

Voluntary Statement of Compliance with the Code of Practice for Statistics for the FCA's Financial Lives Survey

The Financial Conduct Authority

The FCA is responsible for regulating a sector which plays a critical role in the lives of everyone in the UK. From children's ISAs to pensions, direct debits to credit cards, loans to investments – how well financial markets work has a fundamental impact on us all.

We aim to make markets work well – for individuals, for businesses, large and small, and for the economy as a whole. We do this by regulating the conduct of more than 58,000 businesses. We are also the prudential regulator for more than 18,000 of these businesses.

By having robust consumer data, we can drive better outcomes. The FCA uses a range of data sources, including conducting its own surveys with consumers, to measure market trends, to inform policy decisions and future strategy, as well evaluating the impact of regulatory decisions.

Why do we conduct Financial Lives?

The **Financial Lives Survey** is a large-scale survey of consumers on their experience of financial products and services. It provides a wealth of information about consumers on product holdings, attitudes to finance and reasons for financial decision-making. It is our largest tracking survey of adults and their finances and, as such, it is a key source of information, underpinning our consumer protection work and providing valuable insights for other organisations focusing on consumers and finance.

For further information on the study, see:

<https://www.fca.org.uk/publications/research/understanding-financial-lives-uk-adults>

or contact: FinancialLivesSurvey@fca.org.uk.

The first Financial Lives survey was conducted in 2017 and again in 2020. We are carrying out the third survey in 2022.

When conducting research with consumers and using research findings we aim to build trust in our statistics and the analysis produced. To provide reassurance on the way we handle and use consumer data, the FCA has voluntarily ensured that the Financial Lives survey complies with the principles of the UK Statistics Authority's Code of Practice for Statistics.

The Code of Practice for Statistics (the Code) is built around three main concepts, or pillars:

- **Trustworthiness** – having confidence in the people and organisations that publish statistics
- **Quality** – using data and methods that produce assured statistics
- **Value** – publishing statistics that support society's needs for information.

This document explains how the FCA has applied the pillars of the Code in a proportionate way to the Financial Lives survey.

Trustworthiness

Orderly release

The survey has been conducted in 2017 and 2022. The survey is designed to be repeated every 2 years, with data and report releases following each round of data collection. The FCA's work has already had a clear impact on raising the level of understanding of consumer behaviour among financial services firms, government, consumer bodies and the wider society. Our future work will continue to do so by:

- 1) Publishing updates of our initial report
- 2) Publishing ad hoc analysis and technical papers.

Ensuring openness and transparency

Openness and transparency are an important part of building trustworthiness. As such, we are committed to releasing statistics and analysis in an open and transparent manner, as well as working with a wide range of stakeholders to ensure that they understand and can access our research and analysis.

We seek in all our statistical releases to be transparent about methods and data used, sources of uncertainty and limitations of the data. We are committed to publishing the

underlying data, so that our analyses can be replicated by other researchers and organisations.

Professional capability and adherence to code of practice/working with approved partners

The FCA and the agencies we work with are bound by the Market Research Society's Code of Conduct. The MRS's Code embodies ten principles which are designed to ensure that research has been carried out in accordance with professional standards and in an ethical manner.

Staff are well trained and undertake Continued Professional Development. All FCA staff complete mandatory training courses on data protection.

Research partners are rigorously vetted in terms of technical requirements and ensuring that their security systems for collecting and storing data meet our standards.

Data governance

The FCA has a designated person responsible for ensuring voluntary adherence to the Code of Practice and has robust processes to protect data confidentiality, to ensure legal obligations are met.

Quality

Methodology

The survey uses established quantitative research methodologies, in terms of sampling, data collection and weighting results. We publish a technical report which details the exact approach used. The 2020 technical report can be found here:

<https://www.fca.org.uk/publication/research/financial-lives-survey-2020-technical-report.pdf>

The Financial Lives Survey uses mixed-mode data collection, whereby the majority of interviews are achieved via an online survey, with a smaller face-to-face survey used to ensure that the views of non-Internet users are represented.

We use a random probability sampling design, as this:

- is optimal for sizing the holding of financial products and tracking changes over time, and

- ensures results can be made to be representative of all UK adults, without weighting making a large reduction to the net effective sample size and hence large increases to margins of error.

Quality assurance

Any FCA data releases using Financial Lives data are subject to rigorous quality assurance procedures conducted by research professionals and in accordance with the FCA's quality and governance procedures on data collection and handling, with GDPR, and with the Market Research Society's Code of Conduct.

A number of checks take place within the survey itself to avoid respondents providing wrong and conflicting information. Where it is not possible for these checks to take place during the interview, post-interview checks take place to identify and resolve any conflicts in the data.

Quality assurance procedures that take place on individual responses include checking the validity of responses and 'cleaning' data. Cleaning procedures include the removal of cases that do not appear genuine. This includes individual responses that have been completed in a length of time we judge too short for the respondent to have provided a considered and truthful response.

Where possible all data is 'sense-checked' against other data sources and by industry experts before any information is released.

Value

Relevance and availability: Meeting the needs of different users

The content of our survey is designed to meet the needs of the FCA. During development of each round of the survey we consult across the whole of the FCA and with some external partners such as other regulatory bodies and government, to ensure that the content is relevant.

The FCA makes efforts to release as much data and findings as possible. Findings are released in the form of written reports, visual infographics and dashboards, weighted data tables and raw data.

In addition to releasing the data, technical documents are also published, including a full technical report and paper questionnaire. For more information on our reports and data released, see here: <https://www.fca.org.uk/publications/research/understanding-financial-lives-uk-adults>.

Not all findings are released, as some (such as brand information) could be market sensitive.

Insight

The results from the survey are a key input into our consumer strategy. They have already been used in several FCA publications and have been used to inform how and why we prioritise our interventions. Examples include the FCA's work on Access to Cash¹, and our work to inform the Financial Advice market review².

The survey is designed to be repeated every 2 years in order to provide tracking data.

We publish the data tables as a resource for any interested party to use in order to derive maximum public value.

Raw data is available for use via an application to the Consumer Data Research Centre (UCL).³

Clarity

We aim to make our statistical commentary accessible for our users by:

- Using plain English
- Avoiding jargon and explaining technical terms clearly and simply
- Highlighting the key points
- Providing a glossary of terms
- Following our organisation's style guide to ensure our statistical releases are consistent with the rest of our outputs.

1 <https://www.fca.org.uk/firms/access-to-cash>

2 <https://www.fca.org.uk/publication/research/ignition-house-consumer-research-report.pdf>

3 <https://data.cdrc.ac.uk/dataset/fca-financial-lives-survey#:~:text=The%20Financial%20Lives%20Survey%20is,and%20protection%2C%20and%20pension%20products.>

To support the use of our work by a range of stakeholders and audiences, the FCA produces technical reports for those interested in the detail of our methodology; and instructions on how to use the various published resources. These include:

- A weighted data tables user guide
- A raw data user guide.

The FCA aims for a wide range of organisations to be able to access and use the findings. We believe if this were achieved, the maximum value would be delivered from our work to date.

Efficiency and proportionality

In selecting our use of external research partners for the Financial Lives Survey (wave 2 and beyond), the FCA has undertaken a thorough, competitive procurement process in line with the Official Journal of the European Union⁵ procurement regulations.

⁵ <https://www.ojeu.eu/>