

# The Cost of Not Knowing

It's **higher**  
than it looks.



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# Foreword

Financial literacy is a skill we rely on every day, often without realising it. Yet too many people aren't taught how the system works, leaving them vulnerable to costly mistakes and unnecessary stress. With early, consistent education, we can empower people to make confident choices and build long-term stability for themselves, their families, and the wider economy. The Cost of Not Knowing campaign aims to highlight these challenges and call for systemic change.

**Leon Ward, CEO**

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## Executive Summary

- UK adults are losing over £640 per year due to delayed or mismanaged financial decisions.
- Nearly three-quarters (74%) believe schools provide insufficient financial education, and 71% call on the government to do more.
- Financial stress affects almost 4 in 10 adults, impacting sleep, relationships, and decision-making.
- Confidence often masks knowledge gaps: 83% feel confident, but many misunderstand fundamental financial concepts.

Financial illiteracy has both personal and national consequences – limiting individual wealth, reducing economic resilience, and perpetuating inequality.

Money Ready urges policymakers, educators, and stakeholders to implement accessible, lifelong financial education and systemic reforms.

# Introduction

Every day, people across the UK make financial decisions that shape their lives - decisions about saving, borrowing, investing, and planning for the future. Yet for too many, the rules of the financial system are unclear, and the knowledge to make informed choices is missing.

Our research reveals that this lack of financial literacy carries a real cost: the average adult lost over £640 in the past year alone because they delayed or misunderstood key financial decisions. Over time, these gaps accumulate, affecting personal wealth, wellbeing, and confidence, and they have implications for the wider economy.

Financial confusion doesn't just affect numbers on a bank statement. It influences mental health, relationships, and opportunities for growth. When people aren't equipped with the right knowledge, small decisions can cascade into bigger challenges, limiting their ability to save, invest, and plan for life's milestones. But it doesn't have to be this way. Better education and a fairer system would give Brits more confidence, control, and spending power - which is good for them, and good for our economy.

This report brings together findings from our nationwide survey of 3,000 adults, conducted with generous pro bono support from Teamspirit. The insights highlight the scale and impact of financial illiteracy and inform Money Ready's call for systemic change to ensure that everyone has the knowledge and confidence to make informed financial choices.

Knowledge is power, and together, we can put it in everyone's hands – because the cost of not knowing is higher than it looks.



# Key Findings

## The Hidden Cost of Financial Confusion

£641

Average annual cost of delayed financial decisions

34%

Avoided financial decisions due to confusion

43%

Believe better budgeting knowledge could have helped

Financial confusion has a very real price. Our findings show that the average adult lost over £640 in the past year alone because they delayed or misinterpreted key financial decisions, with common issues including leaving money in low- or no-interest accounts (28%), sticking with expensive providers (22%), or paying for unused subscriptions (20%). Over a lifetime, these small losses accumulate - over £3,000 in five years, £6,000 in a decade, and more than £18,000 over several decades.

Nearly half of adults (43%) believe better budgeting knowledge could have saved them money, and a third (34%) admit they avoided major financial decisions because they didn't know where to start. Decisions such as underutilising employer pension contributions (15%) or mismanaging loans and mortgages (15%) further compound these issues.

The consequences extend beyond personal finances. When consumer spending power is reduced, the economy as a whole is affected. It also reduces trust in financial products and perpetuates inequality. Quality financial education is crucial to safeguard personal wealth, reduce unnecessary costs, and strengthen economic stability.

# Key Findings

## The Financial Education Crisis

**74%**

Believe schools should provide more money management education

**35%**

Feel they learned financial skills too late

**70%**

Rate money literacy as important as learning to drive

The UK faces a persistent financial education gap. Three-quarters of adults (74%) believe schools should provide more money management education, while 71% call on the government to do more. Many adults report learning key skills too late: 35% say they missed opportunities to make the most of their money, and large numbers wish they had learned about investing (38%), pensions (34%), budgeting (27%), and credit scores (22%) earlier.

Financial education has a foothold in the curriculum. Still, now we need to strengthen and standardise it so young people don't fall through the gaps. Our previous research (2023) showed that 61% of pupils do not recall receiving it in any meaningful way. This new study reinforces that concern. Adults report first learning about borrowing and credit at age 24, mortgages at 26, and investments at 28, and some still don't understand these products at all. When essential knowledge arrives late, individuals face avoidable risks, uncertainty, and higher costs.

There is clear public appetite for practical, consistent financial education at all life stages, starting in school. The challenge now is integration and execution, making this a real, lived experience in every classroom.

# Key Findings

## The Emotional Toll of Money Worries



39%

Feel anxious about money

27%

Feel ashamed of their financial knowledge

21%

Lose sleep over their finances

Financial stress is more than numbers on a bank statement; it affects wellbeing, relationships, and everyday life. Almost 4 in 10 UK adults (39%) report feeling anxious when thinking about money, while 27% feel ashamed of their financial knowledge. This stress translates into tangible consequences: 21% lose sleep, 21% make poor financial decisions in response to stress, 15% experience strain in relationships, and 14% withdraw from social circles.

Stress is often linked to a lack of clarity or confidence about finances. Many adults feel overwhelmed (24%) or unsure where to start (20%), which can create a cycle of avoidance and costly mistakes. People frequently struggle with big financial decisions: 15% delayed mortgages or loans due to confusion, while 28% worry they overpaid for major purchases.

Breaking this cycle isn't just about giving people facts; it's about equipping them with practical tools, supportive education, and guidance they can trust. When individuals understand their choices and feel confident acting on them, the emotional weight of money becomes lighter, shifting money from a source of fear to a source of possibility.

# Key Findings

## The Confidence-Knowledge Gap

83%

Feel confident managing their finances

46%

Wrongly believe all debt negatively affects credit scores

37%

Wrongly believe all debt is bad

Confidence does not always equal competence. While 83% of adults reported feeling confident managing their finances, substantial knowledge gaps remain. Many misunderstand core concepts: 46% incorrectly believe all debt negatively affects credit scores, 37% think all debt is inherently bad, and 23% wrongly assume debit card use prevents debt.

This confidence trap can mask vulnerability. People may make financial decisions without seeking advice or recognising risks, potentially compounding mistakes over time. Our survey data also shows that even when confident, people can struggle with critical financial choices: 20% feel unprepared to take out a mortgage, 21% for pensions, 14% for managing debt, and 23% for planning retirement.

By combining practical skills with real understanding, financial confidence can become genuine competence. But first, we need people to recognise what they don't yet know. Many habits are shaped by circumstance or trial-and-error, and while they may "work", they're not always working well. Being willing to question assumptions and seek better information is essential to turning confidence into capability.

# Our Policy Asks

At Money Ready, we are dedicated to creating a financially fluent population, making money a language for life, for all. But we cannot do this alone.

We ask policymakers, regulators and partners in the private and civic sectors to work with us to help realise this vision.

We have three core policy asks, built around the strategic pillars of our Money: A Language for Life Strategy 2024-2027, which we believe can make it a reality.

## **We urge the UK Government to:**

- Legislate for guaranteed financial education in schools.
- Mandate impartial financial education across financial services.
- Create a national Care Leavers Guarantee with financial education at its core.

## **Together, these reforms will:**

- Equip every young person with healthy lifelong money habits and skills.
- Support adults to make better financial decisions and trust the system.
- Give care leavers the tools to thrive in independent life.

Financial fluency must become a right, not a privilege.



# Conclusion

Financial illiteracy has measurable costs – financially, emotionally, and socially. Addressing this requires systemic action, early education, and practical tools for all life stages. By empowering individuals with knowledge and confidence, we can reduce avoidable losses, improve wellbeing, and strengthen the UK economy.

With 20 years' experience designing, delivering, and evaluating financial education, and a tried-and-tested model already demonstrating positive outcomes in partnership with King's College London, Money Ready is ready to support government and schools in making lasting change.

## Research Methodology

- Survey of 3,000 UK adults conducted in October 2025 by Censuswide.
- Nationally representative sample across age, gender, region, and socioeconomic status
- Combination of quantitative questions on behaviour, costs, knowledge, and attitudes, plus qualitative insights from open-text responses



# Get Involved

Your voice matters.

Together, we can make financial education accessible for all. Your involvement can help us reach more people, raise awareness of financial education gaps, and drive systemic change. Here are some ways you can get involved:

## **Sign our open letter**

Join us in calling on the UK Government, educators, and decision-makers to make financial education lifelong, inclusive, and embedded in every school and service.

## **Write to your MP**

Ask your MP to back better financial education for all. It takes just a few minutes — and your message could make a lasting difference.

## **Share on Social Media**

Help spread the word and start the conversation. Share the campaign with your friends, colleagues, and community.

**For more information, go to [www.moneyready.org](http://www.moneyready.org).**





# Money Ready

Make money make sense

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