



Behavioural study on the digitalisation of the marketing and distance selling of retail financial services

Annexes to the final report

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Annex 1 Templates and guides used in Task 1

A1.1 Literature review template

1. General Information about the literature items								
Ref. no.	Country	Title	Author	Year	Type of author	Type of document	Relevance to the study ("low", "medium" or "high")	Source/Link
1								
2								
3								

2. General information on market development (consider all 5 product groups: consumer credit products, mortgages, investment, insurance and banking products)		
What are the latest developments on the market and how is the market likely to evolve in the coming years (e.g. in terms of market dominance of particular operators, new products, new providers entering the market etc)?	OPERATORS: provide general information on types of operators that are using digital means to sell retail financial services to consumers in the country (e.g. who are the main operators in the country, what type of business models prevail, are they selling cross-border, are they only active online)	PRODUCTS: provide general information on the type of products offered by providers in the country (e.g. what types of products are generally used by consumers, frequency of online purchasing, type of products purchased online, are these products sold only online, are they covered by specific legislation)
1		
2		
3		

3. Commercial practices used at the advertising and pre-contractual stages, in particular in relation to information disclosure								
WHAT are the practices ?	HOW are these practices used by providers ?	WHEN are these practices used (i.e. advertising, pre-contractual stage)?	Compare: Online vs. Offline practices (including how they are specifically designed for a given environment)	Compare: Desktop vs. Mobile/App practices (including how they are specifically designed for a given environment)	Which consumer segment are they targeting ?	Impact on consumers' behaviour when it comes to being aware and understanding the product that is offered	Impact on consumers' ability to make the best choice when being offered different products	Compliance with applicable legislation
1								
2								
3								

4. Factors contributing to consumer susceptibility to commercial practices used by retail financial services providers to market and sell their products online, including in relation to information disclosure at the advertising and pre-contractual stages			
Personal and demographic factors, such as: - age - gender - density of residence - education - financial literacy - native vs. Non-native speakers - income - knowledge-sharing networks - digital literacy/frequent usage of Internet	Behavioural factors, such as: - processing of complex information - status quo bias - time discounting - familiarity - overconfidence - confirmation bias - social norms - other behavioural biases	Market-related factors, such as: - information asymmetry and problems (e.g. information disclosure, non-transparency) - product complexity - reliance on financial advisors	Other factors (please specify)
1			

2			
3			

5. Factors behind the use of commercial practices by providers of retail financial services products			
Personal and demographic factors, such as: - age - gender - density of residence - education - financial literacy - native vs. Non-native speakers - income -knowledge-sharing networks - digital literacy/frequent usage of Internet	Behavioural factors, such as: - processing of complex information - status quo bias - time discounting - familiarity - overconfidence - confirmation bias - social norms - other behavioural biases	Market-related factors, such as: - information asymmetry and problems (e.g. information disclosure, non-transparency) - product complexity - reliance on financial advisors	Other factors (please specify)
1			
2			
3			

6. Current PERSPECTIVES AND POSITIONS of different market players on the advantages and disadvantages of the marketing and selling practices used online, in particular in relation to information disclosure at the advertising and pre-contractual stages, including a collection of favourable and unfavourable experiences of individual (or group of) consumers with commercial practices found online in relation to retail financial services products.			
Market operators (consider both traditional and non-traditional players)	Industry bodies	Regulators	Consumer organisations
1			
2			
3			

7. REMEDIES: What remedies are identified for problematic marketing and administrative/pre-contractual practices, that would ensure that consumers make the best decision when choosing a financial service online, and understand the products they choose? How have they been tested? What are the observed or foreseen effects of these remedies?	8. RECOMMENDATIONS: Does the literature provide any specific recommendations for how to deal with (problematic) practices at marketing and pre-contractual stage?	9. COMMENTS
1		
2		
3		

A1.2 Market developments template

MARKET DEVELOPMENTS IN RETAIL FINANCIAL MARKET IN (ADD COUNTRY)

- The documents should have up to 3 pages (without graphs and tables)

1. Overview of the retail financial market in (add country)

1.1. Operators of retail financial services

1.1.1. Traditional providers

- Provide an overview of the main traditional providers (e.g. banks) operating on the market and their recent development (consider market dominance of particular operators (i.e. the market share of the largest operator(s) as well as whether they have purchased/made particular investment in the fintech area etc);
- Consider operators from the following 5 product groups: consumer credit products, mortgages, investments, insurance and banking products. Consumer credit and investments sold via crowdfunding platforms (including peer-to-peer lending) are also in scope. Please also consider emerging products like crypto assets/virtual currencies
- Provide information on how operators market and sell their products online (desktop, apps, mobile, use of specific channels such as social network to reach out to consumers).
- Assess briefly how the online presence/use of digital channels is likely to evolve (consider factors like: internet penetration among the national population, digital skills, existence/prevalence of third party online comparison tools, etc.).

1.1.2. New providers

- Provide an overview of the new providers (e.g. FinTech companies, P2P lending platforms, etc.) operating on the market and their recent development (consider market dominance of particular operators);
- Consider operators from the following 5 product groups: consumer credit products, mortgages, investments, insurance and banking products. Consumer credit and investments sold via crowdfunding platforms (including peer-to-peer lending) are also in scope. Please also consider emerging products like crypto assets/virtual currencies
- Please describe the key ways in which these new providers differ from traditional providers;
- Provide information on how operators market and sell their products online (desktop, apps, mobile, use of specific channels such as social network to reach out to consumers).
- Assess briefly how the online presence/use of digital channels is likely to evolve (consider factors like: internet penetration among the national population, digital skills, etc.).

1.2. Retail financial products

1.2.1. Traditional products

- Provide an overview of the traditional products offered by providers in your country (e.g. bank accounts, consumer credits, credit cards, debit cards, car insurance, home insurance). Consider market dominance of particular products;
- Consider products from the following 5 product groups: consumer credit products, mortgages, investments, insurance and banking products. Consumer credit and investments sold via crowdfunding platforms (including peer-to-peer lending) are also in scope. Please also consider emerging products like crypto assets/virtual currencies;
- Assess briefly what and how traditional products are marketed and sold online in the country.

1.2.2. New products

- Provide an overview of the new products offered by providers in your country (e.g. FinTech products, P2P lending, InsurTech, crypto assets/virtual currencies/ICOs);
- Consider products from the following 5 product groups: consumer credit products, mortgages, investments, insurance and banking products. Consumer

credit and investments sold via crowdfunding platforms (including peer-to-peer lending) are also in scope. Please also consider emerging products like crypto assets/virtual currencies;

- Assess briefly what and how new products are marketed and sold online in the country.

2. Forecast of the market developments in the next 5 years in (add country)

Provide an overview of how the market is likely to evolve in the coming years in terms of:

- Market dominance of particular operators;
- New products;
- New providers entering the market (e.g. big platforms such as Apple, Facebook, Amazon, Google.)
- Demand evolution (link to internet connectivity, digital literacy, economic climate etc)

Possible sources:

- 1) **Statista:** an online statistics database, market research and business intelligence portal. It provides access to data from market and opinion research institutions, as well as from business organisations and government institutions in English, French, German and Spanish;
- 2) European and national industry associations will also be screened to retrieve relevant data on retail financial services (e.g. national banking authority, consumer organisations, financial conduct authorities, national bank, insurance associations, banking associations, European Supervisory Authorities, EBA, EIOPA, ESMA reports etc.);
- 3) Financial media sources can also provide relevant and up-to-date information on the sector and most recent developments. The consortium has access to a wide variety of such sources, such as Financial Times, The Economist, Bloomberg, Reuters, Les Echos, etc;
- 4) Eurobarometer/Special Eurobarometer surveys and reports;
- 5) Google Consumer Barometer Survey.

A1.3 Interview guide:

INTERVIEW GUIDE

In the framework of this study, the stakeholder interviews occurred as a part of the preparatory phase to understand the current landscape and to develop hypotheses to be tested in the behavioural experiment.

The study focuses specifically on the following 10 products, namely: **credit card, personal loan, P2P consumer lending, payday loans, mortgages, travel insurance, current accounts, saving accounts, money transfer and payments and virtual currencies.**

This guide contains a series of questions to be covered during the stakeholder interviews.

Providers

Questions for all stakeholders

- Which are the main providers in the sector using digital means to sell retail financial services to consumers? What are their prevailing business models? How widespread are they across the EU?
- Are these providers selling their services across national borders? Which services are sold cross-border?
- Which are the providers present only online? How predominant are these providers on the market?
- What are the main drivers that lead the providers to market and sell their product online in your country?
- Do these providers cover the whole process of online marketing and selling, or only a part, in cooperation with other providers?

Products and consumer preference

Questions for all stakeholders

- Which products are being offered by the operators? Are these products only available online?
- Are there new products not currently / only partially covered by consumer protection rules?
- Which products have appeared as a result of the digitalisation of retail financial services?
- How likely are consumers in the national market to purchase retail financial products online?
- What are the main retail financial products purchased online by consumers?
- What is the consumer journey when purchasing retail financial products online? (e.g. which websites/apps are used? In which order?)
- What is the switching behaviour of consumer in relation to the 10 products? What practices are used to prevent switching? Can online solutions improve the state of play? If yes, how?

Market developments of online retail financial services

Questions for all stakeholders:

- What are the latest developments on the retail financial market?
- What are the new products that have entered the market in the last 5 years?
- Who are the new providers having entered the market in the last 5 years?
- Do you see a market dominance of specific operators in your country and at EU level?
 - If yes, what are the factors that led to this dominance?
- Are there any differences in the pace of market developments among EU countries?
 - If yes, what are the factors that led to these differences?
- How is the market likely to evolve in the coming years? (Please consider national and European level)
- Do you envisage other products entering the market in the future?
- Do you see other new providers entering the market in the foreseeable future (e.g. Platforms etc)?

Description of Practices

Questions for all stakeholders

1. Which commercial practices targeting consumers are currently used **online** by retail financial services providers to market and sell their products (particularly in relation to information disclosure – yet not exclusively – at the advertising and pre-contractual stages)? How are these practices used by providers?
2. How are such practices likely to evolve in the future?
3. How different are the **practices found online** compared to **those found offline**?
4. How are practices designed specifically for the online environment?
5. How do practices differ between a desktop and a mobile environment?
6. To what extent do these practices target consumer segments? Which ones are they targeted to?
7. Which are the (online) commercial practices (e.g. in terms of content and format) deployed by providers of retail financial services in relation to information disclosure that have the most significant impact on users' behaviour and consumers?
8. What are the impacts of these practices on consumers' behaviour (for better or worse), in terms of choosing products and being aware of and understanding the product that is offered?

Perception, benefits, risks of the practices and factors leading to the practices

Questions for consumer associations and experts, ministries and public authorities

- What are the factors contributing to **consumer susceptibility** to commercial practices used by retail financial services providers to market and sell their products online, including in relation to information disclosure at the advertising and pre-contractual stages? Which of these drivers contribute most to the prevalence (and detriment) of the problematic practices?

Examples of factors: *personal and demographic factors (age, education, financial literacy), behavioural factors (overconfidence, processing of complex information), market-related factors (information disclosure, product complexity).*

- What are the factors behind the use of commercial practices by providers of retail financial services products?
- What is the perception of consumers of these practices? Do these perceptions differ by consumer segments? Why?
- What are the benefits and risks of these commercial practices for consumers? Do these benefits and risks of commercial practices differ by consumer segment? Why?

Legal assessment of the practices

Questions for consumer associations and experts, ministries and public authorities

- Have you identified practices that are not compliant with the applicable legislation? In which way?
- Are any of these commercial practices problematic from the point of view of consumers and consumer protection? If so, which ones and in what way?

Remedies

Questions for consumer associations and experts, ministries and public authorities

- Which are the possible remedies for the problematic practices that you have identified which can ensure that consumers make the best decision when choosing a financial service online?
- What is/could be the observed or foreseen effect of such remedies in this respect?
- To what degree do/could these remedies also improve consumers' level of understanding of the product?
- What are the channels through which these remedies are supposed to produce their effect?
- How can these remedies help to better achieve the objectives of existing legislation, namely that of ensuring customers can make the best choice for them and have a better understanding of the offers?
- Which ones are most likely to yield EU value added and should be considered in the context of the EU policy?

Recommendations

Questions for all stakeholders

- Are there any specific recommendations that you would like to provide in relation to the topic of the study?

Concluding questions

Questions for all stakeholders

- Can you identify best practices as regards the provision of information to consumers by providers at the advertising and pre-contractual phases?
- Please include any other comments, information or sources that you consider relevant for the purposes of this study.

A1.4 Stakeholders interviewed

Organisation	Country	Date of interview
Bankenfachverband	DE	22/06/2018
Legal expert (JUEST+OPRECHT Rechtsanwälte PartmbB)	DE	12/07/2018
Financial behaviour expert (academic University of Heidelberg)	DE	13/07/2018
ASUFIN	ES	12/06/2018
European Consumer Association (BEUC)	EU	29/05/2018
European Securities and Markets Authority (ESMA)	EU	18/07/2018
European Banking Federation	EU	26/07/2018
European Banking Authority	EU	06/08/2018
European Association of Co-operative Banks	EU	07/08/2018
EAPPL - European Association of Peer to Peer Lenders	EU	08/06/2018
ECC Finland	FI	12/06/2018
Finnish Competition and Consumer Authority	FI	01/06/2018

Organisation	Country	Date of interview
Ministry of Justice	FI	19/06/2018
CLCV (consumer association)	FR	12/06/2018
ACPR (French Financial Authority)	FR	14/06/2018
Ministry of Economy - Directorate General for Competition, Consumption and Fraud Control	FR	15/06/2018
Fédération Française des Assurances	FR	05/07/2018
Direction Générale du Trésor	FR	28/06/2018
Autorité des Marchés Financiers (AMF)	FR	12/07/2018
If Draudimas (member of the Lithuanian Insurance Association (LDA))	LT	14/06/2018
General Financing (member of the Financial Services Association (FINCO))	LT	20/06/2018
ISM University	LT	26/06/2018
Autoriteit Financiële Markten	NL	14/06/2018
Academic Expert	NL	06/06/2018
Vereniging van Verzekeraars	NL	19/06/2018
ASSOCIAÇÃO FINTECH E INSURTECH PORTUGAL (AFIP)	PT	04/06/2018
DECO	PT	05/06/2018
Bank of Portugal	PT	08/06/2018
APPA- Asociația pentru Promovarea Asigurarilor and EIOPA expert	RO	07/06/2018
CFA Romania	RO	07/06/2018
Asociația Pro Consumatori, Romania	RO	08/06/2018
British Insurance Brokers' Association	UK	06/06/2018
Finance & Leasing Association	UK	14/06/2018
The Open University	UK	30/05/2018
UK Financial Ombudsman Service	UK	07/06/2018
The Financial Inclusion Centre	UK	12/06/2018

A1.5 Provider mapping template

Number	Name of provider	Weblink	Type of provider								Cross-border activity			
			Country of origin	If not a national provider, please mention the country of origin	traditional/new	if traditional provider: do they participate in or offer products within the new/digital financial market? Yes/No	Provide a short description of each provider's <u>business model</u>			yes/no		If yes, how is this taking place (specific national branch, different name, only online presence etc)	Countries covered	
<p style="text-align: center;">PRODUCTS OFFERED</p> <p style="text-align: center;"><i>These are the 10 main products covered by the study. For each provider, tick those products covered. In column X, add those products covered by the providers and not included in columns M-V.</i></p>														
Year of establishment in the country	Specify if the provider covers more than one group.	PRODUCT GROUP COVERED:	CREDIT CARD	PERSONAL LOAN	PEER-TO-PEER LENDING	PAYDAY LOANS	MORTGAGES	TRAVEL INSURANCE	CURRENT ACCOUNTS	SAVINGS ACCOUNT	MONEY TRANSFER AND PAYMENTS	VIRTUAL CURRENCIES	Other products	Marketing channels
														For other products identified, mention also if it is: - other insurance products - other banking products - other credit products - other mortgage products - other virtual currencies
Marketing tools			Sales channels			Cooperation with other providers			Competition with other providers			Other aspects related to providers of retail financial services, that are not covered in the template		
Include the marketing tools used by the providers (e.g. newsletter, online advertising, social networks). Consider the degree of personalisation of the tool, e.g. to what degree is the provider targeting a given consumer segment			What are the sales channels used by the providers (desktop / mobile / both / online and offline) If the provider sells its products only offline, note that this should be excluded as it is not in the scope of this study			Yes/No If yes, provide the following information: - name - type of provider - nature of cooperation			Traditional providers New providers Describe the manner in which providers compete with each other					

Annex 2 Rationale for the product selection

The products covered by the study and their definitions are provided in the table below. This annex presents the rationale for the selection of these products.

Table 1: Product definitions

Product	Definition
Credit card	"Credit cards enable cardholders to make purchases and/or withdraw cash up to a prearranged credit limit ("pay after" model). The credit granted may either be settled in full by the end of a specified period (a charge card, essentially a delayed debit card), or settled in part, with the balance comprising a form of credit on which interest is usually charged (a revolving credit card). Given that transactions with a credit card are not necessarily directly and immediately charged to the payer, the card scheme's rules and the processing of the transaction, and therefore also the card acceptance environments, can be broader as compared to transactions with a debit card. Credit card schemes often (and debit card schemes sometimes) differentiate between basic cards and more exclusive cards (gold, platinum, etc.)." ¹
Personal loan	Personal loans (or unsecured loans) are loans which are granted according to the borrower's creditworthiness, rather than by a collateral. ²
Peer-to-peer (P2P) lending	"P2P lending is a direct alternative to a bank loan with the difference that, instead of borrowing from a single source, companies and individuals can borrow directly from tens, sometimes hundreds, of individuals who are ready to lend. Crowdlenders often bid for loans by offering an interest rate at which they would lend. Borrowers then accept loan offers at the lowest interest rate. Internet-based platforms are used to match lenders with borrowers." ³ For the purpose of this study, we will assess solely P2P lending platforms aimed at individual consumers.
Payday loans	"Provision of small-sum cash loans marketed on a short-term basis, not secured against collateral, including (but not limited to) loans repayable on the customer's next payday or at the end of the month, and specifically excluding home credit loan agreements, credit cards, credit unions and overdrafts." ⁴
Mortgages	"A mortgage loan allows consumers to purchase a home. Mortgages are offered by banks, building societies or other lenders and are often secured against consumer's property. A mortgage loan usually comes with a lower interest rate and a longer redemption period in comparison with consumer credit. However, if consumers fail to fulfil your repayment obligations and the mortgage has been secured against the property, lenders can seize and resell your home to pay off the loan." ⁵
Travel insurance	Travel insurance is a wide-ranging product, which provides cover for many eventualities and situations whilst the policyholder is either on holiday or on a business trip (which could include trip cancellation, the trip being cut short, medical expenses, loss or theft of luggage and loss or theft of money, passport or personal possessions). Travel insurance can be sold as: a single

¹ ECB (2014). Card Payments in Europe – A renewed focus on SEPA for cards. Available at:

https://www.ecb.europa.eu/pub/pdf/other/cardpaymineu_renfoconsepaforcards201404en.pdf

² Investopedia. Unsecured loan. Available at: <https://www.investopedia.com/terms/u/unsecuredloan.asp>

³ https://ec.europa.eu/growth/tools-databases/crowdfunding-guide/types/p2p_en

⁴ CMA (2015). Payday lending market investigation. Available at:

https://assets.publishing.service.gov.uk/media/54ebb03bed915d0cf7000014/Payday_investigation_Final_report.pdf

⁵ Mortgage loans. Available at : https://europa.eu/youreurope/citizens/consumers/financial-products-and-services/mortgages/index_en.htm

Product	Definition
	trip policy, an annual policy (covering multiple trips taken during the period of cover) or an ongoing policy (often linked to a bank account or a credit card). ⁶ Travel insurance can be sold by insurance companies but also by companies selling tickets or travel packages, which give consumers the option to purchase travel insurance, also known as travellers' insurance. ⁷
Current accounts	Current accounts are bank accounts which individuals use for most of their household transactions such as receiving wages or paying bills. ⁸
Savings account	A savings account is an interest-bearing deposit account held at a bank or another financial institution which provides a small interest rate. The financial providers may limit the number of withdrawals that consumers can make from their savings account each month. ⁹ Current accounts provide instant ("sight deposits") or time-limited ("time deposits") access to funds. ¹⁰
Money transfer and payments	In a strict sense, a payment is a transfer of funds which discharges an obligation on the part of a payer vis-à-vis a payee. However, in a technical or statistical sense, it is often used as a synonym for "transfer order". A payment instrument is a tool or a set of procedures enabling the transfer of funds from a payer to a payee. ¹¹ The types of FinTech services covered under this product are: online foreign exchange, overseas remittances, online digital-only banks without branches, banks and non-banks transfer money, mobile payment at checkout. ¹² Traditional providers, such as banks, can also offer digital money transfer and payment services.
Virtual currencies	Digital representation of value which is neither issued by a central bank or public authority nor necessarily attached to fiat currency (FC) but is used by natural or legal persons as a means of exchange and can be transferred, stored or traded electronically. Even though some of the features resemble activities or products that are already within the remit of the EU E-Money Directive, these products are not intended to be included here, as e-money is a digital representation of FC, which VCs are not. ¹³ According to ECB, there are different virtual currency schemes and it is not easy to classify them. Therefore, the classification used by the ECB proposes to focus on their interactions with real economy and real money: ¹⁴ <ol style="list-style-type: none"> 1. Closed virtual currency schemes: Virtual currencies are being referred to as "closed" or "fictional currency" when they do not have an official connection to the real economy (e.g. currencies in multiplayer online role-playing games such as World of Warcraft). The virtual currency can only be spent by purchasing virtual goods and thus cannot be traded outside the virtual community. 2. Virtual currencies with unidirectional flow: This type of currency scheme allows users to purchase virtual goods and services, but also for purchasing real goods and services. The

⁶ UK Financial Ombudsman Service. Travel insurance. Available at: http://www.financial-ombudsman.org.uk/publications/technical_notes/travel-insurance.htm

⁷ Investopedia. Travel insurance. Available at: <https://www.investopedia.com/terms/t/travel-insurance.asp>

⁸ European Commission (2006). Current accounts and related services. Available at: http://ec.europa.eu/competition/sectors/financial_services/inquiries/interim_report_2.pdf

⁹ Investopedia. Savings account. Available at: <https://www.investopedia.com/terms/s/savingsaccount.asp>

¹⁰ European Commission (2006). Current accounts and related services. Available at: http://ec.europa.eu/competition/sectors/financial_services/inquiries/interim_report_2.pdf

¹¹ ECB. Glossary of terms related to payment, clearing and settlement systems. Available at:

<https://www.ecb.europa.eu/pub/pdf/other/glossaryrelatedtopaymentclearingandsettlementsystems.pdf>

¹² EY (2017). FinTech Adoption Index. Available at: [http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/\\$FILE/ey-fintech-adoption-index-2017.pdf](http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/$FILE/ey-fintech-adoption-index-2017.pdf)

¹³ EBA (2014). EBA Opinion on virtual currencies. Available at: <http://www.eba.europa.eu/documents/10180/657547/EBA-Op-2014-08+Opinion+on+Virtual+Currencies.pdf>

¹⁴ ECB (2012). Virtual Currency Schemes. Available at:

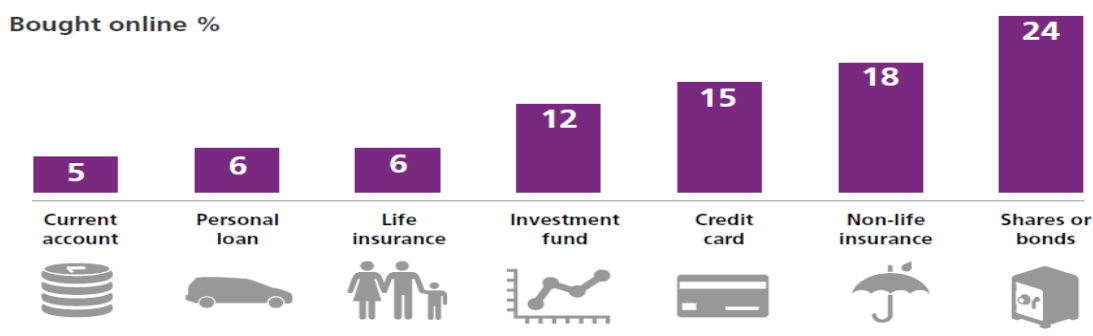
<http://www.ecb.europa.eu/pub/pdf/other/virtualcurrencyschemes201210en.pdf>

Product	Definition
	<p>virtual currency can be purchased directly using real currency at a specific exchange rate, but it cannot be changed back to the original currency. The virtual currency is similar to a coupon. Examples are frequent flyer programs by various airlines, Microsoft Points, Nintendo Points, Facebook Credits, Ven (currency) and Amazon Coin.</p> <p>3. Virtual currency schemes with bidirectional flow (convertible virtual currency): This type of virtual currency can be used by users to buy and sell virtual money according to the exchange rates with their currency. Consumers may also purchase both virtual and real goods and services with this type of virtual currency. As regards its interoperability in the real world, this type of virtual currency is similar to any other convertible currency. Common services are wallet providers, bitcoin exchanges, payment service providers and venture capital. Other services include mining pools, cloud mining, peer-to-peer lending, exchange-traded funds, over-the-counter trading, gambling, micropayments, affiliates and prediction markets.</p>

A2.1 Prevalence of online purchasing and researching products online

Prevalence of online purchasing and researching products online was one of the main criteria for the selection of the 10 products. According to the 2011 Special Eurobarometer 373¹⁵ (the most recent official survey), for all types of financial products, purchasing directly from the provider face to face is the most common method of purchase. The 2011 Eurobarometer results show that consumers purchase online the following products: shares or bonds (24%), non-life insurance (18%), credit card (15%), investment fund (12%), life insurance (6%), personal loan (6%) and current account (5%). For traditional mortgages, consumers prefer face-to-face interaction.¹⁶

Figure 1: Retail financial products purchased online



Source: TNS (2011), Retail financial services in the EU

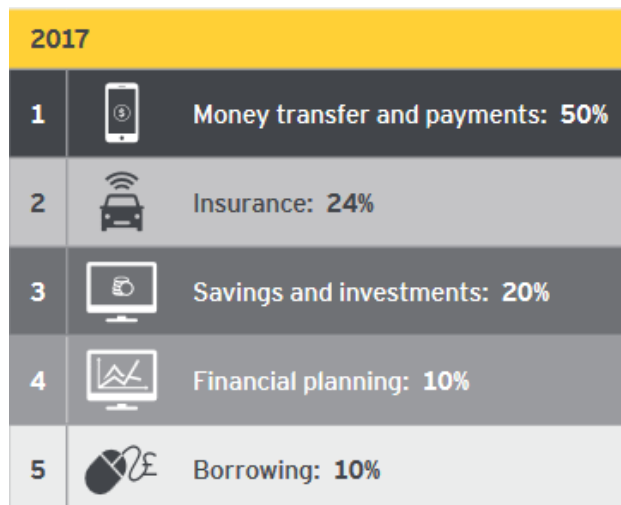
The EY FinTech Adoption Index from 2017 shows the percentage of FinTech users of the digitally active population for a selected number of European countries. The United Kingdom has the highest percentage of FinTech users (42%), followed by Spain (37%) and Germany (35%). As for the adoption of different FinTech categories, money transfer and payments services were the most popular FinTech services (50%), followed by insurance

¹⁵ The 2016 Eurobarometer does not contain information on purchase channels.

¹⁶ TNS (2011), Retail financial services in the EU. Available at: http://tns-aisa.cz/sites/default/files/whitepaper/FinancialServices_A5_AW_lo.pdf.pdf

(24%), savings and investments (20%), financial planning (10%) and borrowing¹⁷ (10%).¹⁸

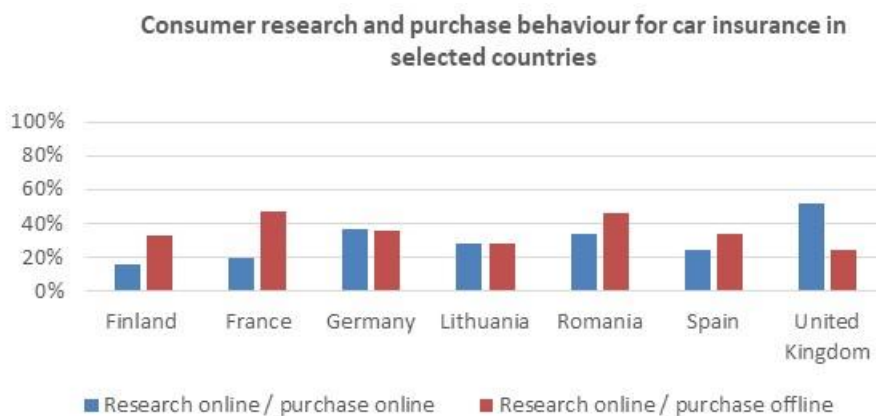
Figure 2: The most popular FinTech services



Source: EY FinTech Adoption Index (2017)

For the selected seven countries, the Google Consumer Barometer¹⁹ provided some information on consumers' behaviour on research and purchase of car insurance and personal loan. The figure below gives insights on consumer behaviour in selected countries on their research and purchase behaviour for **car insurance**. Among the seven countries, consumers from the United Kingdom research and purchase car insurance online (52%), followed by consumers in Germany (37%), Romania (34%) and Lithuania (28%). On the other hand, 47% of consumers in France research car insurance online but prefer to purchase offline. This is followed by consumers in Romania (46%), Germany (36%) and Spain (34%).

Figure 3: Consumer research and purchase behaviour for car insurance in selected countries



Source: Google Consumer Barometer

The figure below provides insights on consumer behaviour in selected countries on their research and purchase behaviour for **personal loans**. Among the seven countries,

¹⁷ In the study, borrowing is defined as: borrowing using P2P platforms and borrowing using online short-term loan providers.

¹⁸ EY (2017), FinTech Adoption Index. The rapid emergence of FinTech. Available at:

[http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/\\$FILE/ey-fintech-adoption-index-2017.pdf](http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/$FILE/ey-fintech-adoption-index-2017.pdf)

¹⁹ <https://www.consumerbarometer.com/en>

consumers from the United Kingdom research and purchase personal loans online (53%), followed by consumers in Lithuania (51%), Spain (41%) and Finland (40%). On the other hand, 62% of consumers in Romania research personal loans online but prefer to purchase offline. This is followed by consumers in France (43%), Germany (41%) and Spain (35%).

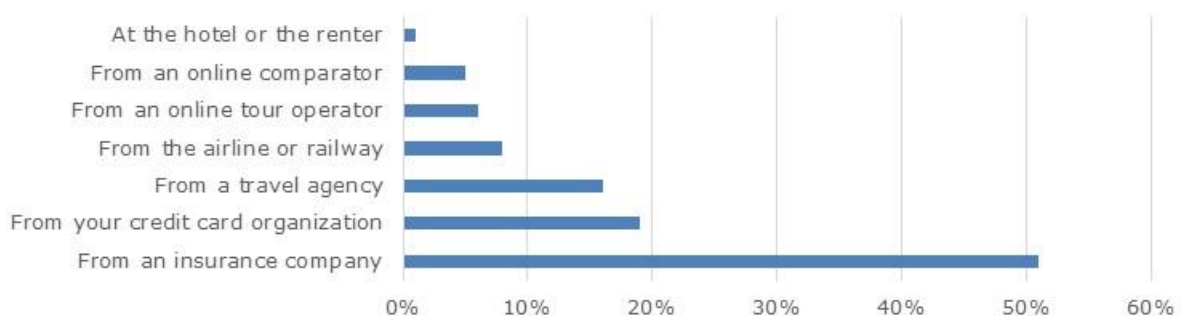
Figure 4: Consumer research and purchase behaviour for personal loans in selected countries



Source: Google Consumer Barometer

Of the insurance products, motor insurance and **travel insurance** are mostly sold online.²⁰ Consumers frequently tend to buy travel insurance online direct or via price comparison websites, making it more important that insurers bring potentially onerous policy terms to the attention of customers when they obtain travel insurance policies. This is particularly important in overcoming problems caused by the difference between the consumer's expectations and the actual cover offered by insurance companies.²¹ More specifically, most consumers purchase insurance directly from an insurance company (51%). The next most common insurance provider is the credit card organisation (19%), followed by a travel agency (16%), from an airline or railway company (8%), from an online tour operator (6%) and from an online comparator (5%).

Figure 5: Choice of insurance providers or assistance for European holidaymakers in 2016



Source: Statista 2018

²⁰ European Commission (2017). Study on consumers' decision making in insurance services: a behavioural economics perspective.

²¹ UK Financial Ombudsman Service. Travel insurance. Available at: http://www.financial-ombudsman.org.uk/publications/technical_notes/travel-insurance.htm

A2.2 Potential for the product to cause consumer detriment

A 2014 study²² for the European Parliament found that the main financial products with a high potential to cause consumer detriment are those which: (i) carry risks which consumers may not fully understand when signing the contract, (ii) carry high interest rates with effects that may not be fully understood by consumers, (iii) include high fees and charges not properly understood by consumers when signing the contract, (iv) involve high costs if consumers do not respect their incurred obligations and (v) trap some consumers into a spiral of ever-growing debt.

More specifically, financial products and services identified as having the potential to cause detriment to consumers are the following: some **mortgage products** (e.g. variable rate mortgages, high loan-to-value and debt-to-income mortgages), **loan product** with a high risk of a substantial residual liability for a borrower, **credit products** with high interest rates – particularly **payday/instant loans** and **credit cards** with high rates combined with high limits, **savings, investment and pension products**.

According to Attaité (2015) **Payday loans** providers “heavily depend on borrowers’ inability to afford the loan” which induces necessity to borrow multiple times.²³ Another factor causing consumer detriment is unfair advertising, where 60% of payday pending websites emphasize speed and simplicity over price.²⁴

Big data, although it can have positive effects on consumers (i.e. consumers can be offered better products which match their personal needs), is also considered to affect vulnerable consumers, by pushing through more advanced credit scoring and thereby excluding some consumers from access to **insurance** and **credit products**. Moreover, some retail financial products, mainly **investment** and **non-life insurance**, are deemed to be “unnecessarily complex” (i.e. complicated pricing and charging features driving up costs for consumers).²⁵

BEUC, the European Consumer Organisation, conducted a survey on the main problems experienced by consumers in retail finance and the types of issues which are more prevalent. Generally, consumers across Europe experience similar issues. However, issues faced by consumers from Central and Eastern Europe seem to be more acute. These issues tend to exist in all areas (i.e. retail banking, payments, consumer credit, mortgage credit, life insurance, non-life insurance, investments) and relate to misleading advertising, aggressive marketing, unclear pre-contractual information, etc. Below are listed the countries concerned and the most problematic products to consumers²⁶:

- Slovenia: personal loan and investment;
- Lithuania: insurance, personal loan and investment;
- Slovakia: personal loan and life insurance;
- Poland: personal loan and investments;
- Romania: personal loan
- Cyprus: investment

The European Consumer Market Scoreboard from 2016 found that, of **insurance products**, consumers have experienced a higher level of detriment with **life insurance**,

²² European Parliament (2014). Consumer Protection Aspects of Financial Services. Available at: [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/507463/IPOL-IMCO_ET\(2014\)507463_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/507463/IPOL-IMCO_ET(2014)507463_EN.pdf)

²³ European Financial Inclusion Network (2015). Pay-day lenders: why can we consider them as being bad players on the credit market?. Available at: https://www.financite.be/sites/default/files/references/files/payday_lenders_-_vf.pdf

²⁴ European Financial Inclusion Network (2016). Unfair Lending Practices and Toxic Loans. Available at: <http://www.fininc.eu/wp-content/uploads/2016/12/EFIN-Unfair-Lending-Practices-and-Toxic-Loans-VF-6Dec.pdf>

²⁵ BEUC (2016). Green Paper on Retail Financial Services: BEUC response to the Commission consultation. Available at: http://www.beuc.eu/publications/beuc-x-2016-027_fal_beuc_position_green_paper_financial_services.pdf

²⁶ BEUC (2017). Consumers and consumer detriment – a perspective from Central and Eastern Europe. Available at: http://www.beuc.eu/publications/beuc-x-2017-076_esas_consumer_day_2017.pdf

in comparison with vehicle and home insurance. Banking services are the least performing cluster from a consumer perspective. Of the **banking services, mortgages and investment products, private pensions and securities** cause high consumer detriment.²⁷

As regards **peer-to-peer consumer lending**, consumers face issues related to the lack of awareness of the authorisation or registration status of the providers and whether they are provided the same level of protection that traditional providers are required to provide. Additionally, consumers worry about transparency of fees and costs and the assessment of borrowers' creditworthiness.²⁸

Travel insurance can be sold as a single trip policy (covering one trip), an annual policy (covering multiple trips), or an ongoing policy (often linked to a bank account or a credit card). For some consumers, travel insurance is a complex financial product, but it is often seen solely as an "add-on" product. Generally, consumers expect travel insurance to cover any possible event, but travel insurances contain very strict limitations and exclusions. This is very often discovered by consumers only when they need to make a claim.²⁹ Moreover, some consumers are not aware that their credit cards include also insurance, leading to a situation when consumers purchase duplicate insurance. When purchasing an add-on insurance product, often consumers lack the choice and the salesperson in charge has poor expertise, resulting in difficulties for consumers to make a free and informed choice.³⁰

A2.3 General consumer satisfaction

According to the European Consumer Market Scoreboard from 2016, consumer satisfaction is an important indicator for determining future consumer intentions. Of the retail financial services, **mortgages, investment products, private pensions and securities, life insurance and bank accounts** have the lowest performance in terms of consumer satisfaction.³¹

In their response to the Commission's consultation on the Green Paper on Retail Financial Services, BEUC emphasises the need of putting consumer satisfaction at the core of emerging business models' operations. Particular challenges for consumers are deemed to occur in relation to two products, namely **digital payments** and **peer-to-peer lending**. Consumer satisfaction could be at harm due to the following reasons³²:

- Consumer payment data can be sold to third parties;
- Lack of security checks for new payment solutions;
- In case of fraud when using digital payments, consumers cannot claim a refund;
- Peer-to-peer lending platforms exploit consumer data;
- Lack of awareness related to potential risks of defaulting loans.

²⁷ European Commission (2016). Consumer Markets Scoreboard. Marking markets work for consumers. Available at: https://ec.europa.eu/info/sites/info/files/consumer_markets_scoreboard_2016_en.pdf

²⁸ EBA (2017). Consumer trends Report 2017. Available at: <http://www.eba.europa.eu/documents/10180/1720738/Consumer+Trends+Report+2017.pdf>

²⁹ UK Financial Ombudsman Service. Travel insurance. Available at: http://www.financial-ombudsman.org.uk/publications/technical_notes/travel-insurance.htm.

³⁰ European Commission (2017). Study on consumers' decision making in insurance services: a behavioural economics perspective.

³¹ European Commission (2016). Consumer Markets Scoreboard. Marking markets work for consumers. Available at: https://ec.europa.eu/info/sites/info/files/consumer_markets_scoreboard_2016_en.pdf

³² BEUC (2016). Green Paper on Retail Financial Services: BEUC response to the Commission consultation.

A2.4 Frequency of purchase

This selection criterion refers to the frequency with which a retail financial product is purchased by consumers. For instance, mortgages are purchased by consumers at a very low frequency compared to digital payments or money transfer. Although digitalisation is increasing the purchasing speed for most products due to faster broadband connectivity, instant settlements instruments for the EU audience, faster scoring and pricing techniques, for some markets (i.e. mortgages, home insurance), the time needed to finalise a contract will always be longer as consumers must deal with various external stakeholders (e.g. notaries).³³ For the purpose of this study, we propose to select mainly products with medium and high purchasing frequency for two reasons:

- Complexity of purchasing process for consumers since various persons/operators involved in the pre-contractual stage;
- Higher purchasing frequency could involve higher risks for consumers at marketing and pre-contractual stage.

However, the study team decided to select also mortgages, as this product is of interest to the Commission.

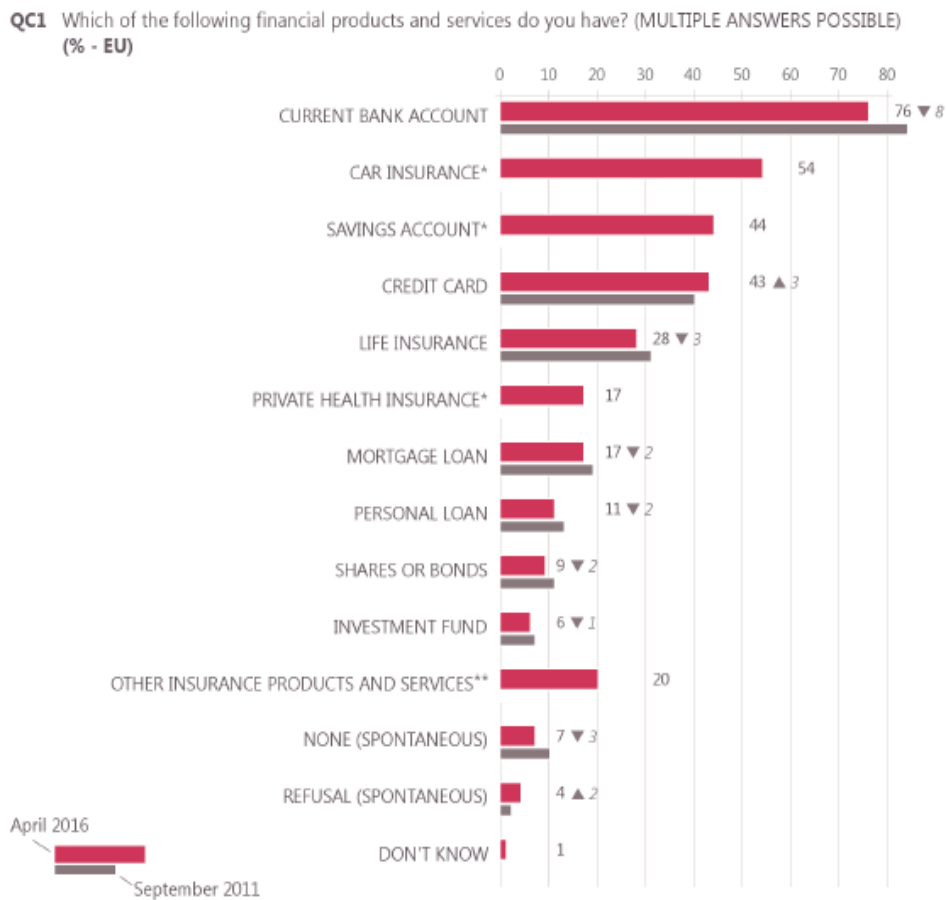
A2.5 Market size

According to the last Special Eurobarometer from 2016³⁴, of the retail financial products, European consumers have the highest ownership of bank accounts (76%), car insurance (54%), savings account (44%), credit card (43%), life insurance (28%) and private health insurance (17%). For the selection criteria, we will consider products owned by over 20% of consumers.

³³ European Commission (2015). Study on the role of digitalisation and innovation in creating a true single market for retail financial services and insurance.

³⁴ Special Eurobarometer 446 (2016). Available at: <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/search/446/surveyKy/2108>

Figure 6: Level of ownership of retail financial products



Base: all respondents

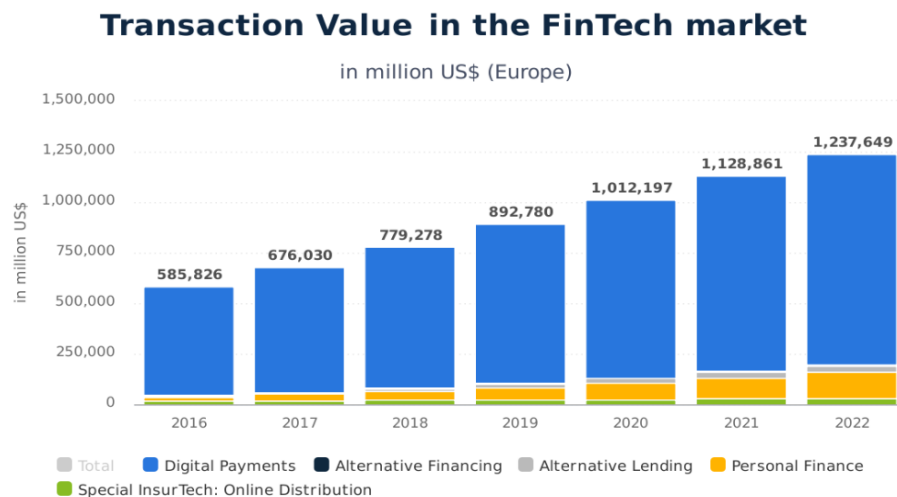
* Car insurance, savings account and private health insurance were not response options in the 2011 survey

** Other insurance products and services also included car insurance and private health insurance in the 2011 survey

Source: Special Eurobarometer 446, 2016

As regards FinTech segments, the highest transaction value in the European market (2017) was by far in digital payments, followed by personal finance, InsurTech and alternative lending.

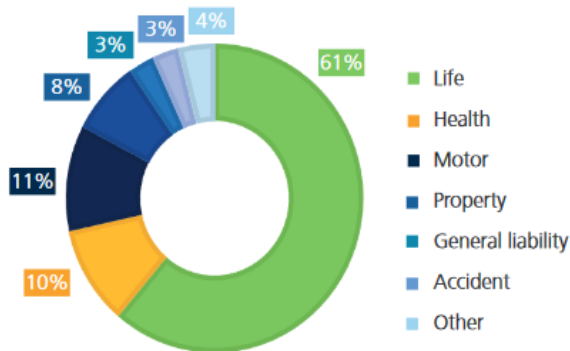
Figure 7: Transaction value of FinTech services as of 2017



Source: Statista (2018)

As of 2015, total European direct gross written premiums reached €1,200 billion, out of which life insurance accounted 61%, followed by motor insurance (11%).³⁵

Figure 8: Gross written premiums in EU28 as of 2015



Source: Insurance Europe (2016)

A2.6 Frequency of complaints

The 2017 Trends Report published by the European Banking Authority (EBA)³⁶ also highlights consumer issues related to the products that it covers, namely: mortgages, deposits, payment accounts, payment services and electronic money.

The report identified issues in several Member States regarding **payment accounts** offered through digital channels, namely the risk of fraud and the cyber-attacks (see paragraph 25 of the EBA Consumer 2017 Trends Report). The highest number of complains competent authorities registered related to **payment accounts**. Complaints related to payment accounts made up an EU average of 49% of all complaints received by the competent authorities. Consumers complained mostly about account administration, sales and advice and charges and fees. The level of complaints related to mortgages, consumer credit, deposits and electronic money, was very low.

³⁵ Insurance Europe (2016). European insurance – Key facts. Available at : <https://www.insuranceeurope.eu/sites/default/files/attachments/European%20Insurance%20-%20Key%20Facts%20-%20August%202016.pdf>

³⁶ EBA (2017). Consumer Trends Report 2017. Available at: <http://www.eba.europa.eu/documents/10180/1720738/Consumer+Trends+Report+2017.pdf>

Annex 3 Detailed focus group methodology

A3.1 Recruitment

The recruitment process was strictly monitored by the project managers from the local fieldwork agencies. In each country, recruiters were thoroughly instructed by the local project managers and provided with a screener questionnaire.

- In Germany, recruitment was managed and conducted by the Hamburg market research studio Dose Marktforschung, using its database of volunteers. 20 individuals were recruited and pre-screened via telephone interviews. Each participant received an incentive of 35€ in cash.
- Recruitment in Romania was preceded by a meeting between the research team and the fieldwork team to clarify the instructions for recruitment. Within three days, individuals were recruited using free-find face-to-face techniques and the snowball method to supplement the number of recruits. Subsequently, the internal Ipsos checking team interviewed the recruited individuals by asking additional questions about their lifestyle and financial behaviour. In the next step, a selection of recruited individuals was invited to the Ipsos venue to 1) sign the confidentiality agreement, 2) complement a short questionnaire to verify answers given during the screening process, and 3) have a short conversation with the selection officer to assess their sociability and mode of expression. In the final step, eight participants per group were selected. Participants in the high education level/financial literacy group received shopping vouchers worth 150 RON, while participants in the low education level/financial literacy group received shopping vouchers worth 120 RON.
- In Spain, individuals were recruited using free-find face-to-face techniques and screened by phone. For the fieldwork stage, 8 to 9 participants per group were recruited. Participants in the high education level/financial literacy group received an incentive of 50€, while participants in the low education level/financial literacy group received 35€.

A3.2 Group allocation

Group allocation was based on education level and financial literacy. Participants with a technical/vocational education beyond secondary school level or university-level education were considered to have a high education level, while low education level covered the range from no formal education to completed secondary education. The three questions to determine financial literacy were derived from the OECD/INFE Toolkit for measuring financial literacy and financial inclusion³⁷ and the questions to test financial literacy developed by the George Washington University School of Business, the Global Financial Literacy Excellence Center (GFLEC)³⁸.

A3.3 Analysis

The discussion guide and the reporting template were designed and structured with the research questions of the project in mind, and included questions regarding participants'

- Experience with finding and seeing information,

³⁷ OECD (2015), OECD/INFE Toolkit for measuring financial literacy and financial inclusion. Available at:

https://www.oecd.org/daf/fin/financial-education/2015_OECD_INFE_Toolkit_Measuring_Financial_Literacy.pdf

³⁸ GFLEC, Test your financial literacy knowledge with these three questions. Available at: <http://gflec.org/education/3-questions-that-indicate-financial-literacy/>

- Experience with and opinion about the presentation and characteristics of information,
- Understanding of information,
- perception of remedies to better understand information,
- information seeking behaviour when intending to open a (new) current account or take out a personal loan, and
- use of desktop/laptop, tablet or mobile phone when shopping online.

The same versions were sent to all moderators to ensure comparability between the groups, while providing at the same time enough flexibility for the moderator to follow up on interesting or unexpected issues raised by participants. The uniform layout of the three reports facilitated the integration and comparison of information collected in each country.

For the analysis, in a first step, the Scissor-and-Sort Technique was applied, meaning that those parts of each country report that were relevant for a specific research question were identified and compiled with information belonging to the same research question. Subsequently, a content analysis was conducted to organise the information into categories and discover patterns, including comparing information across countries. In the last step, information in each category was analysed, conclusions were drawn and implications for the design of the behavioural experiment were pointed out.

A3.4 Sample

In total, 48 individuals participated in the six focus groups, 16 per country and 8 per group. Half of the participants were female and 60% had a university-level education, followed by 15% with completed secondary education and 13% with completed primary education. The age groups 36-45 and 46-60 each covered 17 participants, while 14 participants were between 25 and 35 years old. In Spain, 14 participants were older than 35, and in Romania only three participants represented the age group 36-45.

The majority of participants (54%) shopped online at least once a week and 40% once a month. Only two participants searched for or bought a product online every three months and one participant shopped online every six months. In Germany, participants shopped online more frequently (81% once a week) than participants in the other two countries. There was no apparent gender difference in the frequency of searching for or buying a product online. Frequency of online shopping appeared to be higher among younger participants and lower among older participants. The majority of participants with university-level education or completed secondary education shopped online at least once a week (66% and 71% respectively), while most of the participants with completed primary education shopped online once a month (83%).

In Romania and Spain, all participants in the low education level/financial literacy group answered one question to assess financial literacy correctly, while all participants in the high education level/financial literacy group answered all three questions correctly. In comparison, 10 participants in Germany gave the right answer to all three questions, three participants answered one question correctly and two participants gave two right answers. One participant gave no correct answer. The majority of those who had three correct answers shopped online at least once a week (65%), followed by 31% who shopped online once a month. Among participants who answered one question correctly, the majority shopped online once a month (58%) and a smaller percentage (32%) shopped online at least once a week.

Forty-seven participants had a current account and 47 had or have had a personal loan. The participant without the respective product was in both cases aged 46-60. The prevalence of having or having had a mortgage or credit card appeared to be higher among participants in the age group 36-45 (65% and 94% respectively). 77% of participants who had a current account also had a credit card.

Annex 4 List of providers mapped

No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
1	RO	BRD – Groupe Soci�t� G�n�rale	EU operator	France	traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
2	RO	Banca Transilvania	National operator		traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
3	RO	Banca Comercial� Rom�n�	National operator		traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
4	RO	ING Bank Romania	EU operator	Netherlands	traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
5	RO	Raiffeisen Bank	EU operator	Austria	traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
6	RO	Allianz Tiriac	EU operator	Germany	traditional	•	•	•	•	•	✓	•	•	•	•
7	RO	City Insurance	National operator		traditional	•	•	•	•	•	✓	•	•	•	•
8	RO	Omniasig	EU operator	Austria	traditional	•	•	•	•	•	✓	•	•	•	•
9	RO	Groupama	EU operator	France	traditional	•	•	•	•	•	✓	•	•	•	•
10	RO	Bitcoin Romania	Non-EU operator	Canada	new	•	•	•	•	•	•	•	•	•	✓
11	RO	coinflux	National operator		new	•	•	•	•	•	•	•	•	•	✓
12	RO	Credius	National operator		new	•	✓	•	✓	•	•	•	•	•	•
13	RO	Viva Credit	National operator		new	•	•	•	✓	•	•	•	•	•	•
14	RO	Ferratum Money	EU operator	Finland	new	•	•	•	✓	•	•	•	•	•	•
15	RO	HoraCredit	National operator		new	•	•	•	✓	•	•	•	•	•	•
16	RO	Telekombanking	EU operator	Germany, Poland	new	•	✓	•	•	•	•	✓	•	✓	•
17	RO	Orange Money	EU operator	France	new	•	•	•	•	•	•	•	•	✓	•
18	RO	TransferGo Romania	EU operator	United Kingdom	new	•	•	•	•	•	•	•	•	✓	•
19	RO	Western Union	Non-EU operator	US	traditional	•	•	•	•	•	•	•	•	✓	•
20	RO	Bancpost	National operator		traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
21	RO	eMag	National operator		new	•	•	•	•	•	✓	•	•	•	•

Behavioural study on the digitalisation of the marketing and distance selling of retail financial services

No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
22	RO	Libra Internet Bank	National operator		traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
23	RO	OTP Bank	EU operator	Hungary	traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
24	RO	Idea Bank	EU operator	Poland	traditional	✓	✓	•	•	•	•	✓	✓	✓	•
25	DE	Deutsche Bank	National operator		traditional	✓	✓	✓	•	✓	✓	✓	✓	✓	•
26	DE	Commerzbank	National operator		traditional	✓	✓	✓	•	✓	✓	✓	✓	✓	•
27	DE	HypoVereinsbank	EU operator	Italy	traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
28	DE	N26	National operator		new	•	✓	•	•	•	✓	✓	✓	✓	•
29	DE	Comdirect	National operator	It's a daughter firm from Commerzbank	traditional	✓	✓	•	•	✓	•	✓	•	✓	•
30	DE	Allianz	National operator		traditional	•	•	•	•	•	✓	•	•	•	•
31	DE	Sparkasse (Berlin)	National operator		traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
32	DE	Auxmoney	National operator		new	•	•	✓	•	•	•	•	•	•	•
33	DE	ING-DiBa	EU operator	Netherlands	traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
34	DE	KfW Bankengruppe	National operator		traditional	•	✓	•	•	•	•	•	•	•	•
35	DE	Volkseisenbank Hessen	National operator		traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
36	DE	Landesbank Baden-Württemberg (LBBW)	National operator		traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
37	DE	DKB	National operator		traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
38	DE	Consorsbank	EU operator	France	traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
39	DE	Fidor	National operator		new	✓	✓	✓	✓	•	•	✓	✓	✓	✓
40	DE	Targobank	National operator		traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•
41	DE	Bitcoin Deutschland AG	National operator		new	•	•	•	•	•	•	•	•	•	✓

Behavioural study on the digitalisation of the marketing and distance selling of retail financial services

No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
42	DE	Friendsurance	National operator		new	*	*	*	*	*	*	*	*	*	*
43	DE	Ayondo	EU operator	UK	new	*	*	*	*	*	*	*	*	*	*
44	DE	Savedo	National operator		new	*	*	*	*	*	*	*	*	*	*
45	DE	SmartDepot	National operator		new	*	*	*	*	*	*	*	*	*	*
46	DE	Paypal	Non-EU operator	USA	new	*	*	*	*	*	*	*	*	✓	*
47	DE	Kreditech	National operator		new	*	✓	*	✓	*	*	*	*	*	*
48	DE	Vexcash	National operator		new	*	*	*	✓	*	*	*	*	*	*
49	DE	Companisto	National operator		new	*	*	*	*	*	*	*	*	*	*
50	DE	Seedmatch	National operator		new	*	*	*	*	*	*	*	*	*	*
51	DE	Smava	National operator		new	*	✓	*	✓	*	*	*	*	*	*
52	DE	Betterpayment	National operator		new	*	*	*	*	*	*	*	*	✓	*
53	DE	Schutzclick	National operator		new	*	*	*	*	*	*	*	*	*	*
54	DE	Bitbond	National operator		new	*	*	✓	*	*	*	*	*	*	✓
55	DE	Transferwise	EU operator	Estonia	new	*	*	*	*	*	*	*	*	✓	*
56	DE	Cashper	EU operator	Malta	traditional	*	*	*	✓	*	*	*	*	*	*
57	DE	Savedroid	National operator		new	*	*	*	*	*	*	*	✓	*	*
58	DE	bite-insurance.de	National operator		new	*	*	*	*	*	✓	*	*	*	*
59	DE	Cringle	National operator		new	*	*	*	*	*	*	*	*	✓	*
60	ES	Banco Santander	National operator		traditional	✓	✓	*	*	✓	*	✓	✓	✓	*
61	ES	BBVA	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
62	ES	Banco Sabadell	National operator		traditional	✓	✓	*	*	✓	*	✓	✓	✓	*
63	ES	Bankinter	National operator		traditional	✓	✓	*	*	✓	*	✓	✓	✓	*
64	ES	Bankia	National operator		traditional	✓	✓	*	*	✓	*	✓	✓	✓	*

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No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
65	ES	Caja Rural / Banco Cooperativo Espanol	National operator		traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
66	ES	Evo Banco	National operator		traditional	✓	✓	•	•	✓	•	✓	✓	✓	•
67	ES	Openbank	National operator		traditional	✓	•	•	•	✓	•	✓	•	•	•
68	ES	WiZink	National operator		new	✓	•	•	•	•	✓	•	✓	•	•
69	ES	Imaginbank	National operator		traditional	✓	•	•	•	•	✓	✓	•	•	•
70	ES	Fintonic	National operator		new	•	✓	•	•	•	•	•	•	•	•
71	ES	Momo Pocket	National operator		new	•	•	•	•	•	•	•	•	✓	•
72	ES	Coverontrip	National operator		new	•	•	•	•	•	✓	•	•	•	•
73	ES	Mapfre	National operator		traditional	•	•	•	•	•	✓	•	•	•	•
74	ES	Pensumo	National operator		new	•	•	•	•	•	•	•	✓	•	•
75	ES	Zank	National operator		new	•	•	✓	•	•	•	•	•	•	•
76	ES	Bondora	EU operator	Estonia	new	•	✓	✓	✓	•	•	•	•	•	•
77	ES	Loanbook	National operator		new	•	•	✓	•	•	•	•	•	•	•
78	ES	Quebueno / NBQ Technology	National operator		new	•	•	•	✓	•	•	•	•	•	•
79	ES	Finizens	National operator		new	•	•	•	•	•	•	•	✓	•	•
80	ES	Bit2me	National operator		new	•	•	•	•	•	•	•	•	•	✓
81	ES	Ahorro.net	National operator		new	•	•	•	•	•	•	•	•	•	•
82	ES	OK Money	National operator		new	•	✓	•	✓	•	•	•	•	•	•
83	ES	Pepedinerro	National operator		new	•	•	•	✓	•	•	•	•	•	•
84	ES	twihero	National operator		new	•	•	•	✓	•	•	•	•	•	•
85	ES	Coinffeine	National operator		new	•	•	•	•	•	•	•	•	•	✓
86	ES	Creditea	National operator		new	•	✓	•	•	•	•	•	•	•	•
87	ES	ING Espana	EU operator	Netherlands	traditional	✓	✓	•	•	✓	✓	✓	✓	✓	•

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88	ES	eToro	Non-EU operator	Israel	new	*	*	*	*	*	*	*	*	*	✓
89	FI	OP Financial Group	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
90	FI	Danske Bank	EU operator	Denmark	traditional	✓	✓	*	*	✓	*	✓	✓	✓	*
91	FI	Nordea Bank Suomi PLC Group	EU operator	Sweden	traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
92	FI	S-Pankki Group	National operator		traditional	✓	✓	*	*	✓	✓	✓	*	✓	*
93	FI	Ålandsbanken Group	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
94	FI	Moni	National operator		new	*	*	*	*	*	*	*	*	*	✓
95	FI	Holvi Payment Services Oy	National operator		new	✓	*	*	*	*	*	*	*	✓	*
96	FI	Vertaislaina Oy	National operator		new	*	*	✓	*	*	*	*	*	*	*
97	FI	Fixura	National operator		new	*	*	✓	*	*	*	*	*	*	*
98	FI	Aktia Bank PLC Group	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
99	FI	If	EU operator	Sweden	traditional	*	*	*	*	*	✓	*	*	*	*
100	FI	Vippi	National operator		new	*	✓	*	✓	*	*	*	*	*	*
101	FI	Saldo	National operator		new	*	✓	*	✓	*	*	*	*	*	*
102	FI	Blue Finance	National operator		new	*	✓	*	✓	*	*	*	*	*	*
103	FI	Handelsbanken Group	EU operator	Sweden	traditional	✓	✓	*	*	✓	*	✓	✓	✓	*
104	FI	FellowFinance	National operator		new	*	*	✓	*	*	*	*	*	*	*
105	FI	Ferratum Group	National operator		new	✓	✓	*	✓	*	*	✓	✓	✓	*
106	FI	TransferWise	EU operator	UK	new	✓	*	*	*	*	*	*	*	✓	*
107	FI	Western Union	Non-EU operator	USA	traditional	*	*	*	*	*	*	*	*	✓	*
108	FI	Prasos	National operator		new	*	*	*	*	*	*	*	*	*	✓
109	FI	Mycelium	EU operator	Austria	new	*	*	*	*	*	*	*	*	*	✓

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110	FR	BNP Paribas	National operator		traditional	✓	✓	•	✓	✓	•	✓	✓	✓	•
111	FR	Crédit Agricole	National operator		traditional	✓	✓	•	✓	✓	•	✓	✓	✓	•
112	FR	Société Générale	National operator		traditional	✓	✓	•	✓	✓	•	✓	✓	✓	•
113	FR	Banque Populaire	National operator		traditional	✓	✓	•	✓	✓	•	✓	✓	✓	•
114	FR	Crédit Mutuel	National operator		traditional	✓	✓	•	✓	✓	✓	✓	✓	✓	•
115	FR	La Banque Postale	National operator		traditional	✓	✓	•	✓	•	•	✓	✓	✓	•
116	FR	CNP Assurances	National operator		traditional	•	•	•	•	•	✓	•	•	•	•
117	FR	Axa	National operator		traditional	•	•	•	•	•	✓	•	•	•	•
118	FR	MAAF	National operator		traditional	•	•	•	•	•	✓	•	•	•	•
119	FR	MAIF	National operator		traditional	•	✓	•	•	✓	✓	•	✓	•	•
120	FR	GMF	National operator		traditional	•	•	•	•	•	•	✓	•	•	•
121	FR	Groupama	National operator		traditional	•	✓	•	•	✓	✓	•	•	•	•
122	FR	Cofidis	National operator		traditional	✓	✓	•	✓	•	•	•	•	✓	•
123	FR	Cetelem	National operator		traditional	✓	✓	•	✓	•	•	•	✓	✓	•
124	FR	Fortuneo	National operator		new	✓	✓	•	•	✓	•	✓	✓	✓	•
125	FR	Boursorama Banque	National operator		new	✓	✓	•	✓	✓	•	✓	✓	✓	•
126	FR	Hello bank	National operator		new	✓	✓	✓	•	✓	•	✓	✓	✓	•
127	FR	BforBank	National operator		new	✓	✓	•	•	✓	•	✓	✓	✓	•
128	FR	ING Direct	EU operator	NL	new	✓	✓	•	•	✓	•	✓	✓	✓	•
129	FR	Credit.fr	National operator		new	•	•	•	•	•	•	•	•	•	•
130	FR	Younited Credit	National operator		new	•	✓	✓	✓	•	•	•	•	•	•
131	FR	Lendix	National operator		new	•	✓	✓	•	•	•	•	•	•	•
132	FR	Le Pot Commun	National operator		new	•	•	•	•	•	•	•	•	✓	•

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No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
133	FR	Pumpkin	National operator		new	*	*	*	*	*	*	*	*	*	*
134	FR	Leetchi	National operator		new	*	*	*	*	*	*	*	*	✓	*
135	FR	Lydia	National operator		new	*	*	*	*	*	*	*	*	✓	*
136	FR	Paymium	National operator		new	*	*	*	*	*	*	*	*	✓	✓
137	FR	Zebitcoin	National operator		new	*	*	*	*	*	*	*	*	*	✓
138	FR	Compte Nickel	National operator		new	*	*	*	*	*	✓	✓	*	✓	*
139	FR	Morning	National operator		new	*	*	*	*	*	*	✓	*	✓	*
140	FR	Zen'Up	National operator		new	*	*	*	*	*	*	*	*	*	*
141	FR	InsPeer	National operator		new	*	*	*	*	*	*	*	*	*	*
142	FR	Carrefour Banque	National operator		traditional	✓	✓	*	✓	*	*	✓	✓	✓	*
143	FR	Orange Bank	National operator		new	*	✓	*	*	*	*	✓	*	✓	*
144	FR	Lemonway	National operator		new	*	*	*	*	*	*	*	*	✓	*
145	FR	Wecover	National operator		new	*	*	*	*	*	*	*	*	*	*
146	FR	Alan	National operator		new	*	*	*	*	*	*	*	*	*	*
147	LT	SEB	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
148	LT	Luminor	EU operator	Norway, Denmark	traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
149	LT	Swedbank	EU operator	Sweden	traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
150	LT	Šiaulių Bankas	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
151	LT	Citadele	EU operator	Latvia	traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
152	LT	Medicinos bankas	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
153	LT	Danske Bank	EU operator	Denmark	traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
154	LT	Bigbank	EU operator	Estonia	traditional	*	✓	*	*	✓	*	*	*	*	*
155	LT	Paysera	National operator		new	✓	*	*	*	*	*	*	*	✓	*
156	LT	Contis	EU operator	UK	new	✓	*	*	*	*	✓	✓	✓	✓	*

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No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
157	LT	FinBee	National operator		new	*	*	✓	*	*	*	*	*	*	*
158	LT	MokiLizingas	National operator		new	✓	✓	*	*	✓	*	*	*	*	*
159	LT	Savy	EU operator	UK	new	*	*	✓	*	*	*	*	*	*	*
160	LT	MomentCredit	National operator		new	*	✓	*	✓	*	*	*	*	*	*
161	LT	Vivus	National operator		new	*	✓	*	✓	*	*	*	*	*	*
162	LT	Blender	Non-EU operator	Izrael	new	*	*	✓	*	*	*	*	*	*	*
163	LT	SpectroCoin	National operator		new	*	*	*	*	*	*	*	*	*	✓
164	LT	Coingate	National operator		new	*	*	*	*	*	*	*	*	*	✓
165	UK	Lloyds Bank	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
166	UK	Revolut	National operator		new	*	*	✓	*	*	✓	✓	✓	✓	✓
167	UK	Monzo	National operator		new	*	*	*	*	*	*	✓	*	✓	*
168	UK	HSBC	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
169	UK	Royal Bank of Scotland	National operator		traditional	✓	✓	*	*	✓	*	✓	✓	✓	*
170	UK	NatWest	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
171	UK	Barclays	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
172	UK	Santander	EU operator	Spain	traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
173	UK	Nationwide	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
174	UK	Halifax	National operator		traditional	✓	✓	*	*	✓	✓	✓	✓	✓	*
175	UK	Wonga	National operator		new	*	*	*	✓	*	*	*	*	*	*
176	UK	QuickQuid	National operator		new	*	*	*	✓	*	*	*	*	*	*
177	UK	UncleBuck	National operator		new	*	*	*	✓	*	*	*	*	*	*
178	UK	Payday Pixie	National operator		new	*	*	*	✓	*	*	*	*	*	*
179	UK	Drafty	National operator		new	*	*	*	✓	*	*	*	*	*	*
180	UK	Peachy	National operator		new	*	*	*	✓	*	*	*	*	*	*

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No	Country	Name of provider	EU, National or Non-EU operator	Country of origin if not a national operator	traditional / new	Credit card	Personal loan	Peer-to-peer lending	Payday loans	Mortgages	Travel insurance	Current accounts	Savings account	Money transfer and payments	Virtual currencies
181	UK	Cashfloat	National operator		new	*	*	*	✓	*	*	*	*	*	*
182	UK	Tesco Bank	National operator		new	✓	✓	*	*	✓	✓	✓	✓	✓	*
183	UK	Monese	National operator		new	*	*	*	*	*	*	✓	*	✓	*
184	UK	Atom	National operator		new	*	*	*	*	✓	*	*	✓	*	*
185	UK	Tandem	National operator		new	✓	*	*	*	*	*	*	✓	*	*
186	UK	Buy Virtual Currency (BVC)	National operator		new	*	*	*	*	*	*	*	*	*	✓
187	UK	CryptoxBureau	National operator		new	*	*	*	*	*	*	*	*	*	✓
188	UK	Liverpool Victoria (LV)	National operator		traditional	*	*	*	*	*	✓	*	*	*	*
189	UK	Aviva	National operator		traditional	*	*	*	*	*	✓	*	*	*	*
190	UK	RateSetter	National operator		new	*	*	✓	*	*	*	*	*	*	*
191	UK	Zopa	National operator		new	*	*	✓	*	*	*	*	✓	*	*
192	UK	TransferWise	National operator		new	*	*	*	*	*	*	✓	*	✓	*
193	UK	Azimo	National operator		new	*	*	*	*	*	*	*	*	✓	*
194	UK	Landbay	National operator		new	*	*	*	*	✓	*	*	*	*	*
195	UK	LendInvest	National operator		new	*	*	*	*	✓	*	*	*	*	*
196	UK	Starling Bank	National operator		new	*	*	*	*	*	*	✓	*	✓	*
197	UK	AXA	EU operator	France	traditional	*	*	*	*	*	✓	*	*	*	*
198	UK	Lendable	National operator		new	*	*	✓	*	*	*	*	*	*	*
199	UK	InMyBag	National operator		new	*	*	*	*	*	*	*	*	*	*
200	UK	BackMeUp	National operator		new	*	*	*	*	*	✓	*	*	*	*

Annex 5 List of products assessed in the online desk research

	Product			Provider	
	Category	Type	Product name	Name	Type of provider
DE	Consumer credit products	Credit card	Credit Card DKB	Deutsche Kreditbank AG (DKB)	Traditional provider
			N26 MasterCard	N26	New provider
			Deutsche Bank account and MasterCard Travel	Deutsche Bank	Traditional provider
	Consumer credit products	Personal loan	Ratenkredit	Consorsbank	Traditional provider
			easyCredit	TeamBank (VolkseisenRaiffeisenbanken)	Traditional provider
			N26 Credit	N26	New provider
	Consumer credit products	Peer-to-peer lending	Investor account Auxmoney	Auxmoney	New provider
			Personal loan offers from private individuals	Smava	New provider
			Fidor Smart Girokonto	Fidor Bank	Traditional provider
	Consumer credit products	Payday loans	Vexcash Loan	Vexcash	New provider
			Fidor cash emergency call	Fidor Bank	New provider
			Microcredit	Cashper	New provider
	Mortgage	Mortgage	Immobilienfinanzierung Plus	Comdirect	Traditional provider
			Baufinanzierung Ing-Diba	Ing-Diba	Traditional provider
	Insurance	Travel insurance	Reiserücktrittsversicherung	Allianz	Traditional provider
			Reiseversicherung bute	Bite-insurance.de	New provider
	Banking products	Current accounts	Online-Konto	Targobank	Traditional provider
			Girokonto	Ing-Diba	Traditional provider

			N26 bank account	N26	New provider
	Banking products	Savings account	Festgeldanlage	Targobank	Traditional provider
			Savedroid App	Savedroid	New provider
	Banking products	Money transfer and payments	Money transfer	Transferwise	New provider
			Cringle App	Cringle	New provider
	Virtual currencies	Virtual currencies	Bitcoin loan or investment	Bitbond	https://www.bitbond.com/de
			Bitcoin marketplace	Bitcoin.de	https://www.bitcoin.de/en?cr=1
ES	Consumer credit products	Credit card	WiZink Oro	WiZink	New provider
			Visa Sabadell	Sabadell	Traditional provider
			Tarjeta Despues	BBVA	Traditional provider
	Consumer credit products	Personal loan	Prestamo Personal Bankinter	Bankinter	Traditional provider
			Online loan creditea	Creditea	New provider
			Préstamo Personal Evo Finance	Evo Bank	Traditional provider
	Consumer credit products	Peer-to-peer lending	P2P platform LoanBook	Loanbook	New provider
			P2P platform Zank	Zank	New provider
			P2P option	Bondora	New provider
	Consumer credit products	Payday loans	Credito rapido	Pepedinerio	New provider
			Micro credit	OK Money	New provider
			Fast loans	QueBueno	New provider
	Mortgage	Mortgage	Hipoteca Variable	Banco Santander	Traditional provider
			Hipoteca Fija Bankinter	Bankinter	Traditional provider

	Insurance	Travel insurance	Travel insurance: holiday tourism	Coverontrip	New provider
			Seguro temporal de viaje	Mapfre	Traditional provider
	Banking products	Current accounts	Cuenta Corriente Open	Openbank (Part of Santander)	Traditional provider
			Cuenta_ON	Bankia	Traditional provider
			Cuenta inteligente Evo	Evo Bank	Traditional provider
	Banking products	Savings account	Coinc	Bankinter	Traditional provider
			Cuenta NARANJA	ING Espana	Traditional provider
	Banking products	Money transfer and payments	Bizum	Cooperation of traditional Spanish Banks (BBVA, Santander, Sbadell, Bankia etc.)	Traditional provider
			App Momo Pocket	Momo Pocket	New provider
	Virtual currencies	Virtual currencies	Virtual Currencies bit2me	Bit2Me	New provider
			Cryptocurrency trade market	eToro	New provider
	FI	Consumer credit products	Credit card	OP MasterCard	OP Group
Consumer credit products		Personal loan	Consumer credit	OP Group	Traditional provider
			Consumer credit	Vippi.fi	New provider
			Prime loan	Ferratum Group	New provider
Consumer credit products		Peer-to-peer lending	Vertaislaina	Vertaislaina Oy / Lainaaja	New provider
			Vertaislaina	Fixura	New provider
			Vertaislaina	FellowFinance	New provider
Consumer credit products		Payday loans	Flexible credit	Vippi.fi	New provider
			Pikavippi	BlueFinance	New provider
			Pikavippi	Ferratum Group	New provider

	Mortgage	Mortgage	Mortgage	OP Group	Traditional provider
	Insurance	Travel insurance	Travel insurance	OP Group	Traditional provider
			Travel insurance	POPVakuutus	Traditional provider
			Travel insurance	If	Traditional provider
	Banking products	Current accounts	Current account	OP Group	Traditional provider
			Current account	Ferratum Group	New provider
	Banking products	Savings account	Growth Return Account	OP Group	Traditional provider
	Banking products	Money transfer and payments	Money transfer	TransferWise	New provider
			Payment abroad	OP Group	Traditional provider
			Money transfer	Western Union	Traditional provider
	Virtual currencies	Virtual currencies	Bittiraha	Prasos	New provider
			Coinmotion	Prasos	New provider
			Mycelium Bitcoin Wallet	Mycelium	New provider
FR	Consumer credit products	Credit card	Credit card ("Carte Pass")	Carrefour Banque	Traditional provider
			Credit card		
	Consumer credit products	Personal loan	Loan for various types of projects (Prêt divers)	BNP Paribas	Traditional provider
			Consumer credit	Hellobank!	New provider
			Car loan	Carrefour Banque	Traditional provider
			Personal loan	Orange Bank	New provider
	Consumer credit products	Peer-to-peer lending	Personal loan	Younited Credit	New provider
	Consumer credit products	Payday loans	Revolving loan	Cofidis	New provider
			Revolving loan	Cetelem	New provider

	Mortgage	Mortgage	Mortgage	La Banque Postale	Traditional provider
			Mortgage	ING Direct	New provider
	Insurance	Travel insurance	Travel insurance for short trips	Axa	Traditional provider
			Travel insurance for long trips	Allianz	Traditional provider
	Banking products	Current accounts	Current account	BNP Paribas	Traditional provider
			Current account (Compte courant)	Hellobank!	New provider
			Current account	Orange Bank	New provider
	Banking products	Savings account	Savings account	Carrefour Banque	Traditional provider
			Savings account	BforBank	Traditional provider
	Banking products	Money transfer and payments	Mobile payment	Pumpkin	New provider
			Online money pot	Leetchi	New provider
	Virtual currencies	Virtual currencies	Virtual currency	Zebitcoin	New provider
			Virtual currency	e-Toro	New provider
	LT	Consumer credit products	Credit card	Contactless MasterCard Standard	SEB
Classic Credit Card				Swedbank	Traditional provider
X Credit Card				Citadele	Traditional provider
Consumer credit products		Personal loan	Consumer loan	SEB	Traditional provider
			Consumer loan	Siauliu Bankas	Traditional provider
			Consumer loan	BigBank	Traditional provider
Consumer credit products		Peer-to-peer lending	Consumer loan (P2P)	FinBee	New provider
			Consumer loan (P2P)	Paskolu Klubas	New provider
			Consumer loan (P2P)	GoSavy	New provider

	Consumer credit products	Payday loans	Payday loan	MomentCredit	New provider
			Payday loan	Vivus	New provider
			Payday loan	Credit24	New provider
	Mortgage	Mortgage	Mortgage	Vilniaus Kredito Unija	Traditional provider
			Mortgage	Swedbank	Traditional provider
	Insurance	Travel insurance	Travel insurance	If	Traditional provider
			Travel insurance	Lietuvos Draudimas	Traditional provider
	Banking products	Current accounts	Current account	Citadele	Traditional provider
			Current account	PaySera	New provider
	Banking products	Savings account	Cumulative deposit (Savings account)	SEB	Traditional provider
			Savings deposits (Savings account)	Swedbank	Traditional provider
	Banking products	Money transfer and payments	Money transfer	TransferGo	New provider
			Money transfer and payments account	Paysera	New provider
	Virtual currencies	Virtual currencies	SpectroCoin cryptocurrency wallet, card and exchange package	SpectroCoin	New provider
			CoinGate cryptocurrency trading.	CoinGate	New provider
UK	Consumer credit products	Credit card	Tandem Cashback Credit Card	Tandem	New provider
			Barclaycard	Barclays	Traditional provider
	Consumer credit products	Personal loan	Personal loan	Tesco Bank (online)	New provider
			Personal loan	Lloyds Bank	Traditional provider
			Personal loan	HSBC	Traditional provider
	Consumer credit products	Peer-to-peer lending	P2P lending (Low Rate Personal Loan)	Rate Setter	New provider
			Zopa loan	Zopa	New provider

	Consumer credit products	Payday loans	Short term loans	Peachy	New provider
			Payday loans	Cashfloat	New provider
	Mortgage	Mortgage	First time buyer mortgage	HSBC	Traditional provider
			Atom bank mortgage	Atom (online mortgage)	New provider
	Insurance	Travel insurance	Fully Flex Insurance	BackMeUP	New provider
			Travel Insurance AXA	AXA	Traditional provider
	Banking products	Current accounts	Current Account	Tesco Bank	New provider
			Personal account	Revolut	New provider
			Nationwide Bank Account	NationWide	Traditional provider
	Banking products	Savings account	Vaults	Revolut	New provider
			Everyday saver	Halifax	Traditional provider
	Banking products	Money transfer and payments	TransferWise	TransferWise	New provider
			Starling Bank	Starling Bank	New provider
	Virtual currencies	Virtual currencies	Buy Virtual Currency	Buy Virtual Currency (BVC)	New provider
			Cryptocurrency market place	CryptoxBureau	New provider
RO	Consumer credit products	Credit card	Cardul de Credit VISA Classic	Bancpost	Traditional provider
			Card de Credit	Idea Bank	Traditional provider
	Consumer credit products	Personal loan	ING Personal: Creditul pe repede'nainte	ING	Traditional provider
			Credit Online	Libra Internet Bank	Traditional provider
			Creditul Espresso	BRD	Traditional provider
	Consumer credit products	Peer-to-peer lending	The only P2P lending platform identified in Romania is Friendcredit, which was not active anymore at the time of the desk research. There are platforms such as Mintos or Welltrado, where Romanian consumers can invest, but not borrow		

Consumer credit products	Payday loans	Credite mici pe termen scurt	Credius	New provider
		Credit pana la salariu	Vivacredit	New provider
Mortgage	Mortgage	Credit ipotecar	Banca Transilvania	Traditional provider
		Credit ipotecar	OTP Bank	Traditional provider
Insurance	Travel insurance	Calatorii	Groupama	Traditional provider
		Asigurare de calatorii	CityInsurance	Traditional provider
Banking products	Current accounts	Cont curent online	Banca Comercială Română	Traditional provider
		Cont curent pentru persoane fizice	Banca Transilvania	Traditional provider
		Telekom Banking	Telekombanking	New provider
Banking products	Savings account	Cont de economii	Libra Internet Bank	Traditional provider
Banking products	Money transfer and payments	Transfer de bani	Western Union	Traditional provider
		Transfer de bani	Orange money	New provider
Virtual currencies	Virtual currencies	Monede virtuale	Bitcoin Romania	New provider
		Monede virtuale	Coinflux	New provider

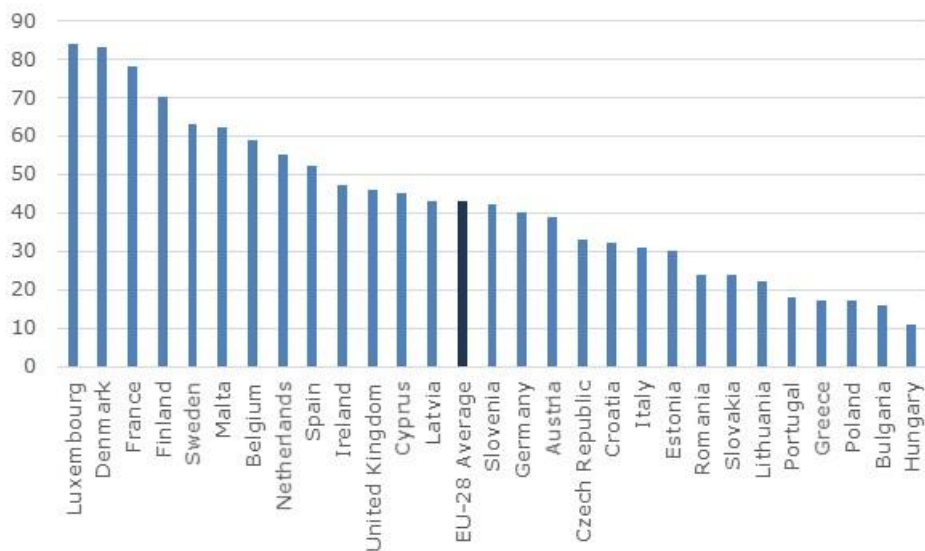
Annex 6 Product fiches

A6.1 Credit cards

Product overview

Credit cards are payment cards that enable cardholders to make purchases and/or withdraw cash up to a certain prearranged credit limit. The credit granted may either be settled in full by the end of a specified period (a charge card, essentially a delayed debit card), or settled in part, with the balance comprising a form of credit on which interest is usually charged (a revolving credit card).³⁹ In 2016, **43% of Europeans have a credit card**, up 3% from 2011, see Figure 9 for the numbers for each Member State. **30% Of EU citizens above the age of 15 used their credit card in 2017**, see Figure 10 for the numbers for each Member State.

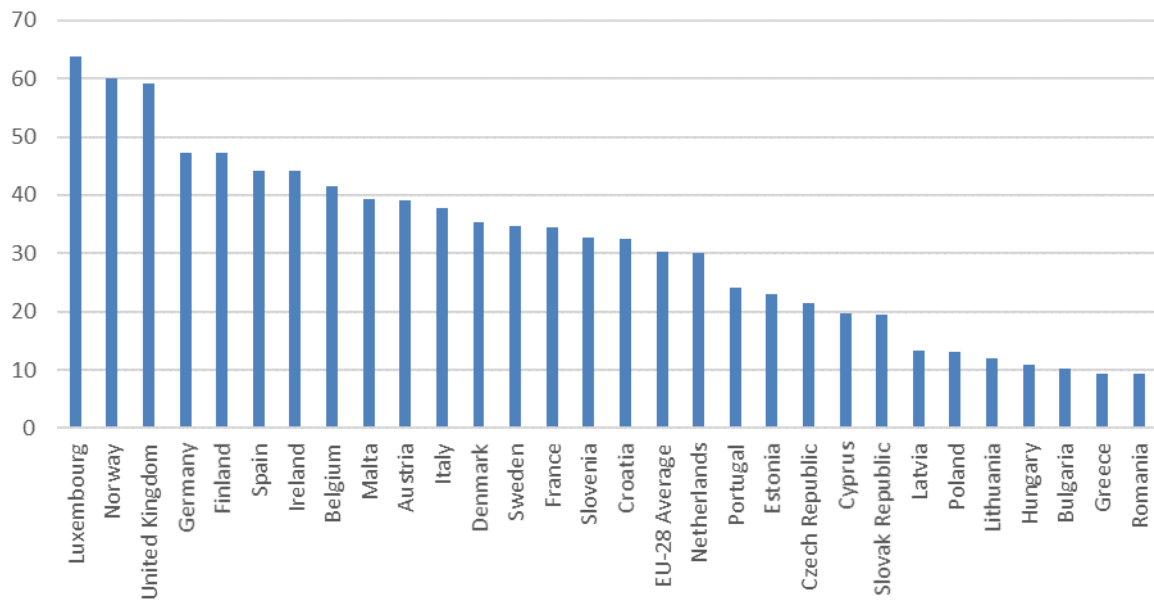
Figure 9: Consumers who have a credit card in EU Member States, in per cent



Source: Special Eurobarometer 446: Financial Products and Services

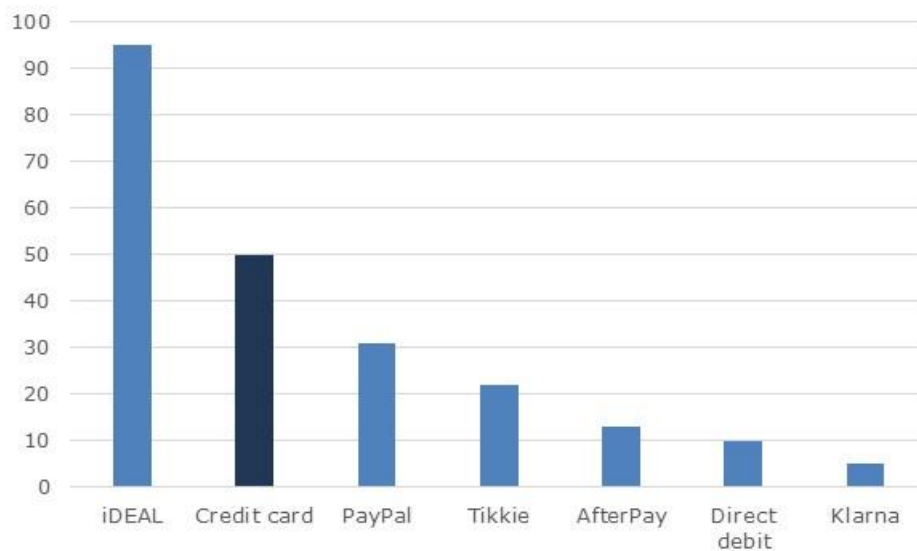
³⁹ ECB (2014). Card Payments in Europe – A renewed focus on SEPA for cards. Available at: https://www.ecb.europa.eu/pub/pdf/other/cardpaymineu_renfoconsepaforcards201404en.pdf

Figure 10: Use of credit cards in the past year, in percent of the population above the age of 15



Source: Global Findex database

Figure 11: Use of payment method by Dutch consumers in 2017, in per cent of consumers who used the payment method



Source: Statista, 2018

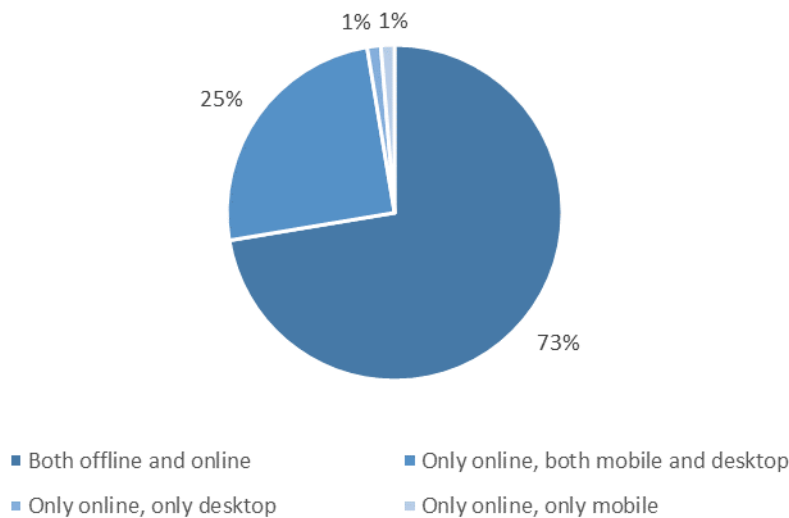
Overview of providers offering credit cards

Credit cards are predominantly issued by **traditional operators and specifically by the bigger banks**. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 38% of the 200 operators are offering credit cards. 79% of the operators offering credit cards are traditional operators, while 21% are new operators. 74% of the operators are national operators being established or headquartered in the country where they provide credit cards, while 26% are European operators which have been established in another EU country but operate in the country where they provide credit cards.⁴⁰ Some of the operators offering credit cards also offer some other financial

⁴⁰ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators

products at the same time: personal loans (34%), current accounts (34%), savings accounts (34%), money transfer and payments (34%) and mortgages (31%). The category of operators that offer all or most of these products at the same time is formed by the traditional full-fledged commercial banks that are most important to consumers. Most of the operators offering credit cards are active both offline and online (72%) or only online on both desktop and mobile (25%), see Figure 12. The biggest issuer of credit cards in Europe is France's fourth largest bank BPCE (total purchase volume of EUR 84.30 billion), followed by BNP Paribas from France, Barclays from the UK, CartaSi from Italy, and HSBC from the UK.⁴¹

Figure 12: Sales channels used by providers of credit cards in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

A6.2 Personal loans

Product overview

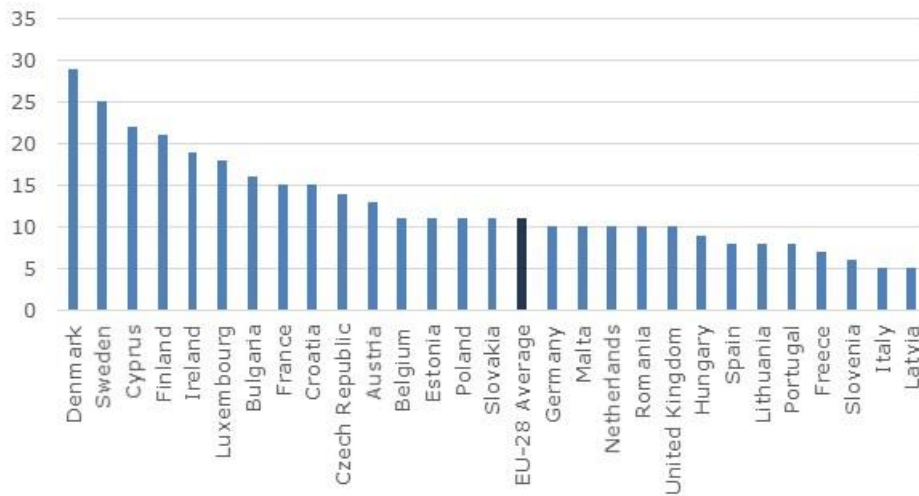
Personal unsecured loans are loans which are granted to individual consumers according to their creditworthiness, rather than by a collateral.⁴² This is the traditional kind of loans provided to consumers for various purposes and on which they have to pay a certain percentage of interest. In 2016, **11% of Europeans have a personal loan**, down 2% from 2011, see Figure 13 for the numbers of all Member States. **For 7% of Europeans above the age of 15, the main source of emergency funds is formed by loans** (from either banks, employers or private lenders), see Figure 14 for the numbers of all Member States.

which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

⁴¹ Statista. (2018). Leading credit card issuers in Europe in 2015, by purchase volume (in billion U.S. dollars). Available at: <https://www.statista.com/statistics/504696/credit-card-issuers-in-europe-by-purchase-volume/>

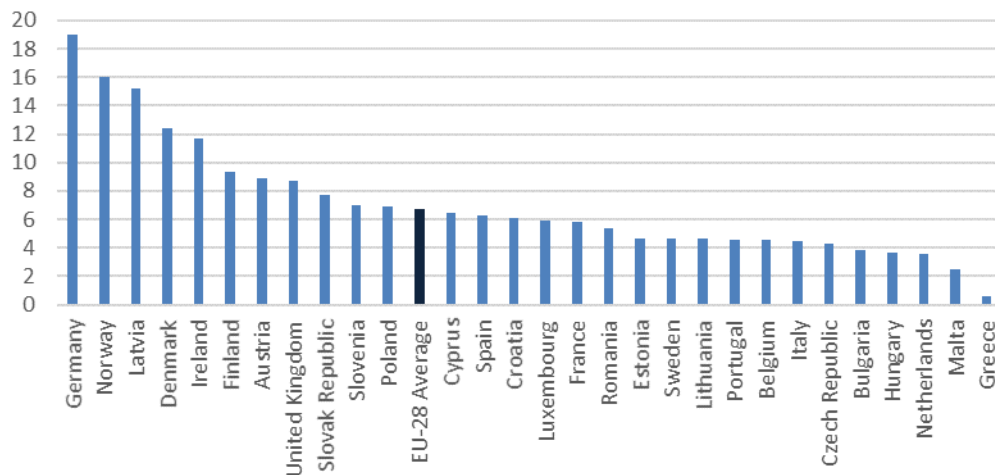
⁴² Investopedia. Unsecured loan. Available at: <https://www.investopedia.com/terms/u/unsecuredloan.asp>

Figure 13: Consumers who have a personal loan in EU Member States, in per cent



Source: Special Eurobarometer 446: Financial Products and Services

Figure 14: Consumers for whom the main source of emergency funds is formed by loans, in percent



Source: Global Index database

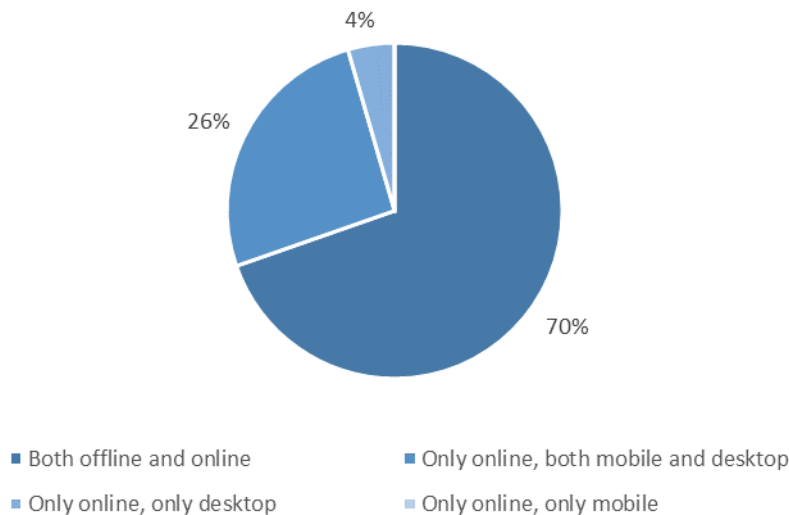
Overview of providers offering personal loans

Personal loans are mostly offered by **traditional operators** based on traditional business models including an in-take meeting between the bank and the consumer. Recently, some new providers have started to emerge offering personal loans using other business models such as Tesco Bank which is a completely online bank. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 45% of the 200 operators are offering personal loans. 71% of the operators offering personal loans are traditional operators, while 29% are new operators. 76% of the operators are national operators being established or headquartered in the country where they provide personal loans, while 26% are European operators which have been established in another EU country but operate in the country where they provide personal loans.⁴³ Most of the operators offering personal loans also offered other financial products and services, mostly: money transfer and payments (79%), credit cards (76%), current accounts (76%), savings

⁴³ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

accounts (74%) and mortgages (72%). These are the traditional full-fledged commercial banks offering all the financial products and services that are most important to consumers. Most of the operators offering personal loans are active both offline and online (70%) or only online both on both desktop and mobile (26%), see Figure 15.

Figure 15: Sales channels used by providers of personal loans in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

A6.3 Peer-to-Peer lending

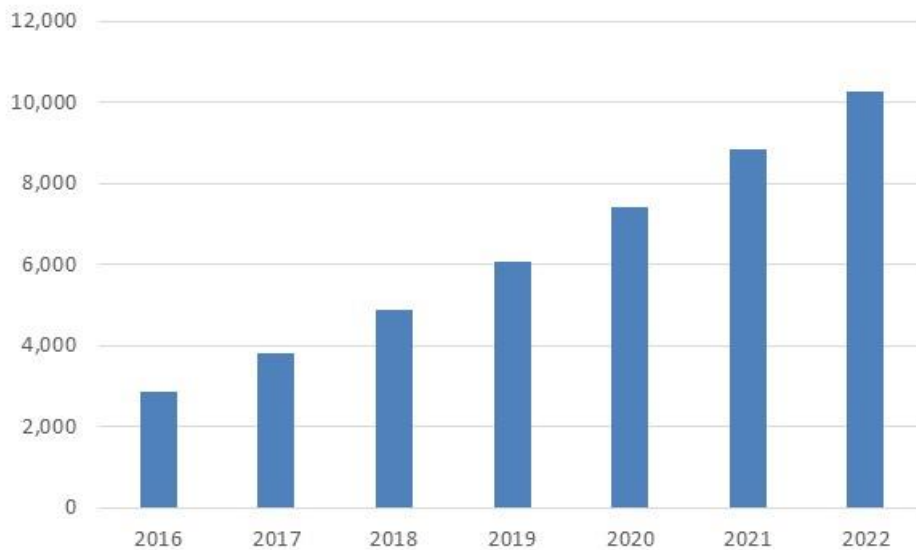
Product overview

Peer-to-Peer lending (P2P-lending) is a direct alternative to a bank loan with the difference that, instead of borrowing from a single source, companies and individuals can borrow directly from many individuals who are ready to lend. A well-known example is formed by the so-called crowdfunding platforms.⁴⁴ P2P-lending started to develop during the global financial crisis and its rapid expansion coincided with the structural transformations in the traditional banking sector that were undertaken to prevent future crises. P2P-lending platforms are mostly active in countries that are underserved by banks and where the entry of new providers has been constrained by entry barriers and switching costs.⁴⁵ P2P-lending primarily offers unsecured consumer loans for refinancing, credit card payoffs and home improvement loans with durations of 3-5 years. **The total amount of personal marketplace lending in Europe in 2017 was EUR 3,815.7 million and is projected to be by a spectacular 170% to EUR 10,287.6 million by 2022**, see Figure 16.

⁴⁴ https://ec.europa.eu/growth/tools-databases/crowdfunding-guide/types/p2p_en

⁴⁵ European Laboratory on Financial Regulation (2017), *What drives the expansion of the Peer-to-Peer Lending*. Available at: http://www.labex-refi.com/wp-content/uploads/2018/02/2017_02_labex_refi_Policy_Brief_Mariotto_Verdier_havrylchyk_rahim.pdf (consulted 21/06/2018).

Figure 16: Forecasted growth of the total transaction value personal marketplace lending in Europe, in EUR million



Source: Statista, 2018

Peer-to-peer lending already existed before digitalisation but on a much smaller scale and in a more bilateral and ad-hoc way. Digitalisation has made its offering easier allowing for a greater reach, speed and scale.⁴⁶

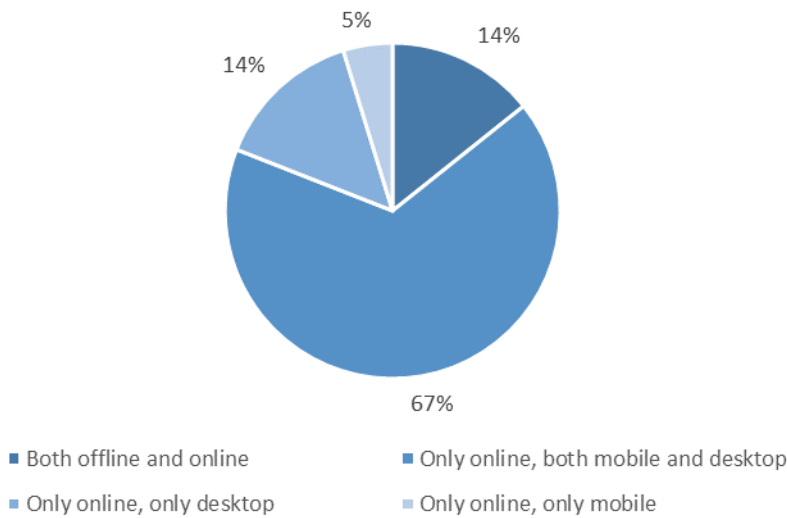
Overview of providers offering Peer-to-Peer loans

Peer-to-Peer lending is almost based entirely on online business models and offered mostly by **non-traditional providers and FinTechs**. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 11% of the 200 operators are offering P2P loans. 90% of the operators offering P2P loans are new operators, while only 2 operators (10%) are traditional operators (Deutsche Bank and Commerzbank). 86% of the operators are national operators being established or headquartered in the country where they provide Peer-to-Peer loans, while 26% are European operators which have been established in another EU country but operate in the country where they provide Peer-to-Peer loans.⁴⁷ Most of the operators offering P2P-loans offer little or no other financial products and services, the only products or services offered together by a significant number of providers are: personal loans (33%), savings accounts (29%), current accounts (24%) and money transfer and payments (24%). Most of the operators offering P2P loans are active online both on desktop and mobile (67%), only on desktop (14%) or both offline and online (14%), see Figure 17.

⁴⁶ Interview with a European sectoral association (07/08/2018).

⁴⁷ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

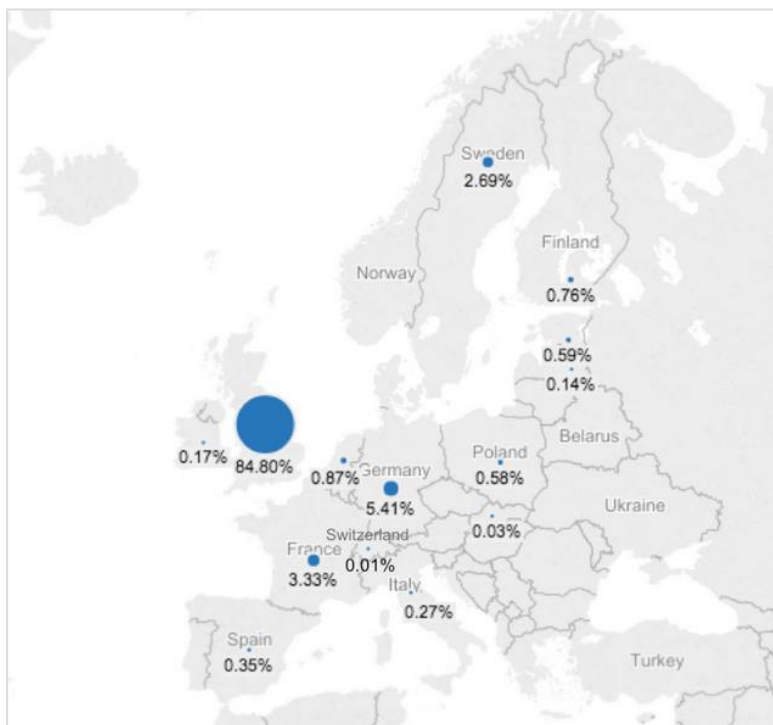
Figure 17: Sales channels used by providers of Peer-to-Peer loans in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

The biggest P2P-lender in Europe is Zopa in the UK which currently covers less than 1% of consumer lending in the country, which also shows the relatively small size of the current P2P-lending market. Figure 18 provides an overview of the spread of P2P-lending platforms across EU countries; it becomes clear that by far most P2P-lending platforms are based in the UK (85%).

Figure 18: Spread of Peer-to-Peer lending platforms across EU countries



Source: FinTechnews Switzerland (2016). Europe's Top 11 Peer-to-Peer Lending Platforms. Available at: <http://FinTechnews.ch/p2plending/europes-top-11-peer-to-peer-lending-platforms/4960/>

In the United Kingdom, an interesting case is *Funding Circle* which specialises in lending to small businesses only. There is still a growing potential for P2P-lending in credit card loans, student loans and SME loans.⁴⁸

A6.4 Payday loans

Product overview

Payday loans, also known under many different names such as cash advance loans, short term loans or small dollar loans, are small, short-term and unsecured loans that are not necessarily linked to the borrower's payday in reality. This kind of loan is typically taken out by **consumers in a hard-pressed economic status**: in the UK in 2017, 37% of households with a total income of between EUR 17,069 and EUR 34,138 had a payday loan, for households with a total income of between EUR 34,138 and EUR 56,897 this was 22% and for households with a total income of more than EUR 56,897 this was only 14%.⁴⁹ As main purpose for taking out a payday loan, consumers in the UK in 2012 stated: **to help with day to day household spending** (44%), followed by to cover an outstanding bill such as gas or electricity (16%) and to consolidate or pay off debts (15%).

Differences between Member States exist. For instance, **Latvia** is the EU payday loan market's leader with a total of EUR 207 million provided by 19 operators. The payday loan market in Latvia increased by 20% in 2015 and although the forecast is that this growth will slow down, it is still predicted to be in the double digits.⁵⁰ **In Finland**, payday loans first appeared in 2005 and they were SMS operated. The interest cap regulation in the four-year cycle came into force in 2013, and as a result short-term and low-amount payday loans almost disappeared from the market. Smaller actors have died out on the payday loan sector as well due to the interest cap. The few payday loan providers that are still there offer their services without physical branches. These companies do both online marketing and selling themselves. Statistics Finland stopped collecting data on this sector a couple of years ago, therefore, exact market data does not exist. Now consumers can apply for the product online. There are a few international operators in the Regional State Administrative Agency's register. Many of the bigger ones, such as *Ferratum*, operate under an international mother company.⁵¹ In other countries, payday loans are not as problematic. For instance, in the Netherlands, financial institutions have since 2017 prohibited the promotion of financial products that are considered as high-risk by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, AFM). For example, advertising binary options, warrants, contingent convertibles issued by banks (CoCos), payday loans (*flitskredieten*) contracts for difference and certain derivative products such as turbos and futures fall under this law.⁵² **In France**, payday loans are less problematic for consumers in comparison to other Member States. Since 1 May 2011, the Lagarde Law on Consumer Credit sets rules to prevent abuses related to consumer credits, especially revolving credits. The law prevents owners of loyalty cards to get into debt without noticing, gives the choice between classic and revolving credit to finance important purchases, shortens repayment terms for revolving loans, prevents over-indebtedness and strengthens information and consumer protection measures.⁵³

⁴⁸ Citi GPS: Global Perspectives & Solutions, Digital Disruption: How FinTech is Forcing Banking to a Tipping Point, March 2016. Available at:

<https://ir.citi.com/D%2F5GCKN6uoSvvhvCmUDS05SYsRaDvAykJpb5subGr7f1JMe8w2oX1bqpFm6RdjSRSpGzSaXhyXY%3D> (consulted 07/06/2018).

⁴⁹ Statista (2018). Conversion rate used from 21/06/2018, GBP 1 = EUR 1.14. Source: European Central Bank (2018). Currency converter. Available at: <https://sdw.ecb.europa.eu/curConverter.do?>

⁵⁰ The Baltic Times. Latvia's payday loan market. 2016. Available: <https://www.pressreader.com/latvia/the-baltic-times/20161117/281500750838471>.

⁵¹ Interview with a consumer organisation from Finland (01-06-2018).

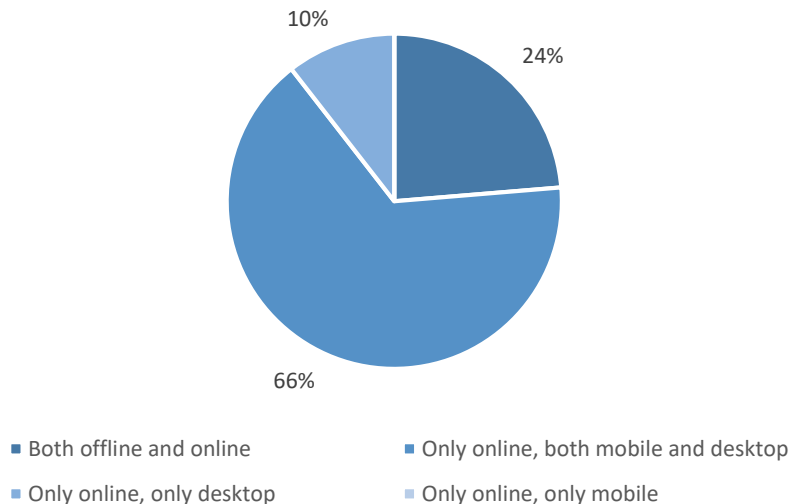
⁵² <http://www.amweb.nl/branche/nieuws/2017/06/financiele-sector-koploper-bij-reclame-code-commissie-10197065> (consulted: 09/04/2018).

⁵³ <https://www.service-public.fr/particuliers/vosdroits/F2436> (consulted 20/06/2018); https://www.economie.gouv.fr/files/finances/presse/dossiers_de_presse/110429reform_e_credit_consommation.pdf (consulted 20/06/2018)

Overview of providers offering payday loans

Payday loans lend themselves in particular for **innovative business models and are usually provided by non-traditional providers**, while traditional banks generally do not engage in them. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 19% of the 200 operators are offering payday loans. 74% of the operators offering payday loans are new operators, while only 26% are traditional operators. 92% of the operators are national operators being established or headquartered in the country where they provide payday loans, while 8% are European operators which have been established in another EU country but operate in the country where they provide payday loans.⁵⁴ Most of the operators offering payday loans offer little or no other financial products and services, the only products or services offered together by a significant number of providers are: personal loans (61%), money transfer and payments (32%), credit cards (32%), and savings accounts (29%). Most of the operators offering payday loans are active online both on desktop and mobile (66%), both offline and online (24%) or only on desktop (11%), see Figure 19.

Figure 19: Sales channels used by providers of payday loans in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

In the United Kingdom, the vast majority of payday loans are purchased by customers online. More specifically, 83% of payday loan customers have taken out a loan online and 29% of customers have taken out a payday loan on the high street (the overlap is caused by the 12% of customers having used both channels). The average amount borrowed on the high street was significantly lower with GBP 180 than the average amount borrowed online with GBP 290.⁵⁵ Moreover, the biggest provider of payday loans is a FinTech company called *Wonga.com* which has a market share of 30-40%.

In Portugal, there are no payday loans providers.⁵⁶

⁵⁴ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

⁵⁵ CMA (2015). Payday lending market investigation. Available at: https://assets.publishing.service.gov.uk/media/54ebb03bed915d0cf7000014/Payday_investigation_Final_report.pdf

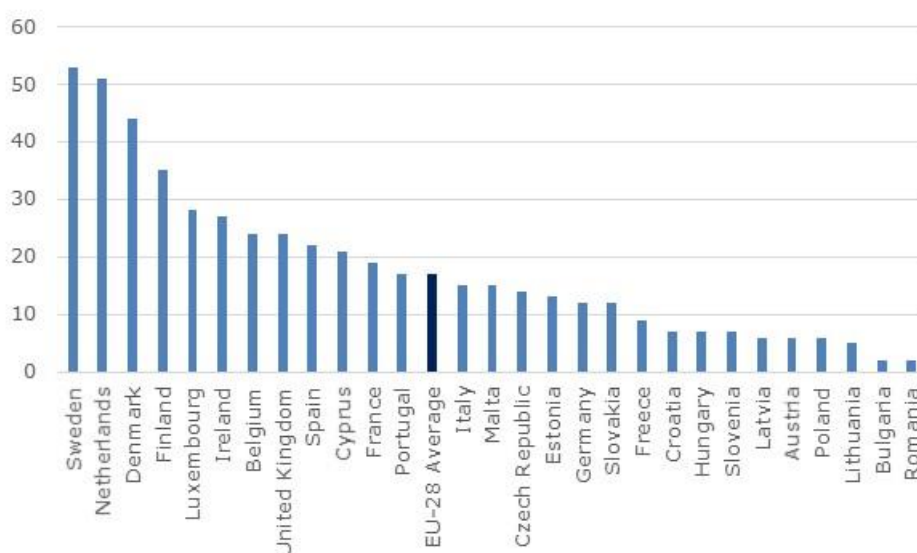
⁵⁶ Interview with a consumer organisation from Portugal (05-06-2018).

A6.5 Mortgages

Product overview

Mortgage loans usually come at a lower interest rate and with a longer redemption period in comparison to consumer credit. However, if consumers fail to fulfil their repayment obligations, lenders can seize and resell their property to pay off the loan as mortgage loans are secured against the property. Mortgage loans allow consumers to purchase property. In 2016, **17% of Europeans have a mortgage loan**, down 2% from 2011. The Member States where mortgages are the most popular are: Sweden (53% of the consumer have one), the Netherlands (51%) and Denmark (44%). Mortgages are the least popular in: Romania (2%), Bulgaria (2%) and Lithuania (5%) (see Figure 20, for the numbers of all Member States). The average **mortgage interest rate in Europe was 2.3% in the third quarter of 2017**. The highest interest rate is found in Poland (4.4%) and the lowest rate in Denmark (0.94%).⁵⁷

Figure 20: Consumers who have a mortgage in EU Member States, in per cent



Source: Special Eurobarometer 446: Financial Products and Services

Overview of providers offering mortgages

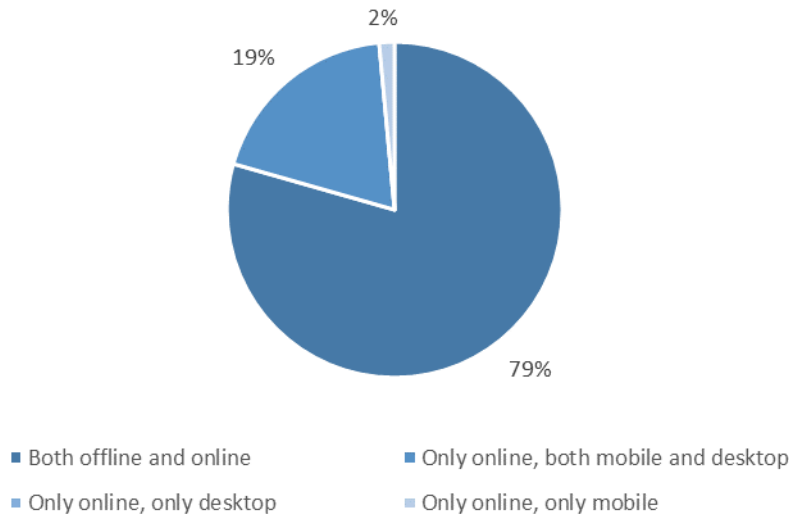
Mortgage loans are usually offered by **traditional operators, especially banks, building societies and other lenders**. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 34% of the 200 operators are offering mortgage loans. 85% of the operators offering mortgages are traditional operators, while only 15% are new operators. 74% of the operators are national operators being established or headquartered in the country where they provide mortgages, while 26% are European operators which have been established in another EU country but operate in the country where they provide mortgages.⁵⁸ Most of the operators offering mortgages also offer other financial products and services, mostly: personal loans (94%), credit cards (91%), current accounts (90%), savings accounts (88%) and money transfer and payments (88%). These are the traditional full-fledged commercial banks offering all of the financial products and services that are most important to consumers. Most of the

⁵⁷ Statista. (2018). Mortgage interest rate in selected European countries as of 1st quarter 2018. Available at: <https://www.statista.com/statistics/615037/mortgage-interest-rate-europe/>

⁵⁸ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

operators offering mortgage loans are active both offline and online (79%) or online both on desktop and mobile (19%), see Figure 21.

Figure 21: Sales channels used by providers of mortgages in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

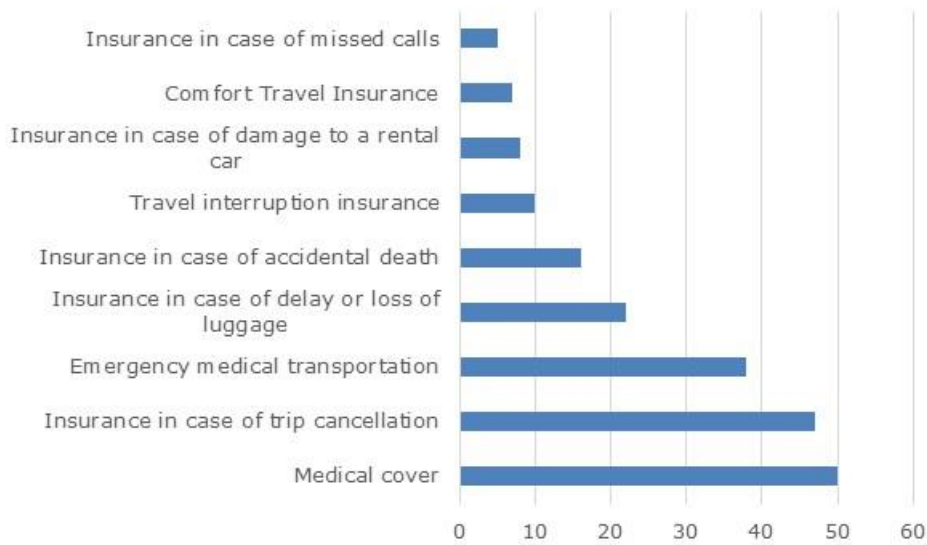
A6.6 Travel insurances

Product overview

Travel insurances provide cover for a wide range of situations that could occur during travels of the policyholder (e.g. trip cancellation, the trip being cut short, medical expenses, loss or theft of luggage and loss or theft of money, passport or personal possessions). Travel insurance is being sold as either a single trip policy, an annual policy (covering multiple trips to be taken during the period of cover) or an ongoing policy (often linked to a bank account or a credit card). The essential services of travel insurance according to European holidaymakers are: medical cover (50%), insurance in case of trip cancellation (47%) and emergency medical transportation (38%), see Figure 22 for the other benefits. The main reasons why European holidaymakers did not take out a travel insurance for their vacation in 2016 are: they do not think about it (31%), they do not travel far enough (28%), they run little risk (25%), they do not travel often enough (18%), they think it is too expensive (10%) or they have not found an adequate insurance (2%).⁵⁹

⁵⁹ Statista. (2018). Why did not you take out travel insurance for your vacation? Available at: <https://www.statista.com/statistics/766120/reasons-born-not-take-insurance-holidaymakers-european/>

Figure 22: Opinion of Europeans on the importance of travel insurance benefits 2016, in per cent of European holidaymakers who named the benefit as essential

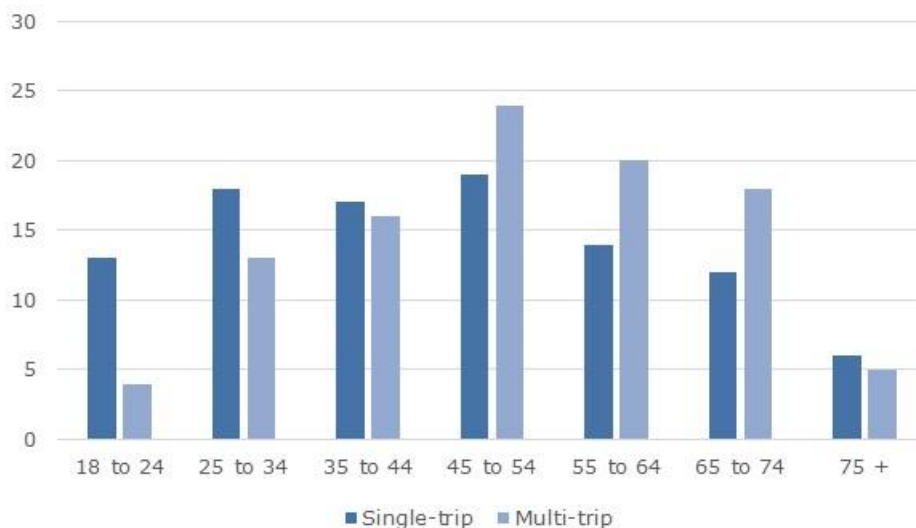


Source: Statista, 2018

In Spain, the main reasons for consumers to purchase travel insurances is the possibility of cancellation and refund (31%), followed by the coverage offered if problems with luggage and transportation occur (26%) and health care coverage (22%).⁶⁰

In the UK, single-trip travel insurances seem more popular with younger consumers, while multi-trip travel insurances are more taken out by consumers above the age of 45. In general, travel insurances seem to be most popular with consumers in the middle-aged categories, see Figure 23.

Figure 23: Share of adults that have purchased single or multi-trip travel insurances



Source: Statista, 2018

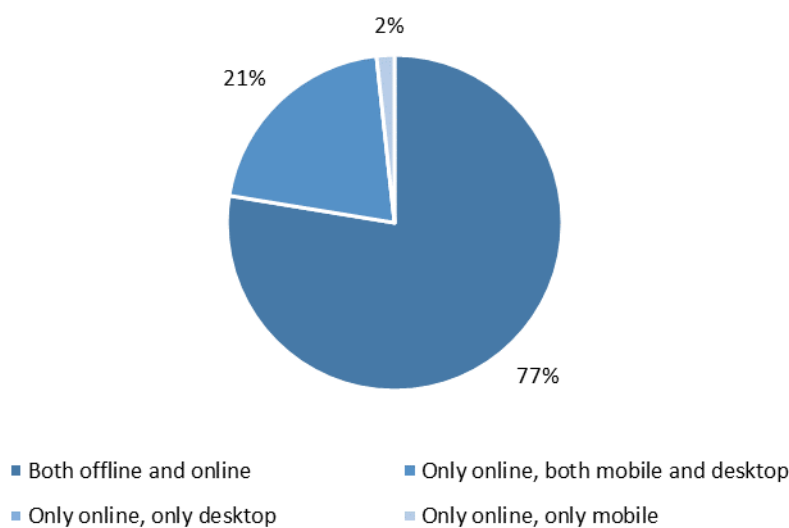
Overview of providers offering travel insurances

Ongoing policies are mainly offered by **traditional providers such as banks**, while single trip policies are mainly provided by **travel agencies** where the consumer books the travel, **traditional insurance companies** provide mainly annual policies but occasionally also policies from the two other categories. The mapping of providers of retail financial services

⁶⁰ Statista (2018). Main reasons for purchasing travel insurance in Spain in 2016.

has shown that in the selected seven countries, in total 29% of the 200 operators are offering travel insurances. 83% of the operators offering travel insurances are traditional operators, while only 17% are new operators. 72% of the operators are national operators being established or headquartered in the country where they provide travel insurances, while 28% are European operators which have been established in another EU country but operate in the country where they provide travel insurances.⁶¹ The majority of the operators offering travel insurances also offer other financial products and services, mostly: current accounts (66%), savings accounts (64%), money transfer and payments (64%), credit cards (62%), personal loans (62%) and mortgages (60%). These are the traditional full-fledged commercial banks offering all of the financial products and services that are most important to consumers. Most of the operators offering travel insurances are active both offline and online (78%) or online both on desktop and mobile (21%), see Figure 24.

Figure 24: Sales channels used by providers of travel insurances in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

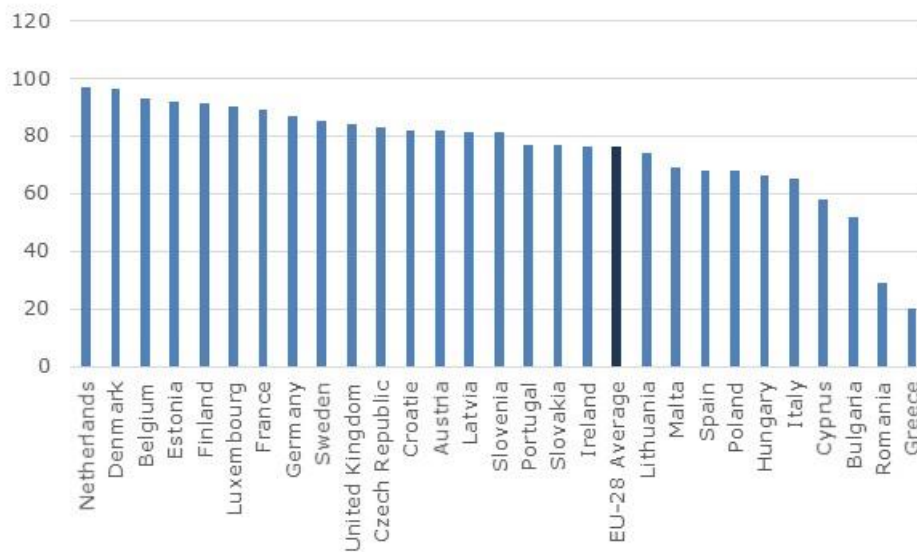
A6.7 Current accounts

Product overview

Current accounts are the standard bank accounts most European consumers use for many of their household transactions such as receiving wages or paying bills. **In 2016, 76% of Europeans have a current account**, down 8% from 2011. The countries where most consumers have current accounts are: the Netherlands (97%), Denmark (96%) and Belgium (93%), the countries where current accounts are the least popular are: Greece (20%), Romania (29%) and Bulgaria (52%). See Figure 25, for the numbers for each Member State.

⁶¹ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

Figure 25: Consumers who have a current bank account in EU Member States, in per cent



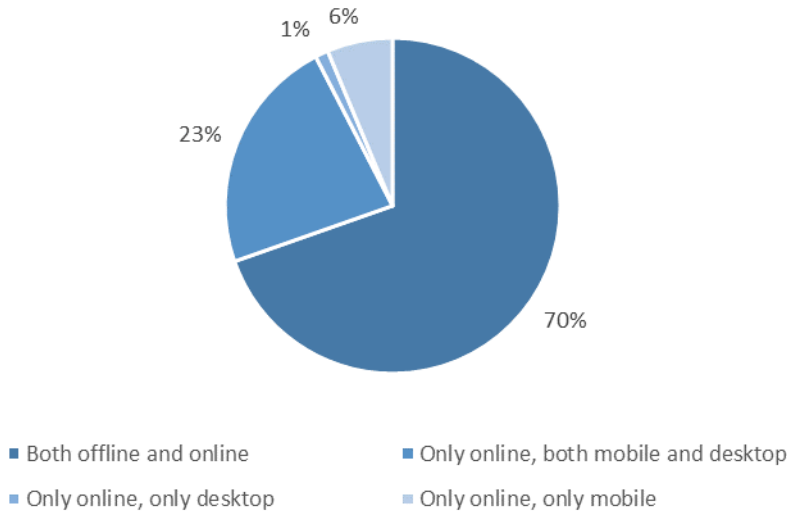
Source: Special Eurobarometer 446: Financial Products and Services

Overview of providers offering current accounts

Most Europeans hold current accounts with **traditional providers of banking services** although some new operators start to emerge like Tesco Bank and some FinTech banks. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 40% of the 200 operators are offering current accounts. 76% of the operators offering current accounts are traditional operators, while only 24% are new operators. 75% of the operators are national operators being established or headquartered in the country where they provide current accounts, while 25% are European operators which have been established in another EU country but operate in the country where they provide current accounts.⁶² Most of the operators offering current accounts also offer other financial products and services, mostly: money transfer and payments (96%), credit cards (86%), personal loans (86%), savings accounts (84%) and mortgages (77%). These are the traditional full-fledged commercial banks offering all financial products and services that are most important to consumers. Most of the operators offering current accounts are active both offline and online (70%) or online both on desktop and mobile (23%), see Figure 26.

⁶² These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

Figure 26: Sales channels used by providers of current accounts in seven selected countries as shown in the mapping exercise, in per cent



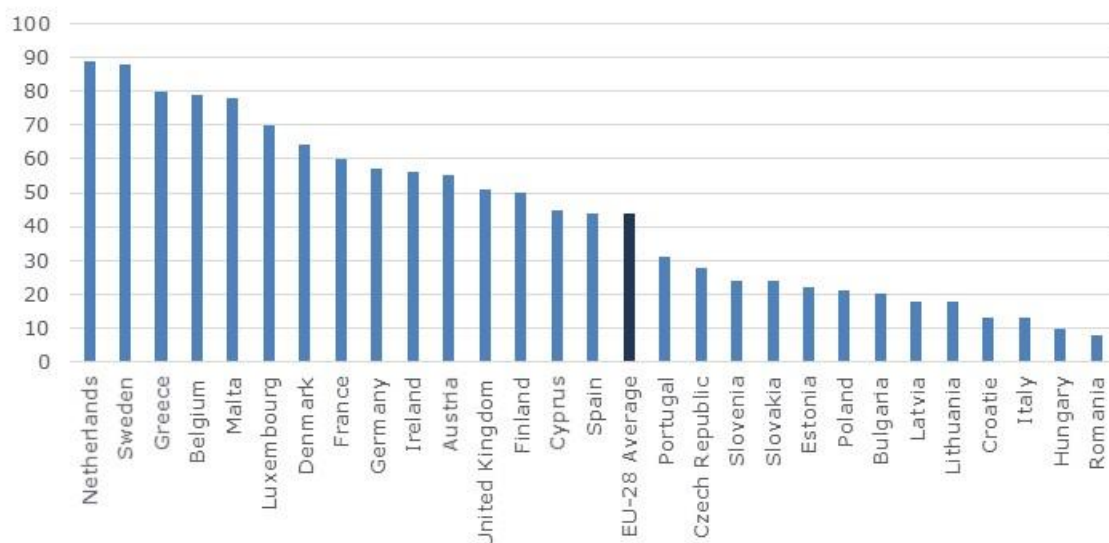
Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

A6.8 Savings accounts

Product overview

Savings accounts are interest-bearing deposit accounts which provide consumers with a small interest rate. Saving accounts are less popular with European consumers than current accounts: in 2016, **44% of Europeans have a saving account**. Saving accounts are the most popular in: the Netherlands (89%), Sweden (88%) and Greece (80%) and the least popular in: Romania (8%), Hungary (10%) and Italy (13%). See Figure 27 for the numbers of each Member State.

Figure 27: Consumers who have a savings account in EU Member States, percentage



Source: Special Eurobarometer 446: Financial Products and Services

In Greece, due to the economic crisis most households are unable to save. The gross saving rate of households remained at -5.4% in 2016, the lowest in the Eurozone, from -

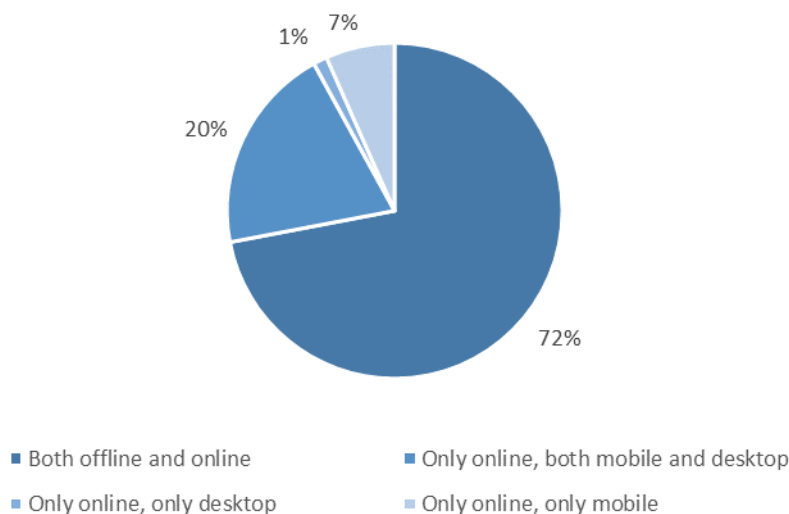
6.1% in 2015. Effectively, this means that households have a spending pattern that is inconsistent with their current disposable incomes.⁶³

In Portugal, current and savings accounts are provided by banks that offer some online features.⁶⁴

Overview of providers offering savings accounts

Most Europeans hold accounts with traditional providers of banking services such as banks or other financial institutions although some new operators started to emerge. The mapping of providers of retail financial services has shown that in the selected seven countries, in total 38% of the 200 operators are offering savings accounts. 76% of the operators offering savings accounts are traditional operators, while only 24% are new operators. 75% of the operators are national operators being established or headquartered in the country where they provide savings accounts, while 25% are European operators which have been established in another EU country but operate in the country where they provide savings accounts.⁶⁵ Most of the operators offering savings accounts also offer other financial products and services, mostly: credit cards (89%), money transfer and payments (89%), personal loans (88%), current accounts (88%) and mortgages (80%). These are the traditional full-fledged commercial banks offering all of the financial products and services that are most important to consumers. Most of the operators offering savings accounts are active both offline and online (72%) or online both on desktop and mobile (20%), see Figure 28.

Figure 28: Sales channels used by providers of savings accounts in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

⁶³ FCA (2017). Understanding customer views on current account service indicators. Research report. Available at: <https://www.fca.org.uk/publication/research/understanding-views-on-current-account-indicators.pdf>.

⁶⁴ Interview with a consumer organisation from Portugal (05-06-2018).

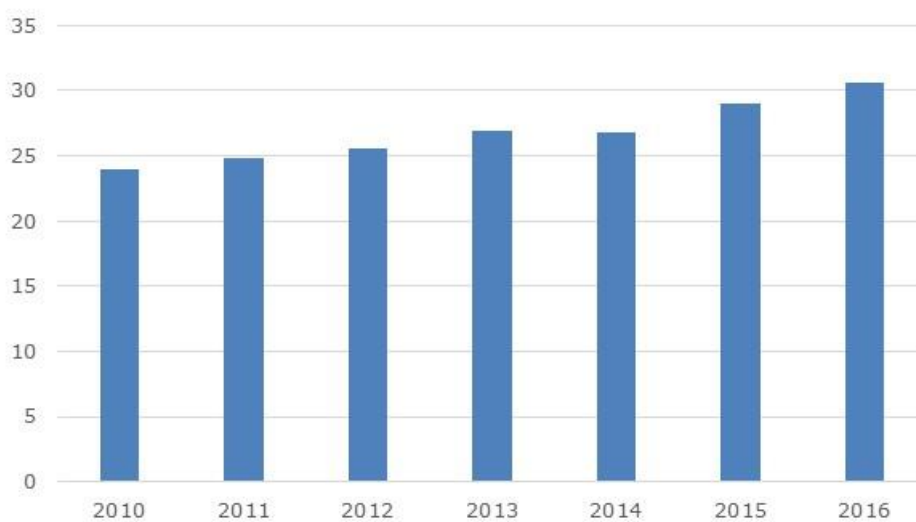
⁶⁵ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

A6.9 Money transfer and payments

Product overview

Money transfer and payments refers to all the tools and procedures enabling the transfer of funds from payers to payee, at the same time it refers to online and mobile payment. **53% Of Europeans above the age of 15 sent or received domestic remittances through a financial institution in 2017.**⁶⁶ **The total amount of credit transfers has been steadily growing, especially during recent years to a total of 30,639 million in 2016** (see Figure 29). **The average number of credit transfers per capita in 2016 was 59.9.**⁶⁷ (Statista, 2018). Most of these money transfers were made in Germany (6,344 million), the United Kingdom (4,233 million) and France (3,753 million), the least money transfers were made in Malta (11 million), Cyprus (17 million) and Luxembourg (61 million), see Figure 39.

Figure 29: Total number of wire transfers in the European Union, in million transfers

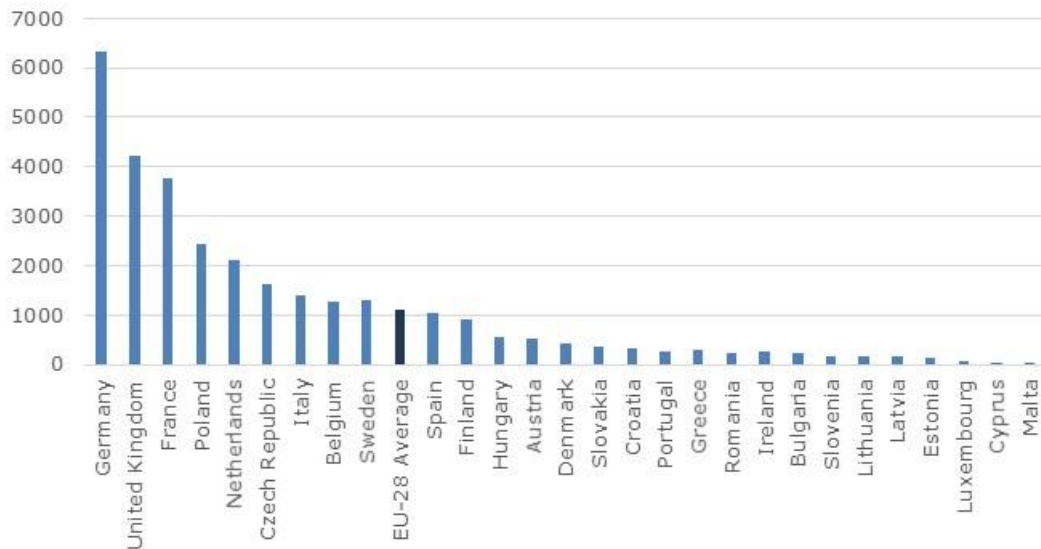


Source: Statista, 2018

⁶⁶ Global Findex Database

⁶⁷ Statista. (2018). Average number of credit transfers per capita in the European Union (EU) from 2010 to 2016. Available at: <https://www.statista.com/statistics/444007/credit-transfer-payment-per-person-european-union/>

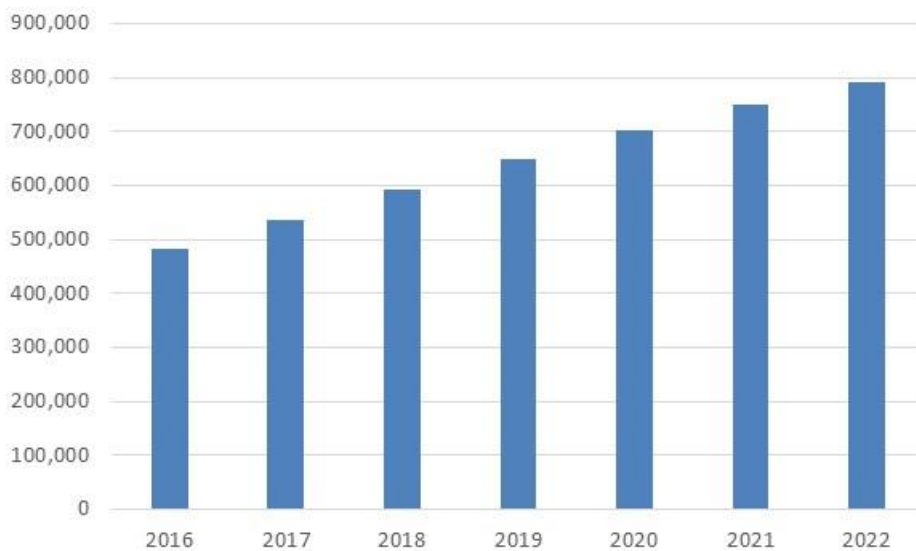
Figure 30: Total number of wire transfers across Europe as of 2016, by country, in million transfers



Source: Statista, 2018

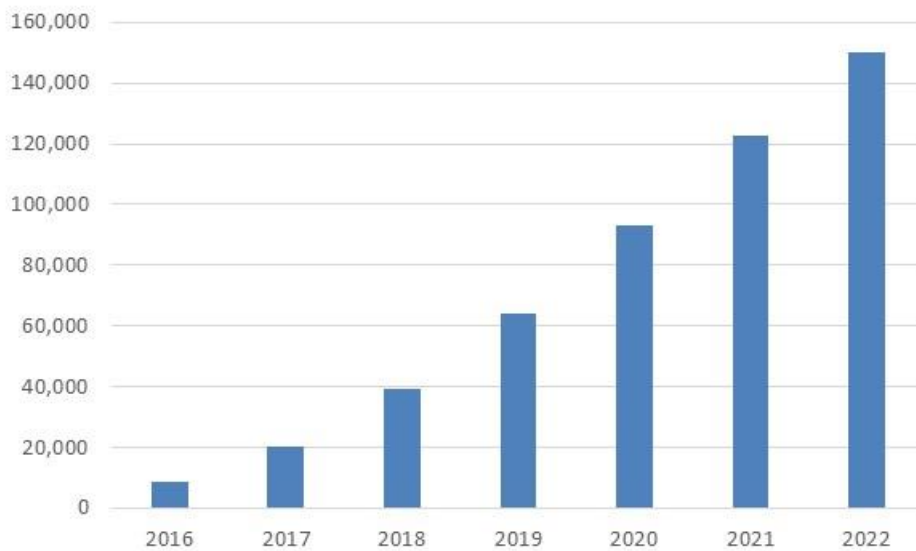
Digital payments are getting increasingly popular in Europe: in 2017 the total value amounted to EUR 535,815 Million which is forecasted to have grown by 48% to EUR 790,875 Million by 2022, see Figure 31. At the same time, Mobile POS Payments amounted to EUR 20,130 Million in 2017 which is forecasted to have grown by an astronomical 647% to EUR 150,404 Million by 2022, see Figure 32.

Figure 31: Forecasted total value of digital payments in Europe in EUR Million



Source: Statista, 2018

Figure 32: Forecasted total value of Mobile POS payments in Europe in EUR Million



Source: Statista, 2018

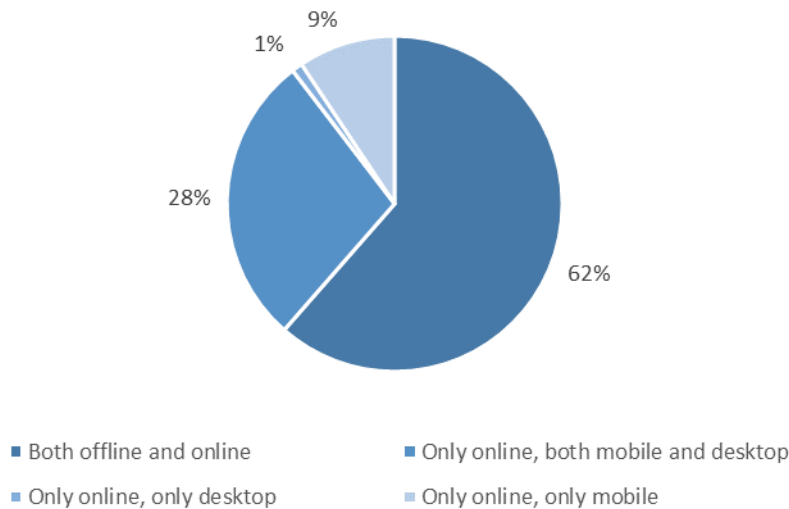
Overview of providers offering money transfer and payments

Traditional operators such as banks have always offered money transfer and payments services to their customers, in the first place through traditional means such as giro cards and cheques. Recently, new providers, mainly FinTechs, have become active in this market as well. Examples of the more innovative services offered by FinTechs in this area are: online foreign exchange, overseas remittances, online digital-only banks without branches, bank and non-bank money transfers and mobile payments at checkout. The digital payments sector constitutes the biggest sector of FinTechs (88%). Traditional banks have reacted to this development by adopting some of the innovative FinTech solutions, for instance it is possible now to make money transfers online and through mobile applications with almost all major traditional banks.

The mapping of providers of retail financial services has shown that in the selected seven countries, in total 48% of the 200 operators are offering money transfer and payment services. 64% of the operators offering money transfer and payment service are traditional operators, while 36% are new operators. 71% of the operators are national operators being established or headquartered in the country where they provide money transfer and payments, while 25% are European operators which have been established in another EU country but operate in the country where they provide money transfer and payments and there are three operators from the USA.⁶⁸ Most of the operators offering money transfer and payments also offer other financial products and services, mostly: current accounts (79%), credit cards (74%), personal loans (73 savings accounts (70%) and %), mortgages (63%). These are the traditional full-fledged commercial banks offering all of the financial products and services that are most important to consumers. Most of the operators offering money transfer and payment services are active both offline and online (62%), online both on desktop and mobile (28%), or only on mobile (9%), see Figure 33.

⁶⁸ These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

Figure 33: Sales channels used by providers of money transfer and payments in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

A6.10 Virtual currencies

Product overview

Virtual currencies are a digital representation of value not issued by a central bank or public authority. Virtual currencies are used by natural or legal persons as a means of exchange and can be transferred, stored, or traded electronically. A specific category is formed by crypto assets which are digital assets designed to work as a medium of exchange using strong cryptography to secure financial transactions. Crypto assets often use distributed ledger technology, typically a blockchain, that serves as a public financial transaction database, the most well-known example of this is Bitcoin. Another category distinguished here is formed by initial coin offerings (ICOs), a type of crowdfunding using cryptocurrencies, as a means of raising capital.

The three European Supervisory Authorities (The European Securities and Markets Authority, ESMA, the European Banking Authority, EBA and the European Insurance and Occupational Pensions Authority, EIOPA) issued a joint warning on the risk of virtual currencies in 2018 setting out the main dangers, citing explicitly: the extreme volatility and bubble risk the absence of protection, lack of exit options, lack of price transparency, operational disruptions, misleading information and the unsuitability of Virtual Currencies for most purposes, including investment or retirement planning.⁶⁹

The share of Europe in the worldwide cryptocurrency market in 2016 was 27%, less than the Asia-Pacific region (38%) but more than North-America (17%), Latin America (14%) and the Middle East (4%).⁷⁰ **The United Kingdom** is the market leader in virtual currencies, but statistics show that virtual currencies are also here not yet widely used among consumers.

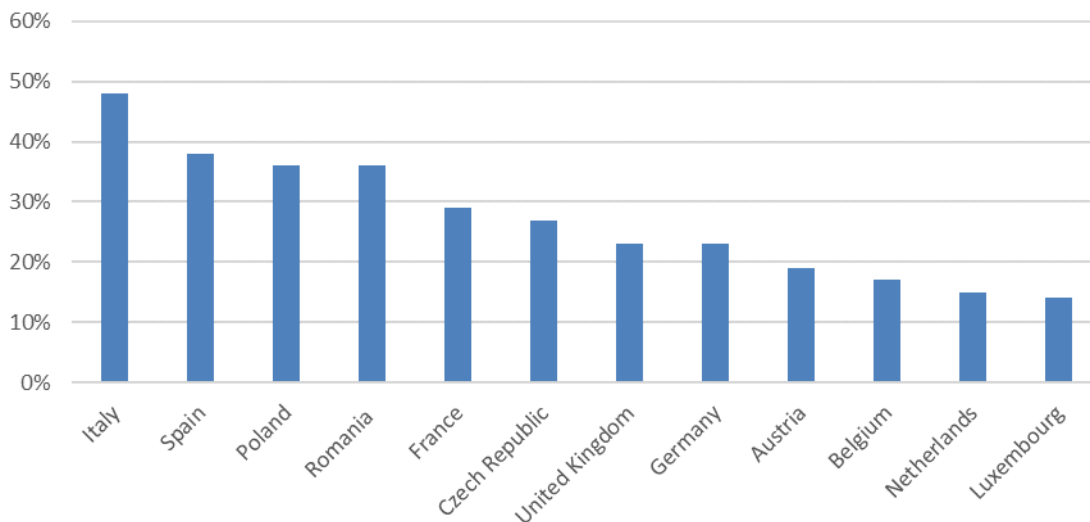
A 2016 survey concluded that, among those questioned, solely 3% of respondents had ever used virtual currencies, whereas 40% of respondents have heard of it but had never

⁶⁹ <https://www.eba.europa.eu/documents/10180/2139750/Joint+ESAs+Warning+on+Virtual+Currencies.pdf> (consulted: 25/09/2018).

⁷⁰ Statista. (2017). Share of cryptocurrency users 2016, by geographical distribution. Available at: <https://www.statista.com/statistics/731461/share-of-cryptocurrency-users-by-region/>

used it, the rest had either heard about it but did not know what it is or had not heard about it at all.⁷¹ The share of consumers regarding digital currencies to be the future online spending means in Europe in 2016 was the highest in Italy (48%), Spain (38%), Poland (36%) and Romania (36%).

Figure 34: Share of consumers regarding digital currencies to be the future online spending means in Europe in 2016, by country



Source: Statista (2016)

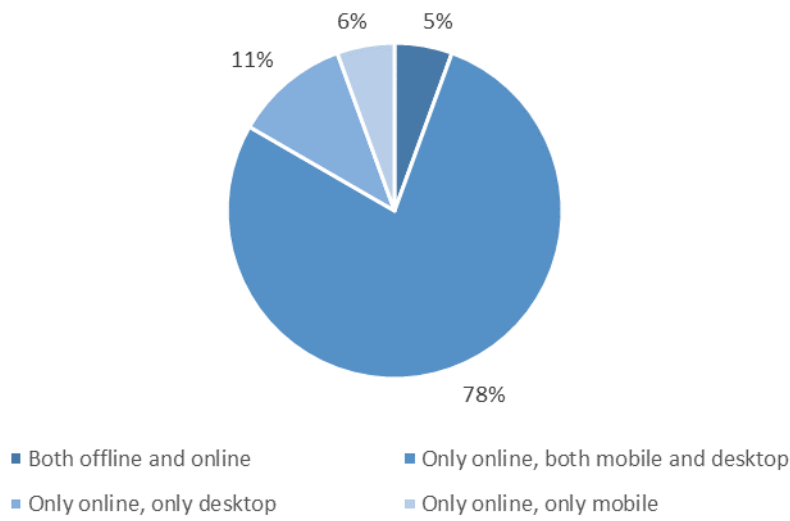
Overview of providers offering virtual currencies

Virtual currencies are typically offered by innovative FinTech companies and traditional operators such as banks rarely engage in them. The mapping of providers of retail financial services has shown that in the selected seven countries, in total only 9% of the 200 operators are offering virtual currencies. All of the operators offering virtual currencies are new operators. 83% of the operators are national operators being established or headquartered in the country where they provide virtual currencies, while 11% are European operators which have been established in another EU country but operate in the country where they provide virtual currencies and there is one non-EU operator from Israel.⁷² The operators offering virtual currencies almost exclusively do not offer other financial products and services. Most of the operators offering virtual currencies are active online both on desktop and mobile (78%), or only on desktop (11%), see Figure 35.

⁷¹ Statista (2018). How familiar are you with virtual currencies such as Bitcoin? Available at: <https://www.statista.com/statistics/787170/bitcoin-familiarity-uk/>

⁷² These figures are based on the mapping of 200 European providers of financial services and products. These providers have been divided into three categories: national operators which are established in the country where the product is sold, EU operators which are established in another EU country than where the product is sold, and non-EU operators which are established in a country outside the EU.

Figure 35: Sales channels used by providers of virtual currencies in seven selected countries as shown in the mapping exercise, in per cent



Source: VVA own elaboration (mapping exercised in seven selected countries, based on a representative sample of 200 providers)

Annex 7 Assessment EU legislation applying to the 10 products of the study

This section reviews the EU-level legislation relevant to the 10 products covered by the study. The relevant Directives and Regulations are:

- Distance Marketing of Financial Services Directive (DMFSD)
- Consumer Credit Directive (CCD)
- Payment Accounts Directive (PAD)
- Mortgage Credit Directive (MCD)
- Payment Services Directive (PSD2)
- Insurance Distribution Directive (IDD)
- e-Commerce Directive (e-CD)
- Unfair Commercial Practices Directive (UCPD)
- General Data Protection Regulation (GDPR)
- Deposit Guarantee Scheme Directive (DGSD)

The table below summarises which legislative instruments apply to the various products.

Table 2 : Applicable legislation by product, organised by categories of products⁷³

	DMF-SD	CCD	PAD	MCD	PSD2	IDD	e-CD	UCPD	GDPR	DGSD
Consumer credit										
Credit cards	✓	✓			✓		✓	✓	✓	
Personal loans	✓	✓					✓	✓	✓	
Payday loans	✓	(✓)					✓	✓	✓	
Peer-to-peer lending	(✓)	(✓)		(✓)	(✓)		✓	✓	✓	
Insurance										
Travel insurance	✓					✓	✓	✓	✓	
Mortgages										
Mortgage loans	✓			✓			✓	✓	✓	
Banking products										
Current accounts	✓		✓				✓	✓	✓	
Saving accounts	✓						✓	✓	✓	✓
Money transfers and payment	✓		✓		✓		✓	✓	✓	

Source: time.lex analysis of applicable legislation

A7.1 Legislation relevant to consumer credit products

This subsection covers legislation relevant to consumer credit products, namely credit cards, personal loans, payday loans and peer-to-peer lending (P2P). The following legislation is applicable to these products:

- DMFSD;

⁷³ For virtual currencies please see section A12.5

- e-Commerce;
- UCPD;
- GDPR;
- CCD (for P2P and payday loans under certain circumstances);
- PSD2 (for P2P under certain circumstances, and credit cards); and
- MCD (for mortgages mainly, for P2P under certain circumstances).

A7.1.1 The General Data Protection Regulation

The **General Data Protection Regulation**⁷⁴ sets information requirements for the data controller in its article 13 and 14. It is the responsibility of the data controller (the service provider) to inform the data subjects (the consumers) that their personal data are processed and for which purposes. This requirement is a consequence of the principle of transparency. The information to the data subjects about the processing of their personal data must be provided upon the collection of their data, in **a concise, transparent, intelligible and easily accessible format using plain and clear language**⁷⁵. However, the GDPR does not prescribe a format for the provision of information, nor its modalities. The measures should be appropriate to the circumstances of the data collection.

The consumer must be informed of the **identity of the data controller** or its representative in the EU, and of its data protection officer, if any. The consumers must be informed of the **purpose** of the processing, the categories of the **recipients** of the data and whether their personal data will be further processed. This information is provided to the consumer **when the personal data is collected**. Interestingly the timing of the information will affect the modalities of the information.

The controller must also inform the consumer of the **duration of the storage** of their personal data, or the criteria used for determining this period, the existence of the right to request access to the data, the right to ask for the correction of inaccurate data, the right to ask for the erasure of their data, the right to restrict the processing, the right to object to the processing, and the right to data portability in certain circumstances.

When the processing of personal data is based on consent, consumers have a right to withdraw their consent. In such a situation, they must be informed of the consequences of the withdrawal of consent. The consumers have a right to lodge a complaint to the competent supervisory authority. If provision of personal data is a contractual obligation or necessary to enter into a contractual agreement, the data subject (consumer) must be informed whether he is obligated to provide the data, and the consequence if they don't. The consumer must also be informed whether their data will be processed for automated decision making, including profiling, and the logic applicable to such processing.

If the personal data was not collected from the consumers, they must be informed within a reasonable timeframe, but at the latest within one month.

A7.1.2 The e-Commerce Directive

The **e-Commerce Directive**⁷⁶ is applicable to electronic contracts and information society services. The coordinated field of the Directive does not cover "requirements applicable to services not provided by electronic means"⁷⁷. With the Directive on the Distance Marketing of Financial Services it is intended to create a framework applicable to the on-line provision of financial services⁷⁸. It sets information obligations for the service provider and indicate

⁷⁴ Regulation (EU) 2016/679 of the 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance)

⁷⁵ Article 12, GDPR

⁷⁶ Directive 2000/31/EC of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce)

⁷⁷ Directive 2000/31/EC, Article 2(g)(ii) third indent.

⁷⁸ Directive 2000/31/EC, recital 27

the commercial communication as well as promotional offers must be clearly indefinable as such, and the entity on behalf of which the advertisement is made must be clearly identifiable.

The consumer must have permanent access to **general information**⁷⁹ concerning the **service provider**, such as the name of the service provider, the geographic address, the contact details (i.e. electronic mail address), whether the entity is subject to an **authorisation scheme**, or registered on a trade registry. Moreover, commercial communication must be identified as such.

Prior to the conclusion of a contract, or the placement of an order, the consumer must be **clearly, comprehensibly and unambiguously** informed⁸⁰ of the different steps to conclude a contract, whether the contract will be filed and be accessible, and which are the technical means to correct errors. The consumer must also be informed whether the service provider subscribes to a code of conduct and be provided with provision of general terms and condition, in a format enabling storage and reproduction.

The consumer must be able to store and reproduce the information provided.

A7.1.3 The Distance Marketing of Financial Services Directive

The **Distance Marketing of Financial Services Directive**⁸¹ establishes common rules for the distance marketing of **all financial services**. Distance marketing means marketing by means of distance communication. Distance communication is communication without the simultaneous presence of supplier and consumer⁸². Thus, distance marketing is marketing without the simultaneous presence of the consumer and the supplier.

The consumer must be provided with **clear and comprehensible information on paper or a durable medium**⁸³ in good time before the conclusion of the agreement. However, if the means of distance communication used does not enable the service provider to provide the contractual terms and conditions and the pre-contractual information (as defined below), this obligation can be fulfilled after the conclusion of the contract⁸⁴.

The consumer must be supplied with **general information on the service provider**, its address, and that of its representative address, representative, intermediary (address), trade registration of the supplier, whether the activity is subject to a **registration scheme** (and at which authority the supplier is registered).

The Directive requires the consumer to be informed, at the **pre-contractual stage**, about **the main characteristics** of the financial service, its **total price** (including additional fees and taxes), if the price is affected by the fluctuation of the financial market, and of other taxes and fees to be paid. The consumer must be informed of the period of validity of the information, of **the modalities of payment and performance of the contract**, and whether additional cost is charged for distance communication. Moreover, the consumer must be informed of **the right and possibility to withdraw and practical instructions on the exercise of this right** and of the duration of this option, of the minimum duration of the contract if relevant, termination rights, information on how to withdraw, of the applicable law (which Member State), of the means of communication, and of the language used for the provision of information. The consumer must also be informed of the possibility to seek redress in the event of a dispute.

⁷⁹ Article 5 e-Commerce Directive

⁸⁰ Article 10 e-Commerce Directive

⁸¹ DIRECTIVE 2002/65/EC of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC

⁸² Directive 2002/65/EC on Distance marketing of Financial Services, op. cit., Article 2(e).

⁸³ Article 5 (1), Marketing of Financial Services Directive.

⁸⁴ Article 5(2), Marketing of Financial Services Directive.

Furthermore, the information must be provided "in a clear and comprehensible manner, in anyway appropriate to the means of distance communication used". This means in the case of provision of service via mobile phones, Apps and Website, that this information must be presented in a way adapted to the medium used.

A7.1.4 The Unfair Commercial Practices Directive

The **Directive on Unfair Commercial Practices**⁸⁵ considers as unfair actions and omissions that are misleading for the consumer.

According to this Directive a commercial practice⁸⁶ (advertisement, commercial communication) is considered **misleading** if it contains **untruthful information**, or the presentation deceives or is **likely to deceive the consumer**. A commercial practice is also considered misleading if it **omits information**⁸⁷ the average consumer needs in to take an informed decision, and therefore leads the consumer to take a transactional decision he or she would not have taken otherwise. The information shall be considered misleading if it is **unclear, unintelligible or provided in an untimely manner**. Whether information is considered misleading must be assessed given the "factual context taking account of all its features and circumstances and the limitations of the communication medium"⁸⁸.

The **material information** to be provided to the consumer includes **the main characteristics** of the product, the **identity** and geographical address of the trader, the **price inclusive of taxes**, or way the price is calculated, the **arrangement for payment** and the existence of the right to withdraw or cancel.

Member State may adopt more detailed information requirements for financial services.⁸⁹

It would appear the exemption has been widely used by the Member States. Most national standard go beyond the requirements set by the Directive⁹⁰.

A7.1.5 The Payment Services Directive

The second **Payment Services Directive** caters for various payment services.⁹¹ Its Title III sets informational requirements. This information must be provided free of charge.⁹²

At the **pre-contractual stage**, the consumer must be provided with **information about the framework contract**: information on the **service provider** and supervisory authorities, **a description** of the payment service, the use of a unique identifier, the way to agree to the payment, the maximum execution time, the spending limit on charges, interest and exchange rates, the safeguards and corrective measures to take and change and termination of the framework contract.⁹³

⁸⁵ Directive 2205/29/EC of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending (Unfair Commercial Practices Directive)

⁸⁶ Article 6, Directive on unfair commercial practices

⁸⁷ Article 7, Directive on unfair commercial practices

⁸⁸ Information Requirements in the Consumer Rights Directive Proposal and in Other Directives, November 2010, IP/A/IMCO/NT/2010-14, p. 11, [http://www.europarl.europa.eu/RegData/etudes/note/join/2011/451478/IPOL-IMCO_NT\(2011\)451478_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/note/join/2011/451478/IPOL-IMCO_NT(2011)451478_EN.pdf)

⁸⁹ Guidance on the Implementation/Application of Directive 2005/29/EC on Unfair Commercial Practices, European Commission, Brussels, 25.5.2016 SWD(2016) 163 final, p. 147, UCPD, Article 3(9); Study on the application of Directive 2005/29/EC on Unfair Commercial Practices in the EU, conducted by Civic Consulting on behalf of European Commission, DG Justice, 22.12.2011

⁹⁰ Guidance on the Implementation/Application of Directive 2005/29/EC on Unfair Commercial Practices, European Commission, Brussels, 25.5.2016 SWD(2016) 163 final

⁹¹ DIRECTIVE (EU) 2015/2366 of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (hereafter 'PSD2')

⁹² Article 40 PSD2

⁹³ Article 51 and 52, PSD2

This information must be delivered **in good time** before the service user is bound by the contract, and in easily understandable words and in a clear and comprehensible form. If the consumer requests it, the service provider must give the information on paper or another durable medium.

A7.1.6 The Consumer Credit Directive

The **Consumer Credit Directive** is applicable to personal loans of a value exceeding EUR 200 but inferior to EUR 75 000⁹⁴ and sets information requirements. Standard information must be communicated to the consumer at the advertisement stage⁹⁵ in a clear and concise way by means of representative examples.

At the **advertisement** stage, information should include the **borrowing rate** and **additional costs** of the credit for the consumer, the **total amount** of the credit, annual percentage rate of charge (**APRC**, unless provided in application national law.), **duration of the agreement**, if the payment is performed in goods or services the cash price of the goods and services, if applicable the **total amount payable** by the consumer and the number of **instalments**.

However, Member States may decide that APR in advertising and in pre-contractual information does not need to be provided for overdrafts to be paid on demand or within three months (see also Art. 4(2)(c), Art. 6(2) and Art. 10(5)(f)).⁹⁶

At the **precontractual** stage the consumer is entitled to the following general and personalised information:⁹⁷

- The **general information** on the credit agreement must cover the **identity of the issuer**, the **purpose** for which the credit may be used, the form of **the security** where applicable, the **duration** of the agreement, **borrowing rate** including possible variations, the relevant information on foreign currencies, the **total amount** of the credit, the **total amount payable** by the consumer, the **APRC**, additional **costs** for consumers, the **reimbursement options** available (number, frequency and amount of instalments), a warning that the whole credit may not be paid in compliance with the terms and conditions of use, information on early payment, whether valuation of property is necessary, information on mandatory ancillary services and a general warning for non-compliance.
- The **personalised information** provided to the consumer should take the form of the European Standardised Information Sheet filled out in **a way adapted to the consumer's stated needs**. This must include information on the **lender**, the credit intermediary, the **main features of the loan**, the **interest rates and other costs** (including the APRC), the frequency and **number of payments**, information on **instalments**, a repayment table, information on additional obligations, the conditions for an early repayment, information on flexible features, and other rights of the borrower, the modalities of complaints, the **consequences of non-compliance**, additional information if necessary, and information on the competent supervisory authority. Moreover, the consumer must be informed of the **modalities of the credit worthiness evaluation** to which he is subject.

This **Standard European Consumer Credit Information (SECCI)** must be provided on paper or another durable medium. Any additional information must be provided in a distinct document. Moreover, adequate **explanation** must be provided to the consumer for him to assess whether the advertised service fits his needs.

⁹⁴ Article 2(2)(c) CCD

⁹⁵ Article 5, CCD

⁹⁶ Article 2(3) CCD, Report on the implementation of Directive 2008/48/EC, *op. cit.*, p.6

⁹⁷ Article 6, CCD

When the service is provided through an intermediary, the consumer must be informed of the intermediary's localisation, registration number, exclusivity vis-à-vis the creditor, his fee and the method of calculation of such fee and the complaints mechanism.

Table 3: Summary of the information to be provided to consumer

Category of information	The information	Legislation
Advertising stage		
Information on the service provider	Identity and address Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. Contact details	e-Commerce Directive
Information on the product (conditional)	Borrowing rate Total amount of the credit Annual percentage rate of charge Duration of the credit agreement In case of a credit in the form of a differed payment for a specific good or service, the cash price and amount of any advance payment If applicable any amount payable by consumers and the amount of the instalments.	Consumer Credit Directive
Pre-contractual stage		
Information on the service supplier	Identity and address of the service provider Identity and address of representative Identity and address of the broker Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. If the service provider abides by a specific code of conduct	e-Commerce Directive DMFSD Consumer Credit Directive PSD2
Information on the Financial service	Main characteristics of the financial service Total price paid by consumers (including fees, charges, expenses and taxes) If relevant a notice highlighting the special risks associated to the financial service Notice of the possibility of other taxes and costs paid by consumers Duration of validity of the information provided Arrangement for payment and performance Any specific additional cost bore by the consumer for using distance communication	e-Commerce Directive DMFSD Consumer Credit Directive
	Interest and exchange rates Safeguards and corrective measures	PSD2

Information on the distance contract	Terms and conditions Existence or absence of a right to withdrawal Minimum duration of the distance contact Any rights to early termination for the parties Practical instruction on the exercise of the right of withdrawal Applicable law Language or languages used for the contract and the communication Whether the contract will be filed at a later stage and the technical means to correct errors The cost payable to a notary by the consumer on the conclusion of the credit agreement (if applicable)	e-Commerce Directive DMFSD Consumer Credit Directive
	Duration of the contract Means of communication Change and termination of the contract Option for redress	PSD2
On the use of the payment service	Technical information on the use of service Execution time of a transaction Possibility to agree on a spending limit	PSD
Privacy Protection Information	Identity of the controller, Purpose of the processing; The categories of data processed, The legal grounds, The categories of recipients, Whether data will be transferred, The data subject rights and possibility to complain.	GDPR

Source: time.lex analysis of EU legislation.

A7.2 Legislation relevant to banking products

This subsection covers legislation relevant to banking products, current accounts, money transfers and payments, and saving accounts. The following legislation is applicable to these products:

- DMFSD;
- e-Commerce;
- UCPD
- GDPR;
- PAD;
- DGSD; and
- PSD2.

A7.2.1 The General Data Protection Regulation

See A7.1.1 on the General Data Protection Regulation.

A7.2.2 The e-Commerce Directive

See A7.1.2 on the e-Commerce Directive.

A7.2.3 The Distance Marketing of Financial Services Directive

See A7.1.3. on the Distance Marketing of Financial Services Directive.

A7.2.4 The Unfair Commercial Practices Directive

See Section A7.1.4 on the Unfair Commercial Practices Directive.

A7.2.5 The Payment Accounts Directive (for current accounts, money transfers and payments)

The **Payment Accounts Directive** governs accounts on which consumers can deposit funds, from which they can withdraw cash, and with which they can execute and receive payments; the Directive thus includes current accounts.⁹⁸

This Directive requires each Member State to draw up a list of the most representative services linked to payment accounts and that are subject to a fee at national level and also defines a procedure for setting out a Union standardised terminology.⁹⁹ The consumer must be **informed in good time before** entering into a contract for a payment account of the **fees attached** to the provision of the payment account and the associated services. This information must take the form of a "fee information document".¹⁰⁰ This document will be delivered **on paper or another durable medium** clearly **and easy to read**. The document must be a short stand-alone document, labelled as such which must indicate the **relevant currency, the fee of the most representative services, the fee for the whole package**. The service provider must also provide the consumer with a glossary listing at least the most representative services linked to the payment account. The definition must be drafted in clear, unambiguous and non-technical language, and must not be misleading for consumers.

This document must be **easily accessible at all time**, including to non-customers, on **the website of the service provider**, where available, as well as on the premises of the service provider. The fee information document should not be confused with the statement of fee document, which is provided to the consumer at least on a yearly basis during the contractual stage, covering all expenses incurred on the account during the relevant period.

Additionally, information must be provided to Consumer on the possibility to switch services. This information must cover the respective roles of the transferring and receiving entities, the time frame for each steps of the procedure, the list of information items the consumer will be asked to provide and information on dispute resolution procedure.¹⁰¹

A7.2.6 The Payment Services Directive (for money transfers and payments)

See Section A7.1.5 on Payment Services Directive.

⁹⁸ Article 1(6), PAD

⁹⁹ Article 3, PAD

¹⁰⁰ As of September 2018

¹⁰¹ Article 14 PAD

A7.2.7 Deposit Guarantee Scheme Directive (in the case of savings accounts)

Savings accounts are linked to interest rates, which puts them outside of the scope of the Market in Financial Investment Directive 2.¹⁰² The **Deposit Guarantee Scheme Directive** sets an information obligation at its article 16, for the deposit service provider.¹⁰³

At the **advertising stage**, the consumer (depositor) may only be provided with **factual references** to Deposit Guarantee Schemes (DGSs), and with additional information required by national law. However, at the **pre-contractual stage**, the depositor must be informed of the **name of the applicable DGS**, the **limits of its protection**, the **reimbursement period** in case of a bank failure, the **currency** of the said reimbursement and the contact details of a contact person¹⁰⁴. The **website** of the institution shall display the adequate information. In case of internet banking, the information shall be provided through **electronic means, and on paper** at the request of the depositor.

In addition to the information that must be provided in compliance with the overarching legal instrument, the consumer must be informed on the modalities of the deposit guarantee scheme applicable to their savings accounts.

Table 3: Summary of the information to be provided to consumer for banking products

Category of information	The information	Legislation
Advertising stage		
Information on the service provider	Identity and address Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. Contact details	e-Commerce Directive
Pre-contractual stage		
Information on the service supplier	Identity and address of the service provider Identity and address of representative Identity and address of the broker Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. If the service provider abides by a specific code of conduct	e-Commerce Directive DMFSD PSD2
Information on the Financial service	Main characteristics of the financial service Total price paid by consumers (including fees, charges, expenses and taxes) If relevant a notice highlighting the special risks associated to the financial service Notice of the possibility of other taxes and costs paid by consumers Duration of validity of the information provided	e-Commerce Directive DMFSD PAD

¹⁰² DIRECTIVE 2014/65/EU of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), recital 39.

¹⁰³ DIRECTIVE 2014/49/EU of 16 April 2014 on deposit guarantee schemes (recast) (Text with EEA relevance)

¹⁰⁴ Annex I, DGSD

	Arrangement for payment and performance Any specific additional cost bore by the consumer for using distance communication	
	Interest and exchange rates Safeguards and corrective measures	PSD2
	Package of service and fees associated	PAD
Information on the distance contract	Terms and conditions Existence or absence of a right to withdrawal Minimum duration of the distance contact Any rights to early termination for the parties Practical instruction on the exercise of the right of withdrawal Applicable law Language or languages used for the contract and the communication Whether the contract will be filed at a later stage and the technical means to correct errors The cost payable to a notary by the consumer on the conclusion of the credit agreement (if applicable)	e-Commerce Directive DMFSD
	Duration of the contract Means of communication Change and termination of the contract Option for redress	PSD2
On the use of the payment service	Technical information on the use of service Execution time of a transaction Possibility to agree on a spending limit	PSD2
Information on switching services	The respective roles of transferring and receiving service providers; Timeframe for the completion of their respective tasks; List of information items the consumer will have to provide; Information on dispute resolution procedures	PAD
Privacy Protection Information	Identity of the controller, Purpose of the processing; The categories of data processed, The legal grounds, The categories of recipients, Whether data will be transferred, The data subject rights and possibility to complain.	GDPR

Source: time.lex analysis of EU legislation.

A7.3 Legislation relevant to mortgage credit

This subsection covers legislation relevant to mortgage credit. The following legislation is applicable to this product:

- DMFSD;
- e-Commerce;
- UCPD;
- GDPR; and
- MCD.

A7.3.1 The General Data Protection Regulation

See A7.1.1 on the General Data Protection Regulation.

A7.3.2 The e-Commerce Directive

See A7.1.2 on e-Commerce Directive.

A7.3.3 The Distance Marketing of Financial Services Directive

See A7.1.3. on the Distance Marketing of Financial Services Directive.

A7.3.4 The Unfair Commercial Practices Directive

See Section A7.1.4 on the Unfair Commercial Practices Directive.

A7.3.5 Mortgage Credit Directive

The Mortgage credit Directive indicates that the provider of mortgages should provide free information to the consumer.¹⁰⁵ However, Member States may adopt or maintain more stringent provision to protect consumers, if they are consistent with EU law provisions. But, those shall not diverge from those concerning the European Standardised Information Sheet (ESIS). Furthermore, Member States may decide that provisions concerning standard information in advertising and pre-contractual information, as well as Annex II (ESIS) to agreement secured by mortgages or another security the purpose of which is not to retain a right to residential immovable property, but information under CCD will have to apply. MS may also decide not to apply the MCD to immovable property destined to be rented, or to credit agreement destined to a restricted public under statutory provision.¹⁰⁶

This Directive makes a clear distinction between the advertising stage and the pre-contractual phase.

In line with the Directive on Unfair commercial practices, the Mortgage Credit Directive indicates that **advertising and marketing** should not create **false expectations** for the consumer concerning the costs. Advertising documents should **be fair, clear and not misleading**.¹⁰⁷ Moreover, specific information should be included in the advertising. This should include **the interest rate** and any other figures relating to the **cost of the credit** to the consumer. Member States may disregard this obligation, if national legislation requires the communication of the APRC.

The **standard information** must be available always on **paper or another durable medium**, or in **electronic form**.¹⁰⁸ It should specify the **identity of the creditor**, or his representative, the **means of securing** the loans (mortgage or similar security), the

¹⁰⁵ Directive 2014/17/EU of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (hereafter MCD)

¹⁰⁶ Article 3(3) MCD

¹⁰⁷ Article 11 DIRECTIVE 2014/17/EU MCD

¹⁰⁸ Article 13 DIRECTIVE 2014/17/EU MCD

borrowing rate and any charges included in the **cost of the credit**, the **total amount** of the credit and the **APRC**, where applicable the **duration of the credit**, the amount and number of **instalments**, the total amount payable by the consumer, and a warning on the possible fluctuation of the exchange rate where applicable. This is complemented by the obligation of creditors to inform consumers on the identity and whereabouts of the issuer of the information, the **purpose** for which the credits may be used, the **form of security admissible**, the duration of an agreement, the available borrowing rates, whether foreign currency loans are available, the possible further costs, the reimbursement options, the possibility and modalities of early repayment where applicable, a clear and concise statement that compliance with the terms and conditions of the credit agreement does not guarantee repayment of the total amount of credit under the credit agreement, whether the acquisition of ancillary services is mandatory, and an indication of the consequences of non-compliance.

At the **pre-contractual stage**, information shall take the form of a **personalised European Standardised Information Sheet**. This included information on the **lender**, the credit intermediary, the **main features of the loan**, the **interest rate** and other costs (including the APRC), the frequency and number of **payments**, information on **instalments**, a repayment table, possible additional obligations, early repayment, flexible features, other rights of the borrower, the complaints handling mechanism, the consequences of non-compliance, additional information and information on the supervisory authority. Additionally, national legislation may require that creditor included additional types of warning.¹⁰⁹

The ESIS must be communicated to consumers in good time, after they communicated information on his needs and financial situation, but before the consumer is bound by the agreement. Member States may require that the creditor provide an **explanation on the content** of the ESIS. Further, Member States may require the ESIS be provided before the provision of an offer binding for the creditor.¹¹⁰ Additionally, according to Annex II, Part B MCD Member States may elaborate further instruction on how the fill the ESIS.

Finally, the consumer must be specifically informed about the credit worthiness assessment that is performed, and of the information to be provided to the creditor.

Table 4: Summary of the information to be provided to consumer for mortgage products

Category of information	The information	Legislation
Advertising stage		
Information on the service provider or intermediary	Identity and address Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. Contact details	e-Commerce Directive MCD
Information on the product (conditional)	Means to secure the credit (mortgage, securities...) Borrowing rate (fixed or variable) Total amount of the credit Annual percentage rate of charge (APRC) Duration of the credit agreement	MCD

¹⁰⁹ Article 11(2) MCD

¹¹⁰ Article 14(4) MCD

	<p>If applicable any amount payable by consumers and the amount and numbers of the instalments.</p> <p>If applicable warning on the fluctuation of exchange rate</p>	
Pre-contractual stage		
Information on the information issuer	Identity and address	MCD
Information on the service supplier	<p>Identity and address of the service provider</p> <p>Identity and address of representative</p> <p>Identity and address of the broker</p> <p>Number identifying the supplier on the public register (trade register)</p> <p>If relevant the authorisation scheme and supervisory authority.</p> <p>If the service provider abides by a specific code of conduct</p>	<p>e-Commerce Directive</p> <p>DMFSD</p> <p>MCD</p>
Information on the Financial service	<p>Main characteristics of the financial service</p> <p>Purpose for which the credit may be used</p> <p>The form of the security, and the possibility for it to be located in another Member State</p> <p>whether the valuation of property is necessary, who is responsible for it, and whether there is additional cost for consumer,</p> <p>Total price paid by consumers (including fees, charges, expenses and taxes) with a representative amount</p> <p>Type of available borrowing rates (with a short description)</p> <p>If foreign currency loans are available, for which currencies and consequences for consumer</p> <p>Where applicable, a clear and concise statement that compliance with the terms and conditions of the credit agreement does not guarantee repayment of the total amount of credit under the credit agreement;</p> <p>Description of the conditions directly relating to early repayment;</p> <p>If relevant a notice highlighting the special risks associated to the financial service</p> <p>Notice of the possibility of other taxes and costs paid by consumers</p> <p>Duration of validity of the information provided</p> <p>Arrangement for payment and performance (reimbursement options available)</p> <p>Any specific additional cost bore by the consumer for using distance communication,</p>	<p>e-Commerce Directive</p> <p>DMFSD</p> <p>MCD</p>

	Whether the acquisition of ancillary services is necessary, General warning in case of non-compliance	
Information on credit intermediaries or appointed representative	Identify and address Registration number and place of registration Relation with the service provided Whether advisory services are offered Fee payable to intermediary if applicable (should be included in the APRC) Complaint mechanism If commission paid to intermediary by service provider	MCD
Information on the distance contract	Terms and conditions Existence or absence of a right to withdrawal Minimum duration of the distance contract/ possible duration of the credit agreement Any rights to early termination for the parties Practical instruction on the exercise of the right of withdrawal Applicable law Language or languages used for the contract and the communication Whether the contract will be filed at a later stage and the technical means to correct errors The cost payable to a notary by the consumer on the conclusion of the credit agreement (if applicable)	e-Commerce Directive DMFSD MCD
Information on redress	Existence of an out-of-court redress and complaint mechanism	DMFSD
Privacy Protection Information	Identity of the controller, Purpose of the processing; The categories of data processed, The legal grounds, The categories of recipients, Whether data will be transferred, The data subject rights and possibility to complain.	GDPR

Source: time.lex analysis of EU legislation.

A7.4 Legislation relevant to travel insurance

This subsection covers legislation relevant to travel insurance. The following legislation is applicable to this product:

- DMFSD;
- e-Commerce;
- UCPD;
- GDPR; and

- IDD.

A7.4.1 The General Data Protection Regulation

See A7.1.1 on the General Data Protection Regulation.

A7.4.2 The e-Commerce Directive

See A7.1.2 on e-Commerce Directive.

A7.4.3 The Distance Marketing of Financial Services Directive

See A7.1.3. on the Distance Marketing of Financial Services Directive.

A7.4.4 The Unfair Commercial Practices Directive

See Section A7.1.4 on the Unfair Commercial Practices Directive.

A7.4.5 Insurance Distribution Directive

The rules governing the distribution of insurance services are laid down in the **Insurance Distribution Directive**.¹¹¹ The rules applicable to travel insurances may vary depending on the provider. If the travel insurance is provided as an ancillary service, by an institution which is not a credit or investment institution, then the Insurance Distribution Directive does not apply.¹¹² In such situations only, other overarching legal instruments apply, such as the e-Commerce Directive, and the DMFSD.

When the insurance product is sold by an insurance company or provided by an insurance intermediary, the Insurance Distribution Directive applies, see Article 1(3) and Article 2 (1)(4).

During the **pre-contractual phase**, the Insurance Distribution Directive requires that the customer must be provided in **good time** with information on the insurance intermediary, whether it provides advice on the insurance product sold, the possibility to register complaints, and if the service is proposed by an intermediary, whether this intermediary represents the consumer or the insurance undertaking.

Moreover, **objective information** must be provided to consumers, based on the needs they expressed. This must be given in a so-called "insurance product information document". It must be a standalone document indicating the **type of insurance**, a summary of **insurance cover**, the means of **payment, when claims cannot be made**, the obligations at the start of the contract and during the contract if a claim is made, the date of start and end of the contract and means of termination.

The information shall be provided **free** of charge, in a **clear, accurate manner, comprehensible** to the customer, on **paper** and in the official language of the Member State in which the risk is situated, or the agreed language. The information may be given on a **durable medium** other than paper, or on the **website** of the insurance provided

¹¹¹ Directive (EU) 2016/97 of 20 January 2016 on insurance distribution (recast)

¹¹² Article 1(3) Insurance Distribution Directive "This Directive shall not apply to ancillary insurance intermediaries carrying out insurance distribution activities where all the following conditions are met:

(a) the insurance is complementary to the good or service supplied by a provider, where such insurance covers:
(i) the risk of breakdown, loss of, or damage to, the good or the non-use of the service supplied by that provider; or
(ii) damage to, or loss of, baggage and other risks linked to travel booked with that provider;
(b) the amount of the premium paid for the insurance product does not exceed EUR 600 calculated on a pro rata annual basis;
(c) by way of derogation from point (b), where the insurance is complementary to a service referred to in point (a) and the duration of that service is equal to, or less than, three months, the amount of the premium paid per person does not exceed EUR 200".

under certain conditions (adequate to the business, with consent of the consumer who was provided with the address to the website electronically).¹¹³

When the travel insurance is sold as an ancillary service, the consumer must be informed on the identity and quality of the insurance intermediary and the remuneration they received.

However, this Directive aims at minimum harmonisation, and therefore Member States may introduce or maintain more stringent provisions to protect consumers, if such provisions are consistent with EU legislation.¹¹⁴

Table 5: Summary of the information to provide to consumer for insurance products

Category of information	The information	Legislation
Advertising stage		
Information on the service provider or intermediary	Identity and address Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. Contact details	e-Commerce Directive
Pre-contractual stage		
Information on the service supplier	Identity and address of the service provider Identity and address of representative Identity and address of the broker Number identifying the supplier on the public register (trade register) If relevant the authorisation scheme and supervisory authority. If the service provider abides by a specific code of conduct	e-Commerce Directive DMFSD
Insurance intermediary	Identity, address and quality of insurance intermediary Whether it provide advices Whether it represents the insurer or consumer	IDD
Information on the Financial service	Main characteristics of the financial service Total price paid by consumers (including fees, charges, expenses and taxes) If relevant a notice highlighting the special risks associated to the financial service Notice of the possibility of other taxes and costs paid by consumers Duration of validity of the information provided Arrangement for payment and performance	e-Commerce Directive DMFSD

¹¹³ Article 23 Insurance Directive.

¹¹⁴ Recital 3 Insurance Distribution Directive

	Any specific additional cost bore by the consumer for using distance communication,	
Information on the distance contract	Terms and conditions Existence or absence of a right to withdrawal Minimum duration of the distance contact Any rights to early termination for the parties Practical instruction on the exercise of the right of withdrawal Applicable law Language or languages used for the contract and the communication Whether the contract will be filed at a later stage and the technical means to correct errors The cost payable to a notary by the consumer on the conclusion of the credit agreement (if applicable)	e-Commerce Directive DMFSD
Information on redress	Existence of an out-of-court redress and complaint mechanism Modalities to register complaints	DMFSD IDD
Privacy Protection Information	Identity of the controller, Purpose of the processing; The categories of data processed, The legal grounds, The categories of recipients, Whether data will be transferred, The data subject rights and possibility to complain.	GDPR

Source: time.lex analysis of EU legislation.

A7.5 Legislation relevant to virtual currencies

Even though some of the features resemble activities or products that are already within the remit of the EU E-Money Directive, virtual currencies are not intended to be included here, as e-money is a digital representation of FC, which virtual currencies are not.

According to a study realised by the ECB on virtual currencies, the e-Commerce Directive, and the Consumers Rights Directive do not refer to a transaction realised within a virtual community, which implies that they are not applicable. However, the European supervision authorities are critical, and stress the lack of consumer protection rules applicable to the virtual currencies in general: 'Absence of protection – Despite EU anti-money laundering requirements that will enter into force later in 2018 and which will become applicable to wallet providers and Virtual Currencies exchange platforms, Virtual Currencies remain unregulated under EU law. Similarly, exchanges where Virtual Currencies are traded, and digital wallets used to hold, store and transfer Virtual Currencies are unregulated under EU law, too. This means, that if you buy or hold Virtual Currencies, you will not benefit from the guarantees and safeguards associated with regulated financial services. For example, if a Virtual Currencies exchange platform or a digital wallet provider fails, goes out of business, or is subject to a cyber-attack, funds embezzlement or asset forfeiture because of law enforcement actions, EU law does not offer any specific legal protection that would

cover you from losses or any guarantee that you will regain access to your Virtual Currencies holdings. These risks have already materialised on numerous occasions around the world’.

Virtual currencies are not directly regulated within the EU framework, however services and products relying on virtual currencies may be. The applicable rules may be directed by the services provider. If the said service provider is a firm that provides investment services or instruments in relation to financial instruments, MIFID2 may apply, as well as other instruments. If virtual currencies are the basis of a financial product, the ESMA identified the rules applicable to the prospectus issued by an entity or the alternative investment fund manager Directive, as relevant. However, in such situations the information will not concern virtual currencies directly. Any information provided would be a corollary of the main product provided (i.e. the financial/investment product).

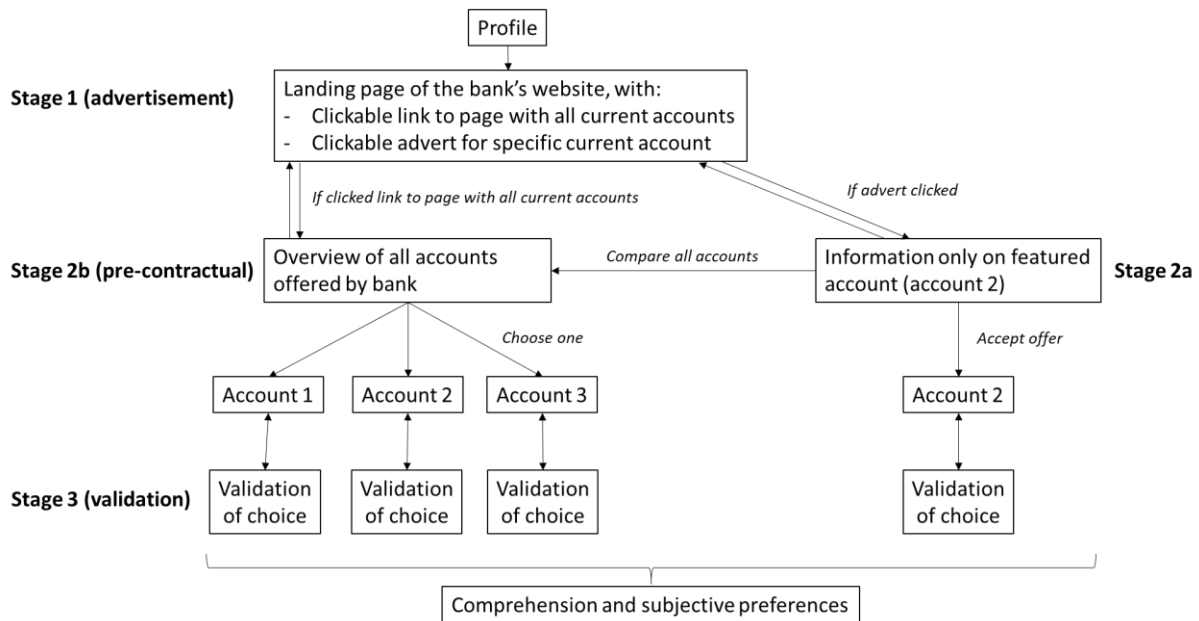
In summary, virtual currencies themselves are not regulated, they are however used to provide services to consumer. They are risky instruments, which may be sometimes indirectly governed by some legal instruments, but in such instances the information to be provided to the consumer does not cover specifically the virtual currency.

Annex 8 Design of the current accounts experiment

A8.1 Structure and stages of the experiment

The structure of the current accounts experiment is shown below. Respondents were able to go back from stage 2 to stage 1 (the bank’s landing page with the advert) only once. They were able to go back and forth between stage 2a and stage 3 and between stage 2b and stage 3 an unlimited number of times.

Figure 36: Structure of the current accounts experiment



A8.1.1 Profile

The profile gave the respondent a scenario, which determined the optimal choice of account. The profile is available in section A8.2.2.

A8.1.2 Stage 1 (Advertisement)

After seeing the profile, the respondent were directed to the bank’s landing page showing an advertisement for Account 2 (for the details of the various accounts that were offered to respondents, see section A8.2.1). The figures below show the design of this stage.¹¹⁵

At this stage, three actions were available to respondents:

- Click on the advertised account, taking the respondent to stage 2a
- Click on the “Current accounts” panel, taking the respondent to stage 2b
- Click on the words “Current accounts” in the black bar at the top of the page, also taking the respondent to stage 2b

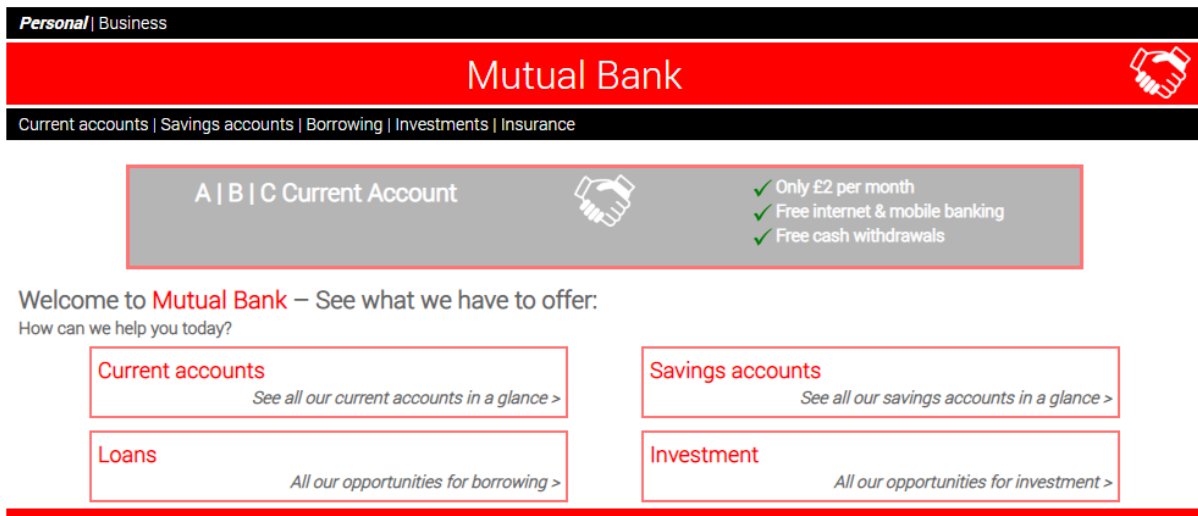
The figure below shows the designs for the desktop environment. Respondents were given the following instruction above this page:

*"You have chosen your preferred bank and now need to choose an account. **You can choose an account via the simulated webpages below.** Note that you can **scroll***

¹¹⁵ The figures in this Annex showing the designs of the experiment and the treatments, provide the experiment as shown to respondents of the pilot study conducted in the United Kingdom.

*down on the page and can change webpage by clicking on several **links included in the pages.***

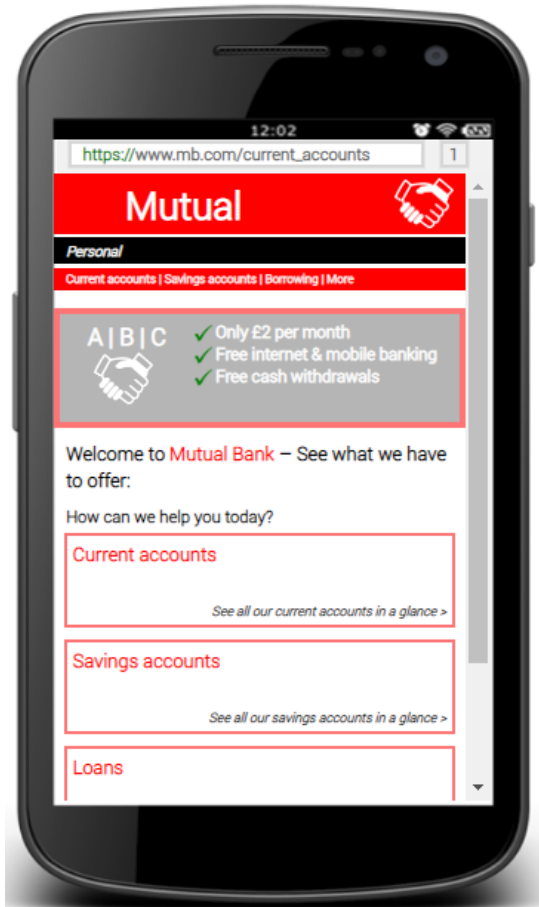
Figure 37: Stage 1 – desktop environment



The figure below shows the design for the mobile environment. Respondents were given the following instruction above this page:

*"You have chosen your preferred bank and now need to choose an account. **You can choose an account via the simulated webpages below.** Note that you can **scroll down on the page and can change webpage by clicking on several links included in the pages.**"*

Figure 38: Stage 1 – mobile environment



A8.1.3 Stage 2a (Pre-contractual information of advertised account)

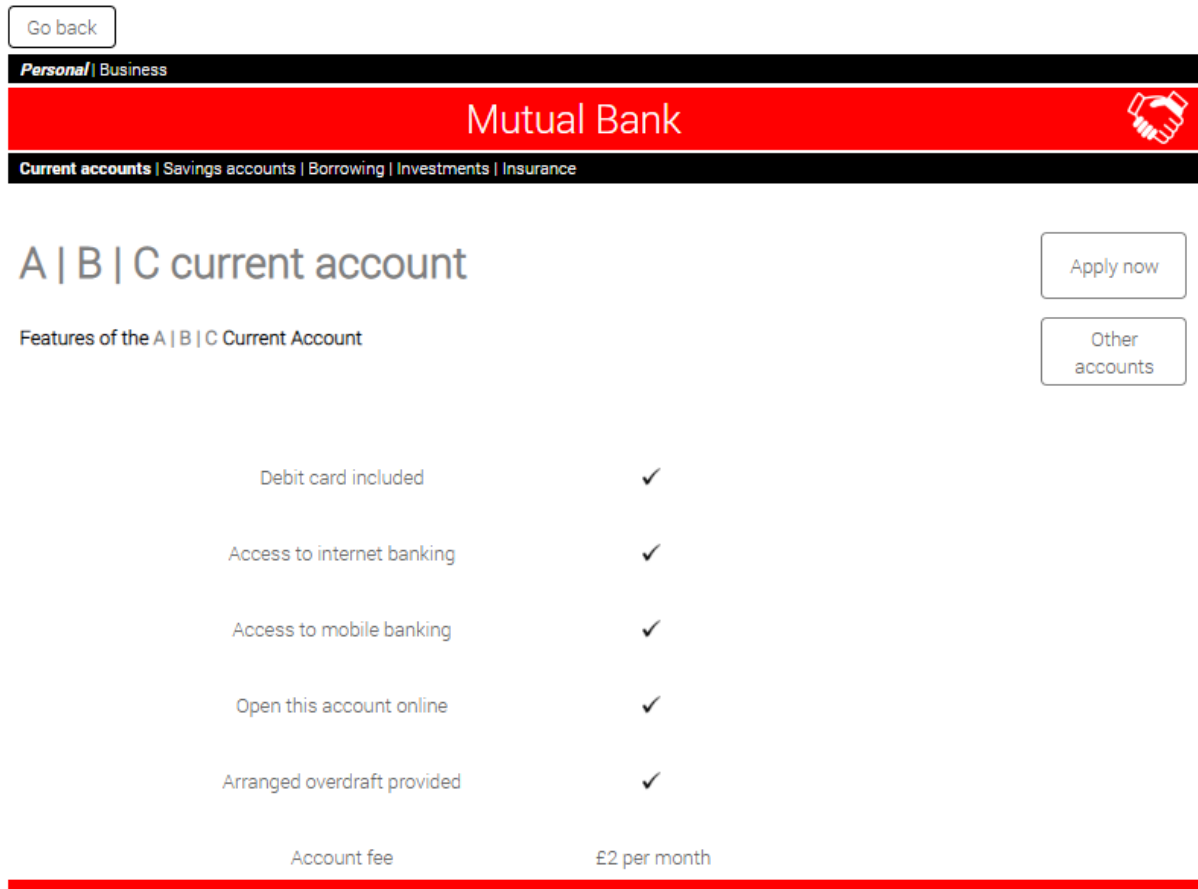
If respondents clicked on the advertisement in stage 1, they were redirected to stage 2a. In stage 2a, details of the advertised account were provided. At this stage, respondent had up to four options available to them:

- Click the “Go back” button, bringing them back to stage 1. The “Go back” was only available once across stages 2a and 2b. If the button was used once in either of these stages, it was not be available.
- Accept the offer, bringing respondents to stage 3.
- Click the “Other accounts” button, taking respondents to stage 2b.

The figure below shows the design for the desktop environment. The instructions that were given to respondents above this page were as follows:

“You can choose an account via the simulated webpages below. Note that you can scroll down on the page and can change webpage by clicking several links included in the pages.”

Figure 39: Stage 2a – desktop environment

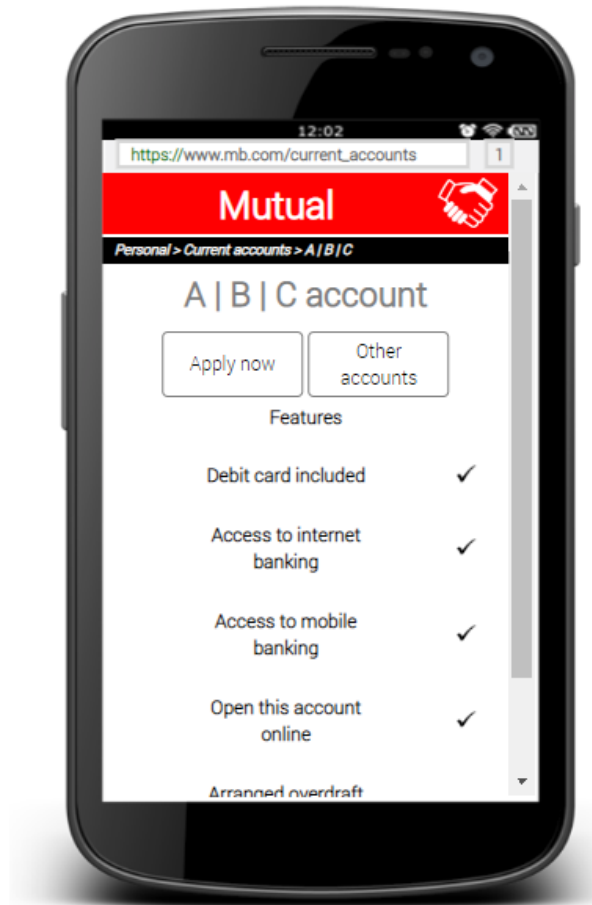


The figure below shows the design for the mobile environment. The instructions that were be given to respondents above this page were as follows:

"You can choose an account via the simulated webpages below. Note that you scroll down on the page and can change webpage by clicking on several links included in the pages."

Figure 40: Stage 2a – mobile environment

Go back



A8.1.4 Stage 2b (Pre-contractual information for all accounts)

If respondents clicked on the links to compare all accounts, they were directed to stage 2b. This stage showed a comparison of the three accounts available to respondents. In this stage respondents had up to four possible decisions:

- Click the “Go back” button, bringing them back to stage 1. The “Go back” button was only available once across stages 2a and 2b. If the button was used once in either of these stages, it was not be available.
- Apply for account 1, directing the respondents to stage 3.
- Apply for account 2, directing the respondents to stage 3.
- Apply for account 3, directing the respondents to stage 3.

The figure below shows the design for the desktop environment. The instructions that were given to respondents above this page was as follows:

“You can choose an account via the simulated webpages below. Note that you can scroll down on the page and can change webpage by clicking on several links included in the pages.”

Figure 41: Stage 2b – desktop environment

Go back

Personal | Business

Mutual Bank

Current accounts | Savings accounts | Borrowing | Investments | Insurance

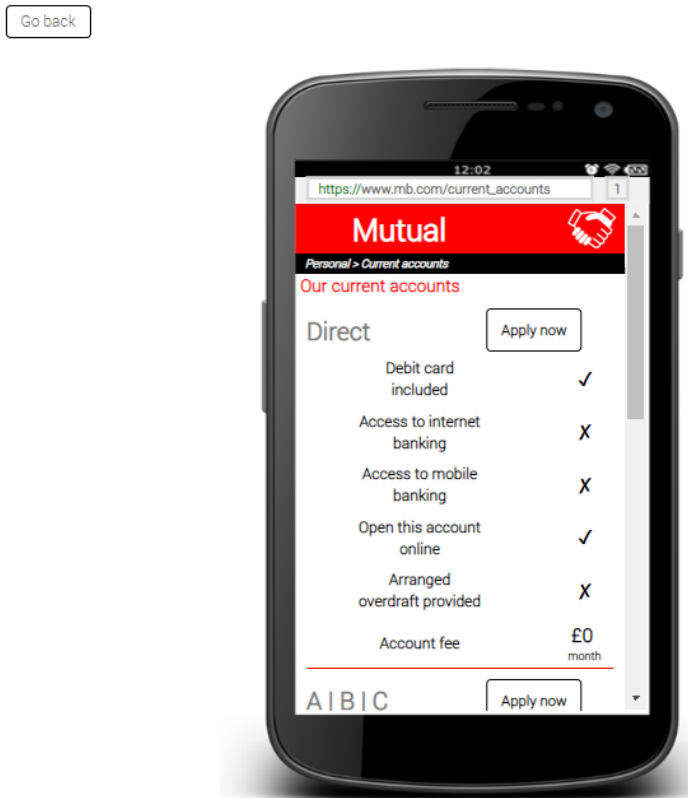
Current accounts

	Direct Account	A B C Account	Classic Account
	<input type="button" value="Apply now"/>	<input type="button" value="Apply now"/>	<input type="button" value="Apply now"/>
Debit card included	✓	✓	✓ Contactless
Access to internet banking	X	✓	✓
Access to mobile banking	X	✓	✓
Open this account online	✓	✓	✓
Arranged overdraft provided	X	✓	✓
Account fee	£0 per month	£2 per month	£3 per month

The figure below shows the design for the mobile environment. The instructions that was be given to respondents above this page was as follows:

"You can choose an account via the simulated webpages below. Note that you can scroll down on the page and can change webpage by clicking on several links included in the pages."

Figure 42: Stage 2b – mobile environment



A8.1.5 Stage 3 (Validation)

Whenever respondents clicked the “apply now” button (in either stage 2a or stage 2b), they were directed to stage 3. This stage showed more information about the chosen account. The look and feel were similar irrespective of account chosen.

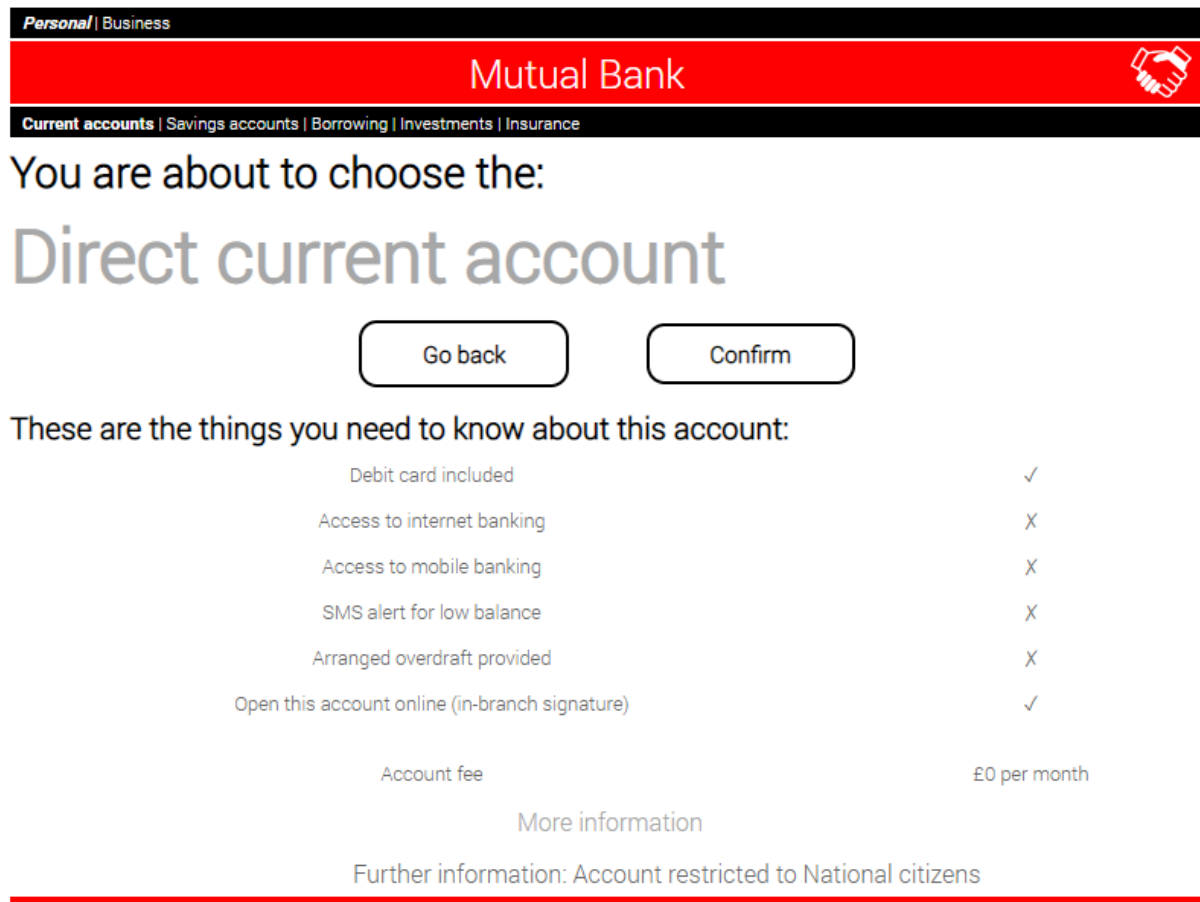
Respondents had two options in this stage:

- Confirm their choice, ending the experiment. Respondents were directed to the comprehension questions (see section A8.4)
- Click the “Go back” button. This button was always available to respondents. If this was clicked, respondents went back to the stage they originated from. This could be stage 2a or 2b depending on previous decisions.

The figure below shows the design for the desktop environment. The instructions that were given to respondents above this page were as follows:

*“You can now **confirm your choice**, or decide to take **a second look**. Note that you can **scroll down** on the page and click on several **links included in the pages**.”*

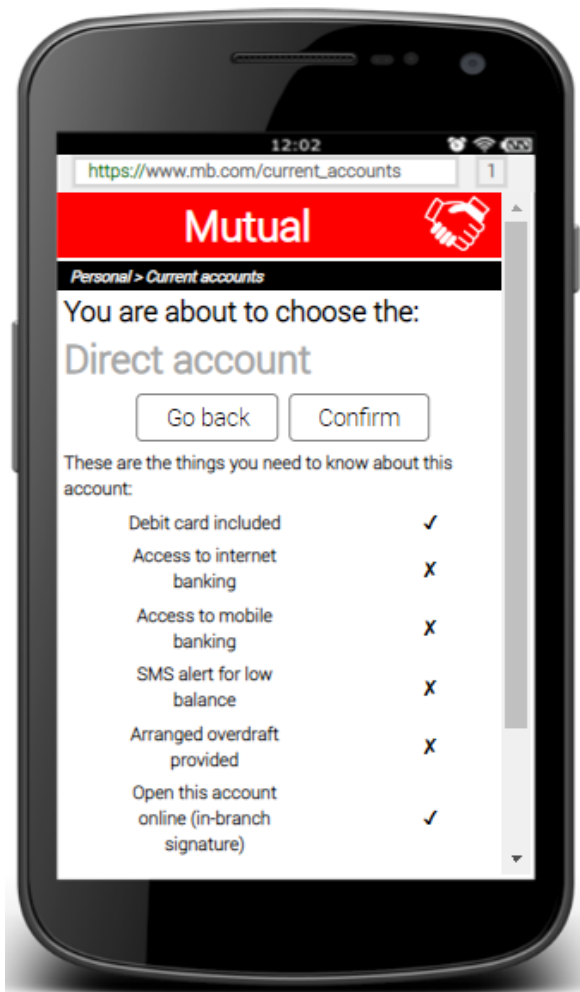
Figure 43: Stage 3 – desktop environment



The figure below shows the design for the mobile environment. The instructions that were given to respondents above this page were as follows:

*"You can now **confirm your choice**, or decide to take **a second look**. Note that you can **scroll down** on the page and click on several **links included in the pages**."*

Figure 44: Stage 3 – mobile environment



A8.2 Accounts offered, profile and the optimal choice

A8.2.1 Account characteristics

The characteristics of the accounts that were offered to respondents are shown in the table below. The services linked to payment accounts that are common to at least a majority of Member States (see Commission Delegated Regulation (EU) 2018/32) were all included among the services presented for the accounts.

Table 4: Account characteristics

Feature	Account 1	Account 2	Account 3
	(Direct)	(A B C)	(Classic)
Monthly maintenance fee	€0 per month	€2 per month	€3 per month
Cash withdrawal fees	From Mutual Bank (ATM or branch): €0 Other bank's ATMs: €2.00 per withdrawal	Free of charge	Free of charge
Possibility to open online (in-branch signature)	✓	✓	✓
Debit card included	✓	✓	✓
Card is contactless	✗	✗	✓
Credit card included	✗	✗	✗

Arranged overdraft	*	0% interest annually on entire overdrawn balance €1.50 per day	0% interest annually on entire overdrawn balance €0.50 per day
Sending money	€3 per transfer	Free of charge	Free of charge
Standing order	€2 per transfer	Free of charge	Free of charge
Direct debit	€2 per transfer	Free of charge	Free of charge
Access to internet banking	*	✓	✓
Access to mobile banking	*	✓	✓
SMS alert for low balance	*	*	✓
Account restricted to	National citizens	National citizens	National citizens

All euro amounts shown in the table above were adjusted for purchasing power parity in each relevant Member State to account for differences in price levels. The amounts were also converted to leu for Romania.

A8.2.2 Profile

Read these instructions carefully as you will need the information to complete the next tasks.

Suppose that, after going through your finances, you decide to look for a new current account to use as your main account. To find the right account, you need to keep the following in mind.

Your job keeps you very busy and often requires you to travel, so you need access to mobile and internet banking.

You tend to carry cash on you, but you don't like to carry too much, so you withdraw cash around 10 times per month, 5 times from your own bank and 5 times from other banks' ATMS.

You occasionally go into your overdraft for a short period, for example due to an unexpected cost. This happens twice per year on average, for around 10 days each time.

Given this information, you want to find the cheapest account that meets your needs.

A8.2.3 Optimal account

Regarding which account was optimal:

- Account 1 was not the optimal since it did not provide internet and mobile banking, or an overdraft facility.
- Account 2 and 3 both offered internet and mobile banking and an overdraft facility, so which of these two were optimal depended on the total annual cost of the accounts.

The table below presents the annual costs of each account (except charges for sending money, standing orders and direct debits, which were left undefined by the profile). This shows that **account 3** was the optimal choice.

Table 5: Cost calculations (annual costs)

	Account 1	Account 2	Account 3
Annual fee	€0.00	€24.00	€36.00
Expected cash withdrawal fees	€120.00	€0.00	€0.00

Expected overdraft daily fees ^[1]	N/A	€30.00	€10.00
Total	€120.00 ^[2]	€54.00	€46.00

[1] Daily usage fee multiplied by 20, for being twice in overdraft for about 10 days each.

[2] Plus charges for sending money, standing orders and direct debits, which were left undefined by the profile.

A8.3 Treatments

A8.3.1 Treatments at the advertising stage (stage 1)

The treatments at stage 1 examined two key commercial practices observed at the advertising stage during the desk research:

- Emphasising benefits over costs at the advertising stage
- Emphasising the time limited nature of the offer in advertising

Six treatment variants were used to examine these practices and related remedies. The table below shows which variants reflect the practices and which reflect remedies. The variants are described below.

Table 6: Variants of the treatments applied at stage 1

	Emphasising benefits over costs at the advertising stage	Emphasising the time limited nature of the offer in advertising
Variant 1	✗ Practice	N/A
Variant 2	✓ Remedy Message that customers like them compare offers	N/A
Variant 3	✓ Remedy Message that EU law give them the right to compare offers	N/A
Variant 4	✓ Remedy Message that they should think carefully about whether the account is right	N/A
Variant 5	✗ Practice	✗ Practice
Variant 6	✗ Practice	✓ Remedy Message that they should "be sure to compare accounts"

Variant 1

This variant reflected the first commercial practice. Since Account 2 was the advertised account this practice highlighted the features and costs most advantageous for Account 2, namely:

- "Only €2 per month"
- "Free internet and mobile banking"
- "Free cash withdrawals"

The advertisement applied at this stage is shown below.

Behavioural biases: framing (salience), anchoring

Figure 45: Variant 1 for treatments at stage 1



Variant 2

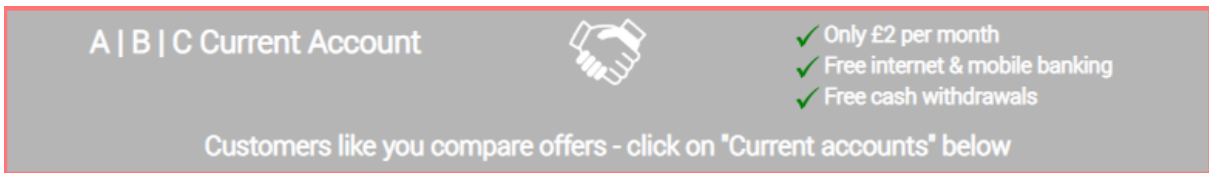
This attempted to remedy the commercial practice of variant 1 by indicating to consumers that they should compare charges, through the message:

"Customers like you compare offers – click on "Current accounts" below"

This message was designed with several **behavioural biases** in mind. It uses **social proofing** and **personalisation** ("Customers like you") and has a clear **call to action** ("Click on "current accounts" below") which is a use of **channel factors** (and also attempts to overcome inertia).

This message would be shown within the general area of the advert and in the same text size as the listed benefits of the account.

Figure 46: Variant 2 for treatments at stage 1

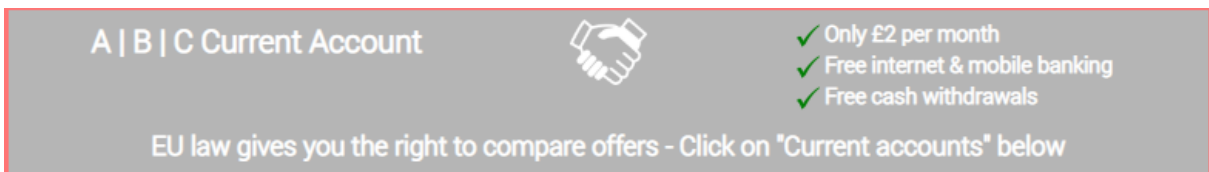


Variant 3

This variant tested an alternative to the message presented in variant 2.

Behavioural biases: as above

Figure 47: Variant 3 for treatments at stage 1



Variant 4

Variant 4 similarly tested an alternative message to the message presented in variant 2.

Behavioural biases: as above

Figure 48: Variant 4 for treatments at stage 1

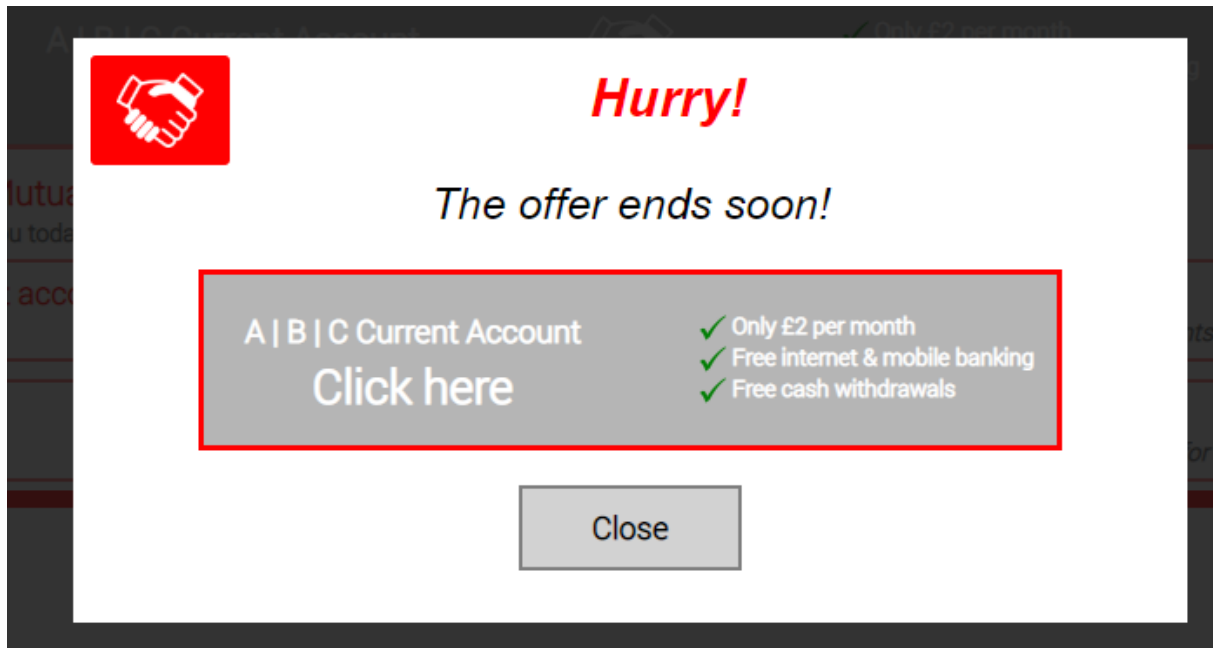


Variant 5

This reflected the commercial practice of emphasising the time limited nature of the offer. This created urgency by applying time pressure. Under this treatment variant, a pop-up would appear on the screen after 7 seconds, with the message "Hurry! Offer ends soon". The design is shown in the figure below.

Behavioural biases: system 1 vs. system 2 thinking

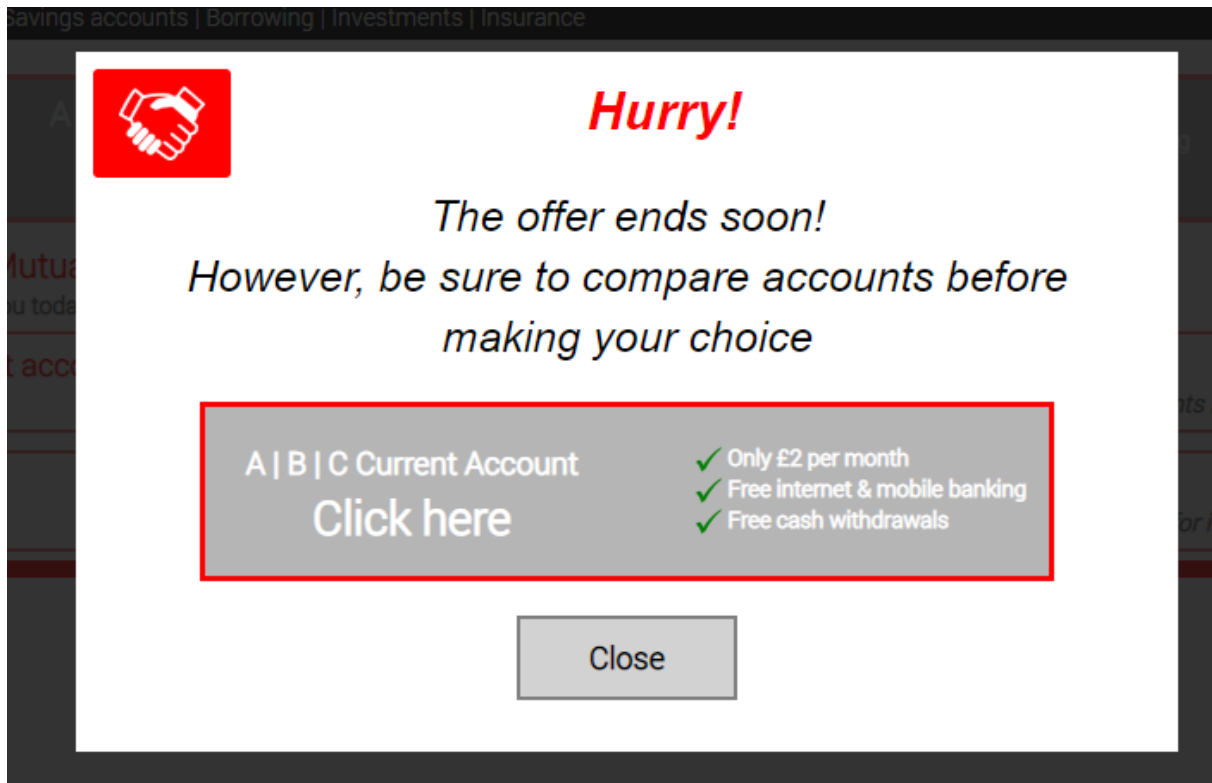
Figure 49: Variant 5 for treatments at stage 1



Variant 6

Although the time pressure remained, variant 6 remedied the time pressure created by the commercial practice of variant 5 by adapting the message in the pop-up such that it emphasised that the respondent should be "careful" to compare accounts before making their choice. This appeals to system 2 thinking (i.e. slower and more deliberative).

Figure 50: Variant 6 for treatments at stage 1



A8.3.2 Treatments at the pre-contractual stages (stages 2a, 2b and 3)

The treatments for stages 2a, 2b and 3 examined three commercial practices observed at the pre-contractual stage in the desk research:

- Emphasising benefits over costs
- Locating information where it can be overlooked
- Information that is complex and difficult to understand

Nine treatment variants were used to examine these practices and related remedies. The table below summarises which variants reflect the practices, and which reflect remedies. The variants are described in two subsections below.

Table 7: Variants of the treatments applied at stages 2a, 2b and 3

	Emphasising benefits over costs	Locating information where it can be overlooked	Information that is complex and difficult to understand
Variant 1	✗ Practice	✗ Practice	N/A
Variant 2	✗ Practice	✓ Remedy Fee Information Document provided upfront at stage 3	N/A
Variant 3	✓ Remedy Fee Information Document provided via a pop-up at stage 2	✓ Remedy Fee Information Document provided upfront at stage 3	N/A
Variant 4	✓ Remedy Upfront comparison table in style of FID at stages 2 and 3	✓ Remedy Upfront comparison table in style of FID at stages 2 and 3	N/A
Variant 5	✓ Remedy Upfront colour-coded comparison table in style of FID at stages 2 and 3	✓ Remedy Upfront colour-coded comparison table in style of FID at stages 2 and 3	N/A
Variant 6	✓ Remedy Calculator to help identify the best account	✓ Remedy Calculator to help identify the best account	N/A
Variant 7	N/A	N/A	✗ Practice
Variant 8	N/A	N/A	✓ Remedy Concise terms with more info 'i' icons
Variant 9	N/A	N/A	✓ Remedy Combination of concise terms with more info 'i' icons and icons to represent account features

Varying whether information was presented at different (pre-contractual) stages, upfront or in pop-ups, and/or in the Fee Information Document

The first two practices listed in the table above are closely related; both relate to different aspects of *how* information is presented (emphasis and placement). Six treatment variants were employed which collectively examined both of these practices. These six variants varied whether information was presented at different (pre-contractual) stages, upfront or in pop-ups, and/or in the Fee Information Document. The table below shows which variants reflect practices and which reflect remedies. These variants are described below.

Table 8: Variants on presentation of information

	Emphasising benefits over costs	Locating information where it can be overlooked
Variant 1	✗ Practice	✗ Practice
Variant 2	✗ Practice	✓ Remedy Fee Information Document provided upfront at stage 3
Variant 3	✓ Remedy Fee Information Document provided via a pop-up at stage 2	✓ Remedy Fee Information Document provided upfront at stage 3
Variant 4	✓ Remedy Upfront comparison table in style of FID at stages 2 and 3	✓ Remedy Upfront comparison table in style of FID at stages 2 and 3
Variant 5	✓ Remedy Upfront colour-coded comparison table in style of FID at stages 2 and 3	✓ Remedy Upfront colour-coded comparison table in style of FID at stages 2 and 3
Variant 6	✓ Remedy Calculator to help identify the best account	✓ Remedy Calculator to help identify the best account

Variant 1

This variant reflected both the commercial practice of emphasising the benefits while giving, and the practice of placing important information where it can be overlooked.

It emphasised the best aspects of the advertised account (Account 2) by presenting these upfront at the earliest pre-contractual stage(s) (stages 2a/b); and, it placed important information where it could be overlooked by placing key pricing information behind a “More information” button at the validation stage (stages 3).

Full information about the account would only be available at the validation stage, but even at this stage negative aspects of the accounts, specifically any non-zero fees, would be ‘hidden’ behind a “More information” button.

Behavioural biases: information and choice overload, cognitive limits, framing effects (including salience), anchoring on the first features presented

Variant 2

Variant 2 remedied the issue that, in variant 1, key information was placed where it may be overlooked, by showing the Fee Information Document (FID) upfront at stage 3. However, the emphasis on the best aspects of the advertised account (Account 2) at the

first pre-contractual stage(s) (stages 2a/b) remained unremedied, i.e. this marketing practice still persisted in variant 2.

Behavioural biases: as above

Variant 3

Variant 3 was identical to variant 2 except that, in addition, the FID was also available via a pop-up at stage 2. Thus, this variant remedied both practices; it remedied the practice of emphasising the best aspects of the product by making the FID available via a pop-up at stage 2, and it remedied the practice of placing important information where it can be easily overlooked by showing the FID upfront at stage 3.

Behavioural biases: as above

Variant 4

This variant presented account information in the style of FID at stage 2a, provided a comparison table in the style of the FID at stage 2b, and (again) showed account information in the style of FID at stage 3. Thus, it remedied both marketing practices.

Behavioural biases: as above

Variant 5

Variant 5 was the same variant 4, except that colour-coding was added to the account features to illustrate whether, for the account in question, that feature was the best among the accounts offered by the provider (green) or was suboptimal among the accounts offered by the provider (red). Hence, this variant would be expected to further improve behaviour compared to variant 4.

Behavioural biases: as above

Variant 6

Under variant 6 respondents would be allowed to use a 'calculator', which would allow them to identify the best account for them, given their usage. The design of the calculator is shown in the figure below.

Figure 51: Calculator provided to respondents under variant 6

You can use this tool to help you find the right account! Just answer the following questions:

Which services are essential to you? Please select all that apply:

Provision of a debit card	<input type="checkbox"/>
Provision of an overdraft	<input type="checkbox"/>
Access to internet banking	<input type="checkbox"/>
Access to mobile banking	<input type="checkbox"/>
Do you ever make cash withdrawals?	<input type="radio"/> Yes <input type="radio"/> No
From your own bank?	<input type="text"/> per month
From other bank's ATMs?	<input type="text"/> per month
Do you ever go overdrawn?	<input type="radio"/> Yes <input type="radio"/> No
For how many days per year are you typically overdrawn?	<input type="text"/> days

Based on what the respondent entered into the calculator the experiment programme indicated to them:

- If at stage 2a, whether the account shown was the best one for them, with the message "This is the right account for you" or "There is a better account for you".
- If at stage 2b, which of the accounts shown was best for them, with the message "[Account name] is right for you"

The experiment programme identified the "right account" as the one which provided the services the respondent needed at the lowest cost (according to what they entered into the calculator). The profile determined what the respondent *should* enter into the calculator, in which case the programme identified the optimal account (Account 3) as being right for them.

The calculator was available in both stages 2a and 2b at the top of the screen. It was not mandatory for respondents to use it; that is, they could move through the experiment without filling in information into the calculator.

Behavioural biases: as above, plus self-generation effect, needs analysis.

Varying the way in which fees and product features were described

The third commercial practice identified by the desk research at the pre-contractual stage for current accounts was that product information is complex and difficult to understand. Operationalising this practice is challenging because it is difficult to deliberately draft product information that is complex and hard to understand; complexity and clarity of information are subjective concepts (perceptions of which are likely to vary between individuals).

Nevertheless, a good proxy for 'complexity' is long windedness, and we can draw lengthy, technical descriptions for a number of account characteristics from Commission Delegated Regulation (EU) 2018/32 on standardised terminology for payment account services.¹¹⁶

¹¹⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:006:FULL&from=EN>

Specifically, paraphrasing from the definitions provided in this regulation, we drafted long, technical descriptions for maintaining the account, providing a debit card, arranged overdraft, sending money, standing order, direct debit and cash withdrawal. Furthermore, in a similar vein we drafted descriptions for the other services offered with the accounts in the experiment. These descriptions are presented in the table below:

Table 9: Terminology used in variants on feature descriptions

Concise term	Lengthy technical description
Debit card included	Provision of a payment card linked to the customer's payment account *
Access to internet banking	Customer can access their account to view their balance and use account services via the Internet
Access to mobile banking	Customer can access their account to view their balance and use other account services using their mobile
SMS alert for low balance	If the balance of the customer's account falls below a certain level, the customer is sent SMS messages alerting them to that fact
Arranged overdraft provided	Agreement that the customer may borrow money when there is no money left in the account *
Open the account online	The customer can open the account via the Internet
Sending money	Transferring money, on the instruction of the customer, from the customer's account to another account *
Standing order	Regular transfers, on the instruction of the customer, of a fixed amount of money from the customer's account to another account *
Direct debit	Customer permits someone else to instruct the account provider to transfer money from the customer's account to that recipient. The account provider then transfers money on the agreed date(s) *
Cash withdrawals	Customer takes cash out of the customer's account *
Account fee	Fee for operating the account for use by the customer *

Note: * signifies that the description is paraphrased from Commission Delegated Regulation (EU) 2018/32.

The concise terms and lengthy technical descriptions in the table above formed the basis of the treatment variants to examine the commercial practice. These variants are set out below.

Variant 7

This variant represented the commercial practice of product information being complex and difficult to understand. Under this variant, the lengthy technical descriptions in the table above were used in the product information that was presented upfront to respondents instead of the concise terms.

In terms of which account characteristics were presented at which stages, this variant (and others in this section) replicated variant 1 in the previous section (as a reminder, variant 1 was the commercial practice).

Behavioural biases: information overload, cognitive limitations

Variant 8

Variant 8 remedied the commercial practice represented in variant 7 by presenting the concise terms from the table above upfront in the product information and making long technical descriptions available to respondents via more information 'i' icons placed next to each concise term. Where available, this variant used the exact definition used for an account feature in the Commission Delegated Regulation (EU) 2018/32, rather than the paraphrasing shown above. Where definitions were not available in the Regulation, the text in the table above is used. Therefore, the following messages were displayed in pop-ups:

Table 10: Terminology used in pop-ups

Concise term	Pop-up message
Debit card included	The account provider provides a payment card linked to the customer's account. The amount of each transaction made using the card is taken directly and in full from the customer's account.
Access to internet banking	The customer can access their account to view their balance and use account services via the Internet
Access to mobile banking	The customer can access their account to view their balance and use other account services using their mobile
SMS alert for low balance	If the balance of the customer's account falls below a certain level, the customer is sent SMS messages alerting them to that fact
Arranged overdraft provided	The account provider and the customer agree in advance that the customer may borrow money when there is no money left in the account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the customer.
Open the account online	The customer can open the account via the Internet
Sending money	The account provider transfers money, on the instruction of the customer, from the customer's account to another account.
Standing order	The account provider makes regular transfers, on the instruction of the customer, of a fixed amount of money from the customer's account to another account.
Direct debit	The customer permits someone else (recipient) to instruct the account provider to transfer money from the customer's account to that recipient. The account provider then transfers money to the recipient on a date or dates agreed by the customer and the recipient. The amount may vary.
Cash withdrawals	The customer takes cash out of the customer's account.
Account fee	The account provider operates the account for use by the customer for this fee.













Otherwise this variant was identical to variant 7.

Behavioural biases: information overload, cognitive limitations

Variant 9

Variant 9 build on variant 8 by presenting intuitive icons which represented the account features, besides the concise terminology. Such icons are widely used by companies in reality and could be expected to help the respondents identify the services. The icons used for this purpose are shown in the table below. Otherwise, this variant was identical to variant 8.

Table 11: Product feature icons

Product feature	Icon
Monthly maintenance fee	
Cash withdrawal	
Possibility to open online	
Debit card included	
Arranged overdraft	
Sending money	
Standing orders (same as above)	
Direct Debit (same as above)	
Access to internet banking	
Access to mobile banking	
SMS alerts for low balance	
Account restricted to	

Behavioural biases: information overload, cognitive limits, picture superiority

A8.3.3 Summary of the treatment variants

The table below provides a summary of the treatment variants.

Table 12: Overview of practices and remedies tested in the current accounts experiment

Practice(s) tested	Stage(s)	Biases	Remedies tested
Emphasising benefits over costs at the advertising stage	1	<ul style="list-style-type: none"> ▪ Framing (salience) ▪ Social proofing ▪ Personalisation ▪ Channel factors 	<ul style="list-style-type: none"> ▪ Message indicating that similar consumers compare offers ▪ Message indicating the right to compare ▪ Message instructing to think about the account on offer
Emphasising the time limited nature of the offer in advertising	1	<ul style="list-style-type: none"> ▪ System 1 and 2 thinking 	<ul style="list-style-type: none"> ▪ Message emphasising that the respondent should be “careful” to compare accounts before making their choice
Emphasising benefits over costs Locating information where it can be overlooked	2a, 2b, 3	<ul style="list-style-type: none"> ▪ Information and choice overload ▪ Cognitive limitations ▪ Framing effects (including salience) ▪ Anchoring ▪ Self-generation effect 	<ul style="list-style-type: none"> ▪ Fee Information Document provided via a pop-up at stage 2/3 ▪ Upfront comparison table in style of FID at stages 2 and 3 ▪ Upfront colour-coded comparison table in style of FID at stages 2 and 3 ▪ Calculator to help identify the best account
Information that is complex and difficult to understand	2a, 2b, 3	<ul style="list-style-type: none"> ▪ Information overload ▪ Cognitive limitations 	<ul style="list-style-type: none"> ▪ Concise terms with more info ‘i’ icons ▪ Icons to represent account features

A8.3.4 Pairing of variants of different types

It is necessary to decide how the variants at stage 1 should be paired with variants at stage 2 and 3. Each variant at a given stage was paired to one specific variant at the other stage. More precisely,

- Treatment variants at stage 1 were paired with variant 4 of the treatment variants at stage 2 and 3.
- Treatment variants at stage 2 and 3 were paired with variant 1 of the treatment variants at stage 1.

This created 14 distinct overall treatments:

Table 13: All 'overall' treatments

Overall variant	Variants at stage 1	Variants at stage 2/3
Variant 1	Variant 1	Variant 1
Variant 2	Variant 1	Variant 2
Variant 3	Variant 1	Variant 3
Variant 4	Variant 1	Variant 4
Variant 5	Variant 1	Variant 5
Variant 6	Variant 1	Variant 6
Variant 7	Variant 1	Variant 7
Variant 8	Variant 1	Variant 8
Variant 9	Variant 1	Variant 9
Variant 10	Variant 2	Variant 4
Variant 11	Variant 3	Variant 4
Variant 12	Variant 4	Variant 4
Variant 13	Variant 5	Variant 4
Variant 14	Variant 6	Variant 4

Six 'overall' variants were used to analyse the variants at stage 1, namely

Table 14: Six 'overall' variants for testing at stage 1

Overall variant	Variants at stage 1	Variants at stage 2/3
Variant 4	Variant 1	Variant 4
Variant 10	Variant 2	Variant 4
Variant 11	Variant 3	Variant 4
Variant 12	Variant 4	Variant 4
Variant 13	Variant 5	Variant 4
Variant 14	Variant 6	Variant 4

Nine 'overall' variants were used to analyse the variants at stage 2 and 3, namely

Table 15: Nine 'overall' variants for testing at stage 2 and 3

Overall variant	Variants at stage 1	Variants at stage 2/3
Variant 1	Variant 1	Variant 1
Variant 2	Variant 1	Variant 2
Variant 3	Variant 1	Variant 3
Variant 4	Variant 1	Variant 4
Variant 5	Variant 1	Variant 5
Variant 6	Variant 1	Variant 6
Variant 7	Variant 1	Variant 7

Variant 8	Variant 1	Variant 8
Variant 9	Variant 1	Variant 9

A8.4 Comprehension and subjective assessment questions

The experiment was followed by a number of objective comprehension and subjective assessment questions. This section outlines the questions asked. In the following subsections:

- Question numbers are presented in green
- Response options are presented in grey
- Programming instructions are presented in blue
- Commentary around the question is presented in red

A8.4.1 Objective comprehension questions

CA.02: *Thinking about the current account you have just chosen, and keeping in mind the information given to you at the beginning of the task, **approximately how much would you expect to pay in total fees and charges for this account per year?***

Response options depend on decision in experiment.

Single response

If account 1 is chosen:

- 1) Approximately €0
- 2) Approximately €14
- 3) Approximately €110
- 4) Approximately €120
- 5) Not enough information was provided
- 6) Don't know

Correct answer: "Not enough information provided". The profile did not give information on usage of all the services for which a fee was charged for Account 1 (e.g. the profile did not mention how many direct debits the consumer wished to make). This information was not included as it would complicate the profile, while it would not affect the identification of the optimal account.

If account 2 is chosen:

- 1) Approximately €49
- 2) Approximately €54
- 3) Approximately €63
- 4) Approximately €69
- 5) Not enough information was provided
- 6) Don't know

Correct answer: €54

If account 3 is chosen:

- 1) Approximately €42
- 2) Approximately €46
- 3) Approximately €51
- 4) Approximately €58
- 5) Not enough information was provided
- 6) Don't know

Correct answer: €46

CA.03: Which of the following features were included in the account you just chose?

Multi-response. Randomise order except for 8) and 9) which should appear last.

- 1) Possibility to open account online
- 2) Debit card included
- 3) Credit card included
- 4) Arranged overdraft
- 5) Access to mobile banking
- 6) Access to internet banking
- 7) SMS alerts
- 8) None of the above [exclusive]
- 9) Don't know [exclusive]

Correct answers:

- 1) and 2) was account 1 is chosen;
- 1), 2), 4), 5) and 6) if account 2 was chosen; and,
- 1), 2), 4), 5), 6) and 7) if account 3 was chosen.

"None of the above" was treated as if none of the boxes for options 1) to 7) were clicked. If a respondent answered "Don't know", then responses to this question were considered as incorrect.

CA.04: Which of the following fees applied to the account you **just chose**? Please select all that apply.

Multi-response. Randomise order except for 7) and 8) which should appear last.

- 1) Account maintenance fee
- 2) Cash withdrawal fee
- 3) Daily overdraft fee
- 4) Fee for making direct debits
- 5) Fee for using online banking
- 6) Fee for receiving paper account statements
- 7) None of the above [exclusive]
- 8) Don't know [exclusive]

Correct answers:

- 1), 2), and 4) if Account 1 was chosen; and,
- 1) and 3) if account 2 or Account 3 were chosen.

"None of the above" was treated as if none of the boxes for options 1) to 6) were clicked. If a respondent answered "Don't know", then responses to this question were considered as incorrect.

A8.4.2 Subjective assessment

CA.S1: How easy was it to **find** information about the following?

Single response per row

{Collapsible Grid: Columns = Options}

- 1) Very easy
- 2) Somewhat easy
- 3) Somewhat difficult

- 4) Very difficult
- 5) Don't know

{Collapsible Grid: Rows = Features} Randomise order.

- 1) The account maintenance fee
- 2) Overdraft interest and fees
- 3) Cash withdrawal fees
- 4) Fees for standing orders and direct debits
- 5) Product features

CA.S2: How easy was it to **understand** information about the following?

Single response per row

{Collapsible Grid: Columns = Options}

- 1) Very easy
- 2) Somewhat easy
- 3) Somewhat difficult
- 4) Very difficult
- 5) Don't know

{Collapsible Grid: Rows = Features} Randomise order.

- 1) The account maintenance fee
- 2) Overdraft interest and fees
- 3) Cash withdrawal fees
- 4) Fees for standing orders and direct debits
- 5) Product features

CA.S3: Did you feel that there was any information you needed, which was missing?

Single response

- 1) Yes
- 2) No
- 3) Don't know

CA.S4: To what degree did you trust the information that you were given about the following?

Single response per row

{Collapsible Grid: Columns = Options}

- 1) Completely trust
- 2) Somewhat trust
- 3) Somewhat distrust
- 4) Completely distrust
- 5) Don't know

{Collapsible Grid: Rows = Features} Randomise order.

- 1) Fees and charges
- 2) Product features

CA.S5: How confident are you that you made a good decision in the previous task?

Single response

- 1) Very confident
- 2) Somewhat confident
- 3) Somewhat doubtful
- 4) Very doubtful
- 5) Don't know

A8.5 Incentives

The current accounts experiment was incentivised through Ipsos points. Participants received a fixed amount of survey points for participating in the survey. Throughout the experiment, participants could gain additional survey points through the decision they made.

This experiment, as well as the personal loans experiment outlined in Annex 9, consisted of a decision task with a correct option followed by comprehension questions. This experiment had three objective comprehension questions.

The logic for the incentive scheme, across both experiments, was as follows:

- The maximum number of Ipsos points that a participant could gain across both experiment was **72**
- 50% of these points were available in each experiment (i.e. 36 in the current accounts experiment and 36 in the personal loans experiments), ensuring the incentives were balanced between the experiments.
- Within each experiment, 50% of the points (i.e. 18) were awarded for the correct choice in the experiment. This ensured that the optimal decision-making aspect of the experiment dominated the incentives.
- The remaining points were split across the objective understanding questions. These points were divided equally across the possible correct answers to these questions.

Following this logic, 18 points were awarded to those who choose the correct account (Account 3). Following the account choice task, participants completed three objective comprehension questions.

Across the other three questions, a total of 14 correct or incorrect answers could be observed. Therefore, 9/7 points were awarded for each correct answer given. The maximum number of points that could be gained from the objective comprehension questions was 18. The number of points awarded was rounded to the nearest whole number.

A8.5.1 Description of incentives in experiment introduction

The incentives were explained to participants in the introduction to the experiment, as follows:

*In the next task, you will be given a scenario. Your task is to select the **best bank account** for yourself, keeping in mind the information you are given.*

You can earn additional survey points if you select the best account. You can also earn additional points by correctly answering the questions about this task after your decision. In this task, you can earn up to 36 additional survey points, and up to additional 72 points in the entire survey.

A8.6 Images used in this experiment

Some icons used in this experiment, and shown above, have been published under the Creative Commons 3.0 BY license. This allows the work to be reproduced or incorporated in other works for commercial and non-commercial purposes with the requirement that

works are attributed.¹¹⁷ The following icons have been published under the CC 3.0 BY license:

- "Recurring expense". Created by Khuzema from the Noun Project. <https://thenounproject.com/icon/1805793/>. Note that the currency sign was changed from dollar to euro.
- "ATM". Created by Arafat Uddin from the Noun Project. <https://thenounproject.com/icon/883072/>.
- "online account". Created by I Putu Kharismayadi from the Noun Project. <https://thenounproject.com/icon/1514736/>
- "debit card". Created by Adrien Coquet from the Noun Project. <https://thenounproject.com/icon/1678461/>
- "Wallet". Created by Chunk Icons from the Noun Project. <https://thenounproject.com/icon/625076/>
- "send money". Created by Brian Dys from the Noun Project. <https://thenounproject.com/icon/1647118/>
- "online". Created by Adrien Coquet from the Noun Project. <https://thenounproject.com/icon/1764222/>
- "Phone". Created by Adrien Coquet from the Noun Project. <https://thenounproject.com/icon/1830774/>
- "text message". Created by Emily Ahn from the Noun Project. <https://thenounproject.com/icon/204869/>
- "Globe" Created by alrigel from the Noun Project. <https://thenounproject.com/icon/1168332/>
- "Information" Created by Bohdan Burmich from the Noun Project. <https://thenounproject.com/icon/258267/>

Some icons and images used in the experiment have been published under the Creative Commons 0 license. This allows the work to be reproduced or incorporated in other works for commercial and non-commercial purposes without attribution required.¹¹⁸ Attribution is included here for completeness.

- "Handshake". Created by SuperMerrily from Pixabay. <https://pixabay.com/nl/handdruk-vergadering-transactie-651818/>. The negative image of this icon has been used.
- "Alarm" Created by Ciker-Free-Vector-Images from Pixabay. <https://pixabay.com/nl/alarm-klok-silhouet-bell-ring-35095/>. The negative image of this icon has been used.
- "Wifi" Created by Ricardo_Duque from Pixabay. <https://pixabay.com/nl/wifi-wifi-signaal-internet-netwerk-1290667/>. The negative image of this icon has been used.
- "Battery". Created by Dooffy from Pixabay. <https://pixabay.com/nl/batterij-pictogrammen-set-van-iconen-3201720/>. One icon of the set, in negative colours, has been used.

¹¹⁷ For more information on this license, see <https://creativecommons.org/licenses/by/3.0/>.

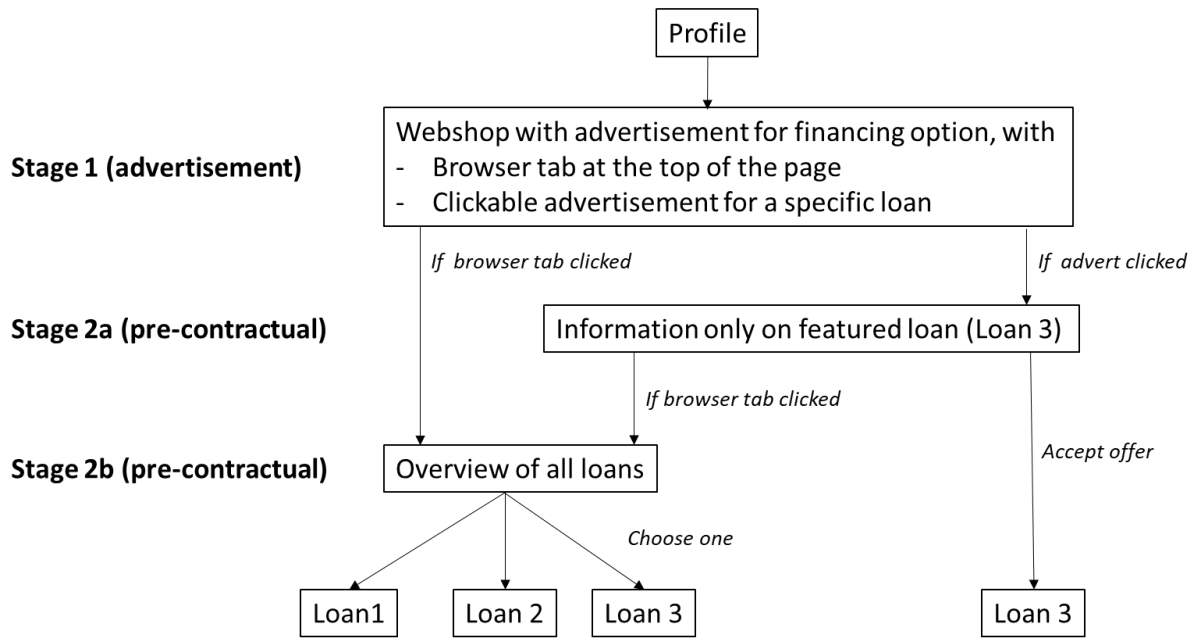
¹¹⁸ For more information on this license, see <https://creativecommons.org/publicdomain/zero/1.0/>

Annex 9 Design of the personal loans experiment

A9.1 Structure and stages of the experiment

The structure of the personal loans experiment is shown in the figure below.

Figure 52: Structure of the experiment



A9.1.1 Profile

The profile gave the respondent a scenario, which determined the optimal choice of account. The profile is available in section A9.2.2.

A9.1.2 Stage 1 (Advertisement)

After seeing the profile, respondents were directed to an e-commerce website where they wanted to buy a washing machine. The page contained an advertisement for Loan 3 (see section A9.2.1 for the details on the various loans).

At this stage, two options were available to respondents:

- Click the advertisement on the page, taking the respondent to stage 2a
- Click the browser tab (or tab icon, in the mobile setting) at the top of the page, taking the respondent to stage 2b

The figure below shows the design of the stage for the desktop environment.¹¹⁹ The instructions that were given to respondents above this page were:

*"You want to buy this washing machine, but have to borrow money for it. **You can choose a loan via the simulated webpages below.** Note that you can **scroll down** on the page, click several **links included in the pages** and change webpage by clicking on the **tabs at the top.**"*

¹¹⁹ The figures in this Annex showing the design of the experiment and the treatments, provide the experiment as shown to respondents of the pilot study conducted in the United Kingdom, unless stated otherwise.

Figure 53: Stage 1 – desktop environment

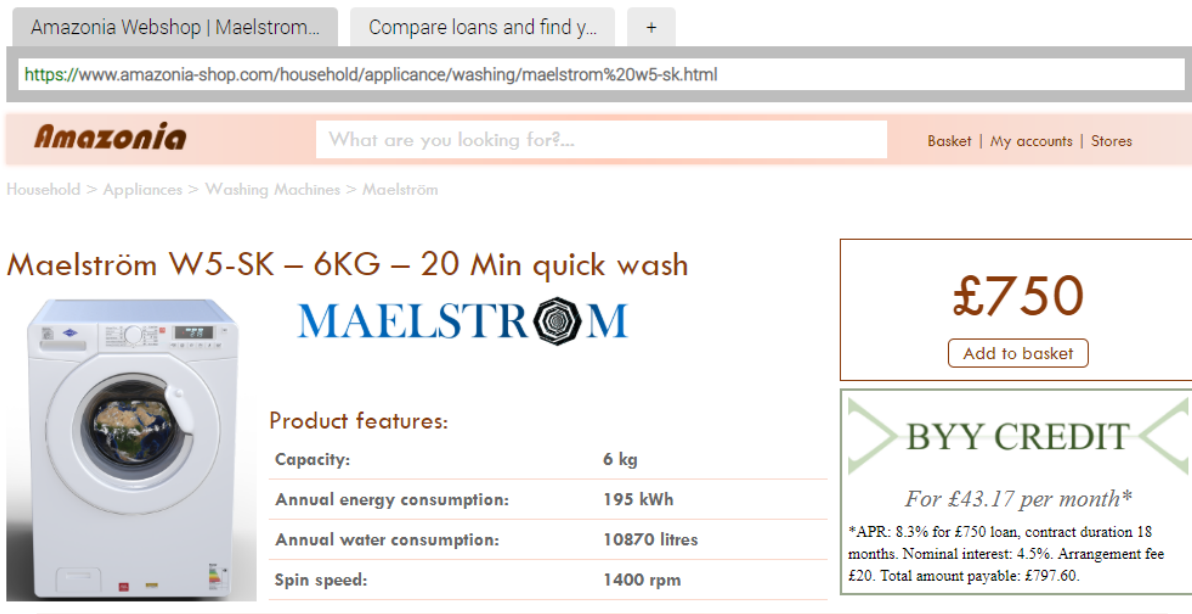


Figure 54 shows the design of stage 1 in the mobile environment. The instruction given to the respondent above this page were:

*"You want to buy this washing machine, but have to borrow money for it. **You can choose a loan via the simulated webpages below.** Note that you can **scroll down** on the page, click several **links included in the pages** and change webpage by clicking on the **tab icon** (☐) **at the top.**"*

Figure 54: Stage 1 – mobile environment



A9.1.3 Stage 2a (Pre-contractual information of advertised loan)

If respondents clicked on the advertisement in stage 1, they were directed to stage 2a. In stage 2a, the details of the advertised loan were provided.

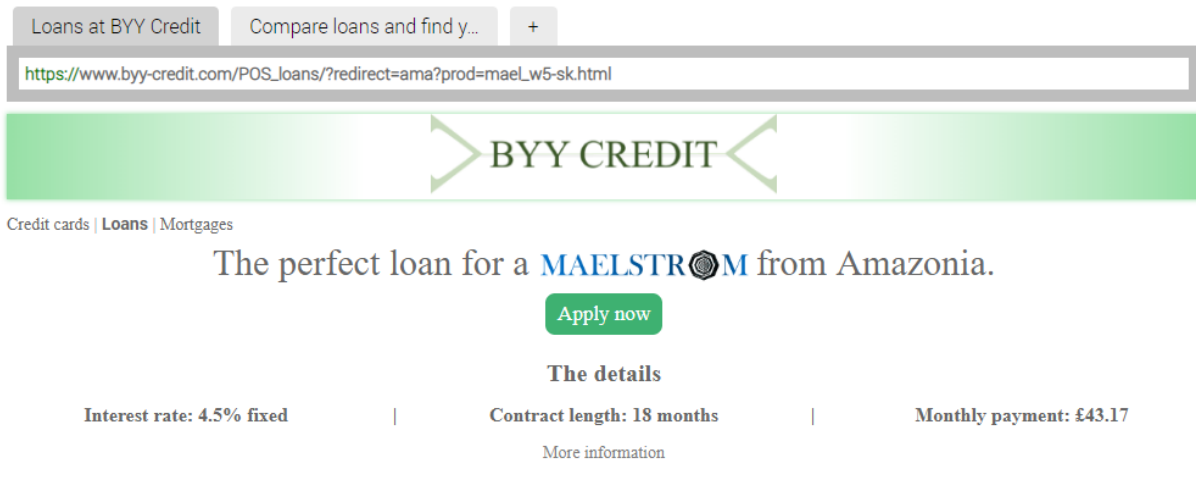
At this stage, two options were available to respondents:

- Accept the offered loan, ending the experiment. Respondents were directed to the comprehension questions (see section A9.4)
- Click the browser tab (or tab icon, in the mobile setting) at the top of the page, taking respondents to stage 2b

The figure below shows the design for the desktop environment. The instructions that were given to respondents above this page were:

"You can choose a loan via the simulated webpages below. Note that you can scroll down on the page, click on several links included in the pages and change webpage by clicking on the tabs at the top."

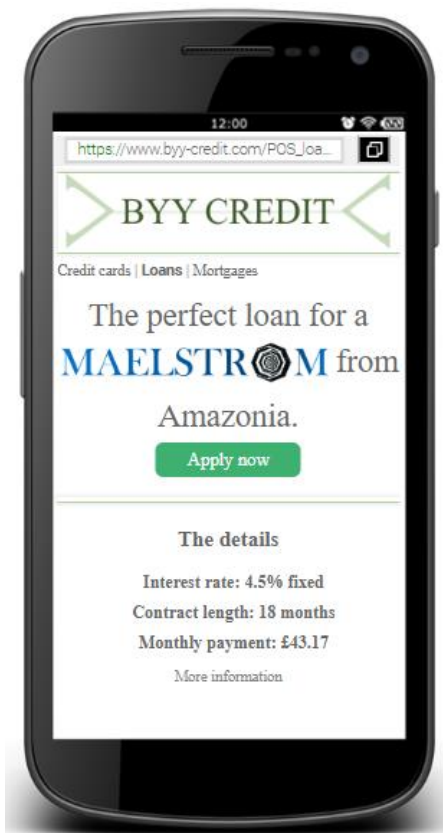
Figure 55: Stage 2a – desktop environment



The figure below provides the design for the mobile environment. The instructions that were given to respondents above this page were:

"You can choose a loan via the simulated webpages below Note that you can scroll down on the page, click on several links included in the pages and change webpage by click on the tab icon (☐) at the top."

Figure 56: Stage 2a – mobile environment



A9.1.4 Stage 2b (Pre-contractual information for all loans)

If respondents clicked on the browser tab (desktop environment) or tab icon (☐, mobile environment) in either stage 1 or stage 2a, they were directed to stage 2b. In stage 2b,

the respondents had to choose between the three loan options presented. They had the following three possible actions:

- Apply for Loan 1
- Apply for Loan 2
- Apply for Loan 3

In all three cases, the experiment ended and respondents were directed to the comprehension and subjective assessment questions (see section A9.4).

The figure below provides the design for the desktop environment. The instructions that were given to respondents above this page were:

*"You can now choose **any of the loans** shown below.*

Note that you can scroll down on the page."

Figure 57: Stage 2b – desktop environment

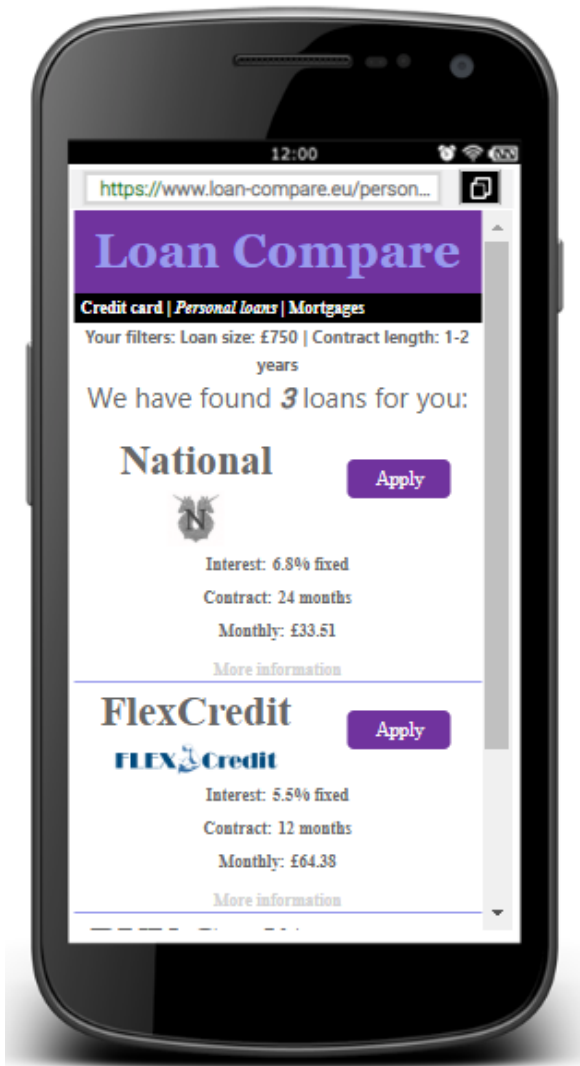
	National	FlexCredit	BYY Credit
Interest rate:	6.8% fixed	5.5% fixed	4.5% fixed
Contract length:	24 months	12 months	18 months
Monthly payment:	£33.51	£64.38	£43.17
	More information	More information	More information

The figure below shows the design for the mobile environment. The instructions that were given to respondents above this page were:

*"You can now choose **any of the loans** shown below.*

Note that you can scroll down on the page."

Figure 58: Stage 2b – mobile environment



A9.2 Loans offered, profile and the optimal choice

A9.2.1 Loan characteristics

The characteristics of the personal loans used in this experiment are shown in the table below.

Table 16: Loan characteristics

Feature	Loan 1	Loan 2	Loan 3
	(National)	(FlexCredit)	(BYY Credit)
Size of the loan	€750	€750	€750
Contract duration in months ^[1]	24 months	12 months	18 months
Nature of interest rate	Fixed	Fixed	Fixed
Nominal interest rate	6.8%	5.5%	4.5%
Arrangement fee ^[2]	€8	€8	€20
Instalments	Equal	Equal	Equal
Monthly payment ^[3]	€33.51	€64.38	€43.17
Annual Percentage Rate of Charge ^[3]	8.1%	7.8%	8.3%
Total amount payable ^[3]	€812.24	€780.56	€797.60

Available to contract online	✓	✓	✓
Immediate answer upon application	✓	✗	✓

[1] Equal to number of instalments for repayment

[2] Single payment at the commencement of the loan; not financed as part of the loan.

[3] Calculated with the APR simulator provided by DG FISMA

All euro amounts shown in the table above were adjusted for purchasing power parity in each relevant Member State to account for differences in price levels. The amounts were also converted to leu for Romania.

A9.2.2 Profile

Read these instructions carefully as you will need the information to complete the next tasks.

Suppose that your washing machine broke down beyond repair and you have to buy a new one. You have found a high-end model you like, but it costs €750. You do not have enough money available in savings to pay for this now, so you want to finance your purchase with a loan. You calculate that you could repay at most €80 per month towards the loan.

You care about costs, so you want to find the cheapest loan available.

A9.2.3 Optimal decision

Based on APR and total cost of credit, **Loan 2** was the optimal choice:

Table 17: Cost calculation

	Loan 1	Loan 2	Loan 3
APR	8.1%	7.8%	8.3%
Total amount payable	€812.24	€780.56	€797.60
Size of the loan	€750	€750	€750
Total cost of credit	€62.24	€30.56	€47.60

A9.3 Treatments

Treatments for the personal loans experiment can be grouped into two categories:

- treatments related to features that may accelerate consumers' purchasing decisions; and,
- treatments related to how information is provided to consumers

These two categories are addressed separately in the sections below. In each category treatments can further be divided based on the relevant experimental stage:

- stage 1 (advertising)
- stages 2a and 2b (pre-contractual information).

The table below provides an overview of the commercial practices that were tested in the experiment, the stage in the experiment at which they were tested, and the related biases and remedies. Note that related practices were grouped and tested together.

Table 18: Overview of practices and remedies tested in the personal loans experiment

Practice(s) tested	Stage(s)	Biases	Remedies tested
Advertising products as being speedy, or 'one-click' products	1	<ul style="list-style-type: none"> ▪ Impulsiveness ▪ System 1 thinking 	<ul style="list-style-type: none"> ▪ Warn respondents that borrowing money costs money ▪ Provide call to action to review loans ▪ Provide no message
Speedy, or 'one-click' credit (a fast purchasing process)	2a	<ul style="list-style-type: none"> ▪ Impulsiveness ▪ System 1 thinking 	<p>Slow respondent down by:</p> <ul style="list-style-type: none"> ▪ Requiring confirmation through pop-up ▪ Requiring confirmation coupled with real effort task
Emphasising benefits over costs at the advertising stage	1	<ul style="list-style-type: none"> ▪ Anchoring 	<ul style="list-style-type: none"> ▪ Provide representative example alongside advertisement ▪ Provide representative example and display APR prominently ▪ Provide representative example and provide a warning about cost of credit
Emphasising benefits over costs Locating information where it can be overlooked	2a, 2b	<ul style="list-style-type: none"> ▪ Anchoring ▪ Bounded rationality 	<ul style="list-style-type: none"> ▪ Provide information in a standardised order ▪ Provide information in a standardised order with additional information available

A9.3.1 Features that may accelerate consumers' purchasing decisions

The desk research identified speedy, or 'one-click' products as a practice that is relevant at both the advertising and pre-contractual stages. For personal loans:

- At the advertising stage, this refers to highlighting in advertising the fact that credit is speedy, or 'one-click' credit.
- At the pre-contractual stage, this refers to the credit actually being speedy, or 'one-click' credit, i.e. enabling the customer to obtain credit quickly via a short purchase process.

That is, providers make credit fast to obtain by making the application process quick, and they highlight this feature of the credit in their advertising. In designing the treatment variants, the following were considered:

- The variants applied at stage 1 should not be considered separately from the variants at stage 2a. The message about the speed of credit applied at stage 1 should be relevant to the actual process in the experiment environment and should not be a generic message.
- Variants that vary the length of the process at the pre-contractual stage should be applied to stage 2a only, and not also to stage 2b. The commercial practices relate to making *the advertised loan* quick and easy to take.

With these points in mind, six variants were used in this area. These are summarised in the table below. These variants are described in detail below.

Table 19: Variants relating to speed of credit

	Message at stage 1 (Advertising credit as being speedy, or 'one-click' credit)	Process at stage 2a (Speedy, or 'one-click' credit, enabling the customer to obtain credit fact)
Variant 1	✘ Practice Emphasise speed: "You can get this loan in just 2 clicks!"	✘ Practice Process requires just 2 clicks
Variant 2	✔ Remedy Warning: "Warning! Borrowing money also costs money"	✘ Practice Process requires just 2 clicks
Variant 3	✔ Remedy Call to action: "You should review the detail of any loan before taking it"	✘ Practice Process requires just 2 clicks
Variant 4	No message	✘ Practice Process requires just 2 clicks
Variant 5	No message	✔ Remedy Added pop-up asking: "Are you sure", process requires 3 clicks
Variant 6	No message	✔ Remedy Added pop-up with a real effort task, process requires 5 clicks

Variant 1

This variant reflects the commercial practice of advertising the credit as being speedy, or 'one-click' credit. In this variant, the advertisement for the personal loan in stage 1

contained a message highlighting how quickly the loan could be obtained in the experiment directly addressing the respondent; "*You can get this loan in just 2 clicks!*". The message emphasised by displaying it in a contrasting colour, to maximise the salience of the message. The figure below illustrates this variant for stage 1.

Under this variant, stage 2a reflected the commercial practice of speedy, or 'one-click' credit at the pre-contractual stage (i.e. a fast purchasing process), with only few clicks necessary to obtain credit. This set-up required only two clicks to obtain the credit. The look and feel for stage 2a under this variant are described in section A9.1.3.

Figure 59: Variant 1 for features that may accelerate decision-making at stage 1



Note: this figure shows a mock-up of the treatment, not a screenshot

Variant 2

Variant 2 remedied the practice by presenting a warning about the cost of credit instead of the message emphasising the speed of obtaining credit. Such warning messages regarding cost of credit are mandated in some countries (e.g. Belgium, France and the Netherlands). The message used in the experiment was a translation of the warning required under Dutch law. The salience of the message was not changed. The figure below shows the variant in stage 1.

The process at stage 2a under this variant was the same as the process under variant 1, i.e. with just two clicks required to obtain the credit.

Figure 60: Variant 2 for features that may accelerate decision-making at stage 1



Note: this figure shows a mock-up of the treatment, not a screenshot

Variant 3

This variant remedied the messaging aspect of variant 1 by substituting the message with an instruction that was intended to appeal to system 2 thinking and slow the thought process down; "You should review the detail of any loan before taking it." The salience of the message was not changed. This variant tested an alternative to variant 2, which is used in several Member States. In contrast to variant 2, variant 3 provided a call to action. See the figure below for the design of the variant.

Again, the process at stage 2a under this variant was the same as the process under variant 1, with just two clicks required to obtain the credit.

Figure 61: Variant 3 for features that may accelerate decision-making at stage 1



Note: this figure shows a mock-up of the treatment, not a screenshot

Variant 4

Variant 4 was a necessary variant to be able to analyse variants 5 and 6, in absence of any other differences between the variants. Furthermore, variant 4 provided a control group allowing for an analysis whether the commercial practice may lead to consumer detriment. The figure below shows the variant in stage 1.

Also for variant 4, the process at stage 2a under this variant was the same as the process under variant 1, i.e. with just two clicks required to obtain the credit.

Figure 62: Variant 4 features that may accelerate decision-making at stage 1



Note: this figure shows a mock-up of the treatment, not a screenshot

Variant 5

Variant 5 remedied the commercial practice by slowing down the decision-making of the respondent. Particularly, when respondents clicked to "apply" for a particular loan, a pop-up message appeared. This message asked whether the respondent was "sure" about their decision and they had to answer either yes or no. Answering "yes" confirmed their choice and ended the experiment. Answering "no" would return respondents to the pre-contractual stage.

The requirement to go through a pop-up mimics a cooldown period after the respondent decided to apply for the loan. Asking a respondent whether they are "sure" about their choice might engage system 2 thinking.

The figure below shows the look and feel of the pop-up (in the desktop environment) for stage 2a once the respondent clicked the apply button. The look and feel of stage 1 were as described above for variant 4.

Figure 63: Variant 5 for features that may accelerate decision-making at stage 2a



Variant 6

Variant 6 prolonged the process of taking the loan by adding a real effort task. This took the form of answering two questions displayed within a pop-up. Furthermore, the two

questions were geared towards making the respondent take time to think about the loan offer. The questions were:

- “Confirm the APR of this loan” (the respondent must type in the figure)
- “Are you sure this is the lowest cost loan available?” (“Yes” or “No”).

Once these questions were answered the respondent was asked: “Are you sure you want to choose this loan?”. This question had to be answered either “Yes” (taking them to the next stage) or “No” (returning them to the previous stage). This increased the minimum number of clicks that the respondent had to make in order to take the loan to five, as well as having to enter the APR. The figure below shows the pop-up for stage 2a. Stage 1 looked as described for variant 4.

Figure 64: Variant 6 for features that may accelerate decision-making at stage 2a

A9.3.2 How information is provided to consumers

The treatments variants related to how information is provided to consumers examined the commercial practices and related remedies. The practices examined were:

- emphasising benefits over costs at the advertising stage;
- emphasising benefits over costs at the pre-contractual stage; and,
- locating information where it can be overlooked.

Table 20 provides an overall summary of the treatment variants. The variants are discussed in further detail below.

Table 20: Variants relating to how information is provided to consumers

	Benefits emphasised over costs at the advertising stage	Benefits emphasised over costs (at the pre-contractual stage) and locating information where it can be overlooked
Variants at the advertising stage (stage 1):		
Variant 1	✘ Practice Only the key selling point of the advertised loan is shown	N/A
Variant 2	✔ Remedy Representative example is shown	N/A

Variant 3	✓ Remedy Representative example and APR are shown	N/A
Variant 4	✓ Remedy Representative example and message “Warning! Borrowing money also costs money” are shown	N/A
Variants at the pre-contractual stage (stages 2a & 2b):		
Variant 1	N/A	✗ Practice Only the best features of the advertised loan are shown upfront, with the order of the features favouring the advertised loan
Variant 2	N/A	✓ Remedy All loan information is shown upfront, with lay-out and order as per the SECCI
Variant 3	N/A	✓ Remedy All loan information is shown upfront, lay-out and order as per the SECCI, and additional explanations are available via pop-up boxes

Treatments at stage 1

In relation to how information is provided to consumers, a key commercial practice identified by the desk research is that benefits are emphasised while costs are hidden or given lower prominence in advertising.

Four treatment variants examined this practice and related remedies. These variants were defined in terms of what information was disclosed to the consumer at the advertising stage. They are summarised in the table below (variant 1 is the practice). The variants are described below.

Table 21: Summary of treatments testing information disclosure at stage 1

	Monthly payment	APR	Representative example	Warning message in stage 1 and 2
Variant 1	✓			
Variant 2	✓		✓	
Variant 3	✓	✓	✓	
Variant 4	✓		✓	✓

Variant 1

Variant 1 reflected the practice (i.e. benefits being emphasised while costs are hidden or given lower prominence in advertising). Loan 3 was the advertised loan¹²⁰ and the monthly payment was the key selling point of this loan. Hence, this variant only showed the monthly

¹²⁰ Loan 3 was an attractive proposition for the lender since it had the highest arrangement fee and therefore a relatively high APR, and it had a clear selling point, namely the low monthly payment.

payment amount in the advertising, via the following message: "*For only €43.17 per month*". No other product features were mentioned in the advertising.

Note that this advertisement is not compliant with the Consumer Credit Directive (CCD), Article 4, because the standard information is not provided by means of a representative example. However, this is commonly observed in the desk research. The figure below illustrates this variant.

Figure 65: Variant 1 for how information is provided to consumers at stage 1



Variant 2

Variant 2 remedied variant 1 by providing the representative example, as per the CCD. More specifically, the advertisement read "*For only €43.17 per month**". The asterisk directed the respondent to the representative example, provided at the bottom of the advertisement. This reflects the situation where providers give the information required by the CCD. See the figure below.

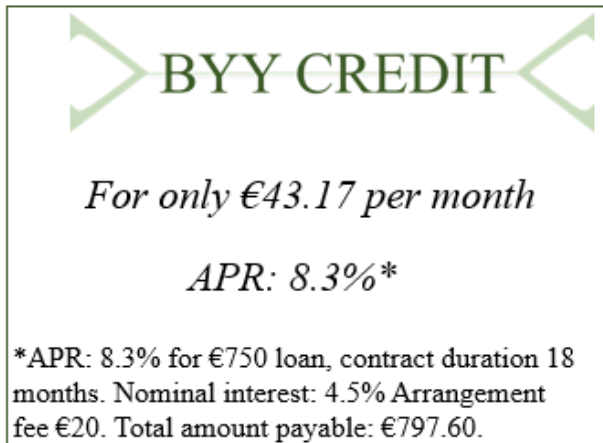
Figure 66: Variant 2 for how information is provided to consumers at stage 1



Variant 3

Variant 3 remedied variant 1 and improved upon variant 2 by also displaying the APR derived from the representative example directly beneath, and with equal salience as, the monthly payment. The text stated: "*For €43.17 per month. APR: 8.3%**". The asterisk again led to the representative example at the bottom of the advertisement. This variant is illustrated in the figure below.

Figure 67: Variant 3 for how information is provided to consumers at stage 1



Note: this figure shows a mock-up of the treatment, not a screenshot

Variant 4

Variant 4 strengthened the remedy in variant 2 by providing the representative example and a warning message. The warning message reads: "Warning! Borrowing money also costs money". This message was applied to stage 1 and stage 2a.

Note that the look and feel of this remedy at stage 1 was the same as variant 2 for speed with which credit can be obtained. The difference between these variants was the message in stage 2a. The message in stage 2a repeated the earlier message.

The figure below shows the look and feel of the warning message at stage 1 of the experiment.

Figure 68: Variant 3 for how information is provided to consumers at stage at stage 1: warning message in stage 1



Note: this figure shows a mock-up of the treatment, not a screenshot

The figure below shows how the same message was repeated in stage 2a.

Figure 69: Variant 3 for how information is provided to consumers at stage 1: warning message in stage 2a

Loans at BYY Credit | Compare loans and find y... | +

https://www.byy-credit.com/POS_loans/?redirect=ama?prod=mael_w5-sk.html

Credit cards | **Loans** | Mortgages

Warning! Borrowing money also costs money

The perfect loan for a MAELSTRØM from Amazonia.

[Apply now](#)

The details

Interest rate: 4.5% fixed | Contract length: 18 months | Monthly payment: £43.17

[More information](#)

Treatments at stages 2a and 2b

With regard to the pre-contractual stage, the desk research identified two relevant and highly related commercial practices related to information disclosure:

- emphasising benefits over costs at the pre-contractual stage; and,
- locating information where it can be overlooked.

These two practices were examined via three treatment variants, which varied how information was provided to consumers in stages 2a and 2b.

Variant 1

Variant 1 represented both commercial practices. Under this variant, the better features of Loan 3 (the advertised loan) relative to the other loans were shown upfront, while all other product information was only accessible via a pop-up. Furthermore, the order of the features on the page (both the upfront information and the information in the pop-up) favoured the better features of Loan 3.

These principles apply to both stage 2a and stage 2b. The figure below shows the variant as applied to stage 2b.

Figure 70: Variant 1 for how information is provided to consumers at stage 2b

Loans at BYY Credit | Compare loans and find y... | +

https://www.loan-compare.eu/personal_loans/?searchid=QPI7uVPtsY.html

Credit card | Personal loans | Mortgages

Loan Compare

Compare loans and find your fit

Your filters: Loan size: £750 | Contract length: 1-2 years

We have found **3** loans for you:

	National	FlexCredit	BYY Credit
	 Apply	 Apply	 Apply
Interest rate:	6.8% fixed	5.5% fixed	4.5% fixed
Contract length:	24 months	12 months	18 months
Monthly payment:	£33.51	£64.38	£43.17
	More information	More information	More information

Variant 2

Variant 2 represented a remedy. Under this variant, all loan information was shown upfront, and the information was laid-out and ordered in the style of the Standard European Consumer Credit Information (SECCI) document. Furthermore, the wording used to describe the feature was aligned with the SECCI document, where possible. The figure below shows the variant in stage 2b.

Figure 71: Variant 2 for how information is provided to consumers at stage 2b

Loans at BYY Credit | Compare loans and find y... | +

https://www.loan-compare.eu/personal_loans/?searchid=QPI7uVPtsY.html

Credit card | Personal loans | Mortgages

Loan Compare

Compare loans and find your fit

Your filters: Loan size: £750 | Contract length: 1-2 years

We have found **3** loans for you:

	National	FlexCredit	BYY Credit
	 Apply	 Apply	 Apply
Main features			
Total amount of credit	£750	£750	£750
Duration of credit agreement	24 months	12 months	18 months
Instalments	£33.51 Equal every month	£64.38 Equal every month	£43.17 Equal every month
The total amount you will have to pay	£812.24	£780.56	£797.60
Cost of credit			
Borrowing rate	6.8% fixed	5.5% fixed	4.5% fixed
Annual Percentage Rate of Charge (APR)	8.1%	7.8%	8.3%
Arrangement fee	£8	£8	£20
Legal aspects			
Right of withdrawal	14 days	14 days	14 days
Further information			
Immediate answer on application?	✓	X	✓
Available online?	✓	✓	✓

Variant 3

Variant 3 strengthened the remedy in variant 2 by adding in additional explanation as provided in the SECCI document. The following messages were displayed with the following product features:

Table 22: Loan features and additional messaging

Feature	Additional message
Total amount of credit	This means the total sums made available under the credit agreement.
The total amount you will have to pay	This means the amount of borrowed capital plus interest and possible costs related to your credit.
Annual Percentage Rate of Charge	This is the total cost expressed as an annual percentage of the total amount of credit. The APR is there to help you compare different offers.
Right of withdrawal	You have the right to withdraw from the credit agreement within a period of 14 calendar days.

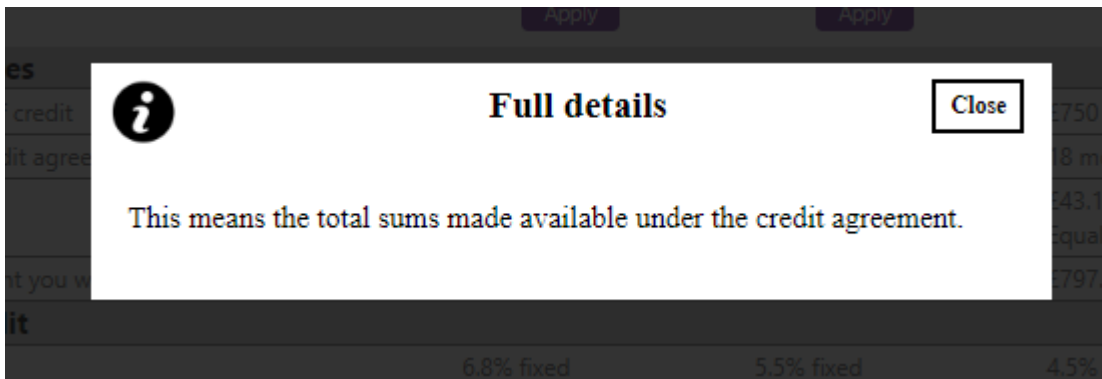
This additional messaging was placed in pop-ups. As shown in the figure below, an 'i' icon was placed next to the product features for which an additional message was available. Clicking in this icon opened up the pop-up with the message. The figures below show variant 3 in stage 2b and show an example pop-up.

Figure 72: Variant 2 for how information is provided to consumers at stage 2b

The screenshot shows a web interface for loan comparison. At the top, there are navigation tabs: "Loans at BYY Credit", "Compare loans and find y...", and a "+" icon. Below this is a search bar with the URL "https://www.loan-compare.eu/personal_loans/?searchid=QPI7uVPtsY.html". A breadcrumb trail reads "Credit card | Personal loans | Mortgages". The main heading is "Loan Compare" with the tagline "Compare loans and find your fit". Below the heading, filters are shown: "Your filters: Loan size: £750 | Contract length: 1-2 years". The main content area states "We have found 3 loans for you:" and lists three options: National, FlexCredit, and BYY Credit. Each option has an "Apply" button. Below the list is a detailed comparison table.

	National	FlexCredit	BYY Credit
Main features			
Total amount of credit	i £750	£750	£750
Duration of credit agreement	24 months	12 months	18 months
Instalments	£33.51 Equal every month	£64.38 Equal every month	£43.17 Equal every month
The total amount you will have to pay	i £812.24	£780.56	£797.60
Cost of credit			
Borrowing rate	6.8% fixed	5.5% fixed	4.5% fixed
Annual Percentage Rate of Charge (APR)	i 8.1%	7.8%	8.3%
Arrangement fee	£8	£8	£20
Legal aspects			
Right of withdrawal	i 14 days	14 days	14 days
Further information			
Immediate answer on application?	✓	X	✓
Available online?	✓	✓	✓

Figure 73: Example pop-up



A9.3.3 Pairing of variants of different types

It is necessary to decide how the variants of each type should be paired with variants of all other types. Each variant for a given type of treatment variants was be paired to one specific variant for each of the other treatment types:

- Each **“features that may accelerate consumers’ purchasing decisions”** was paired with:
 - a) variant 2 for how information is provided at stage 1, and
 - b) variant 1 for how information is provided at stages 2a and 2b.
- Each variant for **how information is provided at stage 1** was paired with:
 - a) variant 4 for features that may accelerate decision-making, and
 - b) variant 1 for how information is provided at stages 2a and 2b.
- Each variant for **how information is provided at stages 2a and 2b** will be paired with:
 - a) variant 4 for features that may accelerate consumers’ purchasing decisions, and
 - b) variant 2 for how information is provided at stage 1.

This resulted in 11 distinct overall variants:

Table 23: All ‘overall variants’

Overall variant	Variants for speed of credit	Variants for information disclosure at stage 1	Variants for information disclosure at stages 2a & 2b
Variant 1	Variant 1	Variant 2	Variant 1
Variant 2	Variant 2	Variant 2	Variant 1
Variant 3	Variant 3	Variant 2	Variant 1
Variant 4	Variant 4	Variant 1	Variant 1
Variant 5	Variant 4	Variant 2	Variant 1
Variant 6	Variant 4	Variant 2	Variant 2
Variant 7	Variant 4	Variant 2	Variant 3
Variant 8	Variant 4	Variant 3	Variant 1
Variant 9	Variant 4	Variant 4	Variant 1
Variant 10	Variant 5	Variant 2	Variant 1
Variant 11	Variant 6	Variant 2	Variant 1

Of these 11, six were used to test features that may accelerate decision-making while holding other aspects constant:

Table 24: Six 'overall variants' for testing speed of credit

Overall variant	Variants for speed of credit	Variants for information disclosure at stage 1	Variants for information disclosure at stages 2a & 2b
Variant 1	Variant 1	Variant 2	Variant 1
Variant 2	Variant 2	Variant 2	Variant 1
Variant 3	Variant 3	Variant 2	Variant 1
Variant 5	Variant 4	Variant 2	Variant 1
Variant 10	Variant 5	Variant 2	Variant 1
Variant 11	Variant 6	Variant 2	Variant 1

Of the 11 overall variants, four were used to how information is provided at stage 1 while holding other aspects constant:

Table 25: Four 'overall variants' for testing information disclosure at stage 1

Overall variant	Variants for speed of credit	Variants for information disclosure at stage 1	Variants for information disclosure at stages 2a & 2b
Variant 4	Variant 4	Variant 1	Variant 1
Variant 5	Variant 4	Variant 2	Variant 1
Variant 8	Variant 4	Variant 3	Variant 1
Variant 9	Variant 4	Variant 4	Variant 1

Finally, of the 11 overall variants, three were used to test how information is provided at stages 2a and 2b while holding other aspects constant:

Table 26: Two 'overall variants' for testing information disclosure at stages 2a and 2b

Overall variant	Variants for speed of credit	Variants for information disclosure at stage 1	Variants for information disclosure at stages 2a & 2b
Variant 5	Variant 4	Variant 2	Variant 1
Variant 6	Variant 4	Variant 2	Variant 2
Variant 7	Variant 4	Variant 2	Variant 3

A9.4 Comprehension and subjective assessment questions

The experiment was followed by a number of objective comprehension and subjective assessment questions. This section outlines the questions asked. In the following subsections:

- Question numbers are presented in green
- Response options are presented in grey
- Programming instructions are presented in blue

- Commentary around the question is presented in red

A9.4.1 Objective comprehension questions

PL.O2: Thinking about the personal loan you just chose, approximately how much would you have to pay back in excess of what you borrowed?

Response options depend on decision in experiment.

Single response

If loan 1 is chosen:

- 1) Approximately €55
- 2) Approximately €62
- 3) Approximately €69
- 4) Approximately €74
- 5) Don't know

Correct answer: €62

If loan 2 is chosen:

- 1) Approximately €26
- 2) Approximately €31
- 3) Approximately €38
- 4) Approximately €45
- 5) Don't know

Correct answer: €31

If loan 3 is chosen:

- 1) Approximately €42
- 2) Approximately €48
- 3) Approximately €54
- 4) Approximately €60
- 5) Don't know

Correct answer: €48

PL.O3: Approximately, how much would you have to pay per month for the loan you have chosen?

Response options depend on decision in experiment.

Single response

If loan 1 is chosen:

- 1) Approximately €23
- 2) Approximately €29
- 3) Approximately €34
- 4) Approximately €40
- 5) Don't know

Correct answer: €34

If loan 2 is chosen:

- 1) Approximately €54
- 2) Approximately €58
- 3) Approximately €64
- 4) Approximately €69
- 5) Don't know

Correct answer: €64

If loan 3 is chosen:

- 1) Approximately €34
- 2) Approximately €39
- 3) Approximately €43
- 4) Approximately €48
- 5) Don't know

Correct answer: €43

A9.4.2 Subjective assessment

PL.S1: How easy was it to find information about the following?

Single response per row

{Collapsible Grid: Columns = Options}

- 1) Very easy
- 2) Somewhat easy
- 3) Somewhat difficult
- 4) Very difficult
- 5) Don't know

{Collapsible Grid: Rows = Features} Randomise order.

- 1) Nominal interest rate
- 2) Annual Percentage Rate of Charge
- 3) Monthly payment
- 4) Arrangement fee
- 5) Details of the contract (e.g. duration and loan size)

PL.S2: How easy was it to understand information about the following?

Single response per row

{Collapsible Grid: Columns = Options}

- 1) Very easy
- 2) Somewhat easy
- 3) Somewhat difficult
- 4) Very difficult
- 5) Don't know

{Collapsible Grid: Rows = Features} Randomise order.

- 1) Nominal interest rate
- 2) Annual Percentage Rate of Charge
- 3) Monthly payment
- 4) Arrangement fee
- 5) Details of the contract (e.g. duration and loan size)

PL.S3: Did you feel that there was information you needed that was missing?

Single response

- 1) Yes
- 2) No
- 3) Don't know

PL.S4: To what degree did you trust the information that you were given about the following?

Single response per row

{Collapsible Grid: Columns = Options}

- 1) Completely trust
- 2) Somewhat trust
- 3) Somewhat distrust
- 4) Completely distrust
- 5) Don't know

{Collapsible Grid: Rows = Features} Randomise order.

- 1) Fees and charges
- 2) Contract details
- 3) Details on payments

PL.S5: How confident are you that you made a good decision in the previous situation?

Single response

- 1) Very confident
- 2) Somewhat confident
- 3) Somewhat doubtful
- 4) Very doubtful
- 5) Don't know

A9.5 Incentives

The personal loans experiment was incentivised through Ipsos points. Participants received a fixed amount of survey points for participating in the survey. Throughout the experiment, participants could gain additional survey points through the decision they made.

This experiment, as well as the current accounts experiment outlined in Annex 8, consisted of a decision task with a correct option followed by comprehension questions. This experiment had two objective comprehension questions.

The logic for the incentive scheme across both experiments was as follows:

- The maximum number of Ipsos points that a participant can gain across both experiments was **72**
- 50% of these points were available in each experiment (i.e. 36 in the current accounts experiment and 36 in the personal loans experiments), ensuring the incentives were balanced between the experiments.
- Within each experiment, 50% of the points (i.e. 18) were awarded for the correct choice in the experiment. This ensures that the optimal decision-making aspect of the experiment dominated the incentives.
- The remaining point were split across the objective understanding questions. These points were divided equally across the possible correct answers to these questions.

Following the logic above, 18 points were awarded to participants who choose the correct loan (Loan 2). Following the loan choice task, participants will completed two objective comprehension questions.

Across the objective questions, a total of two correct or incorrect answers could be observed¹²¹. Therefore, 9 points were awarded for each correct answer, with a maximum of 18 points available from the objective comprehension questions. The number of points awarded was rounded to the nearest whole number.

A9.5.1 Description of incentives in experiment introduction

The incentives were explained to participants in the introduction to the experiment, as follows:

In the next task you will be given a scenario about purchasing a washing machine on credit and are asked to make a decision, based on the information provided to you.

You can earn additional survey points if you select the best loan. You can also earn additional points by correctly answering the questions about this task after your decision. In this task, you can earn up to 36 additional survey points, and up to additional 72 points in the entire survey.

A9.6 Images used in this experiment

Some icons used in this experiment, and shown above, have been published under the Creative Commons 3.0 BY license. This allows the work to be reproduced or incorporated in other works for commercial and non-commercial purposes with the requirement that works are attributed.¹²² The following icons have been published under the CC 3.0 BY license:

- "Tab windows free icon" made by Stephen Hutchins from www.flaticon.com. https://www.flaticon.com/free-icon/tab-windows_2590. The negative image of this icon has been used.
- "Information" Created by Bohdan Burmich from the Noun Project. <https://thenounproject.com/icon/258267/>

Some icons and images used in the experiment have been published under the Creative Commons 0 license. This allows the work to be reproduced or incorporated in other works for commercial and non-commercial purposes without attribution required.¹²³ Attribution is included here for completeness.

- "Alarm" Created by Clker-Free-Vector-Images from Pixabay. <https://pixabay.com/nl/alarm-klok-silhouet-bell-ring-35095/>. The negative image of this icon has been used.
- "Wifi" Created by Ricardo_Duque from Pixabay. <https://pixabay.com/nl/wifi-wifi-signaal-internet-netwerk-1290667/>. The negative image of this icon has been used.
- "Battery". Created by Dooffy from Pixabay. <https://pixabay.com/nl/batterij-pictogrammen-set-van-iconen-3201720/>. One icon of the set, in negative colours, has been used.
- "Washing Machine". Created by Noupload from Pixabay. <https://pixabay.com/en/washing-machine-wash-washing-drum-1786385/>
- "Cyclone". Created by CDJ from Pixabay. <https://pixabay.com/nl/abstract-kunst-cycloon-meetkundig-2154781/>. Used in the "Maelstrom" logo.

¹²¹ The discrepancy in the number of correct or incorrect answers between the two experiments stems from questions CA.03 and CA.04. These questions record multiple answers that can be judged as correct or incorrect. All other comprehension questions record one answer each.

¹²² For more information on this license, see <https://creativecommons.org/licenses/by/3.0/>.

¹²³ For more information on this license, see <https://creativecommons.org/publicdomain/zero/1.0/>

- "Chevron" Created by Clker-Free-Vector-Images from Pixabay. <https://pixabay.com/nl/stargate-chevron-symbol-294436/>. Part of the icon has been incorporated in the "BBY Credit" logo.
- "Biceps" Created by OpenClipart-Vectors from Pixabay. <https://pixabay.com/nl/musculus-biceps-bodybuilding-hand-159681/>. Incorporated in the "FlexCredit" logo.
- "Unicorns". Created by OpenClipart-Vectors from Pixabay. <https://pixabay.com/nl/kuif-vlag-zwitserse-eehoorn-145516/>. Incorporated in the "National" logo.

Annex 10 Analysis methodology for the experiments

This annex provides an overview of the methodology used in the analysis of the current accounts and personal loans experiments (for more details on these experiments, see Annex 8 and Annex 9). Across both experiments, a total of eight groups of treatment variants¹²⁴ were tested mapping to six commercial practice. Two practices were tested in both experiments. The results of the experiment analysis, as outlined below, is presented in sections 5.6 and 6.6.

The results of the experiments can be divided into three distinct sections:

- Impacts on behaviour and choices;
- Impacts on understanding; and,
- Factors and drivers linked to susceptibility to the commercial practices.

Results in sections 5.6 and 6.6 are presented as such and this annex will follow the same structure.

A10.1 Impacts on behaviour and choices

The main results on behaviour and choices relate to the final choice of account or loan made by respondents. As explained Annex 8 and Annex 9, respondents could choose between three accounts or loans, of which one was optimal loan. Therefore, it is possible to derive the proportion of respondents choosing the optimal, or correct, account or loan.

For each group of treatment variants, the main results compare this proportion for respondents under the commercial practice with the proportion under each remedy. The percentage point difference between these proportions represents the treatment effect of the remedies.

As an example, consider the practices of emphasising benefits over costs and locating information where it can be overlooked as tested in the current accounts experiment (see section 5.6.2). The proportion of respondent who chose the correct account under the practice is 23.54%. A remedy was information provided in a colour-coded comparison table. The proportion of correct choices under this remedy is 57.96%. The treatment effect of this remedy thus is a $(57.96 - 23.54 =)$ 34.42 percentage point increase in correct choices.

The statistical significance of the treatment effects was tested with an adjusted Wald test. This tests whether the different proportions of correct choices (e.g. 23.54% and 57.96%) differ sufficiently.

An *adjusted* Wald test was necessary to account for survey weights. Survey weights were employed to ensure representativeness of the results. They were based on age, gender and employment status of respondents. Unless stated otherwise, results are representative for the EU as a whole.

A secondary treatment effect looks at the behaviour of respondents in the advertisement stages of the experiments. In both experiments, respondents could click on adverts early on (see sections A8.1.2 in Annex 8 and A9.1.2 in Annex 9 for more details). This behaviour can be considered as sub-optimal, because the advertised account or loan was not optimal for respondents. For the groups of treatment variants that were applied at the advertising stage (four in total), whether respondents clicked on adverts was further investigated.

¹²⁴ A group of treatment variants is as a set of treatment variants which test one commercial practice and its related remedies in one of the experiments.

Specifically, the proportion of respondents who clicked on the advert was calculated for respondents under the practice and each of the remedies. The difference in these proportions was statistically tested with an adjusted Wald test.

Some additional material was gathered to better understand the results obtained in the experiments. This includes, for instance, additional information on the use of the calculator in the current accounts experiment (see section 5.6.2.1 and Annex 8). These additional materials mainly concern proportions of respondents performing specific actions in the experiments, such as using a calculator, and have not been tested further.

A10.2 Impacts on understanding

Both experiments measured respondents understanding objectively and subjectively. The two following sections outline the analysis of both types of understanding.

A10.2.1 Objective understanding

Objective understanding of respondents was measured by asking them questions about their chosen loan (with objectively correct or incorrect answers) after the experiment was completed. The number of correctly answered question represent the score of objective understanding.

The questions used for this score in the current accounts experiment were (see section A8.4.1 in Annex 8):

- Which of the following features were included in the account you just chose?
- Which of the following fees applied to the account you just chose?

The maximum score that respondents could obtain is 13.

The questions used for the objective score in the personal loans experiment were (See section A9.4.1 in Annex 9):

- Thinking about the personal loan you just chose, approximately how much would you have to pay back in excess of what you borrowed?
- Approximately, how much would you have to pay per month for the loan you have chosen?

The maximum score that respondents could obtain is 2.

The impact of practices and remedies on objective understanding was tested by computing the average objective scores across all respondents subject to each treatment variant. The differences between the average score of variants were tested with an adjusted Wald test.

A10.2.2 Subjective assessments

In both experiments, respondents were asked to assess how easy they thought it was to find and understand certain types of information. More precisely, both experiments asked respondents the following questions (see section A8.4.2 in Annex 8 and section A9.4.2 in Annex 9):

- How easy was it to find information about the following?
- How easy was it to understand information about the following?

For the current accounts experiment, the following types of information were relevant:

- The account maintenance fee
- Overdraft interest and fees
- Cash withdrawal fees
- Fees for standing orders and direct debits

- Product features

The personal loans experiment asked about the types of information below:

- Nominal interest rate
- Annual Percentage Rate of Charge
- Monthly payment
- Arrangement fee
- Details of the contract (e.g. duration and loan size)

For both questions and all types of information, respondents could answer "Very easy", "Somewhat easy", "Somewhat difficult", "Very difficult" and "Don't know".

The subjective assessments were analysed in a two-step procedure. Firstly, for each type of information, a chi-square test¹²⁵ was used to test whether the distribution of respondents answering "Very easy", "Somewhat easy", etc., differed substantially across treatment variants. This test tells us whether responses differ between the commercial practices and their remedies. It does not tell us how they differ.

Secondly, if the chi-square test found statistically significant differences across treatment variants, then the answers of respondents were converted into a number ranging from -10 to 10. Specifically, "Very easy" was scored as 10, "Somewhat easy" as 3 1/3, "Somewhat difficult" as -3 1/3 and "Very difficult" as -10. "Don't know" answers were not considered. The average subjective score was calculated across all respondents subject to the same treatment variant. Differences between average subjective scores were tested with an adjusted Wald test.

The second step provides insights into how treatment variants impact respondents' subjective assessments. For example, consider the practice of emphasising the time limited nature of offers (see section 6.6.3.2) and compare the respondents in the "Time limitation" and "No time limitation" variants. The average subjective assessment of the ease of finding information on overdraft fees for respondents in the "Time limitation" treatment was 3.71. The average for respondents in the "No time limitation" group was -0.23. This implies that respondents in the first group felt it was easier to find this information than respondents the second group; their score is higher.

A10.3 Factors and drivers linked to susceptibility to the commercial practices

The survey elicited a number of factors and drivers that may influence the susceptibility to the commercial practices and the effect of the remedies. The factors and drivers and their analysis are outlined below. Note that the definitions of factors and drivers have been applied consistently in the analysis of the experiments and the survey. For instance, the experiment and the survey use the same definition of digital literacy.

A10.3.1 Definition of factors and drivers

Country of residence

The experiment was conducted in six EU Member States:

- Finland;
- France;
- Germany;
- Lithuania;
- Romania; and,
- Spain.

¹²⁵ The chi-square test accounted for the use of survey weights.

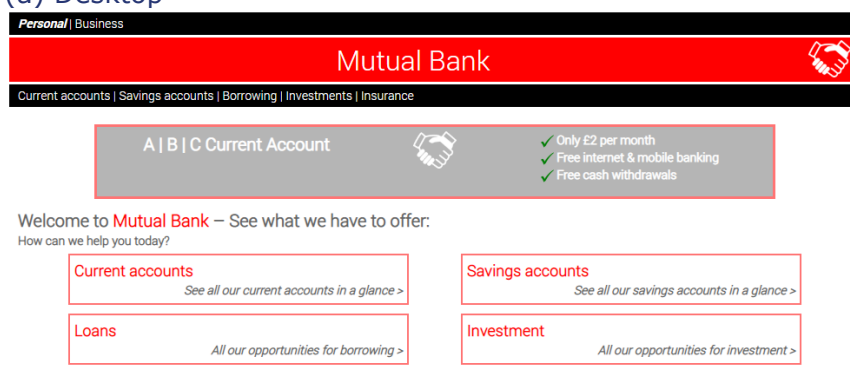
Note that country-specific results use a different set of weights. Results obtained in country-specific analysis are representative within each country but are not representative for the EU as a whole.

Experimental environment

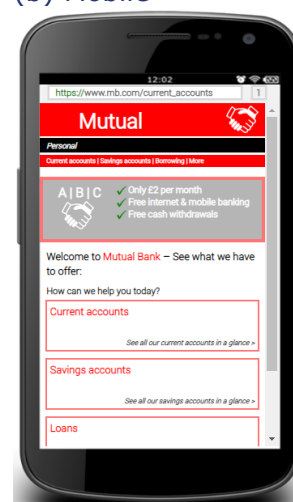
Every respondent completed the experiment in one of two, randomly assigned environments; a desktop computer or mobile phone environment. The figure below shows examples of the two environments. Note that all respondents completed the experiments on a computer or tablet. The mobile environment was simulated.

Figure 74: Examples of the desktop and mobile experimental environments

(a) Desktop



(b) Mobile



Digital literacy

The digital literacy measure consists of two components; digital information skills and digital problem-solving skills. For both these components, the level of skill was assessed based on survey questions. The relevant questions (the complete consumer survey is available in Annex 11):

- **Digital information skills:** *For which of the following activities did you use the internet in the last 3 months for private purpose?*
 - Copied or moved files or folders
 - Saved files on Internet storage space
 - Obtained information from public authorities/services' website
 - Finding information about goods or services
 - Seeking health-related information
 - None of the above
- **Digital problem-solving skills:** *For which of the following activities did you use the internet in the last 3 months for private purpose?*
 - Transferring files between computers or other devices
 - Installing software and applications (apps)
 - Changing settings of any software, including operational system or security programs
 - Online purchases (in the last 12 months)
 - Selling online
 - Used online learning resources
 - Internet banking
 - None of the above

Based on these questions, respondents were assessed as having “no skills”, “basic skills” or “above basic skills” in digital information and problem-solving. The two components were combined into one measure of digital literacy with classifications “no skills”, “low skills”, “basic skills” and “above basic skills”. To ensure sufficient sample size, the final

measure grouped the first three categories, and therefore tested respondents with “basic skills or lower skills” against respondents with “above basic skills”.

Financial literacy

The indicator for financial literacy used three questions on interest rates and inflation. These questions were:

- *Suppose you have €100 in a savings account and the interest rate is 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?*
- *And how much would be in the account at the end of five years? Would it be:*
 - More than €110
 - Exactly €11
 - Less than €110
 - Don't know
- *Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?*
 - More than today
 - Exactly the same
 - Less than today
 - Don't know

The financial literacy score is equal to the number of questions answered correctly by respondents (“Don’t know” was treated as incorrect). To ensure sufficient sample size, respondents with 0 or 1 correct answers, and 2 or 3 correct answers were grouped.

Risk preferences

Risk preferences were elicited in the survey with the following questions:

Imagine you are playing a game of chance by flipping a coin. If the coin comes up heads you win €60, but if it comes up tails you win nothing. Would you rather play this game or alternatively receive the amounts shown below for sure?

- I would prefer to play the game
- I would prefer this amount for sure
 - €10 for sure
 - €20 for sure
 - €30 for sure
 - €40 for sure
 - €50 for sure
 - €60 for sure

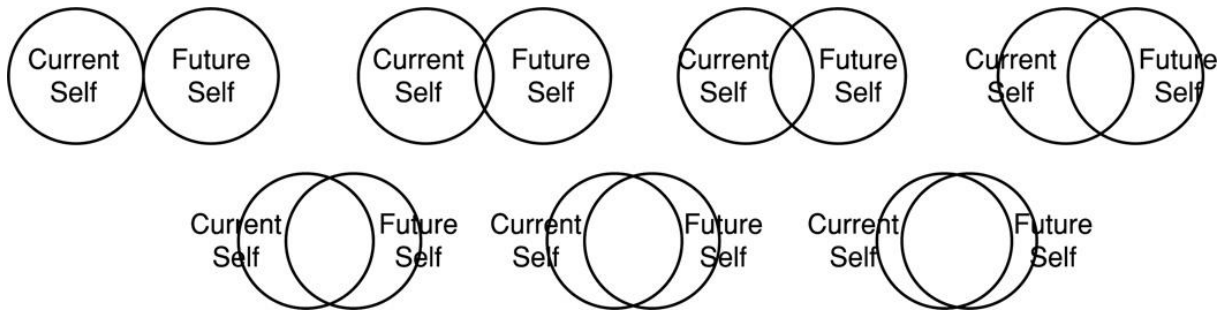
Respondents who preferred €30 for sure rather than playing the game were classified as risk neutral; the certain amount and the game of chance have the same expected pay-off. Respondents who preferred the certain amount for less than €30 were classified as risk averse; they are willing accept lower expected income to avoid risk. Respondents who preferred the certain amount only for strictly more than €30 were classified as risk seeking; they require additional expected income for them to switch to the riskless option.¹²⁶

Time preferences

Time preferences were elicited in the survey with the following question:

¹²⁶ The coding of risk preferences ensured that choices made by respondents were consistent. That is, if a respondent preferred to take an amount €x for certain over playing the game, then the coding of risk preferences assumed that the respondent also preferred taken €(x+10) for certain over playing the game.

Please have a look at the following graphics. Please select the image that best describes how similar you feel to your future self (in 10 years), in terms of personality, temperament, major likes and dislikes, beliefs, values, ambitions, life goals, ideals etc.



Respondents selecting the first three options (from left to right) in the top row were classified “future feels distant from the present”. Respondents selecting the last two options in the bottom row were classified as “future feels close to the present”. Other respondents were classified as “intermediate”. This classification ensures that each group contains roughly one-third of all respondents.

Financial situation

Respondents’ financial situation was elicited in the survey with the following questions:

Thinking about your household’s financial situation, would you say that making ends meet every month is...?

- Very easy
- Fairly easy
- Fairly difficult
- Very difficult
- Prefer not to say

To ensure sufficient sample size, “Very easy” and “Fairly easy” were grouped in “easy to make ends meet” and “Fairly difficult” and “Very difficult” were grouped into “difficult to make ends meet”. Respondents answering “Prefer not to say” were not included in the analysis of financial situation.

A10.3.2 Main analysis of factors and drivers

The main analysis of factors and drivers largely followed the same analysis plan as outlined in section A10.1. The effects of the treatment variants on clicking on adverts and the final choice of account or loan were analysed in the same way, except separated by group. For example, the effect of providing a Fee Information Document, compared to the practice, was analysed by comparing the proportion of respondents who chose the correct account separately for respondents in Finland, France, Germany, etc.

If a factor impacts the susceptibility to practices and the effect of treatments, then the treatment effects in different groups (e.g. for Finnish and French respondents) should be observably different. If factors do not impact the treatment effects, then results should be roughly the same across groups of the same factor.

A10.3.3 Regression analysis

Regression analysis was used to test the robustness of the findings. The regression analysis focused exclusively on the final decision of respondents, i.e. whether they chose the correct account or loan.

The final decision of respondents is captured in a binary variable; either a respondent did choose the correct account or loan or did not. Therefore, logit regression was used in the analysis. The treatment variants were introduced in the regression as dummy variables using the commercial practice as baseline. The odds ratios derived in the regression analysis can thus be interpreted as follows:

- If the odds ratio is significantly larger than 1, then the remedy improves behaviour compared to the practice;
- If the odds ratio is significantly smaller than 1, then the remedy worsens behaviour compared to the practice.

For each group of treatment variants, the following analysis plan was followed:

1. The treatment variants were used as the only independent variables in the regression, introduced as dummy variables with the practice as baseline.¹²⁷ This analysis verified the main results of the experiment analysis.
2. Various factors were introduced one by one as control variables in the regressions. That is, the regressions contained dummy variables for the treatment variants and dummy variables for the groups of *one factor only*. Note that not all factors, as described in section A10.3.1, were used as control variables. For example, for the practice of providing information in complex ways (see section 5.6.3), only country and financial situation were used as controls. Factors were included if the main analysis showed that they may have an impact.
3. All control variables used in the previous step were introduced in the regression simultaneously. For example, for the practice of providing information in complex ways, the regression included both country *and* financial situation at the same time. Steps 2 and 3 verified that the main results also hold when control variables are introduced.
4. This step built on step 2. Factors were included one by one as control variables in the regressions. The regressions also included interactions between the factors and the treatment variants. Regressions with interactions contained one factor only to ensure that results were manageable. This analysis verified the results of the impact of factors and drivers.

¹²⁷ All regression used the choice of the correct account or loan as dependent variable.

Annex 11 Draft consumer survey questions

This annex presents the draft proposed consumer survey questions. When reading the remainder of this section, please note that:

- The survey questions themselves are in black,
- Text in blue are instructions to the online survey programmers.

[PROG: DO NOT PROGRAM POSSIBILITY TO RETURN TO PREVIOUS QUESTIONS]

[PROG: QUESTIONS ASKED TO ALL UNLESS OTHERWISE SPECIFIED]

[PROG: STANDARD DESIGN UNLESS OTHERWISE SPECIFIED]

A11.1 Socio-economic characteristics

Q_age: How old are you?

[PROG: NUMERIC ANSWER – 2 DIGITS RANGE 0- 99]

[PROG: IF LESS THAN 18, SCREEN OUT]

Q_age: [RECODE INTO HIDDEN VARIABLE 'Q_age_cat': NUMBERS 18 TO 24 = '18-24', NUMBERS 25 TO 34 = '25-34', NUMBERS 35 TO 44 = '35-44', NUMBERS 45 TO 54 = '45-54', NUMBERS 55 TO 64 = '55-64', NUMBERS 65 TO 99 = '65+']

I__I__I years old

Q_gender: Are you a...?

[PROG: SINGLE ANSWER]

1. Woman
2. Man

QMktSize: Where do you live?

[PROG: SINGLE ANSWER]

[USE STANDARD REGION LIST FROM PANEL]

Q1.1: Which of the following best describes your current work status?

[PROG: SINGLE ANSWER]

Q1.1: [RECODE INTO HIDDEN VARIABLE 'Q1_1_cat': CODES 1-4 and 11 = 'employed', CODES 5-10 = 'not employed']

1. Employed full-time
2. Employed part-time
3. Self-employed full-time
4. Self-employed part-time
5. Unemployed but looking for a job
6. Unemployed and not looking for a job
7. Long-term sick or disabled
8. Housewife / Homemaker
9. Retired
10. Pupil / Student / In full-time education

11. Studying in combination with a part-time job

Q1.2: What is the highest level of education you have achieved?

[PROG: SINGLE ANSWER]

[Insert list per country from panel. Recode into hidden variable: Low, Medium, High]

Q1.3: Thinking about your household's financial situation, would you say that making ends meet every month is...?

[PROG: SINGLE ANSWER]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult
99. Prefer not to say

A11.2 Level of engagement with financial products

Q2.1: Do you usually take the financial decisions in your household?

[PROG: SINGLE ANSWER]

1. Yes
2. No

Q2.2: Which of the following financial products do you currently own or use? Please select all that apply. (Note that 'money transfer and payment services' refers to any means of transferring money, for instance from your account, to another person or organisation or to pay bills, worldwide.)

[PROG: MULTIPLE ANSWER]

1. Credit card
2. Personal loan
3. Peer-to-peer lending
4. Payday loan
5. Mortgage
6. Life insurance
7. Travel insurance
8. Car insurance
9. Current account
10. Savings account
11. Money transfer and payment services
12. Virtual currencies
99. None of these [EXCLUSIVE]

[PROG: IF Q2.2=1, SHOW CODE 1 in Q2.2b]

[PROG: IF Q2.2=2, SHOW CODE 2 in Q2.2b]

[PROG: IF Q2.2=3, SHOW CODE 3 in Q2.2b]

[PROG: IF Q2.2=4, SHOW CODE 4 in Q2.2b]
[PROG: IF Q2.2=5, SHOW CODE 5 in Q2.2b]
[PROG: IF Q2.2=6, SHOW CODE 6 in Q2.2b]
[PROG: IF Q2.2=7, SHOW CODE 7 in Q2.2b]
[PROG: IF Q2.2=8, SHOW CODE 8 in Q2.2b]
[PROG: IF Q2.2=9, SHOW CODE 9 in Q2.2b]
[PROG: IF Q2.2=10, SHOW CODE 10 in Q2.2b]
[PROG: IF Q2.2=11, SHOW CODE 11 in Q2.2b]
[PROG: IF Q2.2=12, SHOW CODE 12 in Q2.2b]
[PROG: ALWAYS SHOW "NONE OF THESE"]
[PROG: IF Q2.2=99, GO TO Q2.2c]

Q2.2b: For the following products, do you manage your product/account online? Please select all that you do manage online.

[PROG: MULTIPLE ANSWER]

1. Credit card
2. Personal loan
3. Peer-to-peer lending
4. Payday loan
5. Mortgage
6. Life insurance
7. Travel insurance
8. Car insurance
9. Current account
10. Savings account
11. Money transfer and payment services
12. Virtual currencies
99. None of these [EXCLUSIVE]

Q2.2c: Within the last 24 months, did you search for information on and/or purchase any of the following products, offline or online?

[STANDARD GRID]

[GRID: COLUMNS = MULTIPLE ANSWER]

1. Searched for information, online
2. Searched for information, offline
3. Bought online
4. Bought offline
5. Neither searched for information nor bought [EXCLUSIVE]

[GRID: ROWS = PRODUCTS]

1. Credit card
2. Personal loan
3. Peer-to-peer lending
4. Payday loan
5. Mortgage
6. Life insurance
7. Travel insurance
8. Car insurance
9. Current account
10. Savings account
11. Money transfer and payment services

12. Virtual currencies

A11.3 Consumers' perceptions of commercial practices

Q3.1: Have you experienced any of the following commercial practices when searching for or purchasing any of the following financial products or services online? Please read the descriptions of the practices and select all that apply.

[PROGRESSIVE GRID, show response/rows below each other]

[GRID: COLUMNS = PRODUCT CATEGORY]

[PROG: IF ANY Q2.2c items 1, 2, 3, 4, 5=1 or 3, SHOW 1 in Q3.1]

[PROG: IF ANY Q2.2c items 6, 7, 8=1 or 3, SHOW 2 in Q3.1]

[PROG: IF ANY Q2.2c items 9, 10=1 or 3, SHOW 3 in Q3.1]

[PROG: IF Q2.2c item 11=1 or 3, SHOW 4 in Q3.1]

[PROG: IF NO ITEMS IN Q2.2c=1 or 3, GO TO Q3.2]

1. **Credit products** (e.g. credit card, personal loan, peer-to-peer lending, payday loan or mortgage)
2. **Insurance products** (e.g. life, travel or car insurance)
3. **Banking products** (e.g. current account or savings account)
4. **Money transfer or payment services** (Note that 'money transfer and payment services' refers to any means of transferring money, for instance from your account, to another person or organisation or to pay bills, worldwide.)

[GRID: response options, MULTIPLE ANSWER] [PROG: RANDOMISE 1-8]

1. The benefits of the product / service are highlighted whereas the costs are hidden
2. It is difficult to find key information on the product / service in the product description
3. The language of the website is very complex, using many technical and legal terms
4. The way the information is presented is not adapted to the screen of your mobile phone
5. The website advertises a limited special promotion that needs, however, to be purchased immediately
6. The website allows you to obtain a complex product / service very quickly, in only a few steps
7. Multiple products are bundled into one offer, without clearly showing the cost breakdown and possibility (or not) to buy the products separately
8. There is no contact channel available to obtain more information about the specific product / service
99. None of these [EXCLUSIVE]

Q3.2a: [PROG: Randomly show one question label]

[Question labels]

1. Imagine you are shopping around on the internet wishing to choose a **credit product such as credit card, personal loan, peer-to-peer lending, payday loan or mortgage.**
2. Imagine you are shopping around on the internet wishing to choose an **insurance product such as life, travel or car insurance.**
3. Imagine you are shopping around on the internet wishing to choose a **banking product such as current account or savings account.**
4. Imagine you are shopping around on the internet wishing to choose a **money transfer or payment service.** (Note that 'money transfer and payment services'

refers to any means of transferring money, for instance from your account, to another person or organisation or to pay bills, worldwide.)

You search on a search engine for suitable offers and are directed to the websites of different suppliers. [IF QUESTION LABEL 1 to 3] At the end of your search, you have identified alternative products that match your search criteria. [IF QUESTION LABEL 4] At the end of your search, you have identified alternative services that match your search criteria.

Given this scenario, to what extent do you think the following commercial practices would be **detrimental**?

[Progressive grid with slider]

[GRID: 5 point response scale (end points labelled), SINGLE ANSWER]

1. 1 - Not detrimental
2. 2
3. 3
4. 4
5. 5 - Very detrimental
99. Don't know

[GRID: statements, IF Q3.1 NOT SHOWN TO PARTICIPANT, THEN randomise; IF Q3.1 SHOWN TO PARTICIPANT, THEN show in same order as in Q3.1 (least-full allocation /equal balancing)]

1. The benefits of the product / service are highlighted whereas the costs are hidden
2. It is difficult to find key information on the product / service in the product description
3. The language of the website is very complex, using many technical and legal terms
4. The way the information is presented is not adapted to the screen of your mobile phone
5. The website advertises a limited special promotion that needs, however, to be purchased immediately
6. The website allows you to obtain a complex product / service very quickly, in only a few steps
7. Multiple products are bundled into one offer, without clearly showing the cost breakdown and possibility (or not) to buy the products separately
8. There is no contact channel available to obtain more information about the specific product / service

Q3.2b: [PROG: RANDOMLY INSERT PRODUCT CATEGORY EXCEPT THE ONE INSERTED IN Q3.2a; least-full allocation /equal balancing]

[Question labels]

1. Imagine you are shopping around on the internet wishing to choose a **credit product such as credit card, personal loan, peer-to-peer lending, payday loan or mortgage.**
2. Imagine you are shopping around on the internet wishing to choose an **insurance product such as life, travel or car insurance.**
3. Imagine you are shopping around on the internet wishing to choose a **banking product such as current account or savings account.**
4. Imagine you are shopping around on the internet wishing to choose a **money transfer or payment service.** (Note that 'money transfer and payment services' refers to any means of transferring money, for instance from your account, to another person or organisation or to pay bills, worldwide.)

Again, you search on a search engine for suitable offers and are directed to the websites of different suppliers. [IF QUESTION LABEL 1 to 3] At the end of your search, you have identified alternative products that match your search criteria. [IF QUESTION LABEL 4] At the end of your search, you have identified alternative services that match your search criteria.

Given this scenario, to what extent do you think the following commercial practices would be **detrimental**?

[Progressive grid with slider]

[GRID: 5 points response scale (end points labelled), SINGLE ANSWER]

1. 1 - Not detrimental
2. 2
3. 3
4. 4
5. 5 - Very detrimental
99. Don't know

[GRID: statements, Show in same order as in Q3.2a]

1. The benefits of the product / service are highlighted whereas the costs are hidden
2. It is difficult to find key information on the product / service in the product description
3. The language of the website is very complex, using many technical and legal terms
4. The way the information is presented is not adapted to the screen of your mobile phone
5. The website advertises a limited special promotion that needs, however, to be purchased immediately
6. The website allows you to obtain a complex product / service very quickly, in only a few steps
7. Multiple products are bundled into one offer, without clearly showing the cost breakdown and possibility (or not) to buy the products separately
8. There is no contact channel available to obtain more information about the specific product / service

A11.4 Digital literacy

Q4.1a: Do you or anyone in your household have access to the internet at home?

[PROG: SINGLE ANSWER]

1. Yes
2. No

Q4.1b: How often on average did you use the internet in the last 3 months?

[PROG: SINGLE ANSWER]

1. Every day or almost every day
2. At least once a week (but not every day)
3. Less than once a week

Q4.1c: Did you use any of the following mobile devices to access the internet away from home or work in the last 3 months?

[PROG: MULTIPLE ANSWER]

1. Mobile phone or smart phone
2. Laptop
3. Tablet
4. Other devices (e.g. media or games player, e-book reader, smart watch)
5. I didn't access the internet via any mobile device away from home or work [EXCLUSIVE]

Q4.2a: For which of the following activities did you use the internet in the last 3 months for private purpose?

[PROG: MULTIPLE ANSWER]

1. Copied or moved files or folders
2. Saved files on Internet storage space
3. Obtained information from public authorities/services' website
4. Finding information about goods or services
5. Seeking health-related information
6. None of the above [EXCLUSIVE]

Q4.2b: For which of the following activities did you use the internet in the last 3 months for private purpose?

[PROG: MULTIPLE ANSWER]

1. Transferring files between computers or other devices
2. Installing software and applications (apps)
3. Changing settings of any software, including operational system or security programs
4. Online purchases (in the last 12 months)
5. Selling online
6. Used online learning resources
7. Internet banking
8. None of the above [EXCLUSIVE]

A11.5 Financial literacy

Intro [PROG: separate screen than Q5.1a]: We are going to ask you three brief questions on financial topics. Please try to answer them as accurately as you can. The questions are not designed to catch you out, so if you think you have the right answer, you probably do. If you don't know the answer, simply tick the "don't know" box.

Q5.1a: Suppose you have £100 in a savings account and the interest rate is 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

Q5.1a: [RECODE INTO HIDDEN VARIABLE 'Q5_1a_correct': CODES 102 = 'correct' / CODES 0-101 = 'incorrect' / CODES 103-1000 = 'incorrect' / CODES 'don't know' = 'incorrect']

1. Record response:_____ [PROG: NUMERIC ANSWER, 4 DIGITS, RANGE: 0 to 1000] [PROG: EXCLUSIVE]
99. Don't know [PROG: EXCLUSIVE]

Q5.1b: And how much would be in the account at the end of five years? Would it be:

[PROG: SINGLE ANSWER]

Q5.1b: [RECODE INTO HIDDEN VARIABLE 'Q5_1b_correct': CODES 'More than £110' = 'correct' / CODES 'Exactly £110' = 'incorrect' / CODES 'Less than £110' = 'incorrect' / CODES 'don't know' = 'incorrect']

1. More than £110
2. Exactly £110
3. Less than £110
99. Don't know

Q5.1c: Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?

[PROG: SINGLE ANSWER]

Q5.1c: [RECODE INTO HIDDEN VARIABLE 'Q5_1c_correct': CODES 'Less than today' = 'correct' / CODES 'More than today' = 'incorrect' / CODES 'Exactly the same' = 'incorrect' / CODES 'don't know' = 'incorrect']

1. More than today
2. Exactly the same
3. Less than today
99. Don't know

A11.6 Time preferences

Q6.1: Please have a look at the following graphics. Please select the image that best describes how similar you feel to your future self (in 10 years), in terms of personality, temperament, major likes and dislikes, beliefs, values, ambitions, life goals, ideals etc.

Current self = you now, Future self = you in 10 years [PROG: ALIGN TEXT "**Current self = you now, Future self = you in 10 years**" IN THE CENTRE OF THE SCREEN]

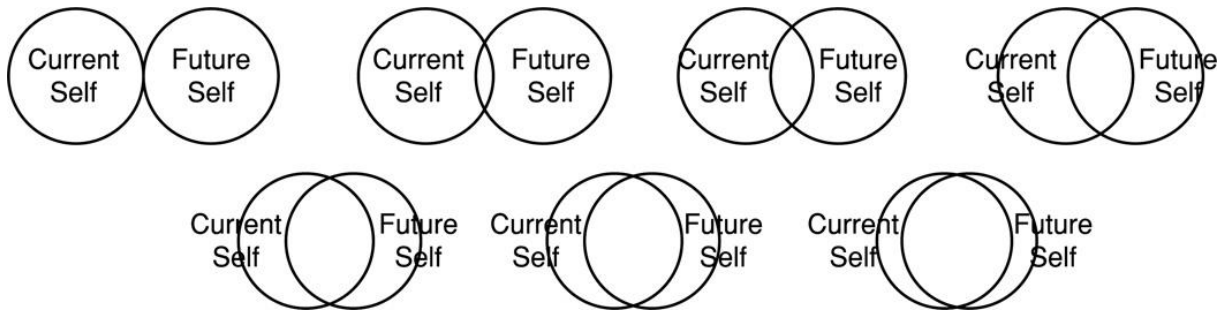
[PROG: SHOW PICTURES BELOW QUESTION, ARRANGED AS IN PICTURE: 1st ROW: FUTSELF1, FUTSELF2, FUTSELF3 AND FUTSELF4, 2nd ROW: FUTSELF5, FUTSELF6 AND FUTSELF7]

[PROG: SINGLE ANSWER]

[PROG: CLICK IMAGES, NO BORDER]

[RECODE INTO HIDDEN VARIABLE 'Q6_1: CODES 'Circle 1' = 1 / CODES 'Circle 2' = 2 / CODES 'Circle 3' = 3 / CODES 'Circle 4' = 4 / CODES 'Circle 5' = 5 / CODES 'Circle 6' = 6 / CODES 'Circle 7' = 7 / CODES 'don't know' = 'incorrect']

[Include Don't know]



A11.7 Disposition to trust

Q7.1: What is your opinion on the following statements?

[Progressive grid with slider]

[GRID: COLUMNS = 4 points scale (end points labelled), SINGLE ANSWER]

1. 1 - Fully disagree
2. 2
3. 3
4. 4 - Fully agree

[GRID: ROWS = options, ROTATE 1-3]

1. In general, one can trust people
2. In these days you can't rely on anybody else
3. When dealing with strangers it is better to be careful before you trust them

Q7.2: For each statement below, indicate your level of agreement or disagreement with the statement.

[Progressive grid with slider]

[GRID: 7 points response scale (end points labelled), SINGLE ANSWER]

1. 1 - Strongly disagree
2. 2
3. 3
4. 4
5. 5
6. 6
7. 7 - Strongly agree
99. Don't know/Not applicable

[GRID: statements, ROTATE 1-3]

1. I am comfortable relying on businesses on the internet to meet their obligations
2. I feel fine doing business on the internet since businesses on the internet generally fulfil their agreements
3. I always feel confident that I can rely on businesses on the internet to do their part when I interact with them

A11.8 Risk preferences

Q8.1: Imagine you are playing a game of chance by flipping a coin. If the coin comes up heads you win £60, but if it comes up tails you win nothing. Would you rather play this game or alternatively receive the amounts shown below for sure?

[Standard grid]

[GRID: COLUMNS = SINGLE RESPONSE]

1. I would prefer to play the game
2. I would prefer this amount for sure

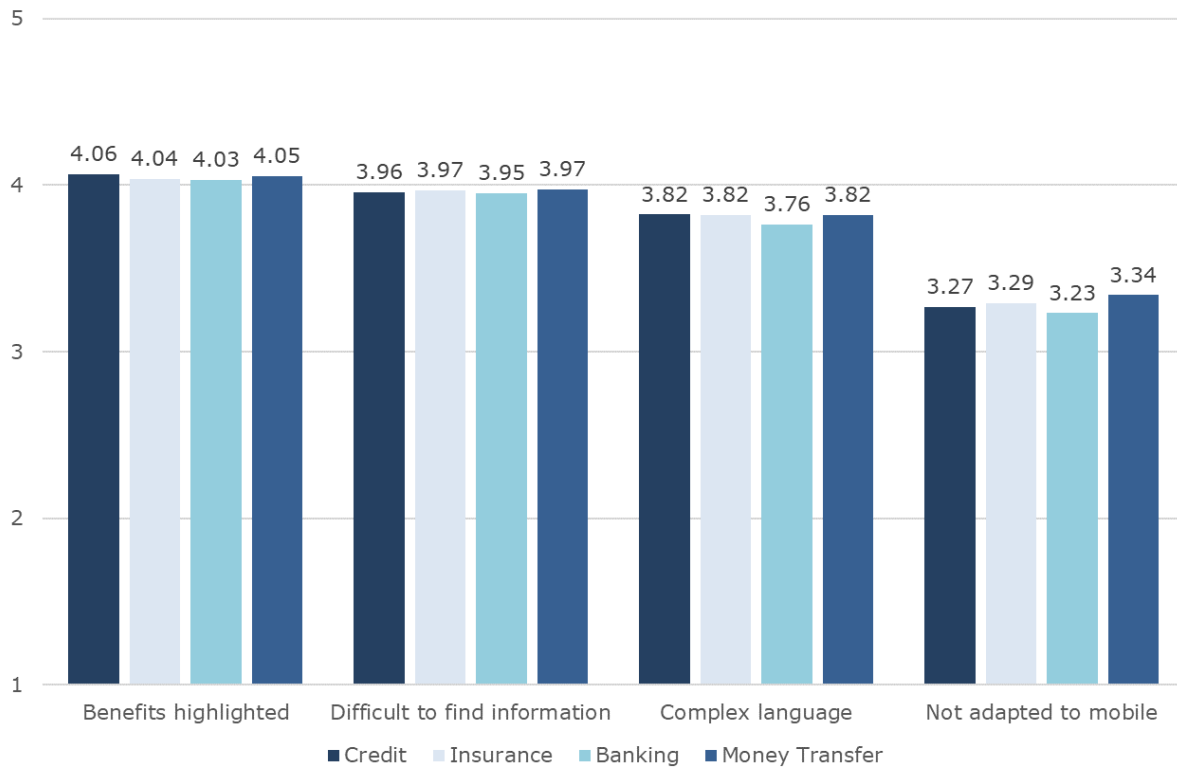
[GRID: ROWS = options]

1. *£10 for sure*
2. *£20 for sure*
3. *£30 for sure*
4. *£40 for sure*
5. *£50 for sure*
6. *£60 for sure*

Annex 12 Additional results from the consumer survey and the behavioural experiments

A12.1 Results from the consumer survey

Figure 75: Average detriment-ratings by product categories and practice (practice category 1)



Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1= "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b; Number of observations by practice: "Benefits highlighted"-N=8,180; "Difficult to find information"-N=8,169; "Complex language"-N=8,165; "Not adapted to mobile"-N=8,011.

Source: ConPolicy analysis of consumer survey.

Figure 76: Average detriment-ratings pooled over product categories by practice, gender and age (practice category 1)

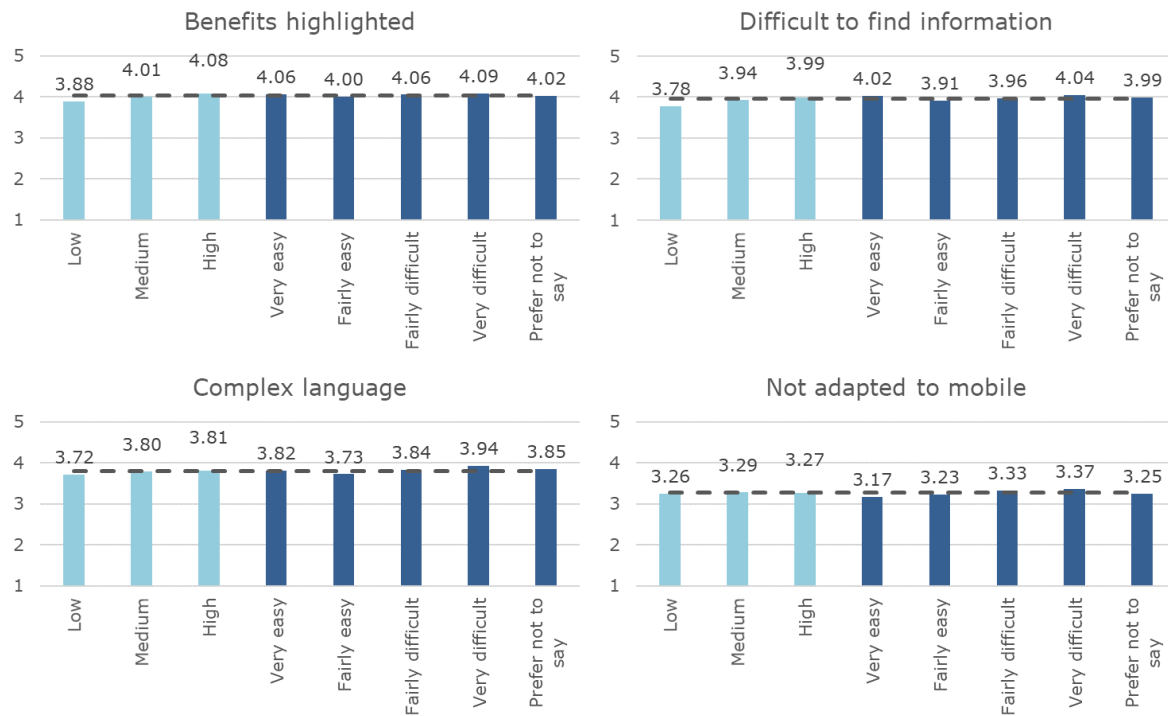


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b; The dark blue bars represent results by gender (Female versus Male) while the light blue bars represent results by age group (18-34 years versus 35-54 years versus 55+ years); The grey, dashed line indicates the average rating pooled over the full sample regardless of gender and age; Number of observations by practice: "Benefits highlighted"-N=8,180; "Difficult to find information"-N=8,169; "Complex language"-N=8,165; "Not adapted to mobile"-N=8,011.

Source: ConPolicy analysis of consumer survey data.

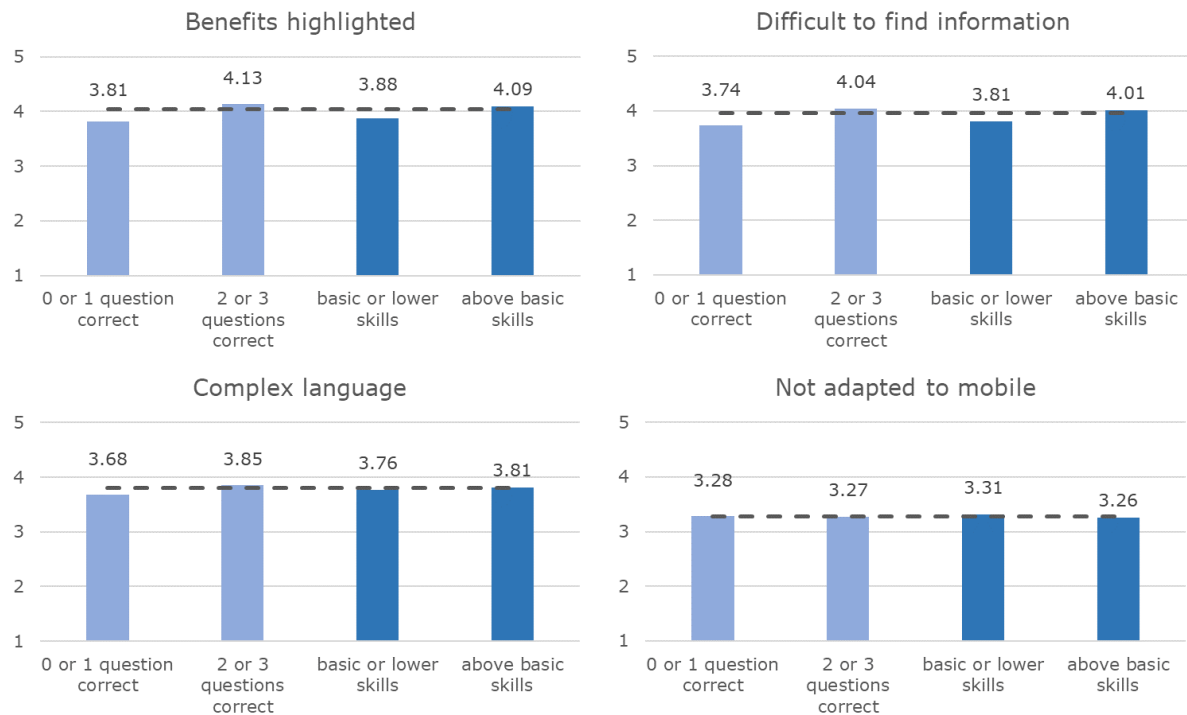
Figure 77: Average detriment-ratings pooled over product categories by practice, education and financial situation (practice category 1)



Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental". Results are averaged over Q3.2a and Q3.2b. The light blue bars show the results by educational level (low versus medium versus high) while the dark blue bars show the results by financial situation which was measured by the question "would you say that making ends meet every month is...? Very easy, Fairly easy, etc."; The grey, dashed line indicates the average rating pooled over the full sample regardless of education and financial situation; Number of observations by practice: "Benefits highlighted"-N=8,180; "Difficult to find information"-N=8,169; "Complex language"-N=8,165; "Not adapted to mobile"-N=8,011.

Source: ConPolicy analysis of consumer survey data.

Figure 78: Average detriment-ratings pooled over product categories by practice, financial and digital literacy (practice category 1)

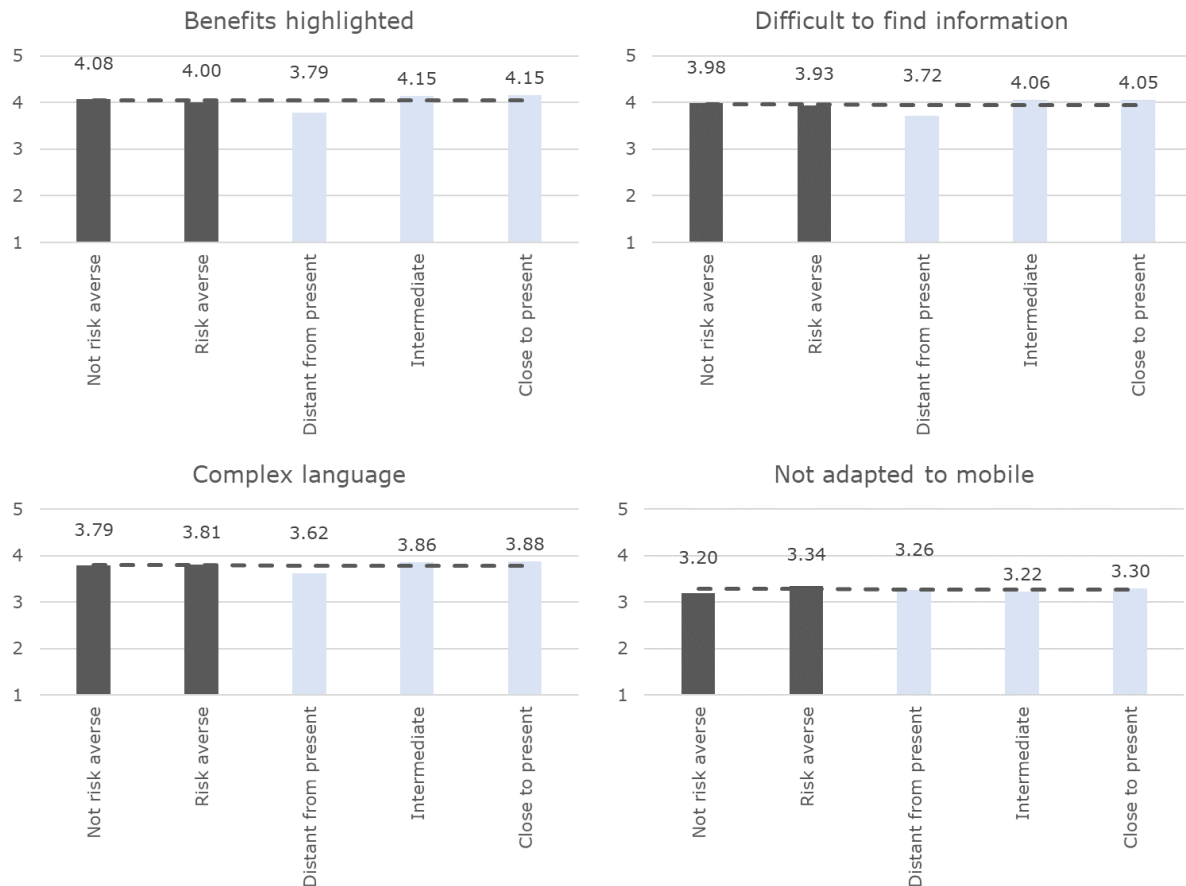


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. The light blue bars show the results by financial literacy which was measured by three subsequent question on financial skills and split by participants answering "0 or 1 question" correctly as well as answering "2 or 3 questions" correctly. The dark blue bars show results by digital literacy which was measured by two questions on digital skills and split by participants having "basic or lower skills" versus "above basic skills"; The grey, dashed line indicates the average rating pooled over the full sample regardless of financial and digital literacy; Number of observations by practice: "Benefits highlighted"-N=8,180; "Difficult to find information"-N=8,169; "Complex language"-N=8,165; "Not adapted to mobile"-N=8,011.

Source: ConPolicy analysis of consumer survey data.

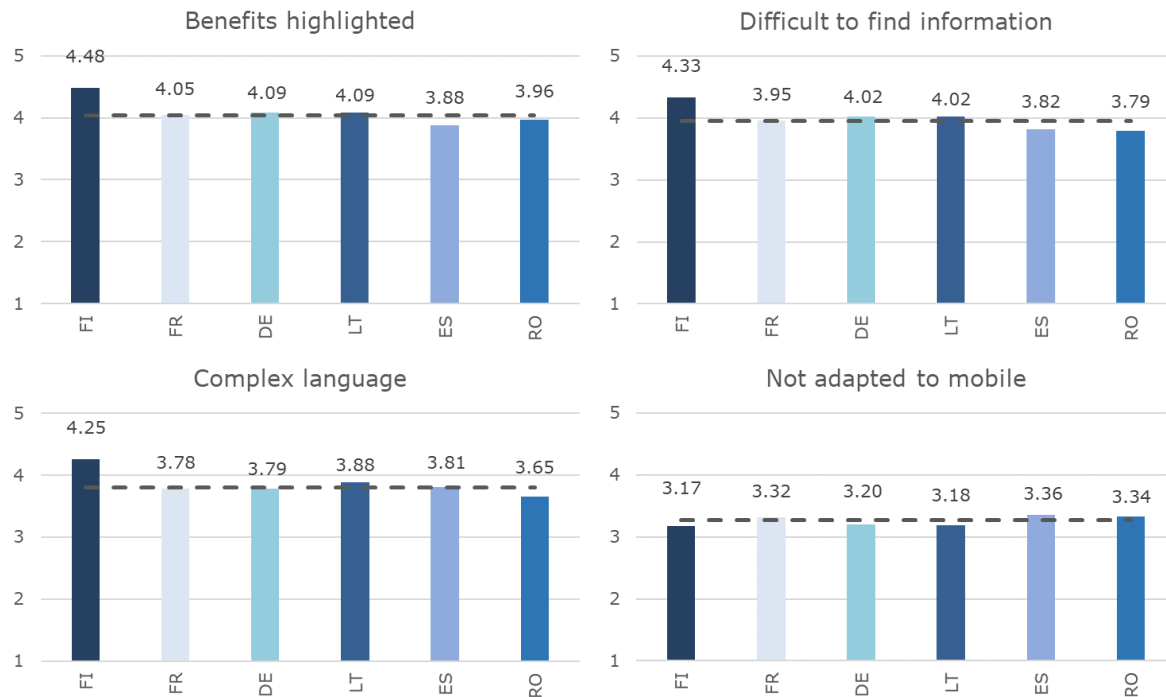
Figure 79: Average detriment-ratings pooled over product categories by practice, risk and time preferences (practice category 1)



Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental". Results are averaged over Q3.2a and Q3.2b. The dark grey bars show the results by risk preference (not risk averse versus risk averse) and the light blue bars show results by proximity of future-self and present-self (distant from present versus intermediate versus close to present). The grey, dashed line indicates the average rating pooled over the full sample regardless of risk and time preferences; Number of observations by practice: "Benefits highlighted"-N=8,180; "Difficult to find information"-N=8,169; "Complex language"-N=8,165; "Not adapted to mobile"-N=8,011.

Source: ConPolicy analysis of consumer survey data.

Figure 80: Average detriment-ratings pooled over product categories by practice and country (practice category 1)

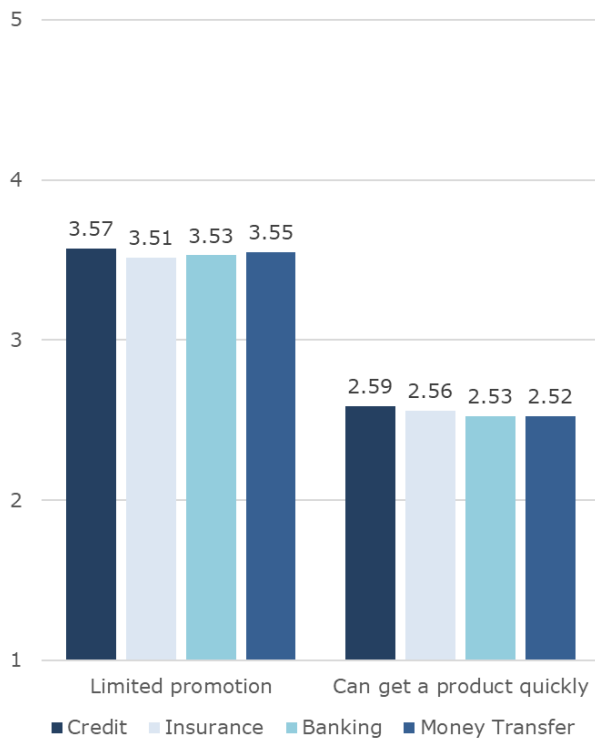


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. Each individual bar represents average results for the countries the survey was conducted in, i.e. Finland (FI), France (FR), Germany (DE), Lithuania (LT), Spain (ES) as well as Romania (RO); The grey, dashed line indicates the average rating pooled over the full sample regardless of country; Number of observations by practice: "Benefits highlighted"-N=8,180; "Difficult to find information"-N=8,169; "Complex language"-N=8,165; "Not adapted to mobile"-N=8,011.

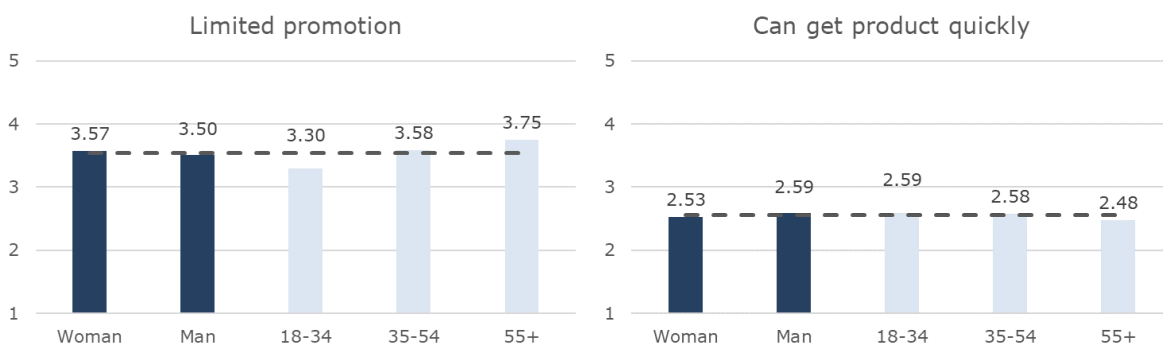
Source: ConPolicy analysis of consumer survey data.

Figure 81: Average detriment-ratings by product categories and practice (practice category 2)



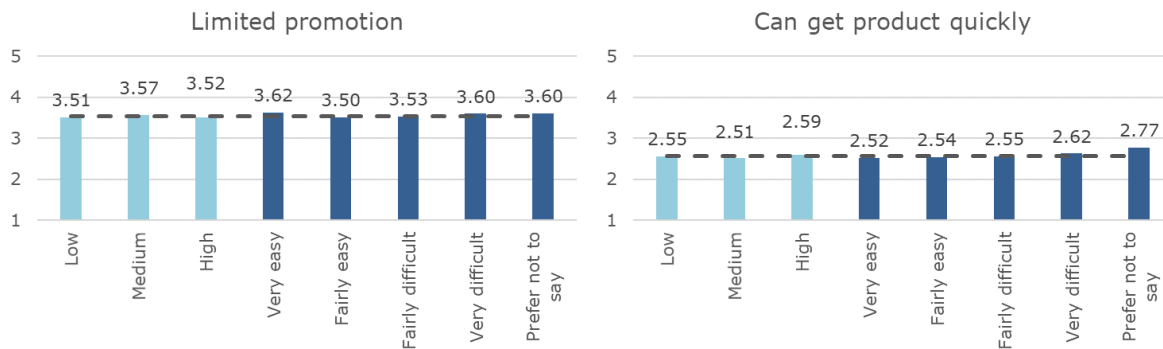
Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental". Results are averaged over Q3.2a and Q3.2b; Number of observations by practice: "Limited promotion"-N=8,129; "Can get a product quickly"-N=8,122.
Source: ConPolicy analysis of consumer survey data.

Figure 82: Average detriment-ratings pooled over product categories by practice, gender and age (practice category 2)



Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental". Results are averaged over Q3.2a and Q3.2b. The dark blue bars represent results by gender (Female versus Male) while the light blue bars represent results by age group (18-34 years versus 35-54 years versus 55+ years); The grey, dashed line indicates the average rating pooled over the full sample regardless of gender and age; Number of observations by practice: "Limited promotion"-N=8,129; "Can get a product quickly"-N=8,122.
Source: ConPolicy analysis of consumer survey data.

Figure 83: Average detriment-ratings pooled over product categories by practice, education and financial situation (practice category 2)

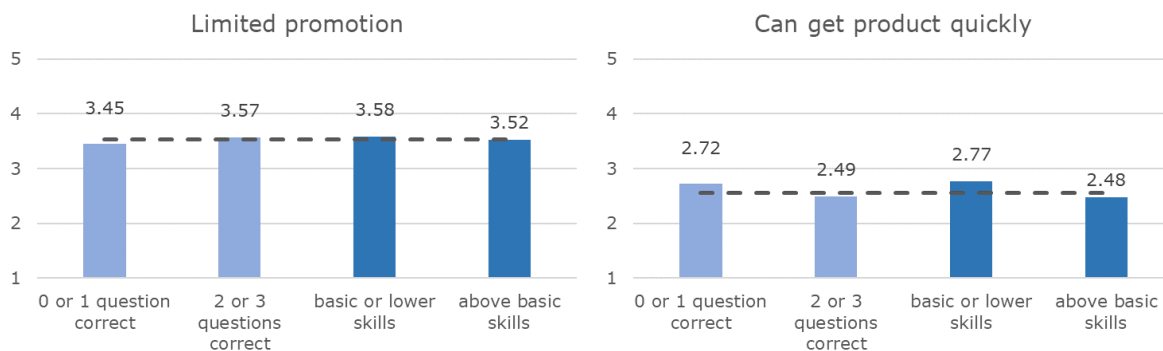


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b; The light blue bars show the results by educational level (low versus medium versus high) while the dark blue bars show the results by financial situation which was measured by the question "would you say that making ends meet every month is...? Very easy, Fairly easy, etc."; The grey, dashed line indicates the average rating pooled over the full sample regardless of education and financial situation; Number of observations by practice: "Limited promotion"-N=8,129; "Can get a product quickly"-N=8,122.

Source: ConPolicy analysis of consumer survey data.

Figure 84: Average detriment-ratings pooled over product categories by practice, financial and digital literacy (practice category 2)

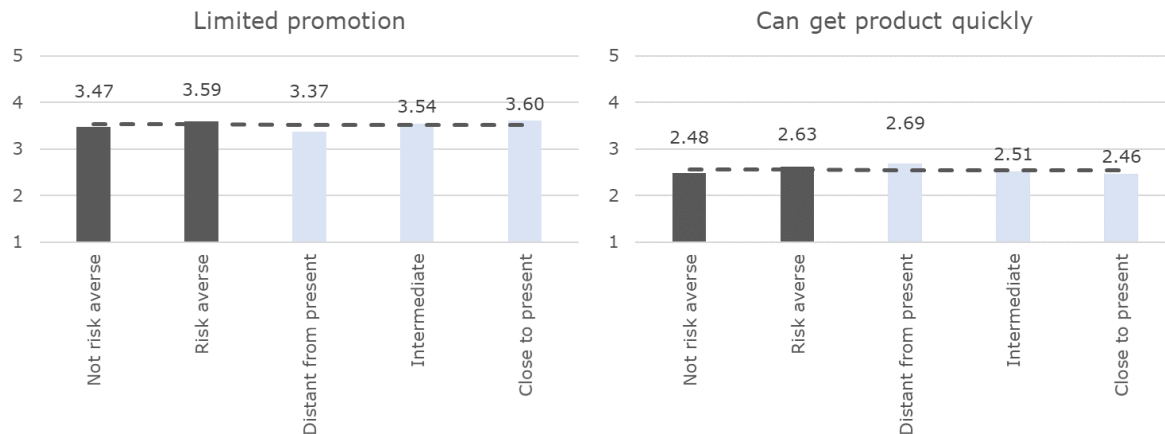


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. The light blue bars show the results by financial literacy which was measured by three subsequent question on financial skills and split by participants answering "0 or 1 question" correctly as well as answering "2 or 3 questions" correctly. The dark blue bars show results by digital literacy which was measured by two questions on digital skills and split by participants having "basic or lower skills" versus "above basic skills"; The grey, dashed line indicates the average rating pooled over the full sample regardless of financial and digital literacy; Number of observations by practice: "Limited promotion"-N=8,129; "Can get a product quickly"-N=8,122.

Source: ConPolicy analysis of consumer survey data.

Figure 85: Average detriment-ratings pooled over product categories by practice, risk and time preferences (practice category 2)

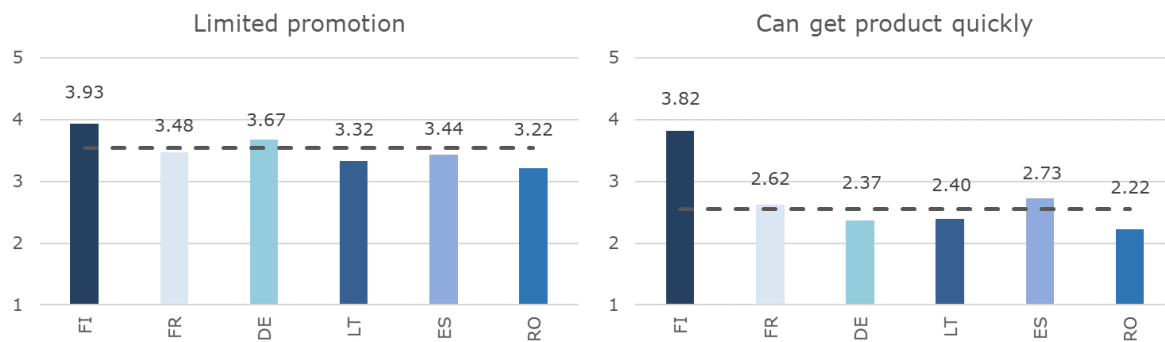


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. The dark grey bars show the results by risk preferences (not risk averse versus risk averse) and the light blue bars show results by proximity of future-self and present-self (distant from present versus intermediate versus close to present). The grey, dashed line indicates the average rating pooled over the full sample regardless of risk and time preferences; Number of observations by practice: "Limited promotion"-N=8,129; "Can get a product quickly"-N=8,122.

Source: ConPolicy analysis of consumer survey data.

Figure 86: Average detriment-ratings pooled over product categories by practice and country (practice category 2)

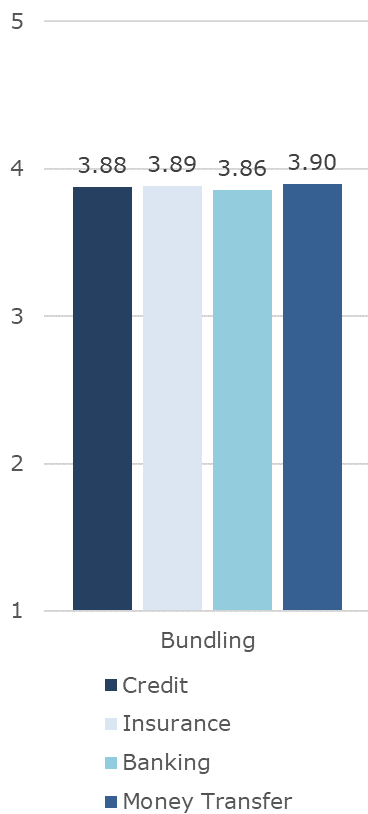


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. Each individual bar represents average results for the countries the survey was conducted in, i.e. Finland (FI), France (FR), Germany (DE), Lithuania (LT), Spain (ES) as well as Romania (RO); The grey, dashed line indicates the average rating pooled over the full sample regardless of country; Number of observations by practice: "Limited promotion"-N=8,129; "Can get a product quickly"-N=8,122.

Source: ConPolicy analysis of consumer survey data.

Figure 87: Average detriment-ratings by product categories (practice category 3)

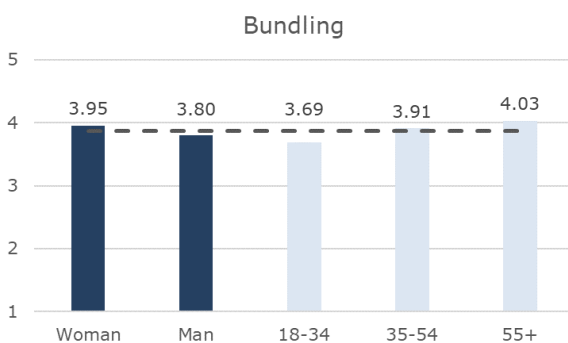


Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”.

Results are averaged over Q3.2a and Q3.2b; Number of observations: N=8,149.

Source: ConPolicy analysis of consumer survey data.

Figure 88: Average detriment-ratings pooled over product categories by gender and age (practice category 3)

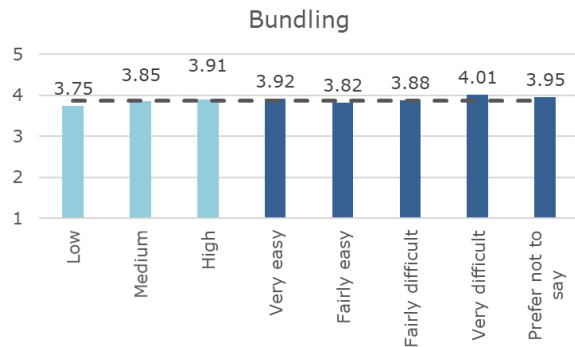


Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”.

Results are averaged over Q3.2a and Q3.2b. The dark blue bars represent results by gender (Female versus Male) while the light blue bars represent results by age group (18-34 years versus 35-54 years versus 55+ years); The grey, dashed line indicates the average rating pooled over the full sample regardless of gender and age; Number of observations: N=8,149.

Source: ConPolicy analysis of consumer survey data.

Figure 89: Average detriment-ratings pooled over product categories by education and financial situation (practice category 3)

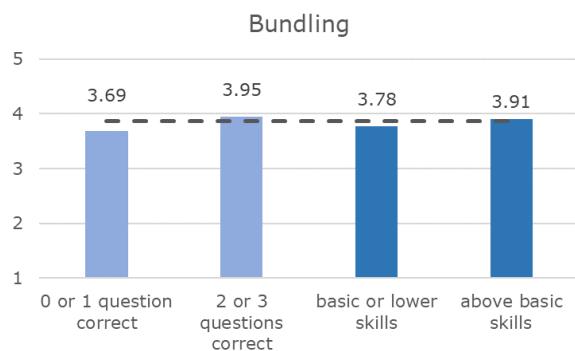


Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”.

Results are averaged over Q3.2a and Q3.2b; The light blue bars show the results by educational level (low versus medium versus high) while the dark blue bars show the results by financial situation which was measured by the question “would you say that making ends meet every month is...? Very easy, Fairly easy; etc.”; The grey, dashed line indicates the average rating pooled over the full sample regardless of education and financial situation; Number of observations: N=8,149.

Source: ConPolicy analysis of consumer survey data.

Figure 90: Average detriment-ratings pooled over product categories by practice, financial and digital literacy (practice category 3)

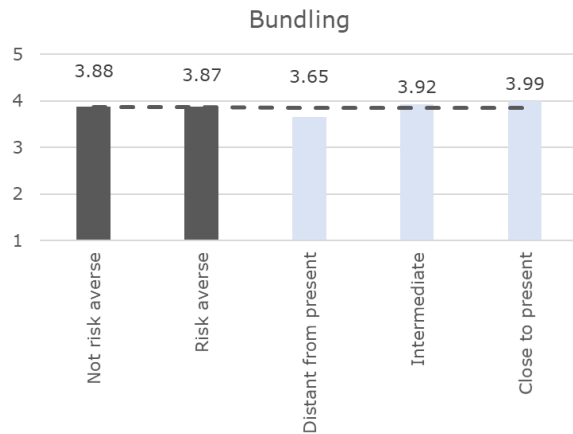


Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”.

Results are averaged over Q3.2a and Q3.2b. The light blue bars show the results by financial literacy which was measured by three subsequent question on financial skills and split by participants answering “0 or 1 question” correctly as well as answering “2 or 3 questions” correctly. The dark blue bars show results by digital literacy which was measured by two questions on digital skills and split by participants having “basic or lower skills” versus “above basic skills”; The grey, dashed line indicates the average rating pooled over the full sample regardless of financial and digital literacy; Number of observations: N=8,149.

Source: ConPolicy analysis of consumer survey data.

Figure 91: Average detriment-ratings pooled over product categories by practice, risk and time preferences (practice category 3)

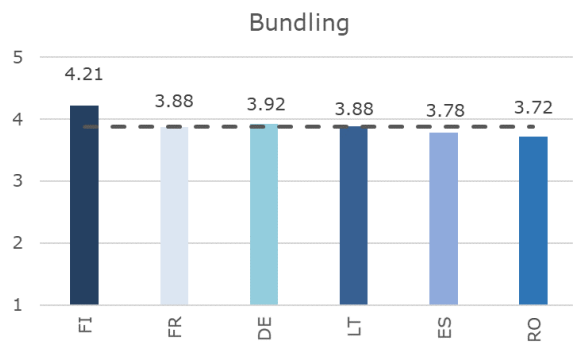


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. The dark grey bars show the results by risk preferences (not risk averse versus risk averse) and the light blue bars show results by proximity of future-self and present-self (distant from present versus intermediate versus close to present). The grey, dashed line indicates the average rating pooled over the full sample regardless of risk and time preferences; Number of observations: N=8,149.

Source: ConPolicy analysis of consumer survey data.

Figure 92: Average detriment-ratings pooled over product categories by practice and country (practice category 3)

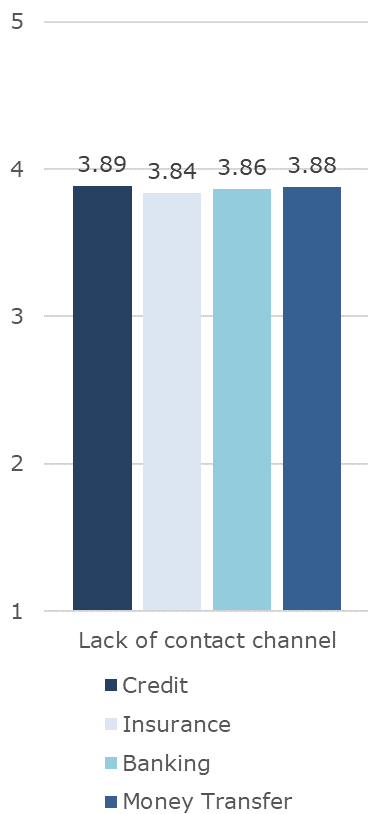


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. Each individual bar represents average results for the countries the survey was conducted in, i.e. Finland (FI), France (FR), Germany (DE), Lithuania (LT), Spain (ES) as well as Romania (RO); The grey, dashed line indicates the average rating pooled over the full sample regardless of country; Number of observations: N=8,149.

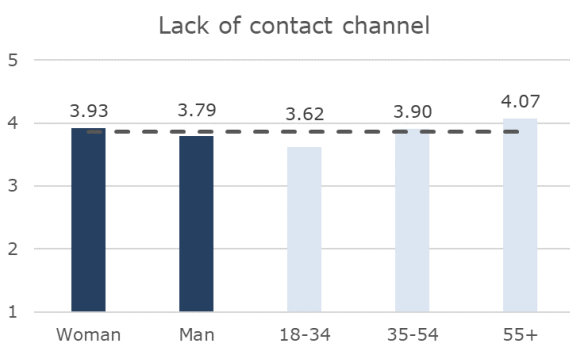
Source: ConPolicy analysis of consumer survey data.

Figure 93: Average detriment-ratings by product categories (practice category 4)



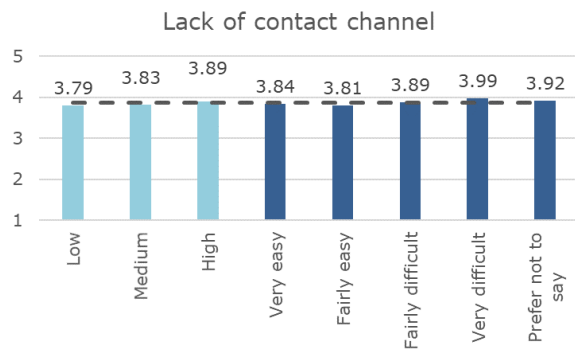
Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”. Results are averaged over Q3.2a and Q3.2b; Number of observations: N=8,142.
Source: ConPolicy analysis of consumer survey data.

Figure 94: Average detriment-ratings pooled over product categories by gender and age (practice category 4)



Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”. Results are averaged over Q3.2a and Q3.2b. The dark blue bars represent results by gender (Female versus Male) while the light blue bars represent results by age group (18-34 years versus 35-54 years versus 55+ years); The grey, dashed line indicates the average rating pooled over the full sample regardless of gender and age; Number of observations: N=8,142.
Source: ConPolicy analysis of consumer survey data.

Figure 95: Average detriment-ratings pooled over product categories by education and financial situation (practice category 4)

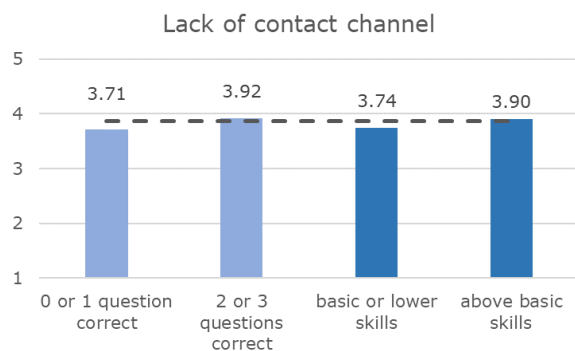


Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”.

Results are averaged over Q3.2a and Q3.2b; The light blue bars show the results by educational level (low versus medium versus high) while the dark blue bars show the results by financial situation which was measured by the question “would you say that making ends meet every month is...? Very easy, Fairly easy, etc.”; The grey, dashed line indicates the average rating pooled over the full sample regardless of education and financial situation; Number of observations: N=8,142.

Source: ConPolicy analysis of consumer survey data.

Figure 96: Average detriment-ratings pooled over product categories by practice, financial and digital literacy (practice category 4)

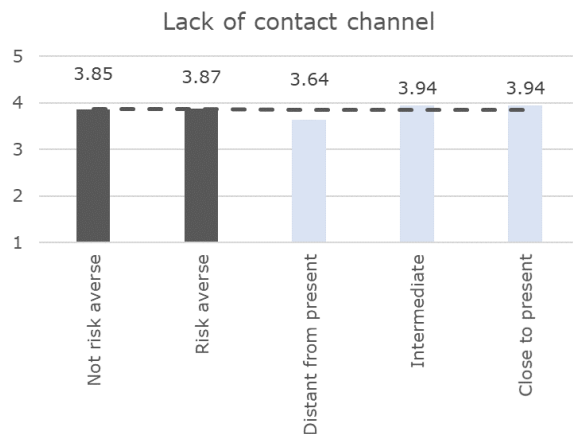


Notes: The question was Q3.2a and Q3.2b: “Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?”; The scale was labelled 1 = “not detrimental” and 5 = “very detrimental”.

Results are averaged over Q3.2a and Q3.2b. The light blue bars show the results by financial literacy which was measured by three subsequent question on financial skills and split by participants answering “0 or 1 question” correctly as well as answering “2 or 3 questions” correctly. The dark blue bars show results by digital literacy which was measured by two questions on digital skills and split by participants having “basic or lower skills” versus “above basic skills”; The grey, dashed line indicates the average rating pooled over the full sample regardless of financial and digital literacy; Number of observations: N=8,142.

Source: ConPolicy analysis of consumer survey data.

Figure 97: Average detriment-ratings pooled over product categories by practice, risk and time preferences (practice category 4)

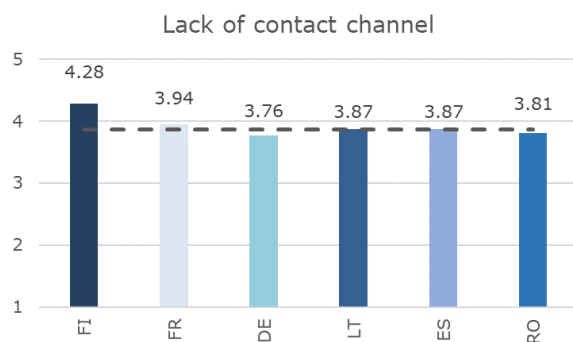


Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. The dark grey bars show the results by risk preferences (not risk averse versus risk averse) and the light blue bars show results by proximity of future-self and present-self (distant from present versus intermediate versus close to present). The grey, dashed line indicates the average rating pooled over the full sample regardless of risk and time preferences; Number of observations: N=8,142.

Source: ConPolicy analysis of consumer survey data.

Figure 98: Average detriment-ratings pooled over product categories by practice and country (practice category 4)



Notes: The question was Q3.2a and Q3.2b: "Imagine you are shopping around on the internet wishing to choose a [product category]. You search on a search engine for suitable offers and are directed to the websites of different suppliers. At the end of your search, you have identified alternative [products / services] that match your search criteria. Given this scenario, to what extent do you think the following commercial practices would be detrimental?"; The scale was labelled 1 = "not detrimental" and 5 = "very detrimental".

Results are averaged over Q3.2a and Q3.2b. Each individual bar represents average results for the countries the survey was conducted in, i.e. Finland (FI), France (FR), Germany (DE), Lithuania (LT), Spain (ES) as well as Romania (RO); The grey, dashed line indicates the average rating pooled over the full sample regardless of country; Number of observations: N=8,142.

Source: ConPolicy analysis of consumer survey data.

A12.2 Regression analysis results from the behavioural experiments

As outlined in section A10.3.3 in Annex 10, regression analysis was used to examine the robustness of the analysis of the experiments. Regression analysis confirms the findings of sections 5.6 and 6.6 in the main report; the insights from the regression analysis are in line with the insights reported in those sections. The results of the regression analysis are available upon request.

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