Social Justice and Social Security Committee

Pensioner poverty - digital exclusion

Written Submission by SCVO, 3 March 2025

About SCVO

SCVO (Scottish Council for Voluntary Organisations) is Scotland's national membership body for voluntary sector organisations, including charities and social enterprises. We comprise a membership of over 4,000 organisations across the country. Our mission is to support, promote and develop a confident, sustainable voluntary sector in Scotland.

We have been leading the conversation in digital inclusion in Scotland for more than ten years, and in that time have delivered a number of interventions, campaigns and
programmes to promote and support a more digitally inclusive society.

About our response

SCVO welcomes the opportunity to give evidence to the Social Justice and Social Security Committee on the experience of those working in the voluntary sector to support pensioners to overcome digital barriers to access vital services and advice. Our submission draws on evidence from:

- SCVO's engagement with the sector on the wider digital exclusion agenda
- Direct consultation with organisations on this specific topic:
    - ACE IT
    - Roar - Connections for Life
    - Glasgow's Golden Generation
- UK-wide research on digital exclusion
- Audit Scotland's report on digital exclusion
- SCVO's experience delivering digital inclusion programmes on behalf of Scottish Government

Understanding digital exclusion

In order to illustrate the impact of digital exclusion on pensioners accessing vital services and advice, it's important to establish our understanding of digital exclusion. SCVO's approach to digital exclusion is outlined in our 'Digital Inclusion Roadmap'. It is our fundamental
understanding that digital exclusion is both a cause and a consequence of poverty. It is a consequence of poverty because there is an economic cost to being digitally included (buying a device and paying for ongoing connectivity). It is a cause of

poverty because the drivers of poverty reduction are increasingly accessed through the online world: income from employment, managing the costs of living, and income from social security and
benefits.

To have full digital inclusion, the five challenges which must be solved for people are:

1. **Motivation** - to be part of the digital world, free from any personal barriers;

2. **Access to the right device** – the ability to afford an internet enabled device that is suitable for your needs and the task in hand;

3. **Affordable connectivity** – so that you can connect your device to the internet;

4. **Skills and confidence** – to navigate the internet, keeping yourself safe, doing the things you want to do; and

5. **Inclusive design** – when you get online, spaces are well designed so that everyone can use them.

Digital exclusion for pensioners

It is also important to understand the wider influences that are impacting on digital exclusion, particularly for pensioners:

- The planned retirement of the Public Switched Telephone Network (PSTN) will bring an end to traditional copper wire phone lines and move to a new Voice over Internet Protocol (VoIP) service. This may result in additional costs for pensioners to secure a broadband connection, upgrade technology (including telecare) and consider power back-ups for potential power outages.

- The switch of f of the 3G network has already started. This will impact on individuals with older digital devices that have not been upgraded in a number of years, an issue which may disproportionately affect pensioners.

- Ongoing public sector reform and digitalisation is starting to impact access to vital services for some people who are digitally excluded. The absence of a non-digital option and poorly assisted digital options is excluding some people from the services and advice they need.

- The move to digital has had a significant impact on our high streets, not least the banking sector. For some people who are online, they still refuse to do their banking online as it can feel too complex and scary. This has been highlighted by Roar – Connections for Life:

"The shift to online banking has been particularly challenging with many older adults losing access to local bank branches and struggling with two-factor authentication

systems. This is by far the biggest problem. The banks give our service users great anxiety. Often, they carry around large amounts of cash instead of going to a bank. Going to a bank as an older person is a huge challenge as many branches have now shut down, the remaining ones that are open push new systems, for example one of our service users told me she went to the bank to deposit some cash as her daughter had told her off for carrying around that much in her purse. She waited 45 mins in the queue to speak to a cashier, when she got to the front she was told that as the
deposit amount was less than £1000 she would have to go to the pay in machine. She left upset and felt silly/ like a burden for not knowing how to do it."
[Roar – Connections for Life]

Motivation can be one of the primary challenges for older people to be online, or to fully engage with the online world. The fear of scams and fraud is a particular concern which emerges from our work in this space. This fear can also be a factor for family members who may be reluctant to support older relatives out of fear of increasing their vulnerability to scams. This can be particularly problematic as many older people rely on family members for digital access and skills support.

"Many of our service users worry about making mistakes, scams, or fraud. This leads to reluctance in using digital services. Some do not see the relevance of digital technology to their daily lives and prefer traditional, face-to-face interactions and in fact are frustrated by the lack of face-to-face options available. An example I could give is supermarkets self-checkouts. I have had many a conversation with service users who can't use these and are forced to wait in a huge queue to buy one or 2 items as only one till with a human is open."
[Roar – Connections for Life]

"The biggest barrier for older people we work with is fear. The fear of being scammed and losing money means that it takes a while to build trust, and it means they can't or won't access the services they need."
[Glasgow's Golden Generation]

The Scottish Household Survey 2023 estimates that 91% of people access the internet at home, but this drops to 65% for single pensioners. Ofcom estimates that 52% of people who do not access the internet at home use someone else to do it for them, most usually for online shopping and accessing health services. This indicates that despite not being online, a significant proportion of people rely on others to engage in the digital world on their behalf. The use of a proxy can come with risks, depending on who that person is, e.g., handing over debit/credit card information for making online purchases, or disclosing sensitive personal information to access health services.

The cost of home internet access is consistently raised as a challenge for many people living in poverty, including those in working poverty. The availability of social tariffs can go some way to help those that are eligible (e.g. on pension

credit). However, uptake remains significantly low at 5.1%. SCVO has been actively promoting social tariffs through the Connecting Scotland programme, and our experiences tells us that there are still barriers: cost is still prohibitive for some people, some providers require credit checks, and in some cases we have been made aware of upselling of other products such as TV subscriptions. This sentiment is reflected in this account from ACE IT:

"There was a man that came in and he had never changed his providers. He needed a landline. That's all he needed. He used his landline. All he had was a state pension and every month he was paying £125 for his landline because he had never had any idea that, by the way, you call them up and you go, 'are you kidding me?' So they had called him and they had said, well, actually your new package includes, you know, all the TV. But now you're paying £40 a month. Oh, it's a year later, now you're paying
£60 a month. It's a year later, and it just went up and up and up and he did not realise that that was not something that happened. He was essentially giving away… I think it was something like a 6th of his pension every single month to pay for his landline."
[ACE IT]

The cost of a device can be cost prohibitive for many people. The cost barrier will be further exacerbated if that individual is indifferent about being online or doesn't fully realise the potential benefits. In some cases, devices are given by other family members, but without connectivity (another cost) and the skills support, these devices can sit on shelves gathering dust.

"The cost of devices and internet access is a significant issue, particularly for those on limited pensions. Many would also have no idea where to begin even getting the internet access in their homes in the first place if they have no next of kin or family members that are able to help."
[Roar – Connections for Life]

"Being able to afford devices and ongoing internet costs is a concern for older people – especially if they live alone. Quite a few of our service users struggle with affording the internet so we provide MiFis and SIM cards. They only have 40GB of data though – so it's usually not enough."
[Glasgow's Golden Generation]

It is also worth noting that technology has a shelf life, with devices becoming obsolete over time, for example new operating systems no longer supporting older devices. This creates an economic burden to purchase a new device, as well as a new skills requirement to learn how to navigate this new device. This issue was highlighted by ACE IT through the 3G network being switched off:

"…he had a 3G phone and they said to him 'we're no longer supporting 3G' and he knew how to use that phone because he'd had it for 10 years. So, he had to get the

lowest possible step up that still had a 4G or 5G sort of compatibility. So, he got himself a Nokia flip phone. But this man came in and he had a bit of paper. And on this bit of paper, were all the things they wanted to work through in the session, he said. He said he wanted to know how to make calls, how to answer calls, how to send a text message, how to delete a text message and how to tell what the time was or change the time if the time was wrong.

The man left yesterday able to send a text message, delete a text message, and answer a call. We're still not confident on making the calls. I'm like, that's fine as long as you can receive a call, we'll focus on that one in the next week. You've got your part. If someone calls you, you're fine."
[ACE IT]

Lloyds Consumer Digital Index (2024) tells us that older people, aged 75+, are least likely to have Foundation Digital Skills. Only 53% of this age group have these basic skills related to turning on a device, navigating the home screen and using controls. The lack of these Foundation and Essential Digital Skills limits the opportunity to undertake online activities such as price comparison websites and securing referable online rates for services. On average, Lloyds estimates a saving of £1,100p.a. for those who are online and are able to secure better deals and tariffs. This is highlighted by ACE IT in an example from someone they supported:

"She had her car insurance, she had her home insurance, and she had her broadband all up for renewal. All of the quotes that she was getting… were so high that by simply going online we saved over, I think £2,100 by just changing who it was. Now that woman, there was no way she could afford it."
[ACE IT]

Having digital skills is not just about being able to find the best deals online, it's also about being able to confidently navigate complex public services. The cost of not being able to do this is highlighted in this stark example highlighted by Roar – Connections for Life. Income from social security and benefits in kind is one of the key drivers for poverty.

*"We worked last year with Renfrewshire Citizen Advice Bureau to claim **£166,000 worth of unclaimed benefits** for our service users. This high figure shocked even us and it shows that many older adults need help when applying for benefits, with it mostly being online now and not every older adult being tech savvy the result is a loss in income or applying for the wrong stuff and having to wait for their benefit to go through, leaving them without money."*
[Roar – Connections for Life]

Through a range of different digital inclusion projects that we have delivered at SCVO, and best practice in this subject area, we know that there are key principles critical to the success of older people getting online:

- Pre-existing trusted relationship with the person providing digital skills support
- Focus on things that are of interest to that person (the 'hook') to start building their confidence e.g., games, streaming videos, exploring memories
- An informal setting with other people learning at the same pace
- Local to where they live.

"When provided with patient and tailored support, many older adults gain confidence in using digital services. For example, our digital drop in cafes have helped pensioners access online banking and GP appointments improving their independence."
[Roar – Connections for Life]

Digital inclusion and public sector reform

"Many older adults struggle with online-only systems. For example, when trying to access council tax exemptions/social care services/post office services they often find automated forms confusing and struggle to get human assistance."
[Roar – Connections for Life]

According to the Scottish Household Survey 2023 confidence in using public services online diminishes with age, from 95% in the 16-34 age bracket, to 76% for the 60 and over age bracket. Increasing digitisation of vital services is of concern given the levels of disengagement with digital more broadly for pension-aged people. ACE IT shared some insights from a woman they supported:

"A lot of [older] people, when they come to us it's not about curiosity – it's about necessity. They're being told they need to use the internet to make appointments and access prescriptions. One of my service users is a guy with autism, he has anxiety and depression – a lot of mental health issues. He's also on a lot of medication but he was told he had to use the app to get it, so while he figured that out, he went without his prescriptions for weeks."
[Glasgow's Golden Generation]

The voluntary sector is often responsible for providing essential support to people who are struggling to access these services, as demonstrated by ACE IT above. However, crucially, they are increasingly not resourced to do so. Often, this support is provided above and beyond what is expected from staff.

Increasing reform and digitisation of the public sector cannot be delivered effectively without digital inclusion.

"Apps and websites are not made with older people in mind. The accessibility and design of them make them hard to use. Digital inclusion needs to be part of the design process. We wish we could have the people that make these apps along to our sessions so they could see where the issues are."
[Glasgow's Golden Generation]

Digital inclusion is the basic access to the services people need. This is of particular importance for pensioners and those living in poverty who are least likely to have this access and most likely to benefit from it. In the design of these services there are recuring issues:

- There is no apparent alternative to the digital option
- There is an alternative to digital, but it is not widely promoted to potential users
- Support is not made available for the digital option
- Workforce digital skills and confidence limit the ability to provide support for the digital option
- The support available for the digital option is not the right kind of support e.g., access to a laptop or PC but no support for digital skills.

The discourse around digital public services often centres around 'choice,' framed as the choice to have a non-digital alternative. This is important, and a non-digital choice should always be available. Roar – Connections for Life:

"Roar Connections for Life strongly believes that digital inclusion should not mean digital dependence. While digital access can enhance older adults' lives it should not replace human interaction or essential face-to-face services. A one-size-fits-all approach does not work when it comes to digital inclusion and we would like to see changes made that take into account older adults needs too, to avoid deepening social isolation and inequality."
[Roar – Connections for Life]

However, less attention is given to how we support people to use the digital choice. This could be of particular benefit for pensioners, people living in rural areas or people with disabilities who may not be able to easily access in-person services and advice. 'Choice' only exists for those who can use the digital option but chose the non-digital option. For those who are unable to use the digital option they do not have choice, putting them at a disadvantage. Audit Scotland highlighted the essential nature of digital inclusion in public service reform:

"The Scottish Government considers digital transformation central to reforming public services. Reform will only achieve the efficiencies and outcomes needed through digitalisation if everyone is included… Digital inclusion is essential to realise the aims of reform. This means that all public bodies carrying out digital transformation need to enable digital inclusion – it should be everyone's business."
[Audit Scotland]

There are some examples of good practice emerging, but not at the same scale as the digitisation of services. SCVO has been delivering the Digital Inclusion programme in partnership with Scottish Government's Digital Health and Care division. This programme of work has been exploring how digital inclusion can be embedded in health and care services, which has been

explored through a 'pillars' framework.

Similarly, the private sector has shown some leadership on digital inclusion that the public sector can learn from. SCVO and Mhor Collective worked with Phoenix Group (Standard Life) to develop e-learning modules for their workforce.

What needs to happen?
There is an imbalance in public policy between the digitalisation of public services and the investment in digital inclusion support (policy and resource) exacerbated by weaknesses in leadership and planning by national and local Government, as identified by Audit Scotland.

The voluntary sector is responding to this challenge as best as possible with the very limited resources available, as highlighted in this submission. While the voluntary sector is best
placed to deliver this support, the current position is not sustainable. The impact of digital exclusion on pensioner poverty is one example of a policy area that needs to consider the
impact of digital exclusion. There are many more. Consideration must be given to how vital services are being digitalised, who this is most likely to impact, how they might be impacted and what resource is needed to support inclusion.

"Our charity is struggling to secure funding for digital work. We're also having to close our service and sell our building in Glasgow's West End, meaning we can only operate in the southside of the city."
[Glasgow's Golden Generation]

Audit Scotland has provided an 'enabling digital inclusion' framework for the public sector. This framework is supported by SCVO and follows our understanding of how best to support digital inclusion as outlined in our 'roadmap', the 'pillars' framework for health and care, and Scotland's Digital Inclusion Charter.

In summary, the key actions to address the impact of digital exclusion on pensioner poverty include:

- Digital literacy programmes delivered in community settings that focus on the things that are important to pensioners, supported with access to devices and connectivity

  - Choice in relation to digital services - the choice to use a non-digital option, and the choice to be assisted with a digital option

  - User friendly and accessible design of digital services, including plain English, alternative language options, simple interface and compatible accessibility features

  - Increased responsibility from those delivering vital services to consider the

digital exclusion implications.

"You know it's adult learning and you can see it changing their mental health. You can see it changing their physical health… it's life changing. It's just education. The difficulty is that the only people that I am aware of that are doing that are charities and as you're well aware… there's just not the same funding for any of the charities anymore."
[ACE IT]

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