

# Managing money online – working as well as we think?

A behavioural economics study for the Keep Me Posted campaign

Prepared by London Economics



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# EXECUTIVE SUMMARY

This behavioural economics study by London Economics has been conducted on behalf of the Keep Me Posted (KMP) campaign. KMP is a partnership of over 70 leading charities, interest groups and businesses, campaigning for the consumer's right to choose, without penalty, how they receive important financial information. The study investigates how the method by which people receive information influences:

- Their understanding of the information
- The choices they make; and
- The actions they take

The results show there is a clear disconnect between people's perceptions and reality when it comes to the efficacy of online statements compared to paper statements.

The online survey responses show that people believe that electronic information is better than post in terms of helping them manage their finances; *however* in the behavioural experiment those who received a paper bank statement and notice of change were more likely to **understand** the information they were given, **take appropriate action**, and **make better financial decisions** as a result.

The study also looks at whether people are more likely to trust information sent by post or electronically. The study found that, when information is sent by a bank, people are more likely to trust that the information is genuine, accurate and secure if it is sent by post rather than electronically.

## Methodology

Data was collected by YouGov in October 2014. Three thousand six hundred people were invited to participate in the study. Half of the invitees were sent a mock bank statement and a notice of changes to overdraft fees by post, while the other half were sent the same information by e-mail<sup>2</sup>.

Participants who took up the invitation (2,399) completed an online survey on their attitudes to mail. They also completed behavioural experiment questions relating to the bank statement and notice they received<sup>3</sup>. The behavioural test required respondents to retrieve, recall and assess information contained in the bank statement and notice of

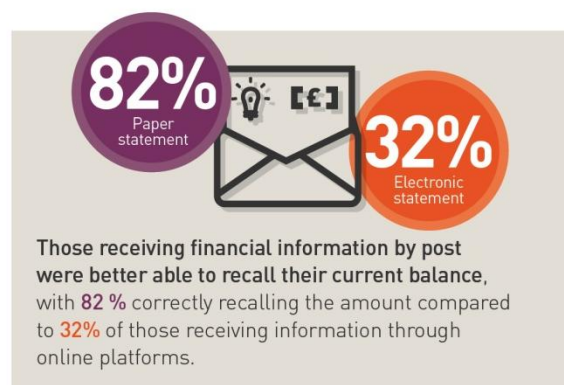
changes, and then identify the correct course of action to take. Respondents were told they would be entered into a cash prize draw if they answered the questions correctly. Therefore, since the experiment involved real payoffs, it examined consumers' decisions and behaviour in a setting where they had to undertake tasks that were in their own financial interest<sup>4</sup>. In addition, 310 people who rarely or never use the internet participated in a face-to-face survey which mirrored the online survey.

## KEY FINDINGS

### People understand information better when they receive mail by post

How information is received, by post or electronically, has a big impact on people's understanding and the choices they subsequently make. Despite people's perception that electronically-received bank statements are better than paper statements in terms of helping them manage their finances, the behavioural experiment revealed that the *opposite* is true. **The results of the test show that people are more likely to understand information and make better financial decisions when they receive information by post rather than electronically.**

For example, people were more than twice as likely to correctly identify how much money was in their account if they received the statement by post (82% vs 32% who receive statements online).



In addition, more than two-thirds (71%) of people who were sent the bank statement by post correctly identified the value of the largest payment into their account, compared to less than one in three (30%)

of those who received an electronic statement. Paper statements also enabled people to work out more effectively whether accounts were being well-managed. Three quarters of people (75%) who received the statement by post correctly assessed the health of the account, compared to less than half (48%) of those who received an electronic statement.



Twice as many of those receiving information by post were able to identify the value of the largest payment into their account when compared to those who received the information online **71% to 30%**.



When asked to assess the financial health of their accounts, **75%** of those who received a paper statement **did so correctly** compared to **48%** of those with electronic statements.



When asked whether a specific payment was made from the account (a payment to Tesco), **96%** of those in the postal treatment group correctly answered this question compared to **77%** in the electronic group.



Respondents were asked if there was enough money to cover a £250 payment on a certain date. **60%** of those referring to a paper statement correctly assessed whether this payment could be covered, compared to **44%** who were referring to an electronic statement.



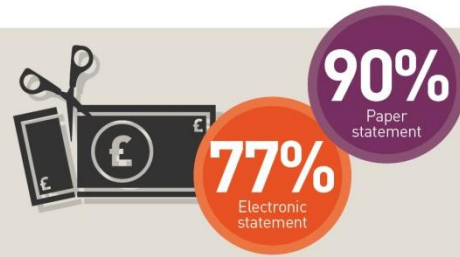
Around twice as many of those in the post group correctly recalled the type of information provided by the notice (a change to overdraft fees) compared to the electronic group (**82% to 42%**).



**81%** of respondents in the paper group correctly recalled when the change specified in the notice would take effect, compared to just **54%** in the electronic group.

### People make better choices when they receive information by post

People's understanding of information they receive has important implications for the quality of the financial and non-financial choices they make. Those who received the statement by post made better financial choices. More of them were better able to spot ways in which to improve their finances, such as reducing spending (90% compared to 77%), or switching to an alternative account which offered a better deal (90% compared to 85%).



Asked how they would respond to an “unhealthy” bank statement, **90%** of those receiving traditional paper statements **opted to curb their spending**, compared to **77%** who received statements online.

### People are more likely to take action when they receive information by post

The experiment showed people are more likely to respond to and review communication received in the post rather than by e-mail. Of those who received the bank statement and notice by post, eight out of 10 (80%) responded to the study, compared to just over half (54%) who received the information electronically. Nearly all those (98%) who received the statement and notice by post reviewed the information, compared to 86% who received the correspondence by e-mail.





**80% of those approached who received bank statements and notices by letter responded to the study,** compared with **54%** of those who received information electronically.



**When asked to review their mock bank statement 98%** of those who received it in the post did so, against **86%** who received it online.

### Trust and security

When receiving information from their bank, people are more likely to trust information that is sent by post, and believe it is secure. For example, when receiving information from their bank 25% said post is better in terms of being able to trust that information is genuine and accurate, compared to 16% who said electronic is better. 22% of people said post is better in terms of being able to trust that the information is secure, compared to 15% who said electronic is better.



**25% said post is better in terms of being able to trust that information is genuine and accurate,** compared to **16%** who said online is better.

### CONCLUSION

This experiment shows that people are:

- A.** Better able to understand information
- B.** Make better choices; and
- C.** Are more likely to take action when transactional mail is received by post rather than electronically.

This has important implications for consumers, businesses and policy makers.

The research indicates that receiving paper correspondence may help people avoid detrimental situations, such as going overdrawn inadvertently or spending beyond their means.

In addition, these results also have important implications for organisations – such as government and companies – that wish to promote positive behavioural changes among the public or their customers. In particular, the results indicate that providing information by post may be more likely to encourage individuals to take action and make better decisions.

<sup>1</sup> Partners include The Money Charity, AgeUK, Mind. A full list is available at <http://www.keepmeposteduk.com/>

<sup>2</sup> The letters/emails and mock correspondence that were sent to respondents, as well as the online and face-to-face survey questionnaires, are presented in the annexes to the report.

<sup>3</sup> This was to differentiate the research from normal survey questions which simply ask about perceived preferences – instead the experiment examined consumers' actual decisions and behaviour in a setting where they had to undertake tasks that were in their own financial interest.

<sup>4</sup> In the literature this is referred to as an 'incentivised experiment'.



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## 1 Introduction and objectives of the study

Companies and organisations regularly send correspondence such as bills, statements, reminders about renewals, and information notices to their customers. Such correspondence – often called ‘transactional mail’ – serves a number of purposes. Most commonly, it is for the dissemination of passive information or information that may require follow-up action by the recipient.

Transactional mail is also used to provide advice on more suitable products or information to help the recipient better manage their consumption. From the consumer’s perspective, transactional mail is useful in helping them keep track of their transactions, to keep records for future reference, and also to make better decisions about how to manage their finances and consumption.

“Understanding this is of value to companies, regulators and policy-makers”

In recent years, there has been a growing trend across many sectors to encourage consumers to switch from receiving transactional mail by post to receiving it online (online and by email).

Despite this move by the industry towards online communication, there has been limited research into whether the medium affects the effectiveness of the transactional mail in conveying information to consumers.

Moving to online correspondence might affect whether transactional mail can actually serve its purpose of helping people to absorb information and manage their finances. Understanding this is of value to companies, regulators and policy-makers who might want to improve the effectiveness of their communications or mitigate potential consumer detriments.

This study aims to answer some questions around whether the medium of communication impacts on the effectiveness of transactional mail, as well as to better understand consumers’ preferences for how they receive transactional mail. This is carried out via the three components of our study: (i) an online behavioural experiment; (ii) an online survey; and (iii) a face-to-face survey of respondents with little or no Internet access and who are potentially vulnerable.

Chapter 2 provides detailed results from all three components of the study, and Chapter 3 elaborates on the methodology used for the study. Chapter 4 provides concluding remarks.

## 2 Results

This chapter presents the results from the behavioural experiment that was conducted with online respondents, the online survey of the same participants, and the face-to-face survey with respondents who rarely or never use the Internet.

### 2.1 Behavioural experiment results

Two thousand, three hundred and ninety-nine (2,399) people participated in the **online behavioural experiment** in total. Each participant received a mock bank statement and notice of changes to overdraft fees, either by post or by email (see section 3.2 for details of the methodology).

Respondents that completed the behavioural experiment also completed the online survey. The results of the behavioural experiment show some striking differences in behaviour, comprehension, actions and recall between individuals who received information by post and those who received the same information electronically. These are summarised in the box below and then discussed in more detail in the following subsections.

#### Box 1: Summary of key findings from the behavioural experiment

##### Overall survey/experiment response rates

- More potential respondents who were sent the bank statement and notice by post participated in the online survey/experiment (80%) than those who received the correspondence by post (54%).
- A higher share of respondents in the post treatment confirmed that they received (97%) and reviewed (98%) the correspondence they were sent, compared to those in the electronic treatment (only 78% confirmed that they received and 86% reviewed the electronic correspondence).
- Respondents in the post treatment were also more likely to follow the instructions given in the correspondence (88% kept the paper bank statement, whereas only 71% kept the email with the statement).

##### Ability to retrieve information from the bank statement

- Respondents with a paper copy of the bank statement were significantly more likely to correctly identify the closing balance (82% versus 32% for the email group), the largest payment (71% versus 30% for the email group) and whether a payment was made to Tesco (96% versus 77% for the email group).
- For slightly easier tasks, such as identifying the name of the bank and the type of account, the post group still performed better, although the difference was narrower.
- For example, 98% of those referring to a paper statement correctly identified the name of the bank compared to 86% of those referring to a statement they received by email.

##### Ability to assess information from the bank statement

- A higher proportion of respondents with a paper bank statement correctly evaluated whether a £250 payment could be covered on a certain date (60% versus 44% for the email group) and the financial health of the account (75% versus 48% for the email

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group).

**Ability to identify the correct actions to take**

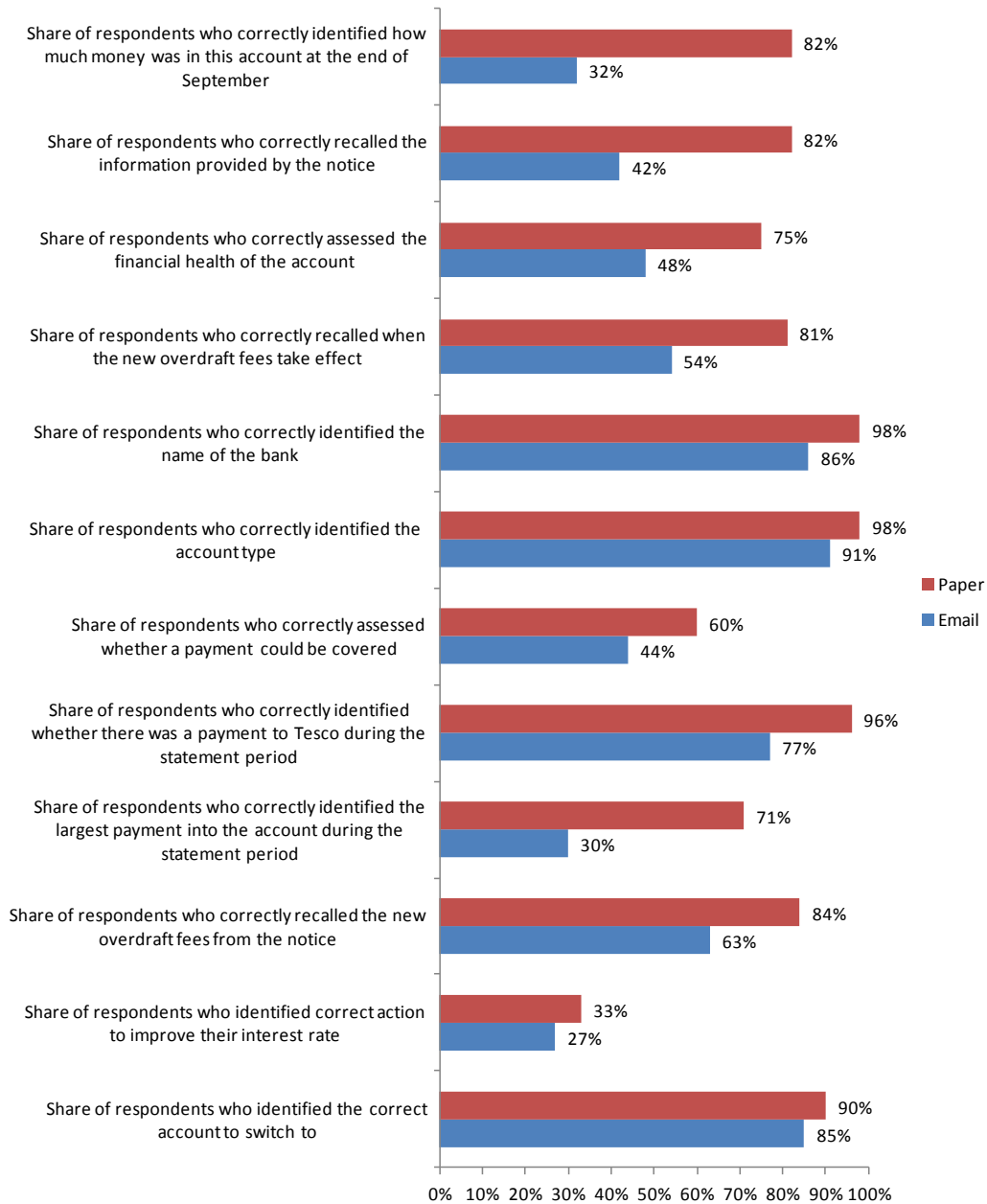
- More respondents with a paper bank statement correctly identified how to improve their interest rate (33% versus 27% for the email group) and a better alternative account to switch to (90% versus 85% for the email group).
- Of those shown an unhealthy bank statement, more respondents with a paper bank statement correctly said they would reduce their spending next month (90%) compared to those with an electronic copy (77%).

**Ability to recall information from the notice**

- Respondents who had received the notice by post were more likely to correctly recall what the notice was about and the information in the notice (i.e. the new overdraft fees and when the change would take effect).
- For example, 82% of respondents who received the notice by post correctly recalled that it was about a change to overdraft fees, compared to just 42% of those who received the notice electronically.

These findings illustrate striking differences between the post and electronic treatment groups, and are reproduced visually in Figure 1 below.



**Figure 1: Summary of key findings from the behavioural experiment**

Source: London Economics/YouGov survey

### 2.1.1 Respondents' actions on receiving the correspondence

The first set of indicators we examine in order to explore the behavioural effects of the two communication treatments are respondents' actions upon receiving the correspondence. This includes differences between the post and electronic treatment groups in terms of overall survey/experiment response rates, whether respondents confirmed receipt of and reviewed the correspondence, and whether respondents followed the pre-survey/experiment instructions given in the correspondence.

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### **Overall survey/experiment response rates**

Potential respondents in the post treatment registered a significantly higher response rate (80%) than those in the electronic treatment (54%).<sup>1</sup> This in itself provides some initial evidence suggesting that individuals are more likely to take follow-up action when they receive a letter as opposed to an email. Further analysis of the impact of communication medium on the actions individuals would take is discussed in section 2.1.4.

### **Whether respondents confirmed receipt of and reviewed the correspondence**

At the beginning of the survey, all respondents were asked to confirm that they received the letter or email (depending on their treatment) and whether they reviewed the enclosed bank statement and notice.<sup>2</sup>

Significantly more respondents in the post treatment confirmed that they received the letter (97%) than the share of respondents in the electronic treatment who were able to confirm that they received the email (78%) (Table 1).<sup>3</sup>

In addition, a higher proportion of respondents said that they reviewed the correspondence if it was sent by post (98%) than if it was sent by email (86%) (Table 2).

**Table 1: Share of respondents that confirmed receiving the letter/email containing the bank statement and notice**

	Post treatment		Electronic treatment	
	Absolute	Share	Absolute	Share
Received	1394	97%	754	78%
Did not receive	42	3%	209	22%
Total	1436	100%	963	100%

Note: Base=2399. Question asked to confirm that you received the letter/email from YouGov within the last 6 days that contained 1) a mock bank statement and 2) a notice of changes to rates or fees.

Source: London Economics/YouGov survey

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<sup>1</sup> An equal number of letters and emails were sent to potential participants in each treatment group (1,800 per treatment group). Potential participants were randomly assigned to each group.

<sup>2</sup> These questions were intentionally asked at the start of the survey when respondents had no indication of the other questions.

<sup>3</sup> This does not imply that the letters and emails did not arrive at respondents' addresses, but that they could not confirm that this was the case.

**Table 2: Share of respondents that reviewed the bank statement and notice**

	Post treatment		Electronic treatment	
	Absolute	Share	Absolute	Share
Bank statement: Reviewed	1360	98%	647	86%
Did not review	33	2%	107	14%
Notice: Reviewed	1365	98%	631	86%
Did not review	28	2%	123	16%
Total	1393	100%	754	100%

Note: Base=2147. Question asked did you review the bank statement and did you review the notice of changes to rates or fees. One respondent who said that he received the correspondence by post was not asked this question due to a routing error in the online survey. Therefore the total for the Post category for this question is 1 less than those that received the letter in total (1394).

Source: London Economics/YouGov survey

### ***Whether respondents followed instructions given in the correspondence***

Respondents were also asked whether they had discarded or deleted the correspondence they received. The instructions to those in the post treatment were to keep the bank statement but discard the notice, whereas those in the electronic treatment were instructed to keep the email containing the statement and notice.

The results show that respondents who received a letter were more likely to follow these instructions: 12% of those in the post treatment discarded the bank statement, whereas 29% of those in the electronic treatment deleted the email (Table 3 and Table 4).

**Table 3: Share of respondents in the post treatment who discarded the bank statement and notice**

	Absolute	Share
Bank statement Did not discard	1222	88%
Discarded	172	12%
Notice: Did not discard	675	48%
Discarded	719	52%
Total	1394	100%

Note: Base=1394.

Source: London Economics/YouGov survey

**Table 4: Share of respondents in the electronic treatment who deleted the email containing bank statement and notice**

	Absolute	Share
Did not delete	537	71%
Deleted	217	29%
Total	754	100%

Note: Base=754.

Source: London Economics/YouGov survey

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### 2.1.2 Respondents' ability to retrieve information from the bank statement

The second set of results that reveal behavioural effects of the communication treatments are the differences between the post and electronic treatment groups in terms of their ability to retrieve information from the bank statement.

Despite the instructions in the letters and emails, some respondents discarded the paper bank statement or deleted the email containing the link to the online statement (see the previous subsection), so for this part of the analysis the respondents are divided into three groups based on their answers to questions at the start of the survey:

“Those who were referring to a paper copy of the statement performed significantly better than those who needed to refer to an electronic copy”

- **Paper group:** This group includes respondents in the post treatment who said that they received the paper bank statement and did not discard it. These respondents had to refer to the paper copy bank statement while doing this part of the experiment.
- **Email group:** This group included respondents in the electronic treatment who said that they received the email and could access it while doing the survey. These respondents had to access the online version of the bank statement via the link in the email while doing this part of the experiment.
- **Pop-up group:** This group includes respondents in the post treatment who said that they discarded the paper bank statement, respondents in the electronic treatment who said that they deleted the email or could not access it, and respondents who said that they did not receive the letter or email containing the bank statement. These respondents were provided a link to open the bank statement in a pop-up. Once the pop-up was opened, the appearance of the statement to this group was exactly as it was to the email group.<sup>4</sup>

In the experiment, respondents had to perform several relatively simple tasks which involved retrieving information from the bank statement. The results show that those who were referring to a paper copy of the statement (i.e. the paper group) performed significantly better in these tasks than those who needed to refer to an electronic copy of the same information (i.e. those in the email and pop-up groups).

#### ***Identifying the name of the bank and account type***

The first information retrieval tasks, which were the most simple, involved identifying the name of the bank and the account type, both of which were shown near the top of the statement in a different colour or larger font size to other text.

The results show that more respondents with a paper copy of the statement identified these pieces of information correctly than those who were referring to an electronic copy (Table 5 and Table 6):

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<sup>4</sup> Thus the only difference in the process faced by this group and that faced by the email group was that the email group needed to access the statement via the email.

- 98% of respondents in the paper group correctly identified both the bank and the account type.
- 86% of respondents in the email group correctly identified the bank, and 91% correctly identified the account type.
- 83% of respondents in the pop-up group correctly identified the bank, and 88% correctly identified the account type.

The difference in performance between the paper group and the other groups is tested econometrically using a logistic regression, controlling for (i.e. taking into account) respondent characteristics that might be expected to impact on performance including age, social grade and education (among others).<sup>5</sup> The regression results are presented in Annex 1.

The main finding from these regressions is that the superior performance of the paper group is statistically significant and is not due to differences between the groups in terms of the other characteristics included in the regressions. In general, the other characteristics themselves are not found to have a statistically significant impact on the likelihood that respondents answered these experiment questions correctly (the exception being that those with a low level of education were less likely to identify the account type correctly).

**Table 5: Share of respondents who correctly identified the name of the bank**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	1200	98%	618	83%	370	86%
Incorrect	13	1%	46	6%	28	7%
Don't know	7	1%	84	11%	30	7%
Total	1220	100%	748	100%	428	100%

Note: Base=2396.

Source: London Economics/YouGov survey

**Table 6: Share of respondents who correctly identified the account type**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	1199	98%	662	88%	389	91%
Incorrect	11	1%	19	3%	13	3%
Don't know	10	1%	67	9%	26	6%
Total	1220	100%	748	100%	428	100%

Note: Base=2396.

Source: London Economics/YouGov survey

<sup>5</sup> Regression analysis is a statistical technique that is used to examine the relationships between different variables, including whether relationships exist at all. It can be used to show whether relationships between variables are positive or negative, and whether these relationships are *statistically significant*. The logistic regression is a type of regression that is appropriate to use when the dependent variable is binary, as in this case.



## Identifying payments and balances

The other information retrieval tasks in the experiment were more difficult since they required respondents to flip pages or scroll through the three-page bank statement in order to find the relevant information. These tasks were to identify whether a payment was made to Tesco and to identify two numerical values from the statement, namely the amount of money in the account at the end of September and the largest payment into the account during the statement period.

Similar results are observed for these tasks as were seen for the more simple tasks (discussed above), namely that respondents in the post treatment who were referring to a paper statement performed significantly better. Furthermore, increasing the amount of search that was necessary to identify the relevant information caused the differences in performance between the groups to increase considerably:

- 96% of respondents in the paper group correctly identified that a payment was made to Tesco, compared to 77% in the email group and 82% in the pop-up group (Table 7).
- 82% of those referring to a paper statement entered the correct balance at the end of September, and 71% of these respondents correctly identified the largest payment, compared to just 32% and 30% among those in the email group (Table 8 and Table 9).

These experiment tasks are more relevant than those discussed above in terms of testing which communication method is more likely to enable consumers to avoid detriment. This is because these skills (being able to identify payments and balances) are important for avoiding situations such as going overdrawn. In addition, these tasks required respondents to retrieve information contained within the statement (i.e. to flip through pages) and not simply to look at the heading of the correspondence.

Again, the difference in performance between those in the paper group and other respondents is tested econometrically, controlling for (i.e. taking into account) a number of respondent characteristics (the results are presented in Annex 1). As before, the main result from the regression analysis is that the superior performance of the paper group is statistically significant and not due to differences in the compositions of the groups. In addition, in this case, respondents with a low level of education were less likely to answer correctly to all three experiment questions, and those with a lower social grade were less likely to enter the balance correctly.

**Table 7: Share of respondents who correctly identified whether there was a payment to Tesco during the statement period**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	1171	96%	611	82%	329	77%
Incorrect	13	1%	29	4%	14	3%
Don't know	36	3%	108	14%	85	20%
Total	1220	100%	748	100%	428	100%

Note: Base=2396.

Source: London Economics/YouGov survey

**Table 8: Share of respondents who correctly identified how much money was in the account at the end of September**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	1002	82%	447	60%	135	32%
Incorrect	218	18%	301	40%	293	68%
Total	1220	100%	748	100%	428	100%

Note: Base=2396. Correct answer was the exact amount to the penny (inclusion of answers that rounded up or down did not change the shares significantly).

Source: London Economics/YouGov survey

**Table 9: Share of respondents who correctly identified the largest payment into the account during the statement period**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	866	71%	405	54%	127	30%
Incorrect	354	29%	343	46%	301	70%
Total	1220	100%	748	100%	428	100%

Note: Base=2396. Correct answer was the exact amount to the penny (inclusion of answers that rounded up or down did not change the shares significantly).

Source: London Economics/YouGov survey

### 2.1.3 Respondents' ability to assess information from the bank statement

In this section, we examine respondents' performance in the behavioural experiment on tasks that required them to retrieve *and* assess information from the bank statement.

Specifically, whilst referring to the bank statement, respondents were required to assess whether there would have been enough money in the account to cover a £250 payment on a certain date, given an agreed overdraft limit of £100 (the 'payment assessment task'), and to assess the financial health of the account (the 'financial health assessment task').<sup>6</sup>

Again, the results show that, in general, respondents in the post treatment who were referring to a paper statement (the paper group) performed significantly better in these tasks:

- 60% of respondents in the paper group correctly assessed whether a £250 payment could be covered, compared to just 44% in the email group and 55% in the pop-up group (Table 10).
- 75% of those referring to a paper statement correctly assessed the financial health of the account, compared to just 48% of those in the email group and 57% of those in the pop-up group (Table 11).

<sup>6</sup> A 'financially healthy account' was defined to respondents as one that has "a high amount of money coming in relative to the amount of money going out" with "evidence of good financial management (e.g. no late payment fees or overdraft)".

Regression analysis again shows that, in general, the differences in performance between the groups are statistically significant (the results are shown in Annex 1). The only exception is the difference between the paper group and the pop-up group for the payment assessment task (i.e. the shares for these two groups in Table 10 are not statistically different).

The regression results also show that respondents whose first language is not English performed worse in the payment assessment task, while those with a lower level of education performed worse in the financial health assessment task.

**Table 10: Share of respondents who correctly assessed whether a payment could be covered**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	730	60%	408	55%	189	44%
Incorrect	431	35%	212	28%	115	27%
Don't know	59	5%	128	17%	124	29%
Total	1220	100%	748	100%	428	100%

Note: Base=2396. Question asked whether a £250 payment could have been covered on 26th September given an overdraft limit of £100. Correct answer was 'Yes' for respondents who were sent the healthy bank statement, and 'No' for respondents who were sent the unhealthy bank statement.

Source: London Economics/YouGov survey

**Table 11: Share of respondents who correctly assessed the financial health of the account**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	920	75%	425	57%	204	48%
Incorrect	260	21%	247	33%	180	42%
Don't know	40	3%	76	10%	44	10%
Total	1220	100%	748	100%	428	100%

Note: Base=2396. Question asked for the respondent's opinion of the financial health of the account on a five-point scale. A healthy account was defined to respondents as one that has a high amount of money coming in relative to the amount of money going out, with evidence of good financial management (e.g. no late payment fees or overdraft). Correct answers were 'good' or 'very good' for respondents who were sent the healthy bank statement, and 'poor' or 'very poor' for the respondents who were sent the unhealthy bank statement.

Source: London Economics/YouGov survey

#### 2.1.4 Respondents' ability to identify the correct action to take

Several tasks in the behavioural experiment required respondents to identify the correct course of action that would benefit them given the information provided in the bank statement. For each of these tasks, respondents were reminded to assume that the bank statement referred to their own bank account.

These tasks were to identify an action that would improve their interest rate, how they should change their spending (given the financial health of the account portrayed in the statement), and whether they should switch to one of two alternative accounts presented to them.

Based on the information provided in the statement, there was a correct course of action that would improve the interest rate, namely adding a direct debit payment from the account, and one of the two accounts shown was a better deal in terms of the interest rate and monthly service fee.

In addition, since the 'unhealthy' statement showed significantly more money going out than coming in, for those who received this statement the correct change to their spending behaviour was to reduce their spending.

Respondents' performance in these tasks was, again, better among those in the post treatment who were referring to a paper statement (the paper group):

- 33% of respondents in the paper group identified the correct action to improve their interest rate, compared to just 27% in the email group and 24% in the pop-up group (Table 12).
- Among respondents who received the 'unhealthy' statement, 90% of those in the paper group correctly indicated that they should reduce their spending, compared to 77% in the email group and 71% in the pop-up group (Table 13).
- 90% of those referring to a paper statement identified the correct alternative account to switch to, compared to 85% of those in the email group and 81% of those in the pop-up group (Table 14).

Regression analysis again confirms that the superior performance of the paper group is statistically significant (the results are shown in Annex 1).

**Table 12: Share of respondents who identified the correct action to improve their interest rate**

	Paper group		Pop-up group		Email group	
	Absolute	Share	Absolute	Share	Absolute	Share
Correct	403	33%	180	24%	115	27%
Incorrect	607	50%	327	44%	203	47%
Don't know	210	17%	241	32%	110	26%
Total	1220	100%	748	100%	428	100%

Note: Base=2396. Question asked respondent whether there are any actions they would take to improve the interest rate they are getting. Correct answer was to add a direct debit payment from the account. Only responses that *only* identified this answer are counted as correct.

Source: London Economics/YouGov survey

**Table 13: How respondents said they should change their spending behaviour (shares with absolute values in parentheses)**

	Healthy bank statement			Unhealthy bank statement		
	Paper group	Pop-up group	Email group	Paper group	Pop-up group	Email group
Reduce spending next month	14% (83)	19% (76)	30% (63)	90% (549)	71% (255)	77% (167)
Afford to increase spending next month	21% (126)	13% (29)	14% (52)	1% (5)	2% (8)	1% (3)
Not change spending behaviour	66% (403)	67% (118)	56% (263)	9% (54)	26% (94)	22% (48)
Total	612	391	210	608	357	218

Note: Base=2396. Question asked whether respondents would change their spending behaviour in any way. For those who were sent the unhealthy bank statement the correct answer was "reduce spending next month".

Source: London Economics/YouGov survey

**Table 14: Share of respondents who identified correct account to switch to**

	Paper		Pop-up		Email	
	Absolute	Share	Absolute	Share	Absolute	Share
Switch to 2 (correct)	1103	90%	607	81%	363	85%
Switch to 1	32	3%	33	4%	27	6%
Stay	85	7%	108	14%	38	9%
Total	1220	100%	748	100%	428	100%

Note: Base=2396. Question asked respondents to consider the features of the two alternative accounts and indicate whether they would change their account to one of those shown. Correct answer was to switch to Account 2.

Source: *London Economics/YouGov survey*

### 2.1.5 Respondents' ability to recall information from the notice

Respondents in the post treatment were instructed in the letters to discard the paper copy of the notice, and the link to the online version of the notice that was available to respondents in the electronic treatment was deactivated partway through the period that the survey was live.

Therefore it is possible to test respondents' ability to recall information from the notice. Three tasks were included in the experiment for this purpose: respondents were asked to recall the type of information provided by the notice (a change to overdraft fees), the level of the new overdraft fees, and when the change specified in the notice would take effect.

Since some respondents in the post treatment reported that they did not discard the notice and some respondents in the post treatment reported that they could not access the email during the survey, for this part of the analysis the respondents are divided into four groups:

- **Paper group:** This group includes respondents in the post treatment who received a paper copy of the notice, whether or not they said they had discarded the notice. These respondents were told not to look at the notice while completing the experiment questions.
- **Email group:** This group includes respondents in the electronic treatment who could access an electronic version of the notice when they received the initial email correspondence. During the survey, some of respondents could still access the electronic notice whereas others could not.<sup>7</sup> These respondents were told not to look at the notice while completing the experiment questions.
- **Paper group 2:** This group is a subset of the 'paper group' and only includes those who confirmed that they had discarded the paper copy of the notice (as instructed).<sup>8</sup> These respondents would have answered the recall questions purely based on their memory of the paper notice.
- **Email group 2:** This group is a subset of the 'email group' and only includes respondents who were not able to access an electronic version of the notice while completing the

<sup>7</sup> This was because for some respondents the link to the notice in the e-mail remained active. We are able to identify this group of participants and we therefore include in the analysis 'email group 2', in which no respondents could access the notice.

<sup>8</sup> Since respondents were asked to confirm that they had discarded the notice at the start of the survey, they would not know that they will be tested on recall later on and therefore are likely to have submitted honest responses.



survey. Therefore, this group would have answered the recall questions purely based on their memory of the electronic notice.

In our analysis, we focus on the comparison between the paper group and the email group, under the assumption that respondents followed the instruction not to look at the notice while completing the experiment questions.

However, results are also presented for the paper group 2 and email group 2, revealing that the same pattern applies when these subset groups are considered (generally, the results for the subset groups are more pronounced).

The key finding from the recall tasks is that those who were recalling information from a paper copy of the notice performed significantly better than those who were recalling information from an online version of the notice:

- 82% of respondents in the paper group correctly recalled the type of information provided by the notice (a change to overdraft fees), compared to just 42% in the email group.
- 84% of those recalling information from a paper copy of the notice correctly identified the new overdraft fees, compared to just 63% of those recalling information from an online version.
- 81% of respondents in the paper group correctly recalled when the change specified in the notice would take effect, compared to just 54% in the email group.

Regression analysis shows that the differences in performance between respondents who were recalling information from a paper copy of the notice and those who were recalling information from an online version are statistically significant (the results are shown in Annex 1).

**Table 15: Share of respondents who correctly recalled the information provided by the notice**

	Paper group		Email group		Paper group 2		Email group 2	
	Absolute	Shares	Absolute	Shares	Absolute	Shares	Absolute	Shares
Correct	1140	82%	314	42%	603	84%	101	26%
Incorrect	163	12%	197	26%	75	10%	119	31%
Don't know	89	6%	243	32%	41	6%	168	43%
Total	1392	100%	754	100%	719	100%	388	100%

Note: Base=2146. Question asked what information was provided by the notice of changes to rates or fees. Correct answer was a change to overdraft fees.

Source: London Economics/YouGov survey

**Table 16: Share of respondents who correctly recalled the new overdraft fees from the notice**

	Paper group		Email group		Paper group 2		Email group 2	
	Absolute	Shares	Absolute	Shares	Absolute	Shares	Absolute	Shares
Correct	957	84%	199	63%	493	82%	53	52%
Incorrect	183	16%	115	37%	110	18%	48	48%
Total	1140	100%	314	100%	603	100%	101	100%

Note: Base=1454. Question asked what the new overdraft fees will be.

Source: London Economics/YouGov survey

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Table 17: Share of respondents who correctly recalled when the new overdraft fees take effect								
	Paper group		Email group		Paper group 2		Email group 2	
	Absolute	Shares	Absolute	Shares	Absolute	Shares	Absolute	Shares
Correct	1057	81%	275	54%	519	77%	106	48%
Incorrect	246	19%	236	46%	159	23%	114	52%
Total	1303	100%	511	100%	678	100%	220	100%

Note: Base=1814. Question asked when the change will take effect.

Source: *London Economics/YouGov survey*

## 2.2 Online and face-to-face survey results

This section presents key results from the online and face-to-face surveys.

In the **online survey**, three thousand six hundred invitations were sent to YouGov panellists to participate in the survey and 2,399 people took part in total (see section 3.3 for details of the methodology). These were the same individuals who took part in the online behavioural experiment.

In the **face-to-face survey**, we interviewed three hundred and ten respondents who use the Internet less often than once a month or not at all, and those whose day-to-day activities were affected by a health problem or had an annual household income under £15,000 (see section 3.4 for details of the methodology).

In this section, the following results are presented:<sup>9</sup>

- How respondents typically receive transactional mail
- Why respondents choose to receive their mail by post or online
- Respondents' behaviours with money
- How transactional mail is typically used
- Advantages and disadvantages of paper and electronic transactional mail
- Actions prompted by receipt of transactional mail

Throughout this section we provide comparisons between the responses of the online participants and those who did the face-to-face survey.

Results that are representative of the UK population are calculated based on the full online survey sample by weighting the data on key socio-demographic characteristics (age, social grade, disability status and region).<sup>10</sup>

The key findings from the online and face-to-face surveys are summarised in the box below, while the following subsections discuss the results in more detail.

### Box 2: Summary of key findings from the online and face-to-face surveys

#### How transactional mail is received

- Most online respondents said that they currently receive higher frequency transaction mail (e.g. bank statements and bills) online (i.e. by email or via a website), whereas lower frequency and ad hoc transactional mail (e.g. annual statements and information on terms and conditions) is more often received by post.

<sup>9</sup> Results for additional supporting questions included in the survey are reported in Annex 8 to Annex 10.

<sup>10</sup> The composition of the sample is not representative of the UK population due to the additional respondents with a persistent health problem or disability who were invited to take part in the survey (see section 3.3). Therefore, in order to report results that are representative of the UK population, in the analysis for the full sample the data are weighted based on age, social grade, disability status and region.

- For example, 49% said that they receive bank statements online only, whereas 32% receive them by post only. In contrast, 22% receive information from their bank on interest rates or Ts&Cs online only, while 61% receive this by post only.
- In sharp contrast, an overwhelming majority of face-to-face respondents said that they receive all types of transactional mail by post only.
  - For example, 90% said that they receive their bank statements and 92% that they receive their energy bills by post only.

#### **Why respondents choose to receive their mail by post or online**

- The online respondents who currently receive transactional mail by post reported that they choose this medium since they find it easier to look through information on paper (50% said this for bank statements), can file paper statements away more easily (46%), and like reading on paper (34%).
- Face-to-face respondents cited similar reasons for choosing to receive transactional mail by post. Most choose post because that is the way they have always received it and they have not considered anything else (71% said this for bank statements), and because they find it easier to read information on paper (41% said this for bank statements).

#### **Use of transactional mail**

- According to their survey responses, online respondents who receive transactional mail by post are less likely to discard it immediately than those who get it online.
  - For example, only 5% of bank statements received by post are discarded immediately, whereas 19% of online statements are discarded immediately.
- Online survey respondents who receive transactional mail online are less likely to look at it than those who receive it by post, based on their survey responses.
  - More than twice as many of those who receive transactional mail online said that they *never* check it (11%), as compared to those who receive it by post (5%).
- Conversely, online respondents were, on average, more likely to say that they check their transactional mail every month if they receive it online (47% online compared to 42% by post).

#### **Advantages and disadvantages of paper and electronic transactional mail**

- Online survey respondents rated post as better than online transactional mail in terms of being able to trust that the information is genuine and accurate (25% said post is better while 16% said electronic is better) and secure (22% said post is better while 15% said electronic is better).
- Conversely, the online respondents said that they rate electronic mail as better than post in terms of helping them to spot a fee or transaction they do not recognise (31% said electronic is better while 19% said post is better), and helping them to better manage their finances (36% said electronic is better while 11% said post is better).
  - However, this perception is contradicted by the results of the behavioural experiment. The experiment showed that those who received a paper bank statement were more able to identify information from the statement and to

assess the financial health of an account from the statement than those who received it electronically (see sections 2.1.2 and 2.1.3).

- The views of the online respondents also contrast strikingly with those of the face-to-face respondents, who reported that they strongly prefer receiving bank statements by post rather than online for all criteria examined in the survey.
  - For example, face-to-face respondents overwhelmingly rated post as better than electronic communication in terms of being able trust that the information is secure (83% preferred post), helping respondents spot transactions they did not recognise (82%), and being able to trust that the information is genuine (81%) and accurate (79%).

### 2.2.1 How transactional mail is received

This subsection and the next one summarise how respondents currently receive different types of transactional mail and why they choose to do so. These results provide context for the rest of the analysis, and also enable us to later examine whether there are any links between the ways in which individuals receive mail, their preferences regarding transactional mail, and their behaviour in the behavioural experiment.

#### *Results from the online survey*

Most online survey respondents reported that they currently receive higher frequency transaction mail (e.g. bank statements and bills) online (i.e. by email or via a website), whereas lower frequency and ad hoc transactional mail (e.g. annual statements and information on terms and conditions) is more often received by post (Table 18).

**Table 18: How online respondents currently receive various types of transactional mail**

	Post only	Online only	Both	Neither
Bank statements	32%	49%	15%	4%
Annual summary statements (e.g. for account, mortgage or loan)	50%	18%	6%	26%
Information from bank on interest rates or Ts&Cs	61%	22%	12%	5%
Pension statements/notifications	48%	11%	3%	38%
Energy bills (gas and/or electricity)	22%	58%	5%	15%
Telephone and/or internet bills	12%	78%	3%	8%
Insurance contract information	38%	32%	11%	19%
Insurance policy renewal reminders and information	45%	26%	14%	15%
Information on Ts&Cs/notifications from insurance provider	47%	26%	10%	16%

Note: Unweighted base=2399; Weighted base=2399. Question asked respondents how they currently receive a range of pieces of correspondence and information, by post, online or neither.

Source: London Economics/YouGov survey

#### *Results from the face-to-face survey*

In contrast, most face-to-face respondents reported that they receive transactional mail by post across all sectors covered in the survey. 90% receive bank statements (monthly or quarterly) by post only, 92% receive energy bills by post only, and 69% receive insurance contract information by post only, whereas almost none receive any transactional mail online only (Table 19).

**Table 19: How face-to-face respondents currently receive various types of transactional mail**

	Post only	Online only	Both	Neither
Bank statements	90%	0%	2%	8%
Annual summary statements	39%	0%	1%	60%
Information from bank on rates or Ts&Cs	84%	0%	1%	15%
Energy bills (gas and/or electricity)	92%	1%	0%	7%
Telephone and/or internet bills	78%	4%	0%	17%
Insurance contract information	69%	1%	1%	29%
Insurance policy renewal reminders and information	68%	1%	1%	29%
Information & other notifications from insurance provider	66%	1%	0%	33%
Pension statements/notifications	61%	0%	0%	38%

Note: Base=310. 0% indicates that less than 0.5% of respondents gave the answer in question. Question asked respondents how they currently receive a range of pieces of correspondence and information, by post, online or neither.

Source: London Economics/YouGov survey

## 2.2.2 Why respondents choose to receive their mail by post or online

### *Results from the online survey*

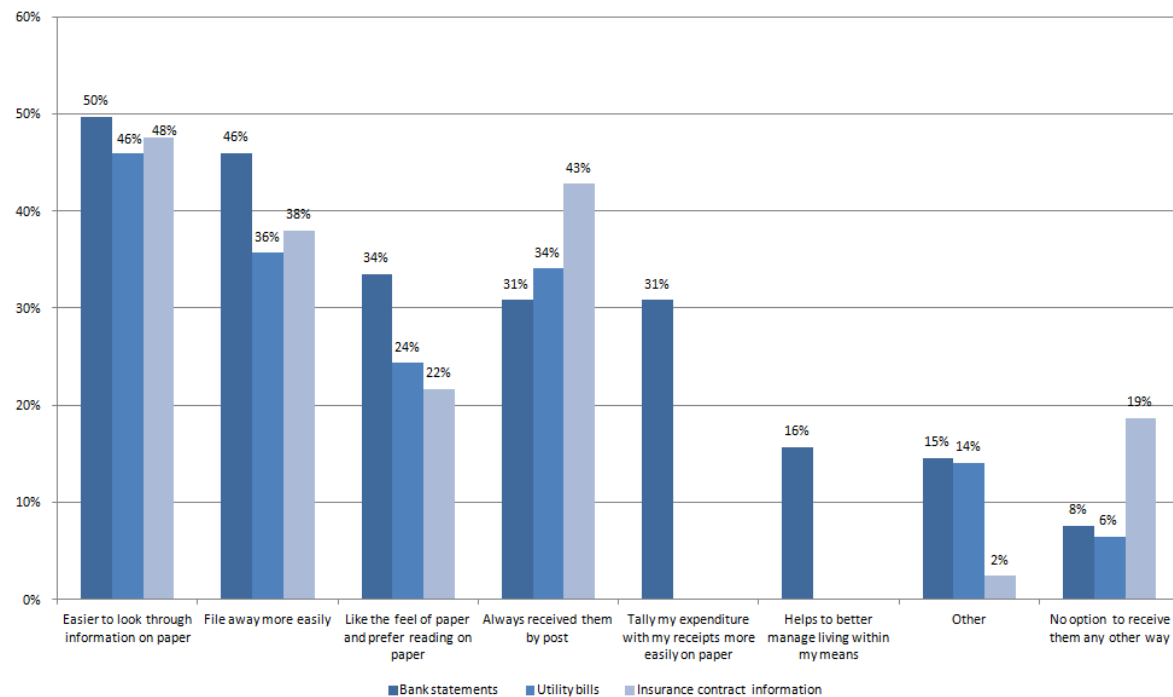
The reasons that respondents gave for choosing to receive their transactional mail by post are reported first (Figure 2), followed by the reasons given for receiving mail online (Figure 3).

Among online respondents who receive their transactional mail by post, the most frequently cited reason for this is that they find it easier to look through information on paper. This finding applies to bank statements (50%), utility bills (46%) and insurance contract information (48%) (Figure 2).

Significant shares also reported that they choose to receive their bank statements by post because they can file away paper statements more easily (46%), they like the feel of paper and prefer reading on paper (34%), and because they can tally their expenditure more easily on paper (31%) (Figure 2).

Only 16% said that they receive their bank statements by post because it helps them to better manage to live within their means. However, in contrast, the behavioural experiment found that those who received paper statements were more able to assess payments, balances and the financial health of an account, which should help consumers to better manage their money (see sections 2.1.2 and 2.1.3).

A notable share of online respondents also said that they receive transactional mail by post because they have always received it that way, and have not considered alternatives (31% for bank statements, 34% for utility bills, and 43% for insurance contract information) (Figure 2).

**Figure 2: Reasons given by online respondents for receiving transactional mail by post**

Note: Unweighted base=1215; Weighted base=1148. Question asked respondents why they choose to receive their transactional mail by post. The options 'tally my expenditure with my receipts more easily on paper' and 'helps to better manage living within my means' were not offered to those asked this question regarding energy bills or insurance contract information. Those who answered 'don't know' are excluded from these results. Shares that answered 'don't know' as a percentage of all those asked: 3% for bank statements; 3% for utility bills; 2% for insurance contract information.

Source: London Economics/YouGov survey

Online respondents who receive their bank statements and utility bills online cited the convenience of accessing information (68% for statements, 56% for bills), the ease of managing their accounts (64% for statements, 50% for bills), and having access to their account history (56% for statements, 41% for bills) as the main reasons for receiving these items online (Figure 3).

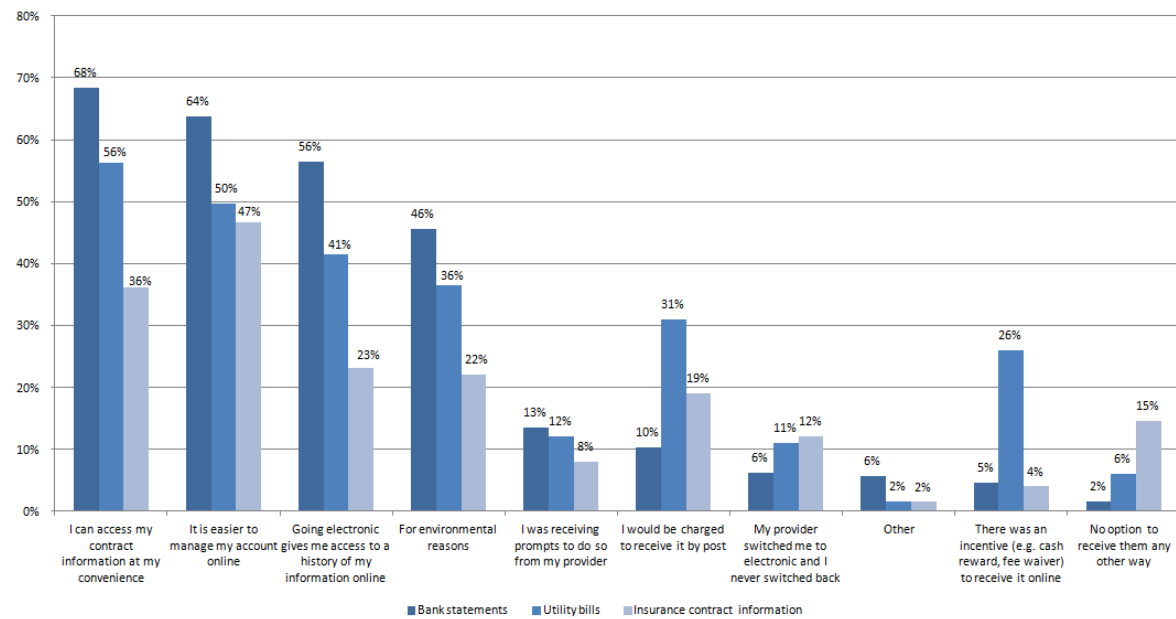
However, the perception that it is easier to manage an account online is contradicted by the results of the behavioural experiment, which found that those who received the mock bank statement by post were more able to identify details of the account and make correct financial decisions (e.g. to reduce spending when outgoings are higher than incomings) (see section 2.1).

The results also suggest that a significant number of respondents (31%) are charged to receive to receive their utility bills online.

In summary, the wide range of reasons cited for choosing to receive transactional mail either by post or online suggests that consumers have underlying preferences regarding which medium is easiest and most convenient for them, and have chosen how they receive their mail on that basis. In the case of utility bills, preferences for receiving this correspondence online may also be a result of consumers trying to benefit from incentives offered by suppliers (26% said that a reason that they receive their bills online is that there was an incentive to do so, e.g. a cash reward).



**Figure 3: Reasons given by online respondents for receiving transactional mail online**



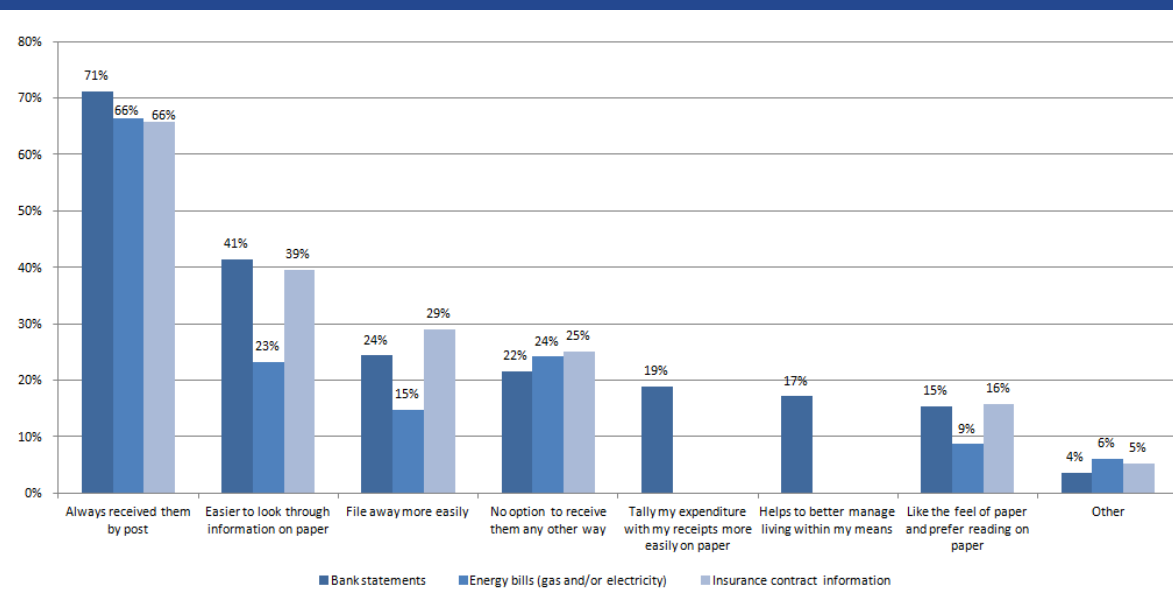
Note: Unweighted base=1215; Weighted base=1148. Question asked respondents why they choose to receive their transactional mail online. The options 'tally my expenditure with my receipts more easily on paper' and 'helps to better manage living within my means' were not offered to those asked this question regarding energy bills or insurance contract information. Those who answered 'don't know' are excluded from these results. Shares that answered 'don't know' as a percentage of the total number of respondents who were asked this question: 1% for bank statements; 2% for utility bills; 9% for insurance contract information.

Source: London Economics/YouGov survey

### Results from the face-to-face survey

Most face-to-face respondents said that they receive their transactional mail by post because that is the way they have always received it, and they have not considered anything else (between 66% and 71% said this depending on the sector, see Figure 4).

In addition, 41% said that they choose to receive their bank statements by post since they find it easier to look through information on paper, while 39% cited this reason for receiving insurance contract information by post. Similar reasons (e.g. ease of looking through information on paper, ease of filing paper copies, and preferring to read on paper) were also cited by the online sample.

**Figure 4: Reasons given by face-to-face respondents for receiving transactional mail by post**

Note: Question asked respondents why they choose to receive their transactional mail by post. The options 'tally my expenditure with my receipts more easily on paper' and 'helps to better manage living within my means' were not offered to those asked this question regarding energy bills or insurance contract information. Those who answered 'don't know' are excluded from these results. Shares that answered 'don't know' as a percentage of the total number of respondents who were asked this question: 2% for bank statements; 3% for energy bills. We also asked this question to some respondents who receive their transactional mail online, but since so few respondents receive their transactional mail online, we had fewer than 5 data points which is not meaningful to report.

Source: London Economics/YouGov survey

### 2.2.3 Behaviours with money

#### Results from the online survey

Online respondents were asked about their financial behaviour as a measure of how careful they believe themselves to be when it comes to managing their money. It may be that those who are more careful with their money might perform better in the behavioural experiment due to their underlying financial attitudes and habits, and this may impact on the strength of the treatment effects of receiving correspondence (in the experiment) by post or electronically.

A substantial majority of online respondents (84%) reported that they keep a close personal watch on their financial affairs (i.e. they rated themselves at 4 or 5 on a five-point scale on this behavioural characteristic), while a slightly smaller majority (76%) said that they carefully considered whether they can afford something before buying it (Table 20).

**Table 20: Online respondents' beliefs about their financial behaviour**

	Before I buy something, I carefully consider whether I can afford it	I keep a close personal watch on my financial affairs
	Shares	Shares
5 (Agree)	46%	53%
4	30%	31%
3	17%	12%
2	6%	4%
1 (Disagree)	1%	1%

Note: Unweighted base=2399; Weighted base=2399. Question asked respondents how much they agree or disagree that each statement applies to them.

Source: London Economics/YouGov survey

Since it is often observed that individuals report their behaviour to be better than it actually is<sup>11</sup> respondents were also asked whether and how often they go overdrawn. This provides us with a more objective measure of respondents' financial management abilities.

Around a third of the online respondents (34%) reported that they go into their overdraft at least occasionally, with 5% saying that they are permanently overdrawn (Table 21). The two most common reasons cited by respondents for going overdrawn were that they lost track of how much money was in their account (38%) and forgot that payments were due to come out of their accounts (37%) (Table 22).

These results are important, since the behavioural experiment found that paper statements are more effective than electronic ones in terms of helping people to track payments and balances (see section 2.1.2), while at the same time the survey results show that people go overdrawn because they lose track of their finances. Taken together, these findings suggest that improving individuals' understanding of their financial information (via the use of paper statements) might help to reduce the likelihood of consumers going overdrawn.

**Table 21: How often online respondents go overdrawn**

	Shares
I never go into my overdraft	64%
I occasionally go into my overdraft	21%
I regularly go into my overdraft	8%
I am permanently overdrawn	5%
Not sure / prefer not to say	2%

Note: Unweighted base=2399; Weighted base=2399. Question asked respondents which of the following statements best describes how often they go overdrawn on their day-to-day bank account.

Source: London Economics/YouGov survey

<sup>11</sup> Survey methods are susceptible to 'Hawthorne effects', where people who know that they are being surveyed modify their responses (consciously or unconsciously). As a result, one bias that is often triggered is the social desirability bias, which influences respondents to deny undesirable traits, and ascribe socially desirable traits to themselves (Nederhof, A., 1985).

**Table 22: Reasons why online respondents have gone overdrawn**

	Shares
I overspent because I lost track of how much money I had in my account	38%
I forgot that a payment (e.g. a direct debit) was due to come out of my account	37%
I forgot to change my overdraft limit	2%
Money I was expecting to receive (e.g. salary) wasn't paid to me or was delayed	27%
Other	21%
Not sure / prefer not to say	9%

Note: Unweighted base=725; Weighted base=811. Question asked respondents for which of the following reasons have they ever gone overdrawn.

Source: London Economics/YouGov survey

### Results from the face-to-face survey

Respondents to the face-to-face survey were also asked about their financial behaviour as a gauge of how careful they think they are when it comes to managing their money. Around nine out of ten (89%) agreed (by giving a rating of 4 or a 5) that they carefully consider whether they can afford something before buying it, while a slightly lower share (85%) agreed that they keep a close personal watch on their financial affairs (Table 23).

**Table 23: Face-to-face respondents' beliefs about their financial behaviour**

	Before I buy something, I carefully consider whether I can afford it		I keep a close personal watch on my financial affairs	
	Absolute	Shares	Absolute	Shares
5 (Agree)	188	61%	197	64%
4	86	28%	64	21%
3	24	8%	36	12%
2	6	2%	11	4%
1 (Disagree)	6	2%	2	1%
Base	310	100%	310	100%

Note: Question asked respondents how much they agree or disagree that each statement applies to them.

Source: London Economics/YouGov survey

When asked how often they go overdrawn on their day-to-day bank account, three-quarters of the face-to-face respondents (75%) said they never go overdrawn, while a total of 20% said they are either occasionally, regularly or permanently overdrawn (the remainder were not sure or preferred not to say) (Table 24).

Compared to the online sample, the face-to-face respondents seem to have slightly better financial management based on this measure (e.g. around two thirds of the online respondents never go into their overdraft, compared to three quarters of the face-to-face sample).

**Table 24: How often face-to-face respondents go overdrawn**

	Absolute	Shares
I never go into my overdraft	232	75%
I occasionally go into my overdraft	41	13%
I regularly go into my overdraft	15	5%
I am permanently overdrawn	7	2%
Not sure/ prefer not to say	15	5%
Base	310	100%

Note: Question asked respondents which of the following statements best describes how often they go overdrawn on their day-to-day bank account.

Source: London Economics/YouGov survey

Among the face-to-face respondents who have previously gone overdrawn, this was often caused by confusion about payments coming in and going out of their accounts. 44% went overdrawn because they forgot a payment was due to come out of their account, 35% overspent because they lost track of how much money they had, and 32% expected to receive money that was in fact not paid or was delayed (Table 25).

These results are similar to those for the online sample, further supporting the conclusion that helping people to remember their in comings and out goings should improve their financial management. This is an important finding in the context of the present study, since the behavioural experiment provides important insights regarding how the way in which transactional mail is sent can impact on peoples' ability to understand information from their bank (see section 2.1).

**Table 25: Reasons why face-to-face respondents have gone overdrawn**

	Absolute	Shares
I overspent because I lost track of how much money I had in my account	22	35%
I forgot that a payment (e.g. a direct debit) was due to come out of my account	28	44%
I forgot to change my overdraft limit	1	2%
Money I was expecting to receive (e.g. salary) wasn't paid to me or was delayed	20	32%
Other	17	27%
Base	63	100%

Note: Question asked respondents for which of the following reasons have they ever gone overdrawn. 5 respondents said 'Don't know'.

Source: London Economics/YouGov survey

#### 2.2.4 Use of transactional mail

A number of survey questions asked respondents about how they deal with and use transactional mail that they receive either by post or online.

These questions referred to specific types of transactional mail, namely bank statements, energy bills, telephone/internet bills, and insurance contract information, and asked respondents for how long they typically keep their mail and how often they check their mail.

These questions allow us to examine whether, based on respondents' reported behaviour, the treatment and use of transactional mail varies depending on how it was received.

## How long respondents say they keep their transaction mail

### Results from the online survey

The results show that, on average across the different types of transactional mail covered, a higher proportion of mail that is received online is discarded immediately compared to mail received by post (Table 26). However, overall around one fifth of both postal and electronic transactional mail is kept for more than five years.

The results by type of mail show that bank statements and utility bills that are received by post are kept for longer than those received online. Specifically, Figure 5 shows that, according to respondents' answers, statements and utility bills that are received online are considerably more likely to be discarded immediately compared to those received online:

- Only 5% of bank statements received by post are discarded immediately, whereas 19% of online statements are discarded immediately; and
- Only 5% of utility bills received by post are discarded immediately, compared to 21% of those received online.

Conversely, there is little difference in the length of time that respondents keep insurance contract information that is received by post compared to that which is received online.

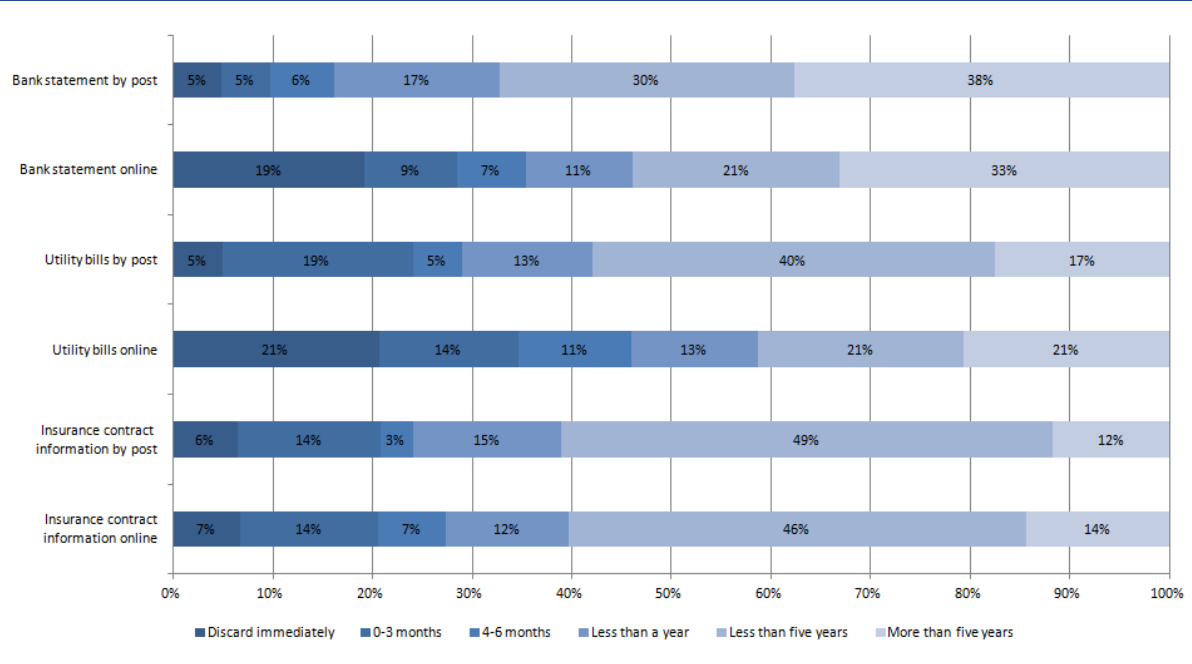
**Table 26: How long online respondents keep transactional mail received by post or online**

	Post	Online
Discard immediately	5%	15%
0-3 months	13%	13%
4-6 months	5%	8%
Less than a year	15%	12%
Less than five years	39%	31%
More than five years	23%	22%

Note: Unweighted base=1215; Weighted base=1148. Question asked respondents how long they typically keep transactional mail. Those who answered 'not sure' are excluded. Shares that answered 'not sure' as a percentage of all those asked were 5% for mail received by post and 21% for mail received online.

Source: London Economics/YouGov survey

**Figure 5: How long online respondents keep transactional mail received by post or online, by mail type**



Note: Unweighted base=1215; Weighted base=1148. Question asked respondents how long they typically keep transactional mail. Those who answered 'not sure' are excluded. Shares that answered 'not sure' as a percentage of all those asked: 2% (bank statements by post); 34% (bank statements online); 5% (utility bills by post); 19% (utility bills online); 8% (insurance contract information by post); 11% (insurance contract information online).

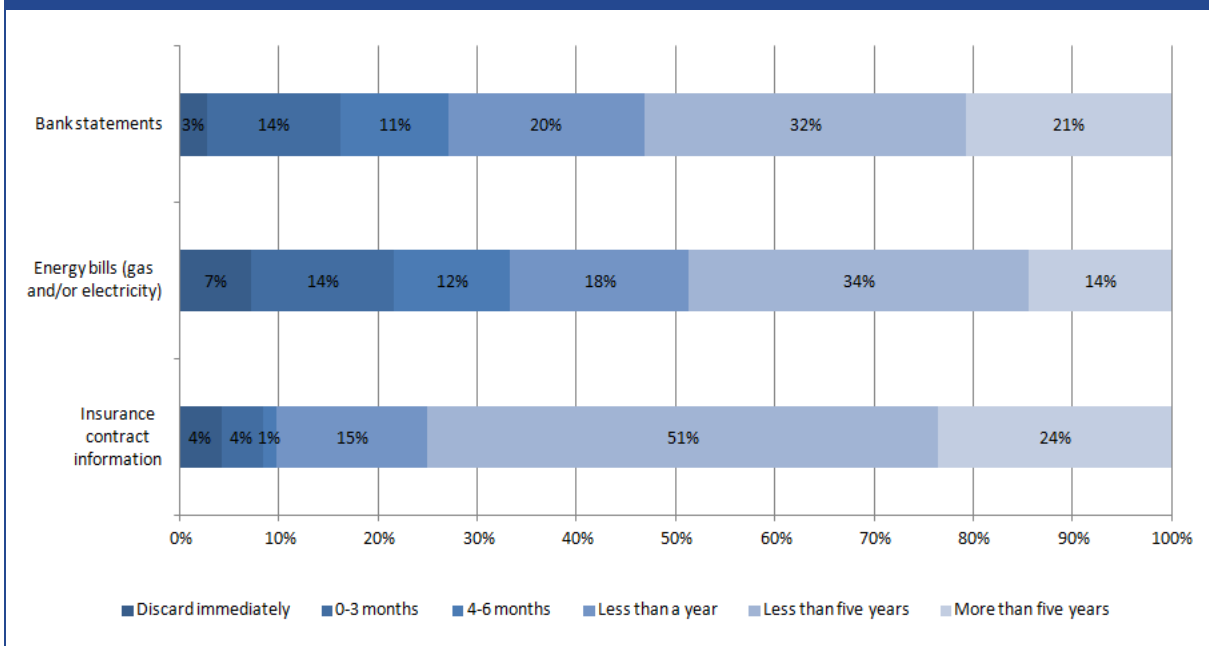
Source: London Economics/YouGov survey

### Results from the face-to-face survey

The face-to-face respondents were also asked about how they typically deal with and use transactional mail that they receive and whether they are likely to switch to an alternative way of receiving it. These questions were asked regarding mail that face-to-face respondents receive by post or online, but since in practice so few in the face-to-face sample receive transactional mail online (see Table 19) the results for mail received online are not reported.

The face-to-face respondents reported that bank statements and energy bills are generally kept for shorter periods than insurance contract information, with around half (48% of bank statements and 51% of energy bills) being discarded within a year (Figure 6). These results contrast with those for the online sample, who typically said that they keep bills and statements they receive by post for longer (e.g. 38% keep statements they receive by post for more than five years, see Figure 5).



**Figure 6: How long face-to-face respondents keep transactional mail received by post**

Note: Question asked respondents how long they typically keep transactional mail. Those who answered 'not sure' are excluded. Shares that answered 'not sure' as a percentage of the total number who were asked this question: 3% for bank statements; 4% for energy bills; 5% for insurance contract information. We also asked this question to some respondents who receive their transactional mail online, but since so few respondents receive their transactional mail online, we had fewer than 5 data points which is not meaningful to report.

Source: London Economics/YouGov survey

### How often respondents say they check their transactional mail

#### Results from the online survey

On average across the different types of transactional mail covered in the survey, twice as many respondents who receive online transactional mail said that they never check it (11%), as compared to those who receive it by post (5%) (Table 27). This finding is in line with the result from the behavioural experiment that fewer respondents in the electronic treatment did not review the correspondence at all (see section 2.1.1).

Conversely, the proportion of online respondents who said that they check their mail every month is slightly higher for mail that is received online (47%) than for mail that is received by post (42%) (Table 27).

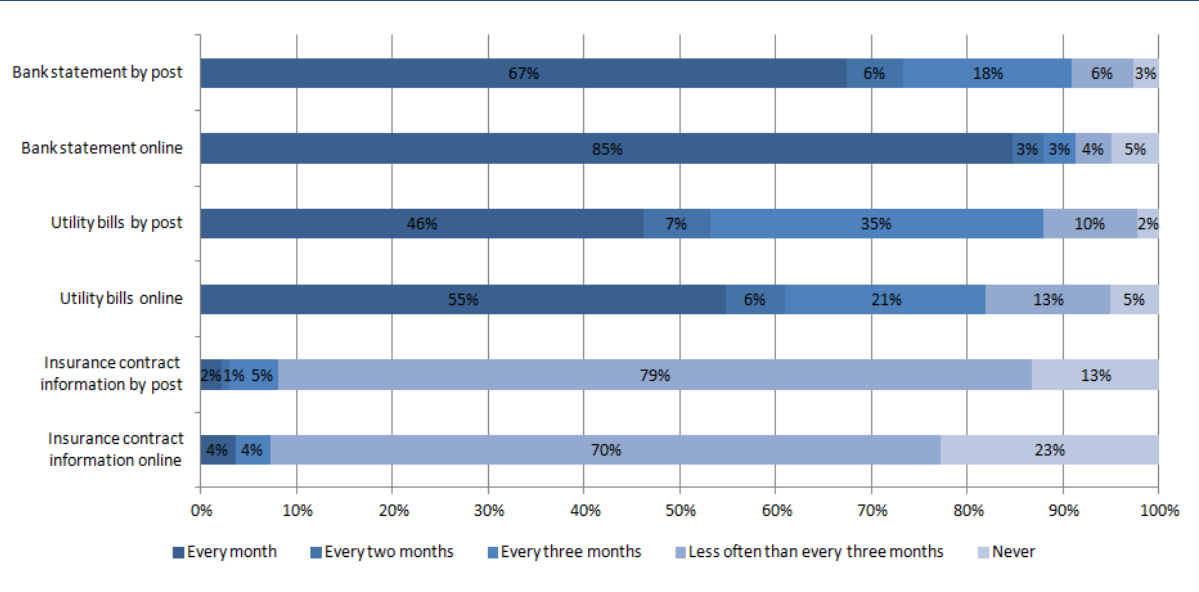
**Table 27: How frequently online respondents check transactional mail received by post or online**

	Post	Online
Every month	42%	47%
Every two months	5%	3%
Every three months	20%	9%
Less often than every three months	27%	30%
Never	5%	11%

Note: Unweighted base=1215; Weighted base=1148. Question asked respondents how often they check documents they receive. Those who answered 'not sure' are excluded from these results. Shares that answered 'not sure' as a share of all those who were asked this question: 10% of the weighted sample for the post category, and 8% for the online category.

Source: London Economics/YouGov survey

**Figure 7: How frequently online respondents check transactional mail received by post or online, by mail type**

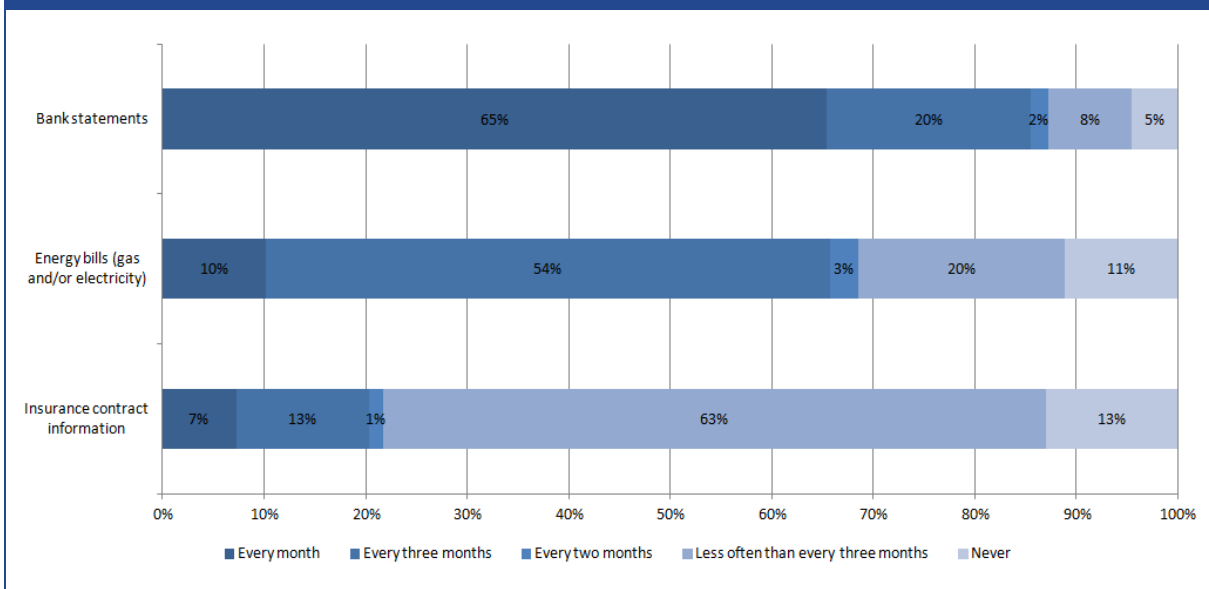


Note: Unweighted base=1215; Weighted base=1148. Question asked respondents how often they check documents they receive. Those who answered 'not sure' are excluded from these results. Shares that answered 'not sure' as a share of the total number who were asked this question: 2% (bank statements by post); 6% (bank statements online); 9% (utility bills by post); 5% (utility bills online); 19% (insurance contract information by post); 12% (insurance contract information online).

Source: London Economics/YouGov survey

### Results from the face-to-face survey

Face-to-face respondents said that they check their bank statements more frequently than their utility bills or insurance contract information. 63% of respondents check their bank statements every month, whereas most check their utility bills every quarter (52%), and a majority check their insurance contract information less often than every quarter (59%) (Figure 8).

**Figure 8: How frequently face-to-face respondents check transactional mail received by post**

Note: Question asked respondents how often they check documents they receive. Those who answered 'not sure' were excluded from these results. Shares that answered 'not sure' as a percentage of the total number of respondents who were asked this question: 4% for bank statements; 7% for energy bills; 9% for insurance contract information. We also asked this question to some respondents who receive their transactional mail online, but since so few respondents receive their transactional mail online, we had fewer than 5 data points which is not meaningful to report.

Source: London Economics/YouGov survey

### 2.2.5 Advantages and disadvantages of paper and electronic transactional mail

A key survey question asked respondents whether, in terms of a number of aspects, it is better to receive information from their bank by post or electronically.

#### *Results from the online survey*

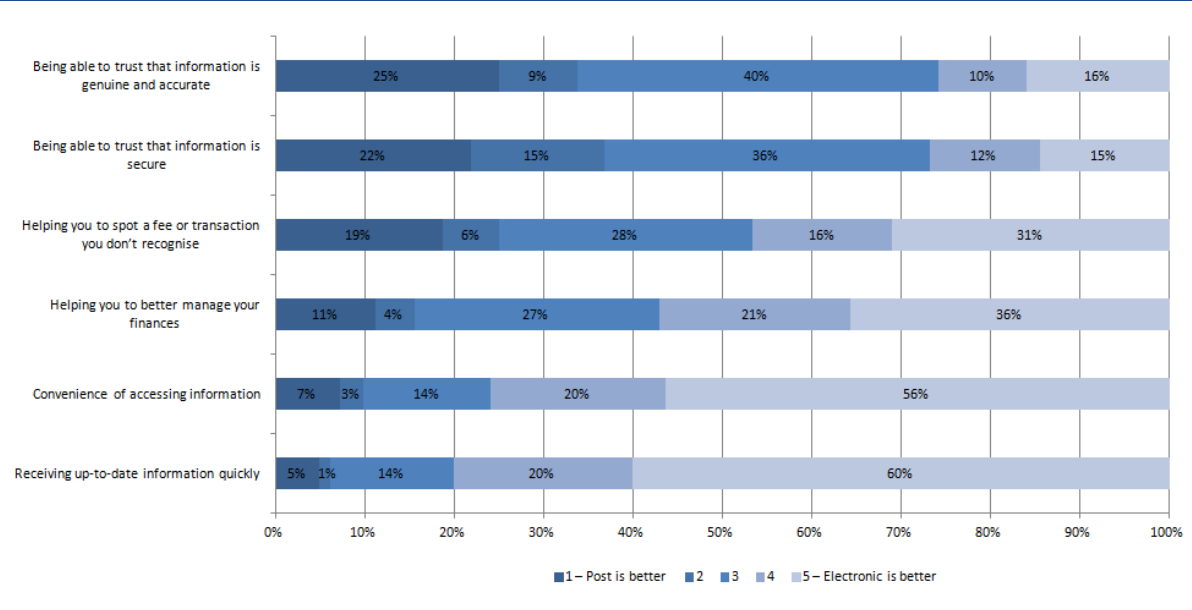
The online survey respondents rated post as better than electronic in terms of two factors, namely being able to trust that the information is genuine and accurate (25% said that post is better compared to 16% who said that electronic is better) and being able to trust that the information is secure (22% said that post is better compared to 15% who said that electronic is better) (Figure 9).

Conversely, on average the respondents said that they rate electronic information as better than post in terms of helping them to spot a fee or transaction that they do not recognise and helping them to better manage their finances.

This highlights the difference between peoples' perceptions and their actual behaviour in the experiment, which found that those who received a paper bank statement were more able than those who received an online statement to identify information on payments and balances and to assess the financial health of an account, which should enable them to make better financial decisions (see section 2.1).

Respondents were also asked whether, in terms of a similar set of criteria, it is better to receive information from a utility provider by post or electronically. The results are comparable to those described above for bank statements (Figure 10).

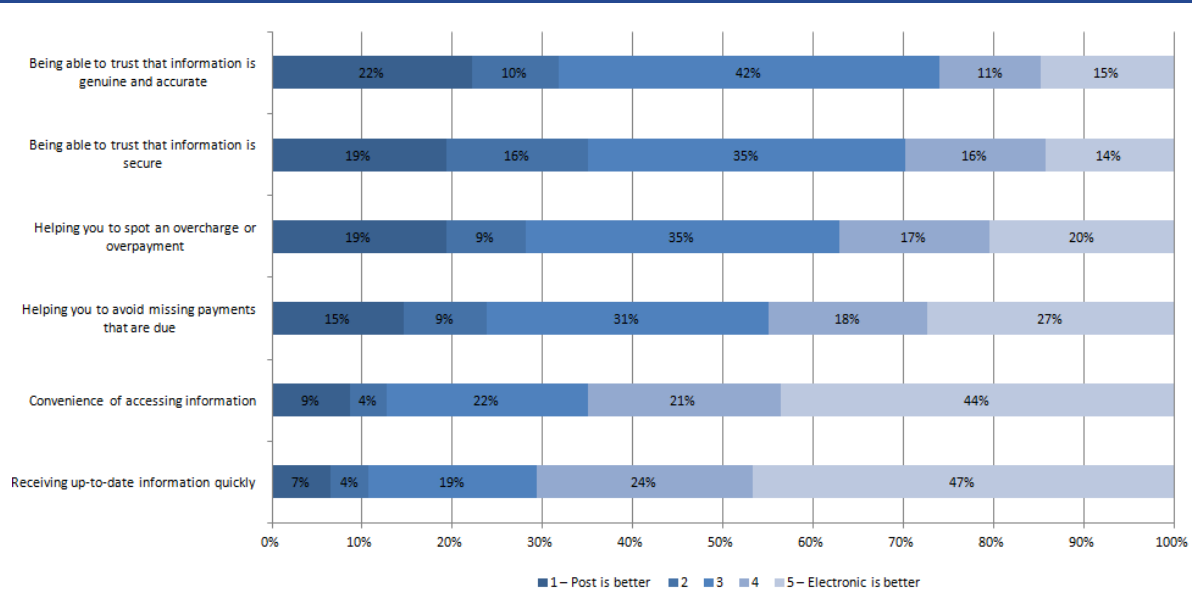
**Figure 9: Online respondents' views on whether it is better to receive information from their bank by post or electronically**



Note: Unweighted base=1212; Weighted base=1219. Question asked respondents whether it is better to receive information from their bank by post or electronically (e.g. online or by email), in terms of a number of criteria.

Source: London Economics/YouGov survey

**Figure 10: Online respondents' opinions on whether it is better to receive information from a utility provider by post or electronically**



Note: Unweighted base=1187; Weighted base=1180. Question asked respondents whether it is better to receive information from a utility provider by post or electronically (e.g. online or by email), in terms of a number of criteria.

Source: London Economics/YouGov survey

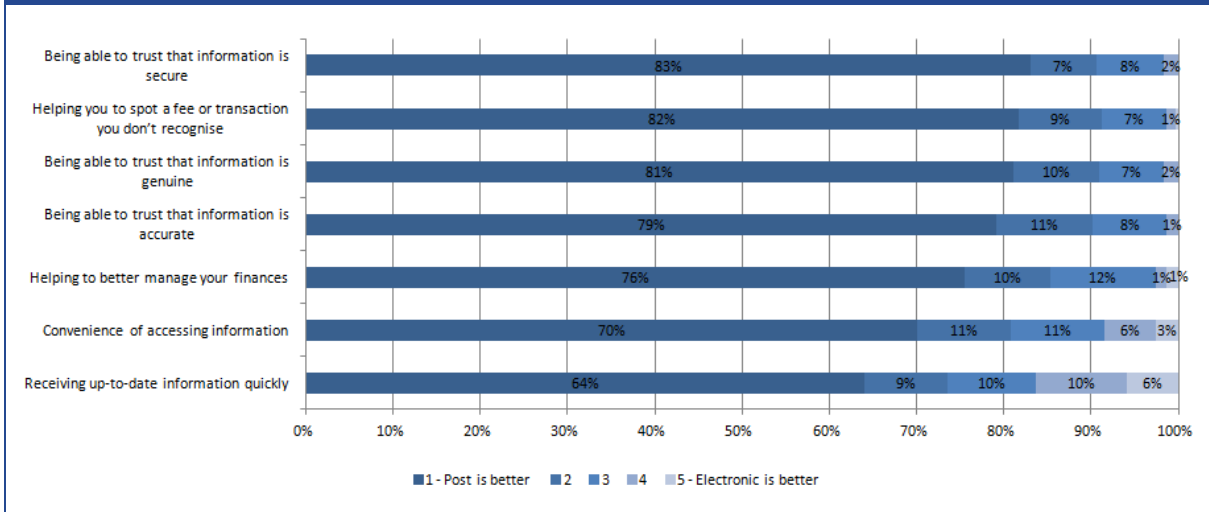
### Results from the face-to-face survey

Among the face-to-face respondents, post was overwhelmingly rated as better than electronic in terms of being able trust that the information is secure (83% preferred post), helping respondents

spot transactions they did not recognise (82%), and being able to trust that the information is genuine (81%) and accurate (79%) (Figure 11). It is clear that these respondents strongly prefer post, even for receiving up-to-date information quickly.

These results are very different to those for the online sample, who rated post as better only in terms of trusting the information is genuine, accurate and secure (see Figure 9 in section 2.2.5).

**Figure 11: Face-to-face respondents' opinions on whether it is better to receive information from their bank by post or electronically**



Note: Base=307. Question asked respondents whether it is better to receive information from their bank by post or electronically (e.g. online or by email), in terms of a number of criteria.

Source: London Economics/YouGov survey

### 2.2.6 Actions respondents say were prompted by receiving transactional mail

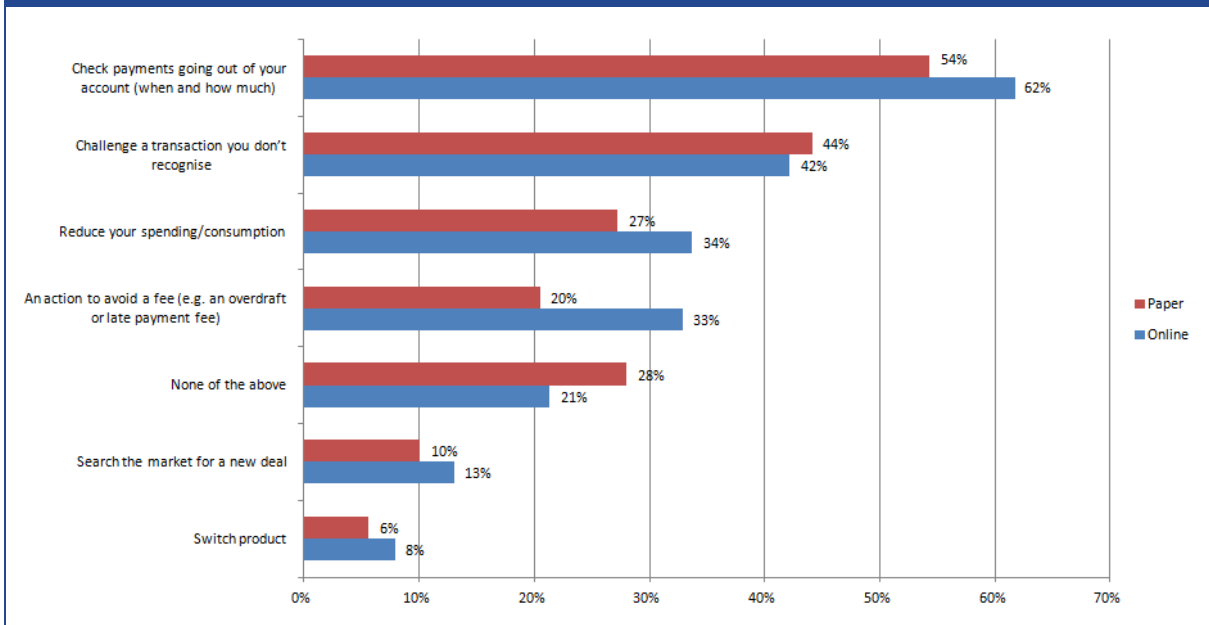
The online survey examined the impact of receiving transactional mail on consumers' behaviour by asking respondents whether a paper copy or online bank statement or bill had ever prompted them to take certain actions, such as checking payments, challenging transactions, or reducing their spending.

Online respondents reported that bank statements have prompted significant numbers of them to check payments going out of their account, challenge transactions that they did not recognise, reduce their spending, and take an action to avoid a fee (Figure 12).

According to respondents' answers, paper copy statements prompted a slightly larger proportion of respondents to challenge a transaction (44%) than online statements (42%). However, for all other actions considered in the survey, more respondents said that they were prompted to take these actions by an online statement than by a paper statement. For example, 62% said that they checked payments going out of their account and 34% said that they reduced their spending when they received online statements, compared to 54% and 27% respectively for paper statements.

However, these results are contradicted by those of the behavioural experiment, which found that respondents who received a paper copy statement were more able to identify payments and more likely to say that they would reduce their spending when shown an unhealthy account than those who received an electronic statement (see section 2.1).

**Figure 12: Actions taken by online respondents promoted by receipt of bank statements**

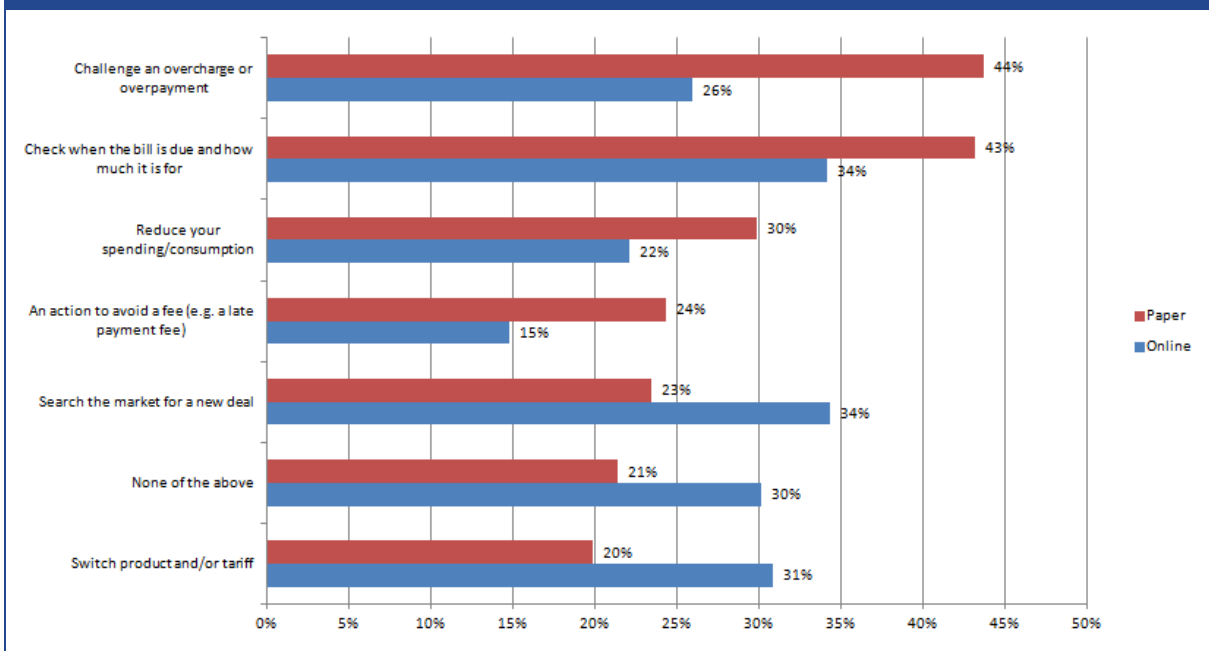


Note: Unweighted base=594 (paper) & 602 (online); Weighted base=576 (paper) & 658 (online). Question asked respondents whether a paper copy/online bank statement ever prompted them to take the following actions.

**Source:** *London Economics/YouGov survey*

According to respondents' answers, paper bills have prompted a larger proportion of online respondents to challenge an overcharge or overpayment (44%) and to check when a bill is due and how much it is for (43%) than online bills (equivalent shares for online bills are 26% and 34% respectively) (Figure 13). However, more respondents said that online bills prompted them to search the market for a new deal (34%) and to switch products (31%) than paper bills (equivalent figures for paper bills are 23% and 20% respectively). Again, this is contradictory to the results of the behavioural experiment.

Figure 13: Actions taken by online respondents promoted by receipt of bills



Note: Unweighted base=596 (paper) & 596 (online); Weighted base=578 (paper) & 570 (online). Question asked respondents whether a paper copy/online bill (e.g. an energy, water or phone bill) ever prompted them to take the following actions.

Source: London Economics/YouGov survey



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## 3 Methodology

### 3.1 Literature review

At the start of the study, we conducted desk research to (i) identify the main issues discussed in existing academic and policy literature on the topic of transactional mail; (ii) develop an analytical framework to structure the study; and (iii) assess how to apply the relevant behavioural economics fieldwork techniques to this study.

To carry out the literature review, we first identified the potential sources of relevant literature (e.g. academic journals, websites of public or private bodies, market research). After our initial search was completed, we selected the literature that was pertinent to the study and reviewed it in detail. Throughout the desk research, we took note of recurring themes (such as the impact of the medium on recollection and understanding of information) as well as the research methodologies used (e.g. surveys and behavioural experiments). We also identified a core list of previous surveys that had been conducted to understand consumer preferences in transactional communications from commercial and government institutions, which informed the design of our online survey. Once we had reviewed the literature, we synthesised the information along the key, recurring themes and developed an analytical framework to structure the study around.

The desk research revealed that consumers' preferences for how to receive transactional mail could be influenced by socio-demographic characteristics (such as their online access). However, the medium could affect the effectiveness of transactional mail, particularly in enabling people to recall, understand, and evaluate information and then take appropriate action based on that information. This provided the foundation and structure for the rest of the study. Our detailed findings from the literature review are provided in Annex 2.

### 3.2 Online behavioural experiment

The aim of the behavioural experiment is to test whether the way in which transactional mail is sent has an effect on consumer behaviour, including consumers' understanding and recall of information and whether they are able to correctly make decisions in their own best interest.

In order to examine these issues, the experiment involved sending mock transactional mail to potential participants who were then invited to take part in behavioural testing in which they were required to undertake comprehension, recall and decision-making tasks related to the mail they had received.

The correspondence sent to each potential respondent contained identical information. However, the respondents were randomly allocated into one of two different treatment groups, which determined whether the correspondence was sent by post or electronically. Hence this approach combines elements of a randomised control trial with an online behavioural experiment.

#### ***Correspondence sent to respondents***

The mail sent to respondents prior to the behavioural testing was designed to represent two types of transactional mail that firms in the retail finance sector often send to consumers, namely a bank statement and a notice providing information on changes to overdraft fees (the notice).

Although the bank statement and notice were only mock documents, potential respondents were told in a cover letter/email to imagine that they came from their own bank and to review them as if they referred to their own bank account.

In addition, adding further detail to the experiment design, two versions of the bank statement were sent out: a 'healthy' statement which showed significantly more money coming in than going out and an 'unhealthy' statement which showed the opposite.<sup>12</sup> The healthy and unhealthy statements were sent out in equal numbers, and were equally and randomly allocated across respondents in the post and electronic treatment groups (see below).

The bank statement was three pages long and listed 28 transactions, and on the final page was a message telling respondents that they could enjoy a higher interest rate if at least three direct debit payments are set up from the account. The notice informed respondents that overdraft fees on the account were changing to £5/day from November 2014. The statement and notice can be found in Annex 3.

All respondents were invited to complete the online survey and experiment four or five days after the letters/emails were delivered.

As discussed below, the bank statement was used to test respondents' ability to retrieve and comprehend information and to identify correct actions to take, whereas the notice was used to test respondents' ability to recall information.

#### ***Allocation of respondents to treatments***

The treatments are a key element of any experiment design since they define the different conditions faced by participants and allow the effects of these conditions on behaviour to be examined. In this experiment the treatments reflect receiving transactional mail by post or (alternatively) electronically.

All potential respondents were randomly allocated to either the 'post treatment' or the 'electronic treatment':

- Respondents in the **post treatment** received the correspondence, including the bank statement and notice, on paper in a single letter through the mail.
- Respondents in the **electronic treatment** received exactly the same correspondence by email. To access the bank statement and notice these respondents had to click on a link and enter a password, both of which were contained in the email. Thus, the electronic treatment simulates the way in which companies increasingly provide transactional mail and other information to their customers online.

The representative group of 3,000 potential respondents (see previous section) were allocated equally between the post treatment and electronic treatments. So too were the group of 600 potential respondents with a persistent health problem or disability.

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<sup>12</sup> In all other respects, e.g. the number of transactions and recipients of payments, the two variants of the bank statement were the same.

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Other than the way in which the correspondence was sent, all factors were held constant across the treatments. For example, the precise information in the bank statement and notice, and the visual presentation and layout of these documents were held constant.

The covering letters and emails that accompanied the bank statement and notice had very similar drafting (differences were due to the practical implementation of the experiment). These can be found in Annex 4.

### ***Experiment tasks***

During the behavioural testing respondents undertook tasks requiring them to retrieve and assess information from the bank statement, identify the correct course of action that would benefit them based on the information in the bank statement, and recall information from the notice.

Specifically, using the bank statement respondents were required to:

- Identify the name of the bank and the account type.
- Track payments and balances, including whether a payment was made to Tesco, the amount of money in the account at the end of September, and the largest payment into the account.
- Assess whether a particular payment could have been covered at a certain time, as well as the overall financial health of the account.
- Identify the correct action to take to improve their interest rate, how they should change their spending behaviour, and which of two alternative accounts presented to them they should switch to.

In addition, respondents were required to recall the type of information provided by the notice (a change to overdraft fees), the level of the new fees, and when the change would take effect. To ensure that respondents were indeed *recalling* this information, those in the post treatment were asked (in the cover letter) to discard the notice before the experiment (an initial question was asked in the survey to establish that they had done so), and the link to the online version of the notice was deactivated partway through the period that the survey was open.

### ***Incentives***

A key advantage of behavioural experiments is that they can be incentivised, meaning that respondents face real payoffs from the decisions they make as they would in real markets. This increases the salience of the experiment for the respondents and minimises ‘hypothetical bias’.

In this research the experiment was incentivised by telling respondents that if they answer the questions about the bank statement and notice correctly, they will be entered into a draw to win a cash prize of £250 (see the online survey and experiment questions in Annex 5).

## **3.3 Online consumer survey**

The online survey included questions on consumers’ attitudes, behaviours and preferences with respect to transactional mail from various sectors, including retail finance, telecommunications, energy and insurance. The survey covered respondents’ current use and storage of transactional mail, their preferences regarding how they would like to receive transactional mail, and what they

consider to be the advantages and disadvantages of receiving transactional mail in alternative ways.

The questionnaire also contained all standard socio-demographic questions, as well as questions that allow us to profile respondents in terms of factors such as their financial attitudes and propensity to use online banking. The questionnaire can be found in Annex 5.

#### ***Sampling***

Due to the design of the behavioural experiment, which required mail (letters and emails) to be sent to respondents in advance (see next section), the sampling procedure differed somewhat from the usual process of recruiting from an online panel, in that a pool of potential respondents were drawn in advance. All potential respondents who were invited to take part were selected at random from the YouGov panel. These potential respondents included:

- A group of 3,000 selected at random with quotas to ensure that this group was representative of the UK population in terms of age, gender and social grade; and
- A further group of 600 selected at random subject to the condition that every member of this group has a persistent health problem or disability.

The overall response rate (among all 3,600 potential respondents) was 67% (i.e. 2,399 responses). Due to the additional sample of 600 respondents with a persistent health problem or disability, certain groups are over-represented in the sample, namely more elderly age groups, those in the lowest socio-economic group (NRS social grade DE), and the disabled (the composition of the sample can be seen in the breakdowns presented in Annex 7). Therefore, in order to report results that are representative of the UK population, in the analysis for the full online sample (reported in section 2.2) the data are weighted based on certain socio-demographic characteristics.

### **3.4 Face-to-face survey**

In addition to the online survey, a face-to-face survey was also carried out to include the views of people who may have little or no access to the Internet and would therefore not be captured by our online survey.

The respondents to the face-to-face survey were screened based on how often they use the Internet and whether they are potentially vulnerable. Only those who said that they use the Internet “less often than once a month” or “not at all” were allowed to complete the survey.

In addition, respondents had to fulfil at least one of the following two criteria (which potentially indicate vulnerability): a) their day-to-day activities are limited because of a health problem or disability, which has lasted, or is expected to last, for at least 12 months,<sup>13</sup> and/or b) their gross annual household income is under £15,000. A total of 310 people were interviewed.

The socio-demographic characteristics of the face-to-face sample can be seen in section A7.3 in Annex 7.

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<sup>13</sup> Those who answered “yes, limited a lot” or “yes, limited a little” to this screening question were included in the survey.

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The face-to-face survey was largely similar to the online survey, with some simplifications to the routing of questions, since the routing of online survey would be very challenging for an interviewer to implement in the field. There was no behavioural experiment component since, as non-users of the Internet, the face-to-face respondents could not receive the mock correspondence in advance via email. The full face-to-face survey is provided in Annex 6.

## 4 Conclusions

The behavioural experiment provides by far the most compelling evidence from this study.

This is firstly a result of the methodology used. Due to the experiment treatments which reflect reality and the incentives for respondents, the experiment provides evidence on peoples' actual decisions and ability in a situation where they had to undertake tasks in their own financial interest using typical transactional mail from a bank, which was received either by post or online.

Secondly, the experiment results are especially compelling because the observed treatment effect points conclusively in one direction. Specifically, the experiment found that people are better able to understand information, make better choices, and are more likely to take action when transactional mail is received by post rather than electronically.

Furthermore, these results have important implications. It is essential that individuals can understand and assess the information they receive in order to make good consumer decisions, including good financial decisions.

"These results also have important implications for organisations – such as government and companies – that wish to promote positive behavioural changes among the public or their customers"

Since the experiment shows that the way in which information is provided, by post or electronically, has a significant impact on peoples' ability to understand and assess information and make correct decisions, this could have important implications for consumers' welfare.

The observations from this experiment show that people who receive correspondence by post are better able to identify payments and balances, determine whether payments can be covered, assess the financial health of an account, and make good financial decisions. This indicates receiving paper correspondence may help people to avoid detrimental situations, such as going overdrawn inadvertently or spending beyond their means.

In addition, these results also have important implications for organisations – such as government and companies – that wish to promote positive behavioural changes among the public or their customers. In particular, the results indicate that providing information by post may be more likely to encourage individuals to take action and make better decisions.

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## Annex 1 Logistic regression results

We performed econometric regression analysis on the respondents' answers in the online experiment to test whether the difference in performance between the analysis groups was statistically significant, especially when personal characteristics that could impact on respondents' performance were also included in the regressions.

The dependent variable in each regression was the respondents' performance in the behavioural experiment in terms of whether they answered a particular question correctly. This was coded as a binary variable (i.e. it takes the value of 1 when the respondent identified the correct answer and 0 when the incorrect answer is identified). The independent (explanatory) variables were the analysis group that the respondent belonged to and the socio-demographic characteristics that might have impacted his answers (e.g. age, social grade, education, income, etc). In this setting, a logistic regression is the most appropriate econometric technique as it allows for a binary dependent variable to be modelled.

In addition to dummies representing the analysis group of the respondent, the explanatory variables used are:

- Age (as a continuous variable)
- Social grade variable, where AB=1, C1=2, C2=3, DE=4<sup>14</sup>
- A 'low education' dummy variable, equal to 1 if the respondent's highest qualification is GCSE or lower
- Income
- A language dummy variable, equal to 1 if English is not the respondent's first language
- A disability dummy variable, equal to 1 if the respondent has a long-term health problem or disability which limits their day-to-day activities "a lot".

The regression results are presented in the tables below. Generally, most of the socio-demographic characteristics do not have statistically significant effects on the likelihood of the respondent getting the correct answer.

The coefficients for the treatment dummies – i.e. Email and Pop-up in sections A1.1, A1.2, and A1.3; and Email and Email\_2 in section A1.4 – are negative and (in almost all cases) statistically significant.

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<sup>14</sup> The socio-economic groups refer to the National Readership Survey social grades: A (upper middle), B (middle), C1 (lower middle), C2 (skilled working), D (working), E (lowest). These are defined as: A: Higher managerial, administrative or professional. B: Intermediate managerial, administrative or professional. C1: Supervisory or clerical and junior managerial, administrative or professional. C2: Skilled manual workers. D: Semi and unskilled manual workers. E: Casual or lowest grade workers, pensioners and others who depend on the welfare state for their income.

## A1.1 Respondents' ability to retrieve information from the mock bank statement

### Identifying the name of the bank and account type

**Table 28: Share of respondents who correctly identified the name of the bank**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-2.271	0.000	-0.186
Pop-up <sup>1</sup>	-2.520	0.000	-0.181
Disabled <sup>1</sup>	0.199	0.432	0.007
English not first language <sup>1</sup>	-0.724	0.169	-0.039
Low education	-0.225	0.269	-0.009
Social grade	-0.118	0.195	-0.005
Income	0.000	0.206	0.000
Age	-0.008	0.269	0.000
Constant	4.850	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 29: Share of respondents who correctly identified the account type**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.941	0.000	-0.112
Pop-up <sup>1</sup>	-2.014	0.000	-0.098
Disabled <sup>1</sup>	-0.123	0.668	-0.004
English not first language <sup>1</sup>	-0.897	0.116	-0.040
Low education	-0.498	0.042	-0.016
Social grade	-0.114	0.296	-0.003
Income	0.000	0.475	0.000
Age	0.007	0.393	0.000
Constant	4.346	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Identifying payments and balances****Table 30: Share of respondents who correctly identified whether there was a payment to Tesco during the statement period**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.932	0.000	-0.236
Pop-up <sup>1</sup>	-1.590	0.000	-0.157
Disabled <sup>1</sup>	0.097	0.655	0.007
English not first language <sup>1</sup>	-0.532	0.263	-0.048
Low education	-0.413	0.017	-0.032
Social grade	-0.102	0.184	-0.007
Income	0.000	0.640	0.000
Age	0.000	0.944	0.000
Constant	3.572	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 31: Share of respondents who correctly identified how much money was in this account at the end of September**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-2.426	0.000	-0.541
Pop-up <sup>1</sup>	-1.080	0.000	-0.241
Disabled <sup>1</sup>	0.046	0.770	0.010
English not first language <sup>1</sup>	-0.366	0.324	-0.082
Low education	-0.289	0.019	-0.062
Social grade	-0.114	0.035	-0.024
Income	0.000	0.405	0.000
Age	-0.002	0.599	0.000
Constant	2.007	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 32: Share of respondents who correctly identified the largest payment into the account during the statement period**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.881	0.000	-0.435
Pop-up <sup>1</sup>	-0.683	0.000	-0.166
Disabled <sup>1</sup>	-0.118	0.419	-0.029
English not first language <sup>1</sup>	-0.567	0.102	-0.140
Low education	-0.416	0.000	-0.101
Social grade	-0.079	0.112	-0.019
Income	0.000	0.162	0.000
Age	0.002	0.658	0.000
Constant	1.093	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

## A1.2 Respondents' ability to assess information from the mock bank statement

**Table 33: Share of respondents who correctly assessed whether a payment could be covered**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-0.639	0.000	-0.158
Pop-up <sup>1</sup>	-0.124	0.265	-0.030
Disabled <sup>1</sup>	-0.127	0.360	-0.031
English not first language <sup>1</sup>	-0.678	0.043	-0.168
Low education	-0.071	0.513	-0.017
Social grade	-0.054	0.251	-0.013
Income	0.000	0.052	0.000
Age	0.003	0.414	0.001
Constant	0.309	0.240	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 34: Share of respondents who correctly assessed the financial health of the account**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.117	0.000	-0.263
Pop-up <sup>1</sup>	-0.732	0.000	-0.167
Disabled <sup>1</sup>	-0.105	0.469	-0.023
English not first language <sup>1</sup>	0.025	0.944	0.005
Low education	-0.225	0.051	-0.050
Social grade	-0.069	0.168	-0.015
Income	0.000	0.151	0.000
Age	0.007	0.072	0.002
Constant	0.911	0.001	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

### A1.3 Respondents' ability to identify the correct action to take

**Table 35: Share of respondents who identified correct action to improve their interest rate**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-0.266	0.060	-0.054
Pop-up <sup>1</sup>	-0.395	0.001	-0.080
Disabled <sup>1</sup>	-0.328	0.040	-0.066
English not first language <sup>1</sup>	0.094	0.788	0.020
Low education	-0.320	0.008	-0.066
Social grade	-0.015	0.763	-0.003
Income	0.000	0.030	0.000
Age	0.007	0.070	0.001
Constant	-1.022	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 36: How respondents said they should change their spending behaviour<sup>1</sup>**

	Coefficient	P-value	Marginal effect
Email <sup>2</sup>	-1.109145	0.000	-0.174
Pop-up <sup>2</sup>	-1.100902	0.000	-0.161
Disabled <sup>2</sup>	-0.0341199	0.890	-0.004
English not first language <sup>2</sup>	-0.9582023	0.052	-0.159
Low education	-0.6465264	0.001	-0.086
Social grade	0.0351409	0.696	0.004
Income	8.10E-06	0.128	0.000
Age	0.0004889	0.945	0.000
Constant	2.19098	0.000	-

Note: Logistic regression results. <sup>1</sup>These results are only for those who received the 'unhealthy' mock bank statement, where the correct answer is defined as reducing spending next month. For those who received the 'healthy' mock bank statement, there is no clear cut correct or incorrect answer, and have been excluded from this analysis. <sup>2</sup>Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 37: Share of respondents who identified correct account to switch to**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-0.597	0.002	-0.074
Pop-up <sup>1</sup>	-0.724	0.000	-0.088
Disabled <sup>1</sup>	-0.008	0.967	-0.001
English not first language <sup>1</sup>	-0.719	0.070	-0.100
Low education	-0.164	0.298	-0.018
Social grade	0.120	0.084	0.013
Income	0.000	0.029	0.000
Age	0.004	0.488	0.000
Constant	1.617	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

## A1.4 Respondents' ability to recall information from the notice about changes to rates

**Table 38: Share of respondents who correctly recalled the information provided by the notice**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.831	0.000	-0.392
Disabled <sup>1</sup>	-0.372	0.025	-0.079
English not first language <sup>1</sup>	-0.320	0.432	-0.069
Low education	-0.386	0.003	-0.080
Social grade	0.056	0.330	0.011
Income	0.000	0.553	0.000
Age	-0.004	0.342	-0.001
Constant	1.814	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 39: Share of respondents who correctly recalled the information provided by the notice**

	Coefficient	P-value	Marginal effect
Email_2 <sup>1</sup>	-2.637	0.000	-0.563
Disabled <sup>1</sup>	-0.625	0.016	-0.142
English not first language <sup>1</sup>	-0.495	0.419	-0.113
Low education	-0.283	0.160	-0.061
Social grade	0.045	0.600	0.010
Income	0.000	0.920	0.000
Age	-0.008	0.250	-0.002
Constant	2.215	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 40: Share of respondents who correctly recalled the new overdraft fees from the notice**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.851	0.000	-0.432
Disabled <sup>1</sup>	-0.228	0.157	-0.057
English not first language <sup>1</sup>	0.006	0.988	0.001
Low education	-0.192	0.124	-0.048
Social grade	0.061	0.252	0.015
Income	0.000	0.979	0.000
Age	-0.007	0.092	-0.002
Constant	1.173	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey



**Table 41: Share of respondents who correctly recalled the new overdraft fees from the notice**

	Coefficient	P-value	Marginal effect
Email_2 <sup>1</sup>	-2.648	0.000	-0.556
Disabled <sup>1</sup>	-0.410	0.107	-0.101
English not first language <sup>1</sup>	-0.213	0.713	-0.053
Low education	-0.084	0.660	-0.021
Social grade	-0.015	0.857	-0.004
Income	0.000	0.290	0.000
Age	-0.012	0.059	-0.003
Constant	1.686	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 42: Share of respondents who correctly recalled when the new overdraft fees take effect**

	Coefficient	P-value	Marginal effect
Email <sup>1</sup>	-1.713	0.000	-0.393
Disabled <sup>1</sup>	0.058	0.723	0.013
English not first language <sup>1</sup>	-0.452	0.226	-0.108
Low education	0.050	0.695	0.011
Social grade	-0.004	0.943	-0.001
Income	0.000	0.961	0.000
Age	-0.003	0.481	-0.001
Constant	1.373	0.000	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

**Table 43: Share of respondents who correctly recalled when the new overdraft fees take effect**

	Coefficient	P-value	Marginal effect
Email_2 <sup>1</sup>	-1.886	0.000	-0.439
Disabled <sup>1</sup>	0.012	0.958	0.003
English not first language <sup>1</sup>	-0.584	0.287	-0.144
Low education	0.193	0.287	0.046
Social grade	0.010	0.891	0.002
Income	0.000	0.212	0.000
Age	0.000	0.972	0.000
Constant	0.811	0.049	-

Note: Logistic regression results. <sup>1</sup> Refers to dummy variables. P-values less than 0.1, 0.05 and 0.01 indicate statistical significance at 90%, 95% and 99% respectively. Marginal effects represent the predicted change in the dependent variable corresponding to a unit change in the explanatory variable.

Source: London Economics/YouGov survey

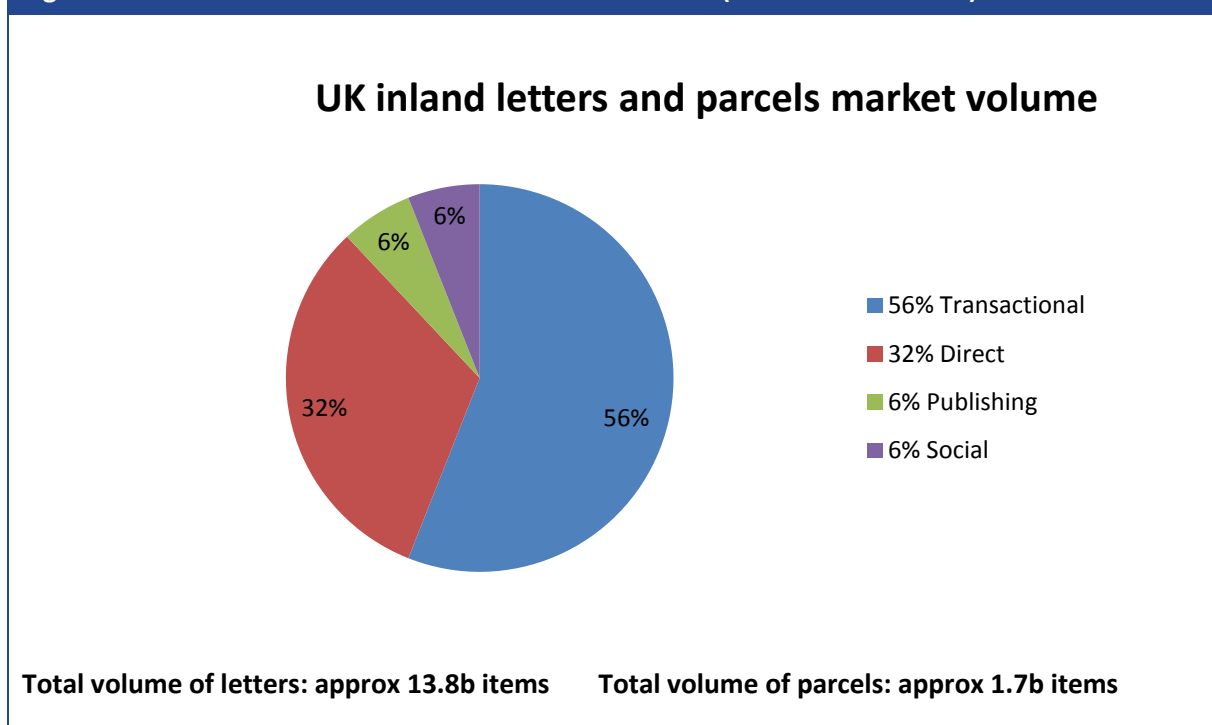
## Annex 2 Literature review findings

The following sections outline some of the key findings from the desk research which have guided our design of the online survey and experiment, and provided an analytical structure for the study.

### A2.1 Overview of transactional mail

Transactional mail is the largest single segment of the UK mail market, covering items such as bills, statements, renewals, cheque books, credit cards and communications from central government and local authorities. It is often defined as one-to-one sending as a result of an action triggered by the user, which can be automated (print or electronic) notifications of high-volume transactional communications. Given the decline of mail as a means of social communication, mail today is largely used for commercial communications. Figure 14 shows the volume of letters and parcels in the UK, and it is evident that transactional mail forms the majority of mail volume.

**Figure 14: UK Inland Letters and Parcels Market Volumes (based on 2012 data)**



Source: PwC report for Royal Mail (2013)

Based on our research, transactional mail is generally used for the following purposes:

- Dissemination of passive information (e.g. email confirmations, password resets, purchase receipts, account balance updates, auto-responders, etc);
- Dissemination of information that may require follow-up action (e.g. billing, statements, invoices, and most business-critical mails);

- Marketing information<sup>15</sup> (e.g. pamphlets and inserts that are sent along with statements and bills); and
- Advice on better suited products or information that would help plan usage better (e.g. energy bills often contain information about discounts or cheaper prices available by switching to Direct Debit, energy efficiency tips, annual consumption, etc<sup>16</sup>).

Transactional communications can either be paper-based or electronic, and these media have different levels of adoption and effectiveness in communicating the message. In terms of adoption by consumers, transactional mail consumers can be split into those who embrace online services, those who do not use online services because they do not think they are suitable, and those who have no Internet access. According to an OFCOM Communication Market Report<sup>17</sup> and a PwC report for Royal Mail<sup>18</sup>, 80% of consumers can use online services (and a sub-segment does use online services where possible, whereas the other sub-segment prefers not to). Figure 15 lists the preferences of both sub-segments that make up the 80% of consumers who can use online services.

Figure 15: Some preferences of consumers who can use online services

<p><b>Segment A:</b> A significant share of consumers embraces online services.</p> <p><i>e.g. 55% of consumers prefer to use online services to interact remotely with government departments</i></p> <p>These consumers prefer to use online services as they believe that they are more convenient.</p> <p><i>e.g. 55% of consumers who receive online financial statements state 'convenience' as the main reason for stopping paper</i></p>	<p><b>Segment B:</b> This group of consumers can use online services but choose not to use e-services because:</p> <ul style="list-style-type: none"><li>• They have preference for paper records</li></ul> <p><i>e.g. 34% of consumers who receive financial statements by post do so to keep paper records</i></p> <ul style="list-style-type: none"><li>• They do not believe that online services are suitable for certain applications</li></ul> <p><i>e.g. 42% of consumers who don't use online banking state the main reason is concern over security</i></p>
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Source: Adapted from OFCOM Communication Market Report (2012) and PwC report for Royal Mail (2013)

On the other hand, 20% of consumers currently have limited access to online services and are therefore unable to use online services (OFCOM, 2012; PwC, 2013). Eurostat figures show that individuals in the 55-75 age brackets are less likely to use the internet on a regular basis<sup>19</sup>. The

<sup>15</sup> Mail that is sent specifically for marketing purposes is classified as direct mail. Generally, transactional mails are not considered marketing, but they can contain a marketing message along with the content directly related to the mail trigger. Using transactional mail for promotional work is a common leveraging tactic that senders can use to cross-sell and promote additional company information, allowing them to reinforce their brand, build brand connection, and promote products and services.

<sup>16</sup> Report by Consumer Focus titled 'Missing the mark: Consumers, energy bills, annual statements and behaviour change', published in 2011. Available at: <http://www.consumerfocus.org.uk/files/2011/06/Missing-the-mark.pdf>

<sup>17</sup> Ofcom, Communications Market Report 2012. [http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr12/CMR\\_UK\\_2012.pdf](http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr12/CMR_UK_2012.pdf)

<sup>18</sup> <http://www.royalmailgroup.com/sites/default/files/The%20outlook%20for%20UK%20mail%20volumes%20to%202023.pdf>

<sup>19</sup> See: [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Internet\\_use\\_statistics\\_-\\_individuals](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Internet_use_statistics_-_individuals)

Payments Council (2012) notes a further set of accessibility barriers in the financial sector, including: challenges with data entry for consumers with dexterity, fatigue, concentration, memory or visual issues and difficulties<sup>20</sup>. This consumer group is thus defined by a lack of online access, and low familiarity and confidence with the Internet, which can be identified as drivers of potential consumer vulnerability.

Effectiveness of the transactional communication is also affected by the media. A Consumer Focus survey<sup>21</sup> found that 77% of customers who receive paper bills say that they read them as soon as they arrived. The corresponding figure for those who receive their bill online was lower, at 57%. The report suggests that this disparity might be because online tariffs are Direct Debit, rendering less incentive to check bills for online payees. It could also simply show that online consumers take longer to get round to reading emails than offline consumers take to open mail.

There may also be a divergence between consumers using online bill payment services and opting for online bills and statements. In 2011, a payment processing company in the US reported that approximately half of consumers use online bill payment services, but only about 15% have opted out of receiving paper bills and statements<sup>22</sup>, suggesting that comfort with online payment does not always translate into preferring to receive information online as well.

## A2.2 Comparison of electronic versus paper communication

Historically, mail volumes have been closely correlated with socio-economic drivers such as GDP growth, but in recent years, technology and e-substitution have become important constraints on growth of mail volume.<sup>23</sup> We summarise the potential benefits and costs of e-substitution in Figure 16.

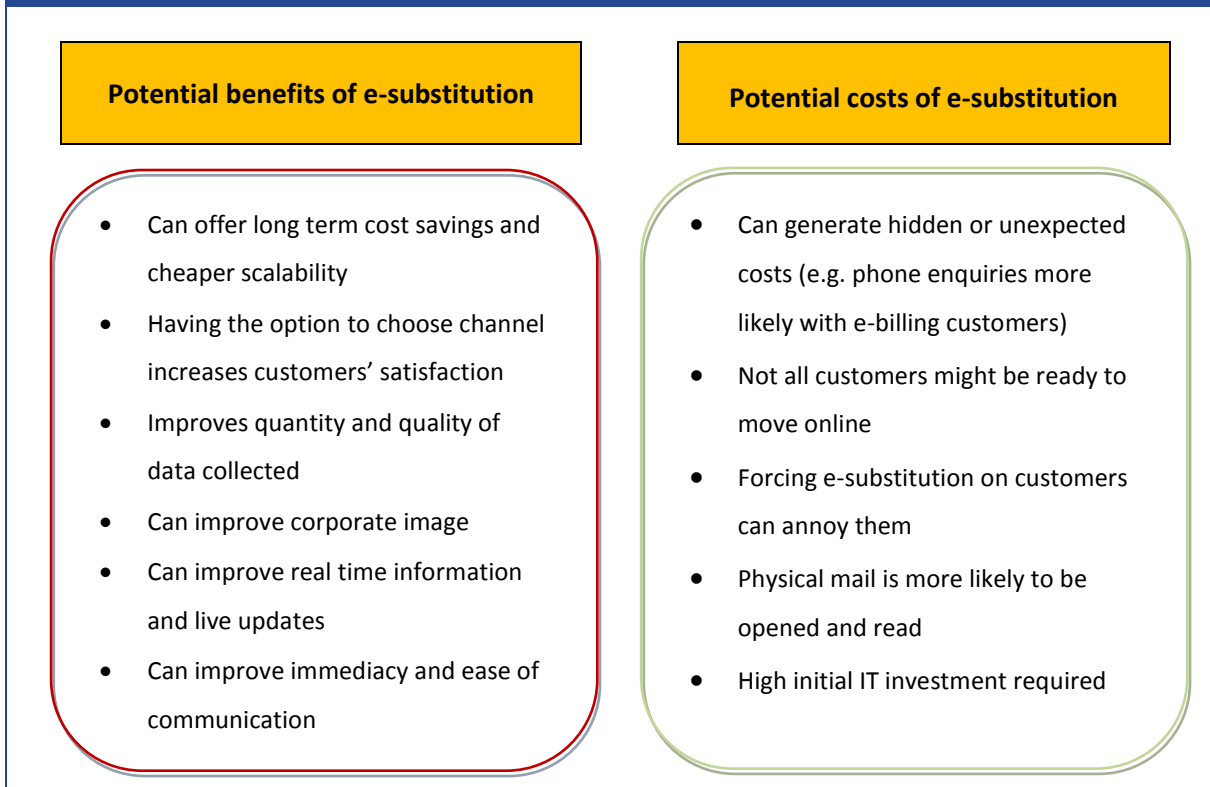
<sup>20</sup> Payments Council (2012). 'Consumer research with "older old" consumers and those living with cognitive, physical and sensory disabilities'. Available at: [http://www.paymentscouncil.org.uk/files/payments\\_council/payments\\_council\\_-\\_policis\\_and\\_toynbee\\_hall\\_older\\_old\\_and\\_disability\\_report\\_24.10.12\\_final.pdf](http://www.paymentscouncil.org.uk/files/payments_council/payments_council_-_policis_and_toynbee_hall_older_old_and_disability_report_24.10.12_final.pdf)

<sup>21</sup> Report by Consumer Focus titled 'Missing the mark: Consumers, energy bills, annual statements and behaviour change', published in 2011. Available at: <http://www.consumerfocus.org.uk/files/2011/06/Missing-the-mark.pdf>

<sup>22</sup> <http://www.nasdaq.com/article/issuers-use-incentives-to-push-paperless-billing-cm52434#ixzz3FepWwKbM>

<sup>23</sup> <http://www.royalmailgroup.com/sites/default/files/The%20outlook%20for%20UK%20mail%20volumes%20to%202023.pdf>

Figure 16: Benefits and costs of e-substitution



Source: Adapted from PwC report for Royal Mail (2013)

Despite the increase of user-friendly and popular technology, many studies report that paper maintains tangible advantages over the electronic interface as a reading medium. Print media is linear and information is generally processed sequentially. A reader of something in print has less control over what he or she actually sees, and will more likely be exposed to brands, advertising and other information, even if it is by skimming through a magazine. On the contrary, the Internet has a hierarchical structure where users directly click on links that interest them and skip undesired information. As a result, the two media have different effectiveness in recall, comprehension and engagement.

#### ***Paper versus Electronic: Impact on Recall***

Both print and online media share the same mode: text and pictures. Therefore, the differences between the two are not rooted in modality but delivery mechanism. The fundamental difference between paper and electronic media is the tactile component. A screen cannot be grasped and physically manipulated as it can be done with paper. The printed text can be touched and pages can be turned, whereas the screen impression can only be controlled at a distance (Numberger & Schwaiger, 2003). The various studies outlined below look to suggest that individuals exposed to news stories and adverts in print medium tend to remember significantly more content compared to individuals exposed to identical content online.

Results from a recent study by Robert Magee (2013) were drawn from sending either a print version of a magazine or an email invitation linking to the online version of the magazine. The results showed that:

- More people remembered getting the print magazine (82%) versus the online version (49%)
- More people opened the print magazine (77%) versus the online version (49%)
- More people recalled a significantly greater number of articles from the print magazine than did those who viewed the online version

In comparing print to online with regards to advertising recall, a study (Jones et al., 2005) aimed to test memory for brand name by asking subjects to recall the brand name of an advertised product and also tested their recognition for the brand name of the product. After one exposure, 79% of subjects who viewed the ad in print form were able to recall the brand name, compared to 46% for a screen format. Such results indicate that there is a difference between the printed page and the online screen concerning information retention. It can be then argued that print is better for recall than screen, and, moreover, print is associated with more attempts to retrieve information than is screen, possibly a signal that print carries more motivating properties.

Our research suggests that print publication is more effective when it comes to recall of content than electronic formats, so ceasing print in favour of an online medium could hurt the effectiveness of an organisation's communications.

#### ***Paper versus Electronic: Impact on Engagement***

Sundar et. al (1998) hypothesize that the difference in engagement is because paper allows the readers' eyes to consume the news page in its entirety, including all peripheral aspects like advertising, while the computer screen, with its thick boxed boundaries, limit readers' attention to the centre of the screen. The image of the internet as a network of free information might engender a psychological predisposition to consider all of its content as uninhibited and free-floating rather as opposed to the linear nature of the print interface. This can cause online readers to disengage easily with peripheral information and consider central content of the online page, whereas print readers are more receptive to textually engaging with a variety of information.

#### ***Paper versus Electronic: Impact on Comprehension and Learning***

Whether they realise it or not, people often approach electronic devices with a state of mind less conducive to learning than the one they bring to paper. Many laboratory experiments, polls and consumer reports indicate that such devices prevent people from efficiently navigating long texts, which may subtly inhibit reading comprehension (Jabr, 2013). Furthermore, e-reading fails to re-create particular tactile experiences that paper retains, the absence of which some find unsettling.

In a separate study, Anne Mangen (2014) suggests that the tactile feedback from an electronic device (such as the Kindle or the iPad) does not provide the same support for mental reconstruction of a story as a printed book does. This is likely to be because the permanence of a text on paper and its gradual unfolding supports the visual sense of progress when reading.

A study conducted by Sanchez and Wiley (2009) found that subjects had lower reading comprehension from scrolling online material than they did of printed versions. Results indicated that scrolling negatively affects textual learning, and this effect is most pronounced in learners with lower Working Memory Capacity (WMC) – in other words, the ability to process and store information simultaneously. Learners were less able to develop a causal understanding of a complex topic when presented with a scrolling interface than when presented the same

information units in discrete pages. Possible explanations for this negative effect on comprehension may be the fact that it requires readers to both maintain a surface representation of a text and engage in comprehension processes, and thus scrolling can exacerbate the cognitive load on readers, particularly on low-WMC readers. Without the regular page breaks that paper offers, low-WMC readers may fail to engage in wrap-up processes that are critical for comprehension.

The digital environment, according to Ziming Liu (2005), has triggered readers to gradually develop screen-based reading behaviour by using a variety of strategies to cope with an information-abundant environment. In-depth reading, however, is more conducive with print media as this usually involves annotating and highlighting which is not present in electronic mediums. Increased attention deficiency results from the screen-based reading platform propensity to prompt readers to scan, keyword spot, and read non-linearly in order to synthesise the vast amount of information available.

### A2.3 Best practices to improve communication

People receive a lot of mail in the post and have to sift through it in a limited amount of time. They have to then decide which letters to open, which to look at and which to read in more detail. Even if a consumer reads a letter and is minded to act on it, there may be further barriers to responding, e.g. calling a helpline may be time-consuming. Further obstacles to response can be forgetfulness or procrastination. Much of this decision-making is quick and automatic, rather than slow and deliberative. Bearing this in mind, it becomes integral that firms pay suitable attention to effective communications to consumers.

The FCA's Occasional Paper 2 describing a randomised controlled trial designed to understand how improvements to consumer response rates to letters regarding potential redress is appropriate to discern effective standards of communicative practice. The FCA lists changes to seven features of the communication, where: the opening of the envelope needs to be appropriately distinctive adding a message to 'act quickly'; embodying the firm's logo; key messages must be as salient and immediate as possible; reduction of any excess verbiage; reassuring consumers that claiming redress will be as easy as possible; sent by an authoritative individual or organisation; and must remind people to respond<sup>24</sup>.

A research report tailored for Ofgem<sup>25</sup> considered the language and layout of bills, statements and price rise notifications issued to consumers by various energy suppliers. Key principles of communication were used to highlight both the problems and desirable practices that would enhance consumer understanding of these kinds of communications. Overall, the assessment of the current state of energy communications yielded widespread problems that consumers commonly encountered. These included:

- Jargon-heavy customer communications, which are difficult to understand.

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<sup>24</sup>Available at: <http://www.fca.org.uk/your-fca/documents/occasional-papers/occasional-paper-2>

<sup>25</sup> Lawes Consulting & Laws Gadsby Semiotics; 'Retail Market Review: Energy bills, annual statements and price rise notifications; advice on layout and the use of language'; A research report for Ofgem; November 2011 <https://www.ofgem.gov.uk/ofgem-publications/39652/laweslanguageareport.pdf>

- No easy way to compare the value of tariffs and payment plans within the portfolio of a supplier, let alone comparing between suppliers.
- Low awareness of where to get impartial advice about switching suppliers.

The report further outlined several principles of human communication and explained how they can be usefully applied to (energy) communication as best practices in general. These are summarised in Figure 17.

**Figure 17: Seven Principles of Communication**

<p><b>Readability:</b> Short sentences are better than long sentences. Short words are better than long words. Flesch Reading Ease Scores quantify the difference between easy and difficult text.</p>	<p><b>Three-part lists:</b> People understand lists of three items as a complete set. Sets of three are easier to understand than sets of four or more items. Implications for: range of tariffs, info display.</p>
<p><b>Binary oppositions and contrast pairs:</b> People find simple paired oppositions even easier to understand than three-part lists. Implications for: range of tariffs, energy consumption comparisons.</p>	<p><b>Elaborated &amp; restricted codes:</b> Communications from official and corporate bodies such as energy suppliers tend to be written in 'officialese' that is technically and grammatically correct but also off-putting to people who don't speak that language.</p>
<p><b>Quantification Rhetoric:</b> is a figure of speech and writing, formally identified by the social scientific discipline of discourse analysis, which describes and explains how various methods of quantification achieve – or fail to achieve – persuasive effect.</p>	<p><b>The Western Visual Semiotic:</b> is a discovery in semiotics that shows how Western people and people whose first language is English expect information to be arranged within a frame.</p>
<p><b>Reader Engagement:</b> Engagement may be understood as a mix of motivation to read and possessing the right cognitive and perhaps social tools for reading. Research shows that many consumers are disengaged from communications such as bank statements and energy statements. The situation could be improved by helping readers understand why they are being sent certain documents, and helping them to relate the rather abstract content of those documents to their real lives.</p>	

*Source: Lawes Consulting and Lawes Gadsby Semiotics Research Report for Ofgem (2011)*

The overall conclusion from the Ofgem study was that consistency is a good thing. Standardised terms, consistent use of language and consistent methods of presenting information help consumers understand what's going on. Ofgem suggested the following recommendations:

- The ambiguity surrounding statements needs to end (difference between annual statements and bills are not clear)



- Information designated “Principal Terms” or “Terms and Conditions” needs to be gathered together in one place
- Provide consumers with a glossary of industry-specific terms
- The fact that consumers are entitled to switch suppliers needs to be made clearer
- Anchor technical and financial information and abstract concepts to things that exist in consumers’ “real world”, wherever possible

## A2.4 Practices to incentivise switching to electronic communications

There is a growing trend across many sectors to encourage consumers to switch to electronic communications and transactions. The retail finance sector in particular is increasingly using online statement delivery as the preferred method of getting monthly statements to their customers, and it is fast becoming the norm. Retail banks brand paperless statements under various service tags such as: online statements, eStatements, email statements, etc. In most cases, the aim is to adopt paperless statements to save time and reduce costs. According to a Javelin and Strategy report, it was estimated in the US that the suppression of paper statements alone can save banks about 50 cents per customer per month.<sup>26</sup> Evidence from the Keep Me Posted campaign suggests that it costs as little as 35p-60p per item to send mail to customers<sup>27</sup>.

Some banks are also reducing the frequency of paper statements. In November 2012, the Royal Bank of Scotland announced that current account holders would receive statements through the post every three months rather than monthly<sup>28</sup>. RBS also said that fewer than 15% of customers chose to go back to monthly statements<sup>29</sup>. In February 2014, Lloyds Banking Group (which includes Bank of Scotland, Halifax and TSB) followed suit and opted to send out only quarterly paper statements to current account customers<sup>30</sup>.

Many banks are also offering incentives to encourage customers to switch to paperless statements. In the US, customers who opted for electronic billing statements were enrolled into sweepstakes (Wells Fargo offered winnings of \$50,000), with other banks such as Citi and Chase also following suit.<sup>31</sup> In the UK, Mapa’s 2009 Internet Banking Dashboard<sup>32</sup> revealed several prize draws were launched by banks such as Halifax, NatWest and RBS to urge customers to switch off paper statements in favour of online ones. As a reward for switching off statements, NatWest and RBS offered customers the chance to win their mortgage paid for a year. Halifax’s prize draw allowed customers to win cash prizes of up to £100. Earlier this year, Barclays allowed existing customers who registered for online banking to have £5 paid into their accounts if they successfully changed their statement preferences from paper to email within 14 working days of

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<sup>26</sup> [http://www.americanbanker.com/issues/176\\_157/green-paperless-adoption-1041134-1.html](http://www.americanbanker.com/issues/176_157/green-paperless-adoption-1041134-1.html)

<sup>27</sup> <http://keepmeposteduk.com/news/real-cost-paper-bill-keep-me-posted-campaign-reveals-consumers-are-paying-more-necessary>

<sup>28</sup> <http://www.bbc.co.uk/news/business-26076053>

<sup>29</sup> <http://www.thisismoney.co.uk/money/saving/article-2551928/Lloyds-scarps-monthly-paper-statements.html#ixzz3F4n3l5R7>

<sup>30</sup> <http://www.thisismoney.co.uk/money/saving/article-2551928/Lloyds-scarps-monthly-paper-statements.html#ixzz3F4n3l5R7>

<sup>31</sup> <http://www.nasdaq.com/article/issuers-use-incentives-to-push-paperless-billing-cm52434#ixzz3FY4GZZnq>

<sup>32</sup> <http://www.maparesearch.com/news/article/banks-launch-prize-draw-to-push-online-statements>

registration.<sup>33</sup> Besides monetary incentives, some banks emphasise the pro-environmental impact of going paperless to motivate switching.

On the flip side, banks have also started introducing monetary disincentives or penalties for requesting a paper statement. Table 44 (compiled by Which? Money<sup>34</sup>) outlines the historical access and charges for current account statements with most UK banks. Similar charges are imposed in other industries too: British Telecom charges £1.50 a month for broadband customers who want paper bills, and Sky charges £1<sup>35</sup>.

**Table 44: Accessing bank statements in the UK**

	How far back can statements be accessed online	Cost to get a paper copy of statements
Lloyds TSB	9.5 years (until Jul 2002)	Nil
Barclays	7 years	£5
NatWest/RBS	7 years	£5
Halifax	6 years	£5 <sup>a</sup>
HSBC	6 years	Nil
First Direct	6 years	Nil
Bank of Scotland	6 years	Nil
Nationwide	3 years	£5 <sup>b</sup>
Santander	2 years	£5 <sup>b</sup>
Co-operative Bank	1 year	£5
Smile	1 year	£7.50 / £30 <sup>c</sup>

Note: a: the first request is free; b: £5 per statement to a maximum of £10 for two or more; c: £2.50 per sheet (less than one year old) and £10 after

Source: Which? Money

The use of these monetary incentives/disincentives may play on a common behavioural bias called **present bias** that the FCA has also highlighted in its Occasional Paper 1. Present bias explains how people can have excessive urges for immediate gratification, which may lead them to overvalue the present and exhibit self-control problems. Applied to this context, the monetary incentive (or disincentive) is given too much weight in an individual's decision-making, who then decides to switch to electronic statements without necessarily thinking about effects that may be felt further along in time.

One possible inconvenience that people receiving online statements may experience is when proof of identity or address is required, and only a paper statement is accepted. In this instance, consumers may not only have to pay for a paper statement, but often suffer significant waiting time (e.g. Barclays will take 5 working days<sup>36</sup>). Another potential cost is that bank statements are not always available online after 12 months, which may be required for tax purposes. People may also miss payments and incur late payment charges as online statements are more often

<sup>33</sup> <http://www.barclays.co.uk/Type4/OnlinestatementsincentiveETermsconditions/P1242660350840>

<sup>34</sup> <http://www.which.co.uk/news/2012/02/high-charge-to-access-old-bank-statements-finds-which--279375/>

<sup>35</sup> <http://www.thisismoney.co.uk/money/bills/article-2640802/How-Britains-biggest-firms-insist-charging-paper-bills.html#ixzz3Fez0Okkw>

<sup>36</sup> [http://ask.barclays.co.uk/help/online\\_banking/address\\_proof](http://ask.barclays.co.uk/help/online_banking/address_proof)

overlooked compared to mail (refer to Section A2.1) or accidentally blocked as ‘spam’<sup>37</sup>. Still, these potential ‘costs’ of going paperless is usually given very little weight when comparing against an immediate cash reward for switching. Likewise, the charges for requesting a paper statement may create a strong immediate disincentive and people may not be switching back to paper statements as a result, even though that is their long term preference.

Further evidence of present bias comes from the fundamental disconnect between reasons consumers and businesses cite for going paperless. A survey conducted by InfoTrends for Fiserv<sup>38</sup> lists the following top reasons consumers cite to go paperless:

- Fee charges for paper statements
- Cash incentives
- Loyalty points incentives
- Access to greater online history of e-statements
- Postal Service delays

On the contrary, the top messages and strategies that businesses push to encourage consumers to go paperless are:

- Environmental/green
- Promotional incentive/sweepstakes
- Convenience
- Charge for paper
- Security/privacy

We can see that long-term impacts such as environmental benefits are not on consumers’ minds, who are instead mostly focused on immediate effects such as cash, loyalty points or charges. In fact, surveys show that many consumers are suspicious of environmental claims and appear confused and mislead by such arguments used in the promotion of online statements (see Section A2.5).

Another behavioural bias that businesses may be playing on to encourage going paperless is **reference dependence**. This bias emerges when people are evaluating a product or service and instead of thinking about the product in isolation, they end up assessing the value of the product with reference to changes from a reference point. When faced with a lot of information to assess or under time constraints, consumers often rely on **rules-of-thumb** to make quick decisions. This, combined with reference dependence, results in two common effects: the **status quo bias** and the **default bias**. For example, some banks automatically turn off paper statements when their customers set up online payments, and consumers may be disinclined to take action to move away from this new status quo once it has been automatically set up. This is a status quo bias, where consumers just stick to their current state. In other instances, when asking consumers how they wish to receive their statements, the default position is sometimes set to ‘online only’ and

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<sup>37</sup> <http://www.thisismoney.co.uk/money/saving/article-1696513/The-perils-of-bank-account-paper-billing.html#ixzz3FYi64aGC>

<sup>38</sup> See: [https://www.fiserv.com/resources/418-13-19132\\_Evolution\\_to\\_Digital\\_Communications\\_Final\\_2.12.14.pdf](https://www.fiserv.com/resources/418-13-19132_Evolution_to_Digital_Communications_Final_2.12.14.pdf)

therefore consumers may simply stay with this default rather than make an active choice and click on the 'mail' option. This would be an example of a default bias.

While these behavioural biases are not always harmful, consumer harm may arise when consumers do not make fully informed decisions because of these biases.

## **A2.5 Core list of existing consumer surveys on this subject**

We have identified a core list of existing consumer surveys that focus on this subject and summarise some the key findings in Table 45. There were a number of other smaller surveys that included some questions about consumer preferences of transactional mail, but we only list those that provided useful ideas for our study.

**Table 45: Summary of findings from existing surveys/ studies**

Title of report	Information about survey	Key findings
Australia Post Consumer Survey: Mail Findings (Aug 2013) <sup>39</sup>	-Quarterly online survey of 1000 Australians -Focuses on how participants receive transactional mail, their preferences, behaviours and attitudes	-Most transactional communications (except phone bills) are sent by mail -Preference for receiving transactional communications by mail has increased by 3% (compared to previous 12mths) -49% of those who receive bank statements by mail would not consider switching to online channels -The two key reasons why some recently switched from mail to online were: easier to manage (32%) and because they were going to be charged (24%)
Paper and digital communication: the case for consumer choice <sup>40</sup>	-By Keep Me Posted, and cites findings from Opinium (2013), Quadrangle (2010) and Insight Exchange (2011)	-81% of consumers think it is important to have the choice in how they access financial information and statements from all service providers -84% agree they do not like it when companies take away the choice regarding the way they receive their bills and statements -15% said they would take their business elsewhere and 50% would consider doing so if companies take away the choice -Most consumers like a combination of both paper and online: 76% agreed that their preference is to have statements online so they can quickly check, but to also have them sent in the post to read thoroughly when they have more time -When Britons were asked about the impact of losing paper statements, the research found that removing the option of physical mail takes control away from customers: 44% believed that their financial records would be incomplete, 41% worried that they might miss a payment, more than half (56%) agree that they would be more likely to read a paper statement compared with an online statement, and half (49%) also agree that they would be more likely to take action from a paper statement.
A study comparing the psychological impact of sending and receiving letters v emails <sup>41</sup>	-Study designed by Psychologists at London Metropolitan University on behalf of Avery Office and Consumer Products. -40 participants (males and females whose ages ranged from 23-52) were recruited. -20 were randomly assigned to the 'email' treatment and the other 20 to the 'letter'	-Letter was rated significantly higher in having an impact, being more engaging and personable -People believed that the letter was more believable and trustworthy than email -Email left a negative impression of the sender, whereas the letter left a positive impression -On average, letters made the participants feel more significant, respected and appreciated

<sup>39</sup> Available at: <http://auspost.com.au/media/documents/aus-post-consumer-survey-mail-findings-aug-2013.pdf><sup>40</sup> Available at: [http://www.keepmeposteduk.com/sites/default/files/Keep%20Me%20Posted%20Report\\_1.pdf](http://www.keepmeposteduk.com/sites/default/files/Keep%20Me%20Posted%20Report_1.pdf)<sup>41</sup> Available at [http://www.avery.co.uk/vgnfiles/OP/en\\_gb/Projects%20&%20Ideas/Articles/Love%20Letters/love\\_letters\\_report.pdf](http://www.avery.co.uk/vgnfiles/OP/en_gb/Projects%20&%20Ideas/Articles/Love%20Letters/love_letters_report.pdf)

	treatment.	
Two Sides E-billing Survey June 2013 <sup>42</sup>	<p>-International survey by research company Toluna for a non-profit organisation called Two Sides</p> <p>-2,500 consumers were asked their opinion on a variety of billing and statement related issues with a focus on the present supplier pressure to switch to electronic bills and statements</p>	<p>-60% of consumers state they would not choose a company which did not offer a paper bill.</p> <p>-12% of consumers and 20% of 25 - 34 year olds, say they have switched to a new provider when a charge for paper based bills was imposed.</p> <p>-8% of consumers and 16% of 25 - 34 year olds, say they have switched providers because paper bills were withdrawn.</p> <p>-57% of consumers overall, 66% of 18 - 25 year olds, and 60% of 25 -34 year olds, believe a paper bill option is still quite or very important when choosing a new supplier.</p> <p>-93% of consumers say they are unwilling to pay for paper bills.</p> <p>-89% of consumers want to be able to switch between paper and e-bills without difficulty and cost</p> <p>-42% prefer to receive financial services bills by post only and 37% prefer to receive utility bills by post only. For financial services, post is the preferred option overall.</p> <p>-21% of consumers would refuse to switch to electronic bills and statements when asked to do so.</p> <p>-69% of consumers say that postal bills offer better record keeping and 65% say they are easier to check.</p> <p>-48% state that postal bills offer more security and 46% say bills and statements printed on paper are easier to read than off a screen.</p> <p>-38% of consumers are clearly 'home printers' with 26% printing up to 20% of their bills and 7% printing out between 80% and 100% of their bills.</p> <p>-71% believe that print and paper is a sustainable way of communicating when produced and used responsibly</p> <p>-58% don't believe, feel misled, or question "go green- go paperless" claims</p>

<sup>42</sup> News report on this study available at: <http://www.twosides.info/UK/Paper-Bills-and-Statements-A-Real-Necessity-In-A-Digital-World>

<p>Better connections: How Australians want to hear from government (2014)<sup>43</sup></p>	<p>-Used data from various sources, including the quarterly Australia Post Consumer Survey. -In April 2014, the Australia Post Consumer Survey looked at how Australians prefer to receive government and other official communications, including political messages.</p>	<p>-59% of Australians believed that receiving bills in the mail is a good reminder to pay -The most preferred channel how Australians prefer to find out about policy changes, entitlements and political messages was a personally addressed mail -Of Australians who currently received a rates notice, 55% would prefer to receive it via mail and 30% would prefer it via email.</p>
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Source: Various

<sup>43</sup> Available at: <http://auspost.com.au/media/documents/Better-Connections-quarterly-report-april-2014.pdf>

## Annex 3 Mock correspondence sent to online experiment respondents

### Healthy mock bank statement



Contact tel. 0845 110 110  
www.ygbank.co.uk

Mr/Mrs Smith  
Address line 1  
Address line 2  
Address line 3

#### Bank Statement

Statement period: 01/09/2014-30/09/2014  
Statement date: 30/09/2014  
Account number: 51234811  
Sort Code: 09-01-28

#### YG Bank Current Account Statement 51234811

##### YG Bank Current Account features:

Interest Rate (AER) on savings: 1.25%  
Cashback: None

Overdraft rate (EAR) on savings: 15.9%  
Monthly service fee: £2

##### Your transactions

Date	Description	Withdrawals	Deposits	Balance
01 Sep	OPENING BALANCE			1,259.65
01 Sep	PURCHASE WWW.TESCO.CO.UK GB 465562329563	37.50		1,222.15
01 Sep	DIRECT DEBIT BRITISH GAS 679980088619 2351 789673 17973	39.60		1,182.55
01 Sep	FEE - MONTHLY SERVICE	2.00		1,180.55
01 Sep	DIRECT DEBIT BT GROUP PLC 454113541334 1211 4545 456113	25.00		1,155.55
02 Sep	PURCHASE TRAIN TICKET MACHINE 45699273008	15.00		1,140.55
02 Sep	LINK ATM WITHDRAWAL 707808029209 King's Cross station 2 703790-1970 GBP 50.00 LSNEX80001801	50.00		1,090.55
05 Sep	PURCHASE SELF SERVICE TICKET SOUTH WEST TRAINS 69790064897097 216465	15.25		1,075.30
05 Sep	LINK ATM WITHDRAWAL 145463347454 King's Cross station 5 796868-8997 GBP 50.00 LSNEX77514462	50.00		1,025.30

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YG Bank

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Contact tel. 0845 110 110  
www.ygbank.co.uk

### Bank Statement

#### YG Bank Current Account Statement 51234811 ... continued from previous page

##### Your transactions

Date	Description	Withdrawals	Deposits	Balance
06 Sep	PURCHASE JIMMY'S ITALIAN RESTAURANT 7977970181910 GBP 108.90 545161	108.90		916.40
08 Sep	INCOMING INTERBANK TRANSFER David Ross Ref: Dinner 1290-1890-199		35.00	951.40
10 Sep	DIRECT CREDIT SALARY Sept GBP1,545.20 6891790-18979-1818		1,545.20	2,496.60
11 Sep	PURCHASE EASYJET 000ENT89917 GATWICK 791789 GBP207.80 1663829618791	207.80		2,288.80
12 Sep	PURCHASE ODEON CINEMA GEORGE ST 6816789	32.00		2,256.80
15 Sep	PURCHASE TESCO METRO MAIN ST 463225844-455582	42.52		2,214.28
15 Sep	PURCHASE OXFAM Donation GBP15.00	15.00		2,199.28
16 Sep	INCOMING INTERBANK TRANSFER Sarah Bloggs Ref: drinks 6817-880-77		28.00	2,227.28
20 Sep	PURCHASE TRAIN TICKET MACHINE 46645331856	30.00		2,197.28
20 Sep	LINK ATM WITHDRAWAL 43473233325 King's Cross station 2 704590-7825 GBP 50.00 LSNEX80454613	50.00		2,147.28
22 Sep	PURCHASE Amazon "Mktplce EU-UK AMAZON.CO.UK 57185790-22 GBP34.77 46859107	64.77		2,082.51
23 Sep	LINK ATM WITHDRAWAL 56718162 Main Street 6818916-7379 GBP 50.00 LSNEX792368	50.00		2,032.51
25 Sep	DIRECT CREDIT JOHN LEWIS Refund GBP49.99 68167796-190		49.99	2,082.50

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YG Bank

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Contact tel. 0845 110 110  
www.ygbank.co.uk

### Bank Statement

#### YG Bank Current Account Statement 51234811 ... continued from previous page

##### Your transactions

Date	Description	Withdrawals	Deposits	Balance
26 Sep	LINK ATM WITHDRAWAL 689156 Main street 294466-7765 GBP 50.00 LSNEX689719	50.00		2,032.50
28 Sep	PURCHASE TESCO METRO HIGH ST 6892960-22	38.84		1,993.66
29 Sep	PURCHASE GREGGS 345422 GBP5.80	7.80		1,985.86
29 Sep	LINK ATM WITHDRAWAL 690782780-0 Peter's corner shop 412410-8835 GBP 50.00 LSNEX344189	50.00		1,935.86
30 Sep	Interest earned @ 1.25% p.a.		2.01	1,937.88
30 Sep	CLOSING BALANCE			1,937.88
	<b>TOTAL</b>	<b>981.98</b>	<b>1,690.20</b>	

Did you know that you could enjoy a higher interest rate of 3% on your YG Bank Current Account if you set-up at least three Direct Debit payments from your account? Once you have set up three or more Direct Debit payments, we will automatically move you to your new interest rate of 3%!

##### Managing your account with our online, phone and ATM services

Using our automated internet, telephone and ATM banking is fast and efficient, making it easier for you to manage your day to day finances. If you'd like to contact us regarding any of your transactions or our other products, please call us at 0845 110 110 or log on to our online banking portal at [www.ygbank.co.uk](http://www.ygbank.co.uk).

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YG Bank

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**Unhealthy mock bank statement**

Contact tel. 0845 110 110  
www.ygbank.co.uk

Mr/Mrs Smith  
Address line 1  
Address line 2  
Address line 3

**Bank Statement**

Statement period: 01/09/2014-30/09/2014  
Statement date: 30/09/2014  
Account number: 51234811  
Sort Code: 09-01-28

**YG Bank Current Account Statement 51234811****YG Bank Current Account features:**

Interest Rate (AER) on savings: 1.25%.  
Cashback: None.

Overdraft rate (EAR) on savings: 15.9%  
Monthly service fee: £2

**Your transactions**

Date	Description	Withdrawals	Deposits	Balance
01 Sep	OPENING BALANCE			994.63
01 Sep	PURCHASE WWW.TESCO.CO.UK GB 465562329563	97.50		897.13
01 Sep	DIRECT DEBIT BRITISH GAS 679980088619 2351 789673 17973	39.60		857.53
01 Sep	FEE – MONTHLY SERVICE	2.00		855.53
01 Sep	DIRECT DEBIT BT GROUP PLC 454113641334 1211 4646 466113	25.00		830.53
02 Sep	PURCHASE TRAIN TICKET MACHINE 45699273008	15.00		815.53
02 Sep	LINK ATM WITHDRAWAL 707808029209 King's Cross station 2 703790-1970 GBP 150.00 LSNEX80001801	150.00		665.53
05 Sep	PURCHASE SELF SERVICE TICKET SOUTH WEST TRAINS 69790064897097 216465	15.25		650.28
05 Sep	LINK ATM WITHDRAWAL 146463347464 King's Cross station 5 796868-8997 GBP 150.00 LSNEX77514462	150.00		500.28

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YG Bank

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Contact tel. 0845 110 110  
www.ygbank.co.uk

### Bank Statement

## YG Bank Current Account Statement 51234811 ... continued from previous page

### Your transactions

Date	Description	Withdrawals	Deposits	Balance
06 Sep	PURCHASE JIMMY'S ITALIAN RESTAURANT 7977970181910 GBP 128.90 545161	128.90		371.38
08 Sep	INCOMING INTERBANK TRANSFER David Ross Ref: Dinner 1290-1890-199		35.00	406.38
10 Sep	DIRECT CREDIT SALARY Sept GBP1,545.20 6891790-18979-1818		1,545.20	1,951.58
11 Sep	PURCHASE EASYJET 000ENT89917 GATWICK 791789 GBP207.80 1663829618791	207.80		1,743.78
12 Sep	PURCHASE ODEON CINEMA GEORGE ST 6816789	32.00		1,711.78
15 Sep	PURCHASE TESCO METRO MAIN ST 463225844-455582	82.52		1,629.26
15 Sep	PURCHASE MARKSANDSPENCERS 6091907	215.00		1,414.26
16 Sep	INCOMING INTERBANK TRANSFER Sarah Bloggs Ref: drinks 6817-880-77		28.00	1,442.26
20 Sep	PURCHASE TRAIN TICKET MACHINE 46645331856	30.00		1,412.26
20 Sep	LINK ATM WITHDRAWAL 43473233325 King's Cross station 2 704590-7825 GBP 50.00 LSNEX80454613	50.00		1,362.26
22 Sep	PURCHASE Amazon "Mktplce EU-UK AMAZON.CO.UK 57185790-22 GBP234.77 46859107	264.77		1,097.49
23 Sep	LINK ATM WITHDRAWAL High Street 6818916-7379 GBP 500.00 LSNEX792368	500.00		597.49
25 Sep	PURCHASE JOHN LEWIS 68167798-190	305.89		291.60
25 Sep	FEES - LATE PAYMENT CREDIT CARD 48862900728012	20.00		271.60
UKLV870345/51234811/090128				
YG Bank				

Page 2 of 3



Contact tel. 0845 110 110  
www.ygbank.co.uk

### Bank Statement

#### YG Bank Current Account Statement 51234811 ... continued from previous page

##### Your transactions

Date	Description	Withdrawals	Deposits	Balance
26 Sep	LINK ATM WITHDRAWAL Main street 294468-7765 GBP 120.00 LSNEX689719	120.00		151.60
28 Sep	PURCHASE TESCO METRO HIGH ST 6892960-22	58.84		92.76
29 Sep	PURCHASE GREGGS 345422 GBP5.80	7.80		84.96
29 Sep	LINK ATM WITHDRAWAL 690782780-0 Pete's corner shop 412410-8635 GBP 70.00 LSNEX344189	70.00		14.96
30 Sep	Interest earned @ 1.25% p.a.		0.0156	14.98
30 Sep	CLOSING BALANCE			14.98
	<b>TOTAL</b>	<b>2,587.87</b>	<b>1,908.21</b>	

Did you know that you could enjoy a higher interest rate of 3% on your YG Bank Current Account if you set-up at least three Direct Debit payments from your account? Once you have set up three or more Direct Debit payments, we will automatically move you to your new interest rate of 3%!

##### Managing your account with our online, phone and ATM services

Using our automated Internet, telephone and ATM banking is fast and efficient, making it easier for you to manage your day to day finances. If you'd like to contact us regarding any of your transactions or our other products, please call us at 0845 110 110 or log on to our online banking portal at [www.ygbank.co.uk](http://www.ygbank.co.uk).

UKLV870345/51234811/090128  
YG Bank

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**Notice providing information on changes to overdraft fees**



**Notice of changes to rates or fees**

29<sup>th</sup> October 2014

Dear Customer,

**We're changing our overdraft fees for current account holders**

We appreciate your business and want to let you know about upcoming changes to our overdraft services and charges for YG Bank Current Account customers.

For any YG Bank Current Account, starting 1 November 2014, the following changes will apply:

- You will be charged **£5/day** (with a cap of £100 per 30 consecutive days) for exceeding the overdraft limit you may have set up for your YG Bank Current Account. This will replace the existing charge of £30 each time you exceed your overdraft limit (capped at £200 per 30 consecutive days)

The overdraft service allows you to have some flexibility to cope with unexpected financial needs by allowing you to continue drawing on your YG Bank Current Account even if you have zero balance (subject to an overdraft limit and with applicable interest rates on the overdrawn amount). If you do not have this service and would like to sign up, please visit our website at [www.ygbank.co.uk/currentaccount/overdraft](http://www.ygbank.co.uk/currentaccount/overdraft) for more information. You may also call us hotline on 0845-110-110 for more information on this service and the new charges.

Thank you.

Sincerely,

A handwritten signature in blue ink that appears to read 'James Smith'.

James Smith  
Head of Customer Services  
YG Bank

UKLV321190X  
YG Bank

## Annex 4 Cover letter and email sent to online experiment respondents

### *Cover letter sent to potential respondents in the post treatment*

<Name>  
<Address>  
<Address>  
<Address>

<Date sent>

Dear <NAME>,

You will soon be invited to take part in a YouGov survey about how you receive information such as bills and bank statements.

You will receive an email from us containing a link to the survey within the next week. For taking part we will add 150 points to your YouGov account.

Before taking part in the survey, you need to review the **two mock documents** (from a fictional bank called YG Bank) which you can find enclosed in this letter. These are:

- 1) a **Bank Statement**
- 2) a **Notice of changes to rates or fees**

Although these documents are made-up, please **imagine they came from your own bank**.

Please **review both documents carefully** as if they referred to your own bank account.

Once you have reviewed them, please **throw away the Notice**, but **keep hold of the Bank Statement** until you have completed the survey.

Thank you for your time!

Sincerely,

EMILY YOUNG

**YouGov**<sup>®</sup>  
What the world thinks

50 Featherstone Street  
London EC1Y 8RT

T +44 (0)20 7012 6000  
F +44 (0)20 7012 6001  
info@yougov.com  
www.yougov.com

*Email sent to potential respondents in the electronic treatment*



Dear YouGov Member,

You will soon be invited to take part in a YouGov survey about how you receive information such as bills and bank statements.

You will receive an email from us containing a link to the survey within the next week. For taking part we will add 150 points to your YouGov account.

Before taking part in the survey, you need to review the **two mock documents** (from a fictional bank called YG Bank). These are:

1. a **Bank Statement**
2. a **Notice of changes to rates or fees**



These can be accessed via the following link and password:

[https://start.yougov.com/refer/vmNmLZQMKJ9tJs?  
&id=23515665&group=3](https://start.yougov.com/refer/vmNmLZQMKJ9tJs?&id=23515665&group=3)

Passcode: 65432

Although these documents are made-up, please imagine they came from your own bank.

Please review both documents carefully as if they referred to your own bank account.

Please review the documents now or by Thursday 6th November at the latest, and **keep hold of this email** until you have completed the survey.

Thank you for your time!

Sincerely,  
Emily Young  
YouGov



## Annex 5 Online survey and experiment questions

### ONLINE SURVEY

1. Please confirm that you received a letter/email [DEPENDING ON TREATMENT GROUP] from YouGov within the last 6 days that contained 1) a mock Bank statement and 2) a mock Notice of changes to rates or fees.

<1> Yes

<2> No

2. Did you review both the bank statement and the notice of changes to rates or fees?

-[q2a] The statement

<1> Yes

<2> No

-[q2a] The notice

<1> Yes

<2> No

3. Have you discarded the bank statement?/Have you deleted the email? [DEPENDING ON TREATMENT GROUP]

<1> Yes

<2> No

4. Have you discarded the notice of changes to rates or fees?/ Are you able to access the email while completing this survey? [DEPENDING ON TREATMENT GROUP]

<1> Yes

<2> No

5. How do you currently receive the following pieces of correspondence and information? If you receive any of these both by post and online please tick both options.

	By post (as a paper copy)	Online (by email or via a website)	Not applicable/ Neither of these
Bank statements (e.g. monthly or quarterly statements)			
Annual summary statements (e.g. for an account, mortgage or loan)			
Information from your bank on interest rates or terms and conditions			
Pension statements/notifications			
Energy bills (gas and/or electricity)			
Telephone and/or internet bills			
Insurance contract information			
Insurance policy renewal reminders and information			
Information on terms and conditions/other notifications from your insurance provider			

6. Have you registered for/set-up online banking and how often do you typically use online banking? (e.g to view transactions, make payments, or transfer money between accounts)

- <1> Not applicable, I have not set-up online banking
- <2> I have set-up online banking and use it once a week or more
- <3> I have set-up online banking and use it once a month
- <4> I have set-up online banking and use it once every 6 months
- <5> I have set-up online banking and use it once a year
- <6> I have set-up online banking and use it less often than once a year/never

ASK 7, 8 & 9 TO RESPONDENTS WHO ANSWER 'ONCE A WEEK', 'ONCE A MONTH', 'ONCE EVERY 6 MONTHS', OR 'ONCE A YEAR' AT 6.

7. Within the last six months, have you used online banking for any of the following? Please select all that apply.

- <1> To view your transactions (past and/or future)
- <2> To pay companies or organisations (e.g. bills or tax)
- <3> To pay money to other people (e.g. friends or family)
- <4> To transfer money between your accounts
- <5> Other
- <6> Not sure

8. How easy do you find it to bank online? Please answer on a scale of 1 (Not easy at all) to 5 (Very Easy)?

9. What, if anything, do you find difficult about banking online? Please select all that apply.

- <1> I don't find it difficult
- <2> I find it difficult to track my spending online
- <3> I find it difficult to remember my passwords
- <4> I find it difficult to view my past statements
- <5> I find it difficult to keep track of multiple accounts
- <6> I find it difficult to locate the information I am looking for
- <7> The online system is sometimes unavailable
- <8> Other
- <9> Don't know

ASK 10 TO RESPONDENTS WHO ANSWER 'LESS OFTEN THAN ONCE A YEAR/NEVER' AT 6.

10. Why do you use online banking so rarely? Please select all that apply.

- <1> I rarely or never use the Internet
- <2> Online banking is not user friendly
- <3> I find it difficult to track my spending online
- <4> I find it difficult to remember my passwords
- <5> I find it difficult to view my past statements
- <6> I find it difficult to keep track of multiple accounts online
- <7> I find it difficult to locate the information I am looking for
- <8> The online system is sometimes unavailable
- <9> Other
- <10> Don't know

ASK 11 TO RESPONDENTS WHO ANSWER 'NOT SET-UP ONLINE BANKING' AT 6.

11. Why have you never tried to register for/set-up online banking? Please select all that apply.

- <1> I rarely or never use the Internet
- <2> I think it will be too complicated
- <3> I do not trust online banking
- <4> I'm worried about the security of online banking
- <5> Other
- <6> Don't know

12. Below are some statements about behaviours with money. Please tell us how much you agree or disagree that each statement applies to you. Remember that there are no right or wrong answers; everyone has their own way of doing things.

	Disagree				Agree
	1	2	3	4	5
Before I buy something, I carefully consider whether I can afford it					
I keep a close personal watch on my financial affairs					

13. Which one of the following best describes how often you go overdrawn on your day-to-day bank account?

- <1> I never go into my overdraft
- <2> I occasionally go into my overdraft
- <3> I regularly go into my overdraft
- <4> I am permanently overdrawn
- <5> Not sure / prefer not to say

ASK 14 TO THOSE WHO ANSWERED 'OCCASIONALLY', 'REGULARLY' AND 'PERMANENTLY' AT 13.

14. For which of the following reasons have you ever gone overdrawn? Please select all that apply

- <1> I overspent because I lost track of how much money I had in my account
- <2> I forgot that a payment (e.g. a direct debit) was due to come out of my account
- <3> I forgot to change my overdraft limit
- <4> Money I was expecting to receive (e.g. salary) wasn't paid to me or was delayed
- <5> Other
- <6> Not sure / prefer not to say

ASK 15-18 TO RESPONDENTS BASED ON MAIL TYPE AND MAIL METHOD THEY HAVE PROVIDED IN 5. EACH RESPONDENT IS ONLY ASKED ONE SET OF QUESTIONS. THE TABLE BELOW LISTS THE MAIL TYPES AND MAIL METHODS INCLUDED IN THE SURVEY, AND PROVIDES THE NUMBER OF RESPONSES FOR EACH CATEGORY.

	MAIL METHOD	
MAIL TYPE	by post	electronically
Bank statements	204	210
Utility bills, of which	193	198
(energy bills)	(100)	(99)
(phone bills)	(93)	(99)

Insurance contract information	205	205
--------------------------------	-----	-----

15. You said that you currently receive your [MAIL TYPE] by [MAIL METHOD]. For how long do you typically keep each of these [MAIL TYPE]?

- <1> Discard immediately
- <2> 0-3 months
- <3> 4-6 months
- <4> Less than a year
- <5> Less than five years
- <6> More than five years
- <7> Not sure

16. Roughly how often do you check your [MAIL TYPE] that you receive by [MAIL METHOD]?

- <1> Every month
- <2> Every two months
- <3> Every three months
- <4> Less often than every three months
- <5> Never
- <6> Not sure

17. Why do you choose to receive your [MAIL TYPE] by [MAIL METHOD]? Please tick all that apply. IF MAIL METHOD = 'POST', OFFER FOLLOWING OPTIONS. OFFER OPTIONS <5> AND <6> FOR BANK STATEMENTS.

- <1> I've always received them by post and have not considered anything else
- <2> It's easier to look through my account information on paper
- <3> I like the feel of paper and prefer reading my statements on paper
- <4> I can file them away more easily
- <5> I can tally my expenditure with my receipts more easily on paper
- <6> It helps me to better manage living within my means
- <7> I do not have the option to receive them any other way
- <8> Other reason(s)
- <9> Don't know

IF MAIL METHOD = 'ELECTRONIC', OFFER FOLLOWING OPTIONS

- <1> It is easier to manage my account online
- <2> I would be charged to receive them by post
- <3> For environmental reasons
- <4> There was an incentive (e.g. cash reward, fee waiver) to receive them online
- <5> Going electronic gives me access to a history of my [MAIL TYPE] online
- <6> I was receiving prompts to do so from my bank/supplier
- <7> I can access my [MAIL TYPE] at my convenience
- <8> My bank/supplier switched me to electronic and I never switched back
- <9> I do not have the option to receive them any other way
- <10> Other
- <11> Don't know

IF THE RESPONDENT'S MAIL METHOD IS "POST", THEN THE ALTERNATIVE MAIL METHOD IS "ELECTRONIC", AND VICE VERSA.

18. How likely are you to switch from receiving your [MAIL TYPE] by [MAIL METHOD] to receiving them by [ALTERNATIVE MAIL METHOD]?

<1> Not at all likely to switch

<2> Unlikely to switch

<3> Likely to switch

<4> Very likely to switch

<5> Don't know

ASK 19A TO 50% OF THE RESPONDENTS AND 19B TO THE OTHER 50%.

19A. For you, what are the most important reasons for receiving bank statements? Please rank each option on a scale of 1 (Not important) to 5 (Very important).

	Not important			Very important	
	1	2	3	4	5
To help me manage my finances					
To check for incorrect or fraudulent transactions					
To ensure I have the most suitable/cheapest deal					
For record keeping					
As proof of address/identity					
To get information (e.g. rates and charges or Ts&Cs)					

19B. For you, what are the most important reasons for receiving bills (e.g. energy, water or phone bills)? Please rank each option on a scale of 1 (Not important) to 5 (Very important).

	Not important			Very important	
	1	2	3	4	5
To find out how much I have to pay					
To monitor my usage/spending					
To check I'm being billed correctly					
To ensure I have the most suitable/cheapest deal					
For record keeping					
As proof of address/identity					
To get information (e.g. rates and charges or Ts&Cs)					

ASK 20A TO 50% OF THE RESPONDENTS AND 20B TO THE OTHER 50%.

20A. In your opinion, in terms of the following, is it better to receive information from your bank by post or electronically (e.g. online or by email)? Please answer on a scale of 1 (post is better) to 5 (electronic is better).

	Post is better			Electronic is better	
	1	2	3	4	5
Being able to trust that information is genuine and					

accurate					
Being able to trust that information is secure					
Helping you to spot a fee or transaction you don't recognise					
Helping you to better manage your finances					
Receiving up-to-date information quickly					
Convenience of accessing information					

20B. In your opinion, in terms of the following, is it better to receive information from a utility provider (e.g. energy, water or phone company) by post or electronically (e.g. online or by email)? Please answer on a scale of 1 (post is better) to 5 (electronic is better).

	Post is better		Electronic is better		
	1	2	3	4	5
Being able to trust that information is genuine and accurate					
Being able to trust that information is secure					
Helping you to spot an overcharge or overpayment					
Helping you to avoid missing payments that are due					
Receiving up-to-date information quickly					
Convenience of accessing information					

ASK 21A TO 25% OF THE RESPONDENTS, 21B TO 25%, 21C TO 25%, AND 21D TO THE LAST 25% OF THE RESPONDENTS. ONLY RESPONDENTS WHO RECEIVED THE MAIL TYPE BY THE RELEVANT MAIL METHOD BASED ON THEIR RESPONSES TO 5 WERE ASKED THE CORRESPONDING QUESTION (e.g. RESPONDENTS WHO SAID THEY RECEIVED BANK STATEMENTS BY POST IN 5 WERE ASKED 21A).

21A. Has a paper copy bank statement ever prompted you to take the following actions? Please select all that apply.

- <1> Search the market for a new deal
- <2> Switch product
- <3> Reduce your spending/consumption
- <4> Challenge a transaction you don't recognise
- <5> An action to avoid a fee (e.g. an overdraft or late payment fee)
- <6> Check payments going out of your account (when and how much)
- <7> None of the above

21B. Has a paper copy bill (e.g. an energy, water or phone bill) ever prompted you to take the following actions? Please select all that apply.

- <1> Search the market for a new deal
- <2> Switch product and/or tariff
- <3> Reduce your spending/consumption
- <4> Challenge an overcharge or overpayment
- <5> An action to avoid a fee (e.g. a late payment fee)
- <6> Check when the bill is due and how much it is for
- <7> None of the above

21C. Has an online bank statement ever prompted you to take the following actions? Please select all that apply.

- <1> Search the market for a new deal
- <2> Switch product
- <3> Reduce your spending/consumption
- <4> Challenge a transaction you don't recognise
- <5> An action to avoid a fee (e.g. an overdraft or late payment fee)
- <6> Check payments going out of your account (when and how much)
- <7> None of the above

21D. Has an online bill (e.g. an energy, water or phone bill) ever prompted you to take the following actions? Please select all that apply.

- <1> Search the market for a new deal
- <2> Switch product and/or tariff
- <3> Reduce your spending/consumption
- <4> Challenge an overcharge or overpayment
- <5> An action to avoid a fee (e.g. a late payment fee)
- <6> Check when the bill is due and how much it is for
- <7> None of the above

22. Some companies (e.g. banks, energy companies, etc) allow you to access your bills/statements for free electronically, but make you pay to receive a paper copy in the post. What is your opinion of this practice? Please pick the answer that most applies.

- <1> I think it is reasonable
- <2> I think it is unfair
- <3> I have no feelings towards this practice
- <4> Don't know

ASK 23 AND ONLY INCLUDE THE OPTIONS FOR WHICH THE RESPONDENT ANSWERED 'POST' FOR THE RELEVANT CORRESPONDENCE AT 5.

23. Do you pay in order to receive any of the following pieces of correspondence and information by post? Please select all that apply.

- <1> Bank statements (e.g. monthly or quarterly statements)
- <2> Annual summary statements (e.g. for an account, mortgage or loan)
- <3> Information from your bank on interest rates or terms and conditions
- <4> Pension statements/notifications
- <5> Energy bills (gas and/or electricity)
- <6> Telephone and/or internet bills
- <7> Insurance contract information
- <8> Insurance policy renewal reminders and information
- <9> Information on terms and conditions/other notifications from your insurance provider
- <10> None of the above
- <11> Don't know

**ONLINE EXPERIMENT**

RESPONDENTS WILL BE PROVIDED WITH AN INTRODUCTION DEPENDING ON WHETHER THEY ARE IN THE LETTER TREATMENT OR ONE OF THE ELECTRONIC TREATMENTS, AND DEPENDING ON WHETHER THEY DISCARDED THE BANK STATEMENT, AS PER THE TABLE BELOW.

		Letter	Email
Kept statement	Kept notice	INTRO TEXT A	INTRO TEXT C
	Discarded notice	INTRO TEXT A	INTRO TEXT C
Discarded statement	Kept notice	INTRO TEXT B	INTRO TEXT D
	Discarded notice	INTRO TEXT B	INTRO TEXT D

**INTRO TEXT A:**

In this section, you will be asked questions about the mock **Bank statement** and **Notice of changes to rates or fees** contained in the letter you recently received from YouGov. When answering the following questions, please imagine that these mock documents refer to your own bank account. You may refer back to the bank statement while completing this section. Please do not look again at the notice of changes to rates or fees.

In this section some questions have correct answers. If you answer these correctly, you will be entered into a draw to win a **cash prize of £250**.

**INTRO TEXT C:**

In this section, you will be asked questions about the **Bank statement** and **Notice of changes to rates or fees** which you could access from the email you recently received from YouGov. When answering the following questions, please imagine that these mock documents refer to your own bank account.

You may refer back to the bank statement while completing this section. Please do not look again at the notice of changes to rates or fees.

In this section some questions have correct answers. If you answer these correctly, you will be entered into a draw to win a **cash prize of £250**.

BY CLICKING ON THE WORDS “BY CLICKING HERE” IN INTRO TEXT B AND D, RESPONDENTS CAN OPEN A NEW WINDOW (OR TAB) WHICH DISPLAYS THE MOCK BANK STATEMENT.

**INTRO TEXT B:**

In this section, you will be asked questions about the mock **Bank statement** and **Notice of changes to rates or fees** contained in the letter you recently received from YouGov. When answering the following questions, please imagine that these mock documents refer to your own bank account. You previously said that you discarded the bank statement. While completing this section you may refer back to the bank statement by clicking here. Please do not look again at the notice of changes to rates or fees.

In this section some questions have correct answers. If you answer these correctly, you will be entered into a draw to win a **cash prize of £250**.



INTRO TEXT D:

In this section, you will be asked questions about the mock **Bank statement** and **Notice of changes to rates or fees** which you could access from the email you recently received from YouGov. When answering the following questions, please imagine that these mock documents refer to your own bank account.

You previously said that you discarded the bank statement. While completing this section you may refer to the bank statement here by [clicking here](#). Please do not refer to the notice of changes to rates or fees.

In this section some questions have correct answers. If you answer these correctly, you will be entered into a draw to win a **cash prize of £250**.

24. What was the name of the bank that issued the statement?

- <1> YG Bank
- <2> Your Bank
- <3> Savings Trust Bank
- <4> Don't know

25. What type of account was the statement for?

- <1> Current
- <2> Savings
- <3> ISA
- <4> Don't know

26. How much money was in this account at the end of September? Please type in a number without the £ sign.

27. If a direct debit of £250 had come out of the account on 26th September, and there is an agreed overdraft limit of £100 on the account, would there have been enough money in the account, including the overdraft limit, to cover the direct debit?

- <1> Yes
- <2> No
- <3> Don't know

28. Was there a payment to Tesco during the statement period?

- <1> Yes
- <2> No
- <3> Don't know

29. What was the largest payment into the account during the statement period? Please type in a number without the £ sign.

30. What information was provided by the Notice of changes to rates or fees which was contained in the [LETTER/EMAIL] you received? If you have not discarded this document, please answer this question without looking back at it. Please select one answer.

- <1> It informed me about a change to the interest rate on my current account
- <2> It informed me about a change to the interest rate on my credit card
- <3> It informed me about a change to overdraft fees applied to my current account
- <4> It informed me about a change to the account maintenance fees for my current account

<5> Don't know

ASK 31 TO RESPONDENTS WHO ANSWERED <3> AT 30 (WHICH IS THE CORRECT ANSWER).

31. What will the new overdraft fees be? Enter figure as £s per day

ASK 32 TO ALL RESPONDENTS EXCEPT THOSE WHO ANSWERED <5> AT 30.

32. When will this change take effect?

<1> 1st November 2014

<2> 15th November 2014

<3> 1st December 2014

<4> 4th January 2015

33. Supposing that the bank statement refers to your own bank account, are there any actions you would take to improve the interest rate you are getting?

<1> No, nothing

<2> Add one more direct debit payment from this account

<3> Remove one direct debit payment from this account

<4> Take out a credit card linked to this account

<5> Don't know

34. In your opinion, what is the financial health of this bank account? A financially healthy bank account would be one that has a high amount of money coming in relative to the amount of money going out, and there would be evidence of good financial management (e.g. no late payment fees or overdraft). Please answer on a scale of 1 (very poor) to 5 (very good).

35. Again supposing that the statement refers to your own bank account, would you change your spending behaviour in any way? Might you ...?

<1> Reduce spending next month

<2> Afford to increase spending next month

<3> Not change your behaviour

36. Still supposing that the statement refers to your own bank account, please consider the features of the two alternative accounts shown above. Would you change your account to one of those shown?

<1> Stay with account referred to by the statement

<2> Switch to Account 1

<3> Switch to Account 2

**Account 1**

Interest Rate (AER):	1.00% per annum
Overdraft Rate (EAR):	15.9% per annum
Cashback:	2% cashback at selected retailers such as Tesco, Boots, John Lewis
Monthly Service fee:	£2
Online & Telephone banking available:	Yes
Cheque book:	Yes

**Account 2**

Interest Rate (AER):	2.50% per annum
Overdraft Rate (EAR):	15.9% per annum
Cashback:	2% cashback at selected retailers such as Tesco, Boots, John Lewis 5% cashback on Direct Debit payments linked to account
Monthly Service fee:	£0
Online & Telephone banking available:	Yes
Cheque book:	Yes

## Annex 6 Face-to-face survey questions

Good morning/afternoon/evening. I am conducting a survey about bills and statements. It will take 10 minutes of your time. Will you help us please?

<b>S1</b>	RECORD GENDER		
	Male	<b>01</b>	CONTINUE
	Female	<b>02</b>	CONTINUE

<b>S2.</b>	SHOWCARD S2 <b>Which of these best describes how often you use the internet?</b> CIRCLE ONE CODE ONLY		
	Everyday	<b>01</b>	END SURVEY
	Every two or three days	<b>02</b>	
	About once a week	<b>03</b>	
	About once a fortnight	<b>04</b>	
	About once a month	<b>05</b>	
	Less often	<b>06</b>	CONTINUE
	Not at all	<b>07</b>	

### SECTION A – ‘VULNERABLE’ SCREENING

RESPONDENTS MUST FULFILL AT LEAST ONE OF THE FOLLOWING TWO CRITERIA

<b>A1.</b>	<b>Are your day-to-day activities limited a lot, a little or not at all because of a health problem or disability which has lasted, or is expected to last, at least 12 months?</b> CIRCLE ONE CODE ONLY		
	Yes, a lot	<b>01</b>	MEETS CRITERIA
	Yes, a little	<b>02</b>	
	No	<b>03</b>	DOES NOT MEET CRITERIA

<b>A2.</b>	SHOWCARD A2 <b>Gross household income combines your income with that of your partner or any other household members with whom you share financial responsibilities before any taxes or deductions. What is your gross HOUSEHOLD income?</b> CIRCLE ONE CODE ONLY		
	Under £5,000 per year	<b>01</b>	MEETS CRITERIA
	£5,000 to £9,999 per year	<b>02</b>	
	£10,000 to £14,999 per year	<b>03</b>	
	£15,000 to £19,999 per year	<b>04</b>	DOES NOT MEET CRITERIA
	£20,000 to £29,999 per year	<b>05</b>	

£30,000 to £39,999 per year	06	
£40,000 to £49,999 per year	07	
£50,000 to £99,999 per year	08	
£100,000 and over	09	
Don't know	10	
Prefer not to answer	11	

ALL

<b>A3.</b>	SHOWCARD A3 Please can you tell me which of the following age bands you fall into? CIRCLE ONE CODE ONLY		
	16-29	01	CONTINUE
	30-39	02	
	40-49	03	
	50-59	04	
	60-69	05	
	70+	06	

<b>A4.</b>	Is English your first language? CIRCLE ONE CODE ONLY		
	Yes	01	CONTINUE
	No	02	

## SECTION B – BILLS SCREENING

B1.	Do you currently receive the following pieces of correspondence and information by post, online or neither? MULTICODE			
		By post (as paper copy	Online (by email or via a website)	Neither / not applicable
B1A: Bank statements (e.g. monthly or quarterly statements)		01	02	03
B1B: Energy bills (gas and/or electricity)		01	02	03
B1C: Insurance contract information		01	02	03

If neither / not applicable to all 3 – then terminate interview

IF 01 OR 02 AT B1A THEN ELIGIBLE FOR BANKING MODULE

IF 01 OR 02 AT B1B THEN ELIGIBLE FOR ENERGY MODULE

IF 01 OR 02 AT B1C THEN ELIGIBLE FOR INSURANCE MODULE

ALL

<b>B2.</b>	<b>Do you currently receive the following pieces of correspondence and information by post, online or neither?</b> MULTICODE		
	By post (as paper copy)	Online (by email or via a website)	Neither / not applicable
<b>B2A:</b> Telephone and/or internet bills	01	02	03
<b>B2B:</b> Annual summary statements (e.g. for an account, mortgage or loan)	01	02	03
<b>B2C:</b> Information from your bank on interest rates or terms and conditions	01	02	03
<b>B2D:</b> Pension statements/notifications	01	02	03
<b>B2E:</b> Insurance policy renewal reminders and information	01	02	03
<b>B2F:</b> Information on terms and conditions/other notifications from your insurance provider	01	02	03

## SECTION C – ONLINE BANKING GENERAL

<b>C1.</b>	<b>Have you registered for/set-up online banking?</b> CIRCLE ONE CODE ONLY		
	Yes	01	GO TO C3
	No	02	GO TO C2
	Not sure	99	GO TO SECTION D

<b>C2.</b>	<b>SHOWCARD C2</b> <b>Why haven't you registered for or set-up online banking?</b> MULTICODE		
	I rarely or never use the Internet	01	GO TO SECTION D
	I think it will be too complicated	02	
	I do not trust online banking	03	
	I'm worried about the security of online banking	04	
	I cannot afford a computer/the internet	05	
	Other	96	
	Don't know	99	

<b>C3.</b>	<b>SHOWCARD C3</b> <b>How easy do you find it to bank online?</b> CIRCLE ONE CODE ONLY		
	1 – Not easy at all	01	CONTINUE
	2	02	
	3	03	

4	04	
5 – Very easy	05	

<b>C4.</b>	<b>SHOWCARD C4</b> <b>What, if anything, do you find difficult about banking online?</b> MULTICODE		
	I don't find it difficult	01	CONTINUE
	I find it difficult to track my spending	02	
	I find it difficult to remember my passwords	03	
	I find it difficult to view my past statements	04	
	I find it difficult to keep track of multiple accounts	05	
	I find it difficult to locate the information I am looking for	06	
	The online system is sometimes unavailable	07	
	Other	96	
	Don't know	99	

## SECTION D – MONEY AND BANKING

<b>D1.</b>	<b>SHOWCARD D1</b> <b>Below are some statements about behaviours with money. Please tell us how much you agree or disagree that each statement applies to you. Remember that there are no right or wrong answers; everyone has their own way of doing things.</b> CIRCLE ONE CODE ONLY		
		<b>D1A</b> Before I buy something, I carefully consider whether I can afford it	<b>D1B</b> I keep a close personal watch on my financial affairs
	1 – Disagree	01	01
	2	02	02
	3	03	03
	4	04	04
	5 – Agree	05	05

<b>D2.</b>	<b>SHOWCARD D2</b> <b>Which of the following best describes how often you go overdrawn on your day-to-day bank account?</b> CIRCLE ONE CODE ONLY		
	I never go into my overdraft	01	GO TO D4
	I occasionally go into my overdraft	02	GO TO D3
	I regularly go into my overdraft	03	
	I am permanently overdrawn	04	
	Not sure / prefer not to say	05	

<b>D3.</b>	<b>SHOWCARD D3</b> <b>For which of the following reasons have you ever gone overdrawn?</b> MULTICODE		
	I overspent because I lost track of how much money I had in my account	<b>01</b>	CONTINUE
	I forgot that a payment (e.g. a direct debit) was due to come out of my account	<b>02</b>	
	I forgot to change my overdraft limit	<b>03</b>	
	Money I was expecting to receive (e.g. salary) wasn't paid to me or was delayed	<b>04</b>	
	Other	<b>96</b>	
	Don't know	<b>99</b>	

## ALL

ALL

D4.	SHOWCARD D4					
	For you, what are the most important reasons for receiving bank statements? Please rate each option on a scale of 1 (Not important) to 5 (Very important). CIRCLE ONE CODE ONLY PER ROW					
		1 – Not important	2	3	4	5 – Very important
	D4A: To help me manage my finances	01	02	03	04	05
	D4B: To check for incorrect or fraudulent transactions	01	02	03	04	05
	D4C: To ensure I have the most suitable/cheapest deal	01	02	03	04	05
	D4D: For record keeping	01	02	03	04	05
	D4E: As proof of address/identity	01	02	03	04	05
	D4F: To get information (e.g. rates and charges or Ts&Cs)	01	02	03	04	05

D5.	SHOWCARD D5					
	In your opinion, in terms of the following, is it better to receive information from your bank by post or electronically (e.g. online or by email)? Please answer on a scale of 1 (post is better) to 5 (electronic is better)					
CIRCLE ONE CODE ONLY PER ROW						
		1 – Post is better	2	3	4	5 – Electronic is better
D5A:	Being able to trust that information is genuine	01	02	03	04	05
D5B:	Being able to trust that information is accurate	01	02	03	04	05
D5C:	Being able to trust that information is secure	01	02	03	04	05
D5D:	Helping you to spot a fee or transaction you don't recognise	01	02	03	04	05
D5E:	Receiving up-to-date information	01	02	03	04	05



quickly					
<b>D5F:</b> Convenience of accessing information	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>
<b>D5G:</b> Helping to better manage your finances	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>

## SECTION E: PAYING

<b>E1.</b>	<b>SHOWCARD E1</b>		
	<b>How do you pay the majority of your utility bills (e.g. energy, water, phone or internet)?</b>		
	CIRCLE ONE CODE ONLY		
	By direct debit	<b>01</b>	CONTINUE
	By credit or debit card	<b>02</b>	
	Cheques in the post	<b>03</b>	
	At the post office	<b>04</b>	
	In cash (e.g. at a 'PayPoint')	<b>05</b>	
	Other	<b>06</b>	
Not sure	<b>99</b>		

<b>E2.</b>	<b>SHOWCARD E2</b>		
	<b>Some companies (e.g. banks, energy companies) allow you to access your bills/statements for free electronically, but make you pay to receive a paper copy in the post. What is your opinion of this practice?</b>		
	CIRCLE ONE CODE ONLY		
	I think it is reasonable	<b>01</b>	CONTINUE
	I think it is unfair	<b>02</b>	
I have no feelings towards this practice	<b>03</b>		
Don't know	<b>99</b>		

<b>E3.</b>	<b>SHOWCARD E3</b>		
	<b>Do you pay in order to receive any of the following pieces of correspondence and information by post?</b>		
	MULTICODE		
	Bank statements (e.g. monthly or quarterly statements)	<b>01</b>	CONTINUE
	Energy bills (gas and/or electricity)	<b>02</b>	
	Telephone and/or internet bills	<b>03</b>	
	Insurance contract information	<b>04</b>	
	Annual summary statements (e.g. for an account, mortgage or loan)	<b>05</b>	
	Information from your bank on interest rates or terms and conditions	<b>06</b>	
Pension statements/notifications	<b>07</b>		
Insurance policy renewal reminders and information	<b>08</b>		

Information on terms and conditions/other notifications from your insurance provider	09	
None of the above	99	

THE RESPONDENT NOW DOES ONE OF THE THREE MODULES (BANKING, ENERGY OR INSURANCE) IF ELIGIBLE FOR MORE – ROTATE YOUR USE OF THE MODULES

IF 01 OR 02 AT B1A THEN ELIGIBLE FOR BANKING MODULE

IF 01 OR 02 AT B1B THEN ELIGIBLE FOR ENERGY MODULE

IF 01 OR 02 AT B1C THEN ELIGIBLE FOR INSURANCE MODULE

### MODULE BANKING - IF ANSWERING 01 OR 02 AT B1A

#### SECTION F – BANKING BY POST – IF ANSWERING 01 AT B1A – IF 02 SKIP TO SECTION G

<b>F1.</b>	<b>SHOWCARD F1</b> You said that you currently receive your bank statements by post. For how long do you typically keep each of these statements? CODE ONE ONLY		
	Throw away immediately	01	CONTINUE
	0-3 months	02	
	4-6 months	03	
	Less than a year	04	
	Less than five years	05	
	More than five years	06	
	Not sure	99	

<b>F2.</b>	<b>SHOWCARD F2</b> Roughly how often do you check your bank statements that you receive by post? CODE ONE ONLY		
	Every month	01	CONTINUE
	Every two months	02	
	Every three months	03	
	Less often than every three months	04	
	Never	05	
	Not sure	99	

<b>F3.</b>	<b>SHOWCARD F3</b> Why do you choose to receive your bank statements by post? MULTICODE		
------------	---	--	--

I've always received them by post and have not considered anything else	01	CONTINUE
It's easier to look through my account information on paper	02	
I like the feel of paper and prefer reading my statements on paper	03	
I can file them away more easily	04	
I can tally my expenditure with my receipts more easily on paper	05	
It helps me to better manage living within my means	06	
I do not have the option to receive them any other way	07	
Other	96	
Don't know	99	

F4.	<b>SHOWCARD F4</b> How likely are you to switch from receiving your bank statements by post to receiving them online? CODE ONE ONLY		
	Not at all likely to switch	01	CONTINUE
	Unlikely to switch	02	
	Likely to switch	03	
	Very likely to switch	04	
	Don't know	99	

F5.	<b>SHOWCARD F5</b> Has a paper copy bank statement ever prompted you to take the following actions? MULTICODE		
	Search the market for a new deal	01	CONTINUE
	Switch product	02	
	Reduce your spending/consumption	03	
	Challenge a transaction you don't recognise	04	
	An action to avoid a fee (e.g. an overdraft or late payment fee)	05	
	Check payments going out of your account (when and how much)	06	
	None of the above	99	

## SECTION G – BANK STATEMENTS ONLINE IF ANSWERING 02 AT B1A

G1.	<b>SHOWCARD G1</b> You said that you currently receive your bank statements online. For how long do you typically keep each of these statements? CODE ONE ONLY		
	Delete immediately	01	CONTINUE
	0-3 months	02	

4-6 months	03	
Less than a year	04	
Less than five years	05	
More than five years	06	
Not sure	99	

G2.	<b>SHOWCARD G2</b>		
	<b>Roughly how often do you check your bank statements that you receive online?</b>		
	CODE ONE ONLY		
	Every month	01	CONTINUE
	Every two months	02	
	Every three months	03	
	Less often than every three months	04	
	Never	05	
Not sure	99		

G3.	<b>SHOWCARD G3</b>		
	<b>Why do you choose to receive your</b> bank statements online?		
	MULTICODE		
	It is easier to manage my account online	<b>01</b>	CONTINUE
	I would be charged to receive them by post	<b>02</b>	
	For environmental reasons	<b>03</b>	
	There was an incentive (e.g. cash reward, fee waiver) to receive them online	<b>04</b>	
	Going electronic gives me access to a history of my statements online	<b>05</b>	
	I was receiving prompts to do so from my bank	<b>06</b>	
	I can access my statements at my convenience	<b>07</b>	
	My bank switched me to electronic and I never switched back	<b>08</b>	
	I do not have the option to receive them any other way	<b>09</b>	
	Other	<b>96</b>	
	Don't know	<b>99</b>	

G4.	<b>SHOWCARD G4</b>		
	<b>How likely are you to switch from receiving your bank statements online to receiving them by post?</b>		
	CODE ONE ONLY		
	Not at all likely to switch	01	CONTINUE
Unlikely to switch	02		
Likely to switch	03		

Very likely to switch	04	
Don't know	99	

G5.	<b>SHOWCARD G5</b> <b>Has an online bank statement ever prompted you to take the following actions?</b> MULTICODE		
	Search the market for a new deal	01	CONTINUE
	Switch product	02	
	Reduce your spending/consumption	03	
	Challenge a transaction you don't recognise	04	
	An action to avoid a fee (e.g. an overdraft or late payment fee)	05	
	Check payments going out of your account (when and how much)	06	
	None of the above	99	

END MODULE BANKING – GO TO END SURVEY

MODULE ENERGY - IF ANSWERING 01 OR 02 AT B1B

SECTION I – ENERGY BY POST – IF ANSWERING 01 AT B1B – IF 02 SKIP TO SECTION J

I1.	<b>SHOWCARD I1</b> You said that you currently receive your energy bills by post. For how long do you typically keep each of these bills? CODE ONE ONLY		
	Throw away immediately	01	CONTINUE
	0-3 months	02	
	4-6 months	03	
	Less than a year	04	
	Less than five years	05	
	More than five years	06	
	Not sure	99	

I2.	<b>SHOWCARD I2</b> <b>Roughly how often do you check your energy bills that you receive by post?</b> CODE ONE ONLY		
Every month		01	CONTINUE
Every two months		02	
Every three months		03	
Less often than every three months		04	

Never	05	
Not sure	99	

<b>I3.</b>	<b>SHOWCARD I3</b> <b>Why do you choose to receive your energy bills by post?</b> MULTICODE	
I've always received them by post and have not considered anything else	01	CONTINUE
It's easier to look through my account information on paper	02	
I like the feel of paper and prefer reading my bills on paper	03	
I can file them away more easily	04	
I do not have the option to receive them any other way	05	
Other	96	
Don't know	99	

<b>I4.</b>	<b>SHOWCARD I4</b> <b>How likely are you to switch from receiving your energy bills by post to receiving them online?</b> CODE ONE ONLY	
Not at all likely to switch	01	CONTINUE
Unlikely to switch	02	
Likely to switch	03	
Very likely to switch	04	
Don't know	99	

<b>I5.</b>	<b>SHOWCARD I5</b> <b>Has a paper copy bill ever prompted you to take the following actions?</b> MULTICODE	
Search the market for a new deal	01	CONTINUE
Switch product and / or tariff	02	
Reduce your spending/consumption	03	
Challenge an overcharge or overpayment	04	
An action to avoid a fee (e.g. a late payment fee)	05	
Check when the bill is due and how much it is for	06	
None of the above	99	

#### SECTION J – ENERGY BILLS ONLINE IF ANSWERING 02 AT B1B

<b>J1.</b>	<b>SHOWCARD J1</b> <b>You said that you currently receive your energy bills online. For how long do you typically keep each of these bills?</b> CODE ONE ONLY	
------------	---	--

Delete immediately	01	CONTINUE
0-3 months	02	
4-6 months	03	
Less than a year	04	
Less than five years	05	
More than five years	06	
Not sure	99	

<b>J2.</b>	<b>SHOWCARD J2</b> <b>Roughly how often do you check your energy bills that you receive online?</b> CODE ONE ONLY	
Every month	01	CONTINUE
Every two months	02	
Every three months	03	
Less often than every three months	04	
Never	05	
Not sure	99	

<b>J3.</b>	<b>SHOWCARD J3</b> <b>Why do you choose to receive your energy bills online?</b> MULTICODE	
It is easier to manage my account online	01	CONTINUE
I would be charged to receive them by post	02	
For environmental reasons	03	
There was an incentive (e.g. cash reward, fee waiver) to receive them online	04	
Going electronic gives me access to a history of my bills online	05	
I was receiving prompts to do so from my supplier	06	
I can access my bills at my convenience	07	
My supplier switched me to electronic and I never switched back	08	
I do not have the option to receive them any other way	09	
Other	96	
Don't know	99	

<b>J4.</b>	<b>SHOWCARD J4</b> <b>How likely are you to switch from receiving your energy bills online to receiving them by post?</b> CODE ONE ONLY	
Not at all likely to switch	01	CONTINUE

Unlikely to switch	02	
Likely to switch	03	
Very likely to switch	04	
Don't know	99	

J5.	<b>SHOWCARD J5</b> <b>Has an online energy bill ever prompted you to take the following actions?</b> MULTICODE		
Search the market for a new deal		01	CONTINUE
Switch product and / or tariff		02	
Reduce your spending/consumption		03	
Challenge an overcharge or overpayment		04	
An action to avoid a fee (e.g. a late payment fee)		05	
Check when the bill is due and how much it is for		06	
None of the above		99	

END MODULE ENERGY – GO TO END SURVEY

MODULE INSURANCE - IF ANSWERING 01 OR 02 AT B1C

SECTION L – INSURANCE BY POST – IF ANSWERING 01 AT B1C

L1.	<b>SHOWCARD L1</b> <b>You said that you currently receive insurance contract information by post. For how long do you typically keep this information?</b> CODE ONE ONLY		
	Throw away immediately	01	CONTINUE
	0-3 months	02	
	4-6 months	03	
	Less than a year	04	
	Less than five years	05	
	More than five years	06	
	Not sure	99	

L2.	<b>SHOWCARD L2</b>		
	<b>Roughly how often do you check insurance contract information that you receive by post?</b>		
	CODE ONE ONLY		
	Every month	01	CONTINUE
Every two months	02		
Every three months	03		



Less often than every three months	04	
Never	05	
Not sure	99	

<b>L3.</b>	<b>SHOWCARD L3</b> <b>Why do you choose to receive insurance contract information by post?</b> MULTICODE	
I've always received them by post and have not considered anything else	01	CONTINUE
It's easier to look through my information on paper	02	
I like the feel of paper and prefer reading information on paper	03	
I can file it away more easily	04	
I do not have the option to receive them any other way	05	
Other	96	
Don't know	99	

<b>L4.</b>	<b>SHOWCARD L4</b> <b>How likely are you to switch from receiving insurance contract information by post to receiving it online?</b> CODE ONE ONLY	
Not at all likely to switch	01	CONTINUE
Unlikely to switch	02	
Likely to switch	03	
Very likely to switch	04	
Don't know	99	

## SECTION M – INSURANCE CONTRACT INFORMATION ONLINE IF ANSWERING 02 AT Q1C

<b>M1.</b>	<b>SHOWCARD M1</b> <b>You said that you currently receive insurance contract information online. For how long do you typically keep each of these bills?</b> CODE ONE ONLY	
Delete immediately	01	CONTINUE
0-3 months	02	
4-6 months	03	
Less than a year	04	
Less than five years	05	
More than five years	06	
Not sure	99	

<b>M2.</b>	<b>SHOWCARD M2</b> <b>Roughly how often do you check insurance contract information that you receive online?</b> CODE ONE ONLY		
	Every month	<b>01</b>	CONTINUE
	Every two months	<b>02</b>	
	Every three months	<b>03</b>	
	Less often than every three months	<b>04</b>	
	Never	<b>05</b>	
	Not sure	<b>99</b>	

<b>M3.</b>	<b>SHOWCARD M3</b> <b>Why do you choose to receive insurance contract information online?</b> MULTICODE		
	It is easier to manage my account online	<b>01</b>	CONTINUE
	I would be charged to receive them by post	<b>02</b>	
	For environmental reasons	<b>03</b>	
	There was an incentive (e.g. cash reward, fee waiver) to receive them online	<b>04</b>	
	Going electronic gives me access to a history of my contract information online	<b>05</b>	
	I was receiving prompts to do so from my supplier	<b>06</b>	
	I can access my contract information at my convenience	<b>07</b>	
	My provider switched me to electronic and I never switched back	<b>08</b>	
	I do not have the option to receive them any other way	<b>09</b>	
	Other	<b>96</b>	
	Don't know	<b>99</b>	

<b>M4.</b>	<b>SHOWCARD M4</b> <b>How likely are you to switch from receiving your insurance contract information online to receiving them by post?</b> CODE ONE ONLY		
	Not at all likely to switch	<b>01</b>	END SURVEY
	Unlikely to switch	<b>02</b>	
	Likely to switch	<b>03</b>	
	Very likely to switch	<b>04</b>	
	Don't know	<b>99</b>	

## Annex 7 Socio-demographic characteristics of the sample

### A7.1 Online survey: full sample

The various socio-demographic characteristics of the full sample for the online survey (i.e. survey questionnaire and behavioural experiment) are shown in the tables below.

**Table 46: Breakdown by gender**

Gender	Shares
Female	49.02%
Male	50.98%
Total	2399

**Table 47: Breakdown by age**

Age group	Shares
18-30	7.29%
31-40	14.71%
41-50	17.67%
51-60	25.72%
61-70	25.18%
71-80	8.25%
81+	1.17%
Total	2399

**Table 48: Breakdown by government office region**

Government office region	Shares
East Midlands	7.71%
East of England	9.55%
London	8.67%
North East	4.50%
North West	11.63%
Northern Ireland	1.92%
Scotland	8.88%
South East	13.17%
South West	10.09%
Wales	5.71%
West Midlands	8.75%
Yorkshire and the Humber	9.42%
Total	2399

**Table 49: Breakdown by education level**

Highest educational or work-related qualification	Shares
University or CNA first degree (e.g. BA, B.Sc, B.Ed)	21.38%
University or CNA higher degree (e.g. M.Sc, Ph.D)	8.21%
GCE A level or Higher Certificate	10.38%

CSE grade 1, GCE O level, GCSE, School Certificate	14.34%
Other technical, professional or higher qualification	14.67%
City & Guilds certificate	4.17%
No formal qualifications	6.34%
Others	20.51%
Total	2399

Note: "Others" includes City & Guilds certificate – advanced, clerical and commercial, CSE grades 2-5, nursing qualification (e.g. SEN, SRN, SCM, RGN), ONC, recognised trade apprenticeship completed, Scottish Higher Certificate, Scottish Ordinary/ Lower Certificate, teaching qualification (not degree), youth training certificate/skillseekers, don't know, and prefer not to say.

**Table 50: Breakdown by social grade**

NRS Social Grade	Shares
AB	35.43%
C1	24.51%
C2	14.30%
DE	25.05%
Total	2399

**Table 51: Breakdown by disability status**

Day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months	Shares
No	62.69%
Yes, limited a little	21.72%
Yes, limited a lot	15.59%
Total	2399

## A7.2 Online survey: behavioural experiment analysis groups

### A7.2.1 Analysis groups for retrieval and comprehension questions

The various socio-demographic characteristics of the analysis groups for retrieval and comprehension questions (i.e. 'Paper', 'Pop-up' and 'Email') are shown in the tables below.

**Table 52: Breakdown by gender**

Gender	Shares		
	Paper	Pop-up	Email
Female	51.64%	45.32%	47.90%
Male	48.36%	54.68%	52.10%
Total	1220	748	428

**Table 53: Breakdown by age**

Age group	Shares		
	Paper	Pop-up	Email
18-30	6.56%	7.35%	9.35%
31-40	15.33%	10.43%	20.33%
41-50	19.92%	15.91%	14.49%
51-60	23.36%	29.14%	26.64%
61-70	27.38%	22.99%	22.43%
71-80	6.80%	11.76%	6.31%
81+	0.66%	2.41%	0.47%
Total	1220	748	428

**Table 54: Breakdown by government office region**

Government office region	Shares		
	Paper	Pop-up	Email
East Midlands	7.54%	8.16%	7.24%
East of England	9.34%	10.03%	9.11%
London	10.08%	6.82%	7.71%
North East	4.92%	3.61%	4.91%
North West	11.15%	11.36%	13.55%
Northern Ireland	2.13%	2.27%	0.70%
Scotland	8.93%	8.96%	8.64%
South East	12.70%	13.64%	13.79%
South West	9.51%	10.56%	10.98%
Wales	5.41%	5.61%	6.78%
West Midlands	8.85%	9.09%	7.94%
Yorkshire and the Humber	9.43%	9.89%	8.64%
Total	1220	748	428

**Table 55: Breakdown by education level**

Highest educational or work-related qualification	Shares		
	Paper	Pop-up	Email
University or CNA first degree (e.g. BA, B.Sc, B.Ed)	23.61%	16.71%	23.13%
University or CNA higher degree (e.g. M.Sc, Ph.D)	10.08%	6.15%	6.54%
GCE A level or Higher Certificate	9.92%	10.96%	10.75%
CSE grade 1, GCE O level, GCSE, School Certificate	14.51%	13.77%	14.95%
Other technical, professional or higher qualification	15.08%	13.90%	14.72%
City & Guilds certificate	2.62%	6.28%	4.91%
No formal qualifications	5.82%	8.42%	3.97%
Others	18.36%	23.80%	21.03%
Total	1220	748	428

Note: "Others" includes City & Guilds certificate – advanced, clerical and commercial, CSE grades 2-5, nursing qualification (e.g. SEN, SRN, SCM, RGN), ONC, recognised trade apprenticeship completed, Scottish Higher Certificate, Scottish Ordinary/ Lower Certificate, teaching qualification (not degree), youth training certificate/skillseekers, don't know, and prefer not to say.

**Table 56: Breakdown by social grade**

NRS Social Grade	Shares		
	Paper	Pop-up	Email
AB	37.13%	33.69%	33.64%
C1	26.89%	21.79%	22.66%
C2	11.97%	18.18%	14.02%
DE	23.03%	25.80%	29.44%
Total	1220	748	428

**Table 57: Breakdown by disability status**

Day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months	Shares		
	Paper	Pop-up	Email
No	62.46%	63.50%	61.92%
Yes, limited a little	24.18%	19.12%	19.39%
Yes, limited a lot	13.36%	17.38%	18.69%
Total	1220	748	428

## A7.2.2 Analysis groups for recall questions

The various socio-demographic characteristics of the analysis groups for recall questions (i.e. 'Paper', 'Email', 'PaperMemory' and 'EmailMemory') are shown in the tables below.

**Table 58: Breakdown by gender**

Gender	Shares			
	Paper	Email	PaperMemory	EmailMemory
Female	50.86%	45.49%	51.74%	44.07%
Male	49.14%	54.51%	48.26%	55.93%
Total	1392	754	719	388

**Table 59: Breakdown by age**

Age group	Shares			
	Paper	Email	PaperMemory	EmailMemory
18-30	6.97%	7.29%	6.82%	5.15%
31-40	15.23%	15.12%	17.52%	12.63%
41-50	20.55%	14.32%	20.86%	13.92%
51-60	23.42%	28.38%	23.92%	28.87%
61-70	26.01%	24.40%	23.37%	26.03%
71-80	7.26%	8.62%	6.68%	10.31%
81+	0.57%	1.86%	0.83%	3.09%
Total	1392	754	719	388

**Table 60: Breakdown by government office region**

Government office region	Shares			
	Paper	Email	PaperMemory	EmailMemory
East Midlands	7.76%	7.43%	7.79%	7.73%
East of England	9.55%	9.68%	10.43%	10.31%
London	10.06%	6.76%	9.60%	5.15%
North East	4.67%	3.98%	3.76%	2.58%
North West	11.21%	12.73%	10.29%	11.60%
Northern Ireland	2.37%	0.66%	3.20%	0.52%
Scotland	8.84%	8.75%	10.57%	10.31%
South East	12.57%	14.46%	11.54%	14.95%
South West	9.20%	10.74%	9.46%	11.34%
Wales	5.32%	6.63%	5.29%	5.93%
West Midlands	8.98%	8.22%	9.74%	8.76%
Yorkshire and the Humber	9.48%	9.95%	8.34%	10.82%
Total	1392	754	719	388

**Table 61: Breakdown by education level**

Highest educational or work-related qualification	Shares			
	Paper	Email	PaperMemory	EmailMemory
University or CNA first degree (e.g. BA, B.Sc, B.Ed)	23.56%	18.83%	26.29%	16.24%
University or CNA higher degree (e.g. M.Sc, Ph.D)	10.13%	5.70%	10.85%	5.93%
GCE A level or Higher Certificate	9.55%	12.07%	9.87%	13.14%
CSE grade 1, GCE O level, GCSE, School Certificate	14.44%	14.72%	12.10%	14.18%
Other technical, professional or higher qualification	14.80%	14.19%	15.02%	13.14%
City & Guilds certificate	2.80%	5.44%	2.78%	5.41%
No formal qualifications	5.96%	6.63%	5.01%	8.51%
Others	18.75%	22.41%	18.08%	23.45%
Total	1392	754	719	388

Note: "Others" includes City & Guilds certificate – advanced, clerical and commercial, CSE grades 2-5, nursing qualification (e.g. SEN, SRN, SCM, RGN), ONC, recognised trade apprenticeship completed, Scottish Higher Certificate, Scottish Ordinary/ Lower Certificate, teaching qualification (not degree), youth training certificate/skillseekers, don't know, and prefer not to say.

**Table 62: Breakdown by social grade**

NRS Social Grade	Shares			
	Paper	Email	PaperMemory	EmailMemory
AB	38.07%	32.89%	41.59%	31.44%
C1	25.86%	22.02%	25.03%	21.13%
C2	12.14%	16.45%	11.27%	17.53%
DE	22.84%	28.51%	20.86%	29.64%
Total	1392	754	719	388

**Table 63: Breakdown by disability status**

Day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months	Shares			
	Paper	Email	PaperMemory	EmailMemory
No	62.64%	63.40%	65.09%	64.95%
Yes, limited a little	23.35%	18.44%	22.11%	16.75%
Yes, limited a lot	14.01%	18.17%	12.80%	18.30%
Total	1392	754	719	388

### A7.3 Face-to-face survey sample

The various socio-demographic characteristics of the full sample for the face-to-face survey are shown in the tables below.

**Table 64: Breakdown by gender**

Gender	Shares
Female	60.97%
Male	39.03%
Total	310

**Table 65: Breakdown by age**

Age group	Shares
16-29	4.84%
30-39	7.74%
40-49	7.10%
50-59	13.55%
60-69	28.06%
70+	38.71%
Total	310

**Table 66: Breakdown by disability status**

Day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months	Shares
No	15.81%
Yes, limited a little	52.26%
Yes, limited a lot	31.94%
Total	310



## Annex 8 Respondents' use of online banking

### A8.1 Results from online survey

Most respondents in the sample are experienced with online banking. Around four-fifths (91%) have registered for online banking and a large majority (75%) typically uses it once a week or more (Table 67). Among those who use online banking at least once a year, most use it to view their transactions (95%), transfer money between their accounts (83%), pay money to other people (76%) or pay companies or organisations (72%) (Table 68).

**Table 67: Online survey respondents' frequency of use of online banking (if at all)**

	Shares
Once a week or more	75%
Once a month	13%
Once every 6 months	2%
Once a year	0%
Less often than once a year/never	1%
Not set-up online banking	9%

Note: Unweighted base=2399; Weighted base=2399. Question asked whether you have registered for/set-up online banking and how often do you typically use online banking.

Source: London Economics/YouGov survey

**Table 68: Uses of online banking by online survey respondents**

	Shares
To view transactions (past and/or future)	95%
To pay companies or organisations (e.g. bills or tax)	72%
To pay money to other people (e.g. friends or family)	76%
To transfer money between your accounts	83%
Other	3%

Note: Unweighted base=2102; Weighted base=2158. Question asked whether respondents had used online banking for any of the following, in the last six months. Those that answered 'not sure' were excluded from these results. Share that answered 'not sure' as a percentage of the total number of respondents who were asked this question: 16% of the weighted sample.

Source: London Economics/YouGov survey

Among respondents who used online banking at least once a year, a substantial majority (96%) find online banking easy, rating it either 'easy' or 'very easy' on a five-point scale (Table 69). When asked what aspects of online banking they find difficult, although most said that they do not find it difficult (72%), around one-tenth (11%) reported that they find it difficult to keep track of passwords or that the system is sometimes unavailable (Table 70).

**Table 69: Ease of banking online for online survey respondents**

	Shares
5 (Very easy)	76%
4	20%
3	4%
2	1%
1 (Not easy at all)	0%

Note: Unweighted base=2102; Weighted base=2158. Question asked how easy you find it to bank online.

Source: London Economics/YouGov survey

**Table 70: What online survey respondents find difficult about online banking**

	Shares
I don't find it difficult	72%
I find it difficult to remember my passwords	11%
The online system is sometimes unavailable	11%
I find it difficult to locate the information I am looking for	5%
I find it difficult to view my past statements	4%
I find it difficult to keep track of multiple accounts	2%
I find it difficult to track my spending online	2%
Other	3%

Note: Unweighted base=2102; Weighted base=2158. Question asked what, if anything, do you find difficult about online banking. Those that answered 'don't know' were excluded from these results. Share that answered 'don't know' as a percentage of the total number of respondents who were asked this question: 3% of the weighted sample.

Source: London Economics/YouGov survey

Among those respondents who use online banking less often than once a year, the most common reasons given for using it so rarely were the difficulty of remembering passwords (35%) and that it is not user friendly (27%) (Table 71).

**Table 71: Reasons why online survey respondents who used online banking less often than once a year/ never did so rarely**

	Shares
I find it difficult to remember my passwords	35%
Online banking is not user friendly	27%
I find it difficult to locate the information I am looking for	12%
I find it difficult to track my spending online	12%
I find it difficult to keep track of multiple accounts online	8%
The online system is sometimes unavailable	8%
I find it difficult to view my past statements	4%
I rarely or never use the Internet	2%
Other	50%

Note: Unweighted base=39; Weighted base=31. Question asked why do you use online banking so rarely. Those that answered 'don't know' were excluded from these results. Share that answered 'don't know' as a percentage of the total number of respondents who were asked this question: 17% of the weighted sample.

Source: London Economics/YouGov survey

Respondents who have not registered for online banking cited a lack of trust in online banking (65%) and being worried about the security of online banking (64%) as the main reasons why they

do not use it (Table 72). These findings are in line with other survey results on the relative advantages and disadvantages of paper and electronic transactional mail, which show that respondents typically believe that in terms of trust and security it is better to receive information from their bank by post (see section 2.2.5).

**Table 72: Reasons why online survey respondents without online banking had not registered for or set-up online banking**

	Shares
I do not trust online banking	65%
I'm worried about the security of online banking	64%
I think it will be too complicated	16%
I rarely or never use the Internet	1%
Other	16%

Note: Unweighted base=258; Weighted base=210. Question asked why haven't you registered for or set-up online banking. Those that answered 'don't know' were excluded from these results. Share that answered 'don't know' as a percentage of the total number of respondents who were asked this question: 6% of the weighted sample.

Source: London Economics/YouGov survey

## A8.2 Results from face-to-face survey

Given the screening criteria of the face-to-face survey, it is not surprising that a substantial majority of face-to-face respondents (95%) do not use online banking (Table 73).<sup>44</sup>

For these face-to-face respondents, the key reasons for not using online banking are that they rarely used the Internet (60%), do not trust online banking (28%), and cannot afford a computer/the Internet (25%) (Table 74). In contrast, 91% of online respondents use online banking, although online respondents who do not use online banking cite similar reasons for not doing so as those given by the face-to-face respondents (i.e. lack of trust in online banking and security concerns).

**Table 73: Share of face-to-face survey respondents who have registered for or set-up online banking**

	Absolute	Shares
Have online banking	10	3%
Do not have online banking	294	95%
Not sure	6	2%
Base	310	100%

Note: Question asked if respondent had registered for or set-up online banking.

Source: London Economics/YouGov survey

<sup>44</sup> Those who have set-up online banking were asked how easy they find online banking and what they find difficult about online banking. However these results are not reported since in practice only 10 respondents answered these questions.

**Table 74: Reasons why face-to-face survey respondents have not registered for or set-up online banking**

	Absolute	Shares
I rarely or never use the Internet	177	60%
I do not trust online banking	82	28%
I cannot afford a computer/the Internet	73	25%
I think it will be too complicated	44	15%
I'm worried about the security of online banking	41	14%
Other	25	9%
Base	294	100%

Note: Question asked why haven't you registered for or set-up online banking. 1 respondent said 'Don't know'

Source: London Economics/YouGov survey

The face-to-face respondents were also asked how they pay the majority of their utility bills, in order to gauge their preferred methods for carrying out financial transactions with their utilities providers. Most respondents pay their bills via direct debit (51%), at the post office (21%), or in cash (17%) (Table 75).

**Table 75: How face-to-face survey respondents pay the majority of their utility bills**

	Absolute	Shares
By direct debit	157	51%
At the post office	65	21%
In cash (e.g. at a 'PayPoint')	52	17%
By credit or debit card	10	3%
Cheques in the post	10	3%
Other	6	2%
Base	310	100%

Note: Question asked how do you pay the majority of your utility bills (e.g. energy, water, phone or internet). 10 respondents said 'Not sure'.

Source: London Economics/YouGov survey

## Annex 9 Likelihood respondents will change how they receive transactional mail

### A9.1 Results from online survey

On average across the different types of transactional mail covered in the online survey, only 6% of the online survey respondents who currently receive their mail online said that they are ‘likely’ or ‘very likely’ to switch to receiving it by post. In contrast, 26% of those who currently receive their mail by post said that they are likely or very likely to switch (Table 76).

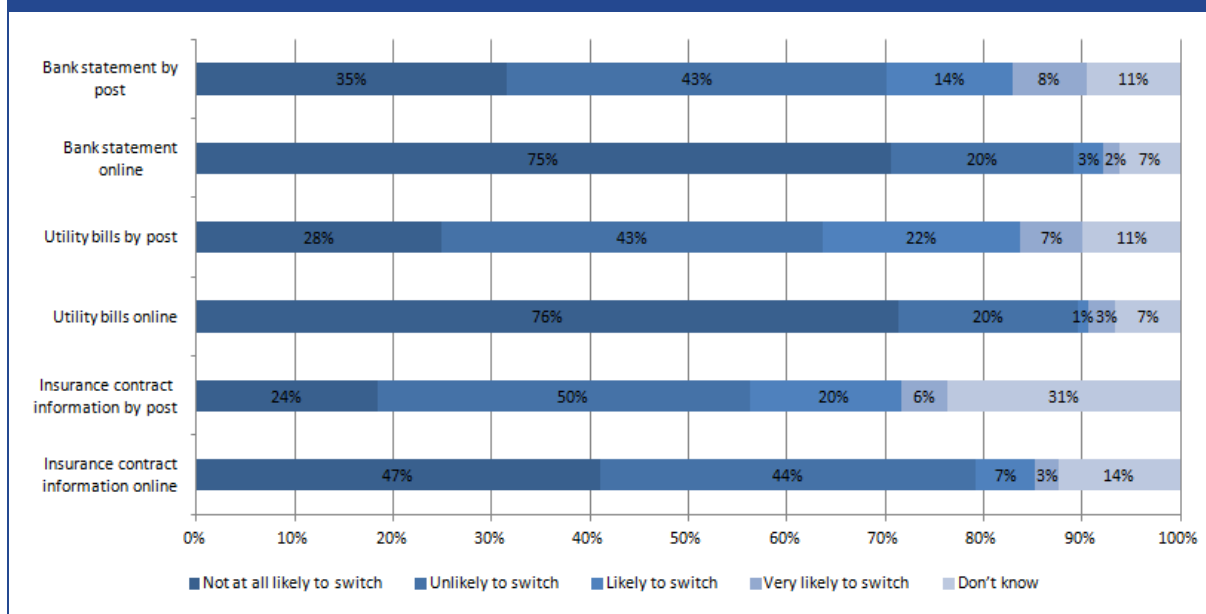
Furthermore, the results by mail type show that there is a similar pattern for each sector (a lower proportion of those receiving online correspondence are likely to switch to paper than vice versa) (Figure 18).

**Table 76: Likelihood of online survey respondents switching from their current medium of receiving transactional mail to the alternative medium**

	Post	Online
Not at all likely to switch	29%	66%
Unlikely to switch	45%	28%
Likely to switch	19%	4%
Very likely to switch	7%	2%

Note: Unweighted base=1215; Weighted base=1148. Question asked how likely are you to switch how you receive your transactional mail. Those that answered ‘not sure’ were excluded from these results. Shares that answered ‘not sure’ as a percentage of the total number of respondents who were asked this question: 15% of the weighted sample for the post category, and 10% for the online category.

Source: London Economics/YouGov survey

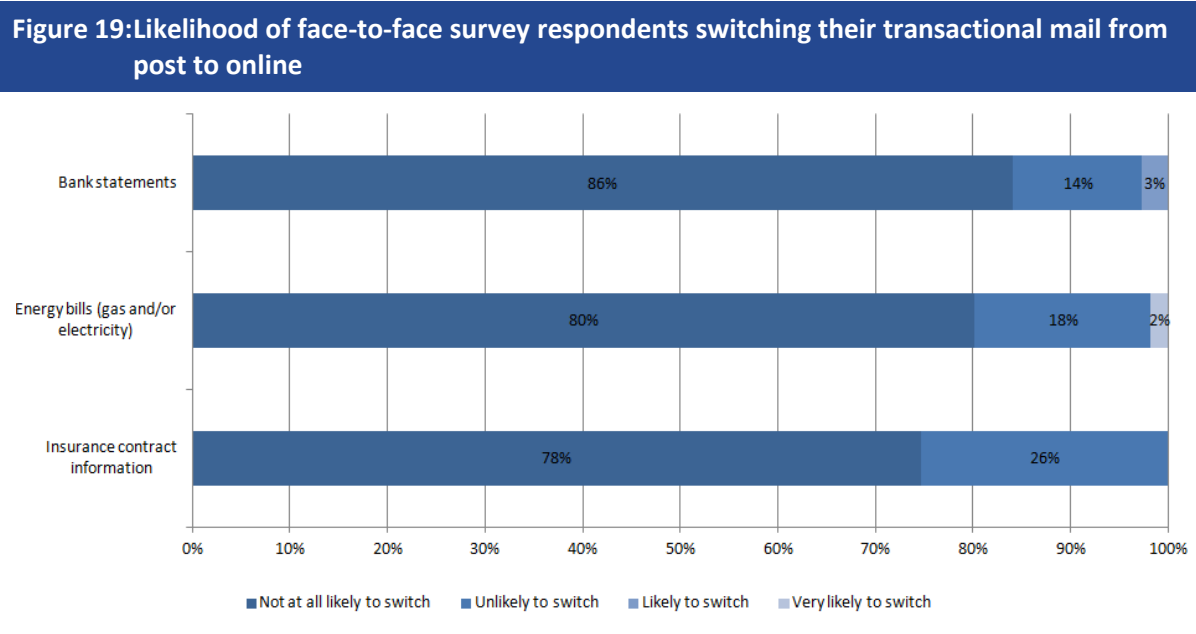
**Figure 18: Likelihood of online survey respondents switching from their current medium of receiving transactional mail to the alternative medium (breakdown by sectors)**

Note: Unweighted base=1215; Weighted base=1148. Question asked how likely are you to switch how you receive your transactional mail. Those that answered 'not sure' were excluded from these results. Shares that answered 'not sure' as a percentage of the total number of respondents who were asked this question: 11% (bank statements by post); 7% (bank statements online); 11% (utility bills by post); 7% (utility bills online); 31% (insurance contract information by post); 14% (insurance contract information online).

Source: London Economics/YouGov survey

## A9.2 Results from face-to-face survey

Most face-to-face respondents said that they are not likely to switch to receiving transactional mail online. For example, 86% and 80% are "not at all likely" to switch to receiving their bank statements or energy bills online respectively (Figure 19). These results are very different to those for the online sample, who were much more likely to say that they would switch to online (see Table 76 in section A9.1 of Annex 9).



Note: Question asked how likely are you to switch how you receive your transactional mail. Those that answered 'don't know' were excluded from these results. Shares that answered 'don't know' as a percentage of the total number of respondents who were asked this question: 1% for bank statements; 4% for energy bills; 1% for insurance contract information. We also asked this question to some respondents who receive their transactional mail online, but since so few respondents receive their transactional mail online, we had fewer than 5 data points which is not meaningful to report.

**Source:** London Economics/YouGov survey

## Annex 10 Importance of transactional mail

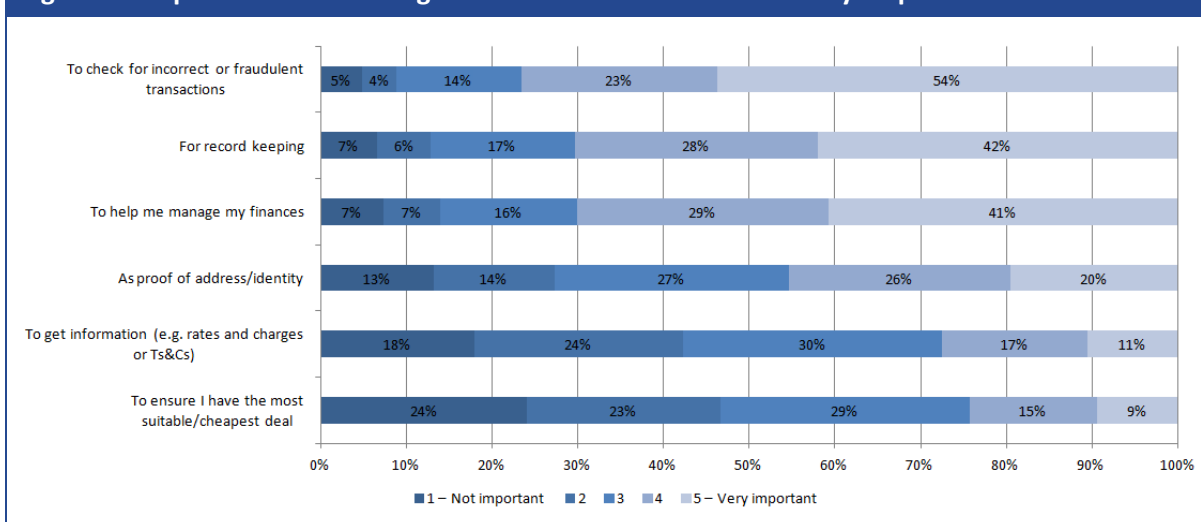
The survey also examined the importance to respondents of receiving two types of transactional mail, namely bank statements and bills (e.g. energy, water or phone bills).

### A10.1 Results from online survey

For the online survey respondents, the results show that the most important reasons for receiving bank statements are to check for incorrect or fraudulent transactions (54% said this is very important), for record keeping (42% said this is very important), and to help individuals manage their finances (41% said this is 'very important') (Figure 20).

The most important reasons for receiving bills are to allow individuals to check that they are being billed correctly (56% said this is 'very important'), find out how much they have to pay (53% said this is 'very important'), and monitor their usage (43% said this is 'very important') (Figure 21).

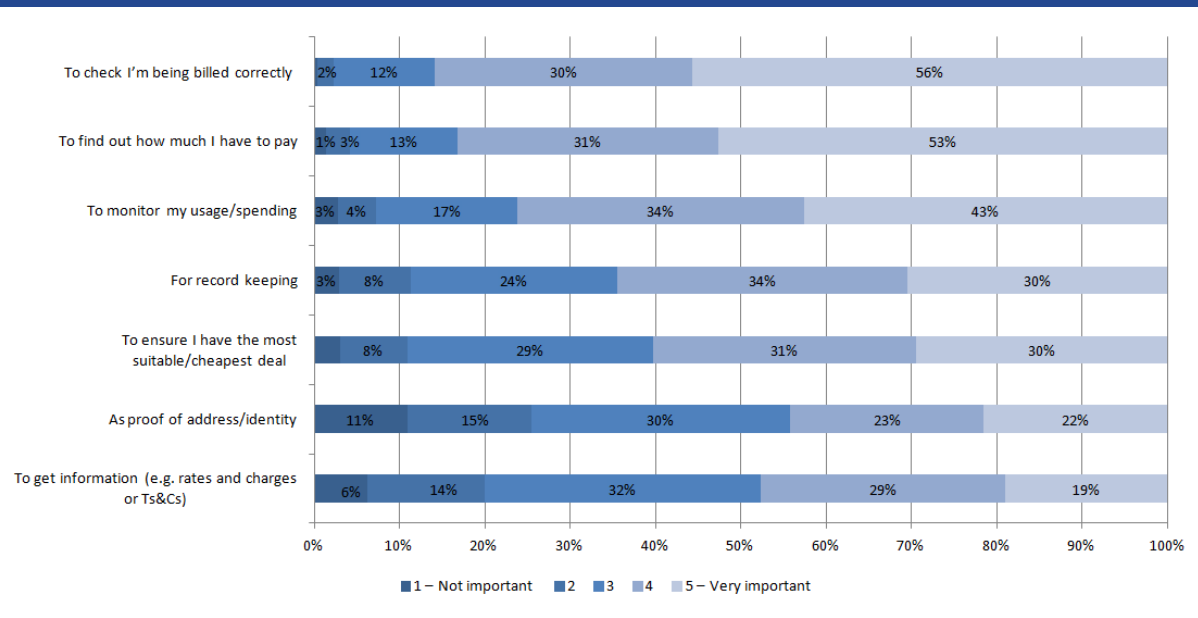
**Figure 20: Importance of receiving bank statements for online survey respondents**



Note: Unweighted base=1226; Weighted base=1224. Question asked what are the most important reasons for receiving bank statements.

Source: London Economics/YouGov survey



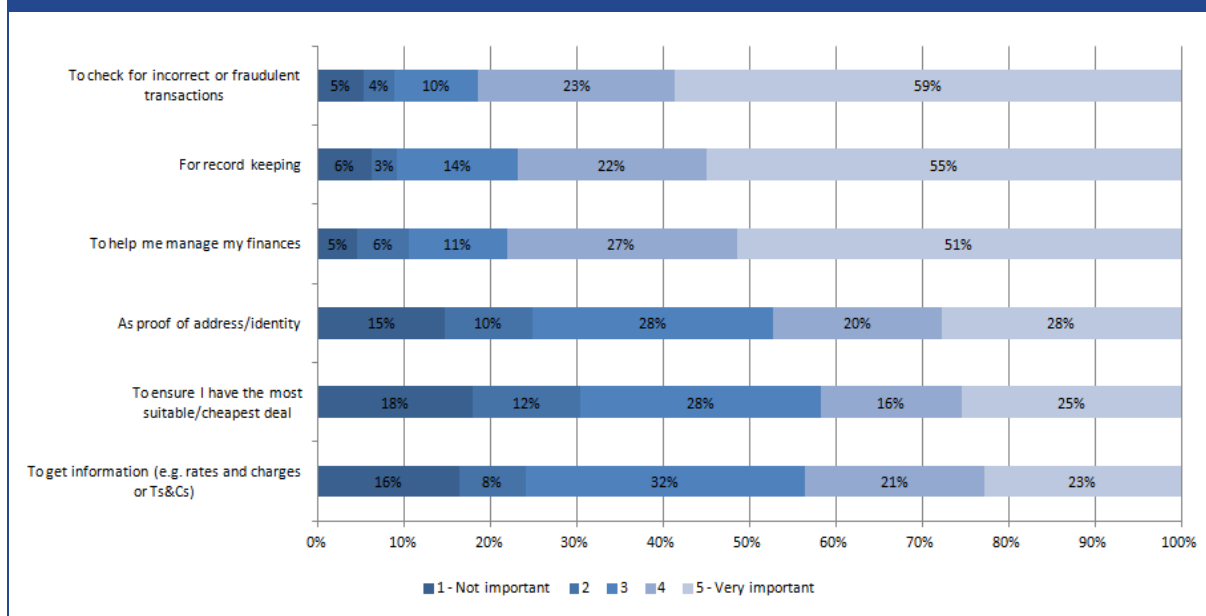
**Figure 21: Importance of receiving bills for online survey respondents**

Note: Unweighted base=1173; Weighted base=1175. Question asked what are the most important reasons for receiving bills (e.g. energy, water or phone bills).

Source: London Economics/YouGov survey

## A10.2 Results from face-to-face survey

For the face-to-face survey respondents, the most important reason for receiving bank statements is to check for incorrect or fraudulent transactions (82% rated this as 'important' or 'very important') (Figure 22). The second and third most important reasons are to help them manage their finances (78% rated this as 'important' or 'very important') and for record keeping (77% rated this as 'important' or 'very important'). These are the same as the top three uses of bank statements cited by the online sample (see Figure 20 above).

**Figure 22: Importance of receiving bank statements for face-to-face survey respondents**

Note: Base=307. Question asked what are the most important reasons for receiving bank statements.

Source: London Economics/YouGov survey



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