FCA Prompts and Alerts Design: Behavioural Evidence

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Executive Summary

In 2016 the Financial Conduct Authority (FCA) outlined a programme of research to develop and test prompts which are designed to encourage customers to consider their banking arrangements.[1] This followed the Competition and Markets Authority's (CMA) retail banking market investigation, which identified that customer engagement in the current account market was low.

As part of this research programme, the FCA commissioned behavioural experts Decision Technology to design and conduct a series of online experiments to identify the most effective messages for a series of 'prompts' (messages designed to encourage greater account engagement and messages to encourage customers to consider switching) and 'alerts' (messages designed to increase awareness of overdraft use and encourage people to take action to avoid incurring charges). For feasibility reasons, this research focussed on testing the content of the prompts and alerts, not the frequency, channel or timing.

Three experiments in total were conducted, testing the content of different types of prompts and alerts, with the following aims:

- Online Experiment 1 (OE1) explored different types of personal current account (PCA) prompts to encourage PCA provider switching.
- Online Experiment 2 (OE2) explored different types of PCA prompts to encourage greater customer engagement with their PCA.
- Online Experiment 3 (OE3) explored different types of overdraft alerts to encourage customers to act to avoid incurring overdraft fees.

All three experiments were run on separate samples of approximately 2,500 PCA customers (overdraft users specifically for OE3). Each experiment took the form of an online survey, and included two key tasks:

- Task 1 involved presentation of two different prompts or alerts side by side, with the participant asked to select which of the two prompts or alerts was more likely to make them engage in a particular behaviour (to switch PCA for OE1, to engage with their PCA for OE2, and to take action to avoid overdraft fees for OE3). The choice of prompt/alert was the main outcome variable.
- Task 2 involved the presentation of a single prompt/alert, with the participant asked to rate the extent to which they agreed or disagreed to a series of statements in relation to the prompt/alert. The statements covered a range of perceptions of the prompt/alert, such as how clear, relevant, and informative they considered it to be. The perception ratings were used to support the Task 1 findings and provide further insight into why some prompts/alerts performed better or worse than others.

The results from the experiments demonstrated marked differences in preferences and perceptions between different types of prompts and alerts. In particular, the results showed:

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[1] *https://www.fca.org.uk/publications/corporate-documents/our-response-cma-investigation-competition-retail-banking-market*

- OE1 (prompts to consider switching) found customers preferred prompts that included information on both the costs incurred on the PCA and the quality of service offered by the provider. In both cases, representing the information in graphical form was preferable. Breaking down the benefits of switching and doing so in a salient manner (with bullet points), was also effective. Explicitly outlining the next steps to take to switch also had a small, but significant, positive impact.
- OE2 (prompts to encourage PCA engagement) showed that the graphical presentation of costs (as opposed to not mentioning costs or presenting them in text form) was likely to be effective at encouraging greater engagement with a PCA, consistent with OE1 findings. Highlighting how a customer was "missing out" also had a positive impact, as did personalising the prompt by using the participant's first name. Likewise, showing multiple ways and reasons to engage with their PCA was more impactful than showing fewer.
- OE3 (overdraft alerts) showed that when in an overdraft, or with a low balance approaching an overdraft, longer, more informative messages (explaining that the balance is below a set threshold, or how to check transactions) were preferred. Messages that explicitly stated the level of daily costs that could be incurred, as opposed to possible monthly maximum charges or costs without mentioning a specific value, were also more impactful, particularly when the cost is higher, and when the user is in their overdraft.

One key finding across all three experiments was that the longer, more informative messages worked best. Note that this finding should not be taken to mean that real-world messages should contain excessive information. Indeed, whilst this finding may seem counter-intuitive, it is likely due to the additional elements adding new and useful information. Further, even the longest prompts/alerts were still fairly concise. The extra content is not redundant as it is unique to the existing message copy. By contrast, the shorter messages were missing key information.

In terms of real-world validity, the results outlined are indicative of the influence on behaviour, with the magnitude of any impacts on behaviour of the prompts and alerts able to be examined in any potential live field trials. As such, the three experiments highlighted a number of key prompt and alert design features that should be adopted to guide any field trials and potentially act as guidance for banks:

- Up to a point (i.e., within the set of relatively short messages tested), it is better to use longer, more informative messages, than shorter ones that omit information. Message content beyond that covered in this report should be tested to ensure it does not include excessive text and diminish customer engagement.
- In the case of PCA prompts, this means including information on both the bank's costs and service quality.
- In the case of overdraft alerts, this means including information such as whether a balance threshold has been passed, and guidance on action to take to avoid overdraft fees.
- Graphical ways of presenting information work better than text alone, and more images[2] work better than fewer.
- A strong "call to action" is important, listing the benefits of switching, or next steps to take to engage more with the PCA or to avoid overdraft fees.

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[2] *The experiment tested a maximum of three images.*

- Personalising messages helps engagement, as does implying that the customer is "missing out" by not engaging more with their PCA.
- Highlighting higher, short-term (i.e., daily) costs in overdraft alerts is also impactful, particularly when the customer is in (as opposed to approaching) their overdraft.

Introduction

Summary of the CMA's Retail Banking Investigation

In 2016 the Competition and Markets Authority (CMA) published a report on its investigation into the retail banking market[3]. It found that:

> '*the older and larger banks, which still account for the large majority of the retail banking market, do not have to work hard enough to win and retain customers and it is difficult for new and smaller providers to attract customers. These failings are having a pronounced effect on certain groups of customers, particularly overdraft users and smaller businesses'.*[4]

One reason for this is that few customers switch current accounts, with only 3% of customers switching to a different provider in the last year[3]. This is despite the significant savings that could be made by doing so. The CMA identified that low switching rates are partially a result of the products themselves as there is no annual renewal, and therefore no natural trigger point to prompt customers to review their product. They found low switching is exacerbated by unclear and complex charging structures that customers typically do not understand, and low awareness of the quality of service provided by different banks.

The CMA also found customers, particularly overdraft users, to be unaware of their own account use and associated charges. 55% of unarranged overdraft users underestimate their overdraft use by two or more months, and half are not aware when they have gone into an unarranged overdraft.5 They identified that some customers could avoid unarranged overdraft use (and charges) if they were informed in a timely basis when they were about to exceed their limit.[6]

To address these problems, the CMA outlined a package of remedies that aim to promote more effective competition through increased customer engagement and activity[7]. The CMA implemented some of these remedies itself. Amongst other things it recommended that the FCA:

- Undertake a research programme to identify prompts most likely to increase customers' awareness of the potential benefits of switching and prompt customers to consider their banking arrangements.
- Identifies, researches, tests and implements (as appropriate) measures to increase customers' engagement with their overdraft use and charges, including considering the content of overdraft alerts.

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[3] *https://assets.publishing.service.gov.uk/media/57ac9667e5274a0f6c00007a/retail-banking-market-investigation-full-final-report.pdf*
[4] *See page 1 of the CMA's final report summary:*
www.gov.uk/government/uploads/system/uploads/attachment_data/file/544942/ overview-of-the-banking-retail-market.pdf.
[5] *Page 173 CMA final report*
[6] *Page 167 CMA final report*
[7] *See CMA final report for details*

The FCA's Prompts and Alerts Research Programme

The FCA committed to a programme of research to identify the most impactful designs of personal current account (PCA) prompts and overdraft alerts:

- **Prompts** are dedicated messages sent to customers and can be periodic or triggered by certain events. They encourage or 'prompt' changes in attitudes or behaviours specifically in relation to shopping around or reviewing accounts. Such prompts may also increase transparency around the cost of PCAs, helping customers understand their account usage, fees and charges.

- **Alerts** are messages triggered by overdraft-related events that are sent to customers to communicate overdraft usage and are provided in enough time for customers to act to reduce or avoid charges.

The FCA proposed a programme of research involving a literature review, design work, qualitative interviews and quantitative research. As part of the quantitative research, online experiments were conducted to test the content of prompts and alerts to provide direct insight into their effectiveness on customer choices. This report outlines the quantitative online experiments conducted, including the outcomes observed and subsequent recommendations for prompt and alert design.

Introduction to the Quantitative Online Experiments

The FCA commissioned behavioural science experts, Decision Technology, to run the quantitative online experiments. The objectives for the online experiments were as follows:

- To test different versions of the content of prompts and alerts (as opposed to the prompt/alert delivery channel, timing and frequency, which were not feasible to test and outside the scope of the research) in order to determine which are most impactful in terms of affecting customers' awareness, attitudes, and behaviour.
- To determine which elements of the prompts and alerts are the most effective, and therefore allow further refinement.
- To inform the efficacy of any potential randomised controlled field trials.
- To inform policy best practice guidelines, particularly in the event that it will not be possible for certain ideas to be trialled in field. In such a case, future policy can be developed in accordance with any statistically significant results in the online experiments.

Research Approach and Rationale

In this section, an overview of the broader research approach and rationale will be discussed, followed by information on sample criteria, and a detailed explanation of the structure of the online experiments carried out. This will then be followed by an overview of the analysis carried out on the data from each experiment.

Overview

The research approach involved three online experiments. Two experiments tested different types of periodic prompts to PCA customers. The first experiment tested messages to encourage external switching (Online Experiment 1, or OE1), and the second experiment tested messages to encourage account engagement (Online Experiment 2; OE2). The third experiment tested overdraft alert messages to encourage fee avoidance amongst overdraft users (Online Experiment 3; OE3).

For each experiment the design involved comparing pairs of prompts or alerts using a mixed between and within subject design, in which respondents completed five prompt comparison tests or two alert comparison tests (detailed in the following sections). This means that the pairs of prompts or alerts compared differed between respondents (between subjects), but because respondents completed multiple comparison tests (within subjects), it is considered a mixed design. This approach was adopted for several reasons:

1. Simulating the real-world scenario would entail floor effects (i.e., only a very small proportion of those tested exhibiting the behaviour in question) due to low switching behaviour, and therefore require enormous samples to detect statistical significance. The chosen design, however, maximised the impact of the prompts/alerts. In terms of real-world validity, results would therefore be indicative, with the magnitude of any impacts on behaviour of the prompts and alerts able to be examined in any potential live field trials.
2. A binary choice between two prompts compared side by side removed the need to control for individual differences in customers' likelihood to switch, which in practice could strongly outweigh the impact of the prompt/alert design. The alternative, rating a single prompt/alert, would again require very large sample sizes in order to detect any effect of the prompt/alert design.
3. A single dependent variable to measure respondents' relative behavioural intentions avoided a stated preference, whereby respondents introspect what elements would have more impact. It is widely recognised that respondent introspection often has a weak relationship to actual behaviour. The chosen response mode, however, was indicative of real-world customer preferences (evidence of which has been observed from our proprietary research examining stated-to-actual behaviour) and enabled the ranking of elements to identify the top performing prompt and alert designs.
4. Multiple trials increased the number of combinations of elements that could be tested for a given sample size. Simultaneously, appropriately limiting the number of trials kept respondent fatigue low.

For each experiment, prompts and alerts were constructed by breaking down the message into a fixed number of 'slots'. For each slot, one of a number of different 'elements' could be inserted. Prompts and alerts were then generated by randomly

selecting an element for each slot. This was done in a factorial approach, whereby any element from a given slot could be combined with any other element from other slots (there were occasional exceptions to this, where certain combinations could not be shown together, which are explained in the appendix, Section 8.3). See Figure 1 for a conceptual illustration of this approach. This approach enabled a larger number of combinations to be tested than could be done with fixed prompts or alerts. It also allowed for the impact of each element of the prompt or alert to be independently assessed through subsequent statistical analysis.
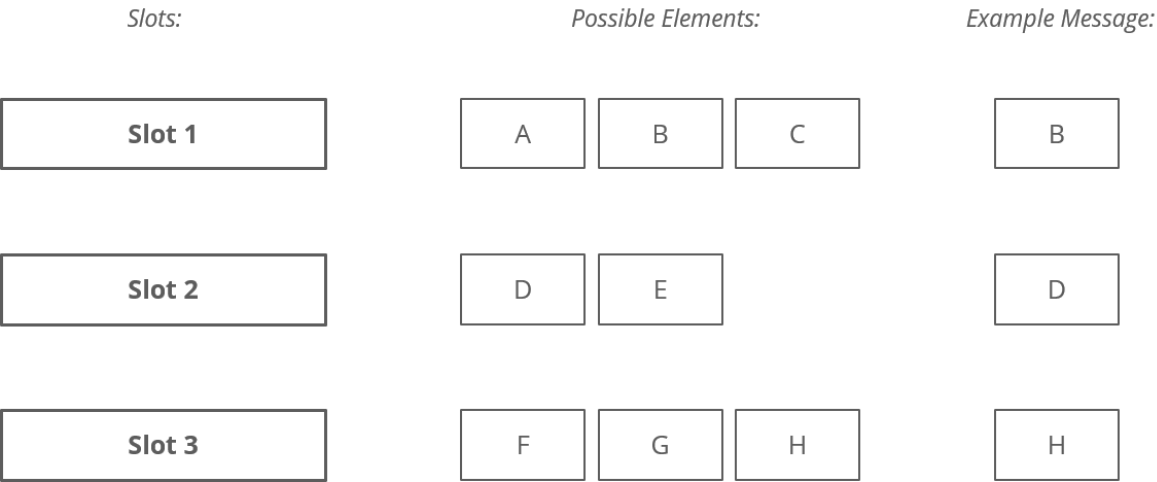
Slots:	*Possible Elements:*			*Example Message:*
Slot 1	A	B	C	B
Slot 2	D	E		D
Slot 3	F	G	H	H

Figure 1: Conceptual Message Construction

Sample

All three experiments involved a nationally representative sample of approximately 2,500 PCA customers. The eligibility criteria were the same for OE1 and OE2 (prompts to consider switching and encourage PCA engagement), and required respondents to be aged 18 or over, to be a permanent resident in the United Kingdom, and to have a PCA for which they were at least jointly responsible for making decisions about if the account they used most was a joint account. For OE3 (overdraft alerts), the criteria were the same except that they included the addition of requiring the customer to have used an arranged and/or unarranged overdraft in the last two years. The experiments were exclusive of each other such that an individual respondent could only participate in one of the three experiments.

After cleaning to remove data from any participants who had not completed the survey sensibly (see appendix section 8.1 for more information), OE1 (prompts to consider switching) consisted of a sample of 2,523 PCA holders, OE2 (prompts to encourage PCA engagement) involved 2,573 PCA holders, and OE3 (overdraft alerts) involved 3,136 overdraft users. The sample characteristics were similar across all three experiments in terms of age, gender, working status, income, relationship status, education level, and location (see appendix section 8.2 for details). The prompts and alerts presented were randomly allocated to participants, with each prompt and alert element being seen by a sample that was balanced across these characteristics.

These sample sizes meant that individual elements were typically seen between 4,000 to 6,000 times in total (the slot with the fewest appearances per element was OE3's Slot 2,

with each element seen approximately 1,800 times). Statistical power analysis on a binomial test suggested that these data volumes were sufficient to typically detect a 2-3% difference between two elements at 95% confidence (and at around 4-4.5% in the worst case, for OE3's Slot 2).

Experiment Structure

All three experiments followed the same structure, involving three sections: a prompt or alert comparison task, a follow-up task assessing perceptions of the prompts/alerts, and a respondent survey (see Figure 2). The two prompt experiments (OE1 and OE2) took 15 minutes to complete, while the overdraft alerts experiment (OE3) took 10 minutes to complete due to a smaller number of trials in the comparison task.

Experiment Structure

Task 1

Two randomly constructed prompts/alerts presented; Respondent selects which most likely to make them switch (OE1)/review account (OE2)/avoid fees(OE3)

Task 2

One randomly constructed prompt/alert presented; Respondent rates prompt/alert on perception statements

Participant Characteristics

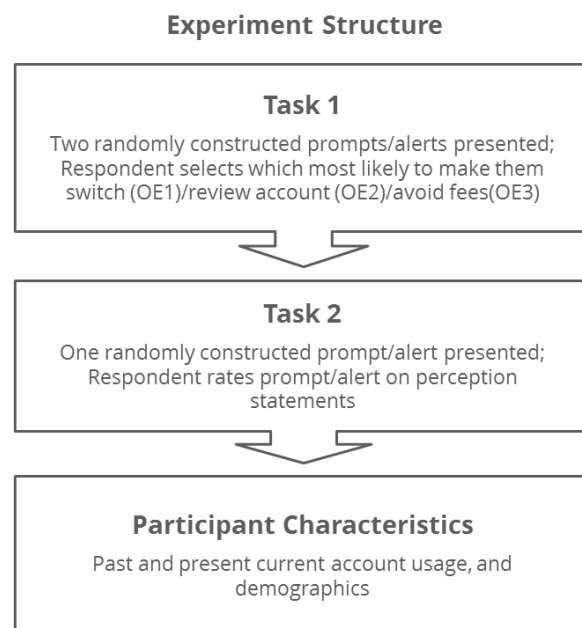Past and present current account usage, and demographics

Figure 2: Experiment Structure

The sections of the experiment are now described in more detail.

In each experiment the **first task (Task 1)** involved a choice task between two prompts or two alerts, and was completed five times for different pairs of prompts (OE1 and OE2) or twice for different pairs of alerts (OE3)[8]. For this task, respondents were asked to imagine that they had two PCAs from two different banks (Bank A and Bank B). For the two prompt experiments, respondents were asked to imagine that they were looking through their bank statements from each of these providers and see two messages containing information about their PCAs. For the alerts experiment, respondents were asked to imagine a hypothetical scenario relating to their overdraft, and that as a result they receive two related text messages, one from each of their providers.

The randomly constructed prompts or alerts were presented to respondents individually, and then side-by-side together with a question asking them to choose between the two messages (see Figure 3 for example experiment Task 1 screenshot). This question (and

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[8] *OE3 had fewer slots and therefore fewer message combinations, so the task was completed just twice to avoid repetition of messages*

response) acted as the dependent variable. For OE1, respondents were asked which of the messages would make them more likely to consider switching their PCA. For OE2, they were asked which would be more likely to make them reassess or research the way they used their PCA. For OE3, respondents were asked which would be more likely to make them take action to avoid paying overdraft fees.

Figure 3: OE1 Task 1 Example Screenshot

The **second task (Task 2)** involved rating a prompt or alert on a series of perception statements, and then answering some subjective questions about it to gauge understanding and liking. For this task, respondents were shown one more randomly generated prompt or alert, and then asked to rate their agreement to an inventory of 12 perception statements (or eight for alerts) about that message (see Figure 4 for example experiment Task 2 screenshot). The statements were presented to respondents one at a time in a random order, and ratings were on a 7-point Likert scale from 'Strongly Disagree' to 'Strongly Agree'. The statements covered a range of features, such as clarity, comprehension, trust, and how informative the prompt or alert was (see appendix Section 8.4 for more details). Respondents were also asked to answer a series of open text questions covering what the purpose of the message was, what action they would take as a result, and what they liked and disliked about it.

You've paid £36 this year in charges.

- £21 unarranged overdraft charges
- £15 arranged overdraft charges

How can I get more from my current account?

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3 ways to make the most of your current account:

1. Choose free text alerts that help you keep track of your money
2. Download our free mobile banking app to make money management easier
3. Consider switching to a different provider to get a better deal

For more tips visit the free and impartial Money Advice Service.

Please rate the extent to which you agree or disagree with the following statement:

I understand why my bank is sending me this message

Strongly Disagree			**Neither agree nor Disagree**			**Strongly Agree**
◯	◯	◯	◯	◯	◯	◯

Figure 4: OE1 Task 2 Example Screenshot

The **final section of the experiment** included a **respondent survey** in which customers were asked questions about their PCA usage including any details on overdraft usage, other financial products held, and demographic questions.

Experiment Outcomes

Analyses for each of the three online experiments followed the same approach and involved: (i) analysis of the preference of the prompts/alerts in terms of driving behaviour (the main outcome variable used to determine the most effective design); and (ii) analysis of the perceptions towards the prompts/alerts (a secondary outcome variable, used to support the main findings by providing further insight as to why some prompts/alerts may have performed better or worse than others).

Preference

Relative preference of the prompts/alerts - in terms of its likelihood to drive behaviour (likelihood to switch in the case of OE1, likelihood to engage with their PCA in the case of OE2, and likelihood to take action to avoid or reduce overdraft charges in the case of OE3) - was determined from the main experiment task (Task 1). As outlined above, for each experiment this involved presenting two prompts or alerts side-by-side, with each prompt/alert randomly constructed from a pre-defined set of elements. Participants rated their preference from the two in terms of their likelihood to drive them to act. The performance of each element of the prompt/alert in driving behaviour was determined by taking the percentage of times the prompt/alert was chosen when that particular element was present. The expected choice proportion for any given element was 50%,

and performance statistically significantly above or below this level, based on a binomial test, indicated an effect on behaviour (bar charts in the results sections of each experiment in the chapters that follow show this).

Perceptions

As described above, Task 2 in each of the experiments involved presenting a single prompt or alert, followed by a number of statements participants rated on a 7-point Likert scale from 'strongly agree' to 'strongly disagree'. A statistical data reduction technique (factor analysis) was used to aggregate the ratings of each statement into distinct perceptions that customers have about the prompts/alerts. Seven key perceptual dimensions were found: Relevance, Trust, Clarity, Informative, Rationale, Further Info, and Understanding (in the case of OE3, with its narrower scope and where simpler prompts were tested, the three perceptions of Clarity, Actionable, and Trust were defined).

The performance of each element of each prompt/alert on each of these perceptions was then assessed by averaging the ratings received each time that element was present. This average rating was then converted to a 0-100 scale (with 0 reflecting the lowest possible rating that could have been achieved, i.e., if every participant seeing that element gave a 'strongly disagree' rating, and 100 reflecting the highest possible rating that could have been achieved, i.e., if every participant seeing that element gave a 'strongly agree' rating).

In the case of both perceptions and preferences, the optimal prompts and alerts from each experiment were then defined by selecting the top performing elements. The table below (Table 1) summarises the three experiments, and the following sections outline each of these in more detail, including their purpose, specific design, results and conclusions.

Experiment	Purpose	Scenarios	Message Slots	Outcome Variables
OE1	Determine best PCA prompts to encourage PCA provider switching	N/A	**Messenger** (who from); **Costs** paid on PCA; **Service quality** of provider; **Call to action** to switch PCA; **Where to go** for more information	Task 1 Provider switch likelihood; Task 2 Perceptions (Relevance, Trust, Clarity, Informative, Rationale, Further Info, Understanding)
OE2	Determine best PCA prompts to encourage PCA engagement	N/A	**Costs** paid on PCA and overdraft; **Main message** to raise appeal; **Call to action** for more engagement	Task 1 PCA engagement likelihood; Task 2 Perceptions (Relevance, Trust, Clarity, Informative, Rationale, Further Info, Understanding)
OE3	Determine best overdraft alerts to encourage overdraft fee avoidance	Low PCA balance; In overdraft	**Base Message** (PCA balance); **Consequence Message** (fees)	Task 1 Action to avoid overdraft fee likelihood; Task 2 Perceptions (Clarity, Actionable, Trust)

Table 1: Experiment Summary

Online Experiment 1 (OE1) – Prompts to Encourage Account Switching

Purpose

The first online experiment (OE1) concentrated on determining the most effective prompt to encourage switching PCA externally (i.e., switching to a different provider rather than another PCA with the same provider). The experiment was also required to determine which components of the prompt were most important for driving switching behaviour, and to provide guidance for refinement ahead of any potential field trials.

Design

Respondents were asked to imagine that they were looking through their bank statements from two providers and saw a message (prompt) from each containing information about their PCAs. Each prompt was randomly constructed from a number of independent parts (see an example in Figure 5). For OE1, each prompt was composed from five different slots: a messenger, a costs message, a service quality message, a switching call to action, and a destination. Each slot had a number of different elements, up to a maximum of five, with some including a 'none' element where nothing would be shown for that slot. This was to test the impact of showing, for example, cost vs. not showing any cost.
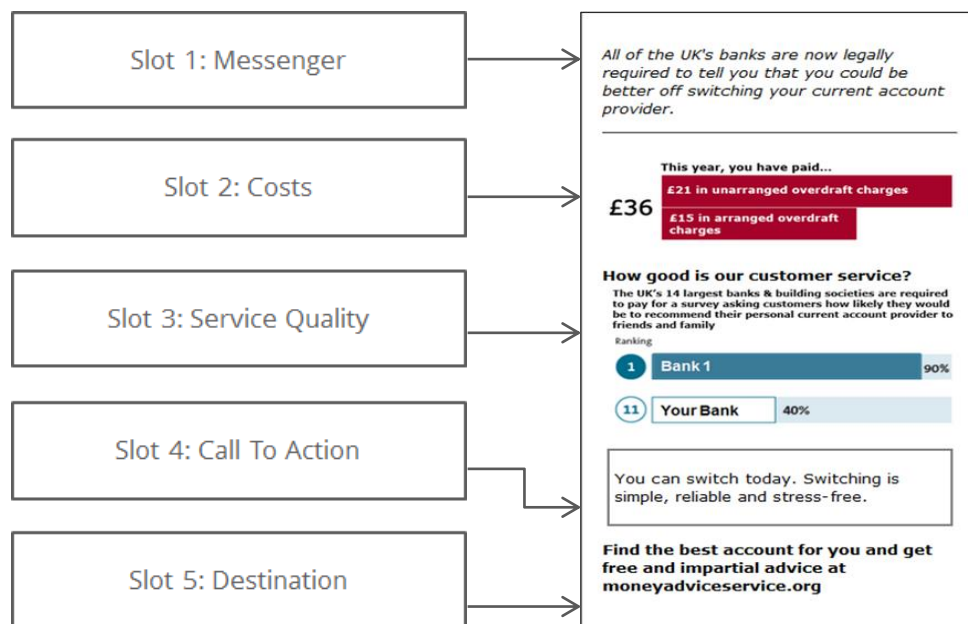
Figure 5: OE1 Example Prompt

The Costs slot sought to increase transparency around fees and also included overdraft-explicit variants in order to assess whether these messages would have more impact on switching behaviour in overdraft users. The Service Quality slot included elements that highlighted how the quality of service for the customers' current bank compared against other providers in the market, in order to increase awareness of differing levels of service. A relatively poor ranking was chosen because the objective here was to encourage customers who are currently being poorly served to switch, and the same ranking was used across elements so that any differences in results could not be attributed to better or worse rankings. The latter is particularly important given the

design, where respondents were making direct comparisons between two prompts presented side by side.

Various behavioural science principles were also applied in the design of variants. For example, Cialdini's principles of authority and social norms were employed in the Messenger and Call To Action slots. Visual associations were also included for some elements in an attempt to improve attention and increase influence. Full details of all the slots and elements tested can be found in the appendix (see Condition Tables).

Results

As outlined, OE1 tested perceptions and switching likelihoods of prompts comprising five elements: the sender of the message (messenger), how costs are presented, how service quality is presented, a call to action, and information on where to go to seek additional information. The performance of the elements tested within each of these are as follows.

Messenger

All of the prompts tested in this experiment included a messenger element. Qualitative research on current account prompts identified that without it customers may not understand why they had received a switching prompt. The Messenger slot tested explicitly naming the FCA or not, as well as whether the FCA was referred to as the "watchdog" or "regulator", and variations that included more or less text. Overall, the various iterations of the messenger elements had little impact, with no statistically significant perception rating differences observed between the variants. Likewise, no statistically significant differences were observed in the likelihoods to encourage switching (see Figure 6), with all variants being chosen approximately 50% of the time (i.e., precisely average).
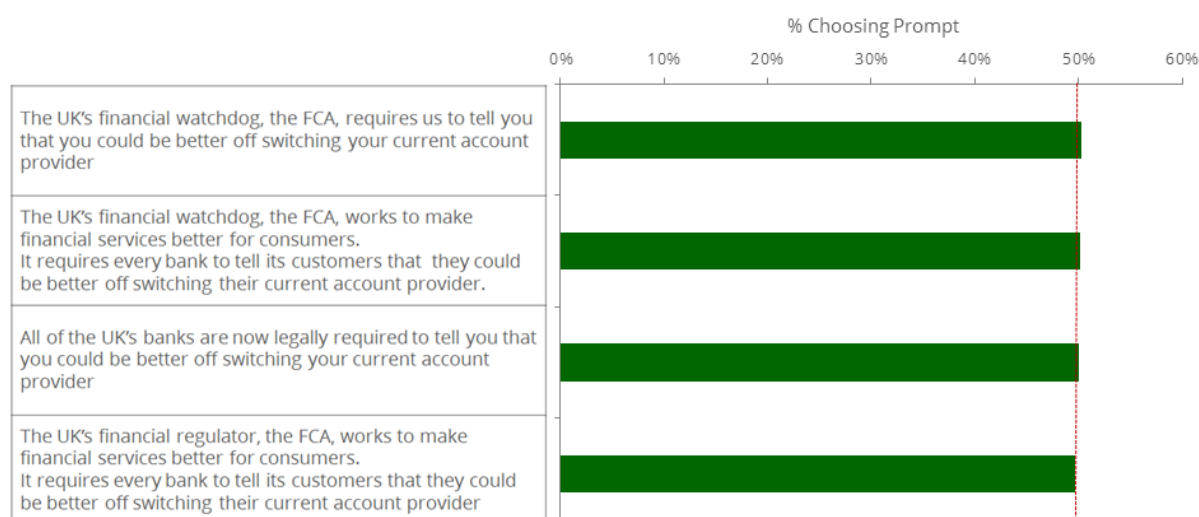
*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 6: OE1 Slot 1 - Messenger

Costs

The Costs slot tested different ways of framing fees charged, including the use of images and bullet points, breaking down costs into whether they were from an arranged or unarranged overdraft, and providing information that being overdrawn doesn't prevent the customer from switching PCA provider. In some cases, no element was shown. The results found including some information on costs to be significantly better than none, with such content being perceived to make the prompt more informative and understandable, and more likely to encourage switching behaviour (see Figure 7).

Overall, the best performing element was the one using an image to express the costs information. Prompts that included one of the two most effective Costs elements were perceived to be significantly better at helping customers understand their PCA. Meanwhile, the one outlining the total annual cost if paying £3 per month was perceived to be significantly more informative than other elements in the slot. By contrast, those prompts that included no Costs message were rated significantly lower on these two perceptions. Prompts that included the highest performing elements were also rated highly on perceptions about being able to find further information.
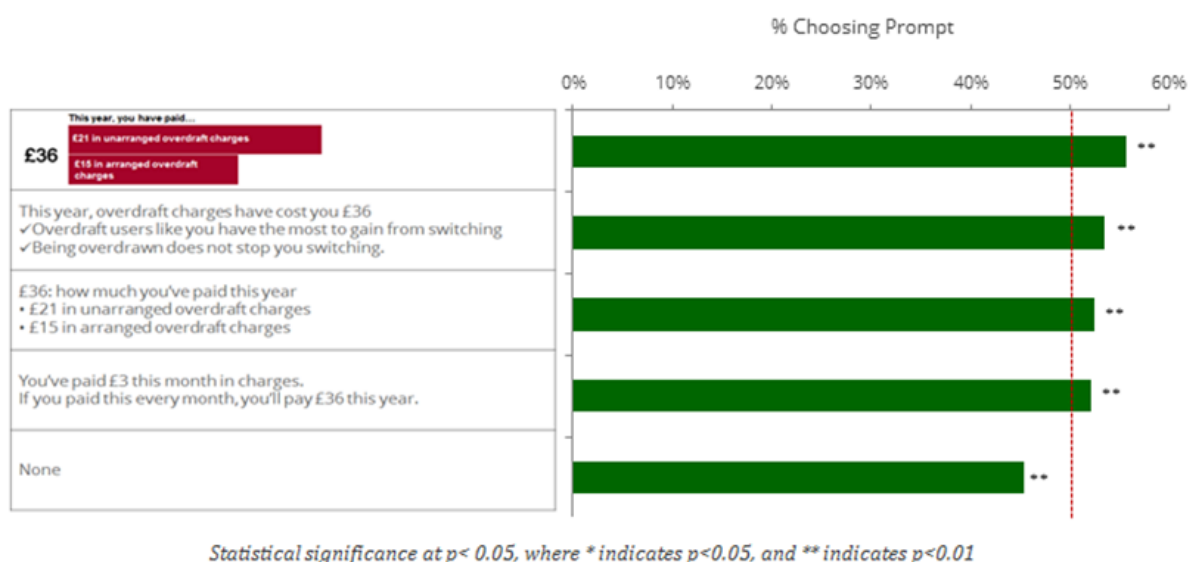
Figure 7: OE1 Slot 2 – Costs

Service Quality

The Service Quality slot examined text versus imagery to present information on the service quality of the PCA, including an image with lots of information versus one with restricted information, and in comparison to no service information provided at all. Presenting images to convey service information significantly improved likelihood to switch in comparison to both the text only version and when no service information was provided (see Figure 8). Furthermore, using images improved perceptions of the relevance of the prompt, as well as how informative and understandable it was considered to be. Of the two images tested, the one containing more information was significantly more likely to encourage switching. Prompts that included the highest

performing element were perceived higher than average across the perceptions and were rated significantly higher for relevance, being informative, and helping customers understand their PCA, while those that included no Service Quality message were rated significantly lower on these perceptions.

Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01
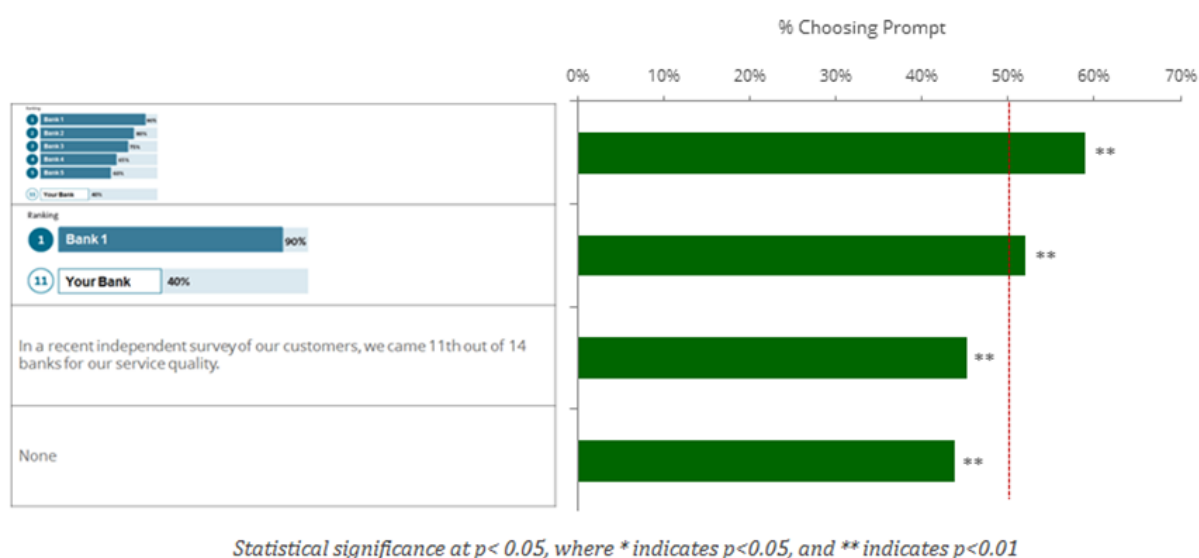
Figure 8: OE1 Slot 3 - Service Quality

Call To Action

The Call To Action slot explored different ways of driving switching behaviour, including highlighting the financial benefits of doing so, the ease of doing so, by highlighting costs, using bullet points (ticks), and by invoking social norms by detailing how many other similar customers switch. The results highlighted that the best way to encourage switching is to break down, with the use of bullet points, the benefits to switching, and by also highlighting how much customers can gain financially from switching (see Figure 9). Such an approach also improved perceptions of relevance and how informative the message was. Prompts that included the best performing Call To Action element were generally perceived more highly than other prompts, and were rated significantly better for relevance and informative perceptions. Simply stating that switching is simple performed less well, though was improved with the additional of the "current account switch guarantee" logo.

% Choosing Prompt
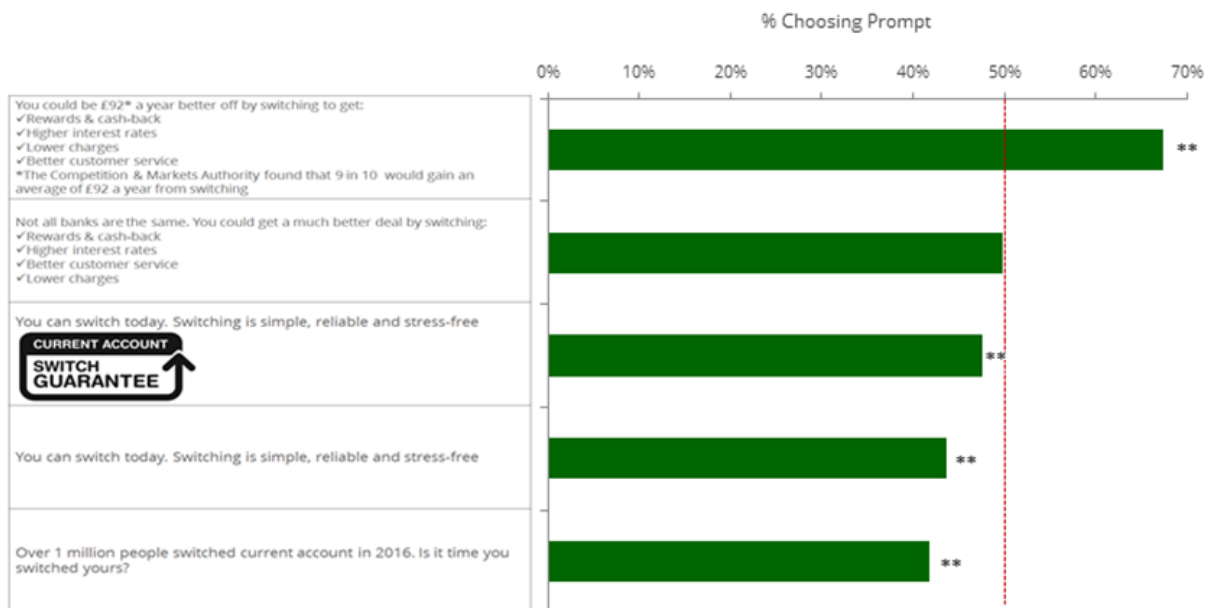
*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 9: OE1 Slot 4 - Call to Action

Where To Go

The Where To Go slot explored options for highlighting what next steps the customer should take were they to switch their PCA. This included testing outlining the next steps to take versus referring the customer to third party websites (Money Supermarket, or the Money Advice Service). Explicitly outlining the next steps was shown to be significantly more preferable for driving switching likelihood (with around 53% preferring that slot compared to 50% for the Money Advice Service and 47% for the Money Supermarket versions). This result is shown in Figure 10.

% Choosing Prompt

Switch in just two steps:
1. Find the best account for you
2. Contact your new bank, who will take care of the rest in 7 days

Find the best account for you and get free and impartial advice at Money Advice Service.

Find the best account for you at money supermarket.

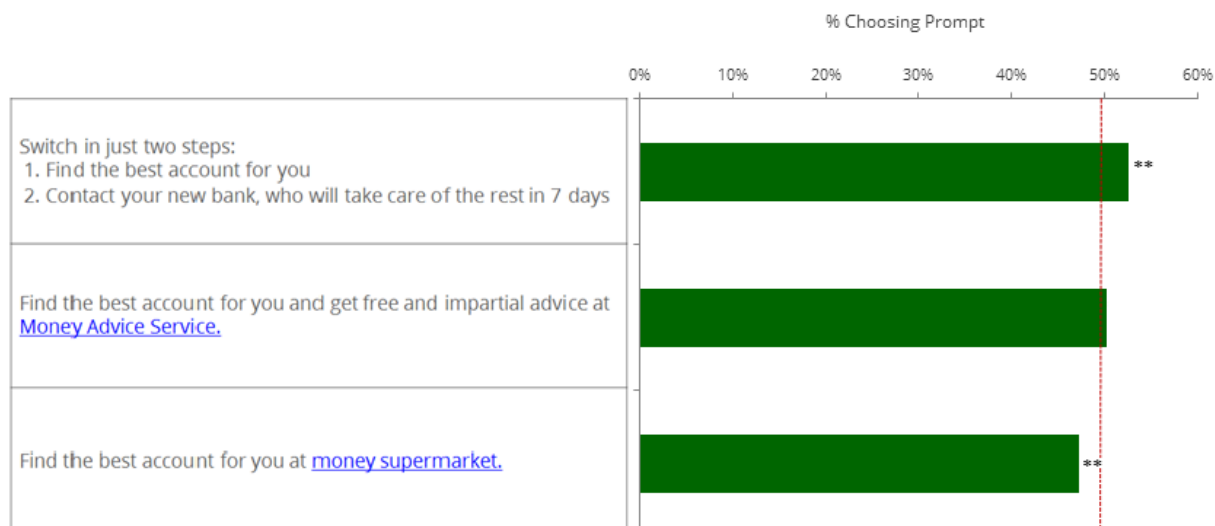*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 10: OE1 Slot 5 - Where To Go

Conclusions

In the account switching prompt experiment (OE1), we found considerable scope to improve prompt design in terms of maximising preference, and therefore impact, on switching behaviour. There was a predicted 38 percentage point (pp) difference in choice between the least effective and most effective prompts (see Figure 11; this prompt would be picked by 82% or participants, versus a worst performing prompt that would be picked by 44%). In addition, the best performing prompt was perceived to be significantly more relevant, informative, and better at helping customers understand their current account.

The most important element of the message in terms of impact on outcome was the Call To Action, uplifting choice compared to the worst prompt by 23pp. It is therefore key to include an effective call to action in prompts designed to encourage switching. This should include a list of all of the possible benefits of switching, the steps to take to do so, and critically the amount of money customers could save a year by doing so. This element strongly outperformed all other call to actions tested and was perceived as significantly more relevant and informative.

The Service Quality and Costs messages were also impactful, and particularly when shown together. Therefore, prompts to encourage switching should contain both messages, to acknowledge the amount a customer has paid in fees that year, and how the quality of service they currently receive compares with what they could get with other providers.

Including imagery was also a relatively powerful tool, and the prompts that included multiple images were the most effective, with choice increasing with each image added. In this experiment a prompt could include a maximum of three images, and those with

three images were chosen 17pp more than those with none. Hence, when delivering prompts to encourage switching, it is important to engage with visual presentation.

The inclusion of multiple messages and images together, resulting in a longer version of the prompt, did not impair performance. This was likely due to each element adding further information (i.e., as opposed to including unnecessary additional text) and facilitating comprehension by breaking down the message into separate components with images and bullet points.

Unsurprisingly, overdraft explicit messages resonated significantly more with overdraft users than non-users. These messages also worked as effectively as the overall best performing element in that slot for overdraft users. Therefore, to encourage switching behaviour specifically amongst overdraft users, prompts should be tailored to communicate that being overdrawn doesn't prevent them from switching.

In terms of positioning the FCA as the messenger in the prompts, there is a marginal, statistically insignificant difference between describing them as "watchdog", a "regulator" or not mentioning them at all. Therefore, any option could be used.
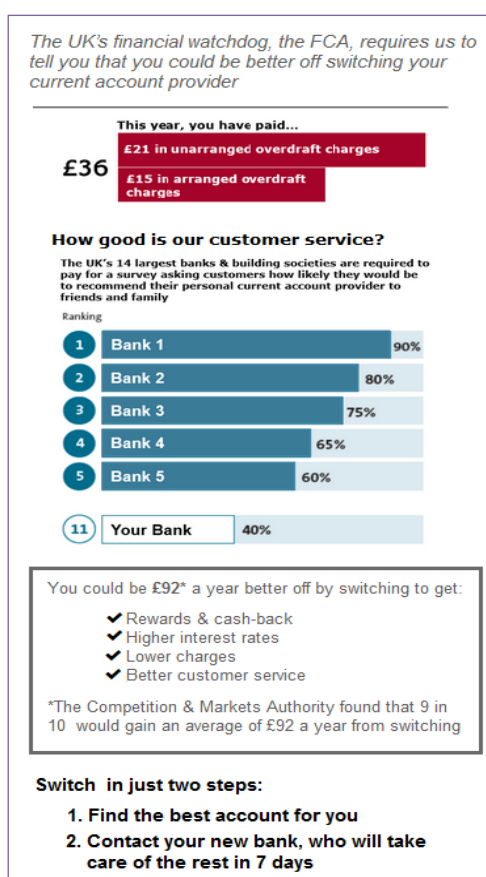

Figure 11: OE1 Best Prompt

Online Experiment 2 (OE2) – Prompts to Encourage Engagement

Purpose

The second online experiment (OE2) sought to explore the impact of different types of prompts on encouraging greater engagement with a customer's current account. OE2 also intended to determine which components of the prompt message were most important for driving account engagement, and to provide recommendations for refinement ahead of any potential field trials.

Design

Respondents were asked to imagine that they were looking through their bank statements from two providers and saw a message (prompt) from each containing information about their PCAs. As with OE1, the impact of different types of prompt were tested by showing customers randomly generated prompts made up of several distinct elements (see Figure 12). For OE2, each prompt was composed of three different slots: a costs message, a main message, and a call to action. Each slot consisted of a number of possible elements, up to a maximum of eight, and again some of these included a 'none' option where nothing would be shown.
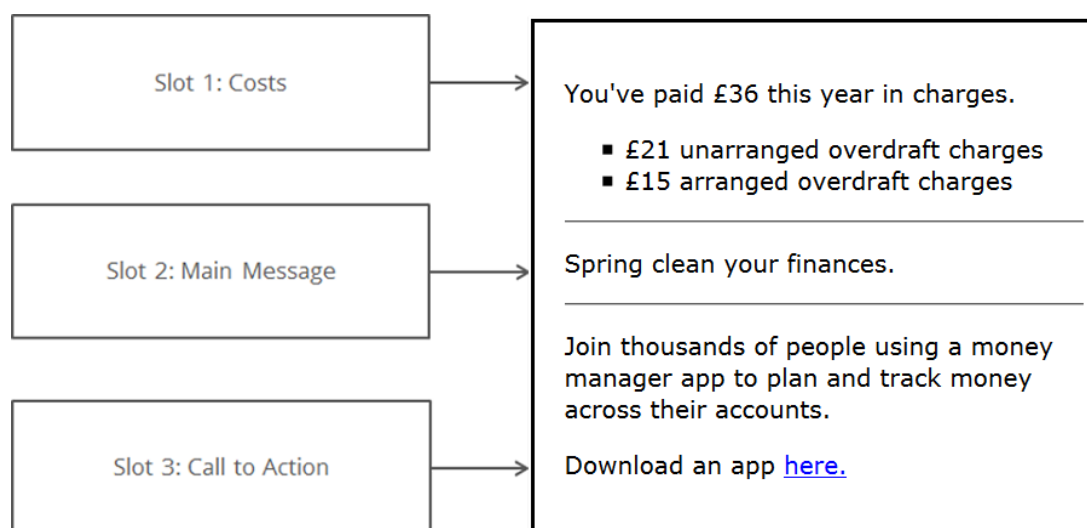
Figure 12: OE2 Example Prompt

The Costs messages were designed to increase transparency around charges. Low awareness of overdraft use and associated charges has been identified as a particular issue, and so elements explicitly targeting overdraft users were included in the experiment to address this.

Behavioural science principles were also applied when designing the elements for OE2, with examples including personalisation, fear of missing out, and social norms employed across all three slots. Visual associations were again included in OE2, with a mix of images and symbols utilised to guide respondents to the desired behaviour. Full details of all the slots and elements tested can be found in the appendix (see Condition Tables).

Results

As described above, OE2 tested perceptions and the engagement likelihoods of prompts comprising three elements: how costs are presented, a 'main' message to encourage engagement, and a call to action. The key outcome measure was the choice of prompt in terms of which was most likely to encourage reassessment of the respondent's PCA. The performance of the elements tested within each of these were as follows.

Costs

The Costs slot tested different ways of framing fees charged, including the use of images, text and bullet points illustrating a breakdown of costs, comparison to the charges of an average customer, or outlining a household's costs. In some cases, no element was shown. The results showed primarily that including some sort of image was significantly better than not doing so, with the best performing image outlining a typical household's annual costs (see Figure 13). Outlining a breakdown in the charges, with or without an image (a warning symbol) led to greater scores across a range of different perceptions (Relevance, Trust, Clarity, Informative, Rationale, and Understanding). Prompts that included the most effective element were perceived well across the perceptions, albeit not as highly as those that included a breakdown of the annual costs. Prompts that included no Cost message were perceived poorly, and rated significantly lower on perceptions of relevance, trust, clarity, informative, understanding the rationale of the prompt, knowing where to find further information, and understanding their PCA better.
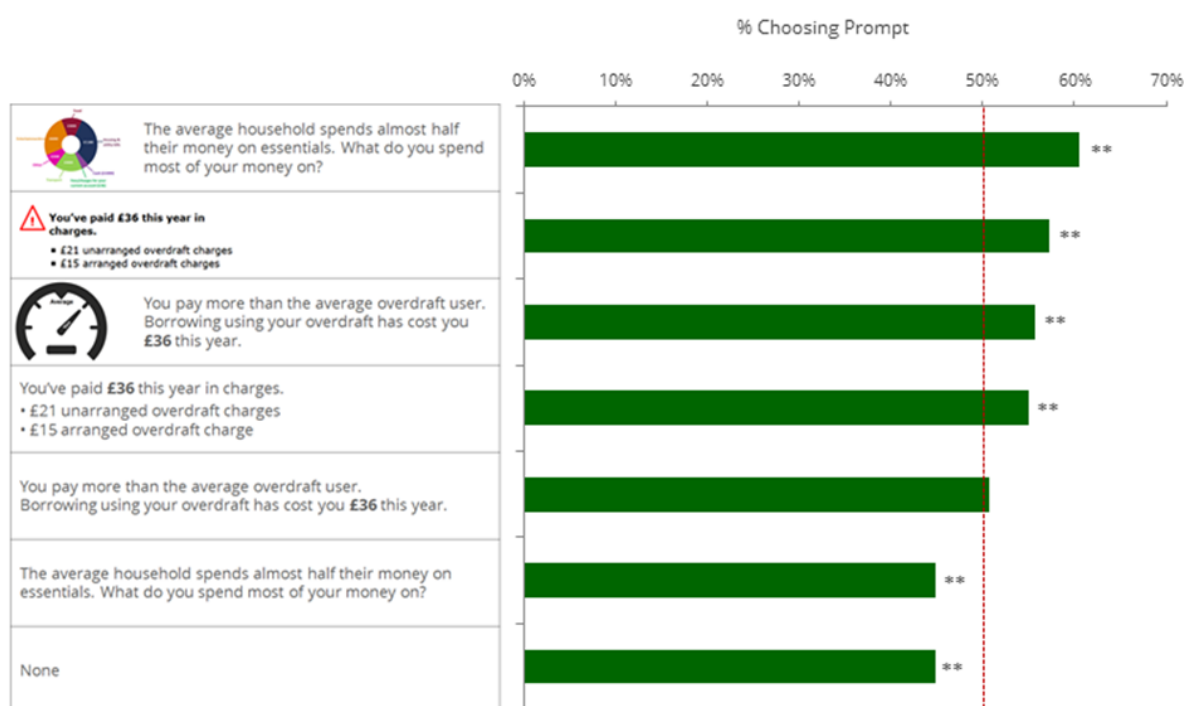
*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 13: OE2 Slot 1 - Costs

Main Message

The Main Message slot examined a variety of short approaches to encourage engagement, including the use of questions ("How can I get more from my current account?"; "Are you missing out on an account that pays you more interest and gives you rewards?") and other headlines (e.g., "Spring clean your finances"), plus personalisation by including the customer's name in the prompt. The results indicated that the majority of messages have an equivalent impact on likelihood to engage with the PCA and on perceptions. However, highlighting that the customer might be "missing out" and thereby invoking customers' regret aversion (a cognitive bias whereby an individual seeks action to avoid regret) had a much greater effect on likelihood to engage (see Figure 14). Prompts that included the highest performing element were rated above average across all perceptions, and significantly better than other elements in the slot for knowing where to find further information.

*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*
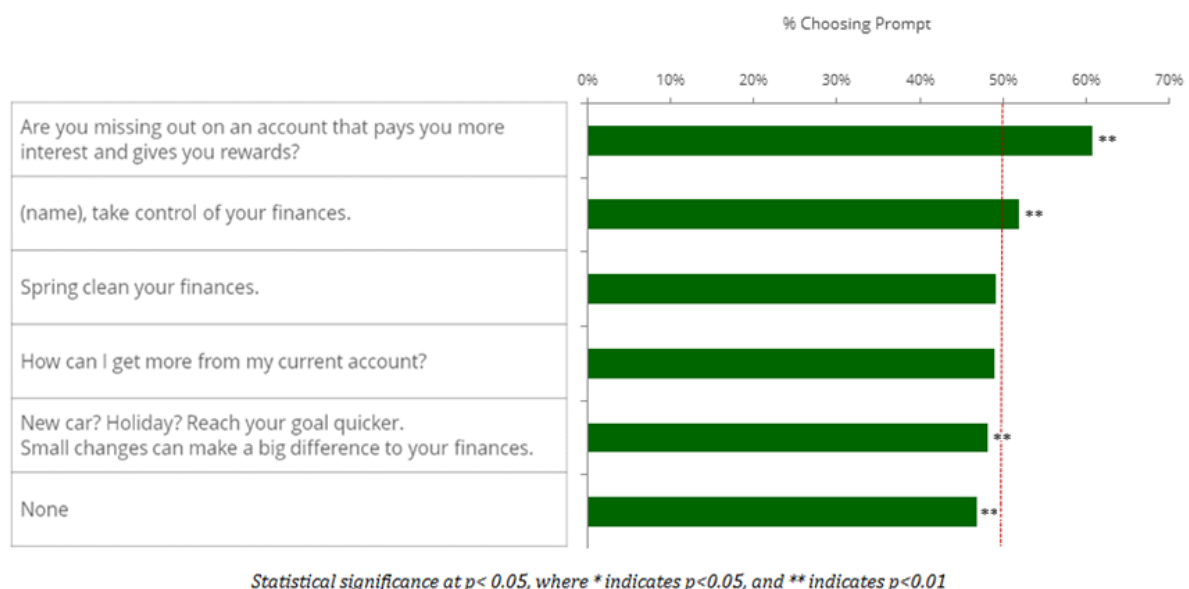
Figure 14: OE2 Slot 2 - Main Message

Call to Action

The Call To Action slot examined different approaches to engagement, including details of what the customer could do, what other customers had done, promoting a mobile banking app, where to seek impartial advice, as well as testing combinations of such messages together, and the use of imagery. The results, shown in Figure 15, demonstrated that providing multiple messages at once (rather than just one) was powerful, particularly in combination with imagery (a 'thumbs up') and bullet points. The elements that included multiple messages in bullet form not only resulted in a greater likelihood to engage with the PCA than other elements, but also had a significant uplift in all perceptions of the message.

% Choosing Prompt
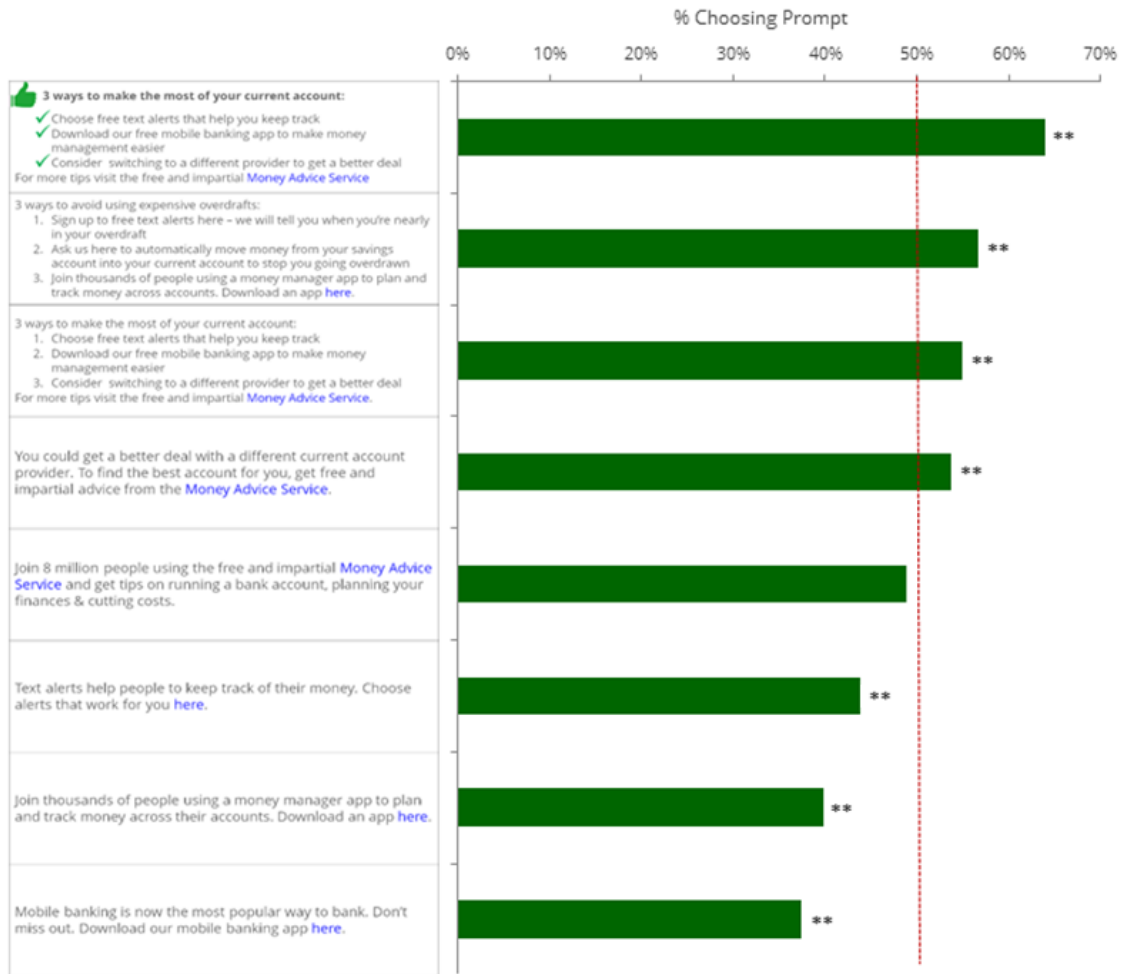
*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 15: OE2 Slot 3 - Call to Action

Conclusions

OE2 showed there is again substantial opportunity to increase the impact of prompts on behaviour. The difference in predicted choice between prompts that are most effective at encouraging customers to reassess their current account and those that are least effective is 36pp (see Figure 16; the best performing prompt was predicted to be chosen by 81% of respondents, compared to the worst performing prompt selected by only 45%). The best performing prompt was also perceived better than other prompts across all perceptions tested.

The Call To Action was again the most important component of the prompt, in terms of maximising influence, and improved choice compared to the least effective prompt by 22pp. The primary focus of prompt design, therefore, should be to optimise the call to action. More specifically, to increase account engagement, a prompt should provide a list of possible steps for the customer to take and include visual associations (e.g., green thumb and ticks). These elements strongly outperformed the other call to actions tested and perceptions of these prompts were significantly better across the board. On the

other hand, customers were sceptical when call to actions included a link to download a mobile banking app, with choice and perceptions significantly worse.

Including an effective Costs message was also important, and those that included a visual representation tended to resonate best. Thus, prompts should include information on PCA charges where possible, and displaying them in a more visual, customer-friendly way should help increase impact.

More generally, imagery is a useful way to improve the performance of prompts on encouraging customer engagement with their PCA, even if images are just simple symbols. Similar to OE1, including multiple images was more effective than just one image or no images, with choice increasing with each image added. The maximum number of images a prompt could include in OE2 was two and prompts that included two images were chosen 23pp more than those with none. As with prompts to encourage switching, prompts to encourage account engagement should utilise imagery to maximise influence.

Prompts that take advantage of customers' inherent fear of missing out, thereby invoking regret aversion, also increase the likelihood of a customer reviewing their PCA arrangements. Hence, prompts should inform customers that they could be missing out on a better account to stimulate action.

As with OE1, most overdraft explicit messages resonated significantly better with overdraft users than non-users. However, the message which included imagery was still the best performing message within the sample of overdraft users. Therefore, tailoring prompts to overdraft users may help increase searching behaviour to some extent, but the tested message might be improved by including some imagery (e.g., green thumb/ticks).
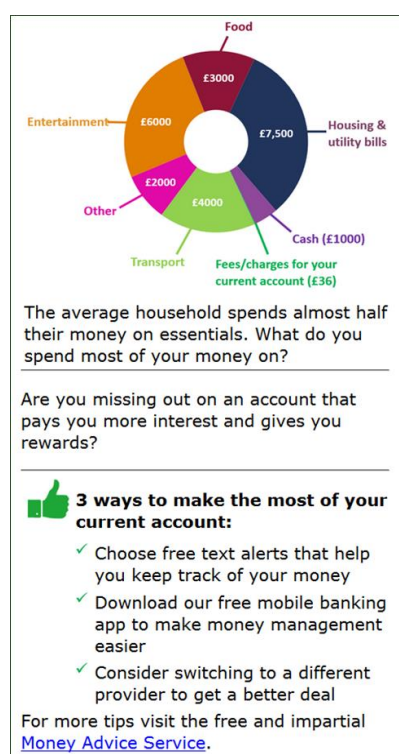

Figure 16: OE2 Best Prompt

Online Experiment 3 (OE3) – Overdraft Alerts

Purpose

The third online experiment (OE3) focussed on assessing what alert content would encourage overdraft users to take action to avoid paying a fee for overdraft usage.

Design

Respondents were asked to imagine a hypothetical scenario relating to their overdrafts with two different providers, and that as a result they receive two related text messages, one from each of their providers. Similarly to the prompts tested in OE1 and OE2, the effectiveness of different types of alert was tested by presenting customers with messages constructed at random from a number of distinct components (see Figure 17). In OE3, each alert was composed of just two different slots due to real-world character constraints in text messages. In contrast to OE1 and OE2, messages were more focused, with all messaging directed at encouraging fee avoidance and better overdraft management. These included a 'Balance Information' message and a 'Consequence Message', and each of these consisted of a number of different elements, up to a maximum of seven. There was a 'none' option for the Consequence Message, meaning that some alerts consisted only of Balance Information.

The Balance Information detailed the status of the account, with long and short versions tested. The alerts were designed to raise awareness of overdraft usage by explicitly disclosing details on the status of the customer's account. Consequence Message elements were included to address the objective of increasing transparency around overdraft fees and the disclosure of grace periods, as well as encouraging customers to transfer money and check their outgoing payments in order to avoid a charge.

OE3 differed from OE1 and OE2 in that a hypothetical scenario was also included as context for the message. This was done to reflect the real-world nature of alerts, where alerts are triggered by the status of PCA balance (e.g., low balance and nearing overdraft) and might differ depending on whether someone has an unarranged or arranged overdraft. There were therefore four scenarios, with one selected to be shown at random, and broadly covered the following situations:

- Scenario 1: Low balance with arranged overdraft
- Scenario 2: Low balance without arranged overdraft
- Scenario 3: In arranged overdraft and approaching its limit
- Scenario 4: In unarranged overdraft

The Balance Information was dependent on the scenario (these were the same for scenarios 1 and 2, but Scenario 3 and Scenario 4 had unique Balance Information messages). The same Consequence Messages were tested across all four scenarios. Full details of all scenarios, slots and elements tested can be found in the appendix (see Condition Tables).
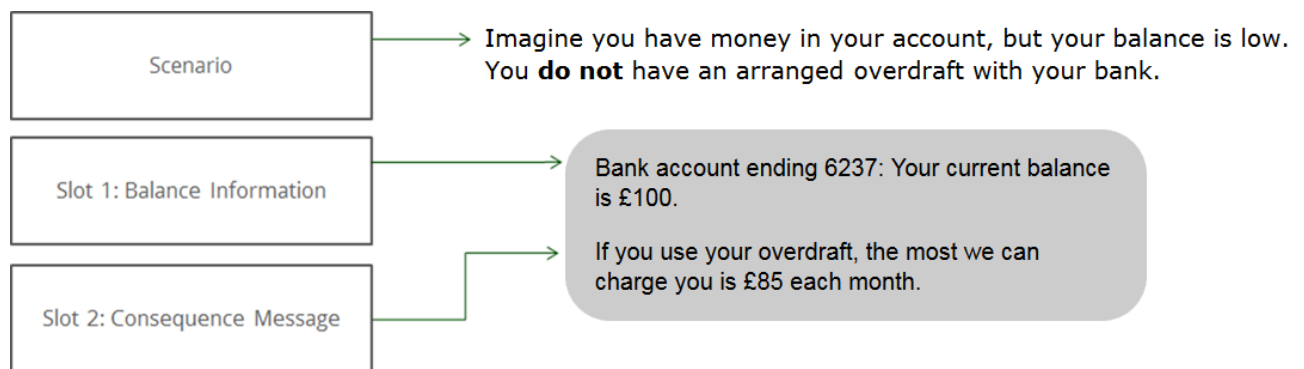
Figure 17: OE3 Example Alert

Results

As outlined, OE3 tested perceptions and the fee avoidance likelihoods of alerts comprising two elements: the situation of the customer's account (Balance Information), and what the consequence of inaction is (Consequence Message). These were assessed for the four scenarios described above, with scenarios 1 and 2 collectively referred to here as "Low Balance", and scenarios 3 and 4 collectively referred to here as "Overdrawn". The performance of the elements tested within each of these are as follows.

Low Balance: Balance Information

The Balance Information detailed the status of the account, with long and short versions tested. The short versions simply stated the PCA balance, while the longer versions elaborated on why the alert was being sent, such as whether a balance threshold has been passed. Overall, the Balance Information had relatively little impact on the likelihood to choose an alert, with only small, statistically significant differences observed between variants.
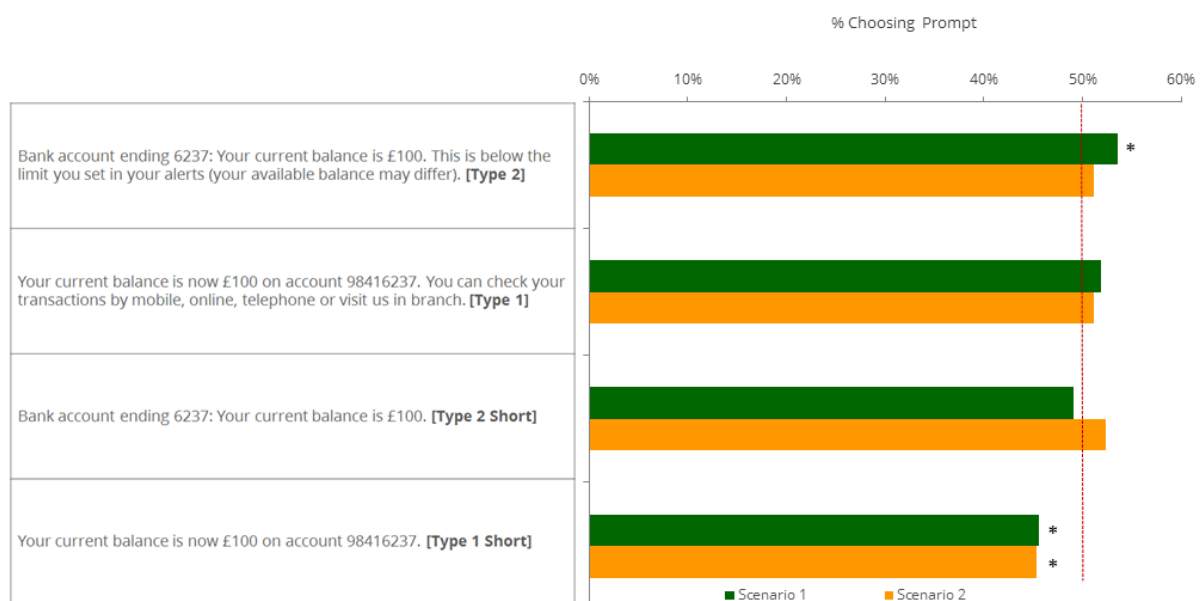
*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 18: OE3 Slot 1 - Balance Information (Low Balance)

Low Balance: Consequence Message

The Consequence Message provided different actions that could be taken or the consequences of not acting. This included disclosing daily costs and grace periods, disclosing the monthly maximum charge (the maximum amount the bank could charge for being in an unarranged overdraft in a month), as well as informing customers of their regular overdraft use, and making customers aware that planned payments may impact their balance. In some cases, no element was shown. The results showed including any Consequence Message was better than none, with such messages tending to be perceived as significantly more actionable and significantly more likely to impact behaviour (see Figure 19). Overall, the best performing element across both scenarios included information on daily costs, disclosure of a grace period, and suggested an action to take. This was chosen 69% of the time on average across the two scenarios. Alerts that included the best performing element were perceived as significantly more actionable and clearer than other elements in the slot, while those that included no Consequence Message were rated as significantly less actionable.

*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 19: OE3 Slot 2 - Consequence Message

Overdrawn: Balance Information

The Balance Information varied across scenarios 3 and 4. However, both included a long and a short version and the messages updated the customer on the status of the account. Similar to results for scenarios 1 and 2, the Balance Information had relatively little impact, with all performing approximately equally well. There were statistically significant differences observed in the likelihood to act when overdrawn without an arranged overdraft, but not when there was an arranged overdraft available. There were no significant differences in the perception ratings in either scenario.
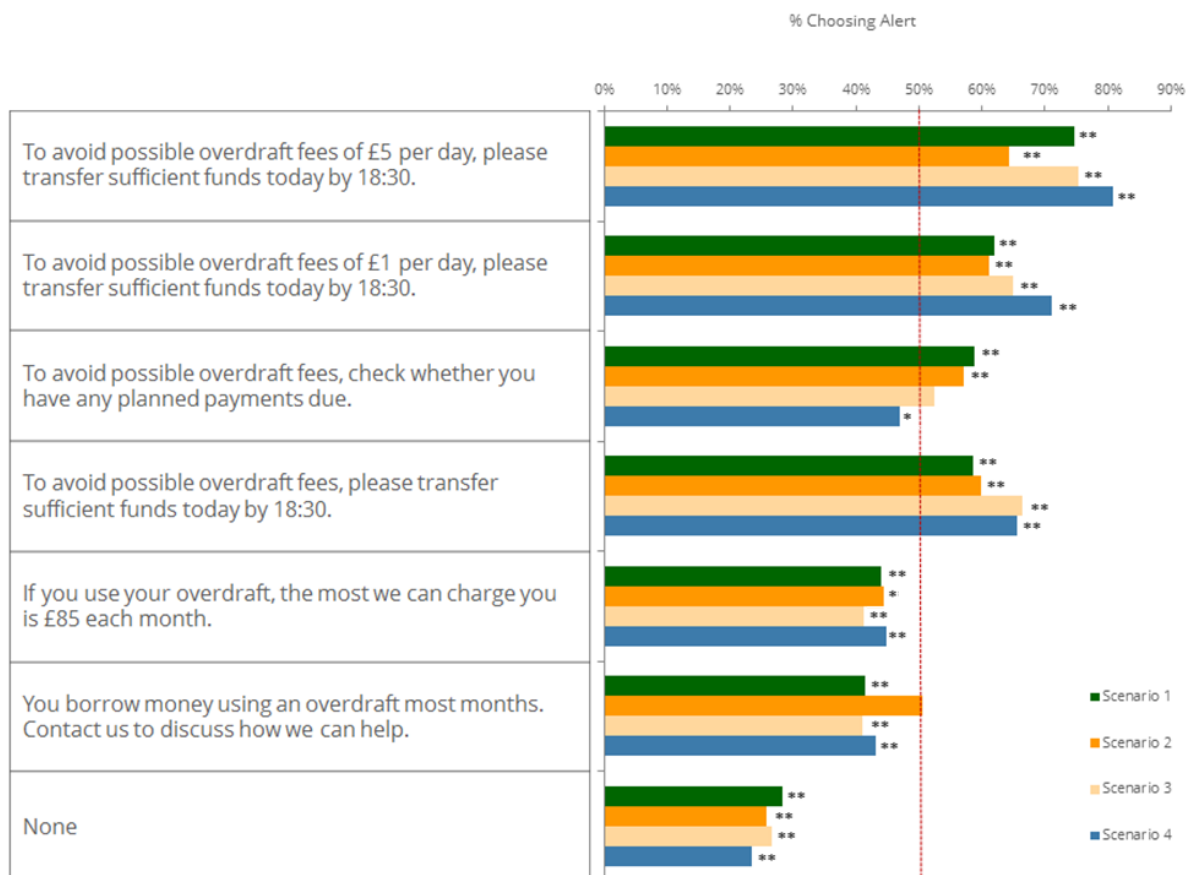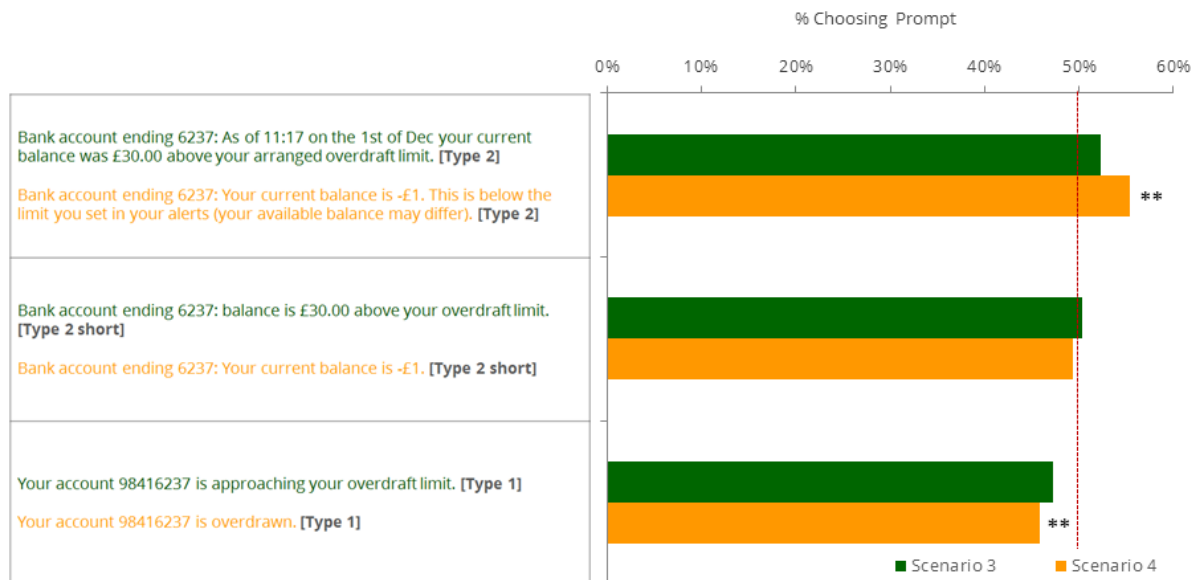

*Statistical significance at p< 0.05, where * indicates p<0.05, and ** indicates p<0.01*

Figure 20: OE3 Slot 1 - Balance Information (Overdrawn)

Overdrawn: Consequence Message

The Consequence Messages tested in scenarios 3 and 4 were exactly the same as those tested in scenarios 1 and 2. Similarly to the results observed for scenarios 1 and 2, including a consequence was far better than none. Such content tended to be perceived as significantly clearer and more actionable in both scenarios 3 and 4, and significantly more trustworthy in the latter. Alerts including a Consequence Message were also significantly more likely to impact on a customer's likelihood to take action to avoid a fee (see Figure 19). Overall, the best performing element for scenarios 3 and 4 was the same as for scenarios 1 and 2. This element included information on daily costs, disclosure of a grace period, and advised on the action to take. It was chosen 78% of the time on average across scenarios 3 and 4. Similarly to scenarios 1 and 2, alerts that included the top performing element were rated significantly higher on clarity and actionable perceptions, while those that didn't include a Consequence Message were rated significantly lower on these perceptions.

Conclusions

Alerts, despite being much shorter than prompts, have considerable opportunity to improve the effectiveness on behaviour across all overdraft situations, with choice percentage of the best alert 38pp higher than the least effective alert (see Figure 21).

The Consequence Message was the component of the message that had a substantial differential impact on outcome, improving choice compared to the worst alert by 36pp. Therefore, it is crucial to include a Consequence Message in alerts to encourage fee avoidance. Alerts that are longer and more informative encourage customers to take action most.

Of the Consequence Messages, those alerts that motivate action most mention overdraft fees and provide guidance on the action to take, as well as the grace period within which the customer needs to act. The cost is particularly impactful when the overdraft fee amount is specific and higher. These elements strongly outperformed other Consequence Messages tested in terms of both choice and perceptions across all four scenarios. Such messages are perceived as most clear and actionable when the customer has actually entered their overdraft facility. These findings demonstrate the importance of transparency around fees and grace periods in helping overdraft users manage their overdrafts more effectively.

The results indicate alerts should highlight the daily costs instead of the monthly maximum charge. Daily costs are short-term, immediate costs, and they are far more influential and tangible than giving customers the possible maximum charges. This may reflect a present bias, or tendency to discount the future, where people tend to prefer smaller-sooner rewards over later-larger rewards. The benefits of taking action to avoid the smaller-sooner daily cost are realised more readily than the possible monthly maximum charge.

Scenario 1

Bank account ending 6237: Your current balance is £100. This is below the limit you set in your alerts (your available balance may differ).

To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18:30.

Scenario 2

Bank account ending 6237: Your current balance is £100.

To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18.30

Scenario 3

Bank account ending 6237: As of 11:17 on the 1st of Dec your current balance was £30.00 above your arranged overdraft limit.

To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18:30.

Scenario 4

Bank account ending 6237: Your current balance is -£1. This is below the limit you set in your alerts (your available balance may differ).

To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18:30.
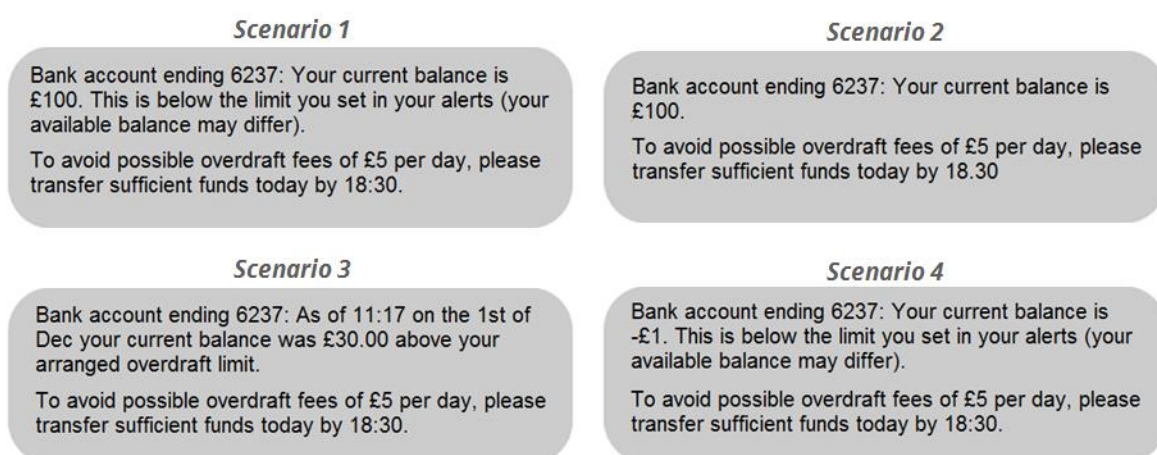
Figure 21: OE3 Best Alerts

Overall Conclusions

The design of the prompts and alerts was crucial in determining how well the messaging resonated with customers. Combining the most effective elements led to a substantial improvement in choice for both the prompts and the alerts, when compared to the least effective versions. The large, significant difference in performance between the most effective and least effective prompts and alerts demonstrates the importance of optimising their design if they are to positively impact customer behaviour.

One key finding across all three experiments was that the longer, more informative messages worked best. Note that this finding should not be taken to mean that real-world messages should contain excessive information. Indeed, whilst this finding may seem counter-intuitive, it is likely due to the additional elements adding new and useful information. Further, even the longest prompts/alerts were still fairly concise. The extra content is not redundant as it is unique to the existing message copy. By contrast, the shorter messages were missing key information.

In terms of real-world validity, the results outlined are indicative of the influence on behaviour, with the magnitude of any impacts on behaviour of the prompts and alerts able to be examined in any potential live field trials. In summary, the findings provide clear recommendations for further refinement ahead of any potential field trials and for policy best practice guidelines. These include:

- Up to a point (i.e., within the set of relatively short messages tested), it is better to use longer, more informative messages, than shorter ones that omit information. Message content beyond that covered in this report should be tested to ensure it does not include excessive text and diminish customer engagement.
- In the case of PCA prompts, this means including information on both the bank's costs and service quality.
- In the case of overdraft alerts, this means including information such as whether a balance threshold has been passed, and guidance on action to take to avoid overdraft fees.
- Graphical ways of presenting information work better than text alone, and more images[9] work better than fewer.
- A strong "call to action" is important, listing the benefits of switching, or next steps to take to engage more with the PCA or to avoid overdraft fees.
- Personalising messages helps engagement, as does implying that the customer is "missing out" by not engaging more with their PCA.
- Highlighting higher, short-term (i.e., daily) costs in overdraft alerts is also impactful, particularly when the customer is in (as opposed to approaching) their overdraft.

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[9] *The experiment tested a maximum of three images.*

Appendix

Data Cleaning

At the beginning of the survey, filter questions were included to ensure the sample was appropriate. These filtered out any participants that did not meet the following criteria:

- Aged 18 or over.
- A resident of the United Kingdom.
- Have a personal current account for which they were at least jointly responsible for making decisions about if the account they used most was a joint account.
- Have used an arranged or unarranged overdraft in the last two years (OE3 only).

In addition, a number of checks were made to ensure the data used for the analysis were appropriate and only from those participants who had sensibly completed the survey. Participants not completing the survey sensibly were removed before analysing the data. These checks were:

- Time to complete the survey. Those completing it in under 6 minutes were removed.
- Date of birth check. Those whose year of birth (asked at the beginning of the survey) and age (asked at the end of the survey) did not match up were removed.

Sample Details

Age
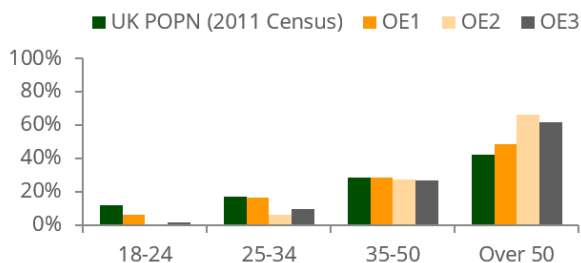
Working Status

Gender

Relationship Status

Condition Tables

The condition tables listing the details of all slots and elements tested for each online experiment are displayed below.

OE1: Prompts to Encourage Account Switching

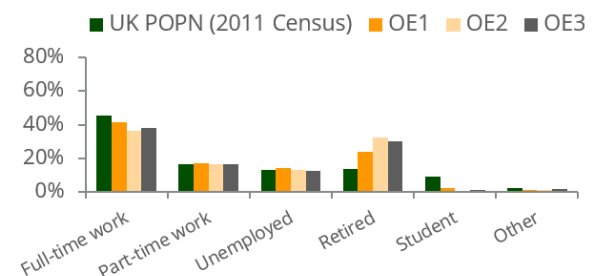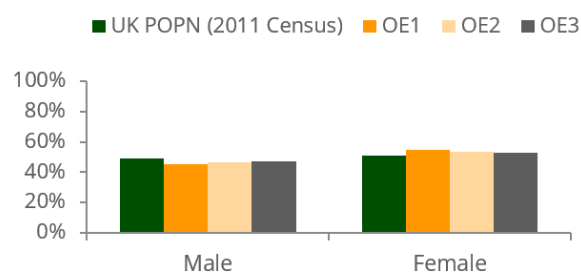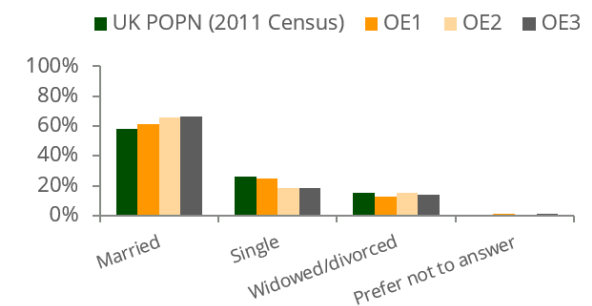|	Element 1	Element 2	Element 3	Element 4	Element 5
Slot 1: Messenger	The UK's financial watchdog, the FCA, works to make financial services better for consumers. It requires every bank to tell its customers that they could be better off switching their current account provider.	All of the UK's banks are now legally required to tell you that you could be better off switching your current account provider	The UK's financial watchdog, the FCA, requires us to tell you that you could be better off switching your current account provider	The UK's financial regulator, the FCA, works to make financial services better for consumers. It requires every bank to tell its customers that they could be better off switching their current account provider	
Slot 2: Costs	You've paid £3 this month in charges. If you paid this every month, you'll pay £36 this year.	£36: how much you've paid this year • £21 in unarranged overdraft charges • £15 in arranged overdraft charges	*(See Image 1)*	This year, overdraft charges have cost you £36 ✓Overdraft users like you have the most to gain from switching ✓Being overdrawn does not stop you switching.	None
Slot 3: Service Quality	*(See Image 2)*	*(See Image 3)*	In a recent independent survey of our customers, we came 11th out of 14 banks for our service quality.	*None*	
Slot 4: Call to Action	Not all banks are the same. You could get a much better deal by switching: ✓Rewards & cash-back ✓Higher interest rates ✓Better customer service ✓Lower charges	Over 1 million people switched current account in 2016. Is it time you switched yours?	You can switch today. Switching is simple, reliable and stress-free. *(See Image 4)*	You can switch today. Switching is simple, reliable and stress-free	You could be £92* a year better off by switching to get: ✓Rewards & cash-back ✓Higher interest rates ✓Lower charges ✓Better customer service *The Competition & Markets Authority found that 9 in 10 would gain an average of £92 a year from switching
Slot 5: Where to Go	Find the best account for you at money supermarket	Find the best account for you and get free and impartial advice at Money Advice Service	Switch in just two steps: 1. Find the best account for you 2. Contact your new bank, who will take care of the rest in 7 days		

Note that the Costs message (Slot 2) was programmed so that 40% of respondents saw 'None' (Element 5).

Image 1: OE1 Slot 2 Costs - Element 2

This year, you have paid...

£36

£21 in unarranged overdraft charges

£15 in arranged overdraft charges

Image 2: OE1 Slot 3 Service Quality - Element 1

The UK's 14 largest banks & building societies are required to pay for a survey asking customers how likely they would be to recommend their personal current account provider to friends and family

Ranking

| 1 | Bank 1 | 90% |
| 11 | Your Bank | 40% |
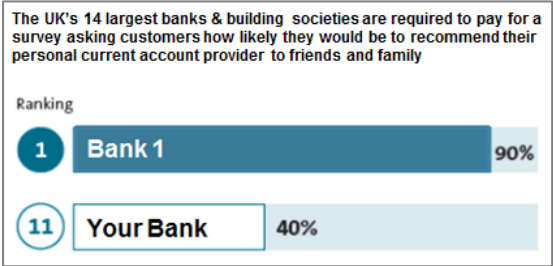
Image 3: OE1 Slot 2 Service Quality - Element 2

The UK's 14 largest banks & building societies are required to pay for a survey asking customers how likely they would be to recommend their personal current account provider to friends and family

Ranking

1	Bank 1	90%
2	Bank 2	80%
3	Bank 3	75%
4	Bank 4	65%
5	Bank 5	60%
11	Your Bank	40%
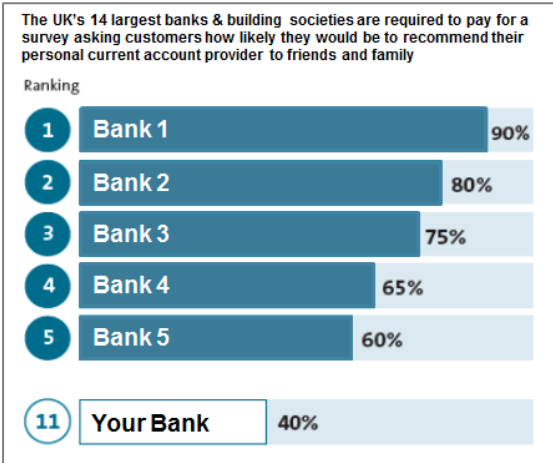
Image 4: OE1 Slot 4 Call to Action - Element 3

CURRENT ACCOUNT

SWITCH GUARANTEE

OE2: Prompts to Encourage Account Engagement

	Element 1	Element 2	Element 3	Element 4	Element 5	Element 6	Element 7	Element 8
Slot 1: Costs	You've paid £36 this year in charges. • £21 unarranged overdraft charges • £15 arranged overdraft charges	*(See Image 5)*	You pay more than the average overdraft user. Borrowing using your overdraft has cost you £36 this year.	*(See Image 6)*	*(See Image 7)*	The average household spends almost half their money on essentials. What do you spend most of your money on?	None	
Slot 2: Main Message	(name), take control of your finances.	New car? Holiday? Reach your goal quicker. Small changes can make a big difference to your finances.	How can I get more from my current account?	Spring clean your finances.	Are you missing out on an account that pays you more interest and gives you rewards?	None		
Slot 3: Call to Action	Text alerts help people to keep track of their money. Choose alerts that work for you here.	Join 8 million people using the free and impartial Money Advice Service and get tips on running a bank account, planning your finances & cutting costs.	Mobile banking is now the most popular way to bank. Don't miss out. Download our mobile banking app here.	Join thousands of people using a money manager app to plan and track money across their accounts. Download an app here.	You could get a better deal with a different current account provider. To find the best account for you, get free and impartial advice from the Money Advice Service.	3 ways to avoid using expensive overdrafts: 1. Sign up to free text alerts here – we will tell you when you're nearly in your overdraft 2. Ask us here to automatically move money from your savings account into your current account to stop you going overdrawn 3. Join thousands of people using a money manager app to plan and track money across accounts. Download an app here.	3 ways to make the most of your current account: 1. Choose free text alerts that help you keep track 2. Download our free mobile banking app to make money management easier 3. Consider switching to a different provider to get a better deal For more tips visit the free and impartial Money Advice Service.	*(See Image 8)*

Note that the Costs message (Slot 1) was programmed so that 40% of respondents saw 'None' (Element 7); Element 5 of Slot 2 (Main Message) was programmed so that it could only be shown with Elements 2, 5, 7 and 8 of Slot 3 (Call To Action); Elements 5 and 6 of Slot 1 (Costs) could only be shown with Elements 1, 2, 3, and 4 of Slot 2 (Main Message) and Elements 1, 2, 4, 7 and 8 of Slot 3 (Call To Action).

Image 5: OE2 Slot 1 Costs - Element 2

> ⚠️ **You've paid £36 this year in charges.**
>
> - £21 unarranged overdraft charges
> - £15 arranged overdraft charges

Image 6: OE2 Slot 1 Costs - Element 4
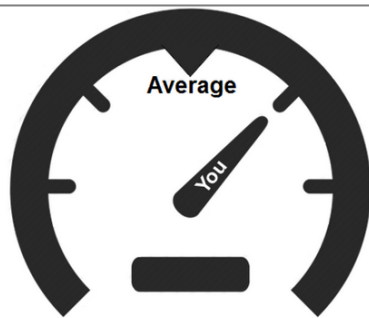
Average

You

You pay more than the average overdraft user.

Borrowing using your overdraft has cost you **£36** this year.

Image 7: OE2 Slot 1 Costs - Element 5
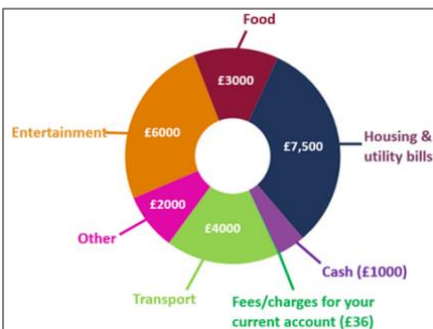
Food — £3000
Entertainment — £6000
Other — £2000
Transport — £4000
Housing & utility bills — £7,500
Cash (£1000)
Fees/charges for your current account (£36)

The average household spends almost half their money on essentials. What do you spend most of your money on?

Image 8: OE2 Slot 3 Call to Action - Element 8

👍 **3 ways to make the most of your current account:**

- ✓ Choose free text alerts that help you keep track of your money
- ✓ Download our free mobile banking app to make money management easier
- ✓ Consider switching to a different provider to get a better deal

For more tips visit the free and impartial Money Advice Service.

OE3: Overdraft Alerts to Encourage Fee Avoidance

Scenario 1	Imagine you have money in your account, but your balance is low. You have an arranged overdraft with your bank.
Scenario 2	Imagine you have money in your account, but your balance is low. You do not have an arranged overdraft with your bank.
Scenario 3	Imagine you are in your arranged overdraft and approaching your overdraft limit - so you are nearly in your unarranged overdraft.
Scenario 4	Imagine you are in your overdraft.

		Element 1	Element 2	Element 3	Element 4	Element 5	Element 6	Element 7
Slot 1: Balance Information	Scenario 1	Your current balance is now £100 on account 98416237. You can check your transactions by mobile, online, telephone or visit us in branch.	Bank account ending 6237: Your current balance is £100. This is below the limit you set in your alerts (your available balance may differ).	Your current balance is now £100 on account 98416237.	Bank account ending 6237: Your current balance is £100.			
	Scenario 2							
	Scenario 3	Your account 98416237 is approaching your overdraft limit.	Bank account ending 6237: As of 11:17 on the 1st of Dec your current balance was £30.00 above your arranged overdraft limit.	Bank account ending 6237: balance is £30.00 above your overdraft limit.				
	Scenario 4	Your account 98416237 is overdrawn.	Bank account ending 6237: Your current balance is -£1. This is below the limit you set in your alerts (your available balance may differ).	Bank account ending 6237: Your current balance is -£1.				
Slot 2: Consequence Message		To avoid possible overdraft fees, please transfer sufficient funds today by 18:30.	To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18:30.	To avoid possible overdraft fees of £1 per day, please transfer sufficient funds today by 18:30.	You borrow money using an overdraft most months. Contact us to discuss how we can help.	If you use your overdraft, the most we can charge you is £85 each month.	To avoid possible overdraft fees, check whether you have any planned payments due.	None

Note that the Consequence Message (Slot 2) was programmed so that respondents would never be shown Element 2 and Element 3 in a side by side comparison.

Perception Statements

The inventory of perception statements for each online experiment is displayed below.

OE1: Prompts to Encourage Account Switching

1	The information in this message is easy to understand
2	This message presents the information in a clear and simple way
3	This message is informative enough to make me consider switching my current account
4	I would switch my current account as a result of the information in this message
5	The information in this message is relevant
6	I trust the information in this message
7	This message comes from a credible source
8	It is useful to receive a message like this
9	I understand why my bank is sending me this message
10	Having read this message I would know how to find further information
11	I would be interested in finding out more after reading this message
12	This message helps me to better understand my current account

OE2: Prompts to Encourage Account Engagement

1	The information in this message is easy to understand
2	This message presents the information in a clear and simple way
3	This message is informative
4	This message would make me reassess/research the way I use my current account
5	The information in this message is relevant
6	I trust the information in this message
7	This message comes from a credible source
8	It is useful to receive a message like this
9	I understand why my bank is sending me this message
10	Having read this message I would know how to find further information
11	I would be interested in finding out more after reading this message
12	This message helps me to better understand my current account

OE3: Overdraft Alerts to Encourage Fee Avoidance

1	The information in this message is easy to understand
2	This message presents the information in a clear and simple way
3	This message is informative
4	Having read this message I understand what I need to do to avoid overdraft fees
5	I would take action as a result of this message
6	I trust the information in this message
7	It is useful to receive a message like this
8	I understand why my bank is sending me this message

Perception Results

Tables of results indicating perceptions of each element in each experiment are detailed below. The perceptions have been reported as their difference from the mean rating, and those elements which are perceived significantly different from other elements in the same slot are highlighted as follows: red represents a significantly worse rating, green represents a significantly better rating, and amber represents those which are significantly better than some and significantly worse than others.

OE1: Prompts to Encourage Account Switching

Image	Statement	Factor Loading
Relevant	The information in this message is relevant	0.709
	It is useful to receive a message like this	0.751
	I would be interested in finding out more after reading this message	0.939
Trust	I trust the information in this message	0.701
	This message comes from a credible source	0.957
Clarity	The information in this message is easy to understand	0.547
	This message presents the information in a clear and simple way	1.038
Informative	I would switch my current account as a result of the information in this message	0.834
	This message is informative enough to make me consider switching my current account	0.284
Rationale	I understand why my bank is sending me this message	NA
Further Info	Having read this message I would know how to find further information	NA
Understand PCA	This message helps me to better understand my current account	NA

OE1 Perception Factor Loadings

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
The UK's financial watchdog, the FCA, works to make financial services better for consumers. It requires every bank to tell its customers that they could be better off switching their current account provider.	+0.5	+0.5	+0.8	+1.7	+0.1	-0.1	+0.8
All of the UK's banks are now legally required to tell you that you could be better off switching your current account provider	-1.4	-1.3	-0.1	-0.9	+0.1	-0.7	-0.5
The UK's financial watchdog, the FCA, requires us to tell you that you could be better off switching your current account provider	-0.8	-0.4	-0.4	-0.9	-1.4	-0.1	-1.6
The UK's financial regulator, the FCA, works to make financial services better for consumers. It requires every bank to tell its customers that they could be better off switching their current account provider	+1.6	+1.1	-0.4	+0.0	+1.3	+0.8	+1.3

OE1 Slot 1 – Messenger

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
You've paid £3 this month in charges. If you paid this every month, you'll pay £36 this year.	+0.0	+2.0	+0.7	**+2.5**	+0.1	+0.6	**+2.3**
£36: how much you've paid this year • £21 in unarranged overdraft charges • £15 in arranged overdraft charges	+0.1	+0.5	+0.7	+1.4	+1.3	+0.8	**+1.2**
This year, you have paid… £21 in unarranged overdraft charges £36 £15 in arranged overdraft charges	+1.3	-1.0	+1.0	+1.0	-0.9	+2.2	**+3.4**
This year, overdraft charges have cost you £36 ✓Overdraft users like you have the most to gain from switching ✓Being overdrawn does not stop you switching.	-0.4	+1.9	+0.7	**+2.1**	+2.1	+1.6	**+3.0**
None	-0.3	-1.2	-1.0	**-2.4**	-1.0	-1.7	**-3.3**

OE1 Slot 2 – Costs

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
Ranking 1 Bank 1 90% 11 Your Bank 40%	+0.1	-0.2	-0.8	**+0.3**	-0.4	+0.5	**-0.7**
Ranking Bank 1 Bank 2 Bank 3 Bank 4 Bank 5 Your Bank 40%	**+2.9**	+1.5	+1.7	**+4.7**	+0.8	+1.6	**+3.1**
In a recent independent survey of our customers, we came 11th out of 14 banks for our service quality.	-0.6	-0.7	-0.8	**-2.3**	-1.0	-1.4	-0.3
None	**-2.5**	-0.6	-0.1	**-2.8**	+0.6	-0.7	**-2.1**

OE1 Slot 3 - Service Quality

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
Not all banks are the same. You could get a much better deal by switching: ✓Rewards & cash-back ✓Higher interest rates ✓Better customer service ✓Lower charges	-0.5	-0.2	-0.7	-0.5	+0.6	-1.9	+0.3
Over 1 million people switched current account in 2016. Is it time you switched yours?	**-1.2**	+0.0	+0.9	**-1.2**	-0.7	+1.3	-0.7
You can switch today. Switching is simple, reliable and stress-free CURRENT ACCOUNT SWITCH GUARANTEE	-0.3	+2.0	**+1.9**	+0.2	-0.3	+0.7	-0.2
You can switch today. Switching is simple, reliable and stress-free	-0.9	-1.2	**-2.1**	**-2.0**	-0.3	-1.8	-1.6
You could be £92* a year better off by switching to get: ✓Rewards & cash-back ✓Higher interest rates ✓Lower charges ✓Better customer service	**+3.1**	-0.5	+0.0	**+3.7**	+0.7	+1.7	+2.3

OE1 Slot 4 - Call to Action

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
Find the best account for you at money supermarket.	-0.9	**-1.0**	-0.0	-1.0	-0.3	**+3.5**	-1.4
Find the best account for you and get free and impartial advice at Money Advice Service.	+0.7	**+1.5**	+0.5	+1.0	-0.2	**+5.0**	+0.7
Switch in just two steps: 1. Find the best account for you 2. Contact your new bank, who will take care of the rest in 7 days	+0.2	-0.7	-0.5	-0.0	+0.5	**-8.8**	+0.6

OE1 Slot 5 – Where to Go

OE2: Prompts to Encourage Account Engagement

Image	Statement	Factor Loading
Relevant	This message would make me reassess/research the way I use my current account	0.892
	The information in this message is relevant	0.730
	It is useful to receive a message like this	0.613
	I would be interested in finding out more after reading this message	0.963
Trust	I trust the information in this message	0.727
	This message comes from a credible source	0.966
Clarity	The information in this message is easy to understand	1.098
Informative	This message is informative	0.903
	This message presents the information in a clear and simple way	0.332
Rationale	I understand why my bank is sending me this message	NA
Further Info	Having read this message I would know how to find further information	NA
Understand PCA	This message helps me to better understand my current account	NA

OE2 Perception Factor Loadings

OE2 Slot 1 – Costs

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
(name), take control of your finances.	+0.8	+0.0	+0.1	-0.5	+0.3	+1.3	+0.3
New car? Holiday? Reach your goal quicker. Small changes can make a big difference to your finances.	-2.8	-0.4	-0.9	-1.4	-2.0	**-1.3**	-1.3
How can I get more from my current account?	+2.0	-0.5	-0.6	+0.2	+0.7	**-0.7**	+0.4
Spring clean your finances.	-0.9	-0.2	-0.7	-1.1	-0.5	**-1.7**	-0.7
Are you missing out on an account that pays you more interest and gives you rewards?	+3.6	+3.9	+2.3	+4.7	+2.7	**+6.0**	+3.2
None	-0.5	-0.6	+1.3	+0.8	+0.4	+0.0	-0.0

OE2 Slot 2 - Main Message

	Relevance	Trust	Clarity	Informative	Rationale	Further Info	Understand
Text alerts help people to keep track of their money. Choose alerts that work for you here.	-0.9	-1.3	+0.1	-0.8	+1.5	-4.8	-0.9
Join 8 million people using the free and impartial Money Advice Service and get tips on running a bank account, planning your finances & cutting costs.	+1.0	+1.6	-0.1	-0.0	-1.5	+4.2	-0.8
Mobile banking is now the most popular way to bank. Don't miss out. Download our mobile banking app here.	-5.8	-5.6	-1.6	-5.5	-1.7	-7.7	-3.7
Join thousands of people using a money manager app to plan and track money across their accounts. Download an app here.	-6.2	-6.7	-5.0	-7.2	-4.5	-8.9	-6.8
You could get a better deal with a different current account provider. To find the best account for you, get free and impartial advice from the Money Advice Service.	+2.9	+1.6	-0.1	-0.8	-5.1	+3.6	-2.2
3 ways to avoid using expensive overdrafts: 1. Sign up to free text alerts here – we will tell you when you're nearly in your overdraft 2. Ask us here to automatically move money from your savings account into your current account to stop you going overdrawn 3. Join thousands of people using a money manager app to plan and track money across accounts. Download an app here.	+4.9	+2.8	+2.8	+7.0	+4.7	+2.6	+7.3
3 ways to make the most of your current account: 1. Choose free text alerts that help you keep track 2. Download our free mobile banking app to make money management easier 3. Consider switching to a different provider to get a better deal For more tips visit the free and impartial Money Advice Service.	+2.7	+3.5	+1.5	+3.2	+3.7	+6.4	+4.2
3 ways to make the most of your current account: ✓ Choose free text alerts that help you keep track ✓ Download our free mobile banking app to make money management easier ✓ Consider switching to a different provider to get a better deal For more tips visit the free and impartial Money Advice Service.	+1.9	+5.0	+3.0	+5.1	+3.5	+5.7	+3.8

OE2 Slot 3 - Call to Action

OE3: Overdraft Alerts to Encourage Fee Avoidance

Image	Statement	Factor Loading
Clarity	This message presents the information in a clear and simple way	0.919
	The information in this message is easy to understand	0.798
	This message is informative	0.362
Actionable	I would take action as a result of this message	0.981
	Having read this message I understand what I need to do to avoid overdraft fees	0.506
	It is useful to receive a message like this	0.497
	I understand why my bank is sending me this message	0.381
Trust	I trust the information in this message	0.837

OE3 Perception Factor Loadings

	Scenario 1			Scenario 2		
	Clarity	Actionable	Trust	Clarity	Actionable	Trust
Your current balance is now £100 on account 98416237. You can check your transactions by mobile, online, telephone or visit us in branch. **[Type A]**	-2.6	-0.3	-1.6	+2.2	+1.6	+2.4
Bank account ending 6237: Your current balance is £100. This is below the limit you set in your alerts (your available balance may differ). **[Type B]**	+3.5	**+6.5**	+3.1	-4.0	+1.4	-0.6
Your current balance is now £100 on account 98416237. **[Type A Short]**	-0.9	**-4.6**	-2.4	+0.2	-2.1	-1.1
Bank account ending 6237: Your current balance is £100. **[Type B Short]**	+0.0	**-1.2**	+0.9	+1.7	-1.0	-0.7

OE3 Slot 1 - Balance Information

	Scenario 3			Scenario 4		
	Clarity	Actionable	Trust	Clarity	Actionable	Trust
Your account 98416237 is approaching your overdraft limit. [Type A] Your account 98416237 is overdrawn. [Type A]	+0.0	-0.6	-0.9	-0.2	+1.6	-1.2
Bank account ending 6237: As of 11:17 on the 1st of Dec your current balance was £30.00 above your arranged overdraft limit. [Type B] Bank account ending 6237: Your current balance is -£1. This is below the limit you set in your alerts (your available balance may differ). [Type B]	-0.1	+1.3	+1.7	-1.7	-0.6	-0.5
Bank account ending 6237: balance is £30.00 above your overdraft limit. [Type B short] Bank account ending 6237: Your current balance is -£1. [Type B short]	+0.0	-0.7	-0.8	+1.8	-1.1	+1.6

OE3 Slot 1 - Balance Information

	Scenario 1			Scenario 2		
	Clarity	Actionable	Trust	Clarity	Actionable	Trust
To avoid possible overdraft fees, please transfer sufficient funds today by 18:30.	+4.1	+9.9	+3.5	+3.6	+3.1	+1.6
To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18:30.	+3.5	+4.2	-0.8	+3.6	+4.3	+1.8
To avoid possible overdraft fees of £1 per day, please transfer sufficient funds today by 18:30.	+1.9	+1.4	-2.7	+1.1	+6.3	+2.4
You borrow money using an overdraft most months. Contact us to discuss how we can help.	+1.5	-4.8	-0.7	-1.1	-5.5	-2.5
If you use your overdraft, the most we can charge you is £85 each month.	-8.7	-1.1	-4.6	-9.1	-2.2	-3.8
To avoid possible overdraft fees, check whether you have any planned payments due.	+0.1	+2.6	+2.6	+4.8	+7.3	+5.1
None	+0.5	-8.8	+0.6	-0.1	-8.5	-2.4

OE3 Slot 2 - Consequence Message

	Scenario 3			Scenario 4		
	Clarity	Actionable	Trust	Clarity	Actionable	Trust
To avoid possible overdraft fees, please transfer sufficient funds today by 18:30.	+5.9	+3.7	+3.7	+8.4	+7.5	+4.8
To avoid possible overdraft fees of £5 per day, please transfer sufficient funds today by 18:30.	+8.6	+4.9	+3.4	+10.0	+7.6	+1.0
To avoid possible overdraft fees of £1 per day, please transfer sufficient funds today by 18:30.	+3.2	+3.7	+1.0	+6.7	+5.6	+2.0
You borrow money using an overdraft most months. Contact us to discuss how we can help.	-5.5	-8.7	-5.8	-2.5	-8.7	-3.6
If you use your overdraft, the most we can charge you is £85 each month.	-5.6	+0.0	-4.6	-8.9	+1.0	-4.6
To avoid possible overdraft fees, check whether you have any planned payments due.	+5.0	+6.3	+7.3	+0.5	+1.6	+2.6
None	-4.0	-3.4	-1.0	-6.8	-10.8	-6.1

OE3 Slot 2 - Consequence Message

About Decision Technology

Decision Technology specialises in helping businesses and policymakers understand and manage customer decision making, from acquisition through to retention and all the points in between. We are members of the Market Research Society and Management Consultancies Association.

We seek to define a new category of insight that is both market research agency and strategy consultancy. We deliver field research and customer insights alongside financial analysis and business advice. We believe in this hybrid approach because it marries a necessary focus on commercial results with a practical understanding of what drives human behaviour. In practice, this means we are differentiated by three methodological pillars: we are experimental, behavioural, and statistical.

Find Out More

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