

We use cookies to improve your online experience. Some of these cookies are necessary to make the site work. We use other optional cookies to understand how the website is used. All our cookie data is anonymised. Please let us know if you agree to these optional cookies. Find out more in our privacy policy.

Yes, I agree

No, I don't agree

[Home](#) / [News](#)

/ [FCA finds the Covid-19 pandemic leaves over a quarter of UK adults with low financial resilience](#)

FCA finds the Covid-19 pandemic leaves over a quarter of UK adults with low financial resilience

[Press Releases](#) | First published: 11/02/2021 | Last updated: 11/02/2021

The FCA has released its latest Financial Lives survey (FLS), looking at consumers' financial situations, the financial products they choose and their experiences of engaging with financial services firms.

The FCA concluded its FLS research in February, and ran an extra survey in October in order to understand the impact of the Covid-19 pandemic on the financial situation of consumers.

According to the October survey, there are now 27.7 million adults in the UK with characteristics of vulnerability such as poor health, low financial resilience or recent negative life events. Having one of these characteristics means that these consumers are at greater risk of harm. This figure is up 15% since the FCA completed its FLS in February, when 24.0 million displayed characteristics of vulnerability.

Commenting on the findings, Nisha Arora, Director of Consumer and Retail Policy at the FCA said:

'The Financial Lives survey is fundamental to the work we do as a regulator, enabling us to hear directly from consumers across the UK.

'While there are some positives in the data, many of the findings are worrying. Since the start of the pandemic, the number of people experiencing low financial resilience or negative life events has grown. The pain is not being shared equally with a higher than average proportion of younger and BAME adults becoming vulnerable since March. It is likely the picture will have got worse since we conducted the survey.

We use cookies to improve your online experience. Some of these cookies are necessary to make the site work. We use other optional cookies to understand how the website is used. All our cookie data is anonymised. Please let us know if you agree to these optional cookies. Find out more in our privacy policy.

 Yes, I agree **No, I don't agree**

Highlighting the threat to people's incomes from the pandemic, in October one in three (30% or 15.9m) adults said they expect their household income to fall during the next six months, while 25% (13.2m) expected to struggle to make ends meet.

To cope with the hardships they expected to face, many adults reported that they were likely to cut back on essentials (33% or 17.5m) or to use a food bank (11% or 5.6m); 8.1 million (16%) expected to take on more debt. However, 48% of adults have not been affected financially by Covid-19, and 14% have actually seen an improvement in their financial situation.

Over the course of the pandemic, the FCA has worked with the financial sector and consumer bodies to help protect consumers with measures such as mortgage and credit payment deferrals. The report reveals the impact these measures have had with one in six (17% or 3.2m) mortgage holders having taken up a mortgage payment deferral and four in ten (40%) of them reporting they would have struggled a lot without such measures.

The Financial Lives survey provides insight into the financial lives of consumers, which the FCA and others use to understand the experiences of consumers, including those who are most vulnerable to harm and ensure that the right protections are in place. This is something which has been especially important as the economic toll of coronavirus (Covid-19) has continued to mount.

The FCA surveyed more than 16,000 people between August 2019 and February 2020. This was followed by a subsequent survey, with over 22,000 respondents, focused on the impact of the pandemic on consumers, conducted in October.

Notes to editors

1. Read the [Financial Lives 2020 survey](#).
2. The FCA defines a vulnerable customer as somebody who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.
3. Find out more information [about the FCA](#).

Was this page helpful?

Yes No

We use cookies to improve your online experience. Some of these cookies are necessary to make the site work. We use other optional cookies to understand how the website is used. All our cookie data is anonymised. Please let us know if you agree to these optional cookies. Find out more in our privacy policy.

Yes, I agree

No, I don't agree

[Press releases and contacts for journalists and other media](#)

Social

Registers and Systems

Mutuals Public Register

Connect

FCA Handbook

Financial Services Register

Gabriel

Careers

Careers home

Early careers

Experienced professionals

Search jobs and apply

Accessibility

Complain about us

Copyright notice

Corporate responsibility

Cymraeg

Freedom of information

We use cookies to improve your online experience. Some of these cookies are necessary to make the site work. We use other optional cookies to understand how the website is used. All our cookie data is anonymised. Please let us know if you agree to these optional cookies. Find out more in our privacy policy.

[Yes, I agree](#)[No, I don't agree](#)

FCA Head Office

12 Endeavour Square

London E20 1JN

[Contact us](#)

Copyright © 2021 FCA. All rights reserved.



[Back to top](#)

Company no. 01920623