life financial education.

To do this, the Government should create the ***Fund at Fifteen scheme***. It should launch this in 2020 using money saved from reducing ISA allowances to give all 15 year olds £1,500 to invest in a range of asset classes.

The scheme should be the subject of a major consultation exercise with industry, schools and the public. Principles behind the scheme would mean that those investing would:

- Be required to hold the fund until they turned 18;
- Be required to invest at least 50% of the funds in non-cash asset classes;
- Have a limited range of non-cash options open to them in order to make choice easier and ensure they fully understand the choice open to them;

- Potential options might include investment in Britannia Bonds, Peer-to-Peer platforms, UK Corporate Bond funds, and funds that the track the FTSE 100 / 250.

A key part of delivering this successfully will be that schools engage with this programme extensively. While a range of research has shown that financial education is often unsuccessful in increasing financial literacy or capability, this is often because those receiving it are not actually engaging in real life decisions, meaning that education is undertaken in the abstract and quickly forgotten. In contrast, financial education in this context would be about helping students to make a real financial decision at age 15. Schools could use the Fund at Fifteen Scheme to engage all students in understanding the benefits of saving, the options open to savers in terms of different asset classes and the risks and potential rewards that are associated with each of them.

This scheme also provides the financial services industry with a clear opportunity to do more to support people to save more and save better. The driver here could be the move to create a pensions dashboard. Providers should look to build a broader Savings Dashboard that allows savers to see their financial situation across their rainy day, goals based and pensions savings motives. This could be rolled out initially through the Fund at Fifteen scheme as a way to engage students in an online dashboard that gives them information about their total savings portfolio and, in time, control over how it is used.

SECTION 1: WHY AND WHERE SAVING IS NEEDED

INTRODUCTION

Whether for short-term needs, a rainy day or providing for retirement incomes, household saving and investment is vital for wellbeing, living standards and economic growth.

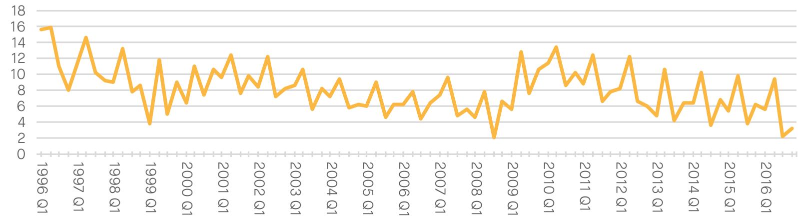
The benefits to households are apparent. A wide range of literature shows that households with savings and investments have, on average, a better quality of life and higher levels of wellbeing. For example, with one in seven UK pensioners currently living in poverty, the impacts of low retirement saving are well documented.[1] Having a low level of liquid assets is also associated with poor psychological wellbeing. Nearly half of people say that they are worried about their future financial position[2] and those with an adequate savings buffer highlight the benefits of "peace of mind".[3]

The benefits also go much wider. For example, whether directly, by purchasing shares or corporate bonds, or indirectly by providing the money with which financial institutions lend to businesses, household saving and investment provides vital sources of capital for companies of all sizes.

Given this, it should come as no surprise that the poor savings and investment behaviour of UK households has been the focus of significant research and policy action from think tanks, the government, regulators and consumer groups. In the last 20 years governments have introduced, reformed and, in some cases, removed initiatives including Personal Equity Plans (PEPs), Tax Exempt Special Savings Accounts (TESSAs), the Savings Gateway, Child Trust Funds, Individual Savings Accounts (ISAs), Self-Invested Personal Pensions (SIPPs) and Auto Enrolment. Most recently, the 2015-17 Conservative Government established Help to Save, the Innovative Finance ISA, Lifetime ISAs and the Help to Buy ISA.

Yet, despite all this policy action, UK savings rates are stubbornly low. While an imperfect measure, the UK's overall savings ratio has been on a downward trend for many years. It now stands at well below its historic average level and, in 2017, is expected to fall to its lowest level in over 20 years.[4]

Figure 1: UK saving ratio, 1996 - 2017



Source: SMF analysis of ONS data

In more tangible terms, some 16 million people in the UK have less than £100 in total savings and one in six people say that they would not be able to last any time at all if they lost their main source of income.[5] Two thirds of people say that they are not putting enough aside for retirement.[6]

The UK's poor savings performance is also not just about the level of savings. Previous SMF work has shown that even when people do save, and save enough, they have a bias towards "riskless" and easily accessible asset classes.[7] In practice this means that many savers rely on current accounts, cash savings accounts and cash ISAs for very large proportions of their overall portfolios. This lack of diversification means that savers cannot enjoy the significantly higher returns that other asset classes and investment products could offer and, in a low interest rate environment like the UK is currently experiencing, this results in low (and often negative) real returns.

As well as reducing the returns to individual savers, a lack of diversification also limits the extent to which saving and investment activity can boost the economy. This is because a focus on cash savings means that, on aggregate, UK savings and investment are concentrated in too narrow a range of asset classes. A wider allocation of savings across asset classes and investment products could have a number of positive economic impacts. For instance it could stimulate investment in SMEs, business start-ups and fast-growing companies that have, in recent years, struggled to secure lending from high street banks.

The potential and need for a more diverse saving portfolio across the UK to drive SME growth is clearly seen in the emergence of alternative finance options for SMEs, including peer-to-peer platforms. The Government has previously been proactive in channelling funds into some of these alternative finance providers through the British Business Bank.[8] However, an obvious point is that, with more money invested across the range of savers in the UK, these institutions would be able to lend more to more businesses, without the support of Government.

Overall, given the importance to individuals, families and the UK economy, as the new Government begins to set out its policy programme, this will clearly be an important domestic agenda to focus on. Making improvements could increase living standards for all households, help those struggling to get by to be better able to manage and provide a much needed injection to UK businesses and economic growth.

But doing so will require radical action. This report provides a framework for how the Government should approach this agenda and puts forward proposals that could improve Government and regulator policy and suggests a radical new drive to create an asset owning democracy where all households have a stake in the economy and gain from UK economic growth.

CONCEPTUAL FRAMEWORK

To tackle these issues, this report begins by:

1. Developing a conceptual framework to understand household saving and investment needs;
2. Outlining the different motives for saving and investment;
3. Where possible, assessing what an adequate level of savings and investment would be for each motive; and
4. Showing what this means for portfolio diversity.

Savings motives

The starting point is to understand the range of savings motives that households have. In simple terms, saving and investment activity allows households to put aside money for three key motives:

- **Rainy day motive:** to build a buffer stock with which they can meet unexpected expenses and manage if they see their earnings fall;
- **Retirement motive:** to smooth incomes over the life course and provide for themselves in retirement, when their earnings potential is lower; and
- **Goals motive:** to meet their long-term spending goals, for instance by saving for a holiday, new car, house deposit or home improvement or providing for the costs of children's education.

The balance and level of each of these needs will vary significantly both across different types of households and over the life course. However, in general, all households will have a need to save for each of these motives.

How much is enough?

This then raises the question of how much is enough? For the purposes of this report, we have estimated adequacy of rainy day and retirement saving for each household with the following approach:

- **Rainy day adequacy:** defined as the Money Advice Service rule of thumb that households need three months of essential spending as liquid assets. While other levels could be chosen (e.g. a standardised figure of £1,000), this is the most commonly used and best-known rule of thumb available. We have approximated this rule of thumb with three months of each household's income.
- **Retirement adequacy:** SMF has built a model of the pension pot requirements that individuals will likely have based on their age and current earnings.

It is impossible to ascertain an adequate level of goals-based saving and investment for each household, as it will be context dependent (for instance depending on whether the household wants a new car, or holiday or wants to save for future education needs). However, for each household we have assumed that the goals motive is represented by the value of any non-pension savings and investment over the value of three months' income.

Portfolio diversity

Since households have a range of saving and investment needs, in meeting these needs they should be looking to hold a range of different assets. For example, rainy day savings that a household cannot afford to lose should be held in easily accessible / liquid assets with a relatively low risk profile. This might be a current account or instant access cash savings account. Conversely, for both pension and goals-based saving, households tend not to need such immediate access and could see significant capital and / or income growth if they use a wider portfolio of assets including those with a higher risk profile and those that are less accessible / liquid.

The next chapter assesses each of these areas in turn, asking:

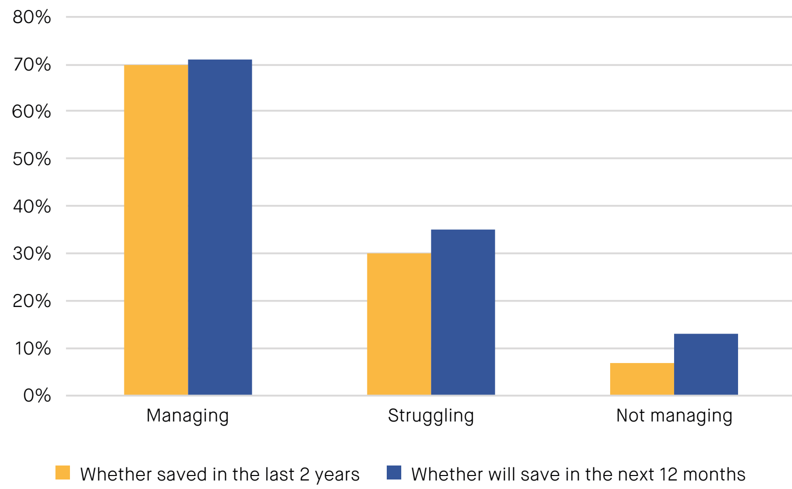
- Whether UK savers are saving and investing across the three motives;
- Where they are saving, whether they are saving enough; and
- Are they making the most of their money?

SECTION 2: SAVINGS BEHAVIOUR IN BRITAIN

WHO IS (NOT) SAVING?

Overall, just 51% of adults in Britain say that they have saved anything at all over the last two years. Looking at how that break downs by financial situation, Figure 2 demonstrates that those who say that they are not managing financially perform least well on this metric. Just 7% of the not managing group have been able to save in the last two years and just 13% say that they plan to save over the next 12 months. Conversely, the majority of those who are "managing" say that they have saved in the last two years and plan to save in the future.

Figure 2: Percentage of households that have saved, by current financial situation



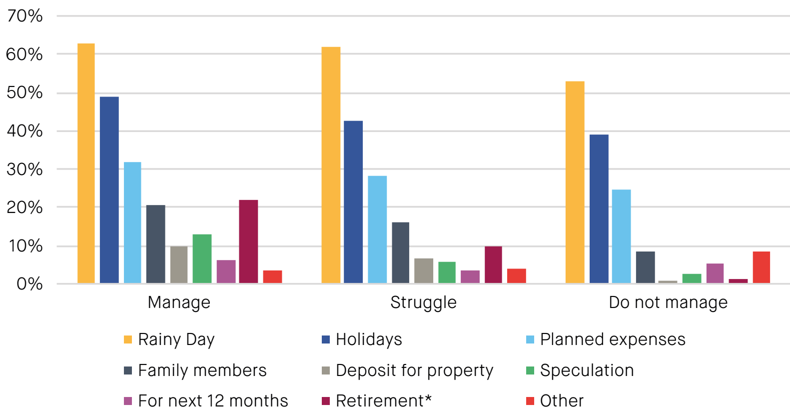
Source: SMF analysis of the Wealth and Assets Survey

These results make intuitive sense. Those unable to make ends meet, falling behind on bills or credit commitments or generally in a precarious financial situation are unlikely to be able to able to save. This is reflected in the fact that 88% of this group say that the main reason they are not saving is that they cannot afford it. Equally, those who are managing well financially have the greatest capacity for saving.

Most concerning is the low level of saving amongst the struggling group. With just one in three of this group putting money aside over the last two years, the vast majority of households in this financial situation are making no contributions to rainy day, goals-based or pension funds.

For those who are able to put money aside, figure 3 demonstrates the reasons stated for saving. The mix of reasons is fairly consistent across each of the groups, with around three in five putting money aside for a particular goal (holidays, house deposit or other planned expenditure) and more than half of all savers saying that they are putting money aside for a rainy day.

Figure 3: Main reasons for saving in the last two years, by current financial situation



Source: SMF analysis of the Wealth and Assets Survey

One reason that households may choose not to save is that they already have enough put away to meet their rainy day, goals-based and retirement needs. To assess this, we can look at whether those who are not saving have any accumulated assets from saving undertaken in periods prior to the last two years.

Over half (54%) of those who are not currently saving also have no significant accumulated wealth.[9] For the group who are struggling financially, the equivalent figure is 61%.

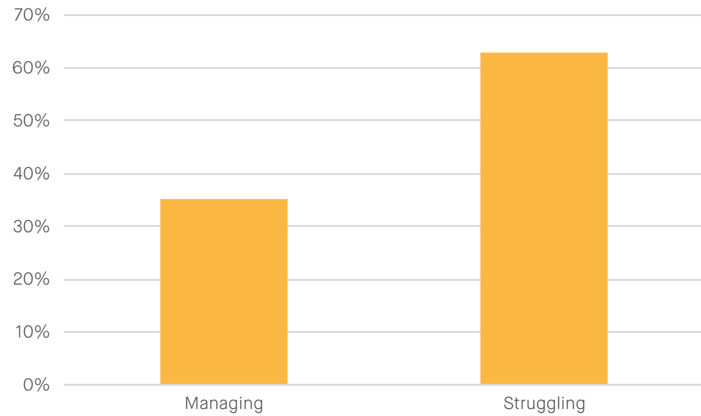
ARE PEOPLE SAVING ENOUGH?

Those who are not saving are clearly not saving enough. We can also assess whether those who are currently saving, or who have accumulated assets from savings in the past, hold a sufficient level of assets to meet their rainy day and retirement needs.

In absolute terms, many of those who already have positive assets balances, hold significant sums. For example, median liquid savings for those with positive balances in the managing and struggling groups amount to £8,000 and £1,500 respectively. However, compared to the rule of thumb of having three month's salary as liquid savings, even these levels of savings turn out to be quite low.

Figure 4 shows that two thirds of the group who are struggling financially, but who have positive asset balances, do not have liquid assets valued at the equivalent of three months of their income or more.

Figure 4: Proportion of current savers who have insufficient rainy day savings



Source: SMF analysis of Wealth and Assets Survey

Combined with those who do not hold positive balances, this means that 66% of the struggling group do not hold the equivalent of three months of income or more as liquid assets. The equivalent figure for the managing group is 36%.

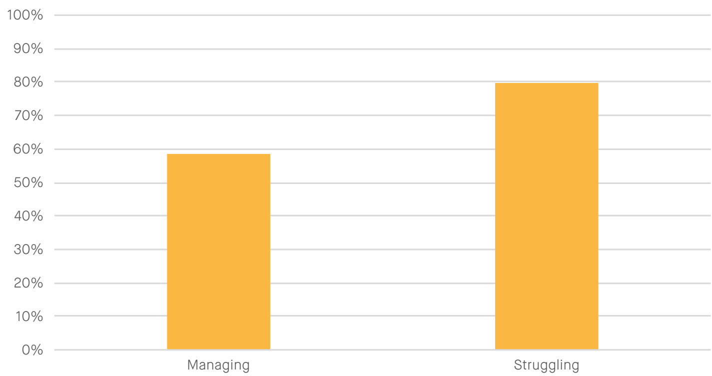
A large proportion of those who are saving for a pension also fail to provide adequately for their retirement. Results based on SMF modelling of pension adequacy and shows that 40% of the managing group who currently save in a pension and 38% of the struggling group who currently save in a pension have pension pots with values too low given their age and current earnings.

Assessing the adequacy of rainy day and pension savings together shows the proportion of current savers that have savings insufficient to meet at least one of their needs. For the struggling group this stands at 69% and for those who are managing this stands at 55%.

TOTAL UNDER-SAVING

Figure 5 combines these figures with those already identified as having no savings at all to show the proportion of the whole working age population of each group of people who are not saving enough for either a rainy day or pensions.

Figure 5: Proportion of all individuals with insufficient rainy day and / or pension savings



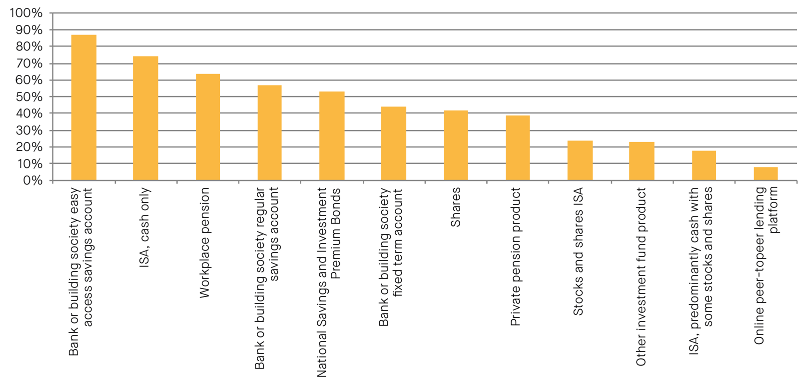
Source: SMF analysis of Wealth and Assets Survey

Overall this suggests that some 26.5 million individuals of working age are not saving or not saving enough.

ARE SAVERS MAKING THE MOST OF THEIR MONEY?

Chapter 1 demonstrated that the UK's problem with savings is not just about current savings rates, the overall level of savings, or provision across each of the savings motives. It is also about the extent to which those who are saving are getting the best from their savings. Doing so will require savers to hold a range of assets classes in a diversified portfolio. Previous SMF work[10] has demonstrated that this is unlikely to be the case. Figure 6 replicated from that work shows that very few savers put money into asset classes other than cash savings.

Figure 6: Financial products used by those who have saved or invested



Source: SMF/Populus Savings in the Balance survey, 2014

Looking to the future, there are two interesting things to note here:

- The continued roll-out of pensions auto-enrolment is set to fundamentally shift upwards the proportion of people who are saving into a workplace pension; and
- With technological advances and businesses looking to meet the needs of an increasingly digitally-literate population, peer-to-peer platforms

> have begun to emerge as a significant player in the investment market. While SMF findings from 2014 suggest that only 10% of those who have saved / invested had used peer-to-peer platforms, this is a market that has only had a significant foothold in the UK for around a decade. Given the growth in the market over the last 10 years (£11.6 billion has now been invested through UK peer-to-peer sites), it is likely that this will be a trend that continues into the future.

However, aside from these trends, there seems little reason to believe that we will see a significant increase in the use of non-cash investment options. Research for this project comes to a similar conclusion. Figure 7 shows the proportion of savers who have each of the different asset classes in their portfolio. It shows, for example, that while 96% of the struggling group hold at least one liquid asset, just 13% of those with an ISA have a stocks and shares ISA (equivalent to 5.6% of the total population) and the use of term products, unit trusts and bonds and gilts is minimal.

Figure 7: Proportion of savers owning each of the financial assets

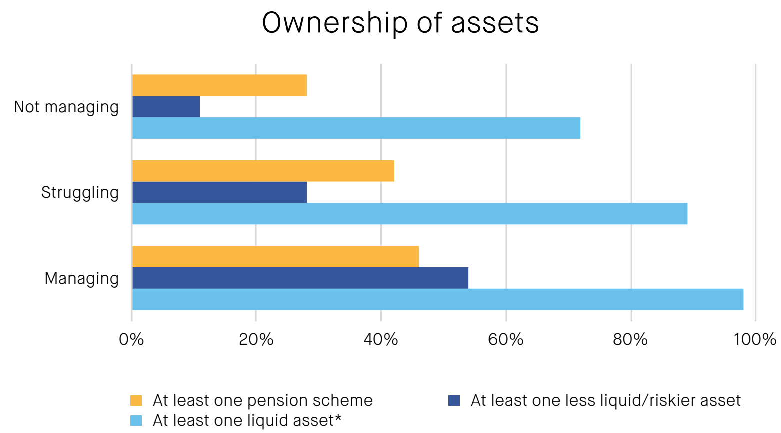
Ownership of financial assets			
	Manage	Struggle	Do not manage
Has current account*	98%	98%	88%
Has savings account	74%	65%	46%
Has cash/loose change	4%	4%	3%
Has ISAs	62%	43%	20%
Has cash ISA**	88%	93%	85%
At least 1 liquid asset	**99%**	**99%**	**96%**
At least 1 liquid asset*	**99%**	**96%**	**81%**
Has investment ISA**	26%	13%	15%
Has fix-term inv bonds	10%	2%	3%
Has unit/inv trusts	6%	2%	0%
Has employee shares	9%	6%	0%
Has other shares	15%	7%	1%
Nat Savings products	23%	16%	2%
Gov/corp bonds/gilts	1%	0%	2%
Life/endowment insurance	27%	24%	19%
Other investments	1%	0%	3%
At least 1 less liquid/riskier asset	**58%**	**41%**	**28%**
Personal pension (current)	16%	14%	6%
DB occupational scheme (current)	35%	31%	9%
DC occupational scheme (current)	20%	15%	9%
At least 1 current pension scheme	**63%**	**54%**	**21%**
At least 1 retained pension scheme	**27%**	**25%**	**6%**
At least 1 pension scheme	**72%**	**66%**	**26%**

**positive balance of current account (or 0)*
*** of those who have an ISA*

Source: SMF analysis of Wealth and Assets Survey

Overall this demonstrates a significant ownership gap for less liquid or more risky assets. Figure 8 demonstrates that, overall, nearly six in ten of the struggling group and five in ten of the managing group hold no less liquid or riskier assets.

Figure 8: Asset ownership gap



*Notes: *liquid asset with a non-negative, non-zero balance.*
Source: SMF analysis of Wealth and Assets Survey

Of course, the lack of ownership of less liquid and higher return assets might simply reflect a situation where the majority of savers only have short-term (non-pension) savings needs. This means that the question of whether this displays rational behaviour is about whether, given the motive of saving, savers are putting their money in a portfolio of assets that meets their risk and reward preferences.

This is a difficult question to answer without understanding the precise circumstances of each of the households in the Wealth and Assets Survey. However, we can seek to understand this by making the assumption that rainy day savings should be held in liquid assets and that all other savings should be held in a range of assets with a longer term or higher risk that would mean that returns from them would be greater over time.

This suggests that the average household should hold the equivalent of three months of income in cash (or similar) savings and any other savings and investments above that level in non-cash assets. For a significant proportion of savers, this is not the case.

In fact, around six million savers have more than the equivalent of three months' income in cash saving. Figure 9 demonstrates that the amount held in excess can be significant – with mean values of around £32,000 and £12,000 respectively for the group of managing and struggling households who hold excess funds in cash.

Figure 9: Savers with excess cash savings

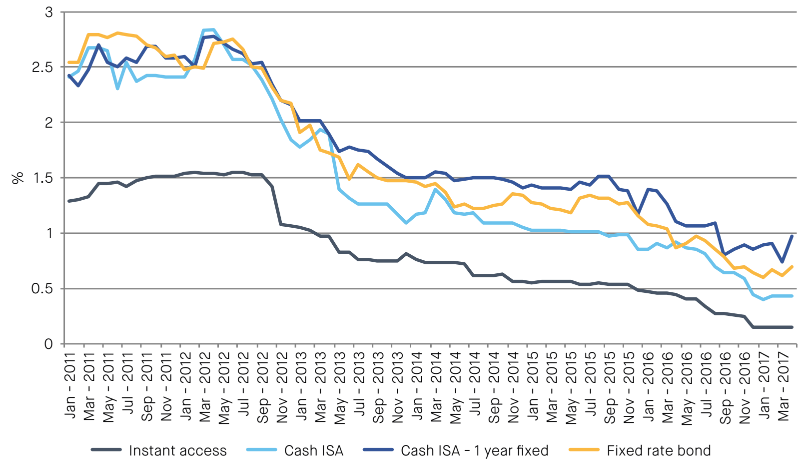
	Managing	Struggling
Proportion of savers with more than three months' income in liquid assets	57%	30%
Number of people with more than three months' income in liquid assets	5.6m	1.2m
Mean value of excess in liquid assets	£32,000	£12,000

Source: SMF analysis of Wealth and Assets Survey

Across the economy, this suggests that savers are holding close to £200billion more than they need to meet their rainy day needs in cash savings. An obvious point here is that, if this money were invested elsewhere it could be attracting significantly better rates of return. However, the consequences are even starker in the current low interest rate environment.

Figure 10 demonstrates that the average rates of interest paid across a range of current, savings and ISA accounts, have fallen significantly over the last six years

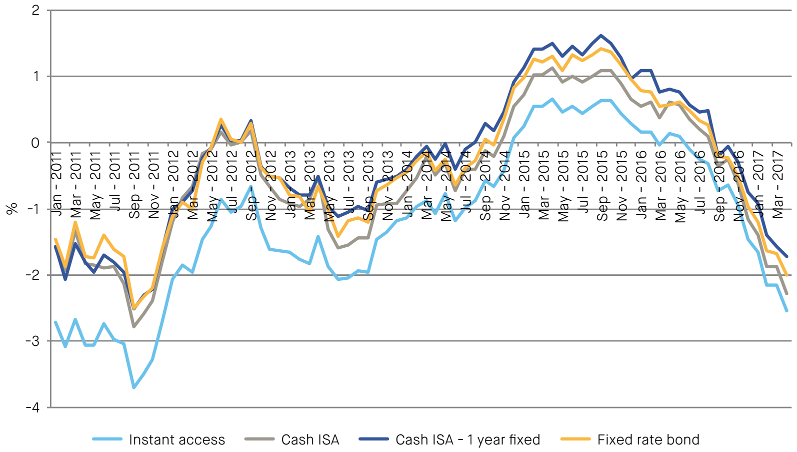
Figure 10: Quoted interest rates on a range of cash deposit products



Source: Bank of England

Figure 11 then shows the impact of inflation on these rates over the same period. It demonstrates that, for the majority of the last six years, real interest rates on these products have been negative. Savers with money in these products have been losing money.

Figure 11: Real rates of return (quoted rate minus CPI) for a range of cash deposit products



Source: Bank of England, ONS, SMF analysis

This means that if a saver had left their excess savings in an instant access account over the last five years, the value of this pot would have fallen by just over 4% in real terms. The losses are even larger when we consider the returns that could have been enjoyed if the money had have been invested in other asset classes.

For example, the same money invested in the FTSE 100 in April 2012 and taken out in April 2017 would have increased in real terms value by 47%,[11] demonstrating that the value of moving funds in excess of requirements for rainy day savings into less liquid or riskier asset classes could be significant.

There are clearly a number of potential options open to investors looking to move out of cash savings. Figure 12 shows current / historic rates of return from a range of asset classes with different levels of risk, volatility and liquidity. It shows how much savers might be expected to benefit per year by moving excess funds into these asset classes, as compared to putting this cash into a one-year cash ISA.

Figure 12: Rates of return and benefits to savers from investing excess cash funds in alternative asset classes

	Assumed annual net rate of return	Increase in return (£) per year
One year cash ISA	0.98%	-
Premium Bonds	1.15%	£0.03bn
Retail-focussed Government debt (e.g. the recent "Pensioners Bond" released by the Government)[12]	2.5%	£3.0bn
Peer-to-peer*	4.9%	£7.8bn
FTSE 100**	5.5%	£9.0bn
Portfolio based on "robo-advice"***	6.8%	£11.6bn

**Calculated taking historic net figures or projected net figures from the three largest peer to peer platforms and assuming an equal split of funds across each platform.[13]*

***Average yearly return, based on average 10 year return including capital growth and dividends, over the last two decades.[14]*

***Historical performance of a portfolio based on so-called robo-advice platform, for £15,000 investment over three years with balanced risk.[15]*

Source: SMF analysis

We can also assess what this might mean for individual savers. For example, for those households in the struggling group who have more than needed to meet rainy day needs in cash savings, the average excess held is £12,000. If this were invested equally across the five non-cash ISA investments in table 13, the saver might expect their returns to increase by £383 a year. Whilst this may sound like a relatively small amount each year, over a ten year period, total net returns would be some £4,200 higher.

SECTION 3: POLICY FOCUS

IDENTIFYING GROUPS OF INTEREST

The conceptual framework and analysis suggests that we can identify three broad groups of policy interest:

1. Non-savers: those with no savings - 14.4 million working age adults in Britain.
2. Under-savers: those with some savings, but not enough – 26.5 working age adults in Britain.
3. Poor diversifiers: those with adequate savings, but who might (for example) hold too much in liquid assets, meaning that they are missing out on valuable savings growth. Nearly 6 million working age adults in Britain.

This suggests a number of areas where intervention may be needed:

- Increasing savings rates;
- Increasing diversification across motives (putting money aside for different purposes); and
- Increasing diversification within motives (asset allocation).

A large number of reports have already considered how to increase both the proportion of people saving and the amount that savers put aside.[16]

For this reason, this chapter outlines approaches that could be used to increase the saving diversification both across and within savings motives. However, while this is the focus on this report, in practice, the recommendations outlined below would also be likely to increase both savings rates and the amount of savings that savers put aside.

WHAT CAN BE DONE: INCREASING DIVERSIFICATION

Overall, compared to increasing savings rates and levels, this is an area that needs significantly more research and attention in the years to come. To inform that work and put forward proposals that others can build upon, this report focuses on two distinct issues that could help improve asset diversification: tackling the cash bias in the UK saving system; and spreading asset ownership much more widely across UK households.

Ending the cash bias

There are a number of areas where Government and regulator policy favours investment in cash savings. This can clearly be seen in recent reforms to ISA allowances, changes to the threshold of the Financial Services Compensation Scheme (FSCS) and the differences in the risk warnings required for savings and investment products.

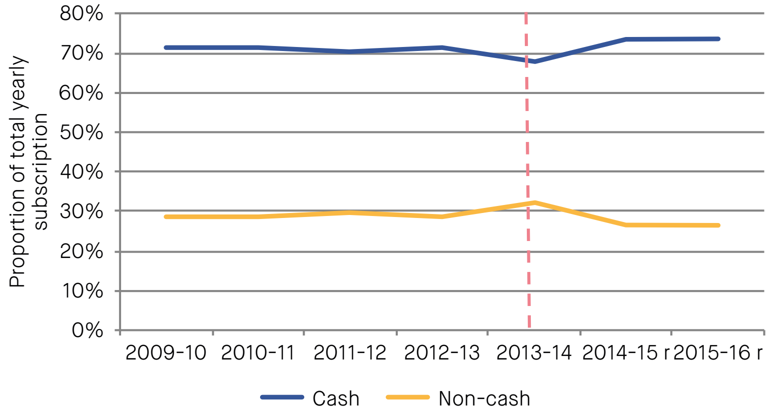
ISAs

ISAs provide a vehicle for savers to engage in tax free saving. They were established in 1999 and replaced the previous Tax Exempt Special Savings Accounts (TESSAs) and Personal Equity Plans (PEPs) schemes. Individuals face an annual limit in the total amount they can put into an ISA. The scheme is popular, with contributions to adult ISAs standing at around £80billion in 2015/16 and savers holding an accumulated value of £518billion in adult ISAs in the same year.[17] The tax-free nature of interest and returns on this investment makes the scheme expensive for the Treasury – with the estimated costs of tax relief amounting to £2.6billion in 2015/16.[18]

Until 2014/15, the limits set meant that, if savers were investing up to the full allowance amount each year, they were required to place at least half of their investment in non-cash assets. This seems to be a positive thing for asset diversification. More recently, another equally positive move has been the introduction of the Innovative Finance ISA in April 2016 (announced in July 2015), which could have seen diversification across assets within ISAs increase further still.

However, cutting against these positives is the policy change in 2014/15 that made savers unrestricted in their asset allocation within their overall ISA limit. In simple terms, this meant that savers could now put all of their total allowance into a cash ISA. Figure 13 suggests that this change has resulted in an increase the proportion of ISA investment going into cash ISAs and less going into stocks and shares ISAs.

Figure 13: Proportion of total yearly ISA subscription value split by cash and non-cash components



Source: SMF analysis of HMRC data

In tangible terms, if the distinction in ISA limits between cash and stocks and shares were maintained at the long-term average meaning that around 29% of investment went into stocks and shares ISAs, it would have meant over £2bn more investment in stocks and shares ISAs in the 2015/16 tax year, with significantly higher returns.

Financial Services Compensation Scheme

Another area of policy that might inadvertently be pushing savers towards a bias for cash savings is the Financial Services Compensation Scheme (FSCS). This scheme forms part of the UK's macro-prudential framework, providing protection for consumers (and some small businesses) when financial services firms fail. Other components of the macro-prudential framework include capital requirements and other regulations.

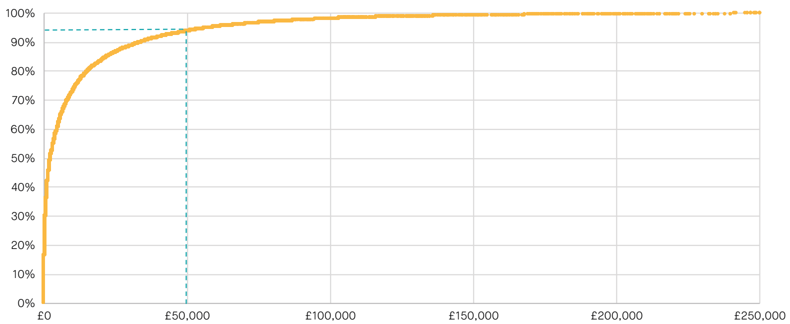
The most well-known and heavily advertised part of the scheme is the protection it provides for cash deposits at UK banks, building societies and Credit Unions – this is part of how banks provide certainty to savers that their money will be kept safely. Standing at £85,000 this is higher than the level of protection provided for other investments (£50,000). It is set to meet the requirements set out in the EU Deposit Guarantee Schemes Directive (to set deposit protection levels to at least €100,000) and has recently been increased to reflect changes in the UK's exchange rate following the referendum on Brexit.[19]

While the principle that cash deposits are protected is an important one for trust in the financial services sector and wider financial / economic stability, there are important features of the existing scheme to consider:

- Like all parts of the macro-prudential framework, the level of safety provided by the FSCS has a cost. The protection that savers receive comes with an implicit fee, as the scheme is funded through a levy on firms authorised by the PRA and FCA. Amounting to close to £5 billion over the last five years,[20] this is a sizeable sum which could otherwise have been added to the interest rates received by savers.
- As shown in figure 14, the vast majority of savers have total deposits worth far less than the current limit. This raises the question of whether the protection needs to be so high. As protection limits increase, so too do the costs associated with the scheme levy and the impact on firm's ability to pay higher rates of interest. If the scheme were set at the same level as for investments (i.e. £50,000 – shown by the dotted line), at least 94% of savers with positive balances would still be completely covered by the new limit.[21]
- Given the current low interest rate environment, there is also a concern that those savers who do receive protection up to the full notional £85,000 limit, are not making the most of their money both in terms of the returns they receive and also the contribution that their saving behaviour could make to the UK economy.

- The structure of the protection may also have an impact since cash ISAs / savings are covered up to a limit of £85,000, whereas other ISAs and investments are only covered up to a limit of £50,000. This presents a potential reason for savers to favour cash ISAs / savings.

Figure 14: Cumulative distribution of individuals' total cash deposits



Source: SMF analysis of Wealth and Assets Survey. Note: this covers only those with positive balances.

These are significant questions over the impact that the FSCS has on both outcomes for savers and the incentives they face. Given that Brexit provides an opportunity to rethink how the UK structures its financial protection schemes, the next few years should see research into the extent to which the FSCS could continue to meet its macro-prudential objectives whilst at the same time providing better outcomes and incentives for savers. This research should, in particular, focus on whether in seeking to provide a safe haven for the very large majority of savers, an unintended consequence has been to incentivise an unhealthy long-term preference for cash savings.

Risk warnings

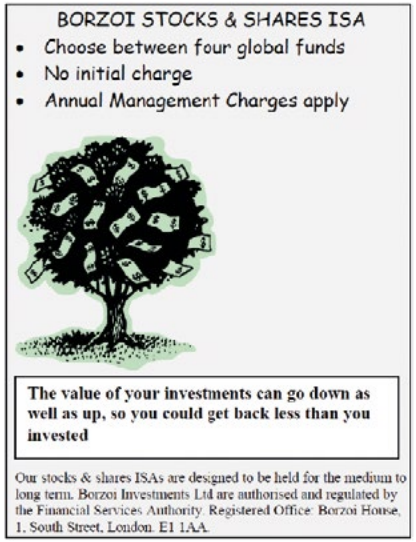
Previous SMF work has highlighted the asymmetry that exists in risk warnings for financial products.[22]

A clear example is that advertising for investment products is required to highlight clearly that individual's capital is at risk. An example of risk warning text is shown opposite:

> *"Important information – please remember that the value of investments, and any income from them, can fall as well as rise so you could get back less than you invest. If you are unsure of the suitability of your investment please seek advice. Tax rules can change and the value of any benefits depends on individual circumstances."* [23]

Figure 15: demonstrates what the regulator has suggested as good practice for adverts[24]

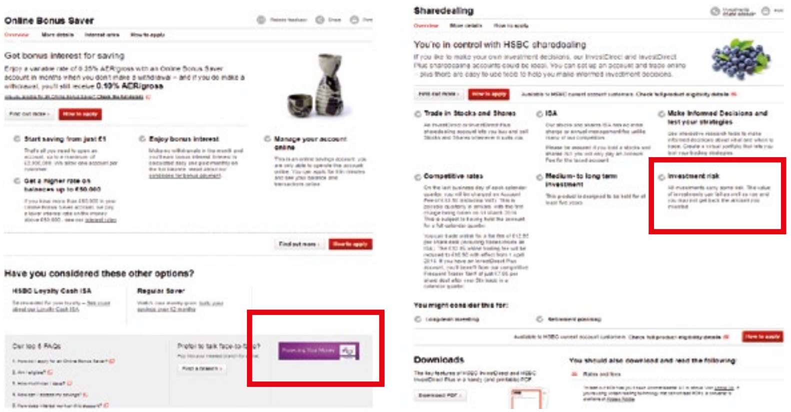
Figure 15: Example of good practice financial advert



In contrast, rather than come with warnings, cash savings products tend to come with the benefits of the FSCS advertised and make no mention of the fact that, because of the impact of inflation, many such products are associated with a significant real terms loss in value over time.

Figure 16 provides examples from one high street bank of the information displayed online when looking at a cash and share dealing ISA respectively.

Figure 16: Screenshots demonstrating different risk information provided by cash and stocks and share dealing products



Source: HSBC

Overall it is apparent that the use of risk warnings between cash savings and investment products is not symmetric. While savers are warned of the risk of capital loss from using investment products, they are not warned of the potential loss of value from saving through cash products. As such, there is a real question for the regulator and Government over extent to which this is creating behavioural biases for consumers and leading to detriment.

Cumulative impact

On their own, each of these issues could be having a significant impact on the attitudes and behaviour of savers and, in turn, could be leading to poorer outcomes for both savers and the economy. When considered together, it is likely that these effects are compounded and could lead to significant detriment. However, solutions will not be straightforward. Changes to the FSCS that lead to improved portfolio diversification will need to be weighed against the potential impact on macro-prudential policy and the design and implementation of risk warnings is something that needs to be considered through a detailed behavioural psychology lens. There are also likely to be a wide range of other regulatory and policy issues that create consumer biases within the financial services sector.

To tackle this, these issues should be considered together through a full review from the Government.

Recommendation: the Government should commit to undertaking a full review of the savings and investment incentives and regulation that is currently in place in the UK and how this is impacting on savers choice of asset classes.

As part of this:

- the PRA and HM Treasury should assess whether the FSCS could be reformed to better encourage portfolio diversification, whilst maintaining its macro-prudential objectives.
- the FCA should build on its recent work on risk warnings and undertake a full review into the use of product warnings across asset classes. This should include behavioural investigations into the extent to which they deter savers from investing in non-cash asset classes and the impact this has on household asset accumulation and wellbeing.

As well as improving the diversification of savings and economic growth, this approach could also increase the level of savings across households. Some 85% of savers say that rates of return (interest rates) are an important factor in making savings and investment decisions,[25] meaning that if diversification led to an increase in average rates of return, more households could be encouraged to save or to save more.

CREATING AN ASSET-OWNING DEMOCRACY

Ensuring that the system of incentives and regulation in place do not encourage a systematic bias towards cash savings should go some way to ensuring that more savers invest in a wider range of asset classes. However, in the last century, driven by the need to raise funds and for wider social reasons, governments have regularly gone significantly further in looking to build a wider base of asset-owning across UK households. Clear examples can be seen in financing both 20th Century World Wars through War Bonds and in the second half of the 20th Century through significant privatisations. Actions such as these significantly increased the proportion of UK households with a stake in non-cash assets. A clear example is that in 1979, just 3 million people in the UK owned shares. Following high profile privatisations in the 1980s, by the end of that decade this number had increased fourfold to 12 million, or around 25% of the adult population.

This Government should look to build on the success of these initiatives and create a strong asset-owning democracy across the UK.

There are clear routes to doing this. For example, prior to the election, the Conservative manifesto outlined a number of funds for delivering its economic goals. These included:

- University investment funds: to support universities to lead an expansion in the UKs R&D activity;
- National Productivity Investment Fund: a £23billion fund focussed on investing in areas that are critical for productivity (for example housing, research and development, economic infrastructure and skills); and
- Future Britain funds: UK sovereign wealth funds backing UK infrastructure and the British economy.

The manifesto highlighted that it expected these funds to be financed through a combination of existing debt, revenues from shale gas extraction, dormant assets and the sale of public assets, and institutional investors (e.g. pension funds). However, there was no regard to retail investors and the role that giving access to retail investors could play in driving a move to a wider base of asset ownership across the UK.

There is precedent for doing so and clear demand amongst investors. For example, recent experience of Pensioner Bonds issued in 2014 demonstrated demand so great that the then Chancellor extended the scheme "…so that everyone who wants to invest can do so". Over a million savers eventually invested through the scheme.

Figure 17 shows a similar story from UK privatisations, where retail offerings have, on average, been oversubscribed by 8.6 times. While no-where near the 4.5 million applications received during the British Gas privatisation, the

most recent retail offering of Royal Mail saw close to 700,000 applications from retail investors.

Figure 17: Oversubscription of privatisations

Privatisation	Oversubscribed by
Regional Water Companies	5.7
Electricity Distribution Companies	10.7
National Power and Powergen	5.0
BT Part 1	9.0
British Gas	4.0
BT Part 2	2.6
BA	23.0
BAA	10.0
Royal Mail	7.0
Average	8.6

Source: Policy Exchange, NAO, SMF[26]

To leverage the power and appetite of the UKs retail investors, the Government should open up investment opportunities in its industrial strategy funds. These could be packaged up through NS&I and sold under the banner of Britannia Bonds.

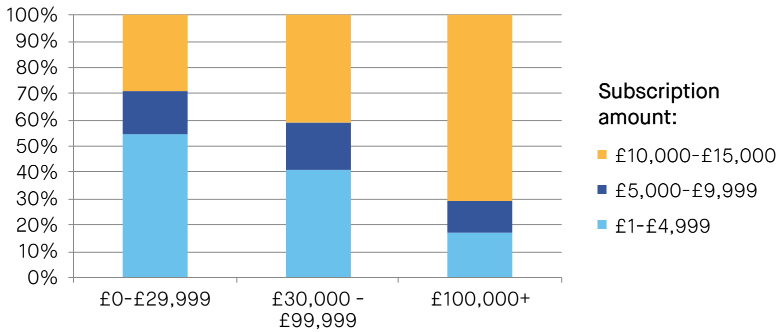
Recommendation: the Government should allow for up to 25% of its Future Britain Funds and National Productivity Investment funds to be held by British retail investors (identified by requiring a National Insurance Number).

It should actively market this opportunity to the British public as a chance to invest in the future of the UK, under the banner of ***Britannia Bonds*** issued through NS&I. Doing so would provide an investment opportunity worth at least £30billion over the course of the Parliament.

While Britannia Bonds will be open to all British investors, and past experience has shown that such offerings are attractive to savers across the income distribution, it is likely that many of those taking up the offer will be those who already save and who are looking for better returns. Previous SMF research has shown that this is most likely to be "savvy" savers and that these are likely to be towards the top of the income distribution.[27]

As such, this benefit will come on top of the already large and increasing existing subsidies that higher-income savers receive through the ISA system. Recent years have seen the Government announce significant increases in the amount that individuals are allowed to invest in ISAs each year, with the figure rising from £11,520 in 2013/14 to £20,000 in 2017/18. This comes despite the fact that 75% of those investing in ISAs invest less than the maximum and the fact that increases are likely to disproportionately benefit those at the very top of the income distribution. Figure 18 that shows that in 2014/15 71% of those with incomes over £100,000 invested their maximum ISA limit, for those earning less than £30,000 the figure was 29%.

Figure 18: ISA subscription amounts by income range



Source: SMF analysis of HMRC data

While the proportion of savers taking up their full allowance is relatively low, the Exchequer costs of extending the allowance are high. This is because funds accumulate year by year and tax relief is applied to all funds within the pot – meaning that the costs of an increased threshold increase over time. As an example, changes to the ISA regime in 2014 and 2016 Budgets cost relatively little in the first year of operation, but were both associated with steady-state cost increases of over £500million. However, despite these costs, some 70% of those with ISAs say that they would simply have invested elsewhere if ISAs did not exist at all.[28]

This suggests that, while well intentioned, steadily increasing ISA limits is an expensive policy tool that targets a relatively small set of savers who already have substantial savings. Even for these savers, the policy may inadvertently push them to making less of their money than they might otherwise have done in a wider set of assets. Overall, for a Government that wishes to incentivise more and better saving from all households, increasing ISA allowances is unlikely to be particularly effective.

Instead, as the new Government considers its first steps, it should commit to reducing yearly ISA limits and recycling that money into delivering a new scheme to ensure that more households who are currently not saving begin to be engaged in investment activity. If the Government were to roll back recent increases in ISA limits for new subscriptions in future tax years, it might realistically create a £1billion pot to deliver this scheme.

However, given the vast savings gap in the UK, this will not be enough to fun an effective scheme for all households. Attempting to do so would mean that the money was spread too thinly. Instead, the Government should clearly target the money on improving asset ownership and financial capability in the next generation of savers. It could do this by giving each 15 year old £1,500 that they can invest in a set of cash and non-cash asset classes.[29]

Recommendation: the Government should reverse recent increases in ISA allowances and refocus incentives on ensuring that all children leaving school own financial assets and have real life financial education.

To do this, the Government should create the ***Fund at Fifteen scheme***. It should launch this in 2020 using money saved from reducing the allowances to give all 15 year olds £1,500 to invest in a range of asset classes.

Principles behind the scheme would mean that those investing would:

- Be required to hold the fund until they turned 18;
- Be required to invest at least 50% of the funds in non-cash asset classes;

– Have a limited range of non-cash options open to them in order to make choice easier and ensure they fully understand the choice open to them; and
– Potential options might include investment in Britannia Bonds, Peer-to-Peer platforms, UK Corporate Bond funds, and funds the track the FTSE 100 / 250.

A key part of delivering this successfully will be that schools engage with this programme extensively. While a range of research has shown that financial education is often unsuccessful in increasing financial literacy or capability, this is often because those receiving it are not actually engaging in real life decisions, meaning that education is undertaken in the abstract and quickly forgotten. In contrast, financial education in this context would be about helping students to make a real financial decision at age 15. Schools could use the Fund at Fifteen Scheme to engage all students in understanding the benefits of saving, the options open to savers in terms of different asset classes and the risks and potential rewards that are associated with each of them.

Delivering a scheme like this would be a major undertaking and the Government should commit to rolling it out in this Parliament after significant consultation. Key questions that the consultation must address include:

- How to choose and regulate the investments that members can invest in;
- How to manage the platform that is used for these investments. Ideally Government would engage the private market to give a digital solution that would allow students to track their investments over time and to actively manage their account once they turn 18.

This scheme also provides the financial services industry with a clear opportunity to do more to support people to save more and save better. The driver here could be the move to create a pensions dashboard.[30] The dashboard will allow consumers to see all of their pension pots in one place, but based on current ambitions, will say nothing about consumers' wider financial situation. To tackle this, providers should look to build a broader

Savings Dashboard that allows savers to see their financial situation across their rainy day, goals based and pensions savings motives. This could be rolled out initially through the Fund at Fifteen scheme as a way to engage students in an online dashboard that gives them information about their total savings portfolio and, in time, control over how it is used.

CONCLUSION

Overall it is clear that to boost wellbeing, living standards and the economy, UK households need to save more and save better. This report has highlighted the sheer scale of the task ahead. If we are to close the savings gap and ensure that when people do save, they are making the most of their money, radical action is needed from Government, regulators and industry. This report has outlined a clear direction for policy to end the cash savings bias, drive a huge increase in asset owning across the UK population and ensure that Government incentives (and spending) is effectively targeted and boosting more and better saving.

ENDNOTES

1. See http://www.ageuk.org.uk/professional-resources-home/policy/money-matters/poverty-and-inequality/ Accessed 17/05/17.
2. Evans, A., (2016). *Retiring later, working longer – why should employers care?* Available at https://www.lifesight.com/library/retiring-later-working-longer-why-should-employers-care-2/, accessed 17/05/17.
3. Which? (2014), *The three habits of successful savers. How learning from their behaviour could get the UK saving*. Which? Consumer Insight.
4. OBR, (2017), *Economic and Fiscal Outlook 2017*. CM9419. Available at http://budgetresponsibility.org.uk/ accessed 17/05/17.
5. Which? (2014), *The three habits of successful savers. How learning from their behaviour could get the UK saving*. Which? Consumer Insight.
6. SMF analysis of Wealth and Assets Survey.
7. Evans, K., & Mian, E., (2014). *Savings in the balance: managing risk in a post-crisis world*. Social Market Foundation, London.
8. See http://bbbinv.co.uk/ Accessed 20/06/17.
9. Note here that "significant" is assumed to be over £500 over accumulated assets.
10. Evans, K., & Mian, E., (2014). *Savings in the balance: managing risk in a post-crisis world*. Social Market Foundation, London.
11. FTSE return calculated including both capital growth and dividends. Available at: https://uk.investing.com/indices/ftse-100-total-return-historical-data Accessed 14/06/17.
12. See https://www.nsandi.com/65-guaranteed-growth-bonds Accessed 14/06/17.
13. See https://www.ratesetter.com/aboutus/statistics; https://www.fundingcircle.com/uk/statistics/; https://www.zopa.com/lending . Note for Zopa, the mid-point of the range of projected returns was taken.
14. See http://www.thisismoney.co.uk/money/diyinvesting/article-3452668/A-10-year-investment-FTSE-100-95-success-rate-past-two-decades.html Accessed 14/06/17.
15. See https://www.nutmeg.com/
16. For example see: Which? (2014), *The three habits of successful savers. How learning from their behaviour could get the UK saving*. Which? Consumer Insight. Money Advice Service: file:///C:/Users/matthew/Downloads/Savings_Conference_Slides.pdf (Accessed 14/06/17). Jones, M., (2016), *The future of retirement saving*. ILC, London.
17. HMRC, (2017), *Individual Savings Accounts (ISA) Statistics*. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/611387/Full_Statistics_Release_April_2017.pdf Accessed 29/05/17.
18. HMRC, (2016), *Estimated Costs of Principal Tax Reliefs*. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/579720/Dec_16_Main_Reliefs_Final.pdf Accessed 29/05/17.
19. See http://www.bankofengland.co.uk/publications/Documents/news/2016/083.pdf Accessed 29/05/17.
20. See https://www.fscs.org.uk/globalassets/levy-information/fscs-levies-raised-100516.pdf Accessed 14/06/17.
21. Source: SMF analysis of the holdings of cash deposits by UK savers. Note that the figure may be higher than this as we do not account for the fact that some savers will have split their cash savings between a number of different bank groups.
22. Evans, K., & Mian, E., (2014). *Savings in the Balance: managing risk in a post-crisis world*. SMF, London.
23. http://www.hl.co.uk/investment-services/vantage-service?theSource=PCGG&Override=1&adg=G+INVH+INV+B&gclid=COv2qZ--zNQCFWix7QodGzMDdg Accessed 20/06/17
24. See https://www.fca.org.uk/publication/guidance-consultation/gc11_15.pdf. Note that this is from 2011 guidance, but demonstrates the focus on the need for prominence of risk warnings.
25. Evans, K., & Mian, E., (2014). *Savings in the Balance: managing risk in a post-crisis world*. SMF, London.
26. Barty, J., & Redding, E., (2013). *Privatising the banks: creating a new generation of shareholders*. Policy Exchange, London.
27. Oakley, M., (2015) *Fixing Family Finances: Taking a household view to improving financial capability in Great Britain*. SMF, London.
28. HMRC, (2008)., *Individual Attitudes to Saving: Effect of ISAs on People's Saving Behaviour Research into Attitudes and Motivations for Saving in ISAs*. Available at http://webarchive.nationalarchives.gov.uk/20080814090248/http:/hmrc.gov.uk/research/working-paper-isa.pdf Accessed 29/05/17.
29. There will be around 730,000 15 year olds in 2020 (https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/mar2017 – accessed 14/06/17).
30. See https://www.abi.org.uk/products-and-issues/products/pensions/the-pensions-dashboard/. Accessed 21/06/17.

Saving Better

Encouraging savings and investment diversification to help families manage

The UK is not saving enough. Even when people do save, a bias towards cash savings means that savers see low and often negative real returns. The impacts on living standards, wellbeing and the economy are large. This report puts forward radical proposals to help people save more, save better and provide a much needed boost to outcomes for families and growth in the economy.

Kindly supported by

RateSetter