



Behavioural Insights and Banking

Lessons from the Behavioural Insights Team



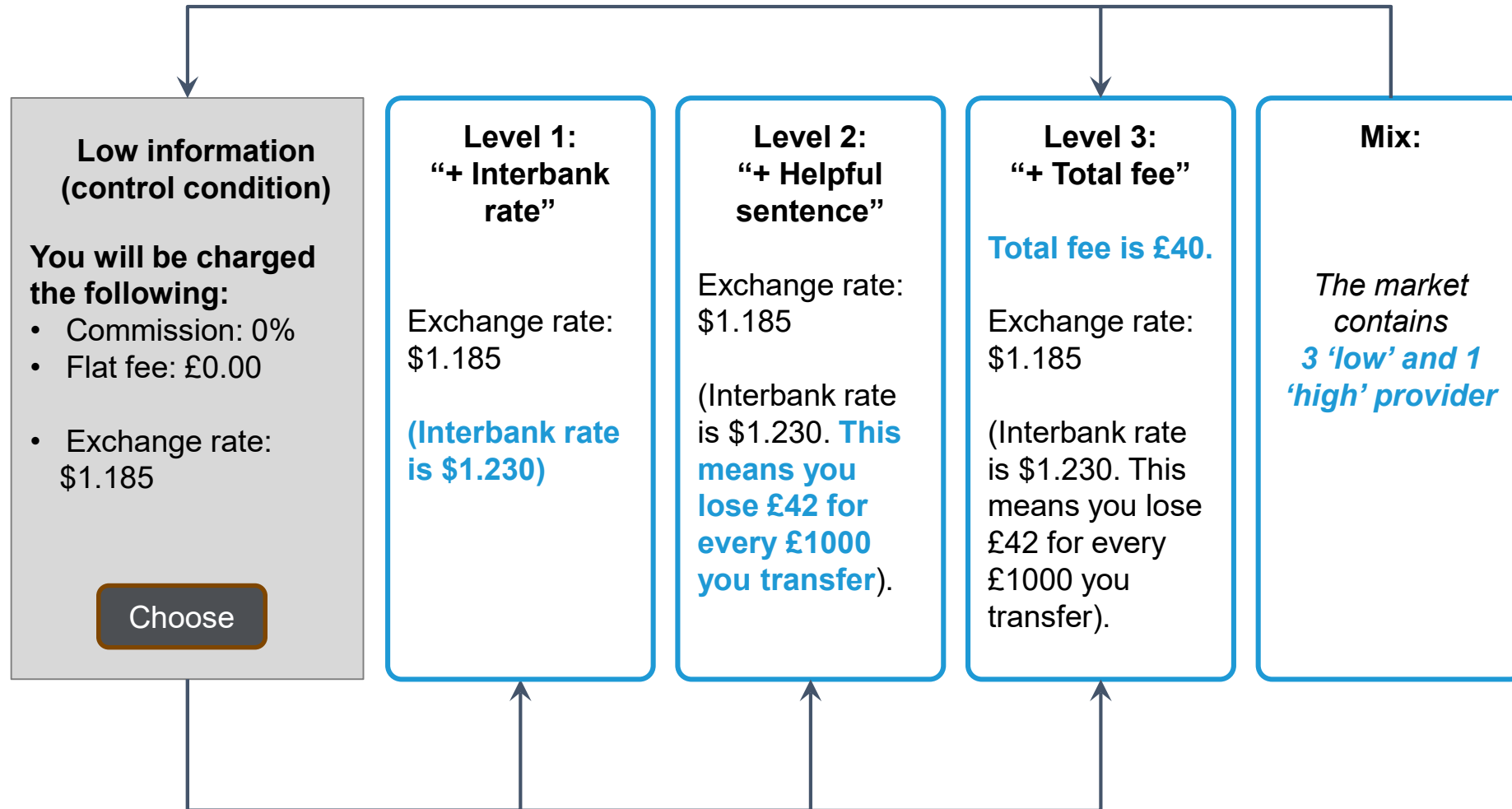
THE
BEHAVIOURAL
INSIGHTS
TEAM



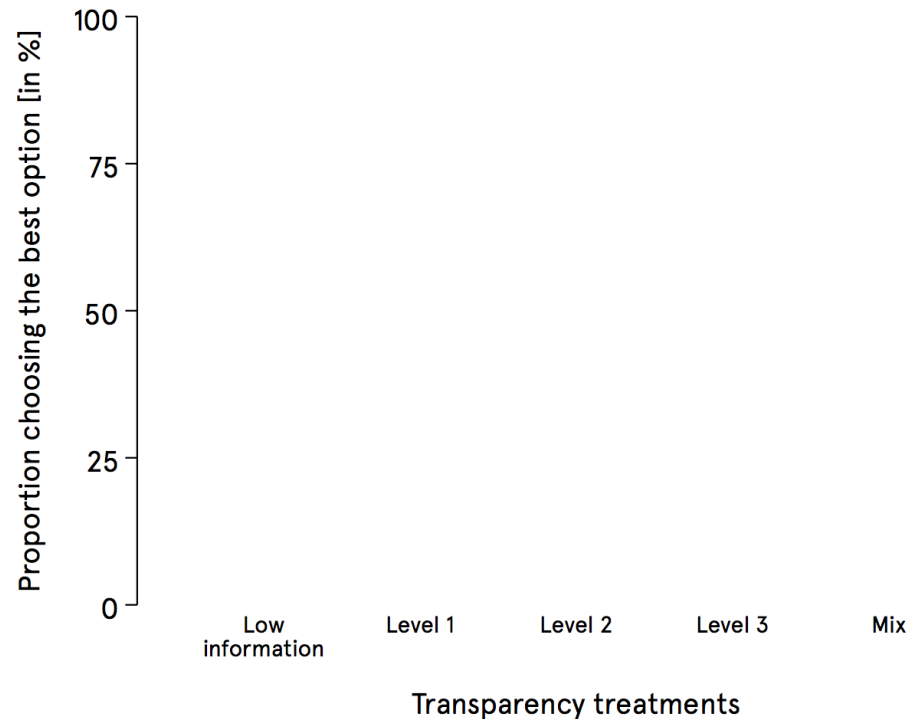
Can we improve foreign exchange transactions?



Treatments



Results – foreign exchange



N = 1648

*** p<0.001, ** p<0.01, * p<0.05, + p<0.1

- Information that expresses the exchange rate charge in £ as well as total fee in £ are most effective.
- This positive effect only happens when it is applied consistently across the option set.



Can we improve
consumer decision
making around energy?



Energy Price Fact Sheet

QEnergy
Flexi Home, Single Rate - QEN467459MR

Offer valid until 30 Jun 2018

Customer type	Fuel type	Distributor(s)	Tariff type	Offer type	Release date
Residential	Electricity	Ausgrid	Single rate	Market offer	12-Mar-2018

Electricity offer

Contract term	2 years
Contract expiry details	Energy agreement period is 24 months.
Bill frequency	Every 3 months

Electricity pricing information

	Price (exc. GST)	Price (inc. GST)
1 Jul to 30 Jun		
Peak Anytime		
First 1000 kWh usage per quarter	21.00 cents per kWh	23.10 cents per kWh
Next 1000 kWh usage per quarter	21.00 cents per kWh	23.10 cents per kWh
Remaining usage per quarter	21.00 cents per kWh	23.10 cents per kWh
Daily supply charge	80.00 cents per day	88.00 cents per day

Daily supply charge is a charge that applies for supplying electricity to your property for each day of the billing period, regardless of how much electricity you use. kWh: kWh stands for kilowatt hour and is the unit of measurement for your electricity usage.

Price changes
Are these prices fixed? No

QEnergy will notify you of any changes to pricing or contract terms and conditions in writing 10 business days prior.

Electricity key contract features

Cooling off period: 10 business days
Eligibility criteria: This electricity offer applies to Residential customers in the Ausgrid distribution network area in NSW

Fees
Late payment fee: Fixed rate - \$0.00
For more information, please visit www.qenergy.com.au

Credit card payment processing fee: Percentage of bill - 0.00%
For more information, please visit www.qenergy.com.au

Other fee: Fixed rate - \$0.00
Paper bill charge

Other fee: Fixed rate - \$0.00
Cheque processing fee

Exit fee: Fixed rate - \$0.00
Visit www.qenergy.com.au/frequently-asked-questions for fees in your area

Check dishonour payment fee: Fixed rate - \$14.85
For more information, please visit www.qenergy.com.au

Additional fee information: For information on additional fees, please see the website www.qenergy.com.au

Solar feed-in tariff options
QEnergy retailer FIT (exc GST) (cents per kWh exported): 8.00

GreenPower option

Charge type	Amount (inc. GST) / Percentage	Description
Amount per unit of usage	\$0.0066 (inc. GST)	QGreen can be added to your electricity plan as an additional charge. 10% = 0.66c/KWh 50% = 3.30c/KWh 100% = 6.60c/KWh
Amount per unit of usage	\$0.033 (inc. GST)	QGreen can be added to your electricity plan as an additional charge. 10% = 0.66c/KWh 50% = 3.30c/KWh 100% = 6.60c/KWh
Amount per unit of usage	\$0.066 (inc. GST)	QGreen can be added to your electricity plan as an additional charge. 10% = 0.66c/KWh 50% = 3.30c/KWh 100% = 6.60c/KWh

100%: Amount per unit of usage: \$0.066 (inc. GST)
QGreen can be added to your electricity plan as an additional charge. 10% = 0.66c/KWh 50% = 3.30c/KWh 100% = 6.60c/KWh

Electricity offer terms and conditions
For full terms and conditions, visit www.qenergy.com.au

Contact details and more information

Retailer: QEnergy
Phone number: 1300 448 535
Retailer's website: <http://www.qenergy.com.au>

Energy Made Easy
Energy Made Easy is an Australian Government website where you can compare energy offers. Visit Energy Made Easy at www.energymadeeasy.gov.au

This information is a guide only and does not recommend a particular offer. You should make your own enquiries with retailers on any offers that interest you.

Basic Plan Information Sunny Day Offer at 1 January 2018

To find out more click here or contact us on:
Phone: 13 00 00 (you can quote reference number SUN83837MR)
Web: www.sunenergy.com.au



My household is most like:

	kWh/day	Estimated quarterly bill
		Base price With all discounts
1 to 2 people 1 to 2 bedrooms Weekly washing, little heating and cooling	9 kWh/day	\$350 \$290
3 people 3 bedrooms Washing a few times a week, regular heating and cooling	19 kWh/day	\$640 \$520
4 to 5+ people 4+ bedrooms Daily washing, heating and cooling	26 kWh/day	\$820 \$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.

Key facts about this plan

	Need to know
Contract	<ul style="list-style-type: none"> Ongoing contract with 12 month benefit period Flexible billing available 10 day cooling off period
Discounts and bonuses	<ul style="list-style-type: none"> Up to 19% discount off usage charges One-off \$50 credit on your first bill Discount only applies IF you: <ul style="list-style-type: none"> pay on time (16%) pay by direct debit (2%) use e-Billing (1%)
Fees	<ul style="list-style-type: none"> Early exit fee: nil Late payment fee: \$12 Credit card payment fee and paper bill fee apply

Key features

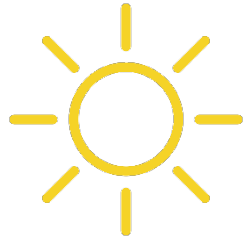
Prices can change	✓ We will advise you of price changes	Solar feed-in tariff	✓ 9 cents per kWh FIT
Off peak savings	✓ Cheaper at night and on weekends	Green power	✓ Up to 100% green energy option available. Fees apply

Prices (GST exclusive so that you can compare with your bill)

	Summer: 1 Dec - 28 Feb	Other: 1 March - 30 Nov
Off Peak	10pm-7am Mon-Fri Sat Sun 21.34 cents per kWh	10pm-7am Mon-Fri Sat Sun 21.34 cents per kWh
Semi-peak	9am-5pm Mon-Fri 8pm-10pm Mon-Fri 37.147 cents per kWh	9am-5pm Mon-Fri 8pm-10pm Mon-Fri 33.24 cents per kWh
Peak	7am-9am Mon-Fri 5pm-8pm Mon-Fri 38.588 cents per kWh	7am-9am Mon-Fri 5pm-8pm Mon-Fri 35.147 cents per kWh
Separate meter 1	8pm-8am - 16.61 cents per kWh	8pm-8am - 16.1 cents per kWh
Separate meter 2	11pm-5am - 22.572 cents per kWh	11pm-5am - 23.572 cents per kWh
Supply charge	84 cents per day	84 cents per day

To compare plans from all energy providers visit the Australian Energy Regulator's independent website www.energymadeeasy.gov.au or call 1300 585 165

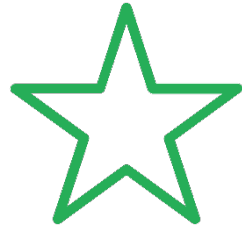
The four “plans”



Small	\$345.29
Medium	\$637.45
Large	\$756.62

Other features:

- 15% discount



Small	\$352.05
Medium	\$653.13
Large	\$782.32

Other features:

- 20% discount



Small	\$339.09
Medium	\$626.72
Large	\$757.68

Other features:

- 15% discount



Small	\$329.40
Medium	\$635.40
Large	\$788.40

Other features:

- No discount

- Flat pricing

Two of the treatments



Basic Plan Information

Sunny Day Offer at 1 January 2018

To find out more [click here](#) or contact us on:
Phone: 13 00 00 (you can quote reference number SUN8387MR)
Web: www.sunenergy.com.au

My household is most like:

			kWh/day	Estimated quarterly bill		
				Base price	With all discounts	
	1 to 2 people		Weekly washing, little heating and cooling	9 kWh/day	\$350	\$290
	3 people		Washing a few times a week, regular heating and cooling	19 kWh/day	\$640	\$520
	4 to 5+ people		Daily washing, heating and cooling	26 kWh/day	\$820	\$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.

Key facts about this plan

		Need to know
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Price table bottom

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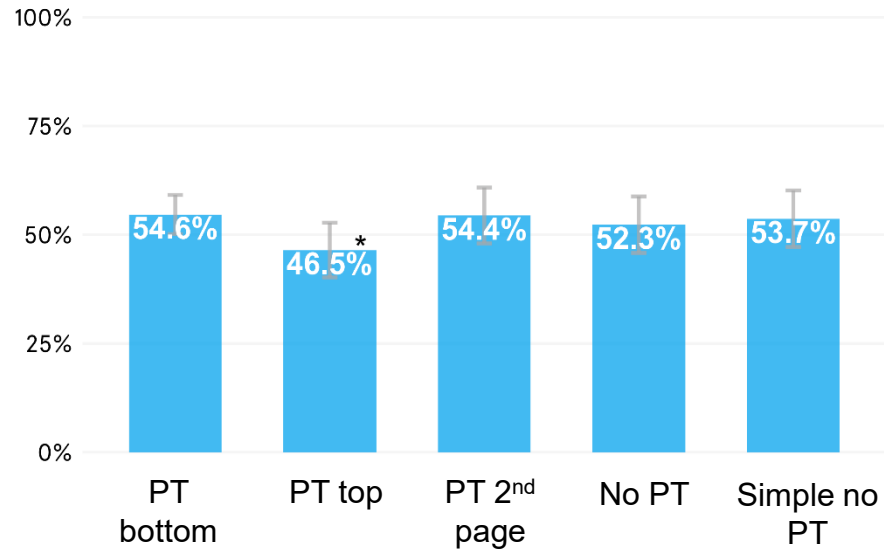
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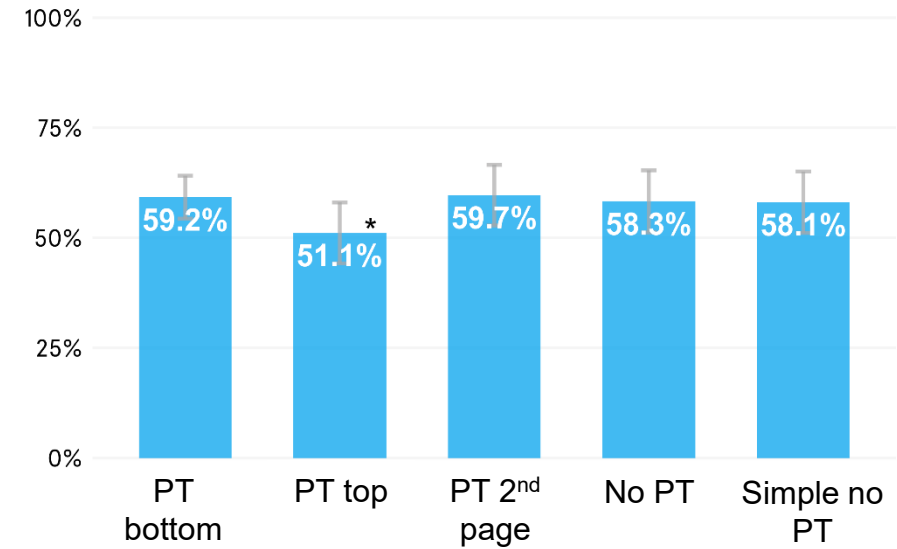
Price table top

Price table at the top makes things worse



Proportion choosing the cheapest plan (incentivised), by treatment

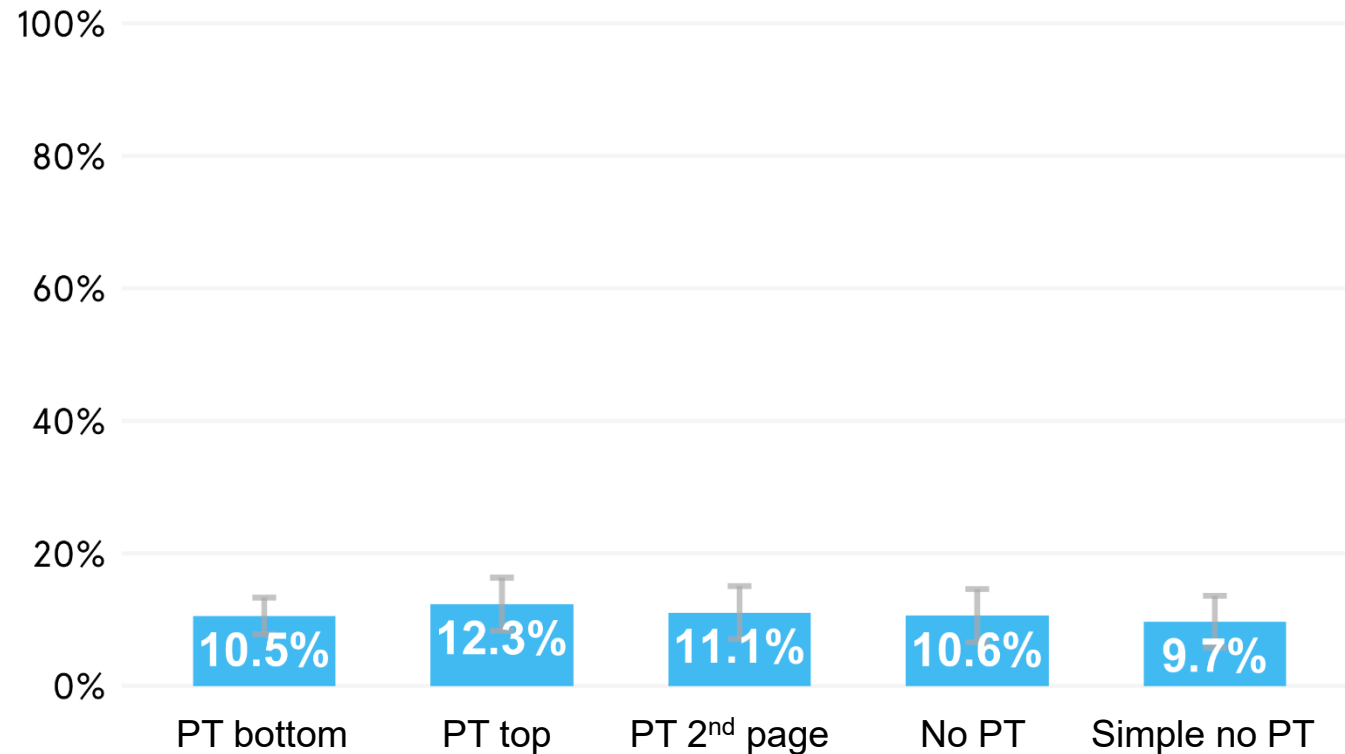
*+=p<0.1, *=p<0.05, **=p<0.01, ***=p<0.001*



Proportion choosing the cheapest plan (incentivised), by treatment, where all four plans had been viewed.

*+=p<0.1, *=p<0.05, **=p<0.01, ***=p<0.001*

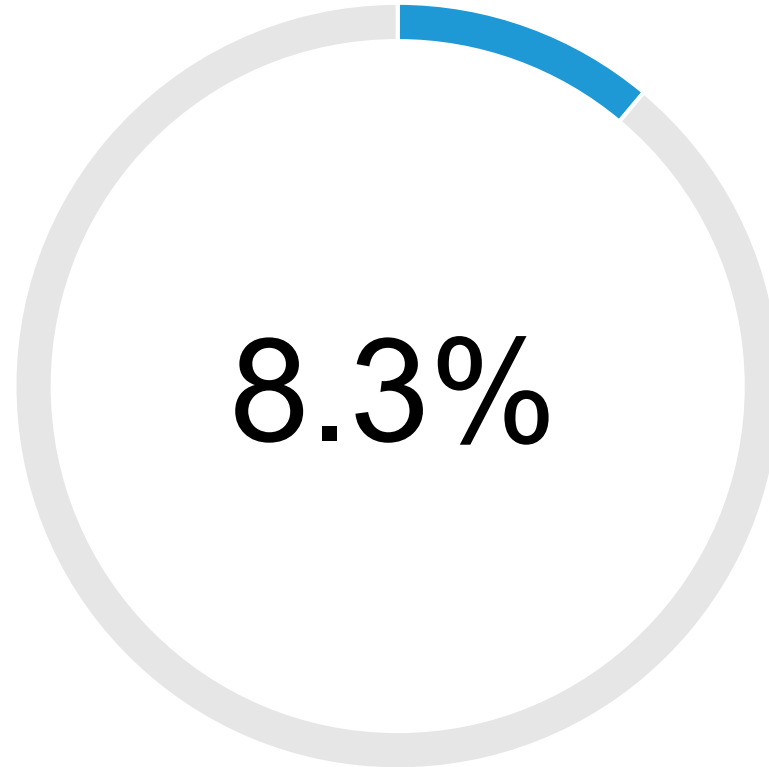
Consumers don't understand the price table



*Proportion answering comprehension question correctly,
by treatment*

*+ = $p < 0.1$, * = $p < 0.05$, ** = $p < 0.01$, *** = $p < 0.001$*

Discounts cause confusion



8.3% of respondents who saw all four plans – or 1 in 12 - selected the plan with the 20% discount, despite it being either the worst or second worst option



Can we learn more
about how consumers
think?



How much do you need to pay?



0942
[NAME]
1 SAMPLE ST VIC 3057

Your electricity bill **4 Mar 18 – 5 June 18**

WE CAN OFFER YOU A CHEAPER PLAN On our Anytime Saver Plan you could Save up to \$485 a year* To switch plans, call 13 25 71, or go to www.boltenergy.com.au	DUE DATE 5 Jul 18	YOUR ACCOUNT DETAILS Account number 300 033 393 200 Tax invoice 180 000 596 420 Issue date 6 Jun 18 Total amount due See the Account Summary on pg. 2
YOUR ENERGY PLAN Easy Saver plan ending 24 Oct 18 Your estimated bill over the next 12 months is \$1730. Benefits available on this energy plan Guaranteed usage discount (10%)	AMOUNT DUE \$320.01 if paid by 5 Jul 18 Or \$365.01 if paid after the due date	
YOUR USAGE SUMMARY Average cost per day \$3.57 Average daily usage 9.06 kWh Same time last year 9.01 kWh <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <small>COST PER DAY</small> </div> <div style="text-align: center;"> <small>DAILY USAGE</small> </div> </div>	YOUR ENERGY PLAN Easy Saver plan ending 24 Oct 18 Your estimated bill over the next 12 months is \$1730. Benefits available on this energy plan Guaranteed usage discount (10%)	

Need to get in touch

Enquiries & moving address: 13 24 61
7 am - 9 pm local time Mon - Fri
9 am - 5 pm local time Sat

Faults & emergencies: 13 12 80
Call Melbourne Power 24 hrs

DIRECT DEBIT Register online at boltenergy.com.au/myaccount or call 13 24 61 to arrange automatic payment of future accounts*	MAIL Send this slip with your cheque made payable to: Bolt Energy Holdings Limited, Private Bag 14825 Melbourne Vic 3001	TELEPHONE & INTERNET BANKING - BPAY® Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card* or transaction account. More info: www.bpay.com.au
VISA OR MASTERCARD®* Call 1300 658 783 or visit boltenergy.com.au/paynow	IN PERSON* Pay by cash, eftpos or card* at any Post Office	

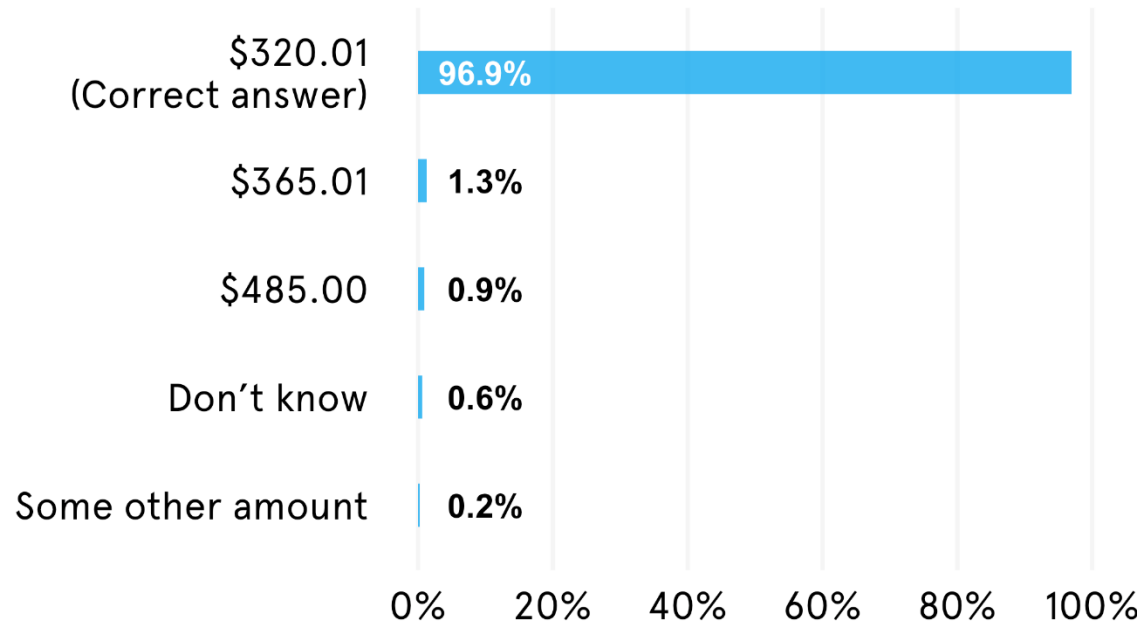
Visa or MasterCard payments may incur a processing fee of 0.37% (incl GST) of the total payment amount. This will be shown on your next bill. Some exemptions and payment limits may apply. *Payment processing fee of \$2.00 (incl GST) may apply. Bolt Energy Lic A8N 33 071 022 257

*Conditions Apply

Your electricity bill **4 Mar 18 – 5 June 18**

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It's actually very easy



Respondent's answers in Trial 2 when asked what they believed the amount to be paid by 5 July 2018 was, aggregated



What does the future
hold?



Expanding the work of the Financial Capability Lab



A behavioural approach to managing money: **Ideas and results from the Financial Capability Lab**

A partnership between the Money Advice Service,
the Behavioural Insights Team & Ipsos MORI

May 2018

- Identified a range of potential ideas, some of which have been lab tested
- Recently partnered with Monzo in the UK to test “card controller”
- Many other promising ideas – Repay and save, sidecar savings, checkout savings.
- Currently look for partners!

Thank you



Ravi Dutta-Powell

Ravi.Dutta-Powell@bi.team

