

# Title: The effectiveness of smart phone apps in improving financial capability

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## Abstract

This study is the first to assess whether smartphone apps can be utilised to improve financially capable behaviours. In this study four mobile apps, packaged together under the title 'Money Matters', were provided to working age members (16-65 years) of the largest credit union in Northern Ireland (Derry Credit Union). The mobile apps were designed to improve financially capable behaviours and consisted of a loan interest comparison app, an expenditure comparison app, a cash calendar app, and a debt management app. The assessment methodology used was a randomised control trial (RCT) with the UK Financial Capability Strategy's Adult Outcomes Framework used to set the context for the assessment. Receiving the apps resulted in improvements in 'financial knowledge, understanding and basic skills' with for example those receiving the apps expressing a greater confidence in their understanding of loan repayments. Receiving the apps also led to changes in 'attitudes and motivations' with for example those receiving the apps reporting greater confidence in their ability to improve financial decision-making through engaging with technology. Changes in 'financial knowledge, understanding and basic skills' and 'attitudes and motivations' were found to translate into better financially capable behaviours with those receiving the apps proving more resilient when faced with a financial shock. However, changes in financially capable behaviours did not result in an improvement in the financial situation of household.

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