

# Can advisers make financial inclusion universal?

By Cristian Angeloni, 25 Apr 19

Nearly 2 billion people worldwide don't have access to basic financial services



“For many of us, having a bank account is a basic fact of life. Yet the unbanked face a significant premium when it comes to accessing further financial services,” Virraj Jatania, founder and chief executive of Pockit, told *International Adviser*.

The UK based online service has made it its mission to widen access to financial inclusion.

However, while nearly a third (29%) of people in the world are not able to access financial services, and that also comes with a lack of trust in them. This is why financial education must be paramount and, arguably, come before access.

## From under the bed to a bank account

Sam Instone, chief executive of financial advisory firm AES International, told *IA*: “Often, people keep cash under their mattress, in a drawer or tin. For them, education is a vital first step to positively change this.

“They need better access to information on banks, savings accounts and investing so they can understand the impact of inflation and how the buying power of their money is going backwards by being kept as cash.

“Not everyone needs a financial adviser, but everyone can certainly benefit from having one. Investors should research to find a financial adviser who aligns with them and their goals.

“This takes time but it’s time invested towards their financial freedom.”

## How to get started

“Investing is far simpler than the media portrays,” Instone argued.

He told *IA* there are several options available to people beside keeping their cash stashed in their house that are easy, low cost “but without the stress”.

He suggested researching index funds as they can be the most accessible ones to inexperienced investors who are looking to benefit from market growths.

“These funds are available through financial adviser firms or fintech solutions (online platforms for DIY investors).

“Finding what works for you depends on a few things such as how much you want to invest, what you are investing for, how involved you want to be and what other services you require,” he added.

## Tech’s helping hand

*IA* also reached out to Samantha Seaton, chief executive of money management app Moneyhub, who believes Fintech could reach the financially alienated.

“Fintech has played a huge role in democratising our finances, but there is still a way to go before financial inclusion is universal.

“Getting access to a bank account is an important first step, but it can’t finish there.

“Money habits vary, and our financial lives are often fragmented. So, a vital step in helping people to take control of their financial future is empowering them to monitor and manage their finances across the numerous platforms that they use.

“Online money management tools can be particularly helpful here, giving a complete picture of a person’s finances, and making suggestions or nudges to encourage good saving and investing habits.”