



Plain Numbers

Clear. Fair. Never misleading.

Plain Numbers Project:

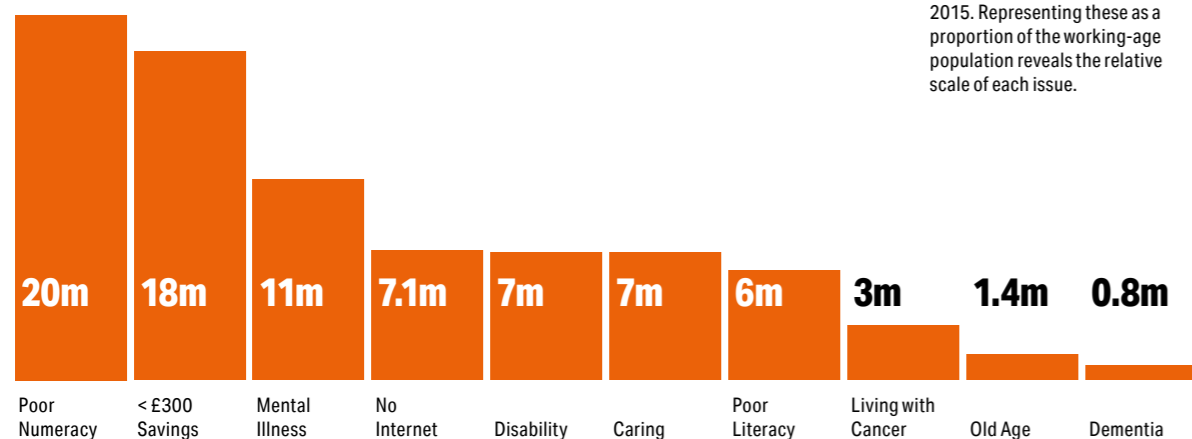
Initial trials report



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The Plain Numbers Approach builds on over a decade of work supporting people who struggle with numbers. We make seemingly small changes to the way that numbers and data are presented to generate substantial increases in comprehension. We have worked with a range of partners to show that it is possible to enable these vulnerable customers to make informed decisions.

Figure 1: Consumer vulnerabilities



The FCA identified the main 'consumer vulnerabilities' in OP8, 2015. Representing these as a proportion of the working-age population reveals the relative scale of each issue.



Foreword

After over a decade of work focussed solely on supporting people who struggle with numbers we became convinced that practical action by firms to better support customers was both necessary and possible. We established *The Plain Numbers Project* in January 2021 to do just that.

Consumer Vulnerability is a massive and increasing problem in the UK¹. To their credit many firms are trying hard to support vulnerable customers. However, the recognition that poor numeracy affects approximately half of working-age adults² and is therefore the single most common cause of vulnerability is still very low – and unsurprisingly effective practical action to address this vulnerability is therefore rare.



The Plain Numbers Project seeks to change this. We set out to find organisations who were already leading the thinking in this area and wanted to contribute to a cross industry initiative to bring about positive change.

The Bank of England and five market-leading firms - *ClearScore*, *Thames Water*, *Octopus Energy*, *Atlanta* and *Direct Line* have worked with us in the first half of 2021 to show that seemingly small changes can massively increase comprehension among customers.

The headline from these trials is that the '**Plain Numbers Approach**' works; it is possible for firms to communicate numbers and data in a way that is clear, fair and never misleading – and thereby in a way that the majority of their customers can now understand. Across a variety of industries and forms of

communication adopting the Plain Numbers Approach **doubled** the number of people who understood customer information. That's the good news. The bad news is that, even with these leading organisations, actual comprehension of the original was low – on average only 1 in 4 people were able to show a reasonable level of understanding (at least 4 out of the 5 comprehension questions correct). Even more concerning, most people (wrongly) believed that they did understand. This is particularly concerning when customers are making decisions that affect their financial wellbeing. The Plain Numbers versions, however, created the conditions for genuine informed choice.

We have taken the first step. Now we've shown that it is possible to improve the communication of numbers with a Plain Numbers Approach, we would strongly argue that **all** organisations should do so.

We're excited by about the potential to embed the Plain Numbers Approach with our existing Partners and are now seeking additional Advisory Partners, Research Partners and Commercial Partners so that the Plain Numbers Approach can become the new standard, with the ultimate aim of enabling significantly more customers to make informed choices.

Mike Ellicock and Alison Plant
Founders, The Plain Numbers Project
July 1st 2021

1. FCA Financial Lives 2020 survey: the impact of coronavirus Key findings from the FCA's Financial Lives 2020 survey and October 2020 Covid-19 panel survey – Published Feb 2021
2. 'The 2011 Skills for Life survey': Department for Business, Innovation and Skills, 2012.

Key findings from the research

The Plain Numbers Approach involves implementing carefully chosen, seemingly small changes that generate substantial increases in the number of people who understand the information that they are presented with. It is built on insight from supporting people who struggle with numbers, psychology and behavioural science and has been validated by this independent research.



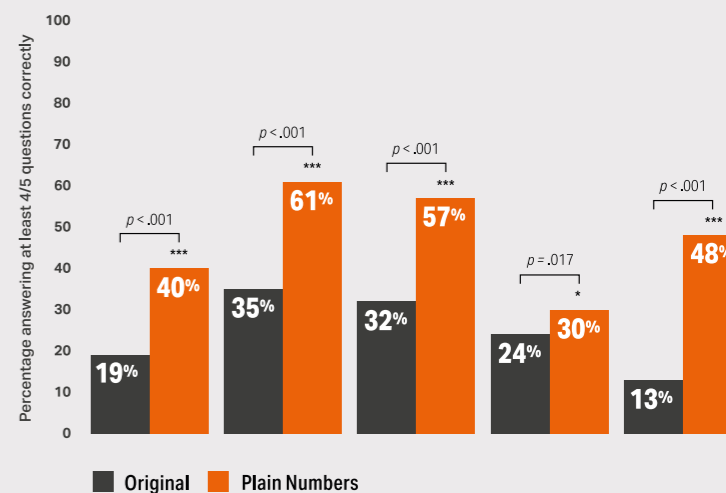
1.

Using Plain Numbers doubled the number of people who understood the information.

Comprehension was measured by the number of people who were able to answer at least 4 out of 5 comprehension questions correctly. The least impactful trial saw comprehension increase by a quarter and the most by over two and half times.

Analysis involved a two-tailed z-test for independent proportions, using the Bonferroni correction to correct for multiple comparisons. p-values for statistically significant differences between arms are indicated using *p < .05. **p < .01. ***p < .001

Improvement in comprehension using the Plain Numbers Approach

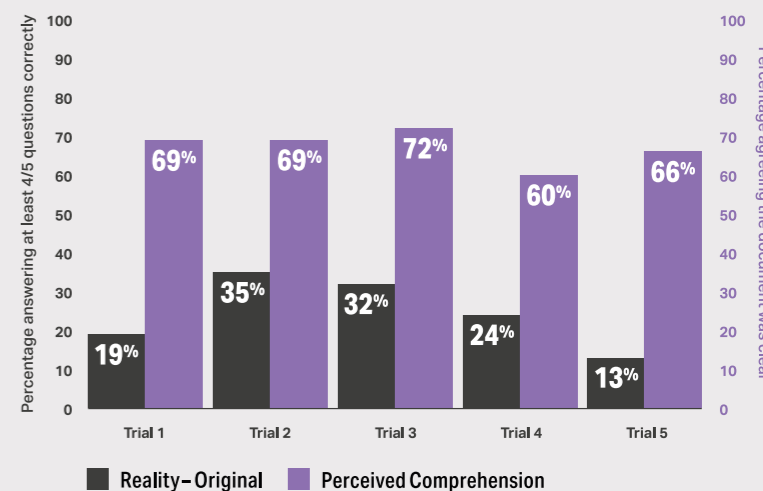


2.

People don't realise that they don't understand

There was a stark disconnect between perceived and actual understanding. Participants were asked whether they agreed that the document was 'presented in a clear and fair way and I understand it'. In all the trials at least 6 out of 10 participants agreed. However, in all the trials involving the original document, fewer than 4 out of 10 participants were able to show a reasonable level of understanding.

The difference between perceived and actual understanding – original version

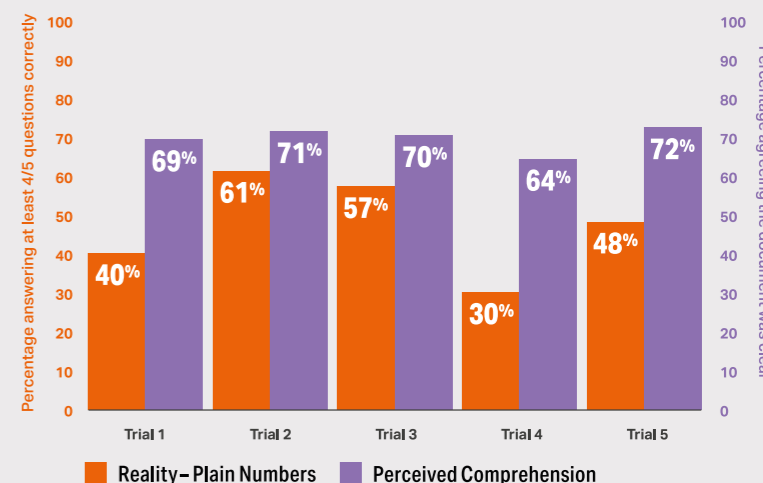


3.

Using Plain Numbers creates the conditions for informed choice

Applying the Plain Numbers Approach starts to close this gap between perceived and actual understanding – creating the conditions for genuine informed choice, even for the millions of vulnerable customers who struggle with numbers.

The difference between perceived and actual understanding – Plain Numbers version



Using the Plain Numbers Approach doubled the number of people who understood the communication



BANK OF ENGLAND

"We are delighted to see the results of the Plain Numbers trials. To see such consistent outcomes across a variety of industries and forms of communication reveals the beneficial impact that changing the ways we communicate can have for people. I would encourage organisations to take heed of these findings and think about how they can help their customers to better understand the information they are presented with, and thereby make more informed choices."

Andrew Bailey
Governor, Bank of England

KANTAR PUBLIC

"The success of these initial trials and the results demonstrate that the way numbers are communicated to customers – across a wide range of commercial settings – can be improved. Kantar Public look forward to working with Plain Numbers, and present and future partners, to provide further evidence for how this approach could bring benefits to companies, customers, and our wider society."

Max Mawby,
Senior Director Kantar Public UK

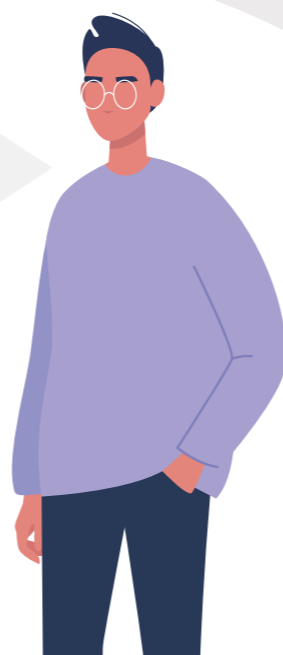
octopusenergy

"Over the past years, Octopus Energy has done a lot of work on how to best present energy costs to our customers. We've come up with something very different to the standard energy bill, which has been really well received by our customers. But as a rule we don't rest on our laurels: we always look at where and how we can improve. So we were intrigued with Plain Numbers' approach to displaying numbers, and enjoyed collaborating on their first trial to test two radically different versions of our energy bill. Of course this is only one test with a simple use case, but the findings are really insightful and will serve as further inspiration on how to best communicate the most fundamental information our customers need to know. It's been a pleasure working with Plain Numbers, and it's been a privilege to lead the way for the energy sector on this important matter."

Peter Miller
Head of Customer Experience,
Octopus Energy

"I do think that (this) would make life easier, for many, many, many people."

Partner qualitative research.



ClearScore

"At ClearScore, our mission has always been to make credit clear, calm and easy to understand for our millions of users. We continuously test and improve our messaging to customers and the work with Plain Numbers has given us a new perspective. We did additional internal research asking our users to compare the two versions and found that two thirds of our user base preferred the Plain Numbers version. Even more powerfully for, it was sub-prime users - those who most typically struggle with debt and challenging financial circumstances - who stood to benefit the most. We are determined to build the Plain Numbers Approach into our communications so that we continue to build the financial confidence of our users, particularly as they come out of debt."

Justin Basini
CEO and Co-founder, ClearScore

ATLANTA

"2020 was a really tough year for everybody. One thing we definitely learned was our customers needed us more than ever and we needed to be understanding of their differing needs and vulnerabilities. Our colleagues really stepped up during these challenging times and have shown an enormous amount of empathy with our customers. Our partnership with The Plain Numbers Project allows us to further enhance how we continue to support our customers and we're passionate about ensuring our documentation is accessible to, and understandable by all. The Plain Numbers Approach brought new thinking to Atlanta and we were amazed to see how relatively small changes could lead to such an increase in customer awareness. It's so easy to assume that our customers understand the financial decisions they need to make around choosing to pay monthly or in full. This study shows us we can do more to help their understanding and, thanks to the support of the Plain Numbers Project, we now have a clearer approach. We'll be considering how we implement these findings across all our Atlanta business to allow us to support both our existing and new customers, who may potentially struggle with numbers to ensure they have the best possible experience when dealing with any of our Atlanta brands."

Ian Donaldson
CEO, Atlanta insurance

Direct Line

"Our vision for Direct Line is to be a force for good, making insurance easy for our customers to understand so they can purchase with peace of mind. We always aim to communicate in a simple and fair way, but we're constantly looking to improve how we do this. Plain Numbers has shown us how important clear communication is, with seemingly small changes having a big positive impact on our customers. We're excited about where we go from here."

Richard Beaumont
Director of Design, Direct Line



"Clear, simple and inclusive communications are incredibly important to us, so we never stop looking for ways to improve our customer experience. The collaboration with the Plain Numbers team and all the other Research Partners has shown us where we were already doing well and also given us concrete ideas, some of which we have already implemented while others are planned in for the next wave of improvements. We are confident that presenting figures and calculations in a way that's clearer and easier to understand will grow consumer confidence and trust and is very much a key part of our continuing efforts to improve the billing experience for our customers."

Priya Hunt
Director of Customer Experience Design,
Thames Water

Numbers, vulnerability and regulator guidance

Approximately half of all working age adults have the numeracy level that we expect of a primary school child³ – yet, to date, few products or services, or indeed regulatory frameworks incorporate this fact.

The impact of poor numeracy – or what might be called ‘struggling with numbers’ – can be significant. Numbers, and the numerical concepts that underpin a product or a service, are often the most important information that we, as customers, are presented with. The concept of inflation or compounding, the cost of using credit or the impact of contract duration are all examples of numbers that we need to be able to understand and engage with in order to make the best decision for ourselves.

Many of us do not understand the numbers and this lack of understanding can lead to poor decisions. In many cases these decisions cost us more, and in extreme cases cause substantial financial hardship.

In their Financial Lives Survey 2020 the FCA found that only 4 in 10 of all UK adults could correctly answer all 3 of the questions in Figure 2 which relied on only a basic understanding of financial concepts and number.



“It’s simple, and I always think simplicity is the easiest.”

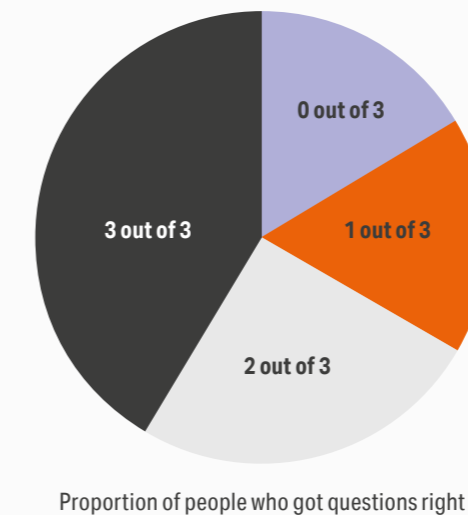
Partner qualitative research.

The case that many millions of customers struggle with numbers is incontestable. Although rigorous analysis of its impact is limited to date, we can see that it is severe. For example, the FCA Financial Lives survey identified that the 42% of customers who show low capability feel “overwhelmed and stressed” when they have to deal with financial matters or interact with financial services providers. Worryingly 26% admit to not understanding the options they have taken out. Most tellingly 16% say they have fallen into debt, which “might have been avoided had they understood their options better”.

Poor numeracy affects approximately half of working-age adults⁴

^{3/4} ‘The 2011 Skills for Life survey’: Department for Business, Innovation and Skills, 2012.

Figure 2: Levels of numeracy involving financial concepts (Feb 2020)



Source: FLS Feb 2020 Base: All UK adults (2020:16,190) Question: Numeracy (Financial summary)

Numeracy related to financial concepts questions:

- Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. There are no fees or tax to pay. You don't make any further payments into this account and you don't withdraw any money. 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 (remembering that there are no fees or tax deductions)?
 - More than £110
 - Exactly £110
 - Less than £110
 - It is impossible to tell from the information given;
 - Don't know
- If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a year's time?
 - More;
 - The same;
 - Less;
 - Don't know

Data such as this has led to regulators publishing detailed guidance on firms' duty of care to ensure that customers understand the information they get. The FCA's 2021 update to guidance for example sets out in detail the duties of firms in terms of staff skills, firms communications with customers, and the objectives of key functions. For example:

“Firms should ensure communications throughout the life-cycle of a product or service are clear and provided to vulnerable consumers in a way that they can understand”

FCA Guidance for firms on the fair treatment of vulnerable customers Feb 2021

“A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.”

Principle 7, FCA Principles for Businesses

The FCA is of course not unique; other regulators across other markets also require firms to focus on protecting vulnerable customers by ensuring they understand the information they are presented with:

“Companies must publish clear, up-to-date policies which are easy to understand. These should be led from the top, with senior leaders accountable for embedding them in their organisation's culture. We recommend that providers consult with experts, consumer bodies and charities to strengthen their understanding of different vulnerable customers' needs.”

OFCOM Guidance July 2020

The FCA are leading the way by introducing a new ‘consumer duty’ that requires that firms ensure that consumers have all the information they need to make good decisions. Implicit in this of course is that consumers understand this information.

The trials and our partners

Five randomised controlled trials were conducted by Kantar Public. These trials compared an existing document provided by each of our Partner firms (the control) with our Plain Numbers version (the intervention) that sought to communicate the same information in a clearer and fairer way.

Kantar Public recruited around 1,000 participants who were representative of the UK population for each trial, and randomly allocated them to see either the control, or the Plain Numbers intervention.

The performance of each document was measured using a number of outcomes. Actual comprehension was measured using five questions which tested whether participants had understood what the documents intended to communicate. We also asked participants to rate how confident they were of their own understanding, and, in some cases, how likely they were to contact the company concerned. The resulting data was reviewed separately for each trial, with analysis focusing on establishing whether statistically significant differences in actual comprehension were observed between the control and the Plain Numbers intervention.



The Bank of England is the UK's central bank. Our mission is to deliver monetary and financial stability for the people of the United Kingdom.

KANTAR PUBLIC

Kantar Public is part of Kantar, the world's leading insights and consulting company. We combine expertise in human understanding with advanced technologies to provide the evidence and advisory services for successful decision-making in government and the public sector. By delivering global best practice through local expertise, we help our clients build a better public realm.

Trial partners



ClearScore is the UK's number one free credit score and financial product marketplace. Founded in 2015 with the mission to help users take control of their financial health, ClearScore is the industry leader in giving everybody access to their credit score and report for free, forever.



The Atlanta Group is one of the largest and fastest-growing brokers in the UK insurance market. Atlanta incorporates many well-known and much respected brands such as Swinton, Autonet, Carole Nash and their 2500 colleagues look after over 3 million customers.



Thames Water is the UK's largest water and waste water company. We provide high-quality drinking water and sanitation services to London as well as the diverse towns and villages in the Thames Valley. With over 15 million people relying on us, everything we do supports our purpose – to deliver life's essential service, so our customers, communities and the environment can thrive. This collaboration helps us improve the billing experience for our customers – presenting figures and calculations in a way that's clearer and easier to understand. In turn, we can grow consumer confidence and trust.



Launched in 1985 by Sir Peter Wood, Direct Line was the first UK insurance company to use the telephone as its main channel of communication. The company was launched to cut out the middleman and it's an ethos Direct Line still holds true today. With a broad range of products and services, Direct Line continues to offer a quick and straightforward customer experience.



Octopus Energy launched to the public in April 2016. It is a certified B-corp, and supplies 100% renewable electricity and gas to 2.2 million UK homes. Octopus Energy is the only energy supplier to be recommended by Which? for four years in a row. It also recently won Best Utility at the Utility Week Awards. Founded by e-commerce entrepreneurs, Octopus Energy has a different starting point to other suppliers, aiming to redefine what is possible for consumers and the system by using technology and data to deliver the best products and experiences.

Using the Plain Numbers Approach creates the conditions for informed choice

The data collected in the trial, and the process of running the trials in a collaborative fashion with our Partners, generated five key insights.

1.

The Plain Numbers Approach showed a doubling of the number of people who were able to answer at least four out of the five questions correctly.

This demonstrates the Plain Numbers approach as remarkably successful at improving customer comprehension, which was tested by asking 5 questions about the information contained in the document.

2.

The findings suggest that customers may be making choices based on a mistaken belief that they understand the information that they have been presented with.

This should be a red flag to regulators and firms themselves as it shows a stark disconnect between perceived and actual understanding. Participants were asked whether they agreed that the document was 'presented in a clear and fair way and I understand it'. In all the trials at least 6 out of 10 participants agreed. However, in all the trials involving the original document, less than 4 out of 10 participants were able to show a reasonable level of understanding.

3.

The Plain Numbers Approach creates the conditions for genuine informed choice

Applying the Plain Numbers Approach starts to close the gap between perceived and actual understanding even for the millions of vulnerable customers who struggle with numbers. This effect occurs without customers realising that there was any disconnect nor presumably that there is a disconnect between their perceived and actual understanding in other situations.

4.

The trials also demonstrated the danger of assuming that the Plain Numbers Approach can be applied mechanically.

The results caution against the idea that because something worked in one context it can automatically be replicated elsewhere – the 'treatment' that generated the improved comprehension was very different in each trial. This underlines the importance of ongoing testing to build up a body of knowledge on how best to embed the Plain Numbers Approach across all forms written and verbal communication.

5.

There were also indications that the Plain Numbers Approach was most useful for the most financially vulnerable customers.

Additional research conducted internally by ClearScore on over 6,000 of their users showed that those who face the most challenging financial circumstances benefited the most from the Plain Numbers Approach. We would like to explore this further with organisations seeking to support vulnerable customers' financial decision making.

Additionally in some trials we explored possible behavioural changes as a result of the Plain Numbers Approach. There were tantalising indicative responses suggesting that in some cases customers may be less likely to call the organisation for more information, thus providing a commercial case for making the changes, but these would need to be validated using a more appropriate methodology.

To understand these findings at the next level of detail we include the full breakdown of the comprehension questions we asked in each trial and how well they were answered in the next section.

"A clear explanation of what things mean to me. How quickly can I pay off my debt, how much it will cost and how much I can save."

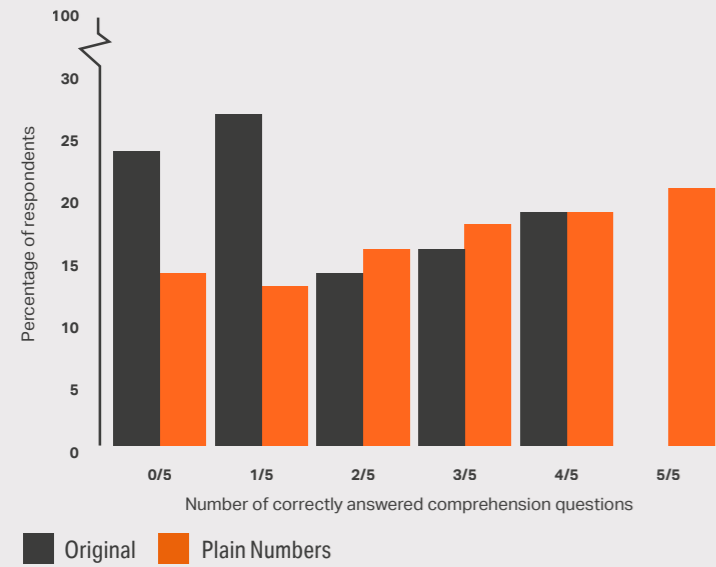
Partner qualitative research.



Trial 1 Results: ClearScore



Difference in number of questions answered correctly between original and Plain Numbers versions



Percentage answering at least 4 questions correctly:

19%
Original version

40%
Plain Numbers version

Comprehension questions

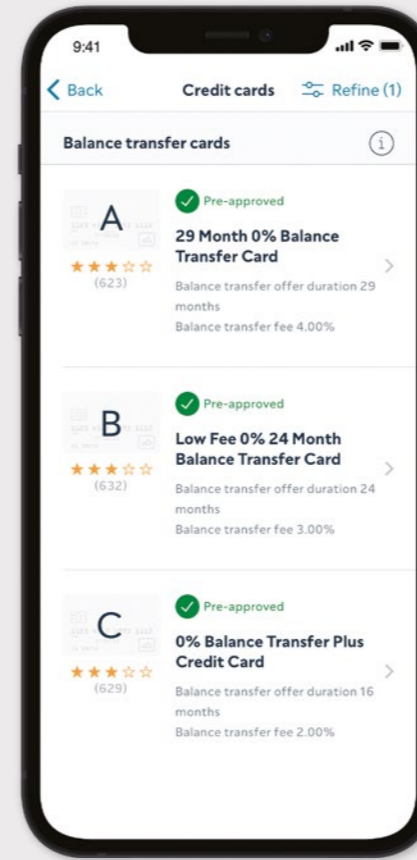
Participants were asked to consider the following scenario before answering the questions below: We would like you to imagine that you have £2,000 of debt on your credit card. The APR on the credit card is 18.03%. You want to pay this all off and decide to switch to a balance transfer card.

There is a fee to transfer the balance of £2,000 to the new card but then you don't have to pay any interest for a set number of months. You intend to pay off equal amounts each month for the interest free period without spending any more on the card and can choose from three different cards.

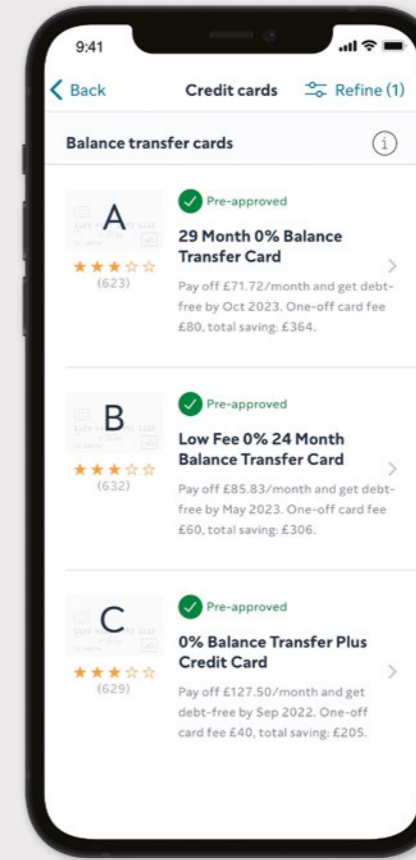
	Original correct*	Plain Numbers correct*
What is the cost - in pounds - to transfer your debt to Card B?	38%	57%
What is the total - in pounds - that you now owe if you transfer to Card B (your total debt + the fee)?	39%	37%
Assuming you pay off your debt in equal amounts each month for the interest free period, how much interest would you save over the next 29 months if you transferred to Card A?	0%	49%
Assuming you can afford the monthly payments, which card enables you to pay off your debt the soonest?	62%	63%
If you can only afford to pay £75 a month to pay off your debt, which card is best for you?	41%	72%

*the percentage of respondents who correctly answered this question for each version.

The original version of the offer



The Plain Numbers version of the offer



Numbers themselves

Doing the maths by converting a percentage fee to the specific cash amount and providing the total saving.

Numbers in context

Replaced the context-specific term 'Balance transfer offer duration' with the month the offer ends.

How we think

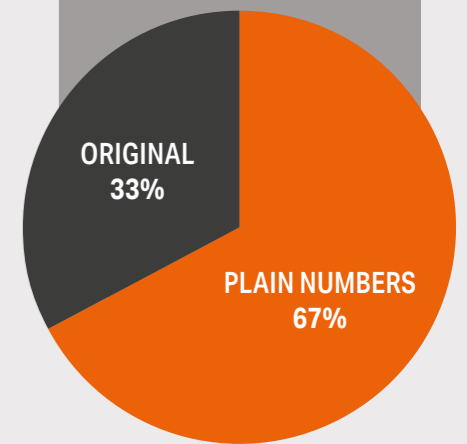
Enabled customers to make an informed choice by ensuring the key information for each card was presented in the same way.



"I wish I had this option when I was in and out of getting credit cards.. I think if it was like this before I had an IVA it would have helped me a lot!"

Partner qualitative research.

The number of ClearScore customers who preferred the Plain Numbers version*



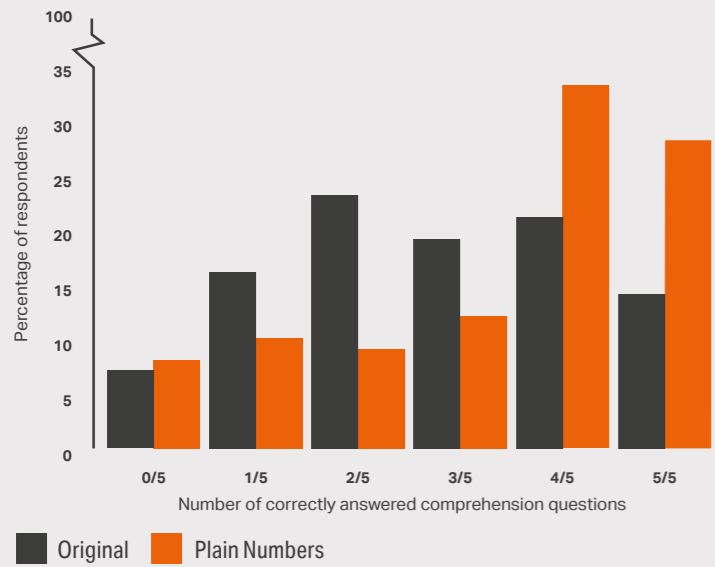
*ClearScore internal research with over 6,000 users

See the Appendix on page 24-25 for overview of the Plain Numbers Approach

Trial 2 Results: Atlanta



Difference in number of questions answered correctly between original and Plain Numbers versions



Percentage answering at least 4 questions correctly:

35%

Original version

61%

Plain Numbers version

Comprehension questions

	Original correct*	Plain Numbers correct*
You have a choice to pay monthly or to pay now in full. Is one more expensive overall?	77%	77%
How much will you pay in total if you pay now in full?	81%	76%
How much will you pay in total if you pay monthly?	52%	72%
How much less will you pay in total if you pay now in full compared to paying monthly?	40%	72%
If you pay monthly, how many separate payments do you make?	23%	36%

*the percentage of respondents who correctly answered this question for each version.

The Plain Numbers version of the payment options

We have searched across 30 insurance companies and have found this for you, which is based upon the information you have provided:

pay using credit

You pay **£53.79 now**, followed by **£52.23 each month for 10 months**

£576.09 total

pay now

£489.03

This is **£87.06 less** than if you pay using credit

the small numbers

If you choose to pay using credit, here are some numbers that we have to tell you about:

deposit payable (you pay this now)	£53.79
Total amount of credit (the total minus what you pay now)	£522.30
10 instalments of (paid by Direct Debit)	£52.23
representative APR	57.15%
total amount payable (the cost of the insurance plus the cost of the credit)	£576.09
interest rate (the percentage cost for the credit – the actual cost compared to paying in full is £87.06)	20% fixed

the small print

- Our job is to connect people who need insurance with companies that provide insurance. We get paid a small element of the total cost for doing this.
- Whether you pay using credit or now pay in full, the cost includes £40 for something called a New Business Arrangement Fee. It also includes a tax payment to the government, called Insurance Premium Tax.
- If you choose to pay using credit the payments will come out of your account on or around 23rd of each month.
- If you choose to pay using credit, the credit is provided by a company called Close Brothers Premium Finance. We get paid a small fee by Close Brothers Premium Finance for connecting you to them and if you are interested, we will tell you more about this.

Numbers themselves

Relegated the FCA-mandated information, which is off-putting and few understand, further down the page.

Numbers in context

Human to Human language, removed technical terms including Vehicle Insurance Premium, New Business Arrangement Fee, commission, Insurance Premium Tax, deposit, credit broker, third party lender, premium finance, annual premium, Deposit Payable, Total Amount Payable, Total Amount of Credit, Representative APR and Interest Rate.

How we think

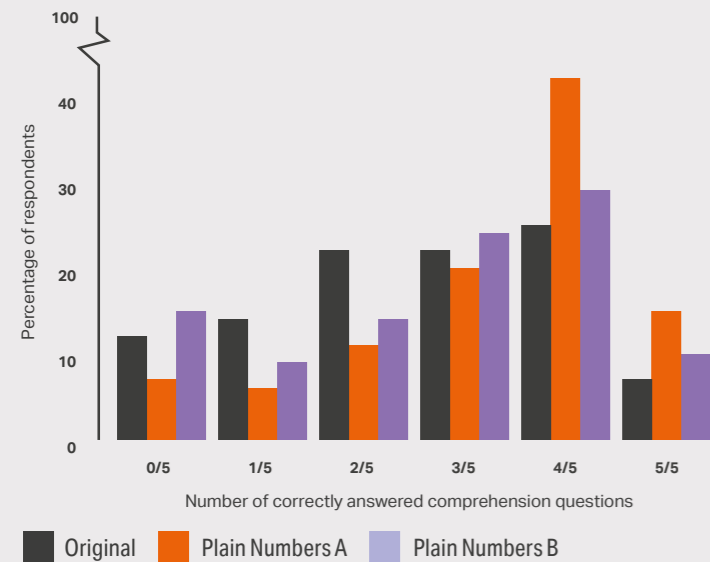
Enabled customers to make an informed decision about the use of credit by providing like-for-like totals that are close to each other on the page.

See the Appendix on page 24-25 for overview of the Plain Numbers Approach

Trial 3 Results: Octopus Energy



Difference in number of questions answered correctly between original and Plain Numbers versions



Percentage answering at least 4 questions correctly:

32%
Original version

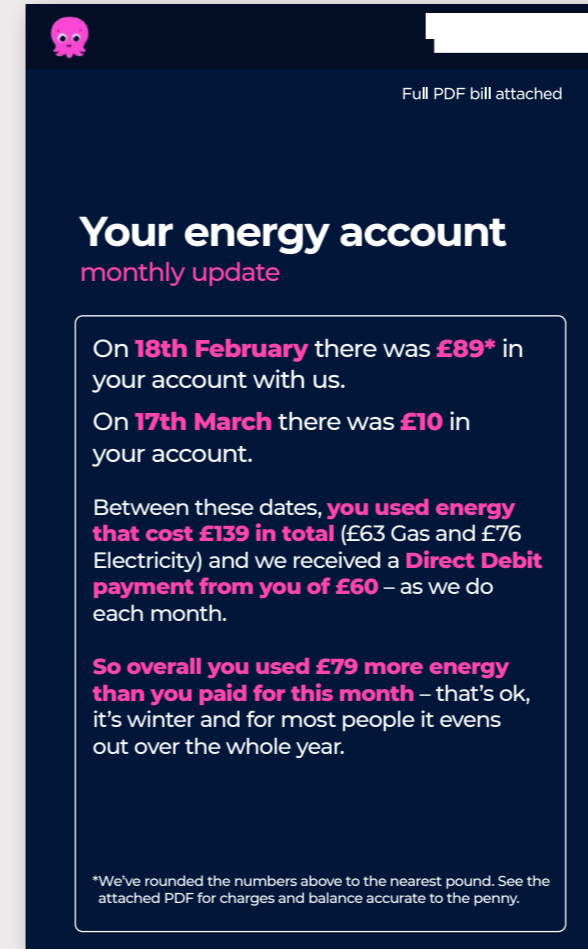
57%
Plain Numbers version

Comprehension questions

	Original correct*	Plain Numbers A correct*	Plain Numbers B correct*
According to this email, how much of your money does your energy provider have on 18th February 2021? *	57%	73%	55%
How much of your money does your energy provider have on 17th March 2021? *	72%	82%	71%
According to the email, what is the total cost of the gas and electricity that you have used in the month?*	65%	77%	74%
What is the difference between the cost of what you have used and the amount that you have paid by Direct Debit in the month? *	47%	72%	54%
Your monthly Direct Debit in this scenario is £60 per month. Assuming this is a correct estimate of your average energy use throughout the year, how much of your money do you expect your energy provider to have on 17th March 2022? *	15%	24%	19%

*the percentage of respondents who correctly answered this question for each version.

The Plain Numbers version of the account summary A



Numbers themselves

Rounded to the nearest pound thereby removing 14 numerals from the page.

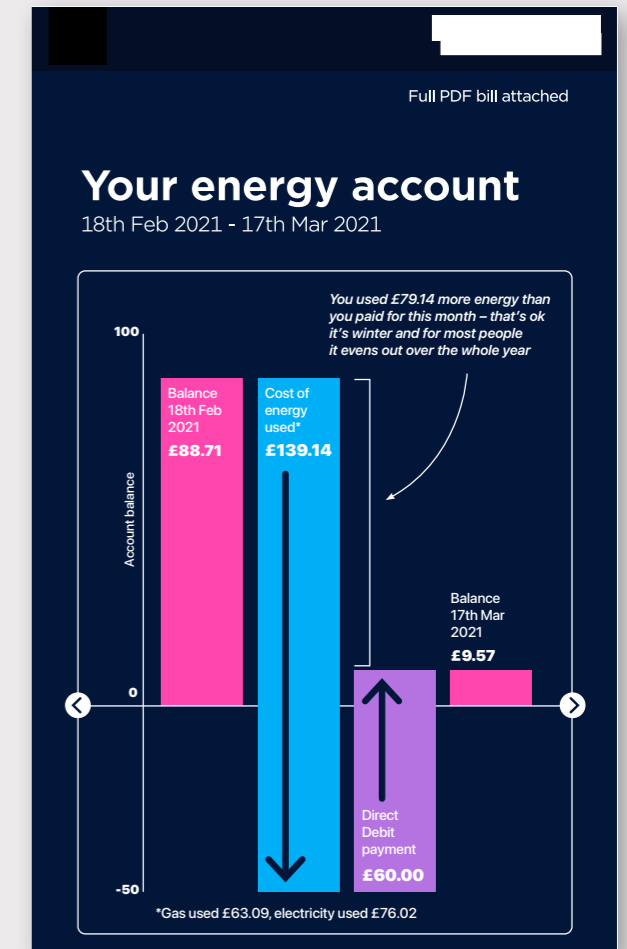
Numbers in context

Created a simple narrative with the headlines up top and then the detail below. Converted 'Your balance was x' to 'there was x in your account with us'.

How we think

No decision required but simple explanation of seasonality effect to put customer at ease.

The Plain Numbers version of the account summary B



Numbers themselves

Pictorial representation to tell the story of what is happening in the month - easier for some to interpret than abstract numerals.

Numbers in context

Waterfall diagram chosen to replace original receipt format to provide a more dynamic representation of activity in the month

How we think

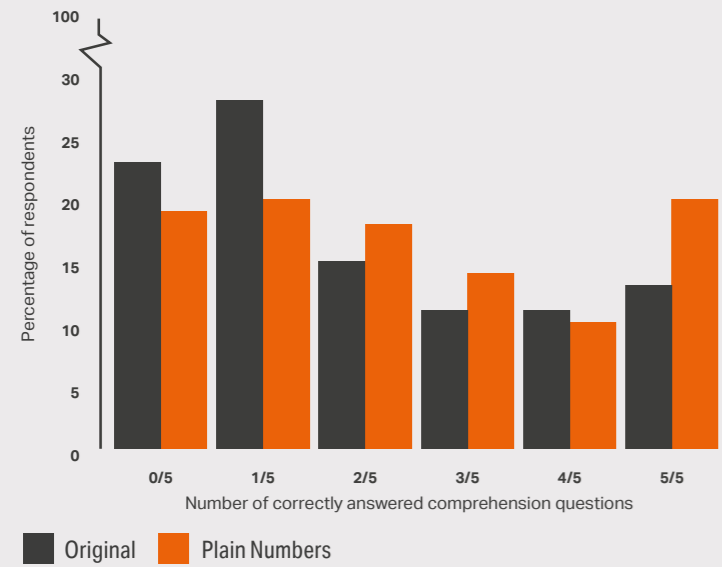
No decision required so image used to enable quick / System 1 interpretation of monthly activity.

See the Appendix on page 24-25 for overview of the Plain Numbers Approach

Trial 4 Results: Direct Line



Difference in number of questions answered correctly between original and Plain Numbers versions



Percentage answering at least 4 questions correctly:

24%

Original version

30%

Plain Numbers version

Comprehension questions

	Original correct*	Plain Numbers correct*
With the voluntary excess set at the default of £250, how much would you have to pay if you made an accidental damage claim?	40%	47%
If you choose a higher voluntary excess, what happens to the cost of your insurance?	55%	67%
What is the yearly cost for Comprehensive insurance if you choose a voluntary excess of £500?	30%	41%
If you don't want to pay more than £100 if you had to make a claim on your car insurance, then what voluntary excess do you need to choose?	42%	48%
And in this situation (you don't want to pay more than £100 if you had to make a claim on your car insurance) then what would be the yearly cost for Comprehensive insurance?	30%	35%

*the percentage of respondents who correctly answered this question for each version.

The Plain Numbers version of the excess information

Comprehensive
Our Standard cover

£386.54 Yearly £36.07 Monthly with interest

Comprehensive Plus
£436.38 Yearly

Excess

The level of 'voluntary excess' you choose affects the cost of your insurance.

If you make a claim on your car insurance, you have to pay some of the cost of repairing your car. This is known as an 'excess'. The excess is made up of two parts, one set by us, which is called the 'compulsory excess' and one chosen by you in advance, which is called the 'voluntary excess'.

The voluntary excess below is set at £250. You can use the drop-down arrow to change this. If you do, you'll see that this changes the cost of insurance.

Choosing a higher voluntary excess means your insurance costs a bit less, but you have to pay more if you make a claim. Choosing a lower voluntary excess means your insurance costs a bit more, but you pay less if you make a claim. So, you have to get a balance that is right for you.

Choose your voluntary excess

£250

TYPE OF CLAIM	Compulsory excess The minimum you have to pay in a claim	Voluntary excess What you're willing to contribute on top	Total excess The total amount you'll have to pay
Accidental damage Who was driving at the time?			
Johnny Clarke	£50	£250	£300
Barry Brown	£50	£250	£300
Dennis Brown	£50	£250	£300
Anthea Brown	£50	£250	£300
Car was without driver	£50	£250	£300
Fire and theft	£50	£250	£300
Windscreen repair	£10	N/A	£10
Windscreen replacement	£75	N/A	£75

If you choose a 'non-approved repairer', you will have to pay £200 on top of your excess.

When you call us to make a claim we can provide you with a list of approved repairers and garages to fix your car. If you choose to use a repairer or a garage that isn't on our list, we'll ask you to pay a 'non-approved repairer' excess of £200. This is in addition to your total excess.

Numbers themselves

Relegated numbers that were not relevant to the main voluntary excess decision further down the page.

Numbers in context

Simplified the words around the numbers and removed (or explained) all technical language.

How we think

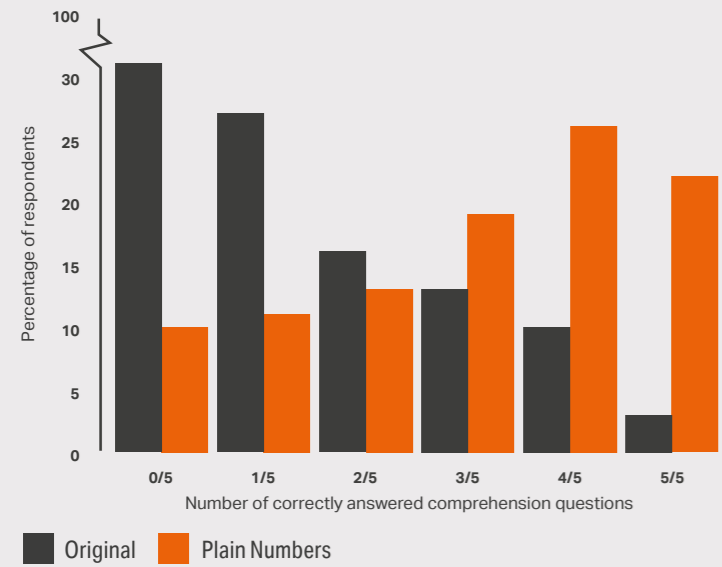
The customer needs to make an important decision here so providing the customer with a brief summary of the choice to best enable them to make an informed decision

See the Appendix on page 24-25 for overview of the Plain Numbers Approach

Trial 5 Results: Thames Water



Difference in number of questions answered correctly between original and Plain Numbers versions



Percentage answering at least 4 questions correctly:

13%

Original version

48%

Plain Numbers version

Comprehension questions

	Original correct*	Plain Numbers correct*
According to this bill, how much water have you used in the first half of the year?	15%	61%
What is the total cost for the water used in the first half of the year?	19%	53%
How much will you have paid by Direct Debit from your bank account for your water use in the first half of the year?	26%	51%
What is the difference between the cost of what you have used and the total amount that you have paid for the first half of the year?	31%	64%
What are your new monthly Direct Debit payments?	62%	77%

*the percentage of respondents who correctly answered this question for each version.

The Plain Numbers version of the customer bill

2 Your charges

What you've used:
You have used **66m³** of water (equivalent to around 800 baths) in the first half of the year at a total cost of **£194.60** (that's about 24p per bathtub).

What that costs:

QR1	Charge for water used:	£93.84
	Charge for Wastewater removed:	£59.72
	Fixed Charge:	£41.04
	Total:	£194.60

What you've paid:
You've been paying **£30** per month so that's a total of **£180** for the first half of the year. This is **£14.60 less** than the cost of the water you have used.

Our estimate of future costs
Based upon your meter readings, we estimate that the total cost of what you'll use in the coming year will be **£407.22**

Total cost and new monthly payments
When we add this to the **£14.60** that you owe we get a **total cost of £421.82**

Splitting this into equal monthly payments means that your new monthly Direct Debit payments will be **£35.15**. This is around **£1.16** per day.

Your metered charges explained
We charge you separately for fresh water, which comes out of your taps, and wastewater, which goes down your drains.
Your fresh water charges pay for sourcing, storing and delivering water to your home, while your wastewater charges pay for removing, cleaning and returning wastewater safely to the environment.
If you need help understanding your charges, please head to thameswater.co.uk/bill

What's a fixed charge?
Your fixed charge helps to cover some of our essential running costs, like maintaining pipes and handling enquiries.

Your summary explained
We've looked back at the last 12 months to check you didn't over or underpay. As you can see from our calculations, your payment plan wasn't covering your water use. That's why we've carried **£14.64** over to this bill.
We've also predicted how much you'll use over the next year based on your meter readings.

Your costs explained
How we calculate costs for fresh water used:
66m³ x £1.42 (£1.4219)
average cost per m³ = £93.84
How we calculate costs for wastewater removed:
66m³ x 90p (£0.9048)
average cost per m³ = £59.72
These calculations use a weighted average if your bill covers different charging periods. For more detail see: thameswater.co.uk/bills

Numbers themselves

Combined the quarterly charges, removed the 4 decimal places and moved the calculations to the sidebar along with a link to read finer detail.

Numbers in context

Talking 'human to human' and making the numbers relatable by providing context and comparators.

How we think

No decisions are needed but seeking active engagement so introduced clearer headings to support 'fast' / System 1 thinking.



"Well, it's very bold. I have immediately got (the information) staring me in the face. I haven't got to glance for it anywhere. I like that, and that it is bold and in your face."

Partner qualitative research.

See the Appendix on page 24-25 for overview of the Plain Numbers Approach

Summary and next steps

We have unequivocally demonstrated that presenting numbers and data in a Plain Numbers way is the right thing for customers.

The core objective of the trials in the first half of 2021 was to test the effectiveness of the Plain Numbers Approach on customer comprehension across a range of markets and documents that had different strategic intents. This objective has been fully achieved with dramatic improvements, in most cases, on average doubling the number of people who correctly answered 4 or 5 out of 5 comprehension questions.

A concerning supplementary finding was that on the original versions customers' perceived comprehension exceeded their actual comprehension – with consequent potential costs – both to the organisation and to the individual.

A secondary objective was to assess the impact on a specific behaviour that was relevant to the Research Partner and we have some fascinating indicative findings here that, among other things, suggest that there may be quantifiable commercial benefits to firms from adopting the Plain Numbers Approach.

Next steps

Following the launch of this trial Report at the Bank of England on 1st July 2021, we intend to build a Plain Numbers “ecosystem” to enable as many firms as possible to start improving customer comprehension alongside work to determine other benefits from adopting the Plain Numbers Approach.

Struggling with numbers is a massive national problem that is a complex mix of skills, attitudes and behaviour. The validation of the Plain Numbers Approach for improving customer comprehension is the crucial first step towards addressing this vulnerability – and we now have tools to enable commercial organisations to enable more of their customers to make informed choices.

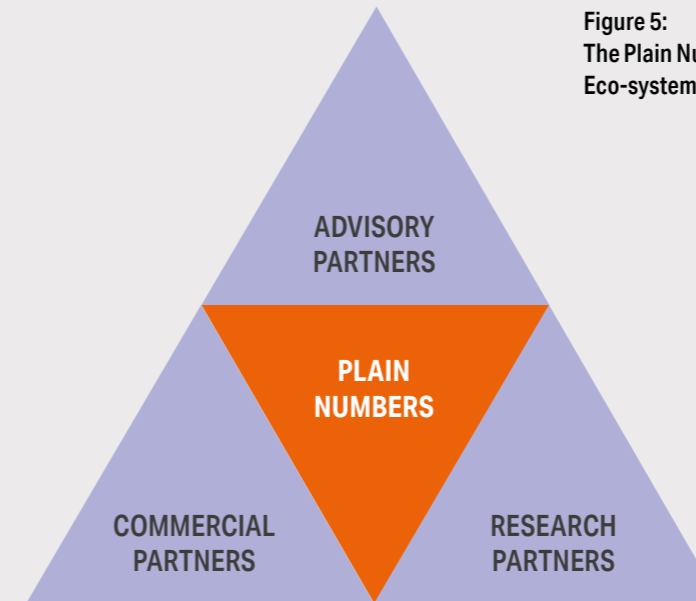


Figure 5:
The Plain Numbers
Eco-system

We believe that there may be many other benefits of adopting the Approach and that we therefore intend to continue to research these. Potential areas for further research include:

- + Testing the impact of the Approach on customer comprehension of written communication in new sectors and contexts.
- + Exploring the impact of staff training on customer comprehension within verbal communication. Regulators are focused on the ability of staff to communicate in a way that consumers understand. We are keen to validate the impact of both awareness raising among all staff and of providing those staff who deal with customers directly with tools that enable Plain Numbers communication.
- + Demonstrate commercial benefit for firms that enable customers who struggle with numbers to better understand their products and services. Customers who understand what they are buying and feel it is fair value are likely to be more loyal, more likely to complete purchases and, based on data from these trials, are perhaps less likely to call customer services for information. They are therefore likely to be more profitable. Unsurprisingly, we are keen to explore this area further because evidence of a commercial benefit might enable firms to move fast in complying with regulator guidance.

We are therefore seeking to partner with organisation in the following ways:

- + **Advisory Partners:** We are keen to build relationships with a select group of Advisory Partners to steer our future direction alongside our support for their wider work. These will be leading regulators, charities focusing on vulnerability and other organisations that have an interest in presenting numbers and data clearly.
- + **Research Partners:** Building out from the work in the first half of 2021, we are keen to work with more leading organisations, who will collaborate on some or all of the research themes suggested. They will benefit from each other's experience and collectively develop better ways to support customers who struggle with numbers.
- + **Commercial Partners:** Plain Numbers has proven capability to raise awareness, improve skills and increase customer understanding. We are here to enable firms to support customers who struggle with numbers – any firm that is interested in improving customer comprehension should get in touch.

We have unequivocally demonstrated that presenting numbers and data in a Plain Numbers way is the right thing for customers. Now we all need to make it happen.

Appendix: The Plain Numbers Approach

Plain Numbers exists to enable firms to take practical action to support customers who struggle with numbers. We intend to work with a range of partners to raise awareness of this to date largely hidden vulnerability and then help them to address it by implementing the Plain Numbers Approach consistently and with increasing impact over time.



The Approach is based on 3 key principles:

1.

Numbers themselves.

Numbers do not come naturally to (most!) humans. As historian Yuval Noah Harari argues 'Humans think in stories rather than facts, numbers or equations, and the simpler the story, the better'. SO: we need to represent facts, numbers or equations in ways that most humans can understand.

2.

Numbers in context.

The curse of knowledge is a cognitive bias that affects us all and is prevalent across all sectors. As Steven Pinker argues, this means that "we're more likely to overestimate the average reader's familiarity with our little world than to underestimate it." It is the "difficulty in imagining what it is like for someone else not to know something that you know." We need to avoid assuming the customer understands our context. We need to remove context-specific terminology surrounding the numbers and cater for a far lower level of context-specific knowledge than is currently implicitly assumed.

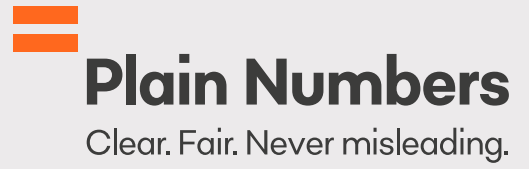
3.

How we think.

We are all bombarded with numbers and data every day; far too much for even the most quantitatively orientated human to systematically process. Instead, we process the vast majority of information with what Daniel Kahneman calls System 1 (fast) thinking, conserving our System 2 (slow) thinking for things that really matter or for things that we can't process with System 1. We need to come to a view as to whether the concepts, numbers and data we are presenting are for fast or slow consumption – and whether we want to do anything to change this

There is evidence from previous work⁵ suggesting that some interventions that are effective at improving financial capability overall, worked less well for those with low numeracy. We have incorporated this evidence into the Plain Numbers Approach to implement carefully chosen, seemingly small changes that generate substantial increases in comprehension.

5. https://www.nationalnumeracy.org.uk/sites/default/files/documents/Do_interventions_that_improve/national_numeracy_fincap_lab_report.pdf



Plain Numbers

Clear. Fair. Never misleading.

To find out more about
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