STARTUP C✳ALITION

See the Light

Lifting Britain's financial advice, literacy and data fog.
Report one of Bullish Britain, Startup Coalition's blueprint for a UK Retail Investment Strategy

November 2026

Author

Clio Batchelor
Fintech Policy Lead
Startup Coalition

November 2026

About Startup Coalition

Startup Coalition, formerly the Coalition for a Digital Economy (Coadec), is an independent advocacy group that serves as the policy voice for Britain's technology-led startups and scaleups. Startup Coalition was founded in 2010 by Mike Butcher, Editor-at-Large of technology news publisher TechCrunch, and Jeff Lynn, Chairman and Co-Founder of online investment platform Seedrs. Startup Coalition works across a broad range of policy areas that matter the most to startups and scaleups: Access to Talent, Access to Finance & Regulation.

Methodology

The polling cited in this report was commissioned by Startup Coalition and carried out by Stack Data Strategy, an opinion research consultancy. Stack surveyed 2008 UK adults between 13 and 18 October 2026. All interviews were conducted online. To ensure the sample was nationally representative, in-depth quotas were used during data collection and weighting was applied in post-processing. The sample was balanced to be representative of the UK adults by age, gender, region/nation and education. Data tables are available here https://www.stackdatastrategy.com/data

Several questions involved a 'split sample' approach to testing visual stimuli to test the impact on consumers of having financial information presented to them in different ways. In these tests there were two stimulus variants, with each individual respondent being randomly assigned one. The visuals used are shown in the report.

Percentages cited and shown in visuals may not always sum up to 100%, due to 'rounding effect'.

Foreword: Introduction to Bullish Britain

One might reasonably ask why an organisation that represents technology startups has written three reports about how Britain saves and invests.

Startups need capital. Britain has an enormous amount of it sitting in cash, quietly losing value. It belongs to people who have been told for most of their lives that investing is something only rich people in the City do. That money could be building British companies. At the moment, that money is not being put to work.

The firms trying to fix this are fintech startups. Almost every company that has made it possible to start investing from a phone, with a small amount of money and no adviser, either is a startup or was one very recently. They built their way into the market with easy to use tools and built in financial education.

A few things we believe:

- A country where ordinary people own no stake in its companies will not be a country that backs people who build things
- Protection that keeps people out of capital markets is paternalism with better branding.
- The lack of financial education in the UK is failing the next generation.
- Britain cannot build a growth economy on savings that sit in cash.

To be fair to this Government, it has started to take retail investment seriously, and there is real appetite among policymakers, in the Treasury and at the FCA to get more people investing. What has been missing is a strategy. We have had ISA tweaks, awareness drives and a cartoon squirrel. What we have not had is anybody setting out what the Treasury, HMRC, the Department for Education, the FCA and industry each need to do together, and by when, so that the whole thing adds up to something.

That is what Bullish Britain is. It brings together three reports, new polling of over 2,000 people and a set of recommendations we think are deliverable. See the Light looks at advice, AI and financial education. Squirrelled Away looks at the ISA system. Fit for the Future looks at the rules that decide who can invest in what, and how risk is explained to them.

We want the British economy to grow, for more people to make the most of their money and we want the UK to be the best place in the world to grow a business.

Britain has become very good at building financial services for people who are already wealthy. It is time we got good at building them for everybody else.

Dom Hallas
Executive Director, Startup Coalition

Executive Summary

This is the first of three reports in Bullish Britain, Startup Coalition's blueprint for a UK Retail Investment Strategy. It is built on nationally representative polling of 2,008 UK adults carried out in October 2026, and it covers financial education, workplace and pension guidance, AI-delivered advice and the open finance data layer beneath all three. Since our All About the Gains report last year, a good deal has moved.[1] Targeted support became a regulated activity in April. The Children's Wellbeing and Schools Act 2026 closed the academy loophole on the national curriculum. The FCA published its open finance roadmap, and the pensions dashboard passed its statutory connection deadline in October.

Our polling found:

- **If given an unexpected £1,000 today, only 9% of people would invest it.** 35% would put it into a savings account; 23% would spend it on essentials; 19% would keep it in an emergency fund.
- **Brits support paying kids to learn about money.** 63% of people would support paying kids at secondary school money into their JISAs to learn about money. This number rises to 67% for parents of secondary school children.
- **A significant number of British adults are already asking AI chatbots about their finances.** A third have done so already, rising to over half amongst 18-34 year olds. Half of those who have asked a question act on the answer they are given.
- **When it comes to 'unregulated advice', Policymakers should be more concerned about AI chatbots than social media "finfluencers".** Already, more say they have used a chatbot for financial advice than say they have used social media. We would expect this gap to widen in future.
- **There is evidence to suggest that a significant number of chatbot users are asking for what would amount to 'Advice' under FCA distinctions.** Close to half of all who have asked a Large Language Model (LLM) for financial advice have asked for specific recommendations based on their personal circumstances or goals.
- **Despite widespread use, trust in financial advice from chatbots is low.** This is the case even amongst those who are already using them in this way.Only 34% of people are aware that financial advice from an AI chatbot is unregulated. 29% of people thought regulations do apply and 37% did not know.

What we are calling for

The Government should:

- Introduce Learn-to-Earn. The Government should pay £10 into a child's Junior ISA for every financial education module they pass, four modules a year (£40 a year) from Year 7 to Year 9, and Junior ISA providers should match that payment in the first year an account is open. HMRC should open an account for every child who does not have one at Year 7. Delivery should come from approved providers, including UK fintechs against a single national standard, inspected by

[1] https://startupcoalition.io/u/2025/10/Startup-Coalition-All-About-the-Gains-FOR-RELEASE.pdf

Ofsted and measured through published completion rates. The cost is around £77m a year at full running, roughly a sixth of what the Child Trust Fund cost at its peak.

- Help at work and at retirement. The government should put opt-out payroll saving and investing on a statutory footing, commit to a date for commercial pensions dashboards, and extend the seven-day switch guarantee to ISAs and pensions. The FCA should allow targeted support inside dashboards and publish practical guidance on how it applies in the workplace.
- Lay the statutory instrument under the Data (Use and Access) Act for Open Finance without further delay. The FCA should bring savings, investments and pensions into the first wave of open finance, and apply one standard to every account provider above a size threshold.

The FCA should:

- Introduce a regulated answer to the chatbot. The FCA should make it an explicit priority to see the first regulated, AI-delivered advice service live within twelve months, and should treat unregulated AI rather than no advice as the counterfactual in its cost-benefit analysis. The FCA and HM Treasury should introduce a consumer-facing marker for regulated AI guidance and agree standard disclaimer wording.

Every one of these asks moves an institution from telling somebody about their money to helping them do something with it.

Introduction: A nation in the fog

Ask a British adult what they would do with an unexpected £1,000 and the most common answer is to put it in a savings account (35%). 23% would spend it on essentials, 19% would keep it as an emergency fund, and just 9% would invest it.

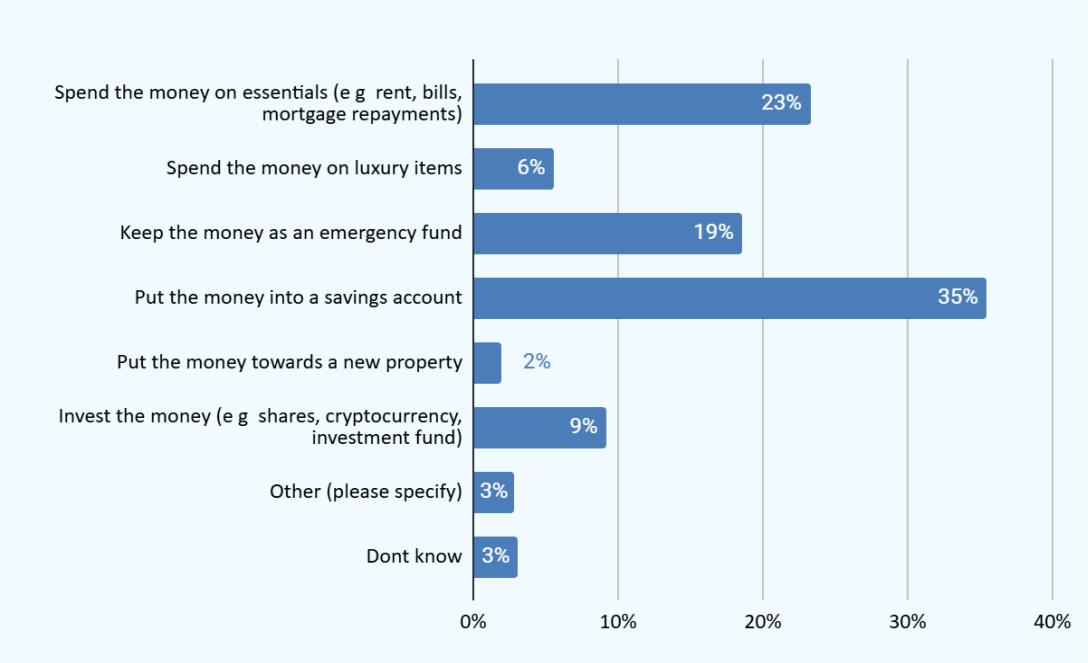

Figure 1, Imagine you were paid £1,000 today Which of the following would you be most likely to do?

The instinct towards cash is not irrational, and it is not new. People usually learn to budget and therefore save money as children. But for those whose parents didn't teach them about investing, it can easily seem like a private members' club they are never qualified to join. The lack of meaningful financial education in the UK can be demonstrated by the fact that in our poll, 48% of UK adults told us that they think over a long period, saving is usually less risky than investing. Only 21% said that that investing is the safer bet over that kind of timescale. History tells us that the second lot are correct, as equities have beaten cash over ten year periods nine times out of ten.[2] We know that risk aversion is difficult to shift, but risk aversion expressed with mistaken confidence is another challenge entirely. Moneybox's research points the same way. Nearly three quarters of adults (72%) describe investing as simply "risky".[3] This is the part the Government, regulator and sector consistently underestimate. We treat non-investors as an audience waiting to be informed, when a good share of them are not waiting for anything because they are confident in their approach already.

---

2 https://home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policy-positions/public-policy/The%20missed%20Opportunity%20for%20not%20investing.pdf

3 https://support.moneyboxapp.com/the-price-of-peace-of-mind-how-negative-money-mindsets-could-be-costing-us-our-future/

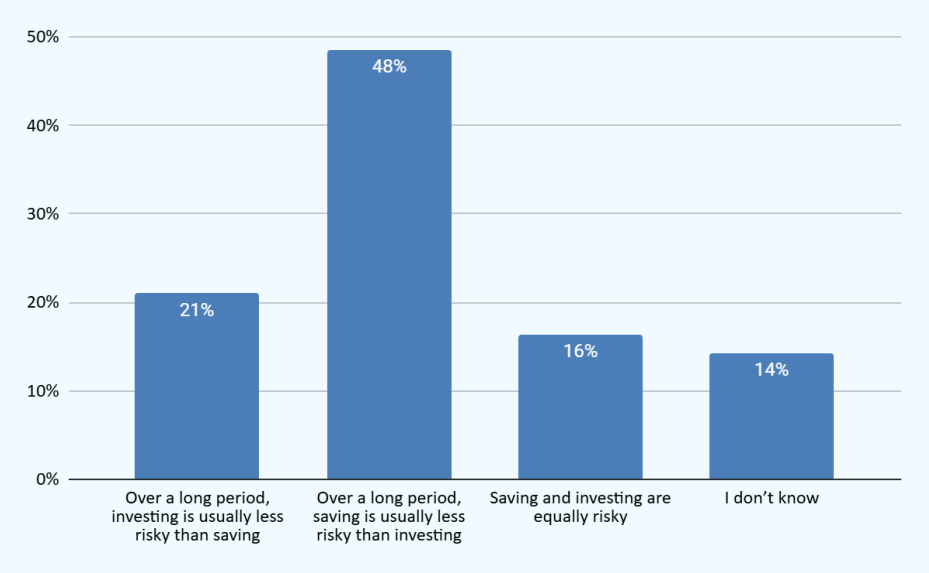

Figure 2, Which of the following is closest to your own view about investing compared to saving? By saving we mean putting money into a savings account that bears interest. By investing we mean putting money into things like stocks and shares, investment funds, bonds, property and cryptocurrencies.

Since our report last year, the public has grown more pessimistic about their personal finances. Overall though, Britons remain net optimistic about their personal finances. This year 42% of people feel optimistic about their own financial future and 28% feel pessimistic, giving net optimism of +14. That figure has fallen from +22 since our report last year, when optimists outnumbered pessimists by close to two to one. Beneath it sits a stark divide between men and women. Net optimism stands at +26 among men and just +3 among women. Among men, optimists outnumber pessimists several times over. Among women, almost as many feel pessimistic about their financial future as feel optimistic.

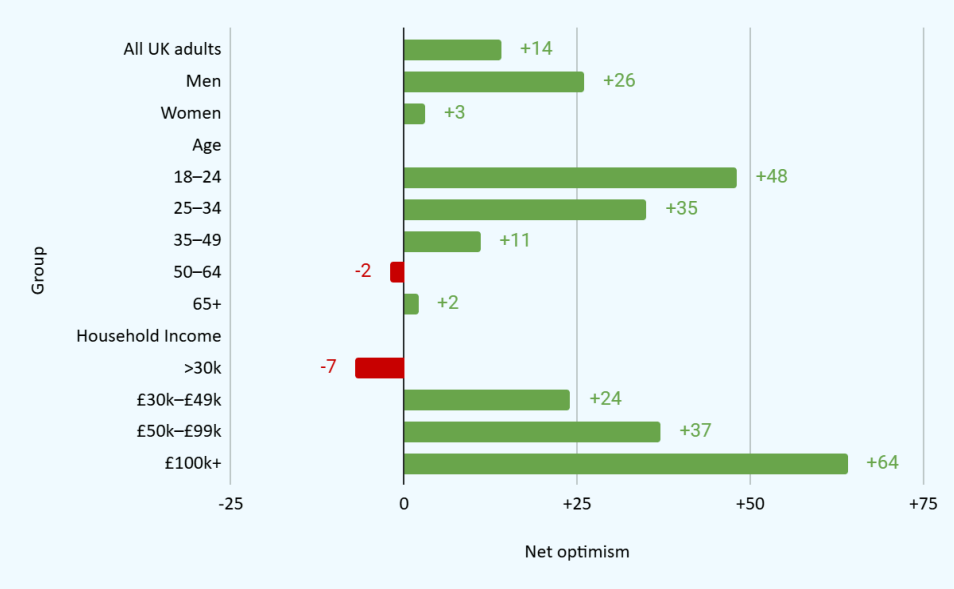

Figure 3, Thinking about your financial future, how optimistic do you feel? Net optimism (% optimistic minus % pessimistic) by gender, age and household income[4]

[4] The £100,000+ household income group has a base of 98 respondents.

Perhaps it is because women are being shown, constantly and from every direction, that investing is not for them. Financial marketing overwhelmingly targets men with aggressive jargon about "beating the market," while the media portrayals cement wealth management as a male-only domain. This alienating messaging directly impacts how women view the market. Last year, Robinhood's polling found that almost two-thirds of women who want to invest cited risk as the reason they have not started.[5] However, if by our polling, many believe that saving is less risky than investing, then many are making a rational decision on the basis of wrong information, only to then be told by the Government that the problem is their own appetite for risk.

There is some light at the end of the tunnel with Gen Z. Vanguard found that 9 in 10 Gen Zs intend to start investing by 2028 and more than a third of Gen Z investors made their first investment in the past two years.[6] Although they may not see investing as a private members' club as much as past generations, the tools being used to make these decisions are changing rapidly. We found that over half of 18-24 year olds have asked an AI chatbot about their own savings, pension, investments or debts, the highest of any age group. At the same time, Gen Z scores the lowest of any generation on the personal finance literacy index.[7] They have all the enthusiasm and all the wrong equipment. This is also the first cohort to have supposedly passed through a school system where technically, financial education became 'statutory' in 2014. So the maths doesn't add up. The risk is that we mistake this for a Gen Z problem and go looking for a Gen Z solution, when what it actually shows is that making financial education statutory in 2014 changed very little, and that the gap it left has been filled by whatever was nearest to hand. For this generation and many others, that is an unregulated chatbot.

So the question then is not how to simply tell Britain to stop being risk averse, but to give them the tools to decide for themselves that investing is for them.

Three things in this report bear on that. The first is schools, where financial education is meant to be compulsory but is still not reaching most pupils. The second is advice, where the gap between what people need and what firms are allowed to tell them has been filled by a chatbot that nobody regulates and, by our polling, few people trust. The third is data, where the information that would let a firm give somebody useful guidance about their own money sits in institutions that have no obligation to share it.

Britain has never had more financial content, more comparison sites, more apps, more campaigns, or more free advice available at three in the morning from a chatbot. None of it has lifted the fog, because visibility is not improved by adding to the pile. Fog still stands between intention and action. Britain needs proverbial headlights, meaning true financial education, regulated help that is allowed to reach people, a way to tell regulated advice from the unregulated kind, and access to a person's own data so that help can be as personalised and automated as possible. Then we might start to see British people wanting to invest rather than save that unexpected £1,000.

[5] https://cdn.robinhood.com/assets/robinhood/legal/rh_freedom_to_invest_report.pdf
[6] https://www.moneymarketing.co.uk/news/gen-z-leads-uk-shift-to-investments-with-25bn-in-new-investor-inflows/
[7] https://www.tiaa.org/public/institute/publication/2026/tiaa-gflec-personal-finance-index

Chapter 1: The literacy gap

Financial literacy is the foundation of a prosperous adult life. Decades of research show that people who understand the "Big 3" (compound interest, inflation and risk diversification) make stronger decisions throughout their lives, whether borrowing, saving, investing or planning for retirement. Differences in financial knowledge have been estimated to account for 30-40% of retirement wealth inequality.[8] Britain scores poorly on these fundamental metrics. A landmark study of over 10,000 people conducted by the numeracy charity The Richmond Project found that 40% of UK adults have poor or very poor financial literacy. Strikingly, only 28% of UK respondents were able to answer all three "Big 3" questions correctly. This places the UK well behind international peers like Germany (where 53% answer correctly), the Netherlands (45%), Australia (43%), and Canada (43%).

For a country that prides itself on being a global financial centre, this is an awkward position to be in. Measured on financial knowledge alone, OECD data places the UK near the bottom tier of industrialised nations, leaving its respectable overall capability score propped up by default systemic structures and cautious habits, such as auto-enrolment in pensions or default cash savings, rather than genuine structural understanding.[9]

Our polling reveals a fundamental paradox at the heart of British personal finance: people have learned the vocabulary of money without the arithmetic.

We tested key financial literacy concepts, and the results show a wide gap between basic financial awareness and understanding how economic factors affect personal wealth. When asked what happens to money in a savings account paying 1% interest while inflation runs at 2%, 32% (nearly a third) incorrectly thought their money would grow. Less than half of people (43%) got the answer right, recognising that their money would be worth less in real terms. They spot a positive interest rate on screen and celebrate the gain, blind to the fact that inflation is eating their lunch. Perception of long-term investment risk tells the same story. Asked to estimate the chance of losing money after holding a global stock market tracker fund for 10 years, only 1 in 7 people (14%) realised that the risk is very low (<10%). In contrast, over half (54%) overestimated the risk, and nearly a third (32%) simply did not know. Public misunderstanding of real returns and long-term investment risk remains a major barrier to financial confidence and participation.

This creates a dangerous cognitive trap. Cash feels safe, and investing feels reckless. In reality, over a decade or more, history shows the opposite is true. Holding cash in low yield accounts guarantees real purchasing-power destruction to inflation, while diversified equity markets historically protect against it.

The financial education gap shows up clearly on household balance sheets, and it creates a major barrier to investing. One in ten UK adults have no cash savings at all, and a further 21% have less than £1,000 to draw on in an emergency.[10] Without basic financial resilience or confidence with numbers, building long-term wealth through investing feels completely out of reach. A third of adults say maths makes them anxious, and 29% actively avoid anything involving numbers.[11] If we want a nation of confident investors, we cannot wait for adults to seek out help on their own. We need to build

[8] https://richmondproject.org/wp-content/uploads/2026/06/TRP_Financial-Literacy_May-2026_V.2.pdf
[9] https://www.oecd.org/en/publications/survey-of-adults-skills-2023-country-notes_ab4f6b8c-en/united-kingdom_02bc78e4-en.html
[10] https://www.fca.org.uk/news/press-releases/more-people-have-bank-accounts-one-ten-have-no-cash-savings
[11] https://www.nationalnumeracy.org.uk/news/new-research-nnd21

foundational financial literacy in school, giving young people the tools to move from basic emergency resilience into long-term investing. A classroom is the one place in British life where everybody has to turn up, confident with numbers or not, and nobody has to admit they need help to be given lessons.

On the evidence of our polling, school is not yet doing that job. Among people aged 65 and over, 61% answered our inflation question correctly, and only 17% incorrectly thought the value of the money would grow. But worryingly, in every age group under 50, fewer than four in ten got it right. That includes 18 to 24 year olds, the first adults to have spent all or part of their secondary schooling after financial education became statutory in 2014. More of them answered wrongly than correctly. 40% thought the money would grow and a further 13% thought it would hold its value, while only 37% recognised that it would be worth less. The pattern is not one of hesitancy among the young. Only 9% of 18 to 24 year olds said they did not know. They answered, and they answered wrongly, with confidence. This mirrors what we found elsewhere in the polling, where the public tracks the headline inflation rate closely and then cannot apply it to their own money.

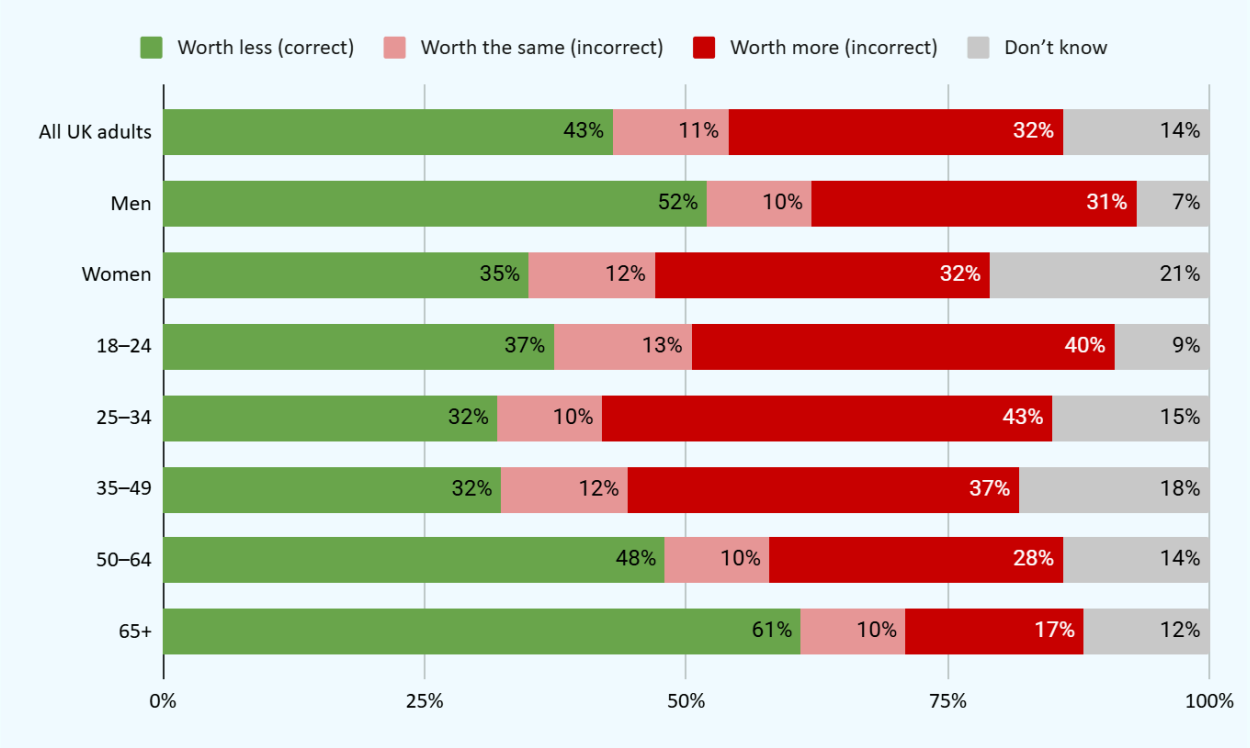

Figure 4, Please imagine you had money in a savings account that pays interest of 1% per year. Over the course of the year, inflation was 2%. After one year, how much would the money in that account be worth? By gender and age.

The gap between men and women comes down to confidence. Men answered correctly more often (52%) than women (35%). Yet almost the same share of each held an active misconception, with 41% of men and 44% of women thinking their money would grow or hold its value. The real difference is in "don't know", chosen by 21% of women and only 7% of men. Women are three times as likely to say they are unsure rather than guess. Policy therefore needs to build confidence as well as knowledge, through clear information free of jargon, low-risk ways to start and defaults that do not leave people second-guessing themselves. If women stay out of investing because they feel unsure, the gender gaps in wealth and pensions will keep compounding.

Our findings also demonstrate reinforcing existing economic divides. 38% of those earning under £30,000 answered correctly, rising to 54% of those earning over £100,000, and the share saying they did not know falls from 18% to 4% across the same range. Education moves it by a similar amount, with 55% of graduates answering correctly compared with 38% of those without a degree. Instead of schooling creating a universal baseline, financial literacy in the UK remains a luxury of income and experience. Higher earners (£100k+) and degree holders are roughly 15 to 17 percentage points more likely to understand real returns than low earners and people without a degree.

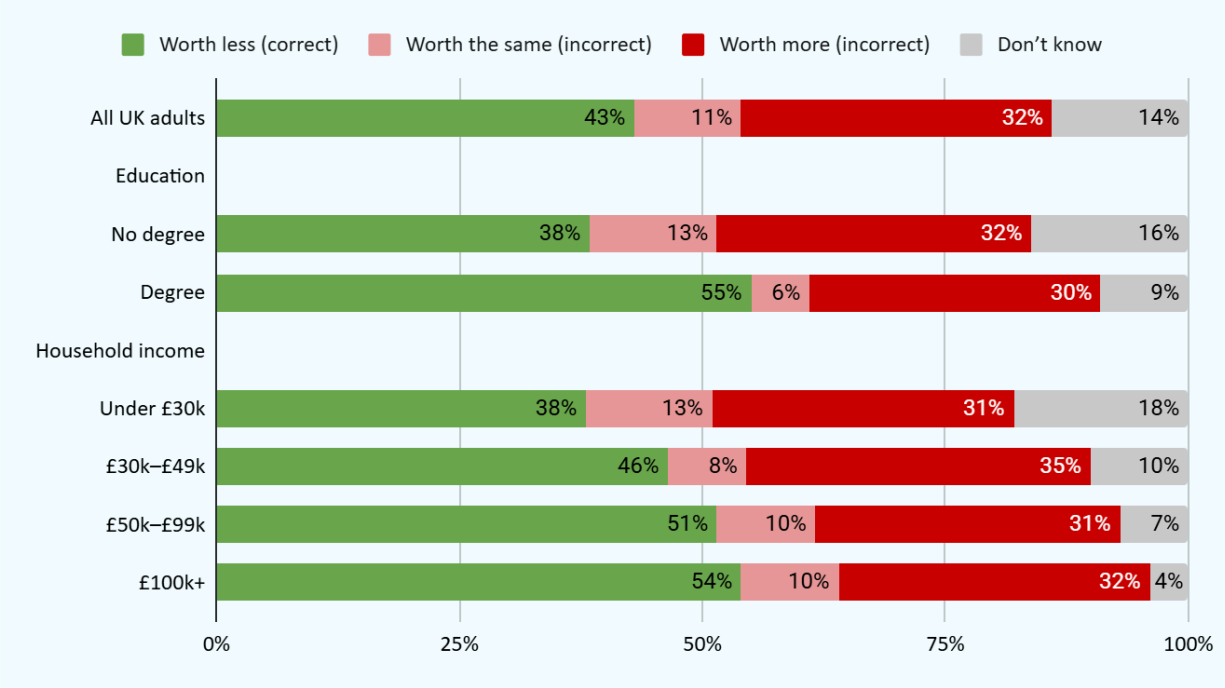

Figure 5, Please imagine you had money in a savings account that pays interest of 1% per year. Over the course of the year, inflation was 2%. After one year, how much would the money in that account be worth? By education and household income[12]

[12] Stack Data Strategy surveyed 2,008 UK adults online between 13 and 18 October 2026. The £100,000+ household income group has a base of 98 respondents. Figures may not sum to 100% due to rounding.

Why hasn't financial education worked?

Technically, financial education became statutory in schools in England in 2014. However, fewer than four-in-ten young people recall receiving any form of financial lessons during their time at school.[13] This is because the statutory requirement only applied to local-authority-maintained state schools. Because the government simultaneously expanded the Academy program (which is legally allowed to bypass the National Curriculum), nearly half of all secondary school students were technically exempt from the mandate. Compounding this, the policy was enacted without dedicated funding, resource allocations, or teacher training. For most school staff, the mandate went completely unnoticed, leaving financial education untaught in the vast majority of classrooms.

In November 2025, in response to Becky Francis's independent Curriculum and Assessment Review, the Department for Education announced that from September 2028, the subject of 'citizenship' would be compulsory in primary school "ensuring all pupils learn media literacy and financial literacy, law and rights, democracy and government, and climate education early on".[14] Furthermore, the Children's Wellbeing and Schools Act 2026 finally closed the historic academy loophole, legally mandating that all state-funded schools, including academies, must teach the core national curriculum.

However, as of the time of writing in October 2026, warm words and recommendations are failing to translate into changes that will make a real difference. The proposed Programme of Study for Citizenship, which is supposed to outline exactly what will be taught, should have been released by now but has faced delays. The tighter turnaround in the implementation window of the detailed changes means that the DfE should look beyond traditional chalk-and-talk models of teaching and embrace existing, scalable infrastructure to deploy financial education, such as the WealthTech industry.

If taught at all, financial education sits loosely and incoherently across maths, PSHE and citizenship. Because financial education lacks an assessment metric such as a dedicated GCSE and is never a primary focus of an Ofsted inspection, schools have no accountability and absolutely no operational incentive to prioritise it. This creates a stark equality of opportunity crisis. Studies show that children are far more likely to learn about money and deploy those skills if they come from higher-income households or urban centres.[15] Financial education comes down to the topics of conversation at the dinner table. By failing to institutionalise the subject, the UK's education system inadvertently entrenches class divides in who learns about money.

The resource paradox

The institutional reluctance to enforce financial education heavily relies on the argument that teachers are under-trained and overstretched. While teacher workload is a valid concern, exacerbated by the fact that only a tiny fraction of Initial Teacher Training (ITT) allocations are dedicated to secondary Citizenship PGCEs each year (only thirty places a year), the resource argument is a paradox.

---

[13] https://publications.parliament.uk/pa/cm5901/cmpublic/ChildrensWellbeingSchools/memo/CWSB115.htm
[14] https://www.gov.uk/government/publications/curriculum-and-assessment-review-final-report ; https://www.gov.uk/government/news/new-curriculum-to-give-young-people-the-skills-for-life-and-work
[15] https://maps.org.uk/en/media-centre/press-releases/2023/less-than-half-of-uk-children-have-been-taught-about-money#:~:text=Less%20than%20half%20of%20UK%20children%20have,about%20money%20and%20use%20a%20bank%20account.

A plethora of digital, classroom-ready resources already exist outside the traditional state framework. Open-access tools from arms-length bodies like the Oak National Academy, alongside specialised financial education programs from third-sector bodies like MyBnk, Young Enterprise, and the Just Finance Foundation, provide digitally accessible, high-quality lesson plans. The barrier to delivering financial literacy is no longer a lack of materials; it is a fundamental lack of systemic willpower, teacher training investment, and robust inspection frameworks to make those resources matter. If we are still convinced however that the system is overstretched, instead of forcing an overstretched system to reinvent the wheel, why don't we plug schools into the engines of education innovation already built by the UK's booming fintech startup sector?

The Learn-to-Earn approach to financial education

If the Government is unwilling or unable to carve out dedicated space, funding, and teacher training for a standalone financial education GCSE, we need a pragmatic, scalable alternative that circumvents the structural blockers of the traditional classroom. We need to stop asking exhausted teachers to moonlight as financial advisors and start outsourcing this critical life skill to the people who do it best, which is UK fintechs. The UK WealthTech sector is a thriving £9bn ecosystem, employing over 10,000 people across the country. These startups and scaleups have built their business models on democratising wealth building, and on user experiences that make complex financial concepts simple enough for millions of customers to act on. They are a ready-made delivery mechanism for national financial literacy. To solve the teacher resourcing paradox and the student engagement problem at the same time, we propose the Learn-to-Earn initiative, where children will be paid to learn about money.

Why pay children to learn about money?

Seeding children's financial futures with public money is a lever governments have already pulled at scale. Britain did it with the Child Trust Fund, which gave every child born between 2002 and 2011 a starting voucher towards a tax-free account, the majority being £250 at birth. The United States is doing something similar now, with Trump Accounts that offer a $1,000 Treasury contribution for newborns, open to contributions from July 2026, provided their parents sign them up.

Both schemes share the same flaw. They rely on passive growth, and passive growth turns out to be a poor teacher. The Child Trust Fund is the cautionary tale. Around 827,000 matured Child Trust Funds are still waiting to be claimed, worth an average of £2,310 each, belonging to young adults who had money invested in their name for eighteen years and never built enough of a relationship with it to go and collect it. In June 2026 the Government recognised this problem and set up a dedicated taskforce to try to reunite them with £1.6bn of their own savings. The US scheme has already drawn criticism because parents must opt in, and wealthier families can afford to contribute far more so it risks widening the very gap it was designed to close. Handing out money is a fantastic start, but it misses the critical, active educational piece. Children should earn the money by learning how money works, and then they watch it work.

It must be said that we are acutely aware that the UK's savings landscape is already cluttered with a confusing alphabet soup of tax wrappers. Indeed, one of the recommendations of report two in this

campaign, *Squirrelled Away*, calls on the Government to simplify the ISA landscape. The last thing we want to do is propose yet more bespoke products that add to consumer complexity. The beauty of the "Earn-to-Learn" initiative is that it requires absolutely zero new financial products. Instead, we are simply leveraging the existing Junior ISA (JISA).

The public is already persuaded. When we described the idea to a nationally representative sample, 63% supported giving secondary school children a small amount of money to save or invest each time they complete a set of financial education lessons and only 11% opposed it. Among parents of secondary-school-age children, the people whose children this would reach, support was higher, at 67%, and opposition was lower, at 7%.

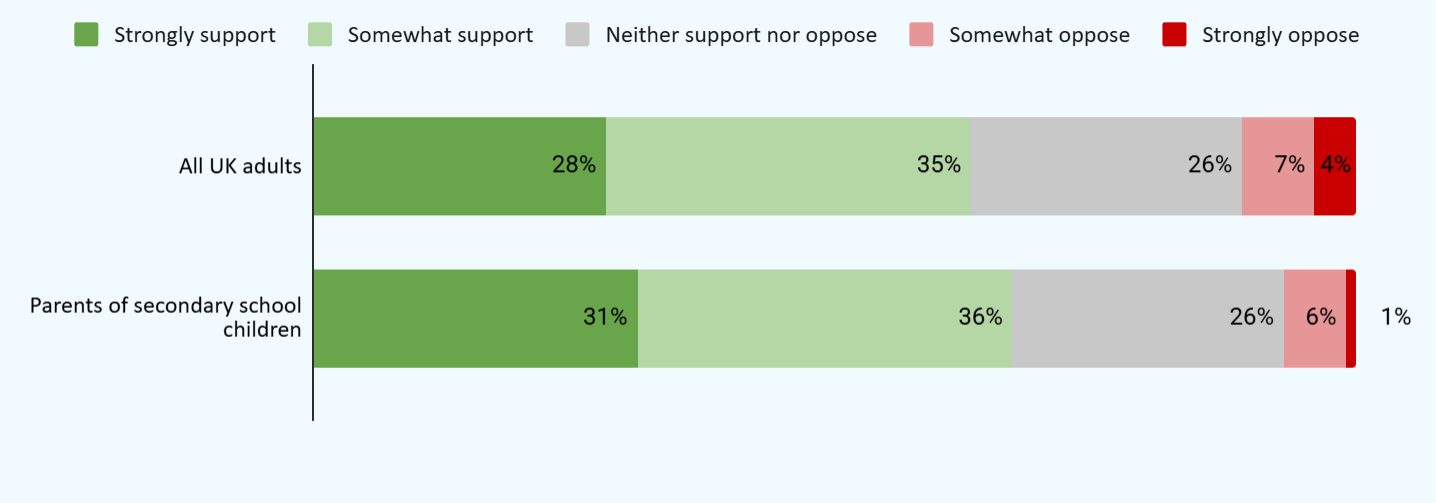

Figure 6, From 2027, the national curriculum will include financial education. Some people have suggested as part of this that secondary school children should practice the financial skills they learn by being given a small amount of money to save or invest each time they complete a set of financial education lessons. This would be paid into special tax-free accounts and each child would only be able to access the money in the account once they turn 18. Would you support or oppose this? All UK adults and parents of secondary school children.

How it could work

HM Treasury and the Department for Education, alongside fintechs are best placed to design the delivery model. The examples below show that it could run on infrastructure that already exists.

- HMRC could open a Junior ISA for every child who reaches Year 7 without one, as it did for 1.7 million children under the Child Trust Fund. This would need a similar power in legislation.
- Payments could be made as children pass each module, for example £10 for each of four modules a year, with Junior ISA providers claiming them from HMRC in the same way they claim the Lifetime ISA bonus.
- The Department for Education and the Money and Pensions Service could set one national standard for what each module covers, with approved providers, including fintechs, delivering content free to schools.
- Junior ISA providers could choose to match payments in a child's first year, much as they already pay sign-up bonuses to win new customers.

What it would cost

Learn-to-Earn would be cheap. There are around 640,000 pupils in each year group in England's state-funded schools. At £40 a year, the scheme would cost around £26m in its first year, when only Year 7 takes part. That would rise to around £51m in the second year and £77m a year from the third, once three year groups are taking part. These figures assume every child completes every module, so the real cost would be lower. The Child Trust Fund cost the Government around £500m a year before it was abolished. Learn-to-Earn would cost less than a sixth of that at full running. It would also cost less per child. The Child Trust Fund paid an average of around £250 into each account. Learn-to-Earn would pay up to £120 per child, and every pound of it would come with a lesson attached.

This intervention bypasses the teacher training bottleneck entirely. Fintechs provide the platform, the content, and the user experience. The school simply provides the time, perhaps a single slot every 2 weeks, for students to log in, learn, and earn their JISA top-ups. Furthermore, this directly combats the wealth and class divides entrenched by the current system. By putting free capital into the accounts of every child, regardless of their background, we build a generation that understands how to manage money because they are learning about it in real time.

Our recommendations

The Government should:

- **Introduce Learn-to-Earn**, paying up to £40 a year into the Junior ISA of every child in Years 7 to 9 who completes their financial education modules.
- **Legislate to let HMRC open a Junior ISA for every child who reaches Year 7 without one.**
- **Publish one national standard for financial education** with the Money and Pensions Service, and set it out in detail in the new Citizenship Programme of Study.
- **Make financial education count**, with Ofsted inspecting it and school-level completion rates published each year.
- **Sign England up to the next OECD PISA financial literacy assessment.**

The FCA should

- **Issue guidance confirming that approved financial education in the Learn-to-Earn initiative content is not a financial promotion, so that regulated firms can take part.**

Chapter 2: Who is responsible for financial education?

Learn-to-Earn would reach the next generation, but millions of adults have already left school without understanding compound interest. They have no obvious second chance. The institutions best placed to give them one all stop short of helping. Employers have no incentive to explain a payslip or a pension to a new graduate. Pension schemes only have to send statements, so few nudge members to look at their fund choices. The pensions dashboard, the largest piece of financial infrastructure Britain has built this decade, is forbidden from doing anything more than showing people what they have. The result is that people miss out on education and prompts at the moments they need them most.

The workplace as an underused channel

Employers hold something no firm alone and no campaign can buy, which is trust. Research for the City of London Corporation and nudge found that 75% of UK employees trust their employer to do the right thing, 50% trust NGOs, 39% trust the media and 36% trust the Government.[16] Employers also hold the two pipes through which most people's money moves, payroll and the workplace pension. Pension auto-enrolment proved what can be done with those pipes. More than 11 million people were brought into pension saving by changing a default, without anybody having to understand a thing about investment risk to benefit from it. That is the single most successful behavioural intervention in modern British financial policy and it worked precisely because it forced action, albeit passive action. The limits of that approach are now visible. The Pensions Commission's interim report, published in May 2026, found around 15 million people under-saving for retirement, a figure that could reach 19 million without action, and nearly five million not on track for even a minimum retirement standard.[17] Around half of those who are saving are contributing only at the automatic enrolment minimum.

The City of London research found that 94% of employers believe their employees feel confident managing their retirement savings, while only 27% of employees say they are happy with their retirement contributions and investments, and more than four in ten either do not know whether they are contributing enough or do not understand how their retirement savings work[18]. Chapter 1 described a public that knows the inflation rate and cannot do the sum. Here the same gap appears one level up, as employers read automatic participation in pensions as understanding. Auto-enrolment solved the contribution problem so effectively that it disguised the comprehension problem underneath it.

Employers are not indifferent to this, and they are not short of goodwill. What they lack is a safe way to act on it. Asked what government action would most help, 34% of employers named clearer boundaries between financial education, guidance and regulated advice. An HR director who circulates a generic benefits newsletter faces no risk at all. One who tells a thirty-year-old on the minimum contribution that

[16] https://www.theglobalcity.uk/PositiveWebsite/media/Research-reports/Workplace-financial-wellbeing.pdf
[17] https://www.gov.uk/government/news/britain-is-undersaving-for-retirement-warns-pensions-commission
[18] https://www.theglobalcity.uk/PositiveWebsite/media/Research-reports/Workplace-financial-wellbeing.pdf#:~:text=2.%20Confidence%20does%20not%20equal%20financial%20resilience.,work.3.%20Meaning%3A%20Businesses%20may%20be%20overestimating%20workforce.

the minimum will not be enough for a good retirement has, without meaning to, wandered towards something that looks like advice, with no clear sense of where the line falls or what happens if they cross it.

Fintechs are building solutions but the law isn't catching up

We can all agree that pension auto-enrolment has been a huge success in getting people to save something for their pension. Fintechs are piggybacking off this and are filling the gap. For example, Sync Savings embeds a savings account directly into the payroll cycle so that money moves on payday before it can be spent, without adding administrative work for the employer, and has built the same infrastructure into TiPJAR so that hospitality workers with irregular tips and shifts can save without a fixed standing order.[19] The effectiveness of this model is not in doubt. Nest Insight's real-world trials found that where payroll saving is set up on an opt-out basis, participation rises by around 50 percentage points against opt-in.[20] At one employer, 53% of new joiners saved under the opt-out design against 1% in the opt-in control group, and nine in ten employees were happy or neutral about being defaulted in.

Britain has the technology, the evidence and the employer trust. What it does not have is a legal basis for the design that works. Auto-enrolment into a pension rests on a specific statutory duty. Payroll saving has no equivalent, and deductions from wages ordinarily require a worker's prior written agreement, which makes a true opt-out default legally uncertain for any employer that wants to use it.

Nobody auto-enrols a freelancer

For a growing group, the self-employed, the employer channel does not exist at all. The Pensions Commission found that only 4% of solely self-employed people are saving into a pension.[21] Auto-enrolment simply does not reach them. The barrier is not purely inertia. Private pension money is locked until age 55, which will rise to 57 in 2028, which is a hard commitment for somebody whose income varies month to month. Participation rises sharply once the self-employed cross into higher rate tax, which suggests the incentive works perfectly well for those who can afford to use it and does nothing for those struggling. The Commission has been clear that an adequate retirement system needs options designed for this group, and particularly for younger workers.

This is precisely the gap fintech fills. The TiPJAR model shows what it looks like in practice - a platform that already sees somebody's income can take a contribution in a good month and leave them alone in a bad one, which neither an employer nor a scheme can do. What it needs is permission to make the suggestion and access to the data that makes the suggestion accurate. But what we need next is more mechanisms for employees to learn about and action investing.

Pensions Dashboards: Look but don't touch

19 https://financialit.net/news/infrastructure/iris-software-group-partners-sync-savings-bring-payroll-savings-millions-uk
20 https://www.pensionsage.com/pa/Compelling-evidence-for-wide-spread-use-of-opt-out-savings-approach.php
21 https://www.hl.co.uk/news/the-self-employed-pension-crisis-why-so-many-are-not-saving

The pensions dashboard was first promised in George Osborne's March 2016 Budget, which committed the industry to designing, funding and launching one by 2019. That deadline was missed, as were several after it. The Pension Schemes Act 2021 eventually gave dashboards a legal footing. In March 2023, the Government reset the programme after it became clear the original connection timetable could not be met. The staged deadlines were replaced with a single statutory connection deadline of 31st October 2026, which fell in the weeks before this report was published.

The plumbing is now close to complete. More than 85% of in-scope pension records are connected, covering over 70 million records from nearly 1,500 schemes and providers. The programme expects 96% of in-scope records to be connected by the deadline. The MoneyHelper Pensions Dashboard is expected to launch to the public in the 2027/28 financial year, and the Secretary of State must give six months' notice before it does. Ten years after it was announced, Britain has almost built the dashboard. The question is what it will be allowed to do.

The Government made a deliberate choice about sequencing. It decided to launch a free, government-backed dashboard first and to hold commercial dashboards back until afterwards, with no set date. The cost is that the firms best placed to turn information into action are kept out of the market, while the public first receives the most limited version. The first phase of the MoneyHelper dashboard is "find and view" only. It will show people their pensions and stop there. It will not let them consolidate a pot, transfer one or take any other action.

Under the FCA's rules for pensions dashboards, firms can offer only a short list of services once someone has viewed their pensions. Investment advice, advice on transfers and targeted support are all excluded. Targeted support was carved out on 6th April 2026, the same day it went live as a regulated activity. Britain created a new way to give people ready-made suggestions and then kept it off the one screen where millions will see their whole retirement position for the first time. A dashboard can show somebody four scattered pots and warn them not to act on what they see, and there the journey ends.

The consequences show up at the point of retirement. The Pensions Commission found that half of all pensions are now fully cashed in the first time they are accessed. People reaching 55 are being asked to choose between drawdown, an annuity and taking the money, and tax consequences attached to each. Most of them are making that choice without regulated advice. The dashboard will not help here either. Pensions already in payment are outside its scope, so the people furthest into the decision are the ones it shows the least. The industry's own advisory group has reached the same conclusion, noting that the MoneyHelper dashboard could support the delivery of both Guided Retirement and Targeted Support and urging that the connection be reflected in policy development. It has also warned that further delay on FCA-regulated private dashboards risks losing the private sector capacity the programme depends on, and that speed is of the essence. We agree.

A dashboard that displays pensions and stops there gives people information without a way to act on it. Our polling suggests the public wants more. Seven in ten adults (70%) think the seven-day guarantee that applies to switching a current account should also apply to moving an ISA or a pension. People want their pension to be easy to move once they can see it.

The clearest illustration of this gap is the response to upcoming inheritance tax changes. From April 2027, unspent pension pots will be brought within the scope of inheritance tax. Our polling shows that while 60% of UK adults are aware of this reform, only 24% of pension holders have actually considered what it means for their personal finances. This striking mismatch between headline awareness and

personal engagement highlights the core failure of our current framework. Information is widely distributed, but no easy to use mechanism exists to help people take meaningful action.

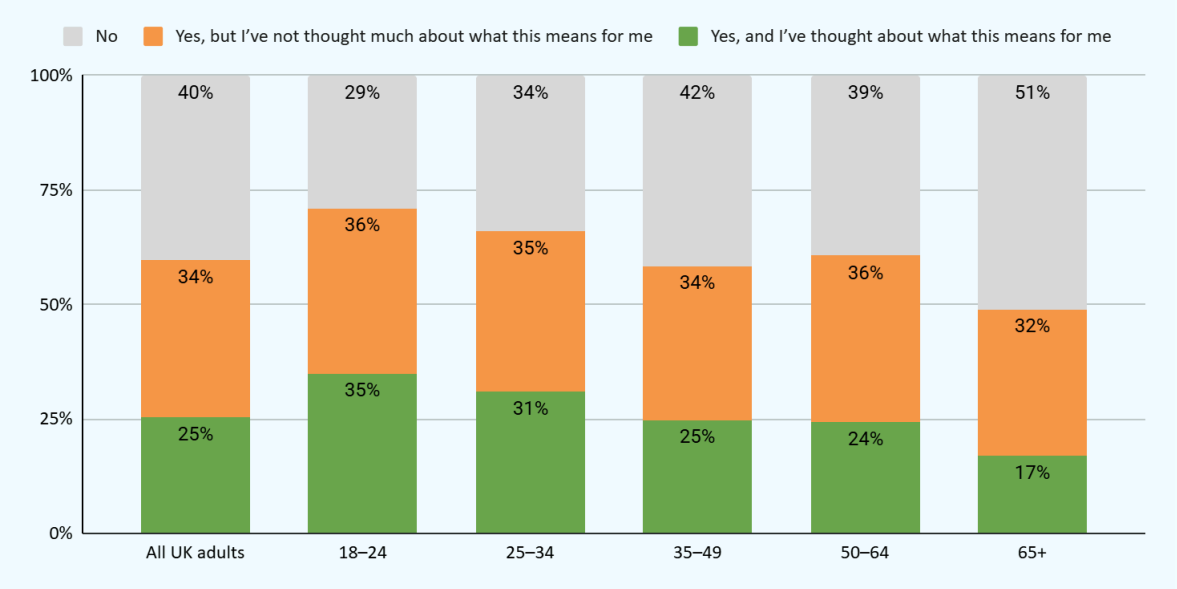

Figure 7, Workplace pensions are arranged by employers. Personal pensions are pensions that you arrange yourself. Both are different from the state pension, which is provided by the Government. Currently, if someone dies, any money left in a workplace or personal pension is not subject to inheritance tax. After April 2027, it will be subject to inheritance tax. Had you heard of this change before today? By age.[22]

The speculative future of commercial pension dashboards

By relegating commercial dashboards to the back of the queue, the Government is actively stifling innovation across the UK's fintech sector. Without a clear timeline or regulatory certainty, firms have no commercial incentive to invest the time, capital, and engineering resources required to build these tools. This delay represents a major missed opportunity. Consumers naturally place high trust in the institutions already managing their money, and commercial interfaces offer the ideal venue to deliver personalised guidance, including targeted support, at the exact moment a person reviews their retirement position. To unlock this potential and give the industry the confidence to build, the Government must urgently set a firm delivery date and publish a binding roadmap for commercial dashboards.

Our recommendations

The Government should:

- **Put opt-out payroll saving and investing on a statutory footing.**
- **Commit to a date for private sector dashboards** and cover both the MoneyHelper dashboard and commercial dashboards in the same six-month statutory notice.
- **Extend the seven-day switch guarantee to ISAs and pensions**, so that the next step a dashboard points to is one a person can actually complete.

[22] Stack Data Strategy surveyed 2,008 UK adults online between 13 and 18 October 2026. The 18–24 group has a base of 143 respondents. Figures may not sum to 100% due to rounding

- **Use the Pensions Commission's final report in spring 2027 to set out a concrete retirement savings route for the self-employed**, including how a flexible, platform-delivered contribution model could work for people with variable income.
- Fund a government-backed workplace financial education resource any employer can offer, designed so that a twenty-person startup can use it as easily as a multinational with a reward team.

The FCA should:

- Allow targeted support within pensions dashboards

Employers should:

- Treat investment education and wealth-building nudges as a default rather than opt-in, delivered at key moments when financial decisions are made, such as onboarding, pay review, and pension enrolment.

Chapter 3: Britain's most popular financial adviser is a chatbot

The regulatory system behaves as though a consumer who does not pay for regulated financial advice receives none at all. For a growing share of the country, the alternative to a regulated adviser is a general-purpose chatbot: free at three in the morning, unfailingly confident, generous in its praise, and sits entirely outside the FCA's perimeter. People are asking large language models what to do with their money, and the models are giving them financial advice. For most people anyway, regulated advice was never really on offer. The average financial adviser asks for a minimum of £276,000 in investable assets, and charges between 1% and 1.5% upfront and 0.77% a year.[23]

Britain is taking financial advice from AI

Almost a third of UK adults (31%) have asked an AI chatbot about their own savings, pension, investments or debts, rising to 59% of 18 to 24 year olds and 55% of 25 to 34 year olds. This is more than idle curiosity, since around half of those who have asked say they went on to act on what they were told.

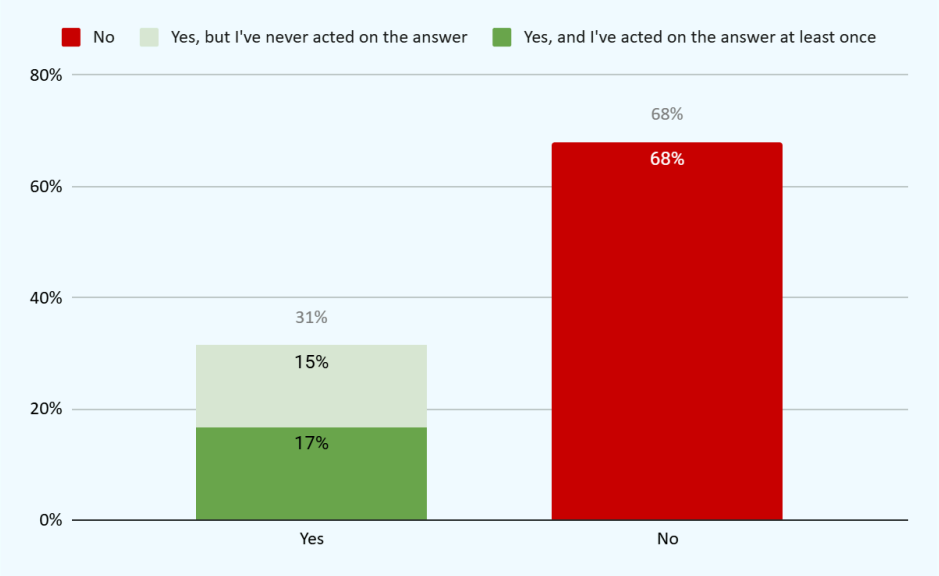

Figure 8, Have you ever asked an AI chatbot a question about your own savings, pension, investments or debts?[24]

23
https://support.moneyboxapp.com/moneybox-strengthens-market-position-as-profitability-scale-and-product-diversification-drive-record-year/

24 Stack Data Strategy surveyed 2,008 UK adults online between 13 and 18 October 2026. 1% of respondents preferred not to say and are not shown. Figures may not sum to totals due to rounding.

Chatbots have also overtaken social media as a source of financial advice as 15% of adults now get financial advice from an AI chatbot compared to 12% from social media. The FCA has spent years worrying about “finfluencers”, but the bigger, quieter shift has been happening in an LLM window. Interestingly, chatbot usage rises sharply with income: 24% of under-£30k earners use them compared to 60% of £100k+ earners, and the share of users acting on the chatbot's answer rises from 12% to 40%. What this shows is that AI chatbots are primarily providing extra help for the higher-earning, better-off demographic, while lower earners are left without support altogether, as a quarter (26%) of under-£30k earners receive financial advice from nobody at all.

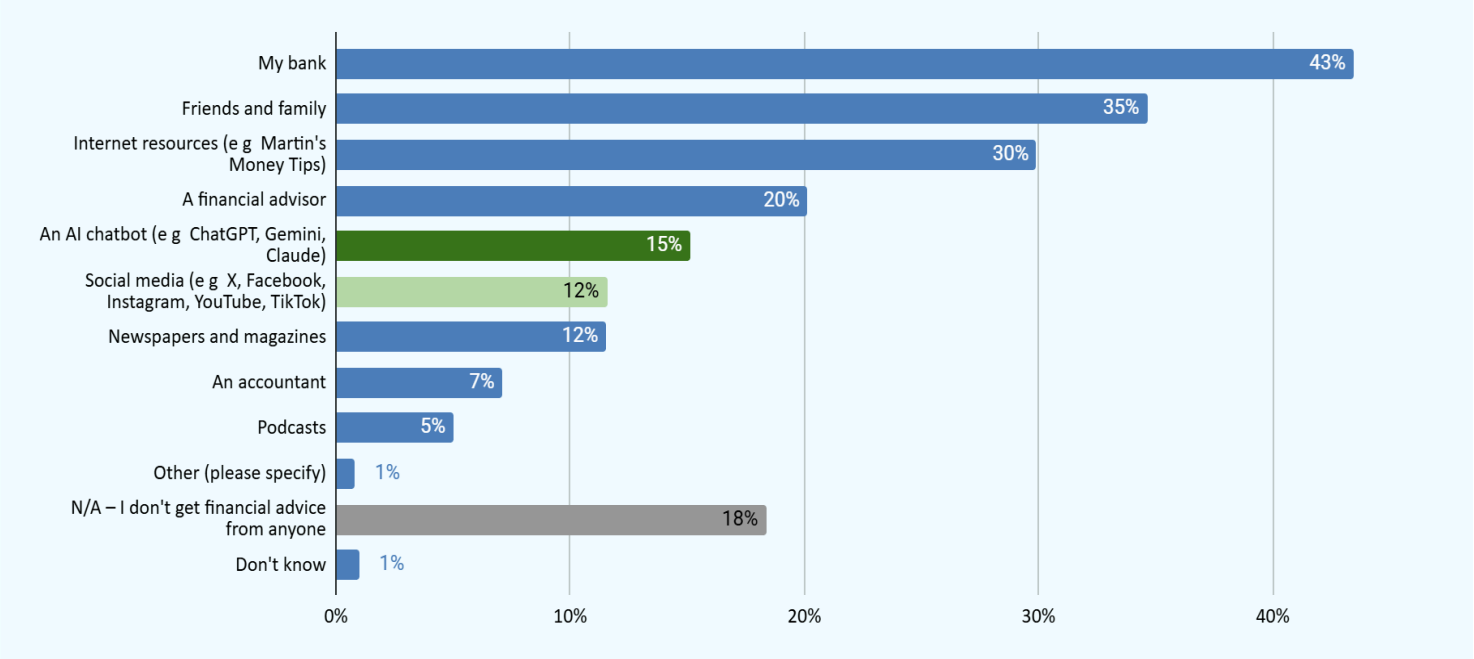

Figure 9, Which of the following sources do you get financial advice from? Select all that apply[25]

Close to half of chatbot users ask for specific recommendations based on their personal circumstances or goals, activity the FCA treats as regulated advice when done by a human. Yet only a third of adults know that rules holding financial advisers responsible do not apply to general-purpose chatbots. FCA research indicates that four in five less-experienced investors aged 18 to 40 have used AI for investing, while only 40% of consumers recognise that there is no recourse if something goes wrong.[26] Higher earners are the most likely to wrongly believe chatbot advice is regulated (48% compared with 27–31% elsewhere), operating under an illusion of systemic protection that leaves them uniquely exposed.

People also use chatbots without trusting them. Only one in five adults would trust an AI chatbot to give them reliable and useful advice about money, and trust is just as low among people who already use one for exactly that purpose. The chatbot wins on availability alone. It is there, it is free, it does not judge, and nobody regulated is currently allowed to offer anything quite like it.

We tested what happens when a regulated alternative is visible by presenting a suggestion about stocks and shares ISAs to two groups: half saw a general-purpose chatbot, while half saw identical text presented as FCA-approved targeted support from a banking app assistant[27]. The regulatory label made

[25] Respondents could select more than one answer, so figures sum to more than 100%.
[26] https://www.fca.org.uk/news/speeches/building-future-finance-age-ai
[27] This was a split-sample test. Each respondent was randomly shown one of two mock-ups of a phone screen. 988 respondents were asked to imagine they were asking an AI chatbot for advice. In the mock-up, the user asked “I’ve

little difference: trust only shifted from 25% to 28%. Surprisingly, 57% of those shown the chatbot said they would follow up to learn more, compared with 50% shown the regulated bank assistant. These results show that an inline regulatory label alone does not build engagement. An FCA stamp inside an interface is not widely recognised, and 29% of people already assume a chatbot carries human-level protections. Tying regulatory status to a public register is necessary to make protection identifiable. Crucially, cost-benefit analysis must stop assuming the alternative to regulated advice is no advice at all: the real alternative is an unregulated chatbot that is already winning market share.

Where the FCA stands

The 2026 Mills Review set out how AI could reshape retail financial services by 2030 and beyond, and made priority recommendations to the FCA on how it could respond[28]. Published in July 2026, it set out seven priority recommendations for how AI should be regulated in retail financial services through to 2030 and beyond, among them that the FCA should consider the impact of general-purpose AI and large language models on retail financial services to ensure the regulatory perimeter remains fit for purpose, and that it should take a more proactive role in promoting financial capability and ensuring access to trusted AI-enabled financial services. Its overall conclusion was that the existing regulatory framework remains fit for purpose, and no new AI-specific rules are needed.

The FCA is embedding six of these recommendations into live work. On the perimeter, it declined to regulate general-purpose models, calling instead for disclaimers when models generate financial information. It also declined to build a public capability service, relying instead on existing tools like InvestSmart, the Firm Checker, and an AI Lab TechSprint. Meanwhile, it committed to developing a trusted framework for agentic finance covering identity, authority, and accountability.

Among its areas for improvement, the FCA criticises firms that "default to avoiding risks that are close to regulatory boundaries" rather than finding ways to manage them. The regulator is right that over-caution produces poor outcomes, but firms are cautious near the boundary because nobody can tell them exactly where it is and it'll be their reputations and funds on the line if something goes wrong.

Two other strands of work matter here. Targeted support, a new regulated activity allowing firms to provide ready-made suggestions to groups of consumers with common characteristics, has been live since 6 April 2026, yet only seven firms had applied to offer it as of 26th March. However, targeted support was designed for an advice gap framed as a cost problem where unserved consumers receive

---

had over £5,000 in my current account for six months earning no interest. Is there anything I could be doing with my money?" The chatbot replied "Yes – given everything you've told me about your longer-term goals, this is cash that should be working for you rather than just sitting there. I'd consider moving some of this into a Stocks and Shares ISA – do you want me to tell you more about these?" The other 1,020 respondents were asked to imagine they were talking to an AI assistant in a banking app. In the mock-up, the user asked "Is there anything I could be doing with my money?" The fictional "ACME Bank Assistant" replied "Your current account has had over £5,000 for six months, earning no interest. People in similar situations often consider moving some of this money into a Stocks and Shares ISA to give it the chance to grow over the long-term. Would you like to find out more about Stocks and Shares ISAs?" The reply carried a label reading "Targeted support from ACME Bank plc. This is designed for customers with similar circumstances to yours, not for you individually. Regulated by the Financial Conduct Authority," with "Find out more" and "Not now" buttons. Respondents were asked how much they would trust the suggestion, reported here as trusting it completely or a lot. They were then asked how likely they would be to find out more about stocks and shares ISAs, reported here as very or fairly likely. The bases for the second question were 815 for the chatbot and 967 for the banking app.

[28] https://www.fca.org.uk/publication/corporate/the-mills-review.pdf

no advice. In reality, millions are receiving personalised, actionable AI advice that nobody supervises. A permission built to fill a vacuum is competing with a free, instant incumbent under no obligation to be right or to try and achieve the best outcomes for consumers. Simplified advice is the last piece of the jigsaw. The FCA's March consultation proposed simplifying the advice rules so firms feel more confident offering focused, lower-cost advice services, and the FCA is aiming to publish a Policy Statement in Q4 2026[29].

A disclaimer for chatbots, a perimeter for everyone else

Startup Coalition welcomes the FCA's call for LLMs to voluntarily put disclaimers on what could look like financial advice. A consumer who is told, at the moment of reading, that a chatbot's answer carries no protection is better off than one who is not. We should, however, be mindful of the fact that the FCA's response to the Mills review hardens an asymmetry that already runs through the market. An unregulated generative model could, prompted in a certain way, offer a personal recommendation to millions of people.[30] A regulated firm, bound by the Consumer Duty, answerable to the Financial Ombudsman and accountable under the senior managers regime, has to stop its own assistant short of the advice boundary for fear of crossing it. The more accountable a firm is, the less it is allowed to help. A system designed to protect consumers from a regulated firm's imperfect suggestion is, in practice, pushing them towards an unregulated model's unaccountable one. The regulator still weighs the risks of AI-enabled help against a world in which the consumer receives no advice at all. That world no longer exists. The realistic alternative to a regulated firm's AI assistant is a general-purpose chatbot that a third of the country has already used, and any cost-benefit analysis of rules on advice, guidance and targeted support should start from there.

Disclaimers are also only half of the answer, because they tell consumers where protection is missing without telling them where it can be found. A consumer-facing marker for regulated AI guidance, linked to the FCA's Firm Checker, would give people a positive signal to look for, rather than a warning to scroll past. Furthermore, it remains unclear whether the FCA's call for disclaimers is a request or the start of a requirement. We think the voluntary approach deserves a fair run, with a fixed deadline. If consistent disclaimers are not in place within twelve months, there could be scope to think again

[29] https://www.fca.org.uk/publication/consultation/cp26-10.pdf
[30] In our October 2025 *All About the Gains* report, we included evidence of generative AI models doing exactly this: https://startupcoalition.io/u/2025/10/Startup-Coalition-All-About-the-Gains-FOR-RELEASE.pdf

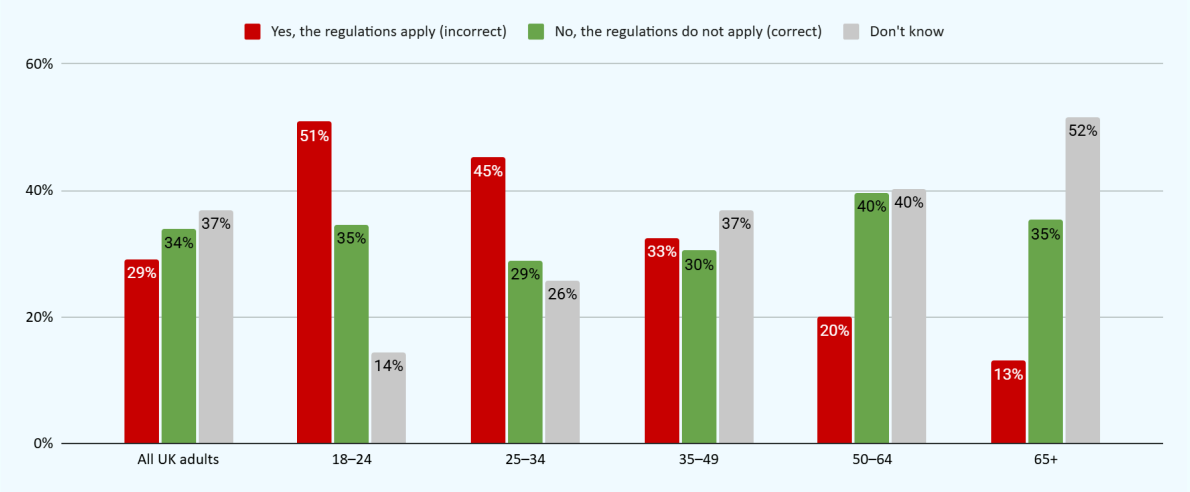

Figure 10, Financial advisors can give somebody a recommendation about what to do with their money - based on their circumstances and goals. When they do, regulations mean they are responsible and liable for the accuracy, quality and suitability of their advice. As far as you know, if a general AI chatbot such as Chat GPT gave somebody a similar recommendation, do the same regulations apply? By age.

Why Britain still lacks a regulated AI financial adviser

UK fintechs have built AI assistants and agents capable of helping people decide what to do with their money, and almost every one of them stops just short of the regulatory perimeter and hands the customer to a human at the boundary. Firms are building capable products and then deliberately switching off the most useful parts, because nobody can tell them where the advice line falls when a model is involved. Some are not building at all, particularly where an AI would act on a customer's behalf rather than simply inform them, because there is every reason to fear that rules written later will invalidate the work. This asymmetry hits startups hardest. Regulated apps restrict AI to basic market data, while users turn to unregulated chatbots on the same device for recommendations. Additionally, liability remains unresolved if an AI agent initiates fraudulent payments or if general-purpose models fail inside regulated apps.

The FCA's innovation services are open and constructive, but that openness does not reliably carry through to the policy and supervision teams that ultimately decide whether a product can launch. The testing landscape, spanning the AI Lab, the Supercharged Sandbox and AI Live Testing, is difficult to navigate, and most difficult of all for startups whose entire policy function is one or two people.

Taken together, this explains why targeted support has so far been a permission rather than a product. Firms will not build AI-enabled targeted support at scale until they know that a suggestion produced by a model inside that permission will be judged in the same way as one produced by a person, and that applying to offer it will not take longer than building it.

Our recommendations

Our headline recommendation is that the FCA should give regulated firms at least as much room to help consumers with AI as unregulated chatbots already enjoy.

The FCA should:

- **Ensure FCA resources are clearly visible to chatbots.**
- **Get regulated AI financial advice to market.** The FCA should make it an explicit priority to see the first regulated, AI-delivered advice services authorised and live within 12 months.
- **Use unregulated AI, rather than no advice, as the counterfactual in the cost-benefit analysis** for any future rules on advice, guidance and targeted support.
- **Publish the trusted framework for agentic finance with a timetable**, working with HMT and the PSR to settle who is liable when an agent initiates a payment or an action on a customer's behalf.

The FCA and Government should:

- Agree standard wording for AI providers' financial advice disclaimers, and if consistent disclaimers are not in place within twelve months, mandate them.

Chapter 4: Open Finance and Smart Data as the Great Enablers

Every reform proposed in this report eventually arrives at the same barrier. Teach a child about compound interest through Learn-to-Earn and they still graduate into an adult economy where no system sees their whole picture. Prompt an employer or pension provider to offer meaningful guidance, or build a pensions dashboard that moves beyond passive viewing, and they are restricted by fragmented data. Authorise a regulated AI assistant to deliver targeted support and it is forced to guess a customer's total wealth based on a single isolated account. Financial capability and guidance without comprehensive data are inherently limited. They can offer general principles, but they cannot deliver the personalised, actionable support people need to manage their money effectively. Whether it is a Junior ISA top-up, a flexible workplace contribution, an automated savings sweep, or an AI-driven suggestion, every tool for financial progress relies on a complete, real-time view of a consumer's financial life. Open Finance is the essential infrastructure that makes that complete view possible.

In 2016, the Competition and Markets Authority (CMA) concluded its retail banking market investigation, finding that the market's heavy concentration protected incumbent dominance at the expense of consumer and SME choice. The resulting 2017 Retail Banking Order compelled the nine largest providers (the CMA9) to develop standardised Open Banking APIs. This framework allowed securely authenticated third-party providers to access account data and initiate payments on behalf of customers.

What grew out of that regulatory mandate is a vibrant part of the UK's fintech ecosystem. Today, the sector boasts over 17 million active users in the UK alone, supporting thousands of high-skilled jobs and injecting billions into the economy[31]. Our own evidence estimates that value of the Open Banking startup ecosystem to be £4bn[32]. Critically, investor activity proved that capital followed the rules, rather than the other way around; the vast majority of venture funding raised by UK open banking startups arrived after the CMA mandate went live. So regulatory certainty created investable infrastructure. Looking ahead, industry projections estimate that expanding this blueprint into a broader Smart Data economy could unlock up to £7.4bn in annual economic value[33].

Long term Open Banking regulations

The CMA Order has done its job, and the future of open banking regulation is now being decided. Every account provider must offer open banking access under the Payment Services Regulations, but only the

[31] https://www.fca.org.uk/news/press-releases/fca-sets-out-vision-open-finance
[32] https://startupcoalition.io/u/2025/02/FOR-RELEASE-Startup-Coalition-X-TBI-Smart-Data-Report.pdf
[33] https://www.openbanking.org.uk/wp-content/uploads/Unlocking-the-everyday-value-growth-opportunity-open-banking-UK.pdf

CMA9 are closely monitored on the quality and performance of their APIs. Everybody else is supervised by the FCA to a lower standard, with little sign of proactive enforcement. The gap shows up in the customer experience. Open banking payments succeed around 70% of the time. Card payments succeed 99% of the time. Some banks outside the CMA9 ask customers to click through as many as sixteen screens to make a single payment. A person whose first attempt to pay by bank fails does not try again. Enforcement has been weak even within the CMA9. HSBC was found to have breached the Order's open banking requirements in 2023, and nothing followed. Investors have noticed. Annual investment in UK open banking startups fell from over £800m in 2022 to under £100m in 2024. A market built by regulatory certainty is now being starved by regulatory uncertainty.

The decision in front of Government

Two pieces of work will settle this. The Data (Use and Access) Act (DUAA) 2025 gives the Government the power to put open banking on a permanent footing under FCA oversight. The modernisation of the Payment Services Regulations will bring payments law up to date, including for agentic payments. Between them they will decide three things. Between them they will decide three things.

The first is who is inside the framework. A budgeting app that reads across someone's accounts works well when their money sits with the CMA9. It may not work at all when their savings sit with a provider outside that group. The people worst served are those whose money is spread across several institutions, because each extra provider raises the chance that one falls outside the monitored group. The Government should set a threshold based on the number of payment accounts a provider holds, low enough that the great majority of accounts in the country fall inside it. That threshold is where proportionality belongs, because it protects the smallest firms. Once a provider is inside it, it should meet the same standard on the same timetable as everyone else. A consumer cannot tell which tier their bank sits in, and the app fails either way. For now this applies to payment accounts, which is what the Payment Services Regulations cover. Savings, investments and pensions should follow through open finance.

The second is which standard everyone meets. It has to be the CMA Order standard rather than the lowest common denominator. The gap between open banking and card success rates is the distance between providers who are monitored and providers who are not. The standard should cover journey design and performance as well as technical availability, because a provider can be compliant on paper while making authorisation so slow that customers give up.

The choice here is between levelling up to the CMA Order standard and settling for something closer to the lowest common denominator. It has to be the former. We have heard evidence that open banking payment success rates can sit at around 70%. In contrast, card payment infrastructure runs at 99%. That gap is not a technical inevitability. It is the distance between providers who are monitored, and providers who are not; regulation that is enforced, and regulation that is ignored. The standard also has to cover journey design and performance rather than technical availability alone, because a provider can be entirely compliant on paper while making authorisation so slow that customers give up partway through.

The third is whether any of it is enforced. A standard without consequences is only a suggestion. API performance should be monitored in real time and published by institution. An outage at the API layer should be treated as seriously as an outage of a banking app, because for the customer of a third party provider it is the same outage. Poor implementations that create friction for users should be treated as a competition problem, because that is what they are.

Savings, investments and pensions are last in the queue

On 14 April 2026 the FCA published its open finance roadmap, setting out a path to 2030. Startup Coalition thinks the approach is wrong in three ways.

1. The first is that it puts the cart before the horse. The FCA should not be defining Open Finance when it has no powers to enforce. This is scope creep. It is the job of the Chancellor and the City Minister to determine if, when and how, Open Finance should be introduced.
2. Second, it builds on poor foundations. The roadmap plans new open finance schemes while the open banking system they would be built on still does not work properly, with around three in ten payments failing and most providers barely monitored. The foundations need fixing before anything is built on them.
3. Thirdly, it starts with the wrong products. The first wave covers lending to SMEs and consumers' access to mortgages, with a discussion paper due in Q4 2026 and schemes launching between 2028 and 2030. Savings, investments and pensions are named as areas that could benefit, but they are left for later.

Meanwhile, look at what else is happening on that timeline:targeted support went live in April 2026; the MoneyHelper Pensions Dashboard launches in 2027/28; the FCA's framework for agentic finance is in development now. Every one of these initiatives will reach consumers before the data layer that would make them work properly. The cost is concrete. A firm with a targeted support permission can only segment the customers it can see. It can tell a customer holding £40,000 in its own savings account that people in their position often invest some of it. It cannot tell the customer who has £3,000 with it and £37,000 spread across three other institutions anything at all, because as far as that firm is concerned, this is somebody with £3,000. The people with their money in one place tend to be the people who already have an adviser. The fragmented ones are the people this report is about.

Three things follow if savings, investments and pensions are brought forward rather than deferred.

The first is visibility. A consumer who can see current accounts, savings, ISAs, investments and pensions in one place for the first time is a consumer who can finally be told something specific, which is the condition on which every recommendation in Chapters 2 and 3 depends. The public is ready for this. Our polling found that 57% of people who use or would use an account aggregation app would give it permission to analyse their accounts and find better savings or investment options, and most of them attached a condition, which is that they want to control what it sees and for how long. That is not reluctance. That is a perfectly sensible consumer asking for granular consent, and it is a design brief rather than an obstacle.

The second is movement. Chapter 2 argued for extending the seven-day switch guarantee to ISAs and pensions. Open finance is what makes that cheap to build rather than a decade of bilateral integrations.

The third is automation, which is where commercial variable recurring payments come in. Round-ups, auto-invest and regular contributions currently run on card rails or direct debits, both designed for a different purpose and priced accordingly. As we argued through the Axe the Card Tax campaign, the

card duopoly costs UK merchants an estimated £150m to £200m a year in unjustified fees. cVRP is the most credible domestic alternative, and it is also the natural rail for a person who wants £50 swept into a stocks and shares ISA in the months they can afford it and nothing in the months they cannot. That is the self-employed contribution model from Chapter 2, and it does not exist until the commercial framework for VRP does.

Our recommendations

The Government should:

- **Lay the statutory instrument under the Data (Use and Access) Act 2025 without further delay**, transferring oversight of open banking to the FCA and putting the future entity on a permanent footing. Every month of uncertainty is a month of deferred investment in a sector whose funding has already fallen.
- **Give the FCA an explicit power to designate additional account providers and require support for new open banking functionality**, so that the framework can keep pace with the market without fresh primary legislation each time.
- **Put savings, investments and pensions in the first wave of open finance schemes under a separate DUAA statutory instrument**, rather than leaving them to the end of the decade.

The FCA should:

- Apply one open banking standard to every account provider above a size threshold, ending the two-tier system in which the CMA9 are monitored closely and everybody else is supervised in theory.
- Monitor API performance in real time and publish it by institution.
- Treat poor bank implementations that create friction for users as a competition problem rather than a user experience quibble, and enforce accordingly.
- Keep the current regulatory model of access, without bilateral contracts, while the commercial model is tested, and review whether it is working before any transition is contemplated.

The future entity should

- Give third party providers seats on its board, with genuine voting rights on API standards, commercial frameworks and dispute resolution.
- Publish its funding methodology, and hold a mandate to drive adoption and competition rather than simply police minimum compliance.

Conclusion

Britain is great at building the apparatus of financial wellbeing and reluctant to let it be put to work.

The Child Trust Fund put money into 6.3 million accounts but never gave children a reason to look at them, which is why more than 750,000 sit unclaimed. Financial education was made statutory in 2014 without funding, inspection or examination, and young adults who went through that system are more likely to get a basic inflation question wrong than right. Auto-enrolment brought more than 11 million people into pension saving, yet millions are still not saving enough for retirement and most stay in their default funds. The pensions dashboard took ten years to build, and its first phase will only show people what they have. Open banking was built by mandate and reached millions of users, but annual investment has fallen from over £800m to under £100m as the regulatory certainty that created it is left unresolved.

The only actor in this story operating under no such constraint is an LLM. A general-purpose model has no perimeter to stop short of, no ombudsman to answer to and no senior manager carrying personal accountability for what it says.

Britain does not have an information shortage. Every institution in these chapters is permitted to inform, and most of them do it diligently. Almost none of them are permitted to help somebody act.

That is the single change the four sets of recommendations in this report are designed to produce. Learn-to-Earn attaches real money to a lesson, so that a child watches compound interest happen in an account they own rather than memorising a definition. Opt-out payroll saving and dashboards that can carry a person's data into a regulated journey move the workplace and the pension from showing to doing. Getting regulated AI advice to market lets a regulated firm say what an unregulated model already says to anyone who asks. Open finance will open up the data to let all of this happen.

None of this depends on persuading Britain to take more risk, which is fortunate, because that argument is not winnable in its current form. Almost half of UK adults told us that saving is usually less risky than investing over a long period. They are wrong, and history is clear that they are wrong, but they hold the belief with confidence. An advertising campaign reaches the person who is unsure. It does not reach the person who has already decided and feels settled about it. What reaches that person is the arithmetic taught properly at school, a prompt at the moment a money decision is actually being made, and a regulated voice that is allowed to be specific about their circumstances.

See the Light has been about help, and whether anybody in Britain is allowed to give it. The next report, Squirrelled Away, asks whether the ISA landscape is fit for purpose and how to make the Government's retail investing campaign, Savvy the Squirrel, more successful. The final report, Fit for the Future asks what they should be allowed to put their money into once they get there.

The test is the question this report opened with. Ask a British adult what they would do with an unexpected £1,000, and today 9% say they would invest it. Ask again in five years. If that number has not moved, the fog will not have lifted.

STARTUP
C*ALITION