

# Payment Accounts Directive: services linked to payment accounts

## Qualitative Research

Consumer testing to help the FCA develop a provisional list of the most representative services linked to payment accounts in the UK

### **FINAL REPORT**

#### **Prepared for:**

Financial Conduct Authority

*The views expressed in this report are those of the authors and not necessarily those of the FCA*

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## 1 EXECUTIVE SUMMARY

Following the adoption of the Payment Accounts Directive (PAD) in the summer of 2014, the Financial Conduct Authority (FCA) identified a need for research in order to deliver consumer insight that would help them create a list of the most representative services linked to a payment account and subject to a fee that, in the spirit of PAD:

- Covers services that consumers find the most relevant
- Uses terminology that is easily understood by consumers
- Meets consumers' information needs and aids comparison between accounts.

The research comprised a programme of 8 consumer focus groups, each 2 hours long, with a total of 55 consumers taking part. Participants were selected to represent a spread of financial confidence, payment account types and providers, age, socio-economic grade and gender. One group was composed of non-native English speakers. The groups took place over a 2 week period in March 2015 and covered 4 locations; London, Leeds, Glasgow and Belfast.

The discussions briefly explored banking/payment account behaviours and then went on to test the terminology and definitions for twenty four different services linked to payment accounts.

At the end of the research and analysis, a list of suggested terms and definitions was produced for all twenty four services. These services were also ranked in order of their stated relevance to participants.

### Key findings

- The research showed a consistency around understanding and preferences for terms and definitions.
  - The main differences in understanding were largely based on age (generational gaps) and lifestage (where individuals had not experienced the need for certain services).
  - There was very little difference by location, by those with higher and lower financial confidence or by the native and non-native English speakers.
- The terms and definitions need to be clear, simple and brief.
  - Terms and definitions need to use consumer-friendly, everyday language, avoiding the use of jargon.
  - Terms should be kept brief and shouldn't become definitions themselves.

- Examples can be useful, but only in situations where the service is less familiar to consumers.
- Definitions which include fee information distract and confuse consumers.
  - References to fee information within the definition of the service complicated and impeded consumer understanding of the definition.
- Avoid the use of 'Sterling' given its lack of relevance in today's language.
  - Awareness and recognition of the term 'Sterling' was low, particularly amongst younger consumers and the non-native English speakers.
  - There was greater familiarity in Glasgow and Belfast due to the frequency with which they defend the use of their own bank notes in England.
- Ensure the definition is describing the relevant part of the service.
  - Where consumers are less familiar with the service, it is essential the definition highlights the relevant part of the service to the consumer, to aid understanding.
- Question the use and relevance of 'traditional' terms in current everyday language.
  - Some terms like 'direct debit' and 'standing order' are easily understood due to the frequency with which the services are used – even though the actual language does not clearly highlight what the service is. For other less familiar services such as 'special presentation of a cheque', it may be better to replace the term with one that reflects the service more accurately.
- Be consistent where appropriate.
  - If the terms and definitions are going to sit alongside each other for consumers to read it is important there is consistency throughout.

## 2 THE BACKGROUND: AN OVERVIEW

### 2.1 Context

In summer 2014 the Payment Accounts Directive (PAD) was adopted and published in the Official Journal of the EU.

The PAD will introduce EU-wide measures that banks and other providers of payment services will need to comply with. The measures focus on paid-for services associated with payment accounts used for day to day payment transactions, and aim to ensure greater transparency of fees, standardisation of information and ease of comparison between payment accounts. The objective of improving comparability of accounts is designed to increase customer mobility across Europe.

Chapter II of the PAD addresses the provision of fee information, and it is this area that this research will focus on. Articles 3-8 require providers of payment services (PSPs) to:

- provide clear information on the fees associated with the most representative, paid-for services linked to payment accounts
- ensure that fee information is provided using terminology that is, to a certain extent, standardised and in adherence to a standardised form

The fee information element of the PAD will result in a number of outcomes for consumers, including:

1. Two new standardised documents – a pre-purchase Fee Information Document (FID) and a Statement of Fees (SoF). Templates for these documents will be created by the European Banking Authority (EBA) and used by PSPs throughout the EU
2. The use of common terminology in all documentation when referring to main paid-for services linked to payment accounts. The same terminology will be used by all PSPs in the UK; some of the terminology will also be standardised at EU level
3. A glossary of definitions that describe the main paid-for services linked to a payment account, at least some of which will be standardised at EU level

*In the UK, the FCA has a key role to play in the development of the terms and definitions to be used in fee information documentation. The FCA needs to have drawn up a UK provisional list of services by September 2015. In order to do this the organisation has undertaken a programme of consultation. As part of this programme of work, the FCA commissioned Optimisa Research to conduct consumer testing of possible terminology. This report details the findings from that research.*

## 2.2 The project objectives

The overarching aim of the research was to deliver consumer insight that would help the FCA create a list that, in the spirit of the PAD:

1. Covers services that consumers find the most relevant
2. Uses terminology that is easily understood by consumers
3. Meets consumers' information needs and aids comparison between accounts

The core objective of the research was to test consumer understanding of potential terms and definitions used to describe paid-for services linked to payment accounts. To a lesser degree the research also sought to understand the role of payment accounts and the perceived relevance of the different services generally, and as far as possible to assess awareness of associated fees.

### 3 METHODOLOGY

The research comprised a programme of 8 consumer focus groups each lasting 2 hours. Fifty five consumers in total participated; all held a payment account and 2 also held e-money accounts. Participants were selected to represent a spread of:

- Financial confidence – higher and lower\*
- Payment account providers – a range
- Account type – basic, standard, packaged/premium and e-money
- Age and socio-economic grade
- Males and females

One group was composed of non-native English speakers, to assess the impact of the terms being tested on comprehension for those for whom English is not the first language.

The research was conducted over a 2 week period in March 2015 and covered 4 locations across the UK; London, Leeds, Glasgow and Belfast.

The discussions briefly explored banking/payment account behaviours then went on to test the terminology and definitions for twenty-four different services linked to payment accounts.

\* Financial confidence was derived from a series of attitudinal statements provided by the FCA and self-selected by research participants at the recruitment stage.

## **4 KEY FINDINGS**

### **4.1 Differences by subgroups**

This section looks at where differences in understanding and relevance of the services were apparent among the audiences included in this research.

In summary, while some differences were noted within particular groups, for example with the non-native English speakers, in general the findings relating to their understanding and relevance of the different services remained consistent across the different groups. Further detail is provided below.

#### **4.1.1 Impact of age and life stage rather than financial confidence**

One hypothesis considered before the research was that those with lower financial confidence might find certain terms and definitions harder to understand. The research however showed that the main difference between those with higher or lower financial confidence was self-awareness of their own (lack of) knowledge. Those who claimed to be less financially confident were aware that they didn't understand some of the services available and the related terms/definitions. However, those who claimed to be more financially confident often assumed they had understood but then demonstrated a lack of understanding in some instances – for example, when describing the difference between direct debits and standing orders.

The research revealed that the main factor in differing levels of understanding lay with the respondents' age and/or experience. In some instances, the differences could be attributed to generational gaps. For example, many of the younger participants had never written a cheque, and few regularly receive paper statements. In other instances, the differences related more to life stage. For example, where consumers were yet to make larger purchases such as a property or a car, they had little/no experience or understanding of 'banker's drafts' and many had never heard the term.

#### **4.1.2 Differences in Scotland and Northern Ireland**

The research took place in England, Scotland and Northern Ireland and across all locations, understanding of the various terminology and definitions being tested was consistent. The differences noted were related to everyday, informal language in Scotland and Northern Ireland (compared to England). For example, in Northern Ireland, some consumers referred to withdrawing cash from a cash machine as 'lifting money'. In addition, some referred to making 'lodgements' instead of making deposits into their account. Despite these differences in everyday language, all were familiar with and understood the more traditional terms used.



Another geographical difference was that participants in Northern Ireland were more familiar with some of the services relating to foreign currency. This appeared to be due to the frequency of cross border travel to the Republic of Ireland and the resulting use/need to change between pounds and euros.

The research also revealed a potential difference between consumers' awareness, understanding and usage of unauthorised overdrafts according to location. While most participants in England and Scotland were aware of this service, those in Northern Ireland appeared less familiar with the ability to take money out of their payment accounts when they had no funds in the account or had exceeded an agreed overdraft facility. It was unclear whether this was a genuine regional difference or simply specific to the individuals we spoke to in the two Northern Ireland groups.

"I'm sure if you went to take cash out of an ATM, there'd be a stop on that, but maybe if you paid with a debit card, with the delay, I don't think that could be stopped so that might be it?"

Higher financial confidence, Belfast

"My bank gave me an overdraft and I hadn't agreed to it; then I unknowingly went into it one night. I changed banks after that."

Lower financial confidence, Belfast

#### 4.1.3 Non-native English speakers

The research involved speaking to one group of non-native English speakers. Within this group, there was a wide range of verbal and literacy competency in English. As a result, some failed to recognise many of the terms, and attempted to derive the meaning based on their understanding of the same words when used in a general rather than a financial services-specific context. For example, 'paid item fee' was a preferred term as the participants understood 'item' in the context of what they buy in a shop. This 'translation' of the term can however inhibit comprehension of the specific service, for example with 'planned overdraft'. The non-native English speakers in the research understood the word 'planned' but not in the context of an overdraft. Because of this, they tended to miss the nuance of 'planned **with** your bank' and instead viewed it as the consumer independently planning to have an overdraft.

In addition, the research showed that wordier terms e.g. those which were more of a descriptor such as 'Allowing a payment despite insufficient funds being available', were

seen as more difficult to understand. Shorter terms, for example with just one or two words, allowed for easier comprehension.

Throughout this document, differences in understanding, preferences and relevance between non-native English speakers and the rest of the participants have been highlighted. However, further research would be needed if more detailed findings would be required for this group in particular.

Additionally, the table below lists the words that the non-native English speakers found easier or more difficult to understand;

Familiar words		Less familiar words	
Account	Outside the UK	Currency	Reference
Fee	Foreign	Transaction	Banker's draft
Pay or Payment	Transfer	Purchase	Authorised
Agree	Money	Sterling	Unauthorised
Cancelling	(Unplanned)*	For instance	
Withdrawal	(Planned)*	e.g.	
£ or pounds or GBP		Abroad	

Table 1: Table showing the words with which the non-native English speakers were more or less familiar/found easier or more difficult to understand

\*Words marked with an \* are words that the non-native English speakers understood but only in a general conversational context rather than within the financial services context e.g. they didn't understand the nuance of planning the overdraft **with** the bank.

While it is important to be mindful of keeping the language **simple** for *non-native* English speakers, the research found that **clarity** for *native* speakers is just as important. In some instances it is difficult to find simple alternatives for some of the terms and by trying to use simpler language to help non-native speakers, this can actually complicate the term and/or definition, impacting on its clarity for native speakers. In this context, the research also found that in instances where an individual's verbal/literacy English skills were low, they were likely to use friends and/or family for support i.e. they didn't necessarily expect to understand everything themselves but would often enlist help when visiting a bank or reading financial materials.

## 4.2 Denomination terminology

Some of the terms and definitions tested in the research incorporated the term 'Sterling' as a way of describing UK currency. Across the majority of the participants, this was felt to be an archaic term and unnecessarily formal. The general view was that it does not reflect how people think or speak in today's world.

Younger consumers and the non-native English speakers in particular were unfamiliar with the word, especially when it was used in isolation i.e. 'Sterling' rather than 'Pounds Sterling'. 'British Pounds' or GBP were more recognisable – perhaps in the case of the non-native English speakers because GBP is often used on money transfer sites.

"Just 'pounds' works. Everybody knows what pounds are"

Non-native English speaker, Leeds

"I've never heard of that. I wouldn't know what that was"

Lower financial confidence, Leeds

Familiarity with the term Sterling was greater in Scotland and Northern Ireland, although not always with positive connotations. Consumers made references to having to defend the use of their own bank notes in England i.e. when challenged over whether the bank notes they were offering for payment were legal tender.

"[You often have to say] It is Sterling you know!"

Higher financial confidence,  
Glasgow

"I think of myself as lifting pounds out of the cash machine but I'd understand Sterling if it was something more formal"

Lower financial confidence, Belfast

Overall the research suggested that referring to UK currency simply as Pounds or as British Pounds if necessary, is clearer for consumers.

## 4.3 Inclusion of fee information

The stimulus materials used in the research showed a range of terms and a definition for each service tested. In some cases, the definition included information about fees in relation to the service. Where fee information was incorporated into the service definition, this clouded consumer understanding of the service, as participants were distracted, raising questions in their minds about how the fees work, how much the fees would be and the fairness of the charging structure. This revealed the importance

of keeping fee information separate from the service definition and where service terms and definitions are presented in a table format, it is crucial that the fee information features in a separate column from the definition (see appendix).

#### 4.4 Stated relevance of services

The table below shows the stated relevance of the services discussed in the groups. This was derived from a self-completion exercise where respondents were asked to rate using a scale of 1-3 how relevant each service was to them personally. The resulting scores were then analysed in conjunction with the ensuing group discussions to identify a hierarchy of perceived relevance.

1. Direct debit payment	High
2. Withdrawing £ in the UK	High
3. Debit card payment in £	High
4. Standing order payment	High
5. Account management	High
6. Authorised overdraft	High
7. Sending money from your account to another account in the UK	High
8. Unauthorised overdraft	High
9. Withdrawing foreign currency when abroad	Medium-High
10. Debit card payment not in £	Medium-High
11. Allowing a payment despite insufficient funds being available	Medium
12. Stopping a payment because of insufficient funds	Medium
13. Sending money abroad from your account	Medium
14. Cancelling a cheque	Medium-Low
15. Receiving money from abroad into your account	Medium-Low
16. Withdrawing foreign currency in the UK	Medium-Low
17. Issuing a banker's draft	Low
18. Providing a copy of an old statement	Low
19. Receiving statements more often than standard	Low
20. Withdrawing £ outside of the UK	Low
21. Banker's reference	Low
22. Providing a copy of a paid cheque	Low
23. Paying in a foreign cheque	Low
24. Special presentation of a cheque	Low

Table 2: Table showing the stated relevance of the services

While there are some services that feature lower down the relevance scale, they will require further clarification for consumers regardless of how relevant they are perceived to be. Examples include 'issuing a banker's draft' (17) and 'special presentation of a cheque' (24).

## 5 SERVICE TERM AND DEFINITION EVALUATION

Section 5 sets out the results of the evaluation of the terms and definitions tested for each of the twenty-four services. For each service, the report outlines:

- How relevant the services are perceived to be by consumers
- Response to the terminology used
- Clarity of the definition
- Recommended term and definition based on the findings

In order to avoid confusion and help combat participant fatigue, the services were tested in 'groups' i.e. the services were grouped together with other services of a similar nature. In this report the services appear in the order they were tested, not in order of consumers' perceived relevance or clarity:

- Overdrafts
- Payments with insufficient funds
- Cash withdrawals
- Debit card payments
- Transferring money
- Cheque services
- Other services – account management, standing order, direct debit, providing a copy of an old statement, receiving statements more often than standard

The titles used for the services under each of these sections have been used to identify the service rather than indicate the preferred term. Evaluation of the tested terms and consumer preferences are discussed in the body of each section.

### Explanation of diagrams used in this document

**Relevance scores** represent the perceived relevance by participants of the service tested. Average scores were taken from ratings provided by consumers and adjusted where appropriate based on the ensuing discussion and our analysis



**Clarity scores** represent our evaluation of how clear the definition is in its current form based on the discussions in the focus groups.

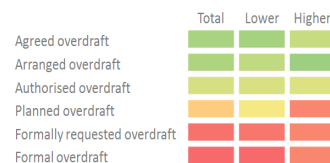


For both relevance and clarity scores, green means relevant / clear and red means not relevant / unclear.

**Original definition with key points of interest highlighted:**  
Green indicates particularly clear language, whilst red indicates areas that need improvement

**Definition**  
When we agree in advance that you can borrow a certain amount of money once you have no money left in your account. **Costs might include an overdraft set up fee, an overdraft renewal fee, overdraft usage fees and overdraft interest.**

**Heat map of preferred terms:** Participants were given a series of alternative terms that could be used to describe each service. Based on ratings provided by participants, green indicates the more preferred terms, through to red for the least well received. Ratings are displayed at a total level then split out to show the ratings for the higher and lower financially confident participants. Where only one term is available, we have indicated how comfortable consumers were with this term.



## OVERDRAFTS

### 5.1 Authorised overdrafts

#### 5.1.1 Relevance of service

Awareness and perceived relevance of ‘authorised overdrafts’ was high across all the groups but not all participants had a facility themselves. Among those who had an overdraft facility, usage was mixed. Some were living in their overdrafts from day-to-day and saw it as an extension of their own funds rather than something they were ‘borrowing’. However, not all were using an ‘authorised overdraft’ facility in this way. Some saw it as a buffer which they felt uncomfortable about using. This is particularly relevant when evaluating their reactions to the terms, in particular ‘planned overdraft’. Those who saw the overdraft as a ‘buffer’ were uncomfortable about referring to it as ‘planned’ – it should only be used in an emergency in their view.



Figure 1: Scale showing relevance of ‘authorised overdrafts’ to participants

#### 5.1.2 Awareness of fees

There was evidence of a lack of clarity around exactly what participants were paying for this service – some believed their overdraft to be free, others reported that they paid a small fee each month and some thought they paid a fee only if they went into their overdraft (potentially confusing it with unauthorised overdraft fees). This highlighted some lack of clarity around charging structures for overdrafts.

### 5.1.3 Terminology evaluation

The terms ‘agreed overdraft’ and ‘arranged overdraft’ were equally popular – these were familiar terms in consumer-friendly language. They were also felt to describe the service clearly and simply.

	Total	Lower	Higher
Agreed overdraft	Green	Green	Green
Arranged overdraft	Green	Green	Green
Authorised overdraft	Light Green	Light Green	Light Green
Planned overdraft	Yellow	Yellow	Red
Formally requested overdraft	Red	Red	Red
Formal overdraft	Red	Red	Red

Table 3: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

While some participants liked ‘planned overdraft’ as an alternative, many felt it sounded too ‘intentional’ i.e. the consumer planned to need an overdraft when, in reality, it was felt to be something banks offer in case consumers need to use it. As such, ‘planned overdraft’ doesn’t sit well with those who see this as a back-up or among the more financially confident.

‘Authorised overdraft’ was a familiar term to the majority of participants and was slightly favoured by some. However most felt it was too serious and bank-like, with more consumer-friendly terms preferred. ‘Formal overdraft’ and ‘formally requested overdraft’ were less familiar to participants and, like ‘authorised overdraft’, they were rejected because they sounded too official and the type of language used by banks.

### 5.1.4 Definition evaluation

**Definition**

When we agree in advance that you can borrow a certain amount of money once you have no money left in your account. **Costs might include an overdraft set up fee, an overdraft renewal fee, overdraft usage fees and overdraft interest.**



Figure 2: Scale showing clarity of definition for ‘authorised overdraft’

All groups felt the first sentence of the definition was very clear although there was some discussion around the use of ‘borrow’, as not all respondents viewed their overdraft usage as borrowing; some saw the facility purely as an extension of their own funds.

The effort made to be transparent regarding the types of fees associated with overdrafts led to some confusion. ‘Costs might include...’ was considered too vague and consumers wanted to know for definite if there were costs and what these would be. While most participants were reasonably comfortable with the idea of an overdraft set up fee, overdraft usage fees and interest, an overdraft renewal fee was less familiar. Respondents called for this part of the definition to be simplified, for

example stating that ‘there will be a cost for using your overdraft’, without the need to break this down further.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

### Recommended term/definition

#### **Agreed overdraft**

When we agree in advance that you can borrow a certain amount of money once you have no money left in your account

## 5.2 Unauthorised overdrafts

### 5.2.1 Relevance of service

Awareness of ‘unauthorised overdrafts’ was relatively high although as already discussed in section 4.1.2 there was some evidence in Northern Ireland of less familiarity with this service. Many of the respondents in the Belfast groups didn’t believe they were able to take money out of their account once they had insufficient funds or once they had reached their overdraft limit.

While many in other groups were aware of this service, relevance was quite low, partly because of an emotional response. Some participants didn’t *want* to need this service, while others said they wouldn’t ever be in a situation where they would need to use the service.

There was additionally some evidence of participants confusing ‘authorised’ and ‘unauthorised overdrafts’. In instances where individuals went over their overdraft limit by a small amount and temporarily, not all saw this as an ‘unauthorised overdraft’ – as they have an agreed overdraft on which they have accidentally exceeded the limit.



Figure 3: Scale showing relevance of ‘unauthorised overdrafts’ to participants

*What affects whether I ‘might’ be charged all these things? I’d prefer to know exactly what I’m paying for*

Lower confidence, Leeds



### 5.2.2 Awareness of fees

There was no real awareness of specific fees relating to this service, although all expected there to be ‘penalties’ for going into an ‘unauthorised overdraft’.

### 5.2.3 Terminology evaluation

	Total	Lower	Higher
Unauthorised overdraft	Green	Green	Green
Unplanned overdraft	Light Green	Light Green	Light Green
Unarranged overdraft	Yellow	Yellow	Yellow
Unagreed overdraft	Orange	Orange	Orange
Informally requested overdraft	Red	Red	Red
Informal overdraft	Red	Red	Red

Table 4: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

The term ‘unauthorised overdraft’ was felt to be the most appropriate term for this service as, although quite formal, this formality was considered essential for this type of service. Words like ‘unplanned’, ‘unarranged’ and ‘informal’ sounded more

*‘Unauthorised’ is quite bank speaky, but you don’t want to encourage people to go into it anyway*

Lower confidence, London

consumer-friendly but reduced the seriousness of the situation in the eyes of participants.

The term ‘unagreed overdraft’ was disliked and criticised; it was not considered to be correct English.

### 5.2.4 Definition evaluation

**Definition**

When we allow you to borrow money if you have no money left in your account and you don't have a pre-arranged overdraft or you have gone past the limit of your pre-arranged overdraft. Costs might include overdraft usage fees and overdraft interest.



Figure 4: Scale showing clarity of definition for 'unauthorised overdraft'

The first part of the definition confused a number of participants. The reference to ‘...and you don’t have a pre-arranged overdraft’ was felt to be unnecessary and complicated. Simplifying to say ‘if you have no money left in your account or you have gone past the limit of your pre-arranged overdraft’ sufficiently explained the service.

Related to this, it is important to ensure consistency with regard to the term used to describe the authorised overdraft limit. If the decision is made to use the suggested term ‘agreed overdraft’, then the definition for ‘unauthorised overdraft’ should include ‘...or you have gone past the limit of your *agreed overdraft*’.

The same issues existed around the transparency of the associated fees, as with ‘authorised overdrafts’, although in that instance the usage fees and interest were familiar charges and therefore sat more comfortably with participants. Participants spontaneously called for consistency between the two definitions, i.e. that these should refer simply to ‘there will be costs included for using this service’.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Unauthorised overdraft**  
When we allow you to borrow money if you have no money left in your account, or you have gone past the limit of your agreed overdraft

## PAYMENTS WITH INSUFFICIENT FUNDS

### 5.3 Allowing a payment despite insufficient funds being available

#### 5.3.1 Relevance of service

There was mixed awareness, and hence perceived relevance, of this service. Some consumers were aware that payments can be stopped but not that they can be allowed despite a lack of funds. Those who were struggling financially or who were less organised with their finances were more familiar with this service.



Figure 5: Scale showing relevance of ‘payments with insufficient funds’ to participants

Those with more apparent disposable income or who appeared to be more organised in managing their money had no experience of this service and were surprised that payments were allowed when there were insufficient funds in the account.

The participants in Belfast were less familiar with this service; whether this was due to differences in attitudes to (or skill in) managing money compared to the other research locations or something specific to the individuals in the groups is unclear.

#### 5.3.2 Awareness of fees

A minority of participants were aware of a fee relating to this service – this was generally limited to those who had experienced the service at first hand. These

participants recalled having been given a ‘penalty charge’ for the letter notifying them of the payment going through without funds. Others, while unaware of a specific fee per se, expected that there would be some sort of charge applied. This was considered acceptable as it was thought that this would avoid any possible charges from a third party (the payee) – something that a small number of participants had experienced or heard of.

When looking at the details of this service, questions were raised by participants around the crossover between this and an ‘unauthorised overdraft’ – in particular in relation to the charges. Many feared – and expected – that they would be charged twice; once for going into their ‘unauthorised overdraft’ and then again for the bank allowing a payment to go through.

### 5.3.3 Terminology evaluation

	Total	Lower	Higher
Accepting a payment despite insufficient funds being available	Light Green	Light Green	Light Green
Paid transaction fee	Light Green	Light Green	Light Green
Paid item fee	Yellow	Light Green	Orange
Paid referral fee	Red	Red	Red

*Accepting a payment sounds like you'll get the money, even if the other person paying doesn't*

Higher confidence, London

Table 5: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

The most popular term for this service was ‘accepting a payment despite a lack of funds’. Although many felt it was lengthy and almost bordered on being a definition, it was also felt to be the most self-explanatory. To ensure maximum clarity, consumers suggested this could be adapted to say ‘allowing a payment...’ because ‘accepting a payment...’ could be misinterpreted as describing money that is being paid into the consumer’s account. In addition, it was felt that ‘...despite a lack of funds’ was more consumer-friendly than ‘...despite insufficient funds being available’, particularly among the non-native English speakers who were less comfortable with ‘insufficient’.

The other terms tested were liked for their brevity but both ‘paid transaction fee’ and ‘paid item fee’ required the definition to be seen alongside the term to ensure understanding. This was less essential if the consumer had previous experience of the service and therefore had a better understanding of such terms. ‘Transaction’ was liked across the board as it was a familiar term to describe a financial interaction between two individuals/companies. However, this was not a familiar word among the non-native English speakers.

'Item' was liked among those with lower financial confidence and the non-native English speakers as it is a familiar word they use in general everyday language. However, some participants with higher financial confidence objected to this word as they felt it was too generic.

'Paid referral fee' was rejected by all as it wasn't felt to accurately convey what the service was.

#### 5.3.4 Definition evaluation

**Definition**

When we allow a payment to be made from your account when there is not enough money in your account (or it takes you past your pre-arranged overdraft limit).



Figure 6: Scale showing clarity of definition for 'payments with insufficient funds'

The definition for this service was well received as it clearly and succinctly explained the key elements of the service in consumer friendly language. However, it is essential there is consistency with other related terms and definitions. For example, it needs to be consistent with the chosen term for 'authorised overdraft'. The research suggested that this term should be 'agreed overdraft' and therefore the definition for 'allowing a payment...' should include this i.e. '...or it takes you past your *agreed overdraft* limit'.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Allowing a payment despite a lack of funds**  
When we allow a payment to be made from your account when there is not enough money in your account (or it takes you past your agreed overdraft limit)

## 5.4 Stopping a payment because of insufficient funds

### 5.4.1 Relevance of service

Awareness of ‘stopping a payment...’ was marginally higher than for ‘allowing a payment’, however it was still heavily influenced by whether an individual had direct experience of having a payment stopped.



Figure 7: Scale showing relevance of ‘stopping a payment because of insufficient funds’ to participants

Participants were less comfortable with this service, the majority preferring their bank to *allow* rather than *stop* a payment. This may be explained by the fact that the term was perceived by some as a refusal of service rather than a service. This in turn affected how relevant participants felt the service was to them. Scores given for relevance were slightly lower for ‘stopping’ than for ‘allowing’; from the ensuing discussions this seemed to be influenced by a negative emotional response rather than a straightforward assessment of relevance.

As with ‘allowing a payment...’, participants in Belfast were less familiar with this service; again, it was not clear why this should have been the case.

### 5.4.2 Awareness of fees

As with ‘allowing a payment’, a minority of participants were aware of a fee relating to ‘stopping a payment...’. Awareness was again limited to those who had experienced it and again it was framed as a charge levied for issuing the notification letter rather than a fee per se. Other participants, while unaware of any specific fees, expected that there would be a charge. They also expected a charge from the third party – the intended payee who wouldn’t receive payment.

### 5.4.3 Terminology evaluation

‘Stopping a payment due to insufficient funds’ was the preferred term for this service. While it was felt to be more of a descriptor than a term, it clearly explained the service.

A close second to this was ‘declined transaction fee’, largely because the word ‘declined’ was a very familiar banking term to participants, typically

	Total	Lower	Higher
Stopping a payment due to insufficient funds	Light Green	Light Green	Light Green
Declined transaction fee	Yellow-Green	Light Green	Yellow
Unpaid item fee	Orange	Yellow	Orange
Unpaid transaction fee	Orange	Yellow	Orange
Returned item fee	Red-Orange	Orange	Red

Table 6: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

referenced in the context of a card being declined for example in a shop. In addition, the word 'transaction' was seen as a common word for describing the financial interaction between individuals/companies.

However, to ensure consistency with 'allowing a payment...' the research suggested that 'stopping a payment...' should be used.

The other terms tested were again liked for their brevity but 'unpaid transaction fee', 'unpaid item fee' and 'returned item fee' required the definition alongside the term to ensure understanding. Similarly to 'allowing a payment despite insufficient funds', these terms were more familiar to those who had some experience of these services.

'Item' was again more popular with those less financially confident and with non-native English speakers as it is a more familiar word in the context of everyday language. Those with higher financial confidence again objected to this word as they felt it was too generic.

#### 5.4.4 Definition evaluation

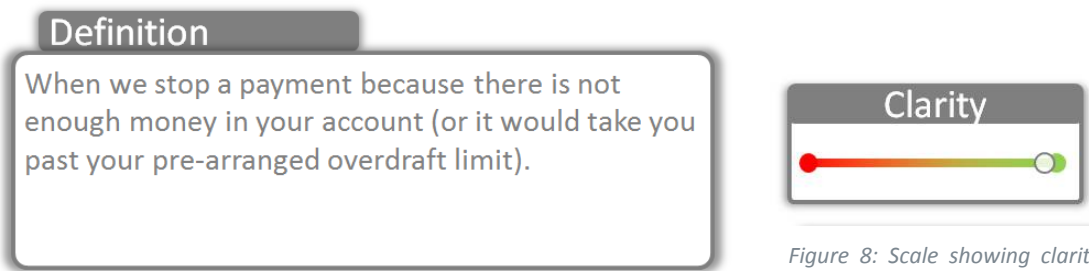


Figure 8: Scale showing clarity of definition for 'stopping a payment because of insufficient funds'

The definition for 'stopping a payment...' was considered very clear but again the key is to ensure consistency with the terms and/or definitions of related services; for example, using the suggested term for 'authorised overdraft' in the definition for 'stopping a payment...'. If the suggested term 'agreed overdraft' is chosen, the definition here should read '...or it would take you past your *agreed overdraft* limit'.

*It's like a bounced direct debit isn't it...when you've got no available funds*

Lower confidence, Leeds

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Stopping a payment due to a lack of funds**

When we stop a payment because there is not enough money in your account (or it would take you past your agreed overdraft limit)

**CASH WITHDRAWALS**

**5.5 Withdrawing £ in the UK**

**5.5.1 Relevance of service**

This was one of the most relevant services tested in the research. All participants were very familiar with this service and were using it regularly.

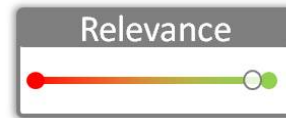


Figure 9: Scale showing relevance of 'withdrawing £ in the UK' to participants

**5.5.2 Awareness of fees**

The majority of participants believed that most banks do not charge for using their cash machines, for taking money out in branch or via a Post Office. There was widespread awareness that some independent cash machines do charge a fee for withdrawing money, although the consensus was that these are less common – and less commonly used by the respondents – and usually situated in pubs, convenience stores or amusement arcades.

**5.5.3 Terminology evaluation**

The majority of participants felt that 'cash withdrawal in £ in the UK' was the clearest term, despite being quite wordy for a simple service.

The word 'Sterling' met with mixed responses, with those in Scotland and Northern Ireland

being more accepting of its use but still unlikely to use the term very often themselves. Participants in the other locations found 'Sterling' archaic and old fashioned. This was particularly the case for the less financially confident and for younger consumers who

	Total	Lower	Higher
Cash withdrawal in £ in the UK	Green	Green	Light Green
Sterling cash withdrawal in the UK	Light Green	Orange	Green
Sterling ATM withdrawal in the UK	Light Green	Yellow	Light Green
Sterling cash machine withdrawal in the UK	Orange	Red	Light Green

Table 7: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence



were uncomfortable with its use, especially in isolation i.e. not 'Pounds Sterling' which felt more familiar.

The terms that included 'ATM' or 'cash machine' and no other channel were not felt to capture the entirety of the service, given the ability to withdraw money over the counter in bank branches and Post Offices.

#### 5.5.4 Definition evaluation

**Definition**

When you **withdraw sterling** using a cash machine, bank **branch** or Post Office **branch located** in the UK.



Figure 10: Scale showing clarity of definition for 'withdrawing £ in the UK'

The definition was considered very clear as 'withdraw' is common language in this context. While some in Northern Ireland used more colloquial language for this, for example 'lifting' money, everyone understood what was meant by 'withdraw'.

As highlighted in Section 4.2, more thought needs to be given to the term used to describe the currency used in the UK. 'Sterling' was not a popular term, with the majority preferring 'Pounds', 'British Pounds' or simply '£'.

*This is all a bit patronising really – it's just taking money out!*

Higher confidence, London

It was also felt that the definition could be simplified by removing 'branch' and 'located' so that it reads 'using a cash machine, bank or Post Office in the UK'. The removal of 'branch' and 'located' would also make the definition clearer for non-native English speakers.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Withdrawing £ in the UK**  
When you withdraw British Pounds at a cash machine, bank or Post Office in the UK



## 5.6 Withdrawing £ outside of the UK

### 5.6.1 Relevance of service

'Withdrawing £ outside of the UK' was felt to be much less relevant for most participants than 'withdrawing £ *in* the UK'.



Figure 11: Scale showing relevance of 'withdrawing £ outside of the UK' to participants

This lack of understanding/relevance was not surprising, as the concept of needing to access British currency abroad was quite an alien concept for most groups. The exception was Northern Ireland where participants were regularly moving between North and South and withdrawing pounds and euros on both sides of the border.



### 5.6.2 Awareness of fees

As there was limited awareness of this service, there was also limited awareness of any associated fees. However, the research showed that participants generally expected some form of charge for foreign currency transactions, be that transaction fees or currency conversion commission. Logically, 'withdrawing £ outside of the UK' would be considered in the same way, but in the setting of the group discussions this connection was not made by participants.

### 5.6.3 Terminology evaluation

Overall, 'cash withdrawal in £ outside the UK' was the most popular term, but some more financially confident participants tended to have a slightly more lukewarm response to the term. Instead, they preferred 'Sterling cash withdrawal abroad'.

	Total	Lower	Higher
Cash withdrawal in £ outside of the UK	Green	Green	Yellow
Sterling cash withdrawal abroad	Yellow	Orange	Green
Sterling cash machine withdrawal abroad	Orange	Red	Yellow
Sterling ATM withdrawal abroad	Orange	Red	Yellow

Table 8: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

As previously discussed however, other respondents were not comfortable with/found 'Sterling' less clear. Given that those objecting to 'cash withdrawal in £ outside the UK' understood the term despite not liking it, the research concluded that overall 'cash withdrawal in £ outside the UK' is the best option as the term most easily understood by most participants.

The other terms that used 'Sterling' also proved less popular generally; 'Sterling cash machine withdrawal abroad' and 'Sterling ATM withdrawal abroad' were preferred

only by a minority. In addition, both of these terms were felt to infer that ATMs or cash machines are the only way to withdraw cash, while the definition suggested that it is also possible to do so in-branch.

The term 'abroad' also created confusion for some participants, with uncertainty as to whether or not locations such as the Channel Islands, and Northern / Republic of Ireland counted as 'abroad'.

Despite not being officially tested, many participants commented that they preferred 'withdrawing £ outside of the UK' which appeared in the stimulus materials as a heading for the service. This term was considered clear by all groups and fairly succinct. It was also felt to be consistent with 'withdrawing £ in the UK'. As already discussed, consistency – as far as practicable – was spontaneously called for across all of the terms and services being tested.

#### 5.6.4 Definition evaluation

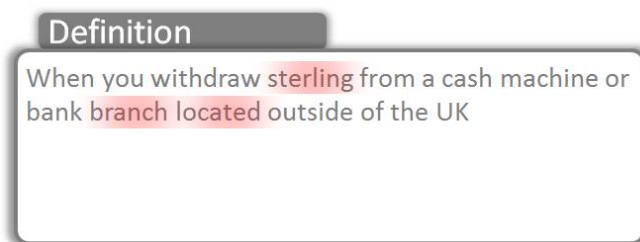


Figure 12: Scale showing the clarity of definition for 'withdrawing £ outside of the UK'

Despite the idea of 'withdrawing UK currency outside the UK' being an unfamiliar concept to many participants, the definition itself was generally very clear to the majority. There were, however, two minor issues that appeared to prevent the definition from being as clear as it could be. Firstly, 'Sterling' could be replaced by a term that all participants were more familiar with, for example 'British Pounds' or '£'. Secondly, the words 'branch' and 'located' were not always easy for non-native English speakers; both words could be removed without any detriment to consumer understanding of the service.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Withdrawing £ outside the UK**  
 When you withdraw British Pounds from a cash machine or bank outside the UK

## 5.7 Withdrawing foreign currency in the UK

### 5.7.1 Relevance of service

‘Withdrawing foreign currency in the UK’ was not felt to be especially relevant for many participants.



Figure 13: Scale showing relevance of ‘withdrawing foreign currency in the UK’ to participants

Many associated obtaining foreign currency more readily with bureaux de change and/or the Post Office, and did not intuitively see this as a cash withdrawal or by extension as a payment service.

### 5.7.2 Awareness of fees

Again, awareness of fees was low, predominantly due to the fact that few participants were using this service. The minority who had done so thought there would be charges on the exchange rate and potentially commission, but did not think explicitly in terms of fees. The majority who hadn’t ‘withdrawn foreign currency in the UK’ expected that any transactions involving foreign currencies would incur some form of fee or charge.

### 5.7.3 Terminology evaluation

	Total	Lower	Higher
Foreign currency withdrawal in the UK			
Foreign cash withdrawal in the UK			
Cash withdrawal in the UK not in £			
Non-sterling cash withdrawal in the UK			
Foreign cash fee			
Non-sterling ATM withdrawal in the UK			
Non-sterling cash machine withdrawal in the UK			

Table 9: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

'Foreign currency withdrawal in the UK' was the preferred term across all the groups.

The language was perceived to be simple and clear by all, including the less financially confident and non-native English speakers.

The pattern of ratings was mostly determined by the term used to describe money. 'Foreign currency' was preferred to 'foreign cash', which was deemed too informal and did not sound familiar. 'Non-sterling' was not popular or seen as easy to understand, for the same reasons as 'Sterling'.

*What's a foreign cash fee?  
It doesn't sound like the  
same thing as the others.*

Lower confidence, Leeds

#### 5.7.4 Definition evaluation

##### Definition

When you withdraw money from a cash machine in the UK but in a currency other than sterling.

##### Clarity



Figure 14: Scale showing clarity of definition for 'withdrawing foreign currency in the UK'

Similarly to 'withdrawing £ outside the UK', the concept was slightly alien to many participants, but the definition itself was felt to be both clear and succinct, and the language was seen as simple and easily understood by all. The only suggestion for increasing clarity would be to replace 'other than Sterling' with 'foreign currency'. The inclusion of 'from a cash machine' was not felt to aid understanding as the terms did not consistently refer to machine withdrawals. Unless the service refers strictly to cash machines, it was felt that this could be removed to make the definition shorter and clearer.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

##### Recommended term/definition

**Foreign currency withdrawal in the UK**  
When you withdraw foreign currency *from a cash machine* in the UK

*N.B. remove 'from a cash machine' if can also be done elsewhere*

## 5.8 Withdrawing foreign currency when abroad

### 5.8.1 Relevance of service

‘Withdrawing foreign currency when abroad’ was more relevant to research respondents than ‘withdrawing £ outside the UK’, or ‘foreign money in the UK’, as this service is commonly used when abroad.



Figure 15: Scale showing relevance of ‘withdrawing foreign currency when abroad’ to participants

### 5.8.2 Awareness of fees

Given this relevance, awareness of fees was slightly higher. However, ambiguity around these fees remained – there was an awareness of charges like the exchange rate and commission, but this was the extent of their knowledge.

### 5.8.3 Terminology evaluation

‘Foreign currency withdrawal abroad’ was the preferred term tested by quite a substantial margin. This was due to the factors mentioned when testing ‘withdrawing foreign currency in the UK’ i.e. ‘cash’ was deemed too informal and less familiar than ‘currency’, and the term ‘sterling’ was not familiar to all. ‘Cash withdrawal outside the UK not in £’ was considered too wordy, and ‘not in £’ was felt to not work as well as ‘foreign currency’.

	Total	Lower	Higher
Foreign currency withdrawal abroad	Green	Green	Green
Foreign ATM cash withdrawal	Yellow-Green	Yellow-Green	Yellow-Green
Cash withdrawal outside the UK not in £	Yellow	Yellow	Yellow
Non-sterling cash withdrawal abroad	Orange	Orange	Orange
Non-sterling ATM withdrawal outside the UK	Red-Orange	Red-Orange	Red-Orange

Table 10: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

The research also suggested the use of ‘outside of the UK’ instead of ‘abroad’. Doing so will increase consistency (ultimately aiding contrast between the different terms), as well as avoiding any potential ambiguities around what ‘abroad’ entails.

#### 5.8.4 Definition evaluation

**Definition**

When you withdraw currency other than sterling from a cash machine outside of the UK



Figure 16: Scale showing the clarity of definition for 'withdrawing foreign currency when abroad'

Continuing the theme with the other withdrawal services discussed, the definition itself was felt to be clear, helped in this case by the relevance and simplicity of the service. Again, the only issues in this definition were around the use of 'Sterling' and the inclusion of 'from a cash machine'. 'Sterling' was not familiar to all and 'from a cash machine' was felt to be potentially inaccurate (if the service also allows consumers to withdraw foreign currency over the counter in bank branches).

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

Why say 'currency other than sterling' when you can just say 'foreign money?' Everyone will get that

Lower confidence, Leeds

**Recommended term/definition**

**Foreign currency withdrawal outside the UK**  
 When you withdraw foreign currency from a cash machine outside the UK

*N.B. remove 'from a cash machine' if can be done elsewhere*

### DEBIT CARD PAYMENTS

#### 5.9 Debit card payments in £

##### 5.9.1 Relevance of service

'Debit card payments in £' were seen as a very relevant, day-to-day service for all the participants. While some preferred to use cash, the majority of consumers included in the research were using this service very frequently.



Figure 17: Scale showing relevance of 'debit card payments in £' to participants

##### 5.9.2 Awareness of fees

There was no awareness of fees among the vast majority of consumers, as most believed that charges for debit card payments are very rare in the UK banking market.

However, such fees can and do exist in the context of some e-money accounts, although none of the e-money account holders covered in the research made reference to this.

### 5.9.3 Terminology evaluation

While all terms tested were generally understood, ‘debit card payment’ was clearly the preferred term across all research participants. This was due to two factors. First, it was the only tested term for this

	Total	Lower	Higher
Debit card payment in £	Green	Light Green	Green
Sterling debit card payment	Yellow	Light Green	Orange
Paying by debit card in sterling	Orange	Orange	Yellow

Table 11: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

service that did not include ‘Sterling’; a less familiar word for many. Second, it was the shortest term – consumers generally had a preference for briefer terms, as long as no clarity was lost in the process.

Consistency across the terms for services is important and so, if ‘£’ is replaced with ‘British Pounds’ for other services, then it is essential that this is reflected in the term for this service

### 5.9.4 Definition evaluation

**Definition**

When you use your debit card to make a payment in sterling, for instance to buy goods or services in a shop, online or over the phone.



Figure 18: Scale showing clarity of definition for ‘debit card payments in £’

The definition was understood across all groups. The language was clear, and, because the term alone was sufficient in describing the service, there were no real holes in consumer understanding.

*The second half of the sentence seems a bit pointless to me – we all know what a debit card payment is!*

Lower confidence, London

However, as with a number of other definitions featured in this research, the examples provided in the definition introduced a degree of ambiguity. For some, ‘for instance, to buy goods or services’ brought into question if there are debit card payments that are not included in this service. All research participants

knew what a ‘debit card payment in £’ involves so removing these examples would

have no detriment. In addition, 'for instance' was not understood by the non-native English speakers in the research.

To aid understanding, we recommend replacing 'For instance, to buy goods or services in a shop, online or over the phone' with 'This can be in a shop, online, or over the phone.'

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

#### Recommended term/definition

##### **Debit card payment in £ / British Pounds**

When you use your debit card to make a payment in £ (or British Pounds). This can be in a shop, online, or over the phone

## 5.10 Debit card payments not in £

### 5.10.1 Relevance of service

Making 'debit card payments not in £' was generally relevant to certain groups of consumers. The use of this service was common among those who travel abroad and purchase goods and services abroad. There was also awareness, and some experience, of *online* purchasing of products from abroad.



Figure 19: Scale showing relevance of 'debit card payments not in £' to participants

### 5.10.2 Awareness of fees

As with the other foreign transactions, there was an expectation of some type of cost among the majority of consumers. However, there was a lack of clarity around what these costs might be (i.e. transaction fee, conversion fee, or both?), and how much they will actually be charged.



### 5.10.3 Terminology evaluation

‘Foreign currency card transaction’ was the preferred term, partly because its brevity and conciseness was liked, but also because the other 7 terms tested lacked clarity. However, some confusion was evident with this term around the type of card in question i.e. debit card or credit card.

More financially confident consumers liked ‘debit card foreign exchange fee’, but understanding and appeal of this term was very low among other research participants.

Terms using ‘non-sterling’ were also generally less popular among these consumers.

While ‘foreign cash fee’ is succinct, the general consensus was that it did not describe the service in question; consumers claimed it sounded more like a fee that would be incurred at a bureau de change.

‘Currency conversion for using your debit card online or abroad in a currency other than sterling’ was felt to describe the service very clearly. However, it was deemed too long for what is a simple service, and is more akin to a definition than a term.

While untested in this research, due to the popularity of ‘debit card payment in £’ as tested in the previous service, one suggestion would be to use ‘debit card payment not in £’. The language is proven to be clear, and the term is succinct.

	Total	Lower	Higher
Foreign currency card transaction	Green	Light Green	Green
Debit card foreign exchange fee	Yellow	Orange	Green
Non-sterling purchases	Yellow	Orange	Yellow
Foreign cash fee	Yellow	Yellow	Yellow
Non-sterling transaction fee for buying goods and services	Orange	Orange	Light Green
Non-sterling transaction fee	Orange	Red	Light Green
Non-sterling purchase fee	Orange	Orange	Orange
Currency conversion for using your debit card online or abroad in a currency other than sterling	Red	Red	Red

Table 12: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

### 5.10.4 Definition evaluation

**Definition**

When you pay for goods or services in a currency other than sterling using your debit card.



Figure 20: Scale showing clarity of definition for ‘debit card payments not in £’

As with 'debit card payment in £', the definition was well understood across all groups of consumers, as both the language and the service being described was clear. Again, 'for instance, to buy goods or services' brought into question whether there are debit card payments that are not included in this service.

*If you're buying from a foreign website, does this count, or is it converted to pounds?*

Lower confidence, Leeds

For many consumers, online/telephone purchases didn't immediately come to mind when thinking of 'debit card payments not in £', so it is important that this is included in the definition i.e. adding 'This can be done in a shop, online or over the phone' to increase clarity and consistency.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

#### Recommended term/definition

##### **Debit card payment not in £**

When you use your debit card to make a payment in foreign currency. This can be in a shop, online, or over the phone

## TRANSFERRING MONEY

### 5.11 Sending money abroad from your account

#### 5.11.1 Relevance of service

The relevance of 'sending money abroad' from one's account was generally quite low among research participants, as money transfers tended to be to other accounts in the UK. However, there was a minority in the research who regularly send money to friends and family in other countries. This was particularly the case with the non-native English speakers.



Figure 21: Scale showing relevance of 'sending money abroad from your account' to participants

### 5.11.2 Awareness of fees

Awareness of fees was generally limited to those who have experience of ‘sending money abroad’. However, among those who haven’t made such transfers, there was an expectation that some form of fee would be involved. The research participants were familiar with being charged for money services across countries, be that transaction fees and currency conversion rates at a bureau de change, or similar fees on card transactions when shopping abroad.

### 5.11.3 Terminology evaluation

‘Sending money abroad’ was marginally favoured by most, followed closely by ‘sending money outside the UK’. For both, the language was understood and liked by all, and it was felt they both

	Total	Lower	Higher
Sending money abroad			
Sending money outside the UK			

Table 13: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

adequately described the service. As previously discussed, consistency across terms is important. As such, we would recommend that ‘sending money outside the UK’ is used, particularly with the ambiguities around the term ‘abroad’.

### 5.11.4 Definition evaluation

**Definition**

When you send money from your account to an account outside the UK. Different costs may be incurred depending on the currency and on the country to which you are sending the money.



Figure 22: Scale showing clarity of definition for “sending money abroad from your account”

For what is generally a service understood by all in the research, the definition introduced some confusion.

‘When you send money from your account to an account outside the UK’ adequately describes the service, but the examples of costs which follow this sentence introduced a degree of ambiguity. As highlighted above, the majority of consumers were

Aren’t the currency and the country you’re sending to the same thing? Are they two separate costs?

Lower confidence, Leeds

aware of some form of cost for sending money abroad. Referring to these costs only served to confuse participants. They began to question whether it is the country or the currency that determines the fees, or whether certain countries/currencies are

more expensive than others to send/receive money. As such, removing this second sentence would increase the clarity of the definition.

Apart from the cost examples, the language used in the definition itself was seen as clear, among both native and non-native English speakers. However, using ‘from your account’ is somewhat unnecessary as consumers will presume any money they are sending abroad will be coming out of their account.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Sending money outside the UK**  
When you make a payment to someone else’s account outside of the UK.

## 5.12 Receiving money from abroad into your account

### 5.12.1 Relevance of service

‘Receiving money from abroad into your account’ is a service with lower relevance than ‘sending money abroad’.

While a number of non-native English speakers were sending money abroad to friends and family, receiving money was far less common. Coupled with the fact that few other consumers were receiving money from abroad, this service was only applicable to a minority.



Figure 23: Scale showing relevance of ‘receiving money from abroad into your account’ to participants

### 5.12.2 Awareness of fees

The level of awareness of fees for ‘receiving money from abroad’ was similar to that of ‘sending money abroad’. Awareness was generally limited to those who have experience of this service, but there is still an expectation among those who have never used the service that some form of fee will be involved. A minority of consumers expected the fees to be paid by the individual sending the money, rather than by the one receiving it.

*When would that happen?  
I know that people come over here to work and send money home but does it happen the other way around?*

Higher confidence, Glasgow

### 5.12.3 Terminology evaluation

As the only tested term, ‘Receiving money from abroad into your account’ worked well, and was understood by all consumer groups. While this was




	Total	Lower	Higher
Receiving money from abroad into your account			

Table 14: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

undoubtedly helped by the simplicity of the service itself, the language used was also deemed to be clear and concise.

As mentioned elsewhere in the report, consistency is paramount to aiding consumer understanding, and in services regarding foreign transactions, we have suggested using ‘outside of the UK’, as this rules out any ambiguities. However, in the case of this service, using ‘outside of the UK’ adds extra words to what is already a lengthy term, to the point where it almost becomes a definition. As such, we would suggest using ‘abroad’ in the term, then clarifying with ‘outside of the UK’ in the definition.

### 5.12.4 Definition evaluation

**Definition**

When someone sends money to your account from an account outside the UK. Different costs may be incurred depending on the currency and on the country from which the money is sent.



Figure 24: Scale showing clarity of definition for ‘receiving money from abroad into your account’

While understanding of this definition was quite high, the same issues arose as those outlined in ‘sending money abroad from your account’. The first sentence adequately described the service, while the second introduced ambiguity around what fees consumers will be paying under what circumstances. As before, we would suggest removing these examples to improve clarity, particularly for those who are less financially confident.

Again, the language used in the definition itself was seen to be clear by native and non-native English speakers alike, with no changes required.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

### Recommended term/definition

#### Receiving money from outside the UK

When someone sends money to your account from an account outside the UK

## 5.13 Sending money from your account to another account in the UK

### 5.13.1 Relevance of service

‘Sending money from one account to another account in the UK’ was a relevant and familiar service to nearly all research participants, both young and old and those with higher or lower financial confidence. There was experience of transferring money across a multitude of channels – at home via computer, on the go via mobile, or simply in branch.



Figure 25: Scale showing relevance of ‘sending money from your account to another account in the UK’ to participants

### 5.13.2 Awareness of fees

The perception and understanding among consumers was that there are no fees for using this service.

### 5.13.3 Terminology evaluation

‘Money transfer within the UK’ was clearly the preferred term across all research participants. ‘Transfer’ was universally recognised and was considered to be more commonplace language compared to ‘sending money’. This preference for ‘transfer’ was also evident among non-native English speakers who are used to the terminology being used by money remittance services.

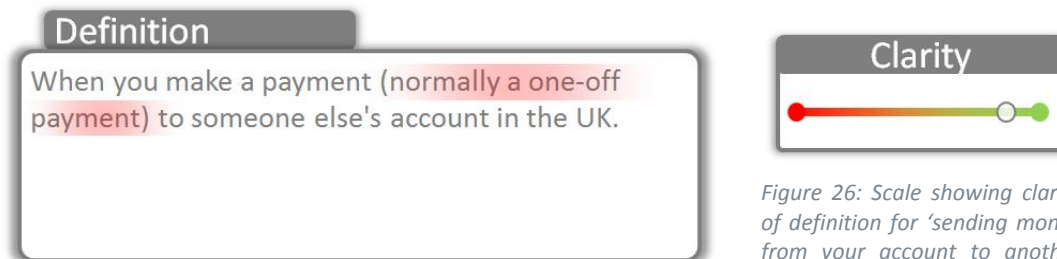
	Total	Lower	Higher
Money transfer within the UK	Green	Green	Green
Sending money within the UK	Yellow	Light Green	Orange
Credit transfer within the UK	Orange	Yellow	Orange
Electronic payment within the UK	Orange	Orange	Orange

Table 15: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

‘Credit transfer’ conjured thoughts of both credit cards, and the debt that can come with them. As such, the use of this term confused consumers, as they were unsure of

exactly what the service is. While consumers agreed that 'electronic payment' clearly describes the service in question, it was thought to overcomplicate what they know simply as a money transfer.

#### 5.13.4 Definition evaluation



*I send money to my daughter every month, so I think saying 'normally one off' is a bit misleading*

Lower confidence, London

Generally, the definition was seen as clear and understood by all consumers, which was aided by their familiarity with the service. However, the use of '(normally a one-off payment)' was felt to be unnecessary. While designed to add clarity, many make money transfers regularly so this additional text created confusion with some consumers who

do not necessarily see 'one-off' as being by way of contrast to a standing order. The use of 'a payment' suggests this payment could be one-off, so serves the purpose of what was in the brackets.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Money transfer within the UK**  
When you make a payment to someone else's account in the UK.



## CHEQUE SERVICES

### 5.14 Cancelling a cheque

#### 5.14.1 Relevance of service

'Cancelling a cheque' had limited relevance to many consumers in the research. This was not because the act of 'cancelling a cheque' is rare, but because the act of writing/receiving cheques themselves has become less common.



Figure 27: Scale showing relevance of 'cancelling a cheque' to participants

#### 5.14.2 Awareness of fees

There was no awareness of fees across the groups, as the process of 'cancelling a cheque' wasn't thought of as a service. 'Cancelling a cheque' is essentially felt to be akin to physically ripping it up.

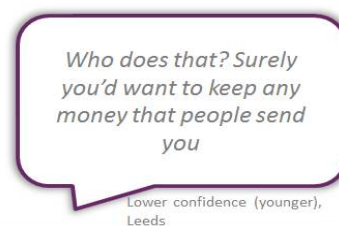
#### 5.14.3 Terminology evaluation

The two terms tested were generally understood by all consumers and felt to be suitable terms for the service in question. There was slightly higher preference for 'cancelling a cheque', partly because 'stopping' sounded more temporary, while 'cancelling' was seen as more absolute.

	Total	Lower	Higher
Cancelling a cheque	Green	Green	Light Green
Stopping a cheque	Light Green	Yellow	Green

Table 16: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

One should also consider that there was some misunderstanding, particularly among younger consumers - who generally showed themselves to be lacking in familiarity with cheques - that the service was referring to 'cancelling a cheque' given to you, rather than written by you. However, the definition clears up this ambiguity.



#### 5.14.4 Definition evaluation

**Definition**

When you ask us to cancel a cheque that you have written.



Figure 28: Scale showing clarity of definition for 'cancelling a cheque'



This definition was considered to be extremely clear by all research participants, with no changes required at all. As such, the recommendation is to leave the definition as tested.

**Recommended term/definition**

**Cancelling a cheque**

When you ask us to cancel a cheque that you have written

**5.15 Providing a copy of a paid cheque**

**5.15.1 Relevance of service**

The relevance of ‘providing a copy of a paid cheque’ was low. Few were even using cheques, and even fewer required copies of them. Consumers understood the concept of ‘a copy of a paid cheque’, but failed to understand why one would need one.



Figure 29: Scale showing relevance of ‘providing a copy of a paid cheque’

**5.15.2 Awareness of fees**

As with other services lacking relevancy, awareness of fees was low, due to a lack of awareness of the service itself. Opinion was split on whether this service would involve a fee – some expected it with cynicism, while those who perceived the service as a receipt, did not.

*Oh I see. I thought it was like a cheque I pay in. Why would I want that? I can just look at the cheque stubs*  
Higher confidence, Glasgow

**5.15.3 Terminology evaluation**

Both terms confused consumers at first, particularly those with lower financial confidence, or those with less banking experience.

	Total	Lower	Higher
Copy of a cheque	Green	Green	Green
Providing a copy of a paid cheque	Yellow	Yellow	Green

Table 17: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

Many wrongly assumed that this service refers to getting a copy of a cheque that has been paid to them, thus failing to see the point in the service.

Upon explanation, both terms tested were felt to adequately describe the service, although 'copy of a cheque' was preferred due to its brevity. As is the case with other terms tested, using the verb 'providing' fails to add clarity, and only serves to make the term longer.

However, neither term was felt to give clarity to the issue of whether the cheque in question has been paid *to* the consumer or has been written *by* the consumer. Amending the term to say 'copy of a cheque you've written' would serve to counter this confusion.

#### 5.15.4 Definition evaluation

**Definition**

When you ask us for a copy of a cheque that has been paid from your account.



Figure 30: Scale showing clarity of definition for 'providing a copy of a paid cheque'

On the whole, the tested definition was felt to be clear. The language used was simple and consumers understood the service being described. However, as previously mentioned, 'providing a copy of a paid cheque' was an unfamiliar service, so consumers (particularly younger ones) were unsure of why you would do this. As such, the definition would benefit from an example, i.e. 'This can be used as proof in case of any administration errors'.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Copy of a cheque (you've written)**  
When you ask us for a copy of a cheque that has been paid from your account. *This can be used as proof in case of any administration errors*

## 5.16 Special presentation of a cheque

### 5.16.1 Relevance of service

Out of all services covered, ‘special presentation of a cheque’ had the least relevance. The vast majority of consumers had not heard of the service and did not know how it worked. As highlighted earlier, consumers are using cheques less frequently, with money transfers via online banking being preferred. However, even among those who do use or receive cheques, the need for this service was questioned.



Figure 31: Scale showing relevance of ‘special presentation of a cheque’ to participants

### 5.16.2 Awareness of fees

Given the lack of awareness of this service, knowledge of related fees was non-existent. Upon explanation of the service, consumers did expect a fee, simply because the service is requiring either speedier clearance or confirmation of clearance of a cheque.

### 5.16.3 Terminology evaluation

This lack of recognition/understanding of the service can be seen in the preferences for terms. Generally, consumers weren’t comfortable with any of the terms used, largely because they didn’t fully understand the service, but also because none of the terms gave them a clue as to what the service might be – other than ‘special presentation of a cheque’ which was sometimes misunderstood to mean a presentation of a large cheque to a charity.

As with some other examples of traditional banking terminology (i.e. standing order, banker’s draft), the term fails to clearly allude to the service itself. With services like standing orders, consumers were generally aware of what they entail because of frequency of use, so an arbitrary name was not an issue. However, with ‘special presentation of a cheque’, consumers were not aware of what the service involves, so a term that goes some way to explaining this is advisable.

	Total	Lower	Higher
Express presentation	Orange	Orange	Light Orange
Special presentation	Orange	Dark Orange	Yellow
Direct presentation	Orange	Orange	Orange

Table 18: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

Once the service was explained, 'express presentation' did work for some – largely due to the use of 'express' which insinuated speedier cheque clearance. However, 'presentation' was not a familiar word in their banking experience.

With such low understanding and recognition of both the terms tested and the service itself, there seems to be little reason to maintain the traditional term 'special presentation of a cheque'. As such, renaming to 'express cheque clearance' or 'cheque clearance confirmation' (depending on the service) is advised.

#### 5.16.4 Definition evaluation

**Definition**

When you ask us to confirm that a cheque you pay in will be paid by the bank of the person that gave you the cheque.



Figure 32: Scale showing clarity of definition for 'special presentation of a cheque'

The definition tested in the research did not help consumers understand the service better, which is a problem when the existing terminology is not self-explanatory. First and foremost, there was confusion around what the service being described was – is it about receiving confirmation that the cheque will clear, or is it about speeding up the clearance process (which the term 'express presentation' would suggest)? Given the service could include both; the definition needs to clearly explain this.

*I still don't know what it is, even when you've read that out...why doesn't it say the bank can clear the cheque quicker?*

Lower confidence, Glasgow

Secondly, the language used in the definition caused confusion, specifically '...confirm that a cheque you pay in will be paid by the bank of the person that gave you the cheque'. This was perceived to be too wordy and too detailed, and could be replaced by a simpler phrase such as '...confirm that a cheque you pay in will clear'. While 'clear' and 'clearance' were not tested in the definition, the majority of participants understood what these words meant.

Given this service could entail a speeding up of the clearance process and/or confirmation of cheque clearance, two terms and definitions have been detailed below. These are derived from participant feedback, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**(Express) Cheque clearance / Cheque clearance confirmation**

When you ask us to speed up the clearance of a cheque you've paid in

When you ask us to confirm that a cheque you've paid in will clear

**5.17 Issuing a banker's draft**

**5.17.1 Relevance of service**

'Banker's drafts' had little relevance to the majority of participants, as few had experience of using them. This was particularly the case among younger consumers or those who had less banking experience, as they were less likely to have made larger purchases that would warrant this service.



Figure 33: Scale showing relevance of 'issuing a banker's draft' to participants

**5.17.2 Awareness of fees**

As so few have used 'banker's drafts', there was little awareness of fees, although some expectation of them if pushed. Among those who had used a 'banker's draft', awareness of fees was much higher. As this service was often linked to high value purchases, it is likely to be a rarer occurrence, so consumers tended to remember any fees incurred more than costs relating to day-to-day transactions.

*Why would I get a bankers draft? It doesn't really tell me what it is...if they said it was for buying a house, it would make more sense*

Higher confidence, Glasgow

**5.17.3 Terminology evaluation**

'Banker's draft' is a traditional banking term that was familiar to most participants, yet few could say what the service actually is, and even fewer were right. 'Issuing' was not understood by non-native English speakers, and this verb fails to increase understanding of the service, so removing this is recommended.

	Total	Lower	Higher
Issuing a bankers draft	Green	Orange	Green

Table 19: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

#### 5.17.4 Definition evaluation

##### Definition

When you ask us to **issue** a banker's draft. A banker's draft is like a cheque but is written by us and can only be paid in by the person you ask us to pay.

##### Clarity



Figure 34: Scale showing clarity of definition for 'issuing a banker's draft'

The term itself had wide recognition, yet understanding of what the service entails was low. Therefore it is essential to ensure the definition is clear. However, the current definition fails to add clarity, as it currently focuses on the fact that 'banker's drafts' can only be paid in by the person the consumer asks the bank to pay. However, this isn't why consumers would need to use 'banker's drafts' – the focus should be on the reassurance that the funds will go through. Spelling this out, and describing the process involved, will aid understanding of the service and why a consumer would use it.

As with other definitions and terms, 'issuing' is not fully understood by non-native English speakers – 'providing' is more suitable in this instance.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

##### Recommended term/definition

###### **Issuing a banker's draft**

*When you ask us to provide a banker's draft. A banker's draft is like a cheque but written by us. We take the money from your account immediately, so the person receiving the draft has the reassurance they will definitely receive the money*

## 5.18 Paying in a foreign cheque

### 5.18.1 Relevance of service

Relevance was low across all groups, with very few having ever needed this service, even among the non-native English speakers. In addition, many did not perceive 'paying in a cheque' to be a service – it was seen as a functionality of an account.



Figure 35: Scale showing relevance of 'paying in a foreign cheque' to participants

### 5.18.2 Awareness of fees

Awareness of fees was linked to experience of this service and as such was very limited. Because many did not see this as a service, expectations of a fee were low.

### 5.18.3 Terminology evaluation

In terms of preference, there was very little difference between 'Paying in' and 'Clearing' a foreign cheque. While there were slight differences based on financial confidence, the research suggests that 'paying in a foreign cheque' is the most accurate description of the service from a consumer point of view, as well as being a common term used in every day banking language. 'Clearing', while understood as a banking term, was felt to be a behind-the-scenes activity of the bank.

	Total	Lower	Higher
Clearing a foreign cheque	Light Green	Light Green	Light Orange
Paying in a foreign cheque	Light Green	Light Yellow	Dark Green

Table 20: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

### 5.18.4 Definition evaluation

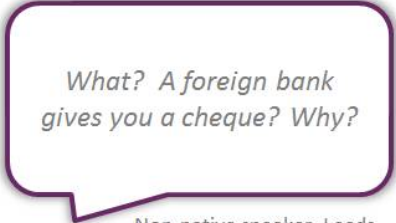
**Definition**

When you pay in a cheque issued by a bank outside the UK.



Figure 36: Scale showing clarity of definition for 'paying in a foreign cheque'

Generally, the definition was perceived to be clear. However, the term ‘issued by a bank’ raised a couple of issues. Firstly, ‘issued by the bank’ sounded like a ‘banker’s draft’, as it gives the impression the bank are writing the cheque. Secondly, not all consumers were comfortable with the word ‘issued’, particularly the non-native English speakers. ‘From a bank account’ is felt to be more accurate, and circumvents the aforementioned language issues.



Non-native speaker, Leeds

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Paying in a foreign cheque**  
 When you pay in a cheque from a bank account outside the UK

**OTHER SERVICES**

**5.19 Account management**

**5.19.1 Relevance of service**

Relevance of ‘account management’ (and the associated fees) was quite high across all groups, in particular those with packaged or premium accounts. Among those with standard accounts, they were aware that services such as travel insurance could be offered as part of a package, but these were not always seen as relevant by this audience.



Figure 37: Scale showing relevance of ‘account management’ to participants

**5.19.2 Awareness of fees**

Similarly to perceived relevance, awareness of fees relating to services on their account was high across all groups, particularly those with packaged or premium accounts.

There was some discussion in the groups about the possibility that banks might bring in fees for running even standard accounts, as is the case in other countries. This was driven by media coverage in the last few years.



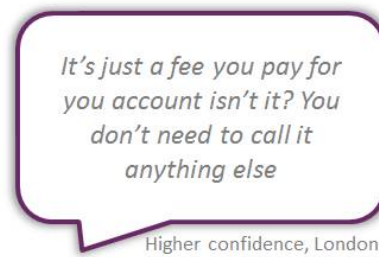
### 5.19.3 Terminology evaluation

'Account fee' was the preferred term by the vast majority of participants, regardless of financial confidence or their native language. While similar, 'banking fee' was felt to allude to other banking activities, and 'packaged account fee' was seen as only relevant to those with packaged accounts. While there are unlikely to be many who are paying for standard accounts, it is important to use terminology applicable to as many consumers as possible.

	Total	Lower	Higher
Account fee	Green	Green	Green
Banking fee	Yellow	Yellow	Yellow
Packaged account fee	Yellow	Light Green	Red
Product fee	Red	Orange	Red
Subscription fee	Red	Red	Red

Table 21: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

'Product fee' and 'subscription fee' were generally unpopular among all participants, as they were seen as misleading. 'Product fee' was viewed as similar to charges for mortgages, pensions etc., while 'subscription fee' conjured up thoughts of 'standing orders', 'direct debits' and magazines.



### 5.19.4 Definition evaluation

**Definition**

A fee that you pay regularly (normally monthly) to run your account and for anything else offered with the account in a package (e.g. travel insurance).



Figure 38: Scale showing clarity of definition for 'account management'

The tested definition was generally seen as clear, and the majority of participants understood the concept of 'account management' upon reading it. However, the overall definition could be simplified by removing 'normally monthly' as this didn't aid understanding and only served to confuse others who claimed to pay at different intervals.

In addition, '...and for anything else offered with the account in a package' was considered too wordy and led those with standard accounts to think this service was restricted just to packaged accounts. A clearer and more streamlined version would be '...and for anything else offered with it'. This can then be qualified by including an example like 'travel insurance'.

Finally, the acronym 'e.g.' was not understood by non-native English speakers, as it is an acronym of a Latin word. For this audience, it is necessary to use 'for example' to ensure understanding.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

#### Recommended term/definition

##### Account Fee

A fee that you pay regularly to run your account, and for anything else offered with it (*for example, travel insurance*).

## 5.20 Standing order payment

### 5.20.1 Relevance of service

'Standing orders' were widely recognised, understood, and deemed relevant by most participants. Many thought of them in the context of subscriptions to services, or regular payments to family members/friends. When asked to explain the difference between 'standing orders' and 'direct debits', very few were able to explain this correctly, even those who claimed to be financially knowledgeable and confident.



Figure 39: Scale showing relevance of 'standing order payment' to participants

### 5.20.2 Awareness of fees

There was no awareness, nor perception of there being any fees relating to 'standing order payments', given this is something that UK banks do not charge for. There was some awareness of fees around not having the funds to make the 'standing order payments', although these were related to charges for 'stopping payments due to insufficient funds', or 'unauthorised overdrafts'.

### 5.20.3 Terminology evaluation

'Standing order' was a widely recognised term, and as such, cannot and should not be changed. Nearly all had heard of 'standing orders' and knew that they involved regular payments, but specifics beyond this were scant.

	Total	Lower	Higher
Standing Order			

Table 22: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

#### 5.20.4 Definition evaluation

**Definition**

When you ask us to make regular payments for a fixed amount to someone else's account.



Figure 40: Scale showing clarity of definition for 'standing order payment'

The definition was generally understood by all, as the language used was clear and concise. However, confusion arises around the distinction between 'standing orders' and 'direct debits'. Consumers know they both involve regular payments, but the difference (of one being for a fixed amount and the other not) is not understood or recognised by most. It is advisable to emphasise this distinction in the definition.

*Isn't a standing order like a direct debit, but you're paying back the bank instead?*

Lower confidence, Leeds

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**

**Standing order**  
When you ask us to make fixed regular payments to someone else's account

## 5.21 Direct debit payment

### 5.21.1 Relevance of service

Similarly to 'standing orders' (but even more so), 'direct debits' were widely recognised, understood, and deemed relevant by nearly all participants, including non-native English speakers. Most participants spontaneously thought of 'direct debits' in the context of paying bills.



Figure 41: Scale showing relevance of 'direct debit payment' to participants

### 5.21.2 Awareness of fees

Again, the lack of awareness/perception of there being fees relating to 'direct debits' was similar to 'standing orders'. There was also some awareness of fees relating to missed 'direct debits' (due to insufficient funds) but again, these were being confused with charges for 'stopping payments' or 'unauthorised overdrafts'.

### 5.21.3 Terminology evaluation

As with 'standing orders', all had heard of 'direct debits', so the current terminology works across all audiences. In addition, there was some awareness of a contractual obligation for entering into 'direct debit' agreements with companies.

	Total	Lower	Higher
Direct Debit	■	■	■

Table 23: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

#### 5.21.4 Definition evaluation

##### Definition

When you agree that someone else can take money from your account on agreed dates (normally to pay bills) although the amount paid may vary.

##### Clarity



Figure 42: Scale showing clarity of definition for 'direct debit payment'

The definition was generally found to be clear for all participants, which is likely to be attributable to their relevance and familiarity with 'direct debits' as a service. However, as with a number of other definitions, including examples in the definition did not aid understanding. As far as participants were concerned, they believed that 'direct debits' were used solely to pay bills.

*There's no need to say 'normally to pay bills' – it's just extra words*

Higher confidence, Belfast

The inclusion of 'normally to pay bills' in the definition caused participants to become confused about what other uses for 'direct debits' might be. As such, the research suggests that this should be replaced by 'normally a company'.

Adding the sentence 'The amount paid can vary' can help to emphasise the distinction between this service and 'standing orders'.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

##### Recommended term/definition

##### Direct debit

When you agree that someone else (normally a company) can take money from your account on agreed dates. The amount paid can vary.

## 5.22 Banker's reference

### 5.22.1 Relevance of service

'Banker's references' had little relevance to many, simply because few had been asked to provide them in the past. Most participants understood the service, but not all understood when one might be needed. For the majority, a credit check was likely to be the closest they will come to this service.



Figure 43: Scale showing relevance of 'banker's reference' to participants

### 5.22.2 Awareness of fees

There was no real awareness of fees, predominantly due to the lack of usage, but also because there was a presumption that such a service would be free of charge.

### 5.22.3 Terminology evaluation

Neither terms tested were rated highly, as they failed to shed any light on the service itself without the aid of the definition. However, the use of 'banker's' in 'banker's reference' at least provided an indication of what the service might be.

	Total	Lower	Higher
Giving a reference	Yellow	Yellow	Yellow
Bankers reference	Yellow	Yellow	Green

Table 24: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

In addition, using the verb 'giving' was seen as unnecessary, so we would recommend keeping it consistent with other terms (i.e. avoiding the use of verbs in the terms) and using 'banker's reference'. Despite this recommendation, it should be noted that non-native English speakers were less familiar with the word 'reference'; this is an example of how difficult it is to find an alternative that is clear to non-native English speakers while still being clear and easily understandable by native speakers.

#### 5.22.4 Definition evaluation

**Definition**  
When you ask us to provide a written reference confirming that you hold an account with us and whether we consider you might be able to meet a certain financial commitment.



Figure 44: Scale showing clarity of definition for 'banker's reference'

On the whole, consumers found the definition to be slightly lacking in clarity; this was exacerbated by the lack of relevance for most. As mentioned in the terminology section (5.22.3), non-native English speakers were less familiar with the term 'written reference', so it is advisable to replace this with more common English language.

'Certain financial commitment' had similar problems with regard to understanding among non-native English speakers, but there is no clear, simple alternative. Because of this it may be worth considering if it is important to have 'whether we consider you might be able to meet a certain financial commitment' in the definition as this is something non-native English speakers did not easily understand.

*I don't know why you'd need this – it would be good if they gave an example to help you understand it*

Lower confidence, Glasgow

It may also be worth considering including an example of when this service might be used, to aid understanding.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**  
**Bankers reference**  
When you ask us to confirm in writing that you hold an account with us, and if we think you will be able to make a certain financial commitment

## 5.23 Providing a copy of an old statement

### 5.23.1 Relevance of service

Relevance across all groups was low, although they understood the concept of the service and when this might be used (e.g. finding a record of past transactions). With the proliferation of internet banking (and access to transaction history that comes with it), for most (particularly younger consumers), this service was seen as somewhat defunct.



Figure 45: Scale showing relevance of 'providing a copy of an old statement'

### 5.23.2 Awareness of fees

There was generally little spontaneous awareness of fees for copies of statements, but when pressed, participants believed that charges were possible. For many, this seemed needless, as statements can now be accessed online or via ATMs free of charge. Others did not expect to be charged for a one-off copy of a statement in contrast to receiving extra statements more regularly.



### 5.23.3 Terminology evaluation

'Copy of statement' was preferred by nearly all. The word 'duplicate' did not sit as well with the less financially confident or with non-native English speakers. 'Providing a copy of an old statement' was deemed too long, as was 'copy of issued statement'. 'Issued' and 'old'

	Total	Lower	Higher
Copy of statement	Green	Green	Green
Duplicate statement	Orange	Red	Yellow
Providing a copy of an old statement	Orange	Red	Yellow
Copy of issued statement	Red	Red	Red

Table 25: Table showing participants' preferred terms at a total level and split by lower and higher financial confidence

were felt to be unnecessary, as participants thought it was clear enough that if they were obtaining a copy of a statement it would already have been produced.



#### 5.23.4 Definition evaluation

**Definition**  
When you ask for a copy of a statement that has already been provided **previously**.



Figure 46: Scale showing clarity of definition for 'providing a copy of an old statement'

The terminology goes a long way towards explaining the service, but even without this the definition was clearly understood by all. Despite this, in the interest of keeping definitions as succinct as possible, it is worth considering removing 'previously' from the definition as participants felt that this was clear from the use of 'copy of a statement'. While not raised as an issue, we recommend using 'paper copy' rather than simply 'copy' – as more consumers move to online services, the idea of paper copies will become less and less common and may need to be referenced to increase clarity.

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

**Recommended term/definition**  
**Copy of statement**  
When you ask for a paper copy of a statement that has already been provided

#### 5.24 Receiving statements more often than standard

##### 5.24.1 Relevance of service

Relevance across all groups was generally quite low. While they understood what the service involves, and why you might request this (i.e. to keep a closer eye on your finances), most either do not receive paper statements, or are happy with the regularity that they currently receive them.



Figure 47: Scale showing relevance of 'receiving statements more often than standard' to participants

### 5.24.2 Awareness of fees

Awareness of fees was generally quite limited, as few had received statements more often than standard. However, fees were generally expected – participants understood the cost of printing and sending extra documentation.

### 5.24.3 Terminology evaluation

Participants understood all of the terms, but ‘receiving statements more often’ was generally preferred. This was predominantly due to ‘statements more frequently than standard’ seeming to be too wordy, and ‘extra statements’

	Total	Lower	Higher
Receiving statements more often	Light Green	Light Green	Light Yellow
Statements more frequently than standard	Orange	Orange	Orange
Extra statements	Orange	Dark Orange	Yellow

Table 26: Table showing participants’ preferred terms at a total level and split by lower and higher financial confidence

being a little too basic. Some participants felt that ‘extra statements’ could imply statements with an extra element; essentially more detailed statements.

#### 5.24.4 Definition evaluation

##### Definition

When you ask for statements to be sent to you more often than we would usually send them.

##### Clarity



Figure 48: Scale showing clarity of definition for 'receiving statements more often than standard'

The definition required no changes. It was clear to all, which was largely attributable to the simplicity of the service, the self-explanatory term, and the use of consumer-friendly language that was understood by all groups, including the non-native English speakers.

*I get it, but can't you just look up your statements online?*

Lower confidence, Belfast

Below is the term and definition most preferred by participants, with minor amendments where the research analysis suggested this would further aid clarity:

##### Recommended term/definition

##### Receiving statements more often

When you ask for statements to be sent to you more often than we would usually send them

## 6 SUMMARY CONCLUSIONS

### **A good deal of consistency in understanding and in preferences for terms/ definitions**

There was a great deal of consistency around the relevance of the services and participants' understanding and preferences for the terms and definitions tested.

The main differences in understanding were largely based on age (generational gaps) and life stage (where individuals had not experienced the need for certain services). There was very little difference by location or by those with higher and lower financial confidence – in fact, those who claim to have higher financial confidence tend to *think* they understand better than they do. The non-native English speakers had lower awareness and understanding of the services and the related terms and definitions

### **Terms and definitions need to be clear, simple and brief**

Terms and definitions need to use consumer-friendly, everyday language, avoiding the use of jargon. Terms should be kept brief and shouldn't encroach on the definition and become a descriptor itself. Examples can be useful, but only in situations where the service is less familiar to consumers – otherwise they can be perceived by the reader as patronising.

### **Definitions which include fee information distract and confuse consumers**

While consumers wanted to know about the related fees, including references to them within the definition of the service complicated and impeded consumer understanding of the definition. Fee information should be included in a separate column/section.

### **Avoid the use of 'Sterling' given its lack of relevance in today's language**

While older consumers were familiar with the term 'Sterling', younger consumers were less so as they rarely see or use it in everyday language. There was even lower awareness and recognition among non-native English speakers; they are more accustomed to using 'pounds' in everyday language and seeing GBP on money transfer sites. There was greater familiarity in Glasgow and Belfast due to the frequency with which they defend the use of their own bank notes in England.

### **Ensure the definition is describing the relevant part of the service**

Where consumers are less familiar with the service, it is essential the definition highlights the relevant part of the service to aid understanding. For example, the ‘banker’s draft’ definition focused on the fact that the draft can only be paid in by the named person, rather than highlighting the core reason for using this service (from the consumers’ viewpoint) – that funds are guaranteed.

### **Challenge the use and relevance of ‘traditional’ terms in current everyday language**

Some terms like ‘direct debit’ and ‘standing order’ are easily understood due to the frequency with which the services are used – even though the actual language does not clearly highlight what the service is. For other services such as ‘special presentation of a cheque’ which the service is unfamiliar and the language is unclear, it may be better to replace the term with one that reflects the service more accurately.

### **Be consistent where appropriate**

If the terms and definitions are going to sit alongside each other for consumers to read it is important there is consistency throughout e.g. using the term ‘agreed overdraft’ not just when talking about overdrafts but in other relevant service definitions such as ‘stopping a payment because of insufficient funds’.

### **Services can be prioritised for focus based on relevance and clarity**

Using a combination of direct participant feedback and analysis of the research findings, the services fall into four quadrants in terms of relevance of the service to the consumer and clarity of the term and definition. The table overleaf illustrates where each service sits on this matrix.

Clarity	<p><b>Term/definition generally clear but service lacks relevance for some</b></p> <ul style="list-style-type: none"> <li>• Providing a copy of an old statement</li> <li>• Providing a copy of a paid cheque</li> <li>• Cancelling a cheque</li> <li>• Withdrawing £ outside of the UK</li> <li>• Receiving money from abroad into your account</li> <li>• Sending money abroad from your account</li> <li>• Paying in a foreign cheque</li> <li>• Receiving statements more often than standard</li> <li>• Withdrawing foreign currency in the UK</li> </ul>	<p><b>Services with the most relevance and term/definition generally clear</b></p> <ul style="list-style-type: none"> <li>• Stopping a payment because of insufficient funds</li> <li>• Withdrawing £ in the UK</li> <li>• Sending money from your account to another account in the UK</li> <li>• Allowing a payment despite insufficient funds being available</li> <li>• Debit card payments in £</li> <li>• Debit card payments not in £</li> <li>• Authorised overdraft</li> <li>• Direct debit payment</li> <li>• Account management</li> <li>• Withdrawing foreign currency when abroad</li> <li>• Standing order payment</li> </ul>
	<p><b>Service used less frequently. Term/definition lacks clarity</b></p> <ul style="list-style-type: none"> <li>• Banker's reference</li> <li>• Issuing a banker's draft</li> <li>• Special presentation of a cheque</li> </ul>	<p><b>A fairly relevant service which lacks clarity in the term/definition</b></p> <ul style="list-style-type: none"> <li>• Unauthorised overdraft</li> </ul>
	Relevance	

Table 27: Table showing priority based on relevance of service and clarity of terms/definitions

## 7 APPENDICES

### 7.1 Sample profile

#### Overview

- 8 x 2-hour groups split across 4 locations;
  - 2 x London
  - 2 x Leeds
  - 2 x Glasgow
  - 2 x Belfast
- All were either solely or jointly responsible for managing and making decisions on the account
- Mix of different activities performed on the account including ‘withdrawing cash from a cash machine in the UK’, ‘checking their balance’, ‘using direct debits’, ‘using authorised or unauthorised overdrafts’, etc.
- Mix of age, gender and socio-economic segmentation across the groups.

#### Profile specific to each group

##### ***Group 1 – Non-native English speakers (Leeds)***

- All seven grew up speaking a language other than English with a mix of first languages (Punjabi, Farsi, Bengali, Malay, Urdu and Polish)
- Mix of nationalities across the group (Indian, Iranian, Bangladeshi, Malaysian, Pakistani and Polish)
- All held a basic or standard bank account with a mix of providers (Halifax, Lloyds Bank, Barclays, NatWest and the Post Office)
- All participants used their branch to manage their account (with one also using internet banking)
- Three participants had opened an account in the last 12 months
- All considered themselves to have lower financial capability
- Three participants had travelled abroad in the last 12 months

##### ***Group 2 – Higher financial capability/standard accounts (London)***

- All seven held a standard bank account (Barclays, HSBC, Lloyds Bank and Santander)
- Participants managed their accounts by telephone, online, mobile app and/or in branch
- Three participants had opened an account in the last 12 months
- All considered themselves to have higher financial capability
- Four participants had travelled abroad in the last 12 months

### ***Group 3 – Lower financial capability/premium or packaged accounts (London)***

- All six held a premium or packaged account (Barclays, HSBC, Citibank, NatWest and Smile)
- Participants managed their accounts by telephone, mobile app, online and/or in branch
- One participant had opened an account in the last 12 months
- All considered themselves to have lower financial capability
- Five participants had travelled abroad in the last 12 months

### ***Group 4 – Lower financial capability/standard accounts (Leeds)***

- All seven held a basic or standard account (Santander, Post Office, RBS, Yorkshire Bank, HSBC and Lloyds Bank)
- Participants managed their accounts in branch, online and/or by telephone
- One participant had switched their main account in the last 12 months
- Three participants had seriously considered moving their accounts in the last 12 months
- All considered themselves to have lower financial capability
- Two participants had travelled abroad in the last 12 months

### ***Group 5 – Higher financial capability/standard accounts (Belfast)***

- All seven held a standard account (Santander, Ulster Bank, Danske Bank, First Trust (First Direct), Nationwide Building Society)
- Participants managed their accounts either in branch, online and/or by mobile app
- All considered themselves to have higher financial capability
- Three participants had travelled abroad in the last 12 months\*

### ***Group 6 – Lower financial capability/premium or packaged accounts (Belfast)***

- All seven held a premium or packaged account (Santander, Ulster Bank, Halifax and HSBC)
- Participants managed their accounts in branch and/or online
- Two participants had switched their main accounts
- All considered themselves to have lower financial capability
- Two participants had travelled abroad in the last 12 months\*

\*Note: Participants in Belfast interpreted 'travelling abroad' as meaning outside of the UK and the Republic of Ireland.

Most travelled to the Republic of Ireland at least occasionally, and some very frequently. This was typically referred to as 'down South' or 'over the border' but was not considered 'abroad'.



### ***Group 7 – Lower financial capability/standard accounts (Glasgow)***

- All seven held a basic or standard account (RBS, Bank of Scotland, Clydesdale Bank, Nationwide, CashPlus and Lloyds Bank)
- Two participants held both an e-money account and a bank account
- Participants managed their accounts in branch, online and/or by mobile application
- Two participants had opened new accounts in the last 12 months
- All considered themselves to have lower financial capability
- Three participants had travelled abroad in the last 12 months

### ***Group 8 – Higher financial capability/premium or packaged accounts (Glasgow)***

- All seven held a premium or packaged account (RBS, Bank of Scotland, Nationwide and TSB)
- Participants managed their accounts in branch, online, by mobile application and/or telephone
- Four participants had seriously considered opening new accounts in the last 12 months
- All considered themselves to have higher financial capability
- Six participants had travelled abroad in the last 12 months

## 7.2 Suggested terms and definitions

Using a combination of participant feedback and analysis of these findings with the aim of further aiding clarity and understanding, a list of suggested terms and definitions has been produced. Italicised text indicates further elaboration that could be added to the definition if desired.

	Service	Suggested Terminology	Suggested Definition	Associated Fees
1.	Account management	Account fee	A fee that you pay regularly to run your account and for anything else offered with it ( <i>for example, travel insurance</i> ).	
2.	Authorised overdraft	Agreed overdraft	When we agree in advance that you can borrow a certain amount of money once you have no money left in your account.	May include arrangement, usage and/or renewal fees, plus overdraft interest
3.	Unauthorised overdraft	Unauthorised overdraft	When we allow you to borrow money if you have no money left in your account, or you have gone past the limit of your agreed overdraft.	May include overdraft usage fees and interest
4.	Allowing a payment despite insufficient funds being available	Allowing a payment despite a lack of funds	When we allow a payment to be made from your account when there is not enough money in your account (or it takes you past your agreed overdraft limit).	May include a fee
5.	Stopping a payment because of insufficient funds	Stopping a payment due to a lack of funds	When we stop a payment because there is not enough money in your account (or it would take you past your agreed overdraft limit).	May include a fee from us and you may also be charged by the company or person to whom the payment was due
6.	Withdrawing £ in the UK	Withdrawing £ in the UK	When you withdraw British Pounds from a cash machine, bank or Post Office in the UK.	We do not charge for this service but some cash machines may apply a one-off fee
7.	Withdrawing £ outside of the UK	Withdrawing £ outside the UK	When you withdraw British Pounds from a cash machine or bank outside the UK.	May include a fee
8.	Withdrawing foreign currency in the UK	Foreign currency withdrawal in the UK	When you withdraw foreign currency <i>from a cash machine</i> in the UK.	May include a fee

9.	Withdrawing foreign currency when abroad	Foreign currency withdrawal outside of the UK	When you withdraw foreign currency from a cash machine outside the UK.	May include a fee
10.	Debit card payment in £	Debit card payment in £ / British Pounds	When you use your debit card to make a payment in £ (or British Pounds). This can be in a shop, online or over the telephone.	
11.	Debit card payment not in £	Debit card payment not in £	When you use your debit card to make a payment in foreign currency. This can be in a shop, online or over the phone.	May include a fee
12.	Standing order payment	Standing order	When you ask us to make fixed regular payments to someone else's account.	
13.	Direct debit payment	Direct debit	When you agree that someone else (normally a company) can take money from your account on agreed dates. The amount paid can vary.	
14.	Sending money from your account to another account in the UK	Money transfer within the UK	When you make a payment to someone else's account in the UK.	
15.	Sending money abroad from your account	Sending money outside the UK	When you make a payment to someone else's account outside the UK.	Different costs may be incurred depending on the country to which you are sending the money and the currency you are sending
16.	Receiving money from abroad into your account	Receiving money from outside the UK	When someone sends money to your account from an account outside the UK.	Different costs may be incurred depending on the country from which the money is sent and the currency
17.	Providing a copy of an old statement	Copy of statement	When you ask for a paper copy of a statement that has already been provided.	May include a fee
18.	Receiving statements more often than standard	Receiving statements more often	When you ask for statements to be sent to you more often than we would usually send them.	May include a fee

19.	Cancelling a cheque	Cancelling a cheque	When you ask us to cancel a cheque that you have written.	May include a fee
20.	Providing a copy of a paid cheque	Copy of a cheque (you've written)	When you ask us for a copy of a cheque that has been paid from your account. This can be used as proof in case of any administration errors.	May include a fee
21.	Special presentation of a cheque	Express Cheque Clearance / Cheque Clearance Confirmation	When you ask us to speed up the clearance of a cheque you've paid in When you ask us to confirm that a cheque you've paid in will clear.	May include a fee
22.	Issuing a banker's draft	Issuing a banker's draft	When you ask us to provide a banker's draft. A banker's draft is like a cheque but is written by us. We take the money from your account immediately so the person receiving the draft has the reassurance they will definitely receive the money	May include a fee
23.	Banker's reference	Banker's reference	When you ask us to confirm in writing that you hold an account with us, and if we think you will be able to meet a certain financial commitment.	May include a fee
24.	Paying in a foreign cheque	Paying in a foreign cheque	When you pay in a cheque from a bank account outside the UK.	May include a fee