
Usage and experiences of High Cost Credit

Technical appendix

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May 2018

Contents

Technical appendix	1
Introduction	1
Key criteria for sample design	1
Sample size and locations	2
Recruitment	3
Final sample	14
Approach	20
Discussion guide	21

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Technical appendix

Introduction

This section is designed to provide a full technical analysis of the project. This includes the background to the research, sample, recruitment and approach.

Key criteria for sample design

This section details the defining criteria used to select participants across the following categories: Home Collected Credit, Rent to Own and Catalogue Credit & Store Cards. Across all three categories, we assigned the following general criteria areas: credit products used; socio-economic grading; financial wellbeing (based on four self-defined categories: 'coping very well', 'broadly coping', 'struggling a bit' and 'genuinely struggling') and channel of repayment.

In order to achieve a robust qualitative sample, quotas in each of these criteria were specified prior to recruitment. Separate quotas were applied to group and depth recruitment in order to achieve a broad spread in both. We chose to exclude anyone who worked in market research, financial services or for a charitable organisation such as Citizens' Advice Bureau in order to ensure participants did not come to the interview with preconceptions. We also screened out participants who had participated in market research within the past six months to prevent participant fatigue. The final exclusion was anyone with an outstanding County Court Judgment or who was currently bankrupt, as this would have wiped their debts and we were keen to explore repayments as a key objective to the research.

Credit products used

All participants had to be a current user of Home Collected Credit, Rent to Own or Catalogue Credit / Store Cards. Further criteria were dependent on their main credit option. For the many recruits who used multiple credit accounts/loans, a primary credit option was identified as the main focus of their interview in order to achieve a representative spread of credit users. However, all credit options they were currently using or had previously used were noted down and later explored during the discussions.

Socio-economic grading

We specified that we would speak to a mix of socio-economic grades in order to gain a representative view of credit usage, however our sample was weighted towards C2DE in order to focus predominantly on credit users at the greatest risk of detriment. For users of Catalogue Credit & Store Cards, this quota was relaxed slightly to allow for a number of C1 grade participants to be interviewed on account of the hypothesis that users of these accounts *can* be more affluent (i.e. using a preferred choice of purchase as opposed to a *needed* form of credit).

Financial wellbeing

We included a question on the screener asking participants to select a statement that best applied to their financial situation. We were then able to map their answers to assign them to one of four financial categories: 'coping very well', 'broadly coping', 'struggling a bit' and 'genuinely struggling'. We aimed for an even representation of all categories, with the exception of 'coping very well' whom were excluded from Catalogue Credit & Store Cards focus groups due to the hard criteria for all participants to have outstanding debt. Ensuring a range of financial categories allowed us to examine a variety of high cost credit borrowing journeys.

Channel of repayment

We specified that we would speak to credit users with a range of channels for managing their credit relationships, including online, telephone and face to face.

Product specific criteria

Home Collected Credit

We specified that all were to be currently paying off a loan with a Home Collected Credit provider. We aimed for a mix of tenure between those who had taken out their first loan within the past two years and those who were longer standing customers. Due to specific research objectives on examining experiences of refinancing, we specified that a number of users in each of the focus groups and depth interviews were to have refinanced a loan in the last 12 months. A mix of providers was aimed for to gain a comprehensive view of the industry, however due to the dominance of Provident within the market, it naturally occurred that a large proportion of recruits had a loan with them.

Rent to Own

All recruits were to have taken out a Rent to Own product within the last 12 months, with the majority still in contract and a minority having cancelled their contract early. We also aimed for a small number of recruits, 3 in each group to have taken out an additional product over 12 months ago and ideally still be paying it off in order to get a representative spread of credit tenures. In terms of product, we sought a mixture of users who had purchased products categorised as necessity items (such as replacement washing machines or ovens) along with those who had taken out ‘quality of life’ products (such as game consoles and stereos). Owing to the specific research focus on providers’ insurance products, we specified that we would require a mix of users who had and had not taken out an insurance product or extended warranty alongside their product(s).

Catalogue Credit & Store Cards

A key challenge with Catalogue Credit / Store Cards users was to identify the extent to which the product is used as a source of credit. As the objective of the research was to examine customer journeys of those with debt, we stated that we would not interview any ‘perfect payers’ who cleared their balance in full each month and required all Catalogue Credit / Store Cards recruits to currently have a revolving balance. All were to have had their account open for at least 12 months and have made at least one purchase within this period.

Sample size and locations

A key objective for this research was to provide an inclusive, comprehensive and unbiased account of borrowing journeys across a broad spectrum of credit users. In order to do this, we recruited a robust qualitative sample of users from a range of UK locations: Newcastle, Glasgow, Leeds, Manchester, Sheffield, Birmingham, The Valleys, Bristol, London, Kent and Cambridgeshire. As the research used multiple methodologies in order to gain optimum insight, the overall sample split was as follows: one workshop with 24 participants (8 Home Collected Credit, 8 Rent To Own, 8 Catalogue Credit / Store Cards); 2 Home Collected Credit groups with 8 participants in each; 2 Rent To Own groups with 8 participants in each; 2 Catalogue Credit & Store Cards groups with 8 participants in each and 60 in home depths (20 Home Collected Credit, 20 Rent To Own, 20 Catalogue Credit / Store Cards). This gave us a total sample size of 132 users of high cost credit across 10 locations. The split by location is shown in the figure below:



Recruitment

This section details how participants were recruited in order to meet the sample criteria. Full screening questionnaires with recruitment instructions are included at the back of the section.

Specialist qualitative recruiters with experience in financial recruitment were deployed to find credit users within their geographical location. Using free find recruitment allowed us to identify harder to reach users who would not traditionally appear on lists and who were less likely to be experienced in market research, ensuring that they were not influenced by prior experience or knowledge.

All recruiters were briefed on the participant criteria and provided with a screener questionnaire to help ensure that all participants were recruited to the same specification.

Standard profiling/demographic questions

Case No (office use only)						Project Title :		High Cost Credit	
Your PwC Research Interviewer No:						Job No :		TBC	
Interview Date (dd/mm/yy) (must be completed)						Q Date :		30/01/18	
						Attended :		Yes	No
						Interview length (must complete)			
PLEASE COMPLETE ADDRESS DETAILS ON BACK PAGE									
D1	SEX Male Female					D7	HOW MANY PEOPLE IN YOUR HOUSEHOLD <i>Write in</i>		
			1						
			2						
D2	AGE (Younger) 18-30 (Mid-age) 31-59 (Older) 60+ <i>Please write in actual age</i>					D8	WHO IS THE CHIEF INCOME EARNER IN THE HOUSEHOLD. IS IT Yourself Other <i>NB HOUSEHOLD MAY NOT BE WORKING</i>		
			1					1	
			2						
			3					2	
D3	SOCIAL CLASS AB ---- C1 C2 DE <i>RECRUIT C1 ONLY FOR CATALOGUE CREDIT AND STORECARDS</i>					D9	OCCUPATION OF CHIEF INCOME EARNER _____		
			T&C						

			1			D10	PROBE TO OBTAIN QUALIFICATIONS OF CHIEF INCOME EARNER. Qualifications (if none state 'none') _____		
			2						
			3						
D4	MARITAL STATUS Married/cohabiting Single Wid/Sep/Div					D11	TYPE OF INDUSTRY/FIRM OF CHIEF INCOME EARNER _____		
			1						
			2						
			3						
D5	CHILDREN (under 18 at home) Yes No					D12	NUMBER OF STAFF CHIEF INCOME EARNER IS RESPONSIBLE FOR _____		
			1						
			2						
D6	AGES OF CHILDREN AT HOME (record how many in each age bracket) 0-7 8-12 13-16 17-18								
			1						
			2						
			3						
			4						
DATE OF DEPTH :		TIME OF DEPTH :		TYPE : 60 MINUTE IN HOME INTERVIEW		LOCATION :			

INTRODUCTION Good morning/afternoon/evening, my name is from PwC Research. We are conducting some research to understand people's experiences of borrowing money from a range of different types of companies. We're doing this work on behalf of the Financial Conduct Authority; this organisation was set up by the government to make sure that financial companies treat their customers fairly.			
Q1	<p>Firstly, can I just check if you or any members of your family or friends work or have ever worked in any of the following industries?</p> <p style="text-align: right;">Marketing Market Research Advertising Journalism Financial services (i.e. banking, insurance or financial adviser) Financial not for profit organisations (e.g. CAB, debt advice agencies) ----- None of these</p>	<p>(M)</p> <p>1 2 3 4 5 6 ----- 7</p>	<p>T&C ----- Q2</p>
T&C – THANK YOU FOR YOUR HELP SO FAR BUT UNFORTUNATELY ON THIS OCCASION I AM NOT ALLOWED TO INTERVIEW ANYONE WHO WORKS IN THAT PARTICULAR INDUSTRY			
Q2	<p>And have you attended any discussions for the purpose of market research during the past 6 months?</p> <p style="text-align: right;">Yes ----- No</p>	<p>(S)</p> <p>1 ----- 2</p>	<p>T&C ----- Q3</p>
T&C – THANK YOU FOR YOUR HELP SO FAR BUT UNFORTUNATELY ON THIS OCCASION I AM NOT ALLOWED TO INTERVIEW ANYONE WHO HAS ATTENDED ANY DISCUSSIONS FOR THE PURPOSE OF RESEARCH DURING THE PAST 6 MONTHS			
Q3	<p>Do you have a current account or basic bank account?</p> <p style="text-align: right;">Yes ----- No Don't know</p>	<p>(S)</p> <p>1 --- 2 3</p>	<p>Q4</p>
NO MORE THAN 1 RESPONDENT PER LOCATION TO HAVE NO CURRENT ACCOUNT			

Full screening questionnaire: Workshop and groups

We're now going to ask a few questions concerning financial products you may or may not have...

Q4	<p>Do you have a current account or basic bank account?</p> <p style="text-align: right;">Yes ----- No Don't know</p>	NO MORE THAN 1 PER GROUP TO HAVE NO CURRENT ACCOUNT																																														
Q5	<p>Which of the following do you currently use/ have used in the past?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">A) Currently use</th> <th style="text-align: center;">B) Used in the past</th> </tr> </thead> <tbody> <tr> <td>Current account overdraft</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Credit Card</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Store Card</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Retail Catalogues (e.g. Littlewoods)</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Online credit account (e.g. Very)</td> <td style="text-align: center;">5</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Rent to own products (e.g. Brighthouse)</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Hire Purchase agreements</td> <td style="text-align: center;">7</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Personal loan (from bank)</td> <td style="text-align: center;">8</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Payday loans</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Home collected credit or doorstep loan (e.g. Provident)</td> <td style="text-align: center;">10</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Logbook Loan</td> <td style="text-align: center;">11</td> <td style="text-align: center;">11</td> </tr> <tr> <td>Credit Union loan</td> <td style="text-align: center;">12</td> <td style="text-align: center;">12</td> </tr> <tr> <td>Pawnbroker loan</td> <td style="text-align: center;">13</td> <td style="text-align: center;">13</td> </tr> <tr> <td>Other loan (friends/family, loan shark or other not a</td> <td style="text-align: center;">14</td> <td style="text-align: center;">14</td> </tr> </tbody> </table>				A) Currently use	B) Used in the past	Current account overdraft	1	1	Credit Card	2	2	Store Card	3	3	Retail Catalogues (e.g. Littlewoods)	4	4	Online credit account (e.g. Very)	5	5	Rent to own products (e.g. Brighthouse)	6	6	Hire Purchase agreements	7	7	Personal loan (from bank)	8	8	Payday loans	9	9	Home collected credit or doorstep loan (e.g. Provident)	10	10	Logbook Loan	11	11	Credit Union loan	12	12	Pawnbroker loan	13	13	Other loan (friends/family, loan shark or other not a	14	14
	A) Currently use	B) Used in the past																																														
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Other loan (friends/family, loan shark or other not a	14	14																																														

	mortgage)			
	None of the above		T&C	
NOTE TO RECRUITER: PLEASE USE DESCRIPTIONS IN CRITERIA TO EXPLAIN CREDIT PRODUCTS IN SCOPE FOR THIS RESEARCH				
ALL TO CODE AT LEAST ONE OF CODE 3, 4, 5, 6, 10 at A AND/OR B				
CODE 3,4 5 = RETAIL RUNNING ACCOUNT – GO TO Q17				
CODE 6 = RENT TO OWN – GO TO Q6				
CODE 10 = HOME CREDIT LOAN – GO TO Q13				
ASK QUESTIONS FOR BELOW FOR <u>EACH</u> OF THE PRODUCTS USED				
RENT TO OWN (RTO)				
Q6	How many products are you <u>currently</u> using rent-to-own credit for i.e. you are still paying it off?		(S)	
		None	1	Q8
		-----	---	---
		1	2	Q7
		2	3	
		3	4	
		4	5	
		5	6	
		6+	7	
AIM FOR 3 PEOPLE IN RTO GROUP WHO HAVE MORE THAN 1 PRODUCT IF CODE 1 (NONE), GO TO Q8				
Q7	Thinking about the rent-to-own (RTO) credit agreements you are still paying off, how long ago did you take these out?			
		<6 months ago	6-12 months ago	>12 months ago
	1. Most recent RTO product	1	2	3
	2.	1	2	3
	3.	1	2	3
	4.	1	2	3
	5.	1	2	3
ALL TO HAVE TAKEN OUT THEIR MOST RECENT RTO CREDIT IN THE LAST 12 MONTHS (CODES 1 & 2) FOR ANY OTHER RTO CREDIT HELD, AIM FOR 3 WHO HAVE MORE THAN ONE TAKEN OUT >12 MONTHS AGO (CODE 3)				
Q8	Have you purchased any products using rent-to-own credit <u>in the last 12 months</u> but have cancelled the contract early?		(S)	
		Yes	1	Q9
		No	2	
MAX OF 2 TO HAVE CANCELLED THEIR CONTRACTS EARLY				
Q9	Which provider(s) did you use to take out your rent-to-own credit agreement/product?		(M)	
		BrightHouse	1	Q10
		Perfect home	2	
		Other (write in) _____	3	
		Don't know	4	
ENSURE MIX OF PROVIDERS				
Q10	What types of product(s) have you used rent-to-own credit for in the past 12 months?		(M)	
		Furniture (sofas, tables, bed etc.)	1	Q11
		Large appliances (fridge, washing machine etc.)	2	
		---	---	
		Small appliances (kettle, coffee machine, mixer etc.)	3	Q11
		Home entertainment (TVs, cameras, music, gaming etc.)	4	
		Computing (laptop, printers etc.)	5	
		Mobile phone	6	
		---	---	
		Other (write in) _____		Q11
MIX OF THOSE CODING 1 & 2 (ESSENTIAL ITEM) AND 3-6 (QUALITY OF LIFE ITEM)				
Q11	How long is the credit agreement on your most recent product and, if relevant, on your longest held product?			

	Longest held agreement	Most recently taken out agreement		Q12
	26 weeks (6 months)			
	52 weeks (1 year)			
	104 weeks (2 years)			
	156 weeks (3 years)			
Q12	For any of the agreements taken out in the last 12 months, did you also purchase any insurance and/or extended warranty at the same time from the same provider (this would be paid each month in addition to your regular payments)?		(S)	
		Yes — insurance	1	Q20
		Yes — extended warranty	2	
		No	3	
		Don't know	4	
	MIX OF THOSE THAT HAVE AND HAVEN'T TAKEN OUT INSURANCE			
	GO TO OTHER QUESTIONS FOR OTHER CREDIT PRODUCTS HELD, IF NONE, RECRUIT FOR RTO GROUP			
HOME COLLECTED CREDIT				
Q13	Are you currently paying off a Home Collected (or doorstep) loan?		(S)	
		Yes	1	Q14
		-----	---	---
		No	2	T&C for HCC
	ALL MUST CURRENTLY BE PAYING OFF A LOAN FROM A HOME COLLECTED CREDIT PROVIDER			
Q14	Which provider(s) did you take your loan(s) out with?		(M)	
		Provident	1	Q15
		Mutual	2	
		Morses Club	3	
		Loans at Home	4	
		Other (write in) _____	5	
		Don't know	6	
	MIX OF PROVIDERS USED			
Q15	How long ago did you take out your first Home Collected (or doorstep) loan?			
		In the last 2 years	1	Q16
		More than 2 years ago	2	
		Don't know	3	
	MIX OF TENURE			
	NEWER CUSTOMERS – CODE 1 (IN LAST 2 YEARS)			
	LONGER TERM CUSTOMERS – CODE 2 (MORE THAN 2 YEARS AGO)			
Q16	Have you refinanced a Home Collected/doorstep loan in the last 12 months? <i>Definition of refinancing: when you take out another Home Collected loan to pay off the remainder of your existing Home Collected loan and also to borrow a larger amount.</i>		(S)	
		Yes, in the last 12 months	1	Q20
		No but I have done this in the past	2	
		No I have never done this	3	
	MINIMUM 3 TO HAVE REFINANCED IN THE LAST 12 MONTHS (CODE 1)			
	GO TO OTHER QUESTIONS FOR OTHER CREDIT PRODUCTS HELD, IF NONE, RECRUIT FOR HOME COLLECTED CREDIT GROUP			
CATALOGUE CREDIT AND STORE CARDS				
Q17	Which of the following retailers do you currently have a credit account with e.g. an online credit facility or a store card? <i>Note: we are not including retailer credit cards in this group e.g. credit cards with the retailer branding which can be used anywhere, not just with that specific retailer</i>		(M)	
		Littlewoods	1	Q18
		Very	2	
		Next	3	
		Freemans	4	
		Argos	5	
		New Look	6	
		Other (write in) _____	7	
	MIX OF PROVIDERS			

Q18	On how many occasions have you purchased items using this account since you opened it?	Never Only once ---- 2 3 4 5+	1 2 ---- 2 3 4 5	T&C Q19
CODES 1 & 2 – T&C FOR CATALOGUE CREDIT AND STORE CARDS IF HAVE NOT MADE A PURCHASE OR ONLY MADE ONE PURCHASE SINCE OPENING ACCOUNT				
Q19	Which of the following statements best describes how you manage this/these retail credit accounts?		(S)	
	I pay my account off in full every month without fail	----	1	T&C
	I pay off my account in full most months but 1-2 months a year I pay just the minimum payment or what I can afford	----	2	Q20
	I pay off my account in full most months but 4-6 months of the year I pay just the minimum payment or what I can afford		3	
	I usually pay just the minimum amount or what I can afford but I might pay it off in full 1-2 months a year		4	
	I always pay the minimum amounts every month		5	
CODE 1 – T&C FOR CATALOGUE CREDIT AND STORE CARDS IF PAY OFF IN FULL EVERY MONTH				
FOR ALL				
Q20	Thinking about your financial situation more generally now, which of the following describes you best?		(S)	
	I have no problems paying my bills/making my credit payments, I never struggle to find the money	----	1	Q21
	I generally cope financially and am able to pay my bills/make payments but I sometimes struggle to find the money	----	2	
	I find it hard to pay my bills/make my credit repayments every month and frequently have missed/late payments	----	3	
	I'm not able to make their repayments/pay their bills every month	----	4	
CODE 1= COPING VERY WELL CODE 2= BROADLY COPING CODE 3 = STRUGGLING A BIT CODE 4 = GENUINELY STRUGGLING				
AIM FOR 2 OF EACH PER GROUP NONE TO CODE 1 FOR CATALOGUE CREDIT AND STORE CARD GROUPS				
Q21	Thinking about the different credit products you have, how do you typically manage these accounts e.g. check your balance, make payments, etc?		(M)	
	Online		1	Q22
	By telephone		2	
	Direct debit		3	
MIX OF CHANNELS USE				
Q22	Can I check if you currently have any of the following?			
	Bank closing down your current account	----	1	Q23
	Bankruptcy	----	2	T&C
	Debt Relief Order	----	3	Q23
	IVA (Individual Voluntary Arrangement)	----	4	
	Outstanding county court judgement	----	5	T&C
	Re-possession order	----	6	Q23
	Debt Repayment plan	----	7	

				Debt Management Plan (DMP)	8
				Debt advice (Stepchange etc.)	9
				None of these	10
NONE TO BE BANKRUPT OR HAVE AN OUTSTANDING CCJ					
Q23	Thinking about all the different ways of borrowing money (excluding friends, family and loan sharks), which of the following best describes how you feel about how easy it is to borrow?				
	1	2	3	4	5
	Very easy to borrow	Somewhat easy	It depends on the situation	Minor challenges	Very difficult to borrow
AIM FOR A SPREAD OF VIEWS ACROSS THE SPECTRUM 1-5					

FOR THE PURPOSE OF MARKET RESEARCH
We are conducting some research about people's experiences of borrowing money from a range of different types of companies. This will attending a group discussion with other people who have used similar credit products to you. The group discussion will last 1½ hours and you will receive £XX as a thank you for taking part. Would you be interested in taking part?

*We would like to film parts of the discussion for research purposes . Any video footage resulting from this will be anonymous (participants' names will not be revealed) and nothing will be put into the public domain i.e. shared with the media/social media. Please confirm that you are comfortable with this **[HAPPY TO REVIEW THIS IF THIS HAS A NEGATIVE IMPACT ON RECRUITMENT]***

Q24	Would you be happy for us to re-contact you again in future about taking part in further stages of this research project?	(S)
		Yes 1
		No 2
RECORD ALL RESPONSES (NOT A CONDITION FOR RECRUITMENT)		

Thank and close – inform respondent that they may be contacted as part of our quality control procedure to check that this interview has been carried out in accordance with the MRS Code of Conduct.

Was this interview supervised/accompanied?	Yes	1
	No	2
Supervisor Signature : _____		
Supervisor print name : _____		
I DECLARE THAT THIS INTERVIEW WAS CONDUCTED ACCORDING TO THE INSTRUCTIONS GIVEN, AND THE MRS CODE OF CONDUCT, WITH A PERSON WHO WAS NOT KNOWN TO ME.		
Signed : _____ Print : _____		
PLEASE CHECK YOU HAVE PUT YOUR INTERVIEWER NUMBER ON THE TOP AND THE INTERVIEW DATE		
PLEASE COMPLETE THE NAME AND ADDRESS SECTION ON THE FOLLOWING PAGE. FOR DATA PROTECTION PURPOSES THIS WILL BE REMOVED ONCE THE RESEARCH IS COMPLETE		

Full screening questionnaire: Depths

Q4	Do you have a current account or basic bank account?	Yes ----- No Don't know
NO MORE THAN 1 PER GROUP TO HAVE NO CURRENT ACCOUNT		
Q5	Which of the following do you currently use/ have used in the past?	
		A) Currently use B) Used in the past
	Current account overdraft	1 1
	Credit Card	2 2
	Store Card	3 3
	Retail Catalogues (e.g. Littlewoods)	4 4
	Online credit account (e.g. Very)	5 5
	Rent to own products (e.g. Brighthouse)	6 6
	Hire Purchase agreements	7 7
	Personal loan (from bank)	8 8
	Payday loans	9 9
	Home collected credit or doorstep loan (e.g. Provident)	10 10
	Logbook Loan	11 11
	Credit Union loan	12 12
	Pawnbroker loan	13 13
	Other loan (friends/family, loan shark or other not a mortgage)	14 14
	None of the above	T&C
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CODE 10 = HOME CREDIT LOAN – GO TO Q13		
ASK QUESTIONS FOR BELOW FOR <u>EACH</u> OF THE PRODUCTS USED		
RENT TO OWN (RTO)		
Q5	How many products are you <u>currently</u> using rent-to-own credit for i.e. you are still paying it off?	None (S) ----- 1 Q7 1 2 --- 2 3 Q6 3 4 4 5 5 6 6+ 7
CHECK QUOTAS TO MAKE SURE MEETING MINIMUM WITH MORE THAN 1 PRODUCT IF CODE 1 (NONE), GO TO Q7		
Q6	Thinking about the rent-to-own (RTO) credit agreements you are still paying off, how long ago did you take these out?	
		<6 months ago 6-12 months ago >12 months ago
	1. Most recent RTO product	1 2 3
	2.	1 2 3
	3.	1 2 3
	4.	1 2 3
	5.	1 2 3

		Don't know	6	
	MIX OF PROVIDERS USED			
Q14	How long ago did you take out your first Home Collected (or doorstep) loan?	In the last 2 years	1	Q15
		More than 2 years ago	2	
		Don't know	3	
	MIX OF TENURE			
	NEWER CUSTOMERS – CODE 1 (IN LAST 2 YEARS)			
	LONGER TERM CUSTOMERS – CODE 2 (MORE THAN 2 YEARS AGO)			
Q15	Have you refinanced a Home Collected/doorstep loan in the last 12 months? <i>Definition of refinancing: when you take out another Home Collected loan to pay off the remainder of your existing Home Collected loan and also to borrow a larger amount.</i>		(S)	
		Yes, in the last 12 months	1	Q19
		No but I have done this in the past	2	
		No I have never done this	3	
	CHECK QUOTAS FOR MINIMUM NUMBER OF RECRUITS WHO HAVE REFINANCED IN THE LAST 12 MONTHS (CODE 1)			
	RECRUIT FOR HOME COLLECTED CREDIT TABLE AND GO TO Q19			
CATALOGUE CREDIT AND STORE CARDS				
Q16	Which of the following retailers do you currently have a credit account with e.g. an online credit facility or a store card? <i>Note: we are not including retailer credit cards in this group e.g. credit cards with the retailer branding which can be used anywhere, not just with that specific retailer</i>		(M)	
		Littlewoods	1	Q17
		Very	2	
		Next	3	
		Freemans	4	
		Argos	5	
		New Look	6	
		Other (write in) _____	7	
	MIX OF PROVIDERS			
Q17	On how many occasions have you purchased items using this account since you opened it?	Never	1	T&C
		Only once	2	
		----	----	----
		2	2	Q18
		3	3	
		4	4	
		5+	5	
	CODES 1 & 2 – T&C FOR CATALOGUE CREDIT AND STORE CARDS IF HAVE NOT MADE A PURCHASE OR ONLY MADE ONE PURCHASE SINCE OPENING ACCOUNT			
Q18	Which of the following statements best describes how you manage this/these retail credit accounts?		(S)	
		I pay my account off in full every month without fail	1	T&C
		----	----	----
		I pay off my account in full most months but 1-2 months a year	2	
		I pay just the minimum payment or what I can afford		
		I pay off my account in full most months but 4-6 months of the year	3	Q19
		I pay just the minimum payment or what I can afford		
		I usually pay just the minimum amount or what I can afford but I might pay it off in full 1-2 months a year	4	
		I always pay the minimum amounts every month	5	
	CODE 1 – T&C FOR CATALOGUE CREDIT AND STORE CARDS IF PAY OFF IN FULL EVERY MONTH			
FOR ALL				
Q19	Thinking about your financial situation more generally now, which of the following describes you best?		(S)	
		I have no problems paying my bills/making my credit payments, I never struggle to find the money	1	

		I generally cope financially and am able to pay my bills/make payments	2	Q20

		but I sometimes struggle to find the money ----- I find it hard to pay my bills/make my credit repayments every month and frequently have missed/late payments ----- I'm not able to make their repayments/pay their bills every month	3 4	
		CODE 1= COPING VERY WELL CODE 2= BROADLY COPING CODE 3 = STRUGGLING A BIT CODE 4 = GENUINELY STRUGGLING		
		AIM FOR 2 OF EACH PER GROUP NONE TO CODE 1 FOR CATALOGUE CREDIT AND STORE CARD DEPTHS		
Q20	Thinking about the different credit products you have, how do you typically manage these accounts e.g. check your balance, make payments, etc?		(M) 1 2 3	Q21
		Online By telephone Direct debit		
		MIX OF CHANNELS USED		
Q21	Can I check if you currently have any of the following?	Bank closing down your current account ----- Bankruptcy ----- Debt Relief Order IVA (Individual Voluntary Arrangement) ----- Outstanding county court judgement ----- Re-possession order Debt Repayment plan Debt Management Plan (DMP) Debt advice (Stepchange etc.) None of these	1 ----- 2 ----- 3 4 ----- 5 ----- 6 7 8 9 10	Q22 ----- T&C ----- Q22 ----- T&C ----- Q22
		NONE TO BE BANKRUPT OR HAVE AN OUTSTANDING CCJ		
Q22	Thinking about all the different ways of borrowing money (excluding friends, family and loan sharks), which of the following best describes how you feel about how easy it is to borrow?			
		1 2 3 4 5		
		Very easy to borrow Somewhat easy It depends on the situation Minor challenges Very difficult to borrow		
		AIM FOR A SPREAD OF VIEWS ACROSS THE SPECTRUM 1-5		

FOR THE PURPOSE OF MARKET RESEARCH

We are conducting some research about people's experiences of borrowing money from a range of different types of companies and would like to invite you to take part. This would involve a research coming to visit you in your home to talk about your experiences.

The discussion would last one hour and you will receive £XX as a thank you for taking part. Would you be interested in taking part?

We would like to film parts of the discussion for research purposes . Any video footage resulting from this will be anonymous (participants' names will not be revealed) and nothing will be put into the public domain i.e. shared with the media/social media. Please confirm that you are comfortable with this [HAPPY TO REVIEW THIS IF THIS HAS A NEGATIVE IMPACT ON RECRUITMENT]

Q23	Would you be happy for us to re-contact you again in future about taking part in further stages of this research project?	(S) Yes No	1 2
-----	---	------------------	--------

RECORD ALL RESPONSES (NOT A CONDITION FOR RECRUITMENT)

Thank and close – inform respondent that they may be contacted as part of our quality control procedure to check that this

interview has been carried out in accordance with the MRS Code of Conduct.		
Was this interview supervised/accompanied?	Yes	1
	No	2
Supervisor Signature : _____		
Supervisor print name : _____		
I DECLARE THAT THIS INTERVIEW WAS CONDUCTED ACCORDING TO THE INSTRUCTIONS GIVEN, AND THE MRS CODE OF CONDUCT, WITH A PERSON WHO WAS NOT KNOWN TO ME.		
Signed : _____ Print : _____		
PLEASE CHECK YOU HAVE PUT YOUR INTERVIEWER NUMBER ON THE TOP AND THE INTERVIEW DATE		
PLEASE COMPLETE THE NAME AND ADDRESS SECTION ON THE FOLLOWING PAGE. FOR DATA PROTECTION PURPOSES THIS WILL BE REMOVED ONCE THE RESEARCH IS COMPLETE		

Final sample

The tables below indicate an overview of the final sample for each stage of the fieldwork:

Pilot workshop

Location	Product	Gender	Age	SEG	Payment Method	Financial Wellbeing	Ease of Borrowing
Chatham	Rent To Own	Female	26	E	DD	Broadly coping	Very easy to borrow
		Female	54	C2	Telephone	Struggling a bit	Somewhat easy
		Male	35	D	Telephone	Genuinely struggling	Minor challenges
		Male	52	E	DD	Struggling a bit	Very difficult to borrow
		Female	29	E	Telephone	Struggling a bit	Depends on the situation
		Female	29	C2	Telephone	Struggling a bit	Depends on the situation
		Male	48	C1	DD	Coping very well	Depends on the situation
		Male	52	E	DD	Broadly coping	Somewhat easy
	Home Collected Credit	Male	38	C2	DD	Struggling a bit	Very easy to borrow
		Male	32	D	Online	Broadly coping	Minor challenges
		Female	40	D	DD	Broadly coping	Somewhat easy
		Female	62	D	DD	Struggling a bit	Very easy to borrow
		Female	60	C2	Door	Broadly coping	Somewhat easy
		Male	37	E	Door	Broadly coping	Depends on the situation
		Male	35	D	Telephone	Struggling a bit	Depends on the situation
		Female	26	D	Online	Broadly coping	Depends on the situation
	Catalogue Credit & Store Cards	Female	61	C1	Online	Broadly coping	Depends on the situation
		Male	22	D	Online	Coping very well	Very easy to borrow
		Female	28	D	Telephone	Struggling a bit	Somewhat easy
		Male	39	C2	DD	Broadly coping	Minor challenges
		Male	54	D	Online	Coping very well	Somewhat easy
		Female	64	C1	Online	Coping very well	Very easy to borrow

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
		Female	44	C2	Online	Struggling a bit	Minor challenges
		Female	52	D	Online	Struggling a bit	Depends on the situation

Groups

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
Leeds	Rent To Own	Male	51	C1	DD	Broadly coping	Very easy to borrow
		Female	41	C1	Telephone / Online		
		Male	42	C2	DD	Broadly coping	Somewhat easy
		Female	40	D	DD	Broadly coping	Depends on the situation
		Male	62	C2	Telephone/Online	Struggling a bit	Very easy to borrow
		Male	25	C2	Telephone / Online / DD	Coping very well	Somewhat easy
		Male	25	C2	DD	Broadly coping	Somewhat easy
		Female	60	C2	Telephone / Online / DD	Struggling a bit	Depends on the situation
	Catalogue Credit & Store Cards	Female	53	C2	DD	Broadly coping	Somewhat easy
		Female	43	C2	Online	Struggling a bit	Minor challenges
		Male	38	C2	DD	Broadly coping	Depends on the situation
		Female	23	C2	Online / Telephone	Broadly coping	Somewhat easy
		Female	42	C2	Online / DD	Broadly coping	Depends on the situation
		Male	60	C2	Online / Telephone / DD	Broadly coping	Somewhat easy
		Female	58	C1	Online / Telephone / DD	Struggling a bit	
	Female	30	E	Online / Telephone	Struggling a bit	Very difficult	
London	Catalogue Credit & Store Cards	Female	31	C1	Telephone / DD	Broadly coping	Somewhat easy
		Male	58	C2	DD	Broadly coping	Minor challenges

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
		Male	48	C1	Online	Broadly coping	Minor challenges
		Female	45	C1	Online / Telephone	Broadly coping	Very easy to borrow
		Female	49	C1	Online / Telephone	Broadly coping	Somewhat easy
		Female	37	C1	Telephone	Struggling a bit	Depends on the situation
		Male	44	C2	Online	Struggling a bit	Minor challenges
		Male	28	C1	Online	Struggling a bit	Somewhat easy
	Home Collected Credit	Female	51	D	Online	Genuinely struggling	Very easy to borrow
		Male	46	C2	Online / Telephone	Broadly coping	Somewhat easy
		Female	53	C1	Online / Telephone / DD	Broadly coping	Somewhat easy
		Female	31	C1	Online	Broadly coping	Somewhat easy
		Female	28	C1	Online / Telephone / DD	Struggling a bit	Somewhat easy
		Male	33	C2	Online	Genuinely struggling	Depends on the situation
		Female	30	C1	Online / DD	Struggling a bit	Depends on the situation
		Female	31	C1	Online / Telephone	Struggling a bit	Depends on the situation
Midlands		Rent To Own	Male	68	C2	DD	Broadly coping
	Male		48	D	DD	Broadly coping	Somewhat easy
	Female		61	C2	Online	Broadly coping	Depends on the situation
	Male		42	C2	Online	Broadly coping	Somewhat easy
	Female		20	D	DD	Coping very well	Somewhat easy
	Female		33	C2	DD	Struggling a bit	Minor challenges
	Female		43	D	DD	Broadly coping	Minor challenges
	Female		25	D	Online / DD	Struggling a bit	Very easy to borrow
		Home Collected Credit	Male	67	E	Online	Broadly coping
	Female		29	D	Telephone	Struggling a bit	Difficult to borrow

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
		Female	21	C2	Telephone	Broadly coping	Difficult to borrow
		Male	48	C2	DD	Coping very well	Depends on the situation
		Female	42	C2	Telephone	Struggling a bit	Difficult to borrow
		Female	37	D	Online	Genuinely struggling	Difficult to borrow
		Male	61	C2	Telephone	Struggling a bit	Difficult to borrow
		Female	20	D	Online	Broadly coping	Depends on the situation

In home depths

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
Leeds	Catalogue Credit/ Store Cards	Male	61	C2	DD	Broadly coping	Very difficult to borrow
	Home Collected Credit	Female	26	C2	Door	Genuinely struggling	Very difficult to borrow
	Catalogue Credit/ Store Cards	Female	30	C2	Online	Struggling a bit	Minor challenges
	Rent To Own	Female	29	C1	Online	Coping very well	Minor challenges
	Home Collected Credit	Male	60	C1	Door	Coping very well	Minor challenges
	Rent To Own	Male	62	C1	Online / Telephone / DD	Struggling a bit	Depends on the situation
	Catalogue Credit/ Store Cards	Female	72	C2	Telephone / DD	Broadly coping	Very difficult to borrow
	Catalogue Credit/ Store Cards	Male	51	C2	Telephone / DD	Broadly coping	Minor challenges
	Catalogue Credit/ Store Cards	Female	56	D	Telephone	Struggling a bit	Minor challenges
Manchester	Rent To Own	Female	64	C2	DD	Struggling a bit	Very difficult to borrow
	Home Collected Credit	Male	46	C2	DD	Coping very well	Somewhat easy
	Home Collected Credit	Female	69	D	Online	Struggling a bit	Very easy to borrow

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
	Catalogue Credit/ Store Cards	Male	34	C1	Online	Struggling a bit	Depends on the situation
	Catalogue Credit/ Store Cards	Female	61	C1	Telephone	Struggling a bit	Somewhat easy
	Rent To Own	Male	40	C2	Online	Coping very well	Somewhat easy
Glasgow	Home Collected Credit	Female	51	D	DD	Struggling a bit	Somewhat easy
	Rent To Own	Male	29	C2	In store	Coping very well	Minor challenges
	Catalogue Credit/ Store Cards	Male	27	D	Telephone	Broadly coping	Somewhat easy
	Home Collected Credit	Male	28	C2	DD	Coping very well	Depends on the situation
	Rent To Own	Female	52	D	In store	Struggling a bit	Minor challenges
	Catalogue Credit/ Store Cards	Male	27	C1	Telephone	Broadly coping	Very easy to borrow
Newcastle	Catalogue Credit/ Store Cards	Male	48	D	Online / Door	Broadly coping	Somewhat easy
	Rent To Own	Female	56	E	In store	Broadly coping	Somewhat easy
	Rent To Own	Female	61	E	DD	Genuinely struggling	Depends on the situation
	Home Collected Credit	Female	82	E	DD / Door	Genuinely struggling	Depends on the situation
Birmingham	Catalogue Credit/ Store Cards	Female	29	D		Genuinely struggling	Depends on the situation
	Home Collected Credit	Female	29	D	Telephone / Online / DD	Genuinely struggling	Very difficult to borrow
	Home Collected Credit	Female	24	D	Telephone	Struggling a bit	Very difficult to borrow
	Catalogue Credit/ Store Cards	Female	29	D	Online	Struggling a bit	Depends on the situation
	Catalogue Credit/ Store Cards	Female	68	C2	Online	Genuinely struggling	Depends on the situation
	Catalogue Credit/ Store Cards	Female	69	C1	Online	Struggling a bit	Very difficult to borrow
Sheffield	Rent To Own	Male	27	C2	Online	Genuinely struggling	Very difficult to borrow

Usage and experiences of High Cost Credit

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
	Catalogue Credit/ Store Cards	Female	38	C2	Online / DD	Struggling a bit	Depends on the situation
	Home Collected Credit	Female	34	E	Telephone / Door	Broadly coping	Very difficult to borrow
	Rent To Own	Female	34	D	DD	Broadly coping	Depends on the situation
	Home Collected Credit	Female	24	C2	Telephone	Genuinely struggling	Minor challenges
	Catalogue Credit/ Store Cards	Male	28	D	Online	Struggling a bit	Minor challenges
Bristol	Home Collected Credit	Female	55	D	DD	Coping very well	Somewhat easy
	Home Collected Credit	Female	53	D	DD	Broadly coping	Somewhat easy
	Rent To Own	Male	75	C2	DD	Broadly coping	Depends on the situation
	Rent To Own	Female	53	C2	DD	Coping very well	Depends on the situation
	Rent To Own	Female	28	C2	Telephone	Genuinely struggling	Minor challenges
	Rent To Own	Female	28	C2	Telephone	Struggling a bit	Somewhat easy
Cambridge	Catalogue Credit/ Store Cards	Female	29	C1	Online	Broadly coping	Somewhat easy
	Home Collected Credit	Female	33	C2	Telephone	Genuinely struggling	Somewhat easy
	Catalogue Credit/ Store Cards	Female	40	C1	Online	Struggling a bit	Somewhat easy
	Rent To Own	Female	36	DE	Online	Genuinely struggling	Depends on the situation
	Home Collected Credit	Female	30	DE	Online	Broadly coping	Depends on the situation
	Rent To Own	Female	30	C2DE	Online	Broadly coping	Depends on the situation
The Valleys	Home Collected Credit	Female	60	D	Door	Genuinely struggling	Easy to borrow
	Catalogue Credit/ Store Cards	Female	60	C1	Online	Genuinely struggling	Very easy to borrow
	Catalogue Credit/ Store Cards	Female	31	C2	Online	Genuinely struggling	Easy to borrow

<i>Location</i>	<i>Product</i>	<i>Gender</i>	<i>Age</i>	<i>SEG</i>	<i>Payment Method</i>	<i>Financial Wellbeing</i>	<i>Ease of Borrowing</i>
	Rent To Own	Female	61	E	Telephone	Broadly coping	Easy to borrow
	Rent To Own	Female	32	E	Telephone	Genuinely struggling	Very easy to borrow
	Home Collected Credit	Female	34	E	Door	Genuinely struggling	Easy to borrow
London	Home Collected Credit	Female	23	D	Door	Broadly coping	Somewhat easy
	Catalogue Credit/ Store Cards	Female	33	C2	Online / Telephone	Genuinely struggling	Minor challenges
	Rent To Own	Female	29	C2	DD	Broadly coping	Somewhat easy
	Home Collected Credit	Female	39	C1	Door	Broadly coping	Somewhat easy
	Catalogue Credit/ Store Cards	Female	28	C2	Online	Struggling a bit	Somewhat easy
	Rent To Own	Female	35	C2	Online	Broadly coping	Somewhat easy

Approach

This section provides information on the fieldwork methodology used and the relevant interview techniques that allowed us to gain a comprehensive understanding of the high cost credit customer journey.

Pilot fieldwork

A varied methodology was used in order to achieve a mixture of in depth one to one interviews and group reflection on the high cost credit journey. Fieldwork commenced on Monday 12th February with a pilot workshop in Chatham (Kent) with three moderators facilitating discussion with 24 participants: 8 users of Home Collected Credit, 8 users of Rent to Own and 8 users of Retail Running Account. The session lasted 2.5 hours to allow all participants in the discussion to give maximum input.

This was followed by three pilot depth interviews in London with one user of each form of credit. This initial pilot research allowed for the discussion guide and stimulus to be tested and refined and for the FCA and project team to provide feedback before the main fieldwork period.

Focus groups

Six focus groups were carried out across three locations: London, Birmingham and Leeds to ensure a representative geographical spread of participants. Each group included 8 participants allowing for a dynamic environment and collaboration on the tasks. All participants in each group were users of the same form of credit, allowing them to compare their experiences and us to tailor the discussion accordingly and identify common themes. As well as group discussion, each participant also filled out an individual task booklet to allow their personal thoughts to be captured.

Focus groups were an effective way to explore the commonalities and differences amongst groups of users of the same form of credit. The contrast between findings in the groups and in home depths then provided insight into the shared experiences and personal journeys related to the use of high cost credit.

In home depths

We conducted a further 57 in home depths following on from the pilots, including participants from ten UK locations to ensure a representative sample. These took place in the participants' own homes to maximise their

comfort and allow for the privacy to have an in depth discussion on a sensitive subject matter. Conducting the interviews in home also provided contextual detail about the lives and living situations of the participants. The interviews lasted approximately 60 minutes each to allow the moderator to gain a comprehensive understanding of each participant's individual situation and high cost credit journey.

Product assessment

Due to an anticipated gap between accurate recall and reality in terms of payment history and application process, participants were asked to have paperwork relating to their credit product on hand for the depth interviews. This included payment books for Home Collected Credit users and set up documents for RTO and Catalogue Credit/Store Card users, as well as online accounts where payments could be made and balances could be tracked. Although a number were unable to locate paperwork, this practice contributed to our overarching understanding of the engagement of high cost credit users with their usage and wider finances. The examination of online account and product websites also facilitated greater analysis of the product take up process and the repayment journey.

Discussion guide

This section of the report will examine the structure and use of the discussion guide. PwC Research created two initial discussion guides for the pilot workshop and depth interviews which were then amended, based on experience and client feedback, to form the final group and depth guides. The function of the discussion guide is to form the basis of the discussion ensuring both that all interviews are consistent in scope and structure and that all research objectives are covered in the conversation. Outside of this, the guide is adaptable to allow the moderator to tailor the flow of the discussion to each participant and probe further on any on any answers given that require further unpicking.

Although a single guide was produced for each methodology, there are individual sections within this for each form of high cost credit. As well as taking into account the differences in take up and journey for each product, this allowed us to examine the individual objectives for each section, with focused questions on refinancing for HHC users, insurance for RTO users and credit limit changes for Catalogue Credit / Store Cards users.

In terms of stimulus, sort cards were used as a warm up task for the in depth interviews. This facilitated discussion on credit products used by suggesting types of credit to the participant that they may not have considered forms of borrowing, such as pawn shops and borrowing money from family and friends. The use of sort cards combatted any preconceptions on what constitutes a credit product and ensured that all options were presented to the participant before they confirmed their level of familiarity with credit.

The discussion guides and stimulus can be viewed below:

Pilot workshop guide

Discussion Plan – Pilot workshop (2.5 hours)

Project: FCA HCC Research

Discussion Plan Overview: 60 mins		
Introduction and warm up	Purpose of section: To explain purpose of research, introduce PwC Research and participants, and put participants at ease	10 mins
General credit use	Purpose of section: To get participants thinking about the different types of credit they use	30 mins
Specific credit use	Purpose of section: To explore background to recent usage of the relevant credit product (home-collected credit, rent-to-own or retail running accounts)	50 mins
COMFORT BREAK: 10 MINUTES		
Credit product mapping	Purpose of section: To consolidate understanding of views on the 3 main high cost credit products	15 mins
Improving the market	Purpose of section: To explore what customers think could be improved about these credit products to avoid consumer detriment and over indebtedness	25 mins
Summary/vox pops and close	Purpose of section: To summarise the key points from discussions and capture vox pops where possible	10 mins

OVERARCHING RESEARCH OBJECTIVES

- To understand what drives usage of high cost credit (RTO, HCC and RRC)
- To explore levels of consumer awareness and understanding of the various forms of high cost credit and the resulting impact of and/or potential detriment caused by their usage

STIMULUS

- Task books
- Sort cards with various types of credit
- Flipcharts

KEY

Note to moderator: All text in bold are key questions to focus on

MODERATOR INSTRUCTIONS

STIMULUS see appendix I for a full list of stimulus

Introduction/ warm up	Purpose of section: To explain purpose of research, introduce PwC Research and participants, and put participants at ease	10 mins
<ul style="list-style-type: none"> • Explanation of purpose and operation of the session; <ul style="list-style-type: none"> • Introduce self, PwC Research – who, what we are • Topic of discussion – We are here to talk about money and the different types of 		

- borrowing you may or may not have used
 - Purely research – no selling, no right/wrong answers, all opinions valid, importance of honesty
 - Confidentiality of personal details
 - Audio/video recording – why, uses and permission
 - Reminder of confidential nature of research – not interested in account numbers, balances, PINs. Reassure re anonymity of what is discussed in the group
- Any questions, concerns?
- A little bit about themselves
 - Name
 - Age
 - Home/living situation
 - Working situation
 - What one word would you use to describe how you are with your money? *Provide examples such as organised, impulsive, worrier, carefree,*

General credit use	Purpose of section: To get participants thinking about the different types of credit they use	30 mins
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MODERATOR TO EXPLAIN THAT WE WILL START BY DISCUSSING THE DIFFERENT TYPES OF BORROWING THEY MAY HAVE USED. PARTICIPANTS TO COMPLETE **TASK 1 OF THE TASKBOOK** WHICH SETS OUT THE DIFFERENT TYPES OF CREDIT AND SOME SPECIFIC QUESTIONS ABOUT EACH

- First of all, I'd like you to fill in a quick exercise about some of the different types of financial products you have or might have had in the past *NB: Task book will list out different forms of credit and ask them to detail their reasons for using and rate;*
 - *Their overall satisfaction*
 - *How satisfied they are that they got a good deal*
- Discuss as a group which types of credit they currently hold or have held in the past, satisfaction levels and reasons for this
- What types of borrowing are you aware of but haven't/wouldn't use? Why is that?
*Spontaneous then lay out **sort cards***

MODERATOR TO CHOOSE 4 TYPES OF CREDIT USED (IDEALLY HCC, RTO, RRC AND BANK LOAN) AND WRITE THEM ON FLIPCHARTS, ONE PER SHEET

- Thinking about each of these types of credit, what would you say are the pros and cons of using them? *Moderator to note **responses on a flipchart***
- Would you recommend this type of credit to a friend? Why/why not?

*NB to moderator – need to be mindful not to spend too much time on the ones which are not the focus for that table. However, this is a good opportunity to light touch some of the key questions that need answering about the other products that are **not** the focus for the table. These questions are;*

Home-collected credit

- What was the reason for using this type of credit?
- How would you describe this type of credit?
- What impact do you think using this type of credit has had on your financial situation?

- Have you ever refinanced a loan e.g. taken out a new loan to pay off the last loan and borrow more money?
 - If so, how did this occur? *Explore whether it was instigated by customer or by agent*
 - How satisfied are you with your decision to refinance?
 - *Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)*

Rent-to-own

- What was the reason for using this type of credit?
- What do you understand about how this type of credit works (ability to return product within agreement period, total amount repayable vs standard RRP etc.)
- What impact do you think using this type of credit has had on your financial situation?
- Has anyone taken out any warranties or insurances on their products? Why/why not?
 - If so, how was it positioned to you? *Explore any evidence of pressure or encouragement from salesperson*
 - Has anyone used/claimed on their warranty/insurance?

Retail running credit

- What was the reason for using this type of credit?
 - Explore any perceived benefits
- What impact do you think using this type of credit has had on your financial situation?
- Who do you/did you have this with?
- How often are you using/did you use the card/account?
- How do you/did you pay it off – in full every month, in full most months, as much as I can/could each month or minimum payments only?

Specific credit usage (HCC, RTO or RRA)

Purpose of section: To explore background to recent usage of the relevant credit product (home-collected credit, rent-to-own or retail running accounts)

50 mins

MODERATOR TO EXPLAIN THAT WE ARE NOW GOING TO FOCUS MAINLY ON [RELEVANT CREDIT PRODUCT] FOR THE REST OF THIS SESSION
IF THERE IS TIME IN THIS SECTION, MODERATOR TO TOUCH ON ONE OF THE OTHER TWO CREDIT PRODUCTS

Home-collected credit

- How would you describe this type of credit? How would you describe how it works?
- How did you first find out about this type of credit? *Explore what they were told*
 - When did you first start using it?
 - What attracted you to it in the first instance?
- Which company or companies have you taken loans out with? Why these companies?
- How many times have you taken out a loan?
- Thinking about the loan you are paying off at the moment/took out most recently;
 - What was the reason for taking out the loan in the first place? And is this what you ended up using the money for? *Explore purpose of loan and any change*

- What other options did you consider at the time (including not using any credit/borrowing, borrowing from friends/family, borrowing less, using an alternative lender e.g. credit union)? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*
- How far did you look into other ways of paying for this?
- Did you consider not taking the loan? *Explore what impact this would have had*
- Why did you decide to use this way of paying?
- How did you decide how much to borrow and over how long? *Explore role of agent*
- Purchase 'process'
 - How did you take out the loan? What was the process?
 - Probe around what the collection agent told them at the time?
- Intentions after first loan;
 - What were your intentions when you took out your first loan? How far did/do you see it as a one-off loan vs. something you would maybe use again vs. something you would definitely use frequently?
- Repayments
 - How have you found making the repayments? Any difficulties? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - How far did your financial situation change during the course of the loan?
 - How was this dealt with by the company? Difficulties resolved?
- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company and from agent*
- Refinancing;
 - Have you ever refinanced a loan e.g. taken out a new loan to pay off an earlier loan? *Explore if they used it to borrow more money*
 - If so, how did this occur? Did you ask for this or was it suggested? Can you remember? *Explore whether it was instigated by customer or by agent*
 - *Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)*
 - How many times have you refinanced in the past?
 - How satisfied are you with your decision to refinance?

- How do you think your financial situation would be different if you hadn't used HCC?
 - Do things feel more or less manageable?
- Overall perceptions of HCC – *Participants to complete Task 2 of the taskbook about their overall perceptions. Questions to cover overall perceptions of HCC, whether they'd use again, whether they'd recommend it to a friend and whether they have any regrets*
 - Discuss answers as a group
 - What would you have done if you couldn't get a loan like this e.g. you were declined? What other options would you have?
- What impact do you think using this type of credit has had on your financial situation?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Rent-to-own

- (If not already covered) How would you describe this type of credit?
- How did you first find out about this type of credit? *Explore what they were told*
 - What attracted you to it in the first instance?
 - Before you actually bought anything, what were your perceptions of this way of buying products? *Explore perceptions of the cost in terms of the goods, credit, add-ons, installation*
- Which company or companies have you used? Why these companies?
- How many times have you used them before? What have you used them to buy?
- Thinking about the most recent product you have bought and are paying off at the moment/have recently paid off;
 - What product did you buy? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?
 - How far was this a planned purchase vs something more spontaneous?
 - How did you shop for this product? Where did you look?
 - What other options did you consider at the time? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*
 - How far did you look into other ways of getting this product?
 - Why did you decide to use this type of credit?
- Sales process;
 - *Explore sales process* – was this online or in-store? What can you recall about the process?
 - How far did you change your plans about what to buy and what to spend once you

- were in-store/online?
- How did you decide how much to spend and over how long? *Explore role of salesperson*
- How easy was it to understand how much it would cost?
- Warranties/insurances on the products
 - Has anyone taken out any warranties or insurances on their products? Why/why not? Was this something sold to you at the time of purchase (or something you bought afterwards?)
 - How was it positioned to you by the salesperson? *Explore any evidence of pressure or encouragement from salesperson*
 - *How do you feel about this?*
 - Has anyone used/claimed on their warranty/insurance? *Explore experiences*
- Repayments
 - How have you found making the repayments? How does this work? Any difficulties with the payments/system of payment? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - Have you ever had any instances where you have stopped paying for the product (either because you wanted to or you had to)? Why was this? How did you cope without the product?
 - Have you ever incurred any late payment fees/charges? If so, how did you feel about this? How did you cover this? Any issues paying the charges?
 - How far did your financial situation change during the course of the agreement?
 - How was this dealt with by the company? Difficulties resolved?
 - *For those who've reached the end of a repayment term: what did you do then e.g. keep item, get an upgrade, take out another agreement?*
- Intentions after first time of using;
 - What were your intentions after the first time of using them? How far did/do you see it as a one-off vs. something you would maybe use again in the future vs. something you would definitely use again?
- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company in general and from salesperson*
 - What do you think about the price you paid? *Probe around total amount repayable as well as cost per week/month*
 - How far do you think you got a 'good deal'? Why do you say that?

- Overall perceptions of RTO – *Participants to complete Task 2 of the taskbook about their overall perceptions. Questions to cover overall perceptions of RTO, whether they'd use again, whether they'd recommend it to a friend and whether they have any regrets*
 - Discuss answers as a group
 - What would you have done if you weren't able to use this type of credit e.g. you were declined? What other options would you have?
- What impact do you think using this type of credit has had on your financial situation?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Retail running credit

- (If not already covered) How would you describe this type of credit? How does it work?
- How did you first find out about this type of credit? *Explore what they were told*
 - When did you first start using it?
 - What attracted you to it in the first instance?
 - e.g. promotional rates/offers (explore recall and detail of these)
 - Before you actually bought anything, what were your perceptions of this way of buying products?
 - How did you learn about the features of this type of credit?
- What came first, the product or the provider (e.g. I wanted a new TV/clothing item vs. I wanted a Debenhams store card)?
 - If product – what shopping around, if any, did you do? What were you comparing? If none, why not?
 - If provider – how did you plan to use the card going forward?

Usage

- With which provider(s) do you have this type of credit with?
 - Where, when, how did you take it out?
 - Online or in-store?
 - How many do you currently hold?
 - How many of these are 'active'? How often are they being used?
 - How long have you been using this type of credit?
 - Are there time when you use it more/less? What is the reason for this?
 - What do you think about when deciding whether to use store credit vs. make an upfront purchase?
- Thinking about the most recent (in store or online) retail account you have taken out;
 - What product did you buy with this when you first took it out? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?

- How far was this a planned purchase vs something more spontaneous?
- What other options did you consider at the time (in terms of making a purchase)?
What options did you think you had? Anything you ruled out (and why?) *Spontaneous then use sort cards to stimulate thoughts*
- How far did you look into other ways of getting this product?
- Why did you decide to use this type of credit? What factors did you look into/were important to you (e.g. introductory rate/discount, offer/rewards, interest rate, ease of takeout etc.)?

Repayment

- How do you repay your retail running account(s) (e.g. during interest free period, in full every month, minimum payments etc.)?
 - Why?
 - How, if at all, does this differ for different accounts you have?
- What determines how you repay your account(s)?
 - How, if at all, does this ever change? Is how you repay different to how you originally planned?
- For those not repaying in full every/most months, explore reasons for/barriers to this (is this a worry/concern?)
- What difficulties do you ever have meeting your repayments? What impact does this have? Do you ever miss payments? Do you ever miss other payments (e.g. rent, bills etc.) as a result? What do you do in these situations? Have you/would you tell the provider? What did they do/would you expect them to do? How helpful was this?

Credit limit charges

- How do you feel about the level of credit available to you on your account(s)?
 - Was this more/less than expected? What impact has this had on how you have used your card?
 - Has your credit limit changed since first taking out the account? Has this gone up/down? Who initiated this? How were you notified? What impact, if any, did this have on how you have used your card/account? What are your views on this (welcome vs. unwanted/too tempting)?

Long term use

- How, if at all, has your financial situation changed since using online/in store retail credit account(s)?
 - How has your use of online/in store retail credit affected this?
- How has your use of your account(s) changed over time?
- Do you feel that the level of credit you currently owe is at a manageable level? If not, why not? What do you feel has caused this?
- What are your plans for your account(s) going forward (e.g. try to clear outstanding balance vs. continue using)?
- Overall perceptions of RRC – Participants to complete *Task 2 of the taskbook* about their overall perceptions. Questions to cover overall perceptions of RRC, whether they'd use again,

whether they'd recommend it to a friend and whether they have any regrets

- Discuss answers as a group
 - What would you have done if you weren't able to use this type of credit e.g. you were declined? What other options would you have?
- What impact do you think using this type of credit has had on your financial situation?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

COMFORT BREAK: 10 MINUTES

Credit product mapping	Purpose of section: To consolidate understanding of views on the 3 main high cost credit products	15 mins
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MODERATOR TO EXPLAIN THAT WE WANT TO DO A CREATIVE EXERCISE NOW TO GET A DEEPER UNDERSTANDING OF WHAT YOU THINK OF THE DIFFERENT TYPES OF CREDIT AVAILABLE TO YOU. MODERATOR TO SHOW A3 BOARD WITH PARTY LAYOUT

- I want you to imagine you are holding a party and you've invited some people along. *Moderator to talk through the party layout showing participants the different areas of the party e.g. bar, dance floor, toilets, quiet area*
- The doorbell rings and your first guest arrives. It's **[choose brand we have been discussing this evening e.g. Provident, Brighthouse, etc.]**
- What does X look like? *Explore age, gender, clothing*
- What are they wearing?
- What are they doing at the party? Where would they be standing? Who would they be talking to?
- Describe their personality

Moderator to choose a number of brands discussed earlier. Ideally choose one brand for each credit type. Can choose two brands who offer the same type of credit if differences are apparent in earlier discussions. Purpose of this exercise is to identify any wider issues in this market and consolidate our understanding from earlier discussions

Improving the market	Purpose of section: To explore what customers think could be improved about these credit products to avoid consumer detriment and over indebtedness	25 mins
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MODERATOR TO EXPLAIN THAT WE WOULD NOW LIKE TO LOOK AT WHAT COULD BE DONE TO IMPROVE THE PRODUCTS AND CUSTOMER EXPERIENCES TO ENSURE THAT CUSTOMERS AREN'T PUT IN UNNECESSARILY DIFFICULT FINANCIAL SITUATIONS

*Group to be split into 2 teams. Each team to complete **Task 3 of the task book** which asks them to note down what they see as the main problems with the relevant credit product and what they would do to deal with this if they worked for the FCA. Participants will be told that they need to think beyond reducing*

interest rates.

*Each team will be given 10 minutes to do the task and then each will be asked to **present back their ideas** to the group or, if time permits, to the other tables*

Moderator to capture these ideas on video

Summary, vox pops and close	Purpose of section: To summarise the key points and capture vox pops where possible	10 mins
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Discussion Plan Overview: 60 mins

- Ask respondents to individually summarise their key takeouts.
 - What are their key concerns about RTO/HCC/RRC?
 - What would they do if they were in charge of regulating these industries?
- Invite any final comments

Lead moderator to thank everyone for coming along and sharing their thoughts and experiences

Pilot depth interview guide

Discussion Plan – DEPTHS (60 mins)

Project: FCA HCC Research

Introduction and warm up	Purpose of section: To put the respondent at ease and introduce the research	5 mins
General finances	Purpose of section: To gain an understanding of the participant's broader financial situation: sources of income, outgoings, ability to meet financial obligations etc.	10 mins
Types of credit	Purpose of section: To understand which credit products they are currently using and why, as well as other alternatives they have considered	10 mins
Journey with current product (RTO/HCC/RCC)	Purpose of section: To explore how the participant went about acquiring their credit product and how they use and manage it NOTE Questions specific to type of credit (RTO/HCC/RRA)	20 mins
Review of paperwork	Purpose of section: To gauge the participant's understanding of their credit product and how they are coping with repayments	10 mins
Summary and close	Purpose of section: : To summarise the session and gain an overview of participant's final thoughts on credit and their situation	5 mins

OVERARCHING RESEARCH OBJECTIVES

- To understand what drives usage of high cost credit (RTO, HCC and RRC)
- To explore levels of consumer awareness and understanding of the various forms of high cost credit and the resulting impact of and/or potential detriment caused by their usage
- To understand the journey undertaken by customers

STIMULUS

- **Sort cards with various types of credit**
- **Journey map**
- **Product paperwork provided by participant**

KEYNote to moderator: All text in bold are key questions to focus on

MODERATOR INSTRUCTIONS

STIMULUS see appendix I for a full list of stimulus

Introduction/ warm up	Purpose of section: To explain purpose of research, introduce PwC Research and put participant at ease	5 mins
<ul style="list-style-type: none"> • Explanation of purpose and operation of the session; <ul style="list-style-type: none"> • Introduce self, PwC Research – who, what we are • Topic of discussion – To discuss finances and credit options in particular • Purely research – no selling, no right/wrong answers, all opinions valid, importance of honesty • Confidentiality of personal details • Audio/video recording – why, uses and permission • Reminder of confidential nature of research – not interested in account numbers, balances, PINs. Reassure re anonymity • Any questions, concerns? • A little bit about themselves <ul style="list-style-type: none"> • Name • Age • Home/living situation • Work situation 		
General finances	Purpose of section: To gain an understanding of the participant's broader financial situation: sources of income, outgoings, ability to meet financial obligations etc.	10 mins
<p>MODERATOR TO EXPLAIN THAT WE WILL NOW MOVE ON TO DISCUSS THEIR GENERAL FINANCIAL SITUATION</p>		
<ul style="list-style-type: none"> • Please can you start by telling me a little bit about your financial situation in general. (Probe around income, coping etc.) • Do you feel positive about your finances at the minute? • How would you describe your confidence in managing your finances? • How you tend to manage your finances? <ul style="list-style-type: none"> ○ Week to week vs. month to month? ○ How easy or difficult do you find this? ○ How 'comfortable' are you at the end of the week/month (e.g. money left over vs. struggling to make ends meet)? • What are your current financial priorities? • What kind of financial products do you currently hold? • What kind of methods do you use to manage your finances? • Have you ever used credit to supplement your income? 		

Types of credit	Purpose of section: To understand which credit products they are currently using and why, as well as other alternatives they have considered	10 mins
<p>MODERATOR TO EXPLAIN THAT WE WILL NOW MOVE ON TO THINKING SPECIFICALLY ABOUT CREDIT OPTIONS</p>		
<p>STIMULUS Sort cards</p> <ul style="list-style-type: none"> • Which credit products have you considered using in the past? • And are there any that you have previously, or are currently, using? • What do you think are the main pros and cons of using this type of credit product? 		
<p>Moderator to lay out sort cards</p> <ul style="list-style-type: none"> • Are there any others here that you have used? 		
<p>MODERATOR TO FOCUS ON ONE OR TWO CHOSEN OPTIONS</p> <ul style="list-style-type: none"> ○ Which provider was your product with? ○ What were you intending to use the money for? ○ Why did you choose this type of credit? ○ Are there any options here that you would never consider using? ○ Are there any options you think that you could not have? Why is this? <p><i>NB to moderator – need to be mindful not to spend too much time on the ones which are not the focus for the interview. However, this is a good opportunity to light touch some of the key questions that need answering about the other products that are not the focus for the interview. These questions are;</i></p>		
<p>Home-collected credit</p> <ul style="list-style-type: none"> • What was the reason for using this type of credit? • How would you describe this type of credit? • What impact do you think using this type of credit has had on your financial situation? • Have you ever refinanced a loan e.g. taken out a new loan to pay off the last loan and borrow more money? <ul style="list-style-type: none"> ○ If so, how did this occur? <i>Explore whether it was instigated by customer or by agent</i> ○ How satisfied are you with your decision to refinance? ○ <i>Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)</i> 		
<p>Rent-to-own</p> <ul style="list-style-type: none"> • What was the reason for using this type of credit? • What do you understand about how this type of credit works (ability to return product within agreement period, total amount repayable vs standard RRP etc.) • What impact do you think using this type of credit has had on your financial situation? • Has anyone taken out any warranties or insurances on their products? Why/why not? <ul style="list-style-type: none"> ○ If so, how was it positioned to you? <i>Explore any evidence of pressure or</i> 		

encouragement from salesperson

- Has anyone used/claimed on their warranty/insurance?

Retail running credit

- What was the reason for using this type of credit?
 - Explore any perceived benefits
- What impact do you think using this type of credit has had on your financial situation?
- Who do you/did you have this with?
- How often are you using/did you use the card/account?
- How do you/did you pay it off – in full every month, in full most months, as much as I can/could each month or minimum payments only?

Journey with current product	Purpose of section: To explore how the participant went about acquiring their credit product and how they use and manage it. NOTE Questions specific to type of credit (RTO/HCC/RRC)	20 mins
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MODERATOR TO EXPLAIN THAT WE WOULD NOW LIKE TO DISCUSS THEIR JOURNEY IN TAKING OUT ONE SPECIFIC CREDIT OPTION (RTO/HCC/RRA)

STIMULUS Journey map

- Can you tell me a bit about your financial situation around the time you decided to take out this (RTO/HCC/RRA) credit? What triggered you to apply for credit?
- Before deciding on this specific product, can you talk me through all the options available to you?
 - What kind of research was done?
 - What other options were considered?
 - Did you feel that you had many alternatives?
 - Why did you decide on this specific product in the end? (Probe on perceived key benefits)
- Before we talk about the product in more detail, how satisfied are you (0-10) with the product? How satisfied are you that you got a good deal?

Rent to Own

- How would you describe this type of credit?
- How did you first find out about this type of credit? *Explore what they were told and plot journey on journey map throughout the discussion*
 - What attracted you to it in the first instance?
 - Before you actually bought anything, what were your perceptions of this way of buying products? *Explore perceptions of the cost in terms of the goods, credit, add-ons, installation*
- Which company or companies have you used? Why these companies?
- How many times have you used them before? What have you used them to buy?
- Thinking about the most recent product you have bought and are paying off at the moment/have recently paid off;
 - What product did you buy? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?
 - How far was this a planned purchase vs something more spontaneous?

- How did you shop for this product? Where did you look?
- What other options did you consider at the time? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*
- How far did you look into other ways of getting this product?
- Why did you decide to use this type of credit?

- Sales process;
 - *Explore sales process* – was this online or in-store? What can you recall about the process?
 - How far did you change your plans about what to buy and what to spend once you were in-store/online?
 - How did you decide how much to spend and over how long? *Explore role of salesperson*
 - How easy was it to understand how much it would cost?

- Warranties/insurances on the products
 - Have you ever taken out any warranties or insurances on your products? Why/why not? Was this something sold to you at the time of purchase (or something you bought afterwards?)
 - How was it positioned to you by the salesperson? *Explore any evidence of pressure or encouragement from salesperson*
 - *How do you feel about this?*
 - Has anyone used/claimed on their warranty/insurance? *Explore experiences*

- Repayments
 - How have you found making the repayments? How does this work? Any difficulties with the payments/system of payment? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - Have you ever had any instances where you have stopped paying for the product (either because you wanted to or you had to)? Why was this? How did you cope without the product?
 - Have you ever incurred any late payment fees/charges? If so, how did you feel about this? How did you cover this? Any issues paying the charges?
 - How far did your financial situation change during the course of the agreement?
 - How was this dealt with by the company? Difficulties resolved?
 - *For those who've reached the end of a repayment term:* what did you do then e.g. keep item, get an upgrade, take out another agreement?

- Intentions after first time of using;
 - What were your intentions after the first time of using them? How far did/do you see it as a one-off vs. something you would maybe use again in the future vs. something you would definitely use again?

- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company in general and from salesperson*
 - What do you think about the price you paid? *Probe around total amount repayable as well as cost per week/month*
 - How far do you think you got a 'good deal'? Why do you say that?
- Overall perceptions of RTO
 - What are your overall thoughts on RTO?
 - What impact do you think using this type of credit has had on your financial situation?
 - What would you have done if you weren't able to use this type of credit e.g. you were declined? What other options would you have?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Home Collected Credit

- How would you describe this type of credit? How would you describe how it works?
- How did you first find out about this type of credit? *Explore what they were told and plot journey on journey map throughout the discussion*
 - When did you first start using it?
 - What attracted you to it in the first instance?
- Which company or companies have you taken loans out with? Why these companies?
- How many times have you taken out a loan?
- Thinking about the loan you are paying off at the moment/took out most recently;
 - What was the reason for taking out the loan in the first place? And is this what you ended up using the money for? *Explore purpose of loan and any change*
 - What other options did you consider at the time (including not using any credit/borrowing, borrowing from friends/family, borrowing less, using an alternative lender e.g. credit union)? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*
 - How far did you look into other ways of paying for this?
 - Did you consider not taking the loan? *Explore what impact this would have had*
 - Why did you decide to use this way of paying?
 - How did you decide how much to borrow and over how long? *Explore role of agent*
- Purchase 'process'
 - How did you take out the loan? What was the process?
 - Probe around what the collection agent told them at the time?

- Intentions after first loan;
 - What were your intentions when you took out your first loan? How far did/do you see it as a one-off loan vs. something you would maybe use again vs. something you would definitely use frequently?

- Repayments
 - How have you found making the repayments? Any difficulties? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - How far did your financial situation change during the course of the loan?
 - How was this dealt with by the company? Difficulties resolved?

- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company and from agent*

- Refinancing;
 - Have you ever refinanced a loan e.g. taken out a new loan to pay off an earlier loan? *Explore if they used it to borrow more money*
 - If so, how did this occur? Did you ask for this or was it suggested? Can you remember? *Explore whether it was instigated by customer or by agent*
 - *Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)*
 - How many times have you refinanced in the past?
 - How satisfied are you with your decision to refinance?

- How do you think your financial situation would be different if you hadn't used HCC?
 - Do things feel more or less manageable?

- Overall perceptions of HCC
 - What are your overall thoughts on HCC?
 - What impact do you think using this type of credit has had on your financial situation?
 - What would you have done if you couldn't get a loan like this e.g. you were declined? What other options would you have?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Retail Running Credit

- (If not already covered) How would you describe this type of credit? How does it work?

- How did you first find out about this type of credit? *Explore what they were told and plot journey on journey map throughout the discussion*
 - When did you first start using it?
 - What attracted you to it in the first instance?
 - e.g. promotional rates/offers (explore recall and detail of these)
 - Before you actually bought anything, what were your perceptions of this way of buying products?
 - How did you learn about the features of this type of credit?
- What came first, the product or the provider (e.g. I wanted a new TV/clotting item vs. I wanted a Debenhams store card)?
 - If product – what shopping around, if any, did you do? What were you comparing? If none, why not?
 - If provider – how did you plan to use the card going forward?

Usage

- With which provider(s) do you have this type of credit with?
 - Where, when, how did you take it out?
 - Online or in-store?
 - How many do you currently hold?
 - How many of these are 'active'? How often are they being used?
 - How long have you been using this type of credit?
 - Are there time when you use it more/less? What is the reason for this?
 - What do you think about when deciding whether to use store credit vs. make an upfront purchase?
- Thinking about the most recent (in store or online) retail account you have taken out;
 - What product did you buy with this when you first took it out? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?
 - How far was this a planned purchase vs something more spontaneous?
 - What other options did you consider at the time (in terms of making a purchase)? What options did you think you had? Anything you ruled out (and why?) *Spontaneous then use sort cards to stimulate thoughts*
 - How far did you look into other ways of getting this product?
 - Why did you decide to use this type of credit? What factors did you look into/were important to you (e.g. introductory rate/discount, offer/rewards, interest rate, ease of takeout etc.)?

Repayment

- How do you repay your retail running account(s) (e.g. during interest free period, in full every month, minimum payments etc.)?

- Why?
- How, if at all, does this differ for different accounts you have?
- What determines how you repay your account(s)?
 - How, if at all, does this ever change? Is how you repay different to how you originally planned?
- For those not repaying in full every/most months, explore reasons for/barriers to this (is this a worry/concern?)
- What difficulties do you ever have meeting your repayments? What impact does this have? Do you ever miss payments? Do you ever miss other payments (e.g. rent, bills etc.) as a result? What do you do in these situations? Have you/would you tell the provider? What did they do/would you expect them to do? How helpful was this?

Credit limit charges

- How do you feel about the level of credit available to you on your account(s)?
 - Was this more/less than expected? What impact has this had on how you have used your card?
 - Has your credit limit changed since first taking out the account? Has this gone up/down? Who initiated this? How were you notified? What impact, if any, did this have on how you have used your card/account? What are your views on this (welcome vs. unwanted/too tempting)?

Long term use

- How, if at all, has your financial situation changed since using online/in store retail credit account(s)?
 - How has your use of online/in store retail credit affected this?
- How has your use of your account(s) changed over time?
- Do you feel that the level of credit you currently owe is at a manageable level? If not, why not? What do you feel has caused this?
- What are your plans for your account(s) going forward (e.g. try to clear outstanding balance vs. continue using)?
- What would you do if you no longer had access to this form of credit?
- What are your overall thoughts on this type of credit? Would you recommend it to a friend?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Review of paperwork

Purpose of section: To gauge the participant's understanding of their credit product and how they are coping with repayments

10 mins

MODERATOR TO EXPLAIN THAT WE WOULD NOW LIKE TO TAKE A LOOK AT THEIR FINANCIAL DOCUMENTATION, MAKING IT CLEAR THAT WE ARE NOT INTERESTED IN BALANCES OR PASSWORDS

STIMULUS Financial documents provided by participant

- Looking at the paperwork, can you tell me a bit about what you have currently repaid so far?
- What payments are you currently making?
- Is this more or less than you thought you were paying?
- Is this more than you expected to pay when you took out the product?

- How surprised are you by this?
- Does this change your view on whether you will use credit in the future?
- Do you feel that you have many other options to manage your finances aside from continuing with this credit?
- What other options do you think you might consider?

Summary and close

Purpose of section: To summarise the session and gain an overview of participant's final thoughts on credit and their situation

5 mins

MODERATOR TO SUMMARISE THE SESSION BY

- To summarise, how satisfied would you say you are overall with the credit products that you currently have?
- What kind of an effect do you feel that using RTO/HCC/RRC has had on your financial situation?
- Do you think you will continue to use this credit option? Why/why not.
- If you could go back to when you first took out the RTO/HCC/RRC, would you still decide to do it?
- What do you think that credit providers could be doing differently to help people who are struggling with their finances?

Thank and close

Final focus group guide

Discussion Plan – Focus groups (1.5 hours)

Project: FCA HCC Research

Discussion Plan Overview: 60 mins		
Introduction and warm up	Purpose of section: To explain purpose of research, introduce PwC Research and participants, and put participants at ease	10 mins
General credit use	Purpose of section: To get participants thinking about the different types of credit they use	20 mins
Specific credit use	Purpose of section: To explore background to recent usage of the relevant credit product (home-collected credit, rent-to-own or retail running accounts)	30 mins
Credit product mapping	Purpose of section: To consolidate understanding of views on the 3 main high cost credit products	10 mins
Improving the market	Purpose of section: To explore what customers think could be improved about these credit products to avoid consumer detriment and over indebtedness	15 mins
Summary/vox pops and close	Purpose of section: To summarise the key points from discussions and capture vox pops where possible	5 mins

OVERARCHING RESEARCH OBJECTIVES

- To understand what drives usage of high cost credit (RTO, HCC and RRC)
- To explore levels of consumer awareness and understanding of the various forms of high cost credit and the resulting impact of and/or potential detriment caused by their usage

STIMULUS

- **Task books**
- **Sort cards with various types of credit**
- **Flipcharts**

KEY

Note to moderator: All text in bold are key questions to focus on

MODERATOR INSTRUCTIONS

STIMULUS see appendix I for a full list of stimulus

Introduction/ warm up	Purpose of section: To explain purpose of research, introduce PwC Research and participants, and put participants at ease	10 mins
<ul style="list-style-type: none"> • Explanation of purpose and operation of the session; <ul style="list-style-type: none"> • Introduce self, PwC Research – who, what we are • Topic of discussion – We are here to talk about money and the different types of borrowing you may or may not have used • Purely research – no selling, no right/wrong answers, all opinions valid, importance of honesty • Confidentiality of personal details • Audio/video recording – why, uses and permission • Reminder of confidential nature of research – not interested in account numbers, balances, PINs. Reassure re anonymity of what is discussed in the group • Any questions, concerns? • A little bit about themselves <ul style="list-style-type: none"> • Name • Age • Home/living situation • Working situation • What one word would you use to describe how you are with your money? <i>Provide examples such as organised, impulsive, worrier, carefree,</i> 		
General credit use	Purpose of section: To get participants thinking about the different types of credit they use	20 mins
<p>MODERATOR TO EXPLAIN THAT WE WILL START BY DISCUSSING THE DIFFERENT TYPES OF BORROWING THEY MAY HAVE USED. PARTICIPANTS TO COMPLETE TASK 1 OF THE TASKBOOK WHICH SETS OUT THE DIFFERENT TYPES OF CREDIT AND SOME SPECIFIC QUESTIONS ABOUT EACH</p>		
<ul style="list-style-type: none"> • First of all, I'd like you to fill in a quick exercise about some of the different types of financial products you have or might have had in the past <i>NB: Task book will list out different forms of credit and ask them to detail their reasons for using and rate;</i> <ul style="list-style-type: none"> ○ <i>Their overall satisfaction</i> ○ <i>How satisfied they are that they got a good deal</i> • Discuss as a group which types of credit they currently hold or have held in the past, satisfaction levels and reasons for this • What types of borrowing are you aware of but haven't/wouldn't use? Why is that? <i>Spontaneous then lay out sort cards</i> <p>MODERATOR TO CHOOSE 4 TYPES OF CREDIT USED (IDEALLY HCC, RTO, RRC AND BANK LOAN) AND WRITE THEM ON FLIPCHARTS, ONE PER SHEET</p> <ul style="list-style-type: none"> • Thinking about each of these types of credit, what would you say are the pros and cons of using them? <i>Moderator to note responses on a flipchart</i> • Would you recommend this type of credit to a friend? Why/why not? 		

*NB to moderator – need to be mindful not to spend too much time on the ones which are not the focus for that table. However, this is a good opportunity to light touch some of the key questions that need answering about the other products that are **not** the focus for the table. These questions are;*

Home-collected credit

- What was the reason for using this type of credit?
- How would you describe this type of credit?
- What impact do you think using this type of credit has had on your financial situation?
- Have you ever refinanced a loan e.g. taken out a new loan to pay off the last loan and borrow more money?
 - If so, how did this occur? *Explore whether it was instigated by customer or by agent*
 - How satisfied are you with your decision to refinance?
 - *Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)*

Rent-to-own

- What was the reason for using this type of credit?
- What do you understand about how this type of credit works (ability to return product within agreement period, total amount repayable vs standard RRP etc.)
- What impact do you think using this type of credit has had on your financial situation?
- Has anyone taken out any warranties or insurances on their products? Why/why not?
 - If so, how was it positioned to you? *Explore any evidence of pressure or encouragement from salesperson*
 - Has anyone used/claimed on their warranty/insurance?

Retail running credit

- What was the reason for using this type of credit?
 - Explore any perceived benefits
- What impact do you think using this type of credit has had on your financial situation?
- Who do you/did you have this with?
- How often are you using/did you use the card/account?
- How do you/did you pay it off – in full every month, in full most months, as much as I can/could each month or minimum payments only?

Specific credit usage (HCC, RTO or RRA)	Purpose of section: To explore background to recent usage of the relevant credit product (home-collected credit, rent-to-own or retail running accounts)	30 mins
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MODERATOR TO EXPLAIN THAT WE ARE NOW GOING TO FOCUS MAINLY ON [RELEVANT CREDIT PRODUCT] FOR THE REST OF THIS SESSION
IF THERE IS TIME IN THIS SECTION, MODERATOR TO TOUCH ON ONE OF THE OTHER TWO CREDIT PRODUCTS

Home-collected credit

- How would you describe this type of credit? How would you describe how it works?
- How did you first find out about this type of credit? *Explore what they were told*

- When did you first start using it?
- What attracted you to it in the first instance?
- Which company or companies have you taken loans out with? Why these companies?
- How many times have you taken out a loan?
- Thinking about the loan you are paying off at the moment/took out most recently;
 - What was the reason for taking out the loan in the first place? And is this what you ended up using the money for? *Explore purpose of loan and any change*
 - What other options did you consider at the time (including not using any credit/borrowing, borrowing from friends/family, borrowing less, using an alternative lender e.g. credit union)? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*
 - How far did you look into other ways of paying for this?
 - Did you consider not taking the loan? *Explore what impact this would have had*
 - Why did you decide to use this way of paying?
 - How did you decide how much to borrow and over how long? *Explore role of agent*
- Purchase 'process'
 - How did you take out the loan? What was the process?
 - Probe around what the collection agent told them at the time?
- Intentions after first loan;
 - What were your intentions when you took out your first loan? How far did/do you see it as a one-off loan vs. something you would maybe use again vs. something you would definitely use frequently?
- Repayments
 - How have you found making the repayments? Any difficulties? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - How far did your financial situation change during the course of the loan?
 - How was this dealt with by the company? Difficulties resolved?
- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company and from agent*
- Refinancing;
 - Have you ever refinanced a loan e.g. taken out a new loan to pay off an earlier loan? *Explore if they used it to borrow more money*
 - If so, how did this occur? Did you ask for this or was it suggested? Can you

- remember? *Explore whether it was instigated by customer or by agent*
- *Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)*
 - How many times have you refinanced in the past?
 - How satisfied are you with your decision to refinance?
- How do you think your financial situation would be different if you hadn't used HCC?
 - Do things feel more or less manageable?
 - Overall perceptions of HCC – *Participants to complete **Task 2 of the taskbook** about their overall perceptions. Questions to cover overall perceptions of HCC, whether they'd use again, whether they'd recommend it to a friend and whether they have any regrets*
 - Discuss answers as a group
 - What would you have done if you couldn't get a loan like this e.g. you were declined? What other options would you have?
 - What impact do you think using this type of credit has had on your financial situation?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Rent-to-own

- (If not already covered) How would you describe this type of credit?
- How did you first find out about this type of credit? *Explore what they were told*
 - What attracted you to it in the first instance?
 - Before you actually bought anything, what were your perceptions of this way of buying products? *Explore perceptions of the cost in terms of the goods, credit, add-ons, installation*
- Which company or companies have you used? Why these companies?
- How many times have you used them before? What have you used them to buy?
- Thinking about the most recent product you have bought and are paying off at the moment/have recently paid off;
 - What product did you buy? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?
 - How far was this a planned purchase vs something more spontaneous?
 - How did you shop for this product? Where did you look?
 - What other options did you consider at the time? What options did you think you had? What did you rule out and why? *Spontaneous then **use sort cards** to stimulate thoughts*
 - How far did you look into other ways of getting this product?
 - Why did you decide to use this type of credit?

- Sales process;
 - *Explore sales process* – was this online or in-store? What can you recall about the process?
 - How far did you change your plans about what to buy and what to spend once you were in-store/online?
 - How did you decide how much to spend and over how long? *Explore role of salesperson*
 - How easy was it to understand how much it would cost?

- Warranties/insurances on the products
 - Has anyone taken out any warranties or insurances on their products? Why/why not? Was this something sold to you at the time of purchase (or something you bought afterwards?)
 - How was it positioned to you by the salesperson? *Explore any evidence of pressure or encouragement from salesperson*
 - *How do you feel about this?*
 - Has anyone used/claimed on their warranty/insurance? *Explore experiences*

- Repayments
 - How have you found making the repayments? How does this work? Any difficulties with the payments/system of payment? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - Have you ever had any instances where you have stopped paying for the product (either because you wanted to or you had to)? Why was this? How did you cope without the product?
 - Have you ever incurred any late payment fees/charges? If so, how did you feel about this? How did you cover this? Any issues paying the charges?
 - How far did your financial situation change during the course of the agreement?
 - How was this dealt with by the company? Difficulties resolved?
 - *For those who've reached the end of a repayment term:* what did you do then e.g. keep item, get an upgrade, take out another agreement?

- Intentions after first time of using;
 - What were your intentions after the first time of using them? How far did/do you see it as a one-off vs. something you would maybe use again in the future vs. something you would definitely use again?

- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company in general and from salesperson*
 - What do you think about the price you paid? *Probe around total amount repayable as*

well as cost per week/month

- How far do you think you got a 'good deal'? Why do you say that?
- Overall perceptions of RTO – *Participants to complete Task 2 of the taskbook about their overall perceptions. Questions to cover overall perceptions of RTO, whether they'd use again, whether they'd recommend it to a friend and whether they have any regrets*
 - Discuss answers as a group
 - What would you have done if you weren't able to use this type of credit e.g. you were declined? What other options would you have?
- What impact do you think using this type of credit has had on your financial situation?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Retail running credit

- (If not already covered) How would you describe this type of credit? How does it work?
- How did you first find out about this type of credit? *Explore what they were told*
 - When did you first start using it?
 - What attracted you to it in the first instance?
 - e.g. promotional rates/offers (explore recall and detail of these)
 - Before you actually bought anything, what were your perceptions of this way of buying products?
 - How did you learn about the features of this type of credit?
- What came first, the product or the provider (e.g. I wanted a new TV/clothing item vs. I wanted a Debenhams store card)?
 - If product – what shopping around, if any, did you do? What were you comparing? If none, why not?
 - If provider – how did you plan to use the card going forward?

Usage

- With which provider(s) do you have this type of credit with?
 - Where, when, how did you take it out?
 - Online or in-store?
 - How many do you currently hold?
 - How many of these are 'active'? How often are they being used?
 - How long have you been using this type of credit?
 - Are there time when you use it more/less? What is the reason for this?
 - What do you think about when deciding whether to use store credit vs. make an upfront purchase?
- Thinking about the most recent (in store or online) retail account you have taken out;

- What product did you buy with this when you first took it out? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?
- How far was this a planned purchase vs something more spontaneous?
- What other options did you consider at the time (in terms of making a purchase)? What options did you think you had? Anything you ruled out (and why?) *Spontaneous then use sort cards to stimulate thoughts*
- How far did you look into other ways of getting this product?
- Why did you decide to use this type of credit? What factors did you look into/were important to you (e.g. introductory rate/discount, offer/rewards, interest rate, ease of takeout etc.)?

Repayment

- How do you repay your retail running account(s) (e.g. during interest free period, in full every month, minimum payments etc.)?
 - Why?
 - How, if at all, does this differ for different accounts you have?
- What determines how you repay your account(s)?
 - How, if at all, does this ever change? Is how you repay different to how you originally planned?
- For those not repaying in full every/most months, explore reasons for/barriers to this (is this a worry/concern?)
- What difficulties do you ever have meeting your repayments? What impact does this have? Do you ever miss payments? Do you ever miss other payments (e.g. rent, bills etc.) as a result? What do you do in these situations? Have you/would you tell the provider? What did they do/would you expect them to do? How helpful was this?

Credit limit charges

- How do you feel about the level of credit available to you on your account(s)?
 - Was this more/less than expected? What impact has this had on how you have used your card?
 - Has your credit limit changed since first taking out the account? Has this gone up/down? Who initiated this? How were you notified? What impact, if any, did this have on how you have used your card/account? What are your views on this (welcome vs. unwanted/too tempting)?

Long term use

- How, if at all, has your financial situation changed since using online/in store retail credit account(s)?
 - How has your use of online/in store retail credit affected this?
- How has your use of your account(s) changed over time?
- Do you feel that the level of credit you currently owe is at a manageable level? If not, why not? What do you feel has caused this?
- What are your plans for your account(s) going forward (e.g. try to clear outstanding balance vs. continue using)?

- Overall perceptions of RRC – *Participants to complete **Task 2 of the taskbook** about their overall perceptions. Questions to cover overall perceptions of RRC, whether they'd use again, whether they'd recommend it to a friend and whether they have any regrets*
 - Discuss answers as a group
 - What would you have done if you weren't able to use this type of credit e.g. you were declined? What other options would you have?
- What impact do you think using this type of credit has had on your financial situation?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Credit mapping	product	Purpose of section: To consolidate understanding of views on the 3 main high cost credit products	10 mins
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MODERATOR TO EXPLAIN THAT WE WANT TO DO A CREATIVE EXERCISE NOW TO GET A DEEPER UNDERSTANDING OF WHAT YOU THINK OF THE DIFFERENT TYPES OF CREDIT AVAILABLE TO YOU. MODERATOR TO SHOW A3 BOARD WITH PARTY LAYOUT

- I want you to imagine you are holding a party and you've invited some people along. *Moderator to talk through the party layout showing participants the different areas of the party e.g. bar, dance floor, toilets, quiet area*
- The doorbell rings and your first guest arrives. It's **[choose brand we have been discussing this evening e.g. Provident, Brighthouse, etc.]**
- What does X look like? *Explore age, gender, clothing*
- What are they wearing?
- What are they doing at the party? Where would they be standing? Who would they be talking to?
- Describe their personality

Moderator to choose a number of brands discussed earlier. Ideally choose one brand for each credit type. Can choose two brands who offer the same type of credit if differences are apparent in earlier discussions. Purpose of this exercise is to identify any wider issues in this market and consolidate our understanding from earlier discussions

Improving the market	Purpose of section: To explore what customers think could be improved about these credit products to avoid consumer detriment and over indebtedness	15 mins
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MODERATOR TO EXPLAIN THAT WE WOULD NOW LIKE TO LOOK AT WHAT COULD BE DONE TO IMPROVE THE PRODUCTS AND CUSTOMER EXPERIENCES TO ENSURE THAT CUSTOMERS AREN'T PUT IN UNNECESSARILY DIFFICULT FINANCIAL SITUATIONS

*Group to be split into 2 teams. Each team to complete **Task 3 of the task book** which asks them to note down what they see as the main problems with the relevant credit product and what they would do to deal with this if they worked for the FCA. Participants will be told that they need to think beyond reducing interest rates.*

*Each team will be given 10 minutes to do the task and then each will be asked to **present back their ideas** to the group or, if time permits, to the other tables*

<i>Moderator to capture these ideas on video</i>		
Summary, vox pops and close	Purpose of section: To summarise the key points and capture vox pops where possible	5 mins
<ul style="list-style-type: none">• Ask respondents to individually summarise they're key takeouts:<ul style="list-style-type: none">○ What are their key concerns about RTO/HCC/RRC?○ What would they do if they were in charge of regulating these industries?• Invite any final comments		
Thank and close		

Final depth guide

Discussion Plan – DEPTHS (60 minutes)

Project: FCA HCC Research

Discussion Plan Overview: 60 mins		
Introduction and warm up	Purpose of section: To put the respondent at ease and introduce the research	5 mins
General finances	Purpose of section: To gain an understanding of the participant's broader financial situation: sources of income, outgoings, ability to meet financial obligations etc.	10 mins
Types of credit	Purpose of section: To understand which credit products they are currently using and why, as well as other alternatives they have considered	10 mins
Journey with current product (RTO/HCC/RCC)	Purpose of section: To explore how the participant went about acquiring their credit product and how they use and manage it NOTE Questions specific to type of credit (RTO/HCC/RRA)	20 mins
Review of paperwork	Purpose of section: To gauge the participant's understanding of their credit product and how they are coping with repayments	10 mins
Summary and close	Purpose of section: : To summarise the session and gain an overview of participant's final thoughts on credit and their situation	5 mins

OVERARCHING RESEARCH OBJECTIVES

- To understand what drives usage of high cost credit (RTO, HCC and RRC)
- To explore levels of consumer awareness and understanding of the various forms of high cost credit and the resulting impact of and/or potential detriment caused by their usage
- To understand the journey undertaken by customers

STIMULUS

- **Sort cards with various types of credit**
- **Journey map**
- **Product paperwork provided by participant**

KEY

Note to moderator: All text in bold are key questions to focus on MODERATOR INSTRUCTIONS

STIMULUS see appendix I for a full list of stimulus

Introduction/ warm up	Purpose of section: To explain purpose of research, introduce PwC Research and put participant at ease	5 mins
<ul style="list-style-type: none"> • Explanation of purpose and operation of the session; <ul style="list-style-type: none"> • Introduce self, PwC Research – who, what we are • Topic of discussion – To discuss finances and credit options in particular • Purely research – no selling, no right/wrong answers, all opinions valid, importance of honesty • Confidentiality of personal details • Audio/video recording – why, uses and permission • Reminder of confidential nature of research – not interested in account numbers, balances, PINs. Reassure re anonymity • Any questions, concerns? • A little bit about themselves <ul style="list-style-type: none"> • Name • Age • Home/living situation (who lives here? How long have you lived here?) • Work situation 		
General finances	Purpose of section: To gain an understanding of the participant's broader financial situation: sources of income, outgoings, ability to meet financial obligations etc.	10 mins
<p>MODERATOR TO EXPLAIN THAT WE WILL NOW MOVE ON TO DISCUSS THEIR GENERAL FINANCIAL SITUATION</p>		
<ul style="list-style-type: none"> • Please can you start by telling me a little bit about your financial situation in general. (Probe around income, coping etc.) • Do you feel positive about your finances at the minute? • How would you describe your confidence in managing your finances? • How you tend to manage your finances? <ul style="list-style-type: none"> ○ Week to week vs. month to month? ○ How easy or difficult do you find this? ○ How 'comfortable' are you at the end of the week/month (e.g. money left over vs. struggling to make ends meet)? • What are your current financial priorities? What are the things you 'must' budget for? What are the things slightly lower down the priority list (but that you like to have some money for)? • What kind of financial products do you currently hold? • What kind of methods do you use to manage your finances? How do you do it? • Have you ever used credit to supplement your income? 		

Types of credit	Purpose of section: To understand which credit products they are currently using and why, as well as other alternatives they have considered	10 mins
<p>MODERATOR TO EXPLAIN THAT WE WILL NOW MOVE ON TO THINKING SPECIFICALLY ABOUT CREDIT OPTIONS</p>		
<p>STIMULUS Sort cards</p>		
<ul style="list-style-type: none"> • Which credit products are you currently using? • And are there any that you have previously used? Any others you'd consider using? • What do you think are the main pros and cons of using this type of credit product? 		
<p>Moderator to lay out sort cards</p>		
<ul style="list-style-type: none"> • Are there any others here that you have used? Which do you like/dislike and why? • Are there any options here that you would never consider using? • Are there any options you think that you could not have? Why is this? 		
<p>MODERATOR TO FOCUS BRIEFLY ON ALL OPTIONS USED [THAT ISN'T THE MAIN ONE WE'RE FOCUSING ON!]...</p>		
<ul style="list-style-type: none"> ○ Which provider was your product with? ○ What were you intending to use the money for? ○ Why did you choose this type of credit? ○ What did you think of this credit? Would you use it in the future? 		
<p><i>NB to moderator – need to be mindful not to spend too much time on the ones which are not the focus for the interview. However, this is a good opportunity to light touch some of the key questions that need answering about the other products that are not the focus for the interview. These questions are;</i></p>		
<p>Home-collected credit</p>		
<ul style="list-style-type: none"> • What was the reason for using this type of credit? • How would you describe this type of credit? • What impact do you think using this type of credit has had on your financial situation? • Have you ever refinanced a loan e.g. taken out a new loan to pay off the last loan and borrow more money? <ul style="list-style-type: none"> ○ If so, how did this occur? <i>Explore whether it was instigated by customer or by agent</i> ○ How satisfied are you with your decision to refinance? ○ <i>Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)</i> 		

Rent-to-own

- What was the reason for using this type of credit?
- What do you understand about how this type of credit works (ability to return product within agreement period, total amount repayable vs standard RRP etc.)
- What impact do you think using this type of credit has had on your financial situation?
- Has anyone taken out any warranties or insurances on their products? Why/why not?
 - If so, how was it positioned to you? *Explore any evidence of pressure or encouragement from salesperson*
 - Has anyone used/claimed on their warranty/insurance?

Retail running credit

- What was the reason for using this type of credit?
 - Explore any perceived benefits
- What impact do you think using this type of credit has had on your financial situation?
- Who do you/did you have this with?
- How often are you using/did you use the card/account?
- How do you/did you pay it off – in full every month, in full most months, as much as I can/could each month or minimum payments only?

Journey with current product	Purpose of section: To explore how the participant went about acquiring their credit product and how they use and manage it NOTE Questions specific to type of credit (RTO/HCC/RRC)	20 mins
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MODERATOR TO EXPLAIN THAT WE WOULD NOW LIKE TO DISCUSS THEIR JOURNEY IN TAKING OUT ONE SPECIFIC CREDIT OPTION (RTO/HCC/RRA)

STIMULUS Journey map

- Can you tell me a bit about your financial situation around the time you decided to take out this (RTO/HCC/RRA) credit? What triggered you to apply for credit?
- Before deciding on this specific product, can you talk me through all the options you felt were available to you?
 - What kind of research was done?
 - What other options were considered?
 - Did you feel that you had many alternatives?
 - Why did you decide on this specific product in the end? (Probe on perceived key benefits)
- Before we talk about the product in more detail, how satisfied are you (0-10) with the product? Please can you explain your score? Do you believe you got a good deal?

Rent to Own

- How would you describe this type of credit?
- How did you first find out about this type of credit? *Explore what they were told and plot journey on journey map throughout the discussion*
 - What attracted you to it in the first instance?
 - Before you actually bought anything, what were your perceptions of this way of buying products? *Explore perceptions of the cost in terms of the goods, credit, add-ons, installation*

- Which company or companies have you used? Why these companies?
- How many times have you used them before? What have you used them to buy?
- Thinking about the most recent product you have bought and are paying off at the moment/have recently paid off;
 - What product did you buy? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't bought it?
 - How far was this a planned purchase vs something more spontaneous?
 - How did you shop for this product? Where did you look?
 - What other options did you consider at the time? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*
 - How far did you look into other ways of getting this product?
 - Why did you decide to use this type of credit?
- Sales process;
 - *Explore sales process* – was this online or in-store? What can you recall about the process?
 - How far did you change your plans about what to buy and what to spend once you were in-store/online?
 - How did you decide how much to spend and over how long? *Explore role of salesperson*
 - How easy was it to understand how much it would cost?
- Warranties/insurances on the products
 - Have you ever taken out any warranties or insurances on your products? Why/why not? Was this something sold to you at the time of purchase (or something you bought afterwards?)
 - How was it positioned to you by the salesperson? *Explore any evidence of pressure or encouragement from salesperson*
 - *How do you feel about this?*
 - Has anyone used/claimed on their warranty/insurance? *Explore experiences*
- Repayments
 - How have you found making the repayments? How does this work? Any difficulties with the payments/system of payment? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - Have you ever had any instances where you have stopped paying for the product (either because you wanted to or you had to)? Why was this? How did you cope without the product?
 - Have you ever incurred any late payment fees/charges? If so, how did you feel

- about this? How did you cover this? Any issues paying the charges?
- How far did your financial situation change during the course of the agreement?
- How was this dealt with by the company? Difficulties resolved?
- *For those who've reached the end of a repayment term:* what did you do then e.g. keep item, get an upgrade, take out another agreement?

- Intentions after first time of using;
 - What were your intentions after the first time of using them? How far did/do you see it as a one-off vs. something you would maybe use again in the future vs. something you would definitely use again?
- Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company in general and from salesperson*
 - What do you think about the price you paid? *Probe around total amount repayable as well as cost per week/month*
 - How far do you think you got a 'good deal'? Why do you say that?
- Overall perceptions of RTO
 - What are your overall thoughts on RTO?
 - What impact do you think using this type of credit has had on your financial situation?
 - What would you have done if you weren't able to use this type of credit e.g. you were declined? What other options would you have?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Home Collected Credit

- How would you describe this type of credit? How would you describe how it works?
- How did you first find out about this type of credit? *Explore what they were told and plot journey on journey map throughout the discussion*
 - When did you first start using it?
 - What attracted you to it in the first instance?
- Which company or companies have you taken loans out with? Why these companies?
- How many times have you taken out a loan?
- Thinking about the loan you are paying off at the moment/took out most recently;
 - What was the reason for taking out the loan in the first place? And is this what you ended up using the money for? *Explore purpose of loan and any change*
 - What other options did you consider at the time (including not using any credit/borrowing, borrowing from friends/family, borrowing less, using an alternative

lender e.g. credit union)? What options did you think you had? What did you rule out and why? *Spontaneous then use sort cards to stimulate thoughts*

- How far did you look into other ways of paying for this?
 - Did you consider not taking the loan? *Explore what impact this would have had*
 - Why did you decide to use this way of paying?
 - How did you decide how much to borrow and over how long? *Explore role of agent*
- Purchase 'process'
 - How did you take out the loan? What was the process?
 - Probe around what the collection agent told them at the time?
 - Intentions after first loan;
 - What were your intentions when you took out your first loan? How far did/do you see it as a one-off loan vs. something you would maybe use again vs. something you would definitely use frequently?
 - Repayments
 - How have you found making the repayments? Any difficulties? *Explore if any instances where they've been stretched e.g. made payment but missed other payments or had to cut back on essentials like food, clothing, etc.*
 - How far did your financial situation change during the course of the loan?
 - How was this dealt with by the company? Difficulties resolved?
 - Satisfaction with service;
 - How satisfied were you with the service you received? *Explore service from company and from agent*
 - Refinancing;
 - Have you ever refinanced a loan e.g. taken out a new loan to pay off an earlier loan? *Explore if they used it to borrow more money*
 - If so, how did this occur? Did you ask for this or was it suggested? Can you remember? *Explore whether it was instigated by customer or by agent*
 - *Explore extent to which respondent was aware of/understood what options were available to them e.g. taking out an additional loan and using this to repay existing loan vs. taking an additional, separate loan running concurrently until the original one is cleared (Were they aware of options? Were these presented to them? Were they aware of the cost implications of the different options?)*
 - How many times have you refinanced in the past?
 - How satisfied are you with your decision to refinance?
 - How do you think your financial situation would be different if you hadn't used HCC?
 - Do things feel more or less manageable?

- Overall perceptions of HCC
 - What are your overall thoughts on HCC?
 - What impact do you think using this type of credit has had on your financial situation?
 - What would you have done if you couldn't get a loan like this e.g. you were declined? What other options would you have?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)

Retail Running Credit

- (If not already covered) How would you describe this type of credit? How does it work?
- How did you first find out about this type of credit? *Explore what they were told and plot journey on journey map throughout the discussion*
 - When did you first start using it?
 - What attracted you to it in the first instance?
 - e.g. promotional rates/offers (explore recall and detail of these)
 - Before you actually bought anything, what were your perceptions of this way of buying products?
 - How did you learn about the features of this type of credit?
- What came first, the product or the provider (e.g. I wanted a new TV/clothing item vs. I wanted a Debenhams store card)?
 - If product – what shopping around, if any, did you do? What were you comparing? If none, why not?
 - If provider – how did you plan to use the card going forward?

Usage

- With which provider(s) do you have this type of credit with?
 - Where, when, how did you take it out?
 - Online or in-store?
 - How many do you currently hold?
 - How many of these are 'active'? How often are they being used?
 - How long have you been using this type of credit?
 - Are there time when you use it more/less? What is the reason for this?
 - What do you think about when deciding whether to use store credit vs. make an upfront purchase?
- Thinking about the most recent (in store or online) retail account you have taken out;
 - What product did you buy with this when you first took it out? How far was this an essential vs a nice to have product e.g. what impact would it have made if you hadn't

bought it?

- How far was this a planned purchase vs something more spontaneous?
- What other options did you consider at the time (in terms of making a purchase)?
What options did you think you had? Anything you ruled out (and why?)
Spontaneous then use sort cards to stimulate thoughts
- How far did you look into other ways of getting this product?
- Why did you decide to use this type of credit? What factors did you look into/were important to you (e.g. introductory rate/discount, offer/rewards, interest rate, ease of takeout etc.)?

Repayment

- How do you repay your retail running account(s) (e.g. during interest free period, in full every month, minimum payments etc.)?
 - Why?
 - How, if at all, does this differ for different accounts you have?
- What determines how you repay your account(s)?
 - How, if at all, does this ever change? Is how you repay different to how you originally planned?
- For those not repaying in full every/most months, explore reasons for/barriers to this (is this a worry/concern?)
- What difficulties do you ever have meeting your repayments? What impact does this have? Do you ever miss payments? Do you ever miss other payments (e.g. rent, bills etc.) as a result? What do you do in these situations? Have you/would you tell the provider? What did they do/would you expect them to do? How helpful was this?

Credit limit charges

- How do you feel about the level of credit available to you on your account(s)?
 - Was this more/less than expected? What impact has this had on how you have used your card?
 - Has your credit limit changed since first taking out the account? Has this gone up/down? Who initiated this? How were you notified? What impact, if any, did this have on how you have used your card/account? What are your views on this (welcome vs. unwanted/too tempting)?

Long term use

- How, if at all, has your financial situation changed since using online/in store retail credit account(s)?
 - How has your use of online/in store retail credit affected this?
- How has your use of your account(s) changed over time?
- Do you feel that the level of credit you currently owe is at a manageable level? If not, why not? What do you feel has caused this?
- What are your plans for your account(s) going forward (e.g. try to clear outstanding balance vs. continue using)?
- What would you do if you no longer had access to this form of credit?
- What are your overall thoughts on this type of credit? Would you recommend it to a friend?

TIME PERMITTING – GO TO QUESTIONS ON OTHER FORMS OF CREDIT (IF USED)		
Review of paperwork	Purpose of section: To gauge the participant's understanding of their credit product and how they are coping with repayments	10 mins
<p>MODERATOR TO EXPLAIN THAT WE WOULD NOW LIKE TO TAKE A LOOK AT THEIR FINANCIAL DOCUMENTATION / OR HOW THEY USE THE RELEVANT WEBSITE/SEARCH FOR HIGH COST PRODUCTS, MAKING IT CLEAR THAT WE ARE NOT INTERESTED IN BALANCES OR PASSWORDS</p> <p>STIMULUS Financial documents/method of getting online provided by participant</p> <p>FINANCIAL PAPERWORK</p> <ul style="list-style-type: none"> Looking at the paperwork, can you tell me a bit about what you have currently repaid so far? What payments are you currently making? Is this more or less than you thought you were paying? Is this more than you expected to pay when you took out the product? How surprised are you by this? Does this change your view on whether you will use credit in the future? <p>ONLINE SEARCHES/WEBSITES</p> <ul style="list-style-type: none"> Can you show me how you search for [relevant product]? <ul style="list-style-type: none"> What are you looking for? What takes your eye? How do you decide? <p>RTO/RRA WEBSITES USED (WHERE RELEVANT)</p> <ul style="list-style-type: none"> Can you show me how you used this website? How did you decide what to go for? What does it say about costs and payments? Without applying, can you indicate how you'd then go about applying? How do the price(s) compare to other retail options? How important is this? [probe – if they bring up the fact it is more expensive, what's the tipping point where it becomes too expensive (if at all)]? <p>[IF POSSIBLE/WILLING, CAN THEY SHOW US HOW THEY'D TRACK THEIR REPAYMENTS I.E. SIGN IN – WE'LL LOOK AWAY – SO WE CAN SEE WHERE THEY'RE AT WITH THEIR REPAYMENTS]</p> <ul style="list-style-type: none"> Where can you review your payments?/where you are at with repayments? Is this more than you expected to pay when you took out the product? How surprised are you by this? Does this change your view on whether you will use credit in the future? <p>For all</p> <ul style="list-style-type: none"> Do you feel that you have many other options to manage your finances aside from continuing with this credit? What other options do you think you might consider? 		
Summary and close	Purpose of section: To summarise the session and gain an overview of participant's final thoughts on credit and their situation	5 mins

MODERATOR TO SUMMARISE THE SESSION BY

- To summarise, how satisfied would you say you are overall with the credit products that you currently have?
- What kind of an effect do you feel that using RTO/HCC/RRC has had on your financial situation?
- Do you think you will continue to use this credit option? Why/why not.
- If you could go back to when you first took out the RTO/HCC/RRC, would you still decide to do it?
- What do you think that credit providers could be doing differently to help people who are struggling with their finances?

Thank and close

Taskbook for workshop and groups



Task 1: Please fill in the different ways you have borrowed money

Type of credit	Ever used? (Y or N)	What did you use it for?	Overall satisfaction with using this type of credit (score out of 10)	Do you feel you got a 'good deal' with this type of credit? (score out of 10)
Bank loan				
Credit card				
Store card				
Catalogues (online or paper)				
Home-collected credit (e.g. doorstep loans)				
Rent-to-own (e.g. Bighthouse, Perfect Home)				
Payday loans				
Other: please add				

Task 2: Overall perceptions

What are your overall perceptions of this type of borrowing?

Would you use it again?
Please give reasons

Would you recommend it to a friend?
Please give reasons

Do you have any regrets?
Please give reasons

Overall satisfaction (score out of 10)

Got a good deal? (score out of 10)

PwC

May 2018
3

Task 3: What if you were in charge?

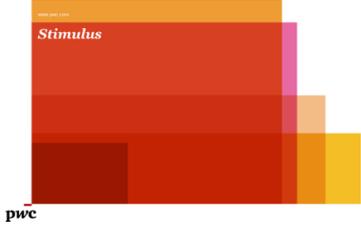
What are the main problems with this type of borrowing?

What changes would you make to address these? *Other than reducing the interest rate!*

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May 2018
4

Stimulus for depths

	<p>Bank loan</p>	<p>Overdraft <i>Pre-arranged or unarranged</i></p>
<p>Store card / online / catalogue credit account</p>	<p>Store card / online / catalogue credit account</p>	<p>Rent to Own <i>e.g. Brighthouse, Perfect Home</i></p>
<p>Payday loan</p>	<p>Credit union loan</p>	<p>Home Collected Credit <i>(doorstep loan)</i></p>
<p>ADDITIONAL OPTIONS</p>	<p>Borrowing from friends / family</p>	<p>Using savings / saving for it</p>
	<p>Pawn brokers / selling possessions</p>	<p>Loan shark</p>



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