



Financial risk and security

Age range: 14-16

 **BARCLAYS** | LifeSkills



Session overview

This is one of four lessons focusing on Money Skills for young people aged 14-16.

The activities allow students to compare risk in different situations and demonstrate how insurance can provide protection against some financial risks.

Time	Key learning outcomes	Resources
90 mins	<p>By the end of the activity students will be able to:</p> <ul style="list-style-type: none"> Assess situations that carry different levels of risk and consequences Calculate how insurance can provide protection from some financial risks Recognise different types of financial fraud and understand how to reduce the risks they pose 	<ul style="list-style-type: none"> Financial risk and security presentation slides Selected film from Get Safe Online



The Money Skills 14-16 modules are designed help students develop helpful financial skills for their future, prepare them for the world of work, and keep up to date with modern financial changes. Each lesson has 90 minutes of core activities, along with suggested extension activities and signposting to supporting LifeSkills content and relevant external links. They are accredited with the Young Money Financial Education Mark, recognising them as recommended financial education resources.

This lesson plan is designed to be used in tandem with a PDF containing interactive activity slides.

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There is Money Skills content to suit a range of ages and abilities – take a look at our 7-11, 11-14, 16-19 and 19+ resources, which focus on topics such as attitudes to money, money management and risk, and financial independence.

Please note that this lesson includes figures used in calculations such as student loan thresholds, NI contributions or similar. These figures were correct at the time of publication but may have changed by the time you use the resource as they are usually updated by the Government on a yearly basis.

Activity one

Icebreaker – Would you run the risk?

1. Compare how risky these activities are



Show the class the images on **slide 2** and ask the students to think about the level of risk involved in each activity:

- Climbing Mount Everest
- Never going to the dentist
- Starting your own business
- Driving a Formula 1 racing car

Allocate one corner of the classroom to each of the images and ask the students to move to the corner that represents the highest level of risk they would be prepared to take.

2. Ask the students

- Ask some of the students to explain their choices. Reassure them that there are no right or wrong answers:

What are the risks involved in the activity they have chosen?

Why do they feel more comfortable with these risks than the others?

What did they take into consideration when deciding on the level of risk?

What might be the consequences of taking these risks?

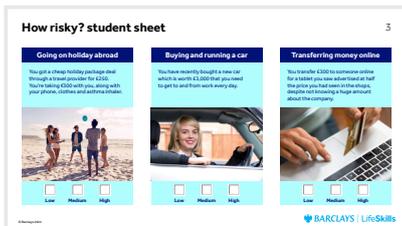
3. Explain the importance of assessing risk

- Ask students to return to their seats and explain that assessing risk involves thinking about what might happen, not what will happen. Everyone has their own view of risk shaped by their experiences, influences and personality
- There are a variety of actions you can take to mitigate risk, especially when it comes to financial risk and it's important to consider the consequences of any decisions

Activity two

How risky?

1. Explore financially risky scenarios



- Using **slide 3** ask students to discuss each of the scenarios in small groups or pairs, and consider the associated risks. Remind them that there are no right or wrong answers. They could start by deciding on how they would rank the scenarios from highest to lowest risk

2. Discuss financial risk

What are the general risks to consider?

Do any of these have financial implications?

What are the potential consequences?

Would the scenario's position on the scale of risk change based on the financial risk?

Going on holiday abroad	Buying and running a car	Transferring money online
<p>You booked a cheap holiday deal through a travel provider for £250. You're taking €300 with you, along with your phone, clothes and asthma inhaler.</p> <p>Possible risks You get ill and need to go to hospital, your apartment is broken into and your cash is stolen, your phone gets damaged on the beach, your flight is cancelled.</p> <p>Financial implications You need to pay for medical treatment, you don't have access to other cash to fund the rest of your holiday.</p> <p>Potential consequences You have no money to spend on food, you may not receive adequate medical help, you may have to borrow money to help with unexpected expenses.</p>	<p>You have recently bought a new car to get to and from work every day, which is worth £3,000.</p> <p>Possible risks Your car breaks down, you are in a car accident.</p> <p>Financial implications You need to pay for car repairs, you need to hire a car while yours is being fixed, you need to pay for someone else's vehicle damage, you need to buy a new car.</p> <p>Potential consequences Your car is unsafe to drive if you don't get it fixed which could put you and someone else in danger, you might not be able to get to work, if it breaks down you could have to pay out to get it towed to a mechanic.</p>	<p>You transfer £300 to an unfamiliar online company for a tablet you saw advertised at half the price you had seen in the shops.</p> <p>Possible risks You don't receive the tablet, you don't get the same tablet model as advertised.</p> <p>Financial implications You may not be able to get the money back from the company.</p> <p>You could face debt if you need to borrow money to buy another one.</p>

Activity two

How risky? (cont'd)

3. Hot seat activity

- After a few minutes, ask for a volunteer to sit in the 'hot seat' at the front of the classroom facing the other students, and talk about the situation they think is most risky
- Invite other students to ask them open-ended questions that prompt them to explain or justify their opinions, for example:

What about the risks of...?

What is the likelihood of...?

Why do you think [one situation] is riskier than [another situation]...?

Why are the consequences of [one situation] worse than that for [another situation]...?

- If you have time, swap the student in the hot seat to discuss another of the scenarios. Different attitudes to risk are likely to emerge – explain that some people are generally risk averse, others are risk-takers. There are no right or wrong answers, but it's important to consider the potential consequences

4. Take a vote

- Take a vote on each of the scenarios and mark whether the class think they are low, medium or high risk



Activity three

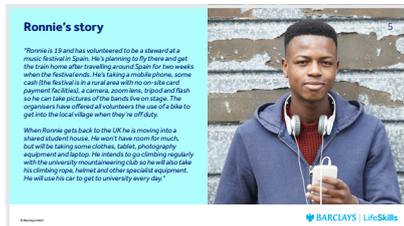
Insuring against risk

1. What is insurance?



- Use **slide 4** to introduce the concept of insurance – paying money to a provider who will then pay you compensation if you suffer a loss, damage or injury in certain situations
- Ask students to tick the box next to the items on the slide you are able to buy insurance for. You can buy insurance for all of these situations apart from tripping over your shoelace and rain on your wedding day (although you can insure against adverse weather conditions severely affecting the ability of guests to travel to your wedding)
- Explain that some insurance is compulsory, e.g. you must have buildings insurance when you buy a home, and car insurance for when you're driving
- For other situations you need to think about whether it's worth buying insurance or whether it would be better to put some money aside just in case there's a problem

2. Collate a class list



- Quickly collate a list of other types of insurance the students know of on **slide 4**, for example; pet, mobile phone, car breakdown, home contents, extreme sports, health, accidents etc.
- Use **slide 5** to read through Ronnie's story. You can complete each stage in the activity as a whole group or print **slides 5-6** for small groups to work on before coming together at the end of the section
- Ask students to highlight all the items or activities for which Ronnie could buy insurance. They should then use the table on **slide 6** to sort the items or activities by whether or not they are a legal requirement, and consider whether it might be beneficial for Ronnie to cover himself by taking out insurance for any of them. Discuss which three they would recommend prioritising, and record these on the slide. Make sure students understand why car insurance features

Insurance that is a legal requirement

Car insurance

Insurance that is not a legal requirement

Travel insurance

Festival organisers could state this as a requirement. Needs to cover plane and train cancellations, lost or stolen currency and camera equipment

Contents insurance

Needs to cover clothes, tablet, laptop and camera equipment

Sports insurance

Club could state this as a requirement. Needs to cover injury to self and others, and damage to equipment

Accidental damage

Needs to cover items that he doesn't necessarily own in the shared house

Cycling insurance

Might be covered by sports or travel insurance. Does he need it if he doesn't own the bike?

Activity four

Insure or save?

1. Compare insurance options

- Highlight that before you pay for insurance you must consider if it will protect you from the right risks and if the premium (the cost) will provide you with value for money. Use **slide 7** to make sure students are familiar with the key terms – premium, claim, and excess. Explain that terms and conditions would apply, and not all claims are successful
- Use **slide 8** to explain an insurance policy Ronnie has bought for his laptop

Ronnie’s laptop was bought new for £250 with a laptop bag costing £18.

The annual insurance premium is:	Policy details:
<ul style="list-style-type: none"> • £52 if paid up front or • 12 monthly instalments of £5 	<ul style="list-style-type: none"> • Repair of broken or damaged laptop within 10-14 days of making a claim • Replacing lost or stolen laptop with one of the same value at the time of the theft or loss. Replacement to arrive in 7-10 days • £100 excess (the amount Ronnie will have to pay towards any claim he makes)

- Ask the class to consider whether the policy provides Ronnie with protection against all the kinds of risks he is likely to face, and if they think the insurance is financially worthwhile by asking the following questions:

Should Ronnie pay the one-off fee or monthly instalments?

Does the policy offer value for money? Consider the purchase price and replacement or repair of his laptop, alongside the annual premium and excess

Does it matter how quickly he will be provided with a replacement or repair?

How else could Ronnie protect himself against the risks? Suggest that instead he could put £5 into a savings account every month and use this money to repair or replace his laptop when necessary. What do they think of this option? How much would he have to save? What could be the disadvantages?

Activity summary

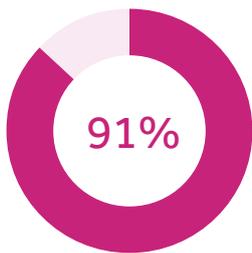
- Summarise by explaining that all actions have some element of risk, and therefore potential consequences (injury, damage or loss). The degree of risk often depends on the circumstances of a situation, and this can influence whether it is worth taking out insurance – you need to balance the risks and consequences with the costs, unless it’s compulsory insurance.
- There are links at the end of this lesson plan that provide information on financial protection and staying safe

Activity five

Financial fraud, scams and identity theft

1. Introducing fraud

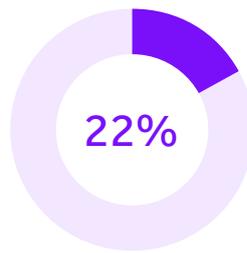
- Remind the class of the earlier scenario in **Activity two** which presented the risks of transferring money to someone you don't know. Explain that identity theft is a type of fraud in which personal details are stolen and used to open bank accounts, or make purchases in that person's name



of identity fraud cases occurred via online channels



of all fraud was identity theft



increase in identity fraud cases recorded in 2021

Sources: Cifas Fraudscape Reports 2022 (fraudscape.co.uk)

- Ask the class to suggest ways they can protect themselves from financial fraud and use **slide 9** to collect their answers

2. Watch a film about fraud

- Cifas have produced an engaging short film (1 min 30 secs) which exposes how much personal information is accessible to fraudsters via our social media accounts. Show this film to students by searching online for 'Cifas data to go'. Ask students why they think they should be careful about the information they share publicly
- Summarise the video by reminding students that they should check how much personal information is public on their social media accounts, e.g. birthday, home town, pet names, holiday dates, job title. Fraudsters can use this information to steal a person's identity and apply for bank accounts or buy products in their name



Activity five

Financial fraud, scams and identity theft (cont'd)

3. Fraud terminology

- You may want to discuss these terms as a class, before looking at the case studies. Explain that in many instances when you are taken advantage of, provided you have followed all the rules for use of your account, the bank or financial institution may help to return any lost funds to you

Vishing	A phone call from a fraudster posing as an employee of a reputable company or organisation, who will come up with a plausible story to get you to share your financial/personal information. They can fake their telephone number and do some basic research online to get unique details about you to sound more convincing.
Social engineering	Fraudsters manipulate or trick people into exposing their personal or financial information, through fake emails, phone calls, text, posts on social media. These can be very complex attacks, some combining various sources of information about you to appear more convincing.
Phishing and smishing	Fraudsters send emails or text messages that appear to be from a genuine company. They typically ask you to make urgent contact via a telephone number within the text or via a website address, due to an unauthorised payment.
Online scams	Scammers advertise goods or services that don't exist or aren't theirs to sell. They convince you to send the payment directly to their bank but the goods never arrive, or are not as advertised.
Money Mules	A "witting" mule assists the crime by providing the bank account where the proceeds of any fraud or scams can be paid to. Fraudsters and scammers can open an account themselves using fake ID, or can convince someone who already has a bank account to receive money on their behalf.

4. Explore case studies

- Slides 10, 11 and 12** feature examples of financial fraud, scams and identity theft
- Explore Priya's case study as a whole class, explaining that this is an example of a mule scam called 'deets and squares', a common scam effecting young people. Use the questions below to encourage discussion, and make sure they understand that in this instance Priya has acted illegally, and there are serious implications
- Print a copy of the remaining two case studies or display on tablets/PCs. Small groups should read through one of them and consider:

Are there any terms you don't understand?

What type of fraud or practice is this?

What signs could they have spotted to stay safe?

What could they do differently next time? Examples could include: not revealing personal or financial data, verifying whether links in emails are legitimate by contacting the company directly, not opening email attachments from unknown sources

Which scenario poses the highest financial consequences?

5. Ask students to present

- Ask each group to briefly present their opinions and key points back to the rest of the class. Encourage them to draw on learnings from earlier in this session

Summary

- Recap the learning objectives and terminology e.g. risk, consequences, insurance, premium, policy, types of fraud. You can print **slide 13** as a takeaway for students
- You could end the session by showing a relevant film from [Get Safe Online](#)
- CIFAS have worked with the PSHE Association to create four anti-fraud lesson plans for 11-16 year olds
- These offer more detail on fraud, scams and protecting personal data, and can be downloaded [here](#)

Further links and activities

To supplement this lesson, you could look through the following links with the class, or suggest that students spend some time exploring the articles and tools on the LifeSkills website in their own time.

NB: Students need to be over 14 to register to use the LifeSkills website independently.

Videos

[Digi safe](#)

Tools

[Money Personality Quiz](#)

Lessons

This is one of four Money Skills lessons for 14-16 year olds. Consider delivering the other lessons:

[Understanding and managing debt](#)

[Money and work](#)

[The future of money](#)

[Financial survival skills](#) – for more information on insurance, bank accounts and credit scores

There is Money Skills content to suit a range of ages and abilities – take a look at our 7-11, 11-14, 16-19 and 19+ resources, which focus on topics such as attitudes to money, money management and risk, and financial independence.

External links

[Money Helper](#)

[Get Safe Online](#)

[Citizens Advice](#)

[Money Saving Expert](#)

[Action Fraud](#)

[CIFAS](#) (anti fraud lesson plans)