

The financial well-being of ex-Service personnel and their families:

A synthesis of current policy and service provision

To help ensure that evidence is at the heart of decision making to enable a thriving Armed Forces community, the Centre for Evidence for the Armed Forces Community has committed to producing thematic research and policy summaries. These are intended to inform both policy and practice, as well as future research.

This synthesis summarises current policy and support provision for the financial well-being of United Kingdom (UK) ex-Service personnel and their families. The findings presented here capture policy and support provision at the time of data collection (between September 2025 and January 2026). The summary was produced using a robust methodology, including a narrative literature review of academic and grey literature alongside stakeholder consultations. The summary was also subject to external peer-review. Further information about the methodology used is provided in the accompanying **full report**.

Key Findings



Commitment by the Office for Veterans Affairs (OVA) and the Ministry of Defence (MoD) to ensuring Service personnel leave the Armed Forces with the skills necessary for financial resilience and security is detailed in the recent 2025 'Veterans' Strategy' as well as other OVA and MoD strategies and policies.



MoD provide some tri-Service initiatives such as the Joining Forces Credit Union Scheme and the 'Discover My Benefits' portal, with additional financial well-being training being delivered by the individual Services. However, except for the Army's mandatory Life Skills programme, which includes financial skills training, most available resources are accessed voluntarily.



Despite the commitments set out in the 2025 'Veterans' strategy' there is **currently no centralised mechanism for ensuring all Service personnel receive training and support** to enhance skills necessary for financial well-being during and following their Service.



Transitioning serving personnel and their partners can access Finance Briefs as part of the Career Transition Partnership (CTP). However, **where transition is unexpected or abrupt, serving personnel and partners may have limited opportunities to attend these briefs.**



Ex-Service personnel receive **financial support by means of Armed Forces Pension Schemes, various Armed Forces compensation schemes** for those who develop Service attributable health conditions, **and pensions and Armed Forces compensation schemes are available to surviving dependents of deceased Service or ex-Service personnel.**



Some ex-Service personnel fail to access their pension schemes, both due to their complexity and a lack of awareness.



Obstacles remain for ex-Service personnel and families seeking statutory benefits like Universal Credit. Transitioning Service personnel are currently not consistently offered advice on how to access benefits or who is eligible for them.



Some ex-Service personnel **experience claiming benefits as complex and stressful, with assessments exacerbating existing health conditions and being potentially retraumatising.**



Payments from Armed Forces compensation schemes are often treated as income affecting statutory benefits claims and allowances. **Due to local discretion regarding whether military compensation schemes payments are treated as income, support for ex-Service personnel is unevenly distributed in the UK.**



Ex-Service personnel have a **mixed view of Armed Forces compensation schemes, with payments under these schemes enhancing financial well-being, but the process of claiming compensation being complex and involving significant uncertainty.**



While services like the DWP Armed Forces Champions, Citizen's Advice Bureau, Turn2us, and local authority welfare and financial guidance services, provide support to ex-Service personnel and their families for financial wellbeing, **awareness of military culture and Service life are inconsistent, meaning support for issues such as military-specific allowances may be missed.**

Recommendations



While the MoD currently provides access to several programs to meet their commitment to ensuring that Service personnel leave the Armed Forces with the financial skills necessary for financial well-being, **thorough evaluation is needed to determine if existing programs are meeting this commitment.** This should include a review of whether a formalised and standardised tri-Service approach for delivering financial skills should be implemented.



Serving personnel and their families should be encouraged and supported to plan for their financial well-being throughout their Service career to mitigate the risk of the potential negative impact of any unplanned discharges, as described in JSP 100 but lacking in consistency in practice.



Guidance on accessing DWP and locally administered benefits should be included in financial training, especially for those preparing to leave Service.



To help serving families and ex-Service families navigate the process of accessing statutory benefits, **tailored information about military allowances and Armed Forces compensation schemes and whether they are considered taxable income for certain benefits should be made available by the MoD.**



Data held by the DWP about **the number of serving and ex-Service personnel accessing benefits should be made publicly available** to enable the identification of where financial need exists within the Armed Forces community.



An evaluation of how ex-Service personnel and their families experience mainstream services for financial support such as from the DWP, Citizen's Advice Bureau and Turn2us and financial guidance provided by local authorities is necessary, both to measure the impact of this support and schemes like the DWP's Armed Forces Champions and to provide greater clarity about the type of financial need that exists within the community.



While actions by the RBL and the All-Party Parliamentary Group for the Armed Forces Community and researchers have already highlighted the issue, **further steps should be taken to ensure that payments under Armed Forces Compensation Scheme and the War Pension Scheme are not treated as taxable income** to ensure ex-Service personnel can access any needed statutory benefits.

This infographic summarises research from *Financial well-being among ex-Service personnel and their families: Policy Summary*, available from <https://www.centreforevidence.org/policy-and-practice/finance>



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