When I'm 84: How can we help the very elderly stay in control of their day to day finances?

The older old – those over 80 – are the fastest growing section of the population. Currently numbering just over 3 million, this will increase to 3.5 million by 2020 and a staggering 5 million by 2030, of whom 1 million will be over 90. As more people live longer and, crucially, aspire to live independently for longer, often at some remove from family support, it is imperative that all sectors, not just health and social care, are equipped to respond. Recognition of this is at an early stage: as the House of Lords Select Committee on Public Service and Demographic Change concluded in 2014, 'we are woefully underprepared for our ageing society' so that while medical advances may have helped many of us live into our 80s and 90s, service provision, including by the financial sector, has yet to catch up.

The Finance Foundation is currently conducting a unique piece of research that looks in depth at the issues faced by the very elderly in managing their financial affairs effectively. It considers their preferences for different types of transaction – cash or card, face to face or machine, as well as their attitudes to credit and use of new technologies. It goes on to explore the challenges and barriers that ageing presents as older people strive to continue to manage ordinary day to day transactions such as cash withdrawal and bill payments. Despite their growing numbers, the needs of the very elderly are seldom addressed separately in data collection or research programmes. Instead they tend to be lumped together with all people over a certain age, usually retirement age. Yet is it arguable that people in later old age face quite distinct issues from the "younger" old (those aged 65-80) who are often active, reasonably able-bodied and may not yet be facing significant issues or challenges.

To address this research deficit we have turned the spotlight on the over 80s, conducting qualitative group discussions and then gathering quantitative data via face to face interviews with 175 people aged 80 and over around the country. Uniquely we have also collected interview evidence and survey data from 250 informal carers – generally family members or friends – who give support to elderly people in managing their finances, enabling us to get a further perspective on the issues faced by the very elderly. As a result we have been able to explore a wide spectrum of experiences amongst the over 80s from those who are still independently managing their day to day finances right through to those who are increasingly challenged by illness or frailty such that they rely more and more on family support. We have collected views from both the groups that we surveyed on what banks and other financial institutions could do to help the very elderly and their families to manage more effectively and we have further explored with carers any areas where they are aware that elderly people have suffered significant problems or detriment in their day to day financial management as a result of poor treatment or limited understanding.

As technological advances enable us to imagine a cashless economy and the dismantling of traditional intermediaries in favour of individualised control via mobile and internet devices becomes a plausible scenario, we need to press the pause button for a moment. One of the most striking images flashing across our screens during the Greek Euro crisis in the summer of 2015, when banks were ordered to close their doors, was not the queues of people at ATMs waiting to take out their allotted €60 daily allowance. Rather it was the emergency opening of banks a week later specifically and exclusively for the nation's pensioners. No-one had allowed for the fact that they didn't use ATMs, didn't in many cases have debit cards. If they were to avoid destitution they needed straightforward access to old-fashioned counter banking services.

As a metaphor for the disjuncture between the cutting edge of financial services delivery and the very different needs and capabilities of a key consumer constituency, the Greek pensioner experience could hardly be more apt. Our emerging research findings show that the elderly resist change in the way they have been accustomed to doing things, are suspicious and fearful of new technology as a means of managing their finances, are worried about fraud and error even when using ATMs and have an overriding preference for sympathetic face to face contact when carrying out transactions as well as the security and tangibility of cash, paper statements and even old-fashioned pass books. Some of this will no doubt change as younger generations, more familiar with new technology, enter these age groups. Yet ageing brings its own problems – reduced dexterity, failing eyesight, declining cognitive function. Combine this with continued rapid change in technology, overturning learned ways of doing things, and undermining confidence, and it is questionable whether the issues and barriers faced by the very elderly will change very much, certainly in the near future.

We contend, therefore, that banks and financial institutions need to consider how they might better cater for the needs of those who are already in their 80s and 90s, many of whom have several more years life expectancy, as well as those entering these age groups over the next ten years or so, already retired in the main, and likely to be facing many of the same challenges as today’s very elderly as they reach later life. There should also be better recognition of and response to the needs and concerns of those who, behind the scenes, provide informal care to the very elderly including often extensive, even in cases intrusive support to them in managing their day to day finances. As we enter a period of unprecedented growth in the over 80 population, with their numbers reaching 5 million within the next 15 years, our report will provide constructive recommendations, supported by our research, on how they might do this.