Commission calls for a new not-for-profit organisation to represent savers

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A hard-hitting report on the distribution of wealth in the UK will today call for a series of measures to encourage saving – even among those on the lowest incomes – and for a new not-for-profit body to represent the interests of savers.

The University of Birmingham Policy Commission report, entitled: Sharing our good fortune: understanding and responding to wealth inequality urges policy makers to do more to help people avoid problem debt.

The report, to be launched in Westminster tonight, states: "In terms of debt prevention, increased levels of saving would clearly help to avoid the need to borrow. Saving is clearly difficult for those on very low incomes but if people can afford to repay a loan, this suggests that they could afford to save."

Among the recommendations are:

- Automatic enrolment into a savings account for people starting a new job
- A match-saving scheme devised to encourage and reward savings by those on low incomes
- Fresh incentives to increase the amount saved in occupational pensions for those on low and middle incomes
- Increased funding for debt advice and Credit Unions
- The creation of a new not-for-profit organisation to represent the interests of savers

The Rt Revd David Urquhart , chairman of Commission, said: "The debt problem in this country is spiraling out of control. Pay day lenders are preying on some of the most vulnerable in society. The less well off used to save hard for things they wanted but today's society puts everything on credit and serious problems occur when those loans have to be repaid. We need to persuade more people to save, even if it's very small amounts and policy makers need to grasp the nettle to reverse the escalating debt crisis."

Professor Karen Rowlingson, lead academic on the Commission, said: "The gap between rich and poor in Britain today is much greater than people think it is, or want it to be. This Policy Commission calls for a fresh discussion about how to help people reduce debt and build some savings."

Commission member Dr Paul Cox, added: "An organisation that serves savers' interests has to be established if value for money is to be secured for the millions of working adults who are starting to save through pension auto-enrolment and their desire to provide for their future.

"Currently, investment products still do not have fixed prices and usually carry a product fee plus a multitude of add-ons that consumers neither agree or are even aware of. An organisation serving savers that independently challenges these and other conventions can help the benefits of competition pass to consumers as they do in other industries.

"The organisation could be funded through a flat rate £1 charge collected on all UK investment trades over £10,000 or alternatively funds might come from charitable trusts and eventually, ideally, direct debits from savers who would become members."

Ends

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Note to editors

- The report can be downloaded from the **Wealth Policy Commission web pages (/research/impact/policy-commissions/wealth/index.aspx)** .
- The report will be launched at 6pm on Tuesday 22 October 2013 at One Great George St, Westminster, London.
- The Birmingham Policy Commission on the Distribution of Wealth was the fourth Commission set up by the University of Birmingham and was tasked with exploring dimensions of the distribution of wealth in the UK, reviewing existing knowledge on wealth inequality, and questioning the extent to which inequality of wealth is a problem.
- Membership of the Commission:

Chair: The Right Reverend David Urquhart, Lord Bishop of Birmingham

Academic Leads: **Professor Karen Rowlingson (/staff/profiles/social-policy/rowlingson-karen.aspx)** , Professor of Social Policy and Director of CHASM, Institute of Applied Social Studies, The University of Birmingham

Professor Andrew Mullineux, Professor of Financial Economics, Business School, Bournemouth University

Commissioners:

Phillip Blond, Director, ResPublica

Dr Paul Cox (/staff/profiles/business/cox-paul.aspx) , Senior Lecturer of Finance, Birmingham Business School, The University of Birmingham

Paul Johnson, Director of the Institute for Fiscal Studies

Professor Ruth Lister CBE, Emeritus Professor of Social Policy, Loughborough University; Baroness Lister of Burtersett

Professor Andy Lymer (/staff/profiles/business/lymer-andy.aspx) , Professor of Accounting and Taxation, Birmingham Business School, The University of Birmingham

Ed Mayo, Secretary General of Co-operatives UK

Professor Stephen McKay, Professor of Social Research, Institute of Applied Social Studies, The University of Birmingham

Sir Brian Pomeroy CBE, Non-executive FSA Board Member

Professor Susan Smith, Honorary Professor of Geography and Mistress of Girton College, Cambridge

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