

Our Impact

Financial & Digital Inclusion

Introduction to Big Issue Group



■ Big Issue Group is a growing social enterprise and B-corp. Founded in 1991, we have supported over 110,000 marginalised people to earn over the past 34 years, yet today we are needed more than ever. We exist as a social business to create impact and make a profit, always re-investing this profit back into extending our mission, to help millions of people in the UK affected by poverty to earn, learn and thrive.

Bringing together media, investment, direct services and campaigning initiatives under a shared mission, Big Issue Group is creating innovative solutions through enterprise, to unlock social and economic opportunity for the millions of people in the UK living in poverty.

By 2027, we are aiming to have 11 million people every year engage with our products and services.

In June 2023, Big Issue Group launched its new Community Interest Company, Big Issue Changing Lives. Changing Lives is home to BIG's frontline support services to both Big Issue vendors and Big Issue Recruit job candidates.

Our approach is unique in providing an immediate income generating opportunity to any adult presenting at Big Issue offices across the UK. There are no lengthy assessment processes or inductions, meaning our frontline teams develop trust and credibility with people that would otherwise not engage with other projects or services and

who continue to return to the Big Issue week to week in search of income, stability and community.

Alongside magazine sales and enterprise opportunities, we support anyone accessing Big Issue services to become economically active and achieve greater independence. Outreach Workers support customers to navigate the complex maze of service provision whilst offering practical expert information, advice, guidance and advocacy.

Prior to the launch of Changing Lives CIC, Big Issue delivered its frontline support services in tandem between the Big Issue Company, responsible for the distribution of the Big Issue magazine and sales support to vendors, and the Big Issue Foundation, a registered charity responsible for delivering wrap-around support in areas such as housing and health.

By creating a single frontline team to support customers, Changing Lives ensures the best possible service and support. Where support for opening a bank account and setting up cashless payments may previously have been managed by separate teams, processes such as these are now managed seamlessly by a single, joined up team.

Our service model is a practical vehicle for change; enabling those we work with to access services, stay connected to support networks and pursue enterprise, training and employment opportunities within and beyond Big Issue Changing Lives CIC.

Big Issue Group’s work is not simply focused on achieving any one single outcome

■ We strive to create a ripple effect that transforms the lives of individuals and entire communities across multiple factors that contribute to causing and entrenching poverty.

By fostering collaboration, empowering local organisations and leaders, and promoting sustainable practices, we aim to create long-lasting positive change. All of our products and services deliver impact across one or multiple of our five key impact pillars: learning & employment, financial & digital inclusion, housing, health & wellbeing, and community & environment.

Achieving outcomes in each of these impact pillars is pivotal to dismantling poverty in the UK.



Learning & Employment

We believe that investing in education and skills results in higher quality, and more stable and secure employment, higher earnings and less exposure to low income and poverty.



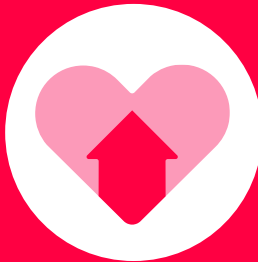
Financial & Digital Inclusion

We believe in tackling digital and financial exclusion by ensuring everyone has basic financial and digital skills as well as access to fundamental communication and financial services. These are critical to driving inclusion, earning opportunities and employment.



Housing

We believe secure housing is an important step in creating a stable foundation from which people affected by poverty can begin to move forward and rebuild their lives.



Health & Wellbeing

We believe poverty causes ill health, drives inequality in health outcomes and increases the use of health services. Which means it is expensive keeping people poor, in direct costs to the state and in lost opportunity and productivity.



Community & Environment

We believe poverty and inequality can be directly tackled at a local level through community initiatives, and that this is intrinsically linked with improving our environment.



‘Those faced with digital exclusion can often not afford the connections and devices that allow them to properly access financial services in the modern digital world’

■ From its very beginning, the Big Issue has offered those most in need a means of earning a legitimate income and working their way towards greater financial resilience and inclusion. Big Issue vendors, candidates, and other customers of BIG have also had access to additional support to help them set personal budgets, address unmanageable debt issues, and access the benefits they are entitled to.

However, in recent years, it has been clear, based on Big Issue Group’s experience, that financial exclusion cannot be properly addressed without also addressing digital exclusion as the two can often cause a worsening cycle of barriers for individuals and families.

Those faced with digital exclusion can often not afford the connections and devices that allow them to properly access financial services in the modern digital world, as well as lacking the digital and financial literacy required to do so.

That could mean being unable to take advantage of digital banking systems or being unable to access online shopping where the best prices will often be found for household goods, food, and travel tickets. Research from the Centre for Economics and Business Research has estimated that newly digitally included individuals could make savings of more than £400 per year by taking advantage of online deals.¹

We are working to ensure that no one is left behind: that everyone has an opportunity to access digital and financial services, that they are then provided with the opportunity to share and enhance their skills, and that the most excluded individuals have the support they need to change their future for the better.

¹Institute of Development Studies

Our impact in numbers:

Direct Support

2,400

people supported with needs aligning to the Financial & Digital Inclusion pillar, since 2021

4,700

positive Financial & Digital Inclusion interventions achieved with those individuals

1,800

total cashless vendors to date (since 2018)

801

SIM cards and data packages provided to vendors to guarantee connectivity

844

digital skills sessions delivered

1,000

people provided with a smartphone to accelerate cashless adoption

3,000

hours of financial inclusion support delivered every year, including one-to-one problem solving and providing guidance and referrals



Our earliest work on Financial & Digital Inclusion focused strongly on supporting people's ability to access services, particularly financial services.

It was these initial projects that gave us insight into the true needs of the individuals we work to support, allowing us to build a comprehensive strategy that we are still delivering against today. These are some of the most significant early projects.



Monzo Pay-it Forward

In 2019, this Pay-it Forward scheme, in partnership with Monzo, turned the Big Issue into the world's first re-sellable magazine, providing participating vendors with the opportunity to earn extra income via the onward sale of their magazines. Every time a customer sold on their copy of the magazine to a friend or family member, the vendor who originally sold the magazine earned additional income.

The Big View

A collaboration between Big Issue and Castlight Finance, The Big View used Open Banking data to generate a real-time, 360-degree view of an individual's finances in one place enabling debt advisors to understand an individual's financial position, and thus deliver efficient remediation and support to those who are either squeezed, struggling or indebted. It followed on from the work of Lloyds Bank, who have continued to support their vulnerable customers by removing the costly fees (missed payment and overdraft) that continually push them further toward indebtedness.



Rental Exchange

Launched in 2016 and co-developed by Big Issue Invest and Experian, The Rental Exchange helps tackle the challenges faced by rental tenants in the UK. The initiative aimed to tackle the financial, digital and even social exclusion challenges that rental tenants often face compared with homeowners. By observing rental payment data in the same way that we view mortgage payment data, we can unlock a range of benefits for tenants, housing providers and credit providers. The Rental Exchange incorporates a tenant's payment history in their credit file with no cost to either the housing provider or tenant.



Raising Profiles

Raising Profiles was a digital inclusion project in partnership with LinkedIn and FCB Inferno. Big Issue vendors were provided with wraparound support to build and maintain a LinkedIn profile. The programme helped vendors build their digital confidence, as well as increase social inclusion through engagement with an online community.



Cash payments accounted for 12% of all payments in 2023 and are forecasted to decline to just 6% of all transactions by 2033.²

To be able to accept cashless payments vendors need:



A bank account



Valid identification



A compatible smartphone



A cashless device

Dave's cashless story



■ London based vendor Dave was an early adopter of using cashless technology while selling the Big Issue and he saw the benefits quickly; these were his thoughts shortly after going cashless in 2021.

“The Big Issue helped me out and got me signed up with Zettle. And it definitely helped my sales. And because of the pandemic, card sales increased a lot. I call it ‘Covid reasons’ – people shop less regular, they shop online, or are just afraid to come out. You get a lot of people who don’t engage any more, withdraw into themselves.

“People don’t use cash these days, and they are often in a rush – if they know they can pay cashless they know it’s going to be quick and it’s going to be secure as well.”

For many early adopters like Dave, the transition to accepting cashless payments was straightforward. But it was clear that if vendors wished to make the transition and were unfortunate enough to not already have a bank account, or official identification then things would not be so straightforward for them.

■ Although work began to support vendors with the transition to accepting cashless payments in 2018, it was the preparations for the end of the first period of COVID-19 lockdown in July 2020 that brought a more strategic approach to this work.

Two factors elevated the need for this more strategic approach:

- 1) A need to keep vendors and customers safe from the potential risk of transmission through physical contact and handling cash.
- 2) The declining use of cash and increased use of cashless payment methods by the public.

A declining use of cash and lower footfall on UK streets ultimately meant lower magazine sales for vendors who returned after lockdown. Supporting vendors to accept cashless payments was an effective way to safeguard as many of their sales as possible while also minimising physical contact. Progress in supporting vendors was fast with 500 vendors able to accept cashless payments by the end of 2020, and that figure rising to 915 by the end of 2021. Work has continued at pace ever since.

Partnership



offering Big Issue vendors a discounted purchase rate of just £9 (RRP £59) as well as a discounted transaction rate of just 1.5%.

The importance of the relationship is summed up by Big Issue’s National Cashless Programme Co-ordinator:

“The biggest achievement of the cashless programme is the relationship we have managed to build with each individual vendor and with Zettle themselves. Our strong relationships with vendors makes communication much easier, allowing us to update them on progress and quickly access the required documents needed to go cashless. Our strong working relationship with Zettle allows us to easily overcome any issues we encounter and make the whole process as stress free for vendors as possible.”

■ Many vendors who already had a bank account, ID and smartphone faced significantly lower barriers to entry, with the only thing they lacked being a cashless device.

To overcome this final barrier, we partnered with Zettle to ensure vendors could reliably access the devices they needed, with Zettle



Steps the Big Issue has taken to help tackle cashless challenges.

■ After the return from the first period of lockdown in July 2020, more and more people were requesting the ability to accept cashless payments. And for many vendors, thanks to Big Issue's partnership with Zettle, things were straightforward. However, faced barriers meaning the adoption of cashless payments could take a long time to achieve, with many precursors needing to be met first.

These are some of the steps the Big Issue has taken to help tackle these challenges.



No official identification

In the build up to the introduction of Voter ID, government research found that 9% of eligible UK voters lacked an acceptable form of photo ID.

A barrier encountered by Big Issue vendors early in the cashless roll-out was that a lack of official ID meant vendors simply could not register to accept cashless payments through a payment solution provider. When it comes to financial systems, ID is often required for anti-money laundering checks. Thanks to our partnership with Zettle, we built a system whereby the Big Issue is able to act as verifiers of ID meaning that we can verify non-photographic ID (such as a birth certificate) or where a piece of photographic ID is out of date.

This development was critical in supporting vendors without photographic or in-date ID with a quick and simple pathway to signing up for cashless payments. However, Big Issue clearly understands the benefits of having valid photographic ID so in most cases has supported individuals to apply for a passport or other form of photographic ID, and has funded the associated costs through the Hand-Up Fund, meaning vendors typically only need to make a contribution of about 20% towards the total cost.

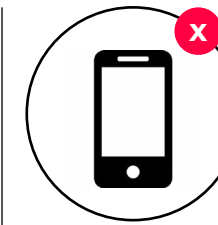


No bank account

Approximately 2.1% of UK adults (1.1 million) are unbanked. That proportion rises to 7% for UK adults who are currently out of work.

To be able to accept cashless payments vendors must have a UK bank account but many people the Big Issue work with do not have one, with one of the biggest barriers to opening a new bank account being faced by those individuals who are homeless and cannot provide a valid address; these individuals are classed as having No Fixed Abode (NFA).

Big Issue have been able to provide a solution to the NFA barrier by working in partnership with banks such as Lloyds and HSBC. By working closely with these banks, Big Issue vendors are able to use the address of one of Big Issue's offices in lieu of a residential address to allow them to open a basic bank account. This then allows them to accept cashless payments, as well as benefit from the other advantages of having a personal bank account.



No compatible smartphone / access to data

The final piece of the cashless puzzle for many vendors is owning a compatible smartphone. To be able to operate a cashless device, a smartphone that meets some minimum standards is required. In supporting vendors, it has been seen that many vendors still use a basic non-'smart' phone while many others do own smartphones that do not meet minimum standards to connect to cashless devices.

Big Issue have been able to facilitate vendors' access to smartphones by working with organisations such as Genuine Solutions and most recently with mobile network operator giffgaff in a partnership that sees refurbished iPhones supplied to vendors to increase access to cashless payments and improve digital inclusion.

For cashless devices to work, they also need a wireless internet connection so that payments can be processed. This means that vendors not only need their compatible smartphone but also need data to access an internet connection.

In the longer term, vendors are able to manage their access to mobile data through effectively managing their budgets but to help start them on their cashless journey the Big Issue is able to supply them with a new SIM card and data in partnership with the Good Things Foundation.

Devices and data packages ensure vendors can not only accept cashless payments but improve digital inclusion, allowing people to fully partake in an ever more digital and online world.



Connect programme

Overcoming the barrier of access to usable digital devices and access to the internet quickly brought to light an additional need: that of ensuring adequate digital literacy and skills.

The Big Issue needed to ensure that those vendors receiving smartphones had all of the required skills and confidence to use them and stay safe, not just while taking cashless payments but while also navigating the internet in their day-to-day lives. There were also a small cohort of Big Issue vendors who lacked even the most basic digital skills and would need training before being able to start their cashless journeys.

This need drove the creation of Connect, Big Issue's digital skills programme – with the support of Citi Foundation. Drawing on the findings of earlier Citi Foundation funded financial and digital inclusion programmes, Connect covers a range of digital inclusion interventions focused on dismantling the biggest barriers.

Access

Ensuring that people have the ability to get online through appropriate devices, such as smartphones and laptops, and connections, such as mobile data and home broadband.

Confidence

Supporting to build skill and knowledge to the point where individuals can use devices and complete tasks independently and consistently.

Skills

Working with individuals on a one-to-one basis to ensure that at a fundamental level they know how to use their devices and connect to the internet and then building from that foundation to use a wider range of digital applications and tools, including cashless payment apps.

Motivation

Helping to show the benefits that digital inclusion and connectivity can have on people's lives; from online shopping and accessing social benefits to searching for job opportunities and accessing healthcare services



Gwyn Thomas De Chroustchoff, Service Development Manager at Big Issue Changing Lives, explains the need for the Connect programme and how it is supporting our customers who need it most.

■ “Through the Connect programme we not only provide access - digital devices and free data - but we’re also supporting people’s digital skills, confidence and motivation through one-to-one support every day. The support follows the vendor’s needs and learning style, and your own support style too, based on the trusting relationship we have with individual vendors.

Online skills and support can cover finance tools, accessing essential services, online learning opportunities, device troubleshooting, accessing self-help services, understanding benefits and tax, and finding new social opportunities and improving quality of life through hobbies and interests.

Some of the most important principles are flexibility and centring the needs of the individual. Some vendors are keen to take part in digital skills support sessions, where they sit down and are guided through online courses, while many others, we know, are not interested in getting involved in formal support, but can respond well to just talking through things in a conversational way, as the need arises.

A key factor in allowing us to support as many individuals as possible are Big Issue’s Equal-to-

Equal peer support mentors. Equal-to-Equal mentors are from the Roma community and support in the delivery of Connect, allowing us to overcome any cultural or language barriers that may exist for some individuals.

We have developed resources for staff to use to support vendors’ digital skills, organised into different relevant themes. We also make use of ‘Learn My Way’, an online learning resource providing many short online courses and activities that build digital skills and confidence. This resource was created by Good Things Foundation, the digital inclusion charity, and is really well-suited to the work we do, because it’s simple, visual and interactive.”



Gwyn Thomas De Chroustchoff, Service Development Manager

Over the past five-years, support from Citi Foundation has enabled Big Issue to:

Citi Foundation



Support over

1,500

people to address barriers to financial and digital inclusion, including poor financial and digital literacy, lack of personal ID and lack of a bank account.

Support

1,000

people to accept cashless payments, enabling them to increase their earnings by on average 20%, and crucially to operate in an increasingly cashless & digital society.

Support over

500

people to address barriers to education and employment such as poor literacy, numeracy and English language skills.



Over the last five years Big Issue has needed to adapt its support to vendors in the face of an ever-advancing digital landscape.

■ During this post-COVID period, vendors have continued to face challenges selling the Big Issue magazine on the streets of the UK as the circulation of print media declines.

These are some of the new technologies we have been supporting vendors to adopt in recent years with the aim of improving financial & digital inclusion by helping vendors engage with new technology and maximising their income.

Gift Subscriptions

One of Big Issue's first new technology offerings to vendors during the COVID-19 pandemic was the introduction of gift subscriptions. Participating vendors are able to supply their customers with a personalised link allowing them to purchase a subscription to the Big Issue magazine.

The magic of this unique link is that it ensures that Big Issue vendors continue to earn income when they sell a subscription, just as they would when selling a physical copy of the magazine. This means vendors have a new and additional income stream for new customers while also being able to maintain income from customers who may have been regulars pre-COVID but whose habits have now changed.

"The subscriptions have been a game changer. If they hadn't come in, I don't know what would have happened. I get quite a few online subscriptions, and I've found it helpful to have them."

Jim
Norwich-based vendor



Tap-to-Pay Technology

As explained in this report, many vendors can now accept cashless payments through specialist devices, but some have given feedback that this can sometimes cause issues if they forget their cashless device when they head out to sell the Big Issue or if their cashless device runs out of battery.

Developing technology now means that cashless payments can now be accepted directly through a smartphone that has NFC (Near Field Communication) capability. This means that with the right smartphone, vendors can manage everything through a single device, minimising the potential risks that could be faced with two devices. Tap-to-Pay technology is a key driver of Big Issue's partnership with giffgaff, giving vendors the opportunity to manage all of their cashless transactions through the refurbished iPhones provided as part of the partnership.

Digital Shopfront for vendors

Through QR code technology Big Issue is starting to explore offering vendors new ways to generate income through digital platforms. Due to current street trading regulations, vendors are only permitted to sell the Big Issue magazine on the streets of the UK. But Big Issue has begun setting up digital shopfronts for vendors that customers can access by scanning a QR code unique to a given vendor.

Through this digital store, vendors can curate a range of products that they can earn commission on each time a customer purchases. Products can range from copies of the Big Issue magazine and subscriptions to clothing and homeware.

This technology is currently in the pilot phase

"...Sometimes the signal wasn't great, or it would take a long time to connect the card reader with Bluetooth. The time was a problem, because it sometimes took me a couple of minutes to sort the card reader, and people don't want to wait for a long time to pay for their magazine, especially when the weather is not very good. But now I'm happy because I have an iPhone, and it's easy – customers can just tap against the phone."

Brigitta
Glasgow-based vendor



in Wales, but it is hoped that it will soon be rolled out across the country and allow for further features that help to better integrate Big Issue vendors in their local communities.



Across all of its work, Big Issue is constantly looking to evaluate, iterate and improve to drive greater levels of impact.

■ In the area of Financial & Digital Inclusion this not only means adapting to the changing needs of our customers but also being aware of an ever-changing digital landscape.

As this report shows, much has changed in the last five years, and it is very likely that things will look very different in five years' time.

Here, Penny Walster, Director of Programmes and Partnerships at Big Issue Changing Lives, talks about how Big Issue are approaching the continual development of its Financial & Digital Inclusion programme of work and some of the changes she expects to see in the coming years.

"Over the last five years, we have seen the very real impact evidenced in this report of supporting service users to overcome financial and digital exclusion. Whilst this work has ensured great strides in accessing bank accounts and the ability to earn additional income from cashless payments for magazine sales, challenges remain.

We are aware that as technology evolves there is a real need to ensure that service users and their families are able to build skills and adaptability in order to take advantage of financial products and services which are increasingly digital only, or at least digital first. We have learnt that there is an ongoing need to build confidence and knowledge when accessing online financial services to prevent fraud and ensure digital safety.

Feedback from our service users means we know that a lack of digital access increases everyday costs and reduces options to receive money and to pay bills or for services. From the simple act of buying bus tickets using an app rather than on the bus, through to the

lack of choice in signing up for energy bills if you cannot make digital payments. These seemingly small digital barriers all contribute to a poverty premium affecting an estimated 24% of households.³

At Big Issue we will continue to prioritise working with people to dismantle the barriers to financial and digital inclusion and have established the following priorities in terms of our service delivery:

- 1) Continued access to mobile devices and data to build capacity for vendors to take cashless payments and for candidates to be able to search and apply for jobs. Our multiyear partnership with giffgaff forms a key element of this work, alongside our ongoing partnership with the Good Things Foundation to provide access to mobile data.
- 2) Working with our customers, we are trialling use of different advances including encouraging greater use of single points of sale through mobile phones utilising better near field communication (NFC), use of QR codes to facilitate bank to bank transfer for payment and using NFC stickers to help entrepreneurs to build a digital marketplace.
- 3) Increase our training of peer financial and digital champions to help share knowledge and skills amongst trusted networks. We are particularly focusing on how to prevent fraud and build digital safety amongst customers for whom English is not a first language or who struggle with literacy.
- 4) Working with vendors and candidates to ensure that we are supporting access to a range of self-employed and employed opportunities to increase income.

5) Ensuring our staff remain appropriately trained and up to date to offer money guidance and digital skills coaching.

As the way that wider society completes transactions evolves, we continue to work with our customers to ensure that they are not left behind or excluded from financial services and wider digital access to society."



Penny Walster
Director of programmes and partnerships
Big Issue Changing Lives

³Fair By Design



These are the partners who have been critical in supporting Big Issue to deliver its programme of Financial & Digital Inclusion support over the last five years, with many continuing to support us into the future.

Citi Foundation





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