How to talk about finance industry reform

A MESSAGING GUIDE

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» WHAT'S THIS & WHO'S IT FOR?

In the summer of 2022, the New Economy Organisers Network joined forces with Finance Innovation Lab, in collaboration with members of the Transforming Finance Network, to explore how we might shift the public debate in the UK on finance industry reform in order to support progressive change.

As a first step, we published a briefing that summarised existing research on how the UK public perceive the finance industry and its regulation. We then built on those insights via a series of focus groups held by research consultancy Public First, to help develop messages that are persuasive and electorally salient.

The result is the creation of this guide, which aims to support civil society representatives communicating with the general public about finance industry reform with knowledge on how to effectively talk about the industry and make the case for regulation that works for people and the planet.

MESSAGING PRINCIPLES

Talk about regulation as a safeguard from reckless big finance

Your message should speak to people's need for stability at a time where there is so much financial uncertainty.

Start by using "us versus them" language to tap into the divide people feel between their lives and

the finance industry. For many, this divide is bordering on different worlds; one where ordinary people are together struggling, and another where rich bankers and fat cats are prospering at their expense.

Then characterise the problematic parts of the finance industry as antagonists to the stability that people want. Portray them as the villain who is volatile and particularly irresponsible with people's money. Gambling metaphors are effective as they point to who wins and loses from the financial system (more on this in the next section).

This will help you present regulations as a necessary protection for people. Especially in a cost of living crisis, safeguards allow us to speak positively about regulations and how they relate to people's current experience, whether it's protecting savings or stabilising the cost of things. This approach helps you present the government as the actor who does the protecting.

EXAMPLE MESSAGES

- ➔ `Right now, this government must strengthen protections to keep our money safe from the speculating bankers.`
- ➔ `The finance industry is dominated by reckless big banks chasing profits for their international shareholders. They take big risks with our money, knowing that no matter how much they bet, they always win.`

* Hold the government responsible for making the rules that keep the finance industry in check

It's not just about the bankers. People are very clear that the government has a lot of responsibility to control what they agree to be an often reckless finance industry. Avoid referring to regulators like the FCA (Financial Conduct Authority), as the vast majority of people don't know who they are.

Make it clear that the government has an integral role to play in how the finance industry functions, because they have power over policymaking and can make the decisions to regulate or deregulate. You want to present the government as part of the problem *and* the solution. So, to protect the integrity of the government as a whole, always talk about the bad actions and vested interests of specific politicians who may be benefiting from deregulating the finance industry.

EXAMPLE MESSAGES

- ➔ `This government is choosing to loosen their grip on big finance by removing the rules that kept banks in line.`
- ➔ `Today, a handful of politicians are choosing to bend to the will of big finance by loosening rules.`

➔ What we need are political leaders to rewrite the rules of the finance industry so that they work for people, our families and those we care about.

Make a connection between the cost of living crisis and the finance industry

People's reality right now is dominated by the rising cost of living. The operations of the finance industry feel abstract to them in this context. So it is important to make sure your message relates to the cost of living scandal. You can do this by talking about who the government chooses to prioritise.

Show that they are more concerned with policies that help rich bankers accrue wealth than ordinary people struggling to make ends meet. For example, you can mention the government's decision to prioritise lifting the cap on bankers' bonuses.

EXAMPLE MESSAGES

➔ While so many of us are struggling to make ends meet because we are simply not paid enough, a handful of politicians have chosen to lift the cap on bankers' bonuses so City bankers can earn millions year on year.

Keep it simple – relate the finance industry to people's day-to-day experiences of it

Your message needs to be easy for people to grasp. Finance literacy is low and most people don't spend time thinking about big finance and its regulation. Use simple jargon free language when possible. Be selective about which concepts, policies or regulations to talk about based on what you think people could immediately understand without long complicated explanations.

Your comms should be grounded in people's everyday experience of the finance industry. This means talking about things like high street banks, small businesses in their local communities and access to cash. The finance industry remains a very abstract thing to most people, so avoid feeding this by talking about complicated and unrelatable aspects of it.

EXAMPLE MESSAGES

➔ Most of us want a UK finance industry that cares about people's needs – from protecting bank branches on our high streets, to making sure people and small businesses up and down the country can get fairly priced loans.

- **Always offer a clear solution, start with an actionable solution for today then a solution for the future**

People want the industry to change but have very little hope of that being a priority for the government. You want your solution to empower people, make them think that there is space for change and show them that the government can make these changes.

Offer very concrete solutions that can be achieved today and then a solution for the future that speaks to your vision of the world. Talk about this government having agency to "rewrite the rules" and its need to have "a backbone".

Your message should include some of the key things people want to see in the finance industry – more transparency and accountability for its actions. People also overwhelmingly agreed that the industry should be about people and not about profit. This means we can be aspirational in our messaging and call for new rules to meet the needs of people and to make sure the industry is not feeding the climate crisis.

As a plus, if a call to action is relevant, include it in your message to remind people that they do have agency.

EXAMPLE MESSAGES

- ➔ Our political leaders need to rewrite the rules of the financial system so that it puts the needs of people first.
- ➔ We need watchdogs for the finance industry to make sure that people like you and me know what banks are doing and that their actions work in the interest of people, not profit.
- ➔ We need a government with a backbone to put the right protections into the finance industry that keep our economy stable and working for people.

METAPHORS

Metaphors are a really useful way to provide information for people to implicitly understand through associations with other ideas or opinions they hold. They are really powerful in moving people to favour policies and ideas we put forward (to learn more about this watch Anat Shenker Osorio's short video on metaphors).

★ **Gambling:** *Big finance treating the economy as its casino*

This metaphor was effective at eliciting strong emotions from people. It encourages your audience to think about the industry as a source of instability and risks, the opposite of the

value of stability. It helps you make the case for regulation to control reckless banking. It feeds the us versus them dynamic – showing that unscrupulous industry actors will always win no matter what they do, but when things go wrong people foot the bill.

CORE MESSAGE

This core message incorporates the messaging principles, showing how they work in practice. It can be used as is, or can be built on and tweaked to suit your campaign.

Value

No matter where we live, the colour of our skin or how much money we have, most of us want enough to plan for the future.

Problem

But right now, so many of us have been forced into a cost of living crisis where the prices of the things we need are steadily rising in a way we can't predict.

While many of us are picking up second jobs and using our savings just to get by, a handful of politicians have chosen to take away the safeguards we need to protect our money from reckless big banking.

Impact

Without these protections, this government is giving big banks more rein to be irresponsible and take risks with our money – exposing us to more uncertainty and anxiety about our futures.

Solution

We need a government with a backbone to make sure we have a stable economy where everyone has a secure job, home and can plan for the future. And that starts today with this government creating an independent finance industry watchdog to make rules that work for ordinary people.

STATS THAT TELL A STORY

1. Despite the fact that so many people aren't being paid enough during a cost of living crisis, CEOs of big banks, like Noel Quinn of HSBC, are seeing their multi-million pay packets topped up with increased bonuses of £1.8 million. And this government wants to lift the cap on bankers' bonuses so they can earn an even more outrageous amount on top of their already hefty salaries.[1]
2. The 2008 financial crash was triggered by this government loosening the rules on the finance industry, causing many people's incomes to drop by £800 (on average) each year since.[2] What's more, most people painfully remember how the reckless big banks were bailed out while some of us lost our savings and our businesses. So, it's utterly shocking that Rishi Sunak's priority right now, during a cost of living crisis, is rolling back the protections that were put in place to ensure a crash would never happen again.

[1] HSBC quarterly profits more than double after interest rate rises, Guardian, February 2023
[2] K. Ahmed, Workers are £800 a year poorer post-crisis, BBC News, September 2018

3. It's an injustice that in 2022 over a million people in England were forced to turn to dangerous loan sharks that charge extremely high interest rates – often to pay for essential food and fuel.[3] [4]
4. While communities across the country face rising costs, including eye-watering mortgage rates, the big banks are raking it in. HSBC saw its profits double to over £4 billion in the last three months of 2022. It won't be a surprise to most people that it is passing on as little as possible to its struggling customers, continuing instead to close bank branches and keep rates for those of us able to save at record lows.[5]
5. Last year, Goldman Sachs made a record-breaking $3 billion from betting on price swings in energy and other important resources. This government cannot be allowed to give big finance even more free rein to gamble on the cost of our food and energy.[6]

WORDS THAT WORK

Do say...	Don't say...	Why...
Most of us Ordinary people So many of us Families	*Working people* *Brits*	*Talk about people in terms of the majority. "Working people" excludes those who are not in employment but who are impacted by the finance industry.*
Big banks Fat cats Rich bankers Big finance	*Financial services industry* *The City and its lawyers*	*Create a specific villain for people to refer to. Talking about big banks differentiates from the smaller, everyday banking people don't necessarily see in a negative light.*
Protections Safeguards Rules	*Regulation*	*Using language that relates to people's values of stability or order can be more effective at building support for*

[3] Swimming with Sharks: Tackling illegal money lending in England, Centre for Social Justice, March 2022
[4] R. Wearn and C. Smith, 'A £100 loan turned into nearly £1,000 a month', BBC News, November 2022
[5] A. Liang and P. Hoskins, Banking giant HSBC sees quarterly profit almost double, BBC News, February 2023
[6] C. Mozée, Goldman Sachs Commodities Team Hauled in $3 Billion in 2022: Report, Insider, February 2023

		regulation.
This government needs to have a stronger handle on the reckless big banks. We need this government to rewrite the rules to make sure that big banks are working for people and the planet.	*Government needs to increase regulation of the financial industry.*	*Personify the government in their actions as having control and power over the finance industry.*
Loosening their grip Loosening the rules Taking away protections/ safeguards	*Deregulating*	*Use metaphorical language to talk about deregulation as either a loss of control of something or a lack of something that needs to be there.*
Finance industry watchdogs This government	PRA FCA	*Very few people know which organisations are responsible for regulating the finance industry.*
Financial crash	2008	*People don't implicitly think of the financial crash when you say 2008.*

COMMON ATTACKS

ATTACK: The UK's pre-eminent position as a global financial centre is slipping each day. Instead of losing out to New York, Shanghai, or even Amsterdam, don't we need to revive the finance industry by lifting the burdensome red tape?

RESPONSE: The truth is that loosening regulation on finance will only enable reckless big banks to take even more risks with our money, and create even more instability. If we want stability and an economy that works better, we need to change track – and that starts today with this government creating an independent finance industry watchdog to make rules that work for ordinary people.

ATTACK: The financial services sector is critical to the UK. In 2021, it contributed £173.6 billion to the UK economy and provided over a million jobs. Won't these changes you're suggesting hurt our economy?

RESPONSE: The issue here is that the finance industry is dominated by reckless big banks that do not work in the interests of so many of us. So there must be fair rules in place to make sure the whole industry works to meet our needs, rather than gambling with our money. The last crash cost the UK £1.8 trillion – we can't afford for that to happen again. What we're proposing are common sense steps forward that provide us with desperately needed economic certainty – and protect us from the dangerous excesses of the finance industry.

ATTACK: It's not 2008! British banks are healthy and making record profits. Isn't the government right to consider how the finance industry can help to turbocharge growth?

RESPONSE: A finance industry without strict rules and regulation is a risk to our economy, and to all of us. What we see now is a financial system that's more fragile than any time since the last financial crash – and one that came extremely close to collapse just last year. The International Monetary Fund (IMF) has pointed to investment funds with illiquid assets as a danger zone, while others have warned of an overload of debt in consumer markets, such as car leasing. This is without factoring in the impact a fall in house prices caused by rising interest rates and a recession could have. Let us not forget that it was problems in the housing market that triggered the last global crisis, and that this was preceded by a period of financial deregulation. People are crying out for stability in their lives, and in the financial system – that will only happen if it's properly regulated.

WHERE THE PUBLIC ARE AT

1. **People generally have a very limited understanding about how the finance industry and its regulation works.**

   People broadly understand the finance industry as being about things like "banks", "mortgages" and the "stock market", and as something distant from their lives (Public First, 2023). Most people have "poor to moderate financial numeracy" and would struggle to talk about the specifics of the industry (YouGov, 2019; FCA, 2021). In terms of regulation, few people know which organisations are responsible for regulating the industry (though they know they exist) or what they do (YouGov 2019; Public First 2023).

2. **People see the finance industry as important to the UK economy.**

   The vast majority of people (92%) see the finance industry as a necessary evil that is integral to the UK economy providing jobs and investments for businesses (Public First, 2022). Although they believe that it is an unfair industry, they think that it does what it has to do. People, therefore, do not think we can or should rely on banks and bankers to change, but that it is the government's responsibility to keep them in line (Public First 2023).

3. **Most people agree the finance industry should be regulated and should put people's needs first.**

   People's support for deregulation is very low, with just 1 in 10 people nationally supporting it (Finance Innovation Lab, 2022). When asked, they want a regulator that is independent, transparent and works in the interests of people. But people are unsure of how it would work in reality. At the same time, they are very cynical about anything improving or this being a priority for governments,

even in the context of a general election. This is especially true for people who are struggling financially (Public First 2023).

4. **People want to make sure the economy and their personal finances are protected from financial crises, though many already feel in crisis.**

   People still have a strong emotional response to the history of the banks being bailed out during the 2008 financial crash. People saw the banks as getting a pat on the back and "ordinary people" having to pay the price.

   What's more pertinent for people is the cost of living crisis with many people expressing that they already feel in financial crisis (Public First, 2023). There is a strong sense of uncertainty and worry among people.

5. **Most people don't want their money to contribute to harming the planet, but many aren't aware that their mainstream bank/financial institution might be enabling this.**

   People generally do not like the idea of their money contributing to bad things, including environmental damage. Some research has found that people (especially young people) see banking and finance as having a big role to play in improving the environment (Public First, 2022). However, most people have very little understanding of how climate finance works (Department for International Development, 2019; Elliott and Löfgren, 2022) and, in the current economic context, the environment isn't obviously a priority for many people in terms of what the finance industry and its regulation focuses on (Public First, 2023).

RESOURCES

- ➔ **Public perceptions of the financial services industry and its regulation in the UK**
  Briony Latter, 2022
- ➔ **Public attitudes towards financial regulation**
  Public First, 2023

Please contact funmibi@neweconomyorganisers.org for feedback on the guide.

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