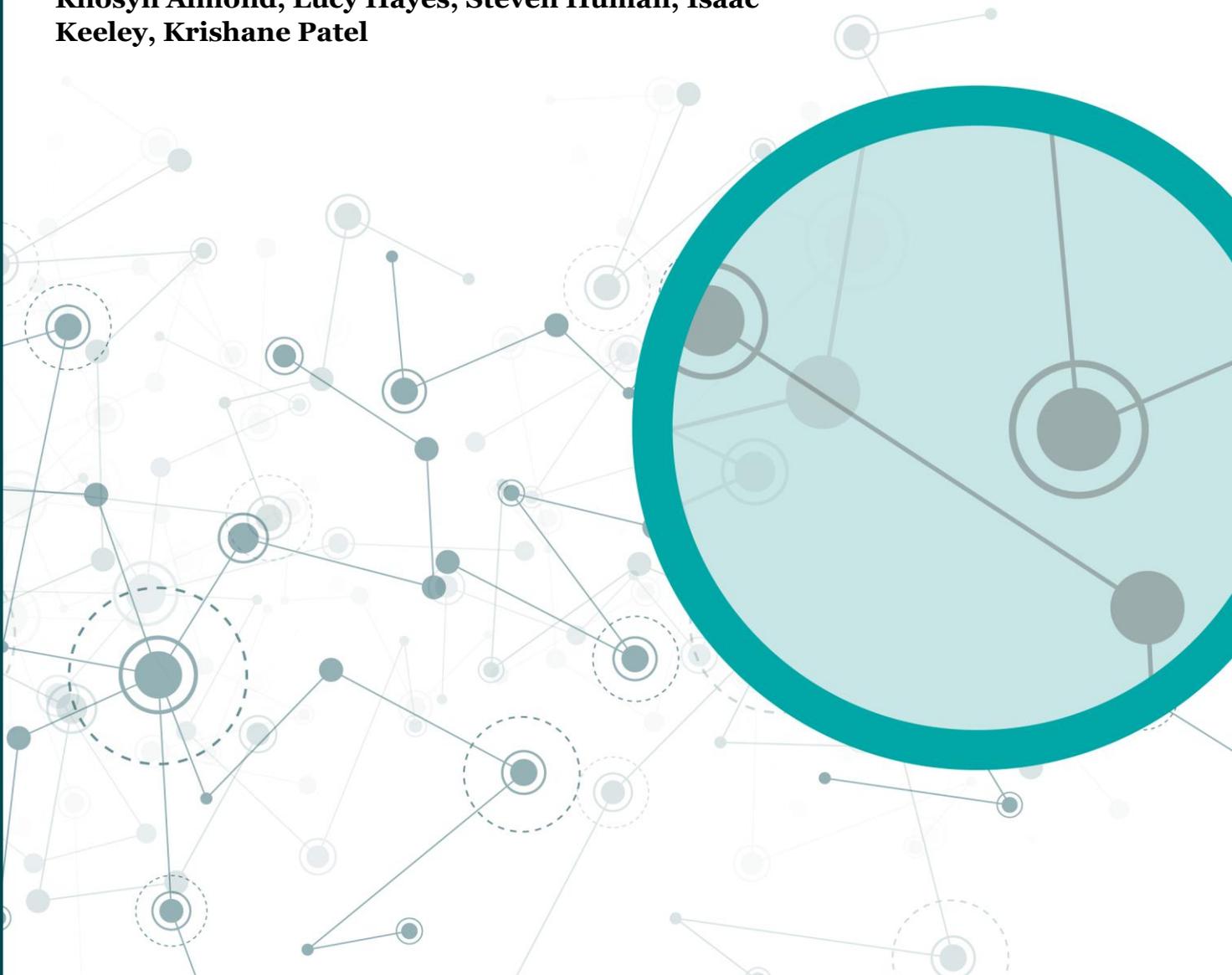# Research Note

30 June 2025

Reading between the lines: Understanding of targeted support in retail investments

Rhosyn Almond, Lucy Hayes, Steven Human, Isaac Keeley, Krishane Patel

FCA research notes in financial regulation

The FCA research notes

The FCA is committed to encouraging debate on all aspects of financial regulation and to creating rigorous evidence to support its decision-making. To facilitate this, we publish a series of Research Notes, extending across economics and other disciplines.

The main factor in accepting papers is that they should make substantial contributions to knowledge and understanding of financial regulation. If you want to contribute to this series or comment on these papers, please contact David Stallibrass (david.stallibrass@fca.org.uk)

Disclaimer

Research notes contribute to the work of the FCA by providing rigorous research results and stimulating debate. While they may not necessarily represent the position of the FCA, they are one source of evidence that the FCA may use while discharging its functions and to inform its views. The FCA endeavours to ensure that research outputs are correct, through checks including independent referee reports, but the nature of such research and choice of research methods is a matter for the authors using their expert judgement. To the extent that research notes contain any errors or omissions, they should be attributed to the individual authors, rather than to the FCA.

Authors

 Rhosyn Almond, Lucy Hayes, Steven Human, Isaac Keeley, Krishane Patel

Contents

Summary

Many people are missing out on advice and support that could help them better manage their finances - independent research found that 68% of investors would welcome more help and support when reviewing their investments and 40% of consumers said that lack of knowledge was their main barrier to investing (Thinks Insights & Strategy, 2025). The FCA are proposing a new approach called targeted support (CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support), to help narrow the gap between advice and guidance. This allows authorised firms to use limited information to offer appropriate suggestions to consumers who share similar high-level characteristics.

We conducted behavioural research with consumers to test how they respond to targeted support communications. In this research, our focus was on exploring how consumers understand targeted support, rather than the effectiveness of targeted support. We ran 3 online experiments in 3 financial contexts: 1 in investment and 2 in pensions. The Investment and Pensions experiments were independently designed to suit their respective contexts, and explore different research questions, but they share many common design features. In the Investment experiment we looked at one scenario but were able to measure the effect of discrete 'components' of information. Whereas, in the Pensions experiments we were able to test two scenarios but only measured the effect of 'full' verses 'baseline' information. We report the results separately in Almond et al.,(2025) and in this Research Note. The 'Lessons from Behavioural Testing for Targeted Support' Annex to CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support brings together insights from the experiments. While the results are not directly comparable, triangulating findings across the studies allows us to explore how context may influence the effectiveness of targeted support communications.

This research investigates how consumers respond to communications about targeted support in the context of a targeted support suggestion (also referred to as a 'ready-made suggestion') encouraging consumers to invest excess cash savings. We tested:

- The impact of information provided during the targeted support journey on consumer behaviour.
- Whether providing additional information, including information about the suggestion, how it was generated, and behaviourally informed messaging, could enhance consumer understanding of targeted support.
- How additional information affects uptake of the suggestion, confidence in decision-making, and sentiment towards targeted support.
- Consumer responses to targeted support versus general guidance (general information about what investing is and how to invest).

What we found:

1. **Generally, targeted support was well-received by consumers**. The majority of participants agreed that the targeted support suggestion was easy to understand, clear, useful, and did not feel invasive or pressuring.

2. **Providing additional information alongside targeted support suggestions did not improve overall understanding of the targeted support.**
3. **Removing descriptions of data points used to make suggestions adversely impacted participants' ability to recall key pieces of information.**
4. **Additional information provided was not detrimental to confidence, uptake, or sentiment,** supporting the view that the proposed target support did not cause information overload.
5. **Risk appetite appeared to play a role in whether people want to act on the targeted support suggestion**. Participants identified as risk seeking were much more likely to invest based on the suggestion. Additionally, participants who felt they lacked sufficient information often indicated that more detail about potential risks would have been helpful. Many who chose not to invest reported that uncertainty about the associated risks influenced their decision.
6. **Compared to guidance, participants were more likely to agree that targeted support was clear, easy to understand, and supportive.** They were also more likely to view targeted support as intended to help them make an informed decision. However, these benefits to consumer experience came at a trade-off; targeted support was perceived as more invasive than guidance and participants shown targeted support were less likely to recognise that what they saw was more general than personalised advice. Given that targeted support is inherently more personalised than guidance, these findings are in line with our expectations. However, if we can clearly communicate that targeted support is not a fully personalised solution, it can deliver meaningful benefits to the consumer experience.

Limitations of this research

This research has several key limitations that may provide avenues for future research:

1. This experiment was conducted in a controlled, online experimental environment, which may not fully reflect how consumers behave in real-world situations. As participants' decisions did not have real consequences, their stated preferences or choices may not translate into actual behaviour.
2. The sample was not fully representative of the broader population (eg in terms of financial literacy and demographics). Future research could explore whether these findings generalise beyond this context and sample.
3. Only one communication channel (simulated mobile interface) was tested. Findings may have been an artefact of this channel. For example, participants with lower digital literacy may behave differently when similar targeted support is delivered in a different format (in-person, mail, or email). Future research could explore whether other styles or channels perform differently.

1 Policy Context

Many people struggle to make important decisions regarding their finances. 22% of adults reported feeling overwhelmed and stressed when dealing with financial matters or interacting with service providers (Financial Lives Survey, 2025). They may for example, find engaging with their pensions and making decisions about their retirement finances challenging. Some keep high levels of savings in cash, losing out on potential returns. Others do not regularly review their investments or invest in products that don't meet their risk appetite.

Data from the FCA's Financial Lives survey found that 9% of adults took regulated financial advice about pensions and investments over the previous 12 months – 4.6 million consumers in 2024 (Financial Lives Survey, 2025). This shows that many people are not getting the advice and support that could help them to manage their finances.

There is currently a gap in the market for this type of support (DP23/5)- with many relying on information from friends, family and social media. At one end, there is regulated investment advice, with a personal recommendation, that takes account of a person's individual circumstances on how to make the most of your money. At the other end, there are other sources of support such as generic factual information from firms or free, impartial guidance from services such as MoneyHelper. However, these other sources of support do not provide a recommendation for what a consumer should do, which can leave them without sufficient support.

To help address this gap, the FCA are proposing a new form of support called targeted support (CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support). Through targeted support authorised firms can use limited information to provide ready-made suggestions appropriate to consumers with the same high-level characteristics.

We know from previous research that helping consumers to engage can be challenging (FCA, 2023). Much of the success of targeted support will be dependent on consumers engaging with their firms and the suggestions they receive. Therefore, this research seeks to understand how consumers may respond to targeted support communications.

Understanding what helps consumers engage with suggestions, what gives them confidence, and whether they understand the limitations of the service, were key considerations in the design of our research. To be successful, it is essential that consumers receiving targeted support understand the nature of the service.

We anticipate that this research will complement existing research conducted on the advice gap and consumer responses to targeted support in the retail investments and pensions space (Thinks Insights & Strategy, 2025; NMG, 2024).

2   Treatment Design

Participants in this experiment received a targeted support suggestion (also referred to as a 'ready-made suggestion') to invest their excess cash. We tested 9 different treatments, including one control condition—the Full Information treatment—which served as our baseline for comparison. For consistency with our other experiments on targeted support (Almond et al., 2025), we refer to the control as a 'treatment'.

Each treatment presented the targeted support suggestion alongside varying types and amounts of additional material. One treatment provided general guidance, which we used to compare the effects of targeted versus non-targeted support.

The supplementary materials accompanying the suggestion fell into two categories:

- **Additional information components,** intended to support participants' understanding of the targeted support suggestion and how it was made
- **Behaviourally informed messages**, intended to encourage participants to take action based on the suggestion by targeting specific behavioural barriers

The communications tested were designed as an early illustration of what targeted support could look like. They were not designed to reflect the FCA's draft rules around consumer segmentation or delivery of targeted support.

Additional information components

The most basic version of targeted support communication tested was the 'Baseline Information' treatment. Figure 1 shows the information accompanying the suggestion in this treatment.

Figure 1. 'Baseline Information' information component

This suggestion is based on key information we hold about you, and is designed for people in similar circumstances. It's based on our understanding that you have an emergency fund of savings to cover 6 months of regular outgoings. Remember - investments should be held for at least 5 years and their value can fall as well as rise, so you might not get back what you invest. If unsure, please seek independent advice.

We also tested 4 treatments that built on the Baseline Information treatment by providing additional information components. We tested 3 additional information components: the 'Limited information' component (Figure 2), the 'Data points' component (Figure 3), and the 'Careful consideration' component (Figure 4).

Figure 2. 'Limited information' information component

This suggestion is based on the limited information that we have about you, and it does not fully consider your individual circumstances.

Figure 3. 'Data points' information component

This suggestion is based on the details we hold, we understand that you:

- Have cash savings of approximately 6 months of your regular outgoings as an emergency fund;
- Are [age group] years of age; and
- Have no existing debts.

We also understand that you:

- Will not need these cash savings for any purposes including emergencies within the next 5 years;
- Will continue to hold an emergency fund;
- Intend to hold your investments for at least 5 years;
- Have a moderate risk tolerance.

Figure 4. 'Careful consideration' information component

You should carefully consider the suggestion, which is based on the information we have about you. There may be other information which we have not included (such as cash savings or investments held with other firms) which may impact this suggestion.

The 'Full Information' treatment added all 3 information components to the Baseline Information treatment. We used the Full Information treatment as the control to compare against the other variations of targeted support communication. This enabled us to measure the impact of removing individual components from the full version. In total, this yielded 5 variations of targeted support communication, each based on different combinations of the additional information components. Table 1 shows an overview of which components are included in each treatment.

Table 1. Information component treatments

Component	Full Information treatment	Minus limited information component treatment	Minus data points component treatment	Minus careful consideration component treatment	Baseline information treatment
'Baseline information'	Yes	Yes	Yes	Yes	Yes
'Limited information'	Yes	No	Yes	Yes	No
'Data points'	Yes	Yes	No	Yes	No
'Careful consideration'	Yes	Yes	Yes	No	No

Behaviourally informed messages

We designed the next 3 treatments by adding behaviourally informed messages to the Full Information treatment. Each message targeted potential behavioural barriers to taking up targeted support, identified through existing research on barriers to investing and seeking financial advice. Table 2 summarises these treatments.

Table 2. Additional behaviourally informed messages treatments

Treatment	Message added	Barrier targeted	Rationale
Full Information + 'Trust' behaviourally informed message treatment	This suggestion has been developed using best practices and reviewed by certified planners.	Lack of trust in financial services industry and organisations	Based on the authority principle that people are more likely to trust advice when they know it's been checked by qualified experts. Based on the authority principle (Cialdini, 2007).
Full Information + 'Confidence' behaviourally informed message treatment	Not sure where to start? Investing can be as easy as 1-2-3: 1) Open an investment account (if you don't already have one) 2) Invest £[suggested amount] in a Ready-Made Moderate Risk Portfolio 3) Watch your investment work for you	Lack of confidence and knowledge in investing	Breaking things down into simple steps makes it feel less overwhelming and easier to get started (Locke & Latham, 2002).
Full Information + 'Risk aversion' behaviourally informed message treatment	If you do not wish to invest the full amount at this point, you do not need to. You can adjust your investment to start small and add more at a later date.	Risk aversion against investing	Allowing people to 'start small' may reduce perceived risk and lower psychological barriers to taking action. This uses the 'foot-in-the-door' effect (Freedman & Fraser, 1966) where a small initial commitment increases likelihood of later larger commitments.

We designed the final treatment to provide general guidance rather than a targeted support recommendation. This allowed us to compare outcomes between participants shown guidance and those shown targeted support. Figure 5 shows the 'Guidance' treatment. Full versions of all treatments are available in Annex 1.

Figure 5. Guidance treatment

Investing Overview

Investing can be a way to grow your money over the long term, offering the potential for higher returns, in return for higher risk, compared to cash savings. It's best suited for longer term-financial goals, as markets can fluctuate in the short term. In practice this means investing for a minimum of 5 years.

With our investment options, you can choose from a range of funds and individual shares. You can start with a lump sum or set up regular investments, depending on what works best for you.

Ways to invest

☑ Shares – Invest in individual companies.

☑ Funds – A stake in multiple investments, managed by experts.

How to invest

Lump sum or regular investing? A lump sum gives you more time in the market, but its value can be affected by short-term price changes. Regular investing can help smooth out market fluctuations by spreading purchases over time.

Note: All investments carry risk, and the value of investments may go down as well as up. You may get back less than you invest. If you're unsure whether investing is right for you, please seek independent financial advice.

3   Methodology

This section details the methodology we used to test our different targeted support communication treatments. This includes the experimental design, outcome measures, empirical strategy and sample characteristics.

Experimental Design

We conducted an online randomised controlled trial (RCT) to test the impact of providing different information and behaviourally informed messages to accompany a targeted support suggestion. We recruited a sample of 8,947 UK adults through Dynata, an online panel provider. Our target sample size was determined through a power analysis (see Annex 2). We conducted the experiment using two online platforms: Qualtrics and Testable. We used Qualtrics for eligibility questions, before participants were directed to Testable to complete the rest of the experiment.

Figure 6 outlines the high-level overview of participants' journey through the experiment.

Figure 6. Experimental flow
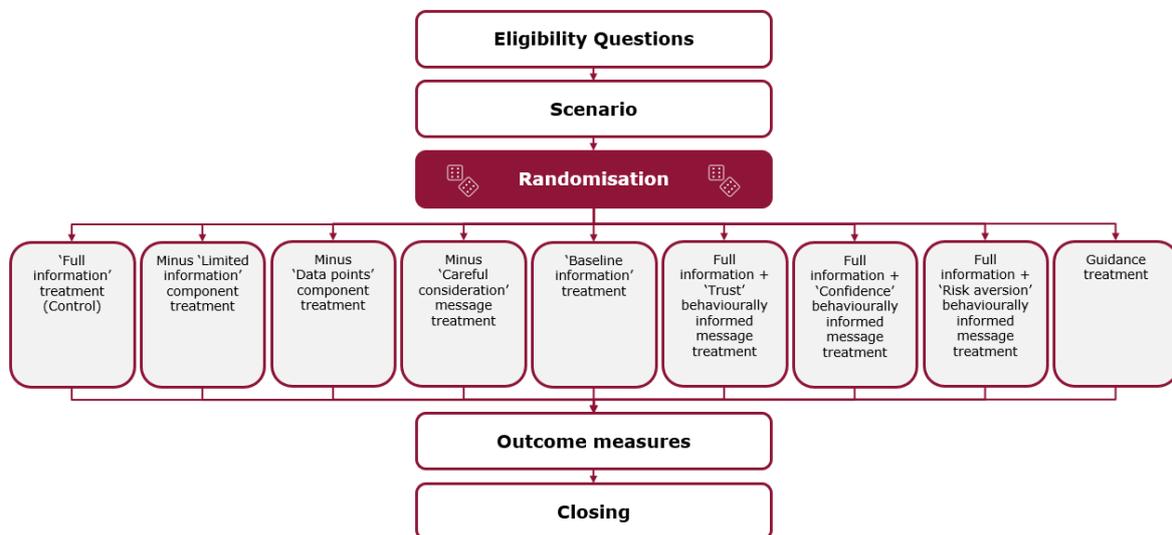
We surveyed a nationally representative sample (on age and gender) using a series of eligibility questions to identify individuals for whom targeted support for investing cash might be appropriate, while also considering recruitment feasibility. Annex 3 details the full list of eligibility and exclusion questions used. We excluded participants who reported having less than £1,000 in cash savings, held any unsustainable debt, or who took part in investing activities monthly or more.

Participants were then shown the following scenario and asked to imagine themselves in it (see Figure 7).

Figure 7. Scenario

You have been saving for over a year and now have £X with your bank or building society. You also have an emergency fund (roughly 6 months of your outgoings).

You have recently confirmed details with your bank about:

- **Your savings balance,**
- **Saving goals,**
- **Age group,**
- **Risk appetite (moderate)**
- **and existing debt.**

Since you have already provided some of this information, we will be skipping this step in the journey. You have just seen a message from your bank on your phone. This is directly from your bank. You have verified that is not a scam or spam. On the next screen you will see the message from your bank, please interact with it as you would normally.

Note: The '£X' savings changed for each participant depending on the savings value provided in their response to the eligibility questions.

Participants were then shown a simulated mobile phone interface with a pop-up notification indicating a new message from their bank (see Figure 8). Upon clicking the notification, participants were taken to a screen resembling their bank's homepage which displayed their current account balance, emergency fund balance, and a button to view the message. Clicking this button revealed the targeted support communication.

Figure 8. Simulated mobile phone interface
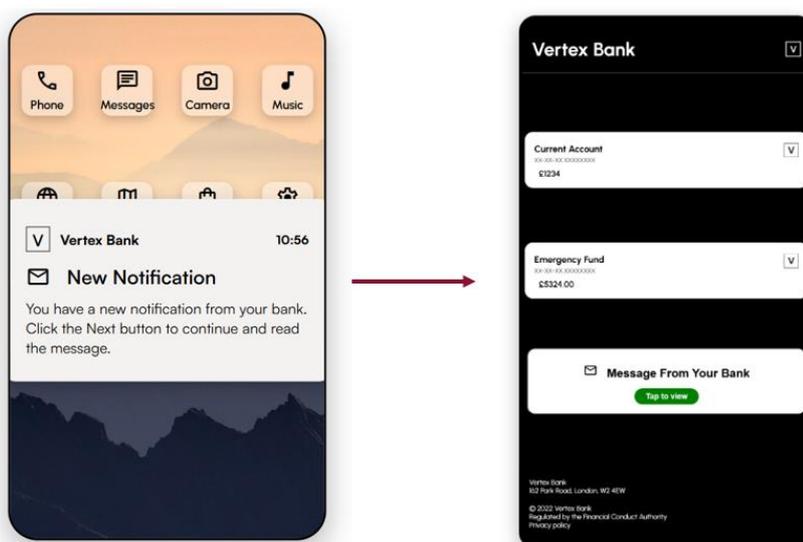
At this stage participants were randomly assigned to 1 of our 9 treatments, either general guidance or a targeted support suggestion with additional materials.

Figure 9 displays the targeted support suggestion shown to the 8 targeted support treatments. At the bottom of the targeted support suggestion and additional materials, participants were asked, "Would you like to invest?", with three response options: Invest, Don't Invest, and See my other options. If a participant chose to invest, they were also asked how much they would like to invest.

Figure 9. Targeted support suggestion

You may be holding more cash than you need to in your savings account, which could be worth less over time due to inflation. Consider opening a stocks and shares ISA and investing £X in our Moderate Risk Ready Made Investment portfolio for potentially higher returns over the long term.

We then asked participants a series of survey questions to assess their understanding of targeted support and accompanying information, their sentiment towards targeted support, their confidence in decision-making, and several other exploratory outcomes. The full list of outcome measures can be found in the Outcomes section.

To note, all treatment groups were shown the same:

- Scenario/vignette
- Targeted support suggestion (if they were not in the Guidance group)
- Pop-up notification
- Survey questions

Outcomes

Table 3 below details the specific outcome measures we examined, including a brief description of each outcome and the statistical method used to assess changes in those outcomes. Outcomes are classified as (1) Primary, (2) Secondary, or (3) Exploratory based on their role in the experiment: the Primary outcome was our main focus, Secondary outcomes provided broader contextual insight, and Exploratory outcomes helped understand differences in Primary and Secondary outcomes across the variations of targeted support messaging tested.

Table 3. Outcome measures

Outcome	Description	Model Used	Classification/ Analysis Type
Understanding of targeted support suggestion			
Overall understanding	Score out of 12 of understanding questions answered correctly. There is a broad consensus that "layers" of understanding exist and we attempted to adapt existing models of understanding by asking	Ordinary Least Squares (OLS)	Primary

	3 questions for 4 different sublevels of understanding to explore how our treatments impacted different types of understanding. These sub-levels of understanding were informed by insights from Bloom's Taxonomy (1956) and Amplified Global's Multi-Level Comprehension Framework (2024).		
Understanding sub-level: Main message	Score out of 3 of understanding questions assessing main message and of the communication	OLS	Secondary
Understanding sub-level: Key information recall	Score out of 3 of understanding questions assessing key information recall	OLS	Secondary
Understanding sub-level: Interpretation	Score out of 3 of understanding questions assessing interpretation of the information	OLS	Secondary
Understanding sub-level: Applied Knowledge	Score out of 3 of understanding questions assessing key information recall the ability to apply knowledge	OLS	Secondary
Confidence in decision-making			
Self-reported confidence in decision-making based on information provided	Score ranging from 1 (not confident at all) to 10 (extremely confident)	OLS	Secondary
Uptake of the suggestion			
Decision to take up the suggestion	Participants considered taking up the suggestion if choosing to 'Invest' or 'See my other options'	Logistic	Secondary
Follow-up actions	Any follow-up actions participants selected from a list of options, after deciding whether to take up the suggestion	NA	Secondary
Value of investment	Measured as the proportion of the suggested investment amount participant chooses to invest	OLS	Secondary

Sentiment			
Sentiment towards the suggestion	Ordinal outcome indicating the extent to which participants agreed that the suggestion was: clearly worded, easy to understand, supportive, invasive of privacy, pressuring	Ordinal Logistic Regression	Secondary
Perceived intent of the suggestion	Ordinal outcome indicating the extent to which participants agreed that the suggestion was intended to: support the participant to make an informed investment decision, provide personalised financial advice, make money for the bank, improve overall financial well-being, make participant money, raise awareness of investing risks	Ordinal Logistic Regression	Secondary
Sufficiency of the information	Ordinal outcome indicating the extent to which the information is sufficient for supporting an informed investment decision	Ordinal Logistic Regression	Secondary

We also measured several exploratory variables to help us understand differences in primary and secondary outcomes across treatments. However, we did not conduct statistical comparisons of these variables between groups. Our exploratory variables included:

- Reasons for or against choosing to 'invest'
- Confidence in ability to answer understanding questions
- Whether the participant receives these types of suggestions already
- Time spent on the targeted support suggestion
- Risk preferences

Empirical Strategy

Table 3 presents the regression models used in our analysis. We used logistic regression for binary outcomes, ordinary least squares (OLS) regression for cardinal outcomes, and ordinal logistic regression for ordinal measures. Full model specifications and outcome measures are provided in Annex 4. We used these models to examine the relationship between our treatments and the outcome variables. For the primary and secondary outcomes listed in Table 3, as a robustness check, we estimated each model both with and without the following covariates:

- Age group
- Gender
- Income

- Financial literacy
- Ethnicity
- Savings
- Region

We report results from the models without covariates; models including covariates are presented in Annex 5.

To account for multiple hypothesis testing, where testing several treatments and outcomes increases the chance of finding a statistically significant result by chance, we applied the Bonferroni correction (Abdi, 2007), adjusting the conventional significance threshold ($α = 0.05$) by dividing it by the number of comparisons (8 treatment groups versus the control). Additional details on our approach to multiple comparisons are available in Annex 6.

Sample description and attrition

The sample was approximately nationally representative by age and gender. We applied an exclusion criteria to focus on individuals for whom targeted support for investing cash may be appropriate.

The resulting composition of our sample is described below. Full details are in Annex 7.

- The gender distribution was approximately balanced (~52% women, ~48% men).
- Over half of our sample were aged 55 or older. 15% were younger than 35. This indicates an older skew in our participant pool as approximately only 30% of the UK population were 55 or older according to ONS data (2023).
- Approximately 11% of participants identified as belonging to an ethnic minority, lower than 18% of the UK population.

Our overall attrition rate was high, with around 27.86% (N=1904) dropping out. We only analyse and report the findings from complete cases (N=8947).

4   Results

This section presents the main results from our experiment. We provide minimal interpretations and a short discussion of the results in the final section. A more comprehensive interpretation of our findings is summarised in the Policy Summary in the Annex to the CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support.

A summary of our primary and secondary analysis is presented below (Table 4). A summary of our exploratory findings can be found in the Exploratory results section.

Primary and Secondary analysis summary

Table 4 summarises the impact of providing additional information components, behaviourally informed messages, or guidance on our primary and secondary outcomes.

Table 4. Summary of Primary and Secondary regression results

Outcome	Additional information components	Behaviourally informed messages	Guidance
Understanding			
Overall	-		
Sub-level: Main message	-		
Sub-level: Key information recall	Removing the 'data points' component or all additional components had a negative impact.		
Sub-level: Interpretation	-		
Sub-level: Applied Knowledge	-		
Uptake			
Taking up suggestion action (or related action)	-	-	-
Confidence			
Confidence in decision-making	-	-	-

| Sentiment			
…clear	-	-	Providing guidance instead of targeted support had a negative impact on these sentiments.
…supportive	-	-	
…easy to understand	-	-	
…useful	-	-	-
…pressuring	-	-	-
…invasive to privacy	-	-	Participants shown guidance were less likely to perceive it as invasive to privacy.
Sentiment – Intention of the suggestion			
…support you to make an informed decision	-	-	Participants shown guidance were less likely to perceive the suggestion as intended to support decision-making or provide personalised advice
…provide personalised financial advice	-	-	
…make money for your bank	-	-	-
…improve your overall financial well-being	-	-	-
…raise awareness of investing risks	-	-	-

Note: This table presents the results of regression analysis comparing each treatment with the control group (Full Information). Although treatments were analysed individually, they are grouped here for summary purposes. Blank cells indicate that no statistically significant results were found. The behaviourally informed message and guidance treatments were not intended to influence the Understanding outcome; therefore, this section is greyed out.

Primary analysis

Overall understanding of targeted support

Participants shown targeted support answered 7.78 out of the 12 questions correctly on average. Regression analysis indicated that overall understanding did not vary significantly by any of the variations of additional information shown to participants (Figure 10). These results focus on the impact of additional information components on overall understanding and do not include the impact of our behaviourally informed messages or guidance.

Figure 10. Impact of additional information components on overall understanding
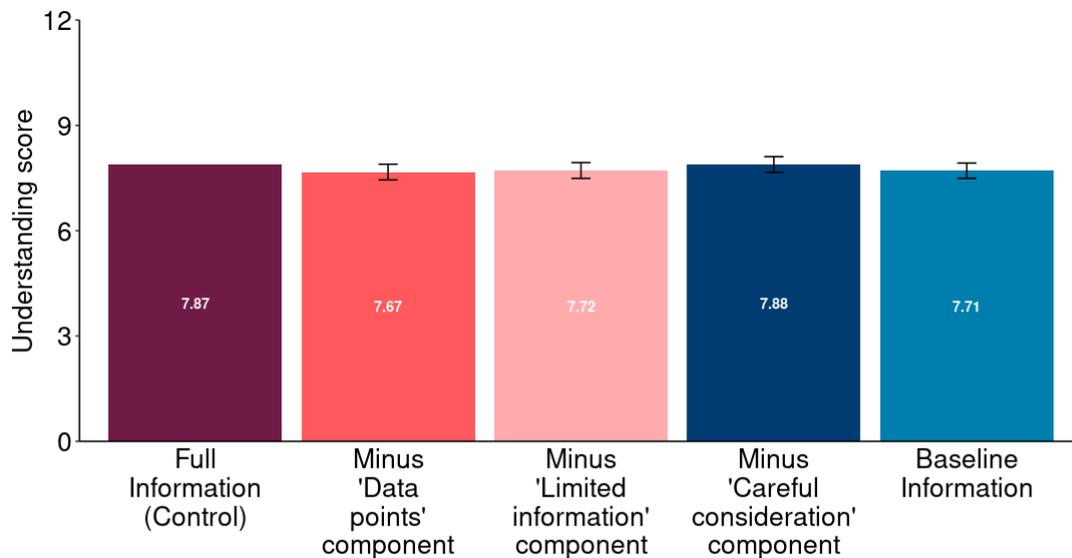
N = 7,957

***p<0.001; **p<0.01; *p<0.05
Please note: P-values multiplied by 8 to account for Bonferroni correction

Secondary results

The results presented here are our secondary analyses on:

1. Uptake intention of the suggestion,

2. Confidence in decision making,

3. Sentiment towards the targeted support.

While we include descriptive statistics and significance tests from regression analysis, these findings should be interpreted with appropriate caution. The sample size and study design were powered specifically to detect effects on the primary outcome (i.e., understanding), and as such, we cannot place the same level of confidence in conclusions drawn from secondary outcomes. A lack of statistical significance for these outcomes does not necessarily indicate a lack of effect, but may reflect limited power to detect smaller or more variable impacts. Regression results are available in Annex 5.

Sub-levels of understanding

Understanding of the targeted support suggestion's main message, participants' ability to interpret the information provided and their ability to apply the knowledge gained did not vary significantly by variations of targeted support.

However, removing the 'Data points' information component led to a statistically significant decrease (-6.0pp) in participants' ability to recall key pieces of information. Participants in this group answered 1.93 questions correctly on average, compared to 2.11 for those shown the Full Information treatment (control). Removing all the

additional information components (the Baseline Information treatment) also led to a statistically significant decrease in key information recall (-4.7pp). Participants in this group answered 1.97 questions correctly on average, compared to 2.11 for those shown the Full Information treatment (control).

Uptake of the suggestion

22% of participants chose to 'Invest'. 37% of participants chose to 'See my other options'. 41% chose not to invest. The proportion of participants who chose to take an action based off the suggestion – to invest or consider their options – did not vary significantly by treatment group (see Figure 11).

The value of investments made (measured as the proportion of the suggested amount participants said they would invest) did not differ statistically significantly by treatment group.

Figure 11. Impact of behaviourally informed messages and guidance on uptake
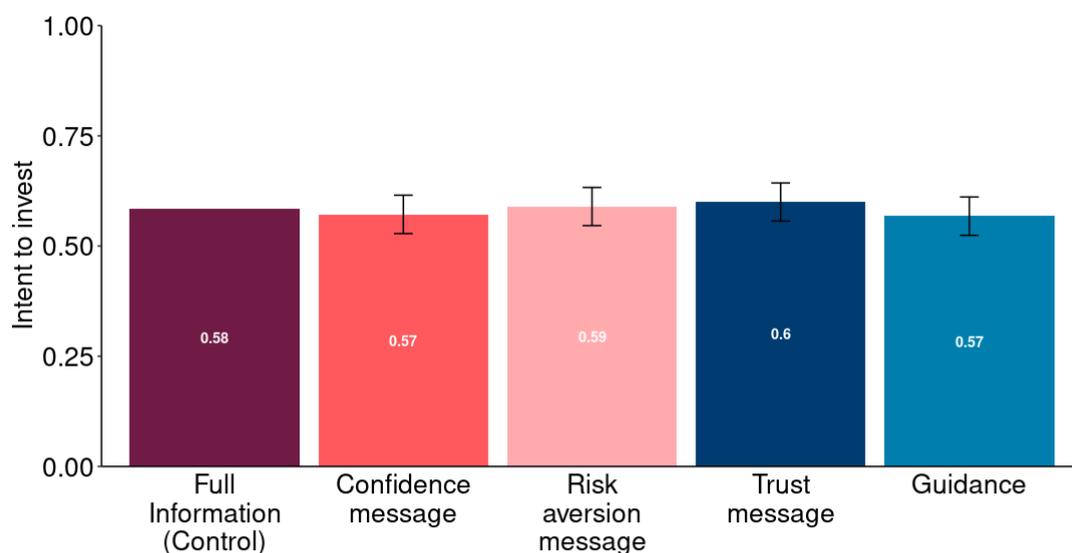
N = 8,947

***p<0.001; **p<0.01; *p<0.05
Please note: P-values multiplied by 8 to account for Bonferroni correction

Follow-up actions

We asked participants what actions they would consider taking following the targeted support suggestion or general guidance. Among those who did not choose to 'Invest', 82% of participants said they would go on to take a further action. The most common responses were conducting independent research (36%), taking time to consider the suggestion (36%), and contacting their bank (32%). The least common actions included seeking information via TV or radio (4%) and changing financial habits (6%). 18% said they would do nothing.

Among non-investors we found that those shown guidance were the least likely to say they would seek financial advice (26%) and the most likely to say that they would do nothing at all (24%).

Sentiment towards targeted support

We asked participants whether they thought that the message they received was easy to understand, clear, useful, supportive, invasive to privacy or pressuring. More than 81% of participants shown any version of targeted support communication agreed (selected 3 or 4 on the scale from 1-4) that the message was easy to understand. More than 80% agreed that it was clear. Less than 50% of participants shown any variation of targeted support communication thought that it was invasive to privacy or pressuring. See Figure 12.

Figure 12. Sentiment towards the message
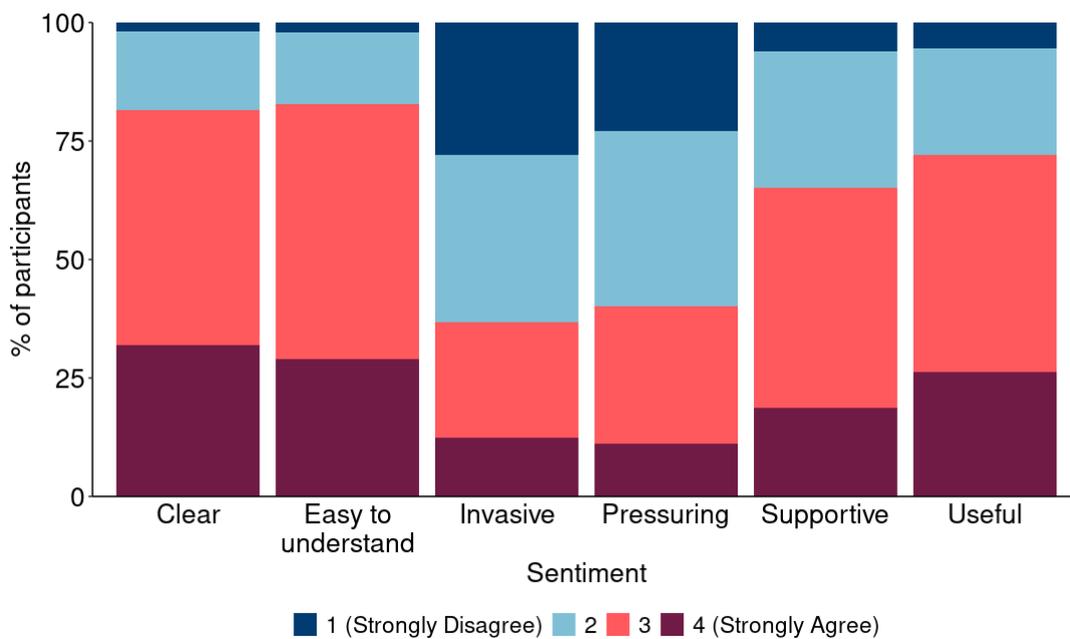
N = 7,957

Variations of targeted support communications (the information components or behaviourally informed messages) did not have a significant impact on participants' sentiment towards the communication.

Regression analysis showed that participants shown guidance were significantly less likely that those shown targeted support (with all additional information components) to agree that the message was easy to understand (75% instead of 82%), clear (73% instead of 80%), or supportive (59% instead of 65%). However, they were also less likely to agree that the message was invasive to privacy (32% instead of 39%).

Less than 1/3 of all participants agreed that the information provided by the suggestion and the accompanying communication was sufficient for making an informed investment

decision. Regression analysis showed that when participants were shown the Full Information communication without the 'Data points' component or the Guidance communication, they had statistically significantly lower odds of agreeing that the information provided was sufficient compared to those shown the Full Information communication. The proportion of participants which agreed fell to less than 1/4 among those not shown the 'Data points' component, and to less than 1/5 among those shown guidance.

Perceived intention of communication

We also asked participants about the intention of the communication. The majority of participants (71% to 74%) across all variations of targeted support communication agreed that the suggestion was intended to make money for the bank. In contrast less than 56% of participants shown any variation of targeted support agreed that it was intended as personalised financial advice. See Figure 13.

## Figure 13. Perceived intention of the suggestion
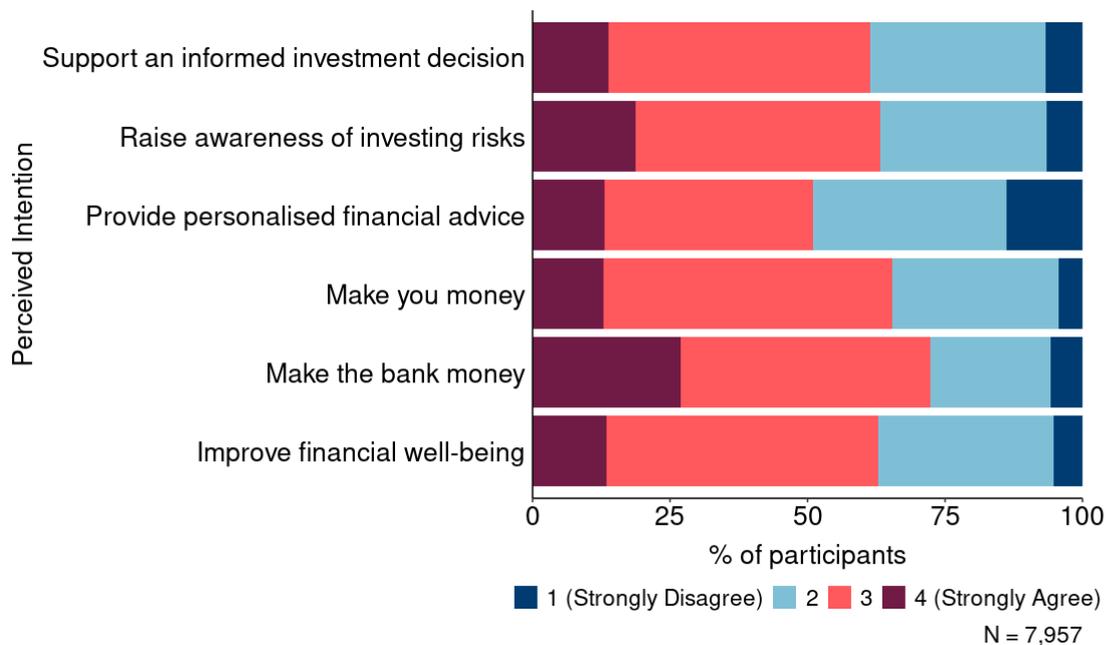
Perceptions of the suggestions' intent did not differ significantly across variations of the targeted support communication. However, regression analysis found that those shown guidance were statistically significantly less likely than those shown targeted support (the Full Information treatment) to view it as intending to support informed investment decisions (57% instead of 63% agreed) or provide personalised financial advice (40% instead of 51% agreed). They were more likely to see it as raising awareness of investment risks (70% instead of 62% agreed).

Confidence in decision-making

Participants rated their confidence in making an informed decision based on the information provided on a scale from 1-10 (1 being not confident at all, 10 being completely confident). Confidence in decision making ranged between 6.59 – 6.92 on average across all treatments (Figure 14). Confidence in decision-making did not vary significantly by treatment group.

Figure 14. Impact of treatments on confidence in decision-making
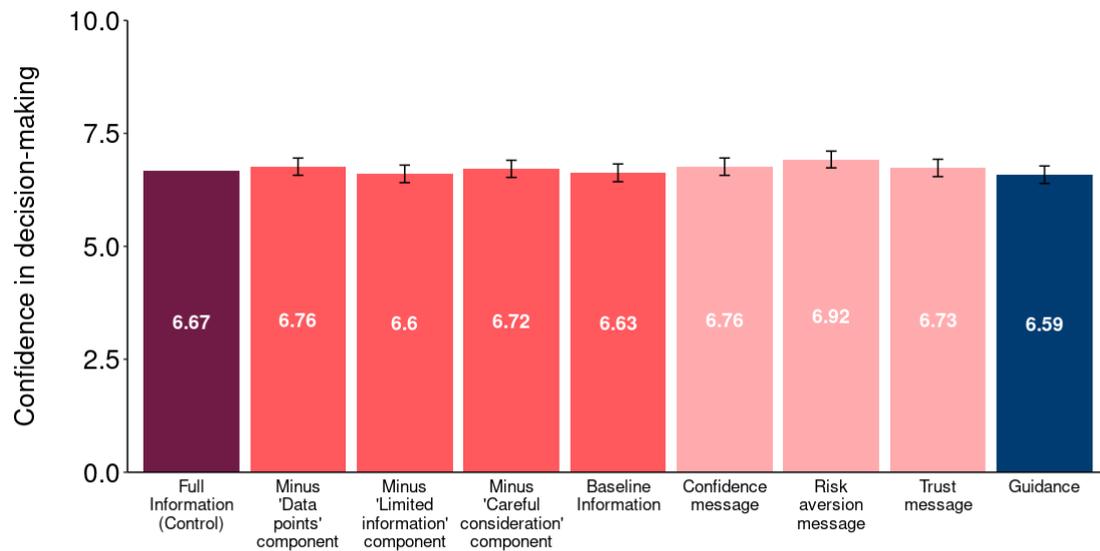
N = 8,947

***p<0.001; **p<0.01; *p<0.05
Please note: P-values multiplied by 8 to account for Bonferroni correction

Exploratory results

The following analysis explores further subgroup analysis and correlations found within the data. Patterns found here do not necessarily indicate a causal relationship.

Our exploratory findings are summarised below.

1. Among those who felt they lacked sufficient information, the most requested information was a comparison of the suggestion with other options, and more details about potential risks.
2. The most common reason for investing was greater potential returns. The most common reason against investing was uncertainty about potential risks.
3. Nearly half of participants estimated their understanding within one question of their actual score. However, overestimation of understanding was more common than underestimation.

4. Participants with high financial literacy showed greater understanding and confidence but were slightly less likely to invest than those with low financial literacy.
5. Very risk-seeking participants scored lowest in understanding but were the most likely to invest and report the highest confidence in their decisions.
6. Understanding scores generally increased with age. Older participants were less likely to invest but reported higher confidence in their decision-making compared to younger age groups.
7. Male participants were more likely to invest and felt more confident in their decision-making than female participants. Male participants overestimated their understanding in comparison to female participants, while actual performance differences in understanding were minimal.
8. Those with higher incomes were more likely to invest and reported greater confidence in their decision-making.
9. Both understanding and confidence in decision-making showed a positive relationship with household net wealth.

Helpful additional information

As discussed in the secondary analysis, 2/3 of participants felt they lacked sufficient information to make an informed decision (they did not rate the information as 'Mostly' or 'Completely' sufficient). We asked these participants what information would have helped them the most. 50% said that a comparison of the suggestion with alternative options would have been helpful. 49% said that they would have valued more details about the risks of the suggestion. See Figure 15.

Figure 15. Helpful additional information requested among those who said the information provided was not 'Mostly' or 'Completely' sufficient

% of participants who selected additional information
N = 6,496
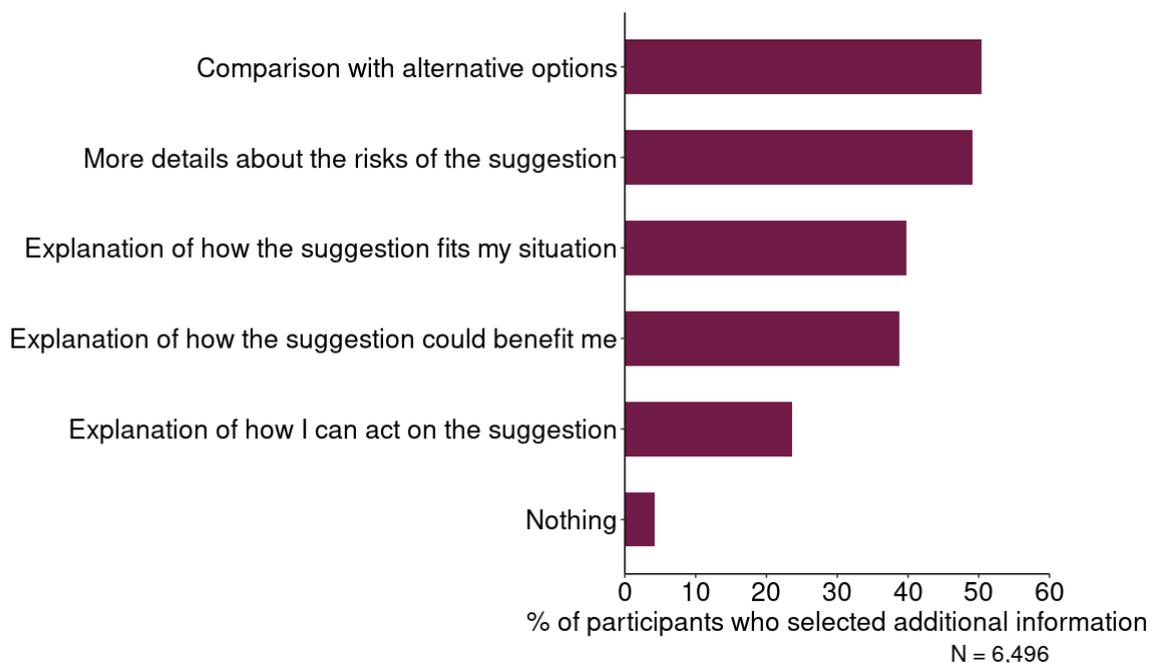
Reasons for choosing to invest

We asked participants who chose to invest the reasons why. 71% of 'investors' cited potential greater returns as a reason driving their decision – the most commonly cited factor. 32% cited a reason for their decision was that the suggestion was made by trusted professionals. 19% of participants said that a reason for investing was because the suggestion gave them confidence. See Figure 16.

Among those shown targeted support, 32% of 'investors' said that the recommendation being personalised to them was a reason for their decision. This fell to 25% among those shown guidance.

## Figure 16. Reasons for choosing to invest

% of investors who selected reason
N = 1,957

Reasons against choosing to invest

Participants who selected 'Do not invest' or 'See my other options' identified being unsure about the risks involved as a factor driving their decision 49% of the time. Other most frequently cited reasons included not knowing enough about investments (45%), a preference to have the cash available for other things (35%), and the need for more information (29%). The least commonly cited reasons were not having friends or family who have taken up the suggested action (5%), focusing on other types of investment (7%) and a lack of trust of the provider (8%).

Participants shown guidance were the most likely to cite needing more support as a reason for not investing (26% in comparison to 23% for those shown targeted support).

Figure 17. Reasons for choosing not to invest

% of non-investors who selected reason
N = 6,990
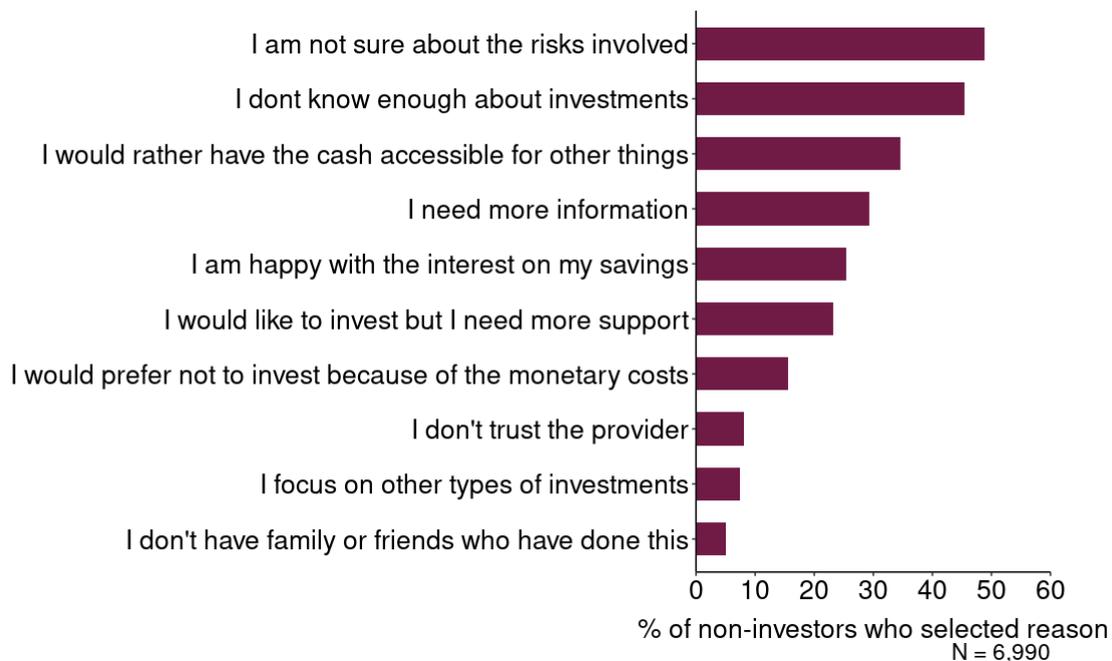
Self-assessed understanding

Once they had completed the understanding questions, we asked participants to estimate how many questions they answered correctly. Overall, 46% of participants estimated within a point of their actual overall understanding score. However, overestimation was more common than underestimation: across all groups, 42% to 49% overestimated their performance, while 34% to 42% underestimated it. 14% to 19% estimated their exact score.

Subgroup analysis: Financial literacy

We categorised participants as having low or high financial literacy based on their responses to 3 questions (see Annex 8). Participants with high financial literacy scored higher in overall understanding on average. Of those shown targeted support, participants with high financial literacy answered 8.38 understanding questions correctly on average, in comparison with 6.55 among those with low financial literacy.

Participants with low financial literacy were more likely to invest than those with high financial literacy, investing 23% of the time (compared to 20% among those with high financial literacy). Those with low financial literacy were also less confident in their decision-making, rating their confidence at 6.46 out of 10 on average, compared to 6.83 among those with high financial literacy. Participants with low financial literacy were less

accurate in their self-assessed understanding, overestimating their understanding by 1.04 questions on average, compared to 0.27 among those with high financial literacy.

Subgroup analysis: Risk preferences

We asked participants to rate how willing, in general, they were to take risks on a scale from 1-10 (1 = not willing at all, 10 = very willing) (Falk et al., 2023). Based on these scores we categorised participants as very risk averse (1 or 2), moderately risk averse (3, 4 or 5), moderately risk seeking (6, 7, or 8) or very risk seeking (9 or 10).

The very risk seeking group scored the lowest in understanding, answering only 7.05 questions correctly on average in comparison to 7.89 among the moderately risk averse or 7.63 among the very risk averse. However, the very risk seeking group were much more likely to invest. 73% of those identified as very risk seeking invested in comparison to only 4% of those identified as very risk averse. There was a positive correlation between risk appetite and levels of confidence, with the very risk seeking group rating their confidence in decision-making as 8.43 out of 10 on average. All other risk profiles rated their confidence below 7 on average.

Despite scoring lowest in understanding, very risk-seeking participants reported the highest confidence in their self-assessed understanding. On average, they overestimated their performance by nearly 3 questions.

Subgroup analysis: Age

Understanding scores generally improved with age. Among those shown targeted support, participants aged 18-34 answered on average 6.94 understanding questions correctly. This rose to 8.04 among those aged 45-54 and declined marginally among those aged 55+.

Older participants were also less likely to choose to invest. Those aged 35-44 chose to invest 39% of the time. This fell to only 10% among those aged 65+. At the same time, older participants reported the greatest confidence in their decision-making. The 65+ age group had an average confidence score of 6.95 out of 10, in comparison to 6.48 among those aged 18-34.

Subgroup analysis: Gender

Male participants were more likely to choose to invest than female participants. 27% of male participants chose to invest in comparison to 17% of female participants. Male participants also reported greater confidence in their decision-making (7.02/10) than female participants (6.42/10) although demonstrated less accurate self-assessed understanding. Male participants answered 0.82 fewer questions than estimated on average, in comparison to 0.24 fewer for female participants. Male participants scored higher on understanding questions, but only marginally (7.83 understanding questions answered correctly on average compared to 7.73).

Subgroup analysis: Income

Among those who received targeted support, understanding scores increased with income. On average, individuals earning less than £16,000 answered 7.65 questions correctly, compared to 8.29 correct answers among those earning between £50,000 and £70,000.

The likelihood of participants investing increased with income. 11% of participants earning less than £16,000 chose to invest. This rose to 44% among those earning between £100,000 and £150,000.

Confidence in decision-making also increased with income, from 6.59 out of 10 on average for those earning less than £16,000 to 7.19 for those earning between £100,000 and £150,000.

Subgroup analysis: Household net wealth

Both understanding and confidence in decision-making had a positive relationship with household net wealth. Understanding scores increased from 7.01 on average among those with a net wealth between £0 and £25,000 to 8.43 among those with a net wealth greater than £1,000,000. Confidence rose from 6.45 on average among those with a net wealth between £0 and £25,000 to 6.81 among those with a net wealth of greater than £1,000,000.

Time spent looking at the targeted support communication or guidance

We looked at the amount of time participants spent looking at the targeted support suggestion and any accompanying materials. On average, participants spent the most time looking at the treatment with the risk aversion behaviourally informed message (35s). Participants spent the least time, on average, looking at guidance (21s) or the Baseline Information (22s) treatment. See Table 5.

Table 5. Time spent looking at the targeted support communication and guidance

Treatment	Average time spent on communication (Median, seconds)
Full Information (Control)	34
Minus 'Limited information' component	32
Minus 'Data points' component	26
Minus 'Careful consideration' component	31
Baseline Information	22

Full Information + Trust behaviourally informed message	34
Full Information + Confidence behaviourally informed message	34
Full Information + Risk Aversion behaviourally informed message	35
Guidance	21

5   Discussion

Our findings show that providing consumers with additional information and behaviourally informed messages in this context does not always influence their understanding of targeted support, their confidence to make informed decisions, their uptake of the suggestion, or their sentiment towards it. However, the nature of the communication did have an effect. Specifically, participants who were shown targeted support rather than guidance were more likely to agree that the support was clear, easy to understand, and supportive.

These results differ from our other experiments (Almond et al., 2025), which tested targeted support communications in the context of recommending that consumers either increase their pension contributions (Pension Contribution experiment) or draw down from their pension (Pension Decumulation experiment). In those experiments, providing additional information generally had a positive impact on understanding, confidence, uptake, and sentiment.

There are several possible reasons for these differences, which we explore further in the policy summary paper "Lessons from Behavioural Testing for Targeted Support" Annex to CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support. One explanation is the difference in the sample. In the experiment discussed in this paper, participants were generally younger (more than 45% were younger than 55 in the Investment experiment, all participants were older than 55 in the Pensions Decumulation experiment) and had lower financial literacy compared to those in the Pensions experiments (participants in the Investment experiment answered 1.91 of the 3 financial literacy questions correctly in comparison to 2.1 and 2.4 questions in the Pensions Contribution and Decumulation experiments respectively). This may mean they require more support to understand the scope and limitations of targeted support.

Another possible reason is the nature of the additional information. In this current experiment, the baseline information alone may have effectively conveyed the core messages, with additional information offering limited marginal benefit. In contrast, the full information tested in the Pensions experiments added meaningful information not included in the baseline information, such as: the source of the information, what information was (and wasn't) considered, and a clear statement that the suggestion was not personalised advice. This information was relevant to the understanding questions asked.

A broader discussion of these findings is included in the Lessons Learned summary. Overall, our results suggest that more substantive changes may be needed to improve understanding, uptake, confidence, and sentiment in this context with this group of consumers. Testing communications may help identify what those changes should be, and how they impact different groups.

References

Abdi, H. (2007). Bonferroni and Šidák corrections for multiple comparisons. Encyclopedia of measurement and statistics, 3(01), 2007.

Amplified Global. (2024). *Multi-Level Comprehension Framework.* https://amplified.global/

Bloom, B. S. (Ed.). (1956). *Taxonomy of educational objectives: Handbook II*. David McKay.

Cialdini, R. B. (2007). *Influence: The psychology of persuasion*. HarperCollins.

Falk, A., Becker, A., Dohmen, T., Huffman, D., & Sunde, U. (2023). The preference survey module: A validated instrument for measuring risk, time, and social preferences. *Management Science*, *69*(4), 1935-1950.

Financial Conduct Authority. (2023, December 8). *Testing what gets consumers engaged with their pension – and why*. Testing what gets consumers engaged with their pension – and why | FCA

Financial Conduct Authority. (2023, December). *Advice guidance boundary review – Proposals for closing the advice gap (DP23/5)*. DP23/5: Advice Guidance Boundary Review – proposals for closing the advice gap | FCA

Financial Conduct Authority. (2025, May 16). *Financial Lives 2024: Key findings from the FCA's Financial Lives May 2024 survey*. Financial Lives 2024: Key findings from the FCA's Financial Lives May 2024 survey

Financial Conduct Authority. (2025, June). *CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support.* CP25/17: Supporting consumers' pensions and investment decisions: proposals for targeted support

Financial Conduct Authority. (2025, June). *Research Note: Reading between the lines: Understanding of targeted support in retail investments.* Research: Reading between the lines: Understanding of targeted support in retail investments

Financial Conduct Authority. (2025, June). *Thinks Insights & Strategy.* Thanks Insights & Strategy

Freedman, J. L., & Fraser, S. C. (1966). Compliance without pressure: the foot-in-the-door technique. *Journal of personality and social psychology*, *4*(2), 195. Compliance without pressure: The foot-in-the-door technique.

Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American psychologist*, *57*(9), 705. Building a practically useful theory of goal setting and task motivation: A 35-year odyssey.

NMG Consulting. (2024, November). *Targeted support: Understanding what works in supporting non-advised individuals with their defined contribution pensions*.

Financial Conduct Authority. <u>Advice Guidance Boundary Review Targeted Support for Non-Advised Defined Contribution Pensions</u>