

Chapter 1

LEVELS OF FINANCIAL CONFIDENCE ACROSS OUR MARKETS

Key findings across ten markets

- **People tend to believe they know more than they do about financial matters.** 61% of respondents claim to be knowledgeable about financial matters, but only 11% say they feel very knowledgeable.
- **When testing respondents' knowledge on inflation, 32% were able to correctly answer the question, whilst 52% correctly answered a question on interest rates.**
- **Confidence is lower in managing finances digitally.** 72% feel confident managing your personal finances whilst 65% feel confident managing their personal finances online.
- **Social media is increasingly seen as a source of information for financial education.** One in five would seek information on financial matters from social media, and this increases to one in three among 16-24 year olds and those in Brazil.
- **There is a strong appetite for respondents to have control over their finances.** Four-fifths (79%) tend to track their monthly expenses.

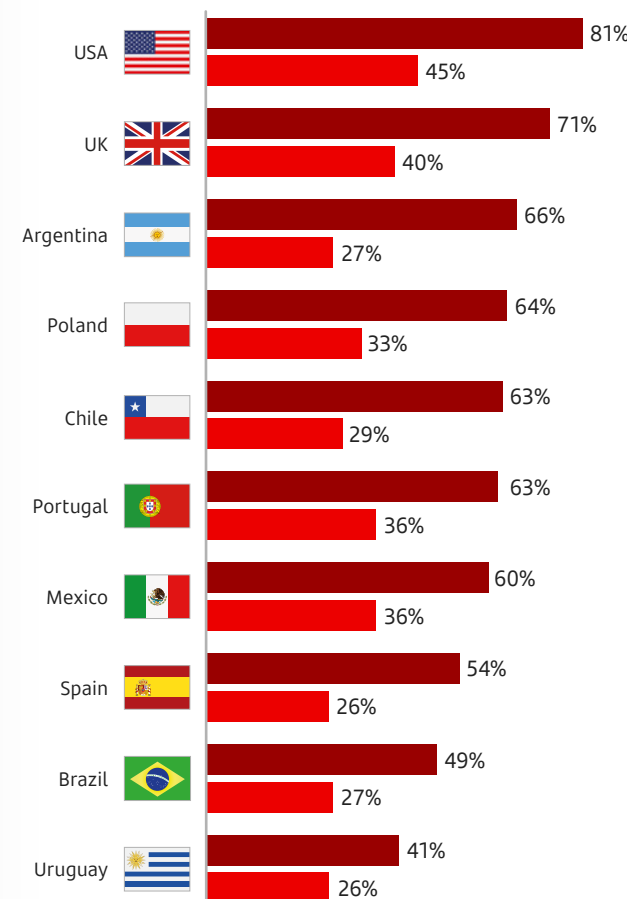
To create a global picture of current levels of financial literacy, we asked a series of questions to adults across 10 jurisdictions, most of whom have not received financial education at school. This common starting point is key to understanding adults' perceptions of how financial education could benefit them in their everyday life, and their attitudes to financial management.

Across all the markets that we surveyed, there was a mismatch between claimed financial literacy and actual financial literacy. Globally, 61% of respondents claim to be very or fairly knowledgeable about financial matters, such as bank accounts, credit cards and, investing. This figure increases among respondents in the US (81%) and UK (71%), but respondents claim to be less knowledgeable in Uruguay (41%) and Brazil (49%). It is important to note that there are different economic landscapes and varying levels of education and literacy across the 10 markets we surveyed, which may shape how many respondents claim to be knowledgeable.

Across all jurisdictions respondents struggled to correctly answer questions on basic economic concepts such as inflation.

"EDUCATION IS THE KEY THAT UNLOCKS THE GOLDEN DOOR TO FREEDOM."

- GEORGE WASHINGTON CARVER



- Say they are knowledgeable about financial matters
- % Answering inflation question correct

Base: 19,906 online adults interviewed in ten countries 25 April - 21 May 2025.

Age ranges are 16-75 in UK, Spain and Poland; 18-75 in the US; 18-65 in Argentina, Brazil, Chile, Mexico and Portugal; 18-55 in Uruguay.

The "Group average" represents the mean score across all ten countries (not accounting for population size).

Respondents were asked 'Assuming the annual rate of inflation halves in your country, but stays above zero, which of the following will be true about the general cost of goods and services in general this time next year?' Only 32% of respondents correctly answered this question on inflation – that the general costs of goods and services will cost more than they do now. The graph above shows that less than half in each market were able to identify the right answer. In some markets, this figure was as little as 26% in Spain and in Uruguay and only as high as 45% in the US. This demonstrates a gap between stated knowledge and actual knowledge when it comes to financial matters.

There are risks associated with this gap, which are explained by a psychological concept called the Dunning Kruger effect.¹³ When individuals overestimate their abilities or knowledge, they are more likely to make poor decisions. Additionally, they may be unable to accurately assess the risks associated with their decisions, leading to undesirable outcomes from their overconfidence. Individuals may be so sure of their abilities that they neglect to seek out further education.

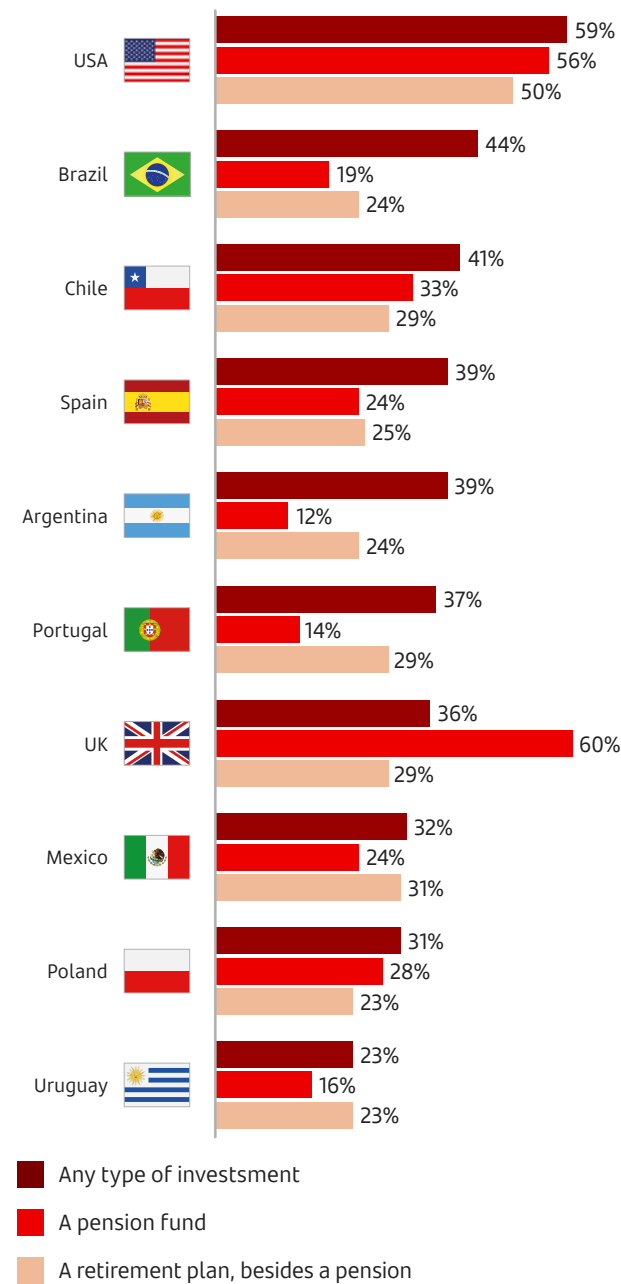
This mismatch also became clear when we asked respondents which of a series of investment products they had used. In the graph below, you can see self-reported holdings of investments, pensions and retirement plans, which differ significantly from official data in each market. In Chile, 70% of adults are affiliated with a pension fund, but only 33% report having one. This discrepancy may be explained by the fact that only half of affiliates actually make monthly contributions to the pension system.¹⁴ Similarly in Mexico, 42.2% of adults have a pension fund but only 24% claim to have one in our survey.¹⁵ Again, this shows a gap in financial awareness of adults when it comes to their personal finances.

This also demonstrates how low financial awareness can hinder economic growth. Generally, awareness of pension ownership is low compared to actual ownership, for example 75% of UK adults have a private pension but only 60% of UK respondents said they had a pension.¹⁶ This may mean that these assets are not being properly invested or used effectively, and therefore not being used to grow economies across the world.

¹³ Dunning-Kruger Effect – The Decision Lab ¹⁴ Primera – SP. Acceso reportes Centro de Estadísticas – Número de afiliados por AFP

¹⁵ Encuesta Nacional de Inclusión Financiera (ENIF) 2024. Principales resultados ¹⁶ UK pension saving statistics | Pension Statistics Dashboard

This inconsistency between what people think they know and what they actually know provides a difficult background for engaging people in financial education; as individuals may not believe that they need it. Nonetheless, the findings also demonstrate how beneficial that education could be for individuals overestimating their understanding.



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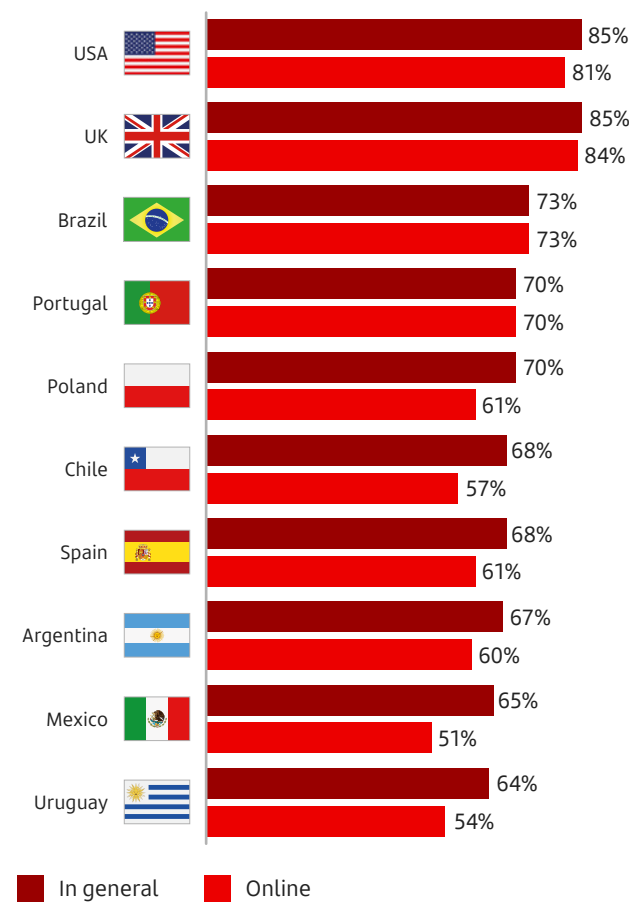
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Digital confidence and usage

As well as their knowledge, we tested how confident people feel managing their money, which is particularly important given the ever-changing nature of financial services and products. There are varying levels of financial confidence across markets, and on average three quarters (72%) of respondents feel confident managing their personal finances.

However, confidence drops to 65% when looking at managing finances specifically online. In some markets such as the UK, Brazil, Poland and the US, the public are equally as confident managing their finances online and in general. On the other hand, respondents in markets such as Mexico, Uruguay and Spain are less confident managing their finances online, giving a clear indication of where financial education could support respondents in building their digital financial literacy.



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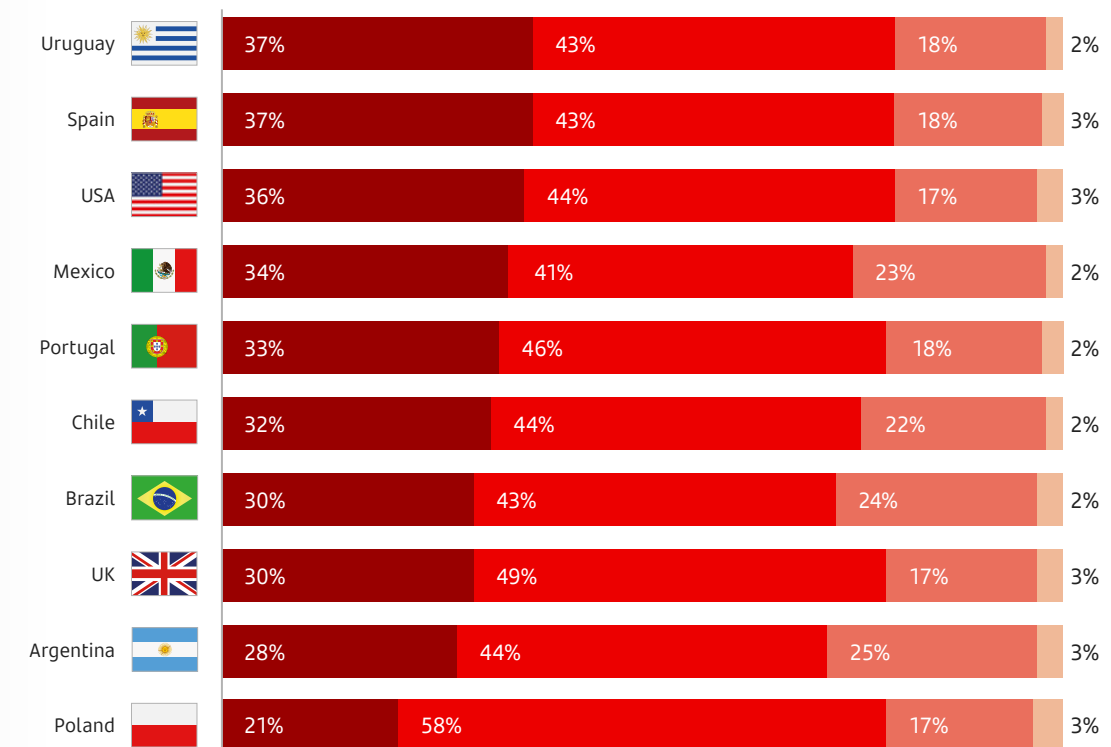
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This support could be even more targeted, not just by country. Older demographics are typically less confident managing their personal finances. In Mexico, 66% of 55-65-year-olds feel confident managing their finances, but when thinking specifically about managing their finances online, this figure drops to 43%.

However, older people are not alone in feeling less confident managing their personal finances online. The youngest age group surveyed share a similar level of confidence. Whilst 65% of the Santander market average feel confident managing their personal finances online, 60% of 16-24-year-olds are confident managing their finances online. This trend is more visible in some markets than in others, for example in Uruguay where less than half (48%) of 18-24-year-olds say they are confident managing their personal finances online. Support for financial education, therefore, needs to be tailored to different groups, and it is important to consider all members of society when focusing on digital confidence.

Even though there has been a universal shift to using digital methods for banking and payments, 32% of respondents said they trust traditional banking methods (e.g. visiting a bank branch, using telephone banking, etc) more than digital banking methods (e.g. using apps and websites) to keep their money safe. Almost half (46%) equally trust both traditional and digital banking methods to keep their money safe, whilst 20% place more trust in digital banking methods. There are clear divisions between younger and older demographics, only 12% of over-55s trust digital banking methods more whilst younger demographics have split opinions.



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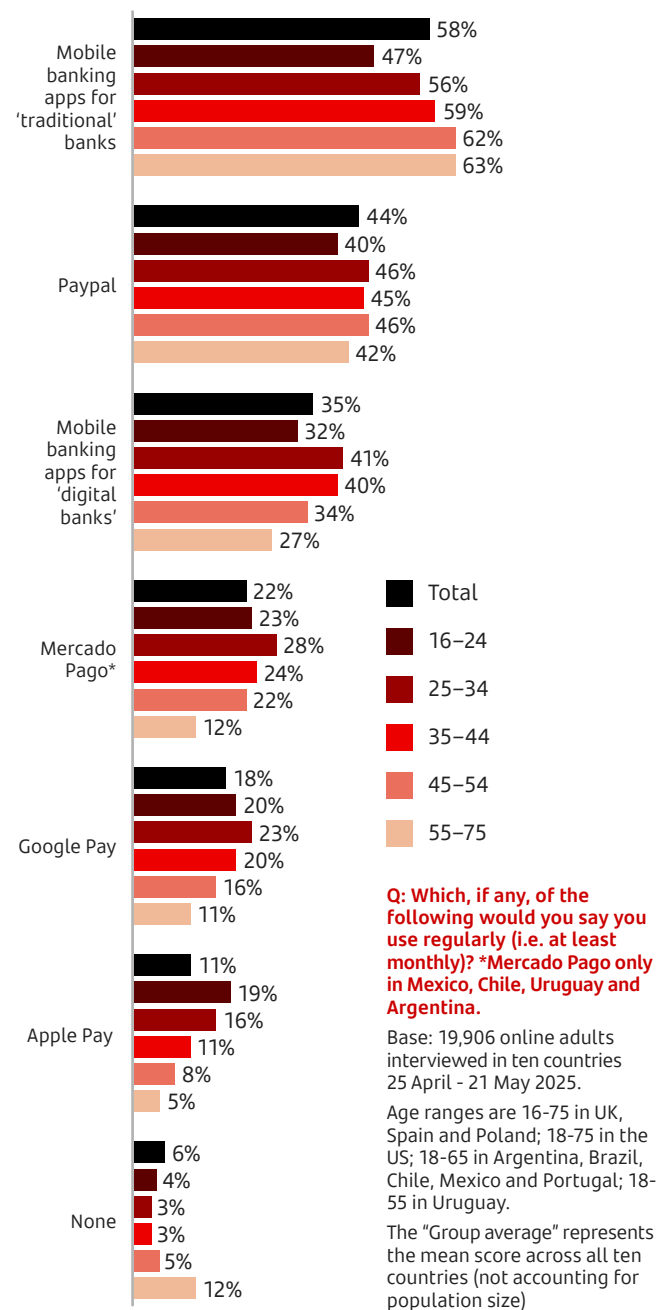
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Trust in digital banking methods vary when it comes to keeping money safe, however that does not deter the public from using digital payment methods regularly. 58% of respondents use mobile banking apps for traditional banks (i.e. banks with a physical presence) at least monthly, whilst 35% use mobile banking apps for digital banks (i.e. new banks which are often online-only). Across each digital payment method, all age groups claim to use them regularly as shown in the graph below.



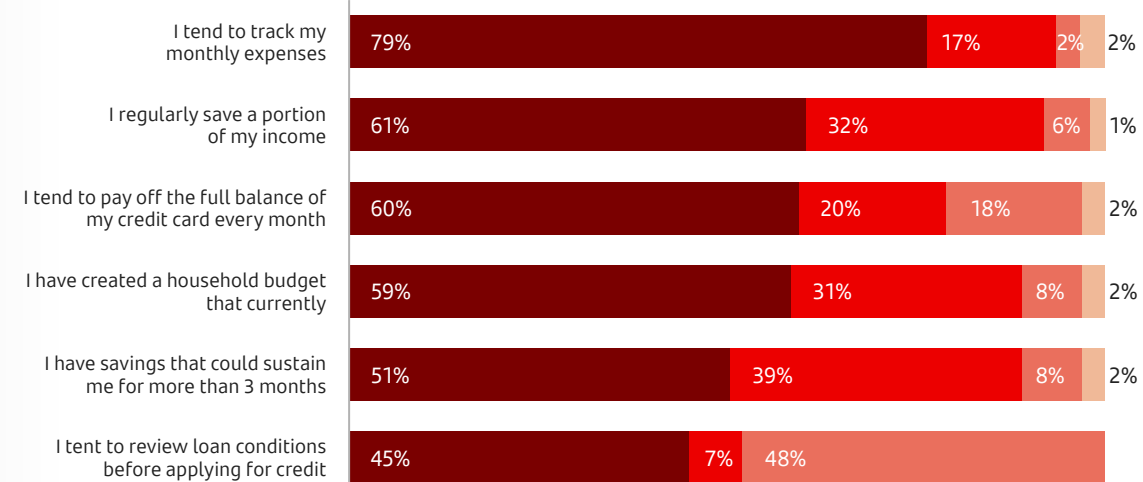
Furthermore, over half (52%) use digital tools to track their finances (i.e. outgoings, expenses, investments) at least weekly, whilst almost three quarters (72%) use these tools at least monthly. Despite the public feeling more comfortable with traditional payment methods, this does not stop the majority from regularly using digital payment methods and tools.

In the digital age, technologies and payment methods are constantly changing and there are groups that have yet to adopt these: 25% of over 55s never use digital tools to track their finances and 12% do not use digital payments regularly. There is a risk that people will be left behind by changing technologies; one way to address this challenge is by providing financial education to people to keep them up-to-date with shifting trends and new ways of banking.

Managing and understanding finances

Three-fifths of the public say they save a portion of their income regularly, whilst half have long-term savings, enough to sustain themselves for three or more months. However, a Latin America and Europe/US divide emerges when we compare long-term savings. Three-fifths of the public in Spain, USA and UK have savings that could sustain them for three or more months, however this figure drops to 34% in Uruguay and 42% in Argentina and Chile. Similarly, those in USA (72%), UK (64%) and Spain (63%) regularly save a portion of their income compared to those in Uruguay (47%), and Chile (54%). Though many in the UK claim to have savings, 10% have no cash savings at all.¹⁷ Portugal is an outlier in this geographic divide, as although 35% save a portion of their income each month, 40% of respondents do not regularly save a portion of their income at all.

Despite differences in respondents' ability to save, there is a collective willingness from the public to do so and they are taking action to understand and manage their finances. Four-fifths (79%) tend to track their monthly expenses whilst 59% have a household budget that they currently use. Though there are varying levels of knowledge when it comes to financial matters, there is a desire from respondents to manage and understand their finances.



- Describes me very/fairly well
- Does not describe me very/fairly well
- N/A
- Don't know

Q: How well, if at all, would you say that each of the following describes you?

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Only 15% of the public say they are aiming to invest money into stocks and shares in the next year. Investing is an area the public want to learn more about and in many markets, but less than half have used some sort of investment product. Respondents are not aware of how to invest properly; a clear example of where better financial education could support people to grow their finances and meet their ambitions.

More positively, the public would not shy away from seeking help to make a financial decision, 91% would go seek information out if necessary. A financial advisor or specialist is the most popular (41%) source to seek information from. Whilst 30% would go to companies or organisation which provide relevant financial products. Seeking information from a financial advisor or specialist is even more common in Mexico (54%) and Spain (45%).

However, one in five would seek information on financial matters from social media, and this increases to one in three among 16-24 year olds. Those in Argentina and Brazil (29% respectively) are more likely to use social media.

Though there are varying levels of financial knowledge and trust in digital methods, the public are united on three fronts. Firstly, their usage of digital payment methods. Even though there are differences in trust, the public are widely using several types of digital payment methods. Secondly, respondents have a proactive approach to managing their finances, though not all are in a position to save money regularly, the majority are tracking their expenses and would go to reliable sources for financial information. Lastly, people are ambitious and have financial goals and engaging with their finances. This provides a useful background for any work on financial education, which can help people harness new digital technologies, manage their finances and reach their goals.

¹⁷ More people have bank accounts but one in ten have no cash savings, FCA survey reveals