



Consumer vulnerability across key markets in the European Union

Final report



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Abstract

The study examines the incidence of vulnerability across the EU28 and Iceland and Norway, and the factors explaining any observed vulnerability. The study uses a range of information sources (literature review, stakeholder interviews, consumer survey and consumer experiments in five countries) and focuses on three key sectors in the European Union. The key finding is that incidence of vulnerability is the highest when consumers face complex advertising or when consumers do not compare deals at all or have problems comparing deals because of market-related factors or personal factors. The analysis of potential drivers of vulnerability shows that market-related drivers are particularly important as these are consistently linked with many vulnerability indicators in the statistical analysis. Among the three sectors of particular interest, the incidence of vulnerability is markedly higher in the energy and finance sectors than in the online sector. The study concludes with a number of recommendations focusing on policies to address consumer vulnerability and on the methodologies to employ in future major studies of consumer vulnerability.

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Glossary

Terminology abbreviations

ACER	Agency for the Cooperation of Energy Regulators
APR	Annual Percentage Rate
APRC	Annual Percentage Rate of Charge
ATM	Automated Transaction Machine
BEUC	Bureau Européen des Unions de Consommateurs
BIAC	Broadband Internet Access Charges
CADS	Consumer Attention Deficit Syndrome
CAPI	Computer Assisted Personal Interview
CATI	Computer Assisted Telephone Interview
CAWI	Computer Assisted Web Interview
CCD	Consumer Credit Directive
CCS	Consumer Conditions Scoreboard
CRD	Consumer Rights Directive
CEER	The Council of European Energy Regulators
CMS	Consumer Market Scoreboard
EC	European Commission
ECCG	European Consumer Consultative Group
EEA	European Economic Area
EPV	Events per variable (regression method)
EU	European Union
FCA	Financial Conduct Authority (United Kingdom)
G-S	General-to-Specific econometric approach
ICT	Information Communication Technology
IT	Information Technology
kWh	kilowatt-hour
Mbps	Megabits per second
MMS	Market Monitoring Survey
MS	Member State
OECD	Organisation for Economic Co-operation and Development
OFT	UK Office of Fair Trading (closed in 2014)
PIN	Personal Identification Number
pp	Percentage Points
T&Cs/Ts&Cs	Terms and Conditions
TCR	Tariff Comparison Rate
UCPD	Unfair Commercial Practices Directive
WHO	World Health Organisation

Member State codes

BE	Belgium	LT	Lithuania
BG	Bulgaria	LU	Luxembourg
CZ	Czech Republic	HU	Hungary
DK	Denmark	MT	Malta
DE	Germany	NL	Netherlands
EE	Estonia	AT	Austria
IE	Ireland	PL	Poland
EL	Greece	PT	Portugal
ES	Spain	RO	Romania
FR	France	SI	Slovenia
HR	Croatia	SK	Slovakia
IT	Italy	FI	Finland
CY	Cyprus	SE	Sweden
LV	Latvia	UK	United Kingdom

Executive summary

Policy context

The president of the European Commission, Jean-Claude Juncker, committed to deliver change and to focus on the big political challenges in Europe. To achieve this, he created a new streamlined Commission including a “strong consumer portfolio”¹. This portfolio is called upon to play a vital role in delivering on the priorities of the 2014 Commission Political Guidelines², in particular the Digital Single Market, the Energy Union, the Internal Market, the Capital Markets Union and Jobs, Growth and Investment.

Built on the Consumer Programme 2014-2020, the EU consumer policy focuses on four key areas:

1) a single market of safe products for the benefit of citizens and as a component of competitive businesses and traders; 2) a single market where citizens are well represented by professional consumer organisations whose capacity is built to meet the challenges of today's economic environment; 3) a market where citizens are aware and exercise their rights as consumers so that they contribute to the growth of competitive markets, citizens must enjoy access to redress mechanisms in case of problems without needing to resort to court procedures which are lengthy and costly for them and the governments; 4) a concrete and effective collaboration between national bodies to support the enforcement of consumer rights, support the consumers with advice.

The broad concept of consumer vulnerability is relevant to each of these objectives, and consumer vulnerability is identified as a key challenge to be tackled within this context.

Consumer vulnerability was also identified as a key concern in the Commission Staff Working Document³ on knowledge-enhancing aspects of consumer empowerment, and the European Economic and Social Committee⁴ and consumer organisations⁵ have also focused attention on the issue of vulnerable consumers.

Furthermore, a 2012 resolution of the European Parliament⁶ called on the Commission to consider reinforcing the rights of vulnerable consumers as a key priority, and to include the dimension of consumer vulnerability in the work of the Consumer Scoreboard to have a clearer overview of the needs of vulnerable consumers.

While there is a substantial amount of EU consumer law and the consumer dimension is a key element of many EU policies, in 2012 the Commission acknowledged that a comprehensive framework is needed to address challenges such as those linked to the digitalisation of daily life and the specific needs of vulnerable consumers.⁷ The second EC report on consumer policy⁸ highlights a number of activities with a focus on consumer vulnerability, such as the establishment of the Vulnerable Consumer Working

¹ http://europa.eu/rapid/press-release_IP-14-984_en.htm

² http://ec.europa.eu/priorities/docs/pg_en.pdf

³ http://ec.europa.eu/consumers/archive/strategy/docs/swd_document_2012_en.pdf

⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:011:0054:0058:EN:PDF>

⁵ http://ec.europa.eu/consumers/archive/empowerment/docs/eccg_opinion_consumers_vulnerability_022013_en.pdf

⁶ <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2012-0209&language=EN&ring=A7-2012-0155>

⁷ http://europa.eu/rapid/press-release_IP-12-491_en.htm

⁸ http://ec.europa.eu/consumers/strategy-programme/policy-strategy/documents/consumer_policy_report_2014_en.pdf

Group, which brings together a range of stakeholders from many Member States in the context of the Citizens Energy Forum.

The Unfair Commercial Practices Directive (UCPD) provides for specific protection of consumers who are particularly vulnerable due to their mental or physical infirmity, age or credulity. In its 2013 assessment of the UCPD⁹, the Commission found it should itself take a more prominent role in monitoring and coordinating the enforcement of the UCPD by Member States, and that further efforts should be made to strengthen the enforcement of the UCPD in relation to vulnerable consumers. At present the Commission is revising the Guidance document on the application of the UCPD, including, potentially, the part on vulnerable consumers.

The importance of the present study

This study is important because it fills a knowledge gap by adding substantially to the evidence base in the area of consumer vulnerability. In particular, the study:

- Demonstrates how consumer vulnerability can be operationalised and explored, conceptually and empirically through data collection.
- Provides insights to assist consumer policy making, such as insights into the key factors linked to consumer vulnerability, which policy measures or types of measures are most effective in mitigating consumer vulnerability, and the role of problematic commercial practices.
- Provides insights useful to help the development of the EU's consumer evidence base, including the Consumer Scoreboards, Market Studies, and Behavioural Studies.
- Provides insights relevant to the UCPD and updating of the UCPD Guidance document.

Methodology of the study

Five different research activities were undertaken during the course of the study, namely a literature review, stakeholder consultations (national consumer associations, country experts and EU-level stakeholder organisations) a consumer survey in all EU Member States, Iceland and Norway, behavioural experiments, and biographical consumer interviews in five EU countries. The behavioural experiments were specific to the three key sectors of interest to the study, namely the energy, finance and online environment sectors, and the fourth was a cross-cutting experiment.

Main findings

Vulnerability definitions

In the literature there exists no single, commonly adopted definition of consumer vulnerability and most often vulnerability refers to an ex-ante assessment of the likelihood of a potential negative outcome in terms of consumer well-being. It is an assessment of risk, rather than a reflection of a negative outcome that has or is certain to materialise. Two broad vulnerability categories emerge from the literature, namely, vulnerability which relates to personal characteristics of the consumer and a broader concept which takes into account the transactional situations in which consumers find themselves. Most recent definitions also recognise that vulnerability is not a static condition. Consumers may move in and out of states of vulnerability and they may be vulnerable in respect of some categories of transaction but not others. In addition,

⁹ http://ec.europa.eu/justice/consumer-marketing/files/ucpd_report_en.pdf

vulnerability is best viewed as a spectrum rather than a binary state. Yet, in some policy contexts, it may be important to recognise that some personal characteristics can imply that vulnerability remains an enduring characteristic for particular groups of consumers.

Vulnerability dimensions

Based on the findings from the literature review, five core vulnerability dimensions are used in the study:

1. *Heightened risk of negative outcomes or impacts on well-being* - interpreting vulnerability as an ex-ante assessment of the likelihood of a negative outcome, as a loss of welfare due to choices in markets, and as higher susceptibility to harm and diminished well-being.
2. *Having characteristics that limit ability to maximise well-being* - interpreting vulnerability as characteristics that limit consumers' ability to maximise their utility and well-being, as consumers' diminished capacity to understand advertising and product effects, and as consumers' certain abiding characteristics.
3. *Having difficulty in obtaining or assimilating information* - interpreting vulnerability as limitations obtaining or assimilating consumer information and 'informational vulnerability' which refers to scenarios where suppliers may have better information than consumers.
4. *Inability or failure to buy, choose or access suitable products* - interpreting vulnerability as consumer inability to choose or access products and services which are suitable for their needs or do so without disproportionate effort or as not having access to beneficial products or services, including a distinction between buying unsuitable goods or services and failing to buy suitable goods and services.
5. *Higher susceptibility to marketing practices*, creating imbalances in market interactions - interpreting vulnerability as the effect of marketing practices and consumers' special susceptibility.

Vulnerability incidence rates

To operationalise the five dimensions, the study develops a number of general and sector-specific (energy, finance and online) indicators which can be populated with information from the survey and the experiments.

- The highest vulnerability incidence rates are observed EU-wide for the indicators of dimension 5 of vulnerability, namely "Higher susceptibility to marketing practices", reflecting the inability of consumers of choosing the optimal deal in the experiments.
- The second highest incidence rates are observed in the case of dimension 4 vulnerability. In particular, vulnerability arises because consumers do not compare deals or have problems comparing deals because of market-related factors or personal factors. Overall, almost 75% of EU-28 consumers exhibit at least one such dimension 4 vulnerability.
- Dimension 2 indicators, namely individual personal characteristics, do not have particularly high vulnerability incidence rates. However, overall, about 23% of consumers are vulnerable on the basis of one or several personal characteristics. Among the personal characteristics, financial and employment circumstances show the highest incidence rate.
- The incidence of dimension 1 and 3 vulnerability indicators is relatively low, generally 10% or less and never exceeds 15%. Overall, both the analysis of the incidence of vulnerability across the EU as whole and of the variation of vulnerability across EU Member States highlights that marketing practices, lack

of use of information or imperfect information and access issues are the most frequent causes of vulnerability.

In terms of the variation of vulnerability incidence rates across the EU, Germany, the Netherlands and Norway are the countries where the vulnerability incidence rates are in general markedly lower than the EU-28 rates while the opposite is true in Cyprus, and to a somewhat lesser extent in Croatia and Romania.

Among the three sectors of particular interest for the study (finance, energy and online), the incidence of vulnerability tends to be higher in the energy and financial sectors than in the online sector for the majority of the vulnerability indicators.

Each of the sectors however has important specificities. In particular, in the financial and energy sectors, complexity presents a challenge for a very wide range of consumers as they are likely to find it difficult to understand and compare offers.

The average consumer

The Unfair Commercial Practices Directive distinguishes the notion of the average consumer from the vulnerable consumer. The average consumer is defined as a consumer “who is reasonably well-informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors”. Given the two different consumer concepts in the UCPD the study also reviews the extent to which the “average” consumer is vulnerable under one or several of the vulnerability dimensions. Overall, for each of the vulnerability indicators, the “average consumer,” as represented by the median consumer, exhibits few signs of vulnerability.

Vulnerability drivers

Among the set of drivers of vulnerability (personal and demographic characteristics, behavioural drivers / characteristics, market-related drivers, access drivers and situational drivers) considered by the study, market-related drivers are found to be particularly important, since these are often consistently linked with many vulnerability indicators across multiple dimensions, and often have the strongest effects on individual indicators.

However, other types of drivers are also important, especially with respect to certain dimensions and vulnerability indicators. For example:

- Among the behavioural drivers, being trusting has particularly strong effects on feeling informed about prices, quality, etc. and feeling vulnerable due to the complexity of offers;
- Among the access drivers, using the internet to search for information has a strong impact on being able to choose between offers; and,
- Among the situational drivers, finding it hard to make ends meet is linked with vulnerability across many dimensions.

Using the results from the analysis of the incidence and drivers of vulnerability the study populates a theoretical framework of vulnerability developed on the basis of the literature review. Such an approach provides a concise overall picture of the most important drivers and effects of vulnerability. The key points to note are that:

- Market-related drivers are especially important, in particular being unable to read contract terms and conditions and being disengaged from markets (e.g. in terms of not knowing contract conditions, or not reading communications). This suggests that measures that ensure information is presented in a salient and accessible way, methods to raise awareness of tools that can aide comparison in markets, and measures that increase consumer awareness of market conditions, may be effective at mitigating vulnerability.

- Behavioural drivers also have important effects, in particular more impulsive consumers are, on the whole, more likely to be vulnerable on several dimensions while consumers who are willing to take risks are generally less vulnerable. These results suggest that behavioural biases such as risk aversion and cognitive limitations are relevant to vulnerability, and that measures that target these factors, for example interventions to improve the presentation of information, may be effective in reducing vulnerability.
- Among the situational drivers, finding it difficult to make ends meet and having friends who cannot make ends meet are found to be especially important. This suggests that measures to reduce financial pressure on consumers (e.g. social tariffs) may be effective in reducing vulnerability.

The study also examines the interaction between marketing practices and consumer vulnerability. Four behavioural experiments were undertaken to assess the effect of various common marketing practices on consumer decision making, namely the level of prominence given to important information (in the financial sector), the impact of dripping prices and information (in the on-line sector), the complexity of tariffs (in the energy sector) and the impact of the use of a teaser rate (across the three sectors). On average across the four experiments, 62.5% of the consumers managed to select the best offer under the marketing practice. However, when consumers were provided with clearer information 69.2 % of the consumers selected the best offer, a statistically significant increase of almost 7 percentage points.

Revised definition of vulnerability

This study explores the definitions of vulnerability used in literature, highlighting the shift from definitions focusing on personal characteristics of the consumer to definitions taking into account the overall situation in which the consumers find themselves. The consequent investigation of vulnerability drivers and marketing practices confirms that the broader market environment is an important element of vulnerability, but that temporary or permanent characteristics of the consumer also play an important role.

Based on the identified literature, the study aimed to operationalise consumer vulnerability in terms of a set of five dimensions. This operationalisation can in turn be used to update and enhance existing vulnerability definitions. A “vulnerable consumer” could therefore be defined as:

“A consumer, who, as a result of socio-demographic characteristics, behavioural characteristics, personal situation, or market environment:

- *Is at higher risk of experiencing negative outcomes in the market;*
- *Has limited ability to maximise their well-being;*
- *Has difficulty in obtaining or assimilating information;*
- *Is less able to buy, choose or access suitable products; or*
- *Is more susceptible to certain marketing practices”*

Measures to address vulnerability

Measures addressing consumer vulnerability in place at the EU and Member State level include:

- Support measures, including both financial and non-financial support;
- Protection measures targeting economic actors and aiming to eliminate problematic practices; and
- Awareness-raising measures, such as information campaigns or provision of specific advice.

Examining national approaches, measures addressing consumer vulnerability are relatively common across the EU. At the same time, a considerably smaller number of

Member States appear to have developed a broader strategic approach to consumer vulnerability.

However, no clear pattern emerges from a comparison of a classification of Member States based on identified measures and strategic approaches with the observed incidences of vulnerability. This finding suggests that there is no clear link between incidence of vulnerability and the national approach to vulnerability. However, it is important to note that the analysis cannot identify the direction of potential causality (i.e. whether measures addressing vulnerability result in lower incidence, or whether high incidence of vulnerability spurs the introduction of relevant measures at national level).

Policy implications

Given the complexity of consumer vulnerability, what constitutes a good practice depends on the specific driver or marketing practice to be addressed, as well as the broader market environment. Nevertheless, the study identifies a set of broad measures likely to have a positive impact. These include:

- Well targeted support measures in the energy-sector that address fuel poverty among vulnerable consumers;
- Measures addressing marketing practices that exploit consumers' vulnerable situations; and
- Measures improving the quality and transparency of information.

More specifically a range of potential policy options are proposed for mitigating the various effects of the different types of vulnerability drivers:

- Personal and demographic drivers: ensure that information is accessible to non-native speakers as not being a native speaker is among the various personal and demographic drivers and a major source of vulnerability; measures to help young people overcome the feeling of being unassertive or problems with comparing deals and to help older people overcome problems of choosing and accessing deals;
- Behavioural drivers: measures to address issues with complex, misleading or difficult to understand information and provision of simple, clear, transparent and comprehensive information;
- Market-related drivers: provision of simple, clear, transparent and comprehensive information, awareness-raising campaigns about comparison tools and existing market conditions;
- Access drivers: measures to improve access to, knowledge of and confidence in the online environment, improved physical accessibility of public and private commercial buildings and potentially redefining discriminatory treatment;
- Situational drivers: measures to alleviate or mitigate financial pressures on individuals and households (including well targeted support measures in the energy sector to address fuel poverty) and measures assisting consumers who are totally or largely confined to their home.

1. BACKGROUND, INTRODUCTION AND RESEARCH OBJECTIVES OF THE STUDY

This chapter describes the policy context in which the study is set, sets out the scope of the study, explains the need for the study, presents the research objectives of the study, outlines the research activities, and finally lays out the structure of the report.

1.1. Policy context

The president of the European Commission, Jean-Claude Juncker, committed to deliver change and to focus on the big political challenges in Europe. To achieve this, he created a new streamlined Commission including a “strong consumer portfolio”¹⁰. This portfolio is called upon to play a vital role in delivering on the priorities of the 2014 Commission Political Guidelines¹¹, in particular the Digital Single Market, the Energy Union, the Internal Market, the Capital Markets Union and Jobs, Growth and Investment.

Built on the Consumer Programme 2014-2020, the EU consumer policy focuses on four key areas:

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The broad concept of consumer vulnerability is relevant to each of these objectives, and consumer vulnerability is identified as a key challenge to be tackled within this context.

Consumer vulnerability was also identified as a key concern in the Commission Staff Working Document¹² on knowledge-enhancing aspects of consumer empowerment,, and the European Economic and Social Committee¹³ and consumer organisations¹⁴ have also focussed attention on the issue of vulnerable consumers.

Furthermore, a 2012 resolution of the European Parliament¹⁵ called on the Commission to consider reinforcing of the rights of vulnerable consumers as a key priority, and to include the dimension of consumer vulnerability in the work of the Consumer Scoreboard to have a clearer overview of the needs of vulnerable consumers.

¹⁰ http://europa.eu/rapid/press-release_IP-14-984_en.htm

¹¹ http://ec.europa.eu/priorities/docs/pg_en.pdf

¹² http://ec.europa.eu/consumers/archive/strategy/docs/swd_document_2012_en.pdf

¹³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:011:0054:0058:EN:PDF>

¹⁴ http://ec.europa.eu/consumers/archive/empowerment/docs/eccg_opinion_consumers_vulnerability_022013_en.pdf

¹⁵ <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2012-0209&language=EN&ring=A7-2012-0155>

While there is a substantial amount of EU consumer law and the consumer dimension is a key element of many EU policies, in 2012 the Commission acknowledged that a comprehensive framework is needed to address challenges such as those linked to the digitalisation of daily life and the specific needs of vulnerable consumers.¹⁶ The second EC report on consumer policy¹⁷ highlights a number of activities with a focus on consumer vulnerability, such as the establishment of the Vulnerable Consumer Working Group, which brought together a range of stakeholders from many Member States in the context of the Citizens Energy Forum.

The Unfair Commercial Practices Directive (UCPD) provides for specific protection of consumers who are particularly vulnerable due to their mental or physical infirmity, age or credulity. In its 2013 assessment of the UCPD¹⁸, the Commission found it should itself take a more prominent role in monitoring and coordinating the enforcement of the UCPD by Member States, and that further efforts should be made to strengthen the enforcement of the UCPD in relation to vulnerable consumers. At present the Commission is revising the Guidance document on the application of the UCPD, including, potentially, the part on vulnerable consumers.

1.2. Scope of the study

The Consumer Agenda identifies five sectors as being particularly problematic for consumers, namely digital services, financial services, transport, food and energy, whereas European Parliament's reports identify digital services, financial services, transport, electronic communications and energy as primary sectors where vulnerability occurs.

The present study focuses on consumer vulnerability in three of these sectors, specifically the energy sector, the financial sector, and the online environment including electronic communications.

The study covers all 28 EU Member States, Norway and Iceland, and, through the various research activities outlined below, examines the issue of consumer vulnerability in a broad sense, taking into account the diverse range of concepts and definitions of vulnerability that exist in the academic and policy literature.

1.3. Need for the present study

There is a need to investigate how markets that are identified as problematic for consumers operate for consumers who might be considered to be vulnerable. Hence, there is a need for the present study in order to fill a knowledge gap by adding substantially to the evidence base in the area of consumer vulnerability. In particular, there is a need for the study to:

- Demonstrate how consumer vulnerability can be operationalised and explored, both conceptually and empirically through data collection.
- Provide insights regarding the drivers of and key factors linked to consumer vulnerability.

¹⁶ http://europa.eu/rapid/press-release_IP-12-491_en.htm

¹⁷ http://ec.europa.eu/consumers/strategy-programme/policy-strategy/documents/consumer_policy_report_2014_en.pdf

¹⁸ http://ec.europa.eu/justice/consumer-marketing/files/ucpd_report_en.pdf

- Provide insights to assist consumer policy-making, such as which policy measures or types of measures are most effective in mitigating vulnerability, and the role of problematic commercial practices.
- Provide insights useful to help the development of the EU's consumer evidence base, including the Consumer Scoreboards, market studies, and behavioural studies.
- Provides insights relevant to the UCPD and updating of the UCPD guidance.

1.4. Research objectives of the study

The Terms of Reference set out 15 research questions (for reference later in the report we label these RQ1 to RQ15):

- RQ1: Is it possible to map and classify different types of consumer vulnerabilities? How can this be done in a manner that allows establishing operational definitions of what is an average consumer, and what consumer skills are required to avoid vulnerability for each of the sectors investigated?
- RQ2: Is it possible to discern specific socio-demographic characteristics which point toward a higher risk of consumer vulnerability (e.g. age, income, education, employment status, migrant, living with disabilities, living in rural/urban areas, lack of access to internet at home, etc.)? If so, what are the implications of embodying multiple vulnerability characteristics?
- RQ3: In specific sectors, to what extent is consumer vulnerability linked to problematic marketing practices or to a particular socio-economic status? To what extent is alleviation of vulnerability linked to market developments (e.g. more simplification or transparency of offers) or to changes in individual behaviour (e.g. consumer education, specific training etc.)?
- RQ4: Is consumer vulnerability to be regarded more as a structural condition, or a transitory one? What are the coping strategies/responses employed by consumers in a situation of vulnerability? What are the chances for a person to improve or exit his/her condition of consumer vulnerability? What are the factors that can contribute to this possible exit/improvement?
- RQ5: How to explore the complexities of consumer vulnerability across different sectors?
- RQ6: Are socio-demographic characteristics found to indicate vulnerability in one sector, likely to indicate vulnerability also in other sectors?
- RQ7: Is it possible to identify drivers of vulnerability per sector, based on an in-depth analysis of specific market mechanisms and subsequently to assess which drivers of vulnerability are likely to operate across sectors?
- RQ8: How to best test (through behavioural experiments) what behaviour and skills are assumed to be those of an average consumer per sector specific problematic marketing practice? Are there certain socio-demographic characteristics which make persons more susceptible to problematic marketing practices in specific purchase situations?
- RQ9: How to map and classify the best practice (policy) measures in place in Member States and at EU level to alleviate consumer vulnerability in an operational manner (legislation, guidance documents, self-regulatory tools, inspections,

complaint mechanisms, labelling schemes, help-lines, education and information provision, work of relevant NGOs etc.)?

RQ10: Is it possible to test and assess a selection of best practice (policy) responses in place in Member States (and at EU level) as to whether they are able to counteract vulnerability drivers mapped per sector?

RQ11: What are the barriers to implementing effective measures for alleviating consumer vulnerability per sector, including cultural and socio-economic aspects?

RQ12: How to identify the most effective intervention tools and prepare the ground for proposing effective and evidence-based responses from the viewpoint of consumer policy? How to identify whether a policy initiative would be effective to mitigate consumer vulnerability within and/or across sectors?

RQ13: Based on the evidence collected in the study, which sector specific and/ or cross-cutting recommendations can be proposed to support the Commission's work to alleviate consumer vulnerability?

RQ14: How can the investigation methods of the future Consumer Scoreboards and market studies conducted by the Commission be refined, in order to ensure that data relevant for consumer vulnerability is collected and analysed?

RQ15: How can the insights from the study provide advice on whether and how the chapter on 'Vulnerable Consumers' of the UCPD Guidance could be reviewed/ expanded?

1.5. Research activities

Five different research activities have been undertaken during the course of the study:

- Literature review
- Stakeholder consultation
- Consumer survey
- Behavioural experiments
- Biographical consumer interviews

1.6. Structure of the report

The report comprises of twelve chapters:

1. Background, introduction and research objectives of the study
2. Research methods used in the study
3. Conceptualisation of a theoretical framework and operationalisation of vulnerability
4. Incidence of consumer vulnerability
5. Drivers of and factors linked to consumer vulnerability
6. Population of the theoretical framework of vulnerability
7. Role of marketing practices
8. Complexities of consumer vulnerability across different sectors
9. Concept of the 'average consumer'
10. Best practice policy measures in member states and at EU level

11. Conclusions, recommendations and policy options

2. RESEARCH METHODS USED IN THE STUDY

The five different research activities undertaken during the course of the study (the literature review, stakeholder consultation, consumer survey, behavioural experiments, and biographical consumer interviews) are discussed in turn in the following sections. The final section in this chapter outlines the input received during the study from a number of experts drawn from across the three sectors of focus for the study. More technical details of the research methods used in the study can be found in Annex 2.

2.1. Literature review

The objectives of the literature review were to:

- Provide an overview of the literature regarding the definitions of vulnerability, drivers of vulnerability and vulnerability indicators.
- Identify and group marketing practices that are problematic for vulnerable consumers.
- Provide a more detailed overview of drivers, indicators, and practices for the financial, energy, and online environment and electronic communication sectors.

The outputs from the review were:

- Classification of the different types of consumer vulnerability
- Typology of vulnerability drivers and indicators
- Groupings of problematic marketing practices
- Country fiches on best practice measures

The selection of literature for the literature review used two separate approaches:

- Systematic database searches using keyword terms;
- Consultation with study experts and DG JUST, including drawing on literature identified by DG JUST, as well as by the study team during the proposal stage.

Since initial database searches using broad terms “consumer AND vulnerability”, “consumer* AND vulnerable”, “average consumer*” and “consumer protection” allowed us to identify a relatively limited number of relevant studies, consultation with experts played an important role in identifying relevant literature. Relevant studies were reviewed and synthesised using a common format, which identified vulnerability drivers, definitions and typologies, vulnerability indicators and problematic practices. This synthesis was in turn the basis for the findings contained within the following report sections.

The team has identified and screened 172 documents. 80 were reviewed in detail, out of which 66 were synthesised and relevant information on vulnerability drivers, indicators, and problematic practices was extracted. 81 remaining studies were deemed not directly relevant. For the remaining 11 documents, the full text could not be obtained. Additional detail concerning the literature review methodology is outlined in Section 3.2. The literature list is presented in the references section (immediately before Annex 1).

2.2. Stakeholder consultation

Stakeholder consultation aimed to supplement the literature review, with a particular focus on identifying best practice measures to address consumer vulnerability in the 28 Member States plus Iceland and Norway and in turn contributing to country fiches focusing on national approaches to consumer vulnerability.

Stakeholder consultation carried out as part of the preparatory review tasks consisted of:

- **Stakeholder interviews:** The study team has conducted three types of interviews: interviews with national consumer organisations (or other national-level stakeholders) in order to complete the country fiches; interviews with sector-experts at national level to feed into the sector-specific overview of consumer vulnerability; as well as interviews with other EU-level stakeholder organisations relevant to the topic of consumer vulnerability in order to supplement the literature review. The full list of interviewees is presented in the Annex.
- **Focus groups:** Five mini focus groups were conducted in Milan, Italy. The objective was to provide further information for the design of the consumer survey and behavioural experiments, and to provide additional context in the interpretation of future findings across the study. The groups were elderly, unemployed, low education, immigrants and those with a disability. The focus group report has been provided as a separate deliverable to the Commission along with the audio recordings.

Stakeholder interviews with consumer organisations and sector-specific stakeholders (sector-focused consumer organisations or regulators) were carried out by telephone and used a semi-structured interview guide (see Annex 12). Given the challenges in securing interviews with consumer organisations, the study team made a significant effort to secure a sufficient number of interviews. In some cases interviews with national authorities or sector-specific interviews were used to gain information about general approaches to consumer vulnerability, where national consumer organisations were unable or unwilling to participate. In some cases stakeholders provided answers to the interview questions in written form.

It is important to note that the input from consumer organisations consisted primarily of the organisation representatives highlighting issues encountered in their daily work. These may include specific practices encountered, investigated, or acted upon, as well as specific case law. Generally, however, this input was not based on systematic research into vulnerability and practices targeting vulnerable consumers conducted by consumer organisations. Hence, while the consumer organisation input has been very valuable in identifying drivers, indicators, and practices, it is important to note that it does not allow us to draw definitive conclusions concerning the frequency or impact of specific practices.

The detailed focus group composition was as follows:

- **Elderly group:** 1 female (separated), 1 male (married) aged 65 to 75.
- **Unemployed group:** 1 male, 1 female, both of them with family, both unemployed for 2-5 years and currently looking for a new job.
- **Low education group:** 1 female, 1 male aged 25 to 45, either discontinued education or achieved low education standards.

- **Immigrant group:** 1 female from the Philippines, 1 male from Romania, under 40 years old, both first-generation immigrants who moved to Italy 2-5 years ago, average education standards, average Italian fluency (speaking and writing).
- **Disability group:** 1 male, 1 female, aged 25 to 55, both affected with physical disabilities (1 of them suffering from a chronic condition), unable to lead a fully autonomous life or in need of part-time care.

It is important to note that in the case of the members of the immigrant group, native language plays an important role. For instance, immigrants whose native language is very different to language(s) used in the host country (in this case Italian) may face different challenges than those whose native language is closer to the host country's (e.g. Romanian and Italian). Therefore it is difficult to fully isolate the immigrant experience from language factors. Another challenge faced during the focus groups was the diversity of the disability group and, as a consequence, the very diverse experiences of the participants.

2.3. Consumer survey

A consumer survey was conducted in all EU Member States, Norway and Iceland. Behavioural experiments were run in conjunction with the survey in five countries (details of the experiments are given in section 2.4). The countries where behavioural experiments were included in the survey were Denmark, Lithuania, Portugal, Romania and the UK. These countries were selected for the experiments in order to maintain a good geographic balance.

In order to reach the potentially vulnerable consumers the consumer survey was conducted via a mixed-mode design: online (CAWI) and telephone interviews (CATI) in countries without behavioural experiments and online and in-home self-completion (CAPI) in the countries with behavioural experiments.¹⁹ In two countries (Cyprus and Malta) online panels weren't available and the entire survey was conducted through telephone interviews.

The overarching objective of the consumer survey was to map vulnerability patterns in three investigated sectors: the energy sector, the financial sector and the online sector. The survey questions particularly focussed on investigating how consumers understand and choose their energy suppliers, their financial services providers and their telecom providers.

2.3.1. Pilot

In order to collect preliminary information from the general public which would serve as support for finalising the questionnaire for the main survey, a pilot study was implemented in the UK. The questionnaire was piloted in order to test for length of questionnaire and any difficulties respondents may have with understanding the behavioural experiments. The pilot allowed necessary changes to the final version of the survey to be implemented before the full fieldwork was undertaken.

¹⁹ Bulgaria, Germany and Poland did not conduct an experiment but used CAPI instead of CATI for feasibility reasons.

2.3.2. Sample

The target audience of the consumer survey and experiment was the general population. The survey targeted the general population aged 16 to 75 in each country, but respondents older than 75 are also included in the sample (the oldest respondent in the dataset is 99 years old). In each of the big or middle-sized countries at least 1,000 respondents were interviewed. For the seven smallest countries at least 500 consumers were interviewed. For each country the best interviewing mode or a combination of interviewing modes was determined, online, telephone, and in-home-self-completion.

2.3.3. Online panels

The online part of the main stage fieldwork was conducted using Ipsos' online panels. In some countries, Ipsos' panels were supplemented with partner panels, either due to Ipsos not currently having a panel in that country or where the Ipsos panel was too small to achieve the target number of interviews. All the work conducted was managed centrally, with one scripting, data collection and data delivery process.

2.3.4. Fieldwork dates

Fieldwork was completed between 20 February and 17 April 2015.

2.3.5. Interview length

During the main stage fieldwork, the average online survey length with the experiment ranged from 20 minutes in the UK to 26 minutes in Lithuania. In the experiment countries, the offline (CAPI/CATI) interview length ranged from 18 minutes in the UK to 45 minutes in Denmark.

In countries where the experiments were not conducted, the length of the interview was shorter. The average online survey length for these countries ranged from 11 minutes in Belgium, the Netherlands and Italy, to 15 minutes in Estonia, Iceland, Latvia and Slovakia. In the non-experiment countries, the offline interviews took between 11 minutes in Greece and 23 minutes in Slovakia.

2.3.6. Weighting and outputs

Two sets of weights have been applied to the data:

- 1) Within each country, the data has been weighted by demographic variables to correct for any biases in the achieved sample profile compared to known population statistics (gender, age, urbanisation, region, working status and education).
- 2) Across countries, the data has been weighted to ensure that each country is represented according to its population size in the EU-wide results.

2.4. Behavioural experiments

Four behavioural experiments were conducted as part of the study. Three experiments were specific to the three key sectors of interest to the study – the energy, finance and online environment sectors – and the fourth was a cross-cutting experiment.

Each experiment tested the impact on consumer decision making of a marketing practice treatment and a remedy treatment. Both the marketing practices and the remedies were developed based on practices observed in the relevant sectors in Member States.

All four experiments involved respondents being presented with and asked to choose between alternative offers/deals (e.g. energy deals, consumer loans, and packaged broadband, telephones and TV packages) over two 'rounds'. In the first round of each experiment, respondents chose between two offers. In the second round, the offer that they selected in the first round became 'their current deal', and they chose between that deal and two 'new' offers.

Before respondents could see details of the new offers in the second round, they needed to click a button and incur a short time delay, which was intended to simulate search costs. However, respondents were free to select any of the deals that they could see at any time (i.e. in the second round they could decide to stay with their current deal without viewing either of the new deals).

The deals were constructed so that in each round of each experiment there was an optimal choice (i.e. a deal that was objectively better in terms of price and/or other characteristics). This means we have clear performance measures from the experiment, which allow us to assess the relative impacts of the marketing practice and remedy treatments.

Each respondent was randomly allocated to two of the four experiments. Each respondent performed one of the two experiments they were allocated to under the remedy treatment, and the other under the marketing practice treatment. Hence each respondent made four experiment choices in total.

The experiments were run in five countries in conjunction with the consumer survey, as a separate module within the survey. The five experiment countries were Denmark, Lithuania, Portugal, Romania and the United Kingdom. These countries were selected to ensure balanced geographic coverage of the EU.

In the following sections we describe each of the four experiments in more detail, in particular the marketing practice and remedy treatments in each experiment. Further details (e.g. the wording of questions and mock-ups of the deals shown to respondents) can be seen in Annex 13 which presents the full script of the consumer questionnaire and behavioural experiment.

2.4.1. Energy sector experiment

The energy sector experiment focussed on complex tariff pricing (the marketing practice) and new information tools to provide consumers with useful information to help them compare the costs of different tariffs (the remedy). The motivation for this experiment design came from a number of previous studies and references, for example:

- Tariffs can be presented in a number of different ways which leads to difficulties in comparison for consumers, and can impact choice of tariff due to price presentation. A key recommendation from the 2010 SANCO study on the functioning of retail electricity markets for consumers in the EU was "Encourage suppliers to present their tariff offers in a way that is clear and

transparent for consumers to interpret and compare across suppliers” (ECME Consortium 2010).

- The European Commission (2013) Vulnerable Consumer Working Group Guidance Document on Vulnerable Consumers recommended that Member States should ensure that information on bills is clear and that it is easy for consumers to compare tariffs charged by energy companies.
- ACER and CEER (2013)²⁰ report that consumer choices can be facilitated by publishing easily comparable unit prices in terms of standing charges and variable rates for standard consumption profiles.
- The Energy Efficiency Directive (2012/27/EU) requires that information is provided in an easily comparable format allowing consumers to compare deals on a like-for-like basis (Article 10(3.e)). However, evidence from the UK found that consumer struggle to identify the cheapest energy offer due to complex tariffs (Ofgem 2013; Which? 2012 and 2014).

Under the marketing practice treatment, alternative electricity deals with complex pricing were presented to respondents. These deals comprised of a standing charge per day, a unit rate for the first block of electricity consumed (e.g. 750kWh per year), another unit rate for additional electricity, and in some cases a discount. Such complex pricing of tariffs is a marketing practice that has been present in some Member States, for example in the UK prior to the regulator’s 2013 Retail Market Review, which sought to address such practices.

Under the remedy treatment, the same electricity deals were presented with a Tariff Comparison Rate (TCR) and a Personal Projection, which are information tools introduced by the UK regulator following its Retail Market Review in 2013. These tools establish a common means of calculating estimated annual energy costs that are personal to the consumer:

- The TCR is the cost of a tariff per kWh (i.e. €cent per kWh) calculated based on ‘medium’ energy use, which is defined as 3,200 kWh per year (see Ofgem 2013a para. 3.37).
- The Personal Projection is the cost of a tariff over one year calculated based on the consumer’s personal (actual or estimated) level of consumption. Where the consumer’s actual annual consumption is not available suppliers are “required to use their best estimate of consumption for a 12-month period, taking into account all relevant factors” (see Ofgem 2013a para. 3.46).

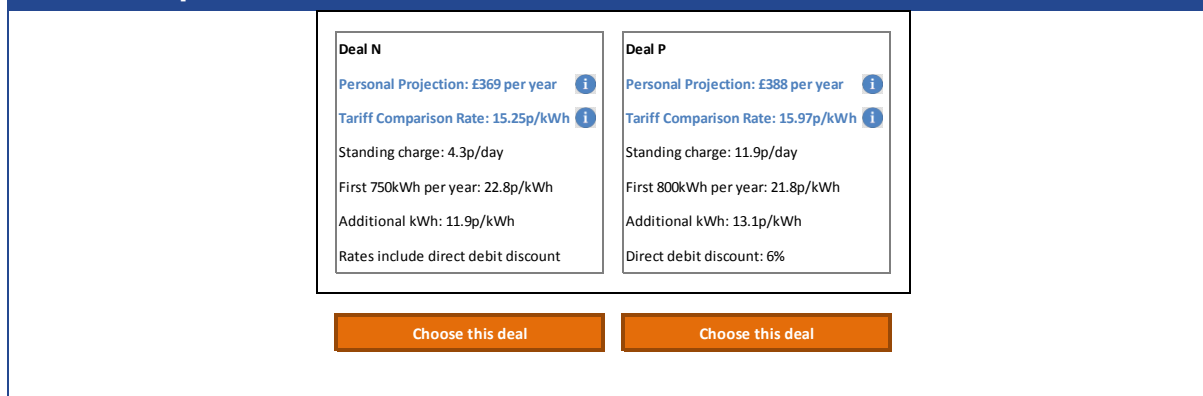
Two example deals presented under the remedy treatment are shown in the figure below.

In the experiment, each respondent’s Personal Projection was calculated based on their consumption profile, which was told to them at the start of the experiment. Their consumption profile was in turn calculated based on respondents’ answers to several preliminary questions (e.g. the size of their home and whether they use electricity on

²⁰ Annual Report on the Results of Monitoring the Internal Electricity and Gas Markets in 2012: <http://www.acer.europa.eu/Electricity/Market%20monitoring/Pages/Reports.aspx>. Since the experiment was designed, more recent versions of this report have been published: http://www.europarl.europa.eu/meetdocs/2014_2019/documents/itre/dv/acer_market_monitoring_report_2014_/acer_market_monitoring_report_2014_en.pdf

evenings and weekends or all day), an approach that is similar to that used by actual energy suppliers.

Figure 1: Example deals presented under the remedy in the energy sector experiment



2.4.2. Online sector experiment

The online sector experiment simulated the consumer choice of a bundled broadband, telephone and TV package deal. The use of this type of product to represent the online environment sector was due to the prevalence of such packages in the EU. The Consumer market study on the functioning of the market for internet access and provision (DG SANCO 2012) found that across the EU, 86% of consumers have a bundled package while 14% have stand-alone internet access (EC DG SANCO 2012). The most common form of bundle reported by consumers in the study was internet plus fixed telephony (36%), followed by internet plus fixed telephony and TV (19%), with 11% of consumers in the EU reporting that they held internet plus TV packages. According to a DG Connect (2013) study on Broadband Internet Access Charges (BIAC), 45% of offers available in the EU were internet only, while 24% were internet plus phone, 20% included internet plus telephone and TV, while 11% of offers included internet and TV.

The marketing practice examined in the online experiment was 'dripping' of prices and information relating to deals during the purchasing process, i.e. where different pieces of information are revealed to consumers at different stages in the process.

Dripping of information and prices across the purchasing process can lead to difficulties for consumers to identify and choose the best deal given their requirements. For example, two behavioural studies for the Office of Fair Trading in the UK (2011 and 2013) found that the price dripping can cause up to a 25% loss in consumer welfare compared to straight per unit pricing. Recent research for Freeview and the Post Office in the UK (Opinium and University of Reading 2013) found that suppliers drip information and the actual price can increase by more than 200% over 24 months once additional products and services are added.

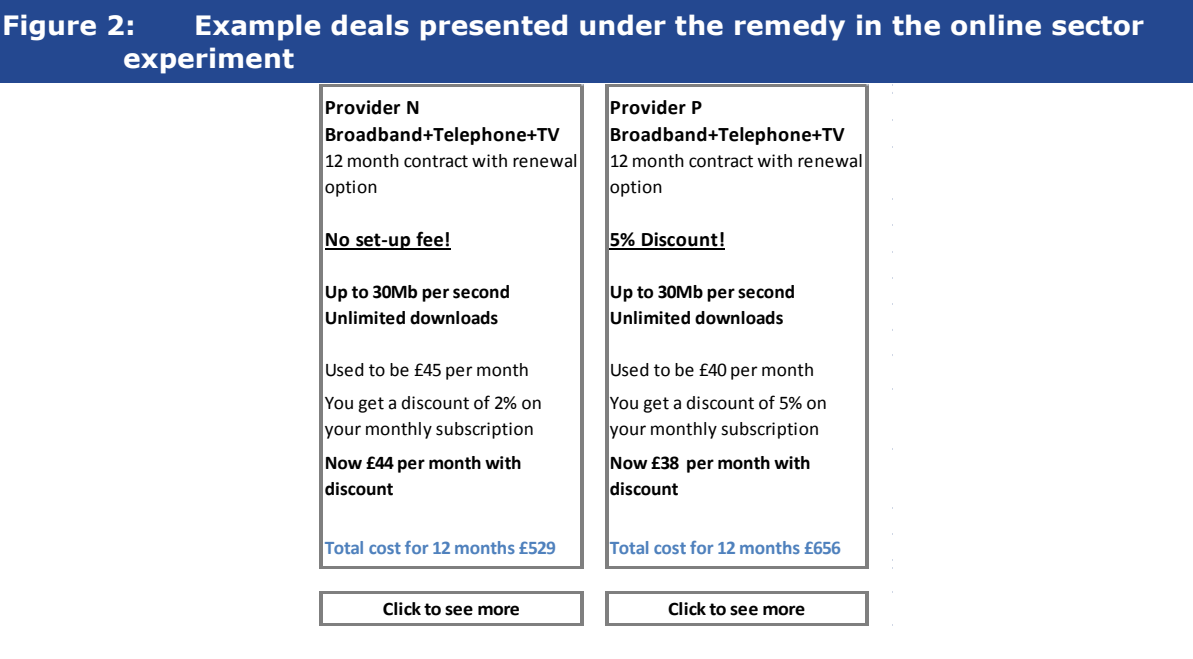
Price and information dripping also adds to complexity for consumers. A study by Communications Chambers (2013) found that complex product information is a key search cost for consumers and this is magnified when products have multiple components, while a behavioural study in the UK for Ofcom (2011) into presentation of broadband package information found that the majority of respondents could not identify the best offer.

The remedy tested in the experiment was the provision of the total price for each package at the first stage of the purchasing process (i.e. up-front). This remedy is based on a policy from Denmark, which requires broadband suppliers to tell the consumer upfront on the first page they view the total minimum price they will pay for a given package. This minimum price includes the price for the broadband service and the price for all other package components.²¹

In the experiment, under both treatments (marketing practice and remedy) information relating to alternative offers and the prices of these offers was dripped through the purchasing process. The purchasing process in the experiment environment comprised of three steps, over the course of which characteristics of alternative deals (including download speed, download volume, monthly subscription price, a discount on monthly subscription, free daytime minutes, free night time/weekend calls, TV channels, and the set-up fee) were dripped to respondents.

Under the remedy treatment (but not the marketing practice treatment) the total cost of each offer over 12 months was presented up-front at the first stage of the process.

Two example packages presented under the remedy treatment are shown in the figure below.



²¹ "Best Practise in the Telecommunications Industry: Guidelines from the Danish Consumer Ombudsman".
<http://www.consumerombudsman.dk/~media/Consumerombudsman/dco/goodmarketingpractis%2000%20pdf.pdf>

Recommends prices be shown in the following manner: Marketing relating to telecom equipment and services should quote the total minimum price to be paid by the subscriber as a result of contractual obligations. This amount should be quoted as one, total price (total minimum charge).

2.4.3. Finance sector experiment

The finance sector experiment tested the effect of the prominence of information required to be included in advertising for consumer credit under the Consumer Credit Directive (87/102/EEC), Article 4(2) (a)-(f). These elements, which are to be illustrated on a representative example, are:

- a) Borrowing rate
- b) Total amount of credit
- c) APRC and, of a representative example
- d) Credit agreement duration
- e) In the case of deferred payments, the cash price and the amount of any advance payment
- f) Total amount payable and amount of the instalments to be paid by the consumer

The experiment simulated the choice of an unsecured personal loan (sometimes also called a consumer loan by lenders), which could be used to go on holiday or buy consumer goods such as TVs. This type of credit product was used in the experiment since it is comparable across countries, i.e. these types of loans are available across the EU, and it is a relatively easy concept for respondents to understand. In the experiment, respondents were told they are seeking a loan to buy a good such as a holiday, a television or other product for their home.

In the presentation of personal loans to consumers, elements a) to d) and f) above are required to be shown in a clear, concise and prominent way, by means of a representative example in the advertising. Element (e) is required only in the case of a credit in the form of deferred payment of a specific good or service.

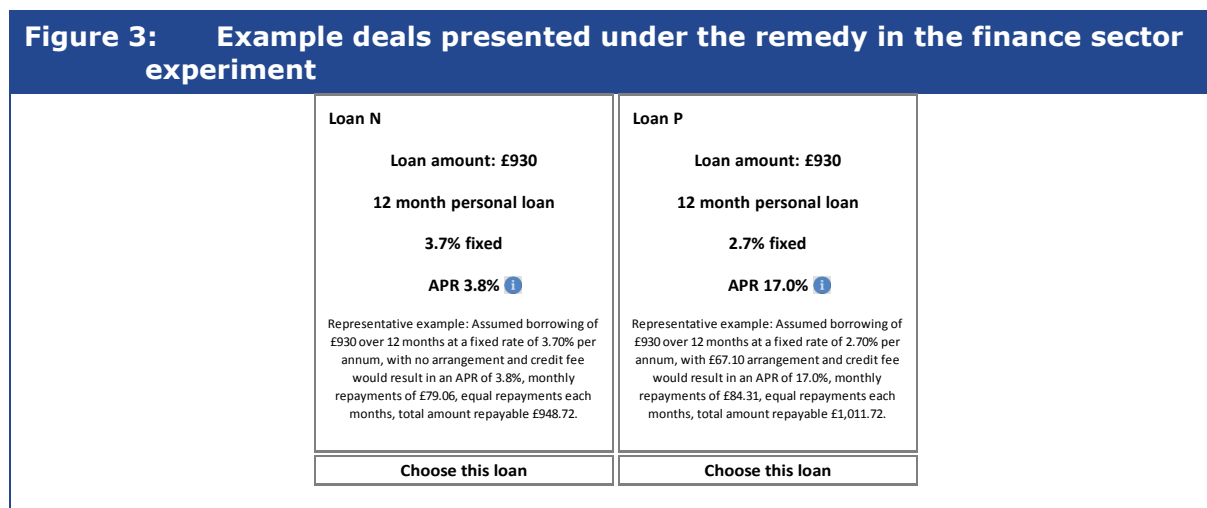
The loan type was unsecured credit *not* linked to the purchase of a good or service, and with a contractually determined credit amount and repayment period. That is, credit provided on the basis of a credit agreement in which the total amount of the credit is specified and the repayment method (monthly repayments in this case) is specified. The loans were fixed rate loans for a period of 12 months.

The experiment treatments tested the effect of the prominence of information. The marketing practice treatment is based on a websweep of advertisements in Denmark, Lithuania, Poland, Portugal and the United Kingdom, and an example provided by DG Justice and Consumers from Poland. These marketing practices provide all information required within the Consumer Credit Directive (CCD) for unsecured personal loans, but this information is not always shown in a prominent way. The remedy is also based on a websweep of advertisements, and in this instance the information required by the CCD is shown in at least a prominent way as the headline figures. For example, the interest rate is often shown as the most prominent feature of an advertisement.

Under the remedy treatment, APR of each loan offered to respondents was shown in large font at the top of the offer, alongside the loan amount, duration and interest rate.

Under the marketing practice treatment, the APR was shown in smaller text at the bottom of the offer, alongside the loan amount, interest rate, fee, monthly repayment, and total amount repayable.

Two example loans presented under the remedy treatment are shown in the figure below.



2.4.4. Cross-cutting experiment

The cross-cutting experiment examined the marketing practice of “teaser rates”, i.e. where an initial, more favourable price or rate is attached to a product for a certain period of time, after which it changes to another price/rate which is less favourable for the consumer. Consumer issues that may arise due to the use of teaser rates are that (see Erta et al. 2013, for further discussion):

- Consumers may miscalculate how much they will use/pay for products with teaser rates (e.g. consumers may underestimate their future credit card borrowing or how long they will continue to pay for a subscription). In particular this problem may arise if consumers are overconfident about their self-control or suffer from present-bias. Hence consumers may choose products with teaser rates when it is not in their best interests.
- Consumers suffer from forgetfulness and inertia, meaning they neglect to undertake tasks that are in their interests. As a result consumers may fail to switch away from products with teaser rates when these rates expire.

The cross-cutting experiment was ‘framed’ using three products, one from each of the three key study sectors; electricity deals (energy sector), broadband packages (online sector) and savings accounts (finance sector).

Under both the marketing practice treatment and the remedy treatment, some deals offered to respondents had teaser rates and other deals had flat rates, i.e. this dimension was the same across treatments.

However, under the remedy treatment (but not the marketing practice treatment) the total cost or interest paid (in the case of savings accounts) of each deal over 6, 12 and 24 months was shown upfront to respondents.

For example, two deals shown to respondents under the broadband packages framing and remedy treatment are shown in the figure below.

Figure 4: Example deals presented under the remedy in the cross-cutting experiment

Provider Q Broadband+Telephone+TV	Provider M Broadband+Telephone+TV
Total cost over: - 6 months: £141 - 12 months: £465 - 24 months: £1113 £8.25 per month for the first 4 months £54 per month thereafter	Total cost over: - 6 months: £254 - 12 months: £509 - 24 months: £1018 Flat rate: £42.4 per month
Choose this offer	Choose this offer

2.5. Biographical consumer interviews

The qualitative element of the research consisted of conducting in-depth face-to-face interviews in five Member States: Denmark, Lithuania, Portugal, Romania and the UK. A total of nine participants were interviewed for each country.

2.6. Discussion guide

The discussion guide used for conducting the in-depth interviews was designed by Ipsos, with input from the European Commission and London Economics.

The document was structured around the three main topics, aiming to collect information about difficulties consumers may encounter when dealing with the energy sector, finance sector and in the internet sector.

The main objective was to identify possible areas where consumers may experience certain difficulties or may feel disadvantaged when dealing with these companies. We aimed to explore respondents' personal experiences when dealing with different retailers, possible causes of feeling unconfident or disadvantaged, as well as attitudes and coping strategies when faced with these types of difficulties.

Each interview began with an introduction to the study, followed by a brief discussion about respondents' background, with the aim to identify possible factors which may contribute to vulnerability, distrust or feeling disadvantaged.

2.7. Input from the expert group

As part of the study the consortium drew upon the expertise of a number of experts. The experts were drawn from across the three sectors of focus for the study (energy, finance and online) and we included a legal expert to assist with the case law review.

The experts were specifically drawn upon to assist in the preparatory phases to ensure that the framework adopted was robust and appropriate for the study. Specifically, the consortium shared the initial list of identified literature with the expert panel and the experts were asked to review the literature selection and identify additional relevant

sources to be consulted. A particular focus was on ensuring the coverage of the three sectors, with experts asked to identify studies focusing on consumer vulnerability in their respective sectors of expertise.

Another important key input from the expert panel was during the review of relevant case law. The consortium consulted the legal expert, Prof. Peter Rott in order to assist the team in identifying relevant cases for review.

Input from the panel was reduced as the project progressed with the design of the fieldwork materials drawing upon the expertise of our consortium members, the European Commission, the EC Joint Research Centre Behavioural Economic Specialists, and the sector specialists drawn from across the Commission and present on the EC project Steering Committee. Furthermore, comment and review of the final report was provided by specialists drawn from the EC Steering Committee for the project, and members of the EC Vulnerable Consumer Working Group and the Consumer Markets Expert Group to whom the draft findings from the study were presented.

3. CONCEPTUALISATION OF A THEORETICAL FRAMEWORK AND OPERATIONALISATION OF VULNERABILITY

Box 1: Summary of Chapter 3

This chapter begins with an overview of how the concept of consumer vulnerability has been addressed in the relevant literature. This includes how the concept is defined, the different dimensions which it takes, and a diverse array of respective drivers as well as effects. The analysis sections then distil these ideas into an operationalised set of vulnerability dimensions, where each is further associated with a set of quantifiable indicators.

As is widely recognised, there is no single, commonly adopted definition of consumer vulnerability. The chapter discusses the different ways in which the concept can be interpreted. Vulnerability most often refers to an ex-ante assessment of the likelihood of a potential negative outcome in terms of consumer well-being. It is an assessment of risk, rather than a reflection of a negative outcome that has or is certain to materialise.

Two broad vulnerability categories emerge, namely, vulnerability which relates to personal characteristics of the consumer and a broader concept which takes into account the transactional situations in which consumers find themselves.

Most recent definitions recognise that vulnerability is not a static condition. Consumers may move in and out of states of vulnerability and they may be vulnerable in respect of some categories of transaction but not others. In addition, vulnerability is best viewed as a spectrum rather than a binary state.

Yet, in some policy contexts, it may be important to recognise that some personal characteristics can imply that vulnerability remains an enduring characteristic for particular groups of consumers.

The analysis of the literature is synthesised into five core dimensions of vulnerability, which are taken forward throughout the study as the organising structure according to which prevalence of vulnerability is empirically assessed. These five core dimensions are:

- 1) Heightened risk of negative outcomes or impacts on well-being - interpreting vulnerability as an ex-ante assessment of the likelihood of a negative outcome, as a loss of welfare due to choices in markets, and as higher susceptibility to harm and diminished well-being.
- 2) Having characteristics that limit ability to maximise well-being - interpreting vulnerability as characteristics that limit consumers' ability to maximise their utility and well-being, as consumers of diminished capacity to understand advertising and product effects, and as consumers' certain abiding characteristics.
- 3) Having difficulty in obtaining or assimilating information - interpreting vulnerability as limitations obtaining or assimilating consumer information and 'informational vulnerability' which refers to scenarios where suppliers may have better information than consumers.
- 4) Inability or failure to buy, choose or access suitable products - interpreting

vulnerability as consumer inability to choose or access products and services which are suitable for their needs or do so without disproportionate effort or as not having access to beneficial products or services, including a distinction between buying unsuitable goods or services and failing to buy suitable goods and services.

5) Higher susceptibility to marketing practices, creating imbalances in market interactions - interpreting vulnerability as the effect of marketing practices and consumers' special susceptibility, a combination of consumers' characteristics and the techniques used by marketers to render them particularly vulnerable, powerlessness due to imbalanced market interactions and consumption of marketing messages, consumers at greater risk of mis-selling, and with diminished capacity to understand the role of advertising.

In terms of effects, the first dimension differs from the remaining as it relates directly to outcomes of market participation, rather than actions or decisions involved in the transactional process. The effects more directly relevant to the second dimension include instances where consumers face detriment or negative outcomes as a result of their personal characteristics. Effects attributable to the third dimension are similar to the above but stem from consumers not obtaining and interpreting relevant information, regardless of their personal characteristics. The fourth dimension's relevant potential effects include most of the above (except those relating directly to information) as well as effects specific to limitations in terms of access (including access to redress). The relevant potential effects for Dimension 5 largely mirror those relevant to Dimension 2, with the distinction that they stem from vendors' practices rather than personal characteristics.

The chapter concludes with a proposed list of indicators which is to be taken forward to assess each of the five vulnerability dimensions.

1. Indicators for Dimension 1: Heightened risk of negative outcomes or impacts on well-being

1. Unassertive when experienced a problem buying or using goods or services
2. Overpaid for services

2. Indicators for Dimension 2: Having characteristics that limit ability to maximise well-being

3. Perception of own vulnerability due to personal characteristics

3. Indicators for Dimension 3: Having difficulty in obtaining or assimilating information

4. Does not feel informed
5. Gets information from few sources
6. Does not compare deals due to information-related factors
7. Has not recently switched due to being unsure about where to get information

4. Indicators for Dimension 4: Inability or failure to buy, choose or access suitable products

8. Does not compare deals due to a) personal factors, b) market-related factors and c) access-related factors
9. Has not recently switched due to a) personal factors, b) market-related factors, c) access-related factors, d) termination costs and e) bundling of offers
10. Excluded from e-commerce
11. Declined a loan

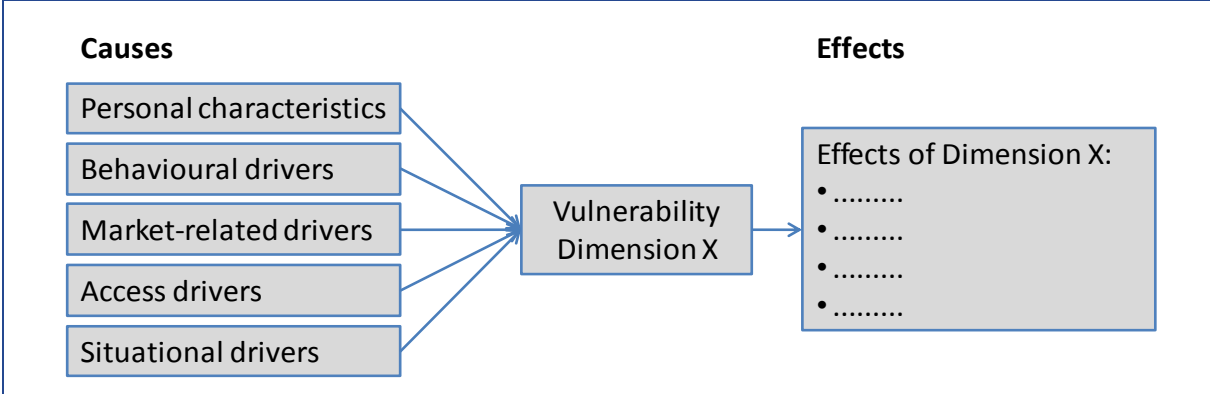
5. Indicators for Dimension 5: Higher susceptibility to marketing practices
- 12. Perception of own vulnerability due to marketing practices
 - 13. Performance in the behavioural experiments

This chapter conceptualises a theoretical framework of consumer vulnerability which is examined and populated via the analysis presented in the following chapters. Drawing on key insights from the literature, the framework establishes the primary concepts of consumer vulnerability and considers the potential causes and likely main effects of vulnerability. By mapping and classify different types of vulnerability, this chapter provides part of the answer to research question RQ1 (set out in section 1.4).

In addition, this chapter also sets out how the concept of consumer vulnerability is operationalised, and how the potential drivers of vulnerability are operationalised, for the purposes of the analysis presented later in this report.

In the theoretical framework the different causes of vulnerability, including personal characteristics and the vulnerability drivers discussed below, influence the risk of vulnerability in a given dimension (the dimensions are set out in section 3.3 below), which in turn results in the effects of vulnerability associated with that dimension, as shown in Figure 5.

Figure 5: Theoretical framework structure



3.1. Vulnerability definitions

The key initial step in understanding consumer vulnerability is to provide an overview of the different definitions of consumer vulnerability. Hence, this section examines the definitions of vulnerability recognised in the literature.

The term “vulnerability” is used in a broad range of contexts and is therefore present in a wide body of academic and grey literature. It can generally be seen as referring to an ex-ante assessment of the likelihood of a potential negative outcome (see for instance Povel 2009). Applying this concept to consumer policy, vulnerability would therefore refer to a potential negative impact on consumer well-being. The UK

Financial Services Consumer Panel (2012)²², for instance, sees vulnerability as meaning “there is a higher risk of consumer detriment but does not mean that the risk actually has, or will, crystallise”.

There are a number of definitions of consumer vulnerability used in academic and grey literature. They can be divided into two broad categories, namely:

- Definitions focusing on personal characteristics of the consumer; and
- Broader definitions taking into account the overall situation in which the consumers find themselves.

The former category includes the following definitions:

- Ringold (1995) defines vulnerable consumers as individuals who have “diminished capacity to understand the role of advertising, product effects, or both” (Ringold 1995 in Baker et al. 2005).
- Smith and Cooper-Martin (1997) use a similar, but somewhat broader definition, seeing vulnerable consumers as “more susceptible to economic, physical, or psychological harm in, or as a result of economic transactions because of characteristics that limit their ability to maximise their utility and well-being” (Smith and Cooper-Martin 1997 in Baker et al. 2005).
- Burden (1998) sees vulnerability as a difficulty in obtaining or assimilating the information needed to make decisions about goods and services and as loss of welfare as a result of buying inappropriate goods or services, or of failing to buy appropriate goods and services.
- Similarly, Overall (2004) suggests that some consumers may be vulnerable because they have a greater difficulty than others in obtaining or assimilating consumer information into their decision making (Overall 2004 in Brennan, Zavallos and Binney 2011).

The second category of definitions takes a broader view of vulnerability with an increased focus on the situation in which consumers find themselves:

- Andreasen and Manning (1990) define vulnerable consumers as those who “are at a disadvantage in exchange relationships where that disadvantage is attributable to characteristics that are largely not controllable by them” (Andreasen and Manning 1990 in Clifton et al. 2013).
- Brenkert (1998) notes that vulnerability refers to a combination of “consumers’ special characteristics and the means or techniques which marketers use that render them especially vulnerable” (Brenkert 1998 in Wolburg 2005).
- Consumer Futures (2001) defines vulnerable consumers as “those whose circumstances make them vulnerable to suffering consumer disadvantage”.
- Baker, Gentry and Rittenburg (2005) define consumer vulnerability as a “state of powerlessness that arises from an imbalance in marketplace interactions or from the consumption of marketing messages and products”. According to this definition it “occurs when control is not in an individual’s hands, creating a

²² <https://www.fs-cp.org.uk/>

dependence on external factors (e.g., marketers) to create fairness in the marketplace”.

- Hill and Kozup (2007) in turn interpret the Baker, Gentry and Rittenburg definition as “existing in a state of powerlessness that occurs when control is abused by transaction partners and leads to an unhealthy dependence”.
- Finally, Stearn (2012), while defining vulnerable consumers as “people who cannot choose or access essential products and services which are suitable for their needs or cannot do so without disproportionate effort/cost/time”, provides a broader definition of vulnerability as “the condition in which a consumer is at greater risk of mis-selling, exploitation or being put at a disadvantage in terms of accessing or using a service, or in seeking redress”.

The two types of definitions mirror the key development in the academic approach to the concept of vulnerability, namely the transition from the “**disadvantaged consumer**” approach to a “**vulnerable consumer**” approach (see for instance Baker, Gentry and Rittenburg 2005; and, Garret and Toumanoff 2010). The former approach associates vulnerability with specific groups which are disadvantaged in the marketplace (in US research the four key indicators are income, age, education, and race or ethnicity), while the latter approach sees vulnerability as the result of an interaction between internal and external factors and therefore not limited to specific socioeconomic groups.

Stakeholder interviews have also shown that when consumer organisations approach consumer vulnerability, they tend to favour the broader approach to the concept, recognising that depending on the situation all consumers can be vulnerable, with complexity of financial services (discussed in more detail in the following sections) being an often-cited example.

Two common elements of vulnerability definitions are **power** and **control**. Murali and Nagpal (2013) in their study on the role of power in consumer decisions note that “power is commonly defined as a person's relative capacity to control valuable resources or administer punishments”. In broad terms, vulnerability could therefore be seen as lack of power to control marketplace interactions. All consumers could therefore find themselves in such a state depending on the nature of the marketplace, their personal characteristics, and the situation they find themselves in at the given moment.

While research on consumer vulnerability moves away from focusing on specific socioeconomic groups, there are still arguments for retaining elements of the initial approach. Commuri and Ekici (2008) recognise that vulnerability is dependent on external and situational factors, but note that from a policy-making perspective it is important to be able to target specific well-defined consumer groups. They propose to view consumer vulnerability as a “sum of two components: a systemic **class-based** component and a transient **state-based** component” (Commuri and Ekici 2008). As a result, they conceptualise vulnerability as the sum of:

1. *The vulnerability they are likely to experience by virtue of certain abiding characteristics that are either demographic in nature or socioculturally enforced [; and]*
2. *The vulnerability specific only to the current episode of consumption (and therefore not accounted for by 1. above (Commuri and Ekici 2008)*

Another key element of the more recent definitions of consumer vulnerability is the fact that it is a **dynamic** concept. Griffiths and Harmon-Kizer (2011) recognise that “consumers may move in and out of situations where they experience vulnerability or are at risk for a defined period of time”. At the same time, in some cases personal characteristics (or the class-based component of vulnerability, using the Commuri and Ekici conceptualisation) can imply that, for some consumers, vulnerability is an enduring characteristic.

In addition to viewing vulnerability as dynamic, Harrison and Chalmers (2013) suggest that it could also be viewed as a spectrum and not a binary state, which would help show that vulnerability does not have to be enduring and can arise from a combination of factors.

Having examined current definitions of vulnerability and the overall developments in the approach to the concept, it is worthwhile to examine the current EU definition of vulnerability from this perspective. The main vulnerability definition at EU level has its source in Directive 2005/29/EC of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market (**‘Unfair Commercial Practices Directive’ or UCPD**), which notes that vulnerability “may arise out of the consumers’ mental or physical infirmity, age or credulity”. Although this definition puts emphasis on personal characteristics, it recognises that these can contribute to vulnerability, rather than be the sole source or manifestation of consumer vulnerability (i.e. they are the class-based component), which can be compatible with the more recent approaches to consumer vulnerability.

A final important discussion concerns the **term “vulnerability”** itself. Although the term is widely used in literature, some stakeholder groups view it as problematic. In particular, the term can be seen as having patronising connotations.

As can be seen in the discussion outlined in this section, the concept of consumer vulnerability is a diffuse one, with existing academic and grey literature approaching consumer vulnerability in a number of ways. In addition, from a policy perspective, a general agreement that vulnerability is a dynamic concept extends the potential target group for any intervention to the entire population of consumers.

Prior to exploring potential causes and effects of vulnerability, it is important to first examine ways of typologising vulnerability. This is done in the following section.

3.2. Conceptualising and typologising vulnerability

There are a number of ways to typologise vulnerability once the concept has been defined. Baker, Gentry and Rittenburg (2005) highlight a range of typologies used in the literature, including actual and perceived vulnerability, where the former is experienced by an individual and the latter occurs where others believe an individual to be vulnerable, but the individual may not necessarily agree or may not actually be vulnerable (Smith and Cooper-Martin 1997 in Baker, Gentry and Rittenburg 2005). Another way of conceptualising vulnerability, reflecting the more recent definitions of vulnerability, is the distinction between vulnerability stemming from **internal factors** (individual characteristics and individual states) and **external conditions** (Baker, Gentry and Rittenburg 2005). A third categorisation is that of **endogenous** and **exogenous vulnerability**, as well as **permanent** and **temporary vulnerability** (European Parliament Committee on the Internal Market and Consumer Protection 2012 in Waddington 2013).

Shultz and Holbrook (2009) conceptualise vulnerability as a two dimensional matrix, with one dimension referring to consumers knowing what is beneficial to them ("Knowledge of Beneficial Means–End Relationships") and the other dimension referring to consumers having access to beneficial products or services ("Access to Beneficial Means"). People who do not know "what is good for them" and cannot access it are seen as **doubly vulnerable**, those with knowledge and no access are **economically vulnerable**, while those with access but lack of knowledge are denoted as **culturally vulnerable**.

Morgan, Schuler and Stotlman (1995) have developed a more extensive typology of personal characteristics. In their typology, designed with a particular focus on product safety and pharmaceuticals, they distinguish four consumer groups based on their:

- Physical sensitivity, referring to, in the context of product safety, consumers being particularly sensitive to specific substances;
- Physical competency, referring to consumer's physical capabilities;
- mental competency, referring to consumer's mental capabilities; and
- Sophistication level, referring to consumers' educational or socioeconomic background.

While the above typologies focus on sources of vulnerability, an alternative is to look at how vulnerabilities can be exploited in practice. Cartwright (2011) has developed the following taxonomy of vulnerabilities:

- **Informational vulnerability:** Informational vulnerability refers to situations where service providers have superior information to some groups of consumers and use this to their advantage. For example, a company offering a complex financial service may have superior information about the product over a particular consumer group and either charge them an unfair price or sell a product to the consumer group which is not what they were expecting.
- **Supply vulnerability:** Supply vulnerability refers to situations where a particular consumer group cannot participate in the market even though they wish to, or they have less choice in the market due to their characteristics. This may be because they have been priced out of the market (and it is not profitable for suppliers to satisfy them in the market), or there are fewer goods/services available which satisfy their budget.
- **Redress vulnerability:** Redress vulnerability refers to situations where a particular consumer group faces particular difficulties in obtaining redress. For example, a consumer may not take action after experiencing a problem because the complaints process is too burdensome, time consuming or expensive. This can exacerbate other vulnerability drivers.²³
- **Pressure vulnerability:** Pressure vulnerability refers to consumer groups being subject to pressure from the provider of the good/service, such that the consumption decision is not fully voluntary ('pressure selling').
- **Impact vulnerability:** Impact vulnerability refers to situations where certain consumer groups suffer a greater loss as a result of their decision compared to other consumers. Impact vulnerability is usually a consequence of another

²³ Invitation to Tender, pp21, EAHC-2013-CP-08 (<http://ec.europa.eu/chafea/>)

source of vulnerability such as informational vulnerability. For example, for a low-income consumer who makes a large loss on a financial product due to lack of information, the fact that the consumer has low income exacerbates the impact of the informational vulnerability because the loss is a larger proportion of their income.

These types of vulnerabilities can in turn be linked to the vulnerability drivers, identified in the following sections. Cartwright (2015) also links these vulnerabilities to specific responses, such as:

- Different means of improving education and information (including disclosure and controlling misleading information);
- Introducing cooling off periods;
- Product bans and other product regulations;
- Responsibilisation (subjecting firms to a duty to treat customers fairly without specifying specific ways that should be done);
- Improving redress;
- Providing financial compensation; and
- Addressing supply through competition-based response, public service obligations, or public provision.

In addition to helping identify specific responses, the discussion of vulnerability typologies can also help to develop a broader framework for identifying how to best address vulnerability. In particular, the concept of being doubly vulnerable is a useful one, since it suggests that particular attention should be paid to consumers who are in a position of double vulnerability. If the two dimensions of vulnerability were to be taken as exogenous/external and endogenous/internal (i.e. as used by Baker, Gentry and Rittenburg 2005), the focus should be on consumers who are not only affected by external factors, but who also have endogenous/internal characteristics which potentially make them even more vulnerable.

Vulnerability typologies are also valuable for analysing the existing definitions of vulnerability present in EU law. As noted previously, the current UCPD definition focuses on “Commercial practices, which are likely to materially distort the economic behaviour only of a clearly identifiable group of consumers who are particularly vulnerable to the practice or the underlying product because of their mental or physical infirmity, age or credulity”. The definition is currently based on internal or endogenous factors, although it does recognise that particular practices (i.e. external factors) play a role in vulnerability. At the same time, the current use of the concept of “average consumer” does not appear to effectively take into account external or exogenous vulnerability, nor account for potentially temporary vulnerability.

3.3. Dimensions of vulnerability used in the present study

For the purpose of the present study, the discussion of vulnerability concepts in the literature (described in sections 3.1 and 3.2) is synthesised into five core dimensions of

vulnerability, whose prevalence can then be assessed empirically via the survey and experiment data. These five core dimensions are:²⁴

- 1) **Heightened risk of negative outcomes or impacts on well-being:** This dimension reflects the general finding in the literature (as noted in section 3.1 above) that consumer vulnerability can be seen as referring to an ex-ante assessment of the likelihood of a negative outcome (e.g. see Povel 2009) and hence would refer to a potential negative impact on consumer well-being. Relevant studies cited above also include Burden (1998), who sees vulnerability as a loss of welfare due to choices in markets, and Smith and Cooper-Martin (1997) whose definition of vulnerability refers to higher susceptibility to harm and diminished well-being (see section 3.1).
- 2) **Having characteristics that limit ability to maximise well-being:** This dimension is based on Smith and Cooper-Martin's (1997) definition of vulnerability, which refers to "characteristics that limit [consumers'] ability to maximise their utility and well-being" (Smith and Cooper-Martin 1997 in Baker et al. 2005), as well as other studies. Other studies cited above which relate to this dimension include Ringold (1995) (in Baker et al 2005), who defines vulnerable consumers in terms of their "diminished capacity" to understand advertising and product effects, and Commuri and Ekici (2008), whose conceptualisation of vulnerability includes vulnerability that consumers are likely to experience due to certain abiding characteristics (see section 3.1).
- 3) **Having difficulty in obtaining or assimilating information:** This dimension is derived primarily from two studies cited above, Overall (2004) and Burden (1998), both of which propose that vulnerability relates to obtaining or assimilating consumer information (see section 3.1). Furthermore, Cartwright's (2011) taxonomy of vulnerabilities includes 'informational vulnerability', which refers to scenarios where suppliers have better information than some groups of consumers and use this to their advantage (see section 3.2).
- 4) **Inability or failure to buy, choose or access suitable products:** This dimension reflects the findings of several studies cited above, which equate vulnerability to not choosing or accessing suitable goods and services. In particular, Stearn (2012) defines vulnerable consumers as those who cannot choose or access products and services which are suitable for their needs or cannot do so without disproportionate effort (see section 3.1), and Shultz and Holbrook's (2009) concept of vulnerability includes a dimension referring to consumers not having access to beneficial products or services (see section 3.2). In addition, Burden's (1998) view of vulnerability relates to a loss of welfare due to buying unsuitable goods or services, or of failing to buy suitable goods and services (see section 3.1).
- 5) **Higher susceptibility to marketing practices, creating imbalances in market interactions:** This dimension is based on several studies cited above, which associate consumer vulnerability with the effect of marketing practices

²⁴ It should be noted that two of these dimensions (*heightened risk of negative outcomes or impacts on well-being* and *higher susceptibility to marketing practices*) are defined relative to the average consumer.

and consumers' special susceptibility to marketing practices. In particular, Brenkert (1998) notes that vulnerability refers to a combination of consumers' characteristics and the techniques used by marketers to render them particularly vulnerable; Baker et al. (2005) refer to powerlessness due to imbalanced market interactions and consumption of marketing messages²⁵; Stearn's (2012) definition of vulnerability refers to the consumer being at greater risk of mis-selling; and Ringold (1995) refers to consumers having diminished capacity to understand the role of advertising (see sections 3.1 and 3.2).

In addition, it is useful to consider how these core dimensions of vulnerability can be broken down into more specific consumer actions or stages in the consumer decision making process that are related to or affected by each dimension of vulnerability:

- The first dimension relates to outcomes for consumers as a result of their participation in markets (rather than actions or decisions involved in the process of participating in markets). As such, this dimension can be related to all consumer actions and decisions if these impact negatively on outcomes.
- Within the second dimension, different characteristics may affect consumers' access to information and products, their ability to make assessments of available offers, and their ability to act appropriately on these assessments.
- Within the third dimension, consumers firstly obtain and then interpret that information, and then use this information in their decision-making and choices in markets.
- Within the fourth dimension, consumers compare offers (assessing the advantages and disadvantages of each offer), purchase goods and services, and switch between deals and suppliers, to access the best products and services in the market.
- Within the fifth dimension, marketing practices can make it more difficult for consumers to access information, assess alternatives offers, and act to get the best deals.

The five core dimensions of vulnerability can be placed into a common framework by drawing on the OFT's useful 'Access, Assess, Act' framework of consumer behaviour. In this framework, consumers' interactions with suppliers in well-functioning markets are broken down into three stages:²⁶

- Accessing information on the various offers available in the market;
- Assessing these offers in a well-reasoned way; and
- Acting on this information and analysis by purchasing the good or service that offers the best value to the consumer.

²⁵ In turn Hill and Kozup (2007) interpret this definition as existing in a state of powerlessness which occurs when transaction partners abuse their control.

²⁶ Office of Fair Trading (2010), 'What does Behavioural Economics Mean for Competition Policy?'. The OFT's framework has subsequently been used in various studies, such as 'Behavioural economics and its impact on competition policy', a report for the Netherlands Authority for Consumers and Markets, and 'What can behavioural economics say about GB energy consumers?', a report by the UK energy regulator.

Table 1 below shows how the five vulnerability dimensions fit within the OFT’s framework of consumer behaviour, including how the dimensions overlap across the different stages of the framework.

We can also see from this framework how the dimensions might be expected to interact with one-another; dimensions further to the left in Table 1 may impact on those further to the right, since those further to the right are further along the consumer decision making process, and dimensions that overlap vertically in Table 1 (i.e. within a given stage of the consumer behaviour framework) may be expected to interact.

Table 1: Dimensions of vulnerability within the OFT’s ‘Access, Assess, Act’ framework				
Consumer behaviour framework stages				
	Access →	Assess →	Act →	Outcomes
Relevant dimensions of vulnerability	D2: Having characteristics that limit ability to maximise well-being; characteristics linked to...			D1: Heightened risk of negative outcomes or impacts on well-being
	Access constraints	Ability to make assessments	Ability to take actions	
	D3: Having difficulty in obtaining or assimilating information			
	Obtaining information	Interpreting information		
	D4: Inability or failure to buy, choose or access suitable products			
	Comparing offers	Switching and purchasing		
D5: Higher susceptibility to marketing practices; practices that affect...				
Consumers’ assessments of offers	Actions taken by consumers in markets			

3.4. Potential causes of vulnerability

Drawing on the theoretical discussion of vulnerability presented in the previous chapter, this section outlines three types of potential causes of vulnerability:

- **Vulnerability drivers**, which are mechanisms through which individual consumers can become vulnerable and through which their vulnerabilities can be exploited.
- **Personal characteristics** (both permanent and temporary) that are associated with vulnerability, recognising the fact that it is possible that no specific group of consumers is always vulnerable or always not vulnerable, and that vulnerability is a dynamic concept.

- **Problematic practices**, which are examples of practices which, either intentionally or unintentionally, exploit vulnerability to the detriment of consumers.

These three concepts are outlined in the following subsections. Chapter 6 presents detailed analysis of these potential causes of vulnerability based on both the literature and results from the consumer survey and experiment data.

3.4.1. Vulnerability drivers

As noted above, vulnerability drivers refer to mechanisms through which individual consumers can become vulnerable and through which their vulnerability can be exploited in the market. Drawing on the discussion of the concept of vulnerability in previous sections, vulnerability drivers can relate to the individual, as well as to the broader market environment. The Vulnerable Consumer Working Group (2013), in its "Guidance Document on Vulnerable Consumers",²⁷ examined a range of vulnerability drivers in the energy sector, classifying the drivers into market conditions, individual circumstances, living conditions, and social/natural environment. The current study uses this as a basis and develops a broader typology of drivers, while the literature and stakeholder interviews were in turn used to populate the typology. The broad categories of drivers, which are discussed in more detail later in the report, are as follows:

- **Behavioural drivers** relate to the individual and include biases and heuristics, as well as broader cognitive limitations. For example, behavioural drivers included biases in decision making such as status quo bias, loss aversion and time discounting. Lunn and Lyons (2010) provide a comprehensive overview of a range of relevant biases and heuristics, which are explored in more detail in section 6.3. Behavioural drivers also include cognitive limitations, such as the "consumer attention deficit syndrome" (CADS) (Berg and Gornitzka 2012).
- **Market-related drivers** refer to the functioning of the market and ways in which the functioning of the market can contribute to consumer vulnerability. These include information problems (i.e. consumers not having enough information to make informed decisions), which can be linked to Cartwright's concept of "information vulnerability" (Cartwright 2011). Other market-related drivers include competition problems, where the nature of competition can result in consumers being vulnerable, for instance due to existence of "imperfect markets" (Consumer Futures 2001). Market-related drivers are further examined in section 6.4.
- **Access drivers** refer to a range of mechanisms through which consumers can have restricted access to markets, goods and services, and are therefore linked to what was typologised by Cartwright (2011) as "supply vulnerability". These include, for example, physical access restrictions (e.g. due to mobility and location – see Clifton 2013, Stearn 2012, Blocker et al. 2013), online access restrictions (i.e. being unable to access online services), restrictions due to being unable to use certain payment methods, and restricted access to information. Access drivers are investigated in more detail in section 6.5.

²⁷ http://ec.europa.eu/energy/sites/ener/files/documents/20140106_vulnerable_consumer_report_0.pdf

- **Situational drivers** refer to mechanisms through which consumers' current (temporary or permanent) situation results in vulnerability. This includes situations that make consumers more susceptible to marketing practices and situations such as financial difficulties and life changes (e.g. becoming a single parent). Situational drivers are examined in more detail in section 6.6.

For more in-depth discussion and analysis of these vulnerability drivers, including empirical analysis of the impacts of these drivers on a range of survey-based indicators of vulnerability, see Chapter 6.

3.4.2. Personal characteristics associated with vulnerability

Although consumer vulnerability is a dynamic concept which should not simply be associated with specific consumer groups, according to the literature some personal and demographic characteristics are linked with vulnerability. Furthermore, as noted by Commuri and Ekici (2008), identifying particular groups can assist policymakers in designing interventions.

In particular, the literature identifies a range of characteristics which may be associated with a higher risk of vulnerability, including age, gender, low education, disability, cultural background and ethnicity, and location. The links between these characteristics and the risk of vulnerability, including empirical analysis of the effects of these characteristics on a range of survey-based indicators of vulnerability, are explored in more detail in section 6.2.

3.4.3. Problematic practices

A range of problematic practices were identified through the literature review and stakeholder consultation. These include:

- Practices which exploit behavioural drivers, such as biases and cognitive limitations. For example, these include practices which exploit the framing bias (i.e. where consumer make different choices depending on how information is presented to them) such as drip pricing and reference pricing. Other type of practice in this category include, for example, time limited offers, dynamic pricing and baiting. E-commerce is an area where such practices can often be observed (European Parliament 2011), although they can also be encountered offline.
- Practices which exploit situational drivers, such as those exploiting consumers' lack of digital sophistication, or practices which exploit new life situations (e.g. motherhood, as highlighted by The VOICE Group 2010).
- So called "double disadvantages", namely practices which result in consumers who are already in a disadvantaged position incurring additional costs or not being able to benefit from savings that are available to other consumers. Such practices include, for example, situations where some consumers are steered towards more expensive deals due to being unable to use certain payment methods. An example is where the best energy deals are available to consumers who pay via direct debit, a form of payment which is not available to those without a transactional bank account (Stearn 2012).
- Practices which cause a lack of access and accessibility problems. This refers to practices which deny certain vulnerable groups, such as consumers with disabilities or older consumers, access to goods, services and markets. Examples of such practices include call centres being unprepared to service

customers with disabilities, and information such as contract terms and conditions being provided in formats that are not accessible to some consumers, for instance through inaccessible websites or displays (BEUC 2013b).

These practices are discussed in more detail in Chapter 7, where evidence on the impact of marketing practices based on the behavioural experiments is presented.

3.5. Expected effects of vulnerability

In addition to examining the drivers of vulnerability, it is also important to consider the likely effects of vulnerability. The following sub-sections outline the expected effects of vulnerability based on the literature review and the stakeholder and expert interviews, linking them to each of the five vulnerability dimensions.

3.5.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

The first dimension differs from the remaining dimensions in that it relates directly to outcomes for consumers as a result of their participation in markets, rather than to actions or decisions involved in the process. This in turn means that all potential effects that constitute a tangible direct financial or non-financial impact on consumers are of relevance to this dimension. Relevant potential effects identified in the literature and through stakeholder interviews therefore include:

- Experiencing problems when buying or using goods or services (e.g. Europe Economics 2011, BEUC 2013b).
- Failing to solve problems that occur when buying or using goods or services.
- Inability to obtain redress due to cost or time required by the complaint procedure (Nardo et al. 2011).
- Being faced with high cost of obtaining support (e.g. calling help-lines from prepaid mobile phones) (e.g. Stearn 2012).
- Higher relative impact of losses on financial products on low-income consumers (e.g. as discussed by Cartwright 2011).
- Financial impact of high APR rates on consumers unable to access mainstream financial products (payday loans and their high APR rates have been identified as problematic by stakeholders in Estonia, UK, Finland, Iceland, Portugal, Sweden, and Slovakia).
- Over-indebtedness resulting from suboptimal financial decisions (e.g. Stearn 2012).
- Higher energy use and costs as a result of unemployment (e.g. EC Vulnerable Consumer Working Group 2013).
- Disconnection in the energy sector (e.g. Centre for Consumers and Essential Services 2014).
- Being a victim of a fraud or scam (e.g. Lee and Geistfeld 1999).
- Paying more than necessary for goods or services (e.g. Stearn 2012).
- Health impact due to lack of access to affordable energy tariffs (e.g. Brophy Haney et al. 2009).

All of the above effects involve negative outcomes for consumers. These can either be financial impacts (e.g. higher costs), negative experiences which may or may not have financial impacts (e.g. problems during purchases, problems obtaining redress, being a victim of a fraud or scam), and non-financial impacts (e.g. energy disconnection or health impacts). In addition, a tangible feeling of vulnerability and lack of information

can also be relevant to this dimension as these impacts are directly experienced by the consumer. Hence, the following potential effects are also of relevance:

- Feeling vulnerable due to marketing practices (e.g. Ofgem 2013).
- Feeling vulnerable due to personal characteristics (e.g. Davis and Pechmann 2013).
- Feeling uninformed in markets (e.g. regarding price and quality, etc).

Conversely, effects that are not directly experienced by consumers are not categorised as relevant to this dimension.

3.5.2. Dimension 2: Having characteristics that limit ability to maximise well-being

The second dimension refers to the way in which different personal characteristics may negatively affect consumers' well-being (e.g. because these characteristics affect their access to information and products, their ability to make assessments of available offers, and their ability to act appropriately on these assessments). The potential effects relevant to the second dimension therefore refer to instances where consumers face detriment or negative outcomes as a result of their personal characteristics. Such effects could include:

- Being a victim of a fraud or scam (e.g. Lee and Geistfeld 1999)
- Feeling vulnerable due to personal characteristics (e.g. Davis and Pechmann 2013)
- Feeling uninformed in markets (e.g. regarding price and quality, etc.)
- Basing consumer decisions on limited information (e.g. Which? 2013)
- Signing contracts without fully understanding the implications (e.g. Wilson, Howell, and Sheehan 2009).
- Being misled by or misunderstanding information or advertising (e.g. Synovate 2011).
- Having problems comparing goods and services (e.g. Lunn and Lyons 2010).
- Not comparing goods and services (e.g. due to "consumer attention deficit" as outlined in Berg and Gornitzka 2012).
- Not switching deals when it is in the consumer's interest (e.g. Financial Conduct Authority 2008).
- Being offered unsuitable or more costly goods or services (e.g. Lumpkin 2010).
- Purchasing suboptimal goods or services (e.g. Lunn and Lyons 2010)
- Making a purchase that is not in the consumer's interest (e.g. Lunn and Lyons 2010).
- Not making a purchase that is in the consumer's interest (e.g. Lunn and Lyons 2010).
- Paying more than necessary for goods or services (e.g. Stearn 2012).
- Being denied access to goods or services (e.g. D'Rozario and Williams 2005).

3.5.3. Dimension 3: Having difficulty in obtaining or assimilating information

The third dimension relates to the way consumers obtain and interpret information. The relevant potential effects are therefore similar to those outlined above, but in this case they stem from consumers not obtaining and interpreting relevant information, regardless of their personal characteristics. Such effects could therefore include:

- Feeling uninformed in markets (e.g. regarding price and quality, etc)
- Basing consumer decisions on limited information (e.g. Which? 2013).

- Signing contracts without fully understanding the implications (e.g. Wilson, Howell, and Sheehan 2009).
- Being misled by or misunderstanding information or advertising (e.g. Synovate 2011).
- Having problems comparing goods and services (e.g. European Parliament 2011).
- Not comparing goods and services (e.g. due to “consumer attention deficit” as outlined in Berg and Gornitzka 2012).
- Not switching deals when it is in the consumer's interest (e.g. Financial Conduct Authority 2008).
- Purchasing suboptimal goods or services (e.g. Lunn and Lyons 2010).
- Making a purchase that is not in the consumer's interest (e.g. Lunn and Lyons 2010).
- Not making a purchase that is in the consumer's interest (e.g. Lunn and Lyons 2010).
- Paying more than necessary for goods or services (e.g. Stearn 2012).

3.5.4. Dimension 4: Inability or failure to buy, choose or access suitable products

The fourth dimension relates to the way in which consumers compare offers (assessing the advantages and disadvantages of each offer), purchase/access goods and services, and switch between deals and suppliers. The relevant potential effects therefore include all the effects outlined above (except for those relating directly to information), along with those referring specifically to access (including access to redress):

- Having problems comparing goods and services (e.g. Lunn and Lyons 2010).
- Not comparing goods and services (e.g. due to “consumer attention deficit” as outlined in Berg and Gornitzka 2012).
- Not switching deals when it is in the consumer's interest (e.g. Financial Conduct Authority 2008).
- Purchasing suboptimal goods or services (e.g. Lunn and Lyons 2010).
- Making a purchase that is not in the consumer's interest (e.g. Lunn and Lyons 2010).
- Not making a purchase that is in the consumer's interest (e.g. Lunn and Lyons 2010).
- Paying more than necessary for goods or services (e.g. Stearn 2012).
- Being denied access to goods or services (e.g. D'Rozario and Williams 2005).
- Social exclusion as a result of exclusion from specific markets (e.g. University of Amsterdam 2010).
- Health impact due to lack of access to affordable energy tariffs (e.g. Brophy Haney et al. 2009).

The effects relating to information (i.e. the first four potential effects listed in section 1.1.3) are excluded here, since they refer to earlier stages of the purchasing process (i.e. when consumers obtain and interpret information) and are covered under Dimension 3.

3.5.5. Dimension 5: Higher susceptibility to marketing practices

The final dimension refers to consumers being susceptible to practices that hinder the process of accessing information and offers. The relevant potential effects therefore largely mirror those relevant to Dimension 2, although in this case they stem from vendors' practices rather than personal characteristics:

- Being a victim of a fraud or scam (e.g. Lee and Geistfeld 1999).
- Feeling vulnerable due to marketing practices (e.g. Ofgem 2013).
- Signing contracts without fully understanding the implications (e.g. Wilson, Howell, and Sheehan 2009).
- Being misled by or misunderstanding information or advertising (e.g. Synovate 2011).
- Having problems comparing goods and services (e.g. European Parliament 2011).
- Not comparing goods and services (e.g. due to “consumer attention deficit” as outlined in Berg and Gornitzka 2012).
- Not switching deals when it is in the consumer's interest (e.g. Financial Conduct Authority 2008).
- Being offered unsuitable or more costly goods or services (e.g. Lumpkin 2010).
- Purchasing suboptimal goods or services (e.g. Lunn and Lyons 2010)
- Making a purchase that is not in the consumer's interest (e.g. Lunn and Lyons 2010).
- Not making a purchase that is in the consumer's interest (e.g. Lunn and Lyons 2010).
- Paying more than necessary for goods or services (e.g. Stearn 2012).
- Loss of control over personal data due to online services' lack of transparency (e.g. Rustad et al. 2012).

3.5.6. Sector specific effects

Most of the potential effects of vulnerability identified above are not sector specific. However, several effects can be grouped by sector, in particular:

- Effects specific to the **energy sector** include higher energy use and costs as a result of unemployment, disconnection in the energy sector, and health impacts due to lack of access to affordable energy tariffs.
- Effects specific to the **financial sector** include higher relative impact of losses on financial products on low-income consumers, financial impact of high APR rates on consumers unable to access mainstream financial products, and over-indebtedness resulting from suboptimal financial decisions.
- The only effect specific to the **online sector** is loss of control over personal data due to online services' lack of transparency.

All other effects set out above could apply across multiple sectors.

3.5.7. Interactions between expected effects

When considering the effects discussed above, it is important to note that these effects are interactive, in that an effect in one dimension can contribute to an effect in another dimension. For example, consumers finding it difficult to make ends meet given the energy prices they pay due to signing an overly costly energy contract may turn to payday loans which can contribute to over-indebtedness.

The attribution of the potential effects to the various vulnerability dimensions is summarised in Table 2 below. As can be seen from the table, the likely effects of the various dimensions of vulnerability are wide-ranging and some effects are effects of more than one dimension. For example, paying more than necessary for goods or services (see for instance Hill and Kozup 2007) is an effect of the first dimension since it is a negative outcome for consumers, and it is also an effect of the second dimension

since consumers with particular characteristics (e.g. no internet access, low IT skills, or without access to certain payment methods) are more likely to face higher prices due to being unable to access the most advantageous offers.

A key effect of several dimensions of vulnerability is that consumers obtain suboptimal goods or services (e.g. the 2011 European Parliament study on consumers in the digital environment highlights the challenges with regard to consumers' ability to judge the quality of the product). This is a potential effect of several vulnerability dimensions since it may be linked to personal characteristics (dimension 2) or may arise due to the information available to consumers (dimension 3), consumers' inability to make proper choices between options (dimension 4), or consumers being put under pressure or their lack of awareness of market conditions being exploited (dimension 5).

Similarly, other potential effects which span several vulnerability dimensions include consumers paying a higher price for a good or service than they would otherwise, and consumers obtaining a good or service that is not in their interest since it does not correspond to their needs or is not a good or service that they need or planned to purchase (e.g. Cartwright (2011), highlights the challenge of consumers being encouraged to access inappropriate financial products). In both of these cases, consumers are faced with either a financial loss or reduced well-being as a result of obtaining a good or service that is not suited to their requirements.

Another example of a potential effect is being denied access to goods or services. This could be a result of limited physical access (e.g. due to disability or living in remote areas), being excluded from certain online offers (e.g. due to lack of access or IT skills), or being excluded from services (or being offered unsuitable services) due to age or financial situation. Stearn (2012) provides a comprehensive summary of different access challenges faced by vulnerable consumers, including the example of UK consumers without the possibility to use Direct Debit being unable to access most cost-effective offers.

Furthermore, consumers may be offered unsuitable or more costly goods or services due to firms possessing more information than consumers (dimension 3) or firms using practices to exploit consumers' particular circumstances (such as their financial situation or facing significant life changes) (dimension 5). Examples of the former include information asymmetry in the case of "pay with data" contracts in the online environment (as detailed by Warner and Sloan 2012). The latter situation is effectively captured by the study of marketing to expectant or new mothers (The VOICE Group 2010).

Finally, for lower income consumers, any impact on consumer finances can carry with it considerable consequences in terms of health and well-being, as it can influence the ability to afford necessities such as shelter, food, clothing or health care.

Table 2: Expected effects of each vulnerability dimension					
Effects	Vulnerability dimension				
	Dimension 1 <i>Heightened risk of negative outcomes or impacts on well-being</i>	Dimension 2 <i>Having characteristics that limit ability to maximise well-being</i>	Dimension 3 <i>Having difficulty in obtaining or assimilating information</i>	Dimension 4 <i>Inability or failure to buy, choose or access suitable products</i>	Dimension 5 <i>Higher susceptibility to marketing practices</i>
Experiencing problems when buying or using goods or services	x				
Failing to solve problems that occur when buying or using goods or services	x				
Inability to obtain redress due to cost or time required by the complaint procedure	x				
Being faced with high cost of obtaining support (e.g. calling help-lines from prepaid mobile phones)	x				
Higher relative impact of losses on financial products on low-income consumers	x				
Financial impact of high APR rates on consumers unable to access mainstream financial products	x				
Over-indebtedness resulting from suboptimal financial decisions	x				
Higher energy use and costs as a result of unemployment	x				
Disconnection in the energy sector	x				
Being a victim of a fraud or scam	x	x			x
Feeling vulnerable due to marketing practices	x				x
Feeling vulnerable due to personal characteristics	x	x			
Feeling uninformed in markets (e.g. regarding price and quality etc.)	x	x	x		
Basing consumer decisions on limited information		x	x		

Table 2: Expected effects of each vulnerability dimension					
Effects	Vulnerability dimension				
	Dimension 1 <i>Heightened risk of negative outcomes or impacts on well-being</i>	Dimension 2 <i>Having characteristics that limit ability to maximise well-being</i>	Dimension 3 <i>Having difficulty in obtaining or assimilating information</i>	Dimension 4 <i>Inability or failure to buy, choose or access suitable products</i>	Dimension 5 <i>Higher susceptibility to marketing practices</i>
Signing contracts without fully understanding the implications		x	x		x
Being misled by or misunderstanding information or advertising		x	x		x
Having problems comparing goods and services		x	x	x	x
Not comparing goods and services		x	x	x	x
Not switching deals when it is in the consumer's interest		x	x	x	x
Being offered unsuitable or more costly goods or services		x			x
Purchasing suboptimal goods or services		x	x	x	x
Making a purchase that is not in the consumer's interest		x	x	x	x
Not making a purchase that is in the consumer's interest		x	x	x	x
Paying more than necessary for goods or services	x	x	x	x	x
Being denied access to goods or services		x		x	
Social exclusion as a result of exclusion from specific markets				x	
Health impact due to lack of access to affordable energy tariffs	x			x	
Loss of control over personal data due to online services' lack of transparency					x

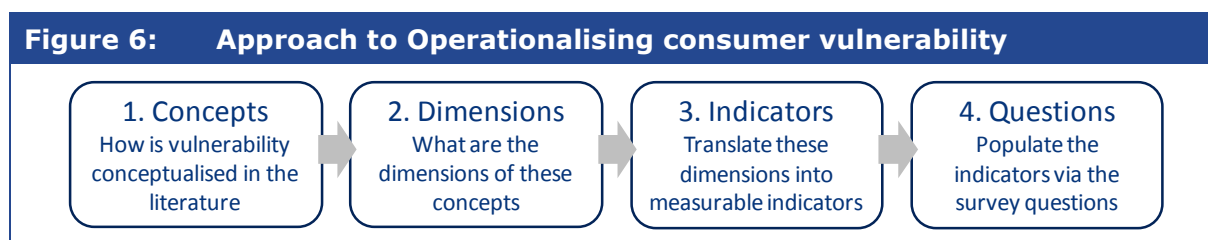
3.6. Operationalisation of the concept of consumer vulnerability

This section discusses how to operationalise the concept of consumer vulnerability using the main insights from the previous sections in this chapter and data from the consumer survey and experiments. The objective is to define consumer vulnerability in such a way that it can be practically measured and investigated.

The operationalisation is based on the following four steps:

- 1) Examination of the concepts of vulnerability in the literature
- 2) Identification of the various dimensions of these concepts
- 3) Translation of these dimensions into measurable indicators
- 4) Populating the indicators with actual data using the responses to the survey questions.

The first two steps are addressed in the sections 3.1, 3.2 and 3.3 above. The third and fourth steps are addressed below.



The five dimensions of consumer vulnerability set out in section 3.3 can be translated into indicators, which in turn can be mapped to questions and variables from the consumer survey, as shown in Table 3 below.

For each vulnerability dimension Table 3 lists a number of indicators and for each of the indicator, it identifies the survey questions which can be used to populate the indicators. The question numbers shown in the table refer to the questions in the survey questionnaire which can be found in Annex 13.²⁸

In addition to the survey-based indicators set out in Table 11, further indicators relating to dimensions 4 and 5 are available from the behavioural experiment dataset. These indicators are set out in Table 4.

The indicators in each dimension are as follows:

- **Heightened risk of negative outcomes or impacts on well-being:** Two indicators are allocated to this dimension. The first signifies that a consumer is

²⁸ Note that some indicators could fall under more than one dimension; e.g. “Has not recently switched due to personal or market-related factors” could fall under dimension 1 (negative outcomes) or dimension 4 (failure to choose suitable products). Question Q21.2 (“You were unable to read your energy, telecommunications or banking contract’s terms and conditions due to overly small print”) is not included among the variables to be used to operationalise consumer vulnerability since it does not match any dimension or indicator in the framework (this question does not relate to a market interaction). However Q21.2 is included among the explanatory variables as a market-related driver.

unassertive in terms of taking action when they experience a problem buying or using goods or services. It is allocated to this dimension since failure to act to resolve a problem is likely to result in a negative outcome for the consumer. The second, paying more for services due to being unable to use certain payment methods, is allocated to this dimension since overpaying for a good or services is unambiguously a negative outcome for the consumer as it implies that the consumer is financially worse off as a result.

- **Having characteristics that limit ability to maximise well-being:** Only one main indicator is included in this dimension. This indicator is based on the only survey question which explicitly links consumers' perceptions of their own vulnerability to particular personal or demographic characteristics. However, within this main indicator a number of sub-indicators relating to specific characteristics (age, employment, health, etc.) are also examined (see Table 5).
- **Having difficulty in obtaining or assimilating information:** The four indicators in this dimension all focus on issues relating to information. These include a subjective indicator signifying the extent to which consumers do not feel informed, as well as more objective indicators concerning where consumers get information from when comparing deals, and the impact of information-related factors on comparing and switching deals. It should be noted that some indicators in this dimension are investigated separately for each of the three key sectors of the study (see Table 5).
- **Inability or failure to buy, choose or access suitable products:** This dimension is represented by the largest number of indicators (eight in total including sub-indicators), mainly because it is itself relatively wide-ranging. The first two indicators signify, respectively, that a consumer has problems comparing deals or does not switch deals due to various factors, including personal, market-related and access-related factors. These indicators are included in this dimension since having problems comparing deals and being prevented from switching would result in failure to obtain goods or services that best meet the consumer's needs. Two further indicators, being excluded from e-commerce and declined for a loan, are included in this dimension because these relate to the accessibility of goods or services. In addition, respondents' overall performance in the experiments is included as an indicator in this dimension since this indicator reflects consumers' ability to choose the best offer, irrespective of the marketing practice they are faced with. It should also be noted that several indicators in this dimension are examined separately for each of the three key sectors (see Table 5).
- **Higher susceptibility to marketing practices:** The indicators in this dimension all related to the impact of marketing practices. In particular, these include an indicator signifying the extent to which consumers do not feel vulnerable due to offers, terms or conditions being too complex, and indicators demonstrating the effect of marketing practices on consumers' ability to select the best offer based on the behavioural experiment data.

The number of indicators varies across the dimensions for two main reasons. Firstly, some dimensions represent broader concepts and so encompass more indicators²⁹; and

²⁹ For example, the fourth dimension is a broader concept compared to, say, to the third dimension which is focussed specifically on information.

secondly, the design of the survey allows us to construct more indicators for some dimensions than others.

Table 3: Mapping concepts of vulnerability from the literature to survey-based indicators		
Dimension	Indicators	Questions/variables
<i>1. Heightened risk of negative outcomes or impacts on well-being</i>	1. Unassertive when experienced a problem buying or using goods or services	Did not take action when experienced a problem when buying or using goods or services in last 12 months (Q22)
	2. Overpaid for services	Paid more for services in last 12 months due to being unable to use a certain payment method (Q21.1)
<i>2. Having characteristics that limit ability to maximise well-being</i>	3. Perception of own vulnerability due to personal characteristics	Feels vulnerable because of health problems (Q16.1), financial circumstances (Q16.2), employment situation (Q16.3), age (Q16.5), belonging to a minority group (Q16.6), personal issues (Q16.7), other reasons (Q16.8)
<i>3. Having difficulty in obtaining or assimilating information</i>	4. Does not feel informed	How informed feels about prices etc. when buying goods and services (Q17.1)
	5. Gets information from few sources	Where gets information to compare deals (A7, B6, C4)
	6. Does not compare deals due to information-related factors	Whether compares deals (A6, B5, C3) How difficult finds it to compare deals (A8, B7, C5) Why finds it difficult to compare deals (A9a, B8a, C6a) Why never compares deals (A9b, B8b, C6b)
	7. Has not recently switched due to being unsure about where to get information	Whether has switched in last 5 years (A21, B13, C11) Why has never switched (A23, B15, C13)
<i>4. Inability or failure to buy, choose or access suitable products</i>	8. Does not compare deals due to a) personal, b) market-related and c) access-related factors	Whether compares deals (A6, B5, C3) How difficult finds it to compare deals (A8, B7, C5) Why finds it difficult to compare deals (A9a, B8a, C6a) Why never compares deals (A9b, B8b, C6b)
	9. Has not recently switched due to a) personal factors, b) market-related factors, c) access-related factors, d) termination costs and e) bundling of offers	Whether has switched in last 5 years (A21, B13, C11) Why has never switched (A23, B15, C13) Has not switched in last 12 months due to termination costs or bundling (Q21.3, Q21.6)

Dimension	Indicators	Questions/variables
	10. Excluded from e-commerce	Did not make a purchase online in last 12 months due to difficulty of process or not having payment card (Q21.4, Q21.5)
	11. Declined a loan	Whether has tried but failed to obtain a loan in the last 5 years (Q13b)
<i>5. Higher susceptibility to marketing practices</i>	12. Perception of own vulnerability due to marketing practices	Feels vulnerable because offers, terms or conditions are too complex (Q16.1)

As well as the survey-based indicators in the table above, experiment-based indicators relating to dimensions 4 and 5 are constructed from the experiment data. These indicators are set out in Table 4.

Dimension	Indicators	Questions/variables
<i>4. Inability or failure to buy, choose or access suitable products</i>	Overall performance in the experiments (irrespective of treatment)	Experiment choices under both the marketing practice and remedy treatments
<i>5. Higher susceptibility to marketing practices</i>	Negative effect of marketing practices on decision making	Experiment choices under the marketing practice treatments Treatment effects (i.e. differences between choices under the marketing practice and remedy treatments in the experiments)

The indicators in the operationalisation of vulnerability set out in Table 3 and Table 4 are fully defined for the purposes of the data analysis in Table 5 below. Table 5 presents 57 indicators in total, since for some indicators in the operationalisation in Table 3 a number of different measures can be constructed from the data.³⁰ As can be seen from Table 5, while some indicators are binary (i.e. "Yes" or "No") others are based on scales (e.g. "very easy" to "very difficult", or "not at all" to "a great extent").

³⁰ For example, the third indicator in Table 11, *Perception of own vulnerability due to personal characteristics*, is coded as a set of seven binary variables, one for each characteristic mentioned in the question, as well as a scale variable signifying the maximum extent that a consumer feels vulnerable due to any characteristic mentioned in the question.

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
Dimension 1: Heightened risk of negative outcomes or impacts on well-being								
1	Unassertive (took no action) when experienced a problem	1	non-specific	Binary: 1 = "Yes", 0 = "No"	Those who have experienced a problem	All countries	Q22	Did not do anything when experienced a problem when buying or using goods or services in past 12 months
2	Overpaid for services due to being unable to use certain payment methods	2	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q21.1	Overpaid for energy, telecommunication or banking services due to being unable to use certain payment methods in past 12 months
Dimension 2: Having characteristics that limit ability to maximise well-being								
3	Perception of own vulnerability due to personal characteristics	3	non-specific	Scale: 1 = "Not vulnerable" - 4 = "Very vulnerable"	All	All countries	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to personal characteristics; maximum score across the following characteristics: health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons
4	'Feels vulnerable to 'a great extent' due to age'	3_b2_age	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.5	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to age Note: Used in the analysis in sections 4.1 and 4.2.
5	'Feels vulnerable to 'a great extent' due to employment situation'	3_b2_emp	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.3	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to employment situation
6	'Feels vulnerable to 'a great extent' due to financial circumstances'	3_b2_fin	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.2	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to financial circumstances
7	'Feels vulnerable to 'a great extent' due to health problems'	3_b2_hea	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.1	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to health problems
8	'Feels vulnerable to 'a great extent' due to belonging to a minority group'	3_b2_min	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.6	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to belonging to a minority group
9	'Feels vulnerable to 'a great extent' due to personal issues'	3_b2_per	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.7	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to personal issues.
10	'Feels vulnerable to 'a great extent' due to other reasons'	3_b2_oth	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.8	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to other reasons
11	'Feels vulnerable to 'a great extent' due to any personal characteristic'	3_b2_any	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to any of the following personal characteristics: health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons
Dimension 3: Having difficulty in obtaining or assimilating information								

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
12	Does not feel informed about prices etc.	4	non-specific	Scale: 1 = "Very informed" - 4 = "Not at all informed"	All	All countries	Q17.1	Does not feel informed about product about price, quality, conditions, etc. when choosing and buying goods and services
13	'Feels 'not at all' informed about product price, quality, conditions, etc. when choosing and buying goods and services'	4_b2	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q17.1	Feels 'not at all' informed about product about price, quality, conditions, etc. when choosing and buying goods and services
14	Gets information from adverts only/Compares product deals by using information from advertisements only - energy sector *	5_adv_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A7	Gets information from advertisements ONLY when comparing deals offered different gas and/or electricity providers
15	Gets information from adverts only/Compares product deals by using information from advertisements only - online sector *	5_adv_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B6	Gets information from advertisements ONLY when comparing deals offered by different internet service providers
16	Gets information from adverts only/Compares product deals by using information from advertisements only - finance sector *	5_adv_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C4	Gets information from advertisements ONLY when comparing deals offered by different banks
17	Has problems comparing deals due to information-related factors- energy sector*	6_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information. OR Never compares deals in the energy sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
18	Has problems comparing deals due to information-related factors - on-line sector*	6_onl	online	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B8a, B8b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information. OR Never compares deals in the finance sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
19	Has problems comparing deals due to information-related factors – financial sector*	6_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C6, C6b	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information. OR Never compares deals in the online sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
20	Has not switched due to information-related factors – energy sector**	7_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I am unsure about where to get information to help me make a good choice
21	Has not switched due to information-related factors – on-line sector**	7_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I am unsure about where to get information to help me make a good choice
22	Has not switched due to information-related factors – financial sector**	7_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C13	Never switched main bank account in the last 5 years for one of the following reasons: I am unsure about where to get information to help me make a good choice
Dimension 4: Inability or failure to buy, choose or access suitable products								
23	Does not compare product deals - energy sector	8_1_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	All countries	A6	Never compares deals in the energy sector
24	Finds it very difficult to compare product deals - energy sector	8_2_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	All countries	A8	Finds it very difficult to compare deals in the energy sector
25	Does not compare product deals - online sector	8_1_onl	online	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B5	Never compares deals in the online sector

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
26	Finds it very difficult to compare product deals - online sector	8_2_onl	online	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B7	Finds it very difficult to compare deals in the online sector
27	Does not compare product deals - finance sector	8_1_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	All countries	C3	Never compares deals in the finance sector
28	Finds it very difficult to compare product deals - finance sector	8_2_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	All countries	C5	Finds it very difficult to compare deals in the finance sector
29	Has problems comparing deals due to personal factors – energy sector*	8a_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things). OR Never compares deals in the energy sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
30	Has problems comparing deals due to personal factors – on-line sector	8a_onl	online	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B8a, B8b	Finds it difficult to compare deals in the on-line sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things). OR Never compares deals in the online sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
31	Has problems comparing deals due to personal factors – finance sector*	8a_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. CATI respondents from CY and MT who have an Internet connection at home.	C6, C6b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things). OR Never compares deals in the finance sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
32	Has problems comparing deals due to market-related factors – energy sector*	8b_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month. OR Never compares deals in the energy sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
33	Has problems comparing deals due to market-related factors – on-line sector	8b_onl	On-line	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B8a, B8b	Finds it difficult to compare deals in the on-line sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month. OR Never compares deals in the online sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
34	Has problems comparing deals due to market-related factors – finance sector*	8b_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C6, C6b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by banks is difficult to understand; Offers are time limited/ a better offer may come out next month. OR Never compares deals in the finance sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by banks is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
35	Has problems comparing deals due to access-related factors – energy sector*	8c_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch. OR Never compares deals in the energy sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
36	Has problems comparing deals due to access-related factors – on-line sector	8c_onl	On-line	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	B8a, B8b	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch. OR Never compares deals in the online sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
37	Has problems comparing deals due to access-related factors – financial sector*	8c_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK, SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO. No data for LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C6, C6b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: There is only one provider in my area. OR Never compares deals in the finance sector due to one or more of the following reasons: There is only one provider in my area; I am currently in a poor financial situation (bank account overdraft)
38	Has not switched due to personal factors- energy sector**	9a_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I wouldn't know how to switch even if I wanted to; I did not know it was possible to switch; I never thought about the issue
39	Has not switched due to personal factors – on –line sector**	9a_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I wouldn't know how to switch even if I wanted to; I did not know it was possible to switch; I never thought about the issue

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
40	Has not switched due to personal factors – financial sector**	9a_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C13	Never switched main bank account in the last 5 years for one of the following reasons: I wouldn't know how to switch even if I wanted to; I did not know it was possible to switch; I never thought about the issue
41	Has not switched due to market-related factors – energy sector**	9b_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I don't think there is any difference between the suppliers to make switching worthwhile; Switching is a hassle; It is difficult to compare the offers of different electricity providers
42	Has not switched due to market-related factors – on-line sector**	9b_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I don't think there is any difference between the providers to make switching worthwhile; Switching is a hassle ; It is difficult to compare the offers of different Internet service providers
43	Has not switched due to market-related factors – financial sector	9b_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C13	Never switched main bank account in the last 5 years for one of the following reasons: I don't think there is any difference between the providers to make switching worthwhile; Switching is a hassle ; It is difficult to compare the offers of different banks
44	Has not switched due to access-related factors – energy sector**	9c_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I am in debt with my current supplier/s so don't think I can switch; I live in rented accommodation and don't think my landlord will allow me to switch; I live in a housing cooperative where such services are collectively negotiated; No other supplier is available in the area where I live
45	Has not switched due to access-related factors – on-line sector**	9c_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I am in debt with my current provider/s so don't think I can switch; I live in rented accommodation and don't think my landlord will allow me to switch; I live in a housing cooperative where such services are collectively negotiated; No other provider is available in the area where I live

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
46	Has not switched due to access-related factors – financial sector**	9c_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	All in UK, RO, LT, DK, PT. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	C13	Never switched main bank account in the last 5 years for one of the following reasons: I am in debt with my current provider/s so don't think I can switch; No other provider is available in the area where I live
47	Has not switched due to termination costs	9d_ter	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q21.3	Did not switch your energy, telecommunication or banking supplier because of additional costs for termination of the contract (eg extra fees for returning the internet modem)
48	Has not switched due to bundling	9e_bun	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q21.6	Decided not to switch provider because the offer was bundled or because your current product is part of a bundle
49	Excluded from e-commerce due to difficulty of the process	10a	online	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	Q21.4	Decided not to purchase a product or service online because you found it too difficult to complete the purchase
50	Excluded from e-commerce due to not having a payment card	10b	online	Binary: 1 = "Yes", 0 = "No"	All	Online respondents in all countries. CATI respondents from CY and MT who have an Internet connection at home.	Q21.5	Was unable to buy a product or service online because you didn't have a payment card allowing you to pay over the internet
51	Declined for a loan**	11_loan	finance	Binary: 1 = "Yes", 0 = "No"	All	All in UK, RO, LT, PT. Online respondents in DK. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	Q13b	Tried to obtain an unsecured loan or credit in the last 5 years, but did not obtain it
52	Overall performance in the experiments (irrespective of treatment)	expt_overall	non-specific	Scale: 0 (no correct answers) - 4 (4 correct answers)	All	All in DK, LT, PT, RO, UK. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	Experiments	Total number of correct choices made in the experiments (across all sector experiments, rounds and treatments); takes a maximum value of 4 since each respondent made 4 choices in total
Dimension 5: Higher susceptibility to marketing practices								
53	Perception of own vulnerability due to complexity of offers	12_off	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	All countries	Q16.4	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to complexity of offers, terms or conditions

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Table 5: Indicators of vulnerability based on the survey								
#	Name	Code (Unique code matching output files)	Sector	Type	Relevant consumers	Data availability	Questions (Survey question numbers)	Meaning
54	Perception of own vulnerability due to complexity of offers In this section referred to as 'Vulnerable to a great extent due to complexity of offers (own perception)'	12_off_b2	non-specific	Binary: 1 = "Yes", 0 = "No"	All	All countries	Q16.4	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to complexity of offers, terms or conditions
55	Experiment choice under the marketing practice treatment - energy sector	expt_mp_ene	energy	Binary: 1 = "Not correct", 0 = "Correct"	All	All in DK, LT, PT, RO, UK. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	Experiments	Whether the respondent made the correct choice of offer under the marketing practice treatment in both rounds of the energy sector experiment
56	Experiment choice under the marketing practice treatment - online sector	expt_mp_onl	online	Binary: 1 = "Not correct", 0 = "Correct"	All	All in DK, LT, PT, RO, UK. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	Experiments	Whether the respondent made the correct choice of offer under the marketing practice treatment in both rounds of the online sector experiment
57	Experiment choice under the marketing practice treatment - finance sector	expt_mp_fin	finance	Binary: 1 = "Not correct", 0 = "Correct"	All	All in DK, LT, PT, RO, UK. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	Experiments	Whether the respondent made the correct choice of offer under the marketing practice treatment in both rounds of the finance sector experiment
58	Experiment choice under the marketing practice treatment - cross-cutting	expt_mp_cc	Non-specific	Binary: 1 = "Not correct", 0 = "Correct"	All	All in DK, LT, PT, RO, UK. No data for SE, LU, NL, FI, DE, FR, BE, SK, AT, EE, CZ, IE, IS, NO, LV, SI, ES, HU, MT, HR, CY, PL, IT, EL, BG.	Experiments	Whether the respondent made the correct choice of offer under the marketing practice treatment in both rounds of the cross-cutting experiment

Note: * Indicator not available for the following 11 countries: BG, HR, CY, EL, HU, IT, LV, MT, PL, SL, ES; ** Indicator only available for the following five countries (because the relevant questions were only asked in countries where the experiments were run): DK, LT, PT, RO, UK.

Source: London Economics

3.6.1. Validation of the operationalisation of vulnerability

This sub-section discusses the approach used to group the vulnerability indicators into the vulnerability dimensions in order to operationalise vulnerability.

The dimensions of vulnerability set out in section 3.3 are operationalised with indicators based on the literature review. However, factor analysis can provide further insights regarding the construct validity³¹ of the dimensions vis-à-vis the indicators. Specifically, construct validity is used as a methodology to assess the soundness of the grouping of the vulnerability indicators into the 5 vulnerability dimensions.

Factor analysis is one of the most widely used statistical techniques in social science. Factor analysis is a method for expressing a number of variables in terms of a smaller number of 'factors'. This approach is used to establish how the survey and experiment data suggest which indicators *should* be grouped, and compare these results with our operationalisation based on the literature review.

Details of the factor analysis method and results are presented in Annex 9. Here we summarise the main findings and conclusions of the factor analysis.

Overall the factor analysis supports the allocation of vulnerability indicators to dimensions consistent with that in the literature. The factor analysis supports the allocation of the identified indicators to dimensions 1 and 2 in particular, and; also suggests that many indicators allocated to dimensions 3 and 4 based on the literature do indeed relate to a common factor.

However, all dimensions include highly unique indicators and/or indicators that share a common factor with indicators in other dimensions. Thus, the allocation of indicators to dimensions based on the data would be somewhat different to that which is based on the literature.

Given the broad nature of the dimensions, one would not expect all indicators that are allocated to a certain dimension (based on theory) to measure the same phenomenon. For example, in dimension 4, failure to make a correct product choice may be driven by a range of different factors (personal, market-related, etc.) and one would not necessarily expect these factors to be associated.

The dimensions themselves are linked to the factors as follows (note that we comment on only three factors, referred to here as factors 1, 2 and 3)³²:

- In dimension 1, 'heightened risk of negative outcomes or impacts on well-being', indicators are related in general to factor 3, although not very convincingly. The two indicators in this dimension share this factor with several

³¹ Construct validity is the extent to which a survey question or test, measures what it claims or purports to measure (Cronbach & Meehl, 1955). We use construct validity as a methodology to assess the soundness of the grouping of indicators into dimensions.

³² The factors are reported in Table 151, Annex 9. We comment on three factors, instead of e.g. five factors, since the first three factors capture most of the underlying components of vulnerability. In the principle factor analysis, each additional factor relates more weakly than the previous factors to the indicators. In practice after the third factor (as shown by an eigenvalue analysis presented Annex 9), factors no longer have a discernible relationship with either the indicators or dimensions.

indicators in dimension 4 and dimension 5. In addition, one of the two indicators (Indicator 1) is fairly unique.

- In dimension 2, 'having characteristics that limit ability to maximise well-being', indicators are strongly associated with factor 1. Indicators in dimension 2 share a common factor with several indicators in dimension 4 and one indicator in dimension 5. Nevertheless, the indicators in dimension 2 have higher factor loadings in Factor 1 than any other indicator (this holds across the four analyses). In addition, no indicators in dimension 2 are highly unique. Overall, this reflects the soundness of the grouping of these indicators into the dimensions.
- In dimension 3, 'having difficulty in obtaining or assimilating information', indicators are generally associated with factor 2. Several indicators in this dimension share the factor with indicators in dimension 4. However, more than half of the indicators in dimension 3 in all four analyses are highly unique.
- In dimension 4, 'inability or failure to buy, choose or access suitable products', indicators are generally related to factor 2. However, there are several indicators broadly related to factor 2, others to factor 3, and a couple (some just below the 0.3 highlight threshold) to factor 1. Indicators in dimension 4 thus share a factor with indicators from each of the before mentioned dimensions. In addition, dependent on the analysis, dimension 4 has a significant number of its indicators with high uniqueness.
- In dimension 5, 'higher susceptibility to marketing practices', indicators are, broadly speaking, associated with factor 1 and factor 3. Indicators in this dimension share the factors with indicators in dimension 1, dimension 2 and dimension 4. In addition, dependent on the analysis, dimension 5 has an indicator high in uniqueness.

As a concluding comment, across the dimensions a significant number of indicators have generally high uniqueness scores in our factor analysis, which relates to the high dimensionality of vulnerability. One interpretation is that the indicators measure many different aspects of consumer vulnerability. Consumer vulnerability is widely acknowledged to be an extremely multi-faceted concept and this is to some extent reflected in the indicators.

3.7. Operationalisation of potential drivers of vulnerability

A key objective of the present study is to examine the drivers of consumer vulnerability. This section sets out how the potential drivers of vulnerability are operationalised using data from the consumer survey (analysis of the impact of these drivers is presented in Chapter 6).

As discussed in section 3.4, evidence from the literature suggests that a wide range of factors may be linked to consumer vulnerability. These can be divided into five categories:

- Personal and demographic characteristics
- Behavioural drivers of vulnerability
- Market-related drivers of vulnerability
- Access drivers of vulnerability
- Situational drivers of vulnerability

The potential drivers of vulnerability that are operationalised in the analysis within each category are summarised in Table 6 below. The precise coding of the variables

which represent these potential drivers is set out in section 3.7.1. Some relevant variables are not included in the operationalisation. For example, no questions were asked in the survey on hearing or visual impairment for practical reasons; individuals with visual impairments are not logged in to Ipsos’ panel, and individuals with hearing impairments cannot be contacted via telephone.

Table 6: Potential drivers of vulnerability	
Category	Drivers operationalised in the analysis
Personal and demographic characteristics	<ul style="list-style-type: none"> ■ Age ■ Gender ■ Population density of the respondent’s region of residence ■ Household size ■ Education level ■ Whether the respondent’s mother tongue is different from the official language(s) spoken in their country of residence
Behavioural drivers of vulnerability	<ul style="list-style-type: none"> ■ Trust in others (2 measures) ■ Credulity (2 measures, one of which is a test) ■ Willingness to take risks ■ Impulsiveness (4 measures) ■ Tests of a computational ability (2 measures) ■ Knowledge of terms relating to the energy and online sectors and ability to identify the best interest rate for a savings account (3 measures)
Market-related drivers of vulnerability	<ul style="list-style-type: none"> ■ Respondent’s knowledge of their contract (in each sector) ■ Being unable to read the terms and conditions of a contract because of small print ■ Frequency with which the respondent compares deals (in each sector) ■ Whether the respondent read the last bill or communication from their provider (in each sector) ■ How easy the respondent found it to read the last bill or communication from their provider (in each sector)
Access drivers of vulnerability	<ul style="list-style-type: none"> ■ Frequency of internet use for the purposes of online search, comparison of prices, online banking, online purchases, online selling, social media, and email ■ The number of purposes (listed above) the respondent uses internet for at least once a month
Situational drivers’ of vulnerability	<ul style="list-style-type: none"> ■ Occupational status ■ Whether the respondent finds it easy to ‘make ends meet’ (a proxy for the state of their finances) ■ Personal situation (married, remarried, not married living with a partner, single, divorced or separated, widowed or other) ■ Number of dependent children ■ Whether the respondent is a single parent ■ Measures describing the respondent’s social circles (having friends who buy on-line, buy on credit, or can’t make ends meet)

3.7.1. Coding variables to represent potential drivers of vulnerability

The explanatory variables examined in the analysis in Chapter 6 (on the drivers of consumer vulnerability) are all coded as dummy variables (i.e. taking values 0 or 1). These include sets of mutually exclusive dummies, which represent where respondents lie on a scale. For example, the behavioural characteristic of 'trust'³³ is coded as four mutually exclusive dummies representing the levels 'very low', 'low', 'high' and 'very high' (rather than as a scale variable taking values from 1 to 4).

Coding the variables in this way means that the effect of a scale variable on the dependent variable in regression analysis does not have to be linear, i.e. the difference between one pair of adjacent levels on a scale (e.g. 'low' and 'high') does not have to be the same as the difference between another pair of adjacent levels (e.g. 'high' and 'very high'). Moreover, this coding means that any level on a scale (including levels in the middle of the scale) can have the greatest impact on the dependent variable.

In addition, this coding approach provides a solution to a problem with the data, namely that not all respondents answered all survey questions.³⁴ Using this coding approach we can code 'no response' to a particular question as a separate dummy, and so keep all other (more useful) information from the respondent in the analysis (otherwise, if information were missing for a respondent for just a single question, all information from that respondent would be lost). Consequently, some results reported in Chapter 6 relate to explanatory variables which signify that respondents did not answer a particular survey question (e.g. no response dummies for questions on comparing deals, knowing contract terms and reading bills and communications).

A further consequence of coding the explanatory variables in this way is that one dummy variable from each set of mutually exclusive dummies must be used as the 'base', meaning that the impacts of all other variables in the set are measured relative to this base. For example, in the case of the 'trust' characteristic, the dummy representing 'very low' trust is used as the base, and the impacts of all other levels of trust are measured relative to very low trust.

The full set of explanatory variables examined in the analysis in Chapter 6 is presented in Table 7 below.³⁵ This table also indicates which variables (i.e. which levels or categories) are used as bases in the analysis.

³³ A measure that is based on the extent that respondents agree with the statement "you need to be very careful in dealing with people".

³⁴ Some questions were not asked depending on the respondent's country and what survey mode (online, CAPI or CATI) was used to survey them.

³⁵ The full set of explanatory variables examined in the G-S analysis is also presented in Table 153 in Annex 8.

Table 7: Explanatory variables included in regressions		
Name/label	Description	Base category
<u>Personal and demographic characteristics</u>		
Age 16-24	Age group from 16 to 24	Age group 35 to 44
Age 25-34	Age group from 25 to 34	
Age 45-54	Age group from 45 to 54	
Age 55-64	Age group from 55 to 64	
Age 65-74	Age group from 65 to 74	
Age 75+	Age group above 75	
Male	Male respondent	Female
Low density region	Respondent lives in low density region	High density region
Medium density region	Respondent lives in medium density region	
Household size	Number of individuals in the household	N/A
Low education	Low education level	High education level
Medium education	Medium education level	
Non-native tongue, no difficulty	Mother tongue different from the official language, but this does not cause difficulty	Native speaker
Non-native tongue, difficulty	Mother tongue different from the official language, and this causes difficulty	
<u>Behavioural characteristics</u>		
Trust 1: Low	Low trust in people; Tends to agree with the statement "you need to be very careful in dealing with people"	Very low trust
Trust 1: High	High trust in people; Tends to disagree with the statement "you need to be very careful in dealing with people"	
Trust 1: Very high	Very high trust in people; Strongly disagrees with the statement "you need to be very careful in dealing with people"	
Trust 2: Low	Low trust in people; Tends to disagree with the statement "I believe most people can be trusted"	Very low trust
Trust 2: High	High trust in people, Tends to agree with the statement "I believe most people can be trusted"	
Trust 2: Very high	Very high trust in people; Strongly agrees with the statement "I believe most people can be trusted"	
Credulity test: Incorrect	Answered credulity test incorrectly	Answered credulity test correctly
Credulity test: Not taken	Did not take credulity test	
Credulity: Low	Low credulity; Tends to disagree with the statement "Most advertisements report objective fact, I trust most of the information provided in advertisements"	Very low credulity
Credulity: High	High credulity; Tends to agree with the statement "Most advertisements report objective fact, I trust most of the information provided in advertisements"	
Credulity: Very high	Very high credulity; Strongly agrees with the statement "Most advertisements report objective fact, I trust most of the information provided in advertisements"	
Impulsiveness 1: Low	Low impulsiveness; Tends to disagree with the statement "I have a hard time breaking bad habits"	Very low impulsiveness
Impulsiveness 1: High	High impulsiveness; Tends to agree with the statement "I have a hard time breaking bad habits"	
Impulsiveness 1: Very high	Very high impulsiveness; Strongly agrees with the statement "I have a hard time breaking bad habits"	

Table 7: Explanatory variables included in regressions		
Name/label	Description	Base category
Impulsiveness 2: Low	Low impulsiveness; Tends to agree with the statement "I'm good at resisting temptation"	Very low impulsiveness
Impulsiveness 2: High	High impulsiveness; Tends to disagree with the statement "I'm good at resisting temptation"	
Impulsiveness 2: Very high	Very high impulsiveness; Strongly disagrees with the statement "I'm good at resisting temptation"	
Impulsiveness 3: Low	Low impulsiveness; Tends to agree with the statement "People would say that I have very strong self-discipline"	Very low impulsiveness
Impulsiveness 3: High	High impulsiveness; Tends to disagree with the statement "People would say that I have very strong self-discipline"	
Impulsiveness 3: Very high	Very high impulsiveness; Strongly disagrees with the statement "People would say that I have very strong self-discipline"	
Impulsiveness 4: Low	Low impulsiveness; Tends to disagree with the statement "I'm impulsive in the purchase decisions I take"	Very low impulsiveness
Impulsiveness 4: High	High impulsiveness; Tends to agree with the statement "I'm impulsive in the purchase decisions I take"	
Impulsiveness 4: Very high	Very high impulsiveness; Strongly agrees with the statement "I'm impulsive in the purchase decisions I take"	
Risk taking: Not very	Not very willing to take risks	Not at all willing to take risks
Risk taking: Fairly	Fairly willing to take risks	
Risk taking: Very	Very willing to take risks	
Risk taking: No response	Did not answer the question on willingness to take risks	
Computation test 1 correct	Answered first computation test correctly	Answered incorrectly
Computation test 2 correct	Answered second computation test correctly	Answered incorrectly
Knows meaning of kWh	Knows the meaning of the term kWh	Answered incorrectly
Knows meaning of Mbps	Knows the meaning of the term Mbps	Answered incorrectly
Identified best interest rate	Identified best interest rate for a savings account	Answered incorrectly
Market-related drivers and experience in markets		
Unable to read T&Cs due to small print	Unable to read energy, telecommunication or banking contract terms and conditions due to overly small print	Able to read contract Ts&Cs
Compare energy deals: When need to renew	Compares energy deals from internet providers "but only when I need to renew my contract"	Compares deals "from time to time"
Compare energy deals: Sporadically	Compares energy deals "but only sporadically"	
Compare energy deals: Only the first time	Compares energy deals from internet providers only "the first time I needed to choose a provider"	
Compare energy deals: Never	Never compared energy deals	
Compare internet deals: When need to renew	Compares deals from internet providers "but only when I need to renew my contract"	Compares deals "from time to time"
Compare internet deals: Sporadically	Compares deals from internet providers "but only sporadically"	
Compare internet deals: Only the first time	Compares deals from internet providers only "the first time I needed to choose a provider"	
Compare internet deals: Never	Never compared deals from internet providers	
Compare internet deals: No response	Did not answer the question on frequency of comparing internet deals	

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Table 7: Explanatory variables included in regressions		
Name/label	Description	Base category
Compare deals from banks: When notified	Compares deals from banks "but only when I am notified that the conditions of my contract will be changed"	Compares deals "from time to time"
Compare deals from banks: Sporadically	Compares deals from banks "but only sporadically"	
Compare deals from banks: Only the first time	Compares deals from banks only "the first time I needed to choose a bank"	
Compare deals from banks: Never	Never compared deals from banks	
Know energy contract: Not at all	Does not know energy contract conditions "at all"	Know contract conditions completely
Know energy contract: Not very	Does not know energy contract conditions "very much"	
Know energy contract: Fair amount	Knows energy contract conditions a "fair amount"	
Know energy contract/Read bill: No response	Does not have a gas or electricity contract (so no response to question on knowledge of contract/read last bill)	
Know internet contract conditions: Not at all	Does not know internet contract conditions "at all"	Know contract conditions completely
Know internet contract conditions: Not very	Does not know internet contract conditions "very much"	
Know internet contract conditions: Fair amount	Knows internet contract conditions a "fair amount"	
Know internet contract/read communication: No response	Does not have internet contract (so no response to question on knowledge of contract/read communication)	
Know bank contract conditions: Not at all	Does not know bank contract conditions "at all"	Know contract conditions completely
Know bank contract conditions: Not very	Does not know bank contract conditions "very much"	
Know bank contract conditions: Fair amount	Knows bank contract conditions a "fair amount"	
Know bank contract/read communication: No response	Does not have bank contract (so no response to question on knowledge of contract/read communication)	
Read energy bill: Glanced or skim read	Read last bill from energy supplier, but "glanced over it or skim read it"	Read last bill in detail
Read energy bill: Looked at total price	Read last bill from energy supplier, but "only looked at total price"	
Read energy bill: Not at all	Did not read last bill from energy supplier	
Read energy bill: Don't know	Does not know or remember if read last bill from energy supplier	
Read energy bill: No response	Does not have a gas or electricity contract	
Read internet communication: Glanced or skim read	Read last internet provider communication, but "glanced over it or skim read it"	Read communication in detail
Read internet communication: Saw what it was	Read last internet provider communication, but "only saw what it was (i.e. looked at the numbers)"	
Read internet communication: Not read it at all	Did not read last internet provider communication "at all"	
Read internet communication: Don't know	Does not know or remember if read last internet provider communication	
Read internet communication: No response	Does not have internet contract	Read communication in detail
Read bank communication: Glanced or skim read	Read last bank communication, but "glanced over it or skim read it"	
Read bank communication: Saw what it was	Read last bank communication and "only saw what it was (i.e. looked at the numbers)"	
Read bank communication: Not read it at all	Did not read last bank communication "at all"	

Table 7: Explanatory variables included in regressions		
Name/label	Description	Base category
Read bank communication: Don't know	Does not know or remember if read last bank communication	
Read bank communication: No response	Does not have bank contract	
Read energy bill: Easy	Reading last bill from energy supplier was easy	Very easy
Read energy bill: Difficult	Reading last bill from energy supplier was difficult	
Read energy bill: Very difficult	Reading last bill from energy supplier was very difficult	
Did not read energy bill	Did not read the last bill from the energy supplier in detail, glanced over or skim read it (or has no energy supplier)	
Read internet communication: Easy	Reading last internet provider communication was easy	Very easy
Read internet communication: Difficult	Reading last internet provider communication was difficult	
Read internet communication: Very difficult	Reading last internet provider communication was very difficult	
Did not read internet communication	Did not read the internet provider communication in detail, glanced over or skim read it (or has no internet provider)	
Read bank communication: Easy	Reading last bank communication was easy	Very easy
Read bank communication: Difficult	Reading last bank communication was difficult	
Read bank communication: Very difficult	Reading last bank communication was very difficult	
Did not read bank communication	Did not read the bank communication in detail, glanced over or skim read it (or has no bank account)	
Access-related drivers		
Monthly internet activities: 7	Uses internet at least once per month for 7 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	Zero monthly internet activities
Monthly internet activities: 6	Uses internet at least once per month for 6 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 5	Uses internet at least once per month for 5 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 4	Uses internet at least once per month for 4 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 3	Uses internet at least once per month for 3 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 2	Uses internet at least once per month for 2 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 1	Uses internet at least once per month for 1 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Frequent internet use: Search	Uses internet at least once a month for: Online search	Does not...
Frequent internet use: Compare prices	Uses internet at least once a month for: Price comparison	Does not...
Frequent internet use: Banking	Uses internet at least once a month for: Online banking	Does not...
Frequent internet use: Purchases	Uses internet at least once a month for: Online purchases	Does not...
Frequent internet use: Selling	Uses internet at least once a month for: Online sales	Does not...

Table 7: Explanatory variables included in regressions		
Name/label	Description	Base category
Frequent internet use: Social	Uses internet at least once a month for: Social network	Does not...
Frequent internet use: Email	Uses internet at least once a month for: Email	Does not...
Situational drivers		
Employed part-time	Employed part-time	Employed full-time
Self-employed full-time	Self-employed full-time	
Self-employed part-time	Self-employed part-time	
Unemployed & looking	Unemployed & looking	
Unemployed & not looking	Unemployed & not looking	
Long-term sick or disabled	Long-term sick or disabled	
Housewife/Homemaker	Housewife/Homemaker	
Retired	Retired	
In full time education	In full time education	
Studying with part-time job	Studying with part-time job	
Unemployed & looking 5+ years	Has been unemployed & looking for work for at least 5 years	Not...
Unemployed & not looking 5+ years	Has been unemployed & not looking for at least 5 years	Not...
Long-term sick or disabled 5+ years	Has been long-term sick or disabled for at least 5 years	Not...
Housewife/Homemaker 5+ years	Has been a housewife or homemaker for at least 5 years	Not...
Retired 5+ years	Has been retired for at least 5 years	Not...
Remarried	Marital status: remarried	Married
Living with a partner	Marital status: not married living with a partner	
Single	Marital status: single	
Divorced or separated	Marital status: divorced or separated	
Widowed	Marital status: widowed	
Other	Marital status: other	
Single parent	Is a single parent	Not...
1 dependent child	One child in the household	No dependent children
2 dependent children	Two children in the household	
3+ dependent children	Three or more children in the household	
Single person household	Only member of the household	
Friends buy online	Agree or strongly agree that "Most of my friends and relatives buy goods and services online"	Does not...
Friends buy on credit	Agree or strongly agree that "Most of my friends and relatives buy goods and services on credit"	Does not...
Friends can't make ends meet	Agree or strongly agree that "Most of my friends and relatives find it difficult to make ends meet every month"	Does not...
Making ends meet: Fairly easy	Making ends meet is fairly easy	Making ends meet is easy

Table 7: Explanatory variables included in regressions

Name/label	Description	Base category
Making ends meet: Fairly difficult	Making ends meet is fairly difficult	
Making ends meet: Very difficult	Making ends meet is very difficult	
Making ends meet: Prefer not to say	Prefers not to answer the statement	

4. INCIDENCE OF CONSUMER VULNERABILITY

Box 2: Summary of Chapter 4

The present chapter reviews the incidence of a number of vulnerability indicators reflecting 5 different vulnerability dimensions, namely:

- Dimension 1: Heightened risk of negative outcomes or impacts on well-being.
- Dimension 2: Having characteristics that limit ability to maximise well-being.
- Dimension 3: Having difficulty in obtaining or assimilating information.
- Dimension 4: Inability or failure to buy, choose or access suitable products.
- Dimension 5: Higher susceptibility to marketing practices.

Each dimension regroups a number of vulnerability indicators which were populated by the responses from the consumer survey and the results of the consumer experiments run as part of the present study. The indicators used in the first part of the chapter to identify the aspects of vulnerability with a particularly high incidence across the EU28 and then examine the extent to which such incidence of vulnerability varies across the EU28.

The second part of the chapter examines whether individuals who are vulnerable according to one dimension of vulnerability are also vulnerable according to an additional dimensions or perhaps even according to several other dimension. The purpose of such an analysis is to gain a deeper understanding of the extent to which vulnerability has multiple facets or is more linked to one particular factor.

The main findings of the incidence of vulnerability in the EU28 are that

1. The **highest vulnerability incidence rates are observed EU-wide for the indicators of dimension 5 of vulnerability**, namely "Higher susceptibility to marketing practices". These indicators reflect the inability of consumers of choosing the optimal deal in the experiments and show an incidence rate of 53% in the online sector, 66% in the cross-cutting sector and 85% in the energy sector. As not all consumers face the particular marketing situations tested in the experiments, these incidence rates are likely to be a somewhat upward biased estimate of the actual incidence of dimension 5 vulnerability among the overall population.
2. The **second highest incidence rates are observed in the case of dimension 4 vulnerability**. In particular, vulnerability arises because consumers do not compare deals (57% of consumers in the finance sector and 52% in the energy sector) or have problems comparing deals because of market-related factors or personal factors. Overall, almost 75% of EU28 consumers exhibit at least one such dimension vulnerability.
3. **Individual indicators in Dimension 2**, namely individual personal characteristics, **do not, individually, show particularly high vulnerability incidence rates**. However, overall, about 23% of consumers are vulnerable on the basis of one or several personal characteristics. Among the personal characteristics, financial and employment circumstances show the highest incidence rate.
4. The **incidence of dimension 1 and 3 vulnerability indicators is relatively low**, generally 10% or less and never exceeds 15%. The only exceptions are the dimension 3 indicators of "having problems comparing deals due to information-related factors", especially in the energy sector,

where the EU28 average incidence rate is 15%.

With regards to the variation in the incidence of vulnerability across the EU28, it is worth noting that among the 54 vulnerability indicators considered, 4 indicators based on the survey results show considerable cross-country variation in incidence rates. These relate to having problems comparing deals in the energy sector due to access related factors; finding it difficult comparing deals in the online sector; having problems comparing deals because of access related factors in the online sector; or using only information from advertisements to compare deals in the online sector.

Overall, both the analysis of the incidence of vulnerability across the EU as a whole and of the variation of such vulnerability across EU Member States highlights that marketing practices, lack of use of information or imperfect information and access issues are the most frequent causes of vulnerability.

Moreover, the analysis of the variation of the incidence of vulnerability across the EU also shows that Member States typically exhibit a combination of higher-than-EU28 and lower-than-EU28 incidence rates across the different vulnerability indicators without any systematic pattern.

However, Austria, the Czech Republic, Estonia, Finland, Germany, Poland and the United Kingdom never show rates of vulnerability that are much higher than the EU28 average, on any of the indicators. On the other hand, Belgium, Cyprus, Hungary, Italy, Latvia and Spain never show incidence rates that are much lower than the EU28 average.

Moreover, Germany, the Netherlands and Norway are the countries which most often show a markedly lower vulnerability incidence than the EU-28 average, while the opposite is true for Cyprus and, to a somewhat lesser extent, Croatia and Romania.

In terms of the multi-dimensionality of vulnerability in the EU28, the analysis shows that the dimension 4 vulnerability is the one most frequently experienced by EU28 consumers. Almost 43% of EU consumers exhibit some type dimension 4 vulnerability without any other type of vulnerability and another 30% of consumers experience a combination of dimension 4 and other dimension vulnerabilities.

The second most frequently experienced vulnerability is dimension 2, with 23% of consumers exhibiting such vulnerability (under dimension 2 alone or in combination with another dimension).

The present chapter provides an overview of the incidence of consumer vulnerability in the EU28 based on a descriptive statistical analysis of those vulnerability indicators operationalised in section 3.6 of the previous chapter, using data from the consumer survey and the results from the experiments.³⁶

The first section of the chapter discusses the incidence of consumer vulnerability in the EU28, in individual Member States, and in Norway and Iceland. Such discussion

³⁶ The present chapter only utilises the results of the experiment with the marketing practice treatment, and only in the form of four indicators of vulnerability – indicators 55 to 58, 'Experiment choice under the marketing practice treatment [...]', as defined in Table 5.

proceeds indicator by indicator for each of the vulnerability dimensions. The second section provides a descriptive analysis of the incidence of consumer vulnerability across multiple dimensions of vulnerability, and the third section provides a summary of the key findings from the present chapter.

For each indicator, the incidence of consumer vulnerability is defined as the proportion of consumers who are classified as 'vulnerable'. In other words, in the present chapter, a *binary* scale is used whereby each survey respondent or experiment participant is classified as being either 'vulnerable' or 'not vulnerable' according to the respective survey question. Therefore, the indicators listed in Table 5 which are *scale* indicators³⁷ and are analysed in subsequent chapters of the report are only used in a summary binary form in the current chapter.

Furthermore, six additional indicators have been created as part of Dimension 4 (inability or failure to buy, choose or access suitable products) specifically for the purposes of the present chapter³⁸, namely:

- Does not compare product deals - energy sector;
- Finds it very difficult to compare product deals - energy sector;
- Does not compare product deals - online sector;
- Finds it very difficult to compare product deals - online sector;
- Does not compare product deals - finance sector; and
- Finds it very difficult to compare product deals - finance sector.

These additional indicators are based on the questions preceding those used in indicators 29-37 ('Has problems comparing deals due to...'), and therefore capture the whole survey sample³⁹, which allows for the comparison of vulnerability across dimensions presented in section 4.2.⁴⁰

A similar reasoning has required the re-design of a number of indicators in order to more accurately capture the vulnerability incidence in the population:

- Indicator '1. Unassertive (took no action) when experienced a problem' considers only consumers who have experienced a problem. However, in the survey not the whole sample indicated having experienced problems when purchasing or using goods or services. Therefore, to extrapolate the incidence of vulnerability to the whole sample, another version of this indicator has been created for the analysis in Chapter 4, namely 'Has experienced a problem and

³⁷ These scale indicators are: 3. 'Perception of own vulnerability due to personal characteristics'; 12. 'Does not feel informed about prices etc.'; 52. 'Overall performance in the experiments (irrespective of treatment)'; 53. 'Perception of own vulnerability due to complexity of offers'; 55. 'Experiment choice under the marketing practice treatment - energy sector'; 56. 'Experiment choice under the marketing practice treatment - online sector'; and 57. 'Experiment choice under the marketing practice treatment - finance sector'.

³⁸ These additional indicators have also been used in the cluster analysis presented in Annex 7.

³⁹ The respective indicators for the online sector (25 and 26) do not capture the whole sample due to survey mode restrictions. Hence, only the energy- and finance-related indicators (23 and 24, and 27 and 28, respectively) have been used for the cross-dimensional analysis of vulnerability.

⁴⁰ As indicators 29-37 are closer aligned with those conceptualised in the operationalisation of vulnerability, they have been analysed whenever cross-dimensional comparison is not the topic of interest.

took no action'. This version of the indicator includes all survey respondents as the reference base.

- The incidence of vulnerability for indicators `14. Compares product deals by using information from advertisements only - energy sector'; `15. Compares product deals by using information from advertisements only - online sector'; and `16. Compares product deals by using information from advertisements only - finance sector' has also been calculated to include all respondents as the reference population, rather than only those respondents who have compared deals.⁴¹

Different approaches to weighting the survey results have been adopted in the present chapter:⁴²

- When presenting country-level results, results have been weighted using within country weights, which ensure that the sample is representative of each country's population in terms of its demographic composition⁴³;
- When comparing country-level results, the comparison has been done based on a simple arithmetic average of country-level results, which have been computed using the within country weights;
- When discussing EU28-level results (or the overall results based on a sub-set of countries), a set of cross-country weights has been used which not only accounts for the demographic composition of each country, but also for the differences in population levels between countries.

However, when the EU28 average across countries is reported, only the within country weights are used.

4.1. Incidence of various vulnerability dimensions in the EU28 and Norway and Iceland

The present section discusses the incidence of consumer vulnerability in the EU28, in individual Member States and Iceland and Norway. First, the analysis focuses on the EU28-level of incidence and then takes a closer look at the variation in the incidence of vulnerability across countries and identifies countries which appear to be outliers in terms of vulnerability incidence. The second part of the chapter then proceeds to investigate the incidence of vulnerability at Member State level by indicator in each of the five vulnerability dimensions.⁴⁴

4.1.1. Analysis of overall incidence of vulnerability – all vulnerability dimensions EU28 and Norway and Iceland

The present sub-section provides for each of the indicators a snapshot of the share of vulnerable consumers in the EU28 population, and an overview of the extent to which vulnerability incidence varies across Member States.

⁴¹ The 'Gets information from adverts only' versions of these indicators are based only on respondents who have compared deals.

⁴² Unless otherwise specified.

⁴³ In terms of gender, age, urbanisation rate, region, work status and educational attainment. For further details on the construction of weights, see section A2.9 in Annex 2.

⁴⁴ The indicators and dimensions are defined in Chapter 3.

A key finding of such EU-wide analysis is that the incidence of vulnerability varies greatly across vulnerability indicators (Figure 7).

- The group of vulnerability indicators with the highest incidence rates includes indicators of Dimension 5, 'Higher susceptibility to marketing practices'. These indicators reflect the results from the experiments under the marketing practice treatment. The inability of experiment participants to choose the optimal deal under a current marketing practice results in a vulnerability incidence rate of 85% in the energy sector, 66% in the cross-cutting experiment and 53% in the online sector.
 - It should be noted, however, that such high incidence is influenced by the fact that the marketing practices considered in the experiment were chosen because they are known to be particularly problematic in the respective sector (as elaborated in section 2.4). Therefore, one could expect that consumers find it difficult to make the optimal choice in either round of the experiment and, therefore, are classified as vulnerable.
 - In addition, the experiment-based indicators reflect the incidence of vulnerability amongst consumers who face the particular marketing practices considered in the experiment. However, in reality, not all consumers face the particular marketing practice. Whilst certain vulnerability indicators from other dimensions⁴⁵ incorporate a 'correction' to address the fact that a particular aspect of vulnerability may not be experienced by the whole population, it is not possible to do so with the experiment-based indicators.
- The second-highest incidence of vulnerability is observed in the indicators related to Dimension 4, in particular those which relate to the comparison of deals. Vulnerability arises because either:
 - Consumers do not compare deals (57% of survey respondents in the case of financial products and 52% in the case of energy products); or
 - Consumers have problems comparing deals because of market-related factors (33% in the case of both financial and energy products); or,
 - Consumers have problems comparing deals because of personal factors (31% in the case of financial products and 28% in the case of energy products).
- Other Dimension 4 vulnerability indicators showing relatively high incidence rates are having problems comparing deals online due to market-related factors (23% of survey respondents) and lack of switching because of bundling (22%).
- While each of the personal characteristics (Dimension 2) is not associated with a particularly high incidence of vulnerability, in total 23% of the survey respondents show vulnerability for at least one of the personal characteristics.
- The incidence of vulnerability indicators of dimensions 1, 3, and 5 is relatively low. It never exceeds 15% and often remains well below 10%.

Besides providing information on the incidence rate of the various vulnerability indicators in the EU28 (as well as the EU and Norway and Iceland)⁴⁶, Table 8 overleaf

⁴⁵ Indicators 1, 14, 15 and 16 (see Table 5), as described at the beginning of the chapter.

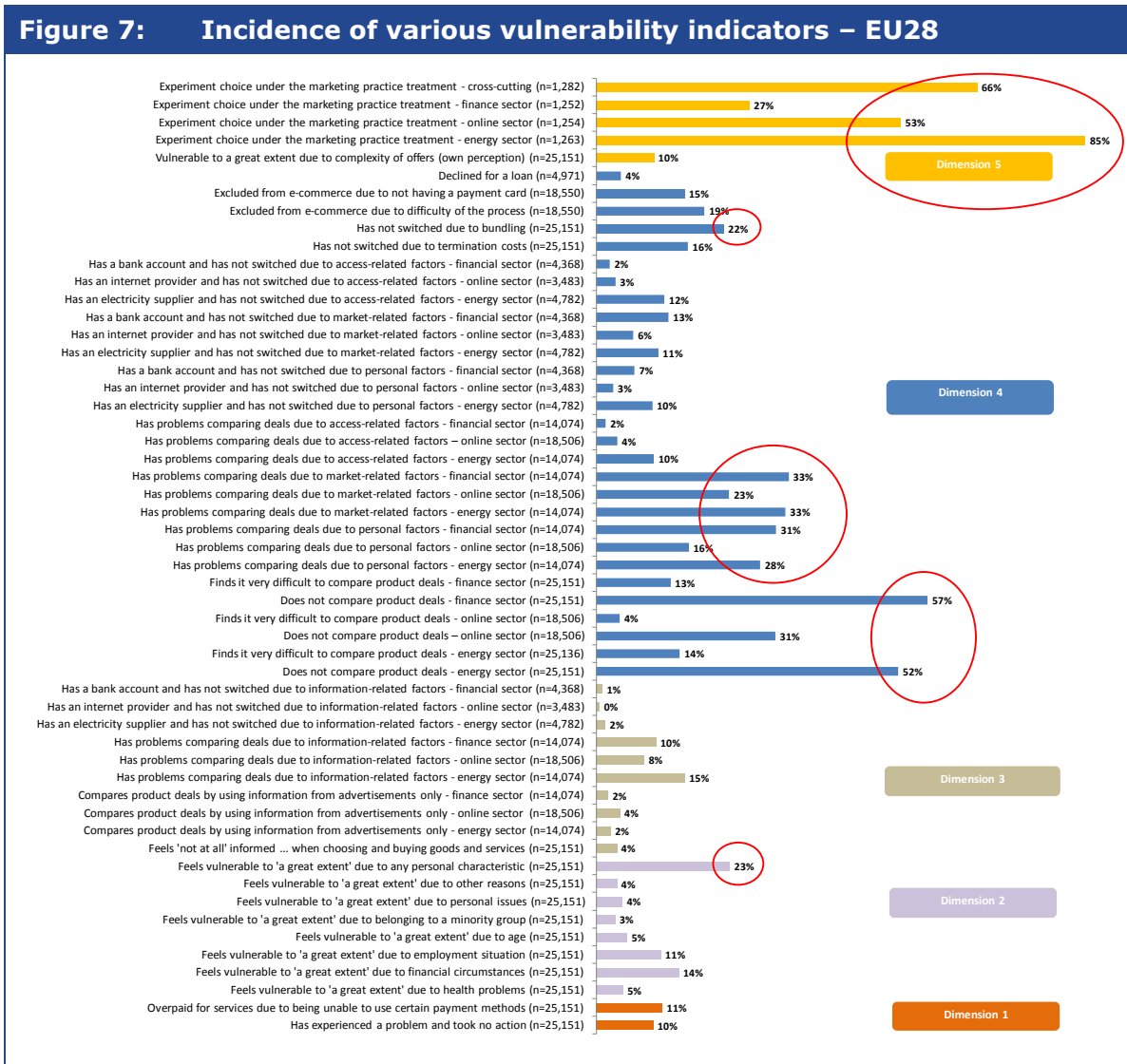
⁴⁶ Weighted by cross-country weights.

also shows, for each indicator, the minimum, maximum, median, mean and standard deviation of the distribution of the Member States incidence rates.⁴⁷

The EU28 incidence rate differs slightly from the mean of the incidence rates across the EU28 Member States as the latter measure is a simple (i.e. unweighted) average of the incidence in each Member State⁴⁸ while the former measure is implicitly a population-weighted average (as the individual responses have been weighted to take account of country population-size differences). The mean of the Member States incidence rates has been computed for the purpose of between-country comparison of vulnerability incidence rates.

⁴⁷ Based on country-level incidence results, which have been weighted by country demographic weights but not by cross-country population weights.

⁴⁸ Weighted by country weights.



Note: Results weighed using cross-country weights. Sample size varies between indicators. For more details, see Table 8. Incidence of each indicator is calculated as a proportion of all respondents who answered the relevant survey question, with the exception of 'Has experienced problems and took no action' and the three sector indicators 'Compares product deals by using information from advertisements only', which have been calculated as a percentage of the whole sample.

Source: London Economics

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO											
	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being											
1. Has experienced a problem and took no action	10%	10%	5%	28%	10%	11%	6%	51%	BG, HU, RO	FR, NL	25,151
2. Overpaid for services due to being unable to use certain payment methods	11%	11%	6%	23%	12%	13%	5%	38%	CY, IE, PL, RO	CZ, FR, NL	25,151
Dimension 2 : Having characteristics that limit ability to maximise well-being											
4. Feels vulnerable to 'a great extent' due to health problems	5%	5%	2%	11%	5%	5%	2%	44%	HR, CY, LV, PT	LU, IS	25,151
5. Feels vulnerable to 'a great extent' due to financial circumstances	14%	14%	5%	35%	18%	16%	8%	51%	CY, EL, LT	AT, CZ, DE, LU, NL, IS, NO	25,151
6. Feels vulnerable to 'a great extent' due to employment situation	11%	11%	2%	27%	12%	12%	6%	55%	CY, EL, ES	AT, CZ, DE, LU, NL, IS, NO	25,151
7. Feels vulnerable to 'a great extent' due to age	5%	5%	2%	13%	5%	5%	3%	50%	BG, CY, RO	NO	25,151
8. Feels vulnerable to 'a great extent' due to belonging to a minority group	3%	3%	1%	10%	3%	3%	2%	55%	CY, PT	NO	25,151
9. Feels vulnerable to 'a great extent' due to personal issues	4%	4%	2%	8%	4%	4%	2%	40%	CY, IT, PT	AT, CZ,	25,151

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO											
	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
										NL, IS, NO	
10. Feels vulnerable to 'a great extent' due to other reasons	4%	3%	2%	8%	3%	4%	2%	44%	HR, CY, RO	AT, CZ, IS, NO	25,151
11. Feels vulnerable to 'a great extent' due to any personal characteristic	23%	23%	10%	47%	27%	25%	11%	42%	CY, EL, RO	AT, CZ, DE, LU, NL, IS, NO	25,151
Dimension 3 : Having difficulty in obtaining or assimilating information											
13. Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	4%	3%	1%	10%	3%	4%	2%	57%	BE, HR, CY, LT	-	25,151
14. Compares product deals by using information from advertisements only - energy sector*	2%	2%	1%	6%	3%	3%	1%	49%	PT	IS	14,074
15. Compares product deals by using information from advertisements only - online sector	4%	4%	1%	18%	4%	6%	4%	68%	CY, LU LV, MT	-	18,506
16. Compares product deals by using information from advertisements only - finance sector *	2%	2%	1%	5%	2%	2%	1%	50%	LU	SE, NL	14,074
17. Has problems comparing deals due to information-related factors - energy sector*	15%	15%	9%	29%	16%	17%	6%	36%	FR, LU, RO, IS	DE	14,074
18. Has problems comparing deals due to information-related factors -	8%	8%	3%	16%	7%	7%	3%	41%	HR, LU,	BG, LT	18,506

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO											
	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
online sector									ES, IS		
19. Has problems comparing deals due to information-related factors - finance sector*	10%	10%	7%	19%	12%	12%	3%	24%	DK, IS	LT, UK	14,074
20. Has an electricity supplier and has not switched due to information-related factors - energy sector**	2%	2%	1%	3%	2%	2%	1%	43%	-	-	4,782
21. Has an internet provider and has not switched due to information-related factors - online sector**	0%	0%	0%	1%	0%	0%	0%	95%	-	-	3,483
22. Has a bank account and has not switched due to information-related factors - financial sector**	1%	1%	0%	2%	1%	1%	1%	67%	-	-	4,368
Dimension 4 : Inability or failure to buy, choose or access suitable products											
23. Does not compare product deals - energy sector	52%	52%	33%	87%	53%	57%	17%	30%	BG, CY, FR, LT, LU, MT, RO, IS	DE, IE, SI, UK	25,151
24. Finds it very difficult to compare product deals - energy sector	14%	14%	7%	47%	16%	17%	9%	52%	BG, CY, MT, IS	DE	25,136
25. Does not compare product deals - online sector	31%	31%	12%	53%	30%	31%	12%	39%	BE, LU, MT, SE, NL, IS, NO	BG, HR, EL, PT, SI	18,506

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO											
	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
26. Finds it very difficult to compare product deals - online sector	4%	4%	0%	17%	3%	4%	4%	81%	CY, MT, IS		18,506
27. Does not compare product deals - finance sector	57%	57%	43%	73%	60%	58%	7%	13%	FR, LT, RO, NL, IS	AT, CZ, PL, SK, SI	25,151
28. Finds it very difficult to compare product deals - finance sector	13%	13%	7%	23%	13%	13%	5%	39%	HR, CY, IT, MT, PT	CZ, EE, DE, NO	25,151
29. Has problems comparing deals due to personal factors - energy sector*	28%	29%	17%	49%	34%	32%	8%	25%	FR, LU, SK, IS	DE, IE,	14,074
30. Has problems comparing deals due to personal factors - online sector	16%	16%	6%	31%	17%	17%	6%	35%	BE, CY, LU, SE, IS, NO	BG, EL, PT	18,506
31. Has problems comparing deals due to personal factors - financial sector*	31%	31%	20%	45%	34%	33%	7%	21%	LT, RO	AT, DE	14,074
32. Has problems comparing deals due to market-related factors - energy sector*	33%	33%	15%	47%	34%	33%	8%	24%	FR, LU	LT, IS	14,074
33. Has problems comparing deals due to market-related factors - online sector	23%	23%	8%	39%	21%	20%	8%	37%	BE, FR, LU, IS	BG, EL, MT, RO	18,506
34. Has problems comparing deals due to market-related factors -	33%	33%	26%	46%	35%	35%	6%	16%	DK, FR,	NL, UK,	14,074

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO

	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
financial sector*										NO	
35. Has problems comparing deals due to access-related factors - energy sector*	10%	10%	3%	55%	10%	15%	15%	98%	LT, RO	-	14,074
36. Has problems comparing deals due to access-related factors - online sector	4%	4%	0%	16%	3%	4%	3%	67%	SE, NO,	MT	18,506
37. Has problems comparing deals due to access-related factors - financial sector*	2%	2%	0%	6%	2%	2%	1%	62%	LT, IS	-	14,074
38. Has an electricity supplier and has not switched due to personal factors - energy sector**	10%	10%	5%	22%	11%	14%	8%	56%	RO	UK	4,782
39. Has an internet provider and has not switched due to personal factors - online sector**	3%	3%	1%	4%	3%	3%	1%	38%	-	-	3,483
40. Has a bank account and has not switched due to personal factors - financial sector**	7%	7%	5%	14%	8%	9%	4%	49%	RO	-	4,368
41. Has an electricity supplier and has not switched due to market-related factors - energy sector**	11%	11%	4%	15%	11%	10%	4%	38%	-	LT	4,782
42. Has an internet provider and has not switched due to market-related factors - online sector**	6%	6%	2%	7%	5%	5%	2%	43%	-	LT	3,483
43. Has a bank account and has not switched due to market-related factors - financial sector**	13%	13%	10%	14%	12%	12%	2%	13%	DK	RO	4,368
44. Has an electricity supplier and has not switched due to access-related	12%	12%	3%	42%	10%	20%	18%	92%	LT	-	4,782

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO											
	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
factors - energy sector**											
45. Has an internet provider and has not switched due to access-related factors - online sector**	3%	3%	2%	7%	4%	4%	2%	47%	-	-	3,483
46. Has a bank account and has not switched due to access-related factors - financial sector**	2%	2%	2%	5%	3%	3%	1%	39%	-	-	4,368
47. Has not switched due to termination costs	16%	16%	6%	27%	17%	17%	5%	32%	HR, EL, RO	DK, FI, DE, MT, SE, NL, IS, NO	25,151
48. Has not switched due to bundling	22%	22%	14%	38%	26%	24%	6%	24%	HR, SI	DE, LT, SE, NL, UK, IS	25,151
49. Excluded from e-commerce due to difficulty of the process	19%	19%	10%	39%	24%	23%	6%	27%	HR, CY, EL	DE, MT, NL, UK	18,550
50. Excluded from e-commerce due to not having a payment card	15%	15%	6%	41%	17%	19%	9%	49%	HR, EL, RO, SI	FR, MT, SE, NL, UK, NO	18,550
51. Declined for a loan**	4%	4%	1%	8%	3%	4%	3%	64%	RO	-	4,971
Dimension 5 : Higher susceptibility to marketing practices											
54. Vulnerable to a great extent due	10%	10%	4%	26%	10%	10%	5%	44%	CY, ES	AT,	25,151

Table 8: Distribution of incidence of various indicators of vulnerability across EU28 Member States and IS and NO

	Incidence - EU28	Incidence - EU28 + NO and IS	Minimum - EU28 MSs	Maximum - EU28 MSs	Median - EU28 MSs	Mean - EU28 MSs	Standard deviation - EU28 MSs	Normalised. standard deviation - EU28 MSs	Outliers - High - EU28 MSs + NO and IS	Outliers - Low - EU28 MSs + NO and IS	Observations EU28 total
to complexity of offers (own perception)										DE, NL, IS, NO	
55. Experiment choice under the marketing practice treatment - energy sector**	85%	85%	82%	90%	90%	88%	4%	4%	-	UK	1,263
56. Experiment choice under the marketing practice treatment - online sector**	53%	53%	48%	64%	57%	55%	7%	12%	RO	-	1,254
57. Experiment choice under the marketing practice treatment - finance sector**	27%	27%	20%	35%	26%	26%	6%	24%	PT	-	1,252
58. Experiment choice under the marketing practice treatment - cross-cutting**	66%	66%	60%	78%	73%	70%	7%	10%	RO	UK	1,282

Notes: Results weighted using cross-country weights for the EU28 and EU28 + NO and IS incidence rates and country weights for the remaining measures.

Normalised standard deviation = standard deviation/mean. Outliers are countries with incidence rate that is either greater than the EU28 mean + 1 standard deviation (high outliers) or lower than the EU28 mean - 1 standard deviation (low outliers) (with a 0.5 percentage point buffer above/below the cut-off). The absence of outliers indicates that there is clustering of countries at around the 1 standard deviation cut-off. As a result these countries are not identified as outliers on the basis of the outlier criteria described in this footnote.

* Responses for only 19 countries; **Responses only for 5 countries in which experiments were run.

Source: London Economics

4.1.2. Analysis of cross-country variation of vulnerability incidence

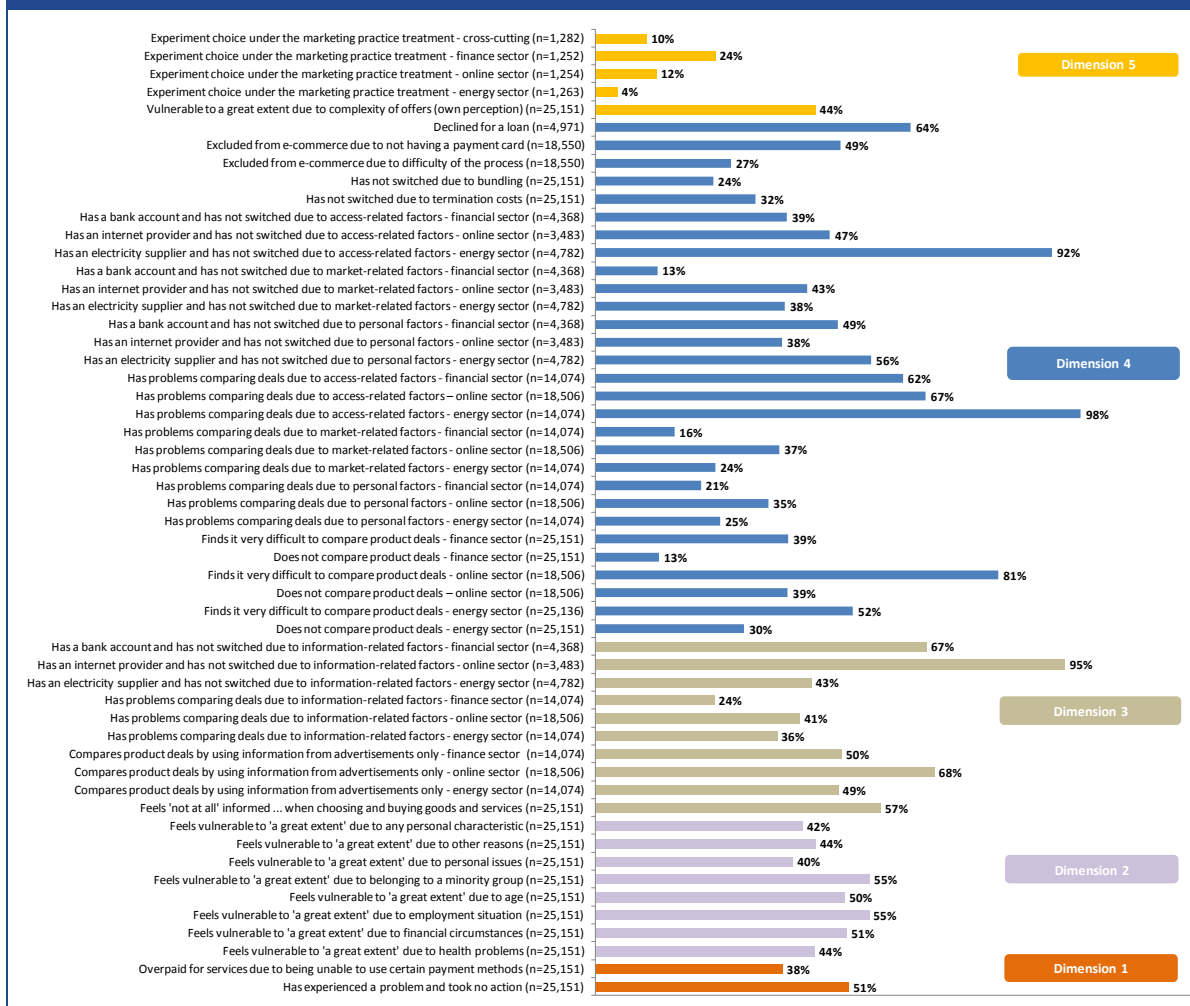
This subsection proceeds by examining the cross-country variation of vulnerability incidence focusing on how this incidence differs between indicators and dimensions. It then identifies countries which are frequently outliers according to all vulnerability indicators compared to the EU28 as a whole and whether countries characterise outliers differently based on the individual dimensions of vulnerability.

Overall variation across Member States of vulnerability incidence

The degree of variation across countries in the vulnerability incidence indicators differs markedly as shown by Figure 8, which presents the normalised standard deviation rate (i.e. the standard deviation rate divided by the mean) for each indicator across the EU28.

- In the case of 37 indicators (out of 54 indicators), the normalised standard deviation is less than or equal to 50%, meaning that the standard deviation is relatively low - at most half of the mean of the indicator.
- In contrast, in the case of 7 indicators, the cross-country variation is large with the standard deviation ranging from about 75% to close to 100% of the mean. These seven vulnerability indicators are the following:
 - Has problems comparing deals due to access-related factors - energy sector (normalised standard deviation of 98% - question was asked in 19 countries)
 - Has an internet provider and has not switched due to information-related factors - online sector (normalised standard deviation of 95% - question was only asked in 5 countries in which experiments were run)
 - Has an electricity supplier and has not switched due to access-related factors - energy sector (normalised standard deviation of 92% - question was only asked in 5 countries in which experiments were run)
 - Finds it very difficult to compare product deals - online sector (normalised standard deviation of 81% - question was asked in all countries)
 - Compares product deals by using information from advertisements only - online sector (normalised standard deviation of 68% - question was asked in all countries)
 - Has a bank account and has not switched due to information-related factors - financial sector (normalised standard deviation of 67% - question was only asked in 5 countries in which experiments were run)
 - Has problems comparing deals due to access-related factors - online sector (normalised standard deviation of 67% - question was asked in all countries)

Figure 8: Variation in the incidence of the vulnerability indicators across EU28 Member States



Note: The reported variation is of the normalised standard deviation (standard deviation/mean). Results are based on weighted results of country incidence rates, using country demographic weights. Sample size varies between indicators. For more details, see Table 8.

Source: London Economics

Outlier analysis

Table 8 also identifies for each vulnerability indicator the countries which can be considered as outliers in terms of vulnerability incidence.⁴⁹ Countries are considered to be “high outliers” if the incidence rate they show is greater than the EU28 mean plus one standard deviation, and “low outliers” if their incidence rate is lower than the mean minus one standard deviation.

⁴⁹ Not all questions have been asked in all countries. This would only skew the probability of a country being identified as an outlier if all countries had the same probability of being an outlier in each indicator, and the probabilities of being an outlier in different indicators were independent. However, there is no indication that this is the case.

Such an outlier analysis is useful for identifying countries (if any) which stand out from the overall EU28 picture according to a particular vulnerability indicator and helps to identify countries where a particular indicator of consumer vulnerability is more prevalent than the average across the EU28. The findings from such an analysis may help policy-makers to identify consumer issues requiring particular policy attention and assist them in targeting policy efforts and public resources at specific dimensions of consumer vulnerability.

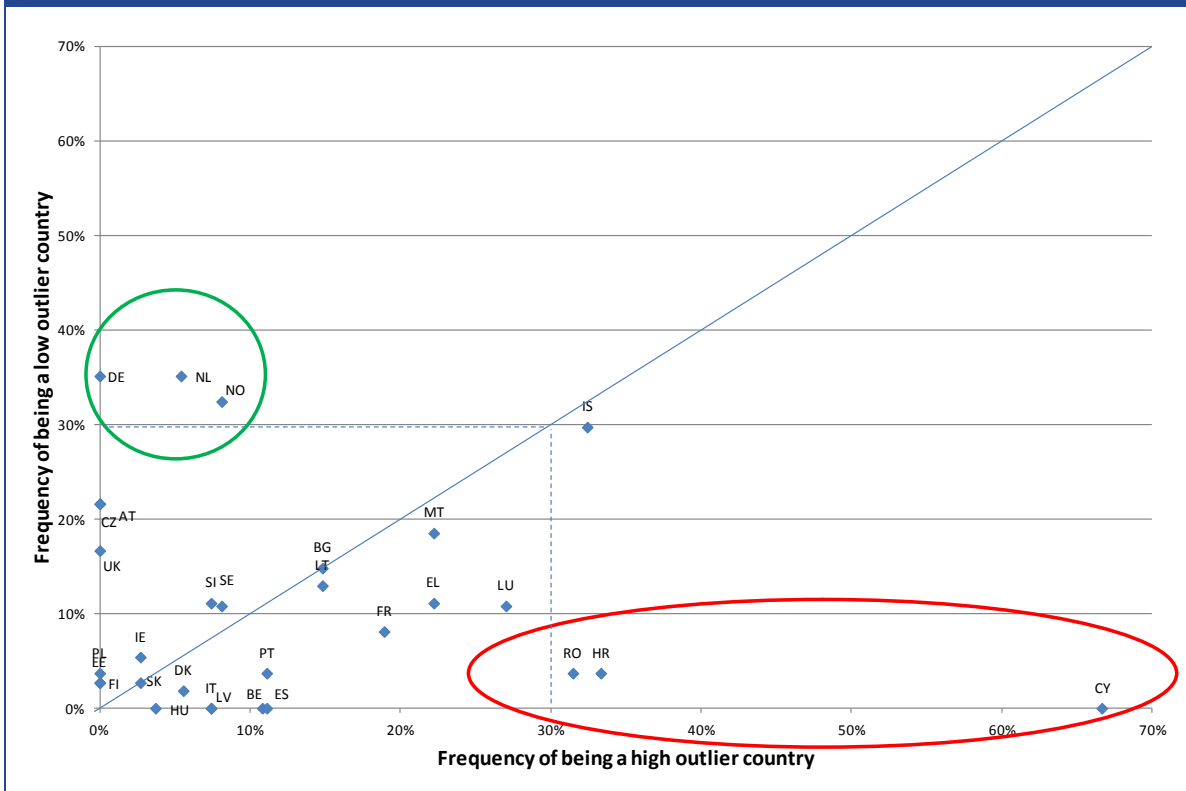
Moreover, the analysis below also identifies countries which are frequently outliers across a range of indicators. Countries which are frequently low outliers could be a source of good practices which other countries could consider and implement. In contrast, the fact that a country is a high outlier signals to domestic policy-makers the need to address consumer vulnerability much more vigorously.

Among the 28 Member States and Norway and Iceland:

- Most countries are a combination of being in some cases “high outliers” and in some other cases “low outliers”. The exceptions are:
 - In the case of being only “low outliers”: Austria, the Czech Republic, Estonia, Finland, Germany, Poland and the United Kingdom;
 - In the case of being only “high outliers”: Belgium, Cyprus, Hungary, Italy, Latvia and Spain.
- The frequency of being a “high outlier” or a “low outlier” varies greatly across Member States (Figure 9):
 - A few countries show a relatively high frequency⁵⁰ of being a “High outlier” – this is especially the case for Cyprus, and to a somewhat lesser extent, Croatia and Romania.
 - Only three countries show a relatively high frequency of being a “low outlier” and rarely a “high outlier”. This is the case for Germany, the Netherlands and Norway.
 - Iceland is relatively frequently both a “low outlier” and a “high outlier”.
 - Finally, the frequency of being an outlier (either a “low outlier” or a “high outlier” or a combination of both) is relatively low (15% or less) in most of the remaining countries.

⁵⁰ A frequency of 30% or above has been arbitrarily considered as high frequency, based on a visual inspection of the outliers’ frequency scatter plot in Figure 9.

Figure 9: Frequency of being a “high outlier” or a “low outlier”



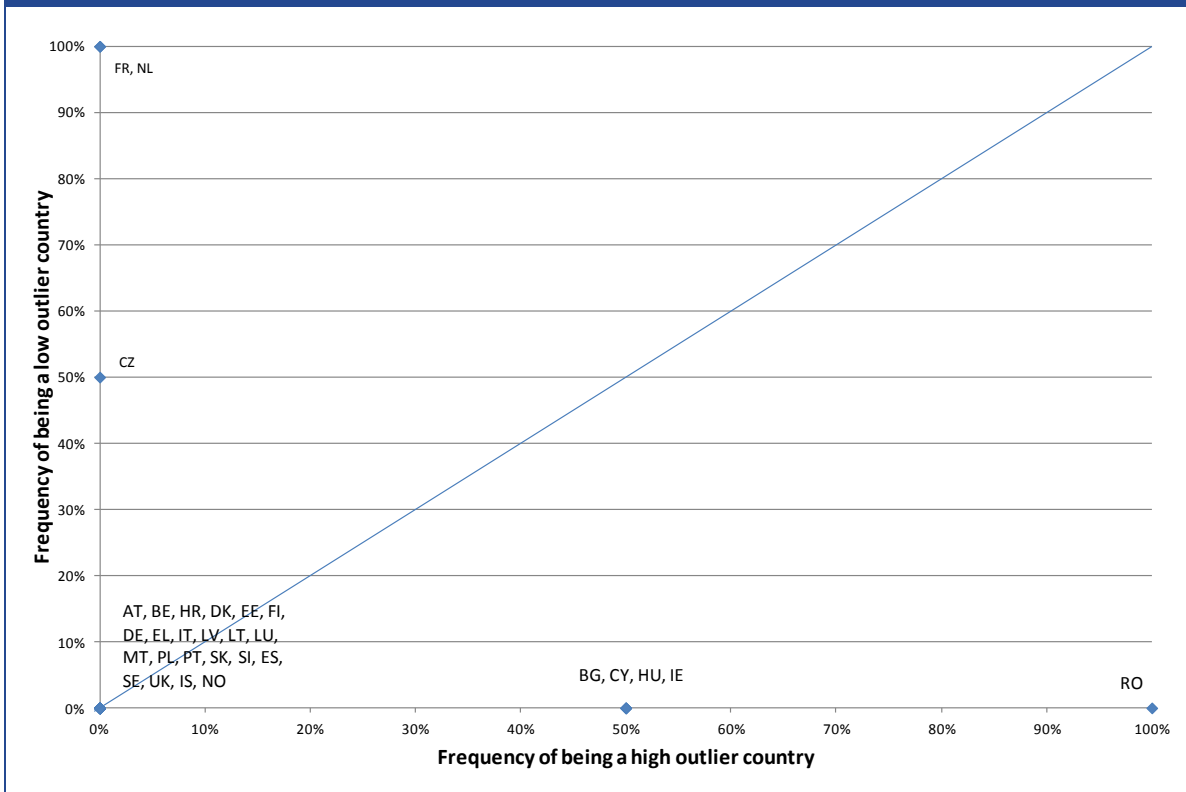
Notes: Based on weighted results. The frequency is the ratio of the number of times a country is a “high outlier” or a “low outlier” to the total number of indicators for which survey data were collected (see Table 8 for details). A “high outlier” has an incidence rate greater than the mean incidence rate + 1 standard deviation of the incidence rate across the EU28 + NO and IS while a “low outlier” has an incidence rate smaller than mean incidence rate - 1 standard deviation of the incidence rate across the EU28 + NO and IS.

Source: London Economics

The analysis in Figure 9 attaches the same importance to each indicator of vulnerability.⁵¹ However, different numbers of indicators are included in each of the five dimensions. In order to examine which aspects of vulnerability drive certain countries to be frequently high, frequently low or a mix of high and low outliers, the analysis reported above has been performed for each dimension (see Figure 10 to Figure 14 below).

⁵¹ Each indicator populated for a given country.

Outliers in Dimension 1

Figure 10: Frequency of being a “high outlier” or a “low outlier” in Dimension 1

Notes: Based on weighted results for indicators in Dimension 1 only. The frequency is the ratio of the number of times a country is a “high outlier” or a “low outlier” to the total number of indicators for which survey data were collected (see Table 8 for details). A “high outlier” has an incidence rate greater than the mean incidence rate + 1 standard deviation of the incidence rate across the EU28 + NO and IS while a “low outlier” has an incidence rate smaller than mean incidence rate - 1 standard deviation of the incidence rate across the EU28 + NO and IS.

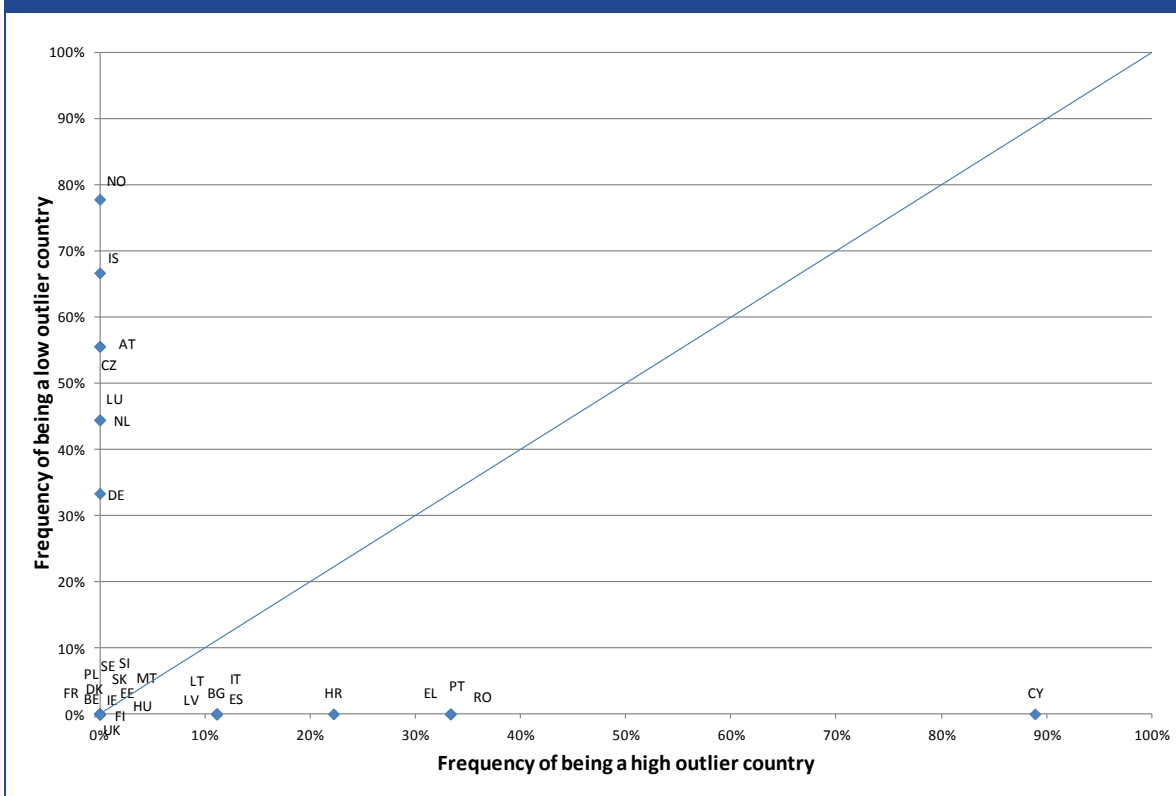
Source: London Economics

As Dimension 1 (‘heightened risk of negative outcomes or impacts on well-being’) includes only two indicators, there are very few possible combinations of high outlier and low outlier frequencies for each country.

Most countries are neither high nor low outliers for any of the two indicators in Dimension 1 (Figure 10).

- Romania is the only country which is a high outlier in terms of both the share of respondents who experienced a problem and took no action, and the share of respondents who overpaid for services due to being unable to use certain payment methods.
- France and the Netherlands are the only countries which are ‘low outliers’ according to both indicators.
- None of the countries are polarised outliers, i.e. a high outlier according to one of the indicators and a low outlier according to the other indicator.

Outliers in Dimension 2

Figure 11: Frequency of being a “high outlier” or a “low outlier” in Dimension 2

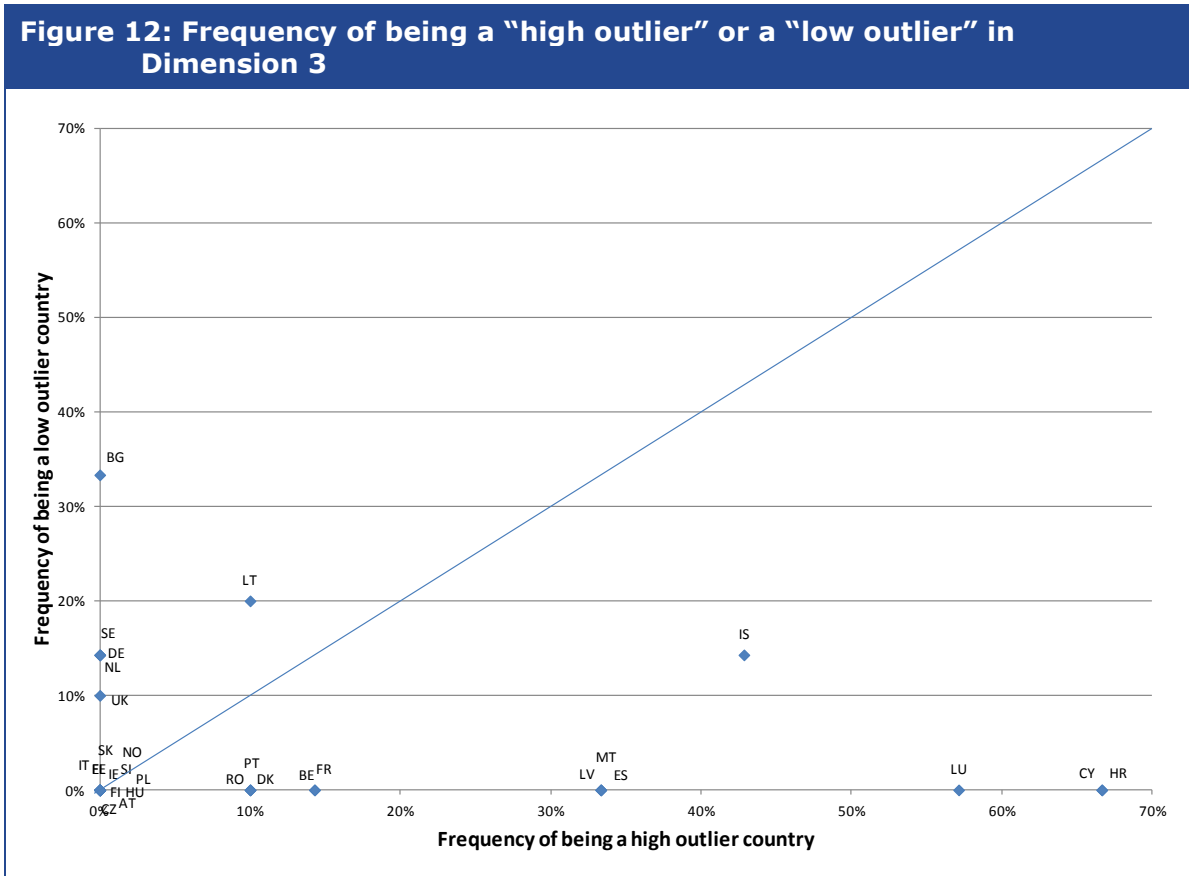
Notes: Based on weighted results for indicators in Dimension 2 only. The frequency is the ratio of the number of times a country is a “high outlier” or a “low outlier” to the total number of indicators for which survey data were collected (see Table 8 for details). A “high outlier” has an incidence rate greater than the mean incidence rate + 1 standard deviation of the incidence rate across the EU28 + NO and IS while a “low outlier” has an incidence rate smaller than mean incidence rate - 1 standard deviation of the incidence rate across the EU28 + NO and IS.

Source: London Economics

Dimension 2 (‘having characteristics that limit ability to maximise well-being’) is captured by eight indicators, all of which are populated with data for all countries. There is a slightly higher level of variation in the countries’ frequency of being an outlier, but overall, if a country is a high outlier according to any indicators, it is not a low outlier according to any of the indicators in Dimension 2, and vice versa (Figure 11). Notably,

- Cyprus is a high outlier in the incidence of vulnerability according to almost all indicators in this dimension;
- Greece, Portugal and Romania are high outliers according to a third of the indicators in Dimension 2;
- Norway is a low outlier according to the majority of the indicators in this dimension as are, to a less extent, Iceland, Austria and the Czech Republic.

Outliers in Dimension 3



Notes: Based on weighted results for indicators in Dimension 3 only. The frequency is the ratio of the number of times a country is a “high outlier” or a “low outlier” to the total number of indicators for which survey data were collected (see Table 8 for details). A “high outlier” has an incidence rate greater than the mean incidence rate + 1 standard deviation of the incidence rate across the EU28 + NO and IS while a “low outlier” has an incidence rate smaller than mean incidence rate - 1 standard deviation of the incidence rate across the EU28 + NO and IS.

Source: London Economics

Dimension 3 (‘having difficulty in obtaining or assimilating information’) is characterised by ten indicators, of which three have data for all 30 countries, and three have data only for the experiment countries.⁵²

- Cyprus and Croatia are high outliers according to the majority of the indicators for which data are available⁵³; Luxembourg, is a high outlier according to more than half of the indicators (Figure 12).

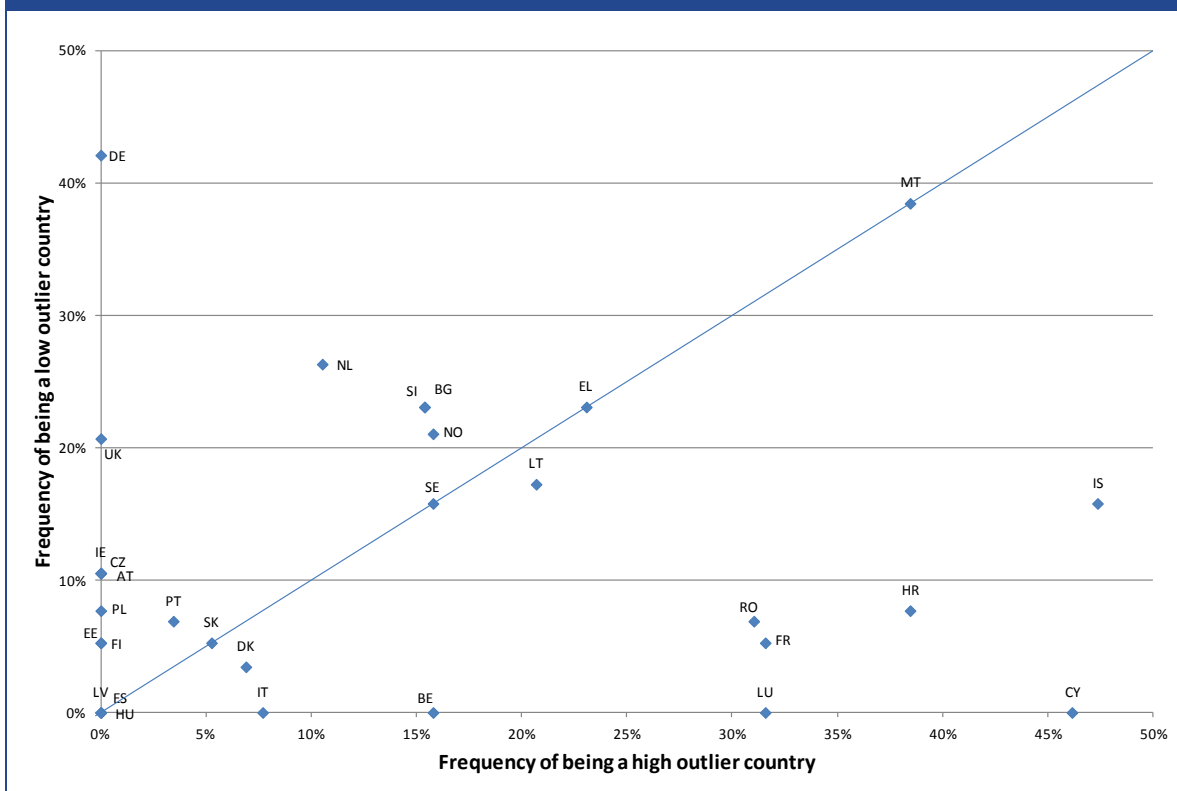
⁵² The countries in which the experiment was conducted are Denmark (DK), Lithuania (LT), Portugal (PT), Romania (RO) and the United Kingdom (UK).

⁵³ Data are available for only three indicators in the case of Cyprus and Croatia: 13. ‘Feels ‘not at all’ informed about product price, quality, conditions, etc. when choosing and buying goods and services’; 15. ‘compares product deals by using information from advertisements only - online sector’; and 18. ‘has problems comparing deals due to information-related factors - on-line sector’

- Iceland stands out as a country which is a high outlier on a relatively large proportion of its indicators in Dimension 3, while at the same time being a low outlier in the case of a number of other indicators.
- No country is frequently a low outlier across the indicators of Dimension 3 – Bulgaria is the country which is a low outlier with regards to the largest number of indicators (a third).⁵⁴

Outliers in Dimension 4

Figure 13: Frequency of being a “high outlier” or a “low outlier” in Dimension 4



Notes: Based on weighted results for indicators in Dimension 4 only. The frequency is the ratio of the number of times a country is a “high outlier” or a “low outlier” to the total number of indicators for which survey data were collected (see Table 8 for details). A “high outlier” has an incidence rate greater than the mean incidence rate + 1 standard deviation of the incidence rate across the EU28 + NO and IS while a “low outlier” has an incidence rate smaller than mean incidence rate - 1 standard deviation of the incidence rate across the EU28 + NO and IS.

Source: London Economics

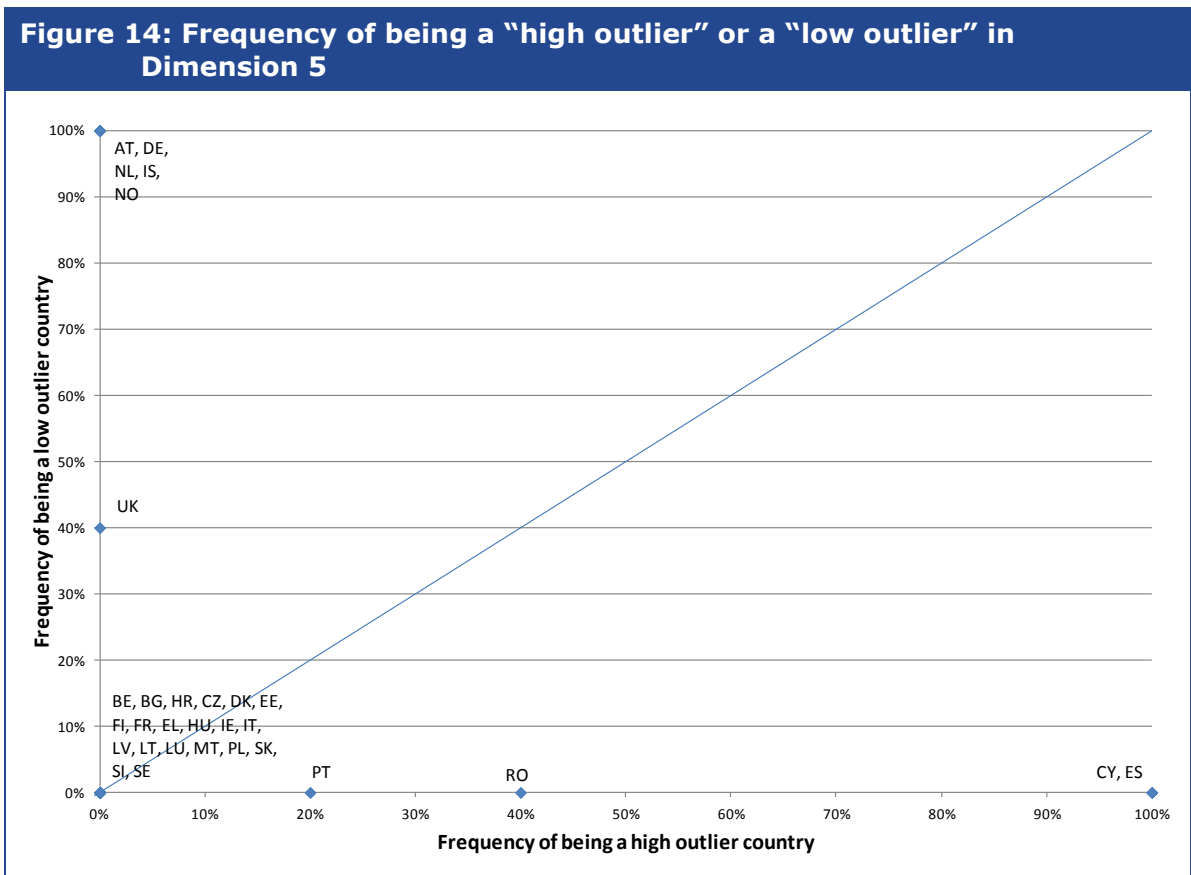
Dimension 4, ‘Inability or failure to buy, choose or access suitable products’, is the dimension which is operationalised by the largest number of indicators – 29. Thirteen indicators have information for all 30 countries, six have information for 19 countries, and ten contain information for the five experiment countries only. The variability of

⁵⁴ Data are available for only three indicators in the case of Bulgaria: 13. ‘Feels ‘not at all’ informed about product price, quality, conditions, etc. when choosing and buying goods and services’; 15. ‘compares product deals by using information from advertisements only - online sector’; and 18. ‘has problems comparing deals due to information-related factors - on-line sector’

high and low outlier is the highest amongst all dimensions, and this dimension is the one which contributes the most to the overall outlier results presented in Figure 9.

- Iceland is a high outlier with the highest frequency. However, it is also a low outlier for some indicators.
- Cyprus is a high outlier in most cases and not a low outlier in the case of any of the indicators.
- Germany, which is sometimes a low outlier in the case of the other dimensions, stands out as the country which is most often a low outlier and never a high outlier according to Dimension 4.
- Malta is a high outlier fairly frequently but just as frequently it is a low outlier in Dimension 4. This is also the case, although with a lower frequency, for Greece.

Outliers in Dimension 5



Notes: Based on weighted results for indicators in Dimension 5 only. The frequency is the ratio of the number of times a country is a "high outlier" or a "low outlier" to the total number of indicators for which survey data were collected (see Table 8 for details). A "high outlier" has an incidence rate greater than the mean incidence rate + 1 standard deviation of the incidence rate across the EU28 + NO and IS while a "low outlier" has an incidence rate smaller than mean incidence rate - 1 standard deviation of the incidence rate across the EU28 + NO and IS.

Source: London Economics

Consumer vulnerability according to Dimension 5, 'Higher susceptibility to marketing practices', is operationalised by:

- Only one survey-based indicator ('54. Vulnerable to a great extent due to complexity of offers (own perception)'), which has data for all respondents in each country; and

- Four indicators constructed on the basis of the four marketing practice experiments (one experiment for each sector and one cross-cutting experiment) for which data are only available for the five experiment countries.

Additionally, three of the four experiment-based indicators are characterised by very high consumer vulnerability, and a very low normalised standard deviation. This fact together with the fact that four out of the five indicators are populated only in five countries leads to fewer frequent outlier countries according to this dimension.

- Cyprus and Spain are high outliers on the indicator for which data are available for all countries.⁵⁵ Romania is also a country which is relatively frequently a high outlier.
- Austria, Germany, the Netherlands, Iceland and Norway are low outliers on the indicator for which data are available for all countries. The UK is another country which is relatively frequently a low outlier in this dimension.

Country differences in the incidence of the different vulnerability indicators are discussed in greater details in the following sections, organised by dimension of vulnerability.

4.1.3. Analysis of incidence of vulnerability – vulnerability Dimension 1 in EU28 countries, Iceland and Norway

The share of respondents who experienced a problem and did not take action is 10% across the EU28 (see Table 9), and ranges from 5% in France to 28% in Bulgaria.

- Besides Bulgaria, many other central European countries are characterised by a high share of consumers not taking any actions when having experienced a problem: Croatia – 15%, Estonia – 17%, Hungary – 26%, Latvia – 16%, Poland – 15% and Romania – 19%.
- In contrast, in many western European countries, the share of consumers not taking any action when having experience a problem is relatively low (less than 10%): Austria – 8%, Belgium – 7%, Denmark – 7%, Finland – 9%, Italy – 7%, Luxembourg – 7%, Malta – 6%, Netherlands – 5%, Norway – 8%, Portugal – 9%, Spain – 9%, Sweden – 6% and United Kingdom 6%).

Moreover, at 11%, the share of consumers who overpaid for services because they were unable to use a certain payment method is also relatively low in the EU28. However, in a limited number of countries, a much larger proportion of consumers face this problem.

- This is particularly the case in Cyprus – 23%, Ireland – 22%, and Romania – 23%; and,
- To a slightly lesser extent in Greece – 18%, Latvia – 18% and Slovenia – 16%.

These two indicators, which are used to characterise the first vulnerability dimension, represent different vulnerability aspects as, at the individual respondent level, the correlation between the two indicators in this dimension is low (0.073).

⁵⁵ Indicator 54, 'Vulnerable to a great extent due to complexity of offers (own perception)'.

Table 9: Dimension 1 vulnerability indicators in EU28 Member States and IS and NO

	1. Has experienced a problem and took no action ⁵⁶	2. Overpaid for services due to being unable to use certain payment methods	Observations
EU28	10%	11%	25,151
AT	8%	10%	1,001
BE	7%	11%	1002
BG	28%	15%	1,000
HR	15%	18%	1,002
CY	12%	23%	5,00
CZ	10%	6%	1,000
DK	7%	10%	1,002
EE	17%	10%	500
FI	9%	11%	1,004
FR	5%	8%	1,002
DE	12%	10%	1,006
EL	15%	18%	1,004
HU	26%	13%	1,003
IE	11%	22%	1,011
IT	7%	12%	1,001
LV	16%	18%	500
LT	11%	13%	1,009
LU	7%	12%	503
MT	6%	8%	524
PL	15%	18%	1,009
PT	9%	14%	1,012
RO	19%	23%	1,001
SK	10%	13%	1,005
SI	9%	16%	502
ES	9%	9%	1,000
SE	6%	8%	1,002
NL	5%	7%	1,019
UK	6%	9%	1,027
IS	12%	8%	500
NO	8%	8%	1,002

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures.

Source: London Economics

The country-level results of the proportion of consumers who took action when they experienced a problem can be compared with similar results from the Consumer Conditions Scoreboard (CCS) produced by the European Commission (2015), which reports the proportion of consumers who took action when they encountered problems.⁵⁷ At country level, the results from the survey are correlated with those from

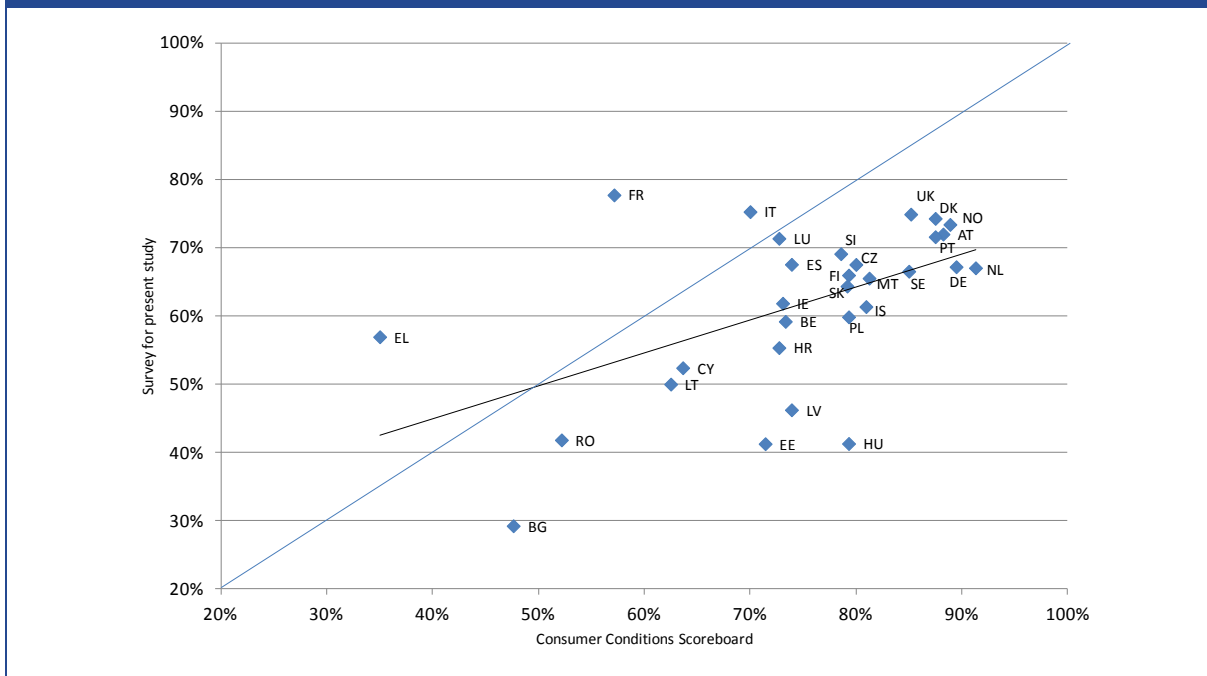
⁵⁶ This indicator is based on the 'Unassertive (took no action) when experienced a problem' indicator '1' in Table 5, but the base is all respondents, not just those who have experienced a problem.

⁵⁷ The latest CCS can be found here: http://ec.europa.eu/consumers/consumer_evidence/consumer_scoreboards/11_edition/docs/ccs2015scoreboard_en.pdf.

The question in both surveys asked: *In the past 12 months, have you experienced any problem when buying or using any goods or services in [respondent's country] where you*

the latest CCS, with a correlation coefficient of 0.53, although, in general, the CCS found that a higher share of consumers took action when faced with a problem than found by the survey (see Figure 15).⁵⁸

Figure 15: Share of consumers who took action when they encountered problems – country level results from the Consumer Conditions Scoreboard and from survey undertaken for the present study



Note: Results from the present study weighted using country weights. The share of consumers who took action when having experienced a problem differs from the share reported in the previous table as the latter share reflects the share of consumers who experienced problems and took action. (EU28 sample size: Consumer Conditions Scoreboard - 5,975; survey for present study - 7,346)

Source: Consumer Conditions Scoreboard 11th (2015) edition and London Economics

In order to examine in greater detail the relationship between the findings from the CCS and the present study, a simple model which relates the country-level proportion of consumers who took action from the survey undertaken for the present study to the country-level proportion from the CCS was estimated.⁵⁹

The estimation results of the model across all the countries shows that France and Hungary are the countries where the predicted proportion of consumers who took no action is much higher than the proportion shown by the survey. When the same

thought you had a legitimate cause for complaint? Answers: 1) Yes, and you took action to solve the problem; 2) Yes, but you did not do anything; 3) No.

⁵⁸ A comparison of survey results by mode suggests that the difference in results from the two surveys could stem from a difference in survey modes used. Face-to-face respondents might be less inclined to admit that they experienced problems and did nothing, for social-desirability reasons.

⁵⁹ Present survey estimated incidence rate = $0.4827 \times \text{CCS incidence rate} + 0.2556$; R Square = 0.277 estimated cross-sectionally for all EU28 Member States + Iceland + Norway

analysis is reproduced excluding France and Hungary⁶⁰, the correlation coefficient increases to 0.68.

Another potential explanation for the difference between the findings of the present study and the CCS is that the survey undertaken for the present study used a mixed mode approach (online, CAPI and CATI), whereas the survey on which the CCS based (Flash Eurobarometer 397) was a telephone survey.

4.1.4. Analysis of incidence of vulnerability – vulnerability Dimension 2 in EU28 countries, Iceland and Norway

The incidence of perceived vulnerability varies both across aspects of perceived vulnerability and across countries. In terms of personal characteristics, financial and employment circumstances show the highest incidence rate. Among the EU Member States and Norway and Iceland, Cyprus and, to a lesser extent, Greece and Portugal stand out as having always or often a much higher incidence rate than the EU28 as a whole.

Table 10: Dimension 2 vulnerability indicators in EU28 Member States and IS and NO

	4. Feel vulnerable to a great extent due to health	5. Feel vulnerable to a great extent due to financial situation	6. Feel vulnerable to a great extent due to employment situation	7. Feel vulnerable to a great extent due to age	8. Feel vulnerable to a great extent due to being a minority	9. Feel vulnerable to a great extent for personal reasons	10. Feel vulnerable to a great extent for other reasons	11. Feel vulnerable to a great extent for any of the reasons	Observations
EU28	5%	14%	11%	5%	3%	4%	4%	23%	25,151
AT	3%	6%	2%	3%	3%	2%	2%	10%	1,001
BE	6%	11%	9%	5%	3%	4%	3%	19%	1002
BG	4%	21%	14%	9%	2%	6%	6%	33%	1,000
HR	11%	19%	13%	6%	3%	6%	6%	31%	1,002
CY	9%	33%	25%	13%	10%	8%	8%	47%	5,00
CZ	3%	7%	4%	3%	2%	2%	2%	12%	1,000
DK	4%	8%	6%	3%	2%	2%	2%	14%	1,002
EE	7%	19%	9%	5%	3%	4%	4%	29%	500
FI	4%	16%	11%	3%	2%	3%	3%	22%	1,004
FR	5%	19%	14%	6%	4%	4%	5%	28%	1,002
DE	2%	6%	3%	3%	2%	3%	2%	10%	1,006
EL	6%	35%	27%	6%	2%	5%	3%	46%	1,004
HU	8%	22%	12%	7%	5%	7%	6%	34%	1,003
IE	3%	14%	13%	4%	3%	3%	3%	25%	1,011
IT	5%	20%	17%	6%	4%	7%	5%	30%	1,001
LV	10%	21%	14%	8%	4%	5%	5%	34%	500
LT	8%	25%	17%	7%	3%	5%	5%	34%	1,009
LU	2%	7%	4%	3%	3%	3%	3%	14%	503

⁶⁰ Present survey estimated incidence rate = 0.5958 x CCS incidence rate + 0.1698 ; R Square = 0.468

Table 10: Dimension 2 vulnerability indicators in EU28 Member States and IS and NO

	4. Feel vulnerable to a great extent due to health	5. Feel vulnerable to a great extent due to financial situation	6. Feel vulnerable to a great extent due to employment situation	7. Feel vulnerable to a great extent due to age	8. Feel vulnerable to a great extent due to being a minority	9. Feel vulnerable to a great extent for personal reasons	10. Feel vulnerable to a great extent for other reasons	11. Feel vulnerable to a great extent for any of the reasons	Observations
MT	4%	9%	6%	5%	3%	4%	4%	18%	524
PL	6%	12%	10%	5%	3%	4%	3%	22%	1,009
PT	8%	24%	17%	7%	6%	8%	6%	34%	1,012
RO	6%	21%	14%	11%	4%	6%	6%	36%	1,001
SK	5%	11%	10%	3%	2%	4%	3%	21%	1,005
SI	6%	18%	14%	3%	1%	3%	3%	27%	502
ES	5%	20%	19%	8%	5%	5%	5%	32%	1,000
SE	3%	8%	6%	3%	2%	3%	3%	14%	1,002
NL	3%	5%	3%	2%	2%	2%	2%	10%	1,019
UK	3%	9%	8%	5%	2%	4%	2%	17%	1,027
IS	2%	6%	2%	3%	2%	0%	1%	10%	500
NO	3%	7%	3%	2%	1%	1%	1%	12%	1,002

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures.

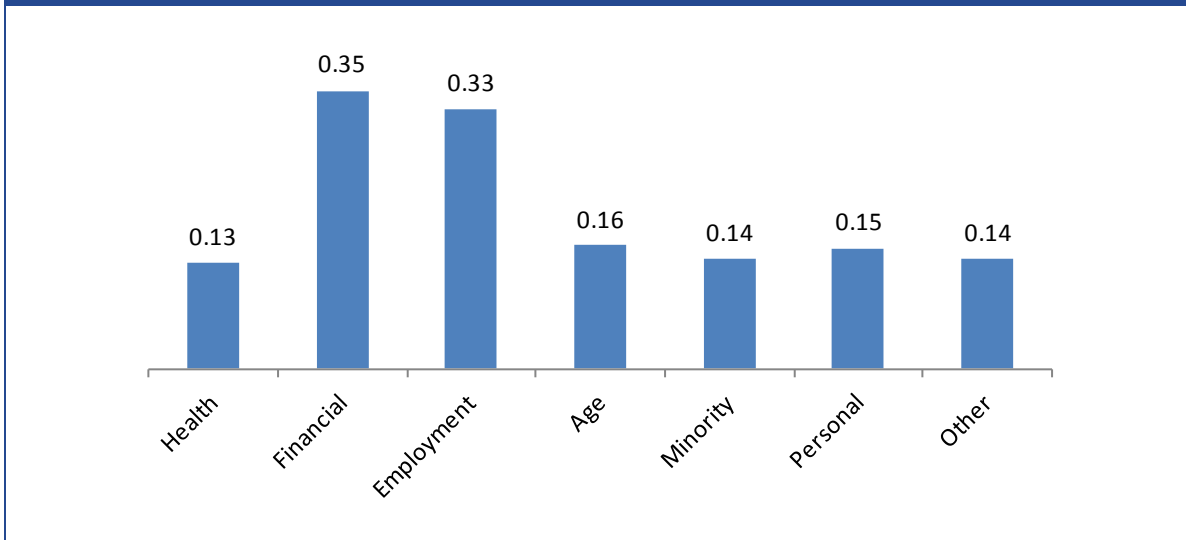
Source: London Economics

While the table above provided information about the incidence of vulnerability based on the proportion of survey respondents who indicated that they felt vulnerable to a great extent, the table below provides more granular information by taking into account the full set of responses to the relevant survey questions. This table shows the average rating on a scale of 1 (not at all) to 4 (to a great extent) given by respondents to indicate the extent to which they 'feel vulnerable' due to health problems, financial circumstances, employment situation, age, being a minority, personal issues and other reasons, as well as a combined score across these factors (the sum across factors). The combined score was 12.3 on average for the full sample (out of a maximum of 28), ranging from 9.7 for Iceland to 14.1 for Portugal and Romania.

Two key points emerge from the data reported in the table below:

1. The mean score does not vary greatly across vulnerability perception, ranging from 1.47 out of 4 for "feeling vulnerable because belonging to a minority" to 2.21 for "feeling vulnerable because of health reasons"; and
2. The EU28 cross-country variation in the mean rating is very low for each of the characteristics (see Figure 16).

Moreover, the cross-country variation in the aggregate mean rating across all 7 dimensions is very low, with Iceland showing the lowest overall rating of 9.7 and Poland and Portugal the highest mean rating of 14.1. Central and Southern European countries tend to cluster towards the higher end of the range while Nordic and Western European countries tend to cluster towards the lower end (see Figure 17).

Figure 16: Standard deviation of vulnerability perception factor (rated on a scale of 1 to 4) by personal characteristics – EU28

Note: Results weighted using cross-country weights. EU28 N =25,151.

Source: London Economics

Table 11: Mean rating of extent to which consumers feel vulnerable on a scale of 1 "not at all" to 4 "to a great extent" - EU28 Member States and IS and NO

	Perception of own vulnerability due to personal characteristics due to:								Observations
	Health	Finance s	Employ- ment	Age	Minority	Personal	Other	Combin ed	
EU28	1.60	2.21	2.01	1.75	1.47	1.66	1.58	12.3	25,151
AT	1.47	1.78	1.46	1.47	1.34	1.51	1.39	10.4	1,001
BE	1.65	2.06	1.88	1.73	1.5	1.64	1.56	12	1,002
BG	1.57	2.53	2.17	1.73	1.18	1.61	1.58	12.4	1,000
HR	1.68	2.4	2.08	1.7	1.3	1.67	1.64	12.5	1,002
CY	1.63	2.73	2.49	1.93	1.66	1.66	1.58	13.7	500
CZ	1.4	1.92	1.64	1.51	1.25	1.39	1.25	10.4	1,000
DK	1.46	1.79	1.62	1.52	1.3	1.37	1.4	10.5	1,002
EE	1.7	2.57	2.03	1.71	1.47	1.74	1.64	12.9	500
FI	1.54	2.25	1.99	1.61	1.3	1.59	1.57	11.8	1,004
FR	1.52	2.34	2.05	1.75	1.43	1.58	1.55	12.2	1,002
DE	1.58	1.9	1.65	1.62	1.45	1.63	1.56	11.4	1,006
EL	1.56	2.95	2.69	1.82	1.39	1.72	1.63	13.8	1,004
HU	1.72	2.43	1.99	1.77	1.4	1.66	1.61	12.6	1,003
IE	1.51	2.31	2.2	1.77	1.5	1.66	1.64	12.6	1,011
IT	1.6	2.41	2.28	1.74	1.53	1.78	1.61	12.9	1,001
LV	1.9	2.57	2.26	1.96	1.53	1.84	1.75	13.8	500
LT	1.8	2.64	2.34	1.8	1.47	1.8	1.75	13.6	1,009
LU	1.52	1.85	1.63	1.65	1.45	1.52	1.48	11.1	503
MT	1.41	1.89	1.63	1.53	1.42	1.36	1.38	10.6	524
PL	1.84	2.4	2.17	1.94	1.52	1.79	1.66	13.3	1,009
PT	1.75	2.71	2.4	1.85	1.7	1.9	1.77	14.1	1,012
RO	1.8	2.63	2.33	2.07	1.58	1.92	1.78	14.1	1,001
SK	1.51	2.16	1.96	1.62	1.32	1.5	1.33	11.4	1,005
SI	1.64	2.59	2.28	1.69	1.31	1.62	1.61	12.7	502
ES	1.66	2.44	2.38	1.92	1.8	1.8	1.78	13.8	1,000

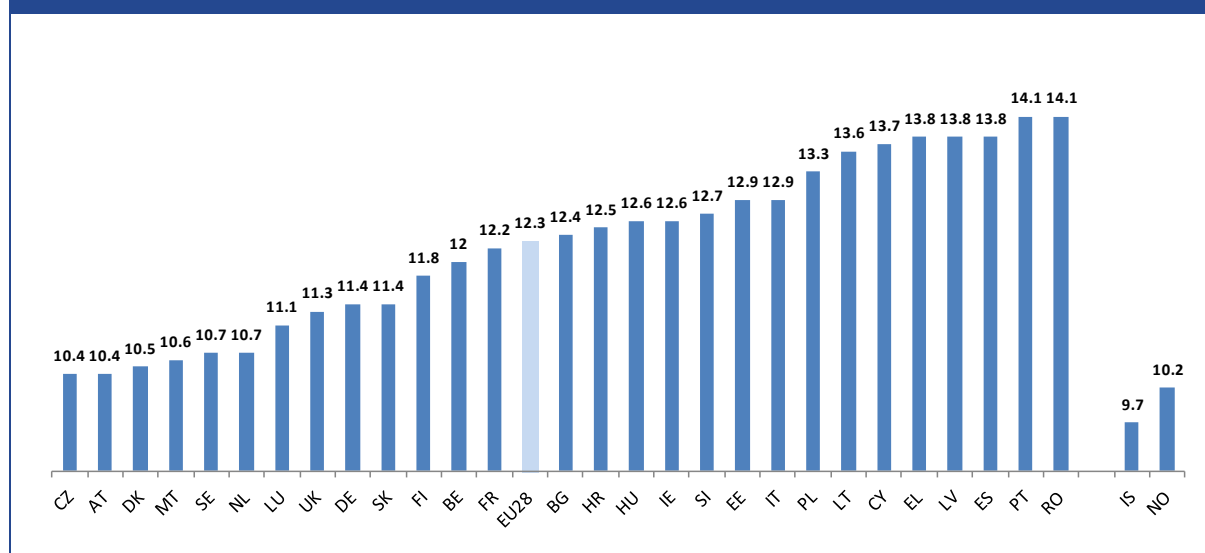
Table 11: Mean rating of extent to which consumers feel vulnerable on a scale of 1 "not at all" to 4 "to a great extent" - EU28 Member States and IS and NO

	Perception of own vulnerability due to personal characteristics due to:								
	Health	Finance s	Employ- ment	Age	Minority	Personal	Other	Combin- ed	Observ- ations
SE	1.43	1.8	1.61	1.53	1.33	1.49	1.5	10.7	1,002
NL	1.49	1.75	1.58	1.52	1.38	1.51	1.44	10.7	1,019
UK	1.51	1.9	1.8	1.77	1.36	1.5	1.45	11.3	1,027
IS	1.31	1.72	1.44	1.39	1.3	1.29	1.27	9.7	500
NO	1.4	1.82	1.61	1.5	1.16	1.39	1.36	10.2	1,002
Average of mean ratings across EU28 Member States*	1.59	2.24	1.99	1.71	1.42	1.62	1.55	12.1	
Standard deviation (EU28)**	0.14	0.36	0.34	0.16	0.14	0.16	0.15	1.3	

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. *The average of the weighted mean scores across the EU28 countries is a simple average, not weighted by the cross-country weight. **The standard deviation here is calculated based on the average of the mean scores, in order to illustrate between-country differences in country weighted means.

Results are based on the same survey questions used for the construction of indicators 4 – 11 ('Feel vulnerable to a great extent due to...').

Source: London Economics

Figure 17: Mean combined rating of extent to which consumers feel vulnerable - EU28 Member States and IS and NO

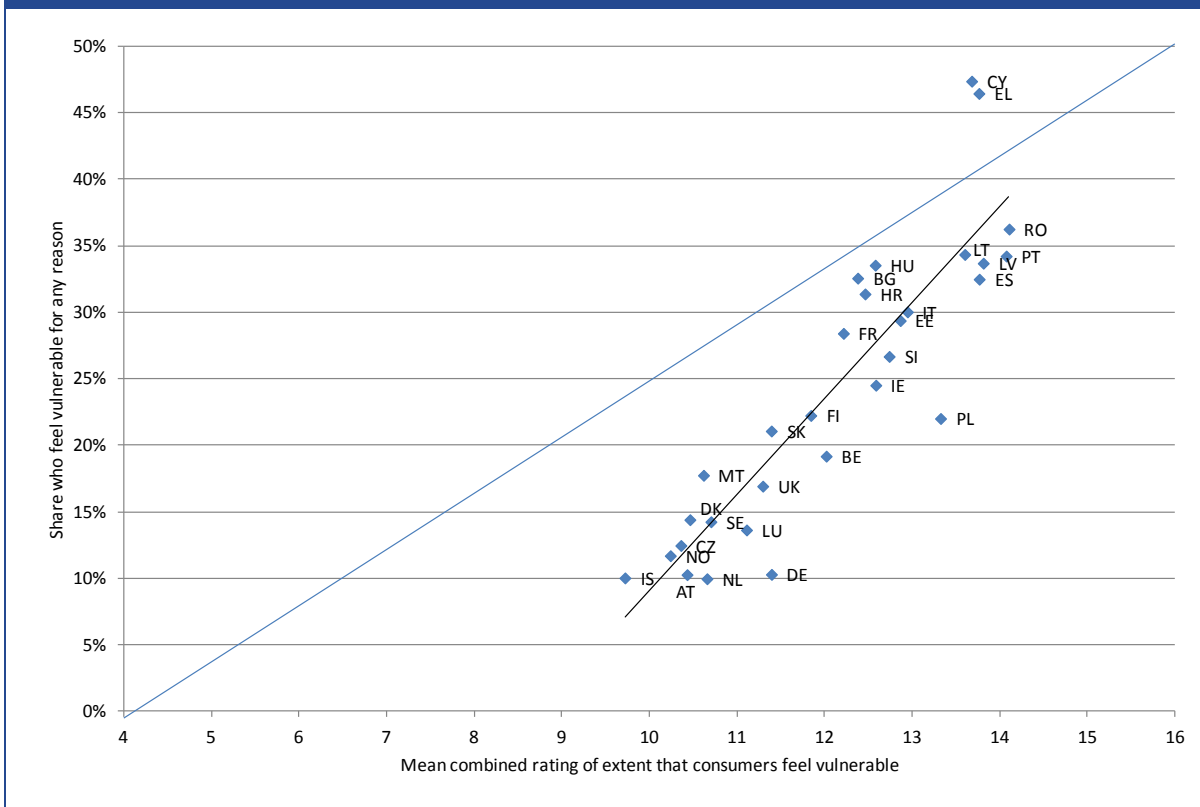
Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics analysis of survey data

The two tables and figures above presented two alternative ways of representing a same indicator, using the share of consumers who feel "vulnerable to a great extent" or the average rating on the scale of 1 to 4. However, these two indicators are highly

correlated. For example, the correlation coefficient between the two overall measures of vulnerability is 0.89, and a strong link between these two measures can be seen at country level in Figure 18 below. The countries where the relationship between the mean combined rating and the incidence of vulnerability 'for any reason' is weakest⁶¹ are Cyprus, Poland and Greece, indicating a larger dispersion of the mean combined vulnerability rating in these countries. Thus, there is no concern that the use of the binary indicator will result in erroneous assessment of the incidence of vulnerability.

Figure 18: Country level share of consumers who feel vulnerable "to a great extent" for any reason and country level combined mean rating of the extent to which that consumers feel vulnerable



Note: Results weighted using country weights. EU28 + NO and IS N = 26,653.

Source: London Economics

The remainder of the present sub-section discusses in further detail the incidence of consumer vulnerability for each one of the reported reasons: financial and employment circumstances; health and age factors; being a minority, personal and other factors, grouped thematically and according to the associated vulnerability incidence.

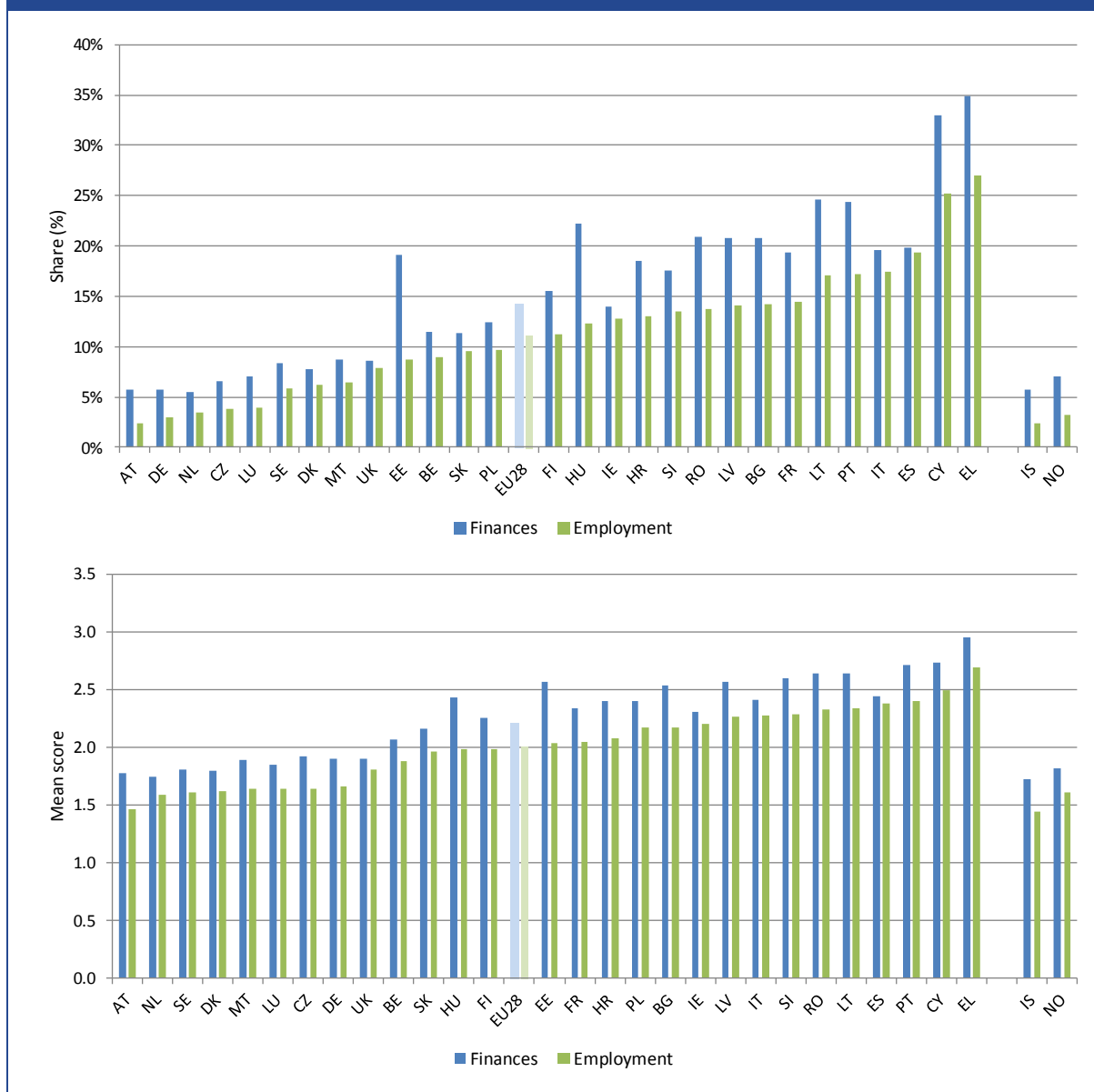
Financial and employment circumstances

The factors due to which survey respondents were most likely to feel vulnerable to a great extent were their financial circumstances and employment situation, with 14% and 11% of the whole EU28 sample feeling vulnerable due to these factors.

⁶¹ These three countries have the largest predicted residuals when the incidence of vulnerability is predicted using the mean combined rating of the extent for which consumers feel vulnerable.

For these two specific factors, reported scores were particularly high (i.e. consumers felt on average more vulnerable) in many of the financial crisis countries (such as, for example, Greece and Cyprus) and in a number of Central European countries.

Figure 19: Mean rating and share of consumers who feel vulnerable due to financial and employment reasons - EU28 Member States and IS and NO



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics

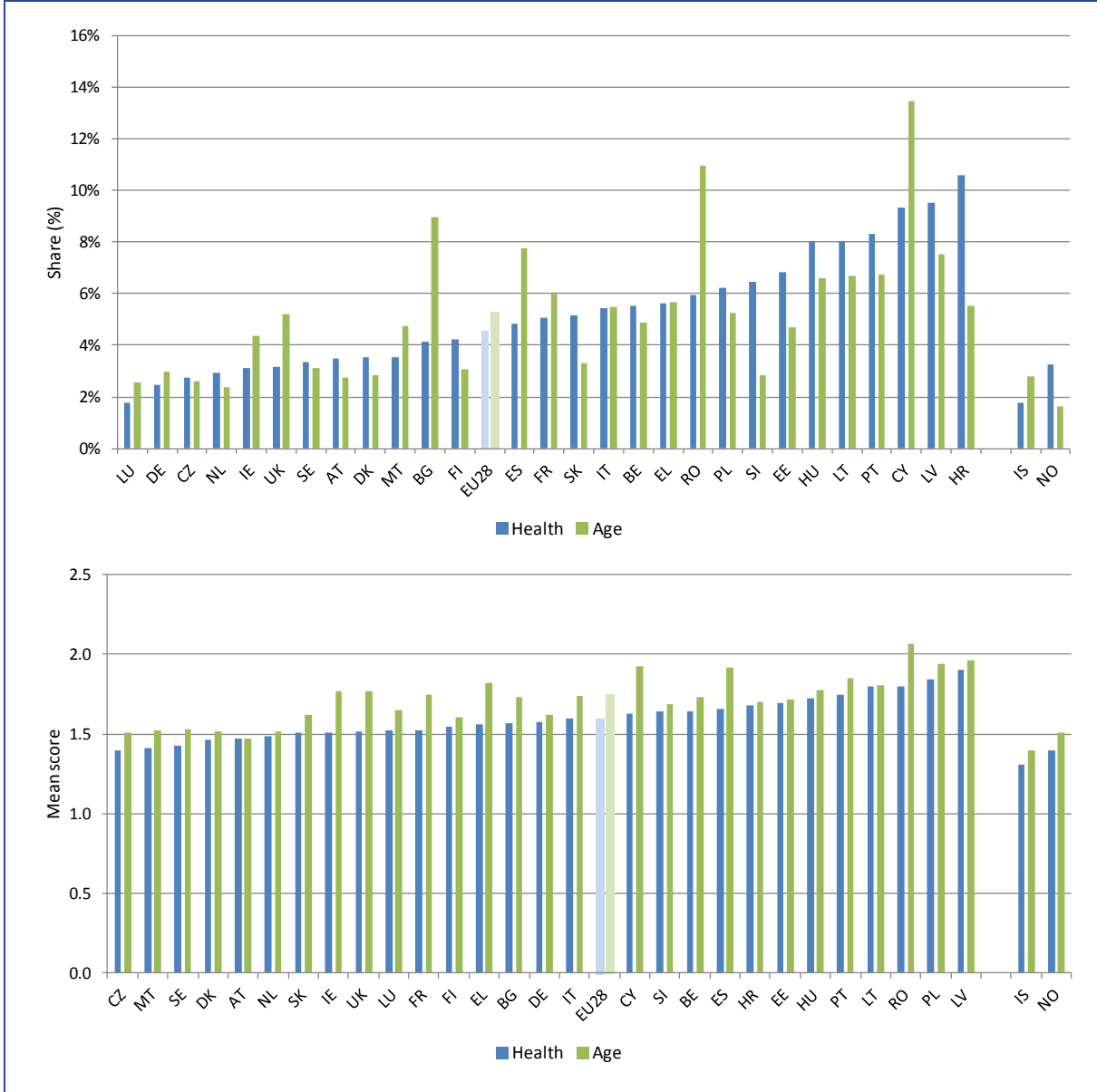
Health and age factors

In the case of the health and age factors, the EU28-wide shares of consumers who indicated that they felt vulnerable to a great extent are low (5% in each case).

However, a few countries stand out (in terms of much higher shares):

- Croatia and Latvia in the case of health (11% and 10% respectively); and
- Cyprus and Romania in the case of age (13% and 11% respectively).

Figure 20: Mean rating and share of consumers who feel vulnerable due to health and age reasons - EU28 Member States and IS and NO



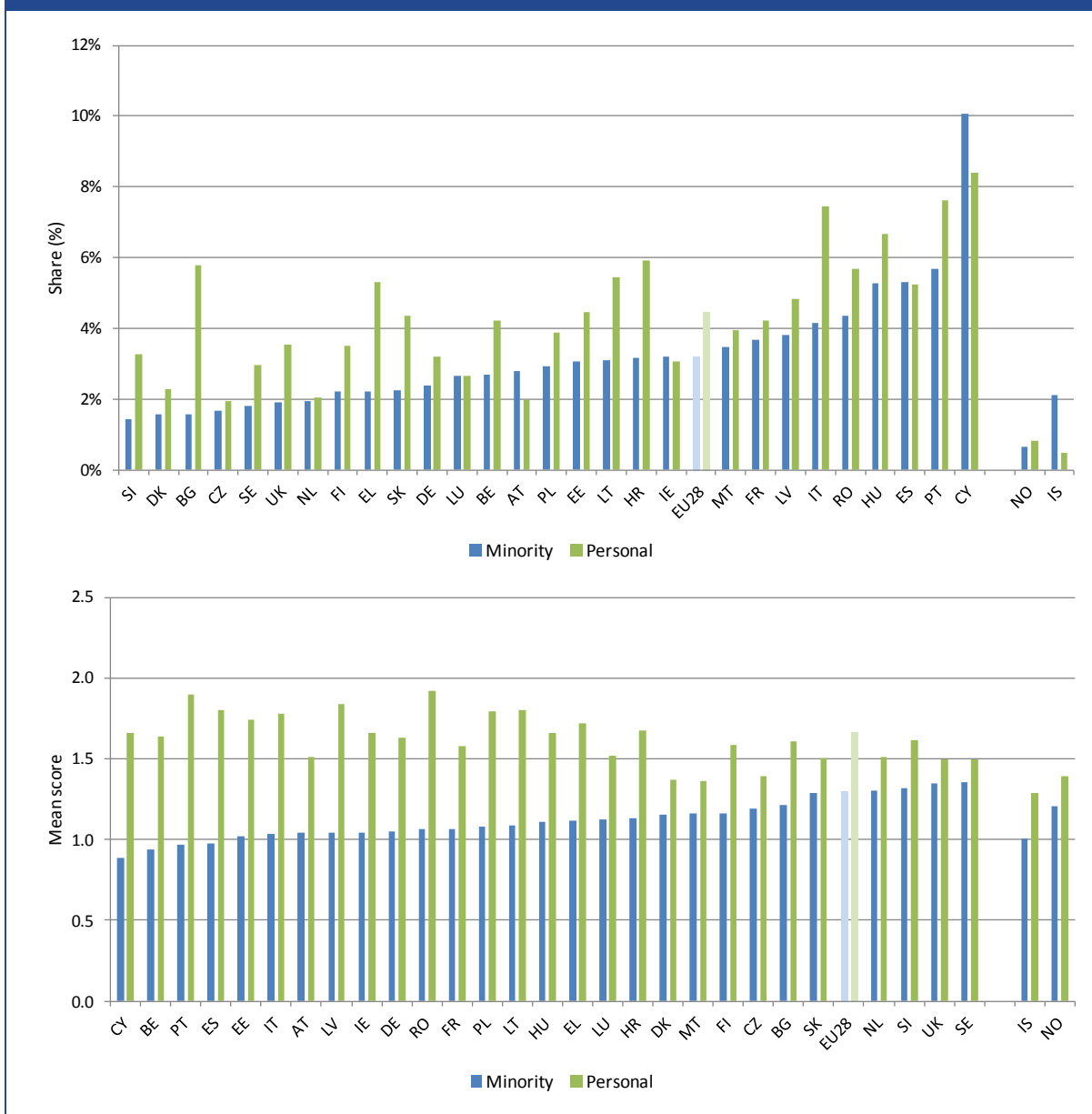
Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics analysis

Being a minority, personal and other factors

In the case of feeling vulnerable for being a minority, personal or other reasons, the EU28-wide shares of consumers feeling vulnerable for these reasons is low as well (3%, 4% and 4% respectively). But, in contrast to the case of the personal characteristics discussed above, the incidence of these factors varies little across countries. The main exception is “being vulnerable due to being a minority” in Cyprus where 10% of consumers feel very vulnerable for this reason.

Figure 21: Mean rating and share of consumers who feel vulnerable due to being a minority and personal reasons - EU28 Member States and IS and NO



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics

4.1.5. Analysis of incidence of vulnerability – vulnerability Dimension 3 in EU28 countries, Iceland and Norway

The third dimension of consumer vulnerability relates to the difficulty which consumers experience when obtaining or processing information during their decision making process. A number of indicators have been constructed to evaluate this dimension of consumer vulnerability among survey respondents, namely:

- A self-reported measure about whether consumers feel generally uninformed about product characteristics;
- The information sources and how many sources at a time consumers use when selecting and buying a product or service⁶²;
- The extent to which consumers fail to compare deals for information-related reasons; and,
- The extent to which consumers fail to switch service providers due to information-related factors.

In the majority of cases, the incidence of the indicators of the third dimension of vulnerability is mostly very low, ranging from 2% to 4% (indicators 11 to 14 and 18 to 20).

The only exceptions are the indicators of “having problems comparing deals due to information-related factors”, especially in the energy sector, where the EU28 average incidence rate is 15%. In the case of the online and financial products and service, the EU28-wide incidence rate is somewhat lower at 8% and 10% respectively.

Table 12: Dimension 3 vulnerability indicators in EU28 Member States and IS and NO

	13. Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	14. Compares product deals by using information from advertisements only - energy sector ⁶³	15. Compares product deals by using information from advertisements only - online sector ⁶⁴	16. Compares product deals by using information from advertisements only - finance sector ⁶⁵	17. Has problems comparing deals due to information-related factors - energy sector	18. Has problems comparing deals due to information-related factors - online sector	19. Has problems comparing deals due to information-related factors - finance sector	20. Has an electricity supplier and Has not switched due to information-related factors - energy sector	21. Has an internet provider and Has not switched due to information-related factors - online sector	22. Has a bank account and Has not switched due to information-related factors - financial sector
EU28	4% (n= 25,151)	2% (n= 14,074)	4% (n= 18,506)	2% (n= 14,074)	15% (n= 14,074)	8% (n= 18,506)	10% (n= 14,074)	2% (n= 4,782)	0% (n= 3,483)	1% (n= 4,368)
AT	2%	3%	6%	2%	14%	8%	12%			
BE	8%	2%	3%	3%	16%	11%	15%			
BG	3%		4%			3%				
HR	9%		2%			11%				
CY	10%		18%			9%				
CZ	3%	1%	3%	3%	16%	4%	9%			
DK	3%	2%	3%	2%	20%	7%	19%	2%	0%	1%
EE	5%	3%	6%	2%	13%	5%	11%			
FI	2%	4%	4%	3%	11%	8%	13%			
FR	4%	3%	4%	1%	27%	10%	12%			
DE	2%	2%	3%	2%	9%	8%	9%			

⁶² Further information on the various information sources which consumers use when buying or selection products can be found in Annex 5 or the report.

⁶³ See Table 8 for more details on this indicator.

⁶⁴ See Table 8 for more details on this indicator.

⁶⁵ See Table 8 for more details on this indicator.

Table 12: Dimension 3 vulnerability indicators in EU28 Member States and IS and NO

	13. Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	14. Compares product deals by using information from advertisements only - energy sector ⁶³	15. Compares product deals by using information from advertisements only - online sector ⁶⁴	16. Compares product deals by using information from advertisements only - finance sector ⁶⁵	17. Has problems comparing deals due to information-related factors - energy sector	18. Has problems comparing deals due to information-related factors - online sector	19. Has problems comparing deals due to information-related factors - finance sector	20. Has an electricity supplier and Has not switched due to information-related factors - energy sector	21. Has an internet provider and Has not switched due to information-related factors - online sector	22. Has a bank account and Has not switched due to information-related factors - financial sector
EL	2%		5%			5%				
HU	4%		8%			7%				
IE	5%	4%	4%	4%	13%	8%	14%			
IT	3%		4%			11%				
LV	2%		12%			7%				
LT	8%	1%	3%	1%	16%	3%	9%	2%	0%	0%
LU	3%	4%	12%	5%	29%	16%	15%			
MT	7%		11%			6%				
PL	4%		7%			9%				
PT	6%	6%	4%	2%	16%	4%	12%	3%	0%	2%
RO	3%	1%	8%	3%	25%	4%	14%	3%	1%	2%
SK	3%	3%	3%	3%	21%	7%	12%			
SI	2%		6%			7%				
ES	6%		6%			13%				
SE	1%	1%	1%	1%	11%	7%	9%			
NL	4%	1%	2%	1%	13%	5%	12%			
UK	2%	3%	2%	2%	11%	6%	7%	1%	0%	1%
IS	2%	1%	3%	1%	32%	15%	20%			
NO	3%	3%	3%	2%	16%	9%	13%			
Ovservations (EU28 +NO + IS)	26,653	15,481	19,913	15,481	15,481	19,913	15,481	4,782	3,483	4,368

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. Missing data is due to particular survey questions not being asked in all countries.

Source: London Economics

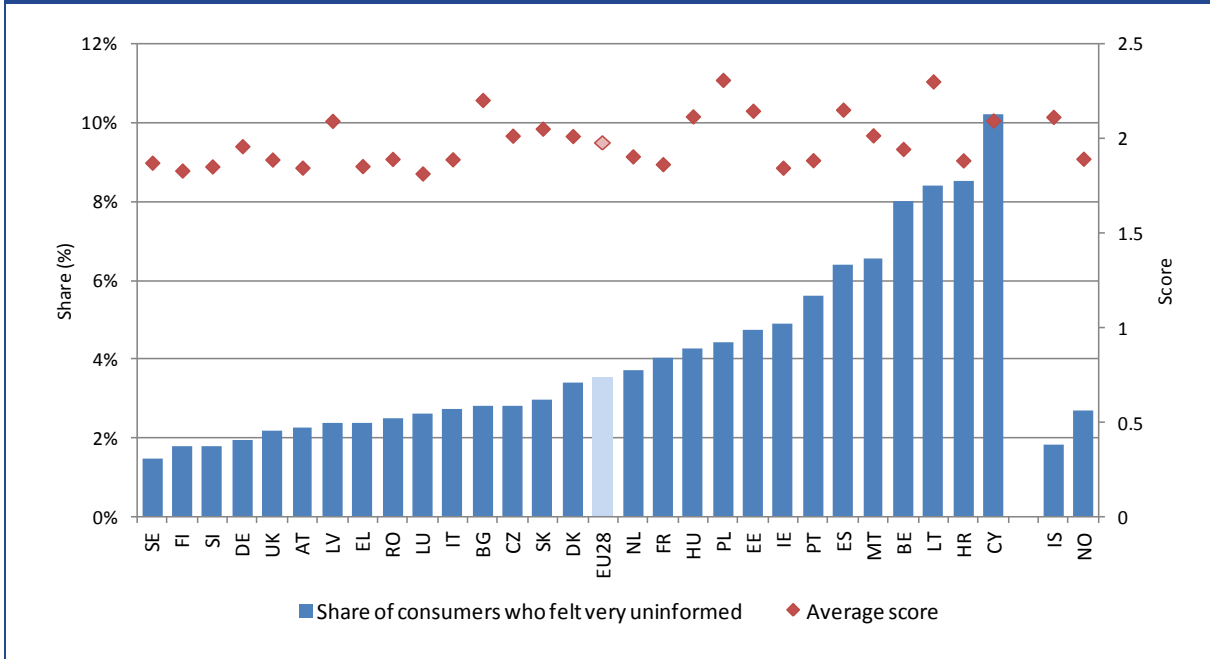
Among the various Member States, only Luxembourg, and to a lesser extent Cyprus, stand out as having more often than other countries a higher incidence rate across these Dimension 3 vulnerability indicators.

As already noted, the survey asked consumers to assess how uninformed they felt in general when choosing and purchasing goods and services, for instance in terms of their price, quality or the purchase conditions.

Figure 22 presents the average score (from 1 meaning not at all uninformed to 4 meaning highly uninformed), as well as the share of consumers in each country who reported they felt highly uninformed. The mean score of the 'feeling uninformed' indicator in the total sample was 2, ranging from 1.8 in Luxembourg to 2.3 in Lithuania and Poland. Cyprus was the country with the highest proportion (10%) of respondents

who said they felt highly uninformed, whereas Sweden had the lowest share of vulnerable consumers in this aspect, only 1%.

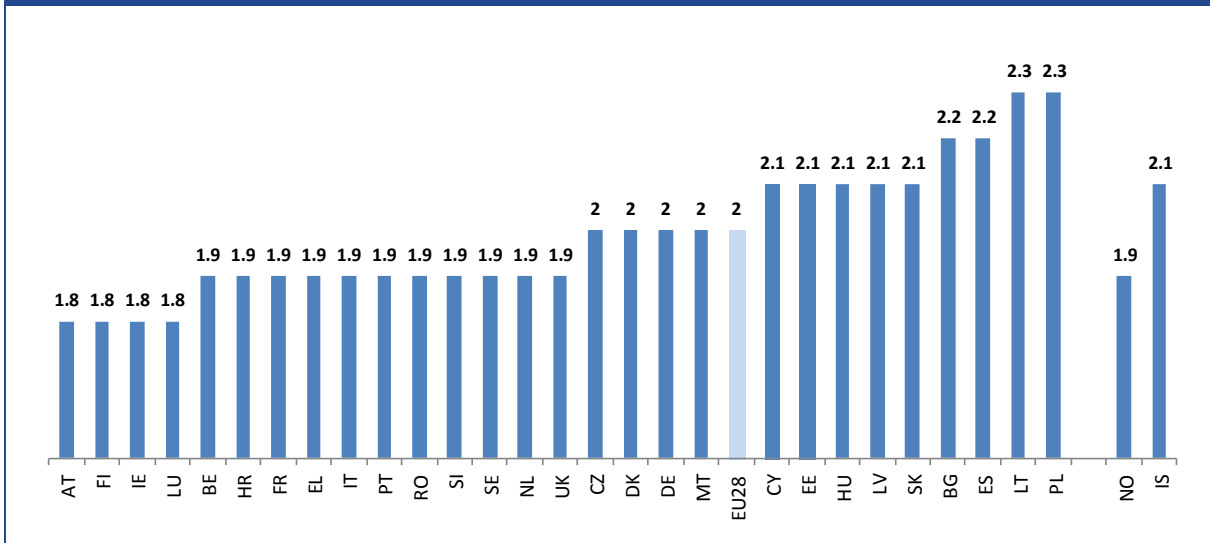
Figure 22: Indicators of 'feeling uninformed about prices etc' - EU28 Member States and IS and NO



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics analysis

Figure 23: Average rating of feeling informed (1 = very well informed, 4 = not informed at all) - EU28 Member States and IS and NO



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics analysis

The remaining indicators in Dimension 3 are sector-specific. An overview of the findings is provided below, and a more detailed discussion based on the vulnerability incidence of these factors is presented in Chapter 9.

Vulnerability according to Dimension 3 in the three sectors

Survey respondents were also asked which sources of information they use when selecting and purchasing products in the energy, online and financial sectors - online search, comparison tools, national authorities, consumer organisations, friends and family, advertisements or other sources.

The key findings are that:

- In all three sectors, online searches are the most common source of information when comparing product deals. However, compared to the energy sector, a smaller proportion of consumers report using comparison sites in the online sector, and an even smaller proportion – in the financial sector.
- Friends and family are the second most common source, except in the case of finance where a bank or similar institution is the second most important source of information.
- Only 4% of respondents in the EU28 who do compare deals are considered vulnerable for using only advertisements when comparing deals in the energy sector. The corresponding proportions are 5% in the online sector and 3% in the financial sector. Countries where this share is larger than the average are:
 - Luxembourg (9%) and Portugal (9%) for the energy sector;
 - Cyprus (24%), Malta (18%), Luxembourg (17%) and Latvia (13%) for the online sector; and
 - Luxembourg (8%) for the financial sector.

A further indicator of information-related consumer vulnerability is the extent to which consumers fail to compare deals due to information-related factors. On average across all countries⁶⁶, more consumers do not compare, or find it difficult to compare, deals for information-related reasons in the energy sector (15%) and the finance sector (10%) than in the online sector (8%).

In the energy sector, Iceland is the country with the highest proportion of respondents (32%) who said they do not compare or find it difficult to compare deals due to information-related reasons. The country with the lowest corresponding share is Germany (9%). Iceland is also the country with highest prevalence of consumers who do not compare financial products deals (20%). In the online sector, the highest proportion of vulnerable consumers according to this indicator (16%), was found in Luxemburg.

Further discussion of sectoral differences is provided in Chapter 9.

⁶⁶ In countries where the respective question was asked.

4.1.6. Analysis of incidence of vulnerability – vulnerability dimension 4 in EU28 countries, Iceland and Norway

The fourth dimension of consumer vulnerability – the inability or failure to buy, choose or access suitable products – incorporates a number of indicators⁶⁷:

- Does not compare deals (for each of the energy, online and finance sectors);
- Finds it difficult to compare deals (for each of the energy, online and finance sectors);
- Has problems⁶⁸ comparing deals (for each of the energy, online and finance sectors) due to:
 - Personal factors;
 - Market-related factors; and
 - Access-related factors;
- Has not recently switched service provider (for each of the energy, online and finance sectors) due to:
 - Personal factors;
 - Market-related factors;
 - Access-related factors;
- Has not recently switched service provider due to:
 - Termination costs;
 - Bundling;
- Exclusion from e-commerce: share of consumers who have not made an online purchase in the last year
 - Because of the difficulty of the process;
 - Because they don't have a payment card;
- Tried but failed to obtain a loan.

The EU28-wide incidence of vulnerability across the different Dimension 4 indicators is generally much higher than in the case of almost all other vulnerability dimensions and indicators.

These Dimension 4 indicators focus mainly on the actions of actually comparing deals and switching providers. The incidence rates reported below suggest that a significant proportion of consumers may be very or to relatively highly vulnerable in these aspects of their marketplace interactions.

The findings are that:

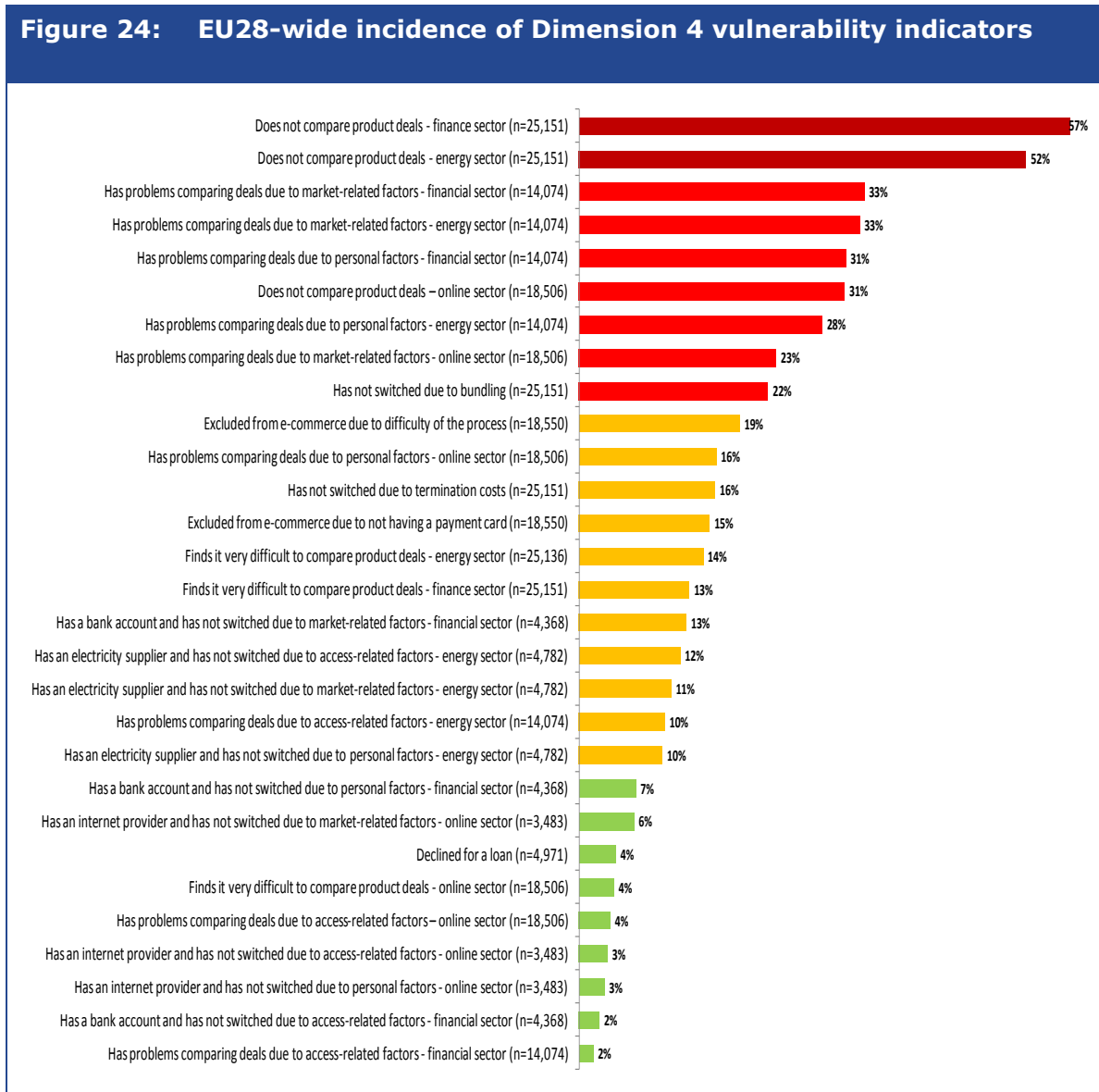
- *A majority of consumers do not at all compare deals* – the two respective indicators for the finance and energy sectors show the highest incidence rate of all Dimension 4 indicators (57% for financial products and 52% in the energy sector).

⁶⁷ Further details on how these indicators were constructed can be found in Table 5.

⁶⁸ Never compare deals or finds it difficult to compare deals. Further details on how these indicators were constructed can be found in Table 5.

-
- *Seven indicators show a somewhat lower but still high incidence rate of between 20% and 35%. Most of these indicators relate to problems comparing product deals:*
 - Having problems comparing market deals:
 - Due to market-related factors:
 - In the energy sector (incidence rate of 33%);
 - In the finance sector (33%);
 - In the online sector (23%);
 - Due to personal reasons:
 - In the finance sector (31%);
 - In the energy sector (28%);
 - For personal reasons in the energy and finance sectors;
 - Not comparing product deals in the online sector (31%);
 - Lack of switching due to bundling (22%).
 - *Moreover, a further set of 11 indicators show a still relatively substantial incidence rate of 10% to 20%. These indicators relate to:*
 - Being excluded from e-commerce due to:
 - The difficulty of the process (19%); and
 - Not having a payment card (15%);
 - Having problems comparing deals:
 - for personal reasons in the online sector (16%); and
 - For access reason in the energy sector (10%);
 - Difficulties comparing deals in the energy and financial sectors (14% and 13% respectively);
 - Lack of switching because of:
 - Termination costs⁶⁹ (16%);
 - Market-related reasons
 - in the finance sector (13%); and
 - in the energy sector (11%);
 - Access-related reasons in the energy sector (12%); and
 - Personal reasons in the finance sector (10%).

⁶⁹ The 'Has not switching due to termination costs' indicator was not structured as a sector-specific indicator in the survey. It relates to all respondents. Further details on how these indicators were constructed can be found in Table 5.



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. Sample size varies between indicators. For more details, see Table 8.

Source: London Economics

In terms of not comparing product deals at all, a few countries show exceptionally high incidence rates in the energy sector compared to the EU28 average of 52%. These are Bulgaria (with an incidence rate of 87%), Cyprus (85%), Lithuania (83%), Luxembourg (82%), Malta (85%), Romania (78%), and Iceland (91%).

Here, though, it should be taken into account that in some Member States (e.g. Bulgaria, Cyprus and Malta) the retail energy market is not liberalised or was only recently liberalised. This may explain the high incidence rates in these countries on some indicators (i.e. indicators relating to comparing and switching) in the energy sector, since it means that de facto there are few or no options for consumers to compare.

More generally, as can be seen in Table 13 to Table 16, Romania, Cyprus, Lithuania and Luxembourg stand out as being the most frequent "high outliers" according to Dimension 4 ('Inability or failure to buy, choose or access suitable products').

Table 13: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems comparing deals, part 1

	23. Does not compare product deals - energy sector ⁷⁰	24. Finds it very difficult to compare product deals - energy sector ⁷¹	25. Do not compare product deals - online sector ⁷²	26. Find it very difficult to compare product deals - online sector ⁷³	27. Do not compare product deals - finance sector ⁷⁴	28. Find it very difficult to compare product deals - finance sector ⁷⁵
EU28	52% (n=25,151)	14% (n=25,136)	31% (n=18,506)	4% (n=18,506)	57% (n=25,151)	13% (n=25,136)
AT	43% (n=1,001)	9% (n=1,001)	29% (n=791)	5% (n=791)	46% (n=1,001)	8% (n=1,001)
BE	48% (n=1,002)	16% (n=1,002)	49% (n=780)	8% (n=780)	62% (n=1,002)	16% (n=1,002)
BG	87% (n=1,000)	37% (n=1,000)	17% (n=510)	1% (n=510)	61% (n=1,000)	18% (n=1,000)
HR	52% (n=1,002)	23% (n=1,002)	15% (n=662)	4% (n=662)	62% (n=1,002)	23% (n=1,002)
CY	85% (n=500)	47% (n=500)	36% (n=310)	11% (n=310)	65% (n=500)	21% (n=500)
CZ	43% (n=1,000)	9% (n=1,000)	38% (n=710)	2% (n=710)	43% (n=1,000)	7% (n=1,000)
DK	53% (n=1,002)	19% (n=1,002)	35% (n=922)	6% (n=922)	55% (n=1,002)	15% (n=1,002)
EE	47% (n=500)	9% (n=485)	37% (n=375)	2% (n=375)	56% (n=500)	7% (n=485)
FI	45% (n=1,004)	12% (n=1,004)	36% (n=874)	7% (n=874)	55% (n=1,004)	9% (n=1,004)
FR	76% (n=1,002)	17% (n=1,002)	43% (n=800)	8% (n=800)	67% (n=1,002)	15% (n=1,002)
DE	36% (n=1,006)	7% (n=1,006)	30% (n=853)	3% (n=853)	50% (n=1,006)	7% (n=1,006)
EL	67% (n=1,004)	16% (n=1,004)	12% (n=544)	0% (n=544)	61% (n=1,004)	15% (n=1,004)
HU	72% (n=1,003)	19% (n=1,003)	26% (n=693)	2% (n=693)	54% (n=1,003)	16% (n=1,003)
IE	33% (n=1,011)	9% (n=1,011)	20% (n=820)	4% (n=820)	54% (n=1,011)	13% (n=1,011)
IT	48% (n=1,001)	22% (n=1,001)	22% (n=631)	5% (n=631)	60% (n=1,001)	22% (n=1,001)
LV	59% (n=500)	15% (n=500)	32% (n=345)	2% (n=345)	63% (n=500)	10% (n=500)
LT	83%	24%	24%	1%	66%	11%

⁷⁰ See Table 8 for more details on this indicator.

⁷¹ See Table 8 for more details on this indicator.

⁷² See Table 8 for more details on this indicator.

⁷³ See Table 8 for more details on this indicator.

⁷⁴ See Table 8 for more details on this indicator.

⁷⁵ See Table 8 for more details on this indicator.

Table 13: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems comparing deals, part 1

	23. Does not compare product deals - energy sector ⁷⁰	24. Finds it very difficult to compare product deals - energy sector ⁷¹	25. Do not compare product deals - online sector ⁷²	26. Find it very difficult to compare product deals - online sector ⁷³	27. Do not compare product deals - finance sector ⁷⁴	28. Find it very difficult to compare product deals - finance sector ⁷⁵
	(n=1,009)	(n=1,009)	(n=625)	(n=625)	(n=1,009)	(n=1,009)
LU	82% (n=503)	19% (n=503)	51% (n=468)	8% (n=468)	62% (n=503)	8% (n=503)
MT	85% (n=524)	29% (n=524)	51% (n=414)	17% (n=414)	57% (n=524)	19% (n=524)
PL	61% (n=1,009)	12% (n=1,009)	20% (n=703)	2% (n=703)	49% (n=1,009)	8% (n=1,009)
PT	46% (n=1,012)	15% (n=1,012)	13% (n=621)	1% (n=621)	63% (n=1,012)	20% (n=1,012)
RO	78% (n=1,001)	21% (n=1,001)	30% (n=541)	2% (n=541)	66% (n=1,001)	18% (n=1,001)
SK	55% (n=1,005)	11% (n=1,005)	30% (n=752)	2% (n=752)	45% (n=1,005)	10% (n=1,005)
SI	35% (n=502)	12% (n=502)	18% (n=372)	2% (n=372)	47% (n=502)	12% (n=502)
ES	53% (n=1,000)	19% (n=1,000)	23% (n=680)	3% (n=680)	55% (n=1,000)	16% (n=1,000)
SE	50% (n=1,002)	13% (n=1,002)	53% (n=921)	6% (n=921)	58% (n=1,002)	8% (n=1,002)
NL	46% (n=1,019)	12% (n=1,019)	46% (n=959)	4% (n=959)	73% (n=1,019)	8% (n=1,019)
UK	38% (n=1,027)	10% (n=1,027)	33% (n=830)	3% (n=830)	60% (n=1,027)	8% (n=1,027)
IS	91% (n=500)	40% (n=500)	48% (n=475)	14% (n=475)	71% (n=500)	17% (n=500)
NO	55% (n=1,002)	9% (n=1,002)	58% (n=932)	7% (n=932)	52% (n=1,002)	7% (n=1,002)

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures.

Source: London Economics

Table 14: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems comparing deals, part 2

	29. Has problems comparing deals due to personal factors - energy sector	30. Has problems comparing deals due to personal factors - online sector	31. Has problems comparing deals due to personal factors - financial sector	32. Has problems comparing deals due to market-related factors - energy sector	33. Has problems comparing deals due to market-related factors - online sector	34. Has problems comparing deals due to market-related factors - financial sector	35. Has problems comparing deals due to access-related factors - energy sector	36. Has problems comparing deals due to access-related factors - online sector	37. Has problems comparing deals due to access-related factors - financial sector
EU28	28% (n=)	16% (n=)	31% (n=)	33% (n=)	23% (n=)	33% (n=)	10% (n=)	4% (n=)	2% (n=)

Table 14: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems comparing deals, part 2

	29. Has problems comparing deals due to personal factors - energy sector	30. Has problems comparing deals due to personal factors - online sector	31. Has problems comparing deals due to personal factors - financial sector	32. Has problems comparing deals due to market-related factors - energy sector	33. Has problems comparing deals due to market-related factors - online sector	34. Has problems comparing deals due to market-related factors - financial sector	35. Has problems comparing deals due to access-related factors - energy sector	36. Has problems comparing deals due to access-related factors - online sector	37. Has problems comparing deals due to access-related factors - financial sector
	14,074)	18,506)	14,074)	14,074)	18,506)	14,074)	14,074)	18,506)	14,074)
AT	28% (n=791)	17% (n=791)	20% (n=791)	32% (n=791)	27% (n=791)	41% (n=791)	12% (n=791)	3% (n=791)	1% (n=791)
BE	32% (n=780)	26% (n=780)	31% (n=780)	40% (n=780)	32% (n=780)	38% (n=780)	3% (n=780)	2% (n=780)	2% (n=780)
BG		7% (n=510)			10% (n=510)			3% (n=510)	
HR		13% (n=662)			22% (n=662)			3% (n=662)	
CY		31% (n=310)			17% (n=310)			2% (n=310)	
CZ	32% (n=710)	16% (n=710)	27% (n=710)	38% (n=710)	15% (n=710)	33% (n=710)	9% (n=710)	7% (n=710)	2% (n=710)
DK	35% (n=922)	18% (n=922)	34% (n=922)	42% (n=922)	28% (n=922)	46% (n=922)	15% (n=922)	7% (n=922)	2% (n=922)
EE	35% (n=375)	20% (n=375)	39% (n=375)	36% (n=375)	15% (n=375)	36% (n=375)	17% (n=375)	5% (n=375)	2% (n=375)
FI	34% (n=874)	21% (n=874)	38% (n=874)	34% (n=874)	22% (n=874)	36% (n=874)	9% (n=874)	7% (n=874)	3% (n=874)
FR	41% (n=800)	19% (n=800)	34% (n=800)	47% (n=800)	30% (n=800)	46% (n=800)	10% (n=800)	2% (n=800)	1% (n=800)
DE	18% (n=853)	15% (n=853)	22% (n=853)	26% (n=853)	26% (n=853)	31% (n=853)	6% (n=853)	3% (n=853)	1% (n=853)
EL		7% (n=544)			10% (n=544)			2% (n=544)	
HU		17% (n=693)			22% (n=693)			7% (n=693)	
IE	17% (n=820)	11% (n=820)	28% (n=820)	26% (n=820)	16% (n=820)	35% (n=820)	6% (n=820)	6% (n=820)	3% (n=820)
IT		16% (n=631)			23% (n=631)			3% (n=631)	
LV		18% (n=345)			18% (n=345)			6% (n=345)	
LT	33% (n=1,009)	12% (n=625)	45% (n=1,009)	15% (n=1,009)	8% (n=625)	30% (n=1,009)	55% (n=1,009)	4% (n=625)	6% (n=1,009)
LU	49% (n=468)	29% (n=468)	29% (n=468)	42% (n=468)	39% (n=468)	38% (n=468)	29% (n=468)	3% (n=468)	0% (n=468)
MT		19% (n=414)			12% (n=414)			0% (n=414)	
PL		16% (n=703)			16% (n=703)			4% (n=703)	
PT	28% (n=1,012)	6% (n=621)	39% (n=1,012)	25% (n=1,012)	13% (n=621)	35% (n=1,012)	10% (n=1,012)	2% (n=621)	3% (n=1,012)
RO	37% (n=1,001)	12% (n=541)	44% (n=1,001)	26% (n=1,001)	10% (n=541)	29% (n=1,001)	44% (n=1,001)	5% (n=541)	3% (n=1,001)
SK	42% (n=752)	18% (n=752)	27% (n=752)	40% (n=752)	17% (n=752)	36% (n=752)	11% (n=752)	4% (n=752)	1% (n=752)

Table 14: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems comparing deals, part 2

	29. Has problems comparing deals due to personal factors - energy sector	30. Has problems comparing deals due to personal factors - online sector	31. Has problems comparing deals due to personal factors - financial sector	32. Has problems comparing deals due to market-related factors - energy sector	33. Has problems comparing deals due to market-related factors - online sector	34. Has problems comparing deals due to market-related factors - financial sector	35. Has problems comparing deals due to access-related factors - energy sector	36. Has problems comparing deals due to access-related factors - online sector	37. Has problems comparing deals due to access-related factors - financial sector
SI		19% (n=372)			27% (n=372)			5% (n=372)	
ES		16% (n=680)			25% (n=680)			2% (n=680)	
SE	35% (n=921)	24% (n=921)	35% (n=921)	31% (n=921)	26% (n=921)	33% (n=921)	10% (n=921)	16% (n=921)	1% (n=921)
NL	29% (n=959)	21% (n=959)	34% (n=959)	34% (n=959)	23% (n=959)	27% (n=959)	3% (n=959)	3% (n=959)	2% (n=959)
UK	24% (n=1,027)	13% (n=830)	33% (n=1,027)	31% (n=1,027)	21% (n=830)	26% (n=1,027)	4% (n=1,027)	3% (n=830)	1% (n=1,027)
IS	51% (n=475)	25% (n=475)	36% (n=475)	23% (n=475)	37% (n=475)	41% (n=475)	27% (n=475)	2% (n=475)	5% (n=475)
NO	35% (n=932)	25% (n=932)	31% (n=932)	31% (n=932)	18% (n=932)	27% (n=932)	12% (n=932)	21% (n=932)	1% (n=932)

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. Missing data is due to particular survey questions not being asked in all countries via all modes.

Source: London Economics

Table 15: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems switching providers

	38. Has an electricity supplier and Has not switched due to personal factors - energy sector	39. Has an internet provider and Has not switched due to personal factors - online sector	40. Has a bank account and Has not switched due to personal factors - financial sector	41. Has an electricity supplier and Has not switched due to market-related factors - energy sector	42. Has an internet provider and Has not switched due to market-related factors - online sector	43. Has a bank account and Has not switched due to market-related factors - financial sector	44. Has an electricity supplier and Has not switched due to access-related factors - energy sector	45. Has an internet provider and Has not switched due to access-related factors - online sector	46. Has a bank account and Has not switched due to access-related factors - financial sector	47. Has not switched due to termination costs	48. Has not switched due to bundling
EU28	10% (n=4,782)	3% (n=3,483)	7% (n=4,368)	11% (n=4,782)	6% (n=3,483)	13% (n=4,368)	12% (n=4,782)	3% (n=3,483)	2% (n=4,368)	16% (n=25,151)	22% (n=25,151)
AT										16%	19%
BE										13%	24%
BG										18%	28%
HR										25%	38%
CY										17%	30%
CZ										15%	20%
DK	9%	4%	5%	15%	5%	14%	10%	4%	3%	9%	19%
EE										19%	26%

Table 15: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO – Problems switching providers

	38. Has an electricity supplier and Has not switched due to personal factors - energy sector	39. Has an internet provider and Has not switched due to personal factors - online sector	40. Has a bank account and Has not switched due to personal factors - financial sector	41. Has an electricity supplier and Has not switched due to market-related factors - energy sector	42. Has an internet provider and Has not switched due to market-related factors - online sector	43. Has a bank account and Has not switched due to market-related factors - financial sector	44. Has an electricity supplier and Has not switched due to access-related factors - energy sector	45. Has an internet provider and Has not switched due to access-related factors - online sector	46. Has a bank account and Has not switched due to access-related factors - financial sector	47. Has not switched due to termination costs	48. Has not switched due to bundling
FI										9%	24%
FR										16%	24%
DE										10%	17%
EL										25%	30%
HU										22%	24%
IE										21%	28%
IT										22%	26%
LV										22%	23%
LT	21%	3%	8%	4%	2%	12%	42%	6%	4%	17%	18%
LU										19%	26%
MT										10%	26%
PL										21%	29%
PT	11%	1%	12%	12%	6%	12%	7%	2%	3%	18%	27%
RO	22%	4%	14%	10%	3%	10%	36%	7%	5%	27%	30%
SK										17%	26%
SI										22%	35%
ES										16%	23%
SE										6%	14%
NL										10%	15%
UK	5%	3%	5%	11%	7%	13%	3%	2%	2%	12%	14%
IS										9%	17%
NO										7%	22%

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. Missing data is due to particular survey questions not being asked in all countries.

Source: London Economics

Table 16: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO - Exclusion

	49. Excluded from e-commerce due to difficulty of the process	50. Excluded from e-commerce due to not having a payment card	51. Declined for a loan
EU28	19% (n=18,550)	15% (n=18,550)	4% (n=4,971)
AT	17%	27%	
BE	20%	18%	
BG	29%	24%	
HR	39%	35%	
CY	31%	28%	
CZ	25%	17%	
DK	19%	10%	3%

Table 16: Dimension 4 vulnerability indicators in EU28 Member States and IS and NO - Exclusion

	49. Excluded from e-commerce due to difficulty of the process	50. Excluded from e-commerce due to not having a payment card	51. Declined for a loan
EE	24%	16%	
FI	26%	13%	
FR	21%	8%	
DE	14%	17%	
EL	31%	36%	
HU	24%	20%	
IE	26%	15%	
IT	19%	19%	
LV	28%	15%	
LT	21%	20%	1%
LU	29%	14%	
MT	13%	9%	
PL	21%	22%	
PT	23%	27%	5%
RO	28%	35%	8%
SK	28%	18%	
SI	26%	41%	
ES	19%	12%	
SE	21%	8%	
NL	10%	6%	
UK	15%	8%	3%
IS	19%	15%	
NO	20%	6%	

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. Missing data is due to particular survey questions not being asked in all countries via all modes.

Source: London Economics

4.1.7. Analysis of incidence of vulnerability – vulnerability Dimension 5 in EU28 countries, Iceland and Norway

Dimension 5, 'Higher susceptibility to marketing practices', is characterised by five indicators (see Table 17), of which four are based on the experiments under the marketing practice treatment and are, therefore, populated with data for only the five experiment countries.

Table 17: Dimension 5 vulnerability indicator in EU28 Member States and IS and NO

	54. Vulnerable to a great extent due to complexity of offers	55. Experiment choice under the marketing practice treatment - energy sector	56. Experiment choice under the marketing practice treatment - online sector	57. Experiment choice under the marketing practice treatment - finance sector	58. Experiment choice under the marketing practice treatment - cross-cutting
EU28	10% (n=25,151)	85% (n=1,263)	53% (n=1,254)	27% (n=1,252)	66% (n=1,282)
AT	4% (n=1,001)				
BE	7%				

Table 17: Dimension 5 vulnerability indicator in EU28 Member States and IS and NO

	54. Vulnerable to a great extent due to complexity of offers	55. Experiment choice under the marketing practice treatment - energy sector	56. Experiment choice under the marketing practice treatment - online sector	57. Experiment choice under the marketing practice treatment - finance sector	58. Experiment choice under the marketing practice treatment - cross-cutting
	(n=1,002)				
BG	13% (n=1,000)				
HR	9% (n=1,002)				
CY	26% (n=500)				
CZ	8% (n=1,000)				
DK	7% (n=1,002)	85% (n=249)	49% (n=252)	20% (n=250)	64% (n=251)
EE	8% (n=500)				
FI	6% (n=1,004)				
FR	12% (n=1,002)				
DE	4% (n=1,006)				
EL	13% (n=1,004)				
HU	8% (n=1,003)				
IE	9% (n=1,011)				
IT	12% (n=1,001)				
LV	12% (n=500)				
LT	15% (n=1,009)	90% (n=255)	57% (n=251)	20% (n=255)	73% (n=248)
LU	9% (n=503)				
MT	13% (n=524)				
PL	12% (n=1,009)				
PT	14% (n=1,012)	90% (n=246)	58% (n=247)	35% (n=244)	74% (n=275)
RO	15% (n=1,001)	90% (n=250)	64% (n=250)	27% (n=250)	78% (n=251)
SK	12% (n=1,005)				
SI	7% (n=502)				
ES	15% (n=1,000)				
SE	7% (n=1,002)				

Table 17: Dimension 5 vulnerability indicator in EU28 Member States and IS and NO

	54. Vulnerable to a great extent due to complexity of offers	55. Experiment choice under the marketing practice treatment - energy sector	56. Experiment choice under the marketing practice treatment - online sector	57. Experiment choice under the marketing practice treatment - finance sector	58. Experiment choice under the marketing practice treatment - cross-cutting
NL	4% (n=1,019)				
UK	10% (n=1,027)	82% (n=263)	48% (n=254)	26% (n=253)	60% (n=257)
IS	4% (n=500)				
NO	5% (n=1,002)				

Note: Results weighted using cross-country weights for the EU28/experiment countries measure and country weights for the country measures. LT is not identified as an outlier when a figure with 1 decimal is used.

Source: London Economics

The EU28-wide incidence of vulnerability due to the complexity of offers is 10% and varies to some extent across the EU28. In particular, Cyprus shows a much higher incidence rate of 26% (and to a smaller extent Spain with an incidence rate of 15%), which is more than twice as high as the EU28 average.

In terms of the rating of the complexity of offers (on a scale from 1 to 4), the mean rating is equal to 2 or less in 6 countries among the EU28 Member States, Iceland and Norway. Additionally, the mean rating never exceeds 2.6 (see Figure 25).

These findings suggest that, on average, in the majority of EU28 Member States and Iceland and Norway, consumers find the offers in the market place only very marginally complex. However, in each country, a certain proportion of the population (ranging from 4% in Iceland to 26% in Cyprus) feels very vulnerable because of the complexity of offers.

In contrast, the experiment results point at the opposite, namely that consumer vulnerability due to failure to make the right choices under current marketing practices is amongst the highest out of all indicators of consumer vulnerability:

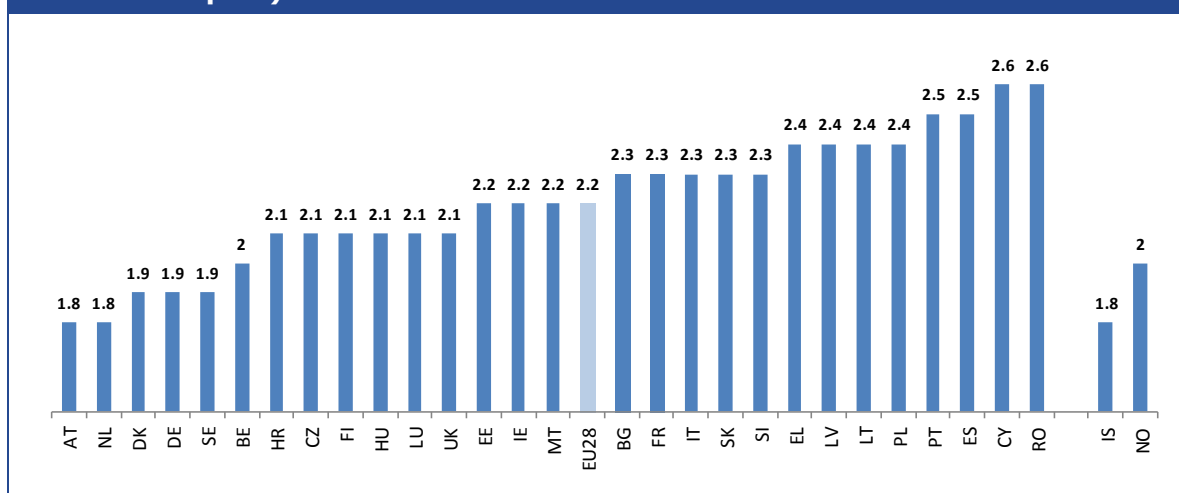
- The majority of consumers across the five experiment countries – 85% – fail to choose optimally⁷⁶ under the marketing practice in the energy sector;
- Very high shares of consumers are vulnerable also under the cross-cutting experiment (66%) and in the online sector (53%);
- Experiment participants performed much better under the finance experiment – only 27% of them have failed to choose the right option in both rounds of the experiment – however this is still a relatively high incidence compared to most indicators in all other dimensions.

A caveat to these findings is that the experiments were designed to mimic marketing practices are known to be particularly problematic. In reality, not all consumers face

⁷⁶ In both rounds of the experiment.

these marketing practices, and therefore it would be inaccurate to extrapolate the vulnerability incidence estimated from the experiments to the general population. A limitation of the approach is that, unlike for other indicators, it is not possible to re-base the experiment indicators to account for the proportion of the population which faces such marketing practices. The results from the experiments are discussed in greater detail in Chapter 6 of the report.

Figure 25: Mean rating of complexity of offers (1= not complex, 4=very complex) in EU28 Member States and IS and NO



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 + NO and IS N = 26,653.

Source: London Economics

4.2. Extent that consumers are vulnerable across a number of dimensions

While the previous section provides useful information on the incidence of vulnerability on an indicator-by-indicator basis, it did not shed any light on whether particular individuals exhibit vulnerability along a number of vulnerability dimensions. The present section aims to address this information gap through a two-pronged approach:

- First, the section presents information on the extent to which survey participants who can be considered vulnerable according to one of the five vulnerability dimensions are also vulnerable according to one or more of the other vulnerability dimensions;
- Second, the section provides detailed information on the distribution of the overall survey population according to two or more vulnerability indicators at a time. This analysis differs from the previous as it also takes into account survey respondents who are not vulnerable.

4.2.1. Incidence of multi-dimensional vulnerability

Multi-dimensional vulnerability refers to the extent to which survey participants who can be considered vulnerable according to one of the five vulnerability dimensions are also vulnerable according to one or more of the other vulnerability dimensions.

For the purpose of the present analysis of multi-dimensional vulnerability, each survey respondent was allocated to a particular dimension if at least one of the vulnerability indicators of the dimension signalled that the survey respondent was vulnerable. Thus any survey respondent could be allocated to more than one dimension.

It should be noted that the complex survey structure does not allow this section of the analysis to capture each and every vulnerability indicator which has been tested in the survey as the analysis is restricted to those indicators of vulnerability which are based on answers by all survey respondents. This is a limitation of the survey design, and all indicators have been used to the extent possible.

In the case of Dimension 4, 'Inability or failure to buy, choose or access suitable products', none of the indicators constructed for analysis of the drivers of vulnerability⁷⁷ are based on questions answered by all survey respondents. To overcome this limitation, four new vulnerability indicators were constructed. They identify respondents who do not compare product deals or who find comparing product deals very difficult, without examining in detail the reasons why respondents exhibit this behaviour.

The complete set of vulnerability indicators which satisfy the condition of having data for is the following:

- **Dimension 1** (Heightened risk of negative outcomes or impacts on well-being):
 - 'Overpaid for services due to being unable to use certain payment methods'
 - 'Has experienced a problem and took no action'
- **Dimension 2** (Having characteristics that limit the ability to maximise well-being):
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to age'
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to employment situation'
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to financial circumstances'
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to health problems'
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to belonging to a minority group'
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to personal issues'
 - 'Perception of own vulnerability due to personal characteristics: Feels vulnerable to 'a great extent' due to other reasons'
- **Dimension 3** (Having difficulty in obtaining or assimilating information):
 - 'Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services'
- **Dimension 4**⁷⁸ (Inability or failure to buy, choose or access suitable products):
 - 'Does not compare product deals - energy sector'
 - 'Does not compare product deals - finance sector'

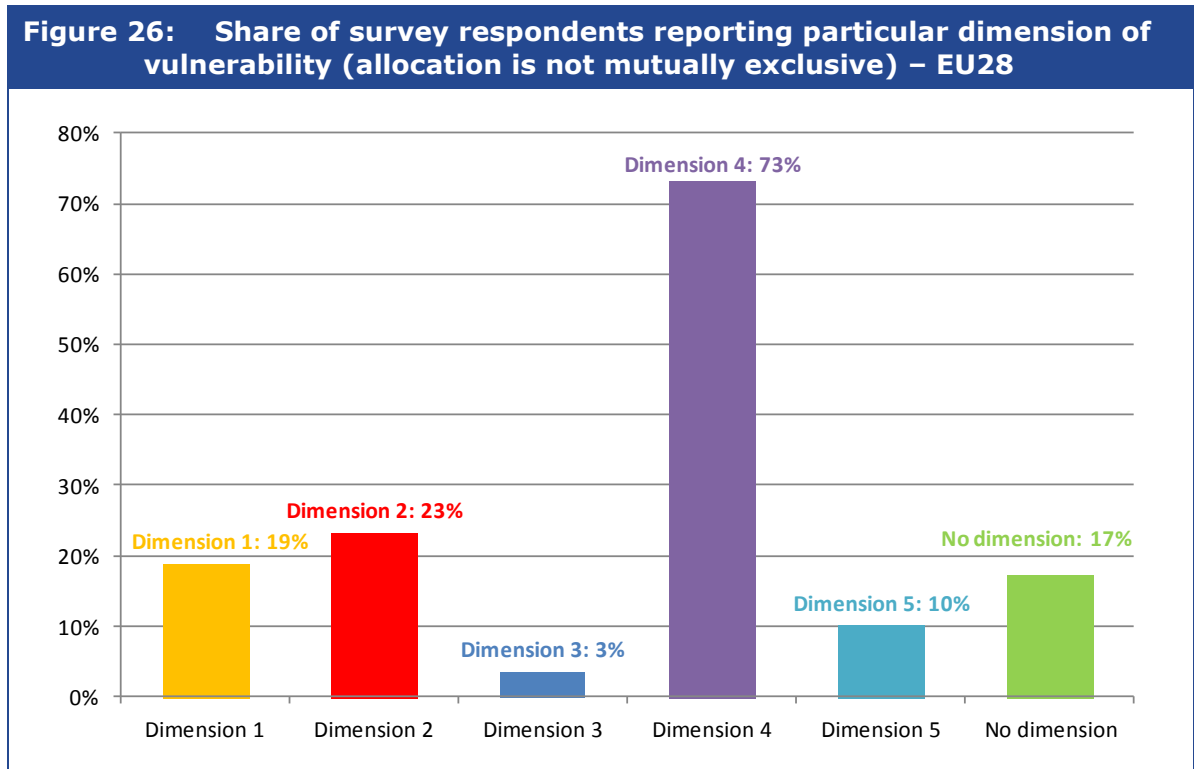
⁷⁷ Presented in Chapter 6.

⁷⁸ The information related to the online sector is not used in this particular part of the analysis because information is not available for all respondents. However, previous analysis in this report showed that overall the incidence of vulnerability according to this indicator was lower in the online sector than in the energy and finance sectors. Therefore, the omission of the online sector is unlikely to result in a significant under-estimation of vulnerability.

- ' Finds it very difficult to compare product deals - energy sector'
- ' Finds it very difficult to compare product deals - finance sector'
- **Dimension 5** (Higher susceptibility to marketing practices):
 - 'Feels vulnerable to a great extent due to complexity of offers (own perception)'
 - 'Experiment choice under the marketing practice treatment'

A survey respondent has been classified as vulnerable according to a particular dimension if they are considered vulnerable according to *any* of the indicators of a particular dimension. The distribution of all the survey respondents in the EU28, Iceland and Norway across the various combinations of vulnerability dimensions is shown in Table 18. The key points to note are that:

- Only 17.2% of survey respondents did not show any indication of vulnerability.
- The most populated single dimension is Dimension 4 on its own with 42.7% of survey respondent showing a sign of vulnerability on the basis of at least one indicator of Dimension 4 of vulnerability, the '*inability or failure to buy, choose or access suitable products*', and not in combination with any other vulnerability dimension.
- In fact, 73% of survey respondents showed sign of vulnerability under Dimension 4 alone or in combination with other vulnerability dimensions (see Figure 26).
- The next most common occurrence is the combination of Dimensions 2 and 4: 9.6% of all respondents are vulnerable only in terms of '*having characteristics that limit the ability to maximise well-being*' and in terms of the '*inability or failure to buy, choose or access suitable products*' at the same time.
- The third most common occurrence is the combination of Dimensions 1 and 4: 7.1% of survey respondents are vulnerable at the same time in terms of their '*heightened risk of negative outcomes or impacts on well-being*' and in terms of the '*inability or failure to buy, choose or access suitable products*'.
- None of the other single dimensions or combination of dimensions account for an important share of survey respondents with the most populated cell of this group being Dimension 2 on its own which accounts for 2.3% of survey respondents. However, in total 23% of survey respondents showed signs of vulnerability under Dimension 2, on its own or in combination with other vulnerability dimensions (see Figure 26).
- The sum of the percentages in each single dimension and combination of dimension exceeds 100 as a single survey respondent may belong to more than 1 cell if she/he is characterised by multi-dimensional vulnerability. The extent to which this sum exceeds 100 provides an indication of the extent of such multi-dimensional vulnerability. Overall:
 - 49.6% of respondents showed sign of vulnerability according to only one dimension;
 - 33.3% of respondents are categorised as vulnerable according to multiple dimensions; and
 - 17.2% are not vulnerable according to any of the indicators in any of the dimensions.
- Therefore, the incidence of consumer vulnerability is not concentrated in one single dimension, but is dispersed across multiple concepts, such that the majority of consumers can be classified as vulnerable according to some dimension.



Note: Results weighted using cross-country weights and based on the EU28 (N = 25,151). The sum of shares is greater than 100%, as one respondent can be vulnerable according to more than one dimension. The shares in the chart sum to 140%.

Source: London Economics

Table 18: Distribution of survey respondents by number of vulnerability dimensions										
Dimen- sions		Dimen- sions		Dimen- sions		Dimen- sions		Dimen- sions		No dimen- sion
1 only	3.7%	2 only	2.3%	3 only	0.3%	4 only	42.7%	5 only	0.5%	17.2%
1 & 2 only	1.5%	2 & 3 only	0.0%	3 & 4 only	1.7%	4 & 5 only	2.3%			
1 & 3 only	0.1%	2 & 4 only	9.6%	3 & 5 only	0.0%					
1 & 4 only	7.1%	2 & 5 only	0.6%	3, 4 & 5 only	0.1%					
1 & 5 only	0.1%	2, 3 & 4 only	0.3%							
1, 2 & 3 only	0.0%	2, 3 & 5 only	0.0%							
1, 2 & 4 only	3.1%	2, 4 & 5 only	3.3%							
1, 2 & 5 only	0.5%	2, 3, 4 & 5 only	0.3%							
1, 3 & 4 only	0.3%									
1, 3 & 5 only	0.0%									
1, 4 & 5 only	0.7%									
1, 2, 3 & 4 only	0.1%									
1, 2, 3 & 5 only	0.0%									
1, 2, 4 & 5 only	1.3%									
1, 3, 4 & 5 only	0.1%									
1, 2, 3, 4 & 5	0.1%									

Note: Results weighted using cross-country weights and based on the EU28 countries. N = 25,151

Source: London Economics

Among the EU28 Member States and Iceland and Norway, Austria, the Czech Republic, Germany, Slovenia, the United Kingdom and Norway stand out as outliers in terms of having the largest proportion of consumers who are not vulnerable according to any of the vulnerability dimensions. These are the countries with the smallest share of vulnerable consumers according to any of the indicators serving as proxies for the five dimensions (listed at the beginning of this section).

On the contrary, countries with only a small proportion of respondents who are not classified as vulnerable according to any of the aforementioned indicators are Cyprus (2.3%), Iceland (3.5%), Bulgaria (4%), Malta (5.5%), Romania (4.8%) and Lithuania (6%).⁷⁹

Moreover, Cyprus stands out as being systematically a “high outlier” in terms of each of the five vulnerability dimensions. Among the other outliers, only Romania is an outlier in three dimensions, and Bulgaria and Lithuania are outliers in two dimensions. The remaining countries are outliers only with regards to a single dimension, with the exception of Denmark, Estonia, Finland, Poland, Portugal, Slovakia, Sweden and the Netherlands, which are not outliers in any dimension.⁸⁰

Table 19: Vulnerability by dimension across EU28 Member States and IS and NO

	Proportion of country respondents vulnerable according to any indicator in Dimension 1	Proportion of country respondents vulnerable according to any indicator in Dimension 2	Proportion of country respondents vulnerable according to any indicator in Dimension 3	Proportion of country respondents vulnerable according to any indicator in Dimension 4	Proportion of country respondents vulnerable according to any indicator in Dimension 5	Not vulnerable according to any dimension*
EU28	18.7%	23.1%	3.5%	73.2%	10.0%	17.2%
AT	15.7%	10.3%	2.3%	63.9%	4.4%	27.7%
BE	16.5%	19.2%	8.0%	75.0%	6.7%	16.5%
BG	35.4%	32.6%	2.8%	90.7%	13.0%	4.0%
HR	28.2%	31.4%	8.5%	78.4%	9.2%	10.9%
CY	31.3%	47.4%	10.2%	93.6%	26.0%	2.3%
CZ	15.1%	12.5%	2.8%	61.2%	8.1%	29.0%
DK	14.9%	14.4%	3.4%	75.2%	6.7%	18.6%
EE	24.9%	29.4%	4.7%	72.0%	8.2%	12.0%
FI	17.6%	22.2%	1.8%	68.6%	6.3%	19.6%
FR	11.5%	28.4%	4.0%	89.1%	12.3%	7.7%
DE	18.3%	10.3%	2.0%	61.3%	3.5%	28.5%
EL	29.2%	46.5%	2.4%	79.7%	13.0%	7.3%
HU	34.4%	33.5%	4.3%	82.8%	7.7%	7.7%
IE	29.9%	24.5%	4.9%	61.6%	8.7%	21.3%
IT	16.8%	30.0%	2.7%	74.1%	12.4%	13.8%
LV	30.3%	33.7%	2.4%	77.3%	11.9%	10.7%
LT	21.5%	34.3%	8.4%	89.1%	14.6%	6.0%
LU	16.6%	13.6%	2.6%	88.6%	8.7%	7.0%
MT	14.2%	17.7%	6.6%	91.2%	13.2%	5.5%

⁷⁹ Percentage shares represent the share of respondents in the respective country who are not classified as vulnerable according to any of the dimensions.

⁸⁰ As defined by the sub-set of indicators listed at the beginning of the section.

Table 19: Vulnerability by dimension across EU28 Member States and IS and NO

	Proportion of country respondents vulnerable according to any indicator in Dimension 1	Proportion of country respondents vulnerable according to any indicator in Dimension 2	Proportion of country respondents vulnerable according to any indicator in Dimension 3	Proportion of country respondents vulnerable according to any indicator in Dimension 4	Proportion of country respondents vulnerable according to any indicator in Dimension 5	Not vulnerable according to any dimension*
PL	28.6%	22.0%	4.4%	71.7%	11.6%	13.9%
PT	20.7%	34.2%	5.6%	73.3%	14.0%	13.5%
RO	35.2%	36.3%	2.5%	87.0%	14.8%	4.8%
SK	21.2%	21.1%	3.0%	69.6%	11.8%	19.8%
SI	21.8%	26.7%	1.8%	58.4%	7.5%	26.4%
ES	16.0%	32.5%	6.4%	72.0%	15.5%	15.8%
SE	12.5%	14.2%	1.5%	70.7%	6.6%	20.5%
NL	10.8%	10.0%	3.7%	80.1%	4.4%	14.6%
UK	14.4%	16.9%	2.2%	67.1%	9.5%	24.1%
IS	17.8%	10.0%	1.8%	95.6%	4.2%	3.5%
NO	14.5%	11.7%	2.7%	69.5%	5.1%	24.9%

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. Data based on the full sample in each country (EU28 + NO and IS N = 26,653). The sum of shares is greater than 100%, as one respondent can be vulnerable according to more than one dimension.

*Based on the indicators included in the multi-dimensional analysis only.

Source: London Economics

5. CONCEPT OF THE 'AVERAGE CONSUMER'

Box 3: Summary of Chapter 5

This chapter examines insights from the literature review and stakeholder consultation relevant to the concept of the average consumer and explores the vulnerability characteristics of the average consumer based on the present study's survey data.

The main vulnerability definition at EU level has its source in the UCPD: vulnerability may arise out of the consumers' "mental or physical infirmity, age or credulity". This is to be distinguished from the notion of the average consumer, which in the Directive is understood as a consumer "who is reasonably well-informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors".

This definition has been criticised for setting the bar too high in terms of consumer protection and reflecting an unrealistic benchmark. Experts and stakeholders have asked for the concept to be interpreted more flexibly or even abandoned.

The first part of the chapter considers the extent to which this definition has impacted on national-level enforcement of consumer protection legislation. It is found that the terms "average consumer" and "vulnerable consumer" have been used across a number of cases, but only a limited number of cases explored the implications of the terms as such.

"Average consumer" groups have in cases been considered to be sufficiently familiar with a specific sector not to be misled by exaggerated claims from advertisers, and in others, particular difficulties such as in reading small print, were considered to be characteristics that could be found in the "average consumer".

Groups that have been identified as vulnerable include consumers banned by credit institutions, people affected by a serious illness and consumers in a certain demographic group targeted by particular marketing practices. Yet, the only identified case where consumer vulnerability was central to the decision is a German case concerning payment methods offered by a German gas supplier. The only two alternatives consisted of a monthly Direct Debit or a yearly bank transfer. On appeal it was accepted that insufficient options were being offered as certain vulnerable consumers would not be able to transfer a year's worth of charges in advance and/or might not have access to a bank account.

In the second part of the chapter, the profile of the average consumer is defined in terms of median levels for the explanatory variables that have been identified as the main drivers and indicators of vulnerability. The definition of the average consumer on this basis means it can be linked to vulnerability. Medians are calculated from survey responses.

Overall, for each of the vulnerability indicators, the "average consumer," as represented by the median consumer, exhibits few signs of vulnerability.

However, when the responses are combined to capture the maximum score assigned to "health", "age", "minority status", "personal issues", "employment status" and "financial situation", the median response is 'feel vulnerable to some extent', i.e. a

value of 3 on the 1 to 4 scale. This means that overall, half the population of respondents declared some (mild) vulnerability in at least one of the aspects surveyed under Dimension 2. In respect of Dimension 4, the average consumer shows some vulnerability: the average consumer compares deals offered by internet providers but never compares deals offered by banks or energy providers.

Most countries do not differ from the overall average consumer profile or differ only slightly. However, consumers in 7 countries are more vulnerable than the median full-sample consumer in more than 3 indicators: Bulgaria, Cyprus, Greece, Hungary, Latvia, Portugal, Romania and Spain. In contrast, countries where the average consumer shows somewhat less vulnerability than the average across the EU28 are: Austria, Belgium, the Czech Republic, Finland, Germany, Iceland, Ireland, Luxembourg, Malta, Norway, Poland, Slovakia, Slovenia, Sweden, the Netherlands and the United Kingdom.

This chapter comprises of two parts. The first part examines insights from the literature review and stakeholder consultation relevant to the concept of the average consumer. The second part explores the vulnerability characteristics of the average consumer based on the survey data. In doing so, the chapter aims to respond to the research questions set out in section 1.4 which relate to the concept of the average consumer (RQ1 and RQ8).

5.1. Insights from the literature review and stakeholder consultation

In order to understand the concept of the ‘average consumer’ it is important to place it within the broader context of the definitions and approaches to consumer vulnerability in the EU and in national law. The following sections discuss the approach to consumer vulnerability in individual Member States, including an overview of case law.

5.1.1. Definitions and approaches to consumer vulnerability in the EU and national law

This section discusses the definitions of vulnerability in use in the EU and national law, as well as the national approaches to vulnerability.

Consumer vulnerability in EU law

As noted previously, the main vulnerability definition at EU level has its source in the UCPD, which notes that vulnerability may arise out of the consumers’ “mental or physical infirmity, age or credulity”. This is to be distinguished from the notion of the average consumer, which is in the Directive understood as a consumer “who is reasonably well-informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors”. Although the UCPD definition of vulnerability serves as the basis for this study, there are other “consumer images” present in EU legislation which could be linked to vulnerability. Stuyck (2014) notes for instance that the concept of vulnerability in relation to energy poverty is present in the Electricity and Gas market Directives, as well as in the Directive on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive), where it focuses on accessibility, affordability and choice for consumers with disabilities.

Approaches to consumer vulnerability on national level

In order to understand how the concept of consumer vulnerability is approached at Member State level one should consider three main questions:

- Is the concept of consumer vulnerability present in consumer protection legislation or related legislation?
- Is the concept of consumer vulnerability used in practice by national bodies responsible for consumer protection, as well as consumer organisations and other civil society bodies?
- How does the use of the concept differ across different institutional contexts and sectors?

It is also important to note that the concept can be in use even if it does not exist as such in any legislative provisions. For instance in Germany, the term “vulnerable consumers” (verletzliche Verbraucher) is not present in the legislation but is used in practice by consumer organisations.

Overall, the research conducted to date presents a varied picture with regard to the above questions. In terms of use in legislation, the **transposition of the UCPD** has meant that the term is present in consumer protection legislation in most Member States, with 18 Member States making use of the term. Some Member States have used modified wording. The word “susceptible” is used in Hungary, Netherlands, and Estonia, while selected Member States (Croatia, Finland, France, Germany, and Latvia) have relied on other wording. Some Member States have also modified the list of potential sources of vulnerability highlighted in the UCPD. For instance in Poland the term “credulity” is not used, while in Germany commercial inexperience and fear are added to the provisions.

Even if the concept of vulnerability is present in the legislation, it is important to remember that the UCPD concept of vulnerability is a more narrowly defined one than what has been outlined in the previous sections of this report. In addition, the concept appears to be used more broadly within the national consumer protection framework only in selected Member States. A broader approach to vulnerability has been identified in the Czech Republic, Finland, Hungary, Ireland, Poland, Romania, and the UK, although in some instances this relates only to certain consumer groups being highlighted in strategic policy documents (i.e. in Poland). In Germany, as noted above, the concept of vulnerability appears to play a larger part in the work of the consumer organisations than that of public authorities.

One area where consumer vulnerability is more universally recognised within the consumer protection framework is the energy sector, where, as noted by the 2009 European Regulators Group for Electricity and Gas report, eight Member States make use of the vulnerable consumer concept, namely Belgium, Bulgaria, Greece, Hungary, Ireland, Italy, Slovenia, and the United Kingdom.

The sectoral dimension is another important aspect of understanding national approaches to vulnerability. Where the concept of consumer vulnerability is in use, it is likely to be limited to a specific sector (for instance energy), or be used differently across sectors and contexts. In Belgium, for example, in addition to the concept of vulnerability stemming from the UCPD, a notion of consumers in a precarious situation is used in the energy sector. In Portugal two other terms are used in addition to the UCPD term “vulnerable”, namely “economically vulnerable consumers” (consumidores economicamente vulneráveis) and “consumers with special needs” (consumidores com necessidades especiais). Even in the UK, which is the Member State with the most

developed approach to vulnerability, there is a range of terms and definitions in use across individual sectors and organisations.

At the same time, it is important to stress the fact that a lack of a single definition of vulnerability or a single unified strategy to address consumer vulnerability does not necessarily reflect negatively on the consumer protection framework across the Member States. As noted in the previous section, consumer vulnerability is a complex and dynamic concept. Hence, a more case-by-case sector-specific approach could be of value. In addition, some of the interviewed stakeholders stressed the importance of ensuring that consumer policy addresses all consumers and questioned the value of trying to identify and target specific vulnerable groups.

Approaches to the average consumer concept

The concept of average consumer is of particular relevance to the discussion of consumer vulnerability. As the 2013 European Consumer Consultative Group (ECCG) opinion on consumers and vulnerability notes, the notion of average consumer introduced by the European Court of Justice case law and which is present in the UCPD sets the bar very high in terms of consumer protection by using an unrealistic benchmark. Similarly, Incardona and Poncibo (2007) conclude that the “reasonably well-informed and reasonably observant and circumspect” average consumer does not reflect reality and the concept should be interpreted more flexibly or abandoned. Therefore, understanding how the concept is used is an important aspect of understanding how consumer vulnerability is tackled in individual jurisdictions, since a vulnerable consumer is unlikely to be an average consumer.

The term was almost universally transposed into national legislation as part of the UCPD. Only in four Member States (Czech Republic, Denmark, Hungary, Sweden) the reference to an “average” consumer was not transposed. However, the interviewees (for instance Lithuania and Poland) were able to elaborate on the concept only in selected instances, which in most cases can be attributed to limited experience of using the concept in practice. In France the usage appears to differ by sector. In Germany the term is seen by the main consumer organisation as an effective lowering of protection standards, since the “average consumer” is viewed as a more informed one than previously assumed in German legislation. As a result, practices that would previously be interpreted as misleading could now no longer be considered as such to a more informed “average consumer”.

Overall, however, the individual countries appear to have had limited experience with the concept. This appears to be in line with the case law review, which shows that in most cases the average consumer concept has not been an important element of the decisions, nor is it addressed in depth.

5.1.2. Case law on consumer vulnerability

In addition to existing evidence from literature and interviews concerning vulnerability drivers, indicators and practices, it is important to also take into account existing case law that addresses the issue of vulnerability. This is of value since it not only further enhances the understanding of problematic practices, but also shows how the question of consumer vulnerability is addressed in practice in a legal context.

The study team examined the European Commission’s UCPD legal database⁸¹ and asked interviewed organisations about relevant national case law. In addition, we have consulted our expert Professor Peter Rott concerning specific case law focusing on vulnerability.

Although there is a wide range of case law related to unfair commercial practices, only a limited number of cases have been identified where the notion of vulnerability or that of “average consumer” has been directly addressed. The following table provides an overview of the relevant cases included in the European Commission UCPD legal database associated with keywords related to vulnerability.

Table 20: Case law overview			
Keyword	Number of cases	Member States	Summary
Vulnerable consumer	8	Greece (1) Hungary (1) Italy (3) Poland (1) UK (2)	<p>Three cases make direct reference to vulnerable consumers:</p> <ul style="list-style-type: none"> • A Hungarian case (Vj-5/2011/73) concerning a financial service provider targeting consumers banned by credit institutions and therefore identified as vulnerable. • An Italian case (PS6980) of using misleading health claims on products, with the practice considered particularly serious due to misleading vulnerable consumers (in this case such as people affected by a serious illness). • An Italian case (PS649) of using health claims on products that can mislead vulnerable consumers (in this case identified to be women between the ages of 40 and 60 targeted by the product). <p>Most other cases are categorised as concerning vulnerable consumers or make reference to the term but do not specifically define it:</p> <ul style="list-style-type: none"> • One Greek case concerning newspapers providing pornographic content as gifts. • One Italian case concerning “premium” mobile services with concealed open-end contracts. • One UK case concerning an antisocial behaviour order imposed on an individual convicted of aggressive marketing practices targeting older consumers. • One UK case concerning misleading practices targeting involved consumers. • One Polish case concerning an advertising campaign resembling an official government campaign.
Average	49	Austria (1)	Most cases use the term “average consumer” without

⁸¹ See <https://webgate.ec.europa.eu/ucp/public/index.cfm?event=public.home.show>

Table 20: Case law overview			
Keyword	Number of cases	Member States	Summary
consumer		Belgium (4) Bulgaria (1) Germany (7) Estonia (1) Greece (3) France (2) Hungary (1) Italy (3) Lithuania (4) Latvia (1) Netherlands (2) Poland (3) Portugal (9) Slovenia (1) Slovakia (4) UK (2)	addressing the term as such. Specific cases that address the term in more detail involve: <ul style="list-style-type: none"> • A Greek case (2130/2013) where the average consumer of medical machinery and devices was deemed to be sufficiently informed so as to understand and not be misled by exaggerated claims made by advertisers of such products. • One Latvian case (Administratīvās rajona tiesas spriedums lietā Nr. A420592710) addressed the question of whether the term “average consumer” can be defined by a national authority in relation to a specific sector. The decision confirms that this can be done. • A decision in one German case (4 U 141/11) stated that people with impaired eyesight can also be considered average consumers and printing information in a very small font can be considered a misleading commercial practice. Similar decision was taken in a Slovak case (Slovak Trade Inspection, 30/11/2010 ref. code: P/0359/07/2010). • A decision in one UK case ([2011] EWHC 106 (Ch)) stated that the term relates to “consumers who take reasonable care of themselves, rather than the ignorant, careless or over-hasty”. It also concludes that one cannot assume that the average consumer will read small print on promotional documents.
Age	2	Belgium (1) Greece (1)	<ul style="list-style-type: none"> • One Greek case concerning newspapers providing pornographic content as gifts. • One Belgian case (AR nr. 2008/AR/2917) where a practice of offering discounts on organised holidays for consumers over 55, was deemed discriminatory and an unfair commercial practice.
Children	5	Austria (3) Germany (1) Greece (1) Italy (1) Latvia (1) Sweden (1)	The relevant cases include: <ul style="list-style-type: none"> • Two Austrian cases ruling that advertisement directed at children are not an aggressive practice if other characteristics of unfair practices are not present (4Ob244/12d), nor are indirect exhortations (4Ob95/13v). • One Austrian case (4 Ob 57/08y) ruling that practices that mislead children given their limited intellectual capacity should be considered as aggressive. • A Latvian case (Consumer Rights Protection Centre Decision Nr. E03-RIG-511) deeming “providing young children with SIM cards,

Table 20: Case law overview			
Keyword	Number of cases	Member Sates	Summary
			<p>inciting them to use mobile phone services, and giving them information regarding prepayment cards” to be an aggressive commercial practice.</p> <ul style="list-style-type: none"> • A German case (103 0 171/08) stating that advertising that directly calls on children to buy a product is an unfair commercial practice. • A Swedish case (MD 2012:14) deeming statements such as "Buy", "Buy more", "buy here", "upgrade", "upgrade now" in online gaming communities, as well as "buy before it's too late" in email communications are direct exhortations to buy a product and hence aggressive practices.
Credulity	1	Finland	<p>Single case identified:</p> <ul style="list-style-type: none"> • In one Finnish case (MAO:157/11) the plaintiff claimed the defendant was using consumers’ credulity and environmental concern, by making misleading claims concerning environmental impact of product purchases.
Disability	-	-	-
Illness	8	Italy (2) Lithuania (6) Slovakia (1)	Cases concern claims about product properties with regard to curing illnesses. Illness as a source of vulnerability is generally not tackled. With the exception of the aforementioned Italian case (PS6980).
Income	6	Lithuania (1) Latvia (2) Poland (1) Slovenia (1) EU (1)	No cases relevant to consumer vulnerability.
Infirmity	-	-	-

Although, as can be seen in the above table, the term “average consumer” has been used across a number of cases, the term as such has only been explored further in a few instances. In the Greek case outlined above, the average consumer group is considered to be sufficiently familiar with a specific sector (medical devices and machinery) so as to be able to understand and not be misled by exaggerations used in advertising. Similarly, the aforementioned UK case defines “average consumers” as “consumers who take reasonable care of themselves, rather than the ignorant, careless or over-hasty”, while the German case notes that consumers with impaired eyesight can also be considered “average”. In most other cases the term “average consumer” is used to aid the final decision, without being elaborated on as such.

Other cases concerning the “average consumer” concept beyond the ones identified above include the following examples:

- A Greek case (Ombudsman of the Consumer 16th of December 2009 - Protocol No 3990) addressed the question whether an “average consumer [can] be expected to know that an insurance company's liability for a vehicle's own damage is calculated in such a way that any amount paid during each insurance period is subtracted from the insured amount”. The decision deemed the omission of the information on behalf of the insurance company an unfair practice by arguing that understanding of the calculation would require “specialised” knowledge.
- A German case (17 HK O 3216/13) questioning whether a fast food advertisement misleadingly listed in an overview of all contents of a cheeseburger only beef, cucumbers, mustard, ketchup, and cheddar cheese, while in fact the product included a wide range of other ingredients. The decision stated that the average fast food consumer to which the advertisement was directed would be aware that industrially produced food products will include a wider range of contents.

Both the above cases show that, like in most cases, the average consumer concept is used in practice but not always addressed in detail nor explicitly linked to the concept of vulnerability.

The UCPD legal database revealed only a small number of cases directly addressing consumer vulnerability, with identified vulnerable groups including:

- Consumers banned by credit institutions (Hungarian case Vj-5/2011/73);
- People affected by a serious illness (Italian case PS6980); or
- Consumers in a certain demographic, such as women aged between 40 and 60 (Italian case PS649).

This in turn suggests that the interpretations of consumer vulnerability in European case law are varied and highly dependent on the specific market context. One can imagine that women aged between 40 and 60 would not necessarily be considered vulnerable in a number of situations, but were deemed vulnerable when targeted by advertising for a product with particular health benefits. It is however important to note that in the above cases vulnerability was generally an exacerbating factor, with the practices in question already being potentially misleading: in the Hungarian case the information provided to the consumers was deemed incomplete, while the claims made in the two Italian cases were deemed false or misleading regardless of targeted consumers.

The only identified case where consumer vulnerability (relating to income) was directly tackled and central to the decision is a German case VIII ZR 131/12. The case concerned a gas supplier's practice of offering two payment methods, a monthly Direct Debit or a yearly bank transfer. The practice was challenged by a German consumer organisation on the basis that it does not effectively provide consumers with a wide range of payment methods, as stipulated by the transposition of the Directive 2009/73/EG concerning common rules for the internal market in natural gas. Although in the first instance the case was unsuccessful, as the two different methods were seen as sufficient in offering multiple payment options to consumers, it was later successfully appealed on the basis that certain consumers will not be able to transfer a year's worth of charges in advance, meaning that their payment options are limited to just one method, or to none at all, if they have no access to a bank account.

The above case shows that vulnerability of lower-income consumers and practices restricting access to services can be effectively identified in legal proceedings.

Nevertheless, the fact that the initial ruling did not fully consider consumer vulnerability shows that, in practice, making use of this concept may prove challenging.

Beyond the cases addressing directly the concepts of “consumer vulnerability”, “average consumer”, or specific vulnerability indicators, there are also other concepts in use in selected Member States that are linked to consumer vulnerability. For instance recent case law in the financial services sector in Norway has used terms such as “non-professional investors” (Paragraph 125) and “small savers and inexperienced investors” (Paragraph 128) to refer to consumers that are more vulnerable in the financial market.

Overall, the limited number of cases addressing vulnerability suggests that it remains an issue that is relatively unexplored in a legal setting across the Member States. The limited engagement with consumer vulnerability and the average consumer concept within national case law means that it is important to also look at examples from beyond the EU. In particular, the European Consumer Consultative Group opinion on consumers and vulnerability noted a recent example of Canadian case law, which has effectively modified the existing concept of an average consumer, similar to the one present in the EU, to account for the fact that a wide range of consumers can be susceptible to particular practices. The judgement sees an average consumer as a person “who is credulous and inexperienced and takes no more than ordinary care to observe that which is staring him or her in the face upon first entering into contact with an entire advertisement” (Richard v. Time Inc. 2012 SCC 8 in ECCG 2013). Given the findings concerning vulnerability drivers and practices, the Canadian notion of an average consumer does in fact appear to better reflect market realities.

Beyond case law, one area where the existing notions of vulnerability and average consumer are challenged is in the legal literature. As noted above, Incardona and Poncibo (2007) argue that the existing notion of an average consumer neither reflects human behaviour, nor constitutes an appropriate basis for judicial decisions. Lennard (2009) draws a similar conclusion about the concept of vulnerability in the UCPD, arguing that the approach based on the notions of age, credulity, and infirmity is an out-dated and an overly static one, which can lead to stereotyping of particular groups and proposes instead a risk factor-based approach, where particular characteristics can be seen as risk factors potentially contributing to vulnerability.

Conversely, Stuyck (2014) argues that the average consumer in the UCPD is never an actual average consumer, but instead a consumer targeted by specific practices. As such, this average consumer does not necessarily need to be a well-informed and circumspect one. Furthermore, with regard to the indicators of vulnerability outlined in the UCPD, Stuyck argues that these are observable indicators that should be viewed as examples rather than a comprehensive definition of vulnerability.

Concerning the use of the average consumer concept across the EU, Van Dam (2009) stresses the importance of pluralism in applying the concept, arguing that, given national differences, there is no “average euroconsumer” and the development of such a consumer model should also not be promoted. Similarly, Meli (2011) highlights the need for the notion of average consumer to be re-constructed on the basis of general social and cultural factors, with a case-by-case approach needed in order to identify consumer categories.

In addition to academic debate at the European level, the concepts of vulnerability and average consumers are also discussed at national level. In the Netherlands, Wouters

(2011) notes that in practice both the terms “average consumer” and “vulnerable consumer” are of limited relevance, since the “black list” of unfair practices included in the UCPD and transposed into Dutch legislation effectively makes certain practices illegal regardless of the consumer to which they are addressed. For remaining practices, Wouters sees all consumers as the weaker party in Dutch law, but concludes that socially vulnerable groups, although such do exist, are not specifically protected under Dutch law. Schonewille and Verhage (2012) note that in the financial sector in the Netherlands, the actual average consumer generally has a lower level of financial literacy than an average consumer as outlined in the law resulting in challenges when applying existing legislation.

In France, Nicod (2013) notes that the notion of an average consumer differs in practice between its use in European law and its use by French judges, who would view consumers as possessing average levels of intelligence and attentiveness and at least minimal critical sense. This in turn means that the latter “average consumer” is not expected to seek out information in order to make decisions, resulting in a potential disparity between the European and the French notion of an average consumer.

In relation to Nordic countries, Bärlund (2011) notes that the consumer protection framework in the Nordic countries assumes that consumers are the weaker part in their relation to businesses and therefore they merit stronger protection. Since Nordic consumer protection is not built around the concept of the *homo economicus* in contrast to the average consumer that the legal EU definition is built around, the EU definition puts a greater responsibility on the consumer than the Nordic perception.

Finally, in Germany current debates focus on the existing consumer models. In 2010 the Scientific Advisory Council to the Ministry of Food and Agriculture produced a position paper distinguishing between the trusting, vulnerable, and responsible consumers and calling for a more differentiated consumer policy, while in the context of the food sector, Schwan (2009) identifies the emerging model of an informed consumer.

While these criticisms of the UCPD concepts of consumer vulnerability and average consumer appear to reflect the findings of the study to date with regard to drivers, indicators, and problematic practices, limited case law in the area suggests relatively little engagement with the concepts in practice. Similarly, the national debates concerning these concepts show that there appears to be a degree of tension between national approaches to consumer “models” and ones introduced in the UCPD, but the debates are mainly theoretical with no practical implications being highlighted to date. Overall, the degree to which these concepts are appropriate is also dependent on how flexibly they are interpreted, with a more flexible interpretation, similar to one suggested by Stuyck (2014), being a potential reason for the concepts not being more widely contested in existing case law.

5.2. Vulnerability characteristics of the “average” consumer based on the survey data

5.2.1. General considerations

This part of the analysis examines what characteristics, skills and behaviour define the average consumer.

The preparatory review found that an average consumer who is “reasonably well informed and reasonably observant and circumspect”, referred to in the Unfair

Commercial Practices Directive (UCPD), might not reflect reality (e.g. Incardona and Poncibo 2007), and that although the term average consumer is used in case law it seems to be rarely explored or further defined.

In the present analysis, the profile of an average consumer is defined in terms of the explanatory variables that are identified as the main drivers and indicators of vulnerability, specifically as an individual at the median of these variables. It is appropriate to define the average consumer based on variables that are strongly related to the operationalisations of vulnerability, since the definition of the average consumer on this basis means it is possible to explore the levels of vulnerability of the average consumer.

It is also worthwhile to construct the profile of an average consumer in terms of the dependent and explanatory variables that satisfy the definition of someone who is “reasonably well informed and reasonably observant and circumspect”, as described in the Unfair Commercial Practices Directive.

Both approaches to generating a profile for the average consumer depend, to some extent, on variables that are binary indicators. This means that the average consumer will either take one state or another depending on the median response to that particular question.

An initial step in this part of the analysis involved assessing, via simple frequency analysis, whether there are any differences in consumers with such a profile between the full sample of EU Member States and Norway and Iceland and the EU 28 Member States only. This initial analysis is followed by a more in-depth analysis at Member State level.

5.2.2. Vulnerability characteristics of the “average” consumer

As discussed earlier in this chapter, the various dimensions of consumer vulnerability identified in the literature review have been translated into indicators, which in turn have been mapped to questions and variables from our survey and experiment. This list of dimensions and indicators has been reproduced in Table 21, along with the median responses from the full sample of all EU28 Member States and Norway and Iceland and the median responses from EU 28 Member States only. In all cases where a binary variable was constructed from a scale variable, the original scale variable was used. This approach was chosen to allow more variability in responses to emerge.

Overall, for each of the vulnerability indicators, the “average consumer” as represented by the median consumer exhibits few signs of vulnerability. The points below report the incidence of vulnerability in the average consumer according to each dimension.

- **Dimension 1: no signs of vulnerability** emerge, as **the median respondent took action when experiencing a problem and did not overpay for services due to being unable to pay with certain methods.**
- **Dimension 2:** when focusing on specific factors such as age or health, the median consumer declares not to feel vulnerable. In particular, in the case of “health”, “age”, “minority status”, “personal issues” or “other issues” all median scores take the lowest value, i.e. there is no self-perceived vulnerability (“not at all”). In the case of employment status and financial circumstances, the median response is ‘hardly at all vulnerable’. However, when the responses are combined to capture the maximum score assigned to any of these questions, the median response is ‘feel vulnerable to some

extent’, i.e. a value of 3 on the 1 to 4 scale. This means that **overall, half the population of respondents declared some (mild) vulnerability in at least one of the aspects** listed above.

- **Dimension 3: no vulnerability** is observed in this dimension. Overall, **the average consumer reports no problems in obtaining or assimilating information.**
- **Dimension 4:** in this dimension the average consumer shows **some vulnerability**. In fact, **the average consumer declares to compare deals offered by internet providers, but never compares deals offered by banks or energy providers.** When asked about the difficulties in comparing offers, the responses are fully consistent with the previous question. **The average consumer finds it difficult to compare energy deals and finance deals, but reports no difficulty in comparing internet provider deals.**
- **Dimension 5: no signs of vulnerability** are reported in the dimension regarding susceptibility **to marketing practices.**

Table 21: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability

Dimension	Indicators (code)	Median response – EEA sample	Median response – EU 28 sample
1. <i>Heightened risk of negative outcomes or impacts on well-being</i>	i) Unassertive when experienced a problem buying or using goods or services (0=no, 1=yes) (code 1)	Took action when experienced a problem	Took action when experienced a problem.
	ii) Overpaid for services due to being unable to use certain payment methods (0=no, 1=yes) (code 2)	Has not overpaid due to being unable to use certain payment methods	Has not overpaid due to being unable to use certain payment methods
2. <i>Having characteristics that limit ability to maximize well-being</i>	iii) Perception of own vulnerability due to personal characteristics: 1 to 4 scale (1=not at all, 2=hardly at all, 3=, 4=very) (code 3)	Does not feel vulnerable at all due to health problems, age, belonging to a minority group, personal issues or other reasons. Feels hardly at all vulnerable due to employment situation or financial circumstances	Does not feel vulnerable at all due to health problems, age, belonging to a minority group, personal issues or other reasons. Feels hardly at all vulnerable due to employment situation or financial circumstances
	iii) Perception of own vulnerability due to personal characteristics – combined perception with all personal characteristics: 1 to 4 scale (1=not at all, 2=hardly at all, 3=quite, 4=very) (code 3)	Feel vulnerable to some extent due to any of the above issues	Feel vulnerable to some extent due to any of the above issues

Table 21: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability

Dimension	Indicators (code)	Median response – EEA sample	Median response – EU 28 sample
3. <i>Having difficulty in obtaining or assimilating information</i>	iv) Does not feel informed about prices (1=very, 2=quite, 3=, 4=not) (code 4)	Feels quite informed about prices	Feels quite informed about prices
	v) Gets information from adverts only (0=no, 1=yes) (energy, online, finance) (code 5_adv_ene; 5_adv_onl; 5_adv_fin)	Does not get information only from adverts in energy, online or finance sector	Does not get information only from adverts in energy, online or finance sector
	vi) Has problems comparing deals due to information-related factors (0=no, 1=yes) (code 6_ene; 6_onl; 6_fin)	Does not have problems comparing deals due to information-related factors in energy, online or finance sector	Does not have problems comparing deals due to information-related factors in energy, online or finance sector
	vii) Has not recently switched due to being unsure about where to get information (0=no, 1=yes) (code 7_ene; 7_onl; 7_fin)	Has not been prevented from switching due to being unsure about where to get information in energy, online or finance sector	Has not been prevented from switching due to being unsure about where to get information in energy, online or finance sector
4. <i>Inability or failure to buy, choose or access suitable products</i>	viii a) Does not compare product deals		
	offered by different gas and/or electricity providers: (0=no, 1=yes) (code 8_1_ene)	Never compares deals offered by different gas and/or electricity providers	Never compares deals offered by different gas and/or electricity providers
	offered by different internet service providers: (0=no, 1=yes) (code 8_1_onl)	Compares services offered by different internet service providers	Compares services offered by different internet service providers
	offered by different banks: (0=no, 1=yes) (code 8_1_fin)	Never compares services offered by different banks	Never compares services offered by different banks
	viii b) Extent that consumer finds it difficult to compare product deals		
	offered by different gas and/or electricity providers: (1=not at all, 2=, 3=fairly 4=very) (code 8_2_ene)	Finds it fairly difficult to compare deals offered by different gas and/or electricity providers	Finds it fairly difficult to compare deals offered by different gas and/or electricity providers
	offered by different internet service providers: (1=not at all, 2=, 3=fairly 4=very) (code 8_2_onl)	Does not find it difficult to compare services offered by different internet service providers	Does not find it difficult to compare services offered by different internet service providers
	offered by different banks: (1=not at all, 2=, 3=fairly 4=very) (code 8_2_fin)	Does not find it difficult to compare services offered by different banks	Does not find it difficult to compare services offered by different banks

Table 21: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability			
Dimension	Indicators (code)	Median response – EEA sample	Median response – EU 28 sample
	Has problems in comparing deals due to personal factors (0=no, 1=yes) (code 8a_ene; 8a_onl; 8a_fin)	Does not have problems comparing deals due to personal factors in energy, online or finance sector	Does not have problems comparing deals due to personal factors in energy, online or finance sector
	Has problems in comparing deals due to market-related factors (0=no, 1= yes) (code 8b_ene; 8b_onl; 8b_fin)	Does not have problems comparing due to market-related factors in energy, online or finance sector	Does not have problems comparing due to market-related factors in energy, online or finance sector
	Has problems in comparing deals due to access-related factors (0=no, 1=yes) (code 8c_ene; 8c_onl; 8c_fin)	Does not have problems comparing due to access-related factors in energy, online or finance sector	Does not have problems comparing due to access-related factors in energy, online or finance sector
	ix) Has not recently switched due to a) personal factors, b) market-related factors, c) access-related factors, d) termination costs and e) bundling of offers: (0=no, 1=yes) (code personal: 9a_ene; 9a_onl; 9a_fin; market: 9b_ene; 9b_onl; 9b_fin; access: 9c_ene; 9c_onl; 9c_fin; termination: 9d_ter; bundling: 9e_bun)	Has not been prevented from switching due to a) personal, b) market-related, c) access-related factors, d) termination costs or e) bundling of offers	Has not been prevented from switching due to a) personal, b) market-related, c) access-related factors, d) termination costs or e) bundling of offers
	x) Excluded from e-commerce due to difficulty of the process or due to not having a credit card (0=no, 1=yes) (code 10a; 10b)	Was not excluded from e-commerce due to difficulty of the process or due to not having a credit card	Was not excluded from e-commerce due to difficulty of the process or due to not having a credit card
	xi) Declined a loan: binary (code 11_loan)	Loan not declined	Loan not declined
5. Higher susceptibility to marketing practices	xii) Perception of own vulnerability due to complexity of offers : (1=not at all, 2=hardly at all, 3= 4) (12_off)	Feels hardly at all vulnerable to marketing practices	Feels hardly at all vulnerable to marketing practices
	Perception of own vulnerability due to complexity of offers (1=not at all, 2= 3=4) (code 12_off)	Feels hardly at all vulnerable due to complexity of offers	Feels hardly at all vulnerable due to complexity of offers
	Perception of own vulnerability due to complexity of offers In this section referred to as ‘Vulnerable to a great extent due to complexity of offers (own perception)’ (0=not at all or hardly at all, 1=to a great extent) (code 12_off_b2)	Does not feel vulnerable to a great extent	Does not feel vulnerable to a great extent

The degree of vulnerability of the average consumer in each country could slightly differ from the average consumer identified above at the European level. Table 22 shows the median response at country level. Medians that depart from the overall European level median are highlighted with colours. Green values denote less vulnerability, red values denote higher vulnerability. Most countries do not differ from the overall average consumer profile or differ only slightly. Only 7 countries are more

vulnerable than the median consumer in more than 3 indicators (Bulgaria, Cyprus, Greece, Hungary, Latvia, Portugal, Romania and Spain).

- **Dimension 1:** While at EU level **no signs of vulnerability** emerge, in 6 countries (Bulgaria, Estonia, Hungary, Latvia, Lithuania and Romania) the median respondent did not take action when experiencing a problem. In contrast, survey respondents in no country showed a tendency to overpay for services due to being unable to pay with certain methods.
- **Dimension 2: This dimension presents the highest variation across countries.** For example, in the case of “financial circumstances”, the median response is ‘hardly at all vulnerable’, but the median respondent in 13 countries declares to feel ‘vulnerable to some extent’, and the median respondents in 8 countries declare not to feel vulnerable at all. Similar variation is also observed with regards to the “employment situation” question. In the case of “age”, median survey participants in a number of countries (Greece, Latvia, Poland, Portugal, Romania and Spain) appear to be more vulnerable than on average across the EU28. Median survey respondents in Poland, Portugal, Romania, and Spain are also more vulnerable than on average across the EU28 in terms of “personal issues”. In the case of “health”, “minority status” or “other reasons”, there are no differences.
- **Dimension 3: No vulnerability** of the median survey respondent is observed for this dimension. Overall, across the EU28 the median consumer reports no problems in obtaining or assimilating information and this observation also holds in all Member States.
- **Dimension 4:** This dimension shows **some variability** across countries, particularly in the energy and finance sectors. Overall in the EU28, the median consumer reports comparing deals offered by internet providers, but this is not the case in 3 countries (Malta, Norway and Sweden). Across the EU28, the median consumer never compares deals offered by energy providers, but, in fact, the median consumer does so in 14 countries. When asked about the difficulties in comparing offers, the median consumer in 14 countries declares having some difficulty in the energy sector and in 11 countries he/she declares having some difficulty in the finance sector. There are no differences between the median consumers in the different Member States with regards to access-related factors and personal factors for which the median survey respondent does not report any degree of vulnerability.
- **Dimension 5: no signs of vulnerability** are reported by the median survey participants with regards to the susceptibility to marketing practices. However, median survey participants in 6 countries (Cyprus, Greece, Latvia, Portugal, Romania and Spain) report that they feel vulnerable to some extent with regards to indicator focusing on the complexity of offers.

Overall, the vast majority of the indicators (37 out of 51) show a completely consistent picture of the average consumer across EU28 Member States. However, the average consumer is more or less vulnerable than on average across the EU28 in the case of a few indicators (a maximum of 6 deviations) in a few countries. The number of times this is the case in each country is shown in Table 23. The countries where the average consumer shows somewhat less vulnerability than the average across the EU28 are: Austria, Belgium, the Czech Republic, Finland, Germany, Iceland, Ireland, Luxembourg, Malta, Norway, Poland, Slovakia, Slovenia, Sweden, the Netherlands and the United Kingdom. In contrast, countries where the average consumer is slightly more vulnerable than on average across the EU28 are Bulgaria, Cyprus, Greece, Hungary, Latvia, Lithuania, Portugal, Romania, and Spain. In the remaining countries, the

average consumer’s vulnerability pattern is very similar to the EU-wide pattern. These countries are Croatia, Denmark, Estonia, France, and Italy.

Table 22: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability by country

Dimension	Indicators (code)	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom
1. Heightened risk of negative outcomes or impacts on well-being	i) Unassertive when experienced a problem buying or using goods or services (0=experienced a problem and took action; 1=experienced a problem and did not take action)	0	0	0	1	0	0	0	0	1	0	0	0	0	1	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0
	ii) Overpaid for services (0= did not overpay for services due to being unable to pay with certain methods; 1= overpaid for services due to being unable to pay with certain methods)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Having characteristics that limit ability to maximise well-being	iii) Perception of own vulnerability due to personal characteristics (1= not at all; 4=very vulnerable)																															
	health issues	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	financial issues	2	1	2	3	3	3	2	1	3	2	2	2	3	3	1	2	2	3	3	1	1	1	3	3	3	2	3	3	1	1	2
	employment issues	2	1	1	2	2	3	1	1	2	2	2	1	3	2	1	2	2	2	2	1	1	1	2	3	2	2	2	2	1	1	1
	age	1	1	1	1	1	1	1	1	1	1	1	1	2	1	1	1	1	2	1	1	1	1	2	2	2	1	1	2	1	1	1
	minority status	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	personal issues	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	1	1	2	1	1	1
	other issues	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Table 22: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability by country

Dimension	Indicators (code)	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom
	iii) Perception of own vulnerability due to personal characteristics – combined perception with all personal characteristics (1=not at all vulnerable; 4=very vulnerable)	3	2	2	3	3	3	2	2	3	3	3	2	3	3	2	3	3	3	3	2	3	2	3	3	3	3	3	3	2	2	3
3. Having difficulty in obtaining or assimilating information	iv) Does not feel informed about prices (1=very informed; 4=not at all informed)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
	v) Gets information from adverts only (0=not adverts only; 1=adverts only)																															
	Energy	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	Finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Online	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	vi) Has problems comparing deals due to information-related factors (0= has no problem; 1=has problems)																															
	Energy	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	Finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Online	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	vii) Has not recently switched due to being unsure about where to get information (0=no; 1=yes, has not recently switched due to being unsure)																															
Energy	0								0											0					0	0					0	

Table 22: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability by country																																	
Dimension	Indicators (code)	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom	
			Online	0							0											0					0	0					
	Finance	0							0											0					0	0						0	
4. Inability or failure to buy, choose or access suitable products	viii a) Does not compare product deals (0=no; 1=yes, does not compare deals)																																
	offered by different gas and/or electricity providers: binary	1	0	0	1	0	1	0	1	0	0	1	0	1	1	1	0	0	1	1	1	1	1	1	0	1	1	0	1	0	0	0	
	offered by different internet service providers: binary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
	offered by different banks: binary	1	0	1	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	0	0	1	1	1	1
	viii b) Extent that the consumer finds it difficult to compare deals (1=not at all difficult; 4=very difficult)																																
	offered by different gas and/or electricity providers	2	3	3	3	3	2	3	2	2	3	2	2	3	3	2	3	3	3	3	2	2	3	3	3	2	2	3	2	2	2	2	2
	offered by different internet service providers	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3	2	2	2	2	2	2	2	2	2	2	2	2
	offered by different banks	2	3	2	3	3	2	3	2	2	3	2	3	3	3	2	3	2	2	2	2	2	2	2	3	2	2	2	3	2	2	2	2
	Has problems in comparing deals due to personal factors (0= has no problem; 1= has problems)																																
	Energy	0	0	0				0	0	0	0	0	0			0	0			0	0			0	0	0			0	0	0	0	
	Online	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Finance	0	0	0				0	0	0	0	0	0			0	0			0	0			0	0	0			0	0	0	0	
	Has problems in comparing deals due to market-related factors (0= has no problem; 1= has problems)																																

Table 22: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability by country

Dimension	Indicators (code)	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom
	Energy	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	Online	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Finance	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	Has problems in comparing deals due to access-related factors (0= has no problem; 1= has problems)																															
	Energy	0	0	0				0	0	0	0	0	0			0	0			1	0		0		0	0	0			0	0	0
	Online	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Finance	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0
	ix) Has not recently switched due to a) personal factors, b) market-related factors, c) access-related factors, d) termination costs and e) bundling of offers (0=no; 1=yes, has not recently switched due to the factors)																															
	Personal (energy)	0							0											0					0	0					0	
	Personal (online)	0							0											0					0	0					0	
	Personal (finance)	0							0											0					0	0					0	
	Market (energy)	0							0											0					0	0					0	
	Market (online)	0							0											0					0	0					0	
	Market (finance)	0							0											0					0	0					0	
	Access (energy)	0							0											0					0	0					0	
	Access (online)	0							0											0					0	0					0	
	Access (finance)	0							0											0					0	0					0	
	Termination costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 22: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability by country																																		
Dimension	Indicators (code)	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom		
				Bundling of offers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	x) Excluded from e-commerce due to difficulty of the process or due to not having a credit card (0= no; 1=yes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	xi) Declined a loan (0= no; 1=yes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5. Higher susceptibility to marketing practices	xii) Perception of own vulnerability due to complexity of offers (1=not at all vulnerable; 4=very vulnerable)	2	2	2	2	2	3	2	2	2	2	2	2	3	2	2	2	2	3	2	2	2	2	2	3	3	2	2	3	2	2	2	2	
	Perception of own vulnerability due to complexity of offers ‘Vulnerable to a great extent due to complexity of offers’ (own perception : 0=no ; 1=yes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: empty cells imply that question was not administered in the country. In the average response column, values in green imply that the median respondent (in the full sample) is not vulnerable, whereas values in red imply that the median respondent (in the full sample) is vulnerable. In the country-level columns, values in green (red) imply that the median respondent in the relevant country is less (more) vulnerable than the median respondent in the full sample.

Table 23: Mapping median responses from the survey to the dimensions and indicators identified as the main drivers of vulnerability - number of deviations from the median by country

Number of indicators differing from median	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom
Number of indicators with median more vulnerable than the average consumer	0	1	2	2	4	0	1	2	0	1	0	4	3	1	0	1	3	2	1	1	1	1	6	5	0	1	4	1	0	0
Number of indicators with median less vulnerable than the average consumer	6	3	0	1	0	5	2	2	2	0	4	1	0	3	2	1	0	0	3	3	5	3	1	0	2	3	1	5	5	3

5.2.3. Prevalence of the “average” consumer as defined by the UCPD

The existing definition of the average consumer in the UCPD refers to being “well informed”, “observant” and “circumspect”. The appropriate explanatory and dependent variables which contribute to such a definition have been mapped against two dimensions: “well informed” and “observant and circumspect”. The list of indicators and median responses from the EU 28 and Norway and Iceland sample and the EU 28 sample are provided in Table 24.

Most of the indicators used to form a definition of the average consumer in Table 24 can be termed as measures of respondents’ self-assessed character traits and tests of respondents’ character and ability, which might also be considered ‘behaviour drivers’ of vulnerability. For all scale indicators, the median responses are moderate – e.g. for indicators iv) to viii) where there are four response options, none of the median responses are at the two end points of the scale, but rather clustered around the two middle values. This conforms to expectations of median values from self-assessment of various behavioural traits.

- **Dimension 1:** Overall, the average consumer reads communication from energy or internet providers or banks, but declares to have ‘glanced over or skim read it’. The average consumer also feels quite informed and does not only get information from adverts.
- **Dimension 2:** The questions defining personality traits such as credulity and risk aversion cannot easily be related to vulnerability. In general, the average consumer tends to agree on being careful when dealing with people and when taking decisions, and does not trust advertisements as objective sources. The average consumer is also not willing to take risks. On average, consumers were able to answer correctly all questions related to the key market terminology and credulity questions.

Overall, therefore, the average consumer appears to be well informed (although not too thorough in reading communication from providers) and circumspect.

Table 24: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer

Dimension	Indicators	Median response – EEA sample	Median response – EU 28 sample
<i>1. Well informed</i>	i) Reads communication from providers (1= Read it in detail, 2=Glanced over it or skim read it, 3=Only looked at the total price, 4=Did not read it at all)	Read communication from internet, banking or energy providers, but glanced over or skim read it	Read communication from internet, banking or energy providers, but glanced over or skim read it
	ii) Does not feel informed about prices (1=very 2=quite, 3=not very 4=not at all)	Feels quite informed about prices	Feels quite informed about prices

Table 24: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer

Dimension	Indicators	Median response – EEA sample	Median response – EU 28 sample
	iii) Gets information from adverts only (0=not adverts only; 1=adverts only) (energy, finance, online 5_adv_ene; 5_adv_fin; 5_adv_onl)	Does not get information only from adverts in energy, online or finance sector	Does not get information only from adverts in energy, online or finance sector
<i>2. Observant and circumspect</i>	iv) Careful in dealing with people (1=Strongly agree, 2=Tend to agree, 3=Tend to disagree, 4=Strongly disagree)	Tends to agree	Tends to agree
	v) Credulous in assessing objectivity in advertising (1=strongly disagree, 2=tend to disagree, 3=tend to agree, 4=strongly agree)	Tends to disagree that advertisements report objective fact	Tends to disagree that advertisements report objective fact
	vi) Careful in making decisions (1=very 2=quite, 3=not very 4=not at all)	Quite careful in making decisions	Quite careful in making decisions
	vii) Willing to take risks (1=not at all willing, 2=not very willing, 3=fairly willing, 4=very willing)	Not very willing to take risks	Not very willing to take risks
	viii) Believes people can be trusted (1=Strongly agree, 2=Tend to agree, 3=Tend to disagree, 4=Strongly disagree)	Tends to disagree	Tends to disagree
	ix) Test questions on understanding of key market terminology (kWh, Mbps, interest rate)	Was able to correctly identify terminology for energy, internet and finance provision	Was able to correctly identify terminology for energy, internet and finance provision
	Test question for measuring understanding of cheapest option	Was able to identify both answers correctly	Was able to identify both answers correctly
	Test question for measuring credulity	Was able to answer correctly	Was able to answer correctly

Note that the responses from the full sample with all EEA member states were the same as the responses from the EU 28 member state only.

Looking at country patterns, there is little variation from the average consumer at European level (Table 25) in terms of UCPD dimensions.

- **Dimension 1:** A few countries (Bulgaria, Cyprus, Estonia, Lithuania, Luxembourg and Romania) declared on average to have only looked at the total price in the latest communication from energy providers, while in Iceland,

the median response was 'not read it at all'. There is no variation in the extent to which consumers feel informed about prices, and in all countries the average respondent does not rely only on adverts for information.

- **Dimension 2:** In the case of behavioural traits such as credulity and trust, there are some minor differences, but in most cases the answers do not contradict the median response. The same countries that exhibited more vulnerability in the previous analysis (Bulgaria, Cyprus, Greece, Hungary, Latvia, Romania), as well as Malta and Slovakia, declared they *strongly* agreed that one needs to be careful when dealing with people. Interestingly, the contradiction is found in Iceland and Sweden, where the median response was a disagreement with the statement. In the case of the statement 'most people can be trusted', while the average consumer tends to disagree, the average consumer in Denmark, Estonia, Finland, Iceland, Norway, Sweden, the Netherlands and the United Kingdom responded with mild agreement. On the other hand, no country had an average consumer who believes advertising to report objective facts.

Table 25: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer, by country

Dimension	Indicators	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom		
1. Well informed	i) Reads communication from providers (energy, internet or bank) (1= Read it in detail, 2=Glanced over it or skim read it, 3=Only looked at the total price, 4=Did not read it at all)																																	
	Energy	2	2	2	3	2	3	2	2	3	2	2	2	2	2	2	2	2	2	3	3	2	2	2	2	3	2	2	2	2	2	2	2	
	Online	2	2	2	2	2	3	2	2	2	2	2	2	2	2	2	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
	Finance	2	1	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
	ii) Does not feel informed (1=very, 2=quite, 3=not very, 4=not at all)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
	iii) Gets information from adverts only, or also other sources: (0=not adverts only; 1=adverts only) (energy, finance, online)																																	
	Energy	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0	0	
	Online	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Finance	0	0	0				0	0	0	0	0	0			0	0			0	0		0		0	0	0			0	0	0	0	0

Table 25: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer, by country																																
Dimension	Indicators	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom
2. <i>Observant and circumspect</i>	iv) Careful in dealing with people (1=Strongly agree, 2=Tend to agree, 3=Tend to disagree, 4=Strongly disagree)	2	2	2	1	2	1	1	2	2	2	2	2	1	1	3	2	2	1	2	2	2	2	2	2	1	1	2	2	3	2	2

Table 25: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer, by country

Dimension	Indicators	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom
		v) Credulous in assessing objectivity in advertising 1=strongly disagree, 2=tend to disagree, 3=tend to agree, 4=strongly agree		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
vi) Careful in making decisions (1=very, 2=quite, 3=not very, 4=not at all)		2	2	2	2	1	2	2	2	2	2	1	2	1	2	2	1	1	2	2	2	1	2	2	1	2	2	2	2	2	2	1

Table 25: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer, by country																																	
Dimensi on	Indicat ors	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom	
	vii) Willing to take risks (1=not at all willing, 2=not very willing, 3=fairly willing, 4=very willing)	2							2											2					2	2						2	
	viii) Believes people can be trusted (1=strongly disagree, 2=tend to disagree, 3=tend to agree, 4=strongly agree)	2	2	2	2	2	2	2	3	3	3	2	2	2	2	3	2	2	2	2	2	2	3	2	2	2	2	2	2	2	3	3	3

Table 25: Mapping median responses from the survey to the dimensions and indicators identified as part of the UCPD definition of the average consumer, by country

Dimension	Indicators	Average response	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Netherlands	United Kingdom	
		Test question for measuring credulity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	2	2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	1	2	2	2	2	2	2	2	2	2	2			
ix) Test questions on understanding of key market terminology (kWh, Mbps, interest rate)																																	
kWh	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	1	1	1	0
Mbps	1	1	0	1	1	0	1	1	1	1	1	0	1	1	1	1	1	0	1	1	1	0	1	0	1	1	1	1	0	1	1	1	1
Interest rate	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	0	1	1	0	1	1	1	1	1	1	0	1	1	1	1	1	1	1

6. DRIVERS OF AND FACTORS LINKED TO CONSUMER VULNERABILITY

Box 4: Summary of Chapter 6

This chapter examines evidence relating to the drivers of consumer vulnerability. In particular, the chapter investigates which variables are linked with the dimensions of vulnerability set out in chapter 3:

- Dimension 1: Heightened risk of negative outcomes or impacts on well-being
- Dimension 2: Having characteristics that limit ability to maximise well-being
- Dimension 3: Having difficulty in obtaining or assimilating information
- Dimension 4: Inability or failure to buy, choose or access suitable products
- Dimension 5: Higher susceptibility to marketing practices

Each dimension is operationalised via one or more indicators, as set out in chapter 3.

The following types of drivers are examined (Chapter 3 explains how these drivers are operationalised):

- Personal and demographic characteristics
- Behavioural drivers/characteristics
- Market-related drivers
- Access drivers
- Situational drivers

Market-related drivers are found to be particularly important, since these are often consistently linked with many vulnerability indicators across multiple dimensions, and often have the strongest effects on individual indicators (see below for details). However, other types of drivers are also important, especially with respect to certain dimensions and vulnerability indicators. For example, among the behavioural drivers, being trusting has particularly strong effects on feeling uniformed about prices, quality, etc. and feeling vulnerable due to the complexity of offers; among the access drivers, using the internet to search for information has a strong impact on being able to choose between offers; and among the situational drivers, finding it hard to make ends meet is linked with vulnerability across many dimensions (details below).

Overall across the indicators examined for each dimension, the **strongest** links between the drivers and dimensions are:

Personal and demographic characteristics

- **Young age** is associated with a higher likelihood of vulnerability in dimensions 1 and 2.
- **Older age** is linked with an increased likelihood of vulnerability in terms of certain aspects of dimension 4, in particular having problems comparing and choosing between⁸² deals. However, older age is also associated with a lower likelihood of vulnerability in terms of other aspects of dimension 4, namely exclusion from e-commerce and being declined a loan.
- **Gender**, specifically being male, is associated with a lower likelihood of vulnerability in terms of having problems comparing deals (in dimension 4).

⁸² Insights regarding choosing between deals are based on the experiment results.

- **Living in a low density region** is related to a higher likelihood of vulnerability in terms of being excluded from e-commerce (in dimension 4).
- **Being low educated** is linked with a higher likelihood of vulnerability in terms of having problems choosing between deals (in dimension 4).
- **Being a non-native speaker**⁸³ is related to a higher likelihood of vulnerability in dimensions 1 and 2, in terms of having problems choosing between deals (in dimension 4), and in dimension 5. Regarding dimension 5, this driver has one of the strongest effects on feeling vulnerable due to the complexity of offers (the effect being to increase the feeling of vulnerability).

Behavioural drivers/characteristics

- **Having higher trust in people**⁸⁴ is associated with a lower likelihood of vulnerability in dimensions 2 and 5, but a higher likelihood of vulnerability in terms of feeling uniformed about prices, quality, etc. (in dimension 3). With respect to dimension 5, this driver has one of the strongest effects on feeling vulnerable due to the complexity of offers (the effect being to reduce the feeling of vulnerability).
- **Having higher credulity**⁸⁵ is linked with a higher likelihood of vulnerability in dimensions 1 and 2, but a lower likelihood of vulnerability in terms of having problems comparing deals (in dimension 4). Furthermore, failing the **credulity test**⁸⁶ is associated with a higher likelihood of having problems choosing between deals (in dimension 4).
- **Being more impulsive**⁸⁷ is related to a higher likelihood of vulnerability in terms of feeling uniformed about prices, quality, etc (in dimension 3), having problems comparing deals (in dimension 4), and exclusion from e-commerce and being declined a loan (in dimension 4).
- **Being more willing to take risks** is linked with a lower likelihood of vulnerability in dimension 2, in terms of feeling uniformed about prices, quality, etc (in dimension 3), and in dimension 5. However, this characteristic is associated with a higher likelihood of vulnerability in terms of having problems choosing between deals (in dimension 4).
- The effects of **high impulsiveness** and **being willing to take risks** on feeling uniformed about prices, quality, etc are the largest magnitude effects for that indicator (in opposite directions).

⁸³ That is, having a mother tongue different to the official language of their country.

⁸⁴ This measure is based on the extent that respondents agree with the statement that "you need to be very careful in dealing with people".

⁸⁵ This measure is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

⁸⁶ The credulity test asked respondents whether the radio advertisement "Sign-up to BEACH BREAKS and receive a free pair of sunglasses. Sunglasses delivered when you purchase one of our beach holidays" 1) offers free sunglasses to all who sign-up to beach breaks, 2) offers sunglasses only to those who buy a holiday from beach breaks, or 3) they do not know which answer is correct. Those who identified the second answer as the correct response answered the credulity test question correctly.

⁸⁷ These findings are based on the results for 3 impulsiveness measures. These measures are based on the extent that respondents agree with the statements: "I have a hard time breaking bad habits", "people would say that I have very strong self-discipline" and "I'm impulsive in the purchase decisions I take".

- **Having better computational ability** is linked with a lower likelihood of vulnerability in terms of being unassertive when problems occur (in dimension 1) and in terms of having problems choosing between deals (in dimension 4).

Market related drivers

- **Being unable to read contract terms and conditions** due to overly small print is associated with a higher likelihood of vulnerability in all dimensions. Together with finding it difficult to make ends meet, this driver is one of two that are consistently linked with vulnerability across the dimensions. It also has the strongest (i.e. largest magnitude) relationship with being excluded from e-commerce (in dimension 4).
- **Rarely comparing deals from providers** (i.e. energy suppliers, internet providers or banks) is linked with an increased likelihood of vulnerability in several dimensions. In particular, rarely comparing deals from energy suppliers is related to a higher likelihood of vulnerability in terms of being unassertive when problems occur (in dimension 1), and in terms of having problems comparing deals and not switching deals (in dimension 4). Rarely comparing deals from energy suppliers is the driver with the strongest effect on any single indicator relating to not switching (in dimension 4).
- **Not knowing your contract conditions** (i.e. your energy supply, internet provider or bank contract conditions) is associated with a higher likelihood of vulnerability across multiple dimensions. In particular, not knowing your bank contract is linked with a higher likelihood of vulnerability in dimension 1 and in terms of having problems comparing offers and not switching (in dimension 4).
- **Not reading communications from your provider** (i.e. your energy supplier, internet provider or bank) and **finding it hard to understand communications from your provider** is related to an increased likelihood of vulnerability in most dimensions. In particular, finding it difficult to understand communications from your internet provider or bank is linked with a higher likelihood of vulnerability in dimensions 1, 3 and 4. Finding it hard to understand communications from your internet provider is the driver with the strongest (i.e. largest magnitude) relationship with vulnerability in dimension 1, and the strongest effect on any single indicator relating to having problems comparing deals (in dimension 4).

Access drivers

- **Using the internet more overall** (in terms of the number of activities it is used for at least once per month) is linked with a lower likelihood of vulnerability in terms of overpaying for services due to being unable to use certain payment methods (in dimension 1), feeling vulnerable due to personal characteristics (in dimension 2), and being declined a loan (in dimension 4).
- **Using the internet to search for information** (at least once per month) is associated with a lower likelihood of vulnerability in terms of being able to choose between offers⁸⁸ (in dimension 4), and, furthermore, this driver has the largest magnitude effect on this indicator.

⁸⁸ That is, those who search for information online were more likely to choose the best offer in the experiments.

Situational drivers

- **Finding it difficult to make ends meet** is associated with an increased likelihood of vulnerability across all dimensions. Together with being unable to read contract terms and conditions due to small print, this driver is one of two that are consistently linked with vulnerability across the dimensions. It also has the strongest (i.e. largest magnitude) relationship with feeling vulnerable due to personal characteristics (in dimension 2).
- **Having friends who find it difficult to make ends meet** is also linked with multiple dimensions of vulnerability; in particular, this driver is associated with a higher likelihood of vulnerability in dimensions 1 and 2, in terms of having problems choosing between deals (in dimension 4), in terms of being excluded from e-commerce (in dimension 4), and in dimension 5.
- **Being long-term sick or disabled** has one of the strongest (i.e. largest magnitude) relationships with feeling vulnerable due to personal characteristics (in dimension 2).
- Most other situational drivers are not consistently related with higher or lower vulnerability across the dimensions; for example, **being unemployed and not seeking employment** is associated with a lower likelihood of vulnerability in terms of being unassertive when problems occur (in dimension 1), but a higher likelihood of vulnerability in terms of feeling uninformated about prices, quality, etc. (in dimension 3) and being excluded from e-commerce (in dimension 4).

This chapter examines the drivers of and factors linked to consumer vulnerability based on insights from the literature review and stakeholder consultation, and by investigating which explanatory variables are linked with the indicators of vulnerability developed in Chapter 3 based on the survey and experiment data.

A number of issues from the research questions set out in section 1.4 (specifically RQ1, RQ2, RQ6 and RQ7) are examined in this chapter, such as what consumer characteristics and skills are needed to avoid vulnerability, which characteristics point to a higher risk of vulnerability, and the implications of having multiple characteristics that are linked to vulnerability. Some of the analysis examines these issues by sector, whereas other parts of the analysis are cross-cutting across sectors (complexities of vulnerability across sectors are examined in more detail in Chapter 9).

Evidence from the literature review, consumer survey and behavioural experiment suggests that a wide range of factors are linked to consumer vulnerability. These factors can be divided into five categories:

- 1) Personal and demographic characteristics.
- 2) Consumers character traits and ability, which might be considered behavioural drivers of vulnerability.⁸⁹
- 3) Market-related drivers of vulnerability, including the marketing practices and remedies examined in the experiments, and consumers' experience in the key markets examined in the study.

⁸⁹ Consumers' character traits and ability are measured through the survey. See Table 7 in Section 3.7.

- 4) Access drivers of vulnerability.
- 5) Situational drivers of vulnerability.

The following subsection gives an overview of how the survey and experiment data analysis supporting this chapter was conducted. Then, each of the five categories of drivers and factors listed above are examined in turn.

6.1. Overview of the survey and experiment data analysis supporting this chapter

To investigate the factors linked to consumer vulnerability, a wide-ranging analysis has been undertaken based on the survey and experiment data. This includes analysis of the correlations between a large number of variables and regressions between many dependent and explanatory variables. The analysis conducted is explained in full in Annex 8 and complete tables of results are available in Excel files provided alongside the report. The most useful and important results are drawn out and discussed below.

This chapter draws on the results of the general-to-specific (G-S) econometric approach, which includes a wide range of explanatory variables in regressions of indicators of vulnerability. The G-S methodology is described in A8.1.1. We focus on the G-S results (rather than, for example, pair-wise correlation coefficients) since this approach assesses whether relationships between variables are statistically significant in a multivariate setting, where other factors are controlled for.⁹⁰ Apparent relationships between pairs of variables (e.g. as shown by correlation coefficients) may not hold in a multivariate setting.

The G-S approach produces a single final regression model for each dependent variable, which includes statistically significant explanatory variables. The explanatory variables examined in the analysis include personal and demographic characteristics, behavioural drivers, market-related drivers, access drivers and situational drivers. The explanatory variables are set out in Table 7 in Section 3.7.

The dependent variables are the indicators of vulnerability established in Chapter 3 and respondents' performance in the experiments. Thirty-nine dependent variables are examined in this analysis (38 indicators based on the survey questions, plus respondents' overall performance in the experiments). These are set out in section 3.6.

The results presented in sections 6.2 to 6.6 are based on the full sample available for each indicator. However, the drivers of vulnerability have also been examined at country and country group level. The country and country group level analysis is discussed in section 6.7.

6.1.1. Types of regression model and output

The type of regression model estimated, and the type of results presented, depends on whether the dependent variable in question is a binary variable (i.e. taking values 0 or 1) or a scale variable (e.g. taking values 1, 2, 3 or 4):

⁹⁰ Apparent relationships between pairs of variables (e.g. as shown by correlation coefficients) may not hold in a multivariate setting.

- For **binary dependent variables**, *logistic regression* models are estimated and the results presented are *marginal effects*. Each marginal effect represents the change in the likelihood that an individual is vulnerable on the relevant indicator⁹¹ if that individual is in a certain group, relative to a 'base group'. For example, if the marginal effect for a particular group is 0.05, being a member of this group rather than the base group increases the probability of being vulnerable on the relevant indicator by 5 percentage points (pp). **That is, values above zero imply higher probability of vulnerability, whereas values below zero imply lower probability of vulnerability.**
- For **scale dependent variables**, *ordered logistic regression* models are estimated and the results presented are *odds ratios*. Each odds ratio shows whether members of a certain group have higher or lower odds (i.e. 'chance') of having a higher value on the dependent variable scale, compared to a base group.⁹² For example, if the odds ratio for a particular group is 1.5, the odds of having a higher value on the dependent variable scale are 1.5 times higher for this group than for the base group. **That is, an odds ratio above one implies higher vulnerability, whereas an odds ratio of less than one implies lower vulnerability.**

6.1.2. Dependent variables

The G-S regression analysis examines the relationships between the explanatory variables set out in Table 7 in Section 3.7 and the survey-based indicators of vulnerability listed below (which are the dependent variables in the regressions). In total, 38 indicators based on the survey questions as well as respondents' overall performance in the experiments are examined in this analysis. These indicators are defined in Table 5 in section 3.6 (the codes in parentheses in the list below match those in Table 5, as well as those in the following results sections).

Dimension 1:

- Indicator 1. Unassertive when experienced a problem (1).
- Indicator 2. Overpaid for services due to being unable to use certain payment methods (2).

Dimension 2:

- Indicator 3. Perception of own vulnerability due to personal characteristics (3).

Dimension 3:

- Indicator 4. Does not feel informed about prices etc. (4).
- Indicator 5. Gets information from advertisements only; separately for the energy (5_adv_ene), online (5_adv_onl) and finance (5_adv_fin) sectors.
- Indicator 6. Has problems comparing deals due to information-related factors; separately for the energy (6_ene), online (6_onl) and finance (6_fin) sectors.

⁹¹ That is, the likelihood that the dependent variable is equal to 1.

⁹² Put another way, for any point on the dependent variable scale, an odds ratio is the ratio of the odds that a certain group is above that point, to the odds that the base group is above that point. The odds ratio applies in the same way at all points on the dependent variable scale.

- Indicator 7. Has not switched due to information-related factors; separately for the energy (7_ene), online (7_onl) and finance (7_fin) sectors.

Dimension 4:

- Indicator 8a. Has problems comparing deals due to personal factors; separately for the energy (8a_ene), online (8a_onl) and finance (8a_fin) sectors.
- Indicator 8b. Has problems comparing deals due to market-related factors; separately for the energy (8b_ene), online (8b_onl) and finance (8b_fin) sectors.
- Indicator 8c. Has problems comparing deals due to access-related factors; separately for the energy (8c_ene), online (8c_onl) and finance (8c_fin) sectors.
- Indicator 9a. Has not switched due to personal factors; separately for the energy (9a_ene), online (9a_onl) and finance (9a_fin) sectors.
- Indicator 9b. Has not switched due to market-related factors; separately for the energy (9b_ene), online (9b_onl) and finance (9b_fin) sectors.
- Indicator 9c. Has not switched due to access-related factors; separately for the energy (9c_ene), online (9c_onl) and finance (9c_fin) sectors.
- Indicator 9d. Has not switched due to termination costs.
- Indicator 9e. Has not switched due to bundling.
- Indicator 10a. Excluded from e-commerce due to difficulty of the process.
- Indicator 10b. Excluded from e-commerce due to not having a payment card.
- Indicator 11. Declined for a loan.

Dimension 5:

- Indicator 12. Perception of own vulnerability due to complexity of offers.
- Experiment performance. Respondents' overall performance in the experiments.

Fewer indicators are examined in this chapter than in the previous chapter on the incidence of vulnerability⁹³ since some indicators examined in Chapter 4 were created specifically to proxy for the fourth dimension of vulnerability in the analysis reported in section 3.3, so these indicators are not examined elsewhere in the report.⁹⁴ In addition, the analysis in this chapter is far more complex, which places constraints on the number of indicators that can be examined given the computing time available, and produces many results per indicator, so to keep the results reasonably concise only a selection of indicators are examined.⁹⁵

⁹³ Thirty-eight indicators are examined in this chapter, compared to 48 in the previous chapter.

⁹⁴ This specifically refers to indicators 23 to 28 in Table 5 in section 3.6. These indicators do not strictly match any indicators that are conceptualised in section 6.4.

⁹⁵ For example, the indicators of consumers' perceptions of their own vulnerability due to specific factors (i.e. indicators 3 to 10 Table 5 in section 3.6) are not examined in this chapter. In the analysis in this chapter these indicators are replaced with a single indicator (based on the same survey question) signifying the extent (on a scale from 1 to 4) that consumers feel vulnerable due to any factor mentioned in the survey question. This replacement is made

Furthermore, there are no results for indicator 7 for the online sector since the G-S process could not be run for this indicator due to the low total number of respondents who are vulnerable on this indicator. Hence, in the results tables in the following sections no results are presented for this indicator.

In addition, a further indicator that is examined in this chapter is respondents' performance in the experiments. Specifically, the analysis examines the relationships between the explanatory variables and respondents' overall performance in the experiments.

6.2. Personal and demographic characteristics

Although, as noted in the previous sections, vulnerability is a dynamic concept and should not simply be linked to selected consumer groups (see Chapter 3), there is value in recognising the consumer groups at greatest risk of vulnerability. As Commuri and Ekici (2008) point out, while it is important to be aware of the complexity of consumer vulnerability, identifying specific consumers groups can help policymakers in designing potential interventions.

Conversely, economic operators can also use these consumer characteristics to target practices to specific consumer groups. Harrison and Gray (2010) highlight the risk of increasing ability by financial service providers to profile their customers, while a recent review of the data broker industry conducted by the US Senate Committee on Commerce, Science and Transportation (2013) shows how "big data" can allow businesses to target their offers to specific consumer groups, including those identified as vulnerable. The report from the Multi-Stakeholder Dialogue on Comparison Tools (2013) also highlights the fact that new technologies allow vendors to identify specific consumer profiles and adjust prices and access accordingly.

It is therefore important to be aware of potential characteristics associated with vulnerability, both in order to better design policy and to identify problematic practices. This section examines specific consumer characteristics which, based on evidence from the literature, the consumer survey and the behavioural experiments, may contribute to vulnerability. The characteristics examined include age, disability, gender, cultural background and ethnicity, education and location.

Relevant results from the survey and experiment data analysis are summarised in the matrix presented in Figure 49. The indicator codes across the top of the matrix match those in the list of indicators in section 3.6, as well as those in the table of indicators in Annex 8.⁹⁶ The consumer characteristics in the matrix (down the left hand side) are defined (alongside all other explanatory variables examined in the data analysis) in Table 7 in section 3.7.

since this chapter aims to examine the links between different factors and consumers' overall feeling vulnerability (whatever the reason for that perception of vulnerability).

⁹⁶ There are no results for Indicator 7 for the online sector since the G-S process could not be run for this indicator due to the low total number of respondents who are vulnerable on this indicator. Hence, in the results tables in this section no results are presented for this indicator.

In the matrix, red cells show that consumers with a particular characteristic are found to be more likely to be vulnerable on the indicator in question, whereas green cells mean that consumers with a certain characteristic are less likely to be vulnerable on the corresponding indicator. Grey cells show that a characteristic was controlled for in the regression, while white cells mean that a characteristic was not included in the regression (based on the G-S approach). The right-hand column in the matrix shows the links between respondents' characteristics and their overall performance in the experiments, across all experiments and rounds.

In summary, as can be seen from the matrix, the results in which demographic and personal characteristics are most closely linked with the various dimensions of vulnerability are very mixed, with differences across dimensions, sectors and indicators. For example, the results suggest that:

- Younger age groups (aged 16-24 and 25-34) are more likely to be vulnerable based on indicators in dimensions 1 (heightened risk of negative outcomes or impacts on wellbeing) and 2 (having characteristics that limit ability to maximise wellbeing);
- Older consumers (aged 65-74 and 75+) are more likely to be vulnerable on some indicators in dimensions 3 (having difficulty obtaining or assimilating information) and 4 (inability to buy, choose or access suitable products), but are also less likely to be vulnerable on other indicators in these dimensions;
- Men are often less likely to be vulnerable than women on a number of indicators in dimension 4 (inability to buy, choose or access suitable products); and
- Non-native speakers are more likely to be vulnerable than native speakers on at least one indicator in every dimension, and are less likely to be vulnerable on relatively few indicators; this group is the only group who are more likely to be vulnerable on more indicators than the number of indicators they are less likely to be vulnerable on, in every dimension.

Furthermore, in some areas there is also some contrast between the results from the survey data analysis and the experiments. In particular, whereas the survey results suggest that consumers with low education are less likely to be vulnerable than those with high education on several indicators in dimension 4, which relates to inability to select suitable products. Those with low education were also less able to choose the best deals overall in the experiments.

Hence, the overall conclusion is that no demographic or personal characteristic is linked to any dimension of vulnerability consistently across all or nearly all indicators in the dimension, but rather it depends on the specific type and measure of vulnerability that is being considered.

The links between consumers' demographic and personal characteristics and each dimension of vulnerability are explored in more detail in the following sub-sections, which draw on evidence from the literature review, survey and behavioural experiments.

The reporting and discussion of the survey and experiment results in the text below focuses only on statistically significant results (unless expressly noted otherwise). The full set of explanatory variables examined in the G-S analysis is presented in Table 7 in section 3.7. This table also indicates which variables (i.e. which levels or categories) are used as bases in the analysis.

Figure 27: Matrix of personal and demographic characteristics linked to survey-based indicators of vulnerability

Dimension:	D1		D2		D3							D4											D5		D4													
Feature:					Information problems							Problems comparing						Not switched					Excluded		Offers													
Sector:	-		-		Energy			Online		Finance		Energy		Online		Finance		-			e-com		-		-		-											
Indicator:	1	2	3	4	5	6	7	5	6	7	5	6	7	8a	8b	8c	8a	8b	8c	8a	8b	8c	9a	9b	9c	9a	9b	9c	9d	9e	10a	10b	11	12b	12	exp		
Characteristic / Driver	Unassertive	Overpaid	Feels vulnerable	Feels uninformed	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Termination cost	Bundled offers	Difficult process	Payment card	Declined for loan	Very vulnerable	Vulnerable scale	Experiment		
Age 16-24																																						
Age 25-34																																						
Age 45-54																																						
Age 55-64																																						
Age 65-74																																						
Age 75+																																						
Male																																						
Low density region																																						
Medium density region																																						
Household size																																						
Low education																																						
Medium education																																						
Non-native tongue, no difficulty																																						
Non-native tongue, difficulty																																						

6.2.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

Evidence from the literature and the survey data provides insights into links between various personal and demographic characteristics and the first dimension of vulnerability, *a heightened risk of negative outcomes or impacts on well-being*. In particular, below we consider the characteristics of age, gender, language, education and locality.

The literature identifies a number of reasons why old age⁹⁷ could increase the risk of negative outcomes or impacts on well-being and so contribute to this dimension of vulnerability:

- There is some evidence that older people may be more prone to certain behavioural biases (Lunn and Lyons 2010);
- Older consumers are more likely to face cognitive, sensory or mobility limitations (Stearn 2012, Griffiths and Harmon-Kizer 2011);
- Older consumers may find themselves in a new financial situation (Griffiths and Harmon-Kizer 2011); and
- Financial products offered later in life (e.g. annuities or reverse mortgages) are becoming increasingly complex (Stearn 2012).

Age is also closely linked to the concept of informed consent, where older consumers, especially those with cognitive or sensory limitations, may sign consent documents without being able to fully understand, process, and retain the information necessary for a truly informed consent (Griffiths and Harmon-Kizer 2011).

Moschis, Mosteller, and Kwai Fatt (2011) note that existing theoretical (aging as a biological or psychological phenomenon) and empirical (results of consumer surveys and consumer complaint databases) explanations of older consumers' vulnerability do not paint a clear picture. Instead, they argue that vulnerability is highly dependent on

⁹⁷ Although the literature takes different approaches to defining older consumers, they are usually seen as people over the age of 65, and in our survey and experiment data analysis, we examine those aged 65-74 and those aged 75+ (as well as and in comparison to younger age bands).

This is in line with the approach of the WHO, which identifies the age 65 or over as a common definition of "older" or "elderly" (<http://www.who.int/healthinfo/survey/ageingdefnolder/en/>), as well as the OECD, which uses 65+ as the definition of "elderly population" (<https://data.oecd.org/pop/elderly-population.htm>). Similarly 65+ is used in statistical publications in Member States such as Germany (<https://www.destatis.de/EN/Publications/Specialized/Population/OlderPeopleEU.html>) or the United Kingdom (<http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-older-people-/what-does-the-2011-census-tell-us-about-older-people--short-story.html>).

At the same time, the age 50+ is also sometimes in use (i.e. "seniors" in France are classified as citizens over 50 years of age (<http://www.entreprises.gouv.fr/secteurs-professionnels/etudes-sur-seniors-juin-2010>) and AGE Platform Europe has citizens over 50 as its target group (<http://www.age-platform.eu/about-age>)), while the 80+ category is used as a distinct age group by Eurostat (http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing).

the individuals' previous life experiences. For instance, while older consumers may find themselves in new financial situations due to retirement, for consumers who have secured sufficient pensions and at that point have settled any debts, this new situation would not necessarily be a source of vulnerability.

Results from the survey data analysis also demonstrate a link between age and this dimension of vulnerability. However, contrary to the discussion above, it is younger age groups rather than the elderly that are identified as more at risk based on this analysis.

Results from the general-to-specific (G-S) regression methodology based on the full sample (including all countries) showing the impacts of personal and demographic characteristics on the indicators of vulnerability in this dimension are shown in Table 26 below.⁹⁸

These results show that, controlling for all other characteristics included in the regression, those in younger age groups are more likely to be vulnerable on the two indicators in this dimension (Indicator 1 and Indicator 2). Specifically, those in age groups 16-24 and 25-34 are more likely to be unassertive in terms of not taking action when they experience a problem and more likely to overpay for services due to being unable to use certain payment methods, compared to those aged 35-44 (which was used as the base age group in the analysis).⁹⁹

The impact of young age on the assertiveness indicator is among the strongest impacts shown in Table 26, with a marginal effect of 0.07 implying that those in the youngest age group are around 7 percentage points (pp) less likely to take action when they experience a problem than those in the base group (age 35-44).

⁹⁸ As noted above, we have undertaken a wide range of analysis based on the survey and experiment data in order to examine the factors linked to consumer vulnerability, and this chapter draws mainly on the results of the G-S approach. The output of the G-S approach is a single regression model for each dependent variable (i.e. the indicators of vulnerability and respondents' performance in the experiments), which includes statistically significant explanatory variables from across the five different categories (personal and demographic characteristics, behavioural drivers, etc.). In each section of this chapter, we focus on the results relating to the relevant category of explanatory variables. The full set of explanatory variables examined in the analysis is presented in Annex 4. The full set of explanatory variables included in each regression (with associated p-values) can be seen in the Excel files provided alongside this report.

⁹⁹ This age group was chosen as the base group for the analysis since, based on an initial analysis of correlation coefficients, our expectation was that this group would (often) be least vulnerable, or among the least vulnerable. In addition, this group are old enough to be experienced and young enough not to suffer from the effects of older age (45-54 would have been a similar choice in this respect).

Table 26: Impact of personal and demographic characteristics on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
Age 16-24	0.0700***	0.0250***	1.487***
Age 25-34	0.0429**	0.0167***	1.276***
Age 45-54	0.0290	-0.00873	0.866***
Age 55-64	0.0102	-0.0143**	0.795***
Age 65-74	0.0272	-0.00934	0.727***
Age 75+	-0.0302	-0.0206*	0.828*
Male	0.0294**	0.00662*	0.923***
Low density region	-	0.00859**	-
Medium density region	-	0.000327	-
Household size	-	0.00242*	-
Low education	-	-0.0147***	-
Medium education	-	-0.00825**	-
Non-native speaker, no difficulty	0.0839***	0.0366***	1.185***
Non-native tongue, difficulty	0.0559	0.0712***	2.289***
N	7,826	26,653	26,653
R ²	0.0929	0.1418	0.1227
Marginal effect / Odds ratio	Marginal	Marginal	Odds ratio
Indicator code	1	2	3

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Gender is a characteristic that is less frequently connected with vulnerability, although, as Nardo et al. (2011) note, women score lower on the consumer empowerment index than men. Gender can be directly linked to vulnerability for instance in situations where men control women's access to money (Branigan 2004 in Singh 2005). Furthermore, significant life changes experienced by women, such as pregnancy, can be sources of vulnerability (The VOICE Group 2010).

However, according to the results of the survey data analysis shown in Table 26 above, men are slightly more likely to not take action when they experience a problem and to overpay for services due to being unable to use certain payment methods (with marginal effects of 2.9pp and 0.7pp respectively).

The results of the survey data analysis presented in Table 26 suggest that a consumer's mother tongue has an impact on the indicators of vulnerability in this dimension (Indicator 1 and Indicator 2).

Those with a mother tongue that is different from the official language of their country of residence are found to be more vulnerable than native speakers, on these indicators, whether or not they say that their language causes them difficulty (the

result for Indicator 1 for having a non-native tongue and this causing difficulty, although large, is not statistically significant).

The strongest impact shown in Table 26 for either of the two indicators in this dimension is the effect of being a non-native speaker without this causing difficulty on the assertiveness indicator, with an estimated marginal effect of 8.4pp relative to a native speaker.

According to the literature, lower levels of education are usually associated with lower levels of consumer empowerment, although this does not always hold true, with Nardo et al (2011) finding that in Norway and Bulgaria lower educated consumers score higher on the empowerment metric than more educated consumers.

Lower education can be linked to factors such as over indebtedness, although the relationship is quite complex and weak when accounting for other factors (Civic Consulting 2013), suggesting that the link between vulnerability and education is not clear-cut.

Low literacy is a clear potential source of vulnerability. Adkins and Ozanne (2005) and Gau and Viswanathan (2008) observe that consumers with low literacy level not only face numerous functional problems in the market, but they can also be subject to a low-literacy stigma, which can further compound their vulnerability. At the same time, they do draw on a range of skills and resources to navigate the marketplace, with Gau and Viswanathan (2008) highlighting the importance of social networks for low-literate consumers.

There are broader concepts of literacy, linked to education, which should also be explored. One of them is the notion of financial literacy. Klapper, Lusardi and Panos (2013) note, for instance, that financial literacy appears to help individuals face unexpected macroeconomic and income shocks. Similarly, Gathergood (2012) identifies a link between low financial literacy and over indebtedness.

At the same time, financial literacy is not necessarily associated with education levels or age. Braunsberger, Lucas and Roach (2004) show that US college students were not able to make informed choices concerning financial products, but were also not outperformed by older consumers.

Based on the results of the survey data analysis presented in Table 26, those with low and medium education levels are found to be less likely than those with a high education level to overpay for services due to being unable to use certain payment methods, when all other characteristics included in the regression are controlled for. Although this may seem counterintuitive, an explanation may be that those with a higher education level are more aware of when they are overpaying.

Finally, the results presented in Table 26 show that those who live in low density regions are slightly more likely than those in high density regions to have overpaid for services due to being unable to use certain payment methods. However, although this result is statistically significant, the magnitude is small (a marginal effect of around 1 percentage point).

6.2.2. Dimension 2: Having characteristics that limit ability to maximise well-being

The survey data analysis and evidence from the literature suggest that some demographic and personal characteristics are related to the second dimension of vulnerability, *having characteristics that limit ability to maximise well-being*.

In this dimension, one indicator of vulnerability from the survey data is analysed using the G-S approach. This indicator, Indicator 3, is on a scale from 1 (low) to 4 (high) and represents the *maximum* extent that respondents feel vulnerable due to *any* of the personal characteristics mentioned in the corresponding survey question including health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or 'other' reasons.

Old age is a characteristic that, in itself, potentially fits within the second dimension of consumer vulnerability. Indeed, the consumer survey found that, across the EU28+2, 10% of those aged 65-74 and 13% of those aged 75+ feel vulnerable to a great extent *because of their age*, compared to 5% across all age groups.

However, examining the maximum extent that respondents feel vulnerable due to any of the personal characteristics mentioned in the relevant survey question, the results presented in Table 26 above show that, controlling for other characteristics included in the regression, those in younger age groups are more likely to feel a higher level of vulnerability.¹⁰⁰

The odds ratios are highest for the youngest (16-24) and second youngest age groups (25-34), at 1.49 and 1.28 respectively. These are the only age groups that are found to have a higher feeling of vulnerability than the base group (those aged 35-44), according to the G-S results.¹⁰¹

In line with this finding, previous research has found that young adults and university students can be at risk of vulnerability in some cases. Braunsberger, Lucas and Roach (2004) show that, in the case of US college students, lack of financial experience is seen as a source of vulnerability when faced with financial products.

As noted above, gender is a characteristic that is less commonly associated with vulnerability, despite the observation in some studies that women score lower than men on the consumer empowerment index (Nardo et al. 2011) and arguments that major life changes experienced by women, such as pregnancy, are potential sources of vulnerability (The VOICE Group 2010).

The results of the survey data analysis presented in Table 26 above imply that men are slightly less likely to feel a higher level of vulnerability, measured as the maximum extent that respondents feel vulnerable due to *any* of the personal characteristics

¹⁰⁰ In this regression, the dependent variable is a scale from 1 (low feeling of vulnerability) to 4 (high feeling of vulnerability), which is equal to the highest extent that respondents feel vulnerable due to the individual reasons of health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons.

¹⁰¹ Recall that an odds ratio above one implies higher vulnerability compared to the base group, whereas an odds ratio below one implies lower vulnerability compared to the base group.

mentioned in the relevant survey question (since the odds ratio for men is just below 1, at 0.92).

The strongest impacts shown in Table 26 for Indicator 3 are the impacts of being a non-native speaker. In particular, those with a mother tongue different from the official language of their country and for whom this causes difficulty have an odds ratio of 2.29, implying that the odds of having a higher value on the vulnerability scale are 2.29 times larger for this group than for native speakers (the base group).

6.2.3. Dimension 3: Having difficulty in obtaining or assimilating information

Evidence from the survey data and the literature suggests that some personal and demographic characteristics are linked to the third dimension of vulnerability, *having difficulty in obtaining or assimilating information*. The literature identifies several reasons why old age may cause consumers to have difficulty obtaining or assimilating information:

- Fewer elderly consumers are internet users (Eurostat shows individuals in the 55-74 age bracket are less likely to use internet on a regular basis than the average individual¹⁰²);
- Older consumers are less likely to have access to information and guidance about markets (Stearn 2012); and
- Older consumers can receive less marketing information and be more isolated from networks that can help them navigate the marketplace (Lunn and Lyons 2010).

Results from the survey data analysis presented in Table 27 show links between age and indicators of vulnerability in this dimension, including some interesting differences across sectors. Consumers in the 55+ age groups are slightly less likely than the base group (35-44 year-olds) to have been prevented from switching due to information-related factors in the energy sector, although the marginal effects are only around 1pp (Indicator 7, energy), and the oldest age groups (65-74 and 75+) are less likely to have problems comparing banks due to information-related factors (Indicator 6, finance).

However, those in the 45+ age groups are more likely than the base group to only get information from adverts when comparing internet deals in the online sector (Indicator 5, online), and more likely to have problems comparing internet deals due to information-related factors (Indicator 6, online). The estimated marginal effect for the 75+ age group for Indicator 6 for the online sector is the largest in the table, at 11.9pp.

Younger age groups are found to be less vulnerable on several indicators in this dimension. For example, those aged 25-34 are less likely to have problems comparing deals due to information-related factors in the online and finance sectors (Indicator 6, online and finance) and are less likely to have been prevented from switching due to information-related factors in the energy sector (Indicator 7, energy).

¹⁰² See http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Internet_use_statistics_-_individuals

Disability is another characteristic that may be associated with this dimension of vulnerability, since people with disabilities can face accessibility problems, including inability to access online services due to badly designed websites (Chang et al. 2004, and Stearn 2012), and those with learning disabilities face challenges in understanding and processing information (Stearn 2012).

Previous studies indicate that men tend to dominate the use of new technologies such as internet banking (Pahl 1999, Singh and Ryan 1999 in Singh 2005), resulting in potential vulnerability in the online and financial sectors being determined along gender lines. This is related to the third dimension of vulnerability since new technologies may provide important access to certain information and products.

However, contrary to these insights from the literature, the results from the survey data analysis presented in Table 27 show that men are slightly more likely to have problems comparing deals due to information-related factors in the energy and finance sectors, with marginal effects of 1.1pp (Indicator 6, energy) and 1.4pp respectively (Indicator 6, finance). This contrast in findings between the literature and the survey may be because the information-related factors mentioned in the survey were not related to the internet or technology.¹⁰³

¹⁰³ The information-related factors mentioned in the survey were 'I do not know where I can get this information' and 'suppliers do not provide enough information'.

Table 27: Impact of personal and demographic characteristics on indicators in Dimension 3; *Having difficulty obtaining and assimilating information*

	Energy sector				Online sector			Finance sector		
	Indicator 4: Feels uninformed about prices	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
Age 16-24	0.978	0.00750	-0.0326***	-0.00182	0.00516	-0.0133**	-	-	-0.0318***	-
Age 25-34	0.998	-0.00247	-0.0107	0.00774***	-0.00329	-0.0120***	-	-	-0.0178***	-
Age 45-54	1.011	0.00745	-0.00701	-0.00000	0.00930*	0.0204***	-	-	-0.00862	-
Age 55-64	1.058	0.0128**	0.00777	0.00966***	0.0142**	0.0345***	-	-	0.00681	-
Age 65-74	0.934	-0.000302	0.0275	-0.00790**	0.0398***	0.0514***	-	-	-0.0217*	-
Age 75+	1.177	0.000944	-0.00266	0.00966***	0.115	0.119*	-	-	-0.0629***	-
Male	-	-	0.0108*	-	-	-	-	-	0.0139***	-
Low density region	1.160***	-	-	0.00164	-	-	-	-0.000893	-0.0107*	-
Medium density region	1.002	-	-	-0.00564**	-	-	-	-0.00648**	-0.00233	-
Household size	-	-	0.00993**	-	-	-	-	-	-	0.00171**
Low education	-	-	-	-	-0.00004	-	-	0.0153**	-0.0267***	-
Medium education	-	-	-	-	0.00697**	-	-	0.00950***	-0.00312	-
Non-native tongue, no difficulty	1.155***	0.0163**	-	-	0.0164**	-	-	-	-0.0192**	-
Non-native tongue, difficulty	1.314*	-	-	-	0.0463	-	-	-	-0.0267	-
N	26,653	9,793	15,481	4,481	16,451	19,913	-	10,228	15,481	3,795
R ²	0.0574	0.0972	0.0756	0.1461	0.0890	0.1217	-	0.0925	0.0859	0.1374
Marginal effect / Odds ratio	Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	4	5_adv_ene	6_ene	7_ene	5_adv_onl	6_onl	7_onl	5_adv_fin	6_fin	7_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2. There are no results for Indicator 7 for the online sector because the G-S process could not be run for this indicator due to low variation in the dependent variable.

Source: London Economics analysis of the survey data

Some evidence suggests that cultural background and ethnicity can also be a source of potential vulnerability in terms of accessing information. For example, according to consultations with stakeholder organisations in Slovakia, although the Roma population uses credit and mobile services, it tends to have limited access to information and advice concerning these services, contributing to vulnerability.

Furthermore, the results presented in Table 27 show that a consumer's mother tongue has an impact on some indicators of vulnerability in this dimension. For example, according to these results non-native speakers are more likely to feel uninformed about prices, quality and conditions than native speakers, with odds ratios of 1.15 and 1.31 depending on whether being a non-native speaker causes them difficulty (Indicator 4).¹⁰⁴

According to the literature, a type of literacy that is important to take into account is digital literacy. Digital literacy relates to the skills consumers need to effectively interact with electronic content and services. Digital literacy enables consumers to search for, access and assess information online, which in turn can enable them to make better decisions in other sectors.

The results from the survey data analysis presented in Table 27 show that education does have an effect on some indicators of vulnerability in this dimension, but the magnitudes of these effects are small (i.e. less than 2pp, and often less than 1pp).

Finally, according to the results shown in Table 27, those who live in low density regions are more likely than those in high density regions to feel uninformed to a greater extent about prices, quality, and conditions when and buying goods and services, with an odds ratio of 1.16.

6.2.4. Dimension 4: Inability or failure to buy, choose or access suitable products

Empirical evidence from the survey and experiment data analysis, in combination with insights from the literature, suggest that some personal and demographic characteristics are linked to the fourth dimension of consumer vulnerability, *an inability or failure to buy, choose or access suitable products*.

The results of the experiments are especially relevant to this dimension of vulnerability, since the experiments tested consumers' ability to select the optimal deal in simulated purchasing situations in the three key markets of the study. Therefore this section draws on the results of the G-S regression analysis of respondents' answers in the experiments.

There are several aspects of old age that may contribute to an inability to access or choose suitable products. For example, as noted above (in section 6.2.3), older consumers are less likely to be internet users or to have access to information and guidance regarding markets (Stearn 2012), and older consumers can receive less marketing information and be more isolated from networks that may help them navigate markets (Lunn and Lyons 2010).

¹⁰⁴ An odds ratio above one implies higher vulnerability compared to the base group.

Furthermore, some financial products that are offered later in life (e.g. reverse mortgages and annuities) are becoming more complicated (Stearn 2012), which may increase the risk that older consumers do not select suitable products.

According to one stakeholder organisation, older consumers may also face age limits for some financial products, such as travel insurance. Although justified as being based on risk, these limits may be disproportionate and amount to restricting access.

Results of G-S regression analysis of respondents' choices in the experiments, presented in Table 28, show that those in the 75+ age group were less likely than those aged 35-44 to select the optimal deal overall across the various experiments, and in particular were less likely to select the best deal in the second round of the energy sector experiment, and both rounds of the online sector experiment. This group has the lowest odds ratio (0.51) for overall performance of any socio-demographic group examined in the analysis, implying that this is the characteristic most strongly linked with inability to select the optimal offer. In addition, overall performance in the experiments was also worse among the 55-64 age group (with an odds ratio of 0.82) than among the base group.

However, the results do not comprehensively imply that all older age groups were less likely to select the best deal in the experiments, since although the 65-74 age group did perform worse in the experiments overall (with an odds ratio of 0.863), the difference between this group and the base group was not statistically significant.

At the young end of the age-range, the results show that those aged 16-24 performed worse in some experiment rounds, in particular the second round of the online sector experiment and the first round of the finance sector experiment. However, the overall performance of this group, across all experiments and rounds, was not statistically significantly different from the base group.

Table 28: Impact of personal and demographic characteristics on experiment performance									
	Energy Sector		Online Sector		Finance Sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Age 16-24	-	0.0139	-0.00799	-0.0851*	-0.0662**	-	-	0.0511	0.994
Age 25-34	-	0.0284	-0.0289	-0.0624*	-0.0113	-	-	0.00462	0.914
Age 45-54	-	0.0452	0.0183	-0.0198	0.00695	-	-	0.0472	0.970
Age 55-64	-	-0.0327	-0.00924	-0.0740*	-0.00526	-	-	0.00936	0.821**
Age 65-74	-	-0.00597	-0.0700	-0.0473	-0.0113	-	-	0.0481	0.863
Age 75+	-	-0.166***	-0.148**	-0.278***	-0.0254	-	-	-0.0339	0.510***
Male	-	-	-	-	-	0.0324**	-	-	-
Low density region	-	-	-	-	-	-	-	-	-
Medium density region	-	-	-	-	-	-	-	-	-
Household size	-	-	-	-	-	-	-	-	-
Low education	0.0369	0.0835***	-0.0227	-0.00964	-	-0.0868***	-	-0.0185	0.748***
Medium education	-0.0130	-0.0334	0.0614***	0.0695***	-	-0.0191	-	-0.0513**	0.868**
Non-native tongue, no difficulty	-	-	-0.0435	-0.122***	-	-	-	-0.102***	0.765***
Non-native tongue, difficulty	-	-	-0.234**	-0.109	-	-	-	-0.152	0.788
N	2,522	2,522	2,510	2,510	2,505	2,505	2,565	2,565	5,051
R ²	0.0318	0.0710	0.1061	0.0823	0.1191	0.1205	0.0237	0.0628	0.0421
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Odds ratio

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The explanatory variables are defined in Table 7 and A8.1.2. The dependent variables in the experiment analysis signify whether the respondent chose the optimal deal. For individual experiment rounds, the dependent variable is equal to one if the respondent chose the optimal deal, or zero otherwise. The ‘Overall’ performance measure is the total number of correct choices made by the respondent (ranging from 0 to 4). Thus, positive marginal effects imply a higher likelihood of choosing the optimal deal, and odds ratios greater than one imply better overall performance.

Source: London Economics analysis of the survey data

Results from G-S regression analysis of the survey data reveal a very mixed picture with respect to links between age and indicators of vulnerability in the fourth dimension (*an inability or failure to buy, choose or access suitable products*), with different relationships across the various indicators and, for specific indicators, different relationships between sectors. These results are presented in Table 29 (Indicator 8), Table 30 (Indicator 9) and Table 31 (Indicators 10 and 11), although the variation in the results is more clearly seen from the summary matrix shown in Figure 27 above.

According to these results, every age group is *more* likely to be vulnerable on at least two indicators in this dimension. However, simultaneously, each age group is also *less* likely to be vulnerable on at least two (other) indicators in the dimension.

For example, the 55-64 age group are more likely to have problems comparing deals due to market-related factors in the energy sector¹⁰⁵ and due to personal, market-related and access-related factors in the online sector¹⁰⁶, but are less likely to be excluded from e-commerce due to the difficulty of the process or not having a payment card¹⁰⁷, and are less likely to be declined for a loan.¹⁰⁸

One of the most consistent and striking results is that older consumers, in the 45+ age groups and especially the 65+ age groups, are more likely to have problems comparing deals due to market-related factors (Indicator 8b) in the online and (to a lesser extent) energy sectors. For example, the marginal effects for those aged 65-74 and 75+ on this indicator for the online sector are 15.2pp and 25.1pp respectively, the latter being the largest effect of any demographic characteristic on any indicator in this dimension. Conversely, young age groups are found to be less likely to be vulnerable on this indicator.

This variation in the survey results with respect to age is mirrored in the literature. For example, Nardo et al (2015) find that while younger generations tend to be more skilled and engaged consumers, this is not always the case, with Italian consumers over 54 being more engaged, more aware of their rights, and more skilled than consumers in the 15-24 age bracket. Similarly, Berg (2015) finds that older consumers in Norway are not necessarily more vulnerable compared to other consumer groups. This is attributed to older consumers having more time, as well as having more economic awareness since they are more frugal than younger Norwegians. The UK consumer empowerment survey also found that older and financially comfortable consumers could be both highly engaged “traditional value-seekers” (estimated to be the largest consumer segment at 24% of the consumer population), as well as “consciously unengaged” consumers (estimated at 15% of the consumer population) (GfK 2015).

¹⁰⁵ See the results for Indicator 8b for the energy sector in Table 29.

¹⁰⁶ See the results for Indicators 8a, 8b and 8c for the online sector in Table 29.

¹⁰⁷ See the results for Indicators 10a and 10b in Table 31.

¹⁰⁸ See the results for Indicators 11 in Table 31.

Table 29: Impact of personal and demographic characteristics on Indicator 8 in Dimension 4; Has problems comparing deals due to personal factors, market related factors, and access-related factors

	Indicator 8a: Personal factors	Energy Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Online Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Finance Indicator 8b: Market factors	Indicator 8c: Access factors
Age 16-24	-	-0.0523***	0.0237*	-0.00546	-0.0385***	-0.000477	0.0111	-0.0176	-0.000516
Age 25-34	-	-0.0325***	0.0474***	-0.0103	-0.0471***	0.00212	0.0293**	-0.00777	-0.000533
Age 45-54	-	0.0379***	-0.0105	0.0139*	0.0505***	0.00748	-0.0188	-0.00146	-0.000239
Age 55-64	-	0.0671***	0.00587	0.0362***	0.112***	0.0170***	0.00168	0.0204	0.00194
Age 65-74	-	0.0994***	0.0356*	0.0555***	0.152***	0.00606	-0.0387**	-0.00252	-0.000948
Age 75+	-	-0.0449	0.244***	0.0653	0.251***	-0.0105	0.0795*	-0.0392	0.0432
Male	-0.0237***	-0.0253***	-0.0202***	-0.0229***	-0.0127**	-	-0.0224***	-0.0202**	-
Low density region	-0.0188**	-	0.00502	0.0218***	-	0.00917***	-	-	0.00991***
Medium density region	-0.0387***	-	-0.0309***	0.00671	-	-0.000742	-	-	-0.00195
Household size	-0.0124**	-	-	-	-	-0.00586***	-0.0114***	-	-
Low education	-0.00899	-0.00459	-0.0455***	-	-0.0218**	-	-	-	-
Medium education	-0.0323***	-0.0236***	-0.00178	-	-0.00676	-	-	-	-
Non-native tongue, difficulty	-	-0.0328**	0.0269**	-	-	0.0124**	-	-0.0227	-0.00468**
Non-native tongue, difficulty	-	0.0165	0.0434	-	-	0.0211	-	-0.182***	0.00173
N	15,481	15,481	15,481	19,913	19,913	19,913	15,481	15,481	15,481
R ²	0.1273	0.1084	0.1263	0.1442	0.1461	0.0714	0.1210	0.1049	0.0933
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	8a_ene	8b_ene	8c_ene	8a_onl	8b_onl	8c_onl	8a_fin	8b_fin	8c_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 30: Impact of personal and demographic characteristics on Indicator 9 in Dimension 4; Has not switched due to personal factors, market-related factors, access-related factors, termination costs, and bundling

	Indicator 9a: Personal factors	Energy Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Online Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Finance Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9d: Termination costs	Indicator 9e: Bundling
Age 16-24	-	-0.00109	-0.0113	-	-	-	-	-0.0487***	-0.0123***	0.0150	-0.0241**
Age 25-34	-	-0.00907	0.0462**	-	-	-	-	-0.0363***	-0.0128***	0.0151**	-0.00981
Age 45-54	-	0.0149	-0.00231	-	-	-	-	0.0218	-0.00368	-0.00984	-0.0107
Age 55-64	-	0.0398**	0.00540	-	-	-	-	0.0417**	0.00883**	-0.0303***	0.0031
Age 65-74	-	0.0245	0.0437	-	-	-	-	-0.000589	-0.0143***	-0.0336***	-0.0176
Age 75+	-	-0.0318	0.256***	-	-	-	-	-0.0246	-0.0127***	-0.0541***	-0.00467
Male	-	-	-0.0374***	-	-	-	-0.0145**	-	-	-	-
Low density region	-	-0.00831	0.0465***	-	-	-	-	-	0.00776*	-	-
Medium density region	-	-0.0242***	0.00432	-	-	-	-	-	-0.00131	-	-
Household size	-	-	-0.0137*	-	-	-	-	-	0.00383**	0.00370**	0.0105***
Low education	-	-	-0.0822***	-	-	-	-	-	-0.00517	-0.0241***	-0.0314***
Medium education	-	-	-0.0122	-	-	-	-	-	0.00357	-0.0145***	-0.0293***
Non-native tongue, no difficulty	-0.0248*	-	0.0909***	-	0.0203	0.00342	-	-	-	0.0202**	0.0234**
Non-native tongue, difficulty	0.0349	-	-0.00175	-	-	-	-	-	-	0.0314	-0.000707
N	4,782	4,782	4,782	3,483	3,427	3,265	4,355	4,368	4,095	26,653	26,653
R ²	0.1283	0.0651	0.2145	0.2094	0.0804	0.1083	0.1330	0.0597	0.1538	0.1242	0.0852
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	9a_ene	9b_ene	9c_ene	9a_onl	9b_onl	9c_onl	9a_fin	9b_fin	9c_fin	9d_ter	9e_bun

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 31: Impact of personal and demographic characteristics on Indicators 10 and 11 in Dimension 4; Excluded from e-commerce and declined a loan

	Excluded from e-commerce due to		
	Indicator 10a: Difficulty of the process	Indicator 10b: Not having payment card	Indicator 11: Declined a loan
Age 16-24	0.0115	0.0504***	0.00129
Age 25-34	0.00243	0.0336***	0.00421
Age 45-54	-0.0183**	-0.0143**	0.00268
Age 55-64	-0.0216**	-0.0370***	-0.0130***
Age 65-74	-0.0232	-0.0506***	-0.0214***
Age 75+	0.137*	-0.00944	-0.0203***
Male	-	-0.0180***	-
Low density region	0.0152**	0.0159**	-
Medium density region	0.00009	0.00134	-
Household size	-	0.00412**	-
Low education	-0.0275***	-0.00706	-
Medium education	-0.0244***	0.0112**	-
Non-native tongue, no difficulty	0.0278**	-	-
Non-native tongue, difficulty	0.0165	-	-
N	19,957	19,957	4,971
R ²	0.0903	0.1188	0.1230
Marginal effect / Odds ratio	Marginal	Marginal	Marginal
Indicator code	10a	10b	11_loan

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

According to the literature on vulnerability, those with disabilities can suffer from accessibility problems, such as being unable to access online services (Chang et al. 2004, Stearn 2012) and having limited physical access to markets, although in discussing disability in the context of consumer vulnerability, it is important to note that disability is a broad concept that is not only linked to the individual but also to the wider environment.¹⁰⁹

The results of the focus groups show that different disabilities (i.e. visual impairment and leg paralysis) have very different consequences and have a very different impact

¹⁰⁹ The UN Convention on the Rights of Persons with Disabilities (UN CRPD) uses the following definition of persons with disabilities:

"Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others."

(<http://www.un.org/disabilities/default.asp?id=261>)

This definition therefore implies that consumers with disabilities should be seen as a diverse group.

on how these consumers participate in the market. For instance, while consumers with restricted mobility tend to make extensive use of some online services compared to other groups, the same services can be challenging for consumers with visual impairments. This in turn means that the extent to which those with disabilities experience vulnerability in a specific context is likely to differ significantly.

When combined with the fact that, as shown in the focus groups, consumers with disabilities tend to stress the importance of being autonomous, one can see why the term “vulnerability” used as a “blanket” statement in the context of disability is often not considered to be appropriate from the point of view of disability organisations. Specifically, the European Disability Forum stresses the importance of seeing the needs of people with disabilities not as “vulnerabilities” but as obstacles in the environment, with such an approach seen as more in line with the UN CRPD (European Disability Forum 2014).

Davis and Davis and Pechmann (2013) note that consumers can experience anxiety and marginalisation in marketplaces where they do not understand the cultural expectations, and in some cases ethnicity is also linked to exclusion from some aspects of the market. In addition, language barriers also make navigating markets more difficult (Davis and Pechmann 2013).

These insights from the literature are broadly supported by the experiment results presented in Table 28, which show that non-native speakers were less likely than native speakers to select the optimal deal overall across the various experiments. Specifically, for non-native speakers whose language does not cause them difficulty, the odds ratio for the overall performance measure is 0.765.¹¹⁰

Furthermore, the results of the survey data analysis show that non-native speakers are more likely to be vulnerable on some indicators in this dimension (i.e. Indicator 8c and Indicator 9c in the energy sector, Indicator 8c in the online sector, Indicator 9d, Indicator 9e, and Indicator 10a), although these consumers are also found to be less likely to be vulnerable on other indicators (see Table 29, Table 30 and Table 31).

Some literature highlights the importance of knowledge and education in allowing consumers to access suitable products. For example, Klapper, Lusardi and Panos (2013) observe that financial literacy is associated with lower use of informal borrowing sources, and the 2011 European Parliament study on consumer behaviour in the digital environment notes that a lack of digital literacy, which relates to the skills needed to effectively interact with electronic content and services, remains a barrier to participating in the online economy. The interaction between different forms of literacy can be linked to the dynamic nature of vulnerability, since a single consumer may have a high level of literacy in one area, but yet be potentially vulnerable due to lower literacy in another one.

The results of the consumer survey contrast with those of the experiments regarding the impact of education on this dimension of vulnerability. The results of the survey data analysis show that those with low or medium education are less likely to be

¹¹⁰ .e. below one, implying a higher probability of lower scores on the overall performance measure. Limitations of the sampling method with respect to reaching minorities not speaking national languages are discussed in section A2.10.2.

vulnerable than those with high education based on a number of indicators in this dimension. Specifically:

- Those with low education are less likely to be vulnerable on Indicator 8c and Indicator 9c in the energy sector (Table 29 and Table 30), Indicator 8b in the online sector (Table 29), Indicator 9d (Table 30), Indicator 9e (Table 30) and Indicator 10a (Table 31); and
- Those with medium education are less likely to be vulnerable on Indicator 8a and Indicator 8b in the energy sector (Table 29), Indicator 9d (Table 30), Indicator 9e (Table 30) and Indicator 10a (Table 31).

In contrast, the experiment results suggest that those with low or medium education are more likely to be vulnerable in this dimension, since these consumers were less likely to select the optimal deal overall across the various experiments, with odds ratios for the overall performance measure of 0.75 and 0.87 (Table 28) respectively.¹¹¹ In particular, those with low education were less likely to select the best deal in the second round of the energy sector experiment and the second round of the finance sector experiment, whereas those with medium education were less likely to select the best deal in both rounds of the online sector experiment and the second round of the cross-cutting experiment.

A factor that is emphasised in the literature as being related to this dimension of vulnerability is locality, since a consumer's location can result in reduced physical access to goods and services, as well as potentially being worse served by telecommunication links (Chang et al. 2004).

Reduced physical access to goods and services does not only mean that consumers may not obtain a certain good or service, but also that they may decide on suboptimal alternatives. Andreasen (1975, 1993) notes that, in the financial sector, limited mobility and inadequate transportation links can make it difficult for consumers to access mainstream lenders, pushing them to instead turn to alternative providers, where they may be subject to usurious rates (Andreasen 1975 and 1993 in Hill and Kozup 2007).

Furthermore, living in areas with a particular socioeconomic or ethnic profile can also mean that consumers may be subject to "retail redlining", where retailers avoid opening franchises in disadvantaged areas for reasons other than objective economic ones (D'Rozario and Williams 2005).

Results from the survey data analysis indeed show that those in low density regions are more likely to be vulnerable on several indicators in this dimension. These include having problems comparing deals due to access-related factors in the online and finance sectors and due to personal factors in the online sector (Table 29), and being prevented from switching due to access-related factors in the energy and finance sectors (Table 30). However, with marginal effects ranging from just 0.8pp to 4.7pp, these effects are typically not large (although they are statistically significant).

Finally, although gender is not a characteristics that is frequently connected with vulnerability, the results of the survey data analysis show that men are consistently

¹¹¹ i.e. less than one, signifying a higher probability of lower scores on the overall performance measure.

less likely than women to be vulnerable on a number of indicators in this dimension. These include having problems comparing deals due to personal, market-related and access-related factors in the energy sector, due to personal and market-related factors in the online sector, and due to personal and market-related factors in the finance sector (Table 29), as well as being prevented from switching due to access-related factors in the energy sector (Table 30).

6.2.5. Dimension 5: Higher susceptibility to marketing practices

There is evidence from the literature that old age could contribute to this dimension of vulnerability since, for example, more limited social interaction can make elderly consumers susceptible to being exploited by telemarketers and doorstep selling (Lee and Geistfeld, 1999).

However, in contrast, results of the survey data analysis presented in Table 32 show that, when other factors are controlled for in the analysis, consumers in the older age groups are less likely to feel a high level of vulnerability due to the complexity of offers, terms or conditions; for example the odds ratio for the 75+ age group is 0.71. Conversely, those in the youngest two age groups (16-24 and 25-34) are more likely to feel a high level of vulnerability for this reason (with odds ratio of 1.10 and 1.11).

The literature also singles out children as category of consumer who may be particularly susceptible to advertising and marketing directed to children. Two factors that are seen as making advertising to children particularly problematic are that young children have limited understanding of “persuasive intent” while older children are vulnerable to pressures to conform (see for instance Khadir 2007).¹¹² It is however important to note that, as for other groups, the relationship between young age and potential vulnerability is a dynamic one. For instance, while children can be vulnerable in the online sector, they can also be more digitally savvy than many adult consumers (University of Amsterdam 2010).

The results of the survey data analysis presented in Table 32 also highlight mother tongue as a factor that is closely related to this dimension of vulnerability. Specifically, non-native speakers are found to be considerably more likely to feel a high level of vulnerability due to the complexity of offers, terms or conditions, especially those whose language causes them difficulty (with an odds ratio of 2.00).

¹¹² Children are explicitly mentioned in the UCPD and Annex 1 of the Directive identifies “including in an advertisement a direct exhortation to children to buy advertised products or persuade their parents or other adults to buy advertised products for them” as an aggressive commercial practice.

Table 32: Impact of personal and demographic characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers;	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Age 16-24	-	1.096*
Age 25-34	-	1.108***
Age 45-54	-	0.929**
Age 55-64	-	0.923*
Age 65-74	-	0.897*
Age 75+	-	0.712***
Male	-	-
Low density region	-	1.067**
Medium density region	-	0.993
Household size	-	-
Low education	-	-
Medium education	-	-
Non-native tongue, no difficulty	0.0177***	1.130***
Non-native tongue, difficulty	0.0748***	2.000***
N	26,653	26,653
R ²	0.1005	0.0465
Marginal effect / Odds ratio	Marginal	Odds ratio
Indicator code	12_off_b2	12_off

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.3. Behavioural drivers of vulnerability

Behavioural drivers refer primarily to biases in decision-making, which could result in consumers potentially finding themselves in situations of vulnerability. Lunn and Lyons (2010) provide a comprehensive overview of a range of relevant biases and heuristics. These include:

- **Status quo bias**, where consumers tend to choose the default or existing options, which in turn means that the default option can be made disadvantageous to the consumer without the consumer switching to the more advantageous offer.
- **Loss aversion** and the **endowment effect** refer to the fact that consumers put more value on something that is lost or given away compared to something that is gained, potentially making them choose suboptimal options.
- **Time discounting** relates to consumers putting more value on present than future rewards, making the consumers potentially vulnerable to choose offers which benefit consumers in the short-term, but which may carry costs in the longer-term.
- **Bandwagon effect** refers to biases in favour of social norms and choices made by others, making consumers vulnerable to the influence of their peers, as well as to perceived popularity of offers.

- **Ambiguity aversion** relates to consumers avoiding risks that cannot be accurately quantified. Although this implies that consumers would avoid complex contracts, it also suggests that vendors oversimplifying products (i.e. financial products) could be exploiting this bias as a potential vulnerability.
- **Heuristics** refer to consumers using “rules of thumb” instead of making complete assessments of the offers, which can make consumers vulnerable when faced with complex offers.
- **Framing** relates to consumer choices being influenced by the way information is presented, which can make many consumers vulnerable when faced with offers designed in certain ways.
- **Overconfidence** relates to consumers overestimating how accurate their judgements are, which can lead consumers to badly judge their future use of products or services, or repayment of loans.
- **Projection bias** is the assumption that recent trends will also apply in the future, despite potential changes, which, as in the case of overconfidence, can result in consumers putting themselves in positions of vulnerability through inaccurate predictions of their future situation.

In addition to the above, consumers are also subject to **cognitive limitations**, namely limited capacity to assimilate and process large amounts of information in order to make an informed choice (European Parliament 2011). This means that consumers may not be able to effectively choose from a large number of options, nor fully understand complex products or offers, which can put them in a position of vulnerability. Another related factor is “consumer attention deficit syndrome” (CADS), as outlined by Berg and Gornitzka (2012). Berg and Gornitzka (2012) see consumers as having a limited “attention budget”, which can be easily exhausted in the modern marketplace.

An important aspect of behavioural vulnerability drivers is the fact that they are observed across all consumer groups, which in turn means that all consumers can be in a position of vulnerability depending on the situations they find themselves in and the way a choice is presented to them. This of course does not mean that consumers’ characteristics do not play a role: An individual with a background in the finance sector may be able to understand more complex financial product offers and make more informed decisions than other consumers, but that consumer may still be subject to cognitive limitations in other situations. Berg and Gornitzka (2012) highlight that limited consumer attention means that consumers focus their attention on specific areas of the market, meaning that even if they are well-informed about other areas, they can still make suboptimal choices.

Lunn and Lyons (2010) have also identified patterns in existing research which link particular biases to specific consumer groups, noting in particular that:

- Consumers with lower educational attainment, high income or wealth, as well as older consumers are more susceptible to loss aversion;
- People with lower education and lower incomes are more likely to discount time;
- People discount time less steeply with age putting increasing value on future rewards (although this effect may reverse again in retirement); and
- Older consumers are more susceptible to framing.

In addition, other research (see Hardesty, Bearden and Carlson 2006) shows that, overall, adult consumers are more aware of various pricing tactics, making them less susceptible to such tactics than younger consumers.

A matrix summarising relevant results from the survey and experiment data analysis is presented in Figure 28 below. The indicator codes across the top of the matrix match those in the list of indicators in section 3.6 above, as well as those in the table of indicators in Annex 3.¹¹³ The behavioural characteristics in the matrix (down the left hand side) are defined (alongside all other explanatory variables examined in the data analysis) in Table 7 in section 3.7.

Red cells in the matrix show that consumers with a certain behavioural characteristic, as measured through the survey, are more likely to be vulnerable on the relevant indicator, whereas green cells mean that consumers with a particular characteristic are less likely to be vulnerable on the indicator in question. Grey cells imply that a characteristic was controlled for in the analysis but was not statistically significant, while white cells mean that a characteristic was excluded from the regression (based on the G-S methodology). The right-hand column in the matrix shows the links between respondents' behavioural characteristics and their performance in the experiments, overall across all experiments and rounds.

The indicators examined in the analysis are set out in section 6.1.2. Further details of the analysis undertaken, including descriptions of all the explanatory variables, are provided in Annex 8.

As can be seen from Figure 28, the results are again very diverse, with statistically significant results in both directions scattered across the matrix. However, that being said, the results do show some patterns and reveal some characteristics that are associated with indicators of vulnerability more often than others, for example:

- Those with high or very high impulsiveness, based on the first and fourth 'impulsiveness' measures¹¹⁴, are more likely to be vulnerable on a relatively high number of indicators, including indicators in all dimensions; based on these results, these impulsiveness measures are the behavioural characteristics which, overall, are most strongly linked to vulnerability;
- Those who are more trusting of people, based on the two 'trust' measures¹¹⁵, are less likely to feel a high level of vulnerability due to the factors of age, health problems, employment situation etc. (Indicator 3 in dimension 4)¹¹⁶,

¹¹³ No results are available for Indicator 7 for the online sector since the G-S process could not be run for this indicator due to the low total number of respondents who are vulnerable on this indicator. Hence, in the results tables in this section no results are presented for this indicator.

¹¹⁴ These measures are labelled 'Impulsiveness 1' and 'Impulsiveness 4'. They are based on the extent that respondents agree with the statements "I have a hard time breaking bad habits" and "I'm impulsive in the purchase decisions I take" respectively.

¹¹⁵ These measures are labelled 'Trust 1' and 'Trust 2'. They are based on the extent that respondents agree with the statements "you need to be very careful in dealing with people" and "I believe most people can be trusted".

¹¹⁶ Indicator 3 is a scale from 1 (low feeling of vulnerability) to 4 (high feeling of vulnerability), which is equal to the highest extent that respondents feel vulnerable due to the individual reasons of health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons.

and those who are more trusting on the first trust measure (in particular) are also less likely to feel a high level of vulnerability due to the complexity of offers (Indicator 12 in dimension 5);

- There are relationships between the 'credulity' measure¹¹⁷ and a number of indicators of vulnerability; however, these are often in opposite directions across the various indicators;
- Those who identified the best interest rate for a savings account are less likely to be vulnerable on a relatively high number of indicators and performed better in the experiments overall, as did those who answered the two computation test questions correctly¹¹⁸.

It should be noted that two variables among the explanatory variables discussed in this section ('Credulity test: Not taken' and 'Risk taking: No response') are dummy variables representing that respondents did not answer a particular question.¹¹⁹ Hence these variables have no meaning with respect to respondents' behavioural characteristics and results for these variables can be interpreted as capturing the effects of other characteristics that are correlated with them.

In the following subsections, the relationships between consumers' behavioural characteristics and each dimension of vulnerability are explored in more detail, based on the survey and experiment results with additional insights drawn from the literature. As in the previous section, reporting and discussion of the data analysis results below is limited to statistically significant results only. The full set of explanatory variables examined in the G-S analysis is presented Table 7 in section 3.7. This table also indicates which variables (i.e. which levels or categories) are used as bases in the analysis.

¹¹⁷ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹¹⁸ The computation questions (Q23.1 and Q23.2) both asked respondents "which shop is cheaper" in a hypothetical scenario where two shops offer the same product at different prices, with and without a discount.

¹¹⁹ For example, not all respondents answered the credulity test question since for online respondents it involved listening to an audio recording which some were unable to play, so the 'Not taken' variable is included in order to retain in the analysis all other (more useful) information from these respondents.

Figure 28: Matrix of behavioural characteristics linked to survey-based indicators of vulnerability

Dimension:	D1		D2		D3							D4									D5		D4																		
Feature:					Information problems							Problems comparing						Not switched			Excluded		Offers																		
Sector:					Energy			Online				Finance			Energy			Online			Finance			-	e-com	-	-														
Indicator:	1	2	3	4	5	6	7	5	6	7	5	6	7	8a	8b	8c	8a	8b	8c	8a	8b	8c	9a	9b	9c	9a	9b	9c	9a	9b	9c	9d	9e	10a	10b	11	12a	12b	12	exp	
Characteristic / Driver	Unassertive	Overpaid	Feels vulnerable	Feels uninformed	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Termination cost	Bundled offers	Difficult process	Payment card	Declined for loan	Very vulnerable	Vulnerable scale	Experiment		
Trust 1: Low																																									
Trust 1: High																																									
Trust 1: Very high																																									
Trust 2: Low																																									
Trust 2: High																																									
Trust 2:Very high																																									
Credulity test: Incorrect																																									
Credulity test: Not taken																																									
Credulity: Low																																									
Credulity: High																																									
Credulity: Very high																																									
Impulsiveness 1: Low																																									
Impulsiveness 1: High																																									
Impulsiveness 1: Very high																																									
Impulsiveness 2: Low																																									
Impulsiveness 2: High																																									
Impulsiveness 2: Very high																																									
Impulsiveness 3: Low																																									
Impulsiveness 3: High																																									
Impulsiveness 3: Very high																																									
Impulsiveness 4: Low																																									
Impulsiveness 4: High																																									
Impulsiveness 4: Very high																																									
Risk taking: Not very																																									
Risk taking: Fairly																																									
Risk taking: Very																																									
Risk taking: No response																																									
Computation test 1 correct																																									
Computation test 2 correct																																									
Knows meaning of kWh																																									
Knows meaning of Mbps																																									
Identified best interest rate																																									

6.3.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

Suffering from the behavioural biases and characteristics outlined in section 6.3 could put consumers at increased risk of negative outcomes in markets. For example, biases that distort consumers' choices between products, such as using rules of thumb, status quo bias or framing effects, may cause them to make import purchasing decisions suboptimally, resulting in negative outcomes and consequences for their well-being.

Results of G-S regression analysis of the survey data, presented in Table 33, show that some behavioural characteristics measured via the survey are related to indicators of vulnerability in this dimension.

In particular, compared to the base group of those with very low credulity based on the 'credulity' measure¹²⁰, those with low, high or very high credulity are all found to be more likely to be vulnerable on at least one indicator in this dimension.

For example, those with high credulity are more likely to be unassertive when they experience a problem (Indicator 1), with a marginal effect of 8.6 percentage points (pp) relative to the base group, whereas those with very high credulity are more likely to overpay for services due to being unable to use certain payment methods (Indicator 2), with a marginal effect of 5.9pp compared to the base group.

In addition, those with high or very high impulsiveness based on the fourth 'impulsiveness' measure¹²¹ are more likely than those with very low impulsiveness (the base group) to overpay for services due to being unable to use certain payment methods (Indicator 2), with marginal effects of 3.2pp and 4.8pp respectively. Moreover, similar results (of a smaller magnitude) are also found for the first 'impulsiveness' measure.¹²²

Finally, those who answered some of the 'knowledge and ability' questions correctly, namely the first and second computation questions¹²³ and the question which asked respondents to identify the best interest rate on a savings account, are found to be less likely to be vulnerable on at least one indicator in this dimension.

¹²⁰ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹²¹ This measure is labelled 'Impulsiveness 4'. It is based on the extent that respondents agree with the statement "I'm impulsive in the purchase decisions I take".

¹²² This measure is labelled 'Impulsiveness 1'. It is based on the extent that respondents agree with the statement "I have a hard time breaking bad habits".

¹²³ The computation questions (Q23.1 and Q23.2) both asked respondents "which shop is cheaper" in a hypothetical scenario where two shops offer the same product at different prices, with and without a discount.

Table 33: Impact of behavioural characteristics on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
Trust 1: Low	-	-	0.828***
Trust 1: High	-	-	0.701***
Trust 1: Very high	-	-	0.561***
Trust 2: Low	-	-0.0046	0.855***
Trust 2: High	-	-0.0013	0.769***
Trust 2: Very high	-	0.00903	0.892*
Credulity test: Incorrect	-	-	-
Credulity test: Not taken	-	-	-
Credulity: Low	0.0448***	0.0007	0.980
Credulity: High	0.0855***	0.0160***	1.093**
Credulity: Very high	0.0388	0.0589***	1.589***
Impulsiveness 1: Low	-	0.0013	0.996
Impulsiveness 1: High	-	0.0166***	1.068
Impulsiveness 1: Very high	-	0.0318***	1.348***
Impulsiveness 2: Low	-	-	1.016
Impulsiveness 2: High	-	-	1.072*
Impulsiveness 2: Very high	-	-	1.067
Impulsiveness 3: Low	-	-	-
Impulsiveness 3: High	-	-	-
Impulsiveness 3: Very high	-	-	-
Impulsiveness 4: Low	-	0.0124**	1.073**
Impulsiveness 4: High	-	0.0323***	1.117***
Impulsiveness 4: Very high	-	0.0479***	1.279***
Risk taking: Not very	-	-	0.781***
Risk taking: Fairly	-	-	0.703***
Risk taking: Very	-	-	0.641***
Risk taking: No response	-	-	0.632***
Computation test 1 correct	-	-0.00934**	-
Computation test 2 correct	-0.0655***	-	-
Knows meaning of kWh	-	-	-
Knows meaning of Mbps	-	-	-
Identified best interest rate	-0.0317**	-0.0125***	0.848***
N	7,826	26,653	26,653
R ²	0.0929	0.1418	0.1227
Marginal effect / Odds ratio	Marginal	Marginal	Marginal
Indicator code	1	2	3

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. **/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.3.2. Dimension 2: Having characteristics that limit ability to maximise well-being

One survey-based indicator of vulnerability in the second dimension is analysed via the G-S regression approach. This indicator, Indicator 3, represents the *maximum* extent that respondents feel vulnerable due to *any* of the personal characteristics mentioned in the relevant survey question (i.e. health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or 'other' reasons) on a scale from 1 (low) to 4 (high).

According to the results of the G-S regression analysis of the survey data presented in Table 33 above, some behavioural characteristics are related to this indicator of vulnerability.

Consumers who are more trusting of people based on the two 'trust' measures¹²⁴ are less likely to feel a high level of vulnerability. For example, the odds ratio for those with very high trust on the first trust measure is 0.56, the lowest odds ratio for this indicator among all the behavioural characteristics explored in the analysis.¹²⁵

Those with high or very high credulity based on the credulity measure¹²⁶ are more likely to feel a high level of vulnerability. The odds ratio for those with very high credulity is 1.59, the largest odds ratio of any behavioural characteristic examined in the analysis.¹²⁷

Consumers with high or very high impulsiveness on the fourth 'impulsiveness' measure¹²⁸, and those with very high impulsiveness on the first 'impulsiveness' measure¹²⁹, are more likely to feel a high level of vulnerability, with odds ratios of 1.12, 1.28 and 1.35 respectively.

6.3.3. Dimension 3: Having difficulty in obtaining or assimilating information

Several of the behavioural biases and characteristics reported in the literature and outlined in section 6.3 may be expected to impact on consumers' ability to obtain, understand and use information. For example, cognitive limitations can restrict consumers' ability to assimilate and process information, making use of heuristics such as rules of thumb rather than fully assessing available options can be driven by excessive or overly complex information, the bandwagon effect may cause consumers

¹²⁴ These measures are labelled 'Trust 1' and 'Trust 2'. They are based on the extent that respondents agree with the statements "you need to be very careful in dealing with people" and "I believe most people can be trusted".

¹²⁵ Recall that an odds ratio below one implies a lower likelihood of a higher score on a scale dependent variable (i.e. in this case a lower likelihood of higher vulnerability).

¹²⁶ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹²⁷ Recall that an odds ratio above one implies a higher likelihood of a higher score on a scale dependent variable (i.e. in this case a higher likelihood of higher vulnerability).

¹²⁸ This measure is labelled 'Impulsiveness 4'. It is based on the extent that respondents agree with the statement "I'm impulsive in the purchase decisions I take".

¹²⁹ This measure is labelled 'Impulsiveness 1'. It is based on the extent that respondents agree with the statement "I have a hard time breaking bad habits".

to not use information they have in favour of following social norms, and overconfidence and projection bias can distort consumers' use of information.

Results of G-S regression analysis of the survey data, presented in Table 34 below, show that most of the behavioural characteristics examined in the survey have a mixed impact on indicators of vulnerability in this dimension, with differences across indicators and sectors. This can be seen most clearly from the matrix of results presented in Figure 28 at the start of this section, as well as from the table below.

According to these results, the indicator in this dimension with the highest number of statistically significant relationships with the behavioural characteristics explored in the survey is Indicator 4, which represents the extent that consumers feel uninformed about prices, quality and conditions when buying and choosing products.¹³⁰

For example, the results for this indicator show that consumers who have high or very high trust in people based on the first 'trust' measure¹³¹ (odds ratios 1.36 and 1.47), those who answered the credulity test incorrectly (odds ratio 1.14)¹³², and those with high or very high impulsiveness on the second and third 'impulsiveness' measures¹³³ (odds ratios 1.19, 1.24, 1.57 and 1.66) are more likely to feel uninformed.

Conversely, those with high or very high credulity on the 'credulity' measure¹³⁴ (odds ratios 0.86 and 0.58), those who are very risk taking on the risk taking measure¹³⁵ (odds ratio 0.42), those who answered the first and second computation questions¹³⁶ correctly (odds ratios 0.84 and 0.90), and those who know the meaning of the term "Mbps" (odds ratio 0.94) are less likely to feel highly uninformed.

High credulity on the credulity measure is the characteristic with the largest number of statistically significant relationships with indicators in this dimension (eight out of ten indicators). In addition to the link with Indicator 4 noted above, those with high credulity are less likely to have had problems comparing deals due to information-

¹³⁰ The G-S results reveal 19 statistically significant relationships between this indicator and the behavioural characteristics.

¹³¹ This measure is labelled 'Trust 1'. It is based on the extent that respondents agree with the statements "you need to be very careful in dealing with people".

¹³² The 'credulity test' question told respondents to consider the radio advertisement "*Sign-up to BEACH BREAKS and receive a free pair of sunglasses. Sunglasses delivered when you purchase one of our beach holidays*", and then asked them whether: 1. the advertisement offers free sunglasses to all who sign-up to beach breaks, 2. the advertisement offers sunglasses only to those who buy a holiday from beach breaks, or 3. they do not know which answer is correct. Those who identified the second answer as the correct response answered the credulity test question correctly.

¹³³ These measures are labelled 'Impulsiveness 2' and 'Impulsiveness 3'. They are based on the extent that respondents agree with the statements "I'm good at resisting temptation" and "people would say that I have very strong self-discipline" respectively.

¹³⁴ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹³⁵ This measure is labelled 'Risk taking'. It is based on whether respondents say that they are "not at all", "not very", "fairly" or "very" willing to take risk.

¹³⁶ The computation questions (Q23.1 and Q23.2) both asked respondents "which shop is cheaper" in a hypothetical scenario where two shops offer the same product at different prices, with and without a discount.

related factors in all three key sectors (with marginal effects of -3.7pp, -2.9pp and -3.5pp), but are more likely to only get information from adverts only when comparing deals in the energy, online and finance sectors (with marginal effects of 2.4pp, 2.1pp and 2.0pp), and are more likely to have been prevented from switching due to information-related factors in the energy sector (with a marginal effect of 1.0pp).

Table 34: Impact of behavioural characteristics on indicators in Dimension 3; Having difficulty obtaining and assimilating information

	Indicator 4: Feels uninformed about prices	Energy sector			Online sector			Finance sector		
		Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
Trust 1: Low	1.186***	-	-0.0190***	-0.00474*	-	-	-	-	-	-
Trust 1: High	1.358***	-	-0.0225***	0.00326	-	-	-	-	-	-
Trust 1: Very high	1.474***	-	-0.0229	-0.00126	-	-	-	-	-	-
Trust 2: Low	-	-	0.00006	-	-	-	-	-0.00223	-	-
Trust 2: High	-	-	-0.0210**	-	-	-	-	-0.000567	-	-
Trust 2: Very high	-	-	-0.00437	-	-	-	-	-0.0108**	-	-
Credulity test: Incorrect	1.143***	-	-0.0144**	-	-	-	-	-	-	-
Credulity test: Not taken	1.174***	-	0.0158*	-	-	-	-	-	-	-
Credulity: Low	1.012	0.00985**	-0.0142**	0.00825**	0.0121***	-0.0139***	-	0.00609*	-0.0231***	-
Credulity: High	0.857***	0.0239***	-0.0368***	0.0101*	0.0209***	-0.0291***	-	0.0198***	-0.0349***	-
Credulity: Very high	0.579***	0.0418**	-0.0432***	0.00657	0.0267**	-0.0173**	-	0.0164	-0.0110	-
Impulsiveness 1: Low	-	-	-	-	-	-	-	0.00413	0.0148	-
Impulsiveness 1: High	-	-	-	-	-	-	-	-0.00201	0.0135	-
Impulsiveness 1: Very high	-	-	-	-	-	-	-	-0.00007	0.0337***	-
Impulsiveness 2: Low	1.111***	-0.00177	-0.0210**	-	-	-	-	-0.00569	-	-
Impulsiveness 2: High	1.188***	0.00496	-0.00276	-	-	-	-	-0.000627	-	-
Impulsiveness 2: Very high	1.243***	0.0225*	-0.00545	-	-	-	-	0.0113	-	-
Impulsiveness 3: Low	1.284***	-0.000911	0.0127	-	-	-	-	-0.00189	-	-
Impulsiveness 3: High	1.570***	0.00207	-0.000891	-	-	-	-	0.00438	-	-
Impulsiveness 3: Very high	1.661***	0.0153	-0.0186	-	-	-	-	0.00877	-	-
Impulsiveness 4: Low	1.216***	-	-	-	0.00207	-	-	-	-	-
Impulsiveness 4: High	1.185***	-	-	-	0.00940*	-	-	-	-	-
Impulsiveness 4: Very high	1.073	-	-	-	0.0254***	-	-	-	-	-
Risk taking: Not very	0.959	-	-	-	-	-	-	-	-	-
Risk taking: Fairly	0.862	-	-	-	-	-	-	-	-	-
Risk taking: Very	0.415***	-	-	-	-	-	-	-	-	-
Risk taking: No response	0.918	-	-	-	-	-	-	-	-	-
Computation test 1 correct	0.839***	-	-	-	-	-	-	-0.00995**	-	-
Computation test 2 correct	0.897***	-	0.0164**	-	-0.0194***	-	-	-	0.0168***	-
Knows meaning of kWh	0.967	-	-	-	-	-	-	-	-	-
Knows meaning of Mbps	0.937**	-0.0164***	-	-0.00608**	-0.0161***	-	-	-	-	-
Identified best interest rate	-	-	-	-	-	-	-	-	-	-
N	26,653	9,793	15,481	4,481	16,451	19,913	-	10,228	15,481	3,795
R ²	0.0574	0.0972	0.0756	0.1461	0.0890	0.1217	-	0.0925	0.0859	0.1374
Marginal effect / Odds ratio	Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	4	5_adv_ene	6_ene	7_ene	5_adv_onl	6_onl	7_onl	5_adv_fin	6_fin	7_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R^2 in the table is the Pseudo- R^2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2. There are no results for Indicator 7 for the online sector because the G-S process could not be run for this indicator due to low variation in the dependent variable.

Source: London Economics analysis of the survey data

6.3.4. Dimension 4: Inability or failure to buy, choose or access suitable products

Many of the behavioural biases and characteristics identified in the literature could impact on consumers' ability to buy, choose or access suitable products in markets. For example, status quo bias may lead consumers to stay with their current provider when it would be better to switch, time discounting can impact on consumers' decisions concerning products with costs and benefits over time (e.g. in the financial sector), basing decisions on heuristics such as rules of thumb could lead to suboptimal choices, and overconfidence and projection bias may result in unsuitable product selections.

The results of the behavioural experiments are particularly relevant to this dimension of vulnerability since the experiments tested consumers' ability to choose the optimal offer in simulated purchasing scenarios in the three key markets of the study. Therefore, in this section we draw on the results of G-S regression analysis of respondents' choices in the experiments, which are presented in Table 35.

In terms of overall performance in the experiments, these results show that the credulity, measured via the credulity test question¹³⁷, is one of the most important characteristics. In particular, respondents who answered the credulity test question incorrectly performed worse overall, being less likely to select the optimal deals on average across the various rounds of the experiments (with an odds ratio of 0.82).

Other strong results from the experiment data relate to the 'knowledge and ability' measures. Specifically, consumers who answered the computation questions¹³⁸ correctly, especially the second computation question, and those who correctly identified the best interest rate for a savings account performed better in the experiments overall (odds ratios 1.15, 1.41 and 1.51), being more likely to choose optimally on average over the various rounds of the experiments.

Moreover, respondents who answered the second computation question correctly and those who identified the best interest rate performed better in multiple different experiment rounds. For example, those who identified the correct interest rate were more likely to choose the optimal deal in the second round of the energy sector experiment, both rounds of the online sector experiment, both rounds of the finance sector experiment, and both rounds of the cross-cutting experiment (i.e. in all experiment rounds except the first round of the energy sector experiment).

¹³⁷ The 'credulity test' question told respondents to consider the radio advertisement "*Sign-up to BEACH BREAKS and receive a free pair of sunglasses. Sunglasses delivered when you purchase one of our beach holidays*", and then asked them whether: 1. the advertisement offers free sunglasses to all who sign-up to beach breaks, 2. the advertisement offers sunglasses only to those who buy a holiday from beach breaks, or 3. they do not know which answer is correct. Those who identified the second answer as the correct response answered the credulity test question correctly.

¹³⁸ The computation questions (Q23.1 and Q23.2) both asked respondents "which shop is cheaper" in a hypothetical scenario where two shops offer the same product at different prices, with and without a discount.

Table 35: Impact of behavioural characteristics on experiment performance

	Energy Sector		Online Sector		Finance Sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Trust 1: Low	0.0425**	0.0220	-	-	-	-	-	-	1.161**
Trust 1: High	-0.000678	0.0200	-	-	-	-	-	-	0.987
Trust 1: Very high	0.0216	-0.104**	-	-	-	-	-	-	0.782
Trust 2: Low	-0.0124	0.00942	-	0.0616**	-	-	-	-	-
Trust 2: High	-0.0116	0.0478	-	0.0754**	-	-	-	-	-
Trust 2:Very high	0.0729**	0.0176	-	0.0141	-	-	-	-	-
Credulity test: Incorrect	-	-	-	-	-	-0.0323**	-	-	0.820***
Credulity test: Not taken	-	-	-	-	-	0.00747	-	-	1.020
Credulity: Low	-	-0.00715	-	-0.00885	-	-	-	-	-
Credulity: High	-	-0.0250	-	-0.0735**	-	-	-	-	-
Credulity: Very high	-	-0.106**	-	-0.0483	-	-	-	-	-
Impulsiveness 1: Low	-	-	-	-0.00619	-	-	-	-	-
Impulsiveness 1: High	-	-	-	0.0419	-	-	-	-	-
Impulsiveness 1: Very high	-	-	-	-0.0419	-	-	-	-	-
Impulsiveness 2: Low	-	-	-	-	0.0153	-	-	-	-
Impulsiveness 2: High	-	-	-	-	0.00260	-	-	-	-
Impulsiveness 2: Very high	-	-	-	-	-0.0633*	-	-	-	-
Impulsiveness 3: Low	-	-	-	-	-	-	-	-	-
Impulsiveness 3: High	-	-	-	-	-	-	-	-	-
Impulsiveness 3: Very high	-	-	-	-	-	-	-	-	-
Impulsiveness 4: Low	-	0.0184	-	-	-0.0209	0.00339	0.0479*	-	1.067
Impulsiveness 4: High	-	-0.0317	-	-	-0.0226	0.0132	0.00737	-	1.012
Impulsiveness 4: Very high	-	-0.0733*	-	-	-0.114***	-0.0940**	-0.0179	-	0.826
Risk taking: Not very	-	-	-	-0.0211	-	-	-	-	0.977
Risk taking: Fairly	-	-	-	-0.0847**	-	-	-	-	0.840*
Risk taking: Very	-	-	-	-0.159***	-	-	-	-	0.861
Risk taking: No response	-	-	-	0.0868	-	-	-	-	1.138
Computation test 1 correct	-	-	0.0897***	-	0.0416**	0.0518**	-	-	1.152*
Computation test 2 correct	-	0.0544**	0.0616**	0.164***	0.0829***	0.0592***	-	0.0932***	1.411***
Knows meaning of kWh	-	-	-	-	-	-	-	-	-
Knows meaning of Mbps	-	-	-	0.0957***	-	-	-	-	-
Identified best interest rate	-	0.0504**	0.0436**	0.0921***	0.0382***	0.0681***	0.0766***	0.146***	1.505***
N	2,522	2,522	2,510	2,510	2,505	2,505	2,565	2,565	5,051
R ²	0.0318	0.0710	0.1061	0.0823	0.1191	0.1205	0.0237	0.0628	0.0421
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Odds ratio

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Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R^2 in the table is the Pseudo- R^2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2. The dependent variables in the experiment analysis signify whether the respondent chose the optimal deal. For individual experiment rounds, the dependent variable is equal to one if the respondent chose the optimal deal, or zero otherwise. The 'Overall' performance measure is the total number of correct choices made by the respondent (ranging from 0 to 4). Thus, positive marginal effects imply a higher likelihood of choosing the optimal deal, and odds ratios greater than one imply better overall performance.

Source: London Economics analysis of the survey data

Results from G-S regression analysis of the survey data, presented in Table 36, Table 37 and Table 38 below, show that some of the behavioural characteristics measured in the survey are linked with some indicators of vulnerability in this dimension. However, the overall picture is quite diverse, with few statistically significant results for a number of characteristics and indicators. This can be seen most clearly from the matrix presented in Figure 28 at the start of this section.

Overall, the results show that the first and (to a lesser extent) fourth impulsiveness measures¹³⁹ are the characteristics that are most strongly linked with a higher chance of vulnerability on indicators in this dimension. Consumers with either high or very high impulsiveness on these two measures are found to be more likely to be vulnerable on between six and ten different indicators in this dimension.

For example, those who are most impulsive according to the first impulsiveness measure are more likely to have problems comparing deals due to personal factors and due to market-related factors in all three key sectors (Indicator 8a and Indicator 8b, Table 36), more likely to have not switched due to termination costs (Indicator 9d, Table 37) and bundling (Indicator 9e, Table 37), and to have been prevented from using e-commerce (Indicator 10a and Indicator 10b, Table 38). At 14pp, the marginal effect for these consumers for Indicator 8b for the energy sector (Table 36) is the largest effect among all those presented in this section.

Conversely, those with high credulity on the credulity measure¹⁴⁰ are often found to be less likely to be vulnerable on indicators in this dimension. Specifically, these consumers are less likely to have problems comparing deals due to market-related factors in all three key sectors (Indicator 8b, Table 36), less likely to have problems comparing deals due to access-related factors in the energy and online sectors (Indicator 8c, Table 36), and less likely to have been prevented from switching in the energy sector due to access-related factors (Indicator 9c, Table 37). However, these consumers are also found to be more likely to be vulnerable on other indicators in this dimension (i.e. Indicator 9d, Table 37, and Indicator 10b, Table 38).

¹³⁹ These measures are based on the extent that respondents agree with the statements "I have a hard time breaking bad habits" and "I'm impulsive in the purchase decisions I take" respectively.

¹⁴⁰ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

Table 36: Impact of behavioural characteristics on Indicator 8 in Dimension 4; Has problems comparing deals due to personal factors, market related factors, and access-related factors

	Energy sector			Online sector			Finance sector		
	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors
Trust 1: Low	-	-0.0269***	-0.0236***	-	-	-	-	-	-0.000730
Trust 1: High	-	-0.0503***	-0.0256***	-	-	-	-	-	0.00554*
Trust 1: Very high	-	-0.0456**	-0.0211*	-	-	-	-	-	0.0107*
Trust 2: Low	-0.0193	-	-	-	-	0.00149	-	-	-
Trust 2: High	-0.0343***	-	-	-	-	0.00544	-	-	-
Trust 2: Very high	-0.0145	-	-	-	-	0.0198**	-	-	-
Credulity test: Incorrect	-0.0363***	-	-0.0158***	-	-	-	-	-0.0292***	-
Credulity test: Not taken	0.0198*	-	0.0284***	-	-	-	-	0.0237*	-
Credulity: Low	-	-0.0199**	0.00506	-0.00224	-0.0216***	-0.00810***	-	-0.0407***	-
Credulity: High	-	-0.0772***	-0.0180**	0.00720	-0.0408***	-0.0122***	-	-0.0781***	-
Credulity: Very high	-	-0.0543**	-0.00450	0.000706	-0.0245	-0.00869	-	-0.0830***	-
Impulsiveness 1: Low	-0.0115	0.0666***	-0.00574	0.00252	0.0146	-	-0.0204	0.0274*	-
Impulsiveness 1: High	0.0255*	0.0912***	-0.0243***	0.0191**	0.0404***	-	0.0143	0.0572***	-
Impulsiveness 1: Very high	0.0406**	0.140***	-0.00685	0.0429***	0.0661***	-	0.0385**	0.0667***	-
Impulsiveness 2: Low	-	-	-	-	0.00568	0.00158	-0.0292***	-	-
Impulsiveness 2: High	-	-	-	-	0.0200**	0.0116**	-0.00772	-	-
Impulsiveness 2: Very high	-	-	-	-	0.00375	-0.00771	0.0320	-	-
Impulsiveness 3: Low	0.00829	-	-	-	-	-0.00893**	-	-	0.00367
Impulsiveness 3: High	0.0294**	-	-	-	-	-0.0111***	-	-	0.00744**
Impulsiveness 3: Very high	0.0243	-	-	-	-	-0.00994	-	-	0.0108*
Impulsiveness 4: Low	0.00356	-	-	0.0109	-	-0.00096	-	-0.0184	-
Impulsiveness 4: High	0.0189	-	-	0.0174**	-	0.00306	-	-0.0374***	-
Impulsiveness 4: Very high	0.0603***	-	-	0.0378***	-	-0.00981*	-	-0.0144	-
Risk taking: Not very	-0.0136	-	0.0543***	-0.0211	-0.00595	0.00182	-0.0374**	0.0534**	0.00848*
Risk taking: Fairly	-0.0340*	-	0.0638***	-0.0367**	-0.0162	-0.00527	-0.0341*	0.0694***	0.00822
Risk taking: Very	0.0568	-	0.108***	0.00868	0.0116	0.00915	-0.0827***	-0.0109	0.00105
Risk taking: No response	0.0314	-	-0.0509***	0.0159	0.0319	0.00893	-0.0353*	0.0664***	0.00470
Computation test 1 correct	-	0.0417***	-	-0.0192**	0.0270***	-	-	0.0498***	-
Computation test 2 correct	-	-	0.0248***	-	0.0229***	-	-	0.0396***	-
Knows meaning of kWh	-	-	0.0387***	-	-	-	-	0.0387***	-
Knows meaning of Mbps	-0.0516***	-	0.0160***	-0.0349***	-	0.00907***	-0.0259***	-	-0.00350*
Identified best interest rate	-	0.0393***	-	-	-	-	-0.0199**	0.0414***	-0.00332*
N	15,481	15,481	15,481	19,913	19,913	19,913	15,481	15,481	15,481
R ²	0.1273	0.1084	0.1263	0.1442	0.1461	0.0714	0.1210	0.1049	0.0933
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	8a_ene	8b_ene	8c_ene	8a_onl	8b_onl	8c_onl	8a_fin	8b_fin	8c_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 37: Impact of behavioural characteristics on Indicator 9 in Dimension 4; Has not switched due to personal factors, market related factors, access-related factors, termination costs, and bundling

	Energy sector			Online sector			Finance sector			Indicator 9d: Termination costs	Indicator 9e: Bundling
	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors		
Trust 1: Low	-	-0.00743	-0.0127	-0.00125	-	0.00492	-	-	-	-	-0.00656
Trust 1: High	-	0.0219	-0.0534***	0.00386	-	0.00456	-	-	-	-	-0.0280***
Trust 1: Very high	-	0.0108	-0.0255	-0.00311	-	-0.0203**	-	-	-	-	-0.0123
Trust 2: Low	0.0138	-	-	-	-	-	-	-	-	-	-
Trust 2: High	-0.00526	-	-	-	-	-	-	-	-	-	-
Trust 2:Very high	-0.00110	-	-	-	-	-	-	-	-	-	-
Credulity test: Incorrect	-	-	-0.0202*	-	-	-	-	-	-	0.0148***	-
Credulity test: Not taken	-	-	0.00190	-	-	-	-	-	-	0.00974	-
Credulity: Low	-	0.0213**	-0.000503	-	-	-	-	-	-	0.00777	-
Credulity: High	-	0.00972	-0.0257**	-	-	-	-	-	-	0.0232***	-
Credulity: Very high	-	-0.0249	-0.0228	-	-	-	-	-	-	0.0329**	-
Impulsiveness 1: Low	-	-	-0.00415	-	-	-	-	-	-	0.00472	0.0276***
Impulsiveness 1: High	-	-	-0.0360***	-	-	-	-	-	-	0.0137*	0.0357***
Impulsiveness 1: Very high	-	-	0.0244	-	-	-	-	-	-	0.0265***	0.0632***
Impulsiveness 2: Low	-	-	-	-	-	-	-	-	-	-	-
Impulsiveness 2: High	-	-	-	-	-	-	-	-	-	-	-
Impulsiveness 2: Very high	-	-	-	-	-	-	-	-	-	-	-
Impulsiveness 3: Low	-	-	-	-	-	-0.00221	-	-	-	-	-0.0142**
Impulsiveness 3: High	-	-	-	-	-	0.0105	-	-	-	-	-0.0156*
Impulsiveness 3: Very high	-	-	-	-	-	0.0293	-	-	-	-	0.00572
Impulsiveness 4: Low	-	-	-	-	-0.0122	-	-	-	-	0.00774	0.0128*
Impulsiveness 4: High	-	-	-	-	0.00343	-	-	-	-	0.0196***	0.0280***
Impulsiveness 4: Very high	-	-	-	-	0.0177	-	-	-	-	0.0349***	0.0684***
Risk taking: Not very	-	-	0.0315**	-	-	-	0.0139	-	0.00967**	0.000757	-0.0157
Risk taking: Fairly	-	-	0.0416**	-	-	-	0.0326***	-	0.0135**	0.0239	0.0115
Risk taking: Very	-	-	0.0635*	-	-	-	0.0458	-	0.000965	0.0635*	-0.0494*
Risk taking: No response	-	-	-0.0147	-	-	-	-0.0387***	-	-	0.00382	0.0104
Computation test 1 correct	-	-	-	-	-	-	-	0.0258**	-	-	-

Table 37: Impact of behavioural characteristics on Indicator 9 in Dimension 4; Has not switched due to personal factors, market related factors, access- related factors, termination costs, and bundling

	Energy sector			Online sector			Finance sector			Indicator 9d: Termination costs	Indicator 9e: Bundling
	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors		
Computation test 2 correct	-0.0340***	-	-	-	-	-	-0.0207**	-	-	-	-
Knows meaning of kWh	-	-	-	-	-	-	-	-	-	-	-
Knows meaning of Mbps	-	-	0.0650***	-	-	0.0125**	-	-	-	-	-
Identified best interest rate	-0.0296***	-	0.0225**	-	-	-	-0.0212***	-	-	-0.0130***	-0.0150***
N	4,782	4,782	4,782	3,483	3,427	3,265	4,355	4,368	4,095	26,653	26,653
R ²	0.1283	0.0651	0.2145	0.2094	0.0804	0.1083	0.1330	0.0597	0.1538	0.1242	0.0852
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	9a_ene	9b_ene	9c_ene	9a_onl	9b_onl	9c_onl	9a_fin	9b_fin	9c_fin	9d_ter	9e_bun

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 38: Impact of behavioural characteristics on Indicators 10 and 11 in Dimension 4; Excluded from e-commerce and declined a loan

	Excluded from e-commerce due to		
	Indicator 10a: Difficulty of the process	Indicator 10b: Not having payment card	Indicator 11: Declined a loan
Trust 1: Low	-0.0329***	-	-
Trust 1: High	-0.0438***	-	-
Trust 1: Very high	-0.0454***	-	-
Trust 2: Low	-0.00974	-	-
Trust 2: High	-0.00523	-	-
Trust 2: Very high	0.0382**	-	-
Credulity test: Incorrect	-	-	-0.00791**
Credulity test: Not taken	-	-	-0.0127***
Credulity: Low	-	0.00434	-
Credulity: High	-	0.0213***	-
Credulity: Very high	-	0.0768***	-
Impulsiveness 1: Low	0.0154	-0.00172	-
Impulsiveness 1: High	0.0441***	0.0202**	-
Impulsiveness 1: Very high	0.0772***	0.0432***	-
Impulsiveness 2: Low	-	-	-
Impulsiveness 2: High	-	-	-
Impulsiveness 2: Very high	-	-	-
Impulsiveness 3: Low	-	-	-0.00368
Impulsiveness 3: High	-	-	0.0111
Impulsiveness 3: Very high	-	-	0.00704
Impulsiveness 4: Low	0.00591	0.00936	0.00944
Impulsiveness 4: High	0.0244**	0.0286***	0.0186**
Impulsiveness 4: Very high	0.0285**	0.0257**	0.0101
Risk taking: Not very	-	-0.0332**	-
Risk taking: Fairly	-	-0.0158	-
Risk taking: Very	-	0.0357	-
Risk taking: No response	-	-0.0352*	-
Computation test 1 correct	-	-0.0182**	-
Computation test 2 correct	-	-	-
Knows meaning of kWh	-	-	-
Knows meaning of Mbps	-	-	-
Identified best interest rate	-0.0221***	-0.0150***	-0.0123***
N	19,957	19,957	4,971
R ²	0.0903	0.1188	0.1230
Marginal effect / Odds ratio	Marginal	Marginal	Marginal
Indicator code	10a	10b	11_loan

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.3.5. Dimension 5: Higher susceptibility to marketing practices

Several of the behavioural biases and characteristics identified in the literature are relevant to this dimension of vulnerability, since these biases can interact with marketing practices. For example, marketers may be able to exploit status quo bias by creating default options, ambiguity aversion by oversimplifying products, and framing effects by manipulating the way in choices products and choices between products are presented to consumers.

Results of the survey data analysis, presented in Table 39 below, show that consumers who are more trusting of people based on the first trust measure¹⁴¹ are less likely to feel a high level of vulnerability due to the complexity of offers, irrespective of how the dependent variable is coded.¹⁴² When this vulnerability indicator is coded as a binary variable, similar results are also found for the second trust variable.¹⁴³

Focussing on the results when the vulnerability indicator is coded as a scale variable, an interesting observation is that some variables that were intended to measure similar aspects of a consumer's character in fact have opposite relationships with the indicator.

For example, those with very high credulity on the credulity measure¹⁴⁴ are found to be more likely to feel a high level of vulnerability due to the complexity of offers, whereas the opposite result is found for those who answered the credulity test question incorrectly.¹⁴⁵

Similarly, those with very high impulsiveness on the second impulsiveness measure¹⁴⁶ are found to be less likely to feel a high level of vulnerability due to the complexity of offers, whereas the opposite result is found for those with very high impulsiveness on the fourth impulsiveness measure.¹⁴⁷

¹⁴¹ This measure is labelled 'Trust 1'. It is based on the extent that respondents agree with the statement "you need to be very careful in dealing with people".

¹⁴² The table shows the results when the dependent variable is coded as a binary variable and as a scale variable.

¹⁴³ This measure is labelled 'Trust 2'. It is based on the extent that respondents agree with the statement "I believe most people can be trusted".

¹⁴⁴ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹⁴⁵ The 'credulity test' question instructed respondents to consider the radio advertisement "Sign-up to BEACH BREAKS and receive a free pair of sunglasses. Sunglasses delivered when you purchase one of our beach holidays", and asked them whether the advertisement: 1. Offers free sunglasses to all who sign-up to beach breaks, 2. Offers sunglasses only to those who buy a holiday from beach breaks, or 3. Don't know. Those who identified the second answer as the correct response answered the credulity test question correctly.

¹⁴⁶ This measure is labelled 'Impulsiveness 2'. It is based on the extent that respondents agree with the statement "I'm good at resisting temptation".

¹⁴⁷ This measure is labelled 'Impulsiveness 4'. It is based on the extent that respondents agree with the statement "I'm impulsive in the purchase decisions I take".

Table 39: Impact of behavioural characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers;	
	Binary: "To a great extent"	Scale: 1 (low) to 4 (high)
Trust 1: Low	-0.0230***	0.827***
Trust 1: High	-0.0251***	0.640***
Trust 1: Very high	-0.0248***	0.505***
Trust 2: Low	-0.0078*	-
Trust 2: High	-0.0096**	-
Trust 2:Very high	-0.0003	-
Credulity test: Incorrect	-0.0084***	0.879***
Credulity test: Not taken	-0.00636	0.926*
Credulity: Low	-0.0226***	1.041
Credulity: High	-0.0215***	1.070**
Credulity: Very high	0.0163**	1.273***
Impulsiveness 1: Low	-0.00529	1.042
Impulsiveness 1: High	-0.00219	1.131***
Impulsiveness 1: Very high	0.0127**	1.168***
Impulsiveness 2: Low	-0.0217***	0.966
Impulsiveness 2: High	-0.0191***	0.989
Impulsiveness 2: Very high	-0.0181***	0.850**
Impulsiveness 3: Low	-0.0112***	-
Impulsiveness 3: High	-0.00754*	-
Impulsiveness 3: Very high	-0.00627	-
Impulsiveness 4: Low	-0.00637	1.144***
Impulsiveness 4: High	0.000351	1.127***
Impulsiveness 4: Very high	0.0131**	1.231***
Risk taking: Not very	-0.0227***	0.677***
Risk taking: Fairly	-0.0257***	0.620***
Risk taking: Very	-0.0261**	0.671***
Risk taking: No response	-0.0471***	0.538***
Computation test 1 correct	-	-
Computation test 2 correct	-	-
Knows meaning of kWh	-	-
Knows meaning of Mbps	-0.00759**	0.932***
Identified best interest rate	-0.0119***	0.924***
N	26,653	26,653
R ²	0.1005	0.0465
Marginal effect / Odds ratio	Marginal	Odds ratio
Indicator code	12_off_b2	12_off

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.4. Market-related drivers of vulnerability and consumers' experience in markets

Another set of potential drivers relates to markets, rather than to individuals. These include information problems, which could be linked to Cartwright's "information vulnerability" (Cartwright 2011). Information problems can manifest themselves through consumers not having information to make informed choices, which in turn can make them vulnerable. This can mean both economic actors providing incomplete, misleading or inaccessible information about products or services, or consumers not possessing the necessary information or knowledge to make these choices despite the information provided by economic actors. One example is the concept of financial

literacy, where low levels of literacy can make a consumer vulnerable (i.e. Vandone et al. 2011, Stearn 2012).

In turn, a possible cause of information problems may be a lack of experience and engagement with markets by consumers, in terms of, for example, rarely comparing deals, not being familiar with contract terms and conditions, or not reading communications from providers. Hence the consumer survey examined these types of 'experience and engagement' factors.

Competition problems are another market-related vulnerability driver. They refer to situations where the nature of competition in the market can result in consumers being vulnerable. Potential ways in which competition can drive vulnerability include:

- Situations where there is little competition in the market such that consumers have few alternatives and are dependent on the dominant (or monopoly) provider;
- Situations where the nature of competition in the market makes it unviable for economic operators to supply certain market segments (i.e. providing banking services to lower income consumers);
- Competitive pressures which may drive economic operators to exploit potential consumer vulnerabilities (i.e. by exploiting behavioural biases, see European Parliament 2011).

Consumer Futures (2001) examine the notion of "imperfect markets" which are markets that "operate in such a way as to reinforce and cause disadvantage". In practice, this refers to markets where vulnerable consumers pay more for essential goods and services, which is closely linked to the concept of "double disadvantage".

In addition, it is important to note that changes in the competitive situation can also have an impact on consumer vulnerability, especially for those not aware of the new market situation, such as in the case of liberalisation of energy or telecommunications markets.

More broadly, consumer vulnerability can also be driven by external economic shocks, such as the recent financial crisis. This is highlighted in a recent report for Citizens Advice in the UK, where pressures on living costs stemming from the economic situation are seen as an important driver of consumer vulnerability alongside changes in the way services are provided (for instance the increased complexity of the energy market) (Centre for Consumers and Essential Services 2014).

The matrix in Figure 29 summarises the impacts of market-related drivers and consumers' experience in markets on the various indicators of vulnerability, based on the results of the survey and experiment data analysis. The indicator codes across the top of the matrix match those in the list of indicators in section 6.1.2, as well as those in Table 5 in section 3.6.¹⁴⁸ The market-related characteristics in the matrix (down the left hand side) are defined (alongside all other explanatory variables examined in the data analysis) in Table 7 in Section 3.7.

¹⁴⁸ There are no results for Indicator 7 for the online sector since the G-S process could not be run for this indicator due to the low total number of respondents who are vulnerable on this indicator. Hence, in the results tables in this section no results are presented for this indicator.

In Figure 29, red cells imply that consumers with a certain characteristic are more likely to be vulnerable on the relevant indicator, whereas green cells show that consumers with a given characteristic are less likely to be vulnerable. Grey cells show that a characteristic was controlled for in the regression but was not statistically significant, and white cells mean that a characteristic was not included in the regression (based on the G-S methodology).¹⁴⁹

The explanatory variables examined in this section include a number of variables which represent consumers' experience of and engagement with the three key markets, including how often they compare deals, to what extent they know their contract terms and conditions, whether they have read the most recent bill or communication from their provider, and whether they found reading this bill or communication difficult.

As explained in section 3.7.1, these variables are coded as sets of mutually exclusive dummies, meaning that, for each set, one level must be used as the base. In each case, the level used as the base is the highest level of experience or engagement. For example, for the extent to which respondents know their contract terms and conditions, the base level used is "completely".¹⁵⁰

Some results reported in this section relate to explanatory variables which signify that respondents did not answer a particular survey question, including no response dummies for questions on comparing deals, knowing contract terms and reading bills and communications from suppliers.

Some market experience variables are not included in the regression analysis for particular indicators because these variables are used to construct the indicators themselves. Specifically, variables signifying how often respondents compare deals in a given sector are not used as explanatory variables for indicators representing whether consumers have problems comparing deals in that sector (i.e. indicators 6 and 8). In Figure 29, such cases are identified with crossed out cells, and in the results tables in the following subsections no results are reported for these variables/indicators.

As can be seen from the matrix in Figure 29, there are many statistically significant relationships between market-related factors and the indicators of vulnerability. Although the overall picture is very diverse and complex, several patterns can be seen in the results:

- Having been unable to read the terms and conditions of your energy, telecommunications or banking contract due to overly small print is associated with a higher likelihood of vulnerability on 20 out of the 38 indicators, including indicators in every dimension, as well as worse overall performance in the experiments (see the first row in the matrix).
- Being less experienced and engaged with a market, in terms of knowing contract terms, reading communications, and the difficulty of reading communications, is associated with a higher likelihood of vulnerability in *that particular* market on a number of indicators, especially having problems

¹⁴⁹ Note that the indicators examined in the data analysis are listed at the beginning of this chapter, while further details of the analysis undertaken, including descriptions of the explanatory variables, are provided in Annex 8.

¹⁵⁰ The full set of explanatory variables examined in the G-S analysis, and the variables used as bases, can be seen in Annex 8.

comparing deals in the sector due to information-related (Indicator 6), personal (Indicator 8a), market-related (Indicator 8b) and access-related (Indicator 8c) factors.

- The extent that consumers feel uninformed about prices, quality and conditions when choosing and buying goods and services (Indicator 4 in dimension 3) is linked to almost all of the market-related factors examined in the analysis¹⁵¹; and in most cases these relationships imply that the characteristics in the matrix are associated with a higher likelihood of vulnerability on this indicator (red cells), which makes intuitive sense since, as noted above, the bases used for comparison represent the highest levels of experience and engagement with markets.

Using evidence from the literature review, survey and behavioural experiments, the relationships between market-related factors and consumers' experience in markets and each dimension of vulnerability are examined in more detail in the following subsections.

As in the sections above, reporting and discussion of the survey and experiment results in the text below is limited to statistically significant results only. The full set of explanatory variables examined in the G-S analysis is presented in section 3.7. This table also indicates which variables (i.e. which levels or categories) are used as bases in the analysis.

¹⁵¹ Specifically, all except whether respondents have read the most recent bill or communication from their provider in the energy, online or finance sectors.

Figure 29: Matrix of market-related characteristics linked to survey-based indicators of vulnerability

Dimension:	D1		D2		D3							D4									D5		D4																
Feature:					Information problems							Problems comparing			Not switched						Excluded		Offers																
Sector:					Energy			Online				Finance			Energy			Online			Finance			-	e-com	-	-												
Indicator:	1	2	3	4	5	6	7	5	6	7	5	6	7	8a	8b	8c	8a	8b	8c	8a	8b	8c	9a	9b	9c	9a	9b	9c	9a	9b	9c	9d	9e	10a	10b	11	12b	12	exp
Characteristic / Driver	Unassertive	Overpaid	Feels vulnerable	Feels uninformed	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Termination cost	Bundled offers	Difficult process	Payment card	Declined for loan	Very vulnerable	Vulnerable scale	Experiment			
Unable to read Ts&Cs due to small print																																							
Compare energy deals: When need to renew																																							
Compare energy deals: Sporadically																																							
Compare energy deals: Only the first time																																							
Compare energy deals: Never																																							
Know energy contract: Not at all																																							
Know energy contract: Not very																																							
Know energy contract: Fair amount																																							
Know energy contract/Read energy bill: No response																																							
Read energy bill: Glanced or skim read																																							
Read energy bill: Looked at total price																																							
Read energy bill: Not at all																																							
Read energy bill: Don't know																																							
Read energy bill: No response																																							
Read energy bill: Easy																																							
Read energy bill: Difficult																																							
Read energy bill: Very difficult																																							
Did not read energy bill																																							
Compare internet deals: When need to renew																																							
Compare internet deals: Sporadically																																							
Compare internet deals: Only the first time																																							
Compare internet deals: Never																																							
Compare internet deals: No response																																							
Know internet contract conditions: Not at all																																							
Know internet contract conditions: Not very																																							
Know internet contract conditions: Fair amount																																							
Know internet contract/read comm'n: No response																																							
Read internet communication: Glanced or skim read																																							
Read internet communication: Saw what it was																																							
Read internet communication: Not read it at all																																							
Read internet communication: Don't know																																							
Read internet communication: No response																																							

Figure 29: Matrix of market-related characteristics linked to survey-based indicators of vulnerability

Characteristic / Driver	Dimension: D1		D2		D3							D4											D5		D4															
	Feature:				Information problems							Problems comparing						Not switched					Excluded		Offers															
	Sector:				Energy			Online		Finance		Energy		Online		Finance		Energy			Online		Finance		-	e-com	-	-												
	Indicator:		1	2	3	4	5	6	7	5	6	7	5	6	7	8a	8b	8c	8a	8b	8c	8a	8b	8c	9a	9b	9c	9a	9b	9c	9a	9b	9c	9d	9e	10a	10b	11	12b	12
	Unassertive	Overpaid	Feels vulnerable	Feels uninformed	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Termination cost	Bundled offers	Difficult process	Payment card	Declined for loan	Very vulnerable	Vulnerable scale	Experiment				
Read internet communication: Easy																																								
Read internet communication: Difficult																																								
Read internet communication: Very difficult																																								
Did not read internet communication																																								
Compare deals from banks: When notified																																								
Compare deals from banks: Sporadically																																								
Compare deals from banks: Only the first time																																								
Compare deals from banks: Never																																								
Know bank contract conditions: Not at all																																								
Know bank contract conditions: Not very																																								
Know bank contract conditions: Fair amount																																								
Know bank contract/read comm'n: No response																																								
Read bank communication: Glanced or skim read																																								
Read bank communication: Saw what it was																																								
Read bank communication: Not read it at all																																								
Read bank communication: Don't know																																								
Read bank communication: No response																																								
Read bank communication: Easy																																								
Read bank communication: Difficult																																								
Read bank communication: Very Difficult																																								
Did not read bank communication																																								

6.4.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

Market-related issues such as information and competition problems and a lack of engagement in the market by consumers, as discussed above in section 6.4, might be expected to put consumers at increased risk of negative outcomes in markets. For example, consumers may pay more for goods and services due to competition problems or make important purchasing decisions sub optimally due to information problems.

According to the results of G-S regression analysis of the survey data presented in Table 40 below, some market-related factors are linked with the indicators of vulnerability in this dimension.

For example, according to these results, those who compare deals less frequently in the energy or finance sectors are more likely to be unassertive when they experience a problem (Indicator 1). Specifically, those who compare deals in the energy sector only when they need to renew their contract, only sporadically, only the first time they need to choose a provider, or never, are more likely than those who compare deals from time to time to be unassertive when they experience a problem (Indicator 1), with marginal effects of 5.9 percentage points (pp), 7.5pp, 12.7pp and 13.3pp respectively.¹⁵²

In addition, those who have previously been unable to read the terms and conditions of their energy, telecommunications or banking contract due to overly small print are found to be more likely to have overpaid for services due to being unable to use certain payment methods (Indicator 2), with a marginal effect of 15pp (i.e. the largest effect among those reported in Table 40).

Table 40: Impact of market-related characteristics on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
Unable to read Ts&Cs due to small print	-	0.150***	1.595***
Compare energy deals: When need to renew	0.0591***	-0.0005	1.108**
Compare energy deals: Sporadically	0.0751***	-0.0123**	1.021
Compare energy deals: Only the first time	0.127***	-0.00404	1.074*
Compare energy deals: Never	0.135***	-0.0119**	0.993
Know energy contract: Not at all	0.000310	-0.0254***	-
Know energy contract: Not very	0.0550**	-0.0108*	-
Know energy contract: Fair amount	0.0247	-0.0111**	-
Know energy contract/Read bill: No	0.104***	-0.0139*	-

¹⁵² There are similar results for the frequency with which consumers compare deals in the finance sector, although the magnitudes and statistical significances of these results are lower.

Table 40: Impact of market-related characteristics on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
response			
Read energy bill: Glanced or skim read	0.0296*	-	1.053
Read energy bill: Looked at total price	0.110***	-	1.131***
Read energy bill: Not at all	0.0792***	-	1.213***
Read energy bill: Don't know	0.0435	-	1.120
Read energy bill: No response	-	-	1.395***
Read energy bill: Easy	-	-	1.139***
Read energy bill: Difficult	-	-	1.170***
Read energy bill: Very difficult	-	-	1.233***
Did not read energy bill	-	-	-
Compare internet deals: When need to renew	-	-	1.055
Compare internet deals: Sporadically	-	-	1.000
Compare internet deals: Only the first time	-	-	0.929*
Compare internet deals: Never	-	-	0.900**
Compare internet deals: No response	-	-	0.768**
Know internet contract conditions: Not at all	-	-	-
Know internet contract conditions: Not very	-	-	-
Know internet contract conditions: Fair amount	-	-	-
Know contract/read comm'n: No response	-	-	-
Read internet communication: Glanced or skim	0.0316*	-0.00479	0.950
Read internet communication: Saw what it was	0.118***	0.0142*	1.078
Read internet communication: Not read it at all	0.110***	-0.0104	0.900**
Read internet communication: Don't know	0.0914***	-0.0173**	0.904*
Read internet communication: No response	0.0921***	0.0282***	1.084
Read internet communication: Easy	0.0411**	0.00440	-
Read internet communication: Difficult	0.0927***	0.0281**	-
Read internet communication: Very difficult	0.214**	0.119**	-
Did not read internet communication	-	-	-
Compare deals from banks: When notified	0.0651***	0.0110*	1.083*
Compare deals from banks: Sporadically	0.0605***	-0.0150***	0.931*
Compare deals from banks: Only the first time	0.0351*	-0.0244***	0.926**
Compare deals from banks: Never	0.0348*	-0.0284***	0.837***
Know bank contract conditions: Not at all	0.118***	0.0328***	1.218***
Know bank contract conditions: Not very	0.0788***	0.0170**	1.320***
Know bank contract conditions: Fair amount	0.0352**	0.00139	1.161***
Know bank contract/read comm'n: No response	0.152***	0.0355***	1.897***

Table 40: Impact of market-related characteristics on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
Read bank communication: Glanced or skim	0.0335**	0.00480	0.982
Read bank communication: Saw what it was	0.0829***	0.0335***	1.297***
Read bank communication: Not read it at all	0.00887	0.0183**	1.116**
Read bank communication: Don't know	0.0488*	0.0192**	1.152***
Read bank communication: No response	-	-	-
Read bank communication: Easy	-	0.00863	1.154***
Read bank communication: Difficult	-	0.0165*	1.317***
Read bank communication: Very Difficult	-	0.0559***	1.306*
Did not read bank communication	-	-	-
N	7,826	26,653	26,653
R ²	0.0929	0.1418	0.1227
Marginal effect / Odds ratio	Marginal	Marginal	Odds ratio
Indicator code	1	2	3

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.4.2. Dimension 2: Having characteristics that limit ability to maximise well-being

The G-S regression method is used to analyse one survey-based indicator of vulnerability in the second dimension, namely Indicator 3. This indicator stands for the *maximum* extent that consumers feel vulnerable due to *any* of the personal characteristics mentioned in the relevant survey question (i.e. health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or 'other' reasons), on a scale from 1 (low) to 4 (high). The results presented in Table 40 above show that some market-related factors are related to this indicator of vulnerability.

For example, the results show that consumers who have been unable to read the terms and conditions of their energy, telecommunications or banking contract due to overly small print are considerably more likely to feel a high level of vulnerability on this indicator, with an odds ratio of 1.60.

Furthermore, those who found it more difficult (i.e. who found it easy, difficult or very difficult, rather than very easy) to read the last bill from their energy supplier or the

last communication from their bank (with odds ratios ranging from 1.14 to 1.32) are more likely to feel highly vulnerable on this indicator.

Conversely, those who compare deals less often (i.e. 'only the first time' they need to choose a provider or 'never', rather than 'from time to time') in the online and finance sectors are less likely to feel a high level of vulnerability on this indicator (odds ratios ranging from 0.84 to 0.93).

6.4.3. Dimension 3: Having difficulty in obtaining or assimilating information

As discussed in section 6.4 above, market-related drivers include information problems, which can refer either to incomplete, misleading or inaccessible provision of information by economic actors (e.g. firms), or to consumers not possessing necessary information or knowledge to make proper choices, irrespective of the information provided to them. A potential source of such information problems may be that consumers are not sufficiently experienced and engaged with markets, for example in terms of comparing deals, being familiar with contract terms, or reading communications from providers.

Results of G-S regression analysis of the survey data, presented in Table 41, show that few of the market-related factors examined in the survey have statistically significant relationships with most indicators in this dimension (this can be seen from the matrix in Figure 29 as well as from table 45). However, some individual indicators are linked with a number of market-related variables.

In particular, the extent that consumers feel uninformed about prices, quality and conditions when choosing and buying goods and services (Indicator 4) is linked with most market-related factors examined in the analysis. In nearly all cases, the results imply that the characteristics in Table 41 are linked with a higher likelihood of vulnerability on this indicator, which makes intuitive sense since, as noted in section 6.4 above, the bases used for comparison are the highest levels of experience and engagement with markets. For example, consumers who do not know their energy, internet or bank contract terms and conditions "at all" are more likely to feel highly uninformed (with odds ratios of 1.38, 1.24 and 1.32).

In addition, the results show that finding it difficult to read bills and communications from providers is, in general, associated with a higher likelihood of having problems comparing deals due to information-related factors (Indicator 6).

For example, those who found it difficult or very difficult to read the most recent bill from their energy supplier are more likely to have problems comparing deals in *all three* key sectors due to information related factors. With a marginal effect of 29.3pp, the impact of finding it very difficult to read their latest energy bill on the likelihood that consumers have problems comparing deals in the energy sector due to information related factors is the largest effect of any market-related factor in this dimension. Similarly, those who found it difficult to read the latest communication from their internet provider or bank are also more likely to have problems comparing deals in the three sectors as a result of information related factors.

Table 41: Impact of market-related characteristics on indicators in Dimension 3; Having difficulty obtaining and assimilating information

	Energy sector				Online sector			Finance sector		
	Indicator 4: Feels uninformed about prices	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
Unable to read Ts&Cs due to small print	1.192***	-	0.0636***	-	-	0.0329***	-	0.0143***	0.0387***	0.00829*
Compare energy deals: When need to renew	1.178***	-0.0130***	-	-	-0.00688	0.000196	-	-0.00134	-	-
Compare energy deals: Sporadically	1.226***	0.0286***	-	-	0.00860	0.00496	-	0.00979*	-	-
Compare energy deals: Only the first time	1.261***	0.00613	-	-	0.0118*	-0.00110	-	-0.00154	-	-
Compare energy deals: Never	1.391***	-	-	-	0.0187***	-0.00642	-	0.00370	-	-
Know energy contract: Not at all	1.381***	-	0.101***	0.0165	-	-	-	-0.0117***	-	-
Know energy contract: Not very	1.264***	-	0.0839***	0.0138	-	-	-	-0.00302	-	-
Know energy contract: Fair amount	1.104**	-	0.0188	0.0028	-	-	-	-0.00220	-	-
Know energy contract/Read energy bill: No response	1.455***	-	0.0128	-	-	-	-	-0.00361	-	-
Read energy bill: Glanced or skim read	-	0.00143	-	0.0039	-	-0.00919**	-	-	-0.0209***	-
Read energy bill: Looked at total price	-	0.00213	-	0.0127*	-	-0.0153***	-	-	-0.0217***	-
Read energy bill: Not at all	-	0.00120	-	0.0038	-	0.00562	-	-	0.0351**	-
Read energy bill: Don't know	-	-0.0207***	-	0.0050	-	0.00143	-	-	0.0316*	-
Read energy bill: No response	-	-0.00113	-	-	-	0.00556	-	-	0.0158	-
Read energy bill: Easy	1.323***	-	0.0602***	-	-	0.0131*	-	-	0.0314***	-
Read energy bill: Difficult	1.390***	-	0.185***	-	-	0.0401***	-	-	0.0785***	-
Read energy bill: Very difficult	1.468***	-	0.293***	-	-	0.0917***	-	-	0.130***	-
Did not read energy bill	1.339***	-	0.0929***	-	-	-	-	-	-	-
Compare internet deals: When need to renew	1.163***	-	-	-0.0065**	-0.0115***	-	-	-0.00307	-0.0136**	-
Compare internet deals: Sporadically	1.084*	-	-	0.0019	0.0407***	-	-	0.00983*	-0.000301	-
Compare internet deals: Only the first time	1.137***	-	-	0.00020	0.00848*	-	-	0.00363	-0.0205***	-
Compare internet deals: Never	1.161***	-	-	-0.0020	-	-	-	0.00591	-0.0213***	-
Compare internet deals: No response	1.396***	-	-	-0.0049	-	-	-	-0.00979	-0.0313***	-
Know internet contract conditions: Not at all	1.237***	-	-0.0187	-	-	0.0448***	-	-	-	-
Know internet contract conditions: Not very	1.278***	-	0.0103	-	-	0.0547***	-	-	-	-
Know internet contr conditions: Fair amount	1.162***	-	0.00184	-	-	0.0192***	-	-	-	-
Know internet contr/read comm: No response	1.056	-	-0.0551***	-	-	0.0373**	-	-	-	-
Read internet comm: Glanced or skim read	-	0.00500	-	-	0.00783*	-	-	0.00482	-	-
Read internet communication: Saw what it was	-	0.0199**	-	-	0.0130**	-	-	0.0101	-	-
Read internet communication: Not read it at all	-	0.00666	-	-	0.0164**	-	-	0.00182	-	-
Read internet communication: Don't know	-	0.00190	-	-	0.00647	-	-	-0.00523	-	-
Read internet communication: No response	-	0.0396*	-	-	0.0176	-	-	0.0226	-	-

Table 41: Impact of market-related characteristics on indicators in Dimension 3; Having difficulty obtaining and assimilating information

	Energy sector				Online sector			Finance sector		
	Indicator 4: Feels uninformed about prices	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
Read internet communication: Easy	1.189***	-	0.00811	0.0013	-	0.0566***	-	0.00153	0.00359	-
Read internet communication: Difficult	1.303***	-	0.0569***	0.0328	-	0.268***	-	0.0203*	0.0325**	-
Read internet communication: Very difficult	0.822	-	0.173***	-	-	0.285***	-	0.0225	0.0523	-
Did not read internet communication	1.231***	-	0.0209*	0.0038	-	0.0785***	-	-	-0.00141	-
Compare deals from banks: When notified	1.140***	-	-0.00472	0.0053	-	-	-	-0.00789**	-	-
Compare deals from banks: Sporadically	0.932*	-	0.00664	-0.0007	-	-	-	0.0158***	-	-
Compare deals from banks: Only the first time	0.874***	-	0.0278***	0.0012	-	-	-	0.00558	-	-
Compare deals from banks: Never	0.935*	-	0.00557	-0.0063*	-	-	-	-	-	-
Know bank contract conditions: Not at all	1.322***	0.0140	-	-	-	-	-	-	0.164***	0.0101
Know bank contract conditions: Not very	1.219***	-0.00135	-	-	-	-	-	-	0.107***	0.00935
Know bank contract conditions: Fair amount	1.142***	0.00924**	-	-	-	-	-	-	0.0537***	0.0000688
Know bank contr/read comm: No response	1.264***	-0.0121*	-	-	-	-	-	-	0.242***	-
Read bank comm'n: Glanced or skim read	-	-	-	0.0058	-	-	-	-	-0.0191***	-
Read bank communication: Saw what it was	-	-	-	0.0109	-	-	-	-	0.0967***	-
Read bank communication: Not read it at all	-	-	-	0.0108	-	-	-	-	0.0714***	-
Read bank communication: Don't know	-	-	-	0.0127	-	-	-	-	0.0857***	-
Read bank communication: No response	-	-	-	-0.0029	-	-	-	-	-	-
Read bank communication: Easy	1.155***	-	0.0226**	-	-	0.00874*	-	0.00569	0.0661***	-0.00306
Read bank communication: Difficult	1.323***	-	0.0632***	-	-	0.0410***	-	-0.00227	0.234***	0.00326
Read bank communication: Very Difficult	1.196	-	0.107**	-	-	0.0276	-	-	0.277***	0.0106
Did not read bank communication	1.342***	-	0.0406***	-	-	0.0166***	-	0.0142**	-	0.00242
N	26,653	9,793	15,481	4,481	16,451	19,913	-	10,228	15,481	3,795
R ²	0.0574	0.0972	0.0756	0.1461	0.0890	0.1217	-	0.0925	0.0859	0.1374
Marginal effect / Odds ratio	Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	4	5_b_adv_ene	6_ene	7_ene	5_b_adv_onl	6_onl	7_onl	5_b_adv_fin	6_fin	7_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2. There are no results for Indicator 7 for the online sector because the G-S process could not be run for this indicator due to low variation in the dependent variable.

Source: London Economics analysis of the survey data

6.4.4. Dimension 4: Inability or failure to buy, choose or access suitable products

Market-related issues such as information and competition problems and insufficient engagement in markets by consumers may be related to the fourth dimension of vulnerability since these factors may cause consumers to make unsuitable product choices.

The behavioural experiment results are especially relevant to this dimension of vulnerability, since the experiments examined consumers' ability to select the best deal in simulated purchasing situations in the three key markets of the study. Therefore, in this section we draw on the results of G-S regression analysis of respondents' choices in the experiments.

The experiment results presented in Table 42 show that the extent that a respondent has read the most recent bill or communication from their energy supplier, internet provider or bank had an impact on their overall performance in the experiments.¹⁵³ For example, the odds ratio for having not read their most recent bill/communication "at all" is 0.77, implying that these consumers were less likely to perform well overall than to those who read their bill/communication "completely".¹⁵⁴

In addition, the experiment results also show that consumers who have previously been unable to read the terms and conditions of their energy, telecommunications or banking contract due to overly small print performed worse in the experiments overall, with an odds ratio of 0.85.

The results for the 'Remedy treatment' variable show the effect of the remedy treatment relative to the marketing practice treatment on respondents' ability to select the optimal deal in particular rounds of the experiments. These results imply that the remedy increased the likelihood that respondents selected the best offer in the second round of the energy sector experiment, the first round of the online sector experiment, and both rounds of the finance sector experiment, with marginal effects of 15.6pp, 19.8pp, 8.3pp and 5.8pp respectively.

¹⁵³ It is important to note that, as explained in Annex 8, in the regressions of experiment performance, *only* market-related variables corresponding to the sector of the experiment (or in the case of the cross-cutting experiment, the sector used to frame the experiment) were included as explanatory variables.

That is, for example, in regressions of performance in the energy sector experiment, only variables representing how often respondents compare deals in the energy sector, to what extent they know their energy contract, whether they have read their most recent energy bill, and how difficult they found it to read this bill were included as explanatory variables, whereas variables corresponding to other sectors were not included.

Similarly, in regressions of performance in the online (finance) sector experiment, only variables representing how often respondents compare deals in the online (finance) sector, to what extent they know their internet (bank) contract, whether they have read the most recent communication from their internet provider (bank), and how difficult they found it to read this communication were included as explanatory variables, whereas variables corresponding to other sectors were not included.

¹⁵⁴ The variable for overall experiment performance is equal to the total number of correct choices a respondent made across both rounds of both experiments they completed. Since respondents completed two experiments each, and each experiment comprised of two rounds, this variable ranges from 0 (no correct choices) to 4 (four correct choices).

This suggests that marketing practices do drive this dimension of vulnerability, but also that the effect of marketing practices may be specific to the sector and choice environment. The role of marketing practices is examined further in Chapter 8.

Table 42: Impact of market-related characteristics and consumers' experience in markets on experiment performance

	Energy Sector		Online Sector		Finance Sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Unable to read Ts&Cs due to small print Treatment	-	-	-0.0953***	-0.0689**	-	-0.0418**	-	-	0.850**
Compare deals: When need to renew	-	0.156***	0.198***	-	0.0831***	0.0577***	-	-	-
Compare deals: Sporadically	-	-	-	-	-	-0.0724**	-	0.0317	-
Compare deals: Only the first time	-	-	-	-	-	-0.00885	-	0.0201	-
Compare deals: Never	-	-	-	-	-	0.0208	-	-0.0476	-
Compare deals: No response	-	-	-	-	-	0.00845	-	0.00832	-
Know contract (and conditions): Not at all	-	-	-	-	-	-0.000165	-	-	-
Know contract (and conditions): Not very	-	-	-	-	-	-0.00532	-	-	-
Know contract (and conditions): Fair amount	-	-	-	-	-	0.0198	-	-	-
Know contract/read comm'n: No response	-	-	-	-	-	-0.0106	-	-	-
Read bill/communication: Glanced or skim read	-	-	-	-	-	-	-	-	0.860**
Read bill/communication: Looked at price/what it was	-	-	-	-	-	-	-	-	0.767***
Read bill/communication: Not at all	-	-	-	-	-	-	-	-	0.770***
Read bill/communication: Don't know	-	-	-	-	-	-	-	-	0.909
Read bill/communication: No response	-	-	-	-	-	-	-	-	2.387***
Read bill/communication: Easy	-	-	-	-	-	0.0326*	-	-	-
Read bill/communication: Difficult	-	-	-	-	-	-0.00993	-	-	-
Read bill/communication: Very difficult	-	-	-	-	-	0.0948***	-	-	-
Did not read bill or communication	-	-	-	-	-	0.00704	-	-	-
N	2,522	2,522	2,510	2,510	2,505	2,505	2,565	2,565	5,051
R ²	0.0318	0.0710	0.1061	0.0823	0.1191	0.1205	0.0237	0.0628	0.0421
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Odds ratio

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The explanatory variables are defined in Table 7 and A8.1.2. The dependent variables in the experiment analysis signify whether the respondent chose the optimal deal. For individual experiment rounds, the dependent variable is equal to one if the respondent chose the optimal deal, or zero otherwise. The 'Overall' performance measure is the total number of correct choices made by the respondent (ranging from 0 to 4). Thus, positive marginal effects imply a higher likelihood of choosing the optimal deal, and odds ratios greater than one imply better overall performance.

Source: London Economics analysis of the survey data

Results from G-S regression analysis of the survey data, presented in Table 43, Table 44 and Table 45, show that some of the market-related factors examined in the survey are linked with indicators of vulnerability in this dimension.

For example, consumers who have previously been unable to read contract terms and conditions due to overly small print are more likely to be vulnerable in terms of having problems comparing deals due to market-related factors in all three sectors (Table 43); being prevented from switching due to termination costs and bundling (Table 44); and being excluded from e-commerce (Table 45).

Furthermore, in general being less experienced and engaged with markets, in terms of comparing deals, knowing contract terms, reading communications, and the difficulty of reading communications, is associated with a higher likelihood of vulnerability on a number of indicators, especially having problems comparing deals due to personal (Indicator 8a), market-related (Indicator 8b) and access-related (Indicator 8c) factors. This can be seen from the results matrix in Figure 29 (on page 221) as well as from the tables below.¹⁵⁵

For example, the results are particularly strong for variables which signify that consumers do not know their contract conditions in the three key sectors. Specifically, relative to those who know their contract conditions 'completely' (marginal effects given in parentheses):

- Those who do not know the conditions of their energy contract 'at all' are more likely to have problems comparing energy deals in the energy sector due to personal (23.4pp), market-related (10.0pp) and access-related (11.4pp) factors (Table 43); and are more likely to have been prevented from switching their energy deal due to personal (8.9pp) and market-related (5.6pp) factors (Table 44).
- Consumers who do not know the conditions of their internet contract 'at all' are more likely to have problems comparing internet deals due to personal (15.2pp), market-related (9.4pp) and access-related (7.2pp) factors (Table 43).
- Those who do not know the contract conditions of their bank account 'at all' are more likely to have problems comparing bank deals due to personal factors (22.3pp) and market-related (21.7pp) factors (Table 43); and are more likely to have been prevented from switching their bank due to personal (6.2pp) and market-related (11.1pp) factors (Table 44).

Likewise, compared to those who found it very easy to read the latest bill or communication (marginal effects in parentheses):

- Consumers who found it very difficult to read the most recent bill from their energy supplier are more likely to have problems comparing deals in the energy sector due to personal (13.9pp) and market-related (39.9pp) factors (Table 43).

¹⁵⁵ In particular, note in the matrix the frequency of red cells for indicators 8a, 8b and 8c in dimension 4.

- Those who found it very difficult to read the latest communication from their internet provider are more likely to have problems comparing internet deals due to personal (20.7pp) and market-related (57.9pp) factors (Table 43).
- Those who found it very difficult to read the most recent communication from their bank are more likely to have problems comparing bank deals due to personal (22.0pp) and market-related (34.4pp) factors (Table 43); and are more likely to have been prevented from switching their bank due to market-related factors (14.2pp) (Table 44).

Table 43: Impact of market-related characteristics on Indicator 8 in Dimension 4; Has problems comparing deals due to personal factors, market related factors, and access- related factors

	Energy sector			Online sector			Finance sector		
	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors
Unable to read Ts&Cs due to small print	0.0376***	0.0617***	-	-	0.0360***	-	-	0.0718***	-
Compare energy deals: When need to renew				0.0329***	0.00438	0.00700	0.0528***	0.0560***	0.00102
Compare energy deals: Sporadically				0.0396***	0.0142	0.0185***	0.0533***	0.0376**	0.00689*
Compare energy deals: Only the first time				0.0914***	0.0373***	0.0365***	0.119***	0.0567***	0.00763*
Compare energy deals: Never				0.0631***	-0.00266	0.0293***	0.111***	0.0415***	0.00455
Know energy contract: Not at all	0.234***	0.100***	0.114***	-	-	-0.0230***	0.0105	0.0400*	-0.00858**
Know energy contract: Not very	0.211***	0.166***	0.111***	-	-	-0.0169***	0.0134	0.0583***	-0.00372
Know energy contract: Fair amount	0.0711***	0.0790***	0.0469***	-	-	-0.00342	-0.00628	0.0304**	-0.000308
Know energy contract/Read bill: No response	0.296***	0.161***	0.378***	-	-	0.0224**	0.0201	-0.00155	-0.00134
Read energy bill: Glanced or skim read	0.0525***	0.00233	0.00445	-	0.0278***	-	0.0332***	-0.0391***	-
Read energy bill: Looked at total price	0.0846***	0.0189	0.0364***	-	0.0406***	-	0.0588***	-0.0438***	-
Read energy bill: Not at all	0.142***	0.137***	0.0391***	-	0.0219	-	0.0578***	-0.00208	-
Read energy bill: Don't know	0.136***	0.0890***	0.0282*	-	0.0155	-	0.0254	-0.00911	-
Read energy bill: No response	-	-	-	-	-0.0101	-	-	-	-
Read energy bill: Easy	0.00766	0.125***	-	0.0216**	0.0511***	-0.0100**	-0.0286**	0.0427***	-
Read energy bill: Difficult	0.122***	0.331***	-	0.0415***	0.133***	-0.00873*	0.0180	0.141***	-
Read energy bill: Very difficult	0.139***	0.399***	-	0.0813***	0.188***	0.00357	-0.00992	0.118***	-
Did not read energy bill	-	-	-	0.0159	-	-0.0185***	-	-	-
Compare internet deals: When need to renew	0.0215	0.0120	0.0113				0.0141	-0.0130	-
Compare internet deals: Sporadically	0.0574***	0.0574***	0.00854				0.0357**	0.0191	-
Compare internet deals: Only the first time	0.111***	0.0849***	0.0353***				0.0929***	0.000979	-
Compare internet deals: Never	0.159***	0.0341**	0.0243**				0.109***	-0.0547***	-
Compare internet deals: No response	0.102**	-0.102***	0.153***				0.265***	-0.0228	-
Know internet contract conditions: Not at all	-0.0218	-	-0.0183	0.152***	0.0942***	0.0716***	-0.0473**	-	-0.00189
Know internet contract conditions: Not very	0.0549***	-	-0.00796	0.141***	0.191***	0.0243***	-0.00898	-	0.00466
Know internet contract conditions: Fair amount	0.0162	-	-0.0204**	0.0410***	0.0805***	0.00880**	0.00166	-	-0.00223
Know internet contr./read comm: No response	0.0100	-	-0.0149	0.296***	0.363***	0.0642**	-0.0835**	-	0.00998*

Table 43: Impact of market-related characteristics on Indicator 8 in Dimension 4; Has problems comparing deals due to personal factors, market related factors, and access- related factors

	Energy sector			Online sector			Finance sector		
	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors
Read internet comm'n: Glanced or skim read	-0.0102	-	0.00942	0.0145*	0.0142	0.0123**	-	-	-
Read internet communication: Saw what it was	0.0358**	-	0.0259**	0.116***	0.188***	0.0315***	-	-	-
Read internet communication: Not read it at all	0.0138	-	-0.00905	0.146***	0.158***	0.0391***	-	-	-
Read internet communication: Don't know	0.0177	-	-0.0208**	0.118***	0.183***	0.0543***	-	-	-
Read internet communication: No response	-	-	-	-	-	-	-	-	-
Read internet communication: Easy	-	0.00723	-	0.0167*	0.0855***	-0.00272	-	-0.00196	-
Read internet communication: Difficult	-	0.0619**	-	0.181***	0.413***	0.0237**	-	0.112***	-
Read internet communication: Very difficult	-	0.147*	-	0.207***	0.579***	0.0407	-	0.0834	-
Did not read internet communication	-	0.0286**	-	-	-	-	-	0.00123	-
Compare deals from banks: When notified	0.0223	0.0255	0.00930	0.0109	0.0236**	-			
Compare deals from banks: Sporadically	0.0481***	0.0425***	-0.00286	0.0180*	0.0554***	-			
Compare deals from banks: Only the first time	0.0816***	0.0735***	0.0207**	0.0484***	0.0804***	-			
Compare deals from banks: Never	0.110***	0.0550***	-0.000173	0.0741***	0.0725***	-			
Know bank contract conditions: Not at all	-	0.0786***	0.0390***	-0.0112	0.0355*	-	0.223***	0.217***	-
Know bank contract conditions: Not very	-	0.0612***	-0.00688	0.000968	0.0350***	-	0.219***	0.262***	-
Know bank contract conditions: Fair amount	-	0.0481***	0.00841	-0.0153**	0.00889	-	0.0699***	0.135***	-
Know bank contract/read comm'n: No response	-	0.0342	0.0235	0.00235	-0.00729	-	0.349***	0.265***	-
Read bank comm'n: Glanced or skim read	0.0201*	-0.0253**	0.00680	-0.00363	-	-	0.0418***	-0.00421	0.00179
Read bank communication: Saw what it was	0.0665***	0.0488***	0.00994	0.0268**	-	-	0.156***	0.187***	0.00154
Read bank communication: Not read it at all	0.0280	0.0137	0.0000581	0.0158	-	-	0.182***	0.143***	0.00178
Read bank communication: Don't know	0.0325*	0.000390	0.0287**	0.0130	-	-	0.119***	0.132***	0.00742*
Read bank communication: No response	0.0438**	-	-	-	-	-	-	-	0.00216
Read bank communication: Easy	0.0219*	0.0337***	-	0.0128*	0.00891	-	0.0289**	0.107***	-
Read bank communication: Difficult	0.0790***	0.107***	-	0.0385***	0.0624***	-	0.152***	0.376***	-
Read bank communication: Very Difficult	-0.0275	0.120**	-	0.0212	0.0497	-	0.220***	0.344***	-
Did not read bank communication	-	-	-	-	0.0231**	-	-	-	-
N	15,481	15,481	15,481	19,913	19,913	19,913	15,481	15,481	15,481
R ²	0.1273	0.1084	0.1263	0.1442	0.1461	0.0714	0.1210	0.1049	0.0933
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	8a_ene	8b_ene	8c_ene	8a_onl	8b_onl	8c_onl	8a_fin	8b_fin	8c_fin

6 | Drivers of and factors linked to consumer vulnerability

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

	Energy sector			Online sector			Finance sector			Indicator 9d: Termination costs	Indicator 9e: Bundling
	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors		
Unable to read Ts&Cs due to small print	-	-	0.0423***	-	-	-	-	-	0.00819*	0.199***	0.209***
Compare energy deals: When need to renew	0.0506*	-0.00602	0.0264	-0.00268	-	-0.00768	-0.0209**	-	-	-0.00119	-
Compare energy deals: Sporadically	0.0331	0.0713***	0.0650*	0.00833	-	0.00466	-0.0224**	-	-	0.00737	-
Compare energy deals: Only the first time	0.153***	0.0573***	0.221***	0.0101	-	0.00408	-0.00391	-	-	0.0102	-
Compare energy deals: Never	0.135***	-0.00392	0.318***	0.0160*	-	0.0209**	-0.00272	-	-	-0.0152**	-
Know energy contract: Not at all	0.0887***	0.0564*	-0.0102	-	0.0393	-	-	-	-	-	-0.0387***
Know energy contract: Not very	0.0706***	0.0524**	0.0292	-	0.0111	-	-	-	-	-	-0.00224
Know energy contract: Fair amount	0.0312	0.0249	0.0454**	-	0.00432	-	-	-	-	-	-0.00179
Know energy contract/Read bill: No response	-	-	-	-	0.0343	-	-	-	-	-	-0.0142
Read energy bill: Glanced or skim read	0.0367**	0.0118	-	-	-	-	-	-	-	-	-0.00842
Read energy bill: Looked at total price	0.103***	-0.0198*	-	-	-	-	-	-	-	-	0.00703
Read energy bill: Not at all	0.123***	-0.00842	-	-	-	-	-	-	-	-	-0.0204**
Read energy bill: Don't know	0.145***	-0.0254	-	-	-	-	-	-	-	-	-0.0609***
Read energy bill: No response	-	-	-	-	-	-	-	-	-	-	-
Read energy bill: Easy	-	0.00631	-0.0382**	-	-	-	-	-0.00231	-0.0135***	0.0127*	-
Read energy bill: Difficult	-	0.0618***	-0.0605***	-	-	-	-	0.0398*	-0.00513	0.0171**	-
Read energy bill: Very difficult	-	0.0493	-0.0372	-	-	-	-	0.0390	0.0000794	0.0475***	-
Did not read energy bill	-	-	-0.0433***	-	-	-	-	0.00760	-0.0112***	-0.000327	-
Compare internet deals: When need to renew	-	-0.0179	-0.0208	0.00272	0.000822	-0.00507	-	-	0.000233	0.0165**	0.00483
Compare internet deals: Sporadically	-	0.00829	-0.00824	0.00932	0.0407***	0.00378	-	-	0.00302	-0.0117*	-0.0142*
Compare internet deals: Only the first time	-	0.00402	-0.0470***	0.0280**	0.0275*	0.00289	-	-	-0.0096***	-0.0182***	-0.0246***
Compare internet deals: Never	-	0.0110	-0.0713***	0.0576***	0.00427	0.0598***	-	-	-0.000424	-0.0323***	-0.0376***
Compare internet deals: No response	-	-0.00551	0.0299	-	-	-	-	-	0.00299	-0.0558***	-0.0797***
Know internet contract conditions: Not at all	-	-	-	-	-	-	-	-	-	-	-
Know internet contract conditions: Not very	-	-	-	-	-	-	-	-	-	-	-
Know internet contract conditions: Fair amount	-	-	-	-	-	-	-	-	-	-	-
Know internet contr./read comm: No response	-	-	-	-	-	-	-	-	-	-	-
Read internet comm'n: Glanced or skim read	-0.00538	-	-	-	-	-	-	-0.00665	-	-0.0139**	-0.0113
Read internet communication: Saw what it was	0.0201	-	-	-	-	-	-	-0.0462***	-	0.00691	0.0424***
Read internet communication: Not read it at all	-0.0209	-	-	-	-	-	-	-0.00673	-	-0.0167**	-0.00606

Table 44: Impact of market-related characteristics on Indicator 9 in Dimension 4; Has not switched due to personal factors, market related factors, access-related factors, termination costs, and bundling

	Energy sector			Online sector			Finance sector			Indicator 9d: Termination costs	Indicator 9e: Bundling
	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors		
Read internet communication: Don't know	-0.00431	-	-	-	-	-	-	-0.0264	-	-0.00936	-0.0198
Read internet communication: No response	-0.0417	-	-	-	-	-	-	-0.0416	-	-0.00124	-0.0133
Read internet communication: Easy	-	-	-	0.0232**	0.0392***	-	-0.0120	-	-0.00103	0.00577	0.0199**
Read internet communication: Difficult	-	-	-	0.114	0.147***	-	-0.000300	-	0.0143	0.0358**	0.0459***
Read internet communication: Very difficult	-	-	-	-	0.0705	-	-	-	-	0.0920**	0.0561
Did not read internet communication	-	-	-	0.0368**	0.0303**	-	0.00327	-	0.000128	-	-
Compare deals from banks: When notified	-	-	0.00502	-0.000987	-	-0.0159**	0.0337	0.0630**	-0.00508	0.00842	0.0289***
Compare deals from banks: Sporadically	-	-	-0.00499	-0.00469*	-	0.00934	-0.00245	0.0679***	0.00307	-0.00258	-0.000724
Compare deals from banks: Only the first time	-	-	-0.0158	-0.0075***	-	0.00683	0.0445**	0.0145	0.0120*	-0.0145**	-0.0219***
Compare deals from banks: Never	-	-	-0.0587***	-0.00449*	-	-0.00923	0.0509***	0.00422	0.00872	-0.0393***	-0.0589***
Know bank contract conditions: Not at all	-	0.0507*	-	-	-	-	0.0615**	0.111***	0.0180	0.0390***	-
Know bank contract conditions: Not very	-	0.0284*	-	-	-	-	0.0434***	0.0826***	0.0165*	0.00999	-
Know bank contract conditions: Fair amount	-	0.00753	-	-	-	-	0.0261**	0.0301**	0.00607	0.00383	-
Know bank contract/read comm'n: No response	-	-0.000185	-	-	-	-	-	-	-	0.00665	-
Read bank comm'n: Glanced or skim read	-	-	0.00775	-	0.00220	-0.0118**	0.0266**	0.0390***	-	-	-0.0119*
Read bank communication: Saw what it was	-	-	-0.00948	-	-0.00860	0.000138	0.0291*	0.0737***	-	-	0.0193*
Read bank communication: Not read it at all	-	-	0.0106	-	-0.0208**	-0.00484	0.0504***	0.0557**	-	-	0.0084
Read bank communication: Don't know	-	-	0.0688***	-	-0.0232***	-0.0171***	0.0759***	0.0898***	-	-	-0.0129
Read bank communication: No response	-	-	0.0802***	-	-0.00545	-0.00947	-	-	-	-	-0.0022
Read bank communication: Easy	-	-	-	-	-	-	-	0.00628	-	0.00522	0.000598
Read bank communication: Difficult	-	-	-	-	-	-	-	0.0761**	-	0.0370***	0.0260**
Read bank communication: Very Difficult	-	-	-	-	-	-	-	0.142*	-	0.0136	0.000789
Did not read bank communication	-	-	-	-	-	-	-	-	-	0.0225***	-
N	4,782	4,782	4,782	3,483	3,427	3,265	4,355	4,368	4,095	26,653	26,653
R ²	0.1283	0.0651	0.2145	0.2094	0.0804	0.1083	0.1330	0.0597	0.1538	0.1242	0.0852
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	7_9_per_ene	7_9_mar_ene	7_9_acc_ene	7_9_per_onl	7_9_mar_onl	7_9_acc_onl	7_9_per_fin	7_9_mar_fin	7_9_acc_fin	7_9_ter	7_9_bun

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 45: Impact of market-related characteristics on Indicators 10 and 11 in Dimension 4; Excluded from e-commerce and declined a loan

	Excluded from e-commerce due to		Indicator 11: Declined for a loan
	Indicator 10a: Difficulty of the process	Indicator 10b: Not having payment card	
Unable to read Ts&Cs due to small print	0.244***	0.185***	-
Compare energy deals: When need to renew	0.0183*	-	0.0177*
Compare energy deals: Sporadically	0.00102	-	0.00133
Compare energy deals: Only the first time	-0.00587	-	0.00239
Compare energy deals: Never	-0.0168*	-	-0.00553
Know energy contract: Not at all	-	-0.0189*	-
Know energy contract: Not very	-	-0.00135	-
Know energy contract: Fair amount	-	-0.00586	-
Know energy contract/Read bill: No response	-	0.00594	-
Read energy bill: Glanced or skim read	-	-0.00574	-
Read energy bill: Looked at total price	-	0.00647	-
Read energy bill: Not at all	-	-0.00327	-
Read energy bill: Don't know	-	-0.0220*	-
Read energy bill: No response	-	-	-
Read energy bill: Easy	-0.00327	-	-
Read energy bill: Difficult	0.0156	-	-
Read energy bill: Very difficult	0.0367*	-	-
Did not read energy bill	-0.00289	-	-
Compare internet deals: When need to renew	-	0.00728	0.0131*
Compare internet deals: Sporadically	-	-0.00275	0.0329***
Compare internet deals: Only the first time	-	-0.00661	0.00949
Compare internet deals: Never	-	-0.0252***	0.00358
Compare internet deals: No response	-	0.0501	-0.0132
Know internet contract conditions: Not at all	0.0115	-	-0.0183***
Know internet contract conditions: Not very	0.0191*	-	-0.0131***
Know internet contr conditions: Fair amount	0.00311	-	-0.00759
Know internet contr/read comm: No response	0.0249	-	-0.00293
Read internet comm'n: Glanced or skim read	-0.0181**	-	-
Read internet comm'n: Saw what it was	0.0282**	-	-
Read internet comm'n: Not read it at all	0.000493	-	-
Read internet communication: Don't know	0.0177	-	-
Read internet communication: No response	-	-	-
Read internet communication: Easy	0.0140	-	-
Read internet communication: Difficult	0.0724***	-	-
Read internet communication: Very difficult	0.145**	-	-
Did not read internet communication	-	-	-
Compare deals from banks: When notified	0.0231**	0.0114	0.00193
Compare deals from banks: Sporadically	0.0222**	0.00472	-0.00504
Compare deals from banks: Only the first time	-0.00840	-0.0233***	-0.00858*
Compare deals from banks: Never	-0.0372***	-0.0202***	-0.0167***
Know bank contract conditions: Not at all	-0.0092	0.0376**	0.0388
Know bank contract conditions: Not very	0.0194*	0.0311***	0.0279**
Know bank contract conditions: Fair amount	0.00340	0.00465	0.0105

Table 45: Impact of market-related characteristics on Indicators 10 and 11 in Dimension 4; Excluded from e-commerce and declined a loan

	Excluded from e-commerce due to		
	Indicator 10a: Difficulty of the process	Indicator 10b: Not having payment card	Indicator 11: Declined for a loan
Know bank contr/read comm'n: No response	0.00805	0.0639***	0.0336**
Read bank comm'n: Glanced or skim read	-	-0.0110*	-0.00208
Read bank communication: Saw what it was	-	-0.0125	0.0164*
Read bank communication: Not read it at all	-	-0.00434	-0.00103
Read bank communication: Don't know	-	-0.0108	-0.00818
Read bank communication: No response	-	-	-
Read bank communication: Easy	0.0373***	-0.00648	-
Read bank communication: Difficult	0.0513***	0.0128	-
Read bank communication: Very Difficult	0.173***	0.0692**	-
Did not read bank communication	0.0387***	-	-
N	19,957	19,957	4,971
R ²	0.0903	0.1188	0.1230
Marginal effect / Odds ratio	Marginal	Marginal	Marginal
Indicator code	10_diff	10_card	11_loan

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R2 in the table is the Pseudo-R2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.4.5. Dimension 5: Higher susceptibility to marketing practices

Results of the survey data analysis presented in Table 46 show that various market-related factors are linked with this dimension of vulnerability. For example, consumers who have previously been unable to read the terms and conditions of their energy, telecommunications or banking contract due to overly small print are more likely to feel a high level of vulnerability due to the complexity of offers.

Likewise, consumers who found it very difficult to read the most recent bill from their energy supplier, those who do not know their energy contract conditions 'at all', those who found it very difficult to read the latest communication from their bank, and those who do not know the contract conditions of their internet subscription 'at all' are also more likely to feel a high level of vulnerability due to the complexity of offers.

Table 46: Impact of market-related characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Unable to read Ts&Cs due to small print	0.0469***	1.658***
Compare energy deals: When need to renew	-	1.093**
Compare energy deals: Sporadically	-	1.104**

Table 46: Impact of market-related characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Compare energy deals: Only the first time	-	1.083*
Compare energy deals: Never	-	0.963
Know energy contract: Not at all	0.0138**	1.166***
Know energy contract: Not very	0.00478	1.166***
Know energy contract: Fair amount	-0.00525	1.050
Know energy contract/Read bill: No response	0.0220**	1.291***
Read energy bill: Glanced or skim read	-	-
Read energy bill: Looked at total price	-	-
Read energy bill: Not at all	-	-
Read energy bill: Don't know	-	-
Read energy bill: No response	-	-
Read energy bill: Easy	-0.00270	1.243***
Read energy bill: Difficult	0.00996	1.424***
Read energy bill: Very difficult	0.0217**	1.540***
Did not read energy bill	0.000936	1.183***
Compare internet deals: When need to renew	-	-
Compare internet deals: Sporadically	-	-
Compare internet deals: Only the first time	-	-
Compare internet deals: Never	-	-
Compare internet deals: No response	-	-
Know internet contract conditions: Not at all	-	0.931
Know internet contract conditions: Not very	-	1.114**
Know internet contract conditions: Fair amount	-	1.036
Know internet contr/read comm: No response	-	0.859**
Read internet communication: Glanced or skim read	-	-
Read internet comm'n: Saw what it was	-	-
Read internet comm'n: Not read it at all	-	-
Read internet communication: Don't know	-	-
Read internet communication: No response	-	-
Read internet communication: Easy	-	1.046
Read internet communication: Difficult	-	1.225***
Read internet communication: Very difficult	-	1.405
Did not read internet communication	-	1.064
Compare deals from banks: When notified	-	1.079*
Compare deals from banks: Sporadically	-	0.958
Compare deals from banks: Only the first time	-	0.967
Compare deals from banks: Never	-	0.840***
Know bank contract conditions: Not at all	0.0385***	1.372***
Know bank contract conditions: Not very	0.0247***	1.328***
Know bank contract conditions: Fair amount	0.00378	1.115***
Know bank contr/read communication: No response	0.0365***	2.093***
Read bank comm'n: Glanced or skim read	-0.0161***	0.982
Read bank communication: Saw what it was	0.00979	1.421***

Table 46: Impact of market-related characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Read bank communication: Not read it at all	0.00187	1.250***
Read bank communication: Don't know	0.00162	1.222***
Read bank communication: No response	-	-
Read bank communication: Easy	0.00616	1.300***
Read bank communication: Difficult	0.0375***	1.640***
Read bank communication: Very Difficult	0.0494***	1.855***
Did not read bank communication	-	-
N	26,653	26,653
R ²	0.1005	0.0465
Marginal effect / Odds ratio	Marginal	Odds ratio
Indicator code	__12_off_b2	__12_off

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.5. Access drivers of vulnerability

Another set of potential drivers of vulnerability relates to access to markets, products, or services. This can be linked to Cartwright's "supply vulnerability" and can include:

- Physical access drivers, where consumers are unable to access retail outlets either due to restricted mobility, location or inaccessible outlets (i.e. Clifton 2013, Stearn 2012, Blocker et al. 2013);
- Online access drivers, where consumers cannot access online services either due to not having internet access, or due to inaccessible websites or apps;
- Restricted access to information or advice, which could include information (i.e. bills or contracts) provided in inaccessible formats;
- Restricted access to offers or services available to other consumer groups due to not meeting certain criteria or due to offers only being available through certain media (i.e. online);
- Restricted access to procedures (i.e. delegation or redress); and
- Intentional exclusion from markets.

Although access drivers relate primarily to the consumer environment in that they are, in the first instance, a result of the practices of economic actors, they are also linked to consumer characteristics: consumers with limited mobility or limited cognitive functions due to age, disability, or illness are, on the whole, more likely to be affected by access drivers. For instance, a UK report by the Payments Council (2012) presents a range of access challenges faced by consumers with disabilities or restricted mobility in the financial sector.

The survey included questions on internet usage which asked respondents how often they use the internet for a range of seven different activities, namely searching for

information, comparing prices, online banking, buying goods or services, selling goods or services, using social networks, and e-mail.¹⁵⁶

Based on respondents' answers to these questions, several variables are included in the data analysis in order to proxy for online access drivers. Specifically, variables signifying respondents' overall level of internet usage, in terms of the number of different activities they use it for at least once per month, as well as variables representing whether respondents use the internet for particular activities at least once per month, are all examined as explanatory variables in the G-S regression analysis.

The number of activities that respondents use the internet for at least once per month is included as a set of dummy variables, where each dummy represents a different level ('Monthly internet activities: 1', 'Monthly internet activities: 2', etc.). The lowest overall level of internet use (i.e. 'uses the internet for zero activities at least once per month') is used as the base, meaning that the results presented below show the impact of higher overall levels of internet usage.

Figure 30 presents a matrix summarising the links between respondents' internet usage and the various indicators of vulnerability examined in the G-S regression analysis of the survey data. The indicator codes across the top of the matrix match those in the list of indicators in section 3.6, as well as those in the table of indicators in A8.1.2.¹⁵⁷ The internet use characteristics in the matrix (down the left hand side) are defined (alongside all other explanatory variables examined in the data analysis) in Table 7 in section 3.7.

In the matrix, red cells imply that consumers with a certain internet use characteristic are more likely to be vulnerable on the indicator in question, whereas green cells imply the opposite (i.e. a lower likelihood of vulnerability on the relevant indicator). Grey cells show that a characteristic was controlled for in the regression, while white cells mean that a characteristic was excluded from the regression (based on the G-S approach).

As can be seen from the matrix, based on the results of the G-S regression analysis, the variables representing overall internet use only have statistically significant relationships with six indicators of vulnerability, and the associations between the specific use dummies and the various indicators are quite mixed. In summary:

- Those who use the internet more overall, in terms of the number of different activities they use it for at least once per month, are less likely to have overpaid for services due to being unable to use certain payment methods (Indicator 2), less likely to feel vulnerable due to personal characteristics¹⁵⁸ (Indicator 3), less likely to have been prevented from switching their internet

¹⁵⁶ As explained in section 3.7, no questions were asked in the survey on hearing or visual impairment for practical reasons; individuals with visual impairments are not logged in to Ipsos' panel, and individuals with hearing impairments cannot be contacted via CATI.

¹⁵⁷ No results could be produced for Indicator 7 for the online sector since the G-S process could not be run for this indicator due to the low total number of respondents who are vulnerable on this indicator. Hence, in the results tables in this section no results are presented for this indicator.

¹⁵⁸ Although for this indicator the results for the two highest levels of internet use are not statistically significant.

provider or bank due to market-related factors (Indicator 9b), and less likely to have been declined for a loan (Indicator 11).

- Controlling for characteristics included in the regressions (e.g. respondents' overall level of internet use), specific internet uses are typically only linked with a small number of indicators, and for any particular use the relationships usually differ between indicators; for example, the type of internet use that is linked with the largest number of indicators is comparing prices, which is associated with a higher likelihood of vulnerability on six indicators, and lower likelihood of vulnerability on eight indicators.

Based on the survey and behavioural experiment results and insights from the literature, links between potential access drivers of vulnerability and each dimension of vulnerability are explored in more detail in the following subsections. The full set of explanatory variables examined in the G-S analysis is presented in Table 7 in section 3.7. This table also indicates which variables (i.e. which levels or categories) are used as bases in the analysis.

Figure 30: Matrix of access-related characteristics linked to survey-based indicators of vulnerability

Dimension:	D1		D2		D3							D4									D5		D4																
Feature:					Information problems							Problems comparing			Not switched						Excluded		Offers	-															
Sector:					Energy			Online				Finance			Energy			Online			Finance			-	e-com	-	-												
Indicator:	1	2	3	4	5	6	7	5	6	7	5	6	7	8a	8b	8c	8a	8b	8c	8a	8b	8c	9a	9b	9c	9a	9b	9c	9a	9b	9c	9d	9e	10a	10b	11	12b	12	exp
Characteristic / Driver	Unassertive	Overpaid	Feels vulnerable	Feels uninformed	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Termination cost	Bundled offers	Difficult process	Payment card	Declined for loan	Very vulnerable	Vulnerable scale	Experiment			
Monthly internet activities: 7																																							
Monthly internet activities: 6																																							
Monthly internet activities: 5																																							
Monthly internet activities: 4																																							
Monthly internet activities: 3																																							
Monthly internet activities: 2																																							
Monthly internet activities: 1																																							
Frequent internet use: Search																																							
Frequent internet use: Compare prices																																							
Frequent internet use: Banking																																							
Frequent internet use: Purchases																																							
Frequent internet use: Selling																																							
Frequent internet use: Social																																							
Frequent internet use: Email																																							

6.5.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

What access drivers have in common is the fact that they refer to consumers being vulnerable because they are not able to access particular goods or services on the same terms as other consumers, even if they are able to pay for the particular goods or services. This can in turn lead to reduced consumer welfare due to either:

- Not obtaining the good or service;
- Choosing a good or service that is more costly or less suited to their needs; or
- Bearing additional costs to circumvent access barriers.

Results of the G-S regression analysis of the survey data presented in Table 47 below show that respondents' overall level of internet usage, in terms of the number of activities they use the internet for at least once per month, is associated with a lower likelihood of overpaying for services due to being unable to use certain payment methods (the second indicator of vulnerability in this dimension).

For example, those who use the internet at least once per month for all seven different activities mentioned in the survey are estimated to be 5.4 percentage points (pp) less likely to be vulnerable on this indicator than those who use the internet for zero activities at least once per month.

Moreover, those who use the internet to compare prices and for online banking at least once per month are found to be 5.4pp and 7.3pp less likely to be unassertive (i.e. not take action) when they experience a problem when buying or using goods or services, whereas those who sell online at least once per month are found to be 2.7pp more likely to be vulnerable on this indicator.

Table 47: Impact of access-related characteristics on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
Monthly internet activities: 7	-	-0.0538***	0.920
Monthly internet activities: 6	-	-0.0520***	0.807
Monthly internet activities: 5	-	-0.0390**	0.719*
Monthly internet activities: 4	-	-0.0227	0.640**
Monthly internet activities: 3	-	-0.0186	0.573***
Monthly internet activities: 2	-	0.0064	0.715*
Monthly internet activities: 1	-	-0.0049	0.567***
Frequent internet use: Search	-	-0.018	1.236
Frequent internet use: Compare prices	-0.0538**	0.023***	-
Frequent internet use: Banking	-0.0729***	-	0.855***
Frequent internet use: Purchases	-	-	0.812***
Frequent internet use: Selling	0.027*	0.055***	-
Frequent internet use: Social	-	0.020***	-
Frequent internet use: Email	-	-	-
N	7,826	26,653	26,653
R ²	0.0929	0.1418	0.1227
Marginal effect / Odds ratio	Marginal	Marginal	Odds ratio
Indicator code	1	2	3

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.5.2. Dimension 2: Having characteristics that limit ability to maximise well-being

One vulnerability indicator in the second dimension is analysed via the G-S regression approach, namely Indicator 3. This indicator signifies the *maximum* extent that respondents feel vulnerable due to *any* of the personal characteristics mentioned in the relevant survey question (i.e. health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or ‘other’ reasons) on a scale from 1 (low) to 4 (high).

The results of the G-S regression analysis presented in Table 47 show that those who use the internet more overall, in terms of the number of different activities they use it for at least once per month, are less likely to feel a high level of vulnerability due to personal characteristics (with odds ratios ranging from 0.57 to 0.92), although the results for the two highest levels of internet use are not statistically significant.¹⁵⁹

Furthermore, those who use the internet for online banking and to make purchases at least once per month are also found to be less likely to be vulnerable on this indicator (with odds ratios of 0.86 and 0.81).

6.5.3. Dimension 3: Having difficulty in obtaining or assimilating information

Access drivers of vulnerability can include limited access to information and advice, which could in turn lead to problems for consumers in terms of being able to compare and make the right choices between goods or services.

However, the survey analysis results reveal very few statistically significant links between the internet use variables and indicators of vulnerability in this dimension, as can be seen from Table 48 below. Specifically, the only statistically significant relationships are:

- Those who use the internet to compare prices and to make purchases at least once per month are less likely to feel uninformed about prices, quality and conditions when choosing and buying goods and services (with odds ratios of 0.76 and 0.92);
- Those who use the internet for email at least once per month are slightly more likely to have problems comparing internet deals in the online sector due to information-related factors (with a marginal effect of 2.2pp); and

¹⁵⁹ A possible explanation for this might be that these consumers may be more aware of their own vulnerability due to the extra information they possess as a result of their higher internet activity.

- Those who use the internet for selling at least once per month are very slightly less likely to be prevented from switching due to information-related factors in the finance sector (with a marginal effect of 0.6pp).

Table 48: Impact of access-related characteristics on indicators in Dimension 3; *Having difficulty obtaining and assimilating information*

	Energy sector				Online sector			Finance sector		
	Indicator 4: Feels uninformed about prices	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
Monthly internet activities: 7	-	-0.0125	-	-0.00542	-0.00733	-		-0.00397	-	-
Monthly internet activities: 6	-	-0.0118	-	-0.00973	-0.0145	-		-0.00506	-	-
Monthly internet activities: 5	-	-0.0134	-	-0.00937	-0.0122	-		0.000143	-	-
Monthly internet activities: 4	-	-0.00449	-	-0.00304	-0.00494	-		0.0103	-	-
Monthly internet activities: 3	-	0.00855	-	-0.00594	-0.00276	-		0.00695	-	-
Monthly internet activities: 2	-	0.0265	-	-	-0.00928	-		0.0260	-	-
Monthly internet activities: 1	-	-0.00319	-	-	0.00861	-		0.0567	-	-
Frequent internet use: Search	-	-	-	-	-	-		-	-	-
Frequent internet use: Compare prices	0.759***	-	-	-	-0.0177	-		-0.0051	-	-
Frequent internet use: Banking	-	-	-	-	-0.0142	-		-	-	-
Frequent internet use: Purchases	0.920***	-	-	-	-0.007	-		-	-	-
Frequent internet use: Selling	-	-	-	-	-0.0022	-		-	-	0.006***
Frequent internet use: Social	-	-	-	0.008	-0.0034	-		-	-	-
Frequent internet use: Email	-	-	-	-	-0.0336	0.022***		-	-	-
N	26,653	9,793	15,481	4,481	16,451	19,913		10,228	15,481	3,795
R ²	0.0574	0.0972	0.0756	0.1461	0.0890	0.1217		0.0925	0.0859	0.1374
Marginal effect / Odds ratio	Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	4	5_adv_ene	6_ene	7_ene	5_adv_onl	6_onl	7_onl	5_adv_fin	6_fin	7_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2. There are no results for Indicator 7 for the online sector because the G-S process could not be run for this indicator due to low variation in the dependent variable.

Source: London Economics analysis of the survey data

6.5.4. Dimension 4: Inability or failure to buy, choose or access suitable products

Access drivers may be important factors contributing to the fourth dimension of vulnerability, since physical and online access drivers and restricted access to offers could prevent consumers from being able to choose suitable products, even if they are able to pay for the good or service.

The results of the behavioural experiments are especially relevant to this dimension of vulnerability, since they tested consumers' ability to choose the optimal deal in simulated purchasing scenarios. However, the results of G-S regression analysis of respondents' choices in the experiments, presented in Table 49, show that there are few strong links between respondents' internet use and their performance in the experiments.

Those who use the internet to search for information at least once per month performed better in the experiments overall and in particular in the second round of the cross-cutting experiment, whereas those who sell online and use online social networks at least once per month performed worse overall.

The results for individual experiment rounds show that those who use email at least once per month performed better in the first round of the online sector experiment, those who compare prices at least once per month performed better in the first round of the finance sector experiment, and those who bank online at least once per month performed better in both rounds of the cross-cutting experiment.

Table 49: Impact of access-related characteristics on experiment performance									
	Energy Sector		Online Sector		Finance Sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Monthly internet activities: 7	-	0.0508	-	-0.00268	-	-	-0.000766	-	1.459
Monthly internet activities: 6	-	0.0421	-	-0.00520	-	-	0.00299	-	1.301
Monthly internet activities: 5	-	-0.0342	-	-0.0169	-	-	-0.0643	-	1.056
Monthly internet activities: 4	-	0.0144	-	-0.0987*	-	-	0.00894	-	0.950
Monthly internet activities: 3	-	-0.0403	-	-0.0348	-	-	-0.0115	-	0.965
Monthly internet activities: 2	-	0.0462	-	-0.0672	-	-	-0.00579	-	0.687
Monthly internet activities: 1	-	0.255	-	0.0337	-	-	0.00260	-	0.943
Frequent internet use: Search	-	-	-	-	-	-	0.0804	0.111***	1.984*
Frequent internet use: Compare prices	-	-	-	-	0.0764***	-	-	-	-
Frequent internet use: Banking	-	-	-	-	-	-	0.0782**	0.0642**	-
Frequent internet use: Purchases	-	-	-	-	-	-	-	-	-
Frequent internet use: Selling	-0.0592***	-	-	-	-	-	-	-	0.716***
Frequent internet use: Social	-	-	-	-	-	-	-	-	0.699***
Frequent internet use: Email	-	-	0.0960***	-	-	-	-	-	-
N	2,522	2,522	2,510	2,510	2,505	2,505	2,565	2,565	5,051
R ²	0.0318	0.0710	0.1061	0.0823	0.1191	0.1205	0.0237	0.0628	0.0421
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Odds ratio

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The explanatory variables are defined in Table 7 and A8.1.2. The dependent variables in the experiment analysis signify whether the respondent chose the optimal deal. For individual experiment rounds, the dependent variable is equal to one if the respondent chose the optimal deal, or zero otherwise. The ‘Overall’ performance measure is the total number of correct choices made by the respondent (ranging from 0 to 4). Thus, positive marginal effects imply a higher likelihood of choosing the optimal deal, and odds ratios greater than one imply better overall performance.

Source: London Economics analysis of the survey data

Results from G-S regression analysis of the survey data, presented in Table 50, Table 51 and Table 52 below, show that some internet use characteristics are linked with some indicators of vulnerability in this dimension.

Consumers who use the internet more overall, in terms of the number of different activities they use it for at least once per month, are less likely to have been prevented from switching their internet provider or bank due to market-related factors. For example, using the internet at least once per month for six of the seven activities mentioned in the survey is associated with an 8.4pp decrease in the likelihood of not switching in the online sector, and a 5.7pp decrease in the likelihood of not switching in the finance sector due to market related factors. In addition, those who use the internet more overall are also less likely to have been declined for a loan.

However, consumers who use the internet more overall are also more likely to have problems comparing deals due to information-related factors in the online sector. For example, using the internet at least once per month for all seven activities mentioned in the survey is associated with a 21.2pp increase in the likelihood of being vulnerable on this indicator. A possible explanation for this is that these consumers may possess much more information and comparing such a quantity may be difficult. Another possible explanation might be that these consumers may be more aware of their own vulnerability due to the extra information they possess as a result of their higher internet activity.

Several specific types of internet use have mixed impacts on the indicators in this dimension. For example, comparing prices online at least once per month is linked with a lower likelihood of having problems comparing deals due to personal factors in all three key sectors and of having problems comparing deals due to market-related factors in the online sector; but, at the same time, comparing prices online at least once per month is linked with a higher likelihood of having problems comparing deals due to access-related factors in the online sector and not switching in the energy and finance sectors due to personal and market-related factors respectively. A possible interpretation of this is that such mixed results could arise because consumers with more information (due to using the internet) may be more aware of the problems they face in the market (and so more likely to report problems), whilst simultaneously benefiting from the access to the market that the internet provides.

Table 50: Impact of access-related characteristics on Indicator 8 in Dimension 4; Has problems comparing deals due to personal factors, market related factors, and access- related factors

	Energy sector			Online sector			Finance sector		
	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors
Monthly internet activities: 7	-	-	0.00748	-	0.212***	-	0.0241	-	-
Monthly internet activities: 6	-	-	0.00718	-	0.211***	-	0.0500	-	-
Monthly internet activities: 5	-	-	0.0248	-	0.213***	-	0.0530	-	-
Monthly internet activities: 4	-	-	0.0405	-	0.198***	-	0.0241	-	-
Monthly internet activities: 3	-	-	0.0468	-	0.148***	-	0.0236	-	-
Monthly internet activities: 2	-	-	0.00570	-	0.116*	-	0.0423	-	-
Monthly internet activities: 1	-	-	0.0674	-	-0.0198	-	-0.0283	-	-
Frequent internet use: Search	-	0.064**	-	-	-	-	-	0.061**	-
Frequent internet use: Compare prices	0.0573***	-	0.009	-0.0371***	-0.0581***	0.009***	-0.0581***	-	-
Frequent internet use: Banking	-	-	-	-	-	0.015***	-	-	-
Frequent internet use: Purchases	-	-	-	-	-	-	-	-	-
Frequent internet use: Selling	-	-	-	-	-	-	-	-0.0326***	-
Frequent internet use: Social	-	-0.0248**	0.009	-0.0203***	-0.0425***	0.009***	-	-0.0328***	-
Frequent internet use: Email	-	-	-	-	-	-	-	-	-
N	15,481	15,481	15,481	19,913	19,913	19,913	15,481	15,481	15,481
R ²	0.1273	0.1084	0.1263	0.1442	0.1461	0.0714	0.1210	0.1049	0.0933
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	8a_ene	8b_ene	8c_ene	8a_onl	8b_onl	8c_onl	8a_fin	8b_fin	8c_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 51: Impact of access-related characteristics on Indicator 9 in Dimension 4; Has not switched due to personal factors, market related factors, access-related factors, termination costs, and bundling

	Energy			Online			Finance			Indicator 9d: Termination costs	Indicator 9e: Bundling
	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Indicator 9b: Market factors	Indicator 9c: Access factors		
Monthly internet activities: 7	-0.0159	-	-	-	0.0619***	-	-	-0.0567*	-	-0.00774	-
Monthly internet activities: 6	0.00793	-	-	-	-0.0844**	-	-	-0.0669**	-	-0.0217	-
Monthly internet activities: 5	-0.0275	-	-	-	0.0639***	-	-	-0.0563*	-	-0.0121	-
Monthly internet activities: 4	-0.0326	-	-	-	0.0486***	-	-	-0.0537**	-	-0.00885	-
Monthly internet activities: 3	-0.0247	-	-	-	0.0402***	-	-	-0.0504**	-	-0.0111	-
Monthly internet activities: 2	0.0502	-	-	-	-	-	-	-0.0263	-	-0.0257	-
Monthly internet activities: 1	-0.0487	-	-	-	-	-	-	-0.0253	-	-0.0197	-
Frequent internet use: Search	-0.0519	-	-	-	-	-	-	-	-	-	-
Frequent internet use: Compare prices	0.038**	-	-	-	-	-	-	0.035*	-	0.02**	0.024***
Frequent internet use: Banking	-	-	-	-	-	-	-	-	-	-	-
Frequent internet use: Purchases	-0.0484**	-	-	-	-	-	-0.0213**	-	-	-	-
Frequent internet use: Selling	0.023	-	-	-	-	-	-	-	-	0.01	-
Frequent internet use: Social	-	-0.0333**	-	-	-	-	-	-	-	-	-
Frequent internet use: Email	-	-	-	-	-	-	0.0357***	-	-	-	-
N	4,782	4,782	4,782	3,483	3,427	3,265	4,355	4,368	4,095	26,653	26,653
R ²	0.1283	0.0651	0.2145	0.2094	0.0804	0.1083	0.1330	0.0597	0.1538	0.1242	0.0852
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	9a_ene	9b_ene	9c_ene	9a_onl	9b_onl	9c_onl	9a_fin	9b_fin	9c_fin	9_ter	9_bun

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 52: Impact of access-related characteristics on Indicators 10 and 11 in Dimension 4; Excluded from e-commerce and declined a loan

	Excluded from e-commerce due to:		
	Indicator 10a: Difficulty of the process	Indicator 10b: Not having payment card	Indicator 11: Declined for a loan
Monthly internet activities: 7	0.0756	0.0152	-0.0154*
Monthly internet activities: 6	0.0487	0.0116	-0.0247***
Monthly internet activities: 5	0.0405	0.0240	-0.0199***
Monthly internet activities: 4	0.0500	0.0438	-0.0178***
Monthly internet activities: 3	0.0530	0.0335	-0.0179***
Monthly internet activities: 2	0.0995	0.0484	-0.00694
Monthly internet activities: 1	-0.111***	0.00614	0.000314
Frequent internet use: Search	-	-	-
Frequent internet use: Compare prices	0.031***	0.021**	-
Frequent internet use: Banking	-0.0341***	-0.0673***	-
Frequent internet use: Purchases	-	-	-
Frequent internet use: Selling	0.005	0.026**	-
Frequent internet use: Social	-	-	-
Frequent internet use: Email	-	-	-
N	19,957	19,957	4,971
R ²	0.0903	0.1188	0.1230
Marginal effect / Odds ratio	Marginal	Marginal	Marginal
Indicator code	10a	10b	11_loan

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.5.5. Dimension 5: Higher susceptibility to marketing practices

Results of the survey data analysis, presented in Table 53, reveal only one statistically significant link between respondents' internet usage and indicators of vulnerability in this dimension. This result implies that those who use the internet for two of the seven activities mentioned in the survey at least once per month are less likely to feel vulnerable due to the complexity of offers than those who use the internet for none of these activities.

Table 53: Impact of access-related characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers;	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Monthly internet activities: 7	-	1.028
Monthly internet activities: 6	-	0.930
Monthly internet activities: 5	-	0.928
Monthly internet activities: 4	-	0.896
Monthly internet activities: 3	-	0.921
Monthly internet activities: 2	-	0.724***
Monthly internet activities: 1	-	0.789
Frequent internet use: Search	-	-
Frequent internet use: Compare prices	-	-
Frequent internet use: Banking	-	-
Frequent internet use: Purchases	-	-

Table 53: Impact of access-related characteristics on Indicator 12 in Dimension 5; Feeling of vulnerability due to complexity of offers

	Indicator 12: Feels vulnerable due to complexity of offers;	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Frequent internet use: Selling	-	-
Frequent internet use: Social	-	-
Frequent internet use: Email	-	-
N	26,653	26,653
R ²	0.1005	0.0465
Marginal effect / Odds ratio	Marginal	Odds ratio
Indicator code	12_off_b2	12_off

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. ***/*** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.6. Situational drivers of vulnerability

The final set of drivers relating to vulnerability is 'situational' drivers. These refer to drivers where a situation, in which an individual finds himself or herself, either permanently or temporarily, makes them vulnerable. Situational drivers include employment status, marital status and perceived "budget constraints" (that is, the ease/difficulty of making ends meet).¹⁶⁰

Relevant results from the survey and experiment data analysis are summarised in the matrix presented in Figure 31. The indicator codes across the top of the matrix match those in the list of indicators in section 6.1.2, as well as those in the table of indicators in section 3.6.¹⁶¹ The consumer characteristics in the matrix (down the left hand side) are defined (alongside all other explanatory variables examined in the data analysis) in Table 7 in section 3.7.

In this matrix, red cells show that consumers with a particular characteristic are found to be more likely to be vulnerable on the indicator in question, whereas green cells mean that consumers with a certain characteristic are less likely to be vulnerable on the relevant indicator. Grey cells show that a characteristic was controlled for in the regression, while white cells mean that a characteristic was not included in the regression (based on the G-S approach).

The findings of the survey data analysis highlight most clearly the relevance of budget constraints¹⁶² to consumer vulnerability, since finding it difficult or very difficult to makes ends is associated with a higher chance of vulnerability on a high number of

¹⁶⁰ Although situational drivers are closely linked to consumer characteristics, it can still be seen as a driver primarily related to the environment, since consumers can only be vulnerable if marketing practices specifically exploiting their situations are used.

¹⁶¹ There are no results for Indicator 7 for the online sector since the G-S process could not be run for this indicator due to the low total number of respondents who are vulnerable on this indicator. Hence, in the results tables in this section no results are presented for this indicator.

¹⁶² As measured by the ease/difficulty of making ends meet.

different indicators, including indicators in all dimensions (as shown by the consistent set of red cells across dimensions of vulnerability for the 'making ends meet' variables in Figure 31).

Individuals that do not find making ends meet easy:

- Are less likely to take action when they experience a problem and are more likely to overpay for services due to being unable to use certain payment methods (Dimension 1)
- Feel a higher level of vulnerability due to their personal characteristics (Dimension 2)
- Are more likely to feel uninformed about prices, quality and conditions when choosing goods and services, and to have problems comparing deals due to information-related factors (Dimension 3)
- Find that access-related factors are barriers to making comparisons between energy deals; market-related factors are barriers to making comparisons in the online sector; that personal, market-related and access-related factors are barriers to making comparisons in the finance sector (Dimension 4, Indicator 8a/b/c); and that access factors can prevent these consumers from switching in all three key markets (Dimension 4, Indicator 9c)
- Are more likely to find that termination costs and bundling are barriers to switching in general (Dimension 4, Indicator 9d/e)
- Are more likely to be excluded from e-commerce (Dimension 4, Indicator 10), or to be declined for loans (Dimension 4, Indicator 11)
- Are more likely to feel vulnerable due to the complexity of offers, terms or conditions (Dimension 5)

Budget constraints, as captured by how people perceive the ease/difficulty of making ends meet, may therefore provide a relatively strong indication of how likely people are to suffer from consumer vulnerability.¹⁶³

There are a number of mechanisms that may relate budget constraints and consumer vulnerability, as individuals facing budget constraints may also be in lower income groups.¹⁶⁴

Existing literature finds for instance that income can be associated with behavioural vulnerability drivers. Lunn and Lyons (2010) note that people in lower socio-economic groups are more inclined towards some behavioural biases and tend to score lower on tests of general decision-making competence. One possible explanation is provided by Shah (2012), who notes that low-income consumers face cognitive loads due to their

¹⁶³ However, it is important to note that the base category for the ease/difficulty of making ends meet measured on a four point scale – "easy", "fairly easy", "fairly difficult" and "very difficult" – is "easy". The statistical significance of the variables for the ease/difficulty of making ends meet is therefore due to the comparisons against a group that finds making ends meet easy.

¹⁶⁴ It should be borne in mind that the variables capturing individuals facing budget constraints may reflect lower, as well as higher, income groups because the ease/difficulty of making ends meet reflects income as well as spending.

engagement with scarcity and trying to solve scarcity problems, both in terms of resource scarcity and time scarcity, which can in turn lead to suboptimal decisions.

Income is also related to access drivers. Low-income consumers may have limited access to bank accounts, which can result in them facing difficulties in obtaining other services and additional costs (which is discussed in more detail in the next section). Secondly, low income consumers may not have access to mainstream financial products, such as loans, leading them to seek out alternative ways of obtaining credit (i.e. payday loans), which can contribute to over-indebtedness (i.e. Stearn 2012).

Furthermore, income can also be linked to access to ICT tools, which are increasingly important in current marketplaces (Chang et al. 2004). This is partly due to costs, but partly due to other concerns (e.g. usability, safety and security) and inability to benefit from some of the opportunities provided by internet access, for instance due to not having access to bank accounts or credit cards (Stearn 2012).

In addition, a recent consumer empowerment survey commissioned by the Department of Business Innovation and Skills in the UK discovered a link between income and consumer empowerment, noting that the least empowered group of “constrained strugglers” tends to be the group facing considerable financial constraints. The authors of the survey report, however, also noted that financially comfortable consumers can also display a low level of consumer empowerment due to limited interest in shopping or shopping around, calling this group the “consciously unengaged” (GfK 2015).

Finally, one factor closely linked to income is over-indebtedness. Although household debt is prevalent across all income levels, studies show it to be predominantly affecting lower income consumers. Barba and Pivetti (2009) conclude for instance that although median debt rises with income, overall household debt to finance consumption concerns all consumers except the top 20% of the income distribution.

The remainder of this section considers in greater detail the findings of the analysis of situation drivers of consumer vulnerability. The full set of explanatory variables examined in the G-S analysis is presented in Table 7 in section 3.7. This table also indicates which variables (i.e. which levels or categories) are used as bases in the analysis.

Figure 31: Matrix of situational characteristics linked to survey-based indicators of vulnerability

Characteristic / Driver	Dimension: D1		D2		D3							D4												D5		D4													
	Feature:				Information problems							Problems comparing						Not switched						Excluded		Offers													
	Sector:				Energy			Online		Finance		Energy		Online		Finance		Energy		Online		Finance		-	e-com		-	-											
	Indicator:		1	2	3	4	5	6	7	5	6	7	5	6	7	8a	8b	8c	8a	8b	8c	8a	8b	8c	9a	9b	9c	9a	9b	9c	9d	9e	10a	10b	11	12b	12	exp	
	Unassertive	Overpaid	Feels vulnerable	Feels uninformed	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Uses adverts only	Probl's comparing	Hasn't switched	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Personal factors	Market factors	Access factors	Termination cost	Bundled offers	Difficult process	Payment card	Declined for loan	Very vulnerable	Vulnerable scale	Experiment			
Employed part-time																																							
Self-employed full-time																																							
Self-employed part-time																																							
Unemployed & looking																																							
Unemployed & not looking																																							
Long-term sick or disabled																																							
Housewife/Homemaker																																							
Retired																																							
In full time education																																							
Studying with part-time job																																							
Unemployed & looking 5+ years																																							
Unemployed & not looking 5+ years																																							
Long-term sick or disabled 5+ years																																							
Housewife/Homemaker 5+ years																																							
Retired 5+ years																																							
Remarried																																							
Living with a partner																																							
Single																																							
Divorced or separated																																							
Widowed																																							
Other																																							
Single parent																																							
1 dependent child																																							
2 dependent children																																							
3+ dependent children																																							
Single person household																																							
Friends buy online																																							
Friends buy on credit																																							
Friends can't make ends meet																																							
Making ends meet: Fairly easy																																							
Making ends meet: Fairly difficult																																							
Making ends meet: Very difficult																																							
Making ends meet: Prefer not to say																																							

6.6.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

Survey-based evidence, in the form of G-S regression analysis results, on the relationship between situational drivers and the first dimension of vulnerability, a *heightened risk of negative outcomes or impacts on well-being*¹⁶⁵, is presented in Table 54.

Importantly, consumers who struggle to make ends meet are more likely to be vulnerable due to being unassertive if they experience problems with goods or services (Indicator 1). For example, those who find it very difficult to make ends meet are 17 percentage points (pp) more likely not to take action if they experience a problem than people who find it easy to make ends meet. Moreover, individuals with friends that can't make ends meet easily are 5pp more likely to be unassertive if they experience a problem.

The relationship between difficulties in making ends meet and risk of vulnerability may be due to the income-related mechanisms (behavioural vulnerability drivers, access drivers, access to ICT tools and over-indebtedness) discussed above.

It is also of interest to note that individuals with friends who buy online (compared to those with friends who do not) are around 5pp less likely to be unassertive if they experience a problem when buying or using goods or services. Friends who shop online may share information on their experiences of such problems, which may help individuals to be more assertive.

Unemployed people who have been looking for employment for 5+ years are another group that is particularly likely to take action when they experience a problem when buying or using a good or service (as captured by Indicator 1)¹⁶⁶, as are individuals studying with a part-time job.¹⁶⁷ A possible explanation for these results is that these consumers may have more time available to devote to taking action to solve problems.

¹⁶⁵ Dimension 1 of vulnerability is captured through indicators of whether a consumer did not take action when they experienced a problem when buying or using goods or services in the last 12 months (Indicator 1) and whether a consumer paid more for services in the last 12 months due to being unable to use a certain payment method (Indicator 2).

¹⁶⁶ Unemployed people looking for employment for 5+ years are 13.4pp less likely than the full-time employed to be unassertive if they experience a problem than people in full-time employment.

¹⁶⁷ Individuals studying with a part-time job are 8.5pp less likely than the full-time employed to be unassertive if they experience a problem than people in full-time employment.

Table 54: Impact of situational drivers on indicators in Dimension 1 and Dimension 2

	Dimension 1		Dimension 2
	Indicator 1: Unassertive if experiences problem	Indicator 2: Overpaid for services	Indicator 3: Maximum feeling of vulnerability
Employed part-time	0.00974	0.0110	1.193***
Self-employed full-time	-0.0497*	0.0184**	0.916
Self-employed part-time	0.0145	0.0199	1.341***
Unemployed & looking	-0.0221	0.0237***	2.266***
Unemployed & not looking	-0.0727*	0.00330	1.720***
Long-term sick or disabled	-0.0265	-0.00872	3.230***
Housewife/Homemaker	-0.0260	-0.0101	1.268***
Retired	-0.0506**	-0.00479	1.447***
In full time education	-0.000779	0.00572	1.540***
Studying with part-time job	-0.0851**	0.0161	1.515***
Unemployed & looking 5+ years	-0.134***	-0.0331***	-
Unemployed & not looking 5+ years	-	-	-
Long-term sick or disabled 5+ years	-	-	-
Housewife/Homemaker 5+ years	-	-	-
Retired 5+ years	-	-	-
Remarried	-0.0464	-	-
Living with a partner	-0.00103	-	-
Single	-0.0105	-	-
Divorced or separated	-0.0469**	-	-
Widowed	0.00970	-	-
Other	-0.0439	-	-
Single parent	-	-	-
1 dependent child	-	-	0.975
2 dependent children	-	-	0.912**
3+ dependent children	-	-	1.088
Dependent children: No response	-	-	1.061*
Friends buy online	-0.0544***	-	-
Friends buy on credit	-	0.0251***	1.127***
Friends can't make ends meet	0.0507***	0.0250***	1.678***
Making ends meet: Fairly easy	0.0734***	0.00853	1.786***
Making ends meet: Fairly difficult	0.125***	0.0233***	3.683***
Making ends meet: Very difficult	0.169***	0.0477***	9.981***
Making ends meet: Prefer not to say	0.0376	0.00789	2.803***
N	7,826	26,653	26,653
R ²	0.0929	0.1418	0.1227
Marginal effect / Odds ratio	Marginal	Marginal	Odds ratio
Indicator code	1	2	3_max

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.6.2. Dimension 2: Having characteristics that limit ability to maximise well-being

Results from G-S regression analysis of the survey data on the relationship between situational drivers and second dimension of vulnerability, *having characteristics that limit ability to maximise well-being*¹⁶⁸, are presented in Table 54 in the previous section.

According to these results, several situational drivers are linked with a higher chance of feeling more vulnerable due to personal characteristics (Indicator 3).

In particular, a consumer's view regarding whether they can make ends meet more or less easily has a highly significant impact on feeling more vulnerable due to personal characteristics. For example, the odds ratio for those who find it very difficult to make ends meet is 9.98, implying that the odds that this group will feel a high level of vulnerability are around ten-times those for the group who find it easy to make ends meet.

All those with an employment status other than full-time¹⁶⁹ are more likely to report that they feel a higher level of vulnerability due to personal characteristics. For example, for the long-term sick and disabled the odds ratio for Indicator 3 is 3.23.

Furthermore, consumers living in a household with two dependent children are less likely to feel highly vulnerable due to personal characteristics (with an odds ratio of 0.91), whereas those who have friends who buy on credit are more likely to feel high level of vulnerability due to personal characteristics (with an odds ratio of 1.13).

6.6.3. Dimension 3: Having difficulty in obtaining or assimilating information

Table 55 below provides survey-based evidence, again in the form of G-S regression analysis results, on the relationship between situational drivers and the third dimension of vulnerability, *having difficulty obtaining and assimilating information*.

The most consistent results, across the three key sectors, relate to how difficult consumers find it to make ends meet. Compared to those who find it easy to make ends meet, consumers who find it very hard to make ends meet are more likely to feel uninformed about prices, quality and conditions when choosing goods and services (Indicator 4) and to have problems comparing deals due to information-related factors in all three key sectors (Indicator 6).

Other situational characteristics found to be associated with a higher likelihood of feeling uninformed about prices, quality and conditions are being remarried, divorced or separated, or widowed (as opposed to married), whereas characteristics linked with a lower likelihood of feeling uninformed are being self-employed part-time,

¹⁶⁸ Dimension 2 of vulnerability is captured by perceptions of one's own vulnerability due to personal characteristics.

¹⁶⁹ I.e. all independent variables for which full-time employment is the base case: employed part-time, self-employed full-time, self-employed part-time, unemployed & looking, unemployed & not looking, long-term sick or disabled, housewife/homemaker, retired, in full time education and studying with part-time job.

unemployed, in full time education, or studying with a part-time job (as opposed to full time employed).

However, with the exceptions of being in full-time education in the case of the energy sector and being employed part-time and living with a partner in the case of the finance sector, situational drivers are rarely associated with not switching due to information-related factors (Indicator 7).

Table 55: Impact of situational drivers on indicators in Dimension 3; Having difficulty obtaining and assimilating information

	Energy sector				Online sector			Finance sector		
	Indicator 4: Feels uninformed about prices	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
Employed part-time	1.002	-	-0.00108	-0.00360	-0.00003	-0.00265		-	0.000422	-0.0051**
Self-employed full-time	0.969	-	0.00214	0.00402	-0.00702	0.0209**		-	0.0168	0.0132
Self-employed part-time	0.801**	-	0.0132	0.00611	-0.00664	0.00447		-	0.0213	0.00199
Unemployed & looking	0.797***	-	-0.0238**	-0.00220	-0.0112**	0.0148**		-	0.00571	0.00615
Unemployed & not looking	0.809*	-	-0.0568**	0.0152	0.00995	-0.00775		-	-0.052***	-
Long-term sick or disabled	0.934	-	0.000980	-	-0.00972	0.0151		-	0.00405	0.00762
Housewife/Homemaker	0.950	-	-0.0191	0.00457	0.000583	0.00314		-	-0.0166	0.00217
Retired	1.016	-	-0.0169	0.00838	0.00401	0.00262		-	0.00740	-0.000536
In full time education	0.794***	-	0.00146	-0.00640*	-0.018***	0.0229**		-	0.0167	-0.00355
Studying with part-time job	0.852*	-	-0.000137	-	-0.0123	0.0209		-	0.0330	-
Unemployed & looking 5+ years	-	-	-	-	-	-		-	-	-
Unemployed & not looking 5+ years	-	-	-	-	-	-		-	-	-
Long-term sick or disabled 5+ years	-	-	-	-	-	-		-	-	-
Housewife/Homemaker 5+ years	0.861	-	-	-	-	-		-	-	-
Retired 5+ years	-	0.0270**	-	-	-	-		-	-	-
Remarried	1.172*	-	-	0.00766	-	-		0.0144	-	0.00113
Living with a partner	1.008	-	-	0.00146	-	-		0.00205	-	0.00731*
Single	0.957	-	-	-0.00142	-	-		-0.00251	-	0.00119
Divorced or separated	1.136***	-	-	0.000433	-	-		0.0143**	-	-
Widowed	1.149**	-	-	-0.00725	-	-		0.0165	-	-0.00393
Other	0.842**	-	-	0.00226	-	-		0.00573	-	0.0215
Single parent	-	-	-	-	-	-		-	-	-
1 dependent child	-	-	-0.00549	-	-	-		-	-	-

Table 55: Impact of situational drivers on indicators in Dimension 3; Having difficulty obtaining and assimilating information

	Energy sector				Online sector			Finance sector		
	Indicator 4: Feels uninformed about prices	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors	Indicator 5: Gets info. from adverts only	Indicator 6: Problems comparing due to info. factors	Indicator 7: Not switched due to info. factors
2 dependent children	-	-	-0.0149	-	-	-		-	-	-
3+ dependent children	-	-	-0.0489***	-	-	-		-	-	-
Dependent children: No response	-	-	0.00210	-	-	-		-	-	-
Friends buy online	0.843***	-	-	-	-	-		-	-	-
Friends buy on credit	-	-	-	-	0.0086***	-		0.00773**	-	-
Friends can't make ends meet	-	-	-	-	-	-		-	-	-
Making ends meet: Fairly easy	1.326***	-	0.0126	-0.00563	-	0.00478		-	0.0125	-
Making ends meet: Fairly difficult	1.317***	-	0.0335***	-0.000114	-	0.00158		-	0.0181*	-
Making ends meet: Very difficult	1.445***	-	0.0386**	0.00168	-	0.0139*		-	0.0374***	-
Making ends meet: Prefer not to say	1.512**	-	0.0756	-0.00500	-	0.0305		-	0.0318	-
N	26,653	9,793	15,481	4,481	16,451	19,913		10,228	15,481	3,795
R ²	0.0574	0.0972	0.0756	0.1461	0.0890	0.1217		0.0925	0.0859	0.1374
Marginal effect / Odds ratio	Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	4	5_b_adv_ene	6_ene	7_ene	5_b_adv_onl	6_onl	7_onl	5_b_adv_fin	6_fin	7_fin

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.6.4. Dimension 4: Inability or failure to buy, choose or access suitable products

Since the behavioural experiments tested consumers' ability to choose the optimal offer in simulated purchasing scenarios, the experiment results are particularly relevant to this dimension of vulnerability. Results of G-S regression analysis relating situational characteristics to respondents' choices in the experiments are presented in Table 56.

The results in Table 56 show that a number of different situational drivers are linked with consumers' ability to select the optimal deals in the experiments.

Interestingly, the experiment results presented in Table 56 contrast with the results for the survey-based indicators of vulnerability in this dimension (see the discussion below relating to Table 57, Table 58 and Table 59) and other dimensions of vulnerability in terms of the effect of finding it hard to make ends meet.

The experiment results imply that consumers who find it more difficult to make ends meet are more likely to make better product choices. Specifically, the odds ratio for overall performance for those who find it very difficult to make ends meet is 1.326.¹⁷⁰

The experiment results imply that, given the same information and in the same choice environment, the choices of those who find it more difficult to make ends meet are at least as good as the choices of those who find making ends meet easy. Hence, the contrast between the experiment results and the results for the survey-based indicators would suggest that it is external drivers (rather than internal, personal drivers) that cause these consumers to be more vulnerable than their peers.

In addition, being self-employed (part-time or full-time) is linked with better overall performance in the experiments, whereas being in full time education, having friends who buy goods and services on credit, and having friends who can't make ends meet is associated with worse overall performance in the experiments.

¹⁷⁰ An odds ratio above one implies better overall experiment performance.

Table 56: Impact of situational characteristics on experiment performance									
	Energy Sector		Online Sector		Finance Sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Employed part-time	0.0771***	-	-	0.0369	-	-	-	-0.0587	0.886
Self-employed full-time	0.0355	-	-	0.0121	-	-	-	0.139***	1.313**
Self-employed part-time	0.123***	-	-	-0.0391	-	-	-	0.0148	1.469*
Unemployed & looking	0.0388	-	-	0.0575	-	-	-	0.0377	0.998
Unemployed & not looking	0.0791	-	-	0.0699	-	-	-	0.0614	0.755
Long-term sick or disabled	0.0720*	-	-	0.135**	-	-	-	0.108*	1.129
Housewife/Homemaker	0.0226	-	-	-0.0429	-	-	-	-0.00852	1.010
Retired	0.0498**	-	-	-0.0138	-	-	-	0.0110	0.956
In full time education	-0.0509	-	-	0.0272	-	-	-	0.0595	1.048
Studying with part-time job	-0.0325	-	-	0.0618	-	-	-	0.105	1.309
Unemployed & looking 5+ years	-	-	-	-	-	-	-	-	0.455***
Unemployed & not looking 5+ years	-	-	-	-	-	-	-	-	-
Long-term sick or disabled 5+ years	-	-	-	-	-	-	-	-	-
Housewife/Homemaker 5+ years	-	-	-	-	-	-	-	-	-
Retired 5+ years	-	-	-	-	-	-	-	-	-
Remarried	-	0.0503	-	-0.0127	-	-	-	-	-
Living with a partner	-	-0.0255	-	0.0426	-	-	-	-	-
Single	-	-0.00310	-	0.0241	-	-	-	-	-
Divorced or separated	-	-0.0272	-	-0.0840**	-	-	-	-	-
Widowed	-	0.0244	-	0.0436	-	-	-	-	-
Other	-	0.203**	-	-0.0408	-	-	-	-	-
Single parent	-	-	-	-	-	-	-	-	-
1 dependent child	-	-	-	-0.0807***	-	-	-	-	-
2 dependent children	-	-	-	-0.0547	-	-	-	-	-
3+ dependent children	-	-	-	0.0927	-	-	-	-	-
Friends buy online	-	0.0322	-	-	-	-	-	-	-
Friends buy on credit	-	-	-	-	-	-	-	-	0.870**
Friends can't make ends meet	-	-	-	-0.0323	-	-	-	-0.0665***	0.824***
Making ends meet: Fairly easy	-0.0315	-	-	-	-	-	-	-	1.035
Making ends meet: Fairly difficult	-0.0375	-	-	-	-	-	-	-	1.069
Making ends meet: Very difficult	0.0273	-	-	-	-	-	-	-	1.326**
Making ends meet: Prefer not to say	0.120**	-	-	-	-	-	-	-	1.525*
N	2,522	2,522	2,510	2,510	2,505	2,505	2,565	2,565	5,051
R ²	0.0318	0.0710	0.1061	0.0823	0.1191	0.1205	0.0237	0.0628	0.0421
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Odds ratio

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. “-” implies that the variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R^2 in the table is the Pseudo- R^2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The explanatory variables are defined in Table 7 and A8.1.2. The dependent variables in the experiment analysis signify whether the respondent chose the optimal deal. For individual experiment rounds, the dependent variable is equal to one if the respondent chose the optimal deal, or zero otherwise. The ‘Overall’ performance measure is the total number of correct choices made by the respondent (ranging from 0 to 4). Thus, positive marginal effects imply a higher likelihood of choosing the optimal deal, and odds ratios greater than one imply better overall performance.

Source: London Economics analysis of the survey data

Table 57 below provides survey-based evidence (i.e. results of G-S regression analysis of the survey data) on the relationships between situational drivers and several indicators in the fourth dimension of vulnerability, namely *whether individuals have problems comparing deals due to personal, market-related or access-related factors in the three key sectors* (Indicator 8).

For most situational drivers, there is no clear pattern regarding the impact on whether individuals find it more difficult to compare deals.

The exception to the above is individuals who find it difficult to make ends meet. These consumers are more likely to have problems comparing deals in the energy sector due to access-related factors, in the online sector due to market-related factors, and in the finance sector due to personal, market-related and access-related factors; for example, for those who find it very difficult to make ends meet, the marginal effects for these indicators range from 2.2pp to 9.8pp.

Table 58 goes on to examine whether individuals do not switch due to personal, market or access factors (Indicator 9). The results show that individuals that have difficulty making ends meet, in particular those who say that making ends meet is 'fairly difficult', are also the individuals that are less likely to have switched providers in the energy, online and finance sectors due to access-related factors.

Furthermore, termination costs and bundling are also more likely to be barriers to switching for individuals that have difficulties making ends meet. Hence, consumer policies targeted at overcoming these barriers for people that find it difficult to make ends meet may help to alleviate consumer vulnerability.

A number of other statistically significant relationships are shown in Table 58. However, few other situational drivers are found to be consistently associated with either higher or lower vulnerability on the indicators in this table. Two of the more consistent drivers are being a housewife/homemaker (which is associated with a lower likelihood of not switching internet providers for market reasons and a lower likelihood of not switching in general due to either termination costs or bundling) and having friends who buy on credit (which is associated with a higher likelihood of not switching banks for access reasons and a higher likelihood of not switching in general due to either termination costs or bundling).

Moreover, Table 59 provides results on whether situational factors affect the chances of an individual being excluded from e-commerce (due to difficulties in the purchasing process or not having a payment card) or being declined for a loan. The key result from Table 59, consistent with other findings in this section, is that an individual is more likely to be excluded from e-commerce if their friends cannot make ends meet.

Table 57: Impact of situational characteristics on Indicator 8 in Dimension 4; Has problems comparing deals due to personal factors, market-related factors, and access-related factors

	Energy			Online			Finance		
	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors	Indicator 8a: Personal factors	Indicator 8b: Market factors	Indicator 8c: Access factors
Employed part-time	-	-0.0151	-0.0150*	-0.000356	0.00507	-0.00598	-	-	0.00307
Self-employed full-time	-	0.0249	-0.0220*	-0.00696	0.0115	0.00426	-	-	-0.00342
Self-employed part-time	-	0.00107	-0.0447***	0.0193	-0.0190	0.00983	-	-	0.0105
Unemployed & looking	-	-0.0240	-0.00614	-0.0225***	0.000204	-0.00522	-	-	0.0108**
Unemployed & not looking	-	-0.0524	0.00608	0.00954	-0.0393	-0.00698	-	-	0.0101
Long-term sick or disabled	-	0.0298	-0.0135	-0.000462	0.0668***	-0.00124	-	-	0.0113*
Housewife/Homemaker	-	-0.0218	0.00867	-0.0332***	-0.0253**	0.00525	-	-	0.00520
Retired	-	-0.00151	0.00642	-0.00537	-0.00286	0.00171	-	-	0.00900
In full time education	-	-0.0511***	0.0172	-0.0282***	0.00570	0.0162**	-	-	0.00478
Studying with part-time job	-	-0.0130	0.00375	0.0183	-0.0226	0.0165	-	-	0.000581
Unemployed & looking 5+ years	-	-	-	-	-	-	-	-	-0.00880***
Unemployed & not looking 5+ yrs	-	-	-	-	-	-	-	-	-
Long-term sick or disabled 5+ years	-0.0632***	-	0.0701	-	-	0.0392	-	-	-
Housewife/Homemaker 5+ years	-	-	-	-	-	-	-	-	-
Retired 5+ years	-	-	-	-	-	-	-	-	-0.00802***
Remarried	-	-0.0108	0.0162	0.0519**	-	-0.00958	-	-	-0.00772**
Living with a partner	-	0.0240**	0.00646	-0.00212	-	0.00945**	-	-	0.000607
Single	-	0.0462***	-0.00953	0.00618	-	0.000963	-	-	0.00242
Divorced or separated	-	0.0168	0.0306***	0.0228**	-	-0.000607	-	-	0.00350
Widowed	-	-0.0448*	0.0482***	0.0185	-	0.00518	-	-	0.00216
Other	-	0.0358	0.00645	0.0337**	-	0.00599	-	-	0.00745
Single parent	-	-	-	-	-	-	-	-	-
1 dependent child	0.00381	-	-	-	-	-	-	-	-
2 dependent children	0.0365**	-	-	-	-	-	-	-	-
3+ dependent children	-0.0128	-	-	-	-	-	-	-	-
Dependent children: No response	-0.0102	-	-	-	-	-	-	-	-
Friends buy online	-	-	-0.0150***	-0.0135***	-	-	-	-	-
Friends buy on credit	-0.0337***	-	0.0117**	-0.0110**	-	-	-0.0226***	-	-
Friends can't make ends meet	-	-	-	-	-	-0.00730***	-	-	0.00494***
Making ends meet: Fairly easy	-	-	0.0222**	-0.000970	0.0292***	-	0.0479***	0.0461***	0.00318
Making ends meet: Fairly difficult	-	-	0.0474***	-0.0179**	0.00830	-	0.0643***	0.0602***	0.0135***
Making ends meet: Very difficult	-	-	0.0649***	-0.0140	0.0325**	-	0.0980***	0.0733***	0.0220**
Making ends meet: Prefer not to say	-	-	-0.0137	-0.0409	-0.0725	-	0.0301	-0.00224	0.000119
N	15,481	15,481	15,481	19,913	19,913	19,913	15,481	15,481	15,481
R ²	0.1273	0.1084	0.1263	0.1442	0.1461	0.0714	0.1210	0.1049	0.0933
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	6_8_per_ene_r	6_8_mar_ene_r	6_8_acc_ene_r	6_8_per_onl_r	6_8_mar_onl_r	6_8_acc_onl_r	6_8_per_fin_r	6_8_mar_fin_r	6_8_acc_fin_r

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 8. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. % For each the indicator in this table, the R² in the table is the Pseudo-R² for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 58: Impact of situational characteristics on Indicator 9 in Dimension 4; Has not switched due to personal factors, market related factors, access-related factors, termination costs, and bundling

	Indicator 9a: Personal factors	Energy Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Online Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9a: Personal factors	Finance Indicator 9b: Market factors	Indicator 9c: Access factors	Indicator 9d: Termination costs	Indicator 9e: Bundling
Employed part-time	0.00584	-0.00538	-0.0211	-	-0.00959	0.00601	-	-	-	0.00848	0.000911
Self-employed full-time	0.00397	0.0287	-0.0357	-	0.0430**	-0.00691	-	-	-	0.0213**	0.000663
Self-employed part-time	-0.0307	0.00973	-0.0449	-	-0.00005	-	-	-	-	0.0237	0.0303
Unemployed & looking	-0.0364***	-0.0137	-0.0118	-	-0.00943	-0.000604	-	-	-	0.00318	0.0131
Unemployed & not looking	-0.0240	-0.0207	-0.00170	-	-0.0172	0.0228	-	-	-	0.0197	0.00541
Long-term sick or disabled	0.0193	-0.0216	-0.0145	-	-0.00377	-0.0224***	-	-	-	-0.0153	-0.0215
Housewife/Homemaker	-0.00313	-0.0200	0.0321	-	-0.0285***	0.0106	-	-	-	-0.0145*	-0.0206*
Retired	-0.0164	-0.0261*	-0.0233	-	0.0138	-0.00924	-	-	-	0.00523	0.00318
In full time education	0.00116	-0.0440***	0.106***	-	-0.00001	0.00949	-	-	-	0.00747	-0.00446
Studying with part-time job	-0.00473	-0.0203	0.0171	-	-0.0105	0.0313	-	-	-	0.0176	0.000284
Unemployed & looking 5+ years	-	-	-	-	-	-	-	-	-	-	-0.0518**
Unemployed & not looking 5+ years	-	-	-	-	-	-	-	-	-	-	-
Long-term sick or disabled 5+ years	-	-	-	-	-	-	-	-	-	-	-
Housewife/Homemaker 5+ years	-	-	-	-	-	-	-	-	-	-	-
Retired 5+ years	-	-	-	-	-	-0.0185	-	-	-	0.0242*	-
Remarried	-	0.0255	-	-	-0.0274**	-	-0.0350***	-	0.00911	0.0351*	-
Living with a partner	-	0.00966	-	-	0.0182*	0.00212	0.00579	-	-0.00146	0.0110*	-
Single	-	0.0267**	-	-	0.00594	-0.000930	0.000713	-	-0.00749**	-0.00565	-
Divorced or separated	-	0.00473	-	-	0.0294*	0.000919	-0.0166*	-	-0.00551	-0.0148*	-
Widowed	-	-0.00949	-	-	-0.0203	-	0.0183	-	0.00471	-0.00582	-
Other	-	0.0624	-	-	-0.0210	0.00124	-0.0144	-	-	0.00781	-
Single parent	-0.0431***	-	-	-	-	-	-	-	-	-	-
1 dependent child	-	-	0.0355*	-	-	-	-	-	-	-	-
2 dependent children	-	-	0.0514*	-	-	-	-	-	-	-	-
3+ dependent children	-	-	0.0353	-	-	-	-	-	-	-	-
Dependent children: No response	-	-	0.00541	-	-	-	-	-	-	-	-
Friends buy online	-	-	-0.0331***	-	-	-	-	-	-	-	-
Friends buy on credit	-	-	-	-	-	-	-	-	0.00526*	0.0207***	0.0323***
Friends can't make ends meet	-	-	-	-	-	-	-	-	-	0.0372***	0.0271***
Making ends meet: Fairly easy	-	-	0.0729***	-	-	0.0264*	-	-	0.0162	0.0208**	0.00853
Making ends meet: Fairly difficult	-	-	0.122***	-	-	0.0391**	-	-	0.0375*	0.0518***	0.0366***
Making ends meet: Very difficult	-	-	0.137***	-	-	0.0405	-	-	0.0811	0.0674***	0.0290**
Making ends meet: Prefer not to say	-	-	0.0767	-	-	-	-	-	-	-0.00412	-0.0158
N	4,782	4,782	4,782	3,483	3,427	3,265	4,355	4,368	4,095	26,653	26,653
R ²	0.1283	0.0651	0.2145	0.2094	0.0804	0.1083	0.1330	0.0597	0.1538	0.1242	0.0852
Marginal effect / Odds ratio	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal
Indicator code	7_9_per_ene	7_9_mar_ene	7_9_acc_ene	7_9_per_onl	7_9_mar_onl	7_9_acc_onl	7_9_per_fin	7_9_mar_fin	7_9_acc_fin	7_9_ter	7_9_bun

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 4. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R2 in the table is the Pseudo-R2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

Table 59: Impact of situational characteristics on Indicators 10 and 11 in Dimension 4; Excluded from e-commerce and declined a loan

	Excluded from e-commerce due to		
	Indicator 10a: Difficulty of the process	Indicator 10b: Not having payment card	Indicator 11: Declined a loan
Employed part-time	-0.00310	-0.00698	-
Self-employed full-time	0.00179	0.0149	-
Self-employed part-time	0.00531	0.0254	-
Unemployed & looking	-0.00173	0.0256***	-
Unemployed & not looking	0.0957**	0.0562*	-
Long-term sick or disabled	0.00949	-0.0106	-
Housewife/Homemaker	-0.0120	-0.00488	-
Retired	0.00196	0.0145	-
In full time education	0.0299**	0.0289**	-
Studying with part-time job	0.00707	0.0242	-
Unemployed & looking 5+ years	-	-	-
Unemployed & not looking 5+ years	-0.115***	-	-
Long-term sick or disabled 5+ years	-	-	-
Housewife/Homemaker 5+ years	-0.0340	-	-
Retired 5+ years	0.0571**	-	-
Remarried	0.0310	0.0134	-
Living with a partner	0.0258***	0.0143*	-
Single	0.000478	0.000800	-
Divorced or separated	-0.00163	0.0263**	-
Widowed	-0.0259	0.0281	-
Other	0.0367**	0.0632***	-
Single parent	-	-	-
1 dependent child	-	-	-
2 dependent children	-	-	-
3+ dependent children	-	-	-
Dependent children: No response	-	-	-
Friends buy online	0.0104*	-	-
Friends buy on credit	-	0.0145***	-
Friends can't make ends meet	0.0353***	0.0262***	-
Making ends meet: Fairly easy	-	0.0282***	0.0201
Making ends meet: Fairly difficult	-	0.0540***	0.0276*
Making ends meet: Very difficult	-	0.0851***	0.0725**
Making ends meet: Prefer not to say	-	-0.0246	0.145
N	19,957	19,957	4,971
R ²	0.0903	0.1188	0.1230
Marginal effect / Odds ratio	Marginal	Marginal	Marginal
Indicator code	10_diff	10_card	11_loan

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 4. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. ***/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R2 in the table is the Pseudo-R2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.6.5. Dimension 5: Higher susceptibility to marketing practices

Finally, Table 60 provides evidence, based on the results of G-S regression analysis of the survey data, on which groups have a higher susceptibility to marketing practices.

Again, the key finding, consistent with other results reported in this section, is that consumers who struggle to make ends meet tend to be more susceptible to marketing practices. For example, those who find it 'very difficult' to make ends meet are 6.2pp

more likely to report that they feel vulnerable 'to a great extent' due to the complexity of offers, terms or conditions.

In addition, those who are unemployed and looking for employment, long-term sick or disabled and who have friends who can't make ends meet are more likely to feel a high level of vulnerability due to marketing practices (based on the results for the scale-based indicator in Table 60).

Conversely, those who are remarried, single, or divorced or separated (rather than married) are found to be less likely to feel a high level of vulnerability due to marketing practices.

Table 60: Impact of situational characteristics on Indicator 12 in Dimension 5

	Indicator 12: Feels vulnerable due to complexity of offers;	
	Binary: "To a great extent"	Scale: 1 (low) - 4 (high)
Employed part-time	-	1.044
Self-employed full-time	-	0.999
Self-employed part-time	-	1.096
Unemployed & looking	-	1.205***
Unemployed & not looking	-	0.938
Long-term sick or disabled	-	1.332***
Housewife/Homemaker	-	1.074
Retired	-	1.032
In full time education	-	0.948
Studying with part-time job	-	1.082
Unemployed & looking 5+ years	-	-
Unemployed & not looking 5+ years	-	-
Long-term sick or disabled 5+ years	-	-
Housewife/Homemaker 5+ years	-	-
Retired 5+ years	-	-
Remarried	-	0.753***
Living with a partner	-	0.962
Single	-	0.943*
Divorced or separated	-	0.918*
Widowed	-	1.015
Other	-	0.912
Single parent	-	-
1 dependent child	-	-
2 dependent children	-	-
3+ dependent children	-	-
Dependent children: No response	-	-
Friends buy online	-	-
Friends buy on credit	-	1.121***
Friends can't make ends meet	0.0238***	1.406***
Making ends meet: Fairly easy	0.0165**	1.398***
Making ends meet: Fairly difficult	0.0227***	1.567***
Making ends meet: Very difficult	0.0620***	1.928***
Making ends meet: Prefer not to say	0.0403*	1.464**
N	26,653	26,653
R ²	0.1005	0.0465
Marginal effect / Odds ratio	Marginal	Odds ratio
Indicator code	_12_off_b2	_12_off

Note: Values in this table are results of general to specific (G-S) regression analysis. The G-S methodology is described in Annex 4. "-" implies that the explanatory variable was not included in the final regression model established via the G-S process. */**/** implies that a result is statistically significant at 90%/95%/99%. For each the indicator in this table, the R2 in the table is the Pseudo-R2 for the full regression model, which includes the explanatory variables shown in this table and other explanatory variables (not shown in this table) that were identified for the regression model based on the G-S methodology. The indicators are defined in Table 5. The explanatory variables are defined in Table 7 and A8.1.2.

Source: London Economics analysis of the survey data

6.7. Country and country group level analysis of drivers of vulnerability

This section examines the drivers of vulnerability at country and country group level. The objective is to assess whether and to what extent the results for the full sample (reported in sections 6.2 to 6.6 above) hold at country and country group level¹⁷¹.

Three approaches have been followed in order to examine the drivers of vulnerability at a country and country group level. These are discussed in turn in section 6.7.1 below. The country groups examined in the analysis are set out in section 6.7.2.

The results are discussed in section 6.7.3. This discussion is limited to the results for the country groups and the focus is on comparison with the results for the full sample. The reasons for this are that there are practical limitations to the analysis that can be done at country level and that the analysis generates a very large volume of results¹⁷² which cannot feasibly be discussed in their entirety.

However, the full results from all three approaches, including results at country and country group level, are provided in Excel files alongside this report.

6.7.1. Approaches used

Three different approaches are implemented in order to examine the drivers of vulnerability at country and country group level:

1. **Re-estimate the regression models derived from the full sample for each country individually.** The first method used to examine the drivers of vulnerability at country level is to re-estimate the regression models established from the full sample¹⁷³ using the data for each country individually. This approach produces country-level results that are directly comparable with the results for the full sample, since precisely the same regression models are used. However, a major drawback is that, due to the small sample sizes and low rates of vulnerability at country level, this approach is practically unfeasible for some indicators/countries. For example, a low incidence rate of, say, 5% for a particular indicator would imply that just 50 respondents are identified as vulnerable on that indicator in a country sample of 1,000. Given that the average regression model for an indicator includes 65 explanatory variables (and often more), estimating the model based on just 50 vulnerable respondents would mean that the assumptions of the regression are no longer satisfied. In such cases, the explanatory variables often predict which respondents are vulnerable almost perfectly due to the sheer number of explanatory variables that are fitted on so few respondents.

¹⁷¹ As we have seen from the results in chapter 4, there are large variations of consumer vulnerability incidence between countries. In order to understand whether these variations are due to different underlying drivers, or simply to different levels of the same drivers, we perform the analysis at the country group level based on the incidence of vulnerability.

¹⁷² The volume of results is very large since, where feasible, the analysis of each indicator is replicated 30 times, once of each country.

¹⁷³ The analysis undertaken on the full sample established a regression model for each indicator using the general-to-specific econometric approach.

The ratio of the number of vulnerable respondents on a particular indicator – or, in general, the number of positive observations for any binary dependent variable in a regression – to the number of explanatory variables included in the regression of that indicator is referred to in the econometrics literature as the number of events per variable (EPV). A rule of thumb of a target of 10 EPV is applied in many studies, although simulations have found that EPV as low as 4 or as high as 20 might be appropriate (Vittinghoff and McCulloch 2006). A consequence of very low EPV, which is often seen in the results of our country-level regressions, is that in practice the confidence intervals of regression coefficients cannot be calculated and the regressions cannot be estimated.

Due to the practical limitations described above and also the very large volume of results produced¹⁷⁴, the country-level regression results are not discussed in this section. However, these results are provided in Excel files alongside this report.

- 2. Estimate the country-level effect for each driver and country in turn using the full sample.** The second approach is to estimate an augmented regression model for each indicator that is the same as the model established through the general to specific procedure on the full sample with additional explanatory variables to allow the effect of a given driver to vary for a particular country.¹⁷⁵ This is done separately – i.e. using a separate model – for each driver and country combination in order to identify whether the effect of any driver differs for a particular country relative to the effect of that driver for the full sample.

The key advantage of this approach, compared to the first approach described above, is that only a subset of the regression coefficients are estimated for the individual country, making this approach technically feasible even for relatively small samples.¹⁷⁶ In addition, a further advantage is that this approach provides a direct comparison between a country and the rest of the sample; it reveals whether the effect of a given characteristic or driver is statistically different for a country relative to the rest of the sample.

However, the key disadvantage of this approach is that it is internally inconsistent. Each model assumes that the true model is one where all coefficients are the same across countries except for the coefficients for the country specific explanatory variables. Therefore, since in each model the

¹⁷⁴ The volume of results produced is very large since, where it is feasible to do so, the analysis of each indicator described in sections 6.2 to 6.6 is replicated 30 times, once of each country.

¹⁷⁵ The additional explanatory variables are interaction terms between a dummy representing the country in question and the dummies representing the relevant driver (e.g. in the case of age, the dummies representing each age band, or in the case of impulsiveness, the dummies representing each impulsiveness level). The country dummy itself is also included in order to control for any difference in the incidence of vulnerability in the country.

¹⁷⁶ Since the analysis is done using the whole sample, problems relating to low EPV (which affect the first methodology described above) do not arise.

effect of a different driver is allowed to vary by country, each model violates the assumptions of the other models.¹⁷⁷

The results from this approach are provided in full in Excel files alongside this report.

3. **Re-estimate the regression models derived from the full sample for country groups.** The final approach is the same as the first approach described above, except that instead of undertaking the analysis at individual country-level it is carried out for groups of countries together. Specifically, the analysis is conducted for the five country groups set out in section 6.7.2 below. These country groups are established via cluster analysis, based on the incidence of vulnerability on fifteen indicators. In cases where the sample size is still insufficient for at least one of these five country groups, two or more groups are further combined, as explained in section 6.7.2.

Although of course this approach does not provide country specific results, it does show whether the results for the full sample hold when the sample is disaggregated along country lines based on similarities between countries in terms of vulnerability. In addition, most importantly, since the sample sizes are larger when countries are grouped together the problems relating to low EPV (which affect the first methodology described above) do not arise, meaning that the approach is technically feasible for all indicators.

The results from this approach are discussed in section 6.7.3 below and can be seen in full in Excel files provided alongside this report.

6.7.2. Country groups

Five country groups are constructed based on the survey data, using cluster analysis (see Annex 7). This approach assigns countries to groups based on the incidence of vulnerability on fifteen indicators.¹⁷⁸ The five country groups are:¹⁷⁹

- **Group 1.** A group consisting mainly of Germanic and Scandinavian countries. These countries exhibit among the lowest rates of vulnerability. Countries included in this group are Germany, Denmark, Sweden, Norway, Luxembourg, the Netherlands, Austria, and Iceland.
- **Group 2.** A group consisting mostly of countries that are neighbours of group 1. These countries have below average rates of vulnerability. The countries in this group are the Czech Republic, United Kingdom, Finland, Belgium, Malta and Slovakia.
- **Group 3.** A group including the Eastern European countries with above average rates of vulnerability. Countries included in this group are Hungary, Estonia, Lithuania, Latvia, Bulgaria, Poland and Spain.

¹⁷⁷ A further consideration, regarding interpretation of the results, is that the approach does not allow the calculation of (unbiased) country level marginal effects.

¹⁷⁸ Specifically, these indicators are (see Table 5 for definitions): 1, 2, 3, 4, 8_1_ene, 8_2_ene, 8_1_fin, 8_2_fin, 8_1_onl, 8_2_onl, 9e_bun, 9d_ter, 10b, 10a, and 12_off.

¹⁷⁹ The rate of vulnerability referred to in these bullet points is the average rate of vulnerability based on the indicators included in the cluster analysis.

- **Group 4.** A group consisting of countries in South East Europe. These countries have among the highest rates of vulnerability, with especially high incidence rates on several indicators. Countries included in this group are Greece, Cyprus and Romania.
- **Group 5.** A group of countries located either on the Adriatic Sea or Atlantic Ocean. These countries exhibit average or high rates of vulnerability on some indicators, but low incidence of vulnerability on other indicators. The countries in this group are Italy, Slovenia, France, Portugal, Ireland and Croatia.

For 14 indicators¹⁸⁰ groups 1, 2, 3 and 4 are each represented by a single country (Denmark, the United Kingdom, Lithuania and Romania, respectively), and a further 10 indicators¹⁸¹ are not available for 11 countries (Bulgaria, Croatia, Cyprus, Greece, Hungary, Italy, Latvia, Malta, Poland, Slovenia and Spain).

Due to the low rates of vulnerability and small sample sizes for some countries/indicators, combining the countries into the groups above does not always provide sufficient sample size for the analysis of vulnerability drivers to be conducted at country group level. Therefore, for some indicators the groups above are further combined as follows:

- **Groups 1 and 2** are grouped together for 10 indicators;¹⁸²
- **Groups 3 and 4** are grouped together for 5 indicators;¹⁸³
- **Groups 3, 4 and 5** are grouped together for 8 indicators.¹⁸⁴

6.7.3. Drivers of vulnerability at country group level

The following subsections compare the results for the full sample with the results for the country groups established via the cluster analysis. The focus is on comparing the high level results for the full sample for each type of driver with the corresponding results at country group level, in order to assess whether, overall, the country group results align with the full sample results. The comparison is done by type of driver (i.e. by type of explanatory variable), in order to mirror the structure of the relevant sections in Chapter 6.

The results show that, in general, the high-level findings for the full sample hold at country group level. Although there are only half (51%) as many statistically significant results at country group level as there are for the full sample¹⁸⁵, in most

¹⁸⁰ Specifically the following indicators (see Table 5 for definitions): 11_loan, 7_ene, 9a_ene, 9b_ene, 9c_ene, 7_onl, 9a_onl, 9b_onl, 9c_onl, 7_fin, 9a_fin, 9b_fin, 9c_fin, expt_overall.

¹⁸¹ Specifically the following indicators (see Table 5 for definitions): 5_adv_ene, 6_ene, 8a_ene, 8b_ene, 8c_ene, 5_adv_fin, 6_fin, 8a_fin, 8b_fin, 8c_fin.

¹⁸² Specifically the following indicators (see Table 5 for definitions): 7_ene, 5_adv_onl, 7_fin, 8c_fin, 9c_ene, 9a_onl, 9c_onl, 9a_fin, 9c_fin, 11_loan.

¹⁸³ Specifically the following indicators (see Table 5 for definitions): 5_adv_ene, 7_ene, 8a_fin, 9a_ene, 9b_fin.

¹⁸⁴ Specifically the following indicators (see Table 5 for definitions): 5_adv_onl, 5_adv_fin, 7_fin, 8c_fin, 9c_ene, 9a_onl, 9c_fin, 11_loan.

¹⁸⁵ Fewer statistically significant results are found at country group level. This is expected due to the considerably smaller sample sizes available at country group level, and thus, *ceteris paribus*, larger standard errors and fewer statistically significant results.

cases the statistically significant country group level results mirror those for the full sample. In particular, depending on the country group in question:

- Among results which imply that variables are linked with higher vulnerability, 83% to 87% of statistically significant results at country group level have a matching result (i.e. a statistically significant result in the same direction) for the full sample.
- Among results which imply that variables are linked with lower vulnerability, 58% to 75% of statistically significant results at country group level have a matching result for the full sample.
- Only 1.7% to 3.9% of statistically significant results at country group level are in the opposite direction of the corresponding result for the full sample.

Therefore, in summary it may be concluded that most of the results for the full sample can be generalised to the country groups, or at least are not contradicted at country group level, and relatively few drivers of vulnerability are found to be specific to certain country groups.

The following subsections discuss the results for each type of driver in turn.

Personal and demographic characteristics

The results based on the full sample regarding the impact of personal and demographic characteristics on the likelihood of vulnerability (reported in section 6.2) compare to the corresponding country group level results as follows:

- The analysis of the full sample found that younger consumers (aged 16-24 and 25-34) are more likely to be vulnerable on indicators in dimension 1 (heightened risk of negative outcomes or impact on wellbeing) and dimension 2 (having characteristics that limit ability to maximise wellbeing). These results hold in full for country groups 1, 2 and 3. Results in the same direction are also found for groups 4 and 5, but the result for dimension 1 is not significant for group 4 and the result for dimension 2 is not significant for group 5.
- The results for the full sample show that consumers above the age of 55 are more likely to be vulnerable on some indicators in dimensions 3 (having difficulty obtaining or assimilating information) and 4 (inability to buy, choose or access suitable products), but are also less likely to be vulnerable on other indicators in these dimensions. While the results are mixed at country group level, as they are for the full sample, group 1 has predominantly higher vulnerability among the elderly (ages 64-75 and 75+) on the indicators in dimensions 3 and 4; the elderly (ages 64-75 and 75+) in groups 3 and 4 are less vulnerable on more indicators in dimensions 3 and 4 than the number of indicators on which they are more vulnerable.
- Based on the results for the full sample, men are often less likely to be vulnerable than women on a number of indicators in dimension 4 (inability to buy, choose or access suitable products). This holds particularly well for country groups 2 and 5. However, less evidence of this relationship is found for groups 3 and 4.
- The analysis of the full sample reveals that non-native speakers are more likely to be vulnerable than native speakers on at least one indicator in every dimension, and are less likely to be vulnerable on relatively few indicators. Furthermore, based on the full sample results, non-native speakers stand out from other groups because in every dimension they are more likely to be vulnerable on more indicators than the number of indicators they are less likely

to be vulnerable on. These results hold for country group 1 in particular. However, in dimension 4 non-native speakers in country groups 3, 4, and 5 are less vulnerable more often (i.e. on more indicators) than they are more vulnerable.

In summary, with a small number of exceptions¹⁸⁶ the high level results for the full sample generally hold at country group level. Full regression results showing the links between the indicators of vulnerability and consumers' personal and demographic characteristics at country group level are provided in Excel files alongside this report.

Behavioural drivers of vulnerability

The results for the full sample regarding the effects of behavioural drivers on the likelihood of vulnerability (reported in section 6.3) compare to the equivalent country group level results as follows:

- The results for the full sample show that those with high or very high impulsiveness based on the first and fourth 'impulsiveness' measures¹⁸⁷ are more likely to be vulnerable on a relatively large number of indicators, including indicators in all dimensions, and these impulsiveness measures are the behavioural characteristics which, in general, are most strongly linked to higher vulnerability. Similarly, impulsiveness is the behavioural characteristic that is most strongly linked with higher vulnerability at country group level; for groups 1 and 2 the first impulsiveness measure is most frequently linked with higher consumer vulnerability, whereas for groups 3 and 5 it is the fourth impulsiveness measure.
- According to the results for the full sample, those who are more trusting based on the two 'trust' measures¹⁸⁸ are less likely to feel a high level of vulnerability for reasons of age, health problems, employment etc.¹⁸⁹, and those who are more trusting on the first trust measure (in particular) are also less likely to feel a high level of vulnerability due to the complexity of offers.¹⁹⁰ These findings hold in general across the country groups, with the caveat that for group 1 only the results for the first trust measure are statistically significant and for group 4 only the results for the second trust measure are statistically significant.

¹⁸⁶ For example the result highlighted above regarding the low vulnerability of non-native speakers in country groups 3, 4, and 5 on indicators in dimension 4.

¹⁸⁷ These measures are labelled 'Impulsiveness 1' and 'Impulsiveness 4'. They are based on the extent that respondents agree with the statements "I have a hard time breaking bad habits" and "I'm impulsive in the purchase decisions I take" respectively.

¹⁸⁸ These measures are labelled 'Trust 1' and 'Trust 2'. They are based on the extent that respondents agree with the statements "you need to be very careful in dealing with people" and "I believe most people can be trusted".

¹⁸⁹ This is based on the results for Indicator 3 in dimension 2. This indicator is a scale from 1 (low feeling of vulnerability) to 4 (high feeling of vulnerability), which is equal to the highest extent that respondents feel vulnerable due to the individual reasons of health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons.

¹⁹⁰ Based on the results for Indicator 12 in dimension 5.

- The analysis of the full sample reveals that there are relationships between the 'credulity' measure¹⁹¹ and a number of indicators of vulnerability, although these are often in opposite directions across the various indicators. For the full sample and country groups 1 and 2, among the behavioural characteristics high credulity¹⁹² has the most relationships, overall, with the indicators of vulnerability, and similarly for groups 3 and 5 this measure has the second most relationships with the indicators of any behavioural characteristic. However, for country group 4 the high credulity measure has relatively few results.
- The analysis of the full sample and at country group level for every group shows that those who identified the best interest rate for a savings account are less likely to be vulnerable on a relatively high number of indicators. Furthermore, the results for the full sample and the country group level results both show that those who identified the best interest rate performed better in the experiments overall.

In summary, the high level results regarding behavioural drivers of vulnerability from the full sample generally hold relatively well for the country groups. Regression results showing the links between the indicators of vulnerability and behavioural drivers at country group level are available in Excel files.

Market-related drivers of vulnerability and consumers' experience in markets

The results regarding the effects of market-related drivers on the likelihood of vulnerability based on the full sample (reported in section 6.4) compare to the corresponding country group level results as follows:

- The analysis of the full sample found that having been unable to read the terms and conditions of a contract due to overly small print is associated with a higher likelihood of vulnerability on 20 out of the 38 indicators, including indicators in every dimension. Very similar results are found at country group level, with this variable being connected with a higher likelihood of vulnerability on between 13 and 16 indicators dependent on the country group.
- Based on the full sample results, being less experienced and engaged with a market¹⁹³ is associated with a higher likelihood of vulnerability in that market on a number of indicators, especially having problems comparing deals due to information-related, personal, market-related and access-related factors. For the most part, these relationships hold for the various country groups and sectors, although the association is absent for group 4 for the energy market.
- The results for the full sample show that the extent that consumers feel uninformed about prices, quality and conditions when choosing and buying goods and services is linked to almost all of the market-related factors examined in the analysis.¹⁹⁴ These results imply that lower experience and

¹⁹¹ This measure is labelled 'Credulity'. It is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹⁹² This measure is "Credulity: High" and corresponds to "agree" to "most advertisements report objective fact, I trust most of the information provided in advertisements".

¹⁹³ That is, not knowing contract terms, not reading communications, and finding it difficult to read communications.

¹⁹⁴ Specifically, all except whether respondents have read the most recent bill or communication from their provider in the energy, online or finance sectors.

engagement with markets is usually associated with a higher likelihood of vulnerability on this indicator. This overall finding holds for most country groups, although for group 4 the link between market-related factors and the extent that consumers feel uninformed about prices, quality and conditions is only found for the energy market.

Overall, the high level results linking market-related factors with vulnerability at country group level are similar to those found for the full sample, although there are some notable differences for country group 4, in particular relating to market experience. Regression results showing the relationships between indicators of vulnerability and market-related factors at country group level are provided in Excel files.

Access drivers of vulnerability

The results for the full sample regarding the effects of access drivers on the likelihood of vulnerability (reported in section 6.5) compare to the equivalent country group level results as follows:

- The results for all country groups show that those who use the internet more overall, in terms of the number of different activities they use it for at least once per month, are less likely to have been declined for a loan. For country group 5, this is the only result relating to consumers' level of internet use that is the same as the result for the full sample.
- Mirroring the full sample result, in country groups 2, 3, and 4 those who use the internet more overall are less likely to have been prevented from switching bank due to market-related factors. However, the result that higher internet use is linked with a lower likelihood of having been prevented from switching internet provider due to market-related factors is only found for group 2.
- In line with the result for the full sample, consumers in country groups 1 and 3 who use the internet more overall are less likely to have overpaid for services due to being unable to use certain payment methods.
- In contrast with the result for the full sample, for the individual country groups no association is found between level of internet use and the likelihood that consumers feel vulnerable due to personal characteristics.

In summary, relative to the other types of drivers, the access drivers have the most diverse results across the country groups. Regression results showing the associations between access drivers and the indicators of vulnerability at country group level are available in Excel files.

Situational drivers of vulnerability

The results based on the full sample regarding the impact of situational drivers on the likelihood of vulnerability (reported in section 6.6) compare to the corresponding country group level results as follows:

- A number of results for the full sample relating to consumers who find it difficult to make ends meet hold for all country groups. In particular, in all country groups these consumers: feel a higher level of vulnerability due to their personal characteristics; are more likely to feel vulnerable due to the complexity of offers, terms or conditions; are more likely to feel uninformed about prices, quality and conditions; and are more likely to have problems comparing deals due to information-related factors.

- Other results for the full sample relating to those who find it difficult to make ends meet only hold for certain country groups. In particular, these consumers: are more likely to be excluded from e-commerce in country groups 1 and 2; are more likely to be declined a loan in groups 3, 4 and 5; are less likely to take action when they experience a problem and more likely to overpay for services due to being unable to use certain payment methods in all groups except group 4; and are more likely to find that termination costs and bundling are barriers to switching in groups 1 and 3.
- Moreover, consumers who find it difficult to make ends meet find that access-related factors are barriers to making comparisons between energy deals; market-related factors are barriers to making comparisons in the online sector; that personal, market-related and access-related factors are barriers to making comparisons in the finance sector. These results hold for the full sample and country groups 1 and 2 independently. In country groups 3, 4, and 5, these consumers find a mixture of the barriers to making comparisons between deals.¹⁹⁵
- Related to the point above, consumers who find it difficult to make ends meet find that access-related factors can prevent them from switching. For the full sample, this is found for all three markets, while in country groups 1 and 2 this is only found for the energy sector, and in groups 3, 4, and 5 it is found for the finance sector.
- In addition, the result for the full sample that those with employment status other than full-time employed or full-time self-employed are more likely to feel vulnerable due to personal characteristics holds independently for country group 2. For other country groups, most consumer groups who are not full-time employed feel more vulnerable due to personal characteristics, although this is not true for all groups in all countries.¹⁹⁶

In summary, the full sample results hold in general for all country groups. Although there are some differences between the results for the full sample and the results at country-level, these should not be overstated. Regression results showing the relationships between situational drivers and the vulnerability indicators at country group level are provided in Excel files.

¹⁹⁵ Namely, consumers who find it difficult to make ends meet find that: access-related factors are barriers to comparing deals in the energy sector in country group 4; market-related factors are barriers to comparing deals in the online sector in country groups 4 and 5; and personal factors are barriers to comparing deals in the finance sector in country groups 3, 4 and 5.

¹⁹⁶ The exceptions that do not feel more vulnerable than those who are full-time employed are: housewife/homemaker for country groups 1 and 5; part-time self-employed for country groups 2, 3 and 4; studying with part-time job for country groups 3 and 4; and retired and long-term sick or disabled only for country group 4.

7. POPULATION OF THE THEORETICAL FRAMEWORK OF VULNERABILITY

Box 5: Summary of Chapter 7

This chapter populates the theoretical framework developed in Chapter 3, based on the results of the data analysis reported in Chapter 6. In doing so the chapter provides a concise overall picture of the most important drivers and effects of vulnerability. In order to populate the framework, selection criteria are set such that drivers are included or excluded from the framework in a systematic way, based on the overall strength of the effects of the drivers on the various dimensions of vulnerability established in Chapter 3. The main conclusions that can be drawn from the populated framework are that:

- Market-related drivers are especially influential. These drivers have more relationships with the various dimensions of vulnerability than any other type of driver. The impact of being unable to read contract terms and conditions is highlighted in particular, with this driver being associated with an increase in the likelihood of vulnerability across all dimensions. Furthermore, being disengaged from markets (e.g. in terms of not knowing contract conditions, or not reading communications) is also linked with higher vulnerability in several dimensions. These results suggest that measures to improve consumers' engagement with markets may be effective in tackling vulnerability.
- Behavioural drivers also have important effects. In particular, consumers who are willing to take risks are, generally, less likely to be vulnerable, as are those who have sector knowledge and computational ability. In addition, more impulsive consumers are, on the whole, more likely to be vulnerable on several dimensions. These results suggest that behavioural biases such as risk aversion and cognitive limitations are relevant to vulnerability, and that measures that target these factors, for example interventions to improve the presentation of information, may be effective in reducing vulnerability.
- Among the situational drivers, finding it difficult to make ends meet and having friends who cannot make ends meet are found to be especially important. This suggests that measures to reduce financial pressure on consumers (e.g. social tariffs) may be effective in reducing vulnerability.

The theoretical framework developed in Chapter 3 is populated in this chapter. Whereas the analysis in Chapter 6 examined the drivers of vulnerability in detail by indicator, this chapter aims to provide a concise overall picture of the most important drivers and effects of vulnerability.

The framework is populated using the results of the regression analysis reported in Chapter 6, which relate the indicators of vulnerability in each dimension to consumers' personal characteristics and drivers of vulnerability (including behavioural, market-related, access and situational drivers).

In section 7.1, criteria are set for selecting the drivers of vulnerability to be included in the framework based on the results of the regression analysis presented in chapter 6. Then, in section 7.2, the relationships to be included in the framework for each dimension of vulnerability are identified based on the selection criteria. Finally, the theoretical framework is populated in section 1.3.

7.1. Criteria for selecting drivers to be included in the framework

The first step in order to populate the theoretical framework is to specify criteria for selecting drivers of vulnerability to be included in the framework. Detailed analysis of the drivers of vulnerability is presented by indicator in Chapter 6.¹⁹⁷ The aim of the present chapter is to synthesise these results, prioritising the most important drivers, so that a concise overall picture of the main drivers can be presented. Hence, the analysis in this chapter is done at dimension level. The selection criteria are specified for each dimension of vulnerability using the results (from Chapter 6) for indicators in that dimension.

The aim of setting the selection criteria is to ensure that the most important drivers of each vulnerability dimension are included in the framework. A driver is particularly important to a dimension if it is related to a substantial number of indicators in that dimension, or it has a particularly strong relationship with at least one indicator in that dimension. Hence, the selection criteria take into account a) the number of statistically significant results¹⁹⁸ for a given characteristic or driver across the indicators within a dimension and b) the magnitudes of the effects of a given characteristic or driver on the indicators of each dimension.

For the purpose of populating the framework, due to the large number of indicators in the fourth dimension, this dimension is divided into four components. These components are referred to as 'problems comparing'¹⁹⁹, 'problems switching'²⁰⁰, 'problems choosing'²⁰¹ and 'exclusion from markets/ transactions'²⁰². The results relating to respondents' overall performance in the experiments are included in the framework for the fourth dimension, since the experiments tested consumers' ability to select the optimal deal in simulated purchasing scenarios and so are especially relevant to this dimension.

The selection criteria for each dimension of vulnerability are set out in Table 61. Sections 7.2.1 to 7.2.8 identify the variables and relationships to be included in the framework for each dimension of vulnerability, based on the criteria in Table 61.²⁰³

The criteria are a mechanism for specifying inclusion/exclusion thresholds in a systematic way and setting the criteria is necessarily a judgement decision. Adjusting the criteria would change the number of drivers in the framework, although it is important to note that if the criteria were loosened the drivers currently in the framework (based on the criteria in Table 61) would still be included.

The criteria set specific limits so that only the most important drivers are included in the framework and so that similar numbers of drivers are included for each

¹⁹⁷ Detailed summaries of the results of that analysis are shown in the summary matrices in that chapter.

¹⁹⁸ At the 90% significance level.

¹⁹⁹ Based on indicators 8a, 8b and 8c.

²⁰⁰ Based on indicators 9a, 9b, 9c, 9d and 9e.

²⁰¹ Based on respondents' overall performance in the experiments.

²⁰² Based on indicators 10a, 10b and 11.

²⁰³ The selection criteria differ between dimensions, since the dimensions include different numbers of indicators and because the indicators are a mixture of binary and scale variables. As explained in Chapter 6, for binary indicators the regression results are marginal effects, whereas for scale indicators the regression results are odds ratios.

dimension.²⁰⁴ However, since the results (in Chapter 6) are stronger for some dimensions than others, there is a trade-off between the aim to include similar numbers of drivers for each dimension and the aim to treat the dimensions consistently by setting similar criteria for each dimension.

²⁰⁴ The aim was to include between 10 and 50 drivers per dimension. In practice between 12 and 46 drivers are included per dimension.

Table 61: Criteria for selecting drivers to be included in the theoretical framework	
Dimension	Selection criteria based on regression results in Chapter 6
Dimension 1 (2 indicators)	<ul style="list-style-type: none"> ▪ At least one statistically significant effect on an indicator of at least 5pp in magnitude, and no effects in the opposite direction. ▪ Relationships selected: 33
Dimension 2 (1 indicator)	<ul style="list-style-type: none"> ▪ Odds ratio more extreme than 1.4 or 0.7 ▪ Relationships selected: 19
Dimension 3 (9 indicators)	<ul style="list-style-type: none"> ▪ At least four statistically significant effects in one direction, with at least three times as many effects in one direction than in the other direction (i.e. the effects must be predominantly in one direction); OR ▪ At least one effect of at least 10pp in magnitude or an odds ratio²⁰⁵ more extreme than 1.4 or 0.7, and statistically significant effects only in one direction.²⁰⁶ ▪ Relationships selected: 17
Dimension 4, Problems comparing (9 indicators)	<ul style="list-style-type: none"> ▪ At least four statistically significant effects in one direction, with at least three times as many effects in one direction than in the other direction (i.e. the effects must be predominantly in one direction); OR ▪ At least one effect of at least 10pp in magnitude, and statistically significant effects only in one direction. ▪ Relationships selected: 46
Dimension 4, Switching problems (11 indicators)	<ul style="list-style-type: none"> ▪ At least four statistically significant effects in one direction, with at least three times as many effects in one direction than in the other direction (i.e. the effects must be predominantly in one direction); OR ▪ At least one effect of at least 10pp in magnitude, and statistically significant effects only in one direction. ▪ Relationships selected: 12
Dimension 4, Exclusion (3 indicators)	<ul style="list-style-type: none"> ▪ At least two statistically significant effects (of any magnitude) in one direction, and none in the other direction; OR ▪ At least one effect of at least 10pp in magnitude, and statistically significant effects only in one direction. ▪ Relationships selected: 27

²⁰⁵ Dimension 3 is the only dimension that includes both binary and scale-based indicators (Indicator 4 is a scale-based indicator, whereas all other indicators in dimension 3 are binary indicators). Therefore, the criteria for this dimension must take into account both marginal effects and odds ratios.

²⁰⁶ To ensure consistency in the way that dimensions are treated, where several dimensions include similar numbers (and types) of indicators, an effort is made to ensure similar criteria are set for these dimensions. For example, since dimension 3 and the 'problems comparing' and 'switching problems' components of dimension 4 each include 9 or 11 indicators, similar criteria are set for these dimensions (n.b. the only difference between the criteria for these dimensions is that the criteria for dimension 3 also accommodate drivers with an extreme odds ratio on Indicator 4, which is the only scale-based indicator in these dimensions). The second criterion for these dimensions sets a high benchmark with respect to the magnitude of marginal effects (10pp) to ensure that the number of drivers included for 'problems comparing' is less than 50 (the aim was to include 10 to 50 drivers per dimension, and if this benchmark was lowered to 5pp a further nine drivers would be included for 'problems comparing', taking the total to 55).

Table 61: Criteria for selecting drivers to be included in the theoretical framework

Dimension	Selection criteria based on regression results in Chapter 6
Dimension 4, Problems choosing (1 indicator)	<ul style="list-style-type: none"> ▪ Odds ratio more extreme than 1.2 or 0.85²⁰⁷ ▪ Relationships selected: 23
Dimension 5, (1 indicator)	<ul style="list-style-type: none"> ▪ Odds ratio more extreme than 1.4 or 0.7 ▪ Relationships selected: 15

Note: 'pp' stands for percentage points. The dimensions are 1. Heightened risk of negative outcomes or impacts on well-being; 2. Having characteristics that limit ability to maximise well-being; 3. Having difficulty in obtaining or assimilating information; 4. Inability or failure to buy, choose or access suitable products; and 5. Higher susceptibility to marketing practices, creating imbalances in market interactions. As explained in Chapter 6, for binary indicators the regression results are marginal effects (measured in percentage points), whereas for scale-based indicators the regression results are odds ratios. Relationships with non-response and don't know dummies are excluded.

7.2. Drivers and relationships to be included in the framework

The second step required in order to populate the theoretical framework is to identify the variables and relationships to be included in the framework for each dimension of vulnerability. This is done in sections 7.2.1 to 7.2.8 below.

7.2.1. Dimension 1: Heightened risk of negative outcomes or impacts on well-being

There are two survey-based indicators of vulnerability included in this dimension, namely:²⁰⁸

- *Unassertive (took no action) when experienced a problem; and*
- *Overpaid for services due to being unable to use certain payment methods.*

Based on the relevant criterion set out in Table 61 above, thirty-three variables that are associated with this dimension are identified for the framework.²⁰⁹ These thirty-three variables correspond to nineteen drivers and characteristics, as shown in Table 62 (in this table the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses).

Table 62 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, the table also gives information on the *magnitudes* of the effects of the variables, in terms of both the number of statistically significant effects across the

²⁰⁷ Setting the benchmarks for this component of dimension 4 at 1.4 and 0.7 (as for dimensions 2 and 5) would mean that only seven drivers are included for this component. Therefore it was decided to loosen the selection criterion for this component.

²⁰⁸ These indicators are defined in Table 5 in section 3.6, as well as in A8.1.2.

²⁰⁹ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in Chapter 6. Non-response and don't know dummies are excluded.

indicators in the dimension, and the largest individual effect on a single indicator in the dimension.²¹⁰

For example, as can be seen from Table 62, finding it very difficult to read communications from internet providers, finding it very difficult to make ends meet, and being unable to read contract terms and conditions are the variables with the largest effects on single indicators in the dimension, with marginal effects of 21pp, 17pp and 15pp respectively.

Table 62: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 1				
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Down-ward	Up-ward	
Personal and demographic characteristics				
Young age (Age 16-24)	Increase	-	2	0.07
Having a mother tongue different to the official language (Non-native tongue, no difficulty)	Increase	-	2	0.08
(Non-native tongue, difficulty)		-	1	0.07
Behavioural characteristics				
Having high credulity (Credulity: High)	Increase	-	2	0.09
(Credulity: Very high)		-	1	0.06
Having computational ability (Computation test 2 correct)	Decrease	1	-	0.07
Market-related drivers				
Being unable to read contract Ts&Cs due to small print (Unable to read Ts&Cs due to small print)	Increase	-	1	0.15
Rarely comparing energy and bank deals (i.e. less often than from time to time') (Compare energy deals: When need to renew)	Increase	-	1	0.06
(Compare energy deals: Only the first time)		-	1	0.13
(Compare deals from banks: When notified)		-	2	0.07
Not knowing their bank contract conditions 'completely' (Know bank contract conditions: Not at all)	Increase	-	2	0.12
(Know bank contract conditions: Not very)		-	2	0.08
Not reading bills/communications from providers 'in detail', in the three key sectors (Read energy bill: Looked at total price)	Increase	-	1	0.11
(Read energy bill: Not at all)		-	1	0.08

²¹⁰ These indicators are defined in Table 5 in section 3.6.

Table 62: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 1

Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Downward	Upward	
(Read internet communication: Not read it at all)		-	1	0.11
(Read internet communication: Saw what it was)		-	2	0.12
(Read bank communication: Saw what it was)		-	2	0.08
Finding it difficult to read communications from internet providers and banks	Increase			
(Read internet communication: Difficult)		-	2	0.09
(Read internet communication: Very difficult)		-	2	0.21
(Read bank communication: Very difficult)		-	1	0.06
Access drivers				
Using the internet for many activities at least once per month	Decrease			
(Monthly internet activities: 7)		1	-	0.05
(Monthly internet activities: 6)		1	-	0.05
Using the internet to bank online at least once per month	Decrease			
(Frequent internet use: Banking)		1	-	0.07
Selling online at least once per month	Increase			
(Frequent internet use: Selling)		-	2	0.06
Situational drivers				
Being unemployed and not seeking employment, rather than full time employed	Decrease			
(Unemployed & not looking)		1	-	0.07
Being retired, rather than full time employed	Decrease			
(Retired)		1	-	0.05
Being in education, rather than full time employed	Decrease			
(Studying with part-time job)		1	-	0.09
Being unemployed and seeking employment for 5+ years	Decrease			
(Unemployed & looking 5+ years)		2	-	0.13
Having friends who buy online	Decrease			
(Friends buy online)		1	-	0.05
Having friends who can't make ends meet	Increase			
(Friends can't make ends meet)		-	2	0.05
Finding it difficult to make ends meet	Increase			
(Making ends meet: Fairly easy)		-	1	0.07
(Making ends meet: Fairly difficult)		-	2	0.13
(Making ends meet: Very difficult)		-	2	0.17

Note: Effects are all marginal effects. Drivers and characteristics are specified in bold text. Corresponding variables are shown in parentheses. Omitted non-response variables: 'Read internet communication: No response'; and 'Know bank contract/read communication: No response'.

7.2.2. Dimension 2: Having characteristics that limit ability to maximise well-being

One survey-based indicator of vulnerability is included in this dimension, namely *Perception of own vulnerability due to personal characteristics*.²¹¹

Based on the criterion specified in Table 61 above, nineteen variables that are linked with this dimension are identified for the framework.²¹² These variables correspond to thirteen drivers and characteristics, as shown in Table 63.²¹³

Table 63 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, Table 63 also shows the *magnitudes* of the effects of the variables selected for the framework in terms of effect sizes.

Since the effects are odds ratios, the 'largest' effects are those that are furthest above or furthest below a value of 1. Therefore, as can be seen from Table 63, the largest magnitude effects in this dimension are the effects of finding it 'very' or 'fairly' difficult to make ends meet and the effect of being long-term sick or disabled, with odds ratios of 9.98, 3.68 and 3.23 respectively.

Table 63: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 2		
Driver/characteristic (corresponding variables in parentheses)	Overall impact	Effect size
Personal and demographic characteristics		
Young age (Age 16-24)	Increase	1.49
Having a mother tongue different to the official language (Non-native tongue, difficulty)	Increase	2.29
Behavioural characteristics		
Having very high trust in people (Trust 1: Very high)	Decrease	0.56
Having very high credulity (Credulity: Very high)	Increase	1.59
Being very willing to take risks (rather than not at all willing to take risks) (Risk taking: Very)	Decrease	0.64
Market-related drivers		

²¹¹ This indicator is defined in Table 5 in section 3.6, as well as in A8.1.2.

²¹² It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in chapter 6. Non-response and don't know dummies are excluded.

²¹³ In Table 63 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses.

Table 63: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 2		
Driver/characteristic (corresponding variables in parentheses)	Overall impact	Effect size
Being unable to read contract Ts&Cs due to small print (Unable to read Ts&Cs due to small print)	Increase	1.60
Access drivers		
Using the internet for some activities at least once per month (Monthly internet activities: 4) (Monthly internet activities: 3) (Monthly internet activities: 1)	Decrease	0.64 0.57 0.57
Situational drivers		
Being unemployed, rather than full time employed (Unemployed & looking) (Unemployed & not looking)	Increase	2.27 1.72
Being long-term sick or disabled, rather than full time employed (Long-term sick or disabled)	Increase	3.23
Being retired, rather than full time employed (Retired)	Increase	1.45
Being in education, rather than full time employed (In full time education) (Studying with part-time job)	Increase	1.54 1.52
Having friends who can't make ends meet (Friends can't make ends meet)	Increase	1.68
Finding it difficult to make ends meet (Making ends meet: Fairly easy) (Making ends meet: Fairly difficult) (Making ends meet: Very difficult)	Increase	1.79 3.68 9.98

Note: Effects are odd-ratios. Omitted non-response variables: 'Risk taking: No response'; 'Know bank contract/read comm'n: No response'; and 'Making ends meet: Prefer not to say'.

7.2.3. Dimension 3: Having difficulty in obtaining or assimilating information

Nine indicators of vulnerability are included in this dimension, namely:²¹⁴

- *Does not feel informed about prices etc.;*
- *Gets information from advertisements only when comparing deals in the energy sector;*
- *Gets information from advertisements only when comparing deals in the online sector;*

²¹⁴ These indicators are defined in Table 5 in section 3.6, as well as in A8.1.2.

- Gets information from advertisements only when comparing deals in the finance sector;
- Has problems comparing deals due to information-related factors in the energy sector;
- Has problems comparing deals due to information-related factors in the online sector;
- Has problems comparing deals due to information-related factors in the finance sector;
- Has not switched due to information-related factors in the energy sector; and
- Has not switched due to information-related factors in the finance sector.²¹⁵

Based on the criteria set out in Table 61 above, seventeen variables are identified for the framework for this dimension, which in turn correspond to eight drivers and characteristics, as shown in Table 64.²¹⁶

Table 64 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, this table also presents information on the *magnitudes* of the effects of the variables, in terms of both the number of statistically significant effects across the indicators in the dimension, and the largest individual effect on a single indicator in the dimension. Since the indicators for dimension 3 include binary and scale-based indicators, the largest marginal effect and the most extreme odds ratio are both presented for each variable in Table 64.²¹⁷

As can be seen from Table 64, finding it 'difficult' to read communications from internet providers has the largest number of statistically significant effects in the same direction on indicators in dimension 3 (5 upward effects), while finding it 'very difficult' to read energy bills has the largest individual marginal effect (29pp). The most extreme odds ratios are those for very high impulsiveness on the third impulsiveness measure²¹⁸ (1.66) and, in the opposite direction, being very willing to take risks (0.42).

Table 64: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 3					
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect	
		Down-ward	Up-ward	ME	OR
Behavioural characteristics					
Having very high trust in people (Trust 1: Very high)	Increase	-	1	-	1.47

²¹⁵ As explained in Chapter 6, there are no results for the indicator 'Has not switched due to information-related factors in the online sector', because the general-to-specific regression analysis procedure could not be run for this indicator.

²¹⁶ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in Chapter 6. Non-response and don't know dummies are excluded. In Table 64 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses.

²¹⁷ Indicator 4 (Does not feel informed about prices etc) is a scale-based indicator, whereas all other indicators in dimension 3 are binary indicators.

²¹⁸ This measure is based on the extent that respondents agree with the statement "People would say that I have very strong self-discipline".

Table 64: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 3					
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect	
		Down-ward	Up-ward	ME	OR
Having higher impulsiveness (i.e. high or very high rather than very low impulsiveness) (Impulsiveness 3: High) (Impulsiveness 3: Very high)	Increase	-	1	-	1.57
		-	1	-	1.66
Being very willing to take risks (rather than not at all willing to take risks) (Risk taking: Very)	Decrease	1	-	-	0.42
Knowledge of the online sector (proxied by knowing the meaning of Mbps) (Knows meaning of Mbps)	Decrease	4	-	0.02	0.94
Market-related drivers					
Being unable to read contract T&Cs due to small print (Unable to read Ts&Cs due to small print)	Increase	-	6	0.06	1.19
Finding it difficult to read bills/communications from providers, in the three key sectors (Read energy bill: Easy) (Read energy bill: Difficult) (Read energy bill: Very difficult) (Read internet communication: Difficult) (Read internet communication: Very Difficult) (Read bank communication: Easy) (Read bank communication: Difficult) (Read bank communication: Very Difficult)	Increase	-	4	0.06	1.32
		-	4	0.19	1.39
		-	4	0.29	1.47
		-	5	0.27	1.30
		-	2	0.29	-
		-	4	0.07	1.16
		-	4	0.23	1.32
		-	2	0.28	-
Not knowing their bank contract conditions 'completely' (Know bank contract conditions: Not at all) (Know bank contract conditions: Not very)	Increase	-	2	0.16	1.32
		-	2	0.11	1.22
Situational drivers					
Finding it difficult to make ends meet (Making ends meet: Very difficult)	Increase	-	4	0.04	1.45

Note: Effects include marginal effects (ME) and odd-ratios (OR). Omitted non-response variables: 'Know energy contract/Read energy bill: No response'; 'Making ends meet: Prefer not to say'; and 'Did not read bank communication'.

7.2.4. Dimension 4: Inability or failure to buy, choose or access suitable products – Problems Comparing (Indicator 8)

There are nine indicators of vulnerability included in this dimension, namely:²¹⁹

²¹⁹ These indicators are defined in Table 5 in section 3.6, as well as in A8.1.2.

- *Has problems comparing deals due to personal factors in the energy sector;*
- *Has problems comparing deals due to personal factors in the online sector;*
- *Has problems comparing deals due to personal factors in the finance sector;*
- *Has problems comparing deals due to market-related factors in the energy sector;*
- *Has problems comparing deals due to market-related factors in the online sector;*
- *Has problems comparing deals due to market-related factors in the finance sector;*
- *Has problems comparing deals due to access-related factors in the energy sector;*
- *Has problems comparing deals due to access-related factors in the online sector; and*
- *Has problems comparing deals due to access-related factors in the finance sector.*

Based on the criteria in Table 61 above, forty-six variables that are associated with this dimension are identified for the framework. These variables in turn correspond to fourteen drivers and characteristics, as shown in Table 65.²²⁰

Table 65 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, this table also provides information on the *magnitudes* of the effects of the variables, in terms of the number of statistically significant effects across the indicators in the dimension and the largest individual effect on a single indicator in the dimension.

For example, as can be seen from Table 65, being male has the largest number of statistically significant effects in the same direction on indicators in this dimension (7 downward effects), although these are relatively small magnitude effects (at most 3pp). Having very high impulsiveness on the fourth impulsiveness measure²²¹ also has a large number of statistically significant effects in the same direction (6 upward effects), and these effects are of a larger magnitude (at most 14pp).

Table 65: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Problems comparing				
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Downward	Upward	
Personal and demographic characteristics				
Older age (Age 55-64)	Increase	-	4	0.11

²²⁰ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in chapter 6. Non-response and don't know dummies are excluded. In Table 65 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses.

²²¹ This measure is based on the extent that respondents agree with the statement "I'm impulsive in the purchase decisions I take".

Table 65: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Problems comparing				
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Downward	Upward	
(Age 65-74)		1	4	0.15
(Age 75+)		-	3	0.25
Gender (being male)	Decrease			
(Male)		7	-	0.03
Having a mother tongue different to the official language	Decrease			
(Non-native tongue, difficulty)		1	-	0.18
Behavioural characteristics				
Having higher credulity (i.e. low or high rather than very low credulity)	Decrease			
(Credulity: Low)		4	-	0.04
(Credulity: High)		5	-	0.08
Having higher impulsiveness (i.e. high or very high rather than very low impulsiveness)	Increase			
(Impulsiveness 1: High)		1	5	0.09
(Impulsiveness 1: Very high)		-	6	0.14
Market-related drivers				
Being unable to read contract Ts&Cs due to small print	Increase			
(Unable to read Ts&Cs due to small print)		-	4	0.07
Rarely comparing deals (i.e. less often than 'from time to time'), in the three key sectors	Increase			
(Compare energy deals: Sporadically)		-	5	0.05
(Compare energy deals: Only the first time)		-	6	0.12
(Compare energy deals: Never)		-	4	0.11
(Compare internet deals: Only the first time)		-	4	0.11
(Compare internet deals: Never)		1	4	0.16
(Compare deals from banks: Sporadically)		-	4	0.06
(Compare deals from banks: Only the first time)		-	5	0.08
(Compare deals from banks: Never)		-	4	0.11
Not knowing their contract conditions 'completely', in the three key sectors	Increase			
(Know energy contract: Not very)		1	4	0.21
(Know energy contract: Fair amount)		-	4	0.08
(Know internet contract conditions: Not very)		-	4	0.19
(Know bank contract conditions: Not at all)		1	4	0.22
(Know bank contract conditions: Not very)		-	4	0.26
Not reading bills/communications from providers 'in detail', in the three key sectors	Increase			
(Read energy bill: Not at all)		-	4	0.14
(Read internet communication: Saw what it was)		-	5	0.19
(Read internet communication: Not read it at all)		-	3	0.16

Table 65: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Problems comparing

Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Downward	Upward	
(Read bank communication: Saw what it was)		-	5	0.19
(Read bank communication: Not read it at all)		-	2	0.18
Finding it difficult to read bills/communications from providers, in the three key sectors	Increase			
(Read energy bill: Difficult)		1	5	0.33
(Read energy bill: Very difficult)		-	5	0.40
(Read internet communication: Difficult)		-	5	0.41
(Read internet communication: Very difficult)		-	3	0.58
(Read bank communication: Easy)		-	5	0.11
(Read bank communication: Difficult)		-	6	0.38
(Read bank communication: Very Difficult)		-	3	0.34
Access drivers				
Using the internet for many activities at least once per month	Increase			
(Monthly internet activities: 7)		-	1	0.21
(Monthly internet activities: 6)		-	1	0.21
(Monthly internet activities: 5)		-	1	0.21
(Monthly internet activities: 4)		-	1	0.20
(Monthly internet activities: 3)		-	1	0.15
(Monthly internet activities: 2)		-	1	0.12
Using the internet to compare prices at least once per month	Decrease			
(Frequent internet use: Compare prices)		4	1	0.06
Using the internet for social networking at least once per month	Decrease			
(Frequent internet use: Social)		4	1	0.04
Situational drivers				
Finding it difficult to make ends meet	Increase			
(Making ends meet: Fairly easy)		-	4	0.05
(Making ends meet: Fairly difficult)		1	4	0.06
(Making ends meet: Very difficult)		-	5	0.10

Note: Effects are marginal effects. Omitted non-response variables: 'Know energy contract/Read energy bill: No response'; 'Know internet contract/read communication: No response'; and 'Know bank contract/read communication: No response'. Omitted 'Don't know' answer variables: 'Read energy bill: Don't know'; and Read bank communication: Don't know'.

7.2.5. Dimension 4: Inability or failure to buy, choose or access suitable products – Problems switching (Indicator 9)

Eleven indicators of vulnerability are included in this dimension, namely:²²²

- *Has not switched due to personal factors in the energy sector;*
- *Has not switched due to personal factors in the online sector;*
- *Has not switched due to personal factors in the finance sector;*
- *Has not switched due to market-related factors in the energy sector;*
- *Has not switched due to market-related factors in the online sector;*
- *Has not switched due to market-related factors in the finance sector;*
- *Has not switched due to access-related factors in the energy sector;*
- *Has not switched due to access-related factors in the online sector;*
- *Has not switched due to access-related factors in the finance sector;*
- *Has not switched due to termination costs; and*
- *Has not switched due to bundling.*

Based on the criteria in Table 61 above, twelve variables are identified for the framework for this dimension. These in turn correspond to eight drivers and characteristics, as shown in Table 66.²²³

Table 66 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, Table 66 also gives information on the *magnitudes* of the effects of the variables, in terms of both the number of statistically significant effects across the indicators in the dimension, and the largest individual effect on a single indicator in the dimension.

For example, the variables signifying that consumers rarely compare energy deals (i.e. never or only when they first chose a provider) have the largest individual marginal effects (32pp and 22pp respectively).

Table 66: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Problems switching				
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Down-ward	Up-ward	
Behavioural characteristics				
Knowledge of the finance sector (proxied by identifying the best interest rate for a savings account) (Identified best interest rate)	Decrease	4	1	0.03

²²² These indicators are defined in Table 5 in section 3.6, as well as in A8.1.2.

²²³ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in Chapter 6. Non-response and don't know dummies are excluded. In Table 66 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses.

Table 66: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Problems switching

Market-related drivers				
Being unable to read contract T&Cs due to small print (Unable to read Ts&Cs due to small print)	Increase	-	4	0.21
Rarely comparing energy deals (i.e. less often than 'from time to time') (Compare energy deals: Only the first time) (Compare energy deals: Never)	Increase	-	3	0.22
		1	4	0.32
Finding it difficult to read communications from internet providers and banks (Read internet communication: Difficult) (Read bank communication: Very Difficult)	Increase	-	3	0.15
		-	1	0.14
Rarely comparing bank deals (i.e. less often than 'from time to time') (Compare deals from banks: Never)	Decrease	4	1	0.06
Not knowing their bank contract conditions 'completely' (Know bank contract conditions: Not at all) (Know bank contract conditions: Not very)	Increase	-	4	0.11
		-	4	0.08
Access drivers				
Using the internet to compare prices at least once per month (Frequent internet use: Compare prices)	Increase	-	4	0.04
Situational drivers				
Finding it difficult to make ends meet (Making ends meet: Fairly difficult) (Making ends meet: Very difficult)	Increase	-	5	0.12
		-	3	0.14

Note: Effects are marginal effects.

7.2.6. Dimension 4: Inability or failure to buy, choose or access suitable products – Exclusion (Indicator 10 & Indicator 11)

There are three indicators of vulnerability included in this dimension, namely:²²⁴

- *Excluded from e-commerce due to difficulty of the process;*
- *Excluded from e-commerce due to not having a payment card; and*
- *Declined for a loan.*

Based on the criteria in Table 61 above, twenty-seven variables that are linked with this dimension are identified for the framework. In turn, these variables correspond to nineteen drivers and characteristics, as shown in Table 67.²²⁵

²²⁴ These indicators are defined in Table 5 in section 3.6, as well as in A8.1.2.

Table 67 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. This table also provides information on the *magnitudes* of the effects of the variables, in terms of the number of statistically significant effects across the indicators in the dimension and the largest individual effect on a single indicator in the dimension.

As can be seen from Table 67, several variables have effects in the same direction on all three indicators in this dimension 4, including being aged 55-65, having high impulsiveness on the fourth impulsiveness measure, being able to identify the best interest rate for a savings account, never comparing bank deals, and not knowing your bank contract conditions very much.

Being unable to read contract terms and conditions due to overly small print is the variable with the largest individual marginal effect, at 24pp.

Table 67: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Exclusion				
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Downward	Upward	
Personal and demographic characteristics				
Older age	Decrease			
(Age 45-54)		2	-	0.02
(Age 55-64)		3	-	0.04
(Age 65-74)		2	-	0.05
Living in a low density region (rather than a high density region)	Increase			
(Low density region)		-	2	0.02
Behavioural characteristics				
Having higher impulsiveness (i.e. high or very high rather than very low impulsiveness)¹	Increase			
(Impulsiveness 1: High)		-	2	0.04
(Impulsiveness 1: Very high)		-	2	0.08
(Impulsiveness 4: High)		-	3	0.03
(Impulsiveness 4: Very high)		-	2	0.03
Knowledge of the finance sector (proxied by identifying the best interest rate for a savings account)	Decrease			
(Identified best interest rate)		3	-	0.02
Market-related drivers				
Being unable to read contract T&Cs due to small print	Increase			

²²⁵ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in chapter 6. Non-response and don't know dummies are excluded. In Table 67 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses.

Table 67: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Exclusion				
Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects		Max. effect
		Downward	Upward	
(Unable to read Ts&Cs due to small print)		-	2	0.24
Rarely comparing energy deals (i.e. less often than 'from time to time') (Compare energy deals: When need to renew)	Increase	-	2	0.02
Finding it difficult to read communications from internet providers and banks (Read internet communication: Very difficult) (Read bank communication: Very difficult)	Increase	-	1	0.15
		-	2	0.17
Rarely comparing bank deals (i.e. less often than 'from time to time') (Compare deals from banks: Only the first time) (Compare deals from banks: Never)	Decrease	2	-	0.02
		3	-	0.04
Not knowing their bank contract conditions 'completely' (Know bank contract conditions: Not very)	Increase	-	3	0.03
Access drivers				
Using the internet for one activity at least once per month (rather than no monthly internet activities) (Monthly internet activities: 1)	Decrease	1	-	0.11
Using the internet to compare prices at least once per month (Frequent internet use: Compare prices)	Increase	-	2	0.03
Using the internet to bank online at least once per month (Frequent internet use: Banking)	Decrease	2	-	0.07
Situational drivers				
Being unemployed and not seeking employment, rather than full time employed (Unemployed & not looking)	Increase	-	2	0.10
Being in education, rather than full time employed (In full time education)	Increase	-	2	0.03
Being unemployed and not seeking employment for 5+ years (Unemployed & not looking 5+ years)	Decrease	1	-	0.12
Living with a partner, rather than being married (Living with a partner)	Increase	-	2	0.03
'Other' marital status, rather than being married (Other)	Increase	-	2	0.06
Having friends who can't make ends meet (Friends can't make ends meet)	Increase	-	2	0.04
Finding it difficult to make ends meet	Increase			

Table 67: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Exclusion

Driver/characteristic (corresponding variables in parentheses)	Overall impact	No. of effects Down-ward	Up-ward	Max. effect
(Making ends meet: Fairly difficult)				
(Making ends meet: Very difficult)		-	2	0.09

Note: Effects are marginal effects. The measures 'Impulsiveness 1' and 'Impulsiveness 4' are based on the extent that respondents agree with the statements "I have a hard time breaking bad habits" and "I'm impulsive in the purchase decisions I take" respectively. Omitted non-response variables: 'Know bank contract/read communication: No response'.

7.2.7. Dimension 4: Inability or failure to buy, choose or access suitable products – Problems choosing (based on the experiment results)

Results relating to respondents' overall ability to choose the correct offer in the experiments are also included in the framework for the fourth dimension.²²⁶

Based on the criterion in Table 61 above, twenty-three variables that are associated with respondents' overall performance in the experiments are included in the framework for this dimension.²²⁷ These variables in turn correspond to sixteen drivers and characteristics, as shown in Table 68.²²⁸

Table 68 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, this table also shows the *magnitudes* of the effects of the variables selected for the framework in terms of effect sizes.

Since the effects in Table 68 are odds ratios, the 'largest' effects are those furthest from a value of 1. Hence, the largest magnitude effects are the effects of using the internet to search for information at least once per month (with an odds ratio of 1.93) and being unemployed and seeking employment for at least five years (with an odds ratio of 0.46).

Table 68: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Experiment

Driver/characteristic (corresponding variables in parentheses)	Overall impact*	Effect size
Personal and demographic characteristics		
Older age	Increase	
(Age 55-64)		0.82
(Age 75+)		0.51

²²⁶ The experiments are especially relevant to this dimension since they tested consumers' ability to select the optimal deal in simulated purchasing scenarios.

²²⁷ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in Chapter 6. Non-response and don't know dummies are excluded.

²²⁸ In Table 68 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses

Table 68: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Experiment		
Driver/characteristic (corresponding variables in parentheses)	Overall impact*	Effect size
Having a low education level (Low education)	Increase	0.75
Having a mother tongue different to the official language (Non-native tongue, no difficulty)	Increase	0.77
Behavioural characteristics		
Failing the credulity test (Credulity test: Incorrect)	Increase	0.82
Being fairly willing to take risks (rather than not at all willing to take risks) (Risk taking: Fairly)	Increase	0.84
Having computational ability (Computation test 2 correct)	Decrease	1.41
Knowledge of the finance sector (proxied by identifying the best interest rate for a savings account) (Identified best interest rate)	Decrease	1.51
Market-related drivers		
Being unable to read contract T&Cs due to small print (Unable to read Ts&Cs due to small print)	Increase	0.85
Not reading bills/communications from providers 'in detail', in the three key sectors (Read energy bill: Looked at total price) (Read energy bill: Not at all) (Read internet communication: Saw what it was) (Read internet communication: Not read it at all) (Read bank communication: Saw what it was) (Read bank communication: Not read it at all)	Increase	0.77 0.77 0.77 0.77 0.77 0.77
Access drivers		
Using the internet to search for information at least once per month (Frequent internet use: Search)	Decrease	1.93
Selling online at least once per month (Frequent internet use: Selling)	Increase	0.72
Using the internet for social networking at least once per month (Frequent internet use: Social)	Increase	0.70
Situational drivers		
Being self-employed, rather than full time employed (Self-employed full-time) (Self-employed part-time)	Decrease	1.31 1.47
Being unemployed and seeking employment for 5+ years	Increase	

Table 68: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 4 – Experiment

Driver/characteristic (corresponding variables in parentheses)	Overall impact*	Effect size
(Unemployed & looking 5+ years)		0.46
Having friends who can't make ends meet (Friends can't make ends meet)	Increase	0.82
Finding it difficult to make ends meet (Making ends meet: Very difficult)	Decrease	1.33

Note: Effects are odds-ratios. Omitted non-response variables: 'Read energy bill: No response'; 'Read internet communication: No response'; 'Read bank communication: No response'; and 'Making ends meet: Prefer not to say'. *In this table, odds ratios greater than one imply better overall performance in the experiments (i.e. a decrease in the likelihood of vulnerability), since the overall performance measure in the experiments is the total number of correct choices made by the respondent (ranging from 0 to 4).

7.2.8. Dimension 5: Higher susceptibility to marketing practices

One indicator of vulnerability is included in this dimension, namely *Perception of own vulnerability due to complexity of offers*.²²⁹

Fifteen variables are included in the framework for this dimension, based on the criterion given in Table 61 above.²³⁰ In turn, these variables correspond to eight drivers and characteristics, as shown in Table 69.²³¹

Table 69 also shows whether, based on the regression analysis, these drivers and characteristics increase or decrease the likelihood of vulnerability in this dimension. In addition, Table 69 also shows the *magnitudes* of the effects of the variables selected for the framework in terms of effect sizes.

Since the effects are odds ratios, the 'largest' effects are those that are furthest from a value of 1. Thus, the largest magnitude effects in this dimension are the effects of being a non-native speaker (specifically when this causes difficulty) and finding it very difficult to make ends meet (with odds ratios of 2.00 and 1.98 respectively), and, in the opposite direction, having very high trust in people (with an odds ratio of 0.51).

Table 69: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 5

Driver/characteristic (corresponding variables in parentheses)	Overall impact	Effect size
Personal and demographic characteristics		
Having a mother tongue different to the official language	Increase	

²²⁹ This indicator is defined in Table 5 in section 3.6, as well as in A8.1.2.

²³⁰ It is assessed whether variables meet the selection criteria based on the results of the regression analysis presented in chapter 6. Non-response and don't know dummies are excluded.

²³¹ In Table 69 the drivers and characteristics are specified in bold text, while corresponding variables are shown in parentheses.

Table 69: Impacts of selected drivers and characteristics on the likelihood of vulnerability in Dimension 5	
(Non-native tongue, difficulty)	2.00
Behavioural characteristics	
Having high or very high trust in people	Decrease
(Trust 1: High)	0.64
(Trust 1: Very high)	0.51
Being willing to take risks (i.e. not very, fairly or very rather than not at all willing to take risks)	Decrease
(Risk taking: Not very)	0.68
(Risk taking: Fairly)	0.62
(Risk taking: Very)	0.67
Market-related drivers	
Being unable to read contract Ts&Cs due to small print	Increase
(Unable to read Ts&Cs due to small print)	1.66
Not reading communications from banks 'in detail' (i.e. seeing but not reading communications)	Increase
(Read bank communication: Saw what it was)	1.42
Finding it very difficult to read bills/communications from energy suppliers and banks	Increase
(Read energy bill: Difficult)	1.42
(Read energy bill: Very difficult)	1.54
(Read bank communication: Difficult)	1.64
(Read bank communication: Very Difficult)	1.86
Situational drivers	
Having friends who can't make ends meet	Increase
(Friends can't make ends meet)	1.41
Finding it fairly difficult to make ends meet	Increase
(Making ends meet: Fairly difficult)	1.57
(Making ends meet: Very difficult)	1.93

Note: Omitted non-response variables: 'Risk taking: No response'; 'Know bank contract/read communication: No response'; and 'Making ends meet: Prefer not to say'. Effects are odds-ratios.

7.3. Population of the theoretical framework

The final step is to draw together all the relationships identified in sections 7.2.1 to 7.2.8 above into a single framework of the causes and effects of vulnerability.

This is done in Figure 32 below, which shows, in the 'matrix of causes', the impacts of different causes of vulnerability – including demographic characteristics, behavioural drivers, market-related drivers, access drivers and situational drivers – on the various dimensions of vulnerability, and, in the 'matrix of effects', the effects of each vulnerability dimension.

In the framework, a red arrow in the matrix of causes signifies that a characteristic or driver increases the likelihood of vulnerability in a particular dimension, whereas a green arrow indicates that a characteristic or driver reduces the likelihood of

vulnerability in a given dimension. In the matrix of effects, a cross signifies that a certain vulnerability dimension has a particular effect.

The framework shows that market-related drivers are particularly important, with forty-eight relationships between these drivers and the various dimensions of vulnerability based on the selection criteria set out in the sections above. Being unable to read contract terms and conditions due to small print is linked with an increased likelihood of vulnerability in all dimensions. Moreover, rarely comparing deals, not knowing one's contract conditions, not reading bills/communications from providers, and finding it difficult to read bills/communications from providers, which are all indications of being disengaged from the key markets of the study, are all associated with a higher likelihood of vulnerability in multiple dimensions. These findings regarding the significance of market-related drivers have an important bearing on which types of policy measure would be expected to be effective in alleviating vulnerability, as discussed in Chapter 3.

In addition, the framework illustrates the importance of behavioural drivers and characteristics, with twenty links between these factors and the dimensions of vulnerability in total. For example, those who identify themselves as being willing to take risks are less likely to be vulnerable in several dimensions, suggesting that risk aversion may be a relevant bias affecting vulnerability. Likewise, consumers with sector knowledge²³² and computational ability are in general less likely to be vulnerable. Conversely, those with higher impulsiveness are, overall, more likely to be vulnerable on several dimensions. In terms of policy, the importance of behavioural drivers suggests that measures that target these factors, such as measures which aim to ensure the presentation of information is appropriate, may be effective in tackling vulnerability.

Twenty-nine links are identified in total between situational factors and the various dimensions of vulnerability based on the selection criteria set out in the sections above. However, these are dominated by the impacts of finding it difficult to make ends meet and having friends who cannot make ends meet, which, from a policy, suggests that financial support measures (e.g. social tariffs) may be effective in alleviating vulnerability.

²³² Proxied by correctly identifying the best interest rate for a savings account for the financial sector, and by knowing the meaning of the term "Mbps" for the online sector.

Figure 32: Framework of causes and effects of consumer vulnerability

		Dimension 1	Dimension 2	Dimension 3	Dimension 4 Problems comparing	Dimension 4 Problems switching	Dimension 4 Problems choosing	Dimension 4 Exclusion	Dimension 5	
CAUSES OF VULNERABILITY										
Demographic characteristics	Young age	↑	↑							
	Older age				↓		↑	↓		
	Gender (being male)				↓					
	Living in a low density region							↑		
	Having a low education level						↑			
	Having a mother tongue different to the official language	↑	↑		↓		↑		↑	
Behavioural characteristics	Having higher trust in people		↑	↑					↓	
	Having higher credulity	↑	↑		↓					
	Failing the credulity test						↑			
	Having higher impulsiveness			↑	↑			↑		
	Being willing to take risks		↓	↓			↑	↑	↓	
	Having computational ability	↓					↓			
	Knowledge of the online sector			↓						
	Knowledge of the finance sector					↓	↓	↓		
Market-related drivers	Being unable to read contract Ts&Cs due to small print	↑	↑	↑	↑	↑	↑	↑	↑	
	Rarely comparing deals from energy suppliers	↑			↑	↑		↑		
	Rarely comparing deals from internet providers				↑	↑				
	Rarely comparing deals from banks	↑			↑	↓		↓		
	Not knowing their energy supply contract conditions				↑					
	Not knowing their internet provider contract conditions				↑					
	Not knowing their bank contract conditions			↑	↑	↑		↑		
	Not reading bills/communications from energy suppliers	↑			↑		↑			
	Not reading bills/communications from internet providers	↑			↑		↑			
	Not reading bills/communications from banks	↑			↑				↑	
	Finding it difficult to read bills/communications from energy suppliers			↑	↑				↑	
	Finding it difficult to read bills/communications from internet providers	↑		↑	↑			↑	↑	
Finding it difficult to read bills/communications from banks	↑		↑	↑	↑		↑	↑		
Access drivers	Using the internet for some activities at least once per month	↓	↓		↑			↓		
	Using the internet to search for information at least once per month						↓			
	Using the internet to compare prices at least once per month				↓	↑		↑		
	Using the internet to bank online at least once per month	↓						↓		
	Using the internet to sell online at least once per month	↑					↑			
	Using the internet for social networking at least once per month				↓		↑			
Situational drivers	Being unemployed	↓	↑					↑		
	Being in education	↓								
	Being self-employed						↓			
	Being retired	↓	↑							
	Being long-term sick or disabled		↑							
	Being unemployed for 5+ years	↓					↑	↓		
	Living with a partner, rather than being married							↑		
	'Other' marital status, rather than being married							↑		
	Having friends who buy online	↓								
	Finding it difficult to make ends meet	↑	↑	↑	↑	↑	↑	↑	↑	
	Having friends who can't make ends meet	↑	↑	↑	↑	↑	↑	↑	↑	
	EFFECTS OF VULNERABILITY									
MATRIX OF EFFECTS	Experiencing problems when buying or using goods or services	x								
	Failing to solve problems that occur when buying or using goods or services	x								
	Inability to obtain redress due to cost or time required by the complaint procedure	x								
	Being faced with high cost of obtaining support	x								
	Higher relative impact of losses on financial products on low-income consumers	x								
	Financial impact of high APR rates on those unable to access mainstream finance	x								
	Over-indebtedness resulting from sub-optimal financial decisions	x								
	Higher energy use and costs as a result of unemployment	x								
	Disconnection in the energy sector	x								
	Being a victim of a fraud or scam	x	x							x
	Feeling vulnerable due to marketing practices	x								x
	Feeling vulnerable due to personal characteristics	x	x							
	Feeling uninformed in markets (e.g. regarding price and quality etc)	x								
	Basing consumer decisions on limited information		x	x						
	Signing contracts without fully understanding the implications		x	x						x
	Being misled by or misunderstanding information or advertising		x	x						x
	Having problems comparing goods and services		x	x	x	x	x	x	x	x
	Not comparing goods and services		x	x	x	x	x	x	x	x
	Not switching deals when it is in the consumer's interest		x	x	x	x	x	x	x	x
	Being offered unsuitable or more costly goods or services		x							x
	Purchasing suboptimal goods or services		x	x	x	x	x	x	x	x
	Making a purchase that is not in the consumer's interest		x	x	x	x	x	x	x	x
	Not making a purchase that is in the consumer's interest		x	x	x	x	x	x	x	x
	Paying more than necessary for goods or services		x	x	x	x	x	x	x	x
	Being denied access to goods or services		x			x	x	x	x	
	Social exclusion as a result of exclusion from specific markets					x	x	x	x	
	Health impact due to lack of access to affordable energy tariffs		x			x	x	x	x	
	Loss of control over personal data due to online services' lack of transparency									x

7.4. Permanent versus transitory nature of consumer vulnerability

This section considers the extent that consumer vulnerability is likely to be a permanent (i.e. structural) or transitory condition. The only direct evidence available regarding this issue comes from the in-depth consumer interviews. However, relevant insights can also be drawn from the data analysis presented in section 7.3 above, since the results of this analysis allow us to consider whether the most important drivers of vulnerability are likely to be permanent or transitory.

The framework of causes and effects of consumer vulnerability, presented above, identified the key drivers of vulnerability across the 5 vulnerability dimensions used in this study. Almost all drivers of vulnerability can be considered transitory or dynamic, in that an individual's situation or behaviours can change such that the likelihood of vulnerability is reduced. In this section we briefly consider some of these and draw upon insights from the qualitative interviews as to how people adopt strategies to mitigate these problems.

The in-depth biographical interviews conducted as part of this study identified a number of strategies people use to prevent possible difficulties when interacting in markets. One of the main strategies reported by participants is to thoroughly and systematically study the different options before selecting a supplier, and the benefit of such strategies is evident from the results of the data analysis (summarised in section 7.3 above) since market-related drivers are found to be consistently linked with the likelihood of vulnerability. In particular, consumers who do not compare offers in the market, do not know their contract terms and conditions, and do not/find it difficult to read communications from providers, tend to be more vulnerable across several vulnerability dimensions. Hence, measures that aid comparison and encourage search and awareness of alternatives may aid consumers.

Lack of knowledge of contracts and not reading or understanding communications from providers is also associated with a higher likelihood of vulnerability. This is supported by the qualitative interviews, in which respondents reported that reading communications (e.g. energy bills, communication from banks etc.), and making sure that they are well understood (e.g. by looking up the meaning of the different terms online, or asking the supplier to provide details), is used by consumers to avoid difficulties with providers. Therefore, interventions such as the framing of communications and information tools to aid understanding may help mitigate this form of transitory vulnerability.

Access drivers associated with the frequency of internet use are also associated with some dimensions of vulnerability. The participants in the qualitative focus groups reported they undertook actions to ensure they were informed about security issues, installed anti-virus software and added blockers. One respondent mentioned avoiding posting personal information on social media, due to security concerns. Others reported that they take basic preventive measures, such as not opening emails from unknown addresses or clicking on suspicious links. Therefore, actions that improve these consumers' awareness and confidence in the online environment (in addition to providing access to the internet) can help consumers in these situations.

Behavioural drivers of vulnerability are associated with low computational ability and poor sector knowledge, particularly in regard to the financial sector. Participants in the interviews reported adopting a proactive approach to avoid problems in the financial sector. For example, ensuring they read and understand communications from their bank, keeping in contact with their account manager, developing confidence in

handling various financial products and developing strategies in order to maximise their benefit (e.g. receiving their salary on one account, transferring part of it towards another account with a better interest rate, and part onto the credit balance etc.).

8. ROLE OF MARKETING PRACTICES

Box 6: Summary of Chapter 8

This chapter focuses on the interaction between marketing practices and consumer vulnerability. It considers a range of problematic marketing practices which have been identified via the literature review and stakeholder consultation and it provides an analysis of the results from the behavioural experiments which tested the impact of marketing practices on consumer decision-making processes and on the likelihood of reaching sub-optimal choices.

Relevant environments for the behavioural experiments are designed on the basis of lessons from the behavioural economics literature about market environments that are likely to exploit consumer vulnerability.

Practices which exploit behavioural drivers of vulnerability include framing, dynamic pricing, and baiting. Framing refers to the way in which information is presented to consumers. It includes for example drip pricing, where consumers are only gradually shown the full cost of the transaction, and reference pricing where the price of a product is shown alongside a different price. Dynamic pricing and time-limited offers all relate to the way offers are framed, but they rely in particular on creating a sense of urgency by suggesting consumers may incur a future loss if they do not purchase the given product immediately. Baiting refers to advertising a very limited number of discounted products or services, with an expectation that a consumer will purchase a non-discounted product once the discounted one is no longer available.

Practices which exploit consumers' limited capacity to process complex information can range from bundled offers which make it difficult for consumers to identify the cost of a single product or service to complexity of financial products, the most commonly cited problem related to consumer vulnerability.

Additional practices which also exploit different dimensions of consumer vulnerability include those which focus on situational vulnerability such as pressure selling and those which create or exploit access and accessibility problems. This chapter discusses several forms which each of these can take.

The second part of the chapter reports on the results from the four behavioural experiments which were carried out in the context of this study. These comprised of three sector-specific experiments and one cross-cutting experiment. The finance sector 'framing' experiment tested the effect of the prominence of important information. The online sector experiment, also a 'framing' experiment, examined the impact of dripping of information and prices. The energy sector behavioural experiment tested the impact of complex tariff pricing. Finally, the cross-cutting experiment examined the marketing practice of "teaser rates". Each experiment had two versions: a marketing practice treatment and a remedy treatment with improved information being given to consumers. In addition, each experiment had two rounds, where the second round introduced additional complexity to the decision facing the consumer.

The analysis of the experimental data first considers the impact of the remedy treatment version of each experiment on the optimality of decision making. Overall, on average across all experiments, a statistically significant difference of 7 percentage points more respondents selected the optimal offer under the remedy treatment compared to the marketing practice. Remedy treatment gains were most

pronounced in the finance sector experiment, in the second round of the energy sector experiment and in the first round of the online sector experiment. At country-level, they were stronger in Denmark and the UK.

The experimental data is further explored to assess the impact of remedy treatments on the decision-making process of consumers. For three of the four experiments, the remedy treatment encourages participants to rely on better informational tools, which in turn explain to a large extent the improvement in consumer outcomes.

The final sub-section examines the relationship between the decisional gains under the remedy treatment relative to the marketing practice treatment and consumer vulnerability-associated characteristics such as socio-demographic, behavioural and market-related characteristics.

While it is important to note that marketing practices are an issue for all consumer groups and therefore that their effects are not confined to particular types of consumers, it is evident from the study's experimental results that some consumer groups are more susceptible to marketing practices than others. In particular, across all experiments, older respondents benefited more from the remedy treatments than those in the base age group of 35-44 year olds; respondents with a lower level of education relative to those with a medium or high level of education; and respondents who are relatively less experienced and engaged with the key markets of the study (e.g. do not know their contract conditions 'at all', 'never' compare deals, and did not read the last communication/bill from their provider 'at all').

This chapter focuses on the role of marketing practices in causing consumer vulnerability. It examines a number of issues raised in the research questions set out in section 1.4 (in particular RQ3 and RQ8), including the extent that consumer vulnerability is linked to problematic marketing practices, whether vulnerability is linked to market-related factors such as simplification and transparency of offers, and whether particular socio-demographic characteristics make consumers more susceptible to problematic marketing practices.

This chapter draws mainly on evidence from the literature review, stakeholder consultation and behavioural experiments, with supporting evidence coming from the consumer survey and biographical consumer interviews.

8.1. Problematic marketing practices identified via the literature review and stakeholder consultation

As a first step, this section considers a range of problematic marketing practices identified through the literature review and stakeholder consultation. These practices are grouped as follows:

- Practices exploiting behavioural drivers;
- Practices exploiting situational vulnerability drivers;
- Double disadvantages; and
- Access and accessibility problems.

It is important to note that the problematic practices identified do not necessarily aim to exploit particular vulnerabilities. A particular marketing practice can be problematic if it has unintended consequences that disproportionately affect certain potentially

vulnerable consumer groups. In addition, in some cases, potentially problematic practices may have their justifications, economic or otherwise, for instance where payment methods used by lower-income consumers carry with them additional costs to suppliers.

This section of the report does not aim to determine which of these practices are justified, but instead it takes the first step to identify them. The individual practices are outlined in more detail in the sections below and, in addition, where relevant insight can be drawn from the results of the survey data analysis presented in previous sections, these are highlighted in the discussion below.

8.1.1. Practices exploiting behavioural biases

The first set of problematic practices identified through the review includes practices that exploit behavioural drivers, including biases and cognitive limitations. As a result, these practices apply to a wide cross-section of consumers.

Lunn and Lyons (2010) provide an overview of key behavioural biases and practices potentially exploiting these biases. One of the identified biases relates to **framing**, where consumers will make different choices depending on how information is presented. Specific practices exploiting the framing biases include drip pricing or reference pricing:

- **Drip pricing** relates to consumers only being shown part of the price up front, with additional costs and charges being shown at later stages. This practice is particularly relevant in the area of e-commerce and it is widely used in the sales of airline tickets, where taxes and fees tend to be displayed at a later stage in the booking process. The practice is also used to a lesser extent in other areas, such as mobile phone contracts and hotel bookings (Civic Consulting 2010 in European Parliament 2011).
- **Reference pricing** relates to showing the price of a product alongside a different price ("older" price or price of a competing product) and it is used across a wide number of sectors including e-commerce (European Parliament 2011). In addition, according to one interviewee from a Belgian consumer organisation, price comparisons can also be misleading by using incorrect and incomplete information.

Two of the behavioural experiments conducted for this study examined the impact of framing of information, in particular the finance sector experiment, which tested the effect of the prominence of important information, and the online sector experiment, which examined the impact of dripping of information and prices.

Dynamic pricing and time-limited offers all relate to the way offers are framed, but they rely in particular on creating a sense of urgency by suggesting consumers may incur a future loss if they do not purchase the given product immediately. **Time-limited offers** aim to achieve this by indicating that a given offer will only be valid for a certain time (similar practice include indicating how many other consumers are currently looking at the same offer (European Parliament 2011)), while **dynamic pricing** refers to prices of goods and services changing depending on circumstances. Dynamic pricing can have a negative impact by exploiting behavioural biases (as well as segmenting and discriminating between consumers, as noted in the Report from the Multi-Stakeholder Dialogue on Comparison Tools. However, it is important to note that dynamic pricing can also be used to benefit consumers. For example, in the context of smart metering in the energy sector, dynamic tariffs could benefit consumers by better

reflecting their consumption patterns and allowing cost savings through use during off-peak hours (see for instance BEUC 2013b).

Next, **baiting** refers to advertising a very limited number of discounted products or services, with an expectation that a consumer will purchase a non-discounted product once the discounted one is no longer available (European Parliament 2011). A similar practice used in the finance sector is known as “teaser rates” (Shui and Ausubel 2004 and Ausubel, 1999 in Gathergood 2012), namely low introductory interest rates aiming to entice consumers to purchase a particular financial product. The cross-cutting behavioural experiment conducted for this study examined the practice of teaser rates, framed using the three key sectors of the study (see section 2.4).

The above practices are in place across a number of sectors and product types, with the online sector making it particularly easy to employ them. While the practices may be used in the case of higher cost products or services (i.e. travel), and they can result in substantial one-off loss of consumer welfare, they generally do not carry with them longer-term recurring costs, as practices relating to financial or energy sector contracts would. At the same time, they appear to be in common use, making them **high frequency/low cost practices**, where low cost should be seen in relation to other practices outlined in this section.

Another set of practices exploit consumers’ limited **capacity to process complex information**. These practices relate to, intentionally or unintentionally, presenting information in ways that make it difficult for consumers to understand the true cost of products or services they are purchasing. This can range from **bundled offers** where products or services are bundled together making it difficult for consumers to identify the cost of a single product or service (European Parliament 2011), to the complexity of retail financial products. **Complexity of financial products** is the most commonly cited problem related to consumer vulnerability (see for instance Perry and Morris 2005) and is discussed in more detail in the discussion of the financial sector in section 9.1.

Complexity is an issue that also applies to other products and sectors. An interviewee from a consumer organisation in Belgium noted, for instance, that insufficient clarity concerning the difference between fixed and variable energy tariffs can be problematic and can put consumers in situations of vulnerability, while a Dutch study into automotive insurance sector has shown that complexity of language used by insurance providers means that a majority of policyholders do not fully understand their policies.²³³ The complexity of offers in the energy and online sector is also discussed in more detail in sections 9.2 and 9.3.

The energy sector behavioural experiment conducted for this study tested the impact of complex tariff pricing, where energy tariffs comprise of multiple different components, compared to a situation where this practice is remedied via new information tools. The results of this experiment are discussed in section 8.2.

While online **comparison tools** can address some of the complexity faced by consumers, they can also have their own pitfalls. The report from the Multi-

²³³ See <http://amweb.nl/assurantiemagazine-1221720/gemiddelde-consument-snapt-niet-veel-van-autopolis>

Stakeholder Dialogue on Comparison Tools (2013) notes that comparison tools can carry with them a range of risks, in particular with regard to transparency and impartiality of comparisons, quality of information or comprehensiveness.

Overall, practices related to consumers' cognitive limitations in processing large amounts of complex information can apply to a wide range of products and services, but they are particularly salient in the case of complex offers and contracts in the financial and energy sectors. Given that consumers face such situations less frequently than other retail situations, but that an inappropriate contract choice can have large cost implications, these practices may be seen as **low frequency/high cost** practices.

The discussion above suggests it is relevant to examine whether the impact of marketing practices varies depending on a consumer's behavioural characteristics, such as character traits including whether they are trusting of people, their credulity, their impulsiveness, and the extent that they are willing to take risks and cognitive capacity, for example as measured by level of education.

Therefore, the analysis of the behavioural experiment data discussed below examines whether the marketing practices tested in the various experiments had greater or lesser impacts, relative to the remedies, on those with certain behavioural characteristics.

8.1.2. Marketing practices exploiting situational vulnerability drivers

Another set of problematic practices relates to the use of aggressive marketing that actively exploits situations of vulnerability that consumers may find themselves in. In the financial sector there is substantial research on instances where low-income consumers are sold expensive products due to economic actors exploiting their current situation. Similarly, marketing practices in the online sector can exploit consumers' lack of digital sophistication, as well as use profiling techniques to identify and exploit other potential sources of vulnerability. Such practices in both these sectors are described in more detail in Chapter 9.

The Voice Group in its 2010 study on motherhood, marketization and consumer vulnerability, noted that economic operators adopt marketing practices which try to exploit the uncertainties and perceived loss of control associated with new life situations that new and expectant mothers find themselves in. This includes using notions such as "good mother" and "bad mother" in marketing of products, or distributing goods through midwives and hospitals to give them a seal of "institutional approval".

The way that products are marketed to consumers can also be closely linked to vulnerability. This includes practices such as **doorstep selling** (still identified as a problem in Belgium, France, Greece, and Portugal), which often targets specific consumer groups (e.g. older consumers) and relies on aggressive marketing to entice consumers to sign potentially disadvantageous contracts. Doorstep selling can be particularly effective, as shown in a 2011 UK study commissioned by Ofgem²³⁴, which found that 29% of consumers learned about deals via a salesperson at their door. It is,

²³⁴ Face-to-face interviews conducted by Ipsos-MORI across Great Britain, published January 2011, http://www.ofgem.gov.uk/MARKETS/RETMKTS/RMR/Documents1/IpsosMori_switching_omnibus_2011.pdf

however, also worth noting that the practice is increasingly being restricted or prohibited across the EU.

Telephone selling was found to be similarly problematic in selected Member States (e.g. Finland), as well as selling in shopping malls (Sweden). Yet another problematic practice identified by a Slovakian stakeholder, is the practice of “presentations”, which gather groups of people in order to demonstrate and sell a set of products (such as kitchen, electronic, health devices). These are usually more expensive than comparable products on the market, but the presentations tend to target older, single consumers living in rural locations, who have limited access to information.

8.1.3. Double disadvantages

Another set of problematic practices is referred to here as “double disadvantages”. These are practices that may not target particular vulnerability drivers or particular consumer groups, but result in situations where consumers in an already disadvantaged position incur additional costs or are not able to benefit from savings available to other consumers. Hence they face another set of disadvantages.

Double disadvantages are particularly pertinent in the energy and financial sectors and are discussed in more detail in sections 9.2 and 9.1. They include, among others, more expensive energy tariffs available to low-income consumers due to limited payment methods available to them or the limited access to mainstream financial services, which steers consumers towards more expensive sources of credit.

Indeed, the survey data analysis reported in Chapter 6 found that consumers who find it ‘very difficult’ to make ends meet are more likely to have overpaid for energy telecommunications or banking services due to not being able to use certain payment methods (Indicator 2, Table 54), and are more likely to have been turned down for a loan (Indicator 11, Table 59).

Other forms of double disadvantages relate to costs associated with accessing information or services in a particular way. This includes high costs of calling telephone helplines from prepaid mobile phones, which are popular among low-income consumers (Stearn 2012) or the costs of obtaining a bill in paper form as opposed to online. The latter is an issue highlighted in Finland, where a Finnish Consumer Ombudsman took a mobile phone company to the Market Court in June 2013 in order to prohibit the company from applying a contract term under which it charges consumers a separate fee for a paper invoice.

8.1.4. Access and accessibility problems

A final set of problematic practices refers to certain vulnerable consumer groups being denied access to goods, services and markets. One of the main problems encountered in particular by consumers with disabilities, as well as older consumers, relate to lacking accessibility of goods and services. Stearn (2012) in his review of consumer vulnerability in the UK notes that:

- Call centres and helplines are unprepared to service consumers with disabilities, with, for instance, call centre workers assuming consumers can see and refusing to deviate from the script even if prompted to do so or hanging up if consumers use a text relay service;

- Use of menus and entering numbers through a telephone is difficult for consumers with learning disabilities or those who have suffered a head injury; and
- Information such as contract terms and conditions can be provided to consumers in non-accessible formats, such as in overly small print.

These accessibility issues are further compounded by the **lack of access to procedures**. The Payments Council (2012) notes that in the UK it is not possible for consumers unable to access payment services to delegate them to carers or family in a way that is secure, respects their privacy, and can be limited to specific services. Similar problems have also been noted by disability organisations, where ineffective delegation and legal representation mechanisms can carry with them risks for some consumers with disabilities. These issues in turn mean that individuals may be more vulnerable to financial crime, ranging from small unauthorised purchases to transfer of property (SCIE 2011).

Another issue related to access and accessibility is the **exclusion of certain consumer groups from markets**. One of these practices is **retail redlining**, where retailers avoid opening franchises in disadvantaged areas for reasons other than objective economic ones. A US study by D'Rozario and Williams (2005) notes that in the US the practice is associated with retailers redlining areas with a larger proportion of ethnic minority, lower education, and lower income consumers. Redlining can range from charging higher fees to franchises in specific areas to refusing to open franchises and serving consumers in specific retail areas. Although existing research on retail redlining focuses primarily on ethnic minorities in the US, there is evidence of similar segmentation taking place in Europe (see for instance the 2013 URBACT II report 'Against divided cities in Europe').

D'Rozario and Williams (2005) also identify the practice of "weblining", as a potential problem, where operators can restrict offers to particular consumer groups, which is discussed in more detail in section 9.3. A similar practice is **marketing exclusion** where suppliers do not target certain consumer groups, since they are seen as unprofitable (Cartwright 2011). Such practices have also been raised as a potential concern in the context of consumer profiling in the report from the Multi-Stakeholder Dialogue on Comparison Tools (2013), where the stakeholders noted that modern technology allow vendors to restrict access for certain "consumer profiles". A different case of exclusion has been noted by an organisation in Finland, where consumers with a bad credit history are sometimes denied access to their online bank accounts.

Finally, practices relating to access and accessibility also include restricting consumers' **access to offers** that are available to others. For instance, if an operator presents certain offers to online customers only, it prevents consumers who do not have an internet connection from accessing these deals. Thus, while lack of internet access is not in itself a problematic marketing practice, offering certain deals exclusively online could be considered as one. Since such practices usually imply additional cost or other detriment to the consumer, they are closely linked to "double disadvantages" and can be of particular relevance in the financial and energy sectors.

8.2. Evidence from the behavioural experiments

The behavioural experiments are a key source of evidence to the study with respect to the impact of marketing practices. As explained in the methodology section, the treatments in the experiments were designed to reflect both 'problematic' marketing practices in the key markets of interest to the study (the marketing practice

treatments) and, conversely, 'remedied' marketing practices (the remedy treatments). The designs of the marketing practice and remedy treatments in each experiment are described in section 2.4.

Therefore, the experiments allow us to examine whether and to what extent consumer vulnerability, in the form of suboptimal product choices, is linked to problematic marketing practices or simply socio-demographic characteristics, and whether the impact of marketing practices is dependent on the consumer's own characteristics. Hence, the experiments directly address the third research question set out in section 1.4. The following sections examine:

- The impact of the marketing practice and remedy treatments on choices;
- The impact of the marketing practice and remedy treatments on the decision process; and
- The variation in the impact of marketing practices depending on personal characteristics.

8.2.1. Impact of the marketing practice and remedy treatments

The first part of the experimental data analysis reported in this chapter focuses on the proportions of respondents who selected the optimal offer in the different experiments, and whether these proportions differed between the marketing practice and remedy treatments.

This analysis provides evidence regarding which of the marketing practice treatments tested in the experiments cause consumer vulnerability in the form of suboptimal product choices.

First, we test whether differences between the treatment groups (in terms of the shares who chose the optimal offer) are statistically significant. Then, the robustness of these results is tested in a multivariate setting by including variables representing respondents' personal characteristics as control variables in regressions.

Differences in proportions

Table 70 shows the share of respondents who selected the optimal offer in each round of each experiment²³⁵, under each treatment. The *treatment effect* is the difference between the share that chose the optimal offer under the remedy treatment and the share that chose the optimal offer under the marketing practice treatment. Positive values for the treatment effect indicate that respondents were more likely to select the optimal offer under the remedy. For each round of each experiment, Table 70 indicates whether the treatment effect is statistically significant.

The results show that, depending on the sector and round of the experiment, respondents were either more likely to choose the optimal offer under the remedy treatment or there was very little difference between treatments.

²³⁵ In the first round of each experiment, respondents chose between two offers. In the second round, the offer that they selected in the first round became 'their current deal', and they chose between that deal and two 'new' offers.

Specifically, more respondents chose the optimal offer under the remedy than under the marketing practice in the second round of the energy sector experiment, the first round of the online sector experiment, and both rounds of the finance sector experiment, and these differences are statistically significant.

Overall, on average across all experiments and rounds, 69% of respondents selected the optimal offer under the remedy treatment compared to 63% under the marketing practice (a difference that is statistically significant).²³⁶

Table 70: Share of respondents choosing the optimal offer

Experiment sector and round		Proportion			Base count	
		Marketing practice	Remedy	Treatment effect	Marketing practice	Remedy
Energy sector	Round 1	78%	79%	1pp	1263	1259
	Round 2	22%	37%	15pp ***	1263	1259
Online sector	Round 1	65%	83%	19pp ***	1254	1256
	Round 2	62%	64%	2pp	1254	1256
Finance sector	Round 1	82%	91%	9pp ***	1252	1253
	Round 2	82%	88%	6pp ***	1252	1253
Cross-cutting	Round 1	62%	61%	0pp	1282	1283
	Round 2	49%	50%	1pp	1282	1283
Average		63%	69%	7pp ***	10,102	10,102

Note: The treatment effect, measured in percentage points (pp), is the difference between the share that chose the optimal offer under the remedy treatment and share that chose the optimal offer under the marketing practice treatment. */ **/ *** implies that the treatment effect is statistically significant at 95%/ 99%/ 99.9%. To one decimal place the average values for the marketing practice and remedy treatments are 62.5% and 69.2% respectively, meaning that the difference rounds to 7pp.

Source: London Economics analysis of the experiment data

Country level results presented in Table 71 below show that the treatment effects varied across countries as well as experiments:

- In the second round of the energy sector experiment, the remedy had a positive treatment effect in all countries in the dataset, and this was statistically significant in all countries except Romania.
- The most consistent treatment effect is observed in the first round of the online sector experiment, in which respondents in all countries were more likely to choose the optimal offer under the remedy treatment, with statistically significant treatment effects for all countries.
- In the finance sector experiment, the treatment effect was statistically significant in all countries in the first round and in all countries except Romania in the second round.
- Overall, on average across all experiments and rounds, the treatment effect was statistically significant in all countries and largest in Denmark and the UK.

²³⁶ To one decimal place the values are 62.5% for the marketing practice and 69.2% for the remedy, meaning the difference is 6.7pp, which rounds to 7pp as reported elsewhere in this chapter.

Table 71: Treatment effects by country (percentage points)						
Sector and round		UK	Denmark	Portugal	Lithuania	Romania
Energy sector	Round 1	-2pp	0pp	1pp	3pp	2pp
	Round 2	23pp ***	18pp ***	19pp ***	10pp **	7pp
Online sector	Round 1	22pp ***	17pp ***	18pp ***	24pp ***	14pp ***
	Round 2	6pp	7pp	1pp	-5pp	3pp
Finance sector	Round 1	10pp ***	9pp **	9pp **	9pp **	8pp **
	Round 2	8pp **	6pp *	8pp *	7pp *	1pp
Cross-cutting	Round 1	0pp	7pp	-6pp	-2pp	-1pp
	Round 2	2pp	2pp	-1pp	-5pp	8pp
Average		9pp ***	8pp ***	6pp ***	5pp ***	5pp ***

Note: The treatment effects are the differences in the shares of respondents who chose the optimal offer between the remedy and marketing practice treatments. Positive values indicate that more respondents chose the optimal offer under the remedy treatment than under the marketing practice treatment. */ **/ *** implies that the treatment effect is statistically significant at 95%/ 99%/ 99.9%.

Source: London Economics analysis of the experiment data

Regression analysis controlling for personal characteristics

The treatment effects are examined in a multivariate setting by including variables representing respondents' personal characteristics as control variables in regressions. Since the dependent variables in the regressions are binary, representing whether or not the respondent selected the optimal offer in each round of each experiment, logistic regression models are estimated.

The key explanatory variable in each regression is a binary variable representing whether the respondent was in the marketing practice or remedy treatment.

In addition, the following demographic and personal characteristics and variables reflecting respondents' experience in the key markets of the study are also included as control variables (relevant question numbers from the survey, which is presented in Annex 13, are given in parentheses):

- Demographic and personal characteristics:
 - Financial situation (Q10a)
 - Age (Q1)
 - Gender (Q2)
 - Mother tongue different from the official language (Q11)
 - Level of education (Q7a)
 - Personal situation (married, etc.) (Q8)
 - Children under 18 (Q10)
 - Internet usage to search for information online (Q12.1)
- Variables to control for respondents' experience in the key markets examined in the experiments:
 - Whether respondents know the contract conditions of their provider/deal in the energy, finance and online sectors (A5, B4, C2)
 - Whether respondents have compared providers/deals in the energy, finance and online sectors (A6, B5, C3)
 - Whether respondents have read their most recent bill/communication in the energy, finance and online sectors (A10a/b, B9, C8)
 - Whether respondents find it easy or difficult to compare deals in the energy, finance and online sectors (A8, B7, C5)

The regression coefficients on the treatment variables are presented in Table 72 below (since in this section we are less interested in the effects of the control variables themselves and in order to keep the results concise, we do not report the coefficients on the control variables here; the effects of respondents' characteristics and experience in markets are examined in Chapter 6).

These regression results confirm the treatment effects identified through the differences in proportions tests reported above; the marginal effects in Table 72 are very similar to the treatment effects reported in Table 70 above.

Table 72: Treatment effect regression coefficients and marginal effects				
Experiment sector and round		Regression coefficient	P-value	Marginal effect (percentage points)
Energy sector	Round 1	0.06	0.55	1pp
	Round 2	0.75 ***	0.00	14pp
Online sector	Round 1	1.11 ***	0.00	19pp
	Round 2	0.14	0.11	3pp
Finance sector	Round 1	0.88 ***	0.00	9pp
	Round 2	0.53 ***	0.00	6pp
Cross-cutting	Round 1	-0.01	0.92	0pp
	Round 2	0.06	0.49	1pp

Note: */ **/ *** implies that the treatment effect is statistically significant at 90%/ 95%/ 99%. The Pseudo-R² measures of explained variation for each regression (including control variables) are (from first to last row in the table): 0.0329; 0.0646; 0.0964; 0.0390; 0.101; 0.0956; 0.0261; 0.0488.

Source: London Economics analysis of the experiment data

8.2.2. Impact of the marketing practice and remedy treatments on the decision process

The second part of the experiment data analysis reported in this chapter examines the effects of the treatments on the underlying thought process behind respondents' choices. In particular, the analysis examines whether respondents focussed on different elements of the deals shown to them depending on which treatment they were allocated to. This in turn helps to shed light on *why* certain marketing practice and remedy treatments had greater impacts than other on respondents' choices.

This part of the analysis is based on the follow-up questions which were asked to respondents after each experiment. These questions asked respondents to think about the choices they just made and to identify, from a list of possible options, which feature was the most important when they made their decision.

Energy sector experiment

The follow-up question to the energy sector experiment asked respondents in the marketing practice treatment which of six elements was the most important when they made their choices, namely the following:

- The standing charge
- The price per kWh for the first batch of electricity
- The price per kWh for additional electricity
- Any discounts that applied

- The total cost of the deal over 12 months
- Other features

Respondents in the remedy treatment were asked about the same six elements and, in addition, the Personal Projection and Tariff Comparison Rate (i.e. the new information tools that were shown under the remedy treatment to help consumers choose the optimal deal, as explained in section 2.4). The follow-up question was asked once to each respondent who did the electricity sector experiment referring to both rounds of the experiment. The shares of respondents who reported that each feature was most important when they made their choices are shown in Table 73 below.

A larger proportion of respondents in the marketing practice treatment than those in the remedy treatment reported that the standing charge was the most important element in their choices, by 31% to 22%. This may be because under the marketing practice treatment the standing charge was the piece of information displayed at the top of each offer, making it more prominent than other features of the deals.

Similarly, the prices per kWh for the first batch and additional electricity were the most important elements more often among those in the marketing practice treatment than among those in remedy treatment.

Among those in the remedy treatment, in total only 15% reported that the new information tools were the most important feature in their choices (8% for the Personal Projection, plus 7% for the TCR). This suggests that if these information tools help consumers make better choices, then increasing awareness and use of these tools would improve the effectiveness of the remedy. Whether using these tools did indeed assist respondents to make better choices in the experiments can be seen from Figure 33 and Figure 34 below.

Table 73: Energy sector experiment follow-up question results

Feature	Marketing practice	Remedy	Treatment effect
The standing charge	31%	22%	-9pp***
The price per kWh for the first batch of electricity	11%	8%	-3pp**
The price per kWh for additional electricity	10%	6%	-4pp***
Any discounts that applied	12%	11%	-1pp
The total cost of the deal over 12 months	32%	34%	+2pp
The Personal Projection	:	8%	:
The Tariff Comparison Rate (TCR)	:	7%	:
Other features	4%	5%	+1pp

Note: Based on 1,263 respondents in the marketing practice treatment and 1,259 respondents in the remedy treatment. ":" means not applicable. The survey question read: "Thinking about the choices you made between the electricity deals you just saw, which of the following features was the most important when making your decision?". The treatment effect is the difference between the share who stated the relevant feature under the remedy treatment and the share who stated the relevant feature under the marketing practice treatment. **/** implies that the treatment effect is statistically significant at 95%/99%/99.9%.

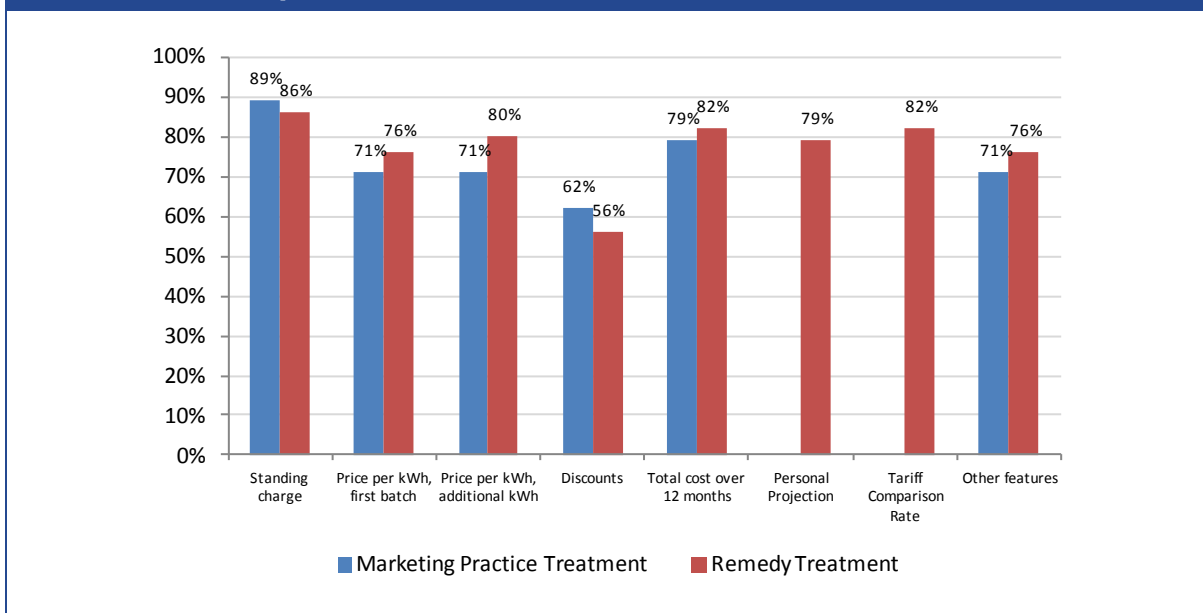
Source: London Economics analysis of the experiment data

Figure 33 shows that, in fact, those who based their decision on the Personal Projection or Tariff Comparison Rate were not, in general, more likely to choose the best deal in the first round of the energy sector experiment. In particular, those who based their choice on the standing charge were most likely to select the optimal deal in this round, irrespective of which treatment they were allocated to.

This can be explained by the fact that in this round of this experiment (in which respondents choose between just two deals, as explained in section 2.4) the standing charge of the optimal deal was lower than the standing charge of the other deal.²³⁷

Since respondents were more likely to base their choices on the standing charge in the marketing practice treatment (which, as explained above, may be because under this treatment the standing charge was the piece of information displayed at the top of each offer), this may explain why, overall, there was no treatment effect in the first round of the energy sector experiment (i.e. the benefit of the remedy was cancelled out by those in the marketing practice treatment who based their choices on the standing charge).²³⁸

Figure 33: Share of respondents who chose the correct offer among those who based their choices on each feature, first round of the electricity sector experiment



Note: Based on 1,263 respondents in the marketing practice treatment and 1,259 respondents in the remedy treatment. The survey question read: "Thinking about the choices you made between the electricity deals you just saw, which of the following features was the most important when making your decision?".

Source: London Economics analysis of the experiment data

Figure 34 shows that those who based their decision on the Personal Projection or Tariff Comparison Rate were more likely to choose the best deal in the second round of the energy sector experiment, compared to those who based their decision on most of the other features (the only exception being those who based their choice on the total cost over twelve months).

²³⁷ It should be noted that many deals are available in the market in reality, and in real world situations the standing charge of the optimal deal may be higher than the standing charge of other deals, meaning that in these situations consumers who focus on this feature would be unlikely to select the best deal.

²³⁸ Thus, in some real world situations where the standing charge of the optimal deal may be higher than the standing charge of other deals the treatment effect could be greater than that seen in the experiments.

In particular, consumers who used these information tools were considerably more likely to select the correct deal than those who based their choice on some individual feature of the deals (such as the standing charge, per unit prices, etc.). This suggests that the remedy helped to prevent consumers from suffering from particular behavioural biases in their decision making, such as using 'rules of thumb' (e.g. assuming that the advantageousness of a deal on one feature reflects how good it is overall) or limited attention to information.

The increased effect of the remedy in the second round might be explained by several factors:

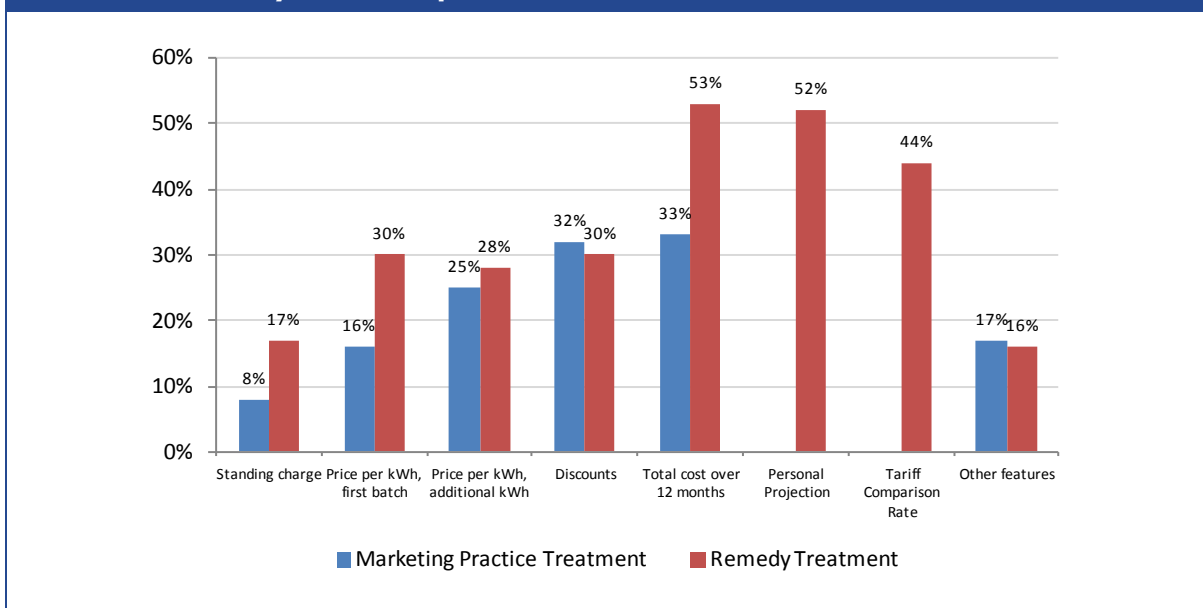
- Firstly, in the second round respondents chose between three offers (rather than two, as in the first round) and had to incur a short time delay (simulating search costs) before they could see the new offers (see section 2.4). Hence, the choice between the alternative offers was generally more challenging²³⁹, which may have increased the effectiveness of the remedy. This explanation would suggest that, as the difficulty of the purchasing decision increases, the effectiveness of this remedy also increases.
- Secondly, unlike in the first round, selecting a deal based on the standing charge²⁴⁰, as those in the marketing practice treatment tended to do, did not necessarily result in choosing the optimal deal in the second round.

Despite the impact of the remedy shown in Figure 34, as noted above just 15% of those in the remedy treatment based their choices on the new information tools, suggesting that increasing consumer awareness and understanding of such tools would improve their effectiveness.

²³⁹ Consequently, the share of respondents who choose the correct offer was lower in the second round than in the first round, irrespective of which feature they based their choices on.

²⁴⁰ I.e. the piece of information displayed at the top of each offer under the marketing practice treatment.

Figure 34: Share of respondents who chose the correct offer among those who based their choices on each feature, second round of the electricity sector experiment



Note: Based on 1,263 respondents in the marketing practice treatment and 1,259 respondents in the remedy treatment. The survey question read: "Thinking about the choices you made between the electricity deals you just saw, which of the following features was the most important when making your decision?".

Source: London Economics analysis of the experiment data

Online sector experiment

The follow-up question to the online sector experiment asked respondents which of the following six features was the most important when they made their choices:

- The price per month
- The discount
- The set-up fee
- The free calls
- The total cost for 12 months
- Other features

This question was asked once to each respondent who did the experiment, referring to their choices in both rounds of the experiment. The shares of respondents who reported that each feature was most important when they made their choices are shown in Table 74 below.

The key difference between the treatments shown in Table 74 is that under the remedy treatment respondents were more likely to base their choices on the total cost of the offers over 12 months, which is as expected since (as explained in section 2.4) under

the remedy this information was shown up front at the start of the purchasing process.²⁴¹

Feature	Marketing practice	Remedy	Treatment effect
The price per month	33%	26%	-7pp***
The discount	4%	3%	-2pp*
The set-up fee	6%	5%	-0pp
The free calls	2%	2%	+0pp
The total cost for 12 months	50%	59%	+9pp***
Other features	4%	4%	+0pp

Note: Based on 1,254 respondents in the marketing practice treatment and 1,256 respondents in the remedy treatment. The survey question read: "Thinking about the choices you made between the broadband, telephone and TV packages you just saw, which of the following features was the most important when making your decision?". The treatment effect is the difference between the share who stated the relevant feature under the remedy treatment and the share who stated the relevant feature under the marketing practice treatment. */**/** implies that the treatment effect is statistically significant at 95%/99%/99.9%.

Source: London Economics analysis of the experiment data

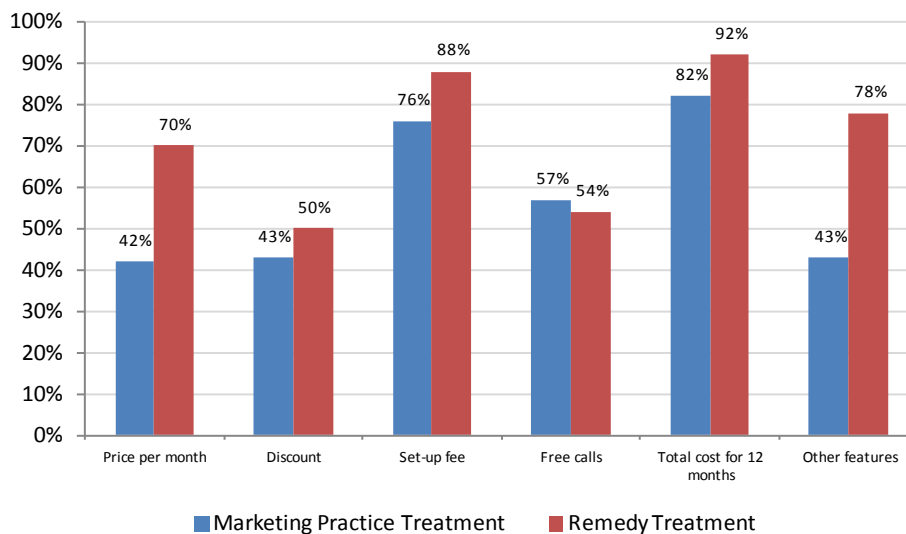
Figure 35 shows that those who made their choices based on the total cost over 12 months were more likely to choose the correct offer in the first round of the online sector experiment, relative to those who based their decisions on other features.

This was particularly the case among respondents in the remedy treatment, which, combined with the fact that a higher share of those in the remedy treatment based their choices on this feature in the first place (see Table 74 above), drives the strong overall treatment effect for this round of this experiment (see Table 70 above).²⁴²

²⁴¹ As explained in section 2.4, the marketing practice examined in the online sector experiment was 'dripping' of information, so the purchasing process comprised of several stages in this experiment.

²⁴² At 19pp, the treatment effect was stronger for this round of this experiment than for any other experiment round.

Figure 35: Share of respondents who chose the correct offer among those who based their choices on each feature, first round of the online sector experiment



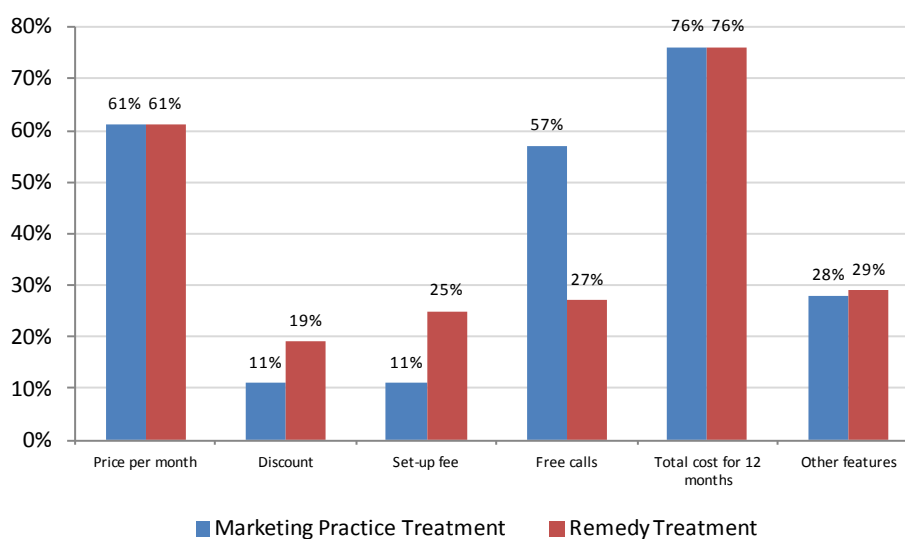
Note: Based on 1,254 respondents in the marketing practice treatment and 1,256 respondents in the remedy treatment. The survey question read: "Thinking about the choices you made between the broadband, telephone and TV packages you just saw, which of the following features was the most important when making your decision?".

Source: London Economics analysis of the experiment data

Figure 36 shows that those who based their decision on total cost over 12 months were also more likely to select the optimal deal in the second round of the online sector experiment, compared to those who made their choices based on other features.

However, those who made their choices based on the price per month were also relatively likely to choose the best offer (61%, irrespective of treatment), and the share who based their decision on this feature was higher under the marketing practice treatment than under the remedy treatment (33% to 26%, see Table 74). This partially off-sets the benefit of the remedy in the second round, meaning that overall, the treatment effect is not statistically significant (as shown in Table 70 above).

Figure 36: Share of respondents who chose the correct offer among those who based their choices on each feature, second round of the online sector experiment



Note: Based on 1,254 respondents in the marketing practice treatment and 1,256 respondents in the remedy treatment. The survey question read: "Thinking about the choices you made between the broadband, telephone and TV packages you just saw, which of the following features was the most important when making your decision?".

Source: London Economics analysis of the experiment data

Finance sector experiment

The follow-up question to the online sector experiment asked respondents which of five features was the most important when they made their choices, namely:

- The interest rate
- The APR
- The monthly payments
- The total amount repayable
- Other features

This follow-up question was asked once to every respondent who did the online sector experiment referring to the choices they made in both rounds of the experiment. The shares of respondents who based their choices on each feature are shown in Table 75 below.

The main result shown in Table 75 is that, compared to those in the marketing practice treatment, a higher share of respondents in the remedy treatment based their choices on the APR (i.e. the feature that determined which loan was optimal in the experiment).

This illustrates the effectiveness of the remedy treatment, which tested the effect of the prominence of information (as explained in section 2.4), since under the remedy the APR was shown in large font at the top of the offer.

However, under the remedy treatment 17% based their response on the APR whereas considerably more (56%) based their choices on the total amount repayable, which

was the last item listed in the small text at the bottom of each offer (see Figure 3 in section 2.4).

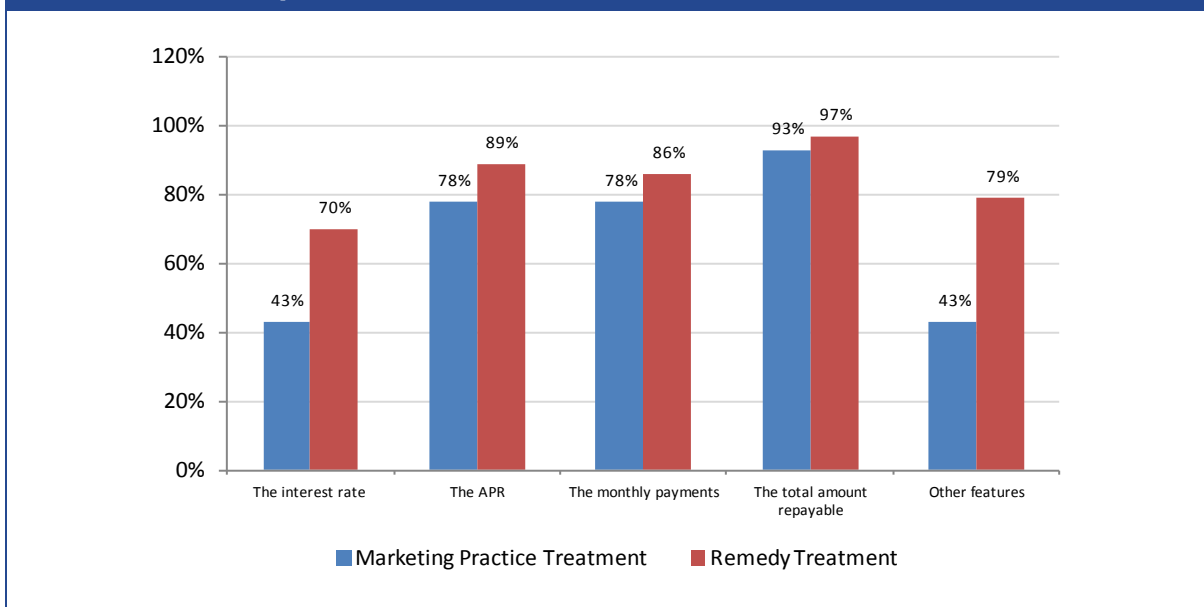
Table 75: Finance sector experiment follow-up question results			
Feature	Marketing practice	Remedy	Treatment effect
The interest rate	11%	10%	-1pp
The APR	10%	17%	+7pp***
The monthly payments	13%	13%	+0pp
The total amount repayable	62%	56%	-6pp***
Other features	4%	3%	-1pp

Note: Based on 1,252 respondents in the marketing practice treatment and 1,253 respondents in the remedy treatment. The survey question read: "Thinking of the choices you made between the loans you just saw, which of the following features was the most important when making your decision?". The treatment effect is the difference between the share who stated the relevant feature under the remedy treatment and the share who stated the relevant feature under the marketing practice treatment. */**/** implies that the treatment effect is statistically significant at 95%/99%/99.9%.

Source: London Economics analysis of the experiment data

Figure 37 shows that respondents who based their choices in the first round of the finance sector experiment on the interest rate were less likely to select the best loan, whereas a great majority of those who based their choices on the APR, monthly payments and total amount repayable selected the correct loan (in the experiment the best loan was always the one with the lowest APR, and also the one with the lowest total amount repayable).

Figure 37: Share of respondents who chose the correct offer among those who based their choices on each feature, first round of the finance sector experiment



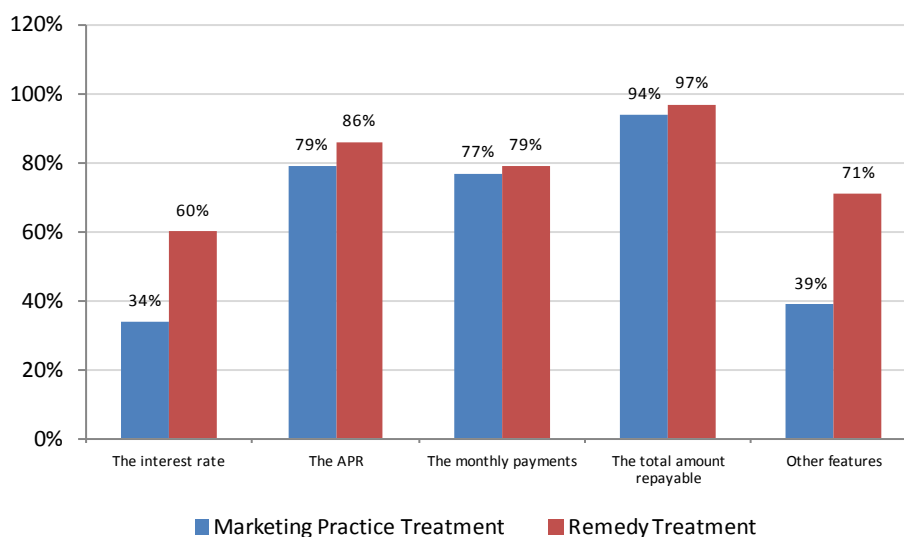
Note: Based on 1,252 respondents in the marketing practice treatment and 1,253 respondents in the remedy treatment. The survey question read: "Thinking of the choices you made between the loans you just saw, which of the following features was the most important when making your decision?".

Source: London Economics analysis of the experiment data

Figure 38 shows a similar pattern for the second round of the finance sector experiment, with respondents being less likely to choose the best loan if they based their decision on the interest rate and much more likely to select the correct loan if they made their choices based on the APR or total amount repayable.

It is important to note, however, that while the APR is the most reliable indicator to select a loan in any situation²⁴³, the total amount repayable provides a similar result only in particular cases where the time dimension of the credit plays a very limited role (such as the simplified example taken as basis for the experiment, i.e. a loan for 1 year, repaid in equal monthly instalments). In many real-world situations the consumer is confronted with e.g. choice between credits of different duration or with different schemes of repayment. In cases such as these, basing one's choice on the total amount payable leads to sub-optimal choices²⁴⁴ and the APR remains the only reliable indicator to make the optimal choice.

Figure 38: Share of respondents who chose the correct offer among those who based their choices on each feature, second round of the finance sector experiment



Note: Based on 1,252 respondents in the marketing practice treatment and 1,253 respondents in the remedy treatment. The survey question read: "Thinking of the choices you made between the loans you just saw, which of the following features was the most important when making your decision?".

Source: London Economics analysis of the experiment data

²⁴³ The explanation about the calculation of the Annual Percentage Rate of charge (APR) and on its relevance for measuring the cost of the credit may be found in Study on the calculation of the Annual Percentage Rate of charge for consumer credit agreements http://ec.europa.eu/consumers/documents/study_apr_2013_final.pdf

²⁴⁴ For example, in the case of two credit offers of the same value of 1000 Euro, the same interest rate of 10% and the same initial fee of 50 Euro, and repaid in 24 months, but for the first credit repaid by equal monthly instalments of capital + interests due, and for the second credit by a balloon payment, the APR amounts to 16.5% for the first and 12.9% for the second, thus clearly indicating that the second offer is the best. However, the total amount payable is 1154.17 Euro for the first credit and 1260 Euro for the second credit, thus guiding the consumer to wrongly choosing the first option.

Cross-cutting experiment

The follow-up question to the cross-cutting experiment asked respondents which of the following seven elements was the most important when they made their choices:

- The monthly cost/interest of the deals
- The monthly cost/interest over the first 4 months
- The monthly cost/interest after the fourth month
- The total cost/total interest over 6 months
- The total cost/total interest over 12 months
- The total cost/total interest over 24 months
- Other features

This question was asked once to each respondent who did the experiment referring to their choices in both rounds. The shares of respondents who based their choices on each feature are shown in Table 76 below.

These results show that in this experiment the remedy treatment was not successful in steering consumers towards using the correct piece of information (i.e. the total cost over 12 months); in fact, those in the remedy treatment were less likely to make their choices based on this piece of information.

This is likely to be why the remedy treatment had no clear effect in this experiment (see Table 70 above). An explanation may be that the remedy did not help consumers in this instance because it introduced too much additional information; i.e. the total cost or interest paid over 6, 12 and 24 months (as explained in section 2.4).

Table 76: Cross-cutting experiment follow-up question results

Feature	Marketing practice	Remedy	Treatment effect
Monthly cost/interest of the deals	25%	22%	-3pp
Monthly cost/interest over the first 4 months	4%	3%	-0pp
Monthly cost/interest after the fourth month	3%	2%	-1pp
Total cost/ total interest over 6 months	1%	3%	+2pp
Total cost/total interest over 12 months	55%	37%	-18pp***
Total cost/total interest over 24 months	9%	29%	+20pp** *
Other features	3%	3%	+0pp

Note: Based on 880 respondents in the marketing practice treatment and 881 respondents in the remedy treatment. No data are available for CAPI respondents since this question was not asked to these respondents. The survey question read: "Thinking about the choices you made between the [deal/provider/account] you just saw, which of the following features was the most important when making your decision?". The treatment effect is the difference between the share who stated the relevant feature under the remedy treatment and the share who stated the relevant feature under the marketing practice treatment. **/** implies that the treatment effect is statistically significant at 95%/99%/99.9%.

Source: London Economics analysis of the experiment data

8.2.3. Variation in the impact of marketing practices depending on consumers' personal characteristics

The behavioural experiments data allows us to examine whether the impact of marketing practices is dependent on consumers' socio-demographic, behavioural and market-related characteristics. That is, whether the treatment effect – i.e. the difference between respondents' answers under the remedy treatment and respondents' answers under the marketing practice treatment – varies depending on consumers' characteristics, such as their age, gender, region, mother tongue, level of education, risk attitudes, trust, impulsiveness, credulity, whether they know their contract conditions, whether they compare deals, etc.

In order to examine this issue, we compare treatment effects across groups and test whether the differences in the treatment effects are statistically significant (i.e. that they are statistically different from zero, via a t-test). This analysis is presented in Table 77 below.

The consumer groups examined in this analysis include groups defined based on demographic and behavioural characteristics. These groups are defined in the same way as elsewhere in this report (see Table 153 in Annex 4 for the full set of variable definitions).

The **treatment effects** are presented at the consumer sub-group level in the unshaded rows in Table 77. For individual experiment rounds, the treatment effects are difference-in-proportions equal to the share of respondents who selected the correct deal under the remedy treatment minus the share of respondents who selected the correct deal under the marketing practice treatment. For 'overall' experiment performance, the treatment effects are equal to the number of correct choices made under a remedy treatment minus the number of correct choices made under a marketing practice treatment, on average across respondents.²⁴⁵ Thus, for both individual experiment rounds and 'overall' experiment performance, positive treatments effects indicate that respondents performed better under the remedy than under the marketing practice.

The **differences in treatment effects** are shown in the grey shaded rows in Table 77 and end in the abbreviation 'd-i-d', which stands for difference-in-differences. For each characteristic (age, gender, region, etc), the treatment effect of the first sub-group in the table is the base level to which the treatment effects of other sub-groups are compared. So, for example, in the case of age, the treatment effects of the 16-24, 25-34, 45-54, 55-64, 65-74 and 75+ age groups are compared to the base age group of 35-44 year olds. The differences in treatment effects in bold text in Table 77 are statistically significant. These figures show that a particular group is more or less affected by the remedy treatment (or conversely the marketing practice treatment) and that this difference is statistically significant.

The results in Table 77 show firstly that, focussing on overall experiment performance, respondents in all groups performed better under the remedy treatments than under the marketing practice treatments. This can be seen from the fact that the values in

²⁴⁵ Recall that each respondent made two choices under a remedy treatment and two choices under a marketing practice treatment.

the un-shaded rows in the right-hand column of the table are all positive and in most cases are statistically significant (indicated using asterisks). This suggests that marketing practices are an issue for all consumer groups, and it should not be considered that the effects of marketing practices are confined to particular types of consumers.

However, it is also evident from Table 77 that some consumer groups are more susceptible to marketing practices than others. This can be seen from the differences in treatment effects in bold text in the grey shaded rows in the table. Specifically:

- Overall across all experiments, **older respondents in the 65-74 age group** benefited more from the remedy treatments than those in the base age group of 35-44 year olds. In particular, this older group benefited more from the remedies than the base group in the second round of the online sector experiment and both rounds of the finance sector experiment.
- Respondents in all **age groups over the age of 45** benefited more from the remedy treatment relative to those aged 35-44 in the first round of the online sector experiment.
- Respondents in **low density regions** benefited more from the remedy treatment than those in high density regions in the first round of the online sector experiment and the first round of the finance sector experiment, although in terms of the impact of the remedies on overall performance in the experiments there was no (statistically significant) difference between these two groups.
- Overall across all experiments, respondents with a **lower level of education** benefited more from the remedy treatments than those with a medium or high level of education. In particular, those with lower educational attainment benefited more from the remedies than those with higher educational attainment in the first round of the online sector experiment, both rounds of the finance sector experiment, and the second round of the cross-cutting experiment.
- Finally, those who are more willing to take risks (i.e. those who are 'not very', 'fairly' or 'very' willing to take risks) benefited less from the remedies than those who are least willing to take risks (i.e. those who are 'not at all' willing to take risks) in several experiment rounds. For example, those who are 'fairly' willing to take risks benefited less from the remedies than those who are 'not at all' willing to take risks in the first round of the online sector experiment and both rounds of the finance sector experiment.
- In general, respondents who are less experienced and engaged with the key markets of the study benefited more from the remedies. Overall across all experiments:
 - Those who do not know their contract conditions 'at all' benefited more from the remedies than those who know their contract conditions completely;
 - Those who 'never' compare deals benefited more from the remedies than those who compare deals 'from time to time'; and
 - Those who did not read the last communication/bill from their provider 'at all' benefited more from the remedies than those who read it 'in detail'.

Table 77: Treatment effects (difference-in-proportions) and difference-in-difference effects by behavioural and socio-demographic subgroups

	Energy		Online sector		Finance sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Personal & Demographic									
Age 35-44 (base)	+2pp	+19pp***	+8pp**	-2pp	+7pp***	+4pp*	+0pp	-0pp	+0.11***
Age 16-24	-2pp	+17pp***	+10pp**	+2pp	+8pp**	+6pp*	+6pp	+3pp	+0.12**
Age 25-34	+0pp	+5pp	+12pp***	+4pp	+7pp***	-1pp	-6pp	-4pp	+0.03
Age 45-54	+4pp	+17pp***	+21pp***	+4pp	+11pp***	+5pp*	-1pp	-3pp	+0.14***
Age 55-64	-2pp	+13pp***	+27pp***	+3pp	+10pp***	+12pp***	-4pp	+5pp	+0.16***
Age 65-74	+2pp	+26pp***	+37pp***	-5pp	+19pp***	+18pp***	+2pp	+14pp***	+0.32***
Age 75+	-0pp	+11pp**	+45pp***	+17pp*	-0pp	+9pp	+17pp*	-2pp	+0.2**
Age 16-24 d-i-d	-4pp	-2pp	+2pp	+4pp	+1pp	+2pp	+6pp	+3pp	+0.01
Age 25-34 d-i-d	-2pp	-13pp**	+4pp	+6pp	-0pp	-5pp	-6pp	-4pp	-0.08
Age 45-54 d-i-d	+1pp	-2pp	+14pp**	+5pp	+4pp	+1pp	-1pp	-3pp	+0.03
Age 55-64 d-i-d	-4pp	-6pp	+19pp***	+5pp	+3pp	+8pp	-4pp	+5pp	+0.05
Age 65-74 d-i-d	-1pp	+7pp	+30pp***	-4pp	+12pp**	+14pp**	+2pp	+14pp	+0.21***
Age 75+ d-i-d	-3pp	-8pp	+38pp***	+19pp	-7pp	+5pp	+17pp	-1pp	+0.09
Female (base)	+4pp**	+16pp***	+17pp***	+1pp	+9pp***	+8pp***	-1pp	-1pp	+0.14***
Male	-3pp	+15pp***	+21pp***	+4pp*	+10pp***	+5pp**	-0pp	+3pp	+0.13***
Male-Female d-i-d	-7pp*	-1pp	+4pp	+3pp	+1pp	-3pp	+0pp	+4pp	-0.01
High density region (base)	+0pp	+17pp***	+14pp***	+3pp	+6pp***	+5pp***	+2pp	-3pp	+0.11***
Medium density region	-0pp	+13pp***	+22pp***	+2pp	+10pp***	+9pp***	-3pp	+4pp	+0.15***
Low density region	+2pp	+15pp***	+24pp***	+2pp	+13pp***	+6pp***	-3pp	+5pp	+0.16***
Medium density region d-i-d	-1pp	-3pp	+8pp	-1pp	+4pp	+4pp	-5pp	+7pp	+0.04
Low density region d-i-d	+1pp	-1pp	+10pp**	-0pp	+7pp*	+1pp	-5pp	+8pp	+0.05
Native mother tongue (base)	-2pp	+5pp	+28pp***	+8pp	+18pp***	+12pp**	-2pp	-3pp	+0.19***
Foreign mother tongue	+1pp	+16pp***	+18pp***	+2pp	+9pp***	+6pp***	-0pp	+1pp	+0.13***
Foreign mother tongue d-i-d	+3pp	+12pp	-10pp	-5pp	-9pp	-6pp	+1pp	+5pp	-0.06
High/Medium Education (base)	+1pp	+15pp***	+17pp***	+0pp	+7pp***	+4pp***	-1pp	-2pp	+0.11***
Low Education	+1pp	+15pp***	+26pp***	+9pp**	+14pp***	+12pp***	+1pp	+11pp***	+0.21***
Education d-i-d	-0pp	+0pp	+9pp**	+8pp	+7pp**	+8pp**	+2pp	+13pp**	+0.10**
Not long-term sick or disabled (base)	+1pp	+15pp***	+19pp***	+2pp	+9pp***	+6pp***	-0pp	+1pp	+0.13***
Long-term sick or disabled	-0pp	+28pp***	+33pp***	+15pp	+3pp	+4pp	-11pp	-10pp	+0.14
Long-term sick or disabled d-i-d	-1pp	+13pp	+14pp	+12pp	-6pp	-3pp	-11pp	-11pp	+0.01
Behavioural									
Risk taking: Not at all (base)	+5pp*	+14pp***	+27pp***	-1pp	+19pp***	+20pp***	-5pp	+2pp	+0.21***
Risk taking: Not very	+0pp	+12pp***	+16pp***	+2pp	+7pp***	+4pp**	+1pp	-0pp	+0.09***
Risk taking: Fairly	+1pp	+19pp***	+16pp***	+3pp	+8pp***	+2pp	+1pp	+0pp	+0.14***
Risk taking: Very	-16pp*	+19pp**	+25pp***	+9pp	+1pp	+7pp	-19pp**	+9pp	+0.1
Risk taking: Not very d-i-d	-5pp	-2pp	-10pp*	+3pp	-12pp***	-16pp***	+6pp	-2pp	-0.12**

Table 77: Treatment effects (difference-in-proportions) and difference-in-difference effects by behavioural and socio-demographic subgroups

	Energy		Online sector		Finance sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Risk taking: Fairly d-i-d	-4pp	+5pp	-11pp*	+4pp	-11pp**	-18pp***	+6pp	-1pp	-0.08
Risk taking: Very d-i-d	-21pp**	+5pp	-1pp	+10pp	-18pp*	-13pp	-13pp	+7pp	-0.12
Trust 2: Very low (base)	+4pp	+14pp***	+20pp***	-0pp	+11pp***	+11pp***	+1pp	-4pp	+0.14***
Trust 2: Low	+6pp**	+15pp***	+18pp***	+5pp*	+9pp***	+6pp***	-0pp	+2pp	+0.15***
Trust 2: High	-4pp*	+17pp***	+19pp***	+0pp	+8pp***	+5pp**	-2pp	+2pp	+0.12***
Trust 2: Very high	-4pp	+12pp**	+23pp***	+6pp	+9pp*	+6pp	+3pp	+4pp	+0.15**
Trust 2: Low d-i-d	+2pp	+1pp	-2pp	+6pp	-2pp	-4pp	-2pp	+6pp	+0.01
Trust 2: High d-i-d	-9pp	+3pp	-1pp	+1pp	-3pp	-6pp	-3pp	+6pp	-0.02
Trust 2: Very high d-i-d	-8pp	-2pp	+3pp	+7pp	-2pp	-5pp	+2pp	+7pp	+0.01
Impulsiveness: Very low (base)	+4pp	+12pp***	+20pp***	+3pp	+12pp***	+10pp***	+0pp	+4pp	+0.18***
Impulsiveness: Low	+1pp	+16pp***	+19pp***	+2pp	+8pp***	+3pp*	+1pp	-1pp	+0.13***
Impulsiveness: High	-2pp	+17pp***	+21pp***	+2pp	+8pp***	+7pp***	-3pp	-1pp	+0.1***
Impulsiveness: Very high	-3pp	+12pp**	+7pp	+8pp	+9pp	+8pp	-2pp	+10pp	+0.12*
Impulsiveness: Low d-i-d	-2pp	+4pp	-1pp	-1pp	-4pp	-7pp	+1pp	-5pp	-0.05
Impulsiveness: High d-i-d	-6pp	+5pp	+1pp	-1pp	-4pp	-3pp	-3pp	-5pp	-0.07
Impulsiveness: Very high d-i-d	-7pp	-0pp	-13pp	+4pp	-2pp	-2pp	-2pp	+6pp	-0.05
Credulity (base)	+1pp	+14pp***	+19pp***	+2pp	+8pp***	+5pp***	+1pp	+3pp	+0.13***
No credulity	-1pp	+14pp***	+21pp***	+5pp	+13pp***	+11pp***	-1pp	+4pp	+0.16***
Credulity d-i-d	-2pp	+0pp	-2pp	-3pp	-5pp	-6pp	+1pp	-1pp	-0.03
Market-related and experience									
Know contract conditions: Completely (base)	+3pp	+9pp*	+12pp***	+2pp	+9pp***	+5pp*	-4pp	+2pp	+0.1***
Know contract conditions: Fair amount	+2pp	+17pp***	+12pp***	+2pp	+6pp***	+4pp**	+1pp	-0pp	+0.11***
Know contract conditions: Not very	-3pp	+16pp***	+18pp***	-1pp	+12pp***	+6pp**	-3pp	-2pp	+0.17***
Know contract conditions: Not at all	+7pp*	+10pp**	+15pp**	+9pp	+23pp***	+21pp***	+2pp	-1pp	+0.29***
Know contract conditions: Fair amount d-i-d	-1pp	+8pp	+0pp	-0pp	-4pp	-1pp	+4pp	-2pp	+0.01
Know contract conditions: Not very d-i-d	-6pp	+7pp	+6pp	-3pp	+3pp	+1pp	+1pp	-4pp	+0.07
Know contract conditions: Not at all d-i-d	+4pp	+1pp	+3pp	+7pp	+14pp	+16pp*	+6pp	-4pp	+0.19**
Compare deals: From time to time (base)	+3pp	+17pp***	+14pp***	+4pp	+4pp*	-2pp	-1pp	-2pp	+0.1***
Compare deals: When notified/need to renew	-1pp	+14pp***	+9pp**	-2pp	+16pp***	+12pp**	-6pp	+1pp	+0.09*
Compare deals: Sporadically	-1pp	+22pp***	+5pp	-7pp	+5pp*	+6pp*	-5pp	-4pp	+0.12**
Compare deals: Only the first time	-7pp*	+13pp***	+24pp***	+6pp	+4pp*	+2pp	-0pp	-2pp	+0.09*
Compare deals: Never	+3pp*	+13pp***	+18pp***	+8pp	+13pp***	+11pp***	+2pp	+1pp	+0.22***
Compare deals: When notified/to renew d-i-d	-4pp	-3pp	-5pp	-5pp	+12pp**	+13pp**	-4pp	+3pp	-0.01
Compare deals: Sporadically d-i-d	-4pp	+4pp	-9pp	-11pp	+1pp	+8pp	-3pp	-1pp	+0.02
Compare deals: Only the first time d-i-d	-10pp	-5pp	+10pp	+3pp	-0pp	+4pp	+1pp	-0pp	-0.01
Compare deals: Never d-i-d	+1pp	-4pp	+5pp	+4pp	+9pp**	+12pp**	+3pp	+3pp	+0.12***
Read communication: In detail (base)	+6pp**	+16pp***	+16pp***	+3pp	+8pp***	+4pp**	-2pp	+1pp	+0.14***
Read communication: Glanced or skim read	-3pp	+16pp***	+12pp***	-0pp	+8pp***	+8pp***	-0pp	-3pp	+0.12***

Table 77: Treatment effects (difference-in-proportions) and difference-in-difference effects by behavioural and socio-demographic subgroups

	Energy		Online sector		Finance sector		Cross-cutting		Overall
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2	
Read comm'n: Saw total price/what it was	-2pp	+12pp***	+6pp	+2pp	+5pp	-1pp	-6pp	+0pp	+0.07
Read communication: Not read it at all	+2pp	+15pp***	+20pp***	+8pp*	+17pp***	+8pp*	+2pp	+1pp	+0.24***
Read communication: Don't know	+3pp	+14pp**	+9pp	-1pp	+11pp***	+6pp	+7pp	+1pp	+0.16*
Read communication: Glanced/skim read d-i-d	-9pp*	-0pp	-4pp	-4pp	-0pp	+3pp	+2pp	-3pp	-0.02
Read comm'n: Saw total price/what it was d-i-d	-8pp	-4pp	-10pp	-2pp	-3pp	-6pp	-4pp	-1pp	-0.07
Read communication: Not read it at all d-i-d	-4pp	-1pp	+5pp	+5pp	+9pp	+3pp	+3pp	+0pp	+0.10*
Read communication: Don't know d-i-d	-3pp	-2pp	-7pp	-5pp	+3pp	+1pp	+9pp	+1pp	+0.02
Read bill: Very easy (base)	+4pp	+18pp***	+10pp***	+4pp	+6pp**	+3pp	+1pp	-1pp	+0.13***
Read bill: Easy	-0pp	+15pp***	+14pp***	+1pp	+8pp***	+8pp***	-3pp	-1pp	+0.11***
Read bill: Difficult	-3pp	+13pp***	+16pp*	-10pp	+14pp***	+9pp*	+5pp	+2pp	+0.14**
Read bill: Very difficult	-	-	-	-	-	-	-	-	-
Read bill: Easy d-i-d	-4pp	-3pp	+4pp	-3pp	+2pp	+5pp	-4pp	+1pp	-0.02
Read bill: Difficult d-i-d	-7pp	-5pp	+5pp	-13pp	+9pp	+6pp	+4pp	+3pp	+0.00
Read bill: Very difficult d-i-d	-	-	-	-	-	-	-	-	-

Note: Treatment effects are presented in un-shaded rows. For individual experiment rounds, the treatment effects are difference-in-proportions equal to the share of respondents who selected the correct deal under the remedy treatment minus the share of respondents who selected the correct deal under the marketing practice treatment. For 'overall' experiment performance, the treatment effects are equal to the number of correct choices made under a remedy treatment minus the number of correct choices made under a marketing practice treatment, on average across respondents. Differences in treatment effects are shown in grey shaded rows. For each characteristic (age, gender, region, etc), the treatment effect of the first sub-group in the table is the base level to which the treatment effects of other sub-groups are compared. The differences in treatment effects in bold text are statistically significant. */ **/ *** implies that the coefficient is statistically significant at 95%/ 99%/ 99.9%. "-" means there are no results because the sample size is too small (less than 10 individuals). The sample sizes for each consumer group for each experiment are provided in A7.2.3.

Source: London Economics analysis of experiment data

9. COMPLEXITIES OF CONSUMER VULNERABILITY ACROSS DIFFERENT SECTORS

Box 7: Summary of Chapter 9

This chapter examines the incidence of vulnerability, as well as vulnerability drivers and practices specific to the three sectors examined in the study: the financial sector, the energy sector, and the online environment and electronic communications sector.

With regard to the **incidence** of vulnerability, the survey results have shown that:

- Incidence of vulnerability tends to be higher in the energy and financial sectors than in the online environment and electronic communications sector for the majority of the vulnerability indicators.
- The main exceptions are indicators in dimension 5 (Higher susceptibility to marketing practices): consumers performed worse under the marketing practice treatment in the online environment experiment than in the financial sector experiment.

The main categories of vulnerability drivers (behavioural drivers, market-related drivers, access drivers, situational drivers) as well as socio-demographic drivers can all be identified in the three sectors, along with marketing practices that exploit them. Each of the sectors however has important characteristics:

- Specific drivers relevant to the **financial sector** are often linked to complexity of financial products. Such complexities present a challenge to a very wide range of consumers. This is reflected in survey results, which show that consumers are most likely to find it difficult to understand and compare offers in the financial sector. In addition, the effects of drivers and corresponding marketing practices in the financial sector are particularly important, since sub-optimal decisions in the sector can result in long-lasting financial impacts.
- The **energy sector** also displays some of the complexities encountered by consumers in the financial sector. The survey results show that consumers appear to face difficulties in the sector to a similar extent as in the financial sector. The effects of vulnerability drivers and marketing practices can also be long-lasting and can, in some cases, include direct health impacts (e.g. as a result of self-disconnection).
- Consumers appear to have fewer problems comparing offers in the **online and electronic communications sector** than in the other two sectors. Nevertheless, a number of vulnerability drivers were still identified. In addition, any challenges encountered by consumers in the sector can have a wide-ranging impact given that many goods and services are provided online. The online and electronic communications sector also faces sector-specific challenges relating to consumers' limited control over their personal data.

The present chapter elaborates on sector-specific differences based on the literature review, stakeholder and expert consultation, and the survey and experiment data analysis.

The drivers, demographic characteristics and market practices linked to vulnerability are discussed in more detail for each of the three key sectors of the study in turn. Each

sector is covered in a separate section (i.e. sections 9.1, 9.2 and 9.3). Each section includes a sub-section on the incidence of vulnerability based on the survey and experiment data, and a sub-section on the main drivers of vulnerability at sector level, drawing on the literature review, the stakeholder and expert consultation, and the data analysis.

This chapter helps to address three of the research questions set out in section 1.4, namely RQ5 (How to explore the complexities of consumer vulnerability across different sectors?), RQ6 (Are socio-demographic characteristics found to indicate vulnerability in one sector, likely to indicate vulnerability also in other sectors?) and RQ7 (Is it possible to identify drivers of vulnerability per sector [and to] assess which drivers of vulnerability are likely to operate across sectors?).

9.1. Consumer vulnerability in the financial sector

The financial services sector is a highly complex environment where many consumers could be seen as vulnerable including those that would be labelled “sophisticated consumers” in other sectors (see Cartwright 2011 and ECCG 2013). In this vein, it is important to highlight that although consumers are a highly heterogeneous group, the vulnerability drivers specific to the financial sector are cross-cutting in that they apply to a very wide range of consumers. However, some consumer groups have nevertheless been identified as being more at risk of becoming vulnerable than others.

The feature setting the financial services sector apart from the other key sectors examined in this study relates to the high monetary costs and significant potential detriment to well-being that sub-optimal financial decisions may cause to individual consumers, and also to the economy as a whole. The financial crisis showed the risk and potential consequences of poor choices, exposing unsustainable credit practices that initially attracted consumers through easy and low-cost lending only to prove more costly in the longer-term (Which? 2013). This risk to both society and consumers is believed to become increasingly pertinent as products and services become increasingly complex.

9.1.1. Incidence of vulnerability in the financial services sector

Evidence regarding the incidence of vulnerability in the financial services sector is available from the survey and experiment data. In particular, several indicators of vulnerability for Dimensions 3, 4 and 5 are specific to the finance sector, namely:

Dimension 3 (Having difficulty in obtaining or assimilating information):

- *Compares deals in the finance sector using information from advertisements only*
- *Has problems comparing deals in the finance sector due to information-related factors*
- *Has not switched bank account due to information-related factors*

Dimension 4 (Inability or failure to buy, choose or access suitable products):

- *Does not compare deals in the finance sector*
- *Finds it very difficult to compare deals in the finance sector*
- *Has problems comparing deals in the finance sector due to personal factors*
- *Has problems comparing deals in the finance sector due to market-related factors*

- *Has problems comparing deals in the finance sector due to access-related factors*
- *Has not switched bank account due to personal factors*
- *Has not switched bank account due to market-related factors*
- *Has not switched bank account due to access-related factors*
- *Declined for a loan*

Dimension 5 (Higher susceptibility to marketing practices):

- *Experiment choices under the marketing practice treatment in the finance sector experiment*

The incidence of vulnerability in the finance sector based on these indicators is shown in Table 78, both for the EU28 and by country²⁴⁶. Overall across the EU28, the indicator on which consumers exhibit the highest rate of vulnerability in the finance sector (57%) is 'does not compare deals'. Other indicators of vulnerability in this sector with a high incidence rate are 'has problems comparing deals due to market-related factors' and 'has problems comparing deals due to personal factors'. The indicator on which vulnerability is lowest overall is 'has not switched bank account due to information-related factors'. Other finance sector vulnerability indicators with a low incidence rate are 'compares deals using information from advertisements only', 'has problems comparing deals due to access-related factors' and 'has not switched bank account due to access-related factors'. A further discussion on country differences in vulnerability according to each indicator is provided in section 4.1 of the report.

²⁴⁶ Data is presented for those countries where data on the relevant indicators is available. The EU28 average is always based on countries where data for the respective indicator is available.

Table 78: Incidence of vulnerability in the finance sector based on sector specific indicators

	Compares deals using information from advertisements only	Has problems comparing deals due to information factors	Has not switched due to information-related factors	Does not compare deals	Finds it very difficult to compare deals	Has problems comparing deals due to personal factors	Has problems comparing deals due to market-related factors	Has problems comparing deals due to access-related factors	Has not switched due to personal factors	Has not switched due to market-related factors	Has not switched due to access-related factors	Declined for a loan	Incorrect experiment choices under the marketing practice*
EU28	2%	10%	1%	57%	13%	31%	33%	2%	7%	13%	2%	4%	27%
AT	2%	12%		46%	8%	20%	41%	1%					
BE	3%	15%		62%	16%	31%	38%	2%					
BG				61%	18%								
HR				62%	23%								
CY				65%	21%								
CZ	3%	9%		43%	7%	27%	33%	2%					
DK	2%	19%	1%	55%	15%	34%	46%	2%	5%	14%	3%	3%	20%
EE	2%	11%		56%	7%	39%	36%	2%					
FI	3%	13%		55%	9%	38%	36%	3%					
FR	1%	12%		67%	15%	34%	46%	1%					
DE	2%	9%		50%	7%	22%	31%	1%					
EL				61%	15%								
HU				54%	16%								
IE	4%	14%		54%	13%	28%	35%	3%					
IT				60%	22%								
LV				63%	10%								
LT	1%	9%	0%	66%	11%	45%	30%	6%	8%	12%	4%	1%	20%
LU	5%	15%		62%	8%	29%	38%	0%					
MT				57%	19%								
PL				49%	8%								
PT	2%	12%	2%	63%	20%	39%	35%	3%	12%	12%	3%	5%	35%
RO	3%	14%	2%	66%	18%	44%	29%	3%	14%	10%	5%	8%	27%
SK	3%	12%		45%	10%	27%	36%	1%					

	Compares deals using information from advertisements only	Has problems comparing deals due to information factors	Has not switched due to information-related factors	Does not compare deals	Finds it very difficult to compare deals	Has problems comparing deals due to personal factors	Has problems comparing deals due to market-related factors	Has problems comparing deals due to access-related factors	Has not switched due to personal factors	Has not switched due to market-related factors	Has not switched due to access-related factors	Declined for a loan	Incorrect experiment choices under the marketing practice*
SI				47%	12%								
ES				55%	16%								
SE	1%	9%		58%	8%	35%	33%	1%					
NL	1%	12%		73%	8%	34%	27%	2%					
UK	2%	7%	1%	60%	8%	33%	26%	1%	5%	13%	2%	3%	26%
IS	1%	20%		71%	17%	36%	41%	5%					
NO	2%	13%		52%	7%	31%	27%	1%					
Obs. (N)	14,074	14,074	4,368	25,151	25,151	14,074	14,074	14,074	4,368	4,368	4,368	4,971	1,252

Note: The numbers of respondents and sets of countries on which these figures are based vary by indicator and sector, since in some countries some survey questions were not asked to consumers who answered via particular methods (in particular CAPI or CATI). The countries and survey modes for which each indicator is available can be seen in Table 5 in section 3.6. Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. *Share of consumers who answered incorrectly in round 1 OR round 2 (i.e. who answered incorrectly in one or both rounds).

Source: London Economics analysis of survey data

9.1.2. Vulnerability drivers in the financial services sector

The following sub-sections provide an overview of vulnerability drivers in the finance sector, as well as of related personal and demographic characteristics and market practices. The sub-sections are structured according to the main categories of drivers:

- Personal and demographic characteristics;
- Behavioural drivers;
- Market-related drivers;
- Access drivers; and
- Situational drivers.

Personal and demographic characteristics

A number of links between consumers' personal and demographic characteristics and the likelihood of vulnerability on various finance sector specific indicators are revealed by the analysis of the survey and experiment data reported in chapter 6. The results of the data analysis for these indicators are discussed in sections 6.2.3 and 6.2.4. Specifically, according to the results of the data analysis (when other characteristics included in the regressions are controlled for):

- Older consumers are less likely to be vulnerable on a number of indicators in the finance sector. In particular, those in 55+ age groups are less likely than the base group (35-44 year olds) to have not switched banks due to access-related factors and are less likely to have been declined a loan. Furthermore, older consumers (aged 64-74 or 75+) are less likely to have problems comparing banks due to information-related factors. At the other end of the age spectrum, young consumers (aged 16-24 or 24-35) are also less likely than the base group to have problems comparing banks for information reasons and to have not switched banks for access reasons. These young age groups are also less likely to have not switched banks due to market-related factors. However, the youngest age group were less likely to select the correct deal in the first round of the finance sector experiment.
- Men are more likely than women to have problems comparing banks for information reasons, but are less likely to have problems comparing banks due to personal and market-related factors, are less likely to have not switched banks due to personal factors, and were more likely to select the best offer in the second round of the finance sector experiment.
- Consumers in low density regions are slightly more likely to suffer from access issues in the finance sector. In particular, consumers in low density regions are slightly more likely than those in high density regions to have problems comparing banks and to have been prevented from switching banks due to access-related factors.
- Those with low or medium education are more likely than those with high education to compare banks using information from adverts only, and those with low education were also less likely to select the best deal in the second round of the finance sector experiment.
- Non-native speakers are less likely to be vulnerable on some indicators relating to the finance sector. Specifically, compared to native speakers, non-native speakers whose language does not cause them difficulty are less likely to have problems comparing banks for information reasons and to have not switched banks for access reasons, whereas non-native speakers whose language

causes them difficulty are less likely to have problems comparing banks due to market-related factors.

The literature review also highlighted instances where personal and demographic characteristics drive vulnerability. While inability to process complex information, discussed in more detail in the following section, is a vulnerability driver cutting across the entire population, it can be a more substantial problem for specific consumer groups:

- Low-income consumers with limited access to alternative financial products are more likely to sign contracts they do not fully understand due to the perceived lack of options (Wilson, Howell, and Sheehan 2009);
- As noted by Clifton et al. (2013), certain consumer groups, such as the elderly, very young, lower educated and those not in employment may not have access to “knowledge-sharing networks”, which can otherwise help consumers navigate complex marketplaces;
- Agarwal (2010) notes that both young and old consumers tend to make financial mistakes, with the age when consumers are least likely to make mistakes being 53, which could be explained by trade-offs between “experiential capital” (older consumers) and “analytical capital” (younger consumers);
- Stearn (2012) notes in his report on consumer vulnerability for the UK organisation Consumer Focus (now Consumer Futures) that complexity of financial products tends to increase with age meaning that older consumers face a more complex market, while at the same time being more likely to suffer from ill health, loss of cognitive capabilities, and potentially having a shrinking social network.

In addition, interviewed stakeholder organisations and sector experts have argued that the financial crisis and recession is having a disproportionate impact on consumer sub-groups who are in particular situations relating to their employment, income and debt circumstances. Specifically, unemployment and precarious employment conditions, unstable income, the risk of repossession, defaulting and over indebtedness have become increasingly coupled with the increasing need for fast access to credit, which in turn is believed to drive vulnerability in the financial sector. The 2015 report on consumer vulnerability by the Financial Conduct Authority in the UK noted that “people may be tipped into a spiral of debt, feel the need to take out high-cost products (such as payday loans) or take on higher risks (e.g. travel without insurance). Some may withdraw from the market altogether, preferring to maintain control by keeping cash at home” (Financial Conduct Authority 2015).

Behavioural drivers

The financial sector can be viewed as a highly complex environment where most consumers and consumer groups may become vulnerable. One of the most cited examples of a behavioural driver in the stakeholder interviews relates to the **difficulty of consumers to process complex information** concerning financial products and services (see for instance Cartwright 2011, Braunsberger, Lucas and Roach 2004, Brennan and Coppack 2008). This applies to all consumer groups, including consumers with higher educational attainment and experience. The difficulty of processing information relates mainly to **cognitive limitations** (Lunn and Lyons 2010) as well as **inexperience with financial services** resulting in consumers making sub-optimal choices in the marketplace (Braunsberger 2004, Brennan, Zevallos and Binney 2011). This is in turn mainly attributed to the complexity of financial products. For instance, the UK consumer organisation Which? notes, in its 2013 review of the British credit

markets, that complex charging structures for bank overdrafts make comparison between different offers difficult. Complexity in financial products can also relate to **bundling of financial products**. One example provided by a Greek consumer organisation is that of bundling life insurance with bonds or other types of financial products. Complexity is also a particularly salient issue for **innovative products**, such as financial products that constitute combinations of existing products (e.g. options or securities), or products based on “mixtures of complex derivatives” (Lumpkin 2010). Although such products have a positive impact in that they increase access to finance, they may not be suitable for all consumers, which in turn is often a result of their complexity (Lumpkin 2010).

The fact that most consumers only buy new financial products and services on an infrequent basis and have, therefore, even less experience in the financial services market than in other markets (European Parliament 2014) further reinforces the vulnerability drivers. At the same time it is also important to note that consumers with more financial experience will not necessarily always make better decisions. As noted previously, Braunsberger, Lucas and Roach (2004) in their study of US college students’ approach to credit cards found that adult (non-student) consumers are not necessarily more knowledgeable about credit cards. Instead, given that they are more experienced, they see themselves as more knowledgeable but in fact make similar sub-optimal choices as the students.

There is a consensus in the literature that individuals need extensive knowledge to avoid making mistakes when purchasing financial services products. **Financial literacy** is therefore an important determinant for economic behaviour²⁴⁷, as consumers with low levels of financial literacy are generally²⁴⁸:

- More likely to unknowingly commit financial mistakes;
- More likely to accumulate debt;
- Less likely to be able to cope with sudden economic shocks; and
- Less likely to accumulate wealth and manage wealth effectively.

In addition, studies have shown that consumers’ preferences and decision-making are also to a large extent influenced and motivated by emotional and psychological experiences rather than based on objective and researched information (European Parliament 2014).

In addition to consumers making sub-optimal choices, one consequence of cognitive limitations relates to service providers effectively lowering their service levels. Interviews have indicated that because of the complexity of financial products some providers are increasingly simplifying products by also lowering the level and quality of services. This includes, for example, insurance products being “watered down” to include only the minimum of protection leaving consumers vulnerable to sudden economic shocks.

²⁴⁷ While measures of financial literacy vary, financial literacy is often assessed using survey questions aimed at identifying the understanding of concepts such as interest rates, inflation, or risk diversification among the respondents. See for instance Lusardi et al. (2010)

²⁴⁸ For a summary on review of existing literature see Lusardi et al. (2010)

A number of other behavioural biases are also exploited in the financial sector. One of them is the **status quo bias**. Research by the UK Financial Conduct Authority (2008) has shown that, even though financial service providers often raise premiums or lower interest rates after consumers sign contracts, consumers do not necessarily cancel contracts or react to the changes in costs. Status quo bias can be reinforced by the complex procedures and high costs of switching. For example, evidence from France collected in the interviews suggests that switching banks is very difficult due to the burdensome administrative procedures placed on the account holder, thus reinforcing the status quo bias.

Time discounting constitutes another important driver that is highly relevant to the financial service industry. This relates in particular to “payday loans” or other forms of high-cost credit, which are common practice across Europe and, as discussed in more detail in the following sections, were identified by stakeholders in several Member States as highly detrimental to vulnerable consumers. A 2013 study conducted for the UK Department of Business, Innovation and Skills found that most common use of payday loans for participants was for urgent and unexpected household expenses such as the repair and replacement of cars and white goods (Department for Business Innovation & Skills 2013). This practice is strongly related to time discounting where the consumer puts more value on the present than future and is also coupled with the behavioural biases of **overconfidence** and **projection**, as consumers may be overly confident that they will be able to pay back the loans. Existing studies show that consumers will display over-optimism and overconfidence when entering credit agreements (Wilson 2013). While overconfidence is not a bias exclusively related to financial products (Decision Technology Ltd 2010), it is likely to have more severe economic consequences than in other markets, exacerbated by the financial crisis and the financial difficulties that many low-income consumers can face.

It is important to point out that behavioural vulnerability drivers are also correlated with the type of product being sought out by the consumer. For example, for more mature consumers, the types of product that may increase vulnerability relate to mortgage, insurance or pension products where vulnerability and risks are not immediately identifiable and take a long-time to materialise (see European Parliament 2014, FSCP 2012).

Market-related drivers

Market-related drivers primarily relate to problems including **insufficient, misleading or inappropriate information** provided to consumers. Lumpkin (2010) identifies the following information problems facing consumers: product complexity, long duration, unknown quality, opaque pricing, complex disclosures, and financial illiteracy. These limitations are however further compounded when complexity of financial products is combined with insufficient disclosure of information. Which? (2013) notes for instance that:

- Lack of transparency with regard to charges applied to loans exploits consumers’ over-confidence that they are able to repay the loan on time; and
- Consumers are not always clear about the cost of credit (relating to payment in instalments for items in mail-order catalogues).

Other examples of information problems include financial advisors not explaining risk levels of different products (Synovate 2011). This was, for instance, identified by one of the interviewed consumer organisations in Slovenia, where consumers took out loans in Swiss Francs on the basis of incomplete and misleading information on likely

risks. As a consequence, recent exchange rate fluctuations have resulted in consumers effectively facing much higher payments than initially expected.

Another example of consumers not having information to make informed choices relates to situations where the choices presented to consumers are suboptimal due to economic actors not collecting necessary information from consumers (see for instance Synovate 2011). This can mean that consumers are sold products and services that can put them in positions of vulnerability (e.g. when taking out loans they have no ability to repay). Therefore intentionally or unintentionally failing to obtain necessary information could be seen as an information problem and, subsequently, a vulnerability driver.

This, however, does not mean that disclosure of information is in itself a sufficient solution to such problems. Brennan, Zevallos and Binney (2011) note that consumer advocacy groups in Australia find that when lenders disclose information, this is also done in an overly complex or inaccessible way. Wilson, Howell, and Sheehan (2009) similarly note that disclosure of information on its own does not help consumers make better choices due to the complexity and volume of such information. They also point out that some consumers sign contracts without fully understanding them since they realise they have few alternatives (i.e. access to alternative sources of finance). The UK Office of Fair Trading (1999) also noted that the main beneficiaries of UK regulation aiming to help consumers better understand financial products may be higher income consumers. Although some of the above example practices stem from outside of the EU, there is ample evidence of complexity of financial products within the EU (see for instance Stearn 2012).

Overall, information problems combined with cognitive limitations outlined in the previous sections mean that consumers may be overly reliant on financial advisors and other staff who, as noted above, may not always facilitate the choice of the most adequate product. Interviewed consumer organisations have indicated that consumers do not understand the exact terms and conditions associated with their product purchases and rely heavily on the sales staff to explain the terms of their products thus increasing potential vulnerability. For example, one organisation in Slovakia stated that contracts tend to be provided in fine print without anyone reading them. Thus, consumers are later surprised about what has actually been signed. Similar experiences have also been relayed in an interview with a Greek consumer organisation.

In the survey and experiment data analysis reported in chapter 6, several sector specific measures are examined as potential market-related drivers of vulnerability, namely:

- Consumers' knowledge of their contract
- The frequency at which consumers compare offers
- The extent that consumers read bills/communications from their provider
- The extent that consumers find reading bills/communications from their provider easy or difficult

These measures of consumer experience and engagement with markets are found to be especially important drivers of consumer vulnerability in the finance sector (but also important in the other two key sectors of the study).

In particular, consumers who do not know their bank contract conditions 'at all' or 'very much', as well as those who found it 'difficult' or 'very difficult' to read the most recent communication from their bank, are considerably more likely to have problems comparing banks due to personal, information-related and market-related factors, and are more likely to have been prevented from switching banks for market-related reasons. Similar findings are also revealed for the energy and online sectors.

Therefore, it is interesting to compare the incidence rates of these market-related drivers across sectors. This comparison can be seen in Table 79 below.

Description	Energy sector	Online sector	Finance sector
Know contract: Completely	14%	18%	23%
Know contract: Fair amount	38%	35%	46%
Know contract: Not very	30%	15%	18%
Know contract: Not at all	13%	5%	4%
Know contract: No response (not relevant)	6%	27%	9%
Compare deals: Yes, from time to time	18%	31%	19%
Compare deals: Yes, but only when I need to renew	12%	19%	10%
Compare deals: Yes, but only sporadically	14%	17%	14%
Compare deals: No, I only compared the first time	14%	16%	20%
Compare deals: No, I have never compared	42%	17%	36%
Read bill/communication: In detail	26%	18%	31%
Read bill/communication: Glanced over or skim read	30%	28%	33%
Read bill/communication: Only saw what it was	20%	9%	10%
Read bill/communication: Did not read it at all	14%	12%	10%
Read bill/communication: Don't know/Don't remember	5%	7%	8%
Read bill/communication: No response (not relevant)	6%	27%	9%
Read bill/communication: Very easy	16%	33%	32%
Read bill/communication: Fairly easy	52%	59%	55%
Read bill/communication: Fairly difficult	27%	8%	11%
Read bill/communication: Very difficult	5%	1%	2%

Note: Base is 26,653 respondents in EU28, Norway and Iceland. For difficulty to read the bill/communication only those responded who read their bill "in detail", "glanced over or skim read", or "only saw what it was/looked at the total price" in the energy sector and read their communication "in detail", "glanced over or skim read" in the finance and online sectors answered the questions. Base is 19,913 respondents with internet contracts in the frequency to compare deals in the online sector, since the relevant questions were not asked to all survey respondents.

Source: London Economics analysis of the survey data

Table 79 shows that the finance sector is relatively similar to the online sector in terms of the shares of consumers who do not know their contract conditions and who found it difficult to read the most recent communication from their provider. Both of these sectors perform better than the energy sector in these respects, which may explain, to some extent, why the incidence of vulnerability is lower in these sectors than in the energy sector on some sector specific indicators.

Conversely, however, relative to the other two sectors, the share of consumers who did not read the last communication from their internet provider 'in detail' is relatively high.

Access drivers

Access to financial services has also been identified as a significant challenge. As highlighted by interviewed stakeholder organisations, low-income consumers face a number of limitations in accessing financial services and products. This can range from limited access to bank accounts to a more limited range of available financial products and services.

According to the European Commission Factsheet on access to payment accounts, across the EU, 58 million people over the age of 15 do not have a payment account and 2.5 million are estimated to have been denied access to one (European Commission 2013b). Lack of access to a transactional bank account results in other double disadvantages, such as potential costs associated with depositing pay cheques (Office of Fair Trading 1999) or the costs of making bank transactions (e.g. according to an interview with an organisation in France these can cost up to EUR 6 per transaction). This lack of access can also be particularly problematic in increasingly cashless economies, such as Sweden. According to stakeholder interviews, in the particular case of Sweden this problem is partially addressed by the consumers having a right to open a bank account and the banks being responsible for providing one. Nevertheless, there may still be challenges with regard to access to credit cards or consumers' ability to use IT tools, which are increasingly important in everyday financial transactions.

In addition to not having accounts, consumers can also have restricted access to accounts they hold. A Finnish consumer organisation identified cases of consumers with poor credit history not being allowed to have online access to their bank accounts and not being given PIN numbers to access online banking services.

Consumers with low incomes usually also have insufficient savings or resources in their current accounts that can lead to use of overdrafts to manage monthly outgoings. Interviewees have argued that these fees are excessive in relation to the amount of the overdraft and are heavily penalising the low-income consumers. In addition, the lack of access to financial services may spill over to other markets and basic services relating to the so-called "poverty premium", which can be linked to the concept of "double disadvantages". Evidence, mainly from the UK, shows that consumers on low incomes pay more for basic services than mainstream consumers due to their lack of access to credit and are therefore forced to seek more costly payment solutions. Evidence suggests that when people are excluded from main banking markets, they move into the payday loans market, which creates a vicious cycle of over-indebtedness (see for instance Which? 2013). This is exacerbated by the practice of "greenlining" which refers to financial service providers not adequately checking the consumers' ability to pay back the loan.

Even if services are available, many may not be designed with a potential low-income consumer in mind. One UK interviewee argues that financial services are, in general, designed for the "mainstream" consumer, as this market segment tends to maximise profit and minimise risk for industry actors. With regard to the lack of **physical access**, consumers that live in remote rural areas may also face difficulties due to the closure of local branches. Another issue is lack of alternative options to manage bank account access. However, not only consumers living in remote locations can be vulnerable to closure of local bank offices, but also the elderly and people with disabilities who may have a strong preference for face-to-face contact or cash transactions and are vulnerable due to the developments of online or telephone banking (Financial Services Authority 2008).

This is closely linked to the **accessibility** of branches, websites for online banking, ATMs and other related banking tools. According to a test²⁴⁹ carried out in the UK, 11 of the examined high street banks failed to meet the needs of customers with disabilities in regards to online banking. This is becoming increasingly pertinent as more and more transactions are expected to be carried out online. The Payments Council (2012) in the UK summarises accessibility barriers in the financial sector as:

- Limited physical access to bank branches or cash machines due to queuing, lack of wheelchair access, or height of bank terminals;
- Difficulties for consumers with dexterity problems in manipulating bank terminal buttons;
- Difficulties in reading cash machine screens for consumers with visual difficulties;
- Challenges with data entry on internet forms for consumers with dexterity, fatigue, concentration, memory or visual issues; and
- Difficulties in memorising PINs for consumers with cognitive limitations.

Situational drivers

Situational drivers refer to situations in which individuals find themselves, either permanently or temporarily, vulnerable to particular forms of marketing. In the financial sector, a substantial amount of research has been conducted on the way low-income consumers are sold expensive products due to economic actors exploiting their current situation. Although a lot of the academic research into these practices stems from the US (e.g. Hill and Kozup 2007 and Montgomerie 2011), the practices appear not to differ significantly from those identified in the EU, or from the experiences reported by the consumer organisations. In their study on predatory lending practices in the US, Hill and Kozup (2007) point to a 1963 study by Caplovitz, which showed how vendors of home appliances exploited low-income consumers through product finance with excessively high interest rates. There are a number of other examples of such practices, including:

- Aforementioned "greenlining", which refers to financial services providers not adequately checking the consumers' ability to pay back the loan (Hill and Kozup 2007);
- Marketing loans inappropriate to the circumstances of low-income consumers: Which? (2013) found in its research that payday loan providers would advertise loans for "nights out" or "to put in the bank for emergencies";
- Enticing additional borrowing by over-indebted consumers through unsolicited credit limit increases (Which? 2013) or actively encouraging consumers to take out further loans (Hill and Kozup 2007);
- Victimising consumers seeking credit by highlighting that they have no financial options other than expensive subprime loans (Hill and Kozup 2007); and
- Targeting vulnerable groups, such as older consumers experiencing major life changes (Montgomerie 2011).

²⁴⁹ See <http://www.theguardian.com/media-network/2012/oct/10/banks-failing-technology-access-disabled>

In addition to the above practices, which could be considered as aggressive commercial practices, high annual percentage rates (APR) and other penalties on late repayment that are in excess of risk levels and costs to lenders could be seen as actively exploiting the financial vulnerability of particular consumer groups who may perceive or experience a lack of banking alternatives. In general, “payday loans” have been widely identified as problematic with regard to consumer vulnerability: they have been singled out as such in interviews conducted with organisations in Estonia, UK, Finland, Iceland, Portugal, Sweden, and Slovakia.

Similar practices, identified in particular by organisations in Belgium and France, are “revolving credit” services offered by shops to help consumers finance their purchases. Given that these offers are advertised in retail outlets (usually supermarkets), they exploit consumers’ inability to afford their purchases by offering them expensive credit.

9.2. Consumer vulnerability in the energy sector

Light, power and heating continuously affect the day-to-day life of any European consumer. As a consequence, the energy sector is key to the functioning of European society. Energy prices have had the tendency to increase over the past years, while incomes for the low-income group have remained stable or decreased (Ifo 2010). Due to the economic crisis, the economic climate has further affected the ability of consumers to pay for their bills, with existing research showing that a substantial number of households are at risk of fuel poverty.²⁵⁰ However, vulnerability in the energy market is not only related to affordability, but can also be linked to the ability to access and choose the best tariff, or to the quality of housing.

9.2.1. Incidence of vulnerability in the energy sector

The survey and experiment data provide evidence regarding the incidence of vulnerability in the energy sector based on a number of sector specific indicators, namely:

Dimension 3 (Having difficulty in obtaining or assimilating information):

- *Compares deals in the energy sector using information from advertisements only*
- *Has problems comparing deals in the energy sector due to information-related factors*
- *Has not switched electricity supplier due to information-related factors*

Dimension 4 (Inability or failure to buy, choose or access suitable products):

- *Does not compare deals in the energy sector*
- *Finds it very difficult to compare deals in the energy sector*
- *Has problems comparing deals in the energy sector due to personal factors*
- *Has problems comparing deals in the energy sector due to market-related factors*

²⁵⁰ In the UK, between 3.1 million and 9.2 million households are estimated to be facing fuel poverty by 2016 (Hills 2012).

- *Has problems comparing deals in the energy sector due to access-related factors*
- *Has not switched electricity supplier due to personal factors*
- *Has not switched electricity supplier due to market-related factors*
- *Has not switched electricity supplier due to access-related factors*

Dimension 5 (Higher susceptibility to marketing practices):

- *Experiment choices under the marketing practice treatment in the energy sector experiment*

The incidence of vulnerability in the energy sector based on these indicators is shown in Table 80, both for the EU28 and by country²⁵¹. Overall across the EU28, the indicator on which consumers exhibit the highest rate of vulnerability in the energy sector (85%) is 'incorrect experiment choices under the marketing practice', based on the energy experiment. Other indicators in this sector with a high incidence are 'does not compare deals' and 'has problems comparing deals due to market-related factors'. The indicators on which vulnerability is, overall, the lowest are 'compares deals using information from advertisements only' and 'has not switched electricity supplier due to information-related factors'. A further discussion on country differences in vulnerability according to each indicator is provided in section 4.1 of the report.

²⁵¹ Data is presented for those countries where data on the relevant indicators is available. The EU28 average is always based on countries where data for the respective indicator is available.

Table 80: Incidence of vulnerability in the energy sector based on sector specific indicators

	Compares deals using information from advertisements only	Has problems comparing deals due to information factors	Has not switched due to information-related factors	Does not compare deals	Finds it very difficult to compare deals	Has problems comparing deals due to personal factors	Has problems comparing deals due to market-related factors	Has problems comparing deals due to access-related factors	Has not switched due to personal factors	Has not switched due to market-related factors	Has not switched due to access-related factors	Incorrect experiment choices under the marketing practice*
EU28	2%	15%	2%	52%	14%	28%	33%	10%	10%	11%	12%	85%
AT	3%	14%		43%	9%	28%	32%	12%				
BE	2%	16%		48%	16%	32%	40%	3%				
BG				87%	37%							
HR				52%	23%							
CY				85%	47%							
CZ	1%	16%		43%	9%	32%	38%	9%				
DK	2%	20%	2%	53%	19%	35%	42%	15%	9%	15%	10%	85%
EE	3%	13%		47%	9%	35%	36%	17%				
FI	4%	11%		45%	12%	34%	34%	9%				
FR	3%	27%		76%	17%	41%	47%	10%				
DE	2%	9%		36%	7%	18%	26%	6%				
EL				67%	16%							
HU				72%	19%							
IE	4%	13%		33%	9%	17%	26%	6%				
IT				48%	22%							
LV				59%	15%							
LT	1%	16%	2%	83%	24%	33%	15%	55%	21%	4%	42%	90%
LU	4%	29%		82%	19%	49%	42%	29%				
MT				85%	29%							
PL				61%	12%							
PT	6%	16%	3%	46%	15%	28%	25%	10%	11%	12%	7%	90%
RO	1%	25%	3%	78%	21%	37%	26%	44%	22%	10%	36%	90%
SK	3%	21%		55%	11%	42%	40%	11%				

Table 80: Incidence of vulnerability in the energy sector based on sector specific indicators

	Compares deals using information from advertisements only	Has problems comparing deals due to information factors	Has not switched due to information-related factors	Does not compare deals	Finds it very difficult to compare deals	Has problems comparing deals due to personal factors	Has problems comparing deals due to market-related factors	Has problems comparing deals due to access-related factors	Has not switched due to personal factors	Has not switched due to market-related factors	Has not switched due to access-related factors	Incorrect experiment choices under the marketing practice*
SI				35%	12%							
ES				53%	19%							
SE	1%	11%		50%	13%	35%	31%	10%				
NL	1%	13%		46%	12%	29%	34%	3%				
UK	3%	11%	1%	38%	10%	24%	31%	4%	5%	11%	3%	82%
IS	1%	32%		91%	40%	51%	23%	27%				
NO	3%	16%		55%	9%	35%	31%	12%				
Obs. (N)	14,074	14,074	4,782	25,151	25,136	14,074	14,074	14,074	4,782	4,782	4,782	1,263

Note: The numbers of respondents and sets of countries on which these figures are based vary by indicator and sector, since in some countries some survey questions were not asked to consumers who answered via particular methods (in particular CAPI or CATI). The countries and survey modes for which each indicator is available can be seen in Table 5 in section 3.6. Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. *Share of consumers who answered incorrectly in round 1 OR round 2 (i.e. who answered incorrectly in one or both rounds).

Source: London Economics analysis of survey data

9.2.2. Vulnerability drivers in the energy sector

The following sub-sections provide an overview of vulnerability drivers in the energy sector, as well as of related personal and demographic characteristics and market practices. The sub-sections are structured according to the main categories of drivers:

- Personal and demographic characteristics;
- Behavioural drivers;
- Market-related drivers;
- Access drivers; and
- Situational drivers.

Personal and demographic characteristics

The analysis of the survey and experiment data reported in chapter 6 found a number of relationships between consumers' personal and demographic characteristics and the likelihood of vulnerability on various indicators that are specific to the energy sector. The relevant results are discussed in sections 6.2.3 and 6.2.4. In particular, according to the results of the data analysis (when other characteristics included in the regressions are controlled for):

- Older age is linked with a higher likelihood of vulnerability on some energy sector specific indicators. Specifically, those in 65+ age groups are more likely (than the base group of 35-44 year olds) to have problems comparing deals in the energy sector due to access-related factors; those aged 45-54, 55-64 or 65-74 are more likely to have problems comparing energy deals due to market related factors; and those aged 75+ are more likely have been prevented from switching for access reasons. The links between being in the oldest group (75+) and having access problems in the energy sector²⁵² are among the strongest²⁵³ relationships found between any demographic characteristic and the indicators throughout the whole analysis. Furthermore, older consumers were considerably less likely to select the best deal in the second round of the energy sector experiment. However, older consumers (in 55+ age groups) are less likely to have not switched energy deals for information-related reasons.
- Men are more likely than women to have problems comparing deals in the energy sector for information-related reasons, but are less likely to have problems comparing energy deals due to personal, market-related and access-related factors and are less likely to have not switched energy deals for access reasons.
- Consumers with low education are less likely to have problems comparing energy deals and to have been prevented from switching energy deals due to access-related factors, but were notably less likely to select the correct offer in the second round of the energy sector experiment.
- Non-native speakers are more likely to suffer from access problems in the energy sector. In particular, compared to native speakers, non-native speakers whose language does not cause them difficulty are more likely to have problems comparing energy deals and to have not switched energy deals due

²⁵² That is problems comparing and not switching due to access-related factors.

²⁵³ With marginal effects above 24pp, as can be seen from Table 29 in section 6.2.3.

to access-related factors.²⁵⁴ Furthermore, these consumers are also more likely to compare energy deals only using information from adverts.

Behavioural drivers

A number of behavioural drivers and problematic practices exploiting these drivers have been identified in the energy sector throughout the data collection phase of the study. **Reference pricing** is one practice that exploits framing biases and in the energy sector relates primarily to the provision of price comparisons to consumers. It has been reported that these comparisons are often presenting incorrect or incomplete data (see for instance European Commission 2013a). This in turn makes it possible to steer consumers towards specific offers.

Status quo bias is also of relevance to the energy sector, since consumers who are not actively selecting an energy provider and better offers can be using a tariff that might not be the most advantageous. Previous studies carried out in the UK by Ofgem (2014) indicate that consumers often have limited ability and willingness to exercise effective choice in the energy market. This might be due to a number of obstacles such as complex information and complexity of choice. This makes it possible for economic actors to make a more expensive offer the default one, hence steering consumers towards it. According to the Ofgem study, in 2013 only seven in ten consumers felt confident that they fully understood all the features of their new deal and that switching contract would be the right choice (Ofgem 2014). Similarly, a survey of consumers conducted as part of an on-going investigation of energy markets by the UK Competition and Markets Authority found that:

- 36% of respondents either did not think it was possible or did not know if it was possible to change one (or more) of the following: tariff, payment method and supplier;
- 34% of respondents said they had never considered switching supplier;
- 56% of respondents said they had never switched supplier, did not know it was possible or did not know if they had done so; and
- 72% said they had never switched tariff with an existing supplier, did not know it was possible, or did not know if they had done so (The Competition and Markets Authority 2015).

Finally, practices exploiting cognitive limitations have also been highlighted by a number of stakeholder interviewees. While this relates to all consumer groups, some groups such as elderly people, people with disabilities, or migrants, might be disproportionately affected by complexities in the energy sectors. Examples of potentially problematic practices include bundled offers, overly complex offers, and the use of complex language. This could take the form of bills with too many numbers and footnotes in small print, very long contracts with technical terms, as well as offers with unclear clauses (EC Working Group on Transparency in EU Retail Energy Markets 2012). According to a position paper published by BEUC in 2013, bundled offers in the energy sector can be packages including other services in addition to energy, such as insurance policies or telecom services. In these cases the actual energy services provided are often unfavourable, not providing the best deals for the consumer (BEUC

²⁵⁴ The results for these indicators for non-native speakers whose language causes them difficulty are not statistically significant. However, this may be due to the fact that the sample size for such consumers is very small.

2013a). Furthermore, insufficient clarity concerning the difference between fixed and variable energy tariffs has been highlighted by a Belgian consumer organisation as a problematic practice which might put the consumer in a situation of vulnerability.

Market-related drivers

Issues related to **unclear or complex information** could also be seen as a form of information asymmetry, with consumers not being presented with sufficient information to make an informed choice. As in the above section, this tends to be exacerbated by socio-demographic and/or situational drivers such as age, migrant background/lack of knowledge of a relevant language, or disability, as discussed in the guidance document of the EC Vulnerable Consumer Working Group (2013). Practices that have been identified include overly complex offers, use of complex language, unclear information in regards to terms and conditions or features of the energy product and lack of transparency regarding billing information (see for instance Ofgem 2014). The provision of vague or unclear billing information may be further problematic for consumers with low education or digital literacy as discussed by the EC Vulnerable Consumer Working Group (2013). In addition, these consumers tend to be less aware of their rights to redress which makes them even more vulnerable.

Other market-related drivers that have been identified include **high energy prices, the level of competition, and changes to the competitive situation**. Generally, increasing energy prices and stable or decreasing salary levels have resulted in a higher number of consumers facing energy poverty (see for instance Ofgem 2013). This situation creates further problems for some groups of consumers, which might face higher energy expenses due to illness or disability that requires an uninterrupted energy supply (EC Vulnerable Consumer Working Group 2013).

A number of interviewed consumer organisations also noted that the recent **energy market liberalisation** in numerous Member States (i.e. moving from a single monopoly provider to multiple providers) could be seen as a driver of vulnerability. Firstly, consumers who are not fully aware of the new market conditions could fail to benefit from better offers. Secondly, aggressive marketing of energy services to consumers who are not aware of the market liberalisation (often older consumers) can also be particularly problematic. These issues have been noted in Croatia, Estonia, and in Portugal. In Portugal this has also been associated with marketing practices relying on extra incentives for consumers to switch suppliers, such as discounts on supermarket grocery purchases.

At the same time, where the energy market is not liberalised, some of the interviewed stakeholders linked the situation with disproportionately high cost and subsequent fuel poverty faced by a number of consumers (noted in Greece and Bulgaria).

Several sector-level measures are examined as potential market-related drivers of vulnerability in the survey and experiment data analysis reported in Chapter 6, specifically:

- Consumers' knowledge of their contract
- The frequency at which consumers compare offers
- The extent that consumers read bills/communications from their provider
- The extent that consumers find reading bills/communications from their provider easy or difficult

The results demonstrate that these measures of consumers' experience and engagement with markets are particularly important drivers of consumer vulnerability in the energy sector (as well as in the other two key sectors).

Specifically, consumers who do not know their energy contract conditions 'at all' or 'very much' are more likely to have problems comparing energy deals due to information-related, personal, market-related and access-related factors, and are more likely to have been prevented from switching energy suppliers for personal and market-related reasons. Similarly, those who found it 'difficult' to read the most recent bill from their energy supplier are more likely to have problems comparing energy deals due to information-related, personal and market-related factors, and are more likely to have not switched energy suppliers for market and access-related reasons. Similar findings are also found for the other two key sectors of the study.

Thus, it is useful to examine how the incidence rates of these market-related drivers compare across sectors. This comparison is made in Table 79 in section 9.1.2 above.

As Table 79 shows, the energy sector stands out in that many consumers do not know their energy contract conditions 'very much' or 'at all', and also many consumers found it 'difficult' or 'very difficult' to read their last energy bill. Given that these factors are linked with a higher likelihood of vulnerability, these characteristics of the energy sector can explain to some extent the higher level of vulnerability in the sector on some indicators²⁵⁵, which suggests that policies to improve consumers' engagement with the market and understanding of market information may be particularly relevant to the energy sector.

Access drivers

Access drivers generally relate to **lack of access to markets, product or services**. Specific problems identified in the energy sector include:

- Inaccessible websites, apps, or appliance displays (in particular for consumers with disabilities and elderly people) (EC Vulnerable Consumer Working Group 2013; BEUC 2013b);
- Rural consumers facing a higher likelihood of not being connected to the electricity grid or having access to gas supply (EC Vulnerable Consumer Working Group 2013);
- Users of prepaid meters living in rural areas having difficulties in accessing top up points. However, currently this concerns only a small group of consumers. In the UK, estimates indicate that 98.5% of people in rural areas using prepaid meters are not further away than five miles from the closest top-up point²⁵⁶;
- Users without internet access may face additional costs and difficulties in topping up where meters rely on online features (O'Sullivan et. al 2012); and

²⁵⁵ As noted in section 9.2.1, the rate of vulnerability in the energy sector exceeds the rate of vulnerability in the finance sector on several indicator, and the incidence of vulnerability in the energy sector is higher than in online sector on all indicators that are available for both sectors, except for the share of consumers who compare offers using information from adverts only.

²⁵⁶ See <http://www.paypoint.co.uk/clients/energy-water>

- Access to advice and customer services being problematic for some consumer groups e.g. those who might not afford to hold the line for expensive phone calls to customer service, or those unable to access certain services (e.g. due to sight and hearing difficulties).

Finally, certain **consumer groups will not be able to access particular offers**, which can result in additional costs. This can be linked to aforementioned “**double disadvantages**”. In several Member States (in the Netherlands and the UK for instance) cheaper energy offers tend to be available to consumers paying via **direct debit**, which are not available to **consumers without a transactional bank account**, who in turn are more likely to be consumers on low incomes, consumers without employment, and consumers who have experienced life crises (e.g. divorce or severe debt) (Stearn 2012). Similarly, certain energy discounts are only available online, disadvantaging consumers without internet access (more often elderly or low-income consumers, or those living in a rural area with no internet connection).

Another double disadvantage in the energy sector is the requirement for low-income consumers to provide an up-front **security deposit** in order to sign an energy contract, sometimes equivalent to six months of energy bills, which is a high up-front cost for lower income consumers. O’Sullivan et al (2012) note this to be a problematic practice in New Zealand, where lower income consumers using prepayment meters would be required to pay a “**cash bond**” when switching providers, but there is also evidence of such practices in the EU. Stakeholder interviews have identified this as a problem for consumers in the Netherlands.

In addition to access challenges with regard to **prepaid energy meters**, O’Sullivan et al. (2012) note that prepaid electricity meters which are suggested to lower-income consumers or provided to them as the only option (to a third of prepaid meter consumers surveyed in New Zealand the meter was suggested by the energy company or was the only option) are effectively more expensive than other means of payment. While this could be at least partially attributed to higher servicing cost, it does tend to disproportionately affect low income consumers (Brophy Haney et al. 2009). At the same time, prepaid meters are viewed positively by consumers, partly due to mistakenly believing them to be less costly, and partly due to lack of monthly bills and more control of costs. A consequence of using a prepaid meter, however, could be that of self-discrimination or self-disconnection, where to save money consumers endanger their health and well-being and that of their families by choosing to use less energy or switching off the energy supply. Another identified problem is that of meters shutting off if credit is close to zero, potentially having a disproportionate impact on consumers only able to top-up the meter by small amounts.

Prepaid meters are increasingly in use in the EU.²⁵⁷ Prepaid meters are widely used in the UK, with some of the above problems also reported²⁵⁸ and where there are estimated 4.5 million electricity and 3.4 million gas prepayment meter accounts (Ofgem 2015). Problems related to higher effective costs of prepaid meters have also been identified in the Netherlands, where one consumer association noted that lower

²⁵⁷ See: <http://www.navigantresearch.com/newsroom/prepaid-electric-meters-are-expected-to-have-an-installed-base-of-more-than-85-million-from-2014-to-2024>

²⁵⁸ See for instance: <http://www.theguardian.com/money/2013/apr/20/energy-bills-prepay-meters-cost-poorer-households>

income consumers usually face higher cost tariffs, either due to having to provide security deposits, or due to the use of a prepaid meter.

Situational drivers

These drivers include the **increased susceptibility to particular forms of marketing due to personal (temporary or permanent) situation**.

One example of such practices in the energy sector is the **aggressive telephone and doorstep marketing**, which often targets elderly consumers. This kind of marketing often results in unsolicited contracts, with customers changing providers following doorstep sales or opting for a contract that is not advantageous. In the case of doorstep selling, consumers rarely have the possibility to actually read the contractual conditions and the relevant information. In addition, printed materials are often withheld until the consumer has signed the new contract (BEUC 2013a). As noted above, a UK study commissioned by Ofgem in 2011, found that 29% of consumers in the UK obtained information about offers via a salesperson at their door, a higher proportion than for other information sources, highlighting the effectiveness of such marketing. A previous Ofgem investigation from 2008 found that 48% of electricity customers switched to suboptimal contracts after changing supplier following doorstep sales.²⁵⁹ Doorstep sales have been identified as one of the main sources of consumer complaints in Italy, the UK, Belgium, the Czech Republic, and Spain (EC Working Group on Transparency in EU Retail Energy Markets 2012).

There are also “double disadvantages” going beyond access to low-priced offers. A particular challenge relates to consumers in vulnerable situations due to age, illness or unemployment, and who therefore **spend more time at home**. As a consequence, their expenses will be higher as they would need to maintain a higher/lower maximum temperature for longer periods of time, especially in more extreme climates.

A last type of double disadvantage in the energy sector relates to **quality of housing**. Inefficient housing and limited capacity to move or upgrade housing might result in higher energy expenses. While an investment in efficiency measures can reduce future costs, a low-income consumer might not be able to afford this investment and will therefore need to face higher regular expenses. The same issue is valid for tenants, especially as low-income consumers will be more likely to rent their home rather than buying one. The incentive for a landlord to invest in energy efficiency measures such as isolation or the installation of new appliances (boiler etc.) is very low, and in turn the tenant will face higher energy expenses.

When combined with the other “double disadvantages” outlined above, these situational factors can result in certain consumer groups facing relatively high costs. In its Consumer Vulnerability Strategy, the UK utilities regulator Ofgem notes that while the wealthiest 10% of households spend 2.8% of their total spending on energy, for the poorest 10% this figure is 8.1% (Ofgem 2013).

²⁵⁹ See for instance <http://www.theguardian.com/business/2010/sep/02/energy-industry-ofgem-misselling>

9.3. Consumer vulnerability in the online environment and electronic communications sector

While online environment and electronic communications are treated here as a separate sector, a discussion of the online environment and electronic communications is relevant to other sectors, as increasing number of products and services, including those in the energy and financial sectors, are provided electronically. Therefore, in addition to examining the online purchase of digital goods and services and electronic communication services, this section also focuses on drivers and prices linked to the online environment and electronic communications that apply across all sectors.

9.3.1. Incidence of vulnerability in the online sector

Before examining the drivers of vulnerability in the online environment and electronic communications sector, the incidence of vulnerability in the online sector is considered based on several sector specific indicators from the survey and experiment data. These indicators, which relate to vulnerability Dimensions 3, 4 and 5, are:

Dimension 3 (Having difficulty in obtaining or assimilating information):

- *Compares deals in the online sector using information from advertisements only*
- *Has problems comparing deals in the online sector due to information-related factors*
- *Has not switched internet provider due to information-related factors*

Dimension 4 (Inability or failure to buy, choose or access suitable products):

- *Does not compare deals in the online sector*
- *Finds it very difficult to compare deals in the online sector*
- *Has problems comparing deals in the online sector due to personal factors*
- *Has problems comparing deals in the online sector due to market-related factors*
- *Has problems comparing deals in the online sector due to access-related factors*
- *Has not switched internet provider due to personal factors*
- *Has not switched internet provider due to market-related factors*
- *Has not switched internet provider due to access-related factors*

Dimension 5 (Higher susceptibility to marketing practices):

- *Experiment choices under the marketing practice treatment in the online sector experiment*

The incidence of vulnerability in the online sector based on these indicators is shown in Table 81, both for the EU28 and by country²⁶⁰. Overall across the EU28, the indicator on which consumers exhibit the highest rate of vulnerability in the online sector (53%) is 'incorrect experiment choices under the marketing practice', based on the online

²⁶⁰ Data is presented for those countries where data on the relevant indicators is available. The EU28 average is always based on countries where data for the respective indicator is available.

experiment. Another indicator of in this sector with a high incidence rate is 'does not compare deals'. The indicator on which vulnerability is lowest overall is 'has not switched internet provider due to information-related factors', followed by 'has not switched internet provider due to personal factors' and 'has not switched internet provider due to access-related factors'. A further discussion on country differences in vulnerability according to each indicator is provided in section 4.1 of the report.

Table 81: Incidence of vulnerability in the online sector based on sector specific indicators

	Compares deals using information from advertisements only	Has problems comparing deals due to information factors	Has not switched due to information-related factors	Does not compare deals	Finds it very difficult to compare deals	Has problems comparing deals due to personal factors	Has problems comparing deals due to market-related factors	Has problems comparing deals due to access-related factors	Has not switched due to personal factors	Has not switched due to market-related factors	Has not switched due to access-related factors	Excluded from e-commerce due to difficulty of the process	Excluded from e-commerce due to not having payment card	Incorrect experiment choices under the marketing practice*
EU28	4%	8%	0%	31%	4%	16%	23%	4%	3%	6%	3%	19%	15%	53%
AT	6%	8%		29%	5%	17%	27%	3%				17%	27%	
BE	3%	11%		49%	8%	26%	32%	2%				20%	18%	
BG	4%	3%		17%	1%	7%	10%	3%				29%	24%	
HR	2%	11%		15%	4%	13%	22%	3%				39%	35%	
CY	18%	9%		36%	11%	31%	17%	2%				31%	28%	
CZ	3%	4%		38%	2%	16%	15%	7%				25%	17%	
DK	3%	7%	0%	35%	6%	18%	28%	7%	4%	5%	4%	19%	10%	49%
EE	6%	5%		37%	2%	20%	15%	5%				24%	16%	
FI	4%	8%		36%	7%	21%	22%	7%				26%	13%	
FR	4%	10%		43%	8%	19%	30%	2%				21%	8%	
DE	3%	8%		30%	3%	15%	26%	3%				14%	17%	
EL	5%	5%		12%	0%	7%	10%	2%				31%	36%	
HU	8%	7%		26%	2%	17%	22%	7%				24%	20%	
IE	4%	8%		20%	4%	11%	16%	6%				26%	15%	
IT	4%	11%		22%	5%	16%	23%	3%				19%	19%	
LV	12%	7%		32%	2%	18%	18%	6%				28%	15%	
LT	3%	3%	0%	24%	1%	12%	8%	4%	3%	2%	6%	21%	20%	57%
LU	12%	16%		51%	8%	29%	39%	3%				29%	14%	
MT	11%	6%		51%	17%	19%	12%	0%				13%	9%	
PL	7%	9%		20%	2%	16%	16%	4%				21%	22%	
PT	4%	4%	0%	13%	1%	6%	13%	2%	1%	6%	2%	23%	27%	58%
RO	8%	4%	1%	30%	2%	12%	10%	5%	4%	3%	7%	28%	35%	64%
SK	3%	7%		30%	2%	18%	17%	4%				28%	18%	

	Compares deals using information from advertisements only	Has problems comparing deals due to information factors	Has not switched due to information-related factors	Does not compare deals	Finds it very difficult to compare deals	Has problems comparing deals due to personal factors	Has problems comparing deals due to market-related factors	Has problems comparing deals due to access-related factors	Has not switched due to personal factors	Has not switched due to market-related factors	Has not switched due to access-related factors	Excluded from e-commerce due to difficulty of the process	Excluded from e-commerce due to not having payment card	Incorrect experiment choices under the marketing practice*
SI	6%	7%		18%	2%	19%	27%	5%				26%	41%	
ES	6%	13%		23%	3%	16%	25%	2%				19%	12%	
SE	1%	7%		53%	6%	24%	26%	16%				21%	8%	
NL	2%	5%		46%	4%	21%	23%	3%				10%	6%	
UK	2%	6%	0%	33%	3%	13%	21%	3%	3%	7%	2%	15%	8%	48%
IS	3%	15%		48%	14%	25%	37%	2%				19%	15%	
NO	3%	9%		58%	7%	25%	18%	21%				20%	6%	
Obs. (N)	18,506	18,506	3,483	18,506	18,506	18,506	18,506	18,506	3,483	3,483	3,483	18,550	18,550	1,254

Note: The numbers of respondents and sets of countries on which these figures are based vary by indicator and sector, since in some countries some survey questions were not asked to consumers who answered via particular methods (in particular CAPI or CATI). The countries and survey modes for which each indicator is available can be seen in Table 5 in section 3.6. Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. *Share of consumers who answered incorrectly in round 1 OR round 2 (i.e. who answered incorrectly in one or both rounds).

Source: London Economics analysis of survey data

9.3.2. Vulnerability drivers in the online environment and electronic communications sector

The following sub-sections provide an overview of vulnerability drivers in the online environment and electronic communications sector, as well as of related personal and demographic characteristics and market practices. The sub-sections are structured according to the main categories of drivers:

- Personal and demographic characteristics;
- Behavioural drivers;
- Market-related drivers;
- Access drivers; and
- Situational drivers.

Personal and demographic characteristics

The survey and experiment data analysis reported in chapter 6 identifies a number of links between consumers' personal and demographic characteristics and the likelihood of vulnerability on several indicators that are specific to the online sector. The results for these indicators are discussed in sections 6.2.3 and 6.2.4. Specifically, the data analysis results show that (when other characteristics included in the regressions are controlled for):

- Older age is associated with having problems comparing deals due to personal, information-related and market-related factors in the online sector, and with using few sources of information when comparing deals in the online sector. In particular, those in 45+ age groups are more likely than the base group (35-44 year olds) to have problems comparing internet deals for information and market-related reasons whereas those in age groups between 45 and 74 are more likely to have problems comparing internet deals due to personal factors and to compare internet deals using information from adverts only. Furthermore, consumers in the oldest group (75+) were considerably less likely to select the best offer in the second round of the online sector experiment. These relationships are stronger for older groups, and the links between being in the oldest group and having problems comparing deals due to market-related factors and selecting an incorrect offer in the second round of the experiment are among the strongest relationships²⁶¹ found for any demographic characteristic throughout the analysis.
- Men are less likely than women to have problems comparing deals in the online sector due to personal and market-related factors.
- Consumers in low density regions are slightly more likely than those in high density regions to have problems comparing deals in the online sector due to personal and access-related factors.
- Consumers with a medium level of education are more likely than those with high education to compare deals in the online sector using only information from adverts, and were less likely to select the correct offer in both the first and second rounds of the online sector experiment.

²⁶¹ With marginal effects of 25pp and 28pp respectively, as can be seen from Table 29 and Table 28 in section 6.2.

- Being a non-native speaker is linked with a few indicators of vulnerability relating to the online sector. Specifically, non-native speakers whose language does not cause them difficulty are more likely to only use information from adverts when comparing internet deals, are more likely to have problems comparing internet deals for access-related reasons, and were less likely to choose the best deal in the second round of the online sector experiment. Non-native speakers whose language causes them difficulty were considerably less likely to choose the correct offer in the first round of the online sector experiment.

Behavioural drivers

The online environment makes it possible for economic actors to exploit, intentionally or unintentionally, consumers' behavioural biases, since it allows for presenting of information in ways not possible at brick-and-mortar retail outlets. Some examples of ways that the biases outlined in the previous sections can be exploited in the online environment include:

- **Status quo bias:** While in brick-and-mortar retail outlets it is possible to display certain offers as default, for instance by placing them first on a list and adding the term "or" before other offers, online environment allows for considerable additional flexibility in doing so (European Parliament 2011).
- **Bandwagon effect:** Displaying information such as "this offer has been viewed by X users" or "X users are currently viewing this offer" alongside offers provided online (European Parliament) allows to capitalise on the bandwagon effect (and also create a sense of urgency, as discussed below). Integration with social media services, for instance by showing the number of "likes" a particular page, offer or vendor receives, also expands these possibilities (see for instance Sundar, Oeldorf-Hirsch, and Xu 2008).
- **Framing:** The online environment is particularly effective in allowing to exploit potential framing biases given the flexibility of providing information (European Parliament 2011).

Articles in business press and on marketing portals focusing on exploiting such biases in online environment²⁶² show that the above techniques are indeed being adopted by vendors in the sector.

A number of specific practices are particularly facilitated in the online environment:

- **Drip pricing**, where consumers are not shown a full price up front, but are instead guided through a set of web pages with each page providing additional information, as well as additional costs (European Parliament 2011).
- **Reference pricing**, where prices are compared to a "full price" of the product, price of a competing product or price of the same product sold by a competing vendor (European Parliament 2011).
- **Time-limited offers**, where an offer is presented in a way that creates a sense of urgency or suggests the offer will not be available. Although "offer valid only until..." statements are used in brick-and-mortar outlets, the online

²⁶² See for instance <https://sellorlse.ogilvy.com/2012/05/17/behavioral-economics-sell-digital/> or <http://www.powerretail.com.au/marketing/behavioural-economics-part-five-the-framing-effect/>

environment allows for a number of alternative ways of creating urgency. This includes statements such as “only two seats left at this price”, “X people are currently looking at this offer” (also a way of exploiting a bandwagon effect), “only three rooms left” (even if more rooms at the same price may be available from other sites) (European Parliament 2011).

- **Baiting**, where a low price very limited offer is used to attract consumers, who, after realising the offer is no longer available, may choose a higher-priced alternative. Specifically in the online environment this practice can involve displaying “out of stock” items on an e-commerce site alongside higher priced alternatives (European Parliament 2011). Beyond e-commerce, a form of baiting used in online environment involves so-called “click bait”, where online content is used purely for the purpose of attracting “clicks” which in turn generate advertising revenue, or in some cases cause users to download malware onto their computers.²⁶³ While this is often done through banner advertising sometimes disguised as legitimate content, in some cases it involves content such as news reports on online portals, which can often constitute a link to a previous report or another website or a very short article with little content, but which use headlines to attract “clicks” from web users.²⁶⁴

A second set of behavioural drivers and associated practices, which are of relevance to the online environment and electronic communications refers to web consumers’ **inability to process complex information**. While this is particularly relevant to the financial sector, outlined above, it is also an issue with regard to electronic communication contracts, as well as digital products and services.

With regard to contracts for electronic communications, this can include practices such as:

- **Bundling of offers**, such as broadband internet contracts including also telephone or television packages making it difficult to determine the costs of individual components and compare it to competing offers (European Commission 2013a).
- **Overly complex offers or complex language**. Technical terminology used in the electronic communications can render information provided to consumers overly complex. For instance a 2012 study for Consumer Focus found that consumers had limited understanding of terminology concerning broadband traffic management, such as indications of speeds, data caps, or allowances, or meaning of terms such as peer-to-peer (P2P) and Voice over Internet (VoIP). Similarly, the Special Eurobarometer 381 has shown that a majority of consumers did not know the maximum download speeds advertised in their contracts (Kisielowska-Lipman 2012).

Complexity is a challenge in the domain of digital goods and services. Users of services primarily provided online, such as social media services or file hosting and sharing services, enter into agreement with service providers by agreeing to terms and conditions and privacy policies. These can in turn contain clauses that may be overly

²⁶³ See for instance <http://www.bbb.org/blog/2014/10/scammers-use-most-dangerous-celebrities-as-click-bait-to-fool-consumers/>

²⁶⁴ Facebook, which has recently taken steps to address click-baiting, provides an overview of this practice: <http://newsroom.fb.com/news/2014/08/news-feed-fyi-click-baiting/>

complex for an average user to fully understand, but which can put them at a disadvantage. In a 2012 US legal study examining terms and conditions of social networking websites, Rustad et al. (2012) argue that many social networking services include “arbitration clauses” in their terms of service, allowing the service providers to set the terms of potential dispute resolutions often to the disadvantage to the consumer. These clauses are in turn often insufficiently explained and difficult for consumers to find, being placed towards the end of the agreements, with the agreements reviewed by the authors averaging 6,078 words (approx. 10 single-spaced pages in 10pt font).

The 2011 study on digital content services carried out for the European Commission (Europe Economics 2011) identified information and transparency, including lack of information and unclear or complex information, as the second most common problem identified by users of digital content, behind access, suggesting that complexity and availability of information about digital content is likely to be a significant vulnerability driver.

Market-related drivers

Market-related drivers refer in this case primarily to **information problems**, in particular information asymmetry between consumers and service providers. This can, on one hand, arise from complexity of offers or language used, as described above, or can refer to information about products or services being obscured from the user. An issue mentioned by a number of regulators in the online environment and electronic communication sector is that of subscription or “premium” mobile services, highlighted by regulators in Austria, Poland and Portugal. This includes consumers being asked to send costly text messages to obtain a certain service or enter a prize draw, with the costs of these and any follow-on messages not always being disclosed in a transparent way. Similarly, consumers may be offered mobile services (e.g. weather service or a map of speed cameras), which in fact involve a paid subscription service. While the information about costs is usually provided, it is often not presented in an easily accessible way.

It is important to note, however, that while these problems are highlighted by interviewed consumer organisations as particularly serious in some Member States (e.g. Poland) the interviewees also indicated that some Member States have taken specific legislative steps to limit such practices (e.g. Portugal) and, more generally, the increasingly widespread use of smartphones and apps means that such services are likely to become less widely used over time. For instance, the Austrian telecommunications regulator provides detailed statistics on enquiries, complaints and disputes in the sector, noting that 569 enquiries were made concerning value-added text and voice services in 2011 compared to a total of 153 in 2013. It is however worth noting that this pattern reflects the broader trend in the sector, with the number of enquiries about mobile data services, which was the most enquired about category in 2011 with 1,490 enquiries, falling to 241 in 2013 (RTR 2013).

Another key information problem refers to the actual costs of using “free” online services, which are often not clear to users. A most common example is the **“pay with data”** business model, where consumers allow for some of their personal data to be used for advertising purposes in exchange for free access to the service in question. This could also be seen as an information problem in the sense that service providers gather data on consumers that consumers are not aware of, causing another form of information asymmetry when faced with advertising (i.e. advertisers know more about the consumers than the consumers think they do). Warner and Sloan (2012) describe the usual online ecosystem engaged in the “pay with data” transactions, identifying:

- **Profilers**, which use information gathered by online services to create consumer profiles and segment consumers into groups;
- **Advertising agencies** developing the display advertising;
- **Advertising exchanges and networks** (e.g. Google AdSense) acting as an intermediary between advertisers and websites displaying the advertising;
- **Businesses** buying the advertising; and
- **Websites** displaying the advertising.

Warner and Sloan (2012) also note that profiles created by profilers do in some cases identify specific individuals, despite assurance to the contrary. They conclude that “pay with data” relationships are one-sided, favouring the service provider and not allowing for consumers’ free and informed consent.

Similar situations include instances where products or services allow providers to monitor usage of a product or extract value out of a “free product” in another way without this being clearly communicated to the consumer. Such practices could for instance include contract terms allowing vendors to monitor product usage, restricting product use, or allowing vendors to change and update the product without warning, as well as including “premium” features requiring payments. Where such practices are not sufficiently explained to users with lower level of digital sophistication, they could in fact be seen as exploiting consumer vulnerability. In the case of children, such practices can include allowing in-game purchases by children using their parents’ accounts without additional verification (University of Amsterdam 2010).

A number of measures are investigated as possible market-related drivers of vulnerability at sector level in the survey and experiment data analysis reported in chapter 6, in particular:

- Consumers’ knowledge of their contract
- The frequency at which consumers compare offers
- The extent that consumers read bills/communications from their provider
- The extent that consumers find reading bills/communications from their provider easy or difficult

According to the results of the data analysis, these measures of consumers’ experience and engagement with markets are particularly important drivers of vulnerability in the online sector (as well as in the other two key sectors).

For example, consumers who do not know the conditions of their contract with their internet provider ‘at all’ or ‘very much’, as well as those who found it difficult to read the most recent communication from their internet provider, are more likely to have problems comparing internet providers due to information-related, personal, market-related and access-related factors. The data analysis also reveals similar findings for the energy and finance sectors.

Therefore, it is useful to examine how the incidence rates of these market-related drivers vary across sectors, as shown in Table 79 in section 9.1.2 above.

As Table 79 shows, in terms of the shares of consumers who do not know the conditions of their contract and who found it hard to read the most recent communication from their provider, the online sector is relatively similar to the finance sector. In these respects these two sectors perform better than the energy sector,

which may, to some extent, explain why on some sector specific indicators the rate of vulnerability is lower in these sectors than in the energy sector.

Furthermore, consumers are more likely to compare deals in the online sector, which is related to a lower likelihood of vulnerability and so may help to explain the relatively low incidence of vulnerability on a number of indicators in the online sector.²⁶⁵

Access drivers

Access drivers refer primarily to:

- Inaccessible websites or apps
- Access to internet, in particular broadband internet

Despite a considerable number of initiatives in the area, such as the recent European Standard EN 301 549 on accessibility requirements suitable for public procurement of ICT products and services in Europe, there are a number of challenges with regard to **e-accessibility**. Authors of the 2012 “Study on Economic Assessment for Improving eAccessibility Services and Products” commissioned by the European Commission note that:

- “The level of eAccessibility is clearly lagging behind the target set out in the Riga declaration in 2006 and at its current pace the target of the Digital Agenda for 2015 will not be reached;
- As many as 110 million Europeans, persons with disabilities and older persons (people aged 65 and above), are at risks of being digitally excluded” (Technosite, Tech4i2, AbilityNet and NOVA 2012).

With regard to **internet access**, the 2015 Digital Agenda Scoreboard²⁶⁶ tracks the development of broadband coverage in the EU and shows that while, taking into account all technologies, broadband access is available to all households in the EU, fixed-line coverage is lower in rural areas (90%), although it has risen significantly since 2011 (80%). Nevertheless, only 70% of homes had fixed-line broadband subscription, suggesting that there are a substantial number of consumers without access to fixed-line broadband despite relatively broad coverage. Geographic dimension also plays a role, with some Member States (Poland, Slovakia, Estonia, and Romania) lagging behind in terms of take-up. Although in some cases mobile broadband can be seen as a substitute to fixed-line connections, the research conducted for the Digital Agenda Scoreboard suggests that such connections tend to complement rather than substitute fixed line broadband.

Another important aspect of internet access is **affordability**, with the scoreboard data showing that broadband prices are dispersed and take-up tends to be lower where prices constitute a higher share of average income (e.g. in Hungary, Latvia, Poland, Portugal, Romania).

²⁶⁵ As noted in section 9.3.1, the rate of vulnerability in the online sector is lower than the rate of vulnerability in the finance sector on several indicators, and the rate of vulnerability in the online sector is lower than the rate of vulnerability in the energy sector on every indicator that is available for both sectors, except for the share of consumers who compare offers only using information from advertisements.

²⁶⁶ See <http://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard>

Both physical access and affordability relate to the concept of “**digital divide**”, namely the “distinction between those who have internet access and are able to make use of new services offered on the World Wide Web, and those who are excluded from these services”.²⁶⁷ The two main digital divide indicators used by the Digital Agenda Scoreboard are the frequency of internet use and availability of 30Mbps broadband. Hence, the key challenges for the EU relate to the 20% of Europeans who have never used the internet and the fact that only 18% of rural areas have 30Mbps broadband.²⁶⁸ The two dimensions relating to access and use of internet reflect the typology used by Dewan and Riggins (2005) who note that the digital divide entails in addition to physical access, or “first order effects”, also “second order effects”, referring to the ability to use the technology. Digital literacy therefore remains a challenge and will be a determinant of access.

Beyond lack of access to Internet infrastructure, due to cost or location, practices based on access involve also the concept of “**weblining**”. Based on the practice of “redlining”, weblining can be understood as “the practice of denying people opportunities based on their digital selves” (Andrews 2012). Exploiting consumers’ lack of digital sophistication or inability to understand complex terms of use to collect information about consumers without their full knowledge is a problematic practice in itself, and denying access to certain products or services on that basis further compounds the problem. While weblining has not yet been extensively researched, Andrews (2012) identifies practices such as refusing specific insurance packages or showing different credit card limits to consumers based on their online profiles or consumers with particular profiles being shown different type of advertising (e.g. advertising for trade/vocational schools rather than universities or colleges being shown to web users identified to be living in poor neighbourhoods).

The latter case is one where targeted advertising, present for a long time in the offline world and not in itself problematic (e.g. advertising in specific magazines or during specific television programmes generally tends to focus on products or services that may appeal to the magazine’s readers or the programme’s audience), can lead to excluding certain consumer groups not only from accessing specific products or services, but also from certain opportunities and aspects of society.

The final aspect of access drivers in the sector relates to “**double disadvantages**”, described in previous sections, which refer to situations where lower income consumers are faced with restricted access to lower cost offers. In the online environment and electronic communications sector a practice highlighted by interviewees in Germany relates to costs and choice of payment methods available on e-commerce websites. Where card payment methods used predominantly by lower income consumers are not accepted or carry with them disproportionate additional fees or are not available, such that consumers would be facing a double disadvantage.

Situational drivers

Situational drivers in the case of online environment and electronic communications sector relate primarily to consumers’ increased susceptibility to particular forms of marketing due to personal situation. Specific problematic practices identified in the research include primarily:

²⁶⁷ See http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Digital_divide

²⁶⁸ See <https://ec.europa.eu/digital-agenda/en/news/eu-digital-divide-infographic>

- Aggressive marketing, both offline and online; and
- Practices aiming at tying lower-income consumers to telecommunication contracts through high termination fees or offering lower monthly payments in exchange for contract extension.

As noted above, aggressive marketing in the sector can be mainly divided into offline and online marketing. Offline, there are indications of aggressive marketing of telecommunication offers, including **doorstep selling**.²⁶⁹ Online, aggressive marketing relates primarily to using the aforementioned profiling techniques to identify specific consumer groups and target marketing accordingly. While, as noted above, targeted marketing is in itself not always problematic, it can potentially be seen as exploiting consumer vulnerabilities where, for instance, online profiling is used to sell inappropriate or illegal medicines or supplements to consumers identified as seeking such products or being particularly susceptible to marketing of pharmaceuticals and supplements (see for example Newman 2014). In addition, targeted marketing in the online environment differs from offline practices in that it relies on the collection of data about the consumers. In that sense it can face similar challenges to “pay with data” services, where consumers are not aware of the way their information is used. The review of the data broker industry in the US, which supplies the advertisers, has shown, for instance, that consumers have few means of verifying or addressing the way their information is used by such companies (US Senate Committee on Commerce, Science, and Transportation 2013).

9.4. Comparison of vulnerability across the three sectors

This section compares the incidence of vulnerability across the key three sectors of the study based on the sector specific indicators. The rates of vulnerability in the three sectors, based on the full sample, are shown in Table 82 (for each sector incidence rates are shown by country in Table 78, Table 80 and Table 81).

Table 82: Incidence of vulnerability in three sectors based on sector specific indicators – All EU28 countries for which data are available			
Indicator	Energy	Online	Finance
Dimension 3			
Compares deals using information from advertisements only	2%	4%	2%
Has problems comparing deals due to information factors	15%	8%	10%
Has not switched due to information-related factors	2%	0%	1%
Dimension 4			
Does not compare deals	52%	31%	57%
Finds it very difficult to compare deals	14%	4%	13%
Has problems comparing deals due to personal factors	28%	16%	31%
Has problems comparing deals due to market-related factors	33%	23%	33%
Has problems comparing deals due to access-related factors	10%	4%	2%
Has not switched due to personal factors	10%	3%	7%

²⁶⁹ See for example results of a survey by a German consumer organisation which found that approximately a fifth of doorstep sales in late 2013 concerned telecommunication contracts: <https://www.verbraucherzentrale-niedersachsen.de/ergebnis-abzocke-haustuer-telefon>

Has not switched due to market-related factors	11%	6%	13%
Has not switched due to access-related factors	12%	3%	2%
Excluded from e-commerce due to difficulty of the process	n.a.	19%	n.a.
Excluded from e-commerce due to not having payment card	n.a.	15%	n.a.
Declined for a loan	n.a.	n.a.	4%
Dimension 5			
Incorrect experiment choices under the marketing practice*	85%	53%	27%

Note: The numbers of respondents and sets of countries on which these figures are based vary by indicator and sector, since in some countries some survey questions were not asked to consumers who answered via particular methods (in particular CAPI or CATI). The countries and survey modes for which each indicator is available can be seen in Table 5 in section 3.6. *Share of consumers who answered incorrectly in round 1 OR round 2 (i.e. who answered incorrectly in one or both rounds).

Source: London Economics analysis of survey data

Comparison between the finance and energy sectors

Table 82 shows that, on several indicators in Dimensions 3 and 4, the **finance** sector is relatively similar to the **energy** sector at the EU28 level in terms of the incidence of vulnerability in these sectors. In particular, these two sectors are similar in terms of the shares of consumers who compare deals using information from adverts only, do not compare deals, have problems comparing deals due to personal and market-related factors, and have been prevented from switching due to market-related factors.

However, the incidence of vulnerability in the finance sector is lower than in the energy sector on a number of other indicators, in particular the shares of consumers who have problems comparing deals due to access-related factors and who have been prevented from switching due to access-related factors, as well as the share of consumers who failed to select the correct offer in both rounds under the marketing practice treatment in the experiments.

Here, though, it should be taken into account that in some countries (e.g. Bulgaria, Cyprus and Malta) the retail energy market is not liberalised or has only been liberalised recently. This can explain the high incidence rates in these countries on some indicators (i.e. indicators relating to comparing and switching) in the energy sector, since it means that de facto there are few or no options for consumers to compare.²⁷⁰

At country level, in terms of the shares of consumers who compare deals, the finance and energy sectors are similar in most EU28 countries, and in particular in Austria, the Czech Republic, Denmark, Latvia, Norway and Spain. Conversely, in Ireland, the Netherlands and the United Kingdom consumers are less likely to compare bank deals than energy deals, whereas in Bulgaria and Malta the rate of vulnerability on this indicator is higher in the energy sector than in the finance sector.²⁷¹

The incidence rate of problems comparing deals due to personal factors is also very similar for the finance and energy sectors in most countries, and especially in Sweden,

²⁷⁰ For information on the number of years that the energy market has liberalised and the concentration of the market (i.e. the combined market share of the three or four largest suppliers) in different EU countries, see the First Energy Retail Market Study (available here: http://ec.europa.eu/consumers/archive/strategy/docs/retail_electricity_full_study_en.pdf), the ACER Market Monitoring Report (2015), and the forthcoming Second Energy Retail Market Study.

²⁷¹ Here the caveat given in the paragraph above should be noted.

Denmark, Belgium and Estonia. However, the rate of vulnerability on this indicator is much higher in the energy sector than in the finance sector in several countries, namely Luxembourg, Slovakia, Austria and Iceland, whereas vulnerability on this indicator is much lower in the energy sector than in the finance sector in only one country, namely Ireland.

The incidence rate of vulnerability in terms of having problems comparing deals for market-related reasons is also very similar in the finance and energy sectors. The similar incidence rates in these two sectors in the EU28 is due to relatively similar rates in most countries, and in particular similar rates between these two sectors in Estonia, Finland and France, and to some extent in Denmark, Luxembourg and Slovakia.

Conversely, in Lithuania, Portugal and Iceland, the incidence of vulnerability in terms of having problems comparing deals for market-related reasons is higher in the finance sector than in the energy sector, in contrast to the results for the 'problems comparing deals due to personal factors' indicator.

The most systematic difference between the finance and energy sectors in terms of problems comparing deals, however, stems from having problems comparing deals due to access-related factors. Overall across the Member States²⁷², the share of consumers who do not compare deals due to access-related factors is much lower in the finance sector (2%) than in the energy sector (10%).²⁷³ This result is found in most countries, and the gap is particularly large in Luxembourg, Lithuania and Romania. Countries where, conversely, the gap is much smaller are the Netherlands, Belgium and Ireland and to some extent in the UK, due to a much lower than average share of consumers who do not compare energy deals for access-related reasons in these countries.

The differences and similarities between the finance and energy sectors in terms of consumers having problems comparing deals due to market-related and access-related factors also translate to the switching indicators. The shares of consumers being prevented from switching for market-related factors are similar in all five of the experiment countries²⁷⁴, with the exception of Lithuania, where this share is much higher in the finance sector than in the energy sector. In contrast, not switching due to access-related factors is, overall, much lower in the finance sector than in the energy sector. This is less so in the UK and Portugal, where a lower share of consumers are prevented from switching for access-related reasons in the energy sector.

Comparison between the finance and online sectors

The incidence of vulnerability in the **finance** sector is higher than in the **online** sector on several indicators in Dimension 4, namely the shares of consumers who do not compare deals, find it very difficult to compare deals, have problems comparing deals

²⁷² The 17 Member States for which the survey provides information on the 'problems comparing deals' indicators.

²⁷³ However, as noted above, the high incidence rates for some indicators (i.e. indicators relating to comparing and switching) in the energy sector are likely to be due to the fact that the market is not liberalised in some countries (meaning de facto there are no options for consumers to compare).

²⁷⁴ The survey questions related to the switching of providers were only asked in the five countries where the experiments were performed: Denmark, Lithuania, Portugal, Romania and the United Kingdom.

due to personal and market-related factors, and have been prevented from switching due to market-related factors.

The share of consumers who do not compare deals in the finance sector is consistently higher than in the online sector in most countries. The differences between these two sectors on this indicator are particularly large in Bulgaria, Croatia, Greece and Portugal, but much lower in the Czech Republic, Malta, Norway and Sweden (in fact, Norway is the only country in which the incidence rate on these indicators is higher in the online sector than in the finance sector).

In terms of consumers who find it very difficult to compare deals, the proportion of vulnerable consumers in the finance sector is higher than in the online sector in most countries, the only exceptions being Luxembourg and Norway. Countries with a particularly large difference between the two sectors where the incidence rate of vulnerability on these indicators in the finance sector is higher than the EU average are Portugal, Bulgaria, Romania, Hungary and Croatia.

In terms of having problems comparing deals due to personal factors, the higher rate of vulnerability in the finance sector (31%) than in the online sector (16%) across the countries as a whole is driven by particularly large differences in Lithuania, Portugal and Romania, as well as smaller differences in most other countries.

However, conversely, fewer consumers compare deals only using information from adverts in the finance sector than in the online sector, and in the experiments fewer consumers failed to select the best offer in both rounds under the finance sector marketing practice than under the online sector marketing practice.

Comparison between the energy and online sectors

Table 82 also shows that the incidence of vulnerability in the **energy** sector is higher than in the **online** sector on all indicators that are available for both sectors, except for the share of consumers who compare offers using information from adverts only. The largest differences between these two sectors are in terms of the shares of consumers who do not compare deals (Dimension 4) and, in the experiments, the shares of consumers who failed to select the best deal in both rounds under the marketing practices examined for the respective sectors (Dimension 5).

At country level, the difference between the energy and the online sectors in terms of the share of consumers who do not compare deals is zero or very small only in the Netherlands, Belgium, Sweden and Norway, since in these countries the propensity to not compare deals in the online sector is much higher than the EU rate.

The difference in terms of the share of consumers who find it very difficult to compare deals is also relatively large across the countries as a whole, with the shares in the energy sector in Bulgaria and Lithuania being much larger than the respective shares in the online sector.²⁷⁵

²⁷⁵ Again, however, it is important to note that the energy market is not liberalised in some countries, meaning that de facto there are no options for consumers to compare.

10. BEST PRACTICE POLICY MEASURES IN MEMBER STATES AND AT EU LEVEL

Box 8: Summary of Chapter 10

This chapter examines the measures addressing consumer vulnerability in place at the EU and Member State level and aims to identify potential good practices. The types of measures identified include:

- **Support measures**, including both financial and non-financial support;
- **Protection measures** targeting economic actors and aiming to eliminate problematic practices; and
- **Awareness-raising measures**, such as information campaigns or provision of specific advice.

Given the complexity of consumer vulnerability, what constitutes a good practice depends on the specific driver or marketing practice to be addressed, as well as the broader market environment. Nevertheless, it is possible to identify a set of broad measures likely to have a positive impact. These include:

- Well targeted support measures in the energy-sector that address fuel poverty among vulnerable consumers;
- Measures addressing marketing practices that exploit consumers' vulnerable situations; and
- Measures improving the quality and transparency of information.

Examining national approaches, we found that measures addressing consumer vulnerability are relatively common across the EU. At the same time, a considerably smaller number of Member States appears to have developed a broader strategic approach to consumer vulnerability.

When combining a typology of Member States based on identified measures and strategic approach with data on indicators of vulnerability, no clear pattern could be identified. This suggests that there is no clear link between incidence of vulnerability and the national approach to vulnerability. It is however important to note that our research does not allow for examining potential causal links (i.e. whether measures addressing vulnerability result in lower incidence, or whether high incidence of vulnerability spurs the introduction of relevant measures at national level).

This section outlines the specific measures addressing consumer vulnerability identified in the EU28, Iceland and Norway. It also outlines the institutional structure and role of civil society in individual Member States with regard to consumer vulnerability. In doing so, the chapter aims to address research questions RQ9, RQ11 and RQ12 set out in section 1.4.

10.1. Measures addressing consumer vulnerability

This subsection outlines measures targeting market operators across the investigated countries. A key finding of the research conducted to date is the fact that even despite limited overall engagement with the concept of consumer vulnerability across the EU, a number of relevant measures have been identified. At the same time, developing a comprehensive list of measures addressing all aspects of consumer vulnerability is challenging given the breadth of the concept. For instance, when investigating measures aiming to address potential vulnerability experienced by low-income

consumers, one could identify a broad range of social policy measures. This is something recognised on national level, with one interview noting that consumer vulnerability in the Netherlands is considered a domain to be addressed by the welfare state system as opposed to consumer protection legislation.

Another challenge is the fact that most measures aiming to improve the position of all consumers (or an average consumer) in the market are likely to also have a positive impact on vulnerable consumers. In order to limit the scope of the review, only horizontal measures explicitly targeting consumer vulnerability and measures addressing specific vulnerable consumer groups are considered here.

The first category of measures identified includes **support measures**. These can include **financial support** measures that help cover or reduce costs faced by vulnerable consumer. Some examples are:

- Lower energy tariffs for selected consumer groups (e.g. pensioners in Spain).
- Lower telecommunication tariffs for people with disabilities (e.g. in Cyprus).
- Schemes to help lower-income consumers cover some of their energy costs (Italy).
- Support to improve energy efficiency of housing in low-income areas (the affordable warmth obligation in the UK Energy Company Obligation).
- Fund to support loans to young people in precarious situations (Italy).

There is also a range of **non-financial support** measures. These include a broad range of measures aimed at assisting vulnerable consumers in the marketplace. Some examples are:

- Allowing longer debt repayment periods for people in unexpected life circumstances (Finland).
- Insolvency procedures for individuals (Greece).
- Measures to promote universal access to low-cost bank accounts (Italy) or provisions calling for operators to provide banking services suitable to vulnerable consumers (France).

A second category of measures includes **protection measures** that target suppliers and aim to eliminate problematic practices. These include:

- Protection from energy disconnection (e.g. Belgium, Cyprus, Hungary, Malta, Netherlands, Sweden).
- Prohibition of marketing practices particularly problematic for some consumer groups (e.g. "cold calling"²⁷⁶ in Austria, doorstep sales in Denmark, use of text messaging in the "instant credit" industry in Finland).
- Upper limits on APR rates (Estonia).
- Information requirements (e.g. requirement to inform consumers in writing of unexpected bank fees, such as overdraft fees, in France).

²⁷⁶ This refers to making unsolicited phone calls to consumers for sales and marketing purposes. It is a practice that has been prohibited in Austria, according to an interviewed stakeholder organisation.

- Regulating selling methods (e.g. requirement for salesmen of financial products in France to present two alternative offers if a loan is to exceed a certain amount).
- Guidelines and codes of conduct for suppliers (e.g. code of conduct for marketing to young people in Belgium).
- The final set of measures includes awareness-raising measures, such as information campaigns aiming to develop skills of specific consumer groups (e.g. both older consumers and children in Poland) or websites with advice content for specific consumer groups (e.g. a French website about banking services with specific sections devoted to consumers in difficult life situations).

When examining potential **differences across the three sectors** investigated in detail in the study (financial sector, energy sector, and online environment and electronic communications sector) the following broad patterns can be identified:

- **Financial support measures** are primarily present in the energy sector, although, as noted above, financial support is in some cases also available for covering costs of telecommunication services.
- **Non-financial support measures** have been primarily identified in the financial sector and primarily focus on assisting low-income consumers in difficult financial situations.
- **Protection and awareness-raising measures** can be identified across all three sectors.
- Overall, fewer specific measures have been identified in the **online environment and electronic communications sector** than in the financial and energy sectors.

Given the complexity of vulnerability as a concept, identifying **good practices** is challenging. Firstly, it is likely to involve an element of subjectivity and, secondly, certain measures will be able to address certain types of vulnerabilities in certain situations, but might not be suitable in other contexts. There are, however, selected measures that are likely to have a more universal impact:

- Well-targeted support measures in the energy sector are likely to have a positive impact on addressing fuel poverty across the EU.
- Any measures aiming at improving the quality and transparency of information are likely to have a positive impact not only for a specific consumer groups, but also for a broader range of consumers. This is due to the fact that many consumers can experience cognitive limitations, especially when faced with complex offers. This should not be equated with providing more information, since, as discussed in the previous sections, increased disclosure does not always benefit consumers.
- Measures restricting marketing practices which allow economic actors to exploit vulnerable situations consumers may find themselves in (i.e. doorstep selling) are likely to have an overall positive impact on vulnerable consumers.

10.2. Institutional structure and role of civil society

There is a wide range of institutions involved in the consumer protection across the individual countries. These can be broadly divided into two categories:

- **National authorities:** These include relevant ministries, as well as specific government agencies responsible for enforcing consumer policy or undertaking related tasks (e.g. surveillance or testing). In some cases the agencies also play a role in formulating national consumer policy alongside relevant ministries.
- **Civil society organisations:** These include primarily consumer organisations. The structure of the consumer organisation systems varies significantly across Member States. Potential models include a network of regional centres under a single national organisation (e.g. Germany), a network of organisations represented by a single umbrella organisation (e.g. Denmark, Estonia), or a range of national and regional-level organisations (e.g. France, Greece). In addition to consumer organisations, relevant civil society bodies with a role in consumer policy can also include family organisations (e.g. in Belgium) or worker organisations (e.g. in Austria).

Overall, there are no dedicated authorities or civil society bodies with an explicit focus on consumer vulnerability. In some cases organisations focusing on specific social groups, such as disability organisations or organisations representing older people, will engage in consumer protection issues (e.g. disability organisation in Romania) but this is, by definition, limited to a specific population group at risk.

Consumer vulnerability is present in the work of national authorities and civil society bodies, primarily in the form of individual activities targeting a specific group of consumers (e.g. seminars for older consumers in Germany) or activities targeting specific drivers (e.g. accessibility or work relating to complex offers). Overall, however, no vulnerability-specific work-streams have been identified throughout the review, suggesting that both public authorities and civil society organisations might not be well-positioned to implement more integrated strategies for addressing consumer vulnerability.

10.3. Typology of Member States

For the purpose of this study, a typology of Member States should aim to effectively capture the main elements of the national approach to consumer vulnerability. This would therefore need to include the following aspects, which have also guided the development of the country fiches presented in Annex 1:

- The **overall strategic approach to consumer vulnerability.** This should distinguish between Member States where the concept of consumer vulnerability is present in legislation and the overall consumer protection policy framework from those where this is not the case.
- **Specific measures addressing consumer vulnerability.** Including a notion of vulnerability in legislation or the consumer policy framework does not necessarily mean that there are measures in place aiming to address it. Similarly, there could be situations where Member States have measures in place addressing specific aspects of consumer vulnerability without a broader strategic framework in place.
- The **institutional structure.** This should aim to distinguish Member States with public bodies or civil society organisations working towards addressing consumer vulnerability from those where such organisations do not exist.

There are a number of challenges in implementing these aspects as part of a typology. Since the typology needs to, in as far as possible, be based on observed objective

criteria, it is not possible to include a quality element in the assessment in a consistent manner (i.e. degree to which the approach to consumer vulnerability exists solely “on paper” as a result of transposing the UCPD or is part of a longer-standing consumer policy).

Similarly, the information on measures collected through desk research and stakeholder consultation does not allow us to build a full inventory of national measures due to differences in quality of input and the large range of actions that could be seen as being relevant to consumer vulnerability. This in turn means that it is difficult to develop a clear-cut typology based on a number of measures, necessitating the use of a more subjective grouping.

Finally, the investigation of the institutional structure and the role of civil society have shown that existing bodies play a role in addressing consumer vulnerability across the EU, but there are no examples of structures specifically tailored to addressing vulnerability. This in turn means that it is not feasible to develop a clear typology of institutional structures relating specifically to consumer vulnerability.

Given the above challenges, we propose to focus the typology on the first two aspects, namely:

- **Strategic approach to consumer vulnerability**, distinguishing between Member States where a broader strategic approach to consumer vulnerability appears to be in place (beyond the transposition of the UCPD) and Member States where this appears not to be the case.
- **Measures addressing consumer vulnerability**, distinguishing between Member States with a large range of sector-specific measures in place and Member States with a more limited number of measures.

The following table shows the grouping of Member States based on the above aspects and presented as a 2 by 2 matrix. It is important to note that this grouping is indicative and can be subject to change on the basis of any additional research carried out in the study.

Table 83: Country grouping based on the main elements of the national approach to consumer vulnerability		
	Range of sector-specific measures	Limited number of measures
Broader strategic approach to vulnerability	Finland Hungary Ireland Poland United Kingdom	Czech Republic Romania
No strategic approach to vulnerability	Belgium Bulgaria Cyprus Denmark Estonia France Greece Italy Malta Norway Portugal Slovenia Spain Sweden	Austria Croatia Germany Iceland Latvia Lithuania Luxembourg Netherlands Slovakia

A typology of Member States is also established based on the incidence of vulnerability on the vulnerability indicators constructed from the survey data. This typology is established through cluster analysis, as explained in Annex 7.

Table 84 compares the typology of countries based on the main elements of the national approach to consumer vulnerability (from Table 83 above) with the country groups established via the cluster analysis (reported in Annex 7), and also shows, for each country, the average level of vulnerability on average across the dimensions and by dimension.²⁷⁷

Table 84 shows that, in general, the typology based on country's approaches to consumer vulnerability does not match the typology based on the incidence of vulnerability established via the cluster analysis. The only group from the approach-based typology that corresponds to some extent to a particular country group from the cluster analysis is the group with no strategic approach to vulnerability and a limited number of measures, which is primarily composed of countries from group 1 from the cluster analysis.

²⁷⁷ The average rates of vulnerability shown in Table 84 are calculated based on the fifteen indicators used in the cluster analysis. These indicators are listed in Annex 7. These indicators are used in the cluster analysis since they are balanced across the three key sectors and are available for all 30 countries. The average level of vulnerability across the dimensions (the Total column in Table 84) is calculated by first taking the average of the indicators for each dimension, then calculating the average of the dimension averages.

Group 1 from the cluster analysis is a group consisting mainly of Germanic and Scandinavian countries²⁷⁸, which have among the lowest rates of vulnerability. Five out of nine countries with no strategic approach to vulnerability and a limited number of measures are in group 1 from the cluster analysis.

	Broad strategic approach	Measures addressing vulnerability	Cluster analysis group	Average vulnerability					
				Total	D1	D2	D3	D4	D5
UK	Yes	Range	2	30%	18%	44%	30%	20%	39%
FI	Yes	Range	2	32%	22%	52%	28%	24%	37%
IE	Yes	Range	5	35%	29%	54%	28%	22%	40%
HU	Yes	Range	3	39%	36%	61%	37%	28%	35%
PL	Yes	Range	3	40%	29%	57%	44%	24%	46%
Average				35%	27%	54%	33%	24%	39%
CZ	Yes	Limited	2	31%	19%	41%	34%	22%	37%
RO	Yes	Limited	4	44%	40%	69%	29%	33%	51%
Average				38%	30%	55%	32%	27%	44%
NO	No	Range	1	27%	15%	37%	30%	23%	32%
SE	No	Range	1	28%	21%	38%	29%	23%	31%
DK	No	Range	1	29%	17%	42%	34%	24%	30%
BE	No	Range	2	32%	24%	47%	30%	26%	34%
FR	No	Range	5	34%	15%	53%	29%	29%	43%
MT	No	Range	2	35%	22%	45%	35%	32%	40%
IT	No	Range	5	35%	19%	59%	30%	27%	43%
SI	No	Range	5	36%	23%	63%	28%	25%	42%
PT	No	Range	5	37%	18%	65%	28%	24%	49%
ES	No	Range	4	39%	21%	61%	39%	24%	48%
EE	No	Range	3	40%	36%	63%	38%	24%	41%
EL	No	Range	4	42%	30%	73%	28%	29%	48%
BG	No	Range	3	44%	42%	63%	40%	31%	45%
CY	No	Range	4	45%	32%	71%	35%	36%	52%
Average				36%	24%	56%	32%	27%	41%
AT	No	Limited	1	26%	19%	35%	28%	22%	27%
NL	No	Limited	1	26%	19%	34%	30%	22%	26%
DE	No	Limited	1	28%	21%	40%	32%	19%	29%
LU	No	Limited	1	31%	20%	39%	27%	31%	36%
IS	No	Limited	1	31%	24%	34%	37%	33%	27%
SK	No	Limited	2	34%	23%	50%	35%	23%	40%
HR	No	Limited	5	37%	32%	60%	27%	31%	35%
LT	No	Limited	3	41%	31%	59%	43%	28%	44%
LV	No	Limited	3	42%	35%	64%	37%	27%	47%
Average				33%	25%	46%	33%	26%	34%

Note: 'Range' means 'Range of sector-specific measures', 'Limited' means 'Limited number of measures'. Highlight figures identify the groups with the lowest average vulnerability for the dimension (dimension 3 does not vary across the groups).

Similarly, there is no link between the country groups based on country's approaches to consumer vulnerability and the average level of vulnerability on average across the dimensions (as can be seen from Figure 39 below).

Looking at the average level of vulnerability on average across the dimensions and by dimension (from Table 84):

²⁷⁸ Countries included in this group are Germany, Denmark, Sweden, Norway, Luxembourg, the Netherlands, Austria, and Iceland.

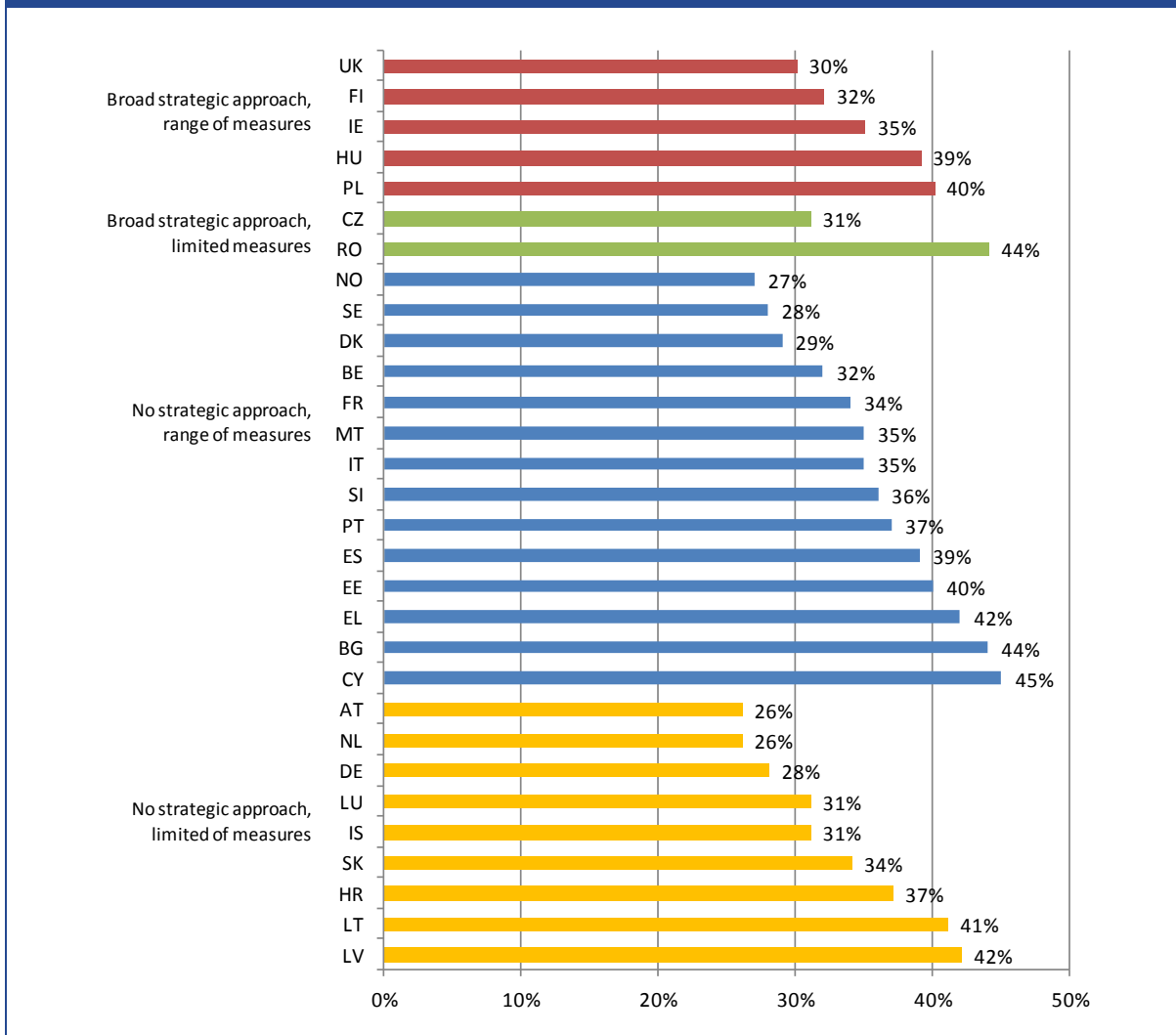
- The countries with no strategic approach to vulnerability and only a limited number of measures have, on average, the lowest incidence of vulnerability on average across the dimensions (see the Total column in Table 84), as well as, on average, lower vulnerability on the perceived vulnerability indicators²⁷⁹ (dimensions 2 and 5).
- The countries with no strategic approach but with a range of sector-specific measures have, on average, lower vulnerability on indicators relating to negative outcomes or impacts of wellbeing²⁸⁰ (dimension 1), although this average figure obscures a large variation within this group (e.g. Bulgaria has the highest vulnerability in this dimension).
- Countries with both a broad strategic approach and a range of sector-specific measures have, on average, the lowest level of vulnerability on dimension on indicators relating to inability or failure to buy, choose, or access suitable products²⁸¹ (dimension 4).

²⁷⁹ Dimension 2 is represented by indicator 3 'Perception of own vulnerability due to personal characteristics' and dimension 5 is represented by indicator 12_off 'Perception of own vulnerability due to complexity of offers'.

²⁸⁰ Dimension 1 is represented by indicators 1 'Unassertive (took no action) when experienced a problem' and 2 'Overpaid for services due to being unable to use certain payment methods'.

²⁸¹ Dimension 4 is represented by indicators 8_1_ene, 8_2_ene, 8_1_onl, 8_2_onl, 8_1_fin, 8_2_fin, 9e_bun, 9d_ter, 10a, 10b.

Figure 39: Level of vulnerability on average across all dimensions, by country group from the approach-based typology



11. CONCLUSIONS, RECOMMENDATIONS AND POLICY OPTIONS

This chapter presents conclusions, recommendations and policy options based on the evidence collected and analysis undertaken for the present study. In particular the chapter sets out:

- Overall conclusions for the study
- Recommendations for the Consumer Scoreboards and market studies;
- Recommendations and conclusions concerning the UCPD Guidance; and
- Policy options for mitigating consumer vulnerability.

11.1. Conclusions

This study contributes substantially to the evidence base in regard to consumer vulnerability. In particular, the study:

- Demonstrates how consumer vulnerability can be operationalised and explored, conceptually and empirically through data collection.
- Provides insights to assist consumer policy-making, such as insights into the key factors linked to consumer vulnerability, which policy measures or types of interventions are most effective in mitigating consumer vulnerability, and the role of problematic commercial practices.
- Provides useful insights to help the development of the EU's consumer evidence base, including the Consumer Scoreboards, Market Studies, and Behavioural Studies.
- Provides insights relevant to the UCPD and updating of the UCPD guidance.

The study employs five different research methodologies:

- A literature review of general and sector specific concepts and definitions of vulnerability
- Stakeholder consultations including national consumer associations, country experts and EU-level stakeholder organisations
- A consumer survey in all EU Member States plus Iceland and Norway
- Behavioural experiments and in-depth biographical interviews

Understanding of consumer vulnerability

The literature review identified two broad vulnerability dimensions: 1) vulnerability that relates to personal characteristics and, 2) a broader concept which takes into account the transactional situations in which a consumer finds themselves. Vulnerability can also be a temporal condition in which a consumer may move in and out of a state of vulnerability and they may be vulnerable in respect to some transactions but not others.

Based on the findings from the literature review, five core vulnerability dimensions are used in the study:

1. *Heightened risk of negative outcomes or impacts on well-being* - interpreting vulnerability as an ex-ante assessment of the likelihood of a negative outcome,

as a loss of welfare due to choices in markets, and as higher susceptibility to harm and diminished well-being.

2. *Having characteristics that limit ability to maximise well-being* - interpreting vulnerability as characteristics that limit consumers' ability to maximise their utility and well-being, as consumers of diminished capacity to understand advertising and product effects, and as consumers' certain abiding characteristics.
3. *Having difficulty in obtaining or assimilating information* - interpreting vulnerability as limitations obtaining or assimilating consumer information and 'informational vulnerability' which refers to scenarios where suppliers may have better information than consumers.
4. *Inability or failure to buy, choose or access suitable products* - interpreting vulnerability as consumer inability to choose or access products and services which are suitable for their needs or do so without disproportionate effort or as not having access to beneficial products or services, including a distinction between buying unsuitable goods or services and failing to buy suitable goods and services.
5. *Higher susceptibility to marketing practices*, creating imbalances in market interactions - interpreting vulnerability as the effect of marketing practices and consumers' special susceptibility.

Vulnerability incidence rates

The highest incidence rate across the EU is observed for dimension 5. The second highest incidence rate is observed for Dimension 4. Overall, almost 75% of EU-28 consumers exhibit at least one Dimension 4 vulnerability indicator. No single dimension 2 indicators, namely feelings of vulnerability individual personal characteristics, have particularly high vulnerability incidence rates. However, overall, about 23% of consumers are vulnerable on the basis of one or several personal characteristics. Among the personal characteristics, financial and employment circumstances show the highest incidence rate. The incidence of dimension 1 and 3 vulnerability indicators is relatively low, generally 10% or less and never exceeds 15%. Overall, both the analysis of the incidence of vulnerability across the EU as whole and of the variation of vulnerability across EU Member States highlights that marketing practices, lack of use of information or imperfect information and access issues are the most frequent causes of vulnerability.

Among the three sectors of specific interest for this study (finance, energy and online), the incidence of vulnerability tends to be higher in the energy and financial sectors than in the online sector for the majority of the vulnerability indicators.

Vulnerability drivers

Using the results from the analysis of the incidence and drivers of vulnerability, a theoretical framework of vulnerability was populated. This framework was developed on the basis of the findings from the literature review. It provides an overall picture of the most important drivers and effects of vulnerability. The key points from the framework are:

- Market-related drivers are especially important, in particular being unable to read contract terms and conditions and being disengaged from markets (e.g. in terms of not knowing contract conditions, or not reading communications);
- Behavioural drivers also have important effects, in particular more impulsive consumers are, on the whole, more likely to be vulnerable on several

dimensions while consumers who are willing to take risks are generally less vulnerable;

- Among the situational drivers, finding it difficult to make ends meet and having friends who cannot make ends meet are found to be especially important.
- Among the access-related drivers, using the internet less frequently than once a month is linked to consumer vulnerability on several dimensions.
- Some demographic characteristics, such as both young and old age and having a mother tongue different to the official language, are linked to consumer vulnerability.

The study also examines the interaction between marketing practices and consumer vulnerability. Four behavioural experiments were designed and implemented to assess the effect of common marketing practices on consumer decision making. The marketing practices tested are: more or less prominence given to important information (in the financial sector), the impact of dripping prices and information (in the online sector), the complexity of tariffs (in the energy sector) and the impact of the use of a teaser rate (across the three sectors). On average, across the four experiments, 58% of consumers did not manage to select the best deal on offer in the experiments. But, after being provided with clearer information, a statistically significant 7 percentage points more respondents selected on average the optimal offer across all the experiments.

Each of the sectors, however, has important specificities. In particular, in the financial and energy sectors, complexity presents a challenge for a very wide range of consumers as they are likely to find it difficult to understand and compare offers.

11.1.1. Revised definition of vulnerability

This study explores the definitions of vulnerability used in literature, highlighting the shift from definitions focusing on personal characteristics of the consumer to definitions taking into account the overall situation in which the consumers find themselves. The consequent investigation of vulnerability drivers and marketing practices confirms that the broader market environment is an important element of vulnerability, but that temporary or permanent characteristics of the consumer also play an important role.

Based on the identified literature, the study aimed to operationalise consumer vulnerability in terms of a set of five dimensions. This operationalisation can in turn be used to update and enhance existing vulnerability definitions. A “vulnerable consumer” could therefore be defined as:

“A consumer, who, as a result of socio-demographic characteristics, behavioural characteristics, personal situation, or market environment:

- *Is at higher risk of experiencing negative outcomes in the market;*
- *Has limited ability to maximise their well-being;*
- *Has difficulty in obtaining or assimilating information;*
- *Is less able to buy, choose or access suitable products; or*
- *Is more susceptible to certain marketing practices”*

11.2. Recommendations for the Consumer Scoreboards and market studies

This section sets out lessons that can be learned from the present study regarding the EU's Consumer Scoreboards and future market studies. Specifically the section focuses on two issues:

- What question areas, in terms of consumers' outcomes, attitudes and behaviour, should future consumer surveys aim to examine?
- What survey methods should be employed, and in particular should the use of mixed-mode surveys be considered?

11.2.1. Areas that should be examined in consumer surveys

The EU Consumer Scoreboards are based on regular surveys of consumers, and consumer surveys are a key tool used for evidence collection during EU market studies. Therefore, it is useful to consider what lessons can be drawn from the present study regarding which question areas future consumer surveys should aim to examine – in terms of consumers' outcomes, attitudes and behaviour – especially if these surveys are intended to cover the issue of consumer vulnerability. This includes questions to operationalise vulnerability and questions to operationalise the drivers of vulnerability.

Questions to operationalise vulnerability

This study examines the various definitions of consumer vulnerability that are found in literature and, based on the literature, operationalises vulnerability in terms of five dimensions. A suggested revised definition of consumer vulnerability is proposed on this basis in section 11.1.1.

In terms of questions to measure the incidence of consumer vulnerability, our analysis found that different consumers may be vulnerable depending on which indicator or dimension of vulnerability is considered.

Therefore, if a survey is intended to measure vulnerability, it must first consider how tight a definition of vulnerability is appropriate. A tighter definition can be targeted using a relatively small number of indicators, e.g. focussing on just one dimension of vulnerability); otherwise a broader definition will imply that the survey needs to include questions which can be used to construct a wide-ranging set of indicators (as in the present study).

Whether it is appropriate to examine particular dimensions or all dimensions of vulnerability should be decided based on initial scoping work. That said, two possible scenarios in which it may be appropriate to focus on particular dimensions of vulnerability include:

- Where the policy context and/or objective of the survey/study is relatively focused; for example, if a study is focused in particular on the effect of marketing practices and regulatory measures to deal with these practices, then the survey/study could focus specifically on the fifth dimension (high susceptibility to marketing practices).
- Where existing evidence suggests a particular dimension is more relevant to the sector; for example in a sector widely recognised for information problems, it may be appropriate to focus on the third dimension (having difficulty in obtaining or assimilating information).

The indicators developed from the survey and experiment data collected during this study, in order to populate the vulnerability dimensions established from the literature, provide a good basis for operationalising consumer vulnerability.

In addition to these indicators, some questions used to operationalise the drivers of vulnerability in this study could be used as measures of vulnerability in future studies. A particular candidate is the question on making ends meet (which in this study is included among the situational drivers in order to proxy for a difficult income situation), since this question is found to be closely linked with many indicators of vulnerability and conceptually could fit within the first dimension of vulnerability (negative outcomes or impacts on well-being).

Furthermore, additional questions that could be used to operationalise vulnerability (not included in the survey for this study) may include, for example, questions on arrears, such as arrears on bills or loans. Such questions would also fit within the first dimension of vulnerability established in this study (negative outcomes or impacts on well-being).

Questions to operationalise the drivers of vulnerability

The questions that should be included in a survey would again depend on the objectives of the survey. Researchers designing a survey to examine the drivers of vulnerability should consider including questions to measure the variables that are shown in this study to be strongly linked to the various dimensions of vulnerability. In particular, based on the results of the survey and experiment and the data analysis undertaken for the present study, a number of survey question areas can be highlighted as potentially very informative:

- Firstly, questions that examine **market-related drivers**, including market-related behaviour and characteristics, are particularly important since these factors are found to be associated with various dimensions of consumer vulnerability (see the vulnerability framework presented in section 7.3).

For example, these might include questions (similar to those asked in the survey conducted for the present study) on the frequency at which consumers compare deals in markets, whether they know their own contract terms and conditions, and whether they read and are able to understand communications from providers.

A useful feature of such questions is that they may be asked with respect to a particular sector. This is important since, as shown in Table 82 in section 9.1.1, the incidence of these drivers may vary considerably across sectors, which may explain differences in the rates of vulnerability across sectors.

The specific approach taken to asking these questions in the present study, with consistent wording of questions and answers across sectors, could be used as a broad template for future surveys (the survey questionnaire is presented in Annex 12).

Further examples of questions in this area, not covered in the survey undertaken for the present study, might include questions on consumers' understanding of different types of marketing material from providers.

- Secondly, the analysis undertaken for the present study also highlights that **behavioural drivers** and characteristics are important, which suggests that questions designed to determine consumers' behavioural characteristics may be useful additions to the usual mix of survey questions. These may include

questions that ask respondents to self-assess their own character and/or questions which 'test' respondents' character.

For example, the survey conducted for the present study included questions to test respondents' computational ability, which asked them to identify which of two offers was cheapest (see question Q23 in Annex 12), and a question to test respondents' credulity, which required them to interpret the meaning of an advert (see question Q14 in Annex 12). The answers to these questions are found to be strongly related to some indicators of vulnerability.

Possible questions to test behaviour and ability also include behavioural experiments, which ask respondents to make decisions in simulated market situations. The results of the experiments undertaken for the present study show that experiments can usefully be employed to explore the impact of marketing practices and the effectiveness of remedies. Furthermore, follow-up questions can be included after a behavioural experiment in order to further explore why consumers make particular decisions in certain circumstances.

Experiments can be particularly useful in market studies, since they can be designed to investigate particular market practices or features (e.g. price frames such as drip pricing, time limited discounts, etc.). Furthermore, experiments could also be designed to examine possible ways to alleviate the effects of market-related drivers. For example, being unable to understand bills/communications from providers was found to be an important driver (see section 7.3), and an experiment could be developed to test ways of remedying this driver (e.g. improvements to the format of bills/communications).

- Thirdly, some **situational drivers** are found to be important causes of vulnerability, in particular difficult financial circumstances, as measured by how easy consumers find it to make ends meet, and similarly whether consumers' friends find it difficult to make ends meet. This suggests that future surveys that are intended to examine the issue of consumer vulnerability should also include questions on financial circumstances or hardship.

Questions for the Scoreboards

The Consumer Markets Scoreboard (CMS) is based on data from the Consumer Market Monitoring Survey (MMS). For each of 51 consumer markets, the CMS (and MMS) monitors six components of market performance – comparability, trust, problems and complaints, satisfaction, choice and switching – via the following survey questions:²⁸²

- **Comparability:** *"On a scale from 0 to 10, how difficult or easy was it to compare the products/services sold by different retailers/offered by different service providers?"*
- **Trust:** *"On a scale from 0 to 10, to what extent do you trust retailers/providers to respect the rules and regulations protecting consumers?"*
- **Problems and complaints:** *"Within the past <X> year(s), did you experience any problem with the product/services you purchased/paid for, either with the product or the retailer/the service or provider, where you thought you had a legitimate cause for complaint?"; and "Have you complained about any of these problems?"*

²⁸² See pages 11 and 12 of 'Monitoring Consumer Markets in the European Union' 2012: http://ec.europa.eu/consumers/archive/consumer_research/editions/docs/monitoring_consumer_markets_eu_2012_en.pdf.

- **Satisfaction:** *"On a scale from 0 to 10, to what extent did the products/services on offer from different retailers/providers live up to what you wanted within the past year?"*
- **Choice:** *"On a scale from 0 to 10, would you say there are enough different retailers/providers you can choose from?"*
- **Switching:** *"Have you switched service or provider in the past year?", and "On a scale from 0 to 10, how difficult or easy do you think it would have been/was it to switch provider in the past year?"*

Some of these questions are similar to those asked in the survey undertaken for the present study and so could be used to operationalise vulnerability via indicators similar to those examined in this study. For example, the question on comparability in the MMS could be used to provide an indicator very similar to indicators 24, 26 and 28 in Table 5.

Furthermore, some questions in the MMS match the dimensions of vulnerability established in this study based on the literature and so could be used to provide further/alternative indicators (for example, the question on satisfaction in the MMS could provide an indicator within Dimension 1, High risk of negative outcomes of impacts on wellbeing, since dissatisfaction with a good/service can be seen as a negative outcome for consumers).

However, a shortcoming of the MMS, in terms of measuring vulnerability in the same way as the present study, is the depth of questioning in the MMS (although it needs to be acknowledged that the brevity of the MMS is an advantage in terms of cost and implementation). In particular, the MMS does not explore why it is hard to compare offers, why consumers do not compare offers, why consumers do not switch.

Therefore, the MMS cannot be used to produce such a rich set of indicators as that which is investigated in this study, and some of the dimensions of vulnerability identified in this study cannot be examined via MMS (e.g. the Dimension 3, Having difficulty in obtaining or assimilating information).

Hence, if the objective to use the CMS/MMS to provide an ongoing assessment of consumer vulnerability, then it may be worthwhile considering including questions that provide more in depth information on the reasons why consumers find it hard to/don't compare/switch. Examples of such questions include A9a, A9b, B8a, B8b, C6 and C6b in the survey undertaken for the present study (see Annex 13).

However, it is important to recognise that there would be a trade-off to be made in terms of the cost and feasibility of the MMS (which unlike the survey for the present study is entirely a telephone survey).

Likewise, the Consumer Conditions Scoreboard (CCS) could also be expanded in order to cover further aspects of consumer vulnerability that are identified in this study.

The CCS examines issues such as whether consumers have encountered misleading or fraudulent offers, whether consumers have had reason to complain when buying or using goods or services and whether they took action when this occurred, whether consumers find it easy to resolve disputes, and whether consumers are aware of their rights.

However, some aspects of vulnerability covered in the present study are not examined in the CCS, such as whether consumers feel informed about prices, quality etc. and the types of problems that consumers encounter (e.g. problems relating to termination costs, bundling, e-commerce and obtaining credit, which are the subject of indicators 47 to 51 in Table 5). Thus, if the aim is to provide an ongoing assessment of consumer vulnerability, then CCS could be expanded to cover these issues. Examples of relevant questions in the survey undertaken for this study includes Q17.1, Q23.1, Q23.3, Q23.4, Q23.5, Q23.6 and Q13b (see Annex 13).

11.2.2. Survey methods

An in-depth assessment of the strengths and weaknesses of the survey methods employed in the present study, including a thorough evaluation of the use of mixed modes, is presented in section A2.10 in Annex 2. In this section, three recommendations are drawn regarding implementation of surveys:

Recommendation 1: A mixed-mode pilot

Estimating the exact length of a survey during the development stage is challenging; for example because it is difficult to predict how long it will take for CATI interviewers to read out certain questions, a problem exacerbated by differences in languages. Moreover, some socio-economic groups of respondents need more time to complete surveys than others. During questionnaire development it would also be beneficial to acquire a clear picture of possible mode effects on survey results, so that the questionnaire can be adapted if needed. In Ipsos' experience, the impact of these kinds of factors can only be tested in a pilot; tests by researchers tend not to be representative of real world results.

For these reasons, we would recommend using a mixed-mode pilot for future comparable studies. Such a pilot could, for example, consist of hundred interviews in every mode (CAWI+CAPI+CATI). An additional option would be to add an additional language to the pilot that usually differs considerably from English when it comes to interview length (for example German, a language that is often more time consuming to read out). The pilot could be improved further by targeting specific demographic groups. For the current study it would have been beneficial if the length of the CATI and CAPI questionnaires had been tested on the socio-demographic groups targeted by these modes in the main stage – i.e. older, lower educated and inactive respondents.

Carrying out hundred interviews in every mode (CAWI+CAPI+CATI), would amount to 300 pilot interviews. The increased number of pilot interviews would have an impact on the time needed for fieldwork. Pilot interviewing using CATI and CAPI methods is slightly more time consuming than online interviewing and would require additional scripting. Testing the questionnaire in an additional language would require the translation of the questionnaire. Therefore, a mixed-mode multi-language pilot of 300 interviews (50 per mode per country) would require an estimated four additional weeks compared to the time schedule for the current study. More additional time – up to six weeks compared to the schedule for the current study – would be required when it would be decided that the pilot should play a more prominent role in the development of the questionnaire, for example to test mode effects. This as more time would be needed for the pilot report and to implement changes.

Recommendation 2: Allowing for a longer questionnaire

For future studies that include a survey to investigate consumer vulnerability, such as market studies that wish to include an assessment of vulnerability in the market in

question, we would recommend budgeting for a longer questionnaire. For the current complex study into three sectors, a 10-minute mixed-mode survey was short. The preliminary mapping of vulnerability drivers and indicators provided material for several surveys: it proved to be challenging to compress all possible questions into the questionnaire. Since the aim was to maintain as many survey questions as possible it was decided to ask certain questions only in certain survey modes and/or in certain countries. This made analysing the data challenging. However, it should be stressed that with the current 10-minute survey length the only other feasible option would have been to ask fewer questions across all modes. This would have made analysing the data easier, but would most likely have resulted in the omission of some survey questions that have now been identified as important for the operationalisation of vulnerability. For this reason we believe that the current survey achieved its goals when considering the budget limitations.

Recommendation 3: Allowing for more offline interviews

In the survey for this study, people that did not use internet at home were contacted by offline interviewing methods. As described in section A2.10.1, this mixed method interviewing approach allowed reaching parts of the population that would not have been reached by using an online only approach. Additionally, this approach was cost-effective: in countries with a high internet penetration the proportion of people that was contacted by CAPI/CATI methods was low, reducing the overall need for costly (compared to online) offline interviews.

11.3. Recommendations and conclusions concerning the UCPD Guidance

One of the objectives of this study is to provide advice on whether and how the chapter on vulnerable consumers in the UCPD Guidance could be reviewed and/or expanded. The UCPD chapter on vulnerable consumers notes that vulnerability “may arise out of the consumers’ mental or physical infirmity, age or credulity”, and that members of these groups may be particularly susceptible to marketing practices, which should be assessed in relation to the average member of that group.

Vulnerable consumers in the UCPD and UCPD Guidance

This study has identified five dimensions of vulnerability (see Chapter 3):

- 1) Heightened risk of negative outcome or impacts on well-being
- 2) Having characteristics that limit ability to maximise well-being
- 3) Having difficulty in obtaining or assimilating information
- 4) Inability or failure to buy, choose or access suitable products
- 5) Higher susceptibility to marketing practices

The UCPD, and therefore also the UCPD Guidance, focuses on one of these dimensions, namely a *higher susceptibility to marketing practices* (the fifth dimension), although as explained in Chapter 3 the various dimensions of vulnerability considered in this study are interlinked.

Drawing on the populated theoretical framework (see Chapter 7), the personal characteristics included in the UCPD definition are found to lead to higher likelihood of vulnerability in other dimensions, rather than just susceptibility to marketing practices, in particular:

- Higher credulity is associated with a higher likelihood of vulnerability within Dimensions 1 and 2;

- Being younger is associated with a higher likelihood of vulnerability in Dimensions 1 and 2 (also); and
- Older age is associated with vulnerability in Dimension 4 (particularly problems comparing offers in markets and problems choosing between offers).

This suggests that, while the UCPD is focused on commercial practices, the concept of vulnerability at EU level could be broadened to cover additional dimensions. For example, when developing consumer protection rules, policy makers may take into account the findings that some consumers find it especially difficult to obtain or assimilate information (Dimension 3), or are particularly likely to fail to choose or access suitable products (Dimension 4).²⁸³

The results relating consumers' characteristics to the vulnerability indicator which measures the extent that consumers feel vulnerable due to the complexity of offers, terms or conditions (indicator 53 in Table 5 in section 3.6), can be used to assess which consumer groups may be more susceptible to marketing practices (these results are presented in section 8.2.3 in subsections relating to Dimension 5). Specifically, these results show that:

- Being a non-native speaker increases the extent to which consumers feel vulnerable due to the complexity of offers, terms or conditions;
- Having higher trust in people reduces the extent to which consumers feel vulnerable due to the complexity of offers, terms or conditions; and
- Being willing to take risks reduces the extent to which consumers feel vulnerable due to the complexity of offers, terms or conditions.

In addition, the behavioural experiments implemented as part of this study investigated the impact on consumer decision-making of a series of marketing practices and remedies (Chapter 8).

The UCPD Guidance makes it clear that the factors cited in Article 5 as the basis for establishing the vulnerability of a particular class of consumers are listed *indicatively*, and can cover a wide range of situations. The results of the experiment data analysis support treating this list of factors as indicative, since the analysis found that marketing practices can be an issue for all consumer groups (see section 8.2.3).

That being said, a number of different groups are found to be more susceptible to marketing practices based on the results of the behavioural experiments. In particular:

- Older consumers (aged 65-74) benefited more from the remedy treatments overall across all experiments than those aged 35-44.
- Consumers with a lower level of education benefited more from the remedy treatments overall across all experiments than those with a medium or high level of education.

²⁸³ For example, consumers who are more impulsive are found to be more likely to be vulnerable in these dimensions. Other characteristics that are associated with a higher likelihood of vulnerability in these dimensions are set out in the summary to Chapter 6 on the drivers of vulnerability, and Chapter 7 on the population of the theoretical framework.

- Consumers over the age of 45 benefited more from the remedy treatment relative to those aged 35-44 specifically in the first round²⁸⁴ of the online sector experiment.
- Consumers in low density regions benefited more from the remedy treatment than those in high density regions specifically in the first round of the online sector experiment and the first round of the finance sector experiment.
- Consumers who are unwilling to take risks (i.e. 'not at all' willing to take risks) benefited more from the remedy treatment than those who are more willing to take risks (i.e. 'not very', 'fairly' or 'very' willing to take risks) in several experiment rounds.
- Consumers who are less experienced and engaged with the key markets of the study benefited more from the remedies overall across all experiments.

The average consumer in the UCPD and UCPD Guidance

The definition of the **average consumer** in the UCPD refers to being “well informed”, “observant” and “circumspect”. In Chapter 5 the indicators of vulnerability have been mapped against two dimensions ‘well informed’ and ‘observant and circumspect’.²⁸⁵ The average consumer is represented by the median consumer for each of the relevant vulnerability indicators.

The indicators of the median consumer within the characteristics of “well informed” relate to the self-reported behavioural characteristics associated with “reading the latest communication from providers in great, moderate or minimal detail, feeling quite informed, consults information from one or more sources and does not rely on advertisements.

In regard to the characteristics of “observant and circumspect” the median consumer tends to be careful when dealing with people, disagrees that advertisement report objective fact (self-reported measure of credulity), is “quite careful in making decisions”, “is not very willing to take risks, tends to disagree that people can be trusted and can correctly identify the terminology for kWh, Mbps and interest rate”.

11.4. Policy options for mitigating consumer vulnerability

The populated theoretical framework of the causes and effects of vulnerability, presented in Chapter 7, details how the individual causes of vulnerability (also referred to as drivers) map to the five key vulnerability dimensions.

This section addresses possible policy options for mitigating vulnerability using this framework and other evidence from the study. The sub-sections below consider policy options for each type of vulnerability driver identified and examined in the study in turn. Examples of specific policies are given based on insights from the literature review and stakeholder consultation.

Potential policy options to mitigate personal and demographic drivers

²⁸⁴ Note that each experiment comprised of two rounds, as explained in Chapter 2.

²⁸⁵ As discussed in chapter 5, it is appropriate to define the average consumer based on variables that are strongly related to the operationalisations of vulnerability, since the definition of the average consumer on this basis means it can be linked to vulnerability.

Being a non-native speaker is linked to a higher likelihood of vulnerability in Dimensions 1 and 2, a higher likelihood of vulnerability in terms of having problems choosing between deals (in Dimension 4), and a higher likelihood of vulnerability in Dimension 5. Regarding Dimension 5, this driver has one of the strongest effects on feeling vulnerable due to the complexity of offers (the effect being to increase the feeling of vulnerability). A possible policy remedy to mitigate the effect of this vulnerability driver would be to ensure that information is accessible to non-native speakers through community groups, public bodies or other sources. An example of such a policy is a project of German consumer centres in Berlin, Hamburg and Bremen, which provides information for Turkish and Russian immigrants on consumer rights in digital markets.²⁸⁶

Young age is associated with a higher likelihood of vulnerability in Dimensions 1 and 2. Young age can, for example, be associated with feeling unassertive when problems arise and the young may have problems comparing deals due to information factors. This suggests that policies that target age should also consider the younger age groups. There are a number of relevant measures in this area identified through interviews and desk research. Examples of information campaigns and education measures targeting children and youth have been identified in Austria, Germany, Poland, Slovakia, and Sweden, where financial literacy is becoming integrated in high-school curricula. Other relevant measures include codes of conduct, such as the Belgian code of conduct on advertising and marketing of financial products and services to young people or the work by Consumer Ombudsman in Norway on a Model Agreement for bankcards used by children.

Older age is linked with an increased likelihood of vulnerability in terms of certain aspects of Dimension 4, in particular having problems comparing and choosing between deals (although older age is also associated with a lower likelihood of vulnerability in terms of other aspects of Dimension 4, namely exclusion from e-commerce and being declined a loan). Potential policy remedies to alleviate the effect of older age as a vulnerability driver include measures that address accessibility challenges (online and offline) facing older citizens, such as in Poland, where the Office of Competition and Consumer Protection has taken direct action against suppliers using small and illegible text in advertising aimed at older consumers. Other relevant measures include the targeting of advice and counselling services to the needs of older consumers, with such actions being identified in Germany, Poland, and Slovakia.

Potential policy options to mitigate behavioural drivers

Having higher credulity²⁸⁷ is linked with a higher likelihood of vulnerability in Dimensions 1 and 2, but a lower likelihood of vulnerability in terms of having problems comparing deals (in Dimension 4). Furthermore, failing the credulity test²⁸⁸ is associated with a higher likelihood of having problems choosing between deals (in Dimension 4). Consumers who are more subject to credulity may be more susceptible to framing of information. Therefore, policies that target the presentation of

²⁸⁶ See <http://www.verbraucherzentrale-berlin.de/-20175>.

²⁸⁷ This measure is based on the extent that respondents agree with the statement "most advertisements report objective fact, I trust most of the information provided in advertisements".

²⁸⁸ The credulity test asked respondents whether the radio advertisement "Sign-up to BEACH BREAKS and receive a free pair of sunglasses. Sunglasses delivered when you purchase one of our beach holidays" 1) offers free sunglasses to all who sign-up to beach breaks, 2) offers sunglasses only to those who buy a holiday from beach breaks, or 3) they do not know which answer is correct. Those who identified the second answer as the correct response answered the credulity test question correctly.

information may be important for these groups of consumers. For example, this would include legislation and subsequent actions addressing misleading and comparative advertising. While the UCPD already goes some way to address this issue, the review of case law suggests that additional steps could be taken in terms of effectively enforcing such provisions in the context of consumer vulnerability.

Being more impulsive²⁸⁹ is associated with a higher likelihood of vulnerability in terms of feeling uninformed about prices, quality, etc. (in Dimension 3), having problems comparing deals (in Dimension 4), and exclusion from e-commerce and being declined a loan (in Dimension 4). Similarly, being more willing to take risks is associated with a higher likelihood of vulnerability in terms of having problems choosing between deals (in Dimension 4). Impulsiveness may be linked to the behavioural biases of overconfidence and projection bias, implying that possible remedies to mitigate this driver would include those targeting these behavioural biases. This would include, for example, information remedies that help consumers to better judge their future use of products and services (overconfidence), or improve predictions of future outcomes and situations (prediction bias). Existing examples include information and tools assisting consumers in managing personal finances provided by a consumer authority in Ireland, and a website and comparison tool set up by the Financial Supervision Authority in Estonia, which aims to help consumers to better manage their finances and debt repayments.

Having better computational ability is associated with a lower likelihood of vulnerability in terms of being unassertive when problems occur (in Dimension 1) and in terms of having problems choosing between deals (in Dimension 4). Consumers with lower computational ability may be more prone to the use of heuristics when comparing offers and making choices, and they may also excessively discount future relative to present outcomes. Possible remedies to mitigate this driver would help consumers to be aware of and understand future costs and benefits and not to over-value the costs and benefits in the short-term, such as presentation of information to improve ease of computation and comparison. Relevant examples here include the aforementioned websites and comparison tools in Ireland and Estonia.

Potential policy options to mitigate market related drivers

Being unable to read contract terms and conditions due to overly small print is associated with a higher likelihood of vulnerability in all dimensions. Together with finding it difficult to make ends meet, this driver is one of two that are consistently linked with vulnerability across all dimensions. It also has the strongest (i.e. largest magnitude) relationship with being excluded from e-commerce (in Dimension 4). Similarly, not reading, or finding it difficult to read communications from suppliers and providers in all three sectors is related to an increased likelihood of vulnerability in most dimensions (all except Dimension 2), and limited knowledge of contract terms and conditions in all three sectors is linked with a higher likelihood of vulnerability in several dimensions (all except Dimensions 2 and 5). Potential policy remedies to alleviate the effect of these drivers include remedies to ensure information is presented in a salient and accessible way. An example of such a policy is the regulation concerning information to be provided on investment product leaflets in Sweden.

²⁸⁹ These findings are based on the results for 3 impulsiveness measures. These measures are based on the extent that respondents agree with the statements: "I have a hard time breaking bad habits", "people would say that I have very strong self-discipline" and "I'm impulsive in the purchase decisions I take".

Similarly, actions taken by the Polish authority to address suppliers that use small and illegible text could also be seen as a relevant remedy.

Not comparing deals in the market, or only comparing deals infrequently, is also linked to an increased likelihood of vulnerability in several dimensions. This is particularly the case in the energy sector, where limited comparison is associated with a higher likelihood of vulnerability in terms of being unassertive when problems occur (in Dimension 1) and in terms of having problems comparing deals and not switching deals (in Dimension 4). Rarely comparing deals from energy suppliers is the driver with the strongest effect on any single indicator relating to not switching (in Dimension 4). Possible remedies to mitigate the effect of this vulnerability driver include methods to increase awareness of alternatives and tools that ease comparison, for example online comparison tools for financial products provided by authorities in Portugal and Estonia. The aforementioned requirements on investment product leaflets in Sweden are also a measure that facilitates the comparison between complex products.

A further market related driver identified in the literature is limited knowledge of the competitive situation in the market (such as energy market liberalisation). Limited knowledge of markets can lead to issues associated with the effects of vulnerability, including paying higher prices for goods and services, purchasing products not suited to need, feeling vulnerable due to marketing practices and feeling uninformed in markets. Possible measures to mitigate the effect of this driver include methods to increase awareness of existing market conditions. Interviews with national-level stakeholders have shown that awareness raising campaigns, organised by national authorities and civil society bodies, are almost universal across the EU, although it is not clear what proportion of such campaigns directly addresses the changes in market conditions.

Potential policy options to mitigate access drivers

Low internet use is also associated with vulnerability. In particular, using the internet less overall (in terms of the number of activities it is used for at least once per month) is linked with a higher likelihood of vulnerability in terms of overpaying for services due to being unable to use certain payment methods (in Dimension 1), feeling vulnerable due to personal characteristics (in Dimension 2), and being declined a loan (in Dimension 4). Furthermore, using the internet to search for information at least once per month is linked with a lower likelihood of vulnerability in terms of being able to choose between offers²⁹⁰ (in Dimension 4). This result implies that policies to improve access to, knowledge of and confidence in the online environment may be effective in tackling vulnerability. An example of such a measure is the programme of ICT courses targeting older consumers in Malta. It is however worth noting that such remedies can also be relevant to consumers much more familiar with the online environment. For instance, another Maltese project aimed to educate younger consumers about issues such as privacy and cyber-bullying.

The literature found that a lack of physical access, for example due to geographic location or disability, can lead to an increase in the likelihood of vulnerability, particularly in terms of exclusion from markets. Potential policy remedies to alleviate the impact of this driver would include measures to improve the accessibility of retail outlets and public institution offices. Examples include a range of accessibility

²⁹⁰ That is, those who search for information online were more likely to choose the best offer in the experiments.

measures in place across the EU, also outside of the consumer policy context, such as the Inclusive Service Provision standards in the UK.

A further access-related driver identified in the literature is lack of access to offers due to not meeting specific criteria, or due to offers only being available through certain media. This driver can arise due to situational drivers such as employment status and income, or confidence in online transactions. Possible measures to remedy this driver could aim to improve the definitions of what constitutes discriminatory treatment. An existing example is the role of the Discrimination Ombudsman in addressing questions concerning consumer vulnerability in Sweden.

Potential policy options to mitigate situational drivers

Finding it difficult to make ends meet is associated with an increased likelihood of vulnerability across all dimensions. Together with being unable to read contract terms and conditions due to small print, this driver is one of two that are consistently linked with vulnerability in all dimensions. It also has the strongest (i.e. largest magnitude) relationship with feeling vulnerable due to personal characteristics (in Dimension 2). Similarly, having friends who find it difficult to make ends meet is also linked with multiple dimensions of vulnerability. In particular, this driver is associated with a higher likelihood of vulnerability in terms of Dimensions 1 and 2, having problems choosing between deals (in Dimension 4), being excluded from e-commerce (in Dimension 4 and Dimension 5). This suggests that measures to reduce financial pressure on consumers, as well as non-financial support measures, may be effective in reducing vulnerability. Examples of financial support measures include social tariffs in place across a number of EU Member States, whereas examples of non-financial support measures include obligations to provide basic universal service, such as access to basic bank accounts in Italy, as well as other measures, such as upper APR limits in Estonia.

Being long-term sick or disabled has one of the strongest (i.e. largest magnitude) relationships with feeling vulnerable due to personal characteristics (in Dimension 2). Relevant measures include protection measures aimed at consumers largely confined to their homes, such as energy network disconnection protection in a number of Member States, as well as measures accounting for potential life changes due to a transition to long-term illness, such as extended debt repayment periods in Finland.

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Annex 1 Country fiches

The country fiches have been developed by the research team based on the following sources:

- Interviews with national consumer associations and other stakeholders;
- The European Commission consumer policy and institutions country profiles²⁹¹;
- National consumer policy documents; and
- Other sources, such as the UCPD legal database²⁹², ANED national reports on consumer protection²⁹³, the CEER status review of implementation of the 3rd Energy Package²⁹⁴, as well as the ACER market monitoring reports²⁹⁵.

The country fiches represent the understanding of the national situations at the time of writing. They have been updated throughout the study, taking into account comments from members of the European Commission's Consumer Market Expert Group (CMEG). The structure of the country fiches is as follows:

- **Country fiche summary:** This summarises the fiche findings with regard to the overall national approach to consumer vulnerability and specific measures. This clarifies the link between the country fiches the country typology presented in the body of the report.
- **National consumer protection framework:** This brief section serves as an introduction to the consumer policy landscape in the Member State in question. It relies on secondary information (e.g. strategy documents or websites of relevant authorities) concerning national consumer protection strategies and key legislative instruments.
- **Approach to consumer vulnerability:** This section examines the use of the concept of consumer vulnerability. The first subsection focuses on the transposition of the concept of consumer vulnerability in the UCPD and is based on the UCPD legal database. The second subsection examines the use of the concept in other legislation and relies on interviews and secondary research (e.g. strategy documents, websites of relevant authorities or consumer organisations, identified literature). The final subsection focuses on stakeholder assessment of the role of consumer vulnerability in national consumer protection framework, where such input was obtained in the interviews.

²⁹¹ See http://ec.europa.eu/consumers/empowerment/cons_networks_en.htm#national

²⁹² See <https://webgate.ec.europa.eu/ucp/public/index.cfm?event=public.home.show>

²⁹³ See <http://www.disability-europe.net/theme/consumer-protection>

²⁹⁴ CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'. Available at:
[http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Cust omers/Tab3/C12-CEM-55-04_SR-3rd-Pack-customers_7-Nov-2012.pdf](http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Cust%20omers/Tab3/C12-CEM-55-04_SR-3rd-Pack-customers_7-Nov-2012.pdf)

²⁹⁵ ACER (2013). Annual Report on the Results of Monitoring the Internal Electricity and Gas Markets in 2012. Available at:
<http://www.acer.europa.eu/Electricity/Market%20monitoring/Pages/Reports.aspx>

- **Specific legislative measures:** This section presents examples of legislative measures focusing on consumer vulnerability. It is based on interviews and is supplemented by desk research. It is not meant to serve as an exhaustive list of all relevant measures, but rather aims to highlight measures of particular relevance to consumer vulnerability that go beyond existing EU provisions.
- **Non-legislative measures:** This section outlines non-legislative measures addressing consumer vulnerability.
- **Institutional structure and role of civil society:** This final section outlines the consumer protection institutional structure in respective Member States, as well as relevant civil society organisations active in the field. Where relevant it identifies ways in which these civil society institutions help address consumer vulnerability.

Table 85: Country fiche - Belgium**Country fiche summary**

Approach to consumer vulnerability: While the concept of consumer vulnerability appears to be used in specific sectors, there is no evidence of a broader strategic approach to tackling consumer vulnerability at national level.

Measures addressing consumer vulnerability: There is evidence of a range of legislative and non-legislative measures addressing consumer vulnerability.

National consumer protection framework

The Belgian consumer protection policy aims to protect consumers physically, economically, and legally. It aims to ensure that implemented legislation is applied correctly and that consumers are adequately informed. Furthermore, it has the objective of establishing rules to ensure healthy competition between traders to benefit consumers, and to promote consumer small claims procedures. The Federal Public Service for the Economy, SMEs, Self-Employed and Energy is the responsible authority. From the 31st of May 2014, the 6th book of "Market practices and Consumer Protection", from the Economic Law Code, is replacing the law from April 6, 2010 regulating market practices and consumer protection²⁹⁶.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerable" is present in the book of "Market Practices and Consumer Protection" from the Economic law Code (art VI. 93) as a result of the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age and credulity. The term "average consumer" is used in the Belgian legislation, without providing a specific definition.

Consumer vulnerability in national consumer policy beyond the UCPD

A particular application of the term is in the energy sector, where vulnerable consumers are seen as consumers in a precarious situation (*consommateur en état de précarité énergétique*). This is the case where 10% or more of a family's income is allocated to energy consumption. According to stakeholder interviews in Belgium, this group amounts to about 10-15% of households (715,000 households).

Stakeholder assessment of the national approach to consumer vulnerability

Interviews conducted with stakeholders noted that despite the legal term "vulnerable", anyone could be vulnerable at some point, depending on a variety of different factors (situation, sector, time etc.). The term "vulnerable customer" is commonly known and used in Belgium²⁹⁷.

Specific legislative measures

There are a number of sector specific measures in place. For instance In the energy sector social tariffs for consumers with low-incomes, as well as for disabled consumers,

²⁹⁶ See <http://economie.fgov.be/fr/consommateurs/#.U57Op6ZwZMs>

²⁹⁷ CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'

are applied for electricity and gas, based on primary law. Consumers are also protected from disconnection²⁹⁸. In the financial sector, this includes a law of 24 March 2003, establishing the right to basic banking services. Existing legislation also ensures the right to a banking account for anyone, despite e.g. low income and/or debts²⁹⁹. As of the 17th of April 2015 this law is replaced and integrated in book VII on Payment and Credit services of the Economic Law Code.

Non-legislative measures

Beyond legislative measures, there are examples of support measures focusing on vulnerability in the energy sector: The consumer association Test-Achats/Test-Aankoop has organised a collective purchase of electricity and gas at several occasions. This initiative implies that consumers sign up with the association and, depending on the number of consumers joining, the association negotiates with the service providers in order to reach an agreement on reduced prices. Service providers are invited to participate in an auction and the one offering the lowest price will be chosen as provider for the consumer that signed up. Similar initiatives were performed by other associations or public bodies (towns, provinces) as for example the Ligue des Familles, representing families in negotiations with energy providers. These initiatives are of relevance to consumer vulnerability in that they effectively serve as a support measure for low-income consumers (but not necessarily only low-income consumers) in the energy sector by contributing to lowering the energy costs.

In the financial sector, Financité, the Wallonia network of financial sector NGOs, introduced a pilot project funded by the EC programme PROGRESS 2010, called "SIMS – Social Innovation and Mutual Learning in Micro-Saving in Europe". This project targeted low-income population groups and was designed to promote savings through financial education and/or financial incentive micro-savings programmes³⁰⁰.

Finally, there are also a number of codes, agreements and recommendations in place in Belgium, which address, at least partially, potentially vulnerable consumer groups. These include for instance a code of conduct for advertising and marketing of banking and insurance products and services aimed at young people.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

In Belgium, the federal authorities are responsible for consumer protection with the specific responsible authority being the Federal Public Service for the Economy, SMEs, Self-Employed and Energy. This area of responsibility involves the following directorate-generals:

- Directorate-General for Economic Regulation, responsible for drafting, developing and coordinating consumer protection policy;

²⁹⁸ CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'

²⁹⁹ 24 Mars 2003, Loi instaurant un service bancaire de base, http://www.ejustice.just.fgov.be/cgi_loi/loi_a.pl?language=fr&caller=list&cn=2003032442&la=f&fromtab=loi&sql=dt='loi'&tri=dd+as+rank&rech=1&numero=1

³⁰⁰ SIMS – Social Innovation and Mutual Learning in Micro-Saving in Europe", Assessment Report on the Programme Implemented in Belgium (2013).

- Directorate-General Economic Inspection, responsible for monitoring of application and implementation of economic legislation;
- Directorate-General Quality and Safety, responsible for consumer safety regarding the conformity of products on the market to standards and CE marking conditions.

In addition to the above, The Directorate-General Economic Inspection is the enforcement authority for economic legislation. It carries out e.g. inspection missions investigating compliance with economic legislation.

Role of civil society

The Consumer Council is the central advisory body for consumer issues and is composed of 13 members representing consumer associations, and 13 members representing production, distribution and SMEs. Consultation between public authorities and consumer organisations mainly takes place within the context of the Consumer Council. The Consumer Council brings together consumers and businesses to discuss and issue opinions, as well as to co-regulate through the development of codes of conduct and recommendations.

Consumer associations include Tests Achats/Test-Aankoop, Ligue des Familles (family focus), or Financité (financial sector focus). The two latter ones cover solely Wallonia, whereas Test Achats/Test-Aankoop has a national coverage. These associations represent consumer interest and provide information through websites, magazines and newsletters. As mentioned above, these associations also actively carry out various initiatives (training, information events, and collective switching campaigns) with the aim of protecting and supporting consumers. For example, in Flanders, the association Gezinsbond focuses on the protection of families.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	7%
Overpaid for services due to being unable to use certain payment methods	11%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	6%
Feels vulnerable to 'a great extent' due to financial circumstances	11%
Feels vulnerable to 'a great extent' due to employment situation	9%
Feels vulnerable to 'a great extent' due to age	5%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	3%

Feels vulnerable to 'a great extent' due to any personal characteristic	19%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	8%
Compares product deals by using information from advertisements only - energy sector	2%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	3%
Has problems comparing deals due to information-related factors - energy sector	16%
Has problems comparing deals due to information-related factors - online sector	11%
Has problems comparing deals due to information-related factors - finance sector	15%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	48%
Finds it very difficult to compare product deals - energy sector	16%
Does not compare product deals - online sector	49%
Finds it very difficult to compare product deals - online sector	8%
Does not compare product deals - finance sector	62%
Finds it very difficult to compare product deals - finance sector	16%
Has problems comparing deals due to personal factors - energy sector	32%
Has problems comparing deals due to personal factors - online sector	26%
Has problems comparing deals due to personal factors - financial sector	31%

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Has problems comparing deals due to market-related factors - energy sector	40%
Has problems comparing deals due to market-related factors - online sector	32%
Has problems comparing deals due to market-related factors - financial sector	38%
Has problems comparing deals due to access-related factors - energy sector	3%
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	2%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	13%
Has not switched due to bundling	24%
Excluded from e-commerce due to difficulty of the process	20%
Excluded from e-commerce due to not having a payment card	18%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	7%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment -	

online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 86: Country fiche - Bulgaria**Country fiche summary**

Approach to consumer vulnerability: While the concept of consumer vulnerability appears to be used in specific sectors, there is no evidence of a broader strategic approach to tackling consumer vulnerability at national level.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The basic elements of the Bulgarian consumer protection framework include ensuring:

- Consumer safety;
- Protection of the economic interests of consumers;
- Protection of individual and collective interests of consumers, including and using mechanisms for alternative dispute resolution; and
- Participation of consumer organizations in the enforcement of consumer protection³⁰¹.

The Law on Consumer Protection is the key legislative provision in the area of consumer protection in Bulgaria, along with a set of specific provisions, such as the Law on Consumer Credit and the Law on Distance Marketing of Consumer Financial Services. The Law on Consumer Protection regulates all key aspects of consumer protection, including information and labelling requirements, price indications, unfair contract terms, general product safety, product liability, consumer guarantees and warranty, timeshare related contracts, distance selling and off-premises contracts, actions for injunction, and consumer complaints and redress. The law also transposes the UCPD.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The concept of consumer vulnerability is present in the Law on Consumer Protection as a result of the transposition of the UCPD. The concept has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. Similarly the "average consumer" concept has also been transposed into Bulgarian legislation through the UCPD and is now applied within the consumer protection framework.

Consumer vulnerability in national consumer policy beyond the UCPD

Beyond the transposition of the UCPD there appears to be limited evidence of the concept of consumer vulnerability being used within sectoral legislation. One exception is the energy sector where, according to the CEER report, the concept of consumer vulnerability is known and used within the context of the energy sector in Bulgaria³⁰². Following a 2012 amendment, "vulnerable customers" are defined in the Bulgarian Energy Act as "household customers who receive targeted benefit for electricity, heat

³⁰¹ See <http://www.mi.government.bg/bg/themes/politika-za-zashtita-na-potrebitelite-317-325.html>

³⁰² CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'

or natural gas under Social Care Act and the secondary legislation on its implementation”³⁰³.

Stakeholder assessment of the national approach to consumer vulnerability.

According to the consulted stakeholders, the use of the vulnerable consumer concept within the legislation is limited, although they recognised that it might be used more often in specific contexts, as the case of the energy sector shows. Overall, according to the stakeholders, there is no unified approach to consumer vulnerability in consumer policy, although the average consumer concept stemming from the transposition of the UCPD is in use.

Specific legislative measures

There is little evidence of specific horizontal measures targeting vulnerability, with consulted stakeholders only able to identify sector-specific measures that are still under development. In the energy sector this includes attempts by the energy regulator to lower overall consumer energy tariffs in favour of raising tariffs for business users. In addition, there are also support measures in the energy sector in the form of financial help for energy poor. This is implemented through the Winter Supplement Program (WSP), with households needing to earn below the minimum wage for a period of 6 months to be eligible³⁰⁴. As noted above, the Energy Act contains a definition of the term “vulnerable customers”. These are defined as consumers who receive social benefits intended to help them to pay their electricity, central heating and gas bills.

In the financial sector, a new bill aiming to clarify the use of interest rates in loans, as well as prohibiting charges on early credit repayment is currently in progress.

Non-legislative measures

There is little evidence of additional, non-legislative raising measures targeting vulnerability, although, according to the stakeholders, consumer education measures are likely to be implemented in the future and could be of relevance to consumer vulnerability.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

Consumer policy is the responsibility of the Ministry of Economy and Energy. Its Consumer Policy Unit is responsible for the overall development of Bulgarian consumer policy.

The Commission for Consumer Protection is the key enforcement and inspection body supported by other sector-specific regulatory bodies. In addition to monitoring and enforcement of legislation, the Commission for Consumer Protection also examines and acts on consumer complaints.

Role of civil society

The two main Bulgarian consumer organisations include the Bulgarian National

³⁰³ See <http://www.me.government.bg/library/index/download/lang/en/fileId/256>

³⁰⁴ See Reach project information on Bulgaria: http://reach-energy.eu/wordpress/wp-content/uploads/2014/12/D2.2-EAP_EN.pdf

Consumer Association Active Consumers and the Federation of Consumers in Bulgaria (FCB). The former organisation provides a wide range of services, including information, advice, testing, and education, but does not explicitly focus on vulnerable consumer groups through specific work streams or projects. The Federation of Consumers in Bulgaria does not appear to have a specific work stream focusing on consumer vulnerability, but there are indications that it covers vulnerability through some of its actions, in particular in the field of utilities.

Association "Consumers' Help" is a young organisation dealing successfully with consumer complaints and representing consumers in courts. This organisation represents both the individual and collective interests of consumers bringing actions in court for representation and for the protection of collective interests of consumers.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	28%
Overpaid for services due to being unable to use certain payment methods	15%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	4%
Feels vulnerable to 'a great extent' due to financial circumstances	21%
Feels vulnerable to 'a great extent' due to employment situation	14%
Feels vulnerable to 'a great extent' due to age	9%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	6%
Feels vulnerable to 'a great extent' due to other reasons	6%
Feels vulnerable to 'a great extent' due to any personal characteristic	33%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	4%
Compares product deals by using information from advertisements only - finance sector	

Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	3%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	87%
Finds it very difficult to compare product deals - energy sector	37%
Does not compare product deals - online sector	17%
Finds it very difficult to compare product deals - online sector	1%
Does not compare product deals - finance sector	61%
Finds it very difficult to compare product deals - finance sector	18%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	7%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	10%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to	

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personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	18%
Has not switched due to bundling	28%
Excluded from e-commerce due to difficulty of the process	29%
Excluded from e-commerce due to not having a payment card	24%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	13%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 87: Country fiche – Czech Republic**Country fiche summary**

Approach to consumer vulnerability: The term consumer vulnerability appears to be used in a broader strategic consumer protection context beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: A number of measures identified with a particular focus on sales presentation events.

National consumer protection framework

The Czech consumer policy priorities for the period 2011-2014 include:

- Safety of products and services
- An appropriate level of consumer protection regulation
- Improved consumer awareness, development of information and educational activities for the benefit of consumers; environmental education
- Promoting self-regulation, dialogue between public institutions and consumers and dialogue between businesses and consumers
- Increasing the efficiency of market surveillance, strengthening enforcement and redress
- Support for the activities and development of consumer organisations
- Monitoring the development of selected aspects of consumer protection on the market
- Institutional support for consumer protection³⁰⁵

The Civil Code is the cornerstone for the Czech consumer protection legislation. In addition, consumer protection is also governed by public law, primarily through the Consumer Protection Act³⁰⁶.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term vulnerability is included in the Czech Consumer Protection Act in as far as the Act transposes the UCPD. The term “average consumer” however does not appear to be directly transposed.

Consumer vulnerability in national consumer policy beyond the UCPD

Beyond the transposition of the UCPD, “specific attention to the needs and protection of especially vulnerable groups of consumers (children, seniors, disabled persons)” is identified as one of the priorities of Czech consumer policy. The term is also used by the Czech Trade Inspection Authority when referring to children, while the term “members of socially vulnerable groups” is also used in some specific contexts. One example is the case of sales presentation events, where the term is used in relation to older consumers³⁰⁷.

³⁰⁵ See <http://download.mpo.cz/get/43277/48718/574455/priloha001.pdf>

³⁰⁶ See http://ec.europa.eu/consumers/overview/country_profile/CZ_web_country_profile.pdf

³⁰⁷ See <http://www.coi.cz/pokuty-smejzum-pres-21-milionu-nc998/>

Specific legislative measures

There are examples of legislative measures addressing vulnerable consumer groups, such as the amendment to the Consumer Protection Act focusing on rules concerning sales demonstration events targeting vulnerable consumers, in particular seniors. The Czech Trade Inspection Authority also carries out specific inspections of firms providing "sales demonstration events", which particularly target older consumers. The authority has detected breaches in over 70% of cases³⁰⁸.

No specific legislative measures explicitly targeting vulnerable consumers were identified in the energy sector, which is in line with the findings of the CEER report³⁰⁹, where Czech Republic is one of the Member States that do not appear to use the concept in the context of energy.

Non-legislative measures

Projects and initiatives funded in the Czech Republic are primarily broad counselling, advice, and education projects, with selected projects having a more direct link to consumer vulnerability. This included a publicity campaign, which led to the making of a film concerning unfair commercial practices employed during sales presentation events aimed at seniors.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Ministry of Industry and Trade has the main responsibility for consumer policy in the Czech Republic. It formulates consumer policy and is supported in specific policy fields by the Ministry of Finance, Ministry of Health, Ministry for Regional Development, and the Ministry of Transport. The Ministry of Industry and Trade supervises the inspections relevant to the regulations within its remit and gathers questions and complaints from consumers or public, but does not enforce consumer complaints, which is primarily the responsibility of the Czech Trade Inspection, along with a number of other agencies with responsibilities for specific fields.

Role of civil society

Czech Consumer Association dTEST is currently the key nation-wide consumer organisation. Its main area of work includes product testing, although it also works to promote consumers' rights more broadly and is the Czech BEUC member. Its actions however do not focus explicitly on consumer vulnerability, although specific issues it tackles are linked to consumer vulnerability, such as for instance sales presentations. Other organisations also carry out specific activities focusing on the protection of vulnerable groups (i.e. children or people with disabilities). The Ministry of Industry and Trade financially supports some of the projects carried out by civil society organisations.

³⁰⁸ See <http://www.coi.cz/pokuty-smejdom-pres-21-milionu-nc998/>

³⁰⁹ CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'

Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	10%
Overpaid for services due to being unable to use certain payment methods	6%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	7%
Feels vulnerable to 'a great extent' due to employment situation	4%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	2%
Feels vulnerable to 'a great extent' due to other reasons	2%
Feels vulnerable to 'a great extent' due to any personal characteristic	12%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	1%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	3%
Has problems comparing deals due to information-related factors - energy sector	16%
Has problems comparing deals due to information-related factors - online sector	4%
Has problems comparing deals due to information-related factors - finance sector	9%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	

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Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	43%
Finds it very difficult to compare product deals - energy sector	9%
Does not compare product deals - online sector	38%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	43%
Finds it very difficult to compare product deals - finance sector	7%
Has problems comparing deals due to personal factors - energy sector	32%
Has problems comparing deals due to personal factors - online sector	16%
Has problems comparing deals due to personal factors - financial sector	27%
Has problems comparing deals due to market-related factors - energy sector	38%
Has problems comparing deals due to market-related factors - online sector	15%
Has problems comparing deals due to market-related factors - financial sector	33%
Has problems comparing deals due to access-related factors - energy sector	9%
Has problems comparing deals due to access-related factors - online sector	7%
Has problems comparing deals due to access-related factors - financial sector	2%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	

Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	15%
Has not switched due to bundling	20%
Excluded from e-commerce due to difficulty of the process	25%
Excluded from e-commerce due to not having a payment card	17%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	8%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 88: Country fiche - Denmark**Country fiche summary**

Approach to consumer vulnerability: The concept of consumer vulnerability appears to be used in specific sectors and the Danish consumer protection framework covers people in vulnerable situations. There appears to be no broad policy approach addressing specific vulnerable consumer groups.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

In Denmark, consumer legislation establishing the general consumer protection framework can be found in the various Acts such as, inter alia, the Marketing Practices Act, the Act on Contracts, Act on certain payment instruments, Act on Consumer Complaints, the Act on Certain Consumer Contracts and Act on Credit Agreements.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The relevant Acts transposing the UCPD do not refer to vulnerable consumers. The appendix of the UCPD is implemented in the Danish Marketing Act as an appendix and includes the term "average consumers"³¹⁰.

Consumer vulnerability in national consumer policy beyond the UCPD

The overall strategic approach in use in Denmark is to focus on both the vulnerable and the strong and independent consumers. The term "vulnerable consumers" appears to generally not be used in Denmark. However, consumer protection is based on the assumption that consumers are the weaker part in their relation to businesses. In this vein, consumers may in general be considered vulnerable in their interaction with businesses. Selected acts provide for explicit protection of vulnerable consumers due to their age, lack of knowledge, mental state, or health.

One of these examples can be found in the Act on Guardianship³¹¹. In addition, the Market Practices Act refers to children and young adults and stipulates that businesses must take into account these consumers' natural credulity and lack of experience in their marketing practices.

The Act on Social Services protects consumers with mental or health problems and stipulates that the municipal council shall grant support for technical aids for persons with permanent impairment of physical or mental functions where the aid will remedy the permanent effects of the functional impairment significantly³¹². Furthermore the municipal council shall provide assistance for the purchase of consumer durables³¹³.

Other acts explicitly protecting vulnerable consumers include the Act on Liabilities in

³¹⁰ See

<http://www.europarl.europa.eu/document/activities/cont/201202/20120217ATT38466/20120217ATT38466EN.pdf>

³¹¹ Compilation of briefing papers on consumer vulnerability. Available at:

<http://www.europarl.europa.eu/document/activities/cont/201202/20120217ATT38466/20120217ATT38466EN.pdf>

³¹² See <http://sm.dk/en/files/consolidation-act-on-social-services.pdf>, § 112

³¹³ See <http://sm.dk/en/files/consolidation-act-on-social-services.pdf>, § 113

Damages and the Radio and Television Broadcasting Act.

Specific legislative measures

There are several legislative measures in place in order to mitigate consumer vulnerability. In the financial sector the "Executive Order on Risk-Labeling of Investment Products" aims to protect investors with little experience with regard to investment products. It places a requirement on financial undertakings arranging purchases of investment products to risk-label their investment products through a traffic light system indicating the risk level associated with the product. The "Executive Order on Good Business Practices for Financial Undertakings" states that a bank or mortgage-credit institution may not grant loans against guarantee by a surety, where the guarantee obligation is out of proportion to the financial situation of the guarantor³¹⁴.

Non- legislative measures

There are specific non-legislative measures in Denmark aimed at mitigating consumer vulnerability. For example, in the telecommunications sector, the Danish Consumer Ombudsman and The Danish Consumer Council together with various business organisations have established a set of guidelines on marketing, terms of contract and customer services in the industry. Consumers must be provided with adequate information as regards to, inter alia, the use of equipment, terms of subscription periods and prices, especially in connection with marketing of combined offers of both equipment and services. In addition, a special consumer complaint board related to telecommunications has been approved by the Danish Ministry of Business and Growth pursuant to the Executive Order on Consumer Complaints.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

Consumer policy in Denmark falls within the competence of the Ministry of Business and Growth. The Danish Competition and Consumer Authority is a public institution under the Ministry of Business and Growth, responsible for the enforcement of a number of consumer protection laws. In addition, the Authority contributes to the development of new consumer policy and regulation, considers consumer complaints, performs market analysis and provides information to both consumers and businesses with regard to consumer legislation. The Danish Competition and Consumer Authority runs the Secretariat of the Consumer Complaints Board, an independent board dealing with consumer complaints related to goods and services purchased from traders.

In addition to these institutions, the Danish Consumer Ombudsman is an independent public authority tasked with the supervision of compliance with primarily Danish Marketing Act, but also the Act on Payment Services, the Act on Legal Counselling, the Act on Tobacco Advertising and the E-commerce Act in relation to consumer protection issues.

Role of civil society

³¹⁴ See

<http://www.europarl.europa.eu/document/activities/cont/201202/20120217ATT38466/20120217ATT38466EN.pdf>

The main consumer association in Denmark is the Danish Consumer Council, an umbrella organization with over 30 different member organisations. The Danish Consumer Council targets all consumers and does have specific work streams focusing on vulnerable consumers.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	7%
Overpaid for services due to being unable to use certain payment methods	10%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	4%
Feels vulnerable to 'a great extent' due to financial circumstances	8%
Feels vulnerable to 'a great extent' due to employment situation	6%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	2%
Feels vulnerable to 'a great extent' due to other reasons	2%
Feels vulnerable to 'a great extent' due to any personal characteristic	14%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	2%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	2%
Has problems comparing deals due to information-related factors - energy sector	20%
Has problems comparing deals due to information-related factors - online sector	7%
Has problems comparing deals due to information-related factors - finance sector	19%

20. Has an electricity supplier and has not switched due to information-related factors - energy sector	2%
Has an internet provider and has not switched due to information-related factors - online sector	0%
Has a bank account and has not switched due to information-related factors - financial sector	1%
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	53%
Finds it very difficult to compare product deals - energy sector	19%
Does not compare product deals - online sector	35%
Finds it very difficult to compare product deals - online sector	6%
Does not compare product deals - finance sector	55%
Finds it very difficult to compare product deals - finance sector	15%
Has problems comparing deals due to personal factors - energy sector	35%
Has problems comparing deals due to personal factors - online sector	18%
Has problems comparing deals due to personal factors - financial sector	34%
Has problems comparing deals due to market-related factors - energy sector	42%
Has problems comparing deals due to market-related factors - online sector	28%
Has problems comparing deals due to market-related factors - financial sector	46%
Has problems comparing deals due to access-related factors - energy sector	15%
Has problems comparing deals due to access-related factors - online sector	7%
Has problems comparing deals due to access-related factors - financial sector	2%
Has an electricity supplier and has not switched due to personal factors - energy sector	9%
Has an internet provider and has not switched due to personal factors - online sector	4%
Has a bank account and has not switched due to personal factors - financial sector	5%
Has an electricity supplier and has not switched due to	15%

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market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	5%
Has a bank account and has not switched due to market-related factors - financial sector	14%
Has an electricity supplier and has not switched due to access-related factors - energy sector	10%
Has an internet provider and has not switched due to access-related factors - online sector	4%
Has a bank account and has not switched due to access-related factors - financial sector	3%
Has not switched due to termination costs	9%
Has not switched due to bundling	19%
Excluded from e-commerce due to difficulty of the process	19%
Excluded from e-commerce due to not having a payment card	10%
Declined for a loan	3%
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	7%
Experiment choice under the marketing practice treatment - energy sector	85%
Experiment choice under the marketing practice treatment - online sector	49%
Experiment choice under the marketing practice treatment - finance sector	20%
Experiment choice under the marketing practice treatment - cross-cutting	64%

Table 89: Country fiche - Germany**Country fiche summary**

Approach to consumer vulnerability: To date the concept of consumer vulnerability has been primarily used in projects carried out by consumer organisations. An overall strategic national approach to consumer vulnerability is however in development.

Measures addressing consumer vulnerability: There are a number of primarily non-legislative measures addressing consumer vulnerability.

National consumer protection framework

According to the German Federal Ministry of Justice and Consumer Protection, the federal consumer policy in Germany follows two broad principles:

- Preventive consumer protection, with a priority given to protecting consumer health and safety, followed by their economic interest; and
- Strengthening of self-determination and personal responsibility.

Key pieces of legislation include the Consumer Information Act, the Unfair Competition Act, and the Unfair Commercial Practices Act (transposing the Unfair Commercial Practices Directive). The main new development is the recent transposition of the Consumer Rights Directive.³¹⁵

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The German transposition of the UCPD introduced the concept of average consumer as well as vulnerable consumer into German legislation, with the term "vulnerable" transposed as "*besonders schutzbedürftige Verbraucher*" ("consumers in specific need of protection"). Examples of unfair commercial practices provided include practices suited to exploitation of a consumer's mental or physical infirmity, age, commercial inexperience, credulity or fear, or the position of constraint to which the consumer is subject. The German transposition of the UCPD therefore identifies commercial inexperience, fear and position of constraint alongside age, physical or mental infirmity or credulity as potential sources of vulnerability³¹⁶.

Consumer vulnerability in national consumer policy beyond the UCPD

There is little evidence of the concept of consumer vulnerability being used outside of the context of the UCPD. The term "*verletzliche Verbraucher*", used in practice by German consumer organisations, is also rarely used outside of consumer organisations. There is, however, a degree of discussion at policy level concerning the approach to different types of consumers: In 2010 the Scientific Advisory Council to the Ministry of Food and Agriculture produced a position paper distinguishing between the trusting, vulnerable, and responsible consumers and calling for a more differentiated consumer policy³¹⁷. The 2013 government coalition agreement also included references to a differentiated consumer image and consumer protection that is appropriate to age. In order to establish an overall strategic national approach to consumer vulnerability, a

³¹⁵ See http://www.bmju.de/DE/Themen/Verbraucherschutz/verbraucher_node.html

³¹⁶ See UCPD Legal Database

³¹⁷ Micklitz, H, W. et al. (2010)

new unit called “Special Consumer Groups” will be set up within the department of “Consumer Policy” of the Federal Ministry of Justice and Consumer Protection in the second quarter of 2015.

The review of consumer vulnerability in German law conducted for the European Parliament confirms that to date consumer vulnerability has generally not been tackled by German consumer policy outside of the context of the UCPD. The authors do however note that German courts touched upon the concept of consumer vulnerability prior to the transposition of the UCPD. An example given is a Federal High Court guidance stating that “a specific need of protection is to be guaranteed when consumers are unable to inform themselves about the product or the services in the usual manner [...] or if they are unable to understand and reflect upon the promoted product or service because of below average intellectual capabilities”. This serves as a legal basis for special protection of foreign nationals, senior citizens, or illiterate citizens³¹⁸.

Stakeholder assessment of the national approach to consumer vulnerability

From the perspective of consumer organisations, consumer vulnerability is not seen as being actively addressed at policy level, although it constitutes an area of work for consumer organisations, with a number of projects funded by the Federal Ministry of Justice and Consumer Protection. A particular concern identified by one German consumer organisation is the perception that the introduction of the concept of average consumer in the UCPD effectively weakened consumer protection by raising the standard by which practices should be judged. The current “average consumer” is seen as being an informed, competent, and autonomous consumer, which, from the point of view of consumer organisations, does not reflect reality³¹⁹.

Specific legislative measures

As noted above, consumer vulnerability is generally not tackled at policy level beyond the context of the UCPD. While the 2012 legal review identified special protection of minors as the main area of activity and pointed to the prohibition of advertising aimed directly at children as a key measure, this only reflects the provisions of UCPD.

In addition in the energy sector, the provisions of Directive 2009/72/EG (as well as the respective specifications of Directive 2009/73/EG) have been implemented in Germany by a combination of rules of energy law as well as social law. There are several specific legislative rules in place especially to protect household customers (e.g. Section 36 et seq. of the Energy Act), including customers in need of (financial) help (“*hilfebedürftige Kunden*”), where there is social welfare protection – it secures a minimum income for those who are in financial distress, including the coverage of electricity bills and heating.

Non-legislative measures

Although the research has not identified non-legislative measures explicitly targeting a wide range of vulnerable consumers, there are examples of measures focusing on specific groups that could potentially be vulnerable. The German government supports several projects of consumer organisations, which focus on strengthening and

³¹⁸ European Parliament (2012)

³¹⁹ See for instance

http://www.vzbv.de/cps/rde/xbcr/vzbv/Strategie_verbraucherpolitik_Wiss_BeratBMELV_2010.pdf

protecting vulnerable consumers. These projects concern e.g. migrants, seniors and young consumers. One example of a project financed by the German Federal Ministry of Justice and Consumer Protection is a federal programme launched in 2010 aiming at strengthening consumer skills among young consumers through the school system. Other examples are projects of consumer centres operating on the *Länder*-level concerning competences of minors and young adults as market participants. Some of those projects are partly co- financed by the *Länder*-governments). Other projects include:

- Project of IAJB (Fachstelle für Internationale Jugendarbeit der Bundesrepublik Deutschland e.V. Agency of the Federal Republic of Germany for International Youth Work) providing information on consumer and data protection for young people. For further details please see www.watchyourweb.de.
- Project of the consumer centres Berlin, Hamburg and Bremen providing information for Turkish and Russian immigrants on consumer rights in digital markets³²⁰.

Moreover, there are several Energy consulting programs that are free-of-charge for low-income household customers. They are offered by consumer organisations (vzbv) and are government-funded (to promote energy efficiency and energy savings). Furthermore, the German government promotes several other projects (e.g. "Stromspar-Check-Plus" of the German Caritas/ Bundesverband der Energie- und Klimaschutzagenturen Deutschlands e.V.) including free-of-charge installation of simple energy saving devices and funding the exchange of old inefficient refrigerators.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

Consumer protection in Germany traditionally fell within the competence of the Federal Ministry of Food and Agriculture, although as of December 2013 many of the responsibilities have been transferred to the Federal Ministry of Justice and Consumer Protection. Other Ministries are responsible for specific elements of consumer policy. Supervision and enforcement are primarily carried out on the level of individual *Länder* with specific Federal agencies, such as the Federal Office of Consumer Protection and Food Safety having responsibility for specific tasks on federal level.

In Germany, consumer organisations have a strong role in enforcing and protecting consumer law. In contrast, there are only a few governmental and administrative competences in consumer protection.

Role of civil society

Verbraucherzentrale Bundesverband (vzbv) is the federal-level umbrella organisation grouping individual consumer centres operating on the *Länder*-level. While the federal level organisation is responsible for involvement in the federal and EU-level consumer policy, the individual centres are responsible for providing advice and consumer information.

Although the centres do not have work streams addressing specific consumer groups, focusing instead on sectors, selected activities target potentially vulnerable consumers.

³²⁰ See <http://www.verbraucherzentrale-berlin.de/-20175>.

This includes in particular young consumers (e.g. the consumer centre in North Rhine-Westphalia carried out a project aiming to educate young consumers about e-commerce) and older consumers (i.e. the consumer centre in Hamburg provides seminars targeting older consumers or over-indebted households). The consumer centres also contribute to the debate concerning consumer vulnerability: in 2013 the consumer centre in North Rhine-Westphalia organised a research workshop on this topic³²¹.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	12%
Overpaid for services due to being unable to use certain payment methods	10%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	2%
Feels vulnerable to 'a great extent' due to financial circumstances	6%
Feels vulnerable to 'a great extent' due to employment situation	3%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	3%
Feels vulnerable to 'a great extent' due to other reasons	2%
Feels vulnerable to 'a great extent' due to any personal characteristic	10%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	2%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	2%

³²¹ See <http://www.vz-nrw.de/der-verletzliche-verbraucher>

Has problems comparing deals due to information-related factors - energy sector	9%
Has problems comparing deals due to information-related factors - online sector	8%
Has problems comparing deals due to information-related factors - finance sector	9%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	36%
Finds it very difficult to compare product deals - energy sector	7%
Does not compare product deals - online sector	30%
Finds it very difficult to compare product deals - online sector	3%
Does not compare product deals - finance sector	50%
Finds it very difficult to compare product deals - finance sector	7%
Has problems comparing deals due to personal factors - energy sector	18%
Has problems comparing deals due to personal factors - online sector	15%
Has problems comparing deals due to personal factors - financial sector	22%
Has problems comparing deals due to market-related factors - energy sector	26%
Has problems comparing deals due to market-related factors - online sector	26%
Has problems comparing deals due to market-related factors - financial sector	31%
Has problems comparing deals due to access-related factors - energy sector	6%
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to	

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personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	10%
Has not switched due to bundling	17%
Excluded from e-commerce due to difficulty of the process	14%
Excluded from e-commerce due to not having a payment card	17%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	4%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 90: Country fiche - Estonia**Country fiche summary**

Approach to consumer vulnerability: There is no evidence of a strategic national approach to addressing consumer vulnerability.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The main legislative instrument relating to unfair commercial practices and consumer protection in Estonia is the Consumer Protection Act (*Tarbijakaitseadus*). The Act sets out "to safeguard consumer rights" and its scope is to regulate "the offer and sale, or marketing in any other manner, of goods or services to consumers by traders", to determine "the rights of consumers as the purchasers or users of goods or services", and to provide for "the organisation and supervision of consumer protection and liability for violations of this Act".

Under the Estonian law consumers are generally considered to be weaker parties in their relationship with businesses.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerable consumers" is generally not used in Estonia. The Act amending the Consumer Protection Act and the Law of Obligations Act transposing the UCPD refer instead to consumers particularly "susceptible" to certain practices due to their age, physical or mental infirmity or credibility. The concept of "average consumer" is present in Estonian legislation through the transposition of the UCPD.

Consumer vulnerability in national consumer policy beyond the UCPD

There is no evidence of consumer vulnerability being used in the overall policy framework in Estonia outside the UCPD.

Stakeholder assessment of the national approach to consumer vulnerability

According to the stakeholder consulted, there seem to be little awareness in Estonia around the concept of consumer vulnerability both at the level of consumer organisations and at policy-level.

Specific measures

There are selected specific legislative measures in place in Estonia aiming to counteract consumer vulnerability. With regard to the energy sector, there are provisions in place in regard to disconnection of energy supply. However, there seems to be no social tariffs available to vulnerable consumers.

In the financial sector, due to the high prevalence of payday loans, an amendment to the General Part Civil Code Act (GPCCA) was introduced in 2009 and revised in 2015. This amendment stipulates that transactions where the APRC exceeds the consumer loans APR rate published by the Bank of Estonia's three times or more are void. In addition a maximum rate for APR in consumer credit contacts has been set up.

Traditionally, it has been relatively easy to apply for payday loans through, for example, a mobile phone (SMS loans) without rigorous checks of documentation and proof of identity. Therefore, Estonia is now looking to different measures employed in

Lithuania and Finland where access is more restrictive than in the Estonian context. One example of a recent change is the need to provide identification in order to access credit through payday loans.

Non-legislative measures

Other non-legislative measures in the financial sector include an information website and comparison tool for consumers set up by the Financial Supervision Authority for consumers to better manage their finances and debt repayments.

In the electronic communication sector, particularly problematic practices identified in the Estonian context concern minors using mobile content services and entering into contract/subscriptions. These services are often marketed in an aggressive and misleading way. Measures taken to counteract these aggressive practices include two voluntary codes of conduct "Estonian Code of Conduct for Safer Mobile Use by Younger Teenagers and Children" and "the Advisory Guidelines for the Provision of the Periodical Mobile Content Services"

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Estonian Consumer Protection Board is the main public supervisory and enforcement authority falling under the responsibility of the Ministry for Economic Affairs and Communication. The main duty of the Board is to protect the legal rights and interests of consumers and to develop and implement consumer policy in accordance with the Consumer Protection Act and other relevant EU directives. The Consumer Complaints Committee is an extrajudicial institution active in Estonia that works independently at the Consumer Protection Board and solves disputes between the consumer and the seller. In addition, the regulators such as the Estonian Financial Supervision Authority and the Estonian Competition Authorities.

Role of civil society

According to stakeholder interviews, the consumer movement in Estonia is not very strong relative to other consumer movements in Europe. The Estonian Consumers Union is the non-governmental umbrella consumer organisation with 9 member organisations and 350 volunteers all over Estonia. The aim of the organisation is to secure the fundamental rights of consumers - right for safety, information, choice, education, healthy environment, redress and right to be heard. However, there appear to be few activities related to consumer vulnerability except isolated projects and initiatives.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	17%
Overpaid for services due to being unable to use certain payment methods	10%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	7%

Feels vulnerable to 'a great extent' due to financial circumstances	19%
Feels vulnerable to 'a great extent' due to employment situation	9%
Feels vulnerable to 'a great extent' due to age	5%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	4%
Feels vulnerable to 'a great extent' due to any personal characteristic	29%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	5%
Compares product deals by using information from advertisements only - energy sector	3%
Compares product deals by using information from advertisements only - online sector	6%
Compares product deals by using information from advertisements only - finance sector	2%
Has problems comparing deals due to information-related factors - energy sector	13%
Has problems comparing deals due to information-related factors - online sector	5%
Has problems comparing deals due to information-related factors - finance sector	11%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	47%
Finds it very difficult to compare product deals - energy sector	9%
Does not compare product deals - online sector	37%
Finds it very difficult to compare product deals - online sector	2%

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Does not compare product deals - finance sector	56%
Finds it very difficult to compare product deals - finance sector	7%
Has problems comparing deals due to personal factors - energy sector	35%
Has problems comparing deals due to personal factors - online sector	20%
Has problems comparing deals due to personal factors - financial sector	39%
Has problems comparing deals due to market-related factors - energy sector	36%
Has problems comparing deals due to market-related factors - online sector	15%
Has problems comparing deals due to market-related factors - financial sector	36%
Has problems comparing deals due to access-related factors - energy sector	17%
Has problems comparing deals due to access-related factors - online sector	5%
Has problems comparing deals due to access-related factors - financial sector	2%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	19%
Has not switched due to bundling	26%
Excluded from e-commerce due to difficulty of the process	24%
Excluded from e-commerce due to not having a payment	16%

card		
Declined for a loan		
Dimension 5 : Higher susceptibility to marketing practices		
Vulnerable to a great extent due to complexity of offers (own perception)	8%	
Experiment choice under the marketing practice treatment - energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 91: Country fiche - Ireland

Country fiche summary

Approach to consumer vulnerability: There appears to be a broader, cross-sector strategic approach to consumer vulnerability in place.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

Consumer Protection Act of 2007 constitutes the key piece of Irish consumer legislation, along with the Consumer Credit Act and a number of other associated pieces of legislation. The overall consumer protection framework in Ireland is closely linked to the EU legislative framework, with the central pieces of legislation reflecting key Directives in the field.

Approach to consumer vulnerability

Consumer vulnerability within the context of the transposed UCPD

The term “vulnerable”, along with the concept of “average consumer” is present in the Consumer Protection Act, which transposes the UCPD. Vulnerability is denoted as “mental or physical infirmity, age or credulity” in line with the UCPD.

Consumer vulnerability in national consumer policy beyond the UCPD

Prior to the transposition of the UCPD, the concept of vulnerability has been addressed in the 2005 Consumer Strategy Group report which defined a vulnerable consumer as “one who is at risk of receiving less benefit from a transaction than average”. The report also recognised that “every consumer is a vulnerable consumer at some point; some are persistently vulnerable” and that “[c]onsumer vulnerability can derive from the personal characteristics of the individual or from features of the marketplace /product or both”. Specific groups recognised to be more likely to be vulnerable than others include older people, children and young people, people with disabilities, people with long-term illnesses, unemployed people, employed people on low incomes, people with no formal education/qualifications, people from ethnic minorities, the traveller community, rural communities, time-poor, and lone parents working in the home³²².

In the financial services sector, the concept of vulnerability is also present in the National Bank of Ireland Consumer Protection Code, a document, which is binding on regulated entities within the financial sector. The code defines such a consumer as “a natural person who:

- a) Has the capacity to make his or her own decisions but who, because of individual circumstances, may require assistance to do so (for example, hearing impaired or visually impaired persons); and/or
- b) Has limited capacity to make his or her own decisions and who requires assistance to do so (for example, persons with intellectual disabilities or mental health difficulties)³²³

The Code specifies that “where a regulated entity has identified that a personal

³²² See http://corporate.nca.ie/eng/Research_Zone/Reports/CSG_report.pdf

³²³ See <http://www.centralbank.ie/regulation/processes/consumer-protection-code/Documents/Consumer%20Protection%20Code%202012.pdf>

consumer is a vulnerable consumer, the regulated entity must ensure that the vulnerable consumer is provided with such reasonable arrangements and/or assistance that may be necessary to facilitate him or her in his or her dealings with the regulated entity³²⁴.

In the telecommunications sector, the Commission for Communications Regulation refers to vulnerable groups in its Code of Practice on Premium Rate Services³²⁵ (services that provide the contents of communications through an electronic communications network or by using an electronic communications service), published in accordance with section 15 of the Communications Regulation (Premium Rate Services and Electronic Communications Infrastructure) Act 2010. The Code of Practice prohibits Premium Rate Services (PRS) and promotional material from seeking to take unfair advantage of any characteristic or circumstance which may make, or is likely to make, end-users vulnerable.

In the energy sector, the Commission for Energy Regulation has developed an Electricity and Gas Code of Practice for Suppliers which sets out that vulnerable customers should be categorised as those customers vulnerable to supply interruption and those who have special communication requirements.

Specific legislative measures

A number of specific requirements are present. In the energy sector, the Electricity and Gas Code of Practice requires suppliers to provide details of how to contact the supplier to make a complaint, including any special arrangements for customers who are vulnerable and those whose first language is not English, if available. In addition, all suppliers of domestic customers are required to put special communications arrangements in place for customers with visual and hearing impairments and customers who are vulnerable in the home (elderly, mobility & visually impaired).

In the telecommunications sector, the Code of Practice on Premium Rate Services provides that, if a PRS provider can reasonably foresee that a promotion is likely to affect a vulnerable group only, the "average end-user" is an average end-user of that group. The Code prohibits access by children to a number of PRSs and promotions, including sexual entertainment services, chat lines, virtual chat, and contact and dating services. Promotional material for children's services and competition services which are aimed at, or would reasonably be expected to prove particularly attractive to, children must also comply with certain requirements.

Non-legislative measures

The Competition and Consumer Protection Commission (and previously the National Consumer Agency) has a particular role in empowering consumers through a variety of channels. These include a consumer website which provides information and tools to consumers on their consumer rights and information to assist them in making personal finance decisions, a telephone consumer helpline, social media, a monthly newsletter, public awareness campaigns (general and issue specific), and providing financial education programmes directly to consumers (workplace programme and initiatives targeted at new parents and 2nd level students). Some of the issues addressed relate

³²⁴ See <http://www.centralbank.ie/regulation/processes/consumer-protection-code/Documents/Consumer%20Protection%20Code%202012.pdf>

³²⁵ See http://www.comreg.ie/_fileupload/publications/ComReg1445.pdf

directly to consumer vulnerability drivers, such as life stages (including losing one's job, separating or divorcing, or retiring), as well as tackling debt³²⁶.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

Consumer policy in Ireland is primarily the responsibility of the Commerce, Consumer and Competition Division within the Department of Jobs, Enterprise and Innovation. In 2007, with the introduction of the Consumer Protection Act, the Department established the National Consumer Agency. The National Consumer Agency is responsible for enforcement, advocacy, research, as well as informing, educating, and awareness raising among consumers. Although the Agency has a wide remit across a number of policy areas, The Central Bank of Ireland retains the responsibility for financial sector regulation. The Agency operates, in addition to its corporate website, a consumer-oriented Consumer Help website, along with a service dedicated to financial education.

Role of civil society

The Consumers' Association of Ireland (CAI) is the main consumer organisation, which protects, promotes, and represents Irish consumers. The organisation however does not have a specific consumer vulnerability-oriented work stream, nor does it specifically target vulnerability in its activities.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	11%
Overpaid for services due to being unable to use certain payment methods	22%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	14%
Feels vulnerable to 'a great extent' due to employment situation	13%
Feels vulnerable to 'a great extent' due to age	4%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	3%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal	25%

³²⁶ See <http://www.consumerhelp.ie/life-stages> and <http://www.consumerhelp.ie/tackling-debt>

characteristic	
Dimension 3: Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	5%
Compares product deals by using information from advertisements only - energy sector	4%
Compares product deals by using information from advertisements only - online sector	4%
Compares product deals by using information from advertisements only - finance sector	4%
Has problems comparing deals due to information-related factors - energy sector	13%
Has problems comparing deals due to information-related factors - online sector	8%
Has problems comparing deals due to information-related factors - finance sector	14%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4: Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	33%
Finds it very difficult to compare product deals - energy sector	9%
Does not compare product deals - online sector	20%
Finds it very difficult to compare product deals - online sector	4%
Does not compare product deals - finance sector	54%
Finds it very difficult to compare product deals - finance sector	13%
Has problems comparing deals due to personal factors - energy sector	17%
Has problems comparing deals due to personal factors - online sector	11%
Has problems comparing deals due to personal factors - financial sector	28%
Has problems comparing deals due to market-related factors - energy sector	26%

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Has problems comparing deals due to market-related factors - online sector	16%
Has problems comparing deals due to market-related factors - financial sector	35%
Has problems comparing deals due to access-related factors - energy sector	6%
Has problems comparing deals due to access-related factors - online sector	6%
Has problems comparing deals due to access-related factors - financial sector	3%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	21%
Has not switched due to bundling	28%
Excluded from e-commerce due to difficulty of the process	26%
Excluded from e-commerce due to not having a payment card	15%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	9%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment -	

finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 92: Country fiche - Greece**Country fiche summary**

Approach to consumer vulnerability: There is limited evidence of the concept of consumer vulnerability being used in national consumer protection policy beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The overall approach to consumer protection is established in the Law 2251/1994 (as amended by law 3587/2007) on the Protection of Consumers. It sets out regulation aiming to protect consumer with regard to, inter alia, general terms and conditions of consumer contracts, unfair contract terms, distance selling, doorstep selling, misleading and comparative advertising, and distance marketing of consumer financial services as well as product liability.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerable" is present in Law 3587 Amendment and supplementation of Law 2251/1994 on Consumer protection through the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. In addition, the law sets out that the State is to ensure the provision of information to and training of particularly vulnerable groups of consumers on matters concerning the market, competition, consumers, environmental protection, and promoting sustainable consumption³²⁷. Similarly, the "average consumer" term has also been transposed into Greek legislation through the UCPD and is applied within the consumer protection framework.

Consumer vulnerability in national consumer policy beyond the UCPD

Beyond the UCPD, the concept of vulnerable consumers figures in Law 4001/2011 (Article 52 paragraph 1 (a-d)) in regards to the "Operation of Electricity and Gas Energy Markets, for Exploration, Production and transmission networks of Hydrocarbons and other provisions"³²⁸. In addition, in the context of a new Supply Code for Electricity introduced in 2013, a ministerial decision defined the categories and criteria for the Registry of Vulnerable Consumers, which aims to support special service benefits to vulnerable consumers.

Stakeholder assessment of the national approach to consumer vulnerability

According to the stakeholder consulted, any consumer can be vulnerable at any point in time and is, as such, difficult and not clearly defined. In particular, in light of the economic crisis – vulnerability should also include those consumers that are in financial difficulties.

Specific measures

There is a range of specific measures relevant to consumer vulnerability in Greece. In the energy sector, approximately 11% of Greek households benefit from Social

³²⁷ Article 1(3)(e)

³²⁸ See <http://www.energy-community.org/pls/portal/docs/1296177.PDF>

Residential Tariff. Typically six categories of consumers may benefit from these reduced tariffs: families on low income, families with three or more children, the long-term unemployed (for a continuous period of at least 6 months), short-term unemployed (for a period of at least 3 months), chronically ill and people with disabilities, and people living on mechanical support. The Social Residential Tariff came into effect on 1 January 2011. Besides financial support, the eligible consumers benefit from measures such as:

- Suspended disconnections during critical periods (cold winter months and hot summer) months;
- Extended bill payment deadlines;
- Automatic deadline extension of 30-days in the case of missed payment prior to requesting disconnection orders; and
- Beneficial debt settlement terms.

In the finance sector, new legislation came into effect on September 1, 2010 enabling over-indebted individuals to benefit from debt arrangements under specific conditions (Law 3869/2010). Previously, consumer debtors have not been eligible for insolvency, however, the new legislation establishes bankruptcy procedures in three phases: out of court settlement, in-Court Compromise, and, if the previous stages fail, judicial settlement (debt discharge).

Non-legislative measures

No non-legislative measures specifically targeting consumer vulnerability have been identified in Greece.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The General Secretariat of Consumer Affairs under the Ministry of Development and Competitiveness is responsible for, inter alia, the development of consumer policy, harmonisation of Greek legislation in line with community law and monitoring of legislation at national level and abroad with regard to consumer protection. Enforcement of the consumer protection regulation set out in Law 2251/1994 (as amended by law 3587/2007) on Consumer Protection is also within the responsibilities of the General Secretariat. In addition, the General Secretariat is also charged with providing consumer information and education. In 2004, a Consumer Ombudsman was established, forming an independent agency of extrajudicial dispute resolution in the area of consumer disputes.

Role of civil society

There are multiple consumer organisations representing the interest of consumers. Those representing consumer at a national-level include, amongst others:

- Consumers' Protection Centre-KEPKA
- INKA (Institute of Consumer Protection)
- E.K.PI.ZO (Consumers' Association "Quality of Life")
- Union for Consumer's & Citizen's rights
- Citizen's Association General Consumer Organization of Greece (Eurozoni)
- Consumers' Union of Greece

Many of these organisations have activities that address vulnerable consumers, with an

important target group being consumers in financial difficulties.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	15%
Overpaid for services due to being unable to use certain payment methods	18%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	6%
Feels vulnerable to 'a great extent' due to financial circumstances	35%
Feels vulnerable to 'a great extent' due to employment situation	27%
Feels vulnerable to 'a great extent' due to age	6%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	5%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	46%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	5%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	5%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	

Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	67%
Finds it very difficult to compare product deals - energy sector	16%
Does not compare product deals - online sector	12%
Finds it very difficult to compare product deals - online sector	0%
Does not compare product deals - finance sector	61%
Finds it very difficult to compare product deals - finance sector	15%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	7%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	10%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to	

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market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	25%
Has not switched due to bundling	30%
Excluded from e-commerce due to difficulty of the process	31%
Excluded from e-commerce due to not having a payment card	36%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	13%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 93: Country fiche - Spain**Country fiche summary**

Approach to consumer vulnerability: The concept of consumer vulnerability appears to not be used within Spanish consumer policy.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

In Spain, consumer protection is not a matter expressly included in the distribution of legislative competences between the State and the regional Autonomous Communities (Comunidades Autonomas). Thus, the 17 Autonomous Communities have their own legislation on consumer protection. At national level, consumer competences now lie with La Agencia Española de Consumo, Seguridad Alimentaria y Nutrición after governmental restructuring in February 2014. This agency is charged with coordinating consumer protection

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerable" is present in the Law 29/2009 of 30 December 2009 amending the statutory regime of unfair competition and advertising in order to enhance protection afforded to consumers and users as a result of the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. Similarly the "average consumer" term has also been transposed into Spanish legislative framework, but is not commonly used.

Consumer vulnerability in national consumer policy beyond the UCPD

The term "vulnerable consumers" ("*consumidores vulnerables*") is not a widely used concept in Spain. This direct term is derived from the UCPD as well as imported from other Member States such as the UK. However, the notion that some consumers are in need of further protection has developed in Spain during the past 10 years. According to the regional statutes, special treatment is to be granted by public authorities to groups in situations of disadvantage, helplessness or lack of protection, such as children, people with disabilities, elderly, pregnant women, large families, economically and socially disadvantaged consumers, immigrants and unemployed constituting the so-called "special protection groups" ("*colectivos de protección especial*").

Stakeholder assessment of the national approach to consumer vulnerability

According to the consulted stakeholder, the overall policy framework in Spain is geared towards competitiveness and recovery from the financial crisis. Thus, there is a limited focus on consumer vulnerability in current policy measures.

Specific legislative measures

There are some specific measures in place in Spain with regards to vulnerable consumers. In the energy sector, some consumers may benefit from reduced tariffs. These include consumers who use less than 3KW energy per annum, pensioners on benefits, families with more than 3 children and households facing unemployment. One criticism of these measures relates to the lack of income criteria for families. It has been argued that families with three or more children are not necessarily vulnerable

and there are no income index parameters.

Non-legislative measures

Few non-legislative measures have been identified in the Spanish context. One example in the online environment includes the Code of Ethics in E-Commerce and Interactive Advertising (*Código Ético de comercio electrónico y publicidad interactiva*), which specifies rules related to the protection of minors in the area of advertising and data processing.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

As pointed out above, consumer protection falls both under the competences of the State as well as the Autonomous Communities. At national level, La Agencia Española de Consumo, Seguridad Alimentaria y Nutrición has the overarching responsibility for consumer protection. The Agency coordinates and integrates the consumer work done by different governmental agencies including regulators involved in consumer protection.

At regional level, the Autonomous Communities are responsible for the enforcement of consumer legislation.

The role of civil society

In addition to the public bodies described above, there are numerous civil society organisations working on consumer issues, including sector-specific organisations. These organisations strive to ensure that the economic interests of consumers are being protected and that they have the right to information around products and services. These include, among others:

- Organización de Consumidores y Usuarios (OCU)
- Unión de Consumidores de España (UCE)
- Asociación General de Consumidores (ASGECO)
- ADICAE (Spanish Association of Users of Banks, Savings Banks and Insurances)
- Asociación de Usuarios de la Comunicación (AUC) (Publicity and Commercial Communication)
- Confederación Española de Cooperativas de Consumidores y Usuarios (HISPACOO)
- Confederación Española de Organizaciones de Amas de Casa Consumidores y Usarios (CEACCU)
- Federación de Usuarios y Consumidores Independientes (FUCI)
- Consumidores en Acción (FACUA)

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	9%
Overpaid for services due to being unable to use certain payment methods	9%

Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	5%
Feels vulnerable to 'a great extent' due to financial circumstances	20%
Feels vulnerable to 'a great extent' due to employment situation	19%
Feels vulnerable to 'a great extent' due to age	8%
Feels vulnerable to 'a great extent' due to belonging to a minority group	5%
Feels vulnerable to 'a great extent' due to personal issues	5%
Feels vulnerable to 'a great extent' due to other reasons	5%
Feels vulnerable to 'a great extent' due to any personal characteristic	32%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	6%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	6%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	13%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	53%
Finds it very difficult to compare product deals - energy sector	19%

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Does not compare product deals - online sector	23%
Finds it very difficult to compare product deals - online sector	3%
Does not compare product deals - finance sector	55%
Finds it very difficult to compare product deals - finance sector	16%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	16%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	25%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	16%

Has not switched due to bundling	23%	
Excluded from e-commerce due to difficulty of the process	19%	
Excluded from e-commerce due to not having a payment card	12%	
Declined for a loan		
Dimension 5 : Higher susceptibility to marketing practices		
Vulnerable to a great extent due to complexity of offers (own perception)	15%	
Experiment choice under the marketing practice treatment - energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 94: Country fiche - France**Country fiche summary**

Approach to consumer vulnerability: While the concept of consumer vulnerability appears to be used in specific sectors, there is no evidence of a broader strategic approach to tackling consumer vulnerability at national level.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The consumer code (1993) is the principal French legislation providing for consumer protection. The code is supplemented by sector-specific legislations. The Loi Chatel (2007) is also of great importance in terms of consumer protection in France. The legislative framework is often updated, with the latest legislation coming into force in 2014.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The concept of "vulnerable consumer" has been introduced in French legislation through the transposition of the UCPD. The Law 2008-776 of 4 August 2008 on modernisation of the economy includes the definition in its Article 83. The concept of vulnerability has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age and credulity.

The notion of average consumer is not used, while "average capacity" is mentioned once without providing a specific definition (Article 83).

Consumer vulnerability in national consumer policy beyond the UCPD

One area where a notion of consumer vulnerability is also present is the financial sector, with the concept of "*personnes en situation de fragilité financière*". The concept of consumer vulnerability is also defined in the energy sector³²⁹.

Stakeholder assessment of the national approach to consumer vulnerability

Despite existing definitions, the notion "vulnerable consumer" is not commonly used in France and the current legislation aims to provide protection for all consumers. However, some groups, e.g. elderly or children/teenagers might be seen as particularly vulnerable in some contexts. The concept of "average consumer" is used, but the interpretation differs from sector to sector.

Specific legislative measures

A number of specific legislative measures have been identified. In the **energy sector** these cover

- Social tariffs (telecommunications, gas, electricity) exist for e.g. low-income consumers, people with disabilities and elderly people. However, these are not always relevant, since due to price competition and lower prices market prices

³²⁹ ACER (2013). Annual Report on the Results of Monitoring the Internal Electricity and Gas Markets in 2012. Available at: <http://www.acer.europa.eu/Electricity/Market%20monitoring/Pages/Reports.aspx>

are sometimes lower than the social tariffs;

- Provisions set out in a 2008 decree³³⁰ state that providers cannot cut off the energy supply in the winter months even if the consumer is not able to pay his/her bills. The temperature and allowances can be lowered but the operator must not stop the supply.

In the **financial sector** specific measures include:

- New legislation from March 2014 targets inter alia abuse of weakness and vulnerability in the field of consumer credit. For example, contracts that have been concluded abusing vulnerability can be annulled. Furthermore, the legislation obliges the salesman to suggest two types of credit in case of a purchase exceeding 1,000 euros in a shop or through distance selling. This is to avoid the abuse of revolving credit, which has proven difficult for many consumers. Amortising credit shall also be presented as an alternative allowing for a progressive reimbursement ending as soon as the sum has been reimbursed. In order to combat over-indebtedness, a national register of individual loans will be established for credit providers. The 2014 legislation also enables consumers to sign up to not receive any sale offers by phone calls, and salesmen who are using this method will be prohibited from using unknown or private numbers;
- Banking law of July 2013 specifies that banks must now send out bills to inform the consumer of any non-regular fees (like overdraft fees), at the latest 15 days prior to debit the account. This provides protection to low-income consumers who may have a limited amount of money on their account and might be obliged to pay overdraft fees. The law also limits the banking overdraft fees, establishing a lower fee for "vulnerable groups";
- Provisions regarding access to finance and banking stipulate that banks should provide specific packages with low tariffs to the "*personnes en situation de fragilité financière*" (weak groups / vulnerable or fragile consumers). These accounts would have different overdraft limits and penalty fees;

Non legislative-measures

Non-legislative measures include information and communication measures. For example, in the **financial sector** "*Les Cles de la Banque*" (Keys to the bank) is a website of the French Banking Federation (Fédération Bancaire Française, FBF) which provides information on banking and finance services. A specific section focuses on difficulties that consumers can encounter, with sub-sections focusing on issues such as disability, long-term illness or emotional stress due to disruptive events in life. The Bank of France also has a dedicated website, named The City of the Economy and the Money ("*La Cité de l'Économie et de la Monnaie*") which offers a strong educational value. This website is currently updated. The website "Finance for all", promoted by the AMF, aims also at making finance accessible to all by providing basic knowledge on managing a budget.

³³⁰ See

<http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000019325694&categorieLi en=cid>

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Minister for the Economy, Industry and Employment is responsible for the development and implementation of consumer policy in France. The DGCCRF (Directorate-General for Competition, Consumer Affairs and Fraud Repression) implements government consumer policy. A variety of independent administrative authorities are also involved in consumer protection. In addition, other ministries are involved in consumer policy in specific sector, e.g. the Ministry of Energy and Sustainable Development.

The Direction Départementale de la Protection de la Population or DDPP (Department Services for Protection of the Population) is the main enforcement authority. The DDPP is under the authority of each department’s Préfet, i.e. the state representative in the department.

In terms of complaints and procedures, DGCCRF is the responsible authority. The recent consumer law (March 2014) introduces the possibility of a group redress procedure where a number of consumers having suffered the same unfair practice on the market can, with the help of a national consumer association, take the case to court.

Sectorial ombudsmen play a role in handling individual contractual complaints (energy, internet, telecommunication, insurance).

Commissions for indebtedness (Commission de Surendettement) which are part of the Bank of France assist the consumers in economic difficulties. This is done through payment plans which are developed together with the consumers and creditors, and which are adapted to the consumer’s situation.

Role of civil society

There are 15 consumer associations recognised by the government. Organisations with a general consumer focus include the Association Consommation, Logement et Cadre de Vie (CLCV) and the Union Fédérale des Consommateurs- Que choisir (UFC-Que Choisir). They provide information, training on consumers’ rights, consumer assistance in disputes and litigations, and perform lobbying activities, although these activities do not focus specifically on vulnerable consumers.

The national consumer institute (Institut National de la Consommation) is a body supporting the consumer associations with their communication and information activities. The national consumer council (Conseil National de la Consommation) provides for a space for discussion and debate between consumer organisations, industry and professionals, as well as government representatives.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	5%
Overpaid for services due to being unable to use certain payment methods	8%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	

Feels vulnerable to 'a great extent' due to health problems	5%
Feels vulnerable to 'a great extent' due to financial circumstances	19%
Feels vulnerable to 'a great extent' due to employment situation	14%
Feels vulnerable to 'a great extent' due to age	6%
Feels vulnerable to 'a great extent' due to belonging to a minority group	4%
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	5%
Feels vulnerable to 'a great extent' due to any personal characteristic	28%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	4%
Compares product deals by using information from advertisements only - energy sector	3%
Compares product deals by using information from advertisements only - online sector	4%
Compares product deals by using information from advertisements only - finance sector	1%
Has problems comparing deals due to information-related factors - energy sector	27%
Has problems comparing deals due to information-related factors - online sector	10%
Has problems comparing deals due to information-related factors - finance sector	12%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	76%
Finds it very difficult to compare product deals - energy sector	17%
Does not compare product deals - online sector	43%
Finds it very difficult to compare product deals - online	8%

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sector	
Does not compare product deals - finance sector	67%
Finds it very difficult to compare product deals - finance sector	15%
Has problems comparing deals due to personal factors - energy sector	41%
Has problems comparing deals due to personal factors - online sector	19%
Has problems comparing deals due to personal factors - financial sector	34%
Has problems comparing deals due to market-related factors - energy sector	47%
Has problems comparing deals due to market-related factors - online sector	30%
Has problems comparing deals due to market-related factors - financial sector	46%
Has problems comparing deals due to access-related factors - energy sector	10%
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	16%
Has not switched due to bundling	24%
Excluded from e-commerce due to difficulty of the process	21%

Excluded from e-commerce due to not having a payment card	8%	
Declined for a loan		
Dimension 5 : Higher susceptibility to marketing practices		
Vulnerable to a great extent due to complexity of offers (own perception)	12%	
Experiment choice under the marketing practice treatment - energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 95: Country fiche - Croatia**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept appears to not be in use beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: Only a limited number of measures relevant to consumer vulnerability have been identified.

National consumer protection framework

The Consumer Protection Act is the key element of the Croatian consumer protection framework. It sets out consumer rights in the marketplace, the framework for consumer education, and the broader institutional structure. The government consumer protection priorities include:

- Creating a legal basis for consumer protection;
- Strengthening the market surveillance system;
- Increasing consumers' knowledge about their rights; and
- Supporting the work of consumer associations and counselling centres³³¹.

The key recent development in Croatian consumer policy has been the harmonisation of national provisions with existing EU legislation in conjunction with Croatia's EU accession in 2013.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The concept of vulnerable consumer has been transposed into Croatian legislation as a result of the harmonisation of national legislation with the UCPD, although the translated legislation uses the text "consumers who are particularly exposed to a certain business practice or the particular product because of their physical or mental infirmity, age or credulity" instead of the term "vulnerable".

The term "average consumer" is present in the legislation as a result of the harmonisation with the UCPD.

Consumer vulnerability in national consumer policy beyond the UCPD

The consumer vulnerability concept appears to not be in use in Croatia beyond the transposition of the UCPD.

Stakeholder assessment of the national approach to consumer vulnerability

From the point of view of consulted stakeholders, in practice the existing legislation does not single out specific groups and aims to ensure coverage of all consumers. An "average consumer" is viewed by consumer associations as an "active consumer", with the term being used by the associations as an objective rather than a definition.

Specific legislative measures

Having transposed EU legislation, Croatian government is currently working to effectively implement the legal framework. As a result, the policy environment is a dynamic one and at the moment no legislative measures targeting vulnerable consumers have been identified.

³³¹ See <http://potrosac.mingo.hr/en/potrosac/clanak.php?id=12362>

Non-legislative measures

According to the interviews, specific projects aiming to inform and educate consumers also partially address potentially vulnerable groups. These information, education, and advisory projects are funded by the state and carried out by consumer organisations and other civil society organisations.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Consumer Protection Department of the Ministry of Economy has the main responsibility for consumer protection. The National Consumer Protection Council, consisting of representatives of government bodies involved in consumer protection along with key civil society organisations, has an advisory and supportive role in the formulation of Croatian consumer policy. The enforcement is carried out by individual agencies in relevant sectors.

Role of civil society

There are four consumer advice centres in Croatia. These are NGOs receiving government funding and responsible for providing advice to consumers. In addition, there are over 20 individual NGOs operating in the area and representing and supporting consumers on local and regional level. The organisations do not carry out activities focusing specifically on consumer vulnerability.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	15%
Overpaid for services due to being unable to use certain payment methods	18%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	11%
Feels vulnerable to 'a great extent' due to financial circumstances	19%
Feels vulnerable to 'a great extent' due to employment situation	13%
Feels vulnerable to 'a great extent' due to age	6%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	6%
Feels vulnerable to 'a great extent' due to other reasons	6%
Feels vulnerable to 'a great extent' due to any personal characteristic	31%

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Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	9%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	2%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	11%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	52%
Finds it very difficult to compare product deals - energy sector	23%
Does not compare product deals - online sector	15%
Finds it very difficult to compare product deals - online sector	4%
Does not compare product deals - finance sector	62%
Finds it very difficult to compare product deals - finance sector	23%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	13%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	22%

Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	25%
Has not switched due to bundling	38%
Excluded from e-commerce due to difficulty of the process	39%
Excluded from e-commerce due to not having a payment card	35%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	9%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	

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Experiment choice under the marketing practice treatment - cross-cutting		
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Table 96: Country fiche - Italy**Country fiche summary**

Approach to consumer vulnerability: There appears to be no broader strategic approach to consumer vulnerability in place.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

Il Codice del Consumo, the Italian consumer code is based on, and reflects, the EU consumer protection legislation (September 2005), and aims to ensure a high level of protection to consumers and users.

The competent national authorities have the obligation to ensure respect for the principles and precepts contained in the Code and the objective of protecting consumers from unfair commercial practices and unfair contract terms used by traders.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The concept of vulnerable consumer is present in the Italian transposition of the UCPD through the notion of "group of consumers who are particularly vulnerable", used in the legislation (article 20 of the consumers' code). The rest of the article is, however, transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. The concept of average consumer ("*consumatore medio*") is also used in the Consumers' Code, and is considered to be a generally informed, reasonably rational and insightful consumer.

Consumer vulnerability in national consumer policy beyond the UCPD

No uses of the consumer vulnerability concept have been identified in Italian consumer legislation in addition to the UCPD transposition.

Stakeholder assessment of the national approach to consumer vulnerability

While the concept of consumer vulnerability does not appear to be used as such, one interviewee highlighted elderly people and those who are not able to use online services and access information available online, as particularly vulnerable groups.

Specific legislative measures

There are specific measures relevant to consumer vulnerability in place in Italy. In the energy sector, low-income households can be eligible for an energy/gas bonus, which can help them pay some of their energy costs. In terms of essential services, consumers with disabilities may receive special protection through reduced energy tariffs, phone and internet subscriptions, as well as TV and radio. In particular, disabilities requiring the assistance from health safety equipment are included in the support system for electricity. There is also protection against disconnection in case of non-payment of bills due to low income³³².

In the financial sector, the June 2012 legislation stipulates that anyone should have

³³² CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'

access to a low cost bank account providing only the essential banking services. This targets in particular low-income citizens and pensioners. However, it is important to note that the measure is generally viewed as having had limited impact to date³³³.

Another specific measure is the planned introduction of a fund giving access to loans for young precarious people who do not have guarantees or parents able to provide guarantees in order to get a loan³³⁴. Furthermore, in this sector a crisis-related measure allows additional time to low-income families for the repayment of loans and mortgages.

Non-legislative measures

Non-legislative measures include the project "*Carta degli investitori*" (Investors' Chart), an initiative by CONSOB and selected consumer associations with the objective to provide consumers and investors with tools to make more informed decisions in regards to investments, and knowledge about their rights³³⁵.

The association Cittadinanza Attiva has performed an investigation on energy poverty, which is growing in Italy due to increasing prices and the economic crisis. Energy poverty relates to families that spend more than 10% of their income on energy. This investigation has been presented to the Italian Senate³³⁶.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The ministry responsible for consumer policy in Italy is the Ministry for Economic Development. The main task of the ministry is to guarantee protection of consumers in the competition and market area. In addition, there are other sector-based activities carried out by other ministries, public institutes and independent authorities. Key institutions include:

- Autorita' Garante della Concorrenza e del Mercato, which has an overall enforcement remit in the area of consumer protection;
- Commissione Nazionale per le Società e la Borsa (CONSOB), which is public authority responsible for regulating the Italian securities market. One of its tasks is the protection of investors;
- Autorità per l'Energia Elettrica, il Gas, e il Sistema Idrico, which is responsible for enforcement in the in the field of energy;
- Autorità delle Telecomunicazioni, which is responsible for enforcement in the field of communication. The authority has the competence to resolve disputes between consumers and operators in the sector;
- Autorità italiana del farmaco (AIFA) which is the competent authority for the regulation of medicines;

³³³ Altroconsumo, <http://www.altroconsumo.it/soldi/conti-correnti/news/conto-base-introvabile>

³³⁴ Altroconsumo, *mutui-per-giovani-precari-il-fondo-del-governo-fa-da-garante*, <http://www.altroconsumo.it/soldi/comprare-vendere-casa/news/mutui-per-giovani-precari-il-fondo-del-governo-fa-da-garante>

³³⁵ See <http://www.consumatoridirittimercato.it/assicurazioni-banche-e-servizi-finanziari/progetto-carta-degli-investitori/>

³³⁶ Press release, Cittadinanza Attiva, July 3, 2012, <http://www.cittadinanzattiva.it/comunicati/salute/malattie-croniche-e-rare/3716-disabili-e-malati-cronici-bolletta-energetica-da-oltre-1-150-all-anno.html>

- Autorità Garante per la protezione dei dati personali (AGPDP) which is the competent authority for data protection, implementing the Directive 95/46 / EC;
- Bank of Italy which is the competent authority for the monetary and financial system;
- Autorità di Regolazione dei Trasporti (ART) which is the competent authority for the regulation in the transport sector and access to infrastructure and related ancillary services;
- Istituto per la Vigilanza delle Assicurazioni (IVASS) which is the competent authority to ensure the stability of the insurance market and consumer protection;
- Ente Nazionale per l'Aviazione Civile (ENAC), which is the technical regulation, certification, supervision and control authority in the field of civil aviation; and
- Ministry of Health, which is the national authority that governs promotes and protects health as a basic right and interest of the community.

National Council of Consumers and Users (CNCU) is the public body representing the consumers' and users' associations on the national level. The task of the CNCU is to improve and strengthen consumers' position in the market. The CNCU forms part of the Ministry for Economic Development and performs consultative, informative and promotional activities.

Role of civil society

There are 19 recognised consumer associations at the national level, with Altroconsumo being the largest one. Adusbef is an association focusing in particular on the financial sector. As has been mentioned above, the consumer associations have an important role in regards to the protection of consumers, including vulnerable consumers.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	7%
Overpaid for services due to being unable to use certain payment methods	12%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	5%
Feels vulnerable to 'a great extent' due to financial circumstances	20%
Feels vulnerable to 'a great extent' due to employment situation	17%
Feels vulnerable to 'a great extent' due to age	6%
Feels vulnerable to 'a great extent' due to belonging to a minority group	4%

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Feels vulnerable to 'a great extent' due to personal issues	7%
Feels vulnerable to 'a great extent' due to other reasons	5%
Feels vulnerable to 'a great extent' due to any personal characteristic	30%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	4%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	11%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	48%
Finds it very difficult to compare product deals - energy sector	22%
Does not compare product deals - online sector	22%
Finds it very difficult to compare product deals - online sector	5%
Does not compare product deals - finance sector	60%
Finds it very difficult to compare product deals - finance sector	22%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	16%
Has problems comparing deals due to personal factors -	

financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	23%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	22%
Has not switched due to bundling	26%
Excluded from e-commerce due to difficulty of the process	19%
Excluded from e-commerce due to not having a payment card	19%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	12%
Experiment choice under the marketing practice treatment -	

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energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 97: Country fiche - Cyprus**Country fiche summary**

Approach to consumer vulnerability: While the concept of consumer vulnerability appears to be used in specific sectors, there is no evidence of a broader strategic approach to tackling consumer vulnerability at national level.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The main piece of legislation regulating consumer protection in Cyprus is the business-to-consumer commercial practices law (2007) implementing the UCPD. The enforcement of the legislation is the responsibility of the Director of the Competition and Consumer Protection Service of the Ministry of Energy, Commerce, Industry and Tourism. The Consumer Protection Service is also the competent authority for receiving administrative complaints.

The main objective of consumer legislation in Cyprus, and for related responsible authorities, is to protect health, safety and economic interests of the consumers, as well as providing education and information on relevant issues.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

In Cyprus the term “vulnerable” is in place in consumer legislation through the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive’s wording, using the terms mental or physical infirmity, age, and credulity.

The concept of “average consumer” has been transposed into the Cypriot legislation based on the definition in the UCPD, and thus also takes into consideration “any social, cultural and language factors, as well as personal characteristics, that makes them particularly vulnerable in unfair commercial practices” (Business-to-Consumer Commercial Practices Law 2007, part 1, paragraph 2). Furthermore, contractual capacity by age, mental incapacity and other legal situations of the person are mentioned.

Consumer vulnerability in national consumer policy beyond the UCPD

In 2006, the Cyprus Energy Regulatory Authority (CERA) established a working group for vulnerable consumers, aiming at the preparation and publication of guidelines for service provision (in particular relating to essential services) to vulnerable groups. However, this effort was not completed and no further official action has been taken since then³³⁷.

Stakeholder assessment of the national approach to consumer vulnerability

Overall, according to the stakeholders, and in particular following the economic crisis,

³³⁷ The Protection of Consumers with Disabilities in the European Union: Persons with Disabilities as Active Participants in the Internal Market, Academic Network of European Disability Experts (2012)

in Cyprus vulnerable consumers are considered to mean those who do not have a job or an income and therefore encounter difficulties in satisfying their daily needs such as accommodation, electricity and food, as well as regarding debt reimbursements. This definition is, however, not present in the legislation. According to one interviewee, the notion of vulnerable consumers in Cyprus always includes people receiving public assistance (i.e. welfare and social services).

Specific legislative measures

Only few specific legislative measures addressing consumer vulnerability have been identified, with the main existing measures being support measures in the energy and electronic communication sectors. In the **energy sector**, in the case of consumers encountering difficulties in paying for electricity, the electricity authority and Energy Ministry guarantee that energy supply to these consumers cannot be disconnected even though the bills are not paid. Furthermore, the Electricity Authority in Cyprus has set a special rate for large and disadvantaged families. The Electricity Market Law (2003) covers the requirements of the Electricity Directive under Art. 3.

In the **electronic communications** sector, based on the electronic communications and postal services law (Law 112 (I) 2004, articles 113 and 114) and internal regulations and practices, the Cyprus Telecommunications Authority (CYTA) offers special provisions for various groups, including people with disabilities. These include reduced fees for home and mobile telephony and internet connection, as well as reductions on video calls for people with hearing impairments.

Non-legislative measures

Consumer education has been highlighted in the interviews as an important measure in Cyprus. A Consumers' School organised by the Cyprus Consumers Association (CCA) provides several seminars across the country for children and adults.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The general enforcement of consumer legislation is the responsibility of the Director of the Competition and Consumer Protection Service of the Ministry of Energy, Commerce, Industry and Tourism. The Consumer Protection Service enforces this law and is responsible for receiving administrative complaints. Other authorities involved in the area of consumer protection include the Cyprus Energy Regulatory Authority (CERA), the Competition Ministry, the Electricity Authority in Cyprus (ECA) and the Cyprus Telecommunications Authority (CYTA).

Role of civil society

The main consumer organisation is the Cyprus Consumers Association (CCA). The CCA provides general consumer protection to any consumer encountering difficulties. Through a call centre, and an information and training offer they provide advice on rights and regulations with the aim of enhancing consumer protection. One example is consumer training with particular focus on the protection of children. The Pan-Cyprian Consumers and Quality of Life Union is another organisation engaged in the field.

With regard to consumers with disabilities, The Cyprus Confederation of Organisations for the Disabled (CCOD) works *inter alia* with information and protection of consumers with disabilities. Finally, the Association for Protection of Debtors for Banks provides assistance and advice to consumers who are not capable of repaying their loans.

Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	12%
Overpaid for services due to being unable to use certain payment methods	23%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	9%
Feels vulnerable to 'a great extent' due to financial circumstances	33%
Feels vulnerable to 'a great extent' due to employment situation	25%
Feels vulnerable to 'a great extent' due to age	13%
Feels vulnerable to 'a great extent' due to belonging to a minority group	10%
Feels vulnerable to 'a great extent' due to personal issues	8%
Feels vulnerable to 'a great extent' due to other reasons	8%
Feels vulnerable to 'a great extent' due to any personal characteristic	47%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	10%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	18%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	9%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	

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Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	85%
Finds it very difficult to compare product deals - energy sector	47%
Does not compare product deals - online sector	36%
Finds it very difficult to compare product deals - online sector	11%
Does not compare product deals - finance sector	65%
Finds it very difficult to compare product deals - finance sector	21%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	31%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	17%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	

Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	17%
Has not switched due to bundling	30%
Excluded from e-commerce due to difficulty of the process	31%
Excluded from e-commerce due to not having a payment card	28%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	26%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 98: Country fiche - Latvia**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept appears to not be in use beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: Only a limited number of measures relevant to consumer vulnerability have been identified.

National consumer protection framework

The key pieces of legislation within the Latvian consumer protection framework include the Consumer Rights Protection Law, Advertising Law, Law on the Safety of Goods and Services, and the Law On Information Society Services³³⁸. The Consumer Rights Protection Law sets out key parameters of the consumer protection system, including consumer rights, requirements for contracts and information provision, and the roles of consumer protection institutions.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term “vulnerable” is not used as such in the Law on the Prohibition of Unfair Commercial Practices transposing the UCPD, although the term “especially unprotected” is used and the indicators are stated as: “mental or physical state, age or unreasonable credulity (including through a lack of experience or knowledge)”.

The term “average consumer” is present in the Law on the Prohibition of Unfair Commercial Practices.

Consumer vulnerability in national consumer policy beyond the UCPD

There is little evidence of broader approach to consumer vulnerability beyond the transposition of the UCPD, although the Consumer Rights Protection Law prohibits differential treatment based on sex, race, ethnic belonging or disability.

Specific legislative measures

No specific legislative measures targeting consumer vulnerability in Latvia have been identified.

Non-legislative measures

There are selected non-legislative measures of relevance to vulnerability in place in Latvia. The Latvian Consumer Rights Protection Centre, for example, provides information to consumers on specific practices, which includes also doorstep selling in the financial sector³³⁹. The Latvian Association for Consumer Protection (LPIAA) provides a range of services focusing in particular on navigating the financial and energy markets, although these do not have specific vulnerability focus.

Institutional structure and role of civil society**Public bodies responsible for consumer policy**

The Ministry of Economics is the main with an overall responsibility for consumer policy, while the Consumer Rights Protection Centre (CRPC) is responsible for the

³³⁸ See <http://www.ptac.gov.lv/page/263>

³³⁹ See <http://www.ptac.gov.lv/page/263>

implementation of consumer policy. Its primary tasks include supervising trade of non-food products, handling of consumer complaints, and providing legal advice for consumers³⁴⁰.

Role of civil society

The Latvian Association for Consumer Protection (LPIAA) is the main consumer organisation representing consumers, raising awareness, and providing consumers with legal advice. It organises regular seminars in Riga and other Latvian regions, although these generally do not focus on specific vulnerable consumer groups.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	16%
Overpaid for services due to being unable to use certain payment methods	18%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	10%
Feels vulnerable to 'a great extent' due to financial circumstances	21%
Feels vulnerable to 'a great extent' due to employment situation	14%
Feels vulnerable to 'a great extent' due to age	8%
Feels vulnerable to 'a great extent' due to belonging to a minority group	4%
Feels vulnerable to 'a great extent' due to personal issues	5%
Feels vulnerable to 'a great extent' due to other reasons	5%
Feels vulnerable to 'a great extent' due to any personal characteristic	34%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from	12%

³⁴⁰ See <http://www.ptac.gov.lv/page/251>

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advertisements only - online sector	
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	7%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	59%
Finds it very difficult to compare product deals - energy sector	15%
Does not compare product deals - online sector	32%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	63%
Finds it very difficult to compare product deals - finance sector	10%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	18%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	18%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	6%
Has problems comparing deals due to access-related factors - financial sector	

Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	22%
Has not switched due to bundling	23%
Excluded from e-commerce due to difficulty of the process	28%
Excluded from e-commerce due to not having a payment card	15%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	12%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 99: Country fiche - Lithuania**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept appears to not be in use beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: Only a limited number of measures relevant to consumer vulnerability have been identified.

National consumer protection framework

The Law on Consumer Protection is the cornerstone of consumer protection in Lithuania, setting out consumer rights and the means for protecting them, including the institutional system. Another key element of the consumer protection framework is the Civil Code, which sets out provisions related to contracts, as well as consumers' and suppliers rights and obligations. These two key elements are supplemented by a range of specific laws, including, among others, laws on advertising and product safety, as well as the law on prohibition of unfair business to consumer commercial practices, which transposes the UCPD.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The concept of consumer vulnerability is present in the Lithuanian transposition UCPD, which uses the UCPD terms of "mental or physical infirmity, age or credulity". The term "vulnerable consumers" (*"pažeidžiamai vartotojai"*) is not used more widely, although other legal instruments do make references to specific consumer groups: The law on advertising for instance prohibits causing "moral and physical detrimental influence to children".

The term "average consumer" (*"vidutinis vartotojas"*) has also been transposed through the law on prohibition of unfair business-to-consumer commercial practices and means "a consumer who is reasonably well-informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors".

Consumer vulnerability in national consumer policy beyond the UCPD

Although there is little evidence of the concept of consumer vulnerability being used beyond the UCPD, the consulted stakeholders noted that there are measures in the energy and financial sectors that target specific consumer groups. These groups include old people, children, and low-income individuals.

Specific legislative measures

There are no specific programmes dedicated to vulnerable consumers, or specific consumer groups, but some of the measures in specific sectors implicitly include older consumers, children, and low-income consumers as target groups. For instance, in the energy sector, social support to low-income consumers for paying energy bills is available³⁴¹.

Non-legislative measures

While the State Consumer Rights Protection Authority provides range of information

³⁴¹ See <http://www.disability-europe.net/content/aned/media/ANED%202012%20-%20Task%203%20-%20LT%20-%20Consumer%20Protection%20final.doc>

and advice to consumers, this generally does not include specific activities focusing on consumer vulnerability. Campaigns and other awareness-raising measures are primarily conducted by consumer organisations and do not include actions with specific vulnerability focus.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Ministry of Justice is responsible for the Lithuanian consumer policy, with the State Consumer Rights Protection Authority having the central enforcement role. The Authority's role includes coordination of activities of other national agencies in the area, carrying out of controls, as well analysing and acting on consumer complaints. It also has the competence to impose fines on suppliers in breach of the legal provisions.

Role of civil society

Alliance of Lithuanian Consumer Organisations, formed in 2012, groups together Lithuanian consumer organisations. It focuses on ensuring effective representation of consumers' interests within Lithuanian policymaking, as well as awareness raising and education. The Lithuanian National Consumer Confederation is a consumer organisation focusing on representing consumers, research, collecting information on consumer rights, and working to influence public policy in favour of consumer rights. The Lithuanian Consumer Institute, in addition to also acting to represent consumers, provides consumer education and advice, as well as the testing of goods and services. While the consumer organisations do not have specific work streams focusing on consumer vulnerability, there are examples of activities linked to consumer vulnerability, such as for example the National Consumer Confederation's 2008 project on internet usage by children.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	11%
Overpaid for services due to being unable to use certain payment methods	13%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	8%
Feels vulnerable to 'a great extent' due to financial circumstances	25%
Feels vulnerable to 'a great extent' due to employment situation	17%
Feels vulnerable to 'a great extent' due to age	7%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	5%

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Feels vulnerable to 'a great extent' due to other reasons	5%
Feels vulnerable to 'a great extent' due to any personal characteristic	34%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	8%
Compares product deals by using information from advertisements only - energy sector	1%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	1%
Has problems comparing deals due to information-related factors - energy sector	16%
Has problems comparing deals due to information-related factors - online sector	3%
Has problems comparing deals due to information-related factors - finance sector	9%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	2%
Has an internet provider and has not switched due to information-related factors - online sector	0%
Has a bank account and has not switched due to information-related factors - financial sector	0%
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	83%
Finds it very difficult to compare product deals - energy sector	24%
Does not compare product deals - online sector	24%
Finds it very difficult to compare product deals - online sector	1%
Does not compare product deals - finance sector	66%
Finds it very difficult to compare product deals - finance sector	11%
Has problems comparing deals due to personal factors - energy sector	33%
Has problems comparing deals due to personal factors - online sector	12%
Has problems comparing deals due to personal factors - financial sector	45%

Has problems comparing deals due to market-related factors - energy sector	15%
Has problems comparing deals due to market-related factors - online sector	8%
Has problems comparing deals due to market-related factors - financial sector	30%
Has problems comparing deals due to access-related factors - energy sector	55%
Has problems comparing deals due to access-related factors - online sector	4%
Has problems comparing deals due to access-related factors - financial sector	6%
Has an electricity supplier and has not switched due to personal factors - energy sector	21%
Has an internet provider and has not switched due to personal factors - online sector	3%
Has a bank account and has not switched due to personal factors - financial sector	8%
Has an electricity supplier and has not switched due to market-related factors - energy sector	4%
Has an internet provider and has not switched due to market-related factors - online sector	2%
Has a bank account and has not switched due to market-related factors - financial sector	12%
Has an electricity supplier and has not switched due to access-related factors - energy sector	42%
Has an internet provider and has not switched due to access-related factors - online sector	6%
Has a bank account and has not switched due to access-related factors - financial sector	4%
Has not switched due to termination costs	17%
Has not switched due to bundling	18%
Excluded from e-commerce due to difficulty of the process	21%
Excluded from e-commerce due to not having a payment card	20%
Declined for a loan	1%
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	15%
Experiment choice under the marketing practice treatment - energy sector	90%

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Experiment choice under the marketing practice treatment - online sector	57%	
Experiment choice under the marketing practice treatment - finance sector	20%	
Experiment choice under the marketing practice treatment - cross-cutting	73%	

Table 100: Country fiche - Luxembourg**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept appears to not be in use beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: Only a limited number of measures relevant to consumer vulnerability have been identified.

National consumer protection framework

In Luxembourg, the basis of the national consumer protection framework can be found in the Luxembourg Consumer Code. The Consumer Code came into force in 2011 and includes regulations in regards to, inter alia, consumer credit, unfair contractual terms, unfair commercial practices, price indications and internet sales.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term “vulnerable” is present in the Law of 29 April 2009 on Unfair commercial practices through the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive’s wording, using the terms mental or physical infirmity, age, and credulity. Similarly, the “average consumer” term has also been transposed into Luxembourg legislation through the UCPD.

Consumer vulnerability in national consumer policy beyond the UCPD

There is little evidence that the vulnerable consumer concept being used more widely in Luxembourg. For example, while the laws organising the electricity and gas market incorporate references to vulnerable consumers, the concept is not explicitly defined.

Specific measures

There are few specific measures in regards to consumer vulnerability in Luxembourg. In the energy sector, there are no social tariffs available, but for those consumers that have difficulties paying their bills there are some provisions in place administrated by social and welfare services.

Non-legislative measures

No non-legislative public measures targeting consumer vulnerability have been identified in Luxembourg. Similarly, the ULC, which is the only consumer association in Luxembourg, does not target vulnerable consumers in its activities.

Institutional structure and role of civil society**Public bodies responsible for consumer policy**

The Ministry responsible for the formulation of consumer policy is the Ministry of Economy and Foreign Trade. The tasks of the ministry include:

- The development of legislation and regulations on consumer policy as well as the transposition of directives and implementation of Community regulations;
- The protection of consumer interest of consumers and ensure the rights of air passengers; and
- Managing relationships with the Luxembourg Union of Consumers (ULC) and the European Consumer Centre (ECC).

Moreover, the Ministry is responsible for the Consumer Council, an advisory body consisting of representatives from government, consumer organizations and employers' organizations. In addition, individual sector regulators address consumer issues in accordance with their competences.

Role of civil society

The Luxembourg Consumers Union (ULC) is the only consumer association in Luxembourg and is represented in the Consumer Council. The ULC works on a range of areas with the aim to protect and defend consumers, as well as provide information and education. The ULC also represents the consumer interest before public bodies and in the process of policy-formulation. However, the Consumer Union does not carry out any particular activities directed towards vulnerable consumers.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	7%
Overpaid for services due to being unable to use certain payment methods	12%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	2%
Feels vulnerable to 'a great extent' due to financial circumstances	7%
Feels vulnerable to 'a great extent' due to employment situation	4%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	3%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	14%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	4%
Compares product deals by using information from advertisements only - online sector	12%

Compares product deals by using information from advertisements only - finance sector	5%
Has problems comparing deals due to information-related factors - energy sector	29%
Has problems comparing deals due to information-related factors - online sector	16%
Has problems comparing deals due to information-related factors - finance sector	15%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	82%
Finds it very difficult to compare product deals - energy sector	19%
Does not compare product deals - online sector	51%
Finds it very difficult to compare product deals - online sector	8%
Does not compare product deals - finance sector	62%
Finds it very difficult to compare product deals - finance sector	8%
Has problems comparing deals due to personal factors - energy sector	49%
Has problems comparing deals due to personal factors - online sector	29%
Has problems comparing deals due to personal factors - financial sector	29%
Has problems comparing deals due to market-related factors - energy sector	42%
Has problems comparing deals due to market-related factors - online sector	39%
Has problems comparing deals due to market-related factors - financial sector	38%
Has problems comparing deals due to access-related factors - energy sector	29%
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors	0%

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- financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	19%
Has not switched due to bundling	26%
Excluded from e-commerce due to difficulty of the process	29%
Excluded from e-commerce due to not having a payment card	14%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	9%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 101: Country fiche - Hungary**Country fiche summary**

Approach to consumer vulnerability: The concept of consumer vulnerability appears to have been in place within national consumer policy independently of the UCPD transposition.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The main piece of legislation laying down the basic consumer protection framework in Hungary is the Consumer Protection Act. In January 2014, amendments to the Act were implemented in order to strengthen the protection of vulnerable consumers, in particular, the elderly, disabled and younger consumers.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The “average consumer” term is not explicitly included in the Hungarian consumer protection legislation. However, Act XLVII of 2008 on the Prohibition of Unfair Business-to-Consumer Commercial Practices, which is transposing Directive 2005/29/EC (UCP Directive) into the Hungarian law, clearly defines the term on the basis of Preamble (18) of Directive 2005/29/EC as in Section 4(1) of Act XLVII of 2008. Section 4(2) of Act XLVII of 2008 complements the definition of the average consumer since it pays special attention to vulnerable consumer groups in line with the UCPD definition.

Consumer vulnerability in national consumer policy beyond the UCPD

The 1997 act on Consumer Protection was recently amended to include provisions concerning the protection of vulnerable consumers. According to the new provisions, which came into force in January 2014, the consumer protection authority is obliged to impose a fine if identified infringements concern vulnerable consumers. This illustrates that the protection of vulnerable consumers is increasingly becoming a priority within consumer policy.

Specific legislative measures

There are a number of specific measures relevant to consumer vulnerability in Hungary. These relate mainly to the energy sector. For consumers with financial difficulties, measures include deferred payment, payment facilities and prepayment metering devices to help mitigate economic vulnerability. For consumers with disabilities special provisions are in place with regards to metering, reading and billing procedures and payment terms. For those consumers with disabilities whose life or health is directly jeopardized if disconnected from the electricity supply system, disconnection is not allowed. In addition, new regulation forbids utility service providers to charge an extra fee for paying through postal payment order or for presenting a paper invoice, which may help elderly consumers who do not have access to digital forms of payment.

In general, the 2014 amendments to the Consumer Protection Act enable authorities to impose immediate fines on companies if the rights of older people and those living with disabilities are harmed.

Non-legislative measures	
Beside the specific legislative measures set out above, there is little evidence of non-legislative measures currently in place in Hungary.	
Institutional structure and role of civil society	
Public bodies responsible for consumer policy	
<p>In Hungary, consumer policy falls under the competences of the Ministry of National Development. The Hungarian Authority for Consumer Protection is the authority responsible for carrying out the primary tasks with regard to consumer protection. In addition, the Hungarian Competition Authority, the Central Bank of Hungary, National Food Chain Safety Office, Hungarian Energy and Public Utility Regulatory Authority, National Media and Infocommunications Authority Hungary, National Public Health and Medical Officer Service-Office of the Chief Medical Officer, Hungarian Trade Licensing Office, Hungarian Transport Authority all have competences related to consumer protection.</p>	
Role of civil society	
<p>The National Association for Consumer Protection in Hungary is one of the several non-governmental organizations for consumer protection, however as an umbrella organization covers the entire country and a wide range of consumers' issues. Based on the research conducted, the association does not specifically target vulnerable consumers through its activities. Association of Conscious Consumers is an NGO organises campaigns focusing on informing consumers and changing consumers' behaviour. In addition there are other NGOs in Hungary, which are active in the area of consumer information.</p>	
Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	26%
Overpaid for services due to being unable to use certain payment methods	13%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	8%
Feels vulnerable to 'a great extent' due to financial circumstances	22%
Feels vulnerable to 'a great extent' due to employment situation	12%
Feels vulnerable to 'a great extent' due to age	7%
Feels vulnerable to 'a great extent' due to belonging to a minority group	5%
Feels vulnerable to 'a great extent' due to personal issues	7%
Feels vulnerable to 'a great extent' due to other reasons	6%

Feels vulnerable to 'a great extent' due to any personal characteristic	34%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	4%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	8%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	7%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	72%
Finds it very difficult to compare product deals - energy sector	19%
Does not compare product deals - online sector	26%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	54%
Finds it very difficult to compare product deals - finance sector	16%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	17%
Has problems comparing deals due to personal factors - financial sector	

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Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	22%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	7%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	22%
Has not switched due to bundling	24%
Excluded from e-commerce due to difficulty of the process	24%
Excluded from e-commerce due to not having a payment card	20%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	8%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment -	

online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 102: Country fiche - Malta**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept appears to not be in use beyond the transposition of the UCPD.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The main piece of legislation regulating the protection of consumers is the Consumer Affairs Act from 1994. The activities carried out within the framework of Maltese consumer policy relate mainly to compliance, enforcement and information on consumer rights.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term vulnerable consumer is used in the Consumer Affairs Act, Chapter 378 of the Laws of Malta Article 51B – Unfair Commercial Practices transposing the UCPD. The Consumer Affairs Act refers to vulnerable consumers by referring to their mental or physical infirmities, their age or credulity in a manner, which is easily seen by the trader. In addition, the term is also used in the Second Schedule to the Act – Administrative fines Article 4 setting out the amount of fine for infringement³⁴². The term “average” consumer has also been transposed into the Consumer Affairs Act.

Consumer vulnerability in national consumer policy beyond the UCPD

There is little evidence that the concept of consumer vulnerability being used outside of the context of the UCPD. The Laws in Malta are directed towards consumers at large and do not differentiate between the various degrees of consumer vulnerability.

Specific legislative measures

No specific national legislative measures mitigating consumer vulnerability have been identified in Malta except those set out in European Directives such as the Universal Services Directive. Some consumers in the energy sector, within the social policy framework, are eligible to receive benefits in order to ensure access to energy. These consumer groups include families with low annual income (less than €8,158.81), persons with disabilities, families on social assistance or special unemployment benefit, persons with an age pension or a carer’s pension. In addition, if consumers experience difficulties in keeping up with their bills, they are allowed to pay their bill in instalments to avoid disconnection. This has reduced the number of disconnection from 846 in 2011 to 488 in 2012³⁴³.

Non-legislative measures

³⁴² “Without prejudice to the generality of rule 3, the following shall in all cases be deemed as aggravating circumstances: where the practice or scheme constituting the infringement is specifically targeting vulnerable consumers, the basic amount shall be increased by two thousand, three hundred and fifty euro (€2,350).”

³⁴³ See http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/NATIONAL_REPORT_S/National%20Reporting%202013/NR_En/C13_NR_Malta-EN.pdf

With regard to the online environment, Malta Communications Authority (MCA), jointly with the Office of the Commissioner for Children and the National Agency for children, families and the community (Aġenzija Appoġġ) has been running a project entitled "BeSmartOnline!". Through the project, over 8000 children from all schools across Malta and Gozo have taken part in lessons on Digital Citizenship and Digital Footprints. During these lessons, children explored how their online activity impacts their self-image as well as how their digital behaviour affected others. Aspects such as cyberbullying, privacy and being a respectful online citizen were discussed. Furthermore, over 2000 professionals have taken part in development sessions specifically addressing the issue of Internet Safety. A number of Information Days were also organised for families, with experts available on the day to address any questions or concerns parents or carers may have on the subject. At present, the MCCA, through the BeSmartOnline! project is also organising digital parenting sessions which are being held at various Local Councils across Malta and Gozo.

In addition, the MCA recently launched a campaign "Live ICT" which was aimed at raising awareness amongst older generations about the true potential of ICT and to challenge the perception that computers and internet use are exclusively for the young or those in employment. Throughout 2013, 980 individuals aged 65+ attended basic ICT training courses.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

Consumer policy falls under the competence of the Ministry for Social Dialogue, Consumer Affairs and Civil Liberties. The Malta Competition and Consumer Affairs Authority (MCCAA) was established on 23 May 2011 and is a governmental agency operating under the aforementioned Ministry. The tasks of the MCCAA are to safeguard consumer economic interests and enhance consumer welfare. This is carried out through mediation of consumer complaints; enforcement of consumer protection legislation; and educating and informing consumers as to their rights and responsibilities with the aim of enlightening consumers how to act in the market place. In addition, the MCCAA is charged with, inter alia, promoting sound business practices, adopting and co-ordinating standards in relation to products or services.

In addition to the MCCAA, the Consumer Affairs Council is an independent body with its functions and duties set out in the Consumer Affairs Act. The Council has a consultative function and advises the Minister on measures for the promotion and protection of consumer interests. In turn, the Minister consults with the Council when making regulations about any matter relating to consumer affairs.

Role of civil society

The Maltese Consumer Association (L-Ghaqda tal-Konsumaturi) is the only consumers' association in Malta and is recognised under the Consumers' Affairs Act of 1994. The Association's principal activities include:

- Consumer representation;
- Consumer education and information; and
- Advocacy

The Association does not appear to carry out activities directed specifically at vulnerable consumers.

Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	6%
Overpaid for services due to being unable to use certain payment methods	8%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	4%
Feels vulnerable to 'a great extent' due to financial circumstances	9%
Feels vulnerable to 'a great extent' due to employment situation	6%
Feels vulnerable to 'a great extent' due to age	5%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	4%
Feels vulnerable to 'a great extent' due to any personal characteristic	18%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	7%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	11%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	6%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to	

information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	85%
Finds it very difficult to compare product deals - energy sector	29%
Does not compare product deals - online sector	51%
Finds it very difficult to compare product deals - online sector	17%
Does not compare product deals - finance sector	57%
Finds it very difficult to compare product deals - finance sector	19%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	19%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	12%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	0%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	

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Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	10%
Has not switched due to bundling	26%
Excluded from e-commerce due to difficulty of the process	13%
Excluded from e-commerce due to not having a payment card	9%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	13%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 103: Country fiche - Netherlands**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept appears to not be in use beyond the transposition of the UCPD, with the national consumer policy taking a broader approach.

Measures addressing consumer vulnerability: While consumer policy is not based around new legislative measures, there is evidence of investigations into numerous sectors, which indirectly address particular vulnerabilities.

National consumer protection framework

The overall approach to consumer protection in the Netherlands is closely linked to competition and market regulation, reflected in the recently created Netherlands Authority for Consumers and Markets (ACM), with the ACM strategy document³⁴⁴ highlighting that safeguarding competition is central to its consumer protection tasks. According to interviewed stakeholders, the consumer protection approach in the Netherlands is currently based on establishing dialogue with relevant sectors in order to ensure better outcomes for consumers rather than introducing new legislation.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The transposition of the UCPD makes note of the mental or physical limitations, age or credulity of potential target groups of the trader in line with the text of the Directive without using the term "vulnerable". The term "average consumer" is in use and is defined in the Act of 25 September 2008 bringing Volumes 3 and 6 of the Civil Code and other Acts into line with the Directive concerning unfair business-to consumer commercial practices in the internal market. "Average consumer" is defined as the average member of the specific group targeted by the trader, taking into account that in specific groups these members can display the characteristics noted above.

Consumer vulnerability in national consumer policy beyond the UCPD

The term "vulnerable consumer" is not explicitly used in the transposition of the UCPD and there is no evidence of it being in use in other elements of Dutch consumer policy, with the exception of the energy sector³⁴⁵.

Stakeholder assessment of the national approach to consumer vulnerability

According to the stakeholder interviews, there are few overarching vulnerability-oriented measures and addressing consumer vulnerability is primarily seen as the role of the welfare state rather than consumer protection policy. Nevertheless, the regulators in the Netherlands implicitly focus on specific types of vulnerabilities when investigating individual sectors (i.e. marketing to children and young adults).

Specific legislative measures

³⁴⁴ See <https://www.acm.nl/en/download/publication/?id=11993>

³⁴⁵ ACER (2013). Annual Report on the Results of Monitoring the Internal Electricity and Gas Markets in 2012. Available at: <http://www.acer.europa.eu/Electricity/Market%20monitoring/Pages/Reports.aspx>

No legislative provisions specifically targeting vulnerable consumers have been identified in the Netherlands. In the energy sector the Netherlands, like many other Member States, does however offer protection against disconnection of electricity and gas, which serves as a means of supporting vulnerable consumers in the energy sector.

Non-legislative measures

The Netherlands Authority for Consumers and Markets has launched a range of campaigns and market scans focusing on specific consumer issues. While selected actions are linked to consumer vulnerability, such as the market scan into online games and their use by young consumers³⁴⁶, there are no work streams or actions explicitly targeting consumer vulnerability. In the financial sector, the regulator uses a risk assessment approach to investigate specific products and, while there is no focus on specific consumer groups, in some cases the analysis does address specific vulnerabilities, such as those related to retirement products or the situation of consumers who may not be disciplined in financial affairs.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

In the Netherlands, overall responsibility for consumer policy falls within the remit of the Ministry of Economic Affairs, with specific aspects of consumer policy being the competence of Ministry of Justice, the Ministry of Health and the Ministry of Finance.

The key enforcement agency is the Netherlands Authority for Consumers and Markets (ACM). The ACM has been created in 2013 by joining the Netherlands Consumer Authority (CA), the Netherlands Independent Post and Telecommunication Authority (OPTA) and the Netherlands Competition Authority (NMA). The ACM has specific enforcement responsibilities in the areas of energy, telecommunication, transport and postal services. It can impose administrative penalties or order subject to penalties. In addition, the Netherlands Authority For the Financial Markets has enforcement competence in the field of financial services. Consuwijzer is the public body ran by the Netherlands Authority for Consumers and Markets which that consumer advice and serves as a central point for the lodging of consumer complaints.

Role of civil society

Consumentenbond is the largest general consumer organisation representing Dutch consumers. It provides consumer information and advice, as well as services such as testing. It however does not carry out activities focusing specifically on vulnerable consumers.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	5%
Overpaid for services due to being unable to use certain	7%

³⁴⁶ See <https://www.acm.nl/en/publications/publication/11847/Market-scan-into-online-games/>

payment methods	
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	5%
Feels vulnerable to 'a great extent' due to employment situation	3%
Feels vulnerable to 'a great extent' due to age	2%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	2%
Feels vulnerable to 'a great extent' due to other reasons	2%
Feels vulnerable to 'a great extent' due to any personal characteristic	10%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	4%
Compares product deals by using information from advertisements only - energy sector	1%
Compares product deals by using information from advertisements only - online sector	2%
Compares product deals by using information from advertisements only - finance sector	1%
Has problems comparing deals due to information-related factors - energy sector	13%
Has problems comparing deals due to information-related factors - online sector	5%
Has problems comparing deals due to information-related factors - finance sector	12%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	46%
Finds it very difficult to compare product deals - energy	12%

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sector	
Does not compare product deals - online sector	46%
Finds it very difficult to compare product deals - online sector	4%
Does not compare product deals - finance sector	73%
Finds it very difficult to compare product deals - finance sector	8%
Has problems comparing deals due to personal factors - energy sector	29%
Has problems comparing deals due to personal factors - online sector	21%
Has problems comparing deals due to personal factors - financial sector	34%
Has problems comparing deals due to market-related factors - energy sector	34%
Has problems comparing deals due to market-related factors - online sector	23%
Has problems comparing deals due to market-related factors - financial sector	27%
Has problems comparing deals due to access-related factors - energy sector	3%
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	2%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	10%

Has not switched due to bundling	15%	
Excluded from e-commerce due to difficulty of the process	10%	
Excluded from e-commerce due to not having a payment card	6%	
Declined for a loan		
Dimension 5 : Higher susceptibility to marketing practices		
Vulnerable to a great extent due to complexity of offers (own perception)	4%	
Experiment choice under the marketing practice treatment - energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 104: Country fiche - Austria

Country fiche summary

Approach to consumer vulnerability: Evidence suggests that national consumer policy takes a neutral approach and hence does not involve a specific approach to consumer vulnerability.

Measures addressing consumer vulnerability: There appears to be only a limited number of consumer policy measures addressing consumer vulnerability, with consumer vulnerability addressed primarily by social policy measures.

National consumer protection framework

Austrian consumer protection policy is set out in a wide range of legislation:

- Consumer Protection Act (KSchG)
- Unfair Competition Act (UWG)
- e-Commerce Law (E-commerce-G)
- Distance Selling and Off-Premises Contracts Act (FAGG)
- Civil Code (ABGB)
- Banking Act (BWG)
- Price Indication Act (PrAG)
- Financial Services Distance Selling Act (FernFinG)
- Consumer Credit Act (VKrG)
- Payment Services Act (ZaDiG)
- Securities Supervision Act (WAG 2007)
- Insurance Contract Act (VersVG)
- Product Safety Act (PSG 2004)
- Telecommunications Act (TKG 2003)
- Electricity Management and Organisation Act (EIWOG 2010)
- Gas Management Act (GWG 2011)
- Industrial Code (GewO 1994)
- Human Medicines Act (AMG)

Approach to consumer vulnerability

Consumer vulnerability within the context of the transposed UCPD

The concept of consumer vulnerability is present in the Unfair Competition Act due to the transposition of the UCPD and use the UCPD terminology of “mental or physical infirmity, age or credulity”. Similarly, the average consumer concept is also present in the legislation as a result of the transposition of the UCPD.

Consumer vulnerability in national consumer policy beyond the UCPD

While beyond the UCPD Austrian consumer policy provisions generally do not explicitly target specific vulnerable consumer groups (this is primarily done by social policy measures), they do in some cases indirectly address consumer vulnerability. There are however also selected provisions applying to specific consumer groups, such as specific protection extended to children and young adults through the use of the legal capacity provisions (“Geschäftsfähigkeit”).

Stakeholder assessment of the national approach to consumer vulnerability

Overall, as noted by the interviewees, the consumer protection framework in Austria generally tends to take a neutral approach, without singling out specific vulnerable

consumer groups.

Specific legislative measures

As noted above, the existing measures in Austria tend to be neutral and directed to a wide range of consumer groups. There are some specific provisions identified by consulted stakeholders, which address specific practices exploiting consumer vulnerabilities. An example includes the outlawing of the practice of “cold calling”, although this broadly reflects the existing examples of aggressive commercial practices present in the UCPD. Another states that consumers are not bound by a contract on prize notifications or gaming and lottery services, if the contract was concluded during a phone call that was initiated by the trader (covers not only active calls of traders but also ping calls).

Especially in the energy sector, there are several measures that benefit vulnerable consumer groups. The so-called “Grundversorgung” obliges every energy supplier and distribution system operator to conclude a contract with a consumer who refers to this system of basic supply. This mainly benefits vulnerable consumer groups such as e.g. low-income households. To assist consumers in energy poverty, there are social security benefits for low-income or otherwise vulnerable people (e.g. unemployed, chronically ill, old age) as well as earmarked financial benefits to cover energy/gas costs (“Heizkostenzuschuss”).

Another example of provisions that benefits a vulnerable consumer group (elderly people) is the interdiction of specific promotional activities and trips in respect to certain product groups (i.e. medicines, food supplements, therapeutic products).

Non-legislative measures

There is a range of non-legislative measures related to consumer vulnerability. The Federal Ministry for Labour, Social Affairs and Consumer Protection has the education of young consumers as one of its priorities and provides specific educational materials to be used by teachers. The Ministry also operates a consumer web portal, which, while it does not focus on specific groups, includes consumer information and advice on issues related to consumer vulnerability, such as over-indebtedness.

In addition, there are also projects that intend to promote the dialogue between entrepreneurs and various stakeholders in the field of consumer protection in order to find solutions for vulnerable consumer groups (e.g. annual conference on energy poverty).

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The responsibility for consumer protection in Austria is split between a number of ministries, as well as between the federal and Länder-level. Federal Ministry for Labour, Social Affairs and Consumer Protection plays a key role in setting out consumer policy in cooperation with the Federal Ministry of Science, Research and Economy, the Federal Ministry of Family and Youth, the Federal Ministry of Education and Women’s Affairs, the Federal Ministry for Justice, Federal Ministry for Finance, Federal Ministry for Health, the Federal Ministry for Transport, Innovation and Technologies, and the Ministry for Arts and Culture, Constitution and Media. Enforcement is primarily the responsibility of Länder governments, along with national agencies responsible for specific policy fields. There is however no federal-level consumer agency)

Role of civil society

The Consumer Information Association (VKI) is the main consumer organisation in Austria, financed in a large part by the Federal Ministry for Labour, Social Affairs and Consumer Protection and entitled to initiate legal proceedings against suppliers. It also provides a range of other services such as product testing. It however does not carry out activities focusing specifically on vulnerable consumers.

The Chamber of Labour, although representing Austrian workers and employees, is another organisation active within the consumer protection field in Austria, with selected activities being of relevance to consumer vulnerability. These include for instance information campaigns directed at immigrant groups or younger consumers (i.e. by using YouTube videos).

Both the Consumer Information Association (together with the Federal Ministry of Labour, Social Affairs and Consumer Protection) as well as the Chamber of Labour regularly work to obtain pertinent court rulings in the field of consumer protection, which in some cases concerns specific vulnerable consumer groups (e.g. advertising in schools, debt-collecting-agencies).

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	8%
Overpaid for services due to being unable to use certain payment methods	10%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	6%
Feels vulnerable to 'a great extent' due to employment situation	2%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	2%
Feels vulnerable to 'a great extent' due to other reasons	2%
Feels vulnerable to 'a great extent' due to any personal characteristic	10%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from	3%

advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	6%
Compares product deals by using information from advertisements only - finance sector	2%
Has problems comparing deals due to information-related factors - energy sector	14%
Has problems comparing deals due to information-related factors - online sector	8%
Has problems comparing deals due to information-related factors - finance sector	12%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	43%
Finds it very difficult to compare product deals - energy sector	9%
Does not compare product deals - online sector	29%
Finds it very difficult to compare product deals - online sector	5%
Does not compare product deals - finance sector	46%
Finds it very difficult to compare product deals - finance sector	8%
Has problems comparing deals due to personal factors - energy sector	28%
Has problems comparing deals due to personal factors - online sector	17%
Has problems comparing deals due to personal factors - financial sector	20%
Has problems comparing deals due to market-related factors - energy sector	32%
Has problems comparing deals due to market-related factors - online sector	27%
Has problems comparing deals due to market-related factors - financial sector	41%
Has problems comparing deals due to access-related factors - energy sector	12%

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Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	16%
Has not switched due to bundling	19%
Excluded from e-commerce due to difficulty of the process	17%
Excluded from e-commerce due to not having a payment card	27%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	4%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 105: Country fiche - Poland**Country fiche summary**

Approach to consumer vulnerability: The concept of consumer vulnerability appears to have been in place within national consumer policy independently of the UCPD transposition.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The latest consumer policy strategy published in 2015 by the Office of Competition and Consumer Protection takes an integrated approach to ensuring competition and protecting consumers' interests. The main priorities in terms of consumer protection include:

- The monitoring of protection of consumer rights;
- Quick response and elimination of problematic outcomes; Maximising the effect of education measures; and
- Improving competences and knowledge of institutions³⁴⁷.

The central element of the Polish consumer protection framework is the Act of 16 February 2007 on competition and consumer protection (Journal of Laws of 2007, No. 50, item 331), along with the Act of 23 August 2007 on combating unfair commercial practices (Journal of Laws No. 171 of 2007, item 1206), which transposes the UCPD.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The UCPD concept of a vulnerable consumer group is transposed into Polish legislation as a group that is "particularly receptive to the influence of a commercial practice or the product to which the commercial practice applies", with specific examples provided being age, physical or mental disability (the term "credulity" is not used). The term "average consumer" has been transposed together with the UCPD and is used extensively throughout the Act on combatting unfair commercial practices and defined as "a consumer who is adequately informed, attentive and careful".

Consumer vulnerability in national consumer policy beyond the UCPD

Beyond the transposition of the UCPD, the vulnerability concept is also used in the latest consumer policy strategy document published in 2015. Older consumers as well as children and youth have been identified as groups particularly vulnerable to certain marketing practices. The strategy acknowledges that both groups need to be targeted by appropriate communication and education actions. It also identifies online marketing as a particularly problematic area for children and youth³⁴⁸. According to the CEER report on consumer vulnerability³⁴⁹, the concept of consumer vulnerability is also present in the energy sector, where vulnerable consumer groups are entitled to

³⁴⁷ See <https://uokik.gov.pl/download.php?plik=16694>

³⁴⁸ See <https://uokik.gov.pl/download.php?plik=16694>

³⁴⁹ CEER (2012). 'Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012'

financial support.

It is worth noting that the concept of average consumer is also used in the context of payday loan advertising: The Office of Competition and Consumer Protection makes use of the notion of “average consumer” to identify problematic practices in the field, singling out advertising that is likely to mislead such a consumer³⁵⁰.

Stakeholder assessment of the national approach to consumer vulnerability

Despite the vulnerable consumer concept being in use and specific consumer groups being identified as target groups for consumer policy, the consulted stakeholders noted that there is no clear definition of both consumer vulnerability and the notion of average consumer, which could be interpreted in a number of ways depending on the situation. Consulted stakeholders also noted that the terms are generally not used in practice by consumer protection bodies.

Specific measures

Although no legislative instruments specifically targeting particular consumer groups have been identified, there are selected measures that take potential vulnerability into account. These include provisions in the telecommunications sector, which require contracts to be presented in a clear and easily accessible manner. In the energy sector, vulnerable consumers are eligible for financial support, while in the financial sector new legislation is in progress, which will focus, among others, on “reverse mortgages”.

The Office of Competition and Consumer Protection has also taken action in specific cases linked to consumer vulnerability. This included in particular taking action against suppliers using small and illegible text in advertising aimed at older consumers³⁵¹, actions addressing complex contracts in the construction industry³⁵², and actions against misleading information provided by the payday loan industry³⁵³.

Non-legislative measures

Non-legislative measures include information campaigns aimed at older consumers, as well as children and youth organised by the Office of Competition and Consumer Protection. The “My Consumer ABC” campaign, for instance, specifically targeted younger consumers. The “Before you sign” campaign targets consumers over 50 in the financial sector.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Office of Competition and Consumer Protection (UOKIK) is the key institution within the Polish consumer policy framework. It implements and enforces consumer policy in Poland, can initiate administrative proceedings against suppliers, as well as monitor contract terms. It also provides opinions on Polish legislation to ensure that consumer protection principles are sufficiently addressed and can also initiate legislative measures in the area. In addition to its implementation and enforcement role, the Office also provides consumer advice, including by email and on the phone, and runs awareness-raising campaigns. On local and regional level, the consumer

³⁵⁰ See <http://www.uokik.gov.pl/download.php?plik=13278>

³⁵¹ See <http://www.uokik.gov.pl/download.php?plik=12543>

³⁵² See <http://www.uokik.gov.pl/download.php?plik=14600>

³⁵³ See <http://www.uokik.gov.pl/download.php?plik=13504>

ombudsmen provide advice to individual consumers in cooperation with UOKIK.

Role of civil society

Polish Consumer Federation provides advice and legal aid to consumers through its branch offices. It also carries out projects and campaigns related to vulnerability, such as a project focusing on older consumers' rights, which included adapting advisory services to needs of older consumers, as well as consumer training and information materials targeted at older consumers. Association of Polish Consumers is another consumer organisation also with a focus on consumer advice and education.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	15%
Overpaid for services due to being unable to use certain payment methods	18%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	6%
Feels vulnerable to 'a great extent' due to financial circumstances	12%
Feels vulnerable to 'a great extent' due to employment situation	10%
Feels vulnerable to 'a great extent' due to age	5%
Feels vulnerable to 'a great extent' due to belonging to a minority group	3%
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	22%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	4%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	7%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related	

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factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	9%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	61%
Finds it very difficult to compare product deals - energy sector	12%
Does not compare product deals - online sector	20%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	49%
Finds it very difficult to compare product deals - finance sector	8%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	16%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	16%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	4%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	

Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	21%
Has not switched due to bundling	29%
Excluded from e-commerce due to difficulty of the process	21%
Excluded from e-commerce due to not having a payment card	22%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	12%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 106: Country fiche - Portugal**Country fiche summary**

Approach to consumer vulnerability: While concepts similar to consumer vulnerability are in use, there appears to be no strategic approach to consumer vulnerability.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

In Portugal, consumer protection is laid down in the Constitution and the Law on the Protection of the Consumer (Lei de Defesa do Consumidor, Lei 24/96 de 31 de Julho). Article 60 of the Portuguese Constitution lists the rights of consumers in terms of protecting their quality of life with regard to the good quality of goods and services, its competitive and balanced price, and the protection of health and safety.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerable" is present in the Decree-Law No. 57/2008 through the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. Similarly the "average consumer" term has also been transposed into Portuguese legislation through the UCPD and is now applied within the consumer protection framework.

Consumer vulnerability in national consumer policy beyond the UCPD

The term "vulnerable consumers" is generally not widely used in Portugal beyond the transposition of the UCPD. However, the terms "economically vulnerable consumers" ("consumidores economicamente vulneráveis") or "consumers with special needs" ("consumidores com necessidades especiais") are used in some contexts. There is evidence of consumer vulnerability being defined in the energy sector³⁵⁴.

Stakeholder assessment of the national approach to consumer vulnerability

The stakeholders consulted were familiar with the concept of consumer vulnerability particularly in relation to the definitions described above. They stressed the importance of considering consumers in financial difficulties as vulnerable consumers. This has become increasingly important in light of the financial crisis when many consumers are experiencing exclusion due to low-income and debt.

Specific measures

There are a number of specific legislative measures relevant to consumer vulnerability in place in Portugal. Measures in the energy sector include the provision of social tariffs and Extraordinary Social Support for Energy Consumers. These tariffs are available to those receiving one of the following benefits: income support for the elderly, social insertion income, unemployment benefits, 1st tier of family allowance or disability living allowance. There are also conditions attached to this tariff with regard to

³⁵⁴ ACER (2013). Annual Report on the Results of Monitoring the Internal Electricity and Gas Markets in 2012. Available at: <http://www.acer.europa.eu/Electricity/Market%20monitoring/Pages/Reports.aspx>

maximum usage (4.6Kw in the case of electricity).

In the financial sector, a new legislative framework establishes an extraordinary regime for the protection of housing loan borrowers in very difficult economic circumstances (the arrears settlement extraordinary regime). This includes a requirement for credit institutions to implement procedures allowing for regular monitoring of credit agreements, so as to prevent customers from entering into arrears. This obliges credit institutions to develop a Pre-Arrears Action Plan (PRAP) (Decree-Law no. 227/2012, of 25 October)³⁵⁵. In addition, according to stakeholder interviews, consumers with disabilities have the right to access a more economically advantageous form of credit per national regulations.

In the telecommunications sector, according to the interviews, steps were taken to limit the use of premium mobile text messages, but making it more difficult for subscriptions to take place without consumers' explicit consent.

Non-legislative measures

There have been few non-legislative initiatives identified related to mitigating consumer vulnerability. In the financial sector, this includes comparison tools and a helpline by DECO (see below) for over-indebted consumers

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Directorate General of Consumers is the institution charged with the development, formulation and implementation of consumer policy in order to ensure a high level of protection. In addition, the Directorate General has been entrusted with the responsibility of guaranteeing consumers' access to alternative means of dispute resolution (ADR) as well as informing consumers of their rights under the applicable laws and regulations and of directing consumer complaints to sector regulators in the areas submitted to economic regulation of sectorial nature. In addition, the different regulators are responsible for protecting consumer rights and interests in regards to prices, services and service quality as well as monitoring compliance with relevant regulations.

Role of civil society

There are several national organisations representing consumer interests. These include:

- Associação de Consumidores de Portugal (ACOP)
- Associação Portuguesa para a Defesa do Consumidor (DECO)
- União Geral de Consumidores (UGC)
- Federação Nacional das Cooperativas de Consumidores (FENACOOOP)

These organisations are working on various issues touching upon consumer vulnerability. As seen above, DECO runs a unit and helpline for indebted consumers. Similarly, UGC are also providing help and legal advice for indebted consumers and those consumers who experience problems with contracts and public services.

³⁵⁵ More information available at:

http://clientebancario.bportugal.pt/SiteCollectionDocuments/Decree-Law%20No%20227_2012%20of%2025%20October.pdf

Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	9%
Overpaid for services due to being unable to use certain payment methods	14%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	8%
Feels vulnerable to 'a great extent' due to financial circumstances	24%
Feels vulnerable to 'a great extent' due to employment situation	17%
Feels vulnerable to 'a great extent' due to age	7%
Feels vulnerable to 'a great extent' due to belonging to a minority group	6%
Feels vulnerable to 'a great extent' due to personal issues	8%
Feels vulnerable to 'a great extent' due to other reasons	6%
Feels vulnerable to 'a great extent' due to any personal characteristic	34%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	6%
Compares product deals by using information from advertisements only - energy sector	6%
Compares product deals by using information from advertisements only - online sector	4%
Compares product deals by using information from advertisements only - finance sector	2%
Has problems comparing deals due to information-related factors - energy sector	16%
Has problems comparing deals due to information-related factors - online sector	4%
Has problems comparing deals due to information-related factors - finance sector	12%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	3%
Has an internet provider and has not switched due to information-related factors - online sector	0%
Has a bank account and has not switched due to	2%

information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	46%
Finds it very difficult to compare product deals - energy sector	15%
Does not compare product deals - online sector	13%
Finds it very difficult to compare product deals - online sector	1%
Does not compare product deals - finance sector	63%
Finds it very difficult to compare product deals - finance sector	20%
Has problems comparing deals due to personal factors - energy sector	28%
Has problems comparing deals due to personal factors - online sector	6%
Has problems comparing deals due to personal factors - financial sector	39%
Has problems comparing deals due to market-related factors - energy sector	25%
Has problems comparing deals due to market-related factors - online sector	13%
Has problems comparing deals due to market-related factors - financial sector	35%
Has problems comparing deals due to access-related factors - energy sector	10%
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	3%
Has an electricity supplier and has not switched due to personal factors - energy sector	11%
Has an internet provider and has not switched due to personal factors - online sector	1%
Has a bank account and has not switched due to personal factors - financial sector	12%
Has an electricity supplier and has not switched due to market-related factors - energy sector	12%
Has an internet provider and has not switched due to market-related factors - online sector	6%
Has a bank account and has not switched due to market-related factors - financial sector	12%

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Has an electricity supplier and has not switched due to access-related factors - energy sector	7%
Has an internet provider and has not switched due to access-related factors - online sector	2%
Has a bank account and has not switched due to access-related factors - financial sector	3%
Has not switched due to termination costs	18%
Has not switched due to bundling	27%
Excluded from e-commerce due to difficulty of the process	23%
Excluded from e-commerce due to not having a payment card	27%
Declined for a loan	5%
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	14%
Experiment choice under the marketing practice treatment - energy sector	90%
Experiment choice under the marketing practice treatment - online sector	58%
Experiment choice under the marketing practice treatment - finance sector	35%
Experiment choice under the marketing practice treatment - cross-cutting	74%

Table 107: Country fiche – Romania**Country fiche summary**

Approach to consumer vulnerability: Elements of consumer vulnerability are singled out in national consumer legislation also independent of the transposition of the UCPD.
 Measures addressing consumer vulnerability: Only a limited number of measures addressing consumer vulnerability have been identified.

National consumer protection framework

Key pieces of legislation regarding consumer protection include the GO 21/1992, which specifies the fundamental rights of the consumers (amended in 2008), Law 193/2000 regarding abusive practices, Law 363/2007 regarding unfair commercial practices which transposes the UCPD, and the Law of energy and gas 123/2012 which defines vulnerable consumers. Several other rules and regulations were implemented concerning: consumer contracts negotiated away from business premises, protection of consumers in the execution and performance of distance contracts (contracts concluded between parties in different locations by the use of alternative means of communication such as the Internet) and unfair terms in consumer contracts.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

In line with the UCPD transposition, vulnerability is determined by certain physical or mental state capacities such as age, physical or mental disabilities or credulity (Law 363/2007). Similarly, an average consumer is defined in the same law as “a person who is reasonably well-informed, attentive and prudent according to prevalent social, cultural and linguistic factors”.

Consumer vulnerability in national consumer policy beyond the UCPD

In addition to the concept of vulnerability present in the UCPD, certain occupational states such as unemployment, illiteracy, low income, health issues are also singled out in legislation (Law 123/2012, Law 192/2011 regarding social assistance).

In addition, an energy vulnerable consumer is defined in the Law of energy and gas 123/2012 as “a person who because of age, health, or low income is at risk of being socially excluded and who because of this risk is the beneficiary of financial social protection measures and other facilities. The specific measures of social protection as well as the eligibility criteria are established by special laws” (definition of vulnerable consumers introduced in the Law of energy and gas 123/2012).

Stakeholder assessment of the national approach to consumer vulnerability

Despite the concept of vulnerability being present in legislation beyond the UCPD transposition, according to the consulted stakeholders the concept of consumer vulnerability is not used in practice. Similarly, the notion of an average consumer is also difficult to interpret in practice.

Specific legislative measures

Most measures addressing vulnerable consumers are carried out in the context of the welfare system rather than through the consumer protection framework and are administered by the Ministry of Labour and Social protection. An example of such measures includes, in the energy sector, social assistance to ensure energy heating access during the winter for low-income consumers. The interviewed stakeholders

however highlighted that in practice this support is often difficult to obtain.	
Non-legislative measures	
While the National Authority for Consumer Protection (ANPC) administers specific consumer campaigns, these generally do not focus specifically on consumer vulnerability.	
Institutional structure and role of civil society	
Public bodies responsible for consumer policy	
<p>Consumer protection in Romania is coordinated by the National Authority for Consumer Protection (ANPC). The ANPC coordinates and realises the strategy and policy of the Romanian Government with regard to the enforcement of Consumer Protection in the country, preventing and fighting practices that prejudice consumers' life, health, safety or economic interests. Principal objectives of ANPC are to:</p> <ul style="list-style-type: none"> • Ensure a high level of consumer protection through elaboration and promotion of legal acts and regulations and legislative initiatives; • Ensure effective enforcement of consumer protection rules, regulations and legislation; • Monitor and control of the quality of products and services; • Monitor, protect against and sanction of unfair, fraudulent or aggressive practices; and • Provide consumers' information, consulting and education. <p>Supervision and enforcement is carried out by 12 regional offices of ANPC. ANPC cooperates, at central and local level, with other central and local public administration bodies. These include the National Customs Authority, National Authority for Administration and Regulation in Communications Field (ANCOM), the Ministry of Health, the Labour Inspectorate, the Ministry of Tourism, the Ministry of Transport and Infrastructure, and the Ministry of Economy.</p>	
Role of civil society	
<p>In addition to the ANPC there are a number of other bodies operating in the field in Romania. These include in particular the national consumer organization (APC Romania). APC implements programmes to inform and educate the consumers, monitor commercial practices, and support consumers lodging complaints. It however does not carry out activities with a specific vulnerability focus. Other specific organisations include Romanian Financial Services Users and Organisation 'Assistance for consumers'. In addition to consumer organisations, there are also other bodies operating in the field, such as disability organisations.</p>	
Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	19%
Overpaid for services due to being unable to use certain payment methods	23%

Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	6%
Feels vulnerable to 'a great extent' due to financial circumstances	21%
Feels vulnerable to 'a great extent' due to employment situation	14%
Feels vulnerable to 'a great extent' due to age	11%
Feels vulnerable to 'a great extent' due to belonging to a minority group	4%
Feels vulnerable to 'a great extent' due to personal issues	6%
Feels vulnerable to 'a great extent' due to other reasons	6%
Feels vulnerable to 'a great extent' due to any personal characteristic	36%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	1%
Compares product deals by using information from advertisements only - online sector	8%
Compares product deals by using information from advertisements only - finance sector	3%
Has problems comparing deals due to information-related factors - energy sector	25%
Has problems comparing deals due to information-related factors - online sector	4%
Has problems comparing deals due to information-related factors - finance sector	14%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	3%
Has an internet provider and has not switched due to information-related factors - online sector	1%
Has a bank account and has not switched due to information-related factors - financial sector	2%
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	78%
Finds it very difficult to compare product deals - energy sector	21%

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Does not compare product deals - online sector	30%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	66%
Finds it very difficult to compare product deals - finance sector	18%
Has problems comparing deals due to personal factors - energy sector	37%
Has problems comparing deals due to personal factors - online sector	12%
Has problems comparing deals due to personal factors - financial sector	44%
Has problems comparing deals due to market-related factors - energy sector	26%
Has problems comparing deals due to market-related factors - online sector	10%
Has problems comparing deals due to market-related factors - financial sector	29%
Has problems comparing deals due to access-related factors - energy sector	44%
Has problems comparing deals due to access-related factors - online sector	5%
Has problems comparing deals due to access-related factors - financial sector	3%
Has an electricity supplier and has not switched due to personal factors - energy sector	22%
Has an internet provider and has not switched due to personal factors - online sector	4%
Has a bank account and has not switched due to personal factors - financial sector	14%
Has an electricity supplier and has not switched due to market-related factors - energy sector	10%
Has an internet provider and has not switched due to market-related factors - online sector	3%
Has a bank account and has not switched due to market-related factors - financial sector	10%
Has an electricity supplier and has not switched due to access-related factors - energy sector	36%
Has an internet provider and has not switched due to access-related factors - online sector	7%
Has a bank account and has not switched due to access-related factors - financial sector	5%
Has not switched due to termination costs	27%

Has not switched due to bundling	30%
Excluded from e-commerce due to difficulty of the process	28%
Excluded from e-commerce due to not having a payment card	35%
Declined for a loan	8%
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	15%
Experiment choice under the marketing practice treatment - energy sector	90%
Experiment choice under the marketing practice treatment - online sector	64%
Experiment choice under the marketing practice treatment - finance sector	27%
Experiment choice under the marketing practice treatment - cross-cutting	78%

Table 108: Country fiche - Slovenia**Country fiche summary**

Approach to consumer vulnerability: There appears to be no broader strategic approach to consumer vulnerability in place.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

Two main pieces of legislation forming part of the Slovenian consumer protection framework are the Consumer Protection Act and the Consumer Credit Act³⁵⁶. Other acts involve the Consumer Protection against Unfair Commercial Practices Act, which transposes the UCPD (see below), as well as the Electronic Communications Act. Information activities for consumer NGOs are funded through the National Program for Consumer Protection.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The terms “vulnerability” as well as “average consumer” have been transposed directly into Slovenian legislation with the Law on the Protection of Consumers against Unfair Commercial Practices (ZVPNPP).

Consumer vulnerability in national consumer policy beyond the UCPD

There is little evidence of the concept of consumer vulnerability being in use in Slovenia beyond the transposition of the UCPD, although the CEER review of consumer vulnerability³⁵⁷ in the energy sector notes that the concept is used within the energy context.

Stakeholder assessment of the national approach to consumer vulnerability

Despite the use in the energy sector, according to the interviews there is overall limited use of the terms within the field of consumer protection in Slovenia, with the concept not being widely known. Similarly, the interviewees argued that in practice there is also limited use of the average consumer concept.

Specific legislative measures

There are selected legislative measures in place in Slovenia that take consumer vulnerability into account. These include limiting the ability of businesses to recollect incomes for unpaid bills under a specific threshold. In the energy sector, a universal right to a basic service is also in place, although, according to the interviews, the general experience is that the procedures involved are quite complex and there are only a few cases (approx. 2-3 a year) where these provisions are used. In addition, in the telecommunications sector provisions exist allowing for waiving the radio and television bills for specific consumer groups, namely socially vulnerable persons and people with disabilities³⁵⁸.

³⁵⁶ See http://www.ti.gov.si/en/areas_of_work/

³⁵⁷ CEER (2012). ‘Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012’

³⁵⁸ See <http://www.disability-europe.net/content/aned/media/ANED%202012%20-%20Task%203%20-%20SI%20-%20Consumer%20Protection%20FINAL.doc>

Non-legislative measures

With regard to non-legislative measures, there appears to be few measures in place focusing on vulnerability. The Market Inspectorate's primary focus being the carrying out and reporting on market surveillance, with some of the specific actions being closely linked to vulnerability, such as the case of "exhibition sales" to older consumers³⁵⁹. These actions however serve primarily to enforce existing legislation rather than raise awareness among consumers.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

Consumer protection in Slovenia falls within the remit of the Ministry of Economic Development and Technology, and the Market Inspectorate. The inspectorate has a responsibility to oversee the enforcement of Slovenian consumer protection legislation, carry out market surveillance, and be the central place for lodging of consumer complaints. The Inspectorate also has the competence to issue administrative decisions requesting changes in business practices, as well as impose criminal fines³⁶⁰.

Role of civil society

Slovene Consumers' Association (SCA) is the key consumer organisation in Slovenia. Other organisations include the International Consumer Research Institute, which publishes a consumer magazine VIP. A number of other consumer organisations with a more regional focus are also present. While the Slovene Consumers' Association provides a range of consumer advice and information services, it does not have a specific focus on more vulnerable consumer groups. Nevertheless, specific activities are of relevance to consumer vulnerability, such as information about "presentation" and "exhibition" sales³⁶¹.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	9%
Overpaid for services due to being unable to use certain payment methods	16%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	6%

³⁵⁹ See http://www.ti.gov.si/si/storitve/s_cim_se_ukvarjamo/aktualna_porocila/2014_01_08_sejem_ska_protaja_potrosnikom/

³⁶⁰ See http://www.ti.gov.si/en/areas_of_work/

³⁶¹ See for instance <http://www.zps.si/pravice/splet-katalogi-prodaja-na-domu/brezplacni-izlet-v-zameno-za-predstavitev-izdelkov.html?Itemid=635>

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Feels vulnerable to 'a great extent' due to financial circumstances	18%
Feels vulnerable to 'a great extent' due to employment situation	14%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	1%
Feels vulnerable to 'a great extent' due to personal issues	3%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	27%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	
Compares product deals by using information from advertisements only - online sector	6%
Compares product deals by using information from advertisements only - finance sector	
Has problems comparing deals due to information-related factors - energy sector	
Has problems comparing deals due to information-related factors - online sector	7%
Has problems comparing deals due to information-related factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	35%
Finds it very difficult to compare product deals - energy sector	12%
Does not compare product deals - online sector	18%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	47%

Finds it very difficult to compare product deals - finance sector	12%
Has problems comparing deals due to personal factors - energy sector	
Has problems comparing deals due to personal factors - online sector	19%
Has problems comparing deals due to personal factors - financial sector	
Has problems comparing deals due to market-related factors - energy sector	
Has problems comparing deals due to market-related factors - online sector	27%
Has problems comparing deals due to market-related factors - financial sector	
Has problems comparing deals due to access-related factors - energy sector	
Has problems comparing deals due to access-related factors - online sector	5%
Has problems comparing deals due to access-related factors - financial sector	
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	22%
Has not switched due to bundling	35%
Excluded from e-commerce due to difficulty of the process	26%
Excluded from e-commerce due to not having a payment	41%

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card		
Declined for a loan		
Dimension 5 : Higher susceptibility to marketing practices		
Vulnerable to a great extent due to complexity of offers (own perception)	7%	
Experiment choice under the marketing practice treatment - energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 109: Country fiche - Slovakia**Country fiche summary**

Approach to consumer vulnerability: There is no evidence of a broader strategic approach to consumer vulnerability.

Measures addressing consumer vulnerability: Only a limited number of measures addressing consumer vulnerability have been identified.

National consumer protection framework

The Slovak consumer protection framework is based on a wide range of legal acts. One of the key documents is the Act no. 250 of 9 May 2007 on Consumer Protection, which transposes for instance the UCPD, Directive no. 8/27/EC, Directive no. 2005/29/EC, Directive no. 98/6/EC, Directive no. 2009/22/EC, Directive 2011/83/EU into Slovak legislation. This is supported by a range of specific provisions, such as the Act No. 102/2014 Coll. on the protection of consumers in respect of distance and off-premises contracts.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerability" is present within the Slovak Act on Consumer Protection due to the transposition of the UCPD, with the UCPD terms "mental or physical infirmity, age or credulity" being used. Similarly, the act also transposes the term "average consumer".

Consumer vulnerability in national consumer policy beyond the UCPD

There appears to be little evidence of the concept of consumer vulnerability being in use in broader national consumer policy. While the Consumer Policy Strategy for the period 2014-2020³⁶² makes a reference to "socially disadvantaged consumers" and seniors, the terms is used in the context of the roles for consumer associations and is not elaborated on further within the strategy document.

Stakeholder assessment of the national approach to consumer vulnerability

The overall perception of the Slovak legislative system with regard to consumers and consumer vulnerability is that the existing legislation is appropriate but not effectively implemented. Inconsistent court judgments are another area highlighted as potentially problematic.

Specific legislative measures

No specific legislative measures addressing consumer vulnerability have been identified beyond existing EU provisions. According to the interviewed stakeholders, there are currently efforts in place to develop legislation to address the problems arising in the consumer credit industry, although this is still in progress and the relevance to vulnerability is not clear.

Non-legislative measures

³⁶² See <http://www.economy.gov.sk/strategie-spotrebitelskej-politiky-slovenskej-republiky-naroky-2014---2020/137628s>

There are a number of non-legislative measures of relevance to consumer vulnerability in place. These include primarily education measures aimed at younger consumers, such as steps taken to assess the level of awareness of consumer issues among students in primary and secondary schools, which is to serve as a basis for further consumer education measures³⁶³. Other measures, highlighted by stakeholders, include awareness raising campaigns focusing on the consumer loan market, although these do not have a specific focus on potentially vulnerable consumer groups.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Consumer Policy Department of the Slovak Ministry of the Economy has the overall responsibility for the consumer protection system in the country. The Ministry cooperates with other relevant Ministries on issues falling within specific thematic areas, with the enforcement being the responsibility of bodies such as the Slovak Trade Inspection or the Regulatory Office for Network Industries, Regulatory Authority for Electronic Communications and Postal Services, and the National Bank of Slovakia.

Role of civil society

The consumer organisations operating in Slovakia include the Association of Slovak Consumers (ZSS), as well a range of other national and regional organisations. The Association of Slovak Consumers does not have explicit work streams addressing consumer vulnerability, although it focuses on specific practices linked to vulnerability, such as doorstep selling of energy products³⁶⁴. One of the most active national-level association is SOS Poprad, which focuses on consumers vulnerability by providing information materials to consumers in accessible formats, such as publishing information in Braille, as well as organizing seminars with a sign language interpreter and giving a legal and information support to seniors.

There are also a number of regional consumer organisations providing a range of services to consumers on regional level. This includes working to increasing consumer awareness and involvement in court proceedings.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	10%
Overpaid for services due to being unable to use certain payment methods	13%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	5%
Feels vulnerable to 'a great extent' due to financial	11%

³⁶³ See <http://www.economy.gov.sk/strategia-spotrebitejskej-politiky-na-roky-2007-2013-5859/127544s>

³⁶⁴ See <http://www.zss.sk/podomovy-predaj-energii>

circumstances	
Feels vulnerable to 'a great extent' due to employment situation	10%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	21%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	3%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	3%
Has problems comparing deals due to information-related factors - energy sector	21%
Has problems comparing deals due to information-related factors - online sector	7%
Has problems comparing deals due to information-related factors - finance sector	12%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	55%
Finds it very difficult to compare product deals - energy sector	11%
Does not compare product deals - online sector	30%
Finds it very difficult to compare product deals - online sector	2%
Does not compare product deals - finance sector	45%

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Finds it very difficult to compare product deals - finance sector	10%
Has problems comparing deals due to personal factors - energy sector	42%
Has problems comparing deals due to personal factors - online sector	18%
Has problems comparing deals due to personal factors - financial sector	27%
Has problems comparing deals due to market-related factors - energy sector	40%
Has problems comparing deals due to market-related factors - online sector	17%
Has problems comparing deals due to market-related factors - financial sector	36%
Has problems comparing deals due to access-related factors - energy sector	11%
Has problems comparing deals due to access-related factors - online sector	4%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	17%
Has not switched due to bundling	26%
Excluded from e-commerce due to difficulty of the process	28%
Excluded from e-commerce due to not having a payment card	18%

Declined for a loan		
Dimension 5 : Higher susceptibility to marketing practices		
Vulnerable to a great extent due to complexity of offers (own perception)	12%	
Experiment choice under the marketing practice treatment - energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 110: Country fiche - Finland**Country fiche summary**

Approach to consumer vulnerability: The concept of consumer vulnerability appears to have been in place within national consumer policy independently of the UCPD transposition.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

Significant work has been conducted in Finland in the area of consumer protection since the 1990s, following the 1990's recession. The main piece of legislation in this area is the Consumer Protection Act, which was introduced in 1978, and was latest amended in 2008 through the transposition of the UCPD. A number of other sector specific legislation also relates to consumer protection.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

There is no specific definition of vulnerable consumers in the Finnish legislation. However, the concept of vulnerable consumer is included in the area of consumer protection. Chapter 2, section 3 of Act 561 (2008) amending the Consumer Protection Act transposes the UCPD. While "vulnerability" is not specifically mentioned, the concept is transposed through the wording "consumers who are particularly impressionable due to their age, disability or credulity".

Consumer vulnerability in national consumer policy beyond the UCPD

The consumer legislation in force in Finland strives to address the legal protection of vulnerable consumer groups. The concept of essential services, which was established in the 1990s, as a consequence of the recession, makes reference to both temporary and permanent vulnerability, while regulation regarding marketing was revised in 2008, introducing a ban on discrimination. The clause also prohibits marketing targeted at children if it is against good practice.

The Finnish concept of consumer used since the 1980s sees the consumer as someone who is not very rational and who does not read adverts and similar information carefully. According to the interviewed stakeholders, the concept of "average consumer" is rarely used since that would create confusion due to the very well established existing consumer definition,

Finally, a working group was set up 2007-2010 by the National Research and Development Centre for Welfare and Health with the aim of examining the situation of vulnerable consumers and in particular consumers with disabilities. The work resulted in two reports: 'Vulnerability in legislation' (2009) and 'Structures, vulnerability and legislation' (2009).

Specific legislative measures

A number of specific measures have been identified. In the financial sector a debt collection act (March 2013) addresses inter alia the charging of unreasonable high collection fees. Under this new Act, the maximum amount of collection fees on consumer debts will be decreased in particular for smaller debts (total fee liability may be no higher than 60 euros). Fees on debts of no more than 1,000 euros may not exceed 120 euros. This measure aims to protect low-income consumers who are

already struggling with their debts. Furthermore, under the new Act, debtors may be charged collection fees for no more than two demands for payment³⁶⁵.

In some cases, people encountering sudden difficulties (e.g. illness, unemployment) will be given more time to reimburse their debts. This has been used in contract terms since the 1980s and is known as social force majeure. Such rules are contained in e.g. the legislation on consumer credit and on interest on delayed payments.

A significant reform has been carried out with regard to instant credit, with amendments approved by the Parliament in February 2013. An interest ceiling based on an annual percentage rate has been established. The amendments also prohibit the use of text messaging and other equivalent communication services for a surcharge in credit transactions.

Under the Act on Credit Institutions, any consumer has access to basic banking services³⁶⁶. This is defined as including an ordinary deposit account, the instruments needed to use the account and the opportunity to pay bills from the account. There has been discussion related to this since the banking industry does not consider online banking services to fall under basic banking services. A bad credit record may therefore result in that a bank denies a consumer access to online banking. The Consumer Agency has been calling attention to this, highlighting the fact that, according to the preamble to the government proposal regarding basic banking services, these services should include online banking services.

With regard to the energy sector, the concept of essential services is important in Finland. These services, including electricity and water supply, communication and basic banking services, must be guaranteed for any consumer at a reasonable price, regardless of financial status or place of residence. According to the law, if heating is dependent on electricity, electricity supply must not be interrupted due to unpaid bills between October and mid-April, before four months have passed from the due date of the bills.

Non-legislative measures

There are a number of non-legislative measures addressing consumer vulnerability carried out by a wide range of organisations. For instance, the Finnish Direct Marketing Association has issued guidelines on telemarketing targeted at senior citizens. These guidelines mention e.g. the importance of using a clear and ordinary language, establishing whether the product or service is suitable to the client, and of summarising at the end of the call what has been agreed.

Consumer associations have had an important role in consumer protection in e.g. drafting contract terms in collaboration with telecommunication companies, providing summaries in braille, or easy-read versions adapted to elderly people, as well as in the drafting of guidelines on issues such as contract terms.

³⁶⁵ Finnish Competition and Consumer Authority, <http://www2.kuluttajavirasto.fi/Page/26b5a41e-642e-4d78-a0fb-bef206790a78.aspx?announcementId=8d2c4d36-24c2-46a0-a5b8-3a9fae975b45&groupId=6da5f022-8c1c-4a2f-9c0e-37645ba8d18d>

³⁶⁶ Finnish Competition and Consumer Authority, <http://www2.kuluttajavirasto.fi/en-GB/archive2010/?announcementId=f267b54b-1604-4df2-9fa9-e62b16745e13&groupId=9f7606f6-55dc-4ee7-9389-caabce8c1b65>

Municipalities have been given an informative role, especially in regards to consumers with special needs such as students or elderly people.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

The Competition and Consumer Authority is a new agency established in the beginning of 2013, merging the Competition authority and the Consumer Agency. The Finnish Competition and Consumer Authority aims to promote competition and develop consumer policies and consumer protection. The authority is responsible for general consumer policy matters, and also provides consumer information and education. Furthermore, it collaborates with local authorities and municipalities in the area of consumer protection.

The Consumer Ombudsman has the enforcement role. It is active in taking companies to the Market Court for faulty behaviour on the market. The Market Court is the dedicated court for competition and public procurement cases. Any case with a basis in the Consumer Protection Act is initiated by a petition from the Consumer Ombudsman to the Market Court.

Other sector-specific authorities are also involved in consumer protection e.g. the Energy Authority, the Ministry of Justice, and the Finnish Communications Regulatory Authority. The Finnish Consumer Disputes Board works to resolve disputes between consumers and businesses regarding e.g. consumer goods and services.

Role of civil society

The two consumer associations in Finland, the Finnish Consumers' Association and The Consumers merged in 2011 to become the Consumer Association of Finland.

As mentioned above, consumer associations have had an important role in consumer protection in e.g. drafting contract terms, providing summaries in braille, or easy-read versions adapted to elderly people, as well as in the drafting of guidelines.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	9%
Overpaid for services due to being unable to use certain payment methods	11%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	4%
Feels vulnerable to 'a great extent' due to financial circumstances	16%
Feels vulnerable to 'a great extent' due to employment situation	11%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%

Feels vulnerable to 'a great extent' due to personal issues	3%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	22%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	4%
Compares product deals by using information from advertisements only - online sector	4%
Compares product deals by using information from advertisements only - finance sector	3%
Has problems comparing deals due to information-related factors - energy sector	11%
Has problems comparing deals due to information-related factors - online sector	8%
Has problems comparing deals due to information-related factors - finance sector	13%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	45%
Finds it very difficult to compare product deals - energy sector	12%
Does not compare product deals - online sector	36%
Finds it very difficult to compare product deals - online sector	7%
Does not compare product deals - finance sector	55%
Finds it very difficult to compare product deals - finance sector	9%
Has problems comparing deals due to personal factors - energy sector	34%
Has problems comparing deals due to personal factors - online sector	21%

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Has problems comparing deals due to personal factors - financial sector	38%
Has problems comparing deals due to market-related factors - energy sector	34%
Has problems comparing deals due to market-related factors - online sector	22%
Has problems comparing deals due to market-related factors - financial sector	36%
Has problems comparing deals due to access-related factors - energy sector	9%
Has problems comparing deals due to access-related factors - online sector	7%
Has problems comparing deals due to access-related factors - financial sector	3%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	9%
Has not switched due to bundling	24%
Excluded from e-commerce due to difficulty of the process	26%
Excluded from e-commerce due to not having a payment card	13%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	6%
Experiment choice under the marketing practice treatment -	

energy sector		
Experiment choice under the marketing practice treatment - online sector		
Experiment choice under the marketing practice treatment - finance sector		
Experiment choice under the marketing practice treatment - cross-cutting		

Table 111: Country fiche - Sweden**Country fiche summary**

Approach to consumer vulnerability: There appears to be no broader strategic approach to consumer vulnerability in place.

Measures addressing consumer vulnerability: There is evidence of a range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The overall objective of Swedish consumer policy to date has been to empower consumers to make active choices in the marketplace. The key legislative act relevant to consumer vulnerability is the Marketing Practices Act.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The Marketing Practices Act (2008:486), which transposes the UCPD, does not appear to include a reference to vulnerable consumers. Similarly, there is no reference or definition of average consumer. However, recent caselaw in Sweden has included references to the average consumer³⁶⁷.

Consumer vulnerability in national consumer policy beyond the UCPD

The term of consumer vulnerability is not widely used in Sweden. Instead it is more common to speak about different consumer groups, consumers with special needs or otherwise safe/secure consumers, which carries a more positive connotation and highlights that every consumer has the right to feel secure in the marketplace. This is also in line with the objective of the Swedish consumer policy as set out above. There is however some evidence of the concept of consumer vulnerability being defined in the energy sector³⁶⁸.

Stakeholder assessment of the national approach to consumer vulnerability

Similarly to the general perception of consumer vulnerability in Sweden, the consulted stakeholders argue that every consumer can be vulnerable. Thus, by using the concept of safe or secure consumers there are no consumers that are at risk of being stigmatised and also highlights the dynamics of the concept of consumer vulnerability.

Specific legislative measures

There are a number of legislative measures in place in mainly the financial sector aimed at protecting vulnerable consumers. These include new legislation requiring companies to provide short informational leaflets on investment funds. This has been implemented to facilitate comparison between different funds in regards to annual fees and risk levels. A proposal is also underway regarding permits for businesses offering consumer credit, with the objective to curb payday loans. It is proposed that only limited companies and economic associations should be given permits with the condition that the business needs to be conducted in a fair way.

³⁶⁷ See for example, the Consumer Ombudsman vs. Mercedes Benz.

³⁶⁸ ACER (2013). Annual Report on the Results of Monitoring the Internal Electricity and Gas Markets in 2012. Available at:
<http://www.acer.europa.eu/Electricity/Market%20monitoring/Pages/Reports.aspx>

Non-legislative measures

There are a number of non-legislative measures in place in the key sectors. In the energy sector, measures include non-exhaustively an industry code of conduct regarding selling of energy services agreed between the Swedish Consumer Agency and the Industry Association for Energy Providers. This code includes guidelines on selling energy services through doorstep, telephone or selling in other public places. This code of conduct includes what information should be provided and in which format. In addition, specific rules are in place in regards to disconnection and payment for energy services, which is administered and provided by social welfare services.

In the financial sector, the Finance Authority receives a budget yearly to increase financial literacy among consumers through education. The trainings are held in cooperation with union organisations, educational associations and other authorities. In addition, the government has established requirements on basic skills in personal finance in the high school curriculum. The government is also investing 60 million SEK in the coming 4 years on coordinated telephone and web-based consumer information to help consumers get easy and quick service on rights and obligations and other information facilitating consumer choices.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

As of October 2014, consumer protection in Sweden falls within the competence of the Consumer Policy Division of the Ministry of Finance at the Government Offices. The division is responsible for, inter alia, marketing legislation and product safety issues. The Swedish Consumer Agency (Konsumentverket) is a governmental agency operating under the Ministry of Finance and is tasked with safeguarding consumer interests. The issues addressed by the Agency include:

- Enforcement of consumer protection legislation, i.e. safety with regard to goods and services, company advertising and contract conditions, domestic finances
- Consumer-related disabled and environmental issues;
- Training of municipality consumer advisers as well as budget and debt advisers;
- Monitoring consumer interests within the EU; and
- Information and education campaigns and information for consumers.

The Head of the Consumer Agency is at the same time the Consumer Ombudsman. The Consumer Ombudsman has the capacity to pursue legal action in the market court or to issue an information or prohibition order. In addition to the Swedish Consumer Agency there are a number of other agencies tasked with implementing the Government's consumer policy:

- The National Board for Consumer Disputes;
- The Swedish Estate Agents Inspectorate;
- The Market Court; and
- The Travel Guarantees Board.

Consumer issues are also dealt with by other agencies, including:

- The Financial Conduct Authority;
- The Swedish Post and Telecom Authority; and
- The Swedish Energy Market Inspectorate.

The agencies are responsible for monitoring compliance with specific sector-relevant legislation and to provide information on the consumer protection available. Lastly, the Discrimination Ombudsman is also engaged in the protection of vulnerable consumers.

Role of civil society

The Swedish Consumers' Association (Sveriges konsumenter) is the umbrella consumer organisation in Sweden. It currently has 26 member organisations, some of which represent groups that may be considered vulnerable. In addition, state subsidies administered by the Consumer Agency are available to voluntary organisations working with consumer related issues. Usually, a portion of the grants is given to organisations that work in the interests of potentially vulnerable consumer groups.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	6%
Overpaid for services due to being unable to use certain payment methods	8%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	8%
Feels vulnerable to 'a great extent' due to employment situation	6%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	3%
Feels vulnerable to 'a great extent' due to other reasons	3%
Feels vulnerable to 'a great extent' due to any personal characteristic	14%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	1%
Compares product deals by using information from advertisements only - energy sector	1%
Compares product deals by using information from advertisements only - online sector	1%
Compares product deals by using information from advertisements only - finance sector	1%

Has problems comparing deals due to information-related factors - energy sector	11%
Has problems comparing deals due to information-related factors - online sector	7%
Has problems comparing deals due to information-related factors - finance sector	9%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	50%
Finds it very difficult to compare product deals - energy sector	13%
Does not compare product deals - online sector	53%
Finds it very difficult to compare product deals - online sector	6%
Does not compare product deals - finance sector	58%
Finds it very difficult to compare product deals - finance sector	8%
Has problems comparing deals due to personal factors - energy sector	35%
Has problems comparing deals due to personal factors - online sector	24%
Has problems comparing deals due to personal factors - financial sector	35%
Has problems comparing deals due to market-related factors - energy sector	31%
Has problems comparing deals due to market-related factors - online sector	26%
Has problems comparing deals due to market-related factors - financial sector	33%
Has problems comparing deals due to access-related factors - energy sector	10%
Has problems comparing deals due to access-related factors - online sector	16%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to	

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personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	6%
Has not switched due to bundling	14%
Excluded from e-commerce due to difficulty of the process	21%
Excluded from e-commerce due to not having a payment card	8%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	7%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 112: Country fiche – United Kingdom**Country fiche summary**

Approach to consumer vulnerability: The consumer vulnerability concept is well known and there is evidence of consumer vulnerability being tackled at strategic policy level across a range of sectors.

Measures addressing consumer vulnerability: There is evidence of a wide range of sector-specific measures addressing consumer vulnerability.

National consumer protection framework

The UK consumer policy focuses on ensuring that consumers have the right information and are protected when buying goods and services. The Consumer Rights Act, currently in the process of being adopted, aims to clarify and simplify consumer rights. In particular, the Act aims to enhance consumer confidence by clarifying standards and clarifying when terms and conditions can be considered unfair. In addition, it seeks to simplify enforcement and make it easier to deal with dishonest traders. Specifically, the Act will focus on:

- What should happen when goods are faulty;
- What should happen when digital content is faulty;
- Unfair terms in a contract;
- What happens when a business is acting in a way which isn't competitive;
- Written notice for routine inspections to be given by public enforcers, such as Trading Standards;
- Greater flexibility for public enforcers to respond to breaches of consumer law, such as seeking redress for consumers who have suffered harm; and
- How services should match up to what has been agreed, and what should happen when they do not or when they are not provided with reasonable care and skill³⁶⁹.

Other relevant legislation includes the Consumer Contracts Regulations and the Consumer Protection Regulations.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The term "vulnerable" is present in the Consumer Protection from Unfair Trading Regulations 2008 through the transposition of the UCPD. The concept of vulnerability has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. Similarly the "average consumer" term has also been transposed into UK legislative framework.

Consumer vulnerability in national consumer policy beyond the UCPD

The term "vulnerable consumer" is used in a variety of policy documents in the UK

³⁶⁹ See <https://www.gov.uk/government/policies/providing-better-information-and-protection-for-consumers/supporting-pages/consumer-bill-of-rights>

although there is no strict definition of the term. For example, the Consumer Empowerment Strategy in 2011³⁷⁰ contains a number of suggestions for additional support for vulnerable consumers. It loosely defines those consumers who have never used a computer, those who are widowed, those on low incomes and certain age groups to be the most vulnerable in at least some respects. The energy regulator, Ofgem, states that “all consumers, in any market, can be vulnerable to detriment. The potential for, and impact of, vulnerability are a result of the interactions between individual circumstances and the operation of the market”³⁷¹. Consumer Futures in turn use the term “consumers in vulnerable position” to indicate that vulnerability is linked to how the market operates, providing the following definition: “People who cannot choose or access essential products and services which are suitable for their needs or cannot do so without disproportionate effort/cost/time”³⁷².

Stakeholder assessment of the national approach to consumer vulnerability

According to all stakeholders consulted, consumer vulnerability is well integrated into the overall UK policy framework. There are also specific work streams on consumer vulnerability being put in place as well, with for instance the Financial Conduct Authority (FCA) dedicating resources to research on consumer vulnerability in the financial sector.

The difficulties with the concept relate to the definition and stakeholders converge on the notion that all consumers may be vulnerable at certain points in time. In addition, it is recognised that consumer vulnerability is complex and interrelated concept where for example vulnerability in the financial sector such as lack of access to basic bank accounts may spill over to vulnerability in the energy sector due to limited means of paying with direct debit.

Specific legislative measures

There are a wide variety of specific legislative measures in the UK that seek to mitigate consumer vulnerability. This is mainly due to the focus on consumer vulnerability as noted above. Below follows a non-exhaustive list of current measures in the three key sectors.

In the energy sector, there are several measures to help those consumers that may be at a disadvantage. To this end, the regulator Ofgem has set out a particular strategy to protect vulnerable consumers in the energy market. One example of a legislative measure includes the Energy Company Obligation (ECO), a programme designed to reduce Britain’s energy consumption with the twin aim to ease fuel poverty. It places a legal obligation on energy companies to improve energy efficiency in households through the establishment of three different targets. One of these targets – “the affordable warmth obligation” – focuses on vulnerable consumers and housing in low-income areas. In addition, the Warm Home Discount Scheme is a 5-year programme introduced by the Government in April 2011 and administered by energy suppliers to provide rebates on the electricity bills of households that need it most in England, Scotland, and Wales. The Warm Home Discount Scheme (WHDS) offers eligible customers a one-off payment on their electricity bill (currently £135).

³⁷⁰ See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/294798/bis-11-749-better-choices-better-deals-consumers-powering-growth.pdf

³⁷¹ See <https://www.ofgem.gov.uk/ofgem-publications/75550/consumer-vulnerability-strategy.pdf>

³⁷² See <http://www.consumerfocus.org.uk/topic/tackling-consumer-vulnerability>

In the financial sector new and more effective regulations and sanctions are being introduced to tackle consumer vulnerability. For example, the government has announced a package of measures to target the payday loans industry which includes rules on how loans are advertised, tightening the codes covering lenders and encouraging industry to improve compliance. In order to help consumers that are underserved in the financial market, the UK government has implemented the National Employer Savings Trust, which is a pension scheme enabling its members to build up a retirement pot. This is believed to benefit consumers that would not have had access to private pension scheme otherwise.

Non-legislative measures

In addition, to the legislative measures described above there is also a range of non-legislative measures in place in the UK. In the energy sector, the Extra help Unit run by Consumer Futures helps consumers to resolve conflicts with their providers. The industry association for energy suppliers, Energy UK, has established an industry code of conduct “the Safety Net” agreeing to never knowingly disconnect a vulnerable customer at any time of year, where for reasons of age, health, disability or severe financial insecurity.

In the online environment sector there are a number of industry standards concerning children and the internet. For example, a Code of Practice agreed in 2011 sets out measures to help parents block inappropriate online content³⁷³. The British Standards Institute has published a new standard, which is designed to help businesses provide fair, flexible service that are accessible to all. This standard – Inclusive Service Provision BS 18477 – is designed to raise consumer confidence in services which are offered directly online or through telephone or physically. It helps organisation to improve customer satisfaction by encouraging the use of fair, ethical and inclusive practices, helping organisation how to identify vulnerable consumers and how to treat them fairly in compliance with law as well as helping organisation understand what consumers are entitled to expect from them. The UK government is encouraging businesses to take up the standard.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

There are a variety of governmental and non-governmental institutions in the UK working with issues related to consumer protection and consumer vulnerability. As mentioned above, the main governmental agency with responsibilities of consumer policy is the Department of Businesses, Skills and Innovation. In addition, the following organisations are active on issues related to consumer vulnerability:

- The energy regulator Ofgem was established in 2000 through the Utilities Act with one of the key objectives to promote the protection of consumers through the promotion and oversight of the competition in the energy market. To this end, Ofgem is required to consider the interests of vulnerable consumers, defined non-exhaustively as those who are disabled, chronically sick, of pensionable age or residing in rural areas. Ofgem has a particular strategy aiming at protecting

³⁷³ See

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251454/code_of_practice.pdf

vulnerable consumers in the energy market.

- With regard to telecommunications, the Communications Act 2003 imposes a general duty on Ofcom to “further the interests of consumers” in the relevant markets. In doing so, it has to consider, inter alia, the vulnerability of children and of others whose circumstances appear to put them in need of special protection.
- In April 2014, the regulation of consumer credit will be moved from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA) in order to provide stronger protection in the financial services market.
- Financial Services Consumer Panel is an independent body representing the consumer voice in financial markets. One of the key objectives of the Panel is to advise and challenge the FCA from the earliest stages of its policy development to ensure that the consumer interest is taken into account.
- Consumer Futures is a non-departmental public body sponsored by the Department of Business, Innovation and Skills, which aims to help markets work better for consumers, improve consumer protection and give greater clarity about where consumers need to turn to for help and advice. As of April 2014, Consumer Futures became part of the Citizens Advice service.
- In regard to the online environment, the Competition Markets Authority is responsible for consumer protection in the field of e-commerce. In addition, the Information Commissioner’s Office is responsible for privacy issues, such as information gathered by online operators. The Advertising Standards Authority is the UK’s independent regulator of advertising across all media, including online advertisement.

Role of civil society

In addition to the public bodies set out above, there are numerous non-governmental organisations working on consumer related issues in the UK, such as the consumer organisation ‘Which?’. This organisation does not carry out any activities directed especially to vulnerable consumers, but instead considers all consumers to be potentially vulnerable in different markets and at different times.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	6%
Overpaid for services due to being unable to use certain payment methods	9%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	9%
Feels vulnerable to 'a great extent' due to employment situation	8%
Feels vulnerable to 'a great extent' due to age	5%
Feels vulnerable to 'a great extent' due to belonging to a	2%

minority group	
Feels vulnerable to 'a great extent' due to personal issues	4%
Feels vulnerable to 'a great extent' due to other reasons	2%
Feels vulnerable to 'a great extent' due to any personal characteristic	17%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	3%
Compares product deals by using information from advertisements only - online sector	2%
Compares product deals by using information from advertisements only - finance sector	2%
Has problems comparing deals due to information-related factors - energy sector	11%
Has problems comparing deals due to information-related factors - online sector	6%
Has problems comparing deals due to information-related factors - finance sector	7%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	1%
Has an internet provider and has not switched due to information-related factors - online sector	0%
Has a bank account and has not switched due to information-related factors - financial sector	1%
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	38%
Finds it very difficult to compare product deals - energy sector	10%
Does not compare product deals - online sector	33%
Finds it very difficult to compare product deals - online sector	3%
Does not compare product deals - finance sector	60%
Finds it very difficult to compare product deals - finance sector	8%
Has problems comparing deals due to personal factors - energy sector	24%
Has problems comparing deals due to personal factors - online sector	13%
Has problems comparing deals due to personal factors - financial sector	33%

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Has problems comparing deals due to market-related factors - energy sector	31%
Has problems comparing deals due to market-related factors - online sector	21%
Has problems comparing deals due to market-related factors - financial sector	26%
Has problems comparing deals due to access-related factors - energy sector	4%
Has problems comparing deals due to access-related factors - online sector	3%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to personal factors - energy sector	5%
Has an internet provider and has not switched due to personal factors - online sector	3%
Has a bank account and has not switched due to personal factors - financial sector	5%
Has an electricity supplier and has not switched due to market-related factors - energy sector	11%
Has an internet provider and has not switched due to market-related factors - online sector	7%
Has a bank account and has not switched due to market-related factors - financial sector	13%
Has an electricity supplier and has not switched due to access-related factors - energy sector	3%
Has an internet provider and has not switched due to access-related factors - online sector	2%
Has a bank account and has not switched due to access-related factors - financial sector	2%
Has not switched due to termination costs	12%
Has not switched due to bundling	14%
Excluded from e-commerce due to difficulty of the process	15%
Excluded from e-commerce due to not having a payment card	8%
Declined for a loan	3%
Dimension 5: Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	10%
Experiment choice under the marketing practice treatment - energy sector	82%
Experiment choice under the marketing practice treatment - online sector	48%

Experiment choice under the marketing practice treatment - finance sector	26%	
Experiment choice under the marketing practice treatment - cross-cutting	60%	

Table 113: Country fiche - Iceland**Country fiche summary**

Approach to consumer vulnerability: Evidence suggests that national consumer policy takes a neutral approach and hence does not involve a specific approach to consumer vulnerability.

Measures addressing consumer vulnerability: There appears to be only a limited number of measures addressing consumer vulnerability.

National consumer protection framework

Consumer strategy in Iceland, as directed by the Consumer Agency, aims to ensure correct information to both the public and to business operators on rights and obligations in consumer transactions with the view to ensure respect for legislation on safety and consumer rights.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The UCPD is transposed through the Act No. 57/2005 on the surveillance of unfair business practices and market transparency. The term "vulnerable consumer" is not included in the transposition. Similarly, the term "average consumer" is not present in the Act. Only Article 7 makes a particular reference to children and young adults in relation to marketing practices.

Consumer vulnerability in national consumer policy beyond the UCPD

As set out above, the term consumer vulnerability is generally not used in Iceland, neither is the concept of "average consumer".

Stakeholder assessment of the national approach to consumer vulnerability

According to the stakeholder consulted, vulnerability is generally not a widely used concept in Iceland. Instead, all consumers should be regarded as vulnerable throughout their life.

Specific measures

There is evidence of few specific measures in Iceland relating to mitigating consumer vulnerability. One example of specific measures in the financial sector includes recent legislation to curb the prevalence of payday loans. This involves limiting the amount of APR to 50% in addition to the interest set by the Central Bank in order to limit the excessive fees associated with these types of loans. However, there are indications of companies surpassing this limit by charging additional fees for fast tracking or instant approval of loans. According to the interviews, financial services regulation states that business should be conducted in a fair way. However, what is fair has never been established and thus is not effectively enforced.

Non-legislative measures

As there is little focus on vulnerable consumers in the legal and policy framework, there is no evidence of relevant non-legislative measures in Iceland.

Institutional structure and role of civil society**Public bodies responsible for consumer policy**

Consumer protection in Iceland falls within the competence of the Ministry of the

Interior. However, it is the Icelandic Consumer Agency, a government agency operating under the Ministry of Interior, which is tasked with the enforcement, supervision and policy formulation in regards to consumer legislation. The Consumer Agency has the responsibility to enforce various legal acts and can use different measures such as fines, product recalls, sales bans, sanctions on misleading advertisements or prohibiting the use of illegal standard contract terms.

In addition to the Consumer Agency, a Consumer Spokesman is responsible for safeguarding the interests and rights of consumers and for enhancing consumer protection.

Role of civil society

The Consumer Association of Iceland has around 9,000 members and works to promote and protect the interests of consumers, while undertaking comparative testing of goods and services. In addition, the Association also engages in consumer education and information. As pointed out above, the Association does not have any particular focus on vulnerable consumers but considers all consumers as potentially vulnerable.

Incidence of consumer vulnerability

Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	12%
Overpaid for services due to being unable to use certain payment methods	8%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	2%
Feels vulnerable to 'a great extent' due to financial circumstances	6%
Feels vulnerable to 'a great extent' due to employment situation	2%
Feels vulnerable to 'a great extent' due to age	3%
Feels vulnerable to 'a great extent' due to belonging to a minority group	2%
Feels vulnerable to 'a great extent' due to personal issues	0%
Feels vulnerable to 'a great extent' due to other reasons	1%
Feels vulnerable to 'a great extent' due to any personal characteristic	10%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	2%
Compares product deals by using information from advertisements only - energy sector	1%

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Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	1%
Has problems comparing deals due to information-related factors - energy sector	32%
Has problems comparing deals due to information-related factors - online sector	15%
Has problems comparing deals due to information-related factors - finance sector	20%
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	91%
Finds it very difficult to compare product deals - energy sector	40%
Does not compare product deals - online sector	48%
Finds it very difficult to compare product deals - online sector	14%
Does not compare product deals - finance sector	71%
Finds it very difficult to compare product deals - finance sector	17%
Has problems comparing deals due to personal factors - energy sector	51%
Has problems comparing deals due to personal factors - online sector	25%
Has problems comparing deals due to personal factors - financial sector	36%
Has problems comparing deals due to market-related factors - energy sector	23%
Has problems comparing deals due to market-related factors - online sector	37%
Has problems comparing deals due to market-related factors - financial sector	41%
Has problems comparing deals due to access-related factors - energy sector	27%
Has problems comparing deals due to access-related factors - online sector	2%
Has problems comparing deals due to access-related factors - financial sector	5%
Has an electricity supplier and has not switched due to personal	

factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	
Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	9%
Has not switched due to bundling	17%
Excluded from e-commerce due to difficulty of the process	19%
Excluded from e-commerce due to not having a payment card	15%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	4%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Table 114: Country fiche - Norway**Country fiche summary**

Approach to consumer vulnerability: While the concept of consumer vulnerability appears to be used in specific sectors, there is no evidence of a broader strategic approach to tackling consumer vulnerability at national level.

Measures addressing consumer vulnerability: There is evidence of a range of legislative and non-legislative measures addressing consumer vulnerability.

National consumer protection framework

According to the Ministry of Children, Equality and Social Inclusion, the basis of Norwegian consumer policy is founded on consumers' right to be well informed about the goods and services they purchase, while receiving appropriate information about their rights and obligations. In addition, efficient systems for solving conflicts between buyers and sellers must be ensured and laws and regulation must consider consumer interests in a good and balanced manner.

Approach to consumer vulnerability**Consumer vulnerability within the context of the transposed UCPD**

The new Marketing Control Act, which came into force on 1 June 2009 implements the EU Unfair Commercial Practices Directive (2005/29/EC)³⁷⁴. The term "vulnerable" has been transposed in line with the Directive's wording, using the terms mental or physical infirmity, age, and credulity. The Marketing Control Act does not mention the "average" consumer. However, recent case law in the financial services sector has referred to "non-professional investors" (paragraph 125) and "small savers and inexperienced investors" (paragraph 128)³⁷⁵.

Consumer vulnerability in national consumer policy beyond the UCPD

The term "vulnerable consumers" is generally not used in Norwegian legislation beyond the context of the UCPD. However, the Consumer Ombudsman is placing a particular focus on vulnerable consumer groups ("Sårbare forbrukergrupper"). This is defined as those who may be more vulnerable due to age, experience and lack of digital literacy³⁷⁶.

Stakeholder assessment of consumer vulnerability

According to the stakeholders, the concept of vulnerable consumers is not in wide use. However, there are a number of specific measures that address marketing practices targeting children, young adults and seniors.

Specific measures

In the financial sector, the Debt Settlement Act gives individuals with serious debt problems the opportunity to regain control of their finances. A debt settlement scheme involves an agreement to pay as much as possible of the debt during a limited period (generally 5 years) and after this period the remaining debt is cancelled. The scheme covers all types of debt, including debt to public authorities, and can, as a general rule,

³⁷⁴ See http://ec.europa.eu/justice/consumer-marketing/files/ucpd_final_report_part_1_synthesis.pdf

³⁷⁵ See HR-2013-00642-S, (Case no. 2011/1938), Civil Case, Appeal from Judgment

³⁷⁶ See <http://www.forbrukerombudet.no/2013/03/saarbare-forbrukargrupper-i-2014>

be only used once in a person's lifetime. The measure is targeted at vulnerable individuals who are permanently unable to meet their liabilities³⁷⁷. In addition, a proposal is underway to create a debt register ("gjeldsregister")³⁷⁸. The register will help banks and other loan institutions to check a person's credit history in order to restrict access to short-term credit and make it more difficult for individuals to accumulate debt.

In the energy sector, for those consumers with difficulty paying their energy bills specific rules are in place with regard to disconnection of energy supply. Whereas the consumer will not lose power, the contract with the supplier is annulled and the consumer is moved to a supplier of last resort/default supplier.

Non-legislative measures

As noted above, there is a particular focus on children and young consumers within Norwegian consumer policy and the Consumer Ombudsman has set out a number of industry standards to protect this consumer group. For example, the Consumer Ombudsman has issued guidelines for industry on marketing practices and on contracts³⁷⁹, which help businesses comply with legislation. In the particular area of finance the Consumer Ombudsman has agreed with the financial services industry on a Model Agreement for bankcards used by children under the age of 13. A particular focus in Norway is also on children and the use of mobile in-app payments and industry standards for deployment of apps and payment services for children have been developed.

Institutional structure and role of civil society

Public bodies responsible for consumer policy

In Norway, formulation of consumer policy falls within the competences of the Ministry of Children, Equality and Social Inclusion. The Consumer Ombudsman is an independent administrative body with the responsibility for supervising commercial practices. It therefore seeks to exert influence on traders to comply with relevant regulations. The Consumer Ombudsman considers cases upon complaints from consumers and traders, but will also, at own initiative, investigate marketing measures. The Ombudsman is responsible for the initial review of cases of assumed violations. If voluntary agreements fail to be reached between the Consumer Ombudsman and traders, the Consumer Ombudsman may submit the case to the Market Council, an administrative "court of law".

The Market Council carries out supervision of the Marketing Control Act, as well as other parts of the regulatory framework, such as the advertising regulations in the Act on Broadcasting. The Market Council has the authority to issue decisions banning unlawful marketing or contract terms and conditions in standard contracts. It also has the authority to ban unlawful advertising and to repeal decisions made by The Consumer Ombudsman as well as the Directorate of Health and The Norwegian Media Authority.

³⁷⁷ See <http://www.fininc.eu/knowledge-and-data/best-practices,en,48,96,3,70.html>

³⁷⁸ See <http://www.forbrukerradet.no/annet/blogg/finans/en-fremtid-med-kreditt-og-gjeldsregister>

³⁷⁹ See <http://www.forbrukerombudet.no/id/11037367.0>

Role of civil society	
<p>The Norwegian Consumer Council is the main organisation representing consumer interests in Norway. Although the organisation is publicly funded, the Council is an independent body focused on empowering consumers in the marketplace. The Consumer Council carries out a range of activities to support consumers in financial services, energy and online environment sectors, although these actions do not explicitly target vulnerable consumers.</p>	
Incidence of consumer vulnerability	
Indicator of vulnerability	Mean incidence
Dimension 1 : Heightened risk of negative outcomes or impacts on well-being	
Has experienced a problem and took no action	8%
Overpaid for services due to being unable to use certain payment methods	8%
Dimension 2 : Having characteristics that limit ability to maximise well-beings	
Feels vulnerable to 'a great extent' due to health problems	3%
Feels vulnerable to 'a great extent' due to financial circumstances	7%
Feels vulnerable to 'a great extent' due to employment situation	3%
Feels vulnerable to 'a great extent' due to age	2%
Feels vulnerable to 'a great extent' due to belonging to a minority group	1%
Feels vulnerable to 'a great extent' due to personal issues	1%
Feels vulnerable to 'a great extent' due to other reasons	1%
Feels vulnerable to 'a great extent' due to any personal characteristic	12%
Dimension 3 : Having difficulty in obtaining or assimilating information	
Feels 'not at all' informed about product price, quality, conditions, etc when choosing and buying goods and services	3%
Compares product deals by using information from advertisements only - energy sector	3%
Compares product deals by using information from advertisements only - online sector	3%
Compares product deals by using information from advertisements only - finance sector	2%
Has problems comparing deals due to information-related factors - energy sector	16%
Has problems comparing deals due to information-related factors - online sector	9%
Has problems comparing deals due to information-related	13%

factors - finance sector	
20. Has an electricity supplier and has not switched due to information-related factors - energy sector	
Has an internet provider and has not switched due to information-related factors - online sector	
Has a bank account and has not switched due to information-related factors - financial sector	
Dimension 4 : Inability or failure to buy, choose or access suitable products	
Does not compare product deals - energy sector	55%
Finds it very difficult to compare product deals - energy sector	9%
Does not compare product deals - online sector	58%
Finds it very difficult to compare product deals - online sector	7%
Does not compare product deals - finance sector	52%
Finds it very difficult to compare product deals - finance sector	7%
Has problems comparing deals due to personal factors - energy sector	35%
Has problems comparing deals due to personal factors - online sector	25%
Has problems comparing deals due to personal factors - financial sector	31%
Has problems comparing deals due to market-related factors - energy sector	31%
Has problems comparing deals due to market-related factors - online sector	18%
Has problems comparing deals due to market-related factors - financial sector	27%
Has problems comparing deals due to access-related factors - energy sector	12%
Has problems comparing deals due to access-related factors - online sector	21%
Has problems comparing deals due to access-related factors - financial sector	1%
Has an electricity supplier and has not switched due to personal factors - energy sector	
Has an internet provider and has not switched due to personal factors - online sector	
Has a bank account and has not switched due to personal factors - financial sector	
Has an electricity supplier and has not switched due to market-related factors - energy sector	

Annex 1 | Country fiches

Has an internet provider and has not switched due to market-related factors - online sector	
Has a bank account and has not switched due to market-related factors - financial sector	
Has an electricity supplier and has not switched due to access-related factors - energy sector	
Has an internet provider and has not switched due to access-related factors - online sector	
Has a bank account and has not switched due to access-related factors - financial sector	
Has not switched due to termination costs	7%
Has not switched due to bundling	22%
Excluded from e-commerce due to difficulty of the process	20%
Excluded from e-commerce due to not having a payment card	6%
Declined for a loan	
Dimension 5 : Higher susceptibility to marketing practices	
Vulnerable to a great extent due to complexity of offers (own perception)	5%
Experiment choice under the marketing practice treatment - energy sector	
Experiment choice under the marketing practice treatment - online sector	
Experiment choice under the marketing practice treatment - finance sector	
Experiment choice under the marketing practice treatment - cross-cutting	

Annex 2 Research methods used in the study

A2.1 Pilot

In order to collect preliminary information from the general public which would serve as support for finalising the questionnaire for the main survey, a pilot study in the UK has been implemented. The questionnaire was piloted in order to test for length of questionnaire and any difficulties respondents may have with understanding the behavioural experiments.

The pilot was run in the UK so that it could be conducted in English. Because all materials for the study were originally designed in English, running the pilot in an English speaking country eased testing the questionnaire and the experiment, and allowed to implement the necessary changes for the final version in a timely matter.

In total, 101 pilot interviews were completed between 12 and 19 September 2014, using the Ipsos online panel in the UK. To ensure that a range of respondents took part in the survey, quotas were set on age, gender, education level, working status and urbanisation. Given the size of the pilot, there was no strict quota on region.

The results of the pilot showed that the questionnaire and experiments together were too long. In the proposal it was budgeted that both the interview and the experiment would each last 10 minutes (20 minutes in total). The pilot data showed it took on average 12.6 minutes to complete the pilot survey questionnaire and 5.6 minutes for the experiment section. Given that it was very important that the survey questionnaire did not exceed 10 minutes (as this part of the questionnaire was fielded in all countries during the mainstage), it was decided to slightly shorten the questionnaire.

A2.2 Translation

After the changes from the pilot were agreed on and all the materials for the survey were signed-off, the questionnaire and experiment were translated in the local language(s) of each country. Below is the list of countries with their corresponding language(s):

Table 115: Country and language	
Country	Language
Austria	German
Belgium	French, Dutch
Bulgaria	Bulgarian
Cyprus	Greek
Czech Republic	Czech
Denmark	Danish
Estonia	Estonian/ Russian
Finland	Finnish
France	French
Germany	German
Greece	Greek
Hungary	Hungarian
Ireland	English
Iceland	Icelandic
Italy	Italian
Latvia	Latvian/ Russian
Lithuania	Lithuanian
Luxembourg	Luxembourgish/ French
Malta	Maltese
Netherlands	Dutch
Norway	Norwegian
Poland	Polish
Portugal	Portuguese
Romania	Romanian
Slovakia	Slovakian
Slovenia	Slovenian
Spain	Spanish
Sweden	Swedish
UK	English

A2.3 Sample

The target audience of the consumer survey and experiment was the general population aged 16 to 75 (although older respondents were not excluded from the survey). Quotas were set on gender, age, region, urbanisation level, education and working status (active/inactive), to ensure that the sample in each country was representative of the general population. In each of the big or middle-sized countries at least 1,000 respondents were interviewed. For the seven smallest countries – countries that individually represent less than 0.5% of the total EU population – at least 500 consumers were interviewed. This applied to Luxemburg, Cyprus, Malta, Slovenia, Estonia, Latvia and Iceland. For each country the best interviewing mode or a combination of interviewing modes was determined, as can be seen in the table below.

Table 116: Number of interviews conducted online, by telephone (CATI) and via in-home self-completion (CAPI)

	% of individuals with Broadband Internet access at home*	Target total sample size	Actual total sample size	Online		CATI		CAPI	
				Planned	Realised	Planned	Realised	Planned	Realised
NL	94	1000	1019	940	959	60	60		
LU	93	500	503	465	468	35	35		
SE	92	1000	1002	920	921	80	81		
DK (e)	92	1000	1002	920	922			80	80
FI	87	1000	1004	870	874	130	130		
DE	85	1000	1006	850	853			150	153
UK (e)	83	1000	1027	830	830			170	197
IE	81	1000	1011	810	820	190	191		
FR	80	1000	1002	800	800	200	202		
AT	79	1000	1001	790	791	210	210		
BE	78	1000	1002	780	780	220	222		
MT	77	500	524			500	524		
EE	75	500	500	375	375	125	125		
SK	75	1000	1005	750	752	250	253		
SI	74	500	502	370	372	130	130		
CZ	71	1000	1000	710	710	290	290		
PL	70	1000	1009	700	703		6	300	300
LV	69	500	500	345	345	155	155		
HU	69	1000	1003	690	693	310	310		
ES	68	1000	1000	680	680	320	320		
HR	66	1000	1002	660	662	340	340		
IT	63	1000	1001	630	631	370	370		
LT (e)	62	1000	1009	620	625			380	384
CY	62	500	500			500	500		
PT (e)	61	1000	1012	610	621			390	391
EL	54	1000	1004	540	544	460	460		
RO (e)	54	1000	1001	540	541			460	460
BG	51	1000	1000	510	510			490	490
IS	95	500	500	475	475	25	25		
NO	93	1000	1002	930	932	70	70		
Total		26500	26653	19110	19189	4970	5009	2420	2455

Note: 'e' signifies the experiments were run in the country. * Source: Eurostat 2013

A2.4 Online panels

The online part of the main stage fieldwork was conducted using Ipsos' online panels. In some countries, Ipsos' panels were supplemented with partner panels, either due to Ipsos not currently having a panel in that country or where the Ipsos panel was too small to achieve the target number of interviews. The management of the online fieldwork was centralised within the Ipsos Interactive Service Bureau (IIS). All the work conducted by IIS is managed centrally, with one scripting, data collection and data delivery process.

All panel partners are chosen based on the availability and quality of their panels, and their ability to implement the survey according to the quality principles and guidance from Ipsos. All selected polling institutes are well known for the quality of their network and are involved in numerous multilingual and multinational surveys. All are ESOMAR members. The same script is used by all panel partners. The countries where we used external panel(s) were:

- Austria 1 external panel
- Bulgaria 1 external panel
- Croatia 1 external panel
- Czech Republic Ipsos Panel + 1 external panel
- Denmark Ipsos Panel + 1 external panel
- Estonia 1 external panel
- Finland 1 external panel
- Greece 1 external panel
- Iceland 1 external panel
- Ireland 1 external panel
- Latvia 1 external panel
- Lithuania 1 external panel
- Luxembourg 1 external panel
- Norway Ipsos Panel + 1 external panel
- Portugal Ipsos Panel + 1 external panel
- Slovakia 1 external panel
- Slovenia 1 external panel

A2.5 Offline interviews

The offline part of the main stage fieldwork was conducted using Ipsos’ regular network partners on international CATI or CAPI surveys. These partners all have a proven track record of delivering high quality fieldwork, combined with excellent in-country survey management. Each institute is member of ESOMAR.

The offline part of the study has been managed centrally by Ipsos’ International Coordination Centre (ICC) which is based in Brussels.

The table below shows the local institutes and details of the offline component of the survey.

Table 117: Country, details offline component and partner		
Country	What?	Partners
Netherlands	60 CATIs	Ipsos
Luxembourg	35 CATIs	TNS ILRES
Sweden	80 CATIs	Ipsos
Denmark	80 CAPIs	DMA
Finland	130 CATIs	Taloustutkimus
Germany	150 CAPIs	Ipsos
UK	170 CAPIs	Ipsos
Ireland	190 CATIs	Ipsos
France	200 CATIs	Ipsos
Austria	210 CATIs	Spectra
Belgium	220 CATIs	Ipsos
Malta	500 CATIs	Misco
Estonia	125 CATIs	Turu-uuringute
Slovakia	250 CATIs	Ipsos
Slovenia	130 CATIs	Ipsos

Table 117: Country, details offline component and partner

Country	What?	Partners
Czech Republic	290 CATIs	Ipsos
Poland	300 CAPIs	Ipsos
Latvia	155 CATIs	SKDS
Hungary	310 CATIs	Ipsos
Spain	320 CATIs	Ipsos
Croatia	340 CATIs	Ipsos
Italy	370 CATIs	Ipsos
Lithuania	380 CAPIs	RAIT
Cyprus	190 CATIs	Ipsos
Portugal	390 CAPIs	Ipsos
Greece	460 CATIs	Ipsos
Romania	460 CAPIs	Ipsos
Bulgaria	490 CAPIs	Ipsos
Iceland	25 CATIs	MMR
Norway	70 CATIs	Ipsos

A2.6 Online panels

The online part of the main stage fieldwork was conducted using Ipsos' online panels. In some countries, Ipsos' panels were supplemented with partner panels, either due to Ipsos not currently having a panel in that country or where the Ipsos panel was too small to achieve the target number of interviews. The management of the online fieldwork was centralised within the Ipsos Interactive Service Bureau (IIS). All the work conducted by IIS is managed centrally, with one scripting, data collection and data delivery process.

All panel partners are chosen based on the availability and quality of their panels, and their ability to implement the survey according to the quality principles and guidance from Ipsos. All selected polling institutes are well known for the quality of their network and are involved in numerous multilingual and multinational surveys. All are ESOMAR members. The same script is used by all panel partners. The countries where we used external panel(s) were:

- Austria 1 external panel
- Bulgaria 1 external panel
- Croatia 1 external panel
- Czech Republic Ipsos Panel + 1 external panel
- Denmark Ipsos Panel + 1 external panel
- Estonia 1 external panel
- Finland 1 external panel
- Greece 1 external panel
- Iceland 1 external panel
- Ireland 1 external panel
- Latvia 1 external panel
- Lithuania 1 external panel

- Luxembourg 1 external panel
- Norway Ipsos Panel + 1 external panel
- Portugal Ipsos Panel + 1 external panel
- Slovakia 1 external panel
- Slovenia 1 external panel

A2.7 Fieldwork dates

Fieldwork was completed between 20 February and 17 April 2015. Countries were launched in different batches. The estimated time needed to complete the fieldwork in each country varied depending on the complexity of the applied methodology, the number of completes to be achieved in the country, the expected response rate and the presence of the behavioural experiment in the survey.

Table 118: Fieldwork dates		
Country	Start date	End date
Austria	5th March	3rd April
Belgium	25th February	27th March
Bulgaria	25th February	22th March
Croatia	26th February	27th March
Cyprus	6th March	18th March
Czech Republic	20th February	17th March
Denmark	18th March	17th April
Estonia	23rd February	12th March
Finland	26th February	18th March
France	27th February	27th March
Germany	27th February	19th March
Greece	20th February	18th March
Hungary	23rd February	30th March
Iceland	17th March	20th March
Ireland	26th February	30th March
Italy	4th March	23th March
Latvia	5th March	25th March
Lithuania	19th March	16th April
Luxembourg	11th March	20th March
Malta	11th March	24th March
Netherlands	25th February	13th March
Norway	5th March	18th March
Poland	20th February	29th March
Portugal	17th March	2nd April
Romania	17th March	6th April
Slovakia	23rd February	2nd April
Slovenia	25th February	22th March
Spain	20th February	27th March
Sweden	5th March	29th March
UK	6th March	13th April

A2.8 Interview length

The table below shows the interview length per country.

Table 119: Average survey time

Country	Average online interview length in minutes	Average offline interview length in minutes
Austria	13	18
Belgium	11	20
Bulgaria	14	15
Croatia	12	19
Cyprus	-	20
Czech Republic	12	21
Denmark (experiment)	25	45
Estonia	15	21
Finland	12	20
France	13	19
Germany	12	22
Greece	13	11
Hungary	12	21
Iceland	15	14
Ireland	12	18
Italy	11	14
Latvia	15	19
Lithuania (experiment)	26	31
Luxembourg	13	20
Malta	-	18
Netherlands	11	23
Norway	14	17
Poland	13	21
Portugal (experiment)	23	23
Romania (experiment)	24	36
Slovakia	15	23
Slovenia	13	17
Spain	12	18
Sweden	12	19
United Kingdom (experiment)	20	18

A2.9 Weighting and outputs

There are two sets of weights that have been applied to the data:

- 3) Within each country, the data has been weighted on the following variables:
 - Gender
 - Age – 6 classes
 - 16 - 24
 - 25 - 34
 - 35 - 44
 - 45 - 54
 - 55 - 64
 - 65+

- Urbanisation level (DegUrba –for all countries except Iceland) – 3 classes:
 - Densely populated area
 - Intermediate density area
 - Thinly populated area
- Region (number of classes vary per country)
- Working status – 2 classes:
 - Active
 - Inactive
- Education – 3 classes
 - Low
 - Middle
 - High

4) Across countries, the data has been weighted to ensure that each country is represented according to its population size in the EU-wide results.

Two sets of tables were created:

- One set with cross-tabulations for individual country results, and
- One set with socio-demographic cross-tabulations at overall level.

A fully labelled SPSS (Statistical Package for the Social Sciences) file with all the variables of the survey and experiment was also provided to the contracting authority.

A2.10 Strengths and weaknesses of the survey methods

A2.10.1 Sample achieved by using a mixed method approach

The study used a mixed mode approach to primary data collection. A combination of online, CAPI and CATI was used. This sub-section discusses the strengths and weaknesses of this mixed mode approach.

A fully online survey cannot alone be fully representative of the general public. In 2013, depending on the country, between 4% and 42% of the EU28 population had never used the internet. Moreover, internet users can differ from non-internet users in many ways, including age, education and employment status (see Table 120 to Table 124 below). This means that an online survey can only focus on a part of the general population.

A mixed mode approach facilitates the engagement of parts of the population that *presumably* could not have been reached by using only an online approach. It is not possible to predict, with complete certainty, how an online-only sample will look. The exact sample that could have been achieved using an online approach depends on the specific study and therefore cannot be compared to earlier research. Nevertheless, the Ipsos online panels do closely reflect Eurostat figures on the online population (defined as people using internet at least once a week). Therefore these Eurostat figures on the online population in EU Member States can be used to predict how the sample of the current study would have looked if respondents had only have been contacted online. The focus is on the achieved quotas for age, education and employment status. Quotas were also placed on urbanisation rate, region and gender.

Table 120 below illustrates how older age groups, people 55 to 64 and 65 to 74 years old, were reached using the mixed mode approach. The first column shows the proportion of the 55-64 and 65-74 age groups in the general population aged 16-74 for each country included in the study (based on Eurostat data from 2011). These statistics were used as quotas for this study. The second column shows the proportion of the 55-64 and 65-74 age groups in the online population aged 16-74 (based on Eurostat data from 2011). This shows the sample that could have been expected if an online only interviewing approach was used. The third column shows the proportion of the 55-64 and 65-74 age groups in the final data for this study. The fourth column shows the difference between the proportion of the 55-64 and 65-74 age groups in the final data (using the mixed mode approach) and the general population in percentage points. A negative value shows the extent to which the age group was not reached. That is a negative value indicates that the age group was underrepresented in the sample compared to the general population. A positive percentage indicates that this age group was overrepresented compared to the general population. The fifth column shows the expected level of over- and underrepresentation compared to the general population if the survey had been carried out by only online.

When looking at the data in Table 120, it can be seen that the mixed mode approach more closely resembles the general population than could have been achieved from an online only survey. In particular, calling and visiting in-home meant people 65 years and older were reached. This part of the population represents only 1% of the online population in countries like Croatia, Greece, Ireland, Romania and Slovenia (see column II). Only in Croatia was the 55-64 age group substantially underrepresented in the final sample, compared to the general population (-9% points, see column IV, 55-64). This occurred because the Croatian CATI respondents that participated were generally older than 65, as can be seen by the overrepresentation of the Croatian 65-74+ age group (see column IV, 65-74+).

Table 120: Final sample - age groups, by country (excl. CATI only countries)

	Age - gen.pop. ¹		Age - onl.pop. ²		Achieved ³		Ach. / pop. ⁴		Onl./gen.pop. ⁵	
	55-64	65-74	55-64	65-74	55-64	65-74+	55-64	65-74+	55-64	65-74+
AT	16%	13%	11%	5%	15%	11%	-1%	-2%	-5%	-8%
BE	17%	12%	14%	5%	21%	12%	4%	0%	-3%	-7%
BG*	14%	31%	10%	2%	14%	31%	0%	0%	-4%	-29%
HR	18%	12%	9%	1%	9%	19%	-9%	7%	-9%	-11%
CZ	18%	11%	11%	4%	18%	11%	0%	0%	-7%	-7%
DK*	17%	13%	16%	9%	18%	13%	1%	0%	-1%	-4%
EE	16%	12%	11%	3%	20%	7%	4%	-5%	-5%	-9%
FI	19%	13%	17%	7%	18%	13%	-1%	0%	-2%	-6%
FR	18%	11%	14%	6%	19%	16%	1%	5%	-4%	-5%
DE*	16%	15%	13%	7%	17%	15%	1%	0%	-3%	-8%
EL	16%	13%	6%	1%	18%	14%	2%	1%	-10%	-12%
HU	18%	12%	12%	3%	18%	12%	0%	0%	-6%	-9%
IE	14%	9%	6%	1%	14%	12%	0%	3%	-8%	-8%
IT	17%	14%	10%	3%	19%	20%	2%	6%	-7%	-11%

LV	15%	13%	9%	2%	17%	13%	2%	0%	-6%	-11%
LT*	14%	12%	8%	2%	11%	12%	-3%	0%	-6%	-10%
LU	14%	15%	11%	9%	19%	19%	5%	4%	-3%	-6%
NL	18%	12%	17%	7%	20%	12%	2%	0%	-1%	-5%
PL*	18%	9%	9%	2%	18%	9%	0%	0%	-9%	-7%
PT*	16%	13%	8%	3%	16%	14%	0%	1%	-8%	-10%
RO*	15%	11%	5%	1%	15%	11%	0%	0%	-10%	-10%
SK	16%	9%	9%	2%	17%	7%	1%	-2%	-7%	-7%
SI	18%	12%	9%	1%	17%	13%	-1%	1%	-9%	-11%
ES	15%	11%	8%	3%	11%	12%	-4%	1%	-7%	-8%
SE	17%	14%	16%	9%	18%	13%	1%	-1%	-1%	-5%
UK*	16%	12%	13%	7%	21%	9%	5%	-3%	-3%	-5%
NO	17%	11%	16%	7%	19%	7%	2%	-4%	-1%	-4%
IS	15%	9%	14%	6%	17%	9%	2%	0%	-1%	-3%

1) Proportion of 55-64 and 65-74 age groups in general population aged 16-74 - quota (Eurostat 2011).

2) Proportion of 55-64 and 65-74 age groups in online population aged 16-74 (Eurostat 2011).

3) Achieved proportion of interviews in age groups for this study.

4) Difference achieved proportion of interviews and general population per age group, in % points.

5) Expected results online only interviews: difference online and general population aged 16-74, in % points.

*Countries using CAPI

Source: Ipsos

Another demographic group that is difficult to reach by using only an online survey method is the economically inactive population.³⁸⁰ Table 121 illustrates how the mixed method approach facilitated the engagement of inactive people.³⁸¹ The table shows that in most countries the proportion of inactive respondents interviewed resembled quite accurately the proportion of inactive people in the general population aged 16-74 (see column IV in the table above), while this would clearly have been much harder to achieve using an online only approach (see column V in the table above). An exception is Ireland, where the inactive population was underrepresented by 15 percentage points. The reason for this is that the inactivity rate in the general population is relatively high in Ireland compared to the online panel, while – more importantly – “active” respondents showed a high response rate, which led to some quotas filling up

³⁸⁰ Defined by Eurostat as the population that is neither employed nor unemployed: http://ec.europa.eu/eurostat/statistics-explained/index.php/People_outside_the_labour_market

³⁸¹ The first column of the table shows the proportion of the economically inactive group in the general population aged 16-74 in the individual countries. The second column shows the proportion of the economically inactive population in the online population aged 16-74. The third column shows the proportion of the economically inactive group in the final data for this study. The fourth and fifth columns show the difference in % points between the proportion of economically inactive people in the general population and – respectively – the proportion of economically inactive people in the survey for this study and the proportion of economically inactive people in the online population aged 16-74 (the latter showing the expected results of an online only survey).

quickly. This combination of factors caused some Irish quotas to conflict near the end of fieldwork and made it impossible to achieve the set active/inactive quota. In Denmark, inactive people were substantially overrepresented in the final sample (see column IV in the table above). This can be explained by the fact that the response rate of the Danish inactive population for the online survey proved higher than initially foreseen.

Table 121: Final sample – inactive population, by country (excl. CATI only countries)

	Gen.pop. ¹	Onl.pop. ²	Achieved ³	Ach./pop. ⁴	Onl./gen.pop. ⁵
	<i>Inactive</i>	<i>Inactive</i>	<i>Inactive</i>	<i>Inactive</i>	<i>Inactive</i>
AT	35%	22%	38%	3%	-13%
BE	41%	29%	44%	3%	-12%
BG*	38%	12%	39%	1%	-26%
HR	57%	23%	51%	-6%	-34%
CZ	37%	22%	35%	-2%	-15%
DK*	30%	23%	42%	12%	-7%
EE	32%	16%	31%	-1%	-16%
FI	34%	24%	41%	7%	-10%
FR	37%	26%	42%	5%	-11%
DE*	33%	21%	31%	-2%	-12%
EL	48%	20%	50%	2%	-28%
HU	44%	26%	46%	2%	-18%
IE	49%	37%	34%	-15%	-12%
IT	45%	20%	48%	3%	-25%
LV	35%	15%	36%	1%	-20%
LT*	36%	13%	43%	7%	-23%
LU	37%	30%	41%	4%	-7%
NL	30%	25%	36%	6%	-5%
PL*	39%	18%	37%	-2%	-21%
PT*	32%	12%	27%	-5%	-20%
RO*	41%	13%	38%	-3%	-28%
SK	37%	19%	36%	-1%	-18%
SI	43%	17%	43%	0%	-26%
ES	34%	15%	41%	7%	-19%
SE	29%	23%	31%	2%	-6%
UK*	32%	22%	32%	0%	-10%
NO	29%	23%	34%	5%	-6%
IS	43%	17%	43%	0%	-26%

- 1) Proportion of active/inactive groups in general population aged 16-74 (Eurostat 2011).
 - 2) Proportion of active/inactive groups in online population aged 16-74 (Eurostat 2011).
 - 3) Achieved proportion of interviews in active/inactive groups for this study.
 - 4) Difference achieved proportion of interviews and general population per age group, in % points.
 - 5) Expected results online only interviews: difference online and general population (aged 16-74), in % points.
- *Countries using CAPI

Source: Ipsos

A third demographic group that is difficult to reach online is the low educated population.³⁸² The table below follows the same structure as the two tables above.³⁸³ When looking at the results it is possible to see that the low educated group was generally underrepresented in the study. The reason for this is that low educated people are generally less willing to participate in this type of research irrespective of the interviewing approach used. This explains why in countries with a relatively low internet penetration where respondents were contacted offline, low educated people can still be significantly underrepresented. For example Portugal, where 39% of respondents were visited by interviewers in their own home yet low educated people were underrepresented by almost 20 percentage points. It should be added that an online only survey would certainly not have achieved the figures on low education as shown for the online population (second column of the table).

Table 122: Sample outcomes – low education, by country (excl. CATI only countries)

	Gen.pop. ¹	Onl.pop. ²	Achieved ³	Ach. / pop. ⁴	Onl./gen.pop. ⁵
	<i>Low edu.</i>	<i>Low edu.</i>	<i>Low edu.</i>	<i>Low edu.</i>	<i>Low edu.</i>
AT	20%	14%	15%	-5%	-6%
BE	36%	27%	16%	-20%	-9%
BG*	19%	3%	18%	-1%	-16%
HR	30%	16%	17%	-13%	-14%
CZ	15%	13%	19%	4%	-2%
DK*	33%	30%	24%	-9%	-3%
EE	20%	17%	11%	-9%	-3%
FI	27%	22%	19%	-8%	-5%
FR	35%	26%	25%	-10%	-9%

³⁸² Low educated means here ISCED levels 0-2, as defined by Eurostat: [http://ec.europa.eu/eurostat/statistics-explained/index.php/International_Standard_Classification_of_Education_\(ISCED\)](http://ec.europa.eu/eurostat/statistics-explained/index.php/International_Standard_Classification_of_Education_(ISCED))

³⁸³ The first column of the table shows the proportion of the low educated group of people in the general population aged 16-74 in the individual countries. The second column shows the proportion of low educated people in the online population aged 16-74. The third column shows the proportion of low educated people in the survey for this study. The fourth and fifth columns show the difference in % points between the proportion of low educated people in the general population and – respectively – the proportion of low educated people in the survey for this study and the proportion of low educated people in the online population aged 16-74 (the latter showing the expected results of an online only survey).

DE*	18%	15%	21%	3%	-3%
EL	43%	15%	35%	-8%	-28%
HU	28%	16%	27%	-1%	-12%
IE	33%	20%	22%	-11%	-13%
IT	51%	28%	38%	-13%	-23%
LV	21%	17%	12%	-9%	-4%
LT*	21%	14%	11%	-10%	-7%
LU	28%	24%	28%	0%	-4%
NL	34%	29%	28%	-6%	-5%
PL*	20%	14%	16%	-4%	-6%
PT*	70%	46%	50%	-20%	-24%
RO*	35%	15%	32%	-3%	-20%
SK	18%	15%	6%	-12%	-3%
SI	22%	8%	19%	-3%	-14%
ES	52%	32%	42%	-10%	-20%
SE	27%	24%	21%	-6%	-3%
UK*	22%	13%	16%	-6%	-9%
NO	26%	24%	8%	-18%	-2%
IS	38%	36%	20%	-18%	-2%

1) Proportion of low educated people in general population aged 16-74 (Eurostat 2011).

2) Proportion of low educated people in online population aged 16-74 (Eurostat 2011).

3) Achieved proportion of interviews with low educated people for this study.

4) Difference achieved proportion of interviews with low educated people and proportion low educated people in general population, in % points.

5) Expected results online only interviews: difference online and general population, in % points.

* Countries using CAPI

Source: Ipsos

A2.10.2 Reaching minorities that do not speak the national language(s)

The number of quotas set for this study was high (age, gender, education, activity, urbanisation, and region), adding more quotas would have made reaching the required sample size difficult due to the use of interlocking quotas. For this reason, choices had to be made regarding which quotas were set. A key decision agreed with the Commission was that no quota was put on the proportion of immigrants within each country.

A key reason for not including a quota on the proportion of immigrants was that reaching these minorities in surveys can be very challenging and can conflict with other quotas. This occurs, for example, because in many EU Member States immigrant populations are concentrated in a limited number of highly urbanised geographical areas and have a different – relatively young – age profile. When searching for minority groups, fieldwork is complicated further by language issues and relatively low participation in online samples, two issues that in particular affect recent immigrants. For these reasons, studies specifically targeting minorities often use multilingual interviewers, multilingual research material, and – if available – a register based sampling frame for face-to-face interviewing.

During the development of the questionnaire, it was decided to include a question from Eurobarometer 342, asking respondents if their mother tongue was different to the national language(s).³⁸⁴ It was anticipated beforehand that the final sample would include a low proportion of respondents that answered “yes” to this question. In the study proposal it was estimated that in total 180 immigrants would be interviewed with the mixed mode approach. However, when comparing the present study to Eurobarometer 342 – a face-to-face only study – the differences are minor. In Eurobarometer 342, 8% of respondents at the EU27 level said that they had a mother tongue other than the official language of their country of residence, while for the present study this figure was 7% at the EU28 level. These results differed little across modes. The proportion of respondents that indicated they had a mother tongue different to the national language was 7% online, 8% in CAPI, and 5% in CATI.

Table 123: Percentage of respondents with a mother tongue different from the official language(s) spoken in their country

<i>Country</i>	<i>Present survey¹</i>	<i>EB342²</i>	<i>Difference present survey/EB342 in percentage points</i>
AT	7%	11%	-4%
BE	7%	10%	-3%
BG	7%	11%	-4%
CY	10%	2%	8%
CZ	4%	5%	-1%
DE	8%	12%	-4%
DK	8%	6%	2%
EE	10%	18%	-8%
EL	5%	2%	3%
ES	10%	5%	5%
EU27/28*	7%	8%	-1%
FI	4%	2%	2%
FR	5%	7%	-2%
HR**	12%	13%*	-1%
HU	1%	2%	-1%
IE	20%	7%	13%
IT	5%	7%	-2%
LT	11%	16%	-5%
LU	18%	33%	-15%
LV	27%	28%	-1%
MT	4%	5%	-1%

³⁸⁴ See Special Eurobarometer 342 on Consumer empowerment (2011). QA49. “Is your mother tongue different from the official language(s) spoken in (OUR COUNTRY)?”

NL	5%	7%	-2%
PL	6%	3%	3%
PT	3%	4%	-1%
RO	10%	10%	0%
SE	12%	7%	5%
SI	8%	8%	0%
SK	9%	16%	-7%
UK	8%	11%	-3%
IS	2%	7%	-5%
NO	7%	4%	3%

1) Vulnerability study; Q11. "Is your mother tongue different from the official language(s) spoken in (country)?"

2) Special Eurobarometer 342 on Consumer empowerment (2011); QA49. "Is your mother tongue different from the official language(s) spoken in (OUR COUNTRY)?"

* Eurobarometer 342 (2011) did not include Croatia, which joined the EU in 2013.

** Croatia was not part of Eurobarometer 342; the figure represents Eurostat data from 2014 on the foreign born population.

Source: Ipsos

A2.10.3 Mode effects

In a mixed mode approach, mode effects inevitably play a role. Results from self-administered and interviewer-administered surveys are not always the same. For example, respondents interviewed in person or by telephone tend to provide more socially desirable responses than respondents participating in a self-administered interview. A 2015 a PEW Research Centre study on mode effects showed that this was particularly the case for questions on personal issues such as health problems or financial troubles.³⁸⁵ The PEW study did conclude however that interviewing mode should generally have a limited influence on outcomes: When 60 identical questions were asked to similar online and CATI samples, outcome differences ranged in size from 0 to 18 percentage points per question.

For the current study it would be interesting to know to what extent mode effects did occur and if the differences are indeed limited. However, researching this is complicated by the fact that the different modes in this study were not targeted at the same people. CATI and CAPI methods were used to contact demographic groups that cannot be reached online. This means that in particular older (55+), low educated and economically inactive people were called or visited, while the online sample was targeted to the younger, highly educated and economically active population. The overlap between the online and CATI/CAPI sample depended on the country and was based on the internet penetration rate (which determined the proportion of people that

³⁸⁵ See: "From telephone to the web: The challenge of mode of interview effects in public opinion polls." Pew Research Institute. Link: <http://www.pewresearch.org/2015/05/13/from-telephone-to-the-web-the-challenge-of-mode-of-interview-effects-in-public-opinion-polls/#fn-269745-2>

were called/visited, see the methodology section) and the availability of older, low skilled and/or economically inactive people in the online sample.³⁸⁶

A closer look at the final unweighted data showed that the CAPI sample did not overlap much with the online sample in the CAPI countries. For CATI the story was slightly different: in 6 countries (BE, FI, FR, SK, SE and NL) the online and CATI samples overlapped substantially for the 55-64, 65-74 year old groups, inactive and low to medium educated group. In these countries at least 50 people were interviewed both online and CATI (i.e. at least 100 respondents per country) in these specific socio-demographic categories, implying that a meaningful comparison of CATI/online responses of this group is possible. In the table below presents an overview of these samples. It should also be stressed that the CATI and online samples are not the same: as can be seen, the people contacted by telephone were slightly older, lower educated and rural. More strict filters could be used to produce more comparable online and CATI samples, but this would reduce the sample size substantially and would not improve results.

Table 124: Overlapping sample online/CATI			
Mode	Base	ONLINE	CATI
How old are you?			
Base	998	484	514
Mean	65,6	63,7	67,3
Min	55	55	55
Max	74	74	74
Holds the education level (Education LFS)			
Base	998	484	514
Low	47%	39%	55%
Medium	53%	61%	45%
High	-	-	-
Active/Inactive			
Base	998	484	514
Active	-	-	-
Inactive	100%	100%	100%
Gender			
Base	998	484	514
Woman	49%	53%	45%
Man	51%	47%	55%
Urbanisation			
Base	998	484	514

³⁸⁶ People living in more or less urbanised zones were not targeted by a specific mode, but the final data shows that the urbanisation rate of the online sample was higher.

Densely populated area	31%	37%	25%
Intermediate density area	38%	38%	39%
Thinly populated area	31%	25%	36%

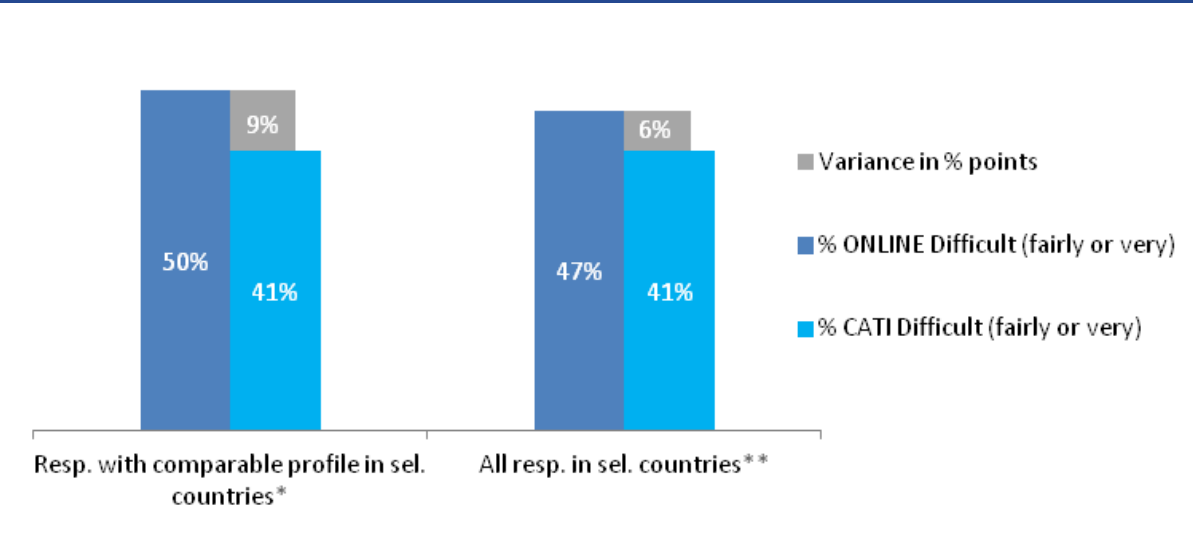
Final sample filtered on: age (55-64, 65-74 years old), education (low and medium) and activity (only inactive).

Source: Ipsos

Below the responses of the CATI and online respondents from the samples in the table above are compared for a number of questions that have been identified as important causes of vulnerability. In each figure, the results of respondents with a comparable profile (the respondents aged 55-74, with a low or medium education, economically inactive, in BE, FI, FR, SK, SE and NL) are compared with the results for all respondents in the same countries. The variance shows the difference between the CATI and online outcomes in percentage points.

When looking at the figure below it can be observed that online respondents relatively often indicated that they had difficulties with making ends meet. Of the respondents with a similar demographic profile, 50% of online respondents said they had financial difficulties, compared to 41% of CATI respondents from the similar demographic group. The demographic profile of the respondents seems to be of limited influence. The result for all the respondents in the selected countries is fairly similar. These results are in line with the literature that says that people are more willing to acknowledge sensitive personal problems online compared to when being interviewed by an interviewer, although it should be stressed that the CATI/online difference is too small for any firm conclusions.

Figure 40: Mode effects - how difficult is making ends meet



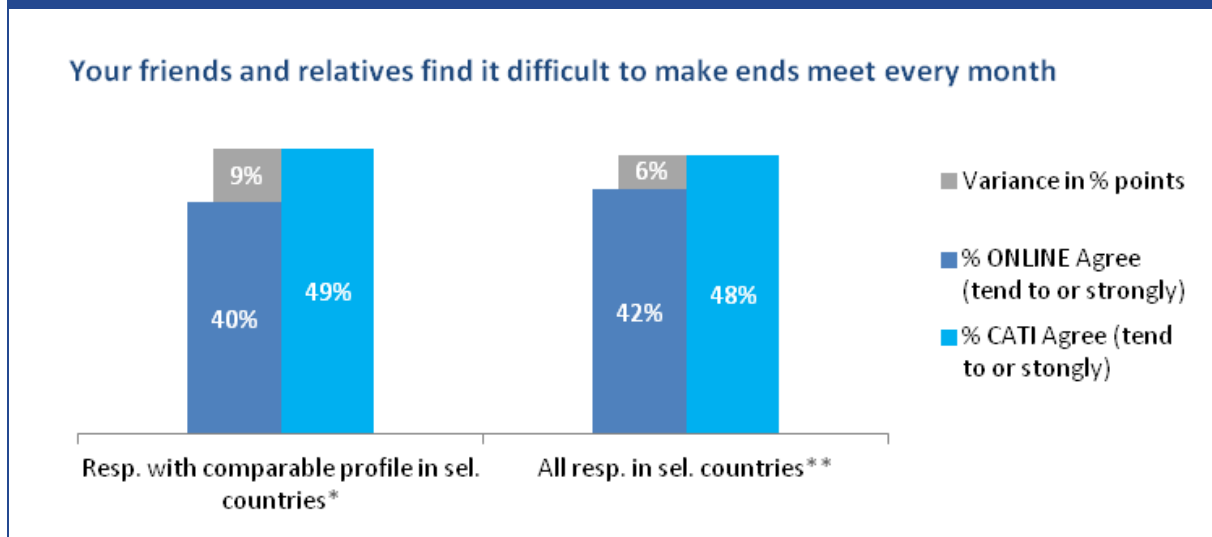
Q10ab: "Thinking about your household's financial situation, would you say that making ends meet every month is...?"

*Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL. Base is 998 (484 online, 514 CATI).

**All respondents in in BE, FI, FR, SK, SE and NL. Base is 6034 (5086 online and 948 CATI).

Source: Ipsos

CATI respondents were relatively inclined to answer that *their friends or relatives* had financial difficulties compared to online respondents. About half (49%) of CATI respondents with a comparable socio-demographic profile said that their friends and relatives found it difficult to make ends meet every month, compared to 40% of online respondents from the same socio-demographic group who said that their friends and family had financial difficulties. Once more, it should be noted that the CATI/online differences are too small for far-reaching conclusions. The clearest finding is that the CATI/online difference is limited.

Figure 41: Mode effects – financial difficulties friends and relatives

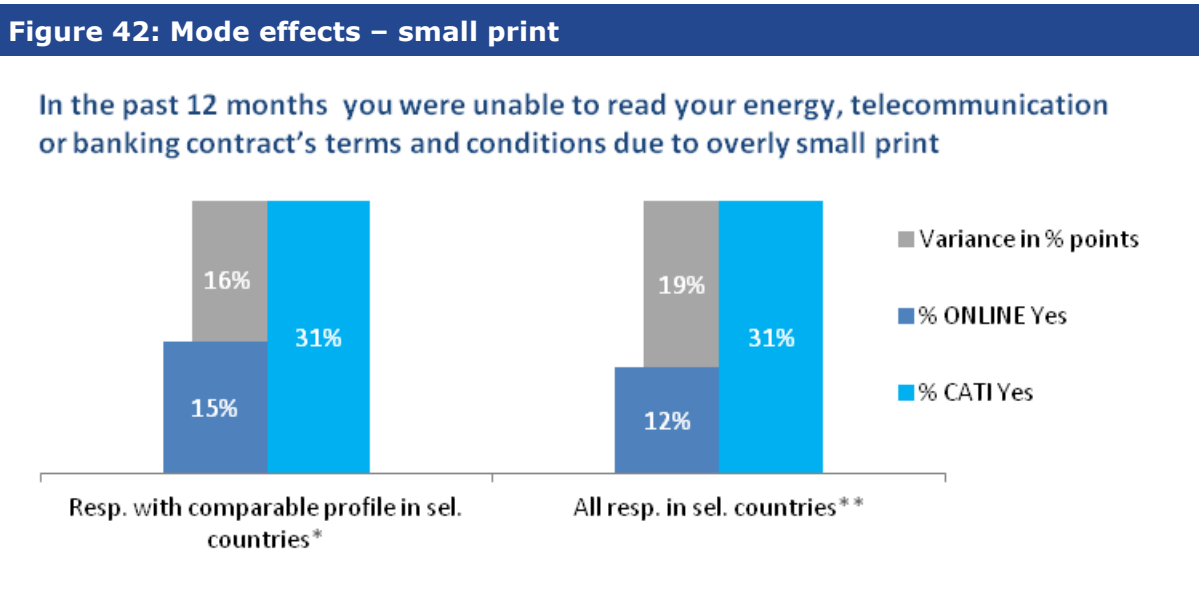
Q18_4. Most of my friends and relatives find it difficult to make ends meet every month: To what extent do you agree, or disagree, with the following statements?

*Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL. Base is 998 (484 online, 514 CATI).

**All respondents in in BE, FI, FR, SK, SE and NL. Base is 6034 (5086 online and 948 CATI).

Source: Ipsos

CATI respondents were more disposed to indicating that they had problems with reading their energy, telecommunication or banking contract terms and conditions due to overly small print. When looking at the respondents with the same socio-demographic characteristics, this difference was 16 percentage points, for all respondents in the selected countries the variance was 19 percentage points. Within the 55-74 age group, age is not a key factor; compared to the 55-65 age group, the 65-74 age group only marginally more often reported to have had problems with reading small print. A more likely explanation for the variance in the CATI/online results may be that people with poor sight do not use internet and are hence not well represented in online panels.



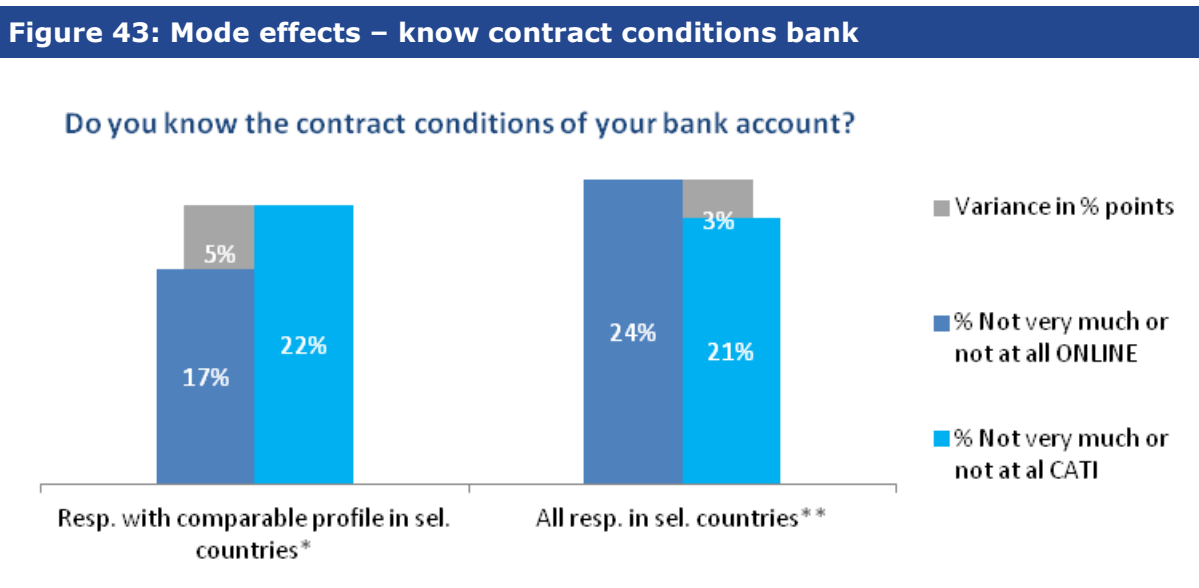
Q21_2. 'You were unable to read your energy, telecommunication or banking contract’s terms and conditions due to overly small print': Have you encountered any of the following situations in the past 12 months?

*Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL. Base is 998 (484 online, 541 CATI).

**All respondents in in BE, FI, FR, SK, SE and NL. Base is 6034 (5086 online and 948 CATI).

Source: Ipsos

Social desirability effects do not seem to play an important role when it comes to knowing one’s bank contract. The variance between CATI and online respondents is small: 3 percentage points for all respondents in the selected countries and 5 percentage points for the respondents with a comparable demographic profile.



C2. To what extent would you say you know the contract conditions of this bank account?

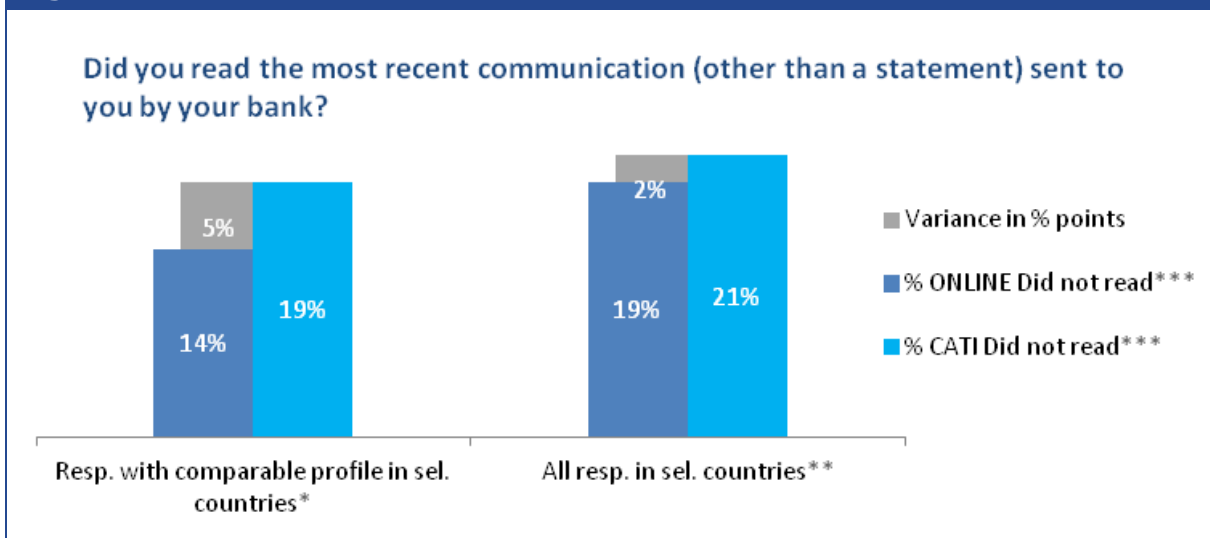
*Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL, who hold a bank account. Base is 966 (475 online, 491 CATI).

**All respondents in in BE, FI, FR, SK, SE and NL, who hold a bank account. Base is 5876 (4980 online and 896 CATI).

Source: Ipsos

The interview mode seems to also have had little effect on responses to the question asking if respondents read their most recent bank communication. The variance between mode results was limited to 2 percentage points for all respondents in the selected countries and 5 percentage points for the respondents with a comparable socio-demographic profile.

Figure 44: Mode effects – read recent communication bank



C8. Did you read the most recent communication (other than a statement) sent to you by your bank?

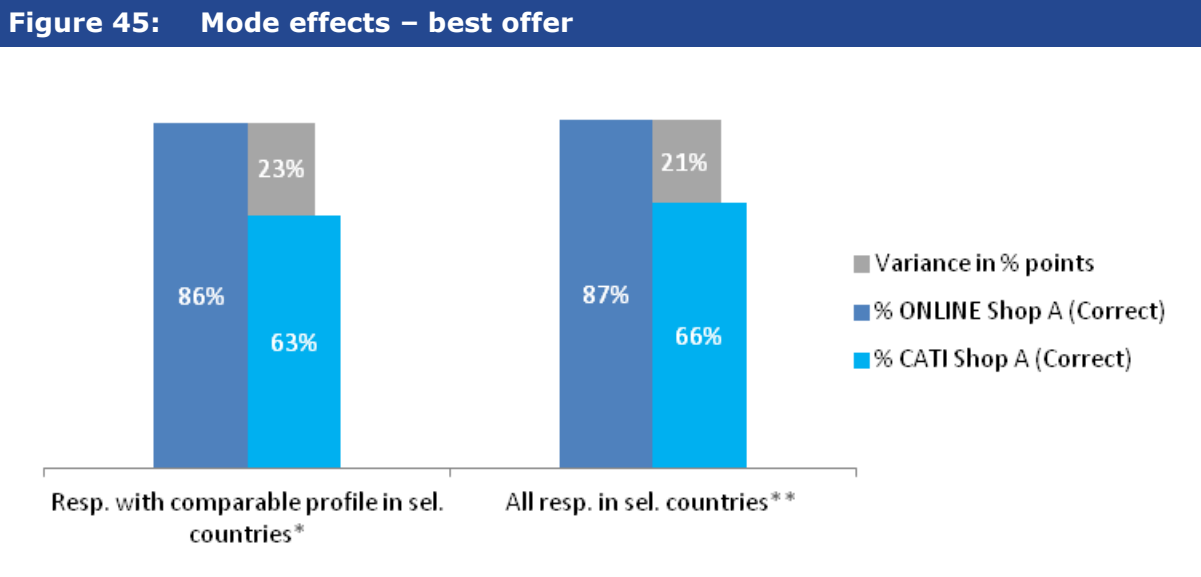
*Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL, who hold a bank account. Base is 966 (475 online, 491 CATI).

**All respondents in in BE, FI, FR, SK, SE and NL, who hold a bank account. Base is 5876 (4980 online and 896 CATI).

Source: Ipsos

The questions testing respondents’ cognitive capabilities were not identified as key indicators of vulnerability. However, these questions are of interest in this section because the literature mentions cognitively demanding questions as questions where significant mode effects can be expected. According to an experimental trial by Chang and Krosnick (2010), face-to-face interviews place higher cognitive demands on respondents because they must remember the question and outcomes without looking at a screen for reference.³⁸⁷ It is likely that this effect is visible for CATI respondents in this study. In the question asking respondents to select the best offer, online respondents clearly outperformed CATI respondents. When filtering on the same demographic group the CATI/online difference is 23 percentage points, for all respondents in the selected countries the comparable difference was 21 percentage points.

³⁸⁷ See: Ariela Schachter, “Measurement Error in Panel Data: A Comparison of Face-to-Face and Internet Survey Samples”, Stanford University, Department of Sociology. Link:



Q23. Suppose that the exact same product is on sale in shop A and shop B. Which shop is cheaper if...? Shop A offers a TV set for [€440]. Shop B offers the exact same type of TV set at [€500], but with a discount of 10%.

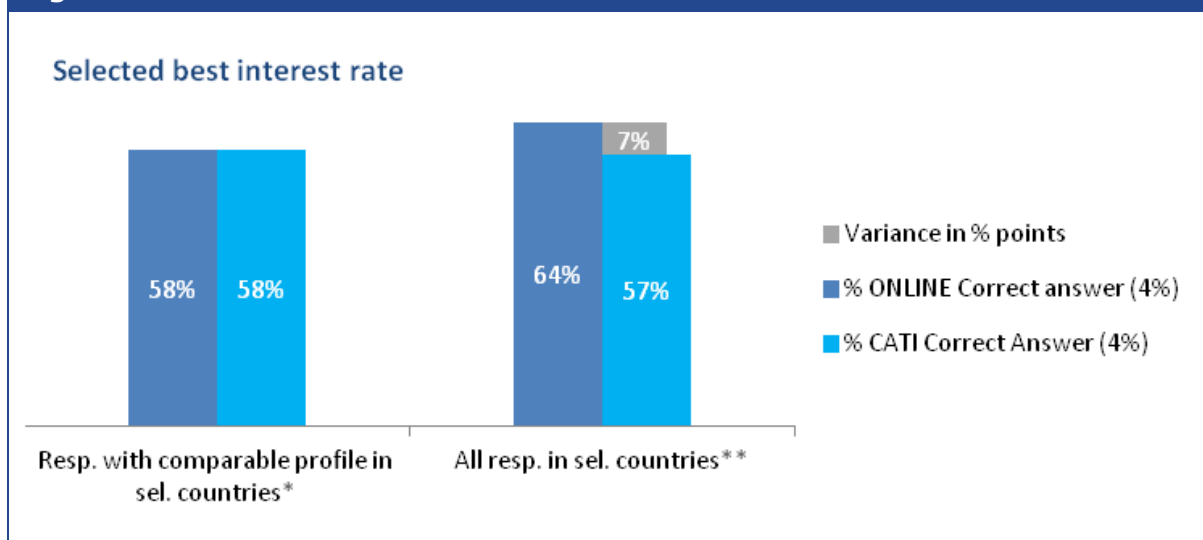
*Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL. Base is 998 (484 online, 514 CATI).

**All respondents in BE, FI, FR, SK, SE and NL. Base is 6034 (5086 online and 948 CATI).

Source: Ipsos

The question asking respondents to select the best interest rate showed only a very limited variance between CATI and online respondents. When focussing on respondents with a comparable demographic profile, no difference was observed. Although cognitively demanding, this question does not require respondents to remember complicated response options, explaining the lack of mode effects in this question compared to the question on the best offer.

http://web.stanford.edu/~mrosenfe/how_meet_public/Schachter_Measurement_Error_Working_Paper.pdf

Figure 46: Mode effects – best interest rate

C10. Thinking now about savings or deposit accounts, which of the following would be the best interest rate?
 *Respondents aged 55-74, education low-medium, inactive, in BE, FI, FR, SK, SE and NL. Base is 998 (484 online, 514 CATI).

**All respondents in in BE, FI, FR, SK, SE and NL. Base is 6034 (5086 online and 948 CATI).

Source: Ipsos

A2.10.4 Mode effects compared to other studies

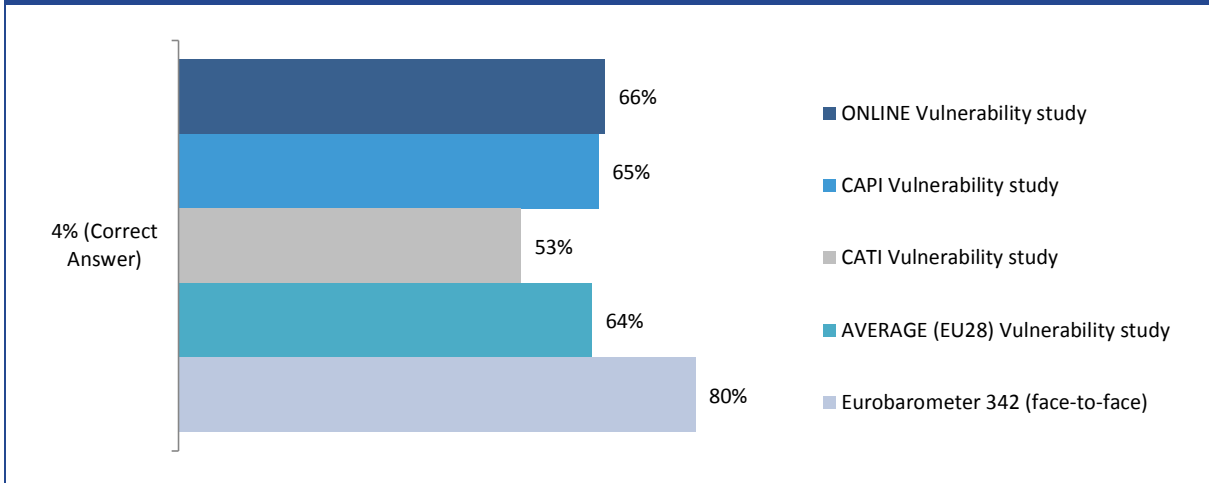
Of course it would also be interesting to compare the results of the current study with comparable earlier studies to look for interview mode effects. Completely comparable studies are not available, but Eurobarometer 342 on Consumer Empowerment (a face-to-face only study for which fieldwork was carried out between February and March 2010) did contain several questions which were very similar to questions used in the survey for the present study.

In both the survey for the present study and in Eurobarometer 342 respondents were asked to select the best interest rates. The results are shown in the figure below. The results from the survey for the present study are split by mode. Looking at the results, it can be observed that 80% of the Eurobarometer respondents provided a correct response compared to 64% of all respondents who provided the correct answer to the comparable question in the present study.

Mode effects may play a role here because in the survey for the present study the CAPI respondents scored relatively high (65% provided the correct answer, compared to an average of 64% who answered correctly), certainly when keeping in mind that the CAPI sample heavily targeted older, low educated and inactive people. The relatively high CAPI and Eurobarometer (face-to-face) scores could be explained by the role of the interviewer. Studies have shown that survey results can be substantially influenced

by the fact that interviewers can help respondents stay focused and can provide clarification or encouragement.³⁸⁸

Figure 47: Question on best interest rate, survey for the present study and Eurobarometer 342, by mode



Based on: Survey question C10: "Thinking now about savings or deposit accounts, which of the following would be the best interest rate?". Base: all respondents, EU28.

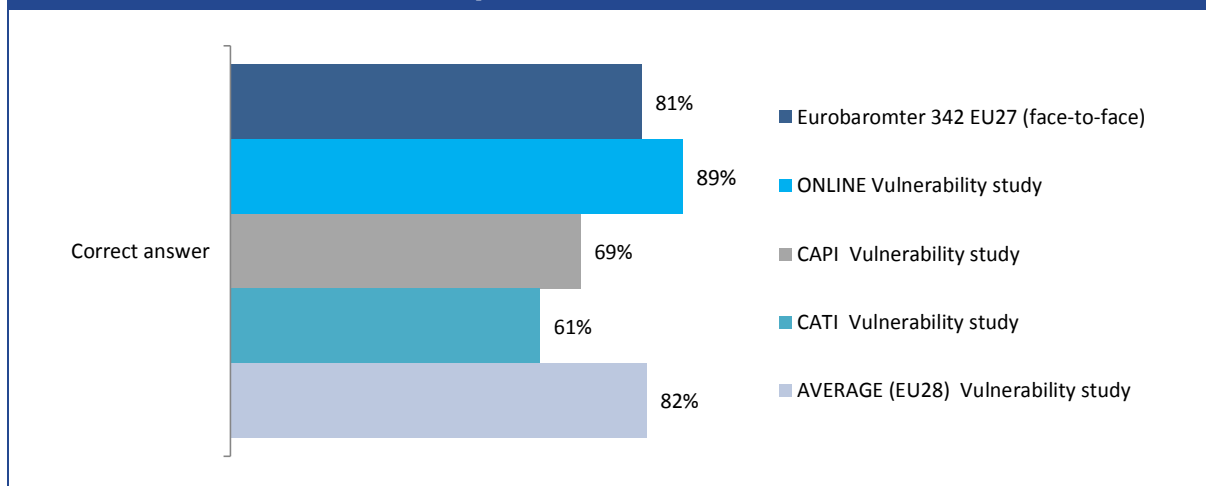
Eurobarometer 342, Consumer empowerment, QA43: "Thinking now about savings or deposit accounts, which of the following would be the best interest rate?". Base: all respondents, EU27.

Source: Ipsos

In the survey for the present study and in Eurobarometer 342, respondents were asked to pick the best offer from two offers, testing their cognitive abilities (see also above, for the more precise comparison between the CATI and online results for this question in this study). As can be seen in the figure below, the results for these questions were fairly similar across the current survey and the Eurobarometer study, with about four fifths of respondents providing the correct answer. In the survey for the present study, CATI and CAPI respondents scored below average, as could be expected when taking into account their socio-demographic profile. Considering their similar socio-demographic profile, CAPI respondents scored better than CATI respondents. This again suggests that these types of questions are more difficult to answer by phone.

³⁸⁸ See: "From telephone to the web: The challenge of mode of interview effects in public opinion polls." Pew Research Institute. Link: <http://www.pewresearch.org/2015/05/13/from-telephone-to-the-web-the-challenge-of-mode-of-interview-effects-in-public-opinion-polls/#fn-269745-2>

Figure 48: Question on best offer, survey for the present study and Eurobarometer 342, by mode



Based on: Survey question Q23: "Suppose that the exact same product is on sale in shop A and shop B. Which shop is cheaper if...? Shop A offers a TV set for [€440]. Shop B offers the exact same type of TV set at [€500], but with a discount of 10%.". Base: all respondents, EU28.

Eurobarometer^o342, Consumer empowerment, QA42: "The same flat-screen TV is on sale in both shop A and B. Which one is cheaper? – In shop A, the price is €500 but a discount of 10% is offered. In shop B, the price is €400." Base: all respondents, EU27.

Source: Ipsos

A2.10.5 Survey methods - recommendations

A mixed-method approach was chosen for this study in order to include people that cannot be reached online, while keeping the budget within limits compared to a face-to-face only method. This approach largely succeeded. Older age groups and economically inactive people were well represented in the final sample, much more so than would have been the case in an online only study. People with a mother tongue that is not an official language in their country of residence were well represented in all modes. Convincing low educated people to participate was challenging. However, this is an effect that often occurs for these types of studies, independent of the interviewing mode used. The underrepresentation of low educated people in the final sample could for future studies possibly be reduced by taking more time for fieldwork, which is of course more costly as well.

An inevitable ancillary effect of choosing a mixed method approach is that survey mode effects come into play. It is difficult to research to what extent mode effects influenced this study: measuring mode differences was not an aim of the sample design. The CATI and online samples could be compared for only a small group (respondents aged 55-74, education low-medium, inactive) in a small number of countries (BE, FI, FR, SK, SE and NL). Therefore, the results from this comparison should be interpreted with care. Nonetheless, the CATI/online mode comparison delivered some interesting results. First of all, the interview mode generally seems to have had a limited impact (the variance being below 10 percentage points). The exceptions are the questions on the best offer and the small print, as could be expected. The best offer question is clearly cognitively challenging and the literature shows that these kinds of questions are relatively hard to answer by phone. The outcomes on the question on small print can be explained by the assumption that people that cannot read small print probably are not represented well in online panels.

The substantial difference in results between the question on the best interest rate in the Eurobarometer survey and the current survey can be explained by the fact that respondents participating in a face-to-face interview get more stimulation (if not help) from the interviewer. There is no reason to believe that one of the two studies delivered “better” results, but the difference in interviewing modes should always be kept in mind when comparing results.

The above information provides an indication about possible mode effects: a more thorough study would be needed to provide more in-depth information. This falls outside the scope of this study and would require a sample designed so that all modes cover all socio-demographic groups. This would, for example, allow research into whether mode effects have a bigger impact on low educated respondents compared to high educated respondents for studies like the present one. Additional research could also be used to look into the importance of the presence of an interviewer (in CAPI and CATI) or availability of on-screen information (in CAPI and online).

A2.11 Biographical consumer interviews

In order to obtain detailed information about the research topic, each interview was scheduled to last between one hour and one hour and a half.

All respondents had previously participated in the quantitative survey. Recruitment was done based on their answers to the survey. The aim was to include people belonging to the following pre-defined typologies:

- Typology I: feels vulnerable and has experienced a problem;
- Typology II: feels vulnerable and has not experienced problem;
- Typology III: does not feel vulnerable and has experienced problem.

The three typologies are defined below, based on questions Q16 and Q21 from the questionnaire which was used for the quantitative survey:

- Typology I: Feels vulnerable & has experienced problem; Selected “To a great extent” or “To some extent” for at least one reason in Q16 AND selected “Yes” for at least one situation in Q21
- Typology II: Feels vulnerable & has not experienced problem; Selected “To a great extent” or “To some extent” for at least one reason in Q16 AND selected “No” for all situations in q21
- Typology III: Does not feel vulnerable & has experienced problem; Selected “Hardly at all” or “Not at all” for all reasons in Q16 AND selected “No” for all situations in q21

The following questions were used in order to define each typology:

Q16. The following statements are about disadvantages that consumers may have when dealing with retailers. To what extent do they apply to you personally? Possible answers: To a great extent/ To some extent/ Hardly at all/ Not at all
You feel vulnerable or disadvantaged when choosing and buying goods or services...

1. *Because of your health problems*
2. *Because of your poor financial circumstances*
3. *Because of your current employment situation*
4. *Because offers, terms or conditions are too complex*

5. Because of your age
6. Because you belong to a minority group
7. Because of other personal issues [KEEP POSITION]
8. Because of other reasons [KEEP POSITION]

**Q21. Have you encountered any of the following situations in the past 12 months?
Possible answers: Yes/ No**

- 1: You had to pay more for your energy, telecommunication or banking services because you were not able to use certain payment methods such as online billing or direct debit
- 2: You were unable to read your energy, telecommunication or banking contract's terms and conditions due to overly small print
- 3: You did not switch your energy, telecommunication or banking supplier because of additional costs for termination of the contract (eg extra fees for returning the internet modem)
- 4: You decided not to purchase a product or service online because you found it too difficult to complete the purchase
- 5: You were unable to buy a product or service online because you didn't have a payment card allowing you to pay over the internet
- 6: You decided not to switch provider because the offer was bundled or because your current product is part of a bundle

In each country we aimed to recruit at least two respondents from Typology I and II and at least one respondent from Typology III (and to conduct nine interviews per country in total).

The number of in-depth interviews for each typology, per country, is included in the table below:

	Typology I: Feels vulnerable & has experienced problem	Typology II: Feels vulnerable & has NOT experienced problem	Typology III: DOESN'T feel vulnerable & has experienced problem	Total
Denmark	2	3	4	9
Lithuania	2	5	2	9
United Kingdom	4	4	2	10
Romania	4	3	2	9
Portugal	4	3	2	9

A2.12 Discussion guide

The discussion guide used for conducting the in-depth interviews was designed by Ipsos, with input from the European Commission and London Economics.

Each interview began with an introduction to the study, followed by a brief discussion about respondents' background, with the aim to identify possible factors which may contribute to vulnerability, distrust or feeling disadvantaged.

The moderator then provided an introduction to the following sections of the interview, all the while setting the scene for more specific, sector-related discussions. The

interview continued with general questions about the situations encountered by the respondent with retailers, possible solutions, attitudes and coping strategies.

The following sections focused on more sector-specific vulnerabilities, exploring consumers' experiences when dealing with the energy sector, the finance sector and the internet sector, and identifying difficulties and coping strategies when dealing with companies from these sectors.

The interview ended with a short part related to vulnerabilities / feeling disadvantaged in regards to other sectors. Respondents were prompted to give examples and to talk about possible difficulties they may have experienced when dealing with retailers from other sectors.

Annex 3 Indicators of vulnerability constructed from the survey data

The indicators of vulnerability constructed from the survey data are presented in the following table.

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
1	Unassertive (took no action) when experienced a problem	1	non-specific	Binary: 1 = "Yes", 0 = "No"	Those who have you experienced a problem	Yes	Q22	Did not do anything when experienced a problem when buying or using goods or services in past 12 months
2	Overpaid for services due to being unable to use certain payment methods	2	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q21.4	Overpaid for energy, telecommunication or banking services due to being unable to use certain payment methods in past 12 months
3	Perception of own vulnerability due to personal characteristics	3	non-specific	Scale: 1 = "Not vulnerable" - 4 = "Very vulnerable"	All	Yes	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to personal characteristics; maximum score across the following characteristics: health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons
3	Perception of own vulnerability due to personal characteristics	3_age	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.5	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to age
3	Perception of own vulnerability due to personal characteristics	3_emp	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.3	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to employment situation
3	Perception of own vulnerability due to personal characteristics	3_fin	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.2	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to financial circumstances
3	Perception of own vulnerability due to personal characteristics	3_hea	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.1	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to health problems
3	Perception of own vulnerability due to personal characteristics	3_min	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.6	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to belonging to a minority group
3	Perception of own	3_per	non-	Scale: 1 = "Not at all"	All	Yes	Q16.7	Extent feels vulnerable or disadvantaged when

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
	vulnerability due to personal characteristics		specific	- 4 = "To a great extent"				choosing and buying goods or services due to personal issues
3	Perception of own vulnerability due to personal characteristics	3_oth	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.8	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to other reasons
3	Perception of own vulnerability due to personal characteristics	3_b1_age	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.5	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to age
3	Perception of own vulnerability due to personal characteristics	3_b1_emp	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.3	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to employment situation
3	Perception of own vulnerability due to personal characteristics	3_b1_fin	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.2	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to financial circumstances
3	Perception of own vulnerability due to personal characteristics	3_b1_hea	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.1	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to health problems
3	Perception of own vulnerability due to personal characteristics	3_b1_min	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.6	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to belonging to a minority group
3	Perception of own vulnerability due to personal characteristics	3_b1_per	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.7	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to personal issues
3	Perception of own vulnerability due to personal characteristics	3_b1_oth	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.8	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to other reasons
3	Perception of own vulnerability due to personal characteristics	3_b1_any	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to any of the following personal characteristics: health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons
3	Perception of own vulnerability due to	3_b2_age	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.5	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a

Annex 3 | Indicators of vulnerability constructed from the survey data

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
	personal characteristics							great extent' due to age
3	Perception of own vulnerability due to personal characteristics	3_b2_emp	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.3	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to employment situation
3	Perception of own vulnerability due to personal characteristics	3_b2_fin	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.2	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to financial circumstances
3	Perception of own vulnerability due to personal characteristics	3_b2_hea	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.1	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to health problems
3	Perception of own vulnerability due to personal characteristics	3_b2_min	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.6	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to belonging to a minority group
3	Perception of own vulnerability due to personal characteristics	3_b2_per	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.7	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to personal issues
3	Perception of own vulnerability due to personal characteristics	3_b2_oth	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.8	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to other reasons
3	Perception of own vulnerability due to personal characteristics	3_b2_any	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to any of the following personal characteristics: health problems, financial circumstances, employment situation, age, belonging to a minority group, personal issues, or other reasons
3	Perception of own vulnerability due to personal characteristics	3_comb1	non-specific	Composite scale	All	Yes	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Sum of indicator_3_age, indicator_3_emp, indicator_3_fin, indicator_3_hea, indicator_3_min, indicator_3_per, and indicator_3_oth
3	Perception of own vulnerability due to personal characteristics	3_comb2	non-specific	Composite scale	All	Yes	Q16.1, Q16.2, Q16.3, Q16.5,	Sum of indicator_3_b1_age, indicator_3_b1_emp, indicator_3_b1_fin, indicator_3_b1_hea, indicator_3_b1_min, indicator_3_b1_per, and indicator_3_b1_oth

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
							Q16.6, Q16.7, Q16.8	
3	Perception of own vulnerability due to personal characteristics	3_comb3	non-specific	Composite scale	All	Yes	Q16.1, Q16.2, Q16.3, Q16.5, Q16.6, Q16.7, Q16.8	Sum of indicator_3_b2_age, indicator_3_b2_emp, indicator_3_b2_fin, indicator_3_b2_hea, indicator_3_b2_min, indicator_3_b2_per, and indicator_3_b2_oth
4	Does not feel informed about prices etc.	4	non-specific	Scale: 1 = "Very informed" - 4 = "Not at all informed"	All	Yes	Q17.1	Does not feel informed about product about price, quality, conditions, etc. when when choosing and buying goods and services
4	Does not feel informed about prices etc.	4_b1	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q17.1	Feels 'not very' or 'not at all' informed about product about price, quality, conditions, etc. when when choosing and buying goods and services
4	Does not feel informed about prices etc.	4_b2	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q17.1	Feels 'not at all' informed about product about price, quality, conditions, etc. when when choosing and buying goods and services
5	Gets information from few sources	5_adv_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	A7	Gets information from advertisements ONLY when comparing deals offered different gas and/or electricity providers
5	Gets information from few sources	5_adv_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	B6	Gets information from advertisements ONLY when comparing deals offered by different internet service providers
5	Gets information from few sources	5_adv_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	C3	Gets information from advertisements ONLY when comparing deals offered by different banks
5	Gets information from few sources	5_web_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	A7	Gets information from searching on-line when comparing deals offered different gas and/or electricity providers
5	Gets information from few sources	5_web_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	B6	Gets information from searching on-line when comparing deals offered by different internet service providers
5	Gets information from few sources	5_web_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	C3	Gets information from searching on-line when comparing deals offered by different banks
5	Gets information from few sources	5_com_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	A7	Gets information from comparison websites when comparing deals offered different gas and/or electricity providers
5	Gets information from few sources	5_com_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	B6	Gets information from comparison websites when comparing deals offered by different internet service providers
5	Gets information from few sources	5_com_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	C3	Gets information from comparison websites when comparing deals offered by different banks

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Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
5	Gets information from few sources	5_org_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	A7	Gets information from national authorities and/or consumer organisations when comparing deals offered different gas and/or electricity providers
5	Gets information from few sources	5_org_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	B6	Gets information from national authorities and/or consumer organisations when comparing deals offered by different internet service providers
5	Gets information from few sources	5_org_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	C3	Gets information from national authorities and/or consumer organisations when comparing deals offered by different banks
5	Gets information from few sources	5_fri_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	A7	Gets information from friends/family when comparing deals offered different gas and/or electricity providers
5	Gets information from few sources	5_fri_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	B6	Gets information from friends/family when comparing deals offered by different internet service providers
5	Gets information from few sources	5_fri_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	C3	Gets information from friends/family when comparing deals offered by different banks
5	Gets information from few sources	5_oth_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	A7	Gets information from 'other' sources when comparing deals offered different gas and/or electricity providers
5	Gets information from few sources	5_oth_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	B6	Gets information from 'other' sources when comparing deals offered by different internet service providers
5	Gets information from few sources	5_oth_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have compared deals	No	C3	Gets information from 'other' sources when comparing deals offered by different banks
6	Has problems comparing deals due to information-related factors	6_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information. OR Never compares deals in the energy sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a, B8b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information. OR Never compares deals in the finance sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related	6_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6, C6b	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: I do not know where I can find this information;

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
	factors							Suppliers do not provide enough information. OR Never compares deals in the online sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_1_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_1_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_1_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_2_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9b	Never compares deals in the energy sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_2_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8b	Never compares deals in the online sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
6	Has problems comparing deals due to information-related factors	6_2_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6b	Never compares deals in the finance sector due to one or more of the following reasons: I do not know where I can find this information; Suppliers do not provide enough information
7	Has not switched due to information-related factors	7_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	No	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I am unsure about where to get information to help me make a good choice
7	Has not switched due to information-related factors	7_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	No	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I am unsure about where to get information to help me make a good choice
7	Has not switched due to information-related factors	7_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	No	C13	Never switched main bank account in the last 5 years for one of the following reasons: I am unsure about where to get information to help me make a good choice
8a	Has problems comparing deals due to personal factors	8a_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: I do not have enough time; I do not know how to

Annex 3 | Indicators of vulnerability constructed from the survey data

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
								compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things). OR Never compares deals in the energy sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a, B8b	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things). OR Never compares deals in the online sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6, C6b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things). OR Never compares deals in the finance sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I'm not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_1_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_1_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_1_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons:

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
	to personal factors							I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_2_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9b	Never compares deals in the energy sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_2_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8b	Never compares deals in the online sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I am not interested; I am not financially minded; I am not technically minded (good at technical things)
8a	Has problems comparing deals due to personal factors	8a_2_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6b	Never compares deals in the finance sector due to one or more of the following reasons: I do not have enough time; I do not know how to compare; I'm not interested; I am not financially minded; I am not technically minded (good at technical things)
8b	Has problems comparing deals due to market-related factors	8b_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month. OR Never compares deals in the energy sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
8b	Has problems comparing deals due to market-related factors	8b_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a, B8b	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next

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Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
								month. OR Never compares deals in the online sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
8b	Has problems comparing deals due to market-related factors	8b_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6, C6b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by banks is difficult to understand; Offers are time limited/ a better offer may come out next month. OR Never compares deals in the finance sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by banks is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
8b	Has problems comparing deals due to market-related factors	8b_1_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month
8b	Has problems comparing deals due to market-related factors	8b_1_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
8b	Has problems comparing deals due to market-related factors	8b_1_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by banks is difficult to understand; Offers are time limited/ a better offer may come out next month
8b	Has problems comparing deals due to market-related factors	8b_2_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9b	Never compares deals in the energy sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
8b	Has problems comparing deals due to market-related factors	8b_2_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8b	Never compares deals in the online sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by suppliers is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
8b	Has problems comparing deals due to market-related factors	8b_2_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6b	Never compares deals in the finance sector due to one or more of the following reasons: There are too many offers to choose from; Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services); The wording used by banks is difficult to understand; Offers are time limited/ a better offer may come out next month; Switching is a hassle
8c	Has problems comparing deals due to access-related factors	8c_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a, A9b	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch. OR Never compares deals in the energy sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are

Annex 3 | Indicators of vulnerability constructed from the survey data

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
								collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
8c	Has problems comparing deals due to access-related factors	8c_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a, B8b	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch. OR Never compares deals in the online sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
8c	Has problems comparing deals due to access-related factors	8c_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6, C6b	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: There is only one provider in my area. OR Never compares deals in the finance sector due to one or more of the following reasons: There is only one provider in my area; I am currently in in a poor financial situation (bankaccount overdraft)
8c	Has problems comparing deals due to access-related factors	8c_1_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9a	Finds it difficult to compare deals in the energy sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
8c	Has problems comparing deals due to access-related factors	8c_1_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8a	Finds it difficult to compare deals in the online sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
8c	Has problems comparing deals due to access-related factors	8c_1_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6	Finds it difficult to compare deals in the finance sector due to one or more of the following reasons: There is only one provider in my area
8c	Has problems comparing deals due to access-related	8c_2_ene	energy	Binary: 1 = "Yes", 0 = "No"	All	No	A9b	Never compares deals in the energy sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
	factors							cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
8c	Has problems comparing deals due to access-related factors	8c_2_onl	online	Binary: 1 = "Yes", 0 = "No"	All	No	B8b	Never compares deals in the online sector due to one or more of the following reasons: There is only one provider in my area; I live in a housing cooperative where such services are collectively negotiated; I live in rented accommodation and my landlord does not allow me to switch
8c	Has problems comparing deals due to access-related factors	8c_2_fin	finance	Binary: 1 = "Yes", 0 = "No"	All	No	C6b	Never compares deals in the finance sector due to one or more of the following reasons: There is only one provider in my area; I am currently in in a poor financial situation (bankaccount overdraft)
9a	Has not switched due to personal factors	9a_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	No	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I wouldn't know how to switch even if I wanted to; I did not know it was possible to switch; I never thought about the issue
9a	Has not switched due to personal factors	9a_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	No	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I wouldn't know how to switch even if I wanted to; I did not know it was possible to switch; I never thought about the issue
9a	Has not switched due to personal factors	9a_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	No	C13	Never switched main bank account in the last 5 years for one of the following reasons: I wouldn't know how to switch even if I wanted to; I did not know it was possible to switch; I never thought about the issue
9b	Has not switched due to market-related factors	9b_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	No	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I don't think there is any difference between the suppliers to make switching worthwhile; Switching is a hassle; It is difficult to compare the offers of different electricity providers
9b	Has not switched due to market-related factors	9b_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	No	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I don't think there is any difference between the providers to make switching worthwhile; Switching is a hassle ; It is difficult to compare the offers of different Internet service providers
9b	Has not switched due to market-related factors	9b_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	No	C13	Never switched main bank account in the last 5 years for one of the following reasons: I don't think there is any difference between the providers to

Annex 3 | Indicators of vulnerability constructed from the survey data

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
								make switching worthwhile; Switching is a hassle ; It is difficult to compare the offers of different banks
9c	Has not switched due to access-related factors	9c_ene	energy	Binary: 1 = "Yes", 0 = "No"	Those who have an energy supplier	No	A23	Never switched electricity supplier in the last 5 years for one of the following reasons: I am in debt with my current supplier/s so don't think I can switch; I live in rented accommodation and don't think my landlord will allow me to switch; I live in a housing cooperative where such services are collectively negotiated; No other supplier is available in the area where I live
9c	Has not switched due to access-related factors	9c_onl	online	Binary: 1 = "Yes", 0 = "No"	Those who have an internet connection	No	B15	Never switched home Internet provider or Internet tariff scheme in the last 5 years for one of the following reasons: I am in debt with my current provider/s so don't think I can switch; I live in rented accommodation and don't think my landlord will allow me to switch; I live in a housing cooperative where such services are collectively negotiated; No other provider is available in the area where I live
9c	Has not switched due to access-related factors	9c_fin	finance	Binary: 1 = "Yes", 0 = "No"	Those who have a bank account	No	C13	Never switched main bank account in the last 5 years for one of the following reasons: I am in debt with my current provider/s so don't think I can switch; No other provider is available in the area where I live
9d	Has not switched due to termination costs	9d_ter	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q21.3	Did not switch your energy, telecommunication or banking supplier because of additional costs for termination of the contract (eg extra fees for returning the internet modem)
9e	Has not switched due to bundling	9e_bun	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q21.6	You decided not to switch provider because the offer was bundled or because your current product is part of a bundle
10	Excluded from e-commerce due to difficulty of the process	10a	online	Binary: 1 = "Yes", 0 = "No"	All	No	Q21.4	Decided not to purchase a product or service online because you found it too difficult to complete the purchase
10	Excluded from e-commerce due to not having a payment card	10b	online	Binary: 1 = "Yes", 0 = "No"	All	No	Q21.5	Was unable to buy a product or service online because you didn't have a payment card allowing you to pay over the internet
10	Excluded from e-commerce due to difficulty of the process or not having a payment card	10c	online	Binary: 1 = "Yes", 0 = "No"	All	No	Q21.4, Q21.5	Decided not to purchase a product or service online because you found it too difficult to complete the purchase, AND/OR was unable to buy a product or service online because you didn't have a payment card allowing you to pay over the internet

Table 126: Indicator of vulnerability based on the survey								
#	Name	Code	Sector	Type	Base	Complete	Questions	Meaning
1 1	Declined a loan	11_loan	finance	Binary: 1 = "Yes", 0 = "No"	All	No	Q13b	Tried to obtain an unsecured loan or credit in the last 5 years, but did not obtain it
1 2	Perception of own vulnerability due to complexity of offers	12_off	non-specific	Scale: 1 = "Not at all" - 4 = "To a great extent"	All	Yes	Q16.4	Extent feels vulnerable or disadvantaged when choosing and buying goods or services due to complexity of offers, terms or conditions
1 2	Perception of own vulnerability due to complexity of offers	12_off_b1	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.4	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'some extent' or 'a great extent' due to complexity of offers, terms or conditions
1 2	Perception of own vulnerability due to complexity of offers	12_off_b2	non-specific	Binary: 1 = "Yes", 0 = "No"	All	Yes	Q16.4	Feels vulnerable or disadvantaged when choosing and buying goods or services to 'a great extent' due to complexity of offers, terms or conditions

Annex 4 Incidence rate of vulnerability by sub-group

The tables in the present annex show for each country and the EU Member States and Norway and Iceland the number of times across the 16 vulnerability indicators that a particular sub-group of a vulnerability driver shows a markedly higher incidence rate of vulnerability.

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																		
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA	
Age	16 - 24	5	7	2	1	2	2	4	2	5	3	6	2	1	1	4	1	-	3	5	-	7	-	2	2	7	2	-	5	3	1	1	1	
	25 - 34	3	-	1	-	-	1	2	2	-	-	2	-	-	2	-	-	-	-	-	-	6	2	1	-	-	-	-	2	-	-	-	-	
	35 - 44	-	1	-	-	-	1	-	2	-	-	-	-	-	1	-	-	1	1	3	3	3	-	2	-	-	1	-	-	-	-	-	-	
	45 - 54	1	-	-	2	2	-	1	4	3	-	1	3	-	5	1	2	-	1	1	2	1	-	1	2	-	-	1	-	-	-	-	-	
	55 - 64	4	4	1	3	4	8	2	4	2	2	-	2	7	2	6	5	3	11	-	1	-	4	7	4	2	5	2	2	2	5	1	1	
	65 - 74	4	6	5	6	4	8	2	7	3	6	5	4	2	1	4	5	1	5	3	3	1	4	7	8	8	7	6	2	8	9	8	8	
75+	3	2	-	6	7	5	3	4	-	-	-	5	-	-	-	4	5	7	1	7	3	-	-	-	7	-	4	6	4	7	10	10		
Gender	Female	1	-	-	1	-	3	2	-	2	-	1	-	-	1	-	1	-	-	1	-	1	-	1	-	2	-	-	2	-	-	1	-	-
	Male	-	-	1	-	-	-	1	-	-	1	-	-	-	-	1	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-
Population density of area	Densely populated	3	-	-	-	-	2	1	-	1	-	-	-	-	-	2	-	-	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Intermediate density	-	-	-	-	1	-	-	1	-	-	-	-	-	-	1	-	-	4	2	-	-	-	-	-	-	-	-	-	-	2	-	-	
	Thinly populated	1	6	2	2	-	2	-	-	3	1	3	3	-	-	-	-	-	-	-	1	1	-	5	2	-	2	1	1	2	2	-	-	
Household size	1	3	3	6	6	1	4	4	5	1	1	2	5	3	2	6	3	3	7	2	5	3	3	9	2	4	6	6	-	4	6	1	1	
	2	-	-	1	3	1	-	-	-	-	-	-	2	-	-	2	2	2	1	2	-	-	3	2	-	-	2	-	-	-	-	-	-	
	3	1	1	1	-	-	-	1	-	1	2	-	-	2	-	-	-	2	-	2	3	1	-	-	-	-	-	-	1	-	-	-	-	
	4	1	-	-	-	-	-	1	-	-	2	-	-	-	-	-	-	2	-	-	-	-	1	2	-	1	-	-	-	-	-	-	-	-
	5	1	2	1	-	-	3	1	6	3	5	6	1	1	3	1	2	-	2	1	5	3	2	2	-	1	1	2	2	1	3	2	2	
	6 or more	6	5	7	2	3	5	1	2	3	2	7	5	4	6	7	4	2	5	5	3	7	3	4	4	3	5	5	10	6	3	2	2	
Education level	Low	6	3	7	8	5	4	3	7	3	2	9	5	3	4	8	2	6	8	4	1	8	5	1	10	10	6	3	7	4	10	8	8	
	Medium	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	4	-	-	-	-	-	-	-	-	-	
	High	1	1	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	2	-	-	-	-	4	-	-	-	-	-	-	1	-	-	-
Different mother tongue	No	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Yes, but no difficulty	4	4	4	5	3	6	5	6	3	4	4	-	7	5	-	3	1	5	5	4	5	3	3	-	1	3	1	2	2	-	1	1	
	Yes, and causes difficulty	7	2	7	7	2	3	7	5	7	7	10	5	4	-	9	6	4	7	6	3	3	2	-	8	8	5	4	7	9	6	7	7	
Occupational	employed full-time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	employed part-time	3	2	3	-	1	6	2	8	1	1	-	1	2	4	-	-	5	4	3	1	4	4	2	4	1	5	4	1	-	1	-	-	

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																	
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA
status	self-employed full-time	4	3	2	4	1	-	-	3	1	5	-	1	-	2	6	2	-	-	3	1	3	4	3	5	1	3	1	4	3	2	-	-
	self-employed part-time	7	7	3	4	5	11	4	-	6	5	10	-	2	2	6	4	-	5	7	5	10	2	2	3	6	-	-	2	4	2	-	-
	unemployed but looking	5	5	3	4	6	6	7	11	5	6	5	2	5	3	3	4	1	5	6	5	8	4	4	3	6	3	3	5	6	12	3	3
	unemployed not looking	6	8	4	7	6	9	4	11	7	4	6	4	4	7	3	8	7	10	2	4	10	4	4	5	10	6	4	10	7	4	8	8
	long-term sick / disabled	6	3	4	8	6	11	9	11	9	11	3	6	6	4	10	6	9	7	4	5	6	7	5	8	7	7	7	9	7	7	6	6
	housewife / homemaker	5	2	-	3	6	4	3	1	3	-	2	5	3	7	3	2	4	1	2	5	7	5	10	5	3	4	5	4	-	4	4	5
	retired	6	5	5	7	2	8	5	6	2	3	7	5	3	2	6	5	5	8	1	3	3	4	8	6	6	5	6	7	8	8	6	6
	in full time education	6	5	4	-	-	4	1	2	4	6	8	2	4	4	7	2	1	5	10	1	11	-	2	1	6	1	5	5	4	6	2	2
	studying, part time job	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Difficulty to make ends meet	very easy	-	-	2	-	-	3	1	1	-	2	1	2	7	1	1	1	1	2	-	-	-	-	-	3	-	-	1	-	1	-	-	-
	fairly easy	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1	-	2	-	-	-	-	1	-	-	-	-	-	-	-	-	-
	fairly difficult	2	-	-	-	-	1	5	4	2	-	2	-	-	-	-	-	-	1	4	-	10	2	1	-	-	-	-	4	1	4	-	-
	very difficult	12	7	4	6	-	4	10	7	11	5	6	4	4	9	11	6	3	6	7	-	10	4	6	6	11	4	6	7	5	11	6	6
Personal situation	married	-	-	-	-	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	2	-	-	1	-	-	-	-	-	
	remarried	5	2	4	6	7	6	2	5	4	7	2	2	1	5	9	2	2	2	3	1	2	6	-	-	8	3	4	7	5	2	1	1
	living with a partner	-	-	-	-	4	-	-	2	-	-	-	1	-	1	2	5	-	1	2	4	-	-	2	-	1	-	1	-	-	-	-	-
	single	5	4	2	-	-	5	3	1	1	4	3	1	-	3	2	-	4	2	2	-	9	-	-	-	2	1	2	3	1	1	-	-
	divorced or separated	1	9	1	3	3	2	2	1	6	8	4	-	4	-	6	1	4	1	5	5	5	-	3	1	1	-	3	3	6	9	3	3
	widowed	11	6	6	6	3	6	6	6	8	6	8	6	2	7	6	4	3	10	9	5	4	4	11	9	10	9	6	2	7	13	10	10
other	7	4	2	1	-	10	4	6	9	9	9	2	3	1	5	7	1	5	5	2	7	2	1	4	10	5	2	7	4	11	5	5	
Number of dependent children	0	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1	1	-	1	-	-	-	-	-	-	
	1	4	3	1	1	-	-	-	1	3	-	-	-	-	3	-	1	-	2	4	3	3	1	-	1	-	-	-	3	2	-	-	-
	2	-	-	-	-	-	1	-	3	2	-	3	-	-	1	-	-	-	3	2	2	1	-	6	1	-	1	-	1	2	3	-	-
	3	3	2	7	2	4	7	-	3	2	1	2	5	4	2	4	2	1	1	3	4	3	6	7	8	-	-	3	1	2	1	-	-
	4 or more	2	7	6	2	3	6	5	3	3	3	2	1	5	5	1	2	5	4	5	2	8	4	2	4	5	4	5	5	7	4	6	6
Single parent	8	8	1	1	1	3	4	-	5	7	7	-	5	2	6	2	4	2	9	4	7	2	2	6	3	2	2	2	3	8	4	4	
Friends or	...do not buy online	-	-	2	-	-	2	1	-	3	-	2	1	2	-	5	3	2	-	1	2	-	3	1	-	-	-	2	-	-	4	2	2
	...buy on credit	4	2	-	-	-	3	4	4	2	2	4	-	-	3	-	-	-	-	3	-	1	-	-	1	-	-	-	2	4	-	-	-

Annex 4 | Incidence rate of vulnerability by sub-group

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																	
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA
family	...can't make ends meet	6	2	-	-	-	3	4	4	3	2	6	-	-	1	2	1	1	2	4	1	10	2	-	-	2	2	-	5	3	6	2	2
Knows energy contract condition	Not at all	11	7	8	6	5	7	8	4	10	9	13	4	6	2	8	5	5	8	5	1	12	7	9	8	10	5	8	7	7	10	11	11
	Not very	7	6	1	3	-	3	4	7	7	2	12	3	1	3	9	3	-	1	1	-	8	5	3	2	3	4	2	7	9	5	7	7
	Fair amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Knows internet contract condition	Not at all	8	8	6	4	2	9	5	9	8	8	7	5	6	6	6	9	9	5	9	5	11	5	9	9	11	6	9	6	6	6	6	6
	Not very	8	7	3	3	2	6	8	10	11	10	10	4	3	4	8	4	2	5	5	1	6	7	7	3	3	5	8	8	11	6	8	8
	Fair amount	1	-	2	-	-	-	-	-	-	-	1	-	-	-	-	-	-	2	1	1	-	2	2	-	-	-	-	-	-	-	-	-
Knows bank contract condition	Not at all	14	10	6	8	7	14	9	15	15	8	14	7	7	8	14	6	7	8	10	4	10	7	9	11	9	5	9	8	13	13	12	12
	Not very	10	8	3	4	2	14	9	14	14	8	13	3	4	5	12	6	5	6	9	1	15	6	8	3	12	4	5	13	7	13	12	12
	Fair amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No response	Energy sector contract	6	5	4	1	1	9	4	7	7	5	5	4	3	1	5	8	7	3	-	3	7	4	8	7	6	6	3	3	5	10	6	6
	Online sector contract	7	9	2	5	1	5	6	7	8	8	6	3	6	3	7	5	4	8	8	2	11	5	6	8	5	6	5	6	6	12	8	8
	Finance sector contract	6	5	7	8	5	9	4	7	4	6	6	4	6	5	12	7	3	10	8	7	7	6	9	8	13	7	8	6	7	9	9	9
Unable read Ts&Cs due small print		11	8	4	6	4	9	7	8	7	6	13	3	5	10	10	2	3	6	8	3	12	5	5	4	9	4	5	5	12	11	9	9
Compare deals from energy suppliers	From time to time	-	-	1	-	1	-	-	-	-	-	-	1	1	1	-	-	-	3	1	2	-	2	-	-	-	-	-	5	-	-	-	-
	When need to renew	4	-	1	1	1	3	1	3	-	1	-	1	1	-	-	1	1	1	4	3	1	-	2	-	-	-	2	1	1	2	-	-
	Sporadically	1	1	-	-	-	-	-	-	-	-	3	-	-	2	2	-	-	2	3	1	1	-	2	-	-	-	-	1	3	-	-	-
	Only the first time	2	5	1	2	2	5	1	4	3	1	6	3	-	2	7	3	2	1	-	2	2	2	3	2	2	3	3	3	2	7	4	4
Compare deals from internet providers	Never	4	4	1	3	-	7	4	4	6	3	5	2	2	-	7	3	5	3	3	-	6	4	5	2	8	5	4	4	5	5	6	6
	From time to time	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	2	2	-	1	-	-	-	-	3	1	-	-	-	
	When need to renew	3	2	1	1	-	1	1	1	-	1	3	-	-	1	-	2	-	2	-	-	2	-	3	1	-	-	1	-	-	-	-	-
Compare deals from internet providers	Sporadically	1	-	1	-	-	-	4	3	-	-	-	-	-	-	5	-	-	2	2	-	-	-	5	-	1	-	-	-	-	1	-	-
	Only the first time	4	4	-	3	-	2	4	3	5	2	6	1	1	1	8	2	4	4	2	2	-	2	6	-	4	4	3	-	2	5	3	3

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																		
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA	
rs	Never	5	4	2	1	-	7	4	4	6	4	7	4	2	4	7	4	4	3	4	1	5	3	4	2	9	3	5	4	5	3	5	5	
	No response	4	4	2	6	1	4	5	6	5	2	5	3	4	1	5	4	4	7	2	2	4	4	5	6	4	4	4	7	5	10	7	7	
Compare deals from banks	From time to time	-	-	-	1	-	1	-	-	1	-	-	-	-	4	-	-	-	-	3	-	-	-	-	-	-	-	-	3	-	-	-		
	When need to renew	3	-	-	1	-	1	1	3	-	2	4	1	1	4	1	1	2	-	3	3	1	-	2	2	-	1	1	1	2	2	1	1	
	Sporadically	-	-	1	2	-	1	2	2	-	-	1	1	-	-	1	-	-	3	-	-	2	-	-	-	-	-	-	-	-	-	-	-	
	Only the first time	3	-	-	-	1	3	2	2	2	-	2	1	-	-	3	1	1	3	-	1	4	3	1	2	4	3	3	2	1	1	-	-	
	Never	6	6	7	4	1	5	4	4	6	3	7	4	5	1	10	4	4	5	4	1	7	5	6	5	8	6	5	5	3	6	6	6	
Read last bill from energy supplier	In detail	-	-	-	-	-	-	-	-	-	-	-	-	3	4	1	-	-	1	-	1	1	-	-	-	-	-	-	-	-	-	-	-	
	Glanced or skim read	-	-	-	-	-	2	-	-	-	-	1	-	-	-	-	2	-	-	2	-	-	-	-	-	-	-	-	-	1	-	-	-	
	Looked at total price	10	8	-	1	1	5	6	5	9	5	13	-	-	5	2	3	1	2	1	3	5	5	8	1	2	4	1	2	5	8	6	6	
	Not at all	10	5	4	7	1	6	9	3	7	6	7	4	4	-	8	4	4	7	7	-	8	8	7	12	6	4	5	9	6	7	7	7	
	Don't know	8	2	6	3	5	7	5	3	8	5	10	6	4	6	9	6	6	8	6	4	9	2	10	7	3	6	5	5	7	5	6	6	
Read last communication internet provider	In detail	-	-	-	-	1	-	-	-	2	-	-	-	-	3	-	-	-	-	2	1	3	-	1	-	-	-	-	2	1	-	-	-	
	Glanced or skim read	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	-	1	-	-	2	1	-	-	-	-	-	-	-	-	-
	Saw what it was	6	2	-	3	-	7	5	4	10	1	8	3	2	5	-	2	1	2	2	3	8	2	5	-	5	2	4	-	6	10	4	4	
	Not at all	6	10	2	4	4	9	5	3	8	6	8	4	4	2	6	3	4	5	7	-	8	5	7	2	7	2	4	7	8	5	6	6	
	Don't know	7	4	-	4	3	6	4	1	5	7	6	4	6	2	10	8	5	8	4	7	11	3	8	2	5	6	6	-	5	4	5	5	
Read last communication from bank	In detail	-	-	-	-	-	-	-	-	-	-	1	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Glanced or skim read	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
	Saw what it was	8	-	2	-	2	10	10	7	6	2	11	2	1	4	1	1	1	5	8	2	8	3	7	3	5	2	3	9	4	10	4	4	
	Not at all	10	8	4	8	1	7	8	12	12	7	10	5	3	4	13	6	6	2	10	2	11	6	6	5	7	3	6	9	7	12	10	10	
	Don't know	10	5	4	2	8	12	3	5	10	6	7	4	6	1	8	5	4	8	6	3	10	2	9	5	7	3	9	7	7	10	7	8	
Reading communication energy supplier	Very easy	-	2	-	-	-	2	-	-	-	-	-	-	1	1	-	-	-	2	3	-	1	-	-	-	-	2	2	2	-	1	-	-	
	Easy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	
	Difficult	6	6	1	2	4	6	5	6	14	6	15	2	-	8	7	1	4	5	7	5	12	2	4	5	5	1	-	7	9	12	6	6	
	Very difficult	15	13	6	6	7	10	10	15	14	9	15	7	4	7	15	5	9	6	10	5	12	8	14	10	5	9	7	12	11	16	15	15	
	No response	8	5	5	4	1	6	7	4	5	4	7	5	4	-	6	4	6	6	5	-	10	4	8	10	5	4	5	4	6	8	7	7	
Reading communication	Very easy	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	-	3	1	1	3	-	-	-	1	-	2	-	1	-	-	-	-	
	Easy	-	-	1	-	-	-	2	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	
	Difficult	11	7	3	5	3	12	6	10	11	5	10	4	3	3	11	6	5	8	6	3	7	3	12	6	10	5	3	9	9	7	8	8	
	Very difficult	11	16	7	9	7	4	6	-	12	11	9	-	-	9	15	9	-	-	11	7	6	3	9	7	9	7	8	14	-	5	13	13	

Annex 4 | Incidence rate of vulnerability by sub-group

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																		
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA	
internet provider	No response	6	4	3	5	3	8	5	5	6	4	9	5	4	2	8	5	4	7	1	1	7	6	7	3	6	6	5	4	6	8	7	7	
Reading communication from bank	Very easy	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	-	-	1	-	-	-	-		
	Easy	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1	-	1	-	-	-	-	-	-	-	-	1	-	-		
	Difficult	10	7	2	3	1	13	7	7	10	7	15	1	2	6	5	1	2	6	10	3	12	2	8	5	12	2	1	11	12	11	8	8	
	Very difficult	14	14	7	8	2	8	11	7	5	11	16	4	4	11	12	5	4	13	3	4	7	3	15	10	3	6	5	7	13	10	14	14	
Careful dealing with people	No response	10	5	5	5	2	11	8	6	9	4	9	5	3	1	11	3	5	8	6	2	11	5	7	4	11	5	4	7	8	12	9	9	
	Trust 1: Very low	8	6	-	-	-	-	5	5	3	1	7	-	-	4	7	4	-	6	-	-	3	4	2	-	1	4	7	8	9	6	6	6	
	Trust 1: Low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	
	Trust 1: High	-	-	3	-	4	8	-	-	-	2	-	2	1	-	1	-	3	2	3	2	-	-	-	2	9	1	-	-	-	-	-	-	
Most people can be trusted	Trust 1: Very high	3	2	4	4	5	8	2	3	2	3	1	9	8	1	12	5	4	1	3	5	1	7	1	7	4	5	5	2	2	10	4	4	
	Trust 2: Very low	5	7	4	6	1	4	6	10	10	7	8	3	4	3	6	6	4	3	-	-	6	5	3	5	10	7	7	5	9	10	9	9	
	Trust 2: Low	-	-	-	-	-	-	-	-	3	-	-	-	-	3	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	
	Trust 2: High	-	-	-	-	-	-	-	-	-	1	-	2	-	-	-	-	-	-	2	-	-	-	1	-	-	-	-	-	-	-	-	-	
Credulity test: Incorrect	Trust 2: Very high	4	8	2	2	3	7	-	2	1	7	5	-	5	1	5	5	1	6	8	4	6	4	7	7	2	5	5	3	4	7	4	4	
	Credulity: Very low	2	-	6	4	3	6	-	3	-	2	3	-	2	-	1	4	6	2	2	-	2	6	4	6	4	2	1	-	1	-	-	-	
	Credulity: Low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Credulity: High	2	-	-	-	-	1	1	1	1	-	1	-	-	1	-	2	-	-	1	-	1	-	-	1	-	-	-	2	-	-	-	-	
Most ads report objective facts	Credulity: Very high	6	12	5	2	4	8	8	3	5	3	4	5	3	6	7	4	5	5	4	5	9	4	3	4	6	4	4	4	7	3	5	5	
	Willingness to take risks: Not at all	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	9	-	-	-	-	8	9	-	-	-	-	-	11	9	9	
	Risk taking: Not very	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Risk taking: Fairly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hard time to break habits	Risk taking: Very	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-	2	-	-	-	-	-	-	5	2	2	
	Impulsiveness 1: V. high	9	11	3	4	1	10	6	15	8	9	12	4	3	1	7	8	2	4	6	4	11	7	4	5	-	6	6	7	13	4	8	8	
	Impulsiveness 1: High	-	-	-	-	-	-	-	-	-	-	-	1	-	3	-	-	-	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	
	Impulsiveness 1: Low	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Good resist	Impulsiveness 1: V. low	3	5	5	6	-	3	1	4	3	3	1	4	2	1	6	4	2	4	4	-	2	3	2	3	10	4	2	-	6	5	4	4	
	Impulsiveness 2: V. high	14	7	5	6	5	6	8	7	12	4	13	5	6	7	5	5	5	7	9	5	13	8	6	6	9	5	6	7	9	9	10	10	

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																		
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA	
temptation	Impulsiveness 2: High	3	1	-	1	3	3	-	3	1	3	6	2	-	3	3	-	-	1	3	-	4	-	2	-	3	4	-	1	3	-	-	-	
	Impulsiveness 2: Low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Impulsiveness 2: V. low	2	2	2	-	-	4	-	3	-	-	3	1	-	6	6	3	2	2	1	-	-	5	1	1	3	-	4	2	4	4	3	3	
Strong self-discipline	Impulsiveness 3: V. high	12	4	7	7	2	8	10	5	11	7	9	7	6	5	9	6	5	4	6	2	9	8	10	8	5	4	7	10	10	12	9	9	
	Impulsiveness 3: High	4	2	1	-	1	-	2	3	1	5	4	-	4	1	1	-	-	1	1	1	5	3	1	-	2	5	-	-	2	5	-	-	
	Impulsiveness 3: Low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Impulsiveness 3: V. low	-	5	1	-	-	8	1	4	1	-	1	1	-	3	6	2	5	5	1	-	-	4	-	1	3	3	6	-	1	3	1	1	
Impulsive in decisions	Impulsiveness 4: V. high	10	8	3	3	-	8	7	6	7	7	5	1	4	6	9	4	4	11	7	1	9	6	10	5	4	5	7	4	3	7	6	6	
	Impulsiveness 4: High	1	1	-	-	-	5	1	-	-	3	-	2	-	1	-	-	-	3	1	-	-	-	4	-	-	-	-	-	1	1	-	-	
	Impulsiveness 4: Low	-	-	-	-	1	-	-	1	-	-	-	-	-	1	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Impulsiveness 4: V. low	5	1	7	-	2	4	-	9	2	-	2	5	1	-	3	3	3	5	2	2	4	5	2	5	8	5	3	1	5	7	5	5	
Answer incorrect to 1st comp test		5	3	7	3	1	6	5	6	7	1	8	6	5	1	3	3	6	4	6	1	11	4	5	8	8	7	4	7	6	9	7	7	
Answer incorrect to 2nd comp test		7	3	7	4	1	5	8	6	7	2	6	5	1	2	7	4	6	7	2	-	6	4	6	6	8	4	3	7	3	10	7	8	
Incorrect answer meaning of kWh		1	2	7	6	1	-	4	5	7	1	2	2	3	4	3	2	2	3	1	4	9	-	5	1	-	5	1	8	3	-	-	-	
Incorrect answer meaning of Mbps		3	5	5	6	1	3	4	6	5	2	7	5	4	1	6	3	-	5	1	4	6	3	7	9	7	5	3	5	3	6	6	6	
Did not identify best interest rate		2	2	2	4	-	6	3	-	-	-	4	3	1	-	3	2	1	-	3	2	7	2	5	3	5	5	2	5	2	7	4	4	
Infrequent use of internet	Search	4	5	2	8	5	4	5	9	7	5	10	4	5	3	5	6	6	8	5	5	8	5	7	7	10	7	6	7	8	11	9	9	
	Compare prices	8	4	2	8	3	5	6	7	6	5	10	5	5	2	10	6	6	9	3	2	5	5	7	7	9	6	6	8	7	7	8	8	
	Banking	7	6	1	6	1	4	4	8	9	2	8	4	2	6	6	4	4	9	8	4	13	5	6	2	8	5	4	6	8	9	8	8	
	Purchases	7	2	2	4	1	5	3	7	3	1	5	5	1	1	8	4	2	8	2	1	5	3	4	1	3	4	2	3	2	8	6	5	
	Selling	-	-	1	1	-	2	-	-	-	-	2	-	-	-	1	2	-	-	-	-	-	1	1	1	-	2	-	-	-	1	-	-	
	Social	6	1	2	6	-	8	3	6	3	1	3	5	4	2	4	6	6	7	5	3	4	5	6	7	3	4	5	1	2	7	5	5	
Email		7	5	2	8	3	7	7	6	6	5	7	3	6	2	7	6	5	7	5	5	5	5	5	9	10	4	5	13	6	10	9	9	

Annex 4 | Incidence rate of vulnerability by sub-group

Table 127: Above average vulnerability by country and characteristic, number of vulnerability indicators																																		
Group	Characteristic	AT	BE	BG*	HR*	CY*	CZ	DK	EE	FI	FR	DE	EL*	HU*	IS	IE	IT*	LV*	LT	LU	MT*	NO*	PL*	PT	RO	SK	SI*	ES*	SE	NL	UK	EU28	EEA	
Uses internet at least once a month (out of 7 activities)	0	6	9	2	8	5	4	5	6	6	5	6	3	6	2	5	4	5	7	3	5	7	4	5	7	11	4	6	6	10	11	9	9	
	1	5	3	3	2	3	10	3	4	6	8	6	5	2	7	7	-	4	4	6	6	-	-	1	8	5	1	3	2	7	10	8	8	
	2	6	8	-	7	1	6	11	3	8	8	12	4	6	3	10	4	2	9	5	1	3	5	11	8	5	7	5	9	7	11	12	12	
	3	7	8	1	3	3	5	6	8	5	4	8	6	4	11	8	5	4	6	4	-	6	4	4	3	4	3	4	7	7	9	6	6	
	4	6	2	2	-	-	3	7	4	7	2	8	2	1	2	10	5	5	5	6	2	5	3	2	-	4	2	5	6	6	2	4	4	
	5	-	-	-	-	-	-	-	3	2	-	-	-	-	-	1	2	-	-	1	-	1	1	3	1	-	1	-	-	1	-	1	-	-
	6	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	2	1	-	-	-	1	-	-	-	-	-	-	-	-	
7	4	1	1	-	1	1	3	1	-	1	1	1	1	-	1	1	1	1	2	1	2	1	2	2	1	-	-	1	4	-	2	1	1	

Note: Out of 16 vulnerability indicators. *out of 10 vulnerability indicators.

The next series of tables shows for each of the sets of vulnerability drivers, the countries for which a particular sub-group was identified as having a significantly higher incidence rate of vulnerability

Personal characteristics

Table 128: Above average vulnerability in countries due to personal and demographic (age)

D	Indicator	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65-74	75+
1	2. Overpaid for services due to being unable to use certain payment methods	BG, LT, LU	AT, EE, NO			IE, MT	EE, FI, DE, SI, NL, UK (6)	CY, CZ, EL, LV, NO, SE (6)
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	AT, BE, DK, EE, FR, IE, LU, SI (8)	AT, DE, IS, PL (4)	CZ, LU, MT, NO (4)	FI, IS	HU, LT, NL	UK	HR, SK, SE
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, DK, DE, LU, SK (6)	CZ, DK, EE, IS, NO, PL, SE (7)	LV, LU, MT, NO, SI (5)	FI, DE, LU, ES (4)	CY, EE, HU, LT, NL (5)	BG, HR, EE, RO, SI, UK (6)	LV, LT, MT, SK, SE (5)
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	AT, DK, IS, IE, LU, SK (6)	AT, DE	LU, NO	FI	CY, HU, LT	BE, BG, HR, EE, RO, SK, SI, NL, UK (9)	HR, IT, LT, MT, SK, SE (6) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*	FI, DE, LT, NO (4)	DK	EE, IS, PT	EE, IS	BE, IE, SE, UK (4)	CZ, FR, SK, SE, NL (5)	UK (1) EEA, EU28
3	17. Has problems comparing deals due to information-related factors – financial sector*	LU				CZ	EE, FR, SK	

Annex 4 | Incidence rate of vulnerability by sub-group

Table 128: Above average vulnerability in countries due to personal and demographic (age)								
D	Indicator	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65-74	75+
4	21. Does not compare product deals - energy sector	AT, BE, CZ, DK, EE, FI, DE, IT, NO, PT, SK, SI, SE, NL, UK (15) EEA, EU28	NO, SE		EL	HR, CZ, EL, IE, IT, LT, PL, PT, SI (9)	AT, HR, CY, CZ, DE, EL, IE, IT, LT, PL, PT, RO, SI, ES, UK (15) EEA, EU28	AT, BE, HR, CY, CZ, DK, EE, EL, IT, LV, LT, MT, SK, ES, SE, NL, UK (17) EEA, EU28
4	22. Finds it very difficult to compare product deals - energy sector	BE, FR, DE, NO, SK, SE, NL (7)		EE		AT, HR, CZ, HU, IE, IT, LV, LT, PT, RO, SI, ES, UK (13)	AT, BE, BG, HR, CZ, FI, FR, DE, EL, IE, IT, LU, NO, PL, PT, RO, SK, SI, ES, NL, UK (21) EEA, EU28	AT, HR, CY, CZ, DK, EE, EL, LV, LT, MT, SK, ES, NL, UK (14) EEA, EU28
4	23. Does not compare product deals - finance sector	BE, CY, FI, FR, HU, NO, PT, SK, SE, NL (10)	NO		CY, MT	BG, HR, CZ, EE, EL, IE, IT, LT, PL, PT, RO, SI (12)	AT, BE, BG, HR, CY, CZ, EE, FI, DE, EL, HU, IE, IT, LV, LT, MT, PL, PT, RO, SK, SI, ES, UK (23) EEA, EU28	AT, HR, CY, CZ, DK, EE, EL, IT, LV, LT, MT, NO, SK, ES, SE, NL, UK (17) EEA, EU28
4	24. Finds it very difficult to compare product deals - finance sector	BE, SE	NO			AT, CZ, DK, HU, IE, IT, LT, RO, SI (9)	AT, BG, HR, CZ, EE, DE, EL, IE, IT, LT, MT, PL, PT, RO, SK, SI, ES, NL, UK (19) EEA, EU28	BE, HR, CY, CZ, EE, EL, IT, LT, MT, NO, SK, ES, NL, UK (14) EEA, EU28
4	25. Has problems comparing deals due to personal factors - energy sector*	AT, BE, CZ, FI, DE, IE, NO, SK, SE (9)				LT, PT	PT, RO, UK (3) EEA, EU28	UK (1) EEA, EU28
4	26. Has problems comparing deals due to personal factors - on-line sector	BG, HR, CY, DE, EL, LT, NO, RO (8)			HR, EE, EL, IS, IT, LT, MT, PT (8)	AT, CY, EE, FI, FR, HU, LV, LT, PL, PT, SK (11)	BE, CY, DK, IS, LU, MT, SK, ES (8) EEA, EU28	CY, MT (2) EEA, EU28
4	27. Has problems comparing deals due to personal factors - finance sector*	FI, IE, NO	NO			BE, CZ, PT, RO (4)	BE, LT, PT, RO (4) EEA, EU28	LT, UK (2) EEA, EU28
4	28. Has problems comparing deals due to market-related factors - energy sector*			BE, LT, PT	EE, IS	CZ, IS, SE, UK (4)	CZ, FR, SK, NL (4)	
4	29. Has problems comparing deals due to market-related factors - on-line sector	EL, RO	BG	MT	AT, HR, CY, DK, EE, EL, IS, IE, IT, NO, RO (11)	AT, BE, CY, CZ, DK, EE, FI, FR, HU, IS, IT, LV, LT, PL, PT, SK, SI, ES, UK (19) EEA, EU28	BE, CY, CZ, DK, EE, FR, HU, IT, LT, LU, PT, ES, SE, NL (14) EEA, EU28	CY, LU (2) EEA, EU28
4	30. Has problems comparing deals due to market-related factors - finance sector*	SK	PT		RO	BE, LT, UK	CZ, FR, NL	

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Table 129: Above average vulnerability in countries due to personal and demographic drivers (household size, population density)

D	Indicator	Household size					Population density of area			
		1	2	3	4	5	6 or more	Densely populated area	Intermediate density area	Thinly populated area
1	2. Overpaid for services due to being unable to use certain payment methods	SI				FR, LT, MT, PT, SE (5)	AT, BG, HR, CY, CZ, DE, EL, HU, IS, IT, LT, LU, ES (13)			BE, FI
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	DK, IS, MT, PT, UK (5)		AT	SI	CZ, EE, FI, FR, MT, PL, UK (7)	AT, BE, BG, CY, DK, EE, FI, HU, IS, IE, MT, NO, SE (13)	AT	LU	BE, DE
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, BG, DK, LT, PT, SK, NL, UK (9)	LU	DE, IS, MT, NO, PL (5)	AT	CZ, FI, FR, DE, EL, IS, IE, IT, MT, ES (10) EEA, EU28	AT, BG, HR, CY, EL, HU, IE, IT, LV, MT, PL, RO, SK, ES, SE (15) EEA, EU28	AT, LU	IE, LU	BE, DE, NO
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	BG, HR, DK, LT, MT, PT, SI, NL, UK (9)	LU	DE, IS		CZ, EE, FI, FR, DE, IS, MT, PL, UK (9) EEA, EU28	AT, BE, BG, FI, EL, HU, IS, IE, MT, NO, PL, SE (12) EEA, EU28	AT, LU		BE, CZ, DE
3	15. Has problems comparing deals due to information-related factors- energy sector*	IE, NL, UK	IE		DE, LT	EE, IS, LT, NO, SE, UK (6)	AT, DE, IS, LT, LU, RO, SE (7)	CZ	LT	AT, UK
3	17. Has problems comparing deals due to information-related factors – financial sector*	IE				DE	FR, LT, LU, SE (4)	LT, LU		

Annex 4 | Incidence rate of vulnerability by sub-group

Table 129: Above average vulnerability in countries due to personal and demographic drivers (household size, population density)										
D	Indicator	Household size					Population density of area			
		1	2	3	4	5	6 or more	Densely populated area	Intermediate density area	Thinly populated area
4	21. Does not compare product deals - energy sector	AT, BE, BG, HR, CZ, EE, FI, DE, IE, IT, LV, LT, NO, PL, PT, SI, ES, UK (18)	HR, EL, IE, IT, PL, PT, SI (7)	NL		BE, EE, DE	BE, CZ, DE, LV, NO, SI, ES, SE, NL, UK (10)	CZ, DK, FI	EE	PT, SI, ES, NL (4)
4	22. Finds it very difficult to compare product deals - energy sector	HR, CZ, EE, EL, HU, IE, LT, PL, PT, RO, SK, SI, ES, UK (14)	EL, LV, SI	FR		BE, DE, NO	BE, BG, CZ, EE, NO, SI, SE, NL, UK (9)		UK	BE, EL, PT, RO, NL (5)
4	23. Does not compare product deals - finance sector	AT, BG, HR, CY, CZ, EE, EL, HU, IE, IT, LT, MT, NO, PL, PT, SK, SI, ES (18) EEA, EU28	BG, CY, PL			AT	FI, FR, IT, LU, NO, SI, ES, NL (8)		LT	HR, CZ, RO, SI (4)
4	24. Finds it very difficult to compare product deals - finance sector	BG, HR, EE, EL, IE, IT, LT, MT, PT, RO, SK, SI, ES (13)	PL	NO		LU, SK, NL	BE, BG, CZ, DE, EL, NL (6)			EL
4	25. Has problems comparing deals due to personal factors – energy sector*	EE, PT		BE		EE	AT, DE, IE, NO, SE (5)		LT	BE, PT
4	26. Has problems comparing deals due to personal factors – on-line sector	DK, FR, EL, HU, LV, LU, PT, ES (8)	HR, LV, LT, PT (4)	BG, EE	DE, RO	BG, HU, IT, MT, ES (5)	CZ, DE, IE, LT, PL, PT, SI, ES (8)	IE	UK	BG, FI, MT, PT (4)
4	27. Has problems comparing deals due to personal factors – finance sector*	DE, IS, LT, NO (4)		NO		DK, FR	IS, IE, LU, PT, RO, NL (6)			

Table 129: Above average vulnerability in countries due to personal and demographic drivers (household size, population density)

D	Indicator	Household size					Population density of area			
		1	2	3	4	5	6 or more	Densely populated area	Intermediate density area	Thinly populated area
4	28. Has problems comparing deals due to market-related factors – energy sector*	NL		LT	LT	EE	DE, IS, NO, RO, SE (5)			
4	29. Has problems comparing deals due to market-related factors – on-line sector	BE, BG, HR, CZ, EL, LV, LU, MT, ES (9)	HR, IT	LT, MT	EE, RO	NO, PT, SI	BG, EL, IE, IT, LT, PT, SK, SI, SE (9)	IE	CY, LT	BG, HR, FI, FR, EL, PT, SE (7)
4	30. Has problems comparing deals due to market-related factors – finance sector*				PT	DE	PT, SK, NL, UK (4)			UK

Note: * - = Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: *London Economics*

Annex 4 | Incidence rate of vulnerability by sub-group

Table 130: Above average vulnerability in countries due to personal and demographic (gender, education, mother tongue)									
D	Indicator	Gender		Education level			different mother tongue than country of residence		
		Female	Male	Low	Medium	High	no	yes, but it does not cause difficulty	yes, and it causes me difficulty as consumer
1	2. Overpaid for services due to being unable to use certain payment methods			DE, SK, UK				AT, BE, CZ, DK, EE, FI, FR, DE, HU, IT, LT, LU, MT, NO, PL, ES, SE, NL (18) EEA, EU28	AT, BE, CZ, DK, EE, FR, DE, HU, IE, IT, LU, NO, PL, SK, SE, UK (16) EEA, EU28
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'			BG, LT, SK, UK (4)		AT		AT, BG, DK, EE, FI, HU, LU, MT (8)	AT, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IT, LT, LU, RO, SE (16)
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	DE, IS		BG, HR, CY, CZ, FR, IS, IE, LV, LT, LU, MT, NO, PL, RO, SK, SE, NL, UK (18) EEA, EU28	BE			AT, BE, CY, CZ, DK, EE, FR, HU, IS, IT, LV, LU, PL (13)	AT, BG, HR, DK, DE, EL, HU, IE, IT, LU, SE, UK (12) EEA, EU28
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'			BG, HR, CZ, EE, FR, HU, IS, IE, LV, LT, LU, RO, SK, SI, SE, NL, UK (17) EEA, EU28				AT, BE, CZ, DK, EE, HU, IS, IT, LT, LU, PL, SE (12)	AT, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LT, LU, NO, SK, SI, SE, UK (20) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*		EE	AT, DE, NO, SK (4)	LU, PT	BE, LT, PT, NL (4)		DE, LT	AT, BE, DE, RO (4) EEA, EU28
3	17. Has problems comparing deals due to information-related factors – financial sector*				PT			LU	AT, FI, RO, NL (4)

Table 130: Above average vulnerability in countries due to personal and demographic (gender, education, mother tongue)

D	Indicator	Gender		Education level			different mother tongue than country of residence		
		Female	Male	Low	Medium	High	no	yes, but it does not cause difficulty	yes, and it causes me difficulty as consumer
4	21. Does not compare product deals - energy sector	AT, HR, CZ, DK, FI, IT, NO, SI (8)		AT, BE, BG, HR, DK, EE, FI, DE, EL, IE, IT, LV, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (22) EEA, EU28				HR, DK, EE, FI, DE, SI (6)	BG, HR, DK, FI, DE, LV, LU, SK, SI, SE, NL, UK (12) EEA, EU28
4	22. Finds it very difficult to compare product deals - energy sector		DE, IE	AT, BE, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, LV, LT, LU, NO, PL, RO, SK, SI, SE, UK (22) EEA, EU28				BG, HR, CZ, HU, LT (5)	BG, HR, DK, EE, FI, FR, DE, EL, IE, LV, LT, RO, SK, SI, ES (15) EEA, EU28
4	23. Does not compare product deals - finance sector	LU	PL	AT, BE, BG, HR, CY, CZ, DK, EE, FI, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	BG			BG, HR, CY, HU, MT (5)	BG, HR, FI, DE, EL, IE, IT, LT, MT, RO, SK, SI, NL, UK (14)
4	24. Finds it very difficult to compare product deals - finance sector			AT, BG, HR, CY, EE, DE, IE, LV, LT, PL, RO, SK, SI, SE, UK (15) EEA, EU28				BG, CZ, EE, IS, LT, MT, NO, SK, NL (9)	BG, HR, DK, EE, FR, DE, LV, LT, MT, PL, RO, SI, ES (13) EEA, EU28
4	25. Has problems comparing deals due to personal factors – energy sector*			DE, NO, RO, SK, UK (5) EEA, EU28				FR, DE, NO, PT (4)	AT, IE, LT, SK, SE, NL (6)
4	26. Has problems comparing deals due to personal factors – on-line sector	CZ, DK, FI, PT, SI (5)		AT, HR, CY, DE, EL, IS, LT, NO, RO, SI, ES, SE (12)		PT		BE, HR, IS, NO, PT, SI (6)	CY, FR, IE, NO, ES, NL (6)
4	27. Has problems comparing deals due to personal factors – finance sector*			EE, DE, IE, LT, NO, RO, UK (7) EEA, EU28				NO	FI, DE, IE, LT, SK, SE, NL (7)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 130: Above average vulnerability in countries due to personal and demographic (gender, education, mother tongue)									
D	Indicator	Gender		Education level			different mother tongue than country of residence		
		Female	Male	Low	Medium	High	no	yes, but it does not cause difficulty	yes, and it causes me difficulty as consumer
4	28. Has problems comparing deals due to market-related factors – energy sector*			IE	PT	LT, PT			IE, LU, RO, SK, NL (5)
4	29. Has problems comparing deals due to market-related factors – on-line sector	CZ, PT, UK	BG, RO	HR, CY, EL, RO (4)		EL, LV		HR, CY, CZ, FR, HU, PT, SI (7)	CY, FR, IT, LV, MT, RO, ES, NL (8)
4	30. Has problems comparing deals due to market-related factors – finance sector*			EE	PT	PT		IS	NL, UK

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Situational drivers

Table 131: Above average vulnerability in countries due to situational drivers (occupation)

D	Indicator	employed full-time	employed part-time	self-employed full-time	self-employed part-time	unemployed but looking for a job	unemployed and not looking for a job	long-term sick or disabled	housewife / homemaker	retired	pupil / student / in full time education	studying in combination with a part-time job
1	2. Overpaid for services due to being unable to use certain payment methods		BG, EE, EL, HU, LU, SI (6)	AT, HR, IT, PL, PT, RO, SI (7)	BE, BG, HR, CY, CZ, FI, HU, MT, NO, PL, SK (11)	BE, HR, CY, DK, EE, FR, IS, LT, LU (9)	AT, HR, CZ, EE, HU, LV, MT, NO, SK, SI, ES, SE (12)	HR, CZ, FR, IE, IT, LV, LT, RO, SI, SE (10)	AT, DK, EE, IS, SK, SE (6)	DE, IS, MT, NO, NL, UK (6)	BG, LU	BE, DK, EE, IT, LV, RO, SK, ES, SE (9)
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'		NO, PL, SI, ES (4)	AT	CY, FI, FR, IT, LU, MT, NO (7)	BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (29)	AT, BE, HR, CY, CZ, DK, EE, FI, EL, HU, IT, LT, NO, PT, RO, SK, SI, SE (18)	BE, BG, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (26)	CY, IS, IE, NO, PL, PT, RO, SK, SE (9)	EEA, EU28	AT, BG, CZ, FR, IE, LU, NO, ES (8)	AT, BE, BG, EE, IT, MT, ES (7)
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'		EE, FR, IS, LV, LU, MT, PL, ES (8)	FI	BE, BG, CY, DK, FR, DE, IT, MT, NO, UK (10)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, HU, IE, IT, LT, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (26)	AT, BE, HR, CY, CZ, DK, EE, FI, IT, LV, LT, NO, PT, RO, SI, ES, SE, NL (18)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, HU, IS, IE, IT, LV, LT, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28)	CY, CZ, FI, DE, IE, LV, MT, NO, PL, PT, RO, SK, SE, UK (14)	EEA, EU28	AT, BE, BG, FR, DE, IE, LU, SK, ES, NL (10)	BE, FR, IT, ES (4)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 131: Above average vulnerability in countries due to situational drivers (occupation)												
D	Indicator	employed full-time	employed part-time	self-employed full-time	self-employed part-time	unemployed but looking for a job	unemployed and not looking for a job	long-term sick or disabled	housewife / homemaker	retired	pupil / student / in full time education	studying in combination with a part-time job
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'		CZ, DK, EE, PL, ES (5)	BE, LU, PL		AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, IS, IE, IT, LT, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (27) EEA, EU28	AT, BE, HR, CZ, DK, FI, IT, LV, LT, NO, PT, RO, SK, SI, SE (15) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, EL, HU, IS, IE, IT, LV, LT, MT, NO, PL, PT, RO, SK, ES, SE, NL, UK (27) EEA, EU28	CY, CZ, FI, HU, IS, IE, LV, MT, NO, PL, PT, RO, SE (13) EEA	BG, HR, LT, RO, SK, SE, NL (7)	AT, BG, FR, IS, IE, LU, NO, ES, NL (9)	AT, BE, EE, IT, MT, NO, ES (7)
3	15. Has problems comparing deals due to information-related factors-energy sector*		BE, EE, LT, PT, SE (5)	EE, FR, LU, RO, SE (5)	AT, BE, CZ, DK, FR, DE, IE, LU, RO, SK, NL (11)	EE, FR, NO, UK (4)	AT, CZ, EE, DE, IS, SK, NL (7)	CZ, DK, EE, FI, FR, NL (6)	BE, IS, PT	EE, DE, IE, NL (4)	AT, FI, DE, LT, LU, NO, SK (7)	CZ, EE, FI, IE, NO, UK (6)
3	17. Has problems comparing deals due to information-related factors – financial sector*		CZ, EE, LT, PT (4)	AT, EE, IE, LU, UK (5)	AT, BE, CZ, DE, IS, LT, LU, PT, SE (9)	NO, NL, UK	IS, LU	CZ, DK, FI, IE, RO (5)		DE, LT	LU, NO	AT, DE, PT, SE (4)
4	21. Does not compare product deals - energy sector		AT, CZ, NO, SI (4)	FR, NL	BE, FI, MT	AT, DK, EE, FI, HU, IT, NO, SK, SE, UK (10)	BG, CY, CZ, EE, FI, FR, DE, IE, IT, LT, NO, PL, PT, SK, ES, NL, UK (17) EEA, EU28	HR, FR, EL, IE, LV, LU, MT, UK (8)	HR, EL, IT, LV, PL, PT, SI, ES, UK (9) EEA, EU28	AT, BE, HR, CY, CZ, DK, EE, DE, EL, IE, IT, LV, LT, PL, PT, SI, ES, UK (18) EEA, EU28	AT, BE, CZ, DK, FI, DE, HU, IE, IT, LV, LU, NO, PT, SK, SI, ES, SE, NL, UK (19) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, DE, HU, LV, DE, HU, LV, MT, NO, SK, SI, SE, NL, UK (19)
4	22. Finds it very difficult to compare product deals - energy sector		CY, FI, LU, NO, PL, ES (6)	HR, IS, IE, NO, SK (5)	AT, DE, LT, NO, NL (5)	CZ, DK, PL, SE, UK (5)	BE, CY, CZ, DK, EE, FR, IE, IT, LV, LT, MT, NO, SK, SE, NL (15) EEA, EU28	HR, CY, CZ, DK, FI, EL, HU, IE, LV, LU, MT, NO, PL, PT, RO, SI, ES, SE, NL (19)	AT, HR, EL, HU, LU, PT, RO, ES (8)	AT, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, PL, PT, RO, SK, SI, ES, NL, UK (22) EEA, EU28	BE, FR, DE, MT, NO, SK, SE, UK (8)	AT, BE, BG, CY, NO, PT, SK, UK (8)

Table 131: Above average vulnerability in countries due to situational drivers (occupation)												
D	Indicator	employed full-time	employed part-time	self-employed full-time	self-employed part-time	unemployed but looking for a job	unemployed and not looking for a job	long-term sick or disabled	housewife / homemaker	retired	pupil / student / in full time education	studying in combination with a part-time job
4	23. Does not compare product deals - finance sector		IS, LV, RO, SI (4)	IE, NO	AT, CZ, IE	AT, DK, FI, FR, DE, HU, MT, NO, RO, SK, UK (11)	BE, BG, CY, CZ, EE, FI, DE, EL, HU, IS, IE, IT, LV, LT, MT, PL, SK, SI, SE, NL, UK (21) EEA, EU28	AT, BG, HR, CY, CZ, EE, FR, EL, HU, IE, LV, LU, PL, RO, SK, SI, ES, SE (18) EEA, EU28	AT, HR, DK, EL, HU, IS, IT, LV, MT, NO, PT, RO, SI, ES (14) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, UK (25) EEA, EU28	BE, CZ, FI, FR, DE, EL, HU, IE, IT, LT, NO, SK, ES, SE, UK (15) EEA, EU28	AT, BG, CY, IE, LV, MT, NO, PT, SK, SI, SE, UK (12)
4	24. Finds it very difficult to compare product deals - finance sector		BG, LV, NO, RO (4)	CY, FR, IS	HR, CZ, FR, NO (4)	EE, DE, LU, UK (4)	BE, BG, HR, CZ, FI, FR, IS, IT, LT, NO, PL, RO, SI, SE (14) EEA, EU28	HR, CY, CZ, FI, EL, HU, IS, IE, IT, LV, PL, RO, SI, SE, UK (15)	CY, DK, EL, MT, SI, ES (6)	AT, BG, HR, CZ, EE, DE, HU, IE, IT, LT, PL, PT, RO, SK, SI, ES, SE, NL, UK (19) EEA, EU28	BE, FR, NO, PT, SE (5)	BE, BG, HU, MT, PT, SE (6)
4	25. Has problems comparing deals due to personal factors - energy sector*		BE, CZ, RO, SK (4)	PT, SE, UK	CZ, FI, IS, IE, LT (5)	AT, LU, UK	BE, EE, FI, FR, IS, LT, NO, SE, UK (9) EEA, EU28	AT, EE, FR, PT, UK (5)	FI, NO, PT	EE, PT, RO, UK (4)	AT, CZ, EE, FI, DE, IE, LT, LU, NO, SK, SE, NL, UK (13)	AT, BE, IE, LT, NO, UK (6)
4	26. Has problems comparing deals due to personal factors - on-line sector		BG, EE, HU, LV, SI, UK (6)	BG, HR, IE, MT, PL, SI, SE (7)	AT, BE, HR, CZ, DK, FI, DE, IT, LU, NO, PL, SE, NL (13)	CY, CZ, EE, LT, MT, PT, RO (7)	AT, BG, HR, CY, EE, DE, EL, HU, IS, LV, LT, LU, PL, RO, SK, ES, NL (17)	AT, HR, EE, FR, LT, NO, SK, SI, ES (9)	CY, CZ, DE, PT, SI, ES (6)	AT, BE, HR, CZ, DK, FR, EL, IE, LV, MT, PT, ES (12) EEA, EU28	DE, HU, IS, LT, NO, UK (6)	AT, BG, HR, CY, CZ, FI, FR, HU, IE, LV, LT, MT, NO, PL, PT, SI, SE, UK (18)
4	27. Has problems comparing deals due to personal factors - finance sector*		AT, CZ, RO	IE	AT, CZ, DK, DE, IE (5)	CZ, EE, NO, SK, UK (5)	BE, EE, DE, IS, NO, SE, UK (7)	DK, EE, FR, DE, IE, SK, SE (7) EEA, EU28	BE, IS, NO, PT (4)	BE, CZ, LT, PT, RO (5)	EE, DE, IS, IE, NO, UK (6)	AT, FR, IE, NO, PT, RO, SE, UK (8)
4	28. Has problems comparing deals due to market-related factors - energy sector*		CZ, EE, IS, LT (4)	BE, FR, NO, PT, RO, SE, NL (7)	CZ, DE, IE, LU, NO, RO, SK, NL (8)	EE, UK	EE, DE, SK, SE, NL (5)	CZ, DK, EE, FI, LT, NL (6)	AT, IS, NO, UK (4)	CZ, FR, IS, SE, NL (5)	LU	EE, DE, IE, LT, PT (5)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 131: Above average vulnerability in countries due to situational drivers (occupation)												
D	Indicator	employ ed full-time	employe d part-time	self-employe d full-time	self-employe d part-time	unemplo yed but looking for a job	unemplo yed and not looking for a job	long-term sick or disabled	housewif e / homema ker	retired	pupil / student / in full time education	studying in combinat ion with a part-time job
4	29. Has problems comparing deals due to market-related factors – on-line sector		AT, DK, EE, IS, LV, LT (6)	AT, BG, HR, FR, EL, IT, PL, RO, SI, ES (10)	BG, HR, CY, CZ, DE, IE, LT, LU, NO, RO, SK (11)	BE, CY, HU, NL (4)	HR, EL, IT, LV, MT, SK (6)	AT, CZ, EE, FR, IT, LV, LT, NO, PL, SK, ES, SE, NL, UK (14) EEA, EU28	AT, CY, CZ, EL, LU, MT, PL (7)	AT, BE, HR, CY, CZ, DK, FI, FR, EL, IT, LV, NO, PT, SI, ES, SE, NL, UK (18) EEA, EU28	EL, HU, LT, LU, RO (5)	BG, HU, PT, ES, UK (5)
4	30. Has problems comparing deals due to market-related factors – finance sector*			BE, EE, IE, RO, NL (5)	AT, BE, CZ, DE, LT, LU, NO, PT, SK (9)	EE, NL	LT, NO	DK, EE, FI, LT, RO (5)	LT, UK	SE, NL	IS	BE, FR, DE, IE, LT, PT (6) EU28

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: *London Economics*

Table 132: Above average vulnerability in countries due to situational drivers (financial situation, personal situation)

D	Indicator	difficulty to make ends meet				married	remarried	not married living with a partner	single	divorced or separated	widowed	other
		very easy	fairly easy	fairly difficult	very difficult							
1	2. Overpaid for services due to being unable to use certain payment methods	HU, RO		NO	AT, HR, DK, EE, FR, EL, HU, IS, IE, LT, LU, SI, ES, UK (14)		AT, BE, BG, CY, EL, IT, PL, SK, ES, UK (10)	EL, IT, LT, ES (4)	EE, LT	HR	FR, LU, NO, SK, SI, NL (6)	BG, CZ, EE, LU, SK (5)
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	CZ		AT, DK, LU, NO, SE (5)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28		HR, CY, PL, SK, NL (5)	EE, IT	AT, BE, CZ, DK, FR, LU, NO (7)	BE, MT, NO, ES, SE, NL (6)	LT, LU, PT, UK (4)	CZ, DK, EE, IE, IT, NO, SK, SI, SE, NL, UK (11)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 132: Above average vulnerability in countries due to situational drivers (financial situation, personal situation)

D	Indicator	difficulty to make ends meet				married	remarried	not married living with a partner	single	divorced or separated	widowed	other
		very easy	fairly easy	fairly difficult	very difficult							
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	CZ, HU		AT, CZ, DK, EE, FI, DE, LU, NO, PL, SE, UK (11)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28) EEA, EU28		AT, HR, CY, FI, EL, IE, PL, SK (8)	IS, IT, LU, MT (4)	AT, BE, CZ, DK, FR, DE, SK (7)	BE, BG, CY, CZ, FR, DE, HU, IE, MT, ES, NL, UK (13) EEA, EU28	BG, HR, EE, EL, LT, LU, PT, RO, SI, SE, UK (11)	BE, FI, IE, IT, LU, NO, PL, SK, ES, SE, NL (11)
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	CZ, HU		DK, EE, FI, LU, NO, PL, SE, UK (8)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28) EEA, EU28	HR, CY, CZ, FI, IE, LV, PL, ES, NL (9)	IT, LU, MT	AT, CZ, DK, FR, IS, LU, NO (7)	BE, HR, FR, MT, ES, SE, NL, UK (8)	BG, HR, DK, EE, DE, EL, LT, MT, PL, PT, RO, SI, SE, UK (14) EEA, EU28	BE, DK, FI, IS, IE, IT, LU, MT, NO, SK, SE, NL, UK (13)	

Table 132: Above average vulnerability in countries due to situational drivers (financial situation, personal situation)													
D	Indicator	difficulty to make ends meet				married	remarried	not married living with a partner	single	divorced or separated	widowed	other	
		very easy	fairly easy	fairly difficult	very difficult								
3	15. Has problems comparing deals due to information-related factors-energy sector*	RO	LT	DE, NL, UK	AT, EE, FI, IS, LT, PT, RO, SK, UK (9) EEA, EU28		FR, IS, IE, LU, NO, SK, SE (7)		NO	FR, DE, LU, UK (4)	AT, FI, DE, SK, NL, UK (6) EEA, EU28	AT, EE, FI, FR, LT, UK (6)	
3	17. Has problems comparing deals due to information-related factors – financial sector*			NO	AT, DK, FI, IE, LT, NL, UK (7)		FR, DE, IE, SE (4)	PT		BE	AT, BE, IS, LT (4)	FR, NO, UK	
4	21. Does not compare product deals - energy sector	EE, EL, HU, LV, NL (5)		NO	AT, BE, DK, IE, IT, NO, PL, SK, ES (9)		AT, HR, CY, CZ, FR, IE, MT, SK (8)	CY, MT, SK	AT, BE, CZ, FI, DE, IE, NO, SI, ES, SE, NL, UK (12)		BE, IE, LV, SK, UK (5)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, DE, IE, IT, LT, LU, NO, PL, RO, SI, ES, NL, UK (23) EEA, EU28	AT, BE, CZ, DK, FR, HU, IT, MT, NO, RO, SK, SI, SE, NL, UK (17) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 132: Above average vulnerability in countries due to situational drivers (financial situation, personal situation)												
D	Indicator	difficulty to make ends meet				married	remarried	not married living with a partner	single	divorced or separated	widowed	other
		very easy	fairly easy	fairly difficult	very difficult							
4	22. Finds it very difficult to compare product deals - energy sector	IE		DK, LU	AT, BE, DK, FI, FR, IS, IE, LU, NO, SK, SE, UK (12) EEA, EU28	SI	CY, CZ, FI, IS, LV, NO, SK, SE (8)	CY, MT	FR, LV, NO, SE (4)	AT, HR, CY, FI, FR, IE, LU, MT, PT, UK (10)	AT, BG, HR, CZ, DK, EE, FR, EL, HU, IS, IE, IT, LV, LU, PT, RO, SK, SI, ES, NL, UK (24) EEA, EU28	CZ, FI, FR, DE, HU, IE, IT, LT, LU, NO, SK, SE, UK (13) EEA, EU28
4	23. Does not compare product deals - finance sector	IT		DK, NO, UK	DK, FI, IE, LU, NO, RO, ES, SE, UK (9)		BG, CY, FR, IE, SI, ES, SE, UK (8)	CY	BE, CZ, IS, LV, NO, SK, SE (7)	CY, EE, FI, FR, DE, HU, IE, LT, MT, NO, NL, UK (12) EEA, EU28	AT, BG, HR, CY, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LU, MT, NO, PL, PT, RO, SK, SI, ES, NL, UK (25) EEA, EU28	CZ, EE, FI, FR, IT, LV, SK, ES, UK (12)

Table 132: Above average vulnerability in countries due to situational drivers (financial situation, personal situation)

D	Indicator	difficulty to make ends meet				married	remarried	not married living with a partner	single	divorced or separated	widowed	other
		very easy	fairly easy	fairly difficult	very difficult							
4	24. Finds it very difficult to compare product deals - finance sector										AT, BG, CZ, DK, EE, FR, DE, EL, IS, IT, LV, LT, LU, MT, PT, RO, SK, SI, ES, NL, UK (21) EEA, EU28	BE, FR, DE, NO, SE, UK (6)
		HU			DK, FI, DE, IS, IE, LU, NO, SE, NL (9)		CZ, IE, ES, NL (4)			FI, IE, LV, UK (4)		
4	25. Has problems comparing deals due to personal factors – energy sector*				AT, BE, EE, FI, NO, SK (6)		FR	EE, IE	AT, DE, NO	BE, DK	AT, BE, FI, IS, IE, LT, PT, RO, UK (9) EEA, EU28	AT, CZ, FR, DE, IE, SK, UK (8) EEA, EU28
		FR, DE										
4	26. Has problems comparing deals due to personal factors – on-line sector				AT, BE, HR, IT, RO, SK, UK (7)	PT	AT, BG, HR, DK, EE, FI, HU, IT, LU, PL, SK, SI, SE (13)		BG, LV, LT, NO, ES (5)	BE, DK, FI, HU, LV, LU, PT, RO (8)	AT, BE, HR, DK, FI, IS, LU, MT, PL, PT, SK, SI, ES, NL, UK (15) EEA, EU28	AT, BG, HR, CZ, DK, EE, FI, FR, EL, HU, IT, LT, RO, SK, SI, UK (16) EEA, EU28
		BG, DK, FR, HU, IS, RO, ES (7)	EL, IT	EE								
4	27. Has problems comparing deals due to personal factors – finance sector*				AT, DK, IE, NO, SK, SE (6)		CZ, EE, FR, DE, SE (5) EEA, EU28			FR, LU, NO, NL, UK (5)	AT, CZ, FI, FR, DE, LT, PT, RO, SK, UK (10) EEA, EU28	CZ, EE, FI, FR, DE, SK, UK (7) EEA, EU28
				NO, SE				IS, IE, NO				

Annex 4 | Incidence rate of vulnerability by sub-group

Table 132: Above average vulnerability in countries due to situational drivers (financial situation, personal situation)												
D	Indicator	difficulty to make ends meet				married	remarried	not married living with a partner	single	divorced or separated	widowed	other
		very easy	fairly easy	fairly difficult	very difficult							
4	28. Has problems comparing deals due to market-related factors – energy sector*	LT	LT	LT	EE, IS, PT, SK (4)	IS	BE, EE, IS, IE, LT, SK, NL (7)			BE, FR, NO, PT, UK (5)	AT, FI, FR, IE, NO, SK (6)	AT, DE, LT, LU, RO (5)
4	29. Has problems comparing deals due to market-related factors – on-line sector	BG, EL, HU, LT (4)		EE, NO	AT, BG, HR, CZ, FI, DE, EL, IS, IE, IT, PT, SK, UK (13)	CY, PT	AT, BG, HR, CZ, DK, EE, FR, IS, PL, SI, SE (11)		BG, EL, LV	BE, CZ, FI, FR, DE, HU, IE, IT, LV, NO, NL (11) EEA, EU28	AT, BE, CY, CZ, FR, HU, IS, IE, LU, MT, PT, SK, SI, ES, UK (15) EEA, EU28	AT, CZ, DE, EL, LT, PL, RO, SI (8)
4	30. Has problems comparing deals due to market-related factors – finance sector*		PT	NO, PT	FI, DE, NO, UK (4) EEA, EU28		EE, IS, IE, LT, LU, NL (6)	PT		FI, LU	BE, DE, IS, RO, SK, UK (6)	AT, CZ, DE, PT (4)

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Table 133: Above average vulnerability in countries due to situational drivers (dependent children, single parent, friends)

D	Indicator	Number of dependent children					Single parent	Friends <u>do not</u> buy online	Friends buy on credit	Friends can't make ends meet
		0	1	2	3	4 or more				
1	2. Overpaid for services due to being unable to use certain payment methods		IT, LU, MT, NL (4)	DE, NO, SE, UK (4)	BG, HR, CZ, FR, HU, PL, PT, ES (8)	HR, HU, IS, IT, LV, RO, SK, ES, SE (9)	AT, FR, HU, LU (4)		AT, CZ, DK, EE, FI, DE, SE, NL (8)	AT, CZ, DK, FI, DE, LU, NO, SE, NL (9)
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to a great extent' due to employment situation'		AT, SE	EE, FI, MT, UK (4)	AT, BE, BG, CZ, EE, IT, NO, PL (8)	DK, FI, HU, IS, NO, PL, SK (7) EEA, EU28	AT, BE, FR, HU, IE, LU, MT, NO (8)		AT, DK, EE, DE, LU, NL (6)	AT, DK, DE, LU, NO, SE, UK (7)
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to a great extent' due to financial circumstances'		AT, BE, FI, IS, MT, PL, SE (7)	IS, LU, PT, RO, UK (5)	BG, HR, CY, CZ, EE, EL, HU, IE, LV, MT, NO, PL, NL (13)	BG, HR, CZ, DK, FR, HU, LV, PL, SI, SE (10) EEA, EU28	AT, BE, BG, FR, HU, IE, IT, LU, MT, PL, RO, SE, NL, UK (14) EEA, EU28	UK	AT, BE, CZ, DK, EE, FI, FR, DE, IS, LU, NO, NL (12)	AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, IT, LV, LT, LU, MT, NO, PL, SK, SI, SE, NL, UK (22) EEA, EU28
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to a great extent' due to any personal characteristic'		AT, BE, FI, IS, SE (5)	FI, PT	BG, CZ, EE, FI, EL, HU, IS, IE, MT, PL (10)	BE, BG, CY, CZ, HU, IS, NO, PL, SI, ES, SE, UK (12) EEA, EU28	AT, BE, CZ, FR, HU, IS, IE, IT, RO, ES, UK (11) EEA, EU28		AT, BE, CZ, DK, EE, FR, DE, IS, LU, SE, NL (11)	AT, BE, CZ, DK, EE, FI, FR, DE, IE, LT, LU, NO, PL, SK, SE, NL, UK (17) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*	CZ	LT, LU, NO	LT, LU, PT	PT, SE	IS, NO, SK	AT, DE, LT, LU, NO (5)			AT, DE
3	17. Has problems comparing deals due to information-related factors – financial sector*			LT	PT	FR, LT, LU, RO, SE, UK (6) EEA, EU28	FI, NO			NO

Annex 4 | Incidence rate of vulnerability by sub-group

Table 133: Above average vulnerability in countries due to situational drivers (dependent children, single parent, friends)

D	Indicator	Number of dependent children					Single parent	Friends <u>do not</u> buy online	Friends buy on credit	Friends can't make ends meet
		0	1	2	3	4 or more				
4	21. Does not compare product deals - energy sector	PT, SI			EL, RO, ES	BE, BG, CZ, EE, DE, LV, LU, NO, PT, ES, NL (11)	AT, BE, DK, DE, LV, NO, PT, SK, SE, NL, UK (11) EEA, EU28	DK, FI, DE, IE, IT, PL, PT, ES, UK (9) EEA, EU28		NO, UK
4	22. Finds it very difficult to compare product deals - energy sector		LU		BE, BG, CY, CZ, FI, HU, RO (7)	BE, BG, EE, LV, MT, ES, SE (7)	BE, FR, LV, LU, MT, PT, UK (7)	FI, DE, EL, HU, IE, IT, LV, LU, PL, UK (10) EEA, EU28	IS	AT, DE, NO, SI, SE (5)
4	23. Does not compare product deals - finance sector	PL	AT		AT, LU, RO, UK (4)	BE, BG, DK, FI, FR, EL, HU, IT, LU, NO, RO, SK, SI, NL (14) EEA, EU28	AT, BE, CY, CZ, DK, FI, FR, DE, IS, IE, LV, LU, MT, NO, RO, SK, UK (17) EEA, EU28	BG, FI, HU, IE, IT, MT, PL, ES (8)		NO
4	24. Finds it very difficult to compare product deals - finance sector		LU, NL	NL	BG, CY, CZ, DE, LU, PT, RO, ES (8)	BE, BG, CY, LV, ES, UK (6)	BE, CZ, FI, FR, LV, LU, NL (7)	IE		NO, UK
4	25. Has problems comparing deals due to personal factors – energy sector*			DE	NL	LU, NO	AT, BE, DK, FI, DE, IE, NO, UK (8)	UK		
4	26. Has problems comparing deals due to personal factors – on-line sector	LT	BE, BG, HR, EE, NO, RO (6)	DE, MT, NL	CY, CZ, DE, EL, IE, IT, MT, PL, PT (9)	BE, CZ, LT, PL, SI, NL (6)	HR, DE, LU, NO, PL, RO, SI, ES (8)	IE, MT		EE
4	27. Has problems comparing deals due to personal factors – finance sector*		FI		IS, RO	CZ, DK, EE, DE, NO, NL (6)	DK, LU, UK			NO, UK
4	28. Has problems comparing deals due to market-related factors – energy sector*		IS, NO	LT, PT	LU, NO, RO	AT, LT, NO, PT, NL (5)	DE	CZ	RO	EE

Table 133: Above average vulnerability in countries due to situational drivers (dependent children, single parent, friends)

D	Indicator	Number of dependent children					Single parent	Friends <u>do not</u> buy online	Friends buy on credit	Friends can't make ends meet
		0	1	2	3	4 or more				
4	29. Has problems comparing deals due to market-related factors – on-line sector	DK	LT, MT	CZ, EE, PT, SI (4)	AT, BG, EL, IE, MT, PL, PT, RO (8)	AT, CY, IE, LT, LU, MT, NL (7)	HU, LT, RO, SK, SI, UK (6)	BG, CZ, LV		
4	30. Has problems comparing deals due to market-related factors – finance sector*			EE, PT	LT, PT, RO	BE, CZ, DK, FI, IS, RO, SK, NL, UK (9) EEA, EU28	FI, DE, IE, RO (4)			

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: *London Economics*

Annex 4 | Incidence rate of vulnerability by sub-group

Behavioural drivers

Table 134: Above average vulnerability in countries due to behavioural drivers (trust 1, 2)									
D	Indicator	"You need to be very careful in dealing with people"				"I believe most people can be trusted"			
		Trust 1: Very low	Trust 1: Low	Trust 1: High	Trust 1: Very high	Trust 2: Very low	Trust 2: Low	Trust 2: High	Trust 2: Very high
1	2. Overpaid for services due to being unable to use certain payment methods	DE, SE, NL		BG, CY, CZ, FR, SK (5)	AT, CY, CZ, EE, HU, IE, NO, SK, UK (9)	AT, NL	FI	FR	BE, BG, CY, FR, DE, HU, IE, IT, LU, NO, PL, PT, NL, UK (14) EEA, EU28
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	AT, BE, DK, EE, DE, IS, PL, SE, NL, UK (10) EEA, EU28		CZ, SK	BG, EL, HU, PL, SI, UK (6)	BE, HR, DK, EE, FI, FR, DE, IS, IT, NO, PL, RO, SK, NL, UK (15) EEA, EU28	IS		BE, CZ, FR, DE, IE, LT, LU, PL, SE, NL, UK (11) EEA, EU28
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, DK, EE, DE, IS, IE, IT, LT, NO, PL, PT, ES, SE, NL, UK (16) EEA, EU28		CY, CZ, SK	CZ, DK, EL, HU, IE, LV, PL, SI, UK (9)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, HU, IS, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL (24) EEA, EU28	IS, NO	LU	CZ, FR, DE, HU, IS, IT, LT, LU, PL, RO, ES, SE, NL, UK (14) EEA, EU28
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	AT, BE, DK, EE, FI, FR, DE, IS, IE, IT, LT, NO, PL, ES, SE, NL, UK (17) EEA, EU28		CZ, SK	BG, CY, EL, HU, IE, LU, RO, SI, UK (9)	BE, BG, HR, CZ, DK, EE, FI, FR, DE, HU, IS, IE, IT, LV, LT, NO, PL, SK, SI, ES, SE, NL, UK (23) EEA, EU28	IS	LU	AT, CY, CZ, FR, DE, HU, IE, IT, LU, PL, PT, RO, ES, SE, NL, UK (16) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*	AT, BE, IE, NL, UK (5) EEA, EU28		LT	RO, SK, SE	BE, EE, IE, RO, SK, SE, NL (7) EEA, EU28	FI		CZ, LU, NO, PT (4)
3	17. Has problems comparing deals due to information-related factors – financial sector*	NL			IE, LU, RO	DE, NL			FR, LT, LU, UK (4)

Table 134: Above average vulnerability in countries due to behavioural drivers (trust 1, 2)									
D	Indicator	"You need to be very careful in dealing with people"				"I believe most people can be trusted"			
		Trust 1: Very low	Trust 1: Low	Trust 1: High	Trust 1: Very high	Trust 2: Very low	Trust 2: Low	Trust 2: High	Trust 2: Very high
4	21. Does not compare product deals - energy sector	AT, BE, IE, SI, ES, SE (6) EEA, EU28		IE, LU, MT	BE, HR, CZ, DK, EE, EL, HU, IE, IT, MT, PL, RO, ES, NL, UK (15) EEA, EU28	AT, BE, CZ, DK, EE, FI, IE, IT, LV, NO, SK, SI, ES, UK (14) EEA, EU28			AT, BE, HR, IE, PT, SI, ES (7)
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, EE, FI, DE, IE, IT, NO, PL, SK, SI, ES, SE, NL, UK (15) EEA, EU28		FR	BG, HR, CZ, EE, FI, FR, EL, HU, IE, IT, PL, PT, RO, SI, ES, UK (16) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, PL, SK, SI, ES, SE, NL, UK (20) EEA, EU28	FI	PT	BE, BG, CZ, FI, DE, IE, LT, LU, MT, NO, PT, SK, SI, ES (14)
4	23. Does not compare product deals - finance sector	AT, DK, IE, IT, LT, SI, ES (7)	MT	CZ, LU, MT, RO, SK (5)	HR, CY, CZ, DE, EL, HU, IS, IE, IT, LV, LU, MT, PL, SI, ES, NL, UK (17) EEA, EU28	HR, EE, FI, FR, EL, HU, IE, IT, NO, SK, SI, ES, UK (13) EEA, EU28			AT, EE, HU, LT, MT, NO, RO, SI (8)
4	24. Finds it very difficult to compare product deals - finance sector	AT, EE, FI, DE, IE, LT, ES, SE, NL, UK (10)		CZ, LV, LU, SK (4)	BG, HR, CY, CZ, FI, FR, EL, HU, IE, IT, LV, MT, PL, RO, ES (15) EEA, EU28	DK, EE, FI, FR, DE, IE, LV, PL, SK, SI, ES, SE, NL, UK (14) EEA, EU28			BE, CZ, EE, HU, NO, SK, SI, UK (8)
4	25. Has problems comparing deals due to personal factors – energy sector*			SK	AT, CZ, FR, IE, RO (5)	FI, NO, UK (3) EEA, EU28			BE, PT
4	26. Has problems comparing deals due to personal factors – on-line sector	DK, LT, PT, SI, ES (5)	MT	BG, CY, CZ, EL, HU, LV (6)	CY, EL, IT, LT, MT, PL, SK, ES, UK (9)	BG, CY, EE, FI, FR, EL, LT, PT, RO, SK, SI, ES, UK (13)	LU	EL	AT, BE, HR, IT, LV, LT, MT, NO, PT, RO, ES (11)
4	27. Has problems comparing deals due to personal factors – finance sector*	SE		CZ	BE, SK	AT, SK, UK			CZ, RO
4	28. Has problems comparing deals due to market-related factors – energy sector*			LT	IE, SE, UK	RO			BE, LU, RO, UK (4)
4	29. Has problems comparing deals due to market-related factors – on-line sector	DE, LT, NL	MT	BG, CY, EL, LV, RO, SK, SI (7)	AT, EL, IE, LV, MT (5)	BG, HR, EE, FI, DE, PT, NL, UK (8)	LT	EL	CY, FR, IT, MT, RO, SI (6)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 134: Above average vulnerability in countries due to behavioural drivers (trust 1, 2)									
D	Indicator	"You need to be very careful in dealing with people"				"I believe most people can be trusted"			
		Trust 1: Very low	Trust 1: Low	Trust 1: High	Trust 1: Very high	Trust 2: Very low	Trust 2: Low	Trust 2: High	Trust 2: Very high
4	30. Has problems comparing deals due to market-related factors – finance sector*	IS		SK	CZ, IE, UK	BE, DE			FR

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Table 135: Above average vulnerability in countries due to behavioural drivers (credulity, risk)										
D	Indicator	Incorrect answer to credulity test	"Most advertisements report objective fact, I trust most of the information provided in advertisements"				Willingness to take risks			
			Credulity: Very low	Credulity: Low	Credulity: High	Credulity: Very high	Risk taking: Not at all	Risk taking: Not very	Risk taking: Fairly	Risk taking: Very
1	2. Overpaid for services due to being unable to use certain payment methods	SK			DK, EE, IT	AT, BE, BG, CY, CZ, DK, EE, FI, FR, DE, EL, IE, LT, LU, PL, RO, SK, ES, SE, NL, UK (21) EEA, EU28				PT, UK (2) EEA, EU28
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	BG, IS, LT	BG, UK		AT, DE	AT, BE, DK, FI, FR, DE, IS, IT, LV, LT, LU, NO, PL, SK, SI, SE, NL (17) EEA, EU28	LT, UK (2) EEA, EU28			UK
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	BG, CY, CZ, LT, RO, SK, SE (7)	BG, HR, CZ, DK, IS, MT, PT, RO, NL, UK (10)		SE	AT, BE, BG, CY, DK, EE, FI, DE, HU, IS, IT, LV, LT, LU, NO, PL, SK, SI, ES, SE, NL, UK (22) EEA, EU28	LT, PT, RO, UK (4) EEA, EU28			UK
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	BG, CZ, LT, PL, SK (5)	BG, HR, IS, RO, NL, UK (6)		AT, FI, SE	AT, BE, BG, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, RO, SK, SI, ES, SE, UK (24) EEA, EU28	DK, LT, PT, RO, UK (5) EEA, EU28			UK (1) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 135: Above average vulnerability in countries due to behavioural drivers (credulity, risk)										
D	Indicator	Incorrect answer to credulity test	"Most advertisements report objective fact, I trust most of the information provided in advertisements"				Willingness to take risks			
			Credulity: Very low	Credulity: Low	Credulity: High	Credulity: Very high	Risk taking: Not at all	Risk taking: Not very	Risk taking: Fairly	Risk taking: Very
3	15. Has problems comparing deals due to information-related factors- energy sector*	AT, DE	BE, CZ, EE, DE, IE, NL, UK (7)			BE, CZ, IS, IE (4)	UK			LT
3	17. Has problems comparing deals due to information-related factors – financial sector*		NL, UK			NL				
4	21. Does not compare product deals - energy sector	HR, CZ, EE, LV, PT, SK, SI, ES, UK (9)	BE, CZ, DE, EL, IE, IT, LV, PL, PT, SK, SI, ES, UK (13) EEA, EU28			AT, DK, FI, IE, LV, SI, NL (7)	PT, UK (2) EEA, EU28			PT
4	22. Finds it very difficult to compare product deals - energy sector	AT, BG, HR, CZ, EE, DE, EL, IT, LT, PT, SI (11)	AT, BG, HR, CZ, EE, FI, FR, EL, HU, IE, IT, LV, LU, PL, SK, SI, ES, NL, UK (19) EEA, EU28			BE, CZ, DK, FR, IE, IT, MT, NO, PT, SK (10) EEA, EU28	LT, PT, RO, UK (4) EEA, EU28			LT
4	23. Does not compare product deals - finance sector	BG, HR, CZ, EE, LV, LU, MT, PT, SK, SI, ES (11)	BG, CZ, EE, DE, EL, IE, IT, LV, LT, PT, RO, SK, SI, ES (14) EEA, EU28		LU	HR, DK, HU, MT, NO, NL (6)	LT, PT, RO, UK (4) EEA, EU28			
4	24. Finds it very difficult to compare product deals - finance sector	BG, CZ, EL, IS, LT, PL, RO, SK, SI (9)	AT, CZ, EE, FR, HU, IE, IT, LV, PL, RO, SK, ES, SE, NL, UK (15) EEA, EU28			BE, BG, CY, DK, EL, IS, MT, NO, ES, NL (10)	LT, RO, UK (3) EEA, EU28			

Table 135: Above average vulnerability in countries due to behavioural drivers (credulity, risk)										
D	Indicator	Incorrect answer to credulity test	"Most advertisements report objective fact, I trust most of the information provided in advertisements"				Willingness to take risks			
			Credulity: Very low	Credulity: Low	Credulity: High	Credulity: Very high	Risk taking: Not at all	Risk taking: Not very	Risk taking: Fairly	Risk taking: Very
4	25. Has problems comparing deals due to personal factors – energy sector*	PT	DE			BE, CZ, IS, IE, PT (5)	LT, PT, RO, UK (4) EEA, EU28			LT
4	26. Has problems comparing deals due to personal factors – on-line sector	HR, CY, EL, LV, LT, LU, MT, PT, RO (9)	LV, SI		CZ, IS, IT, NO, RO (5)	AT, BG, HR, CY, CZ, EL, LV, LT, NO, RO (10)	DK, LT, PT, RO, UK (5)			UK
4	27. Has problems comparing deals due to personal factors – finance sector*		RO			BE, CZ, NO, SK (4)	LT, PT, RO, UK (4) EEA, EU28			
4	28. Has problems comparing deals due to market-related factors – energy sector*		UK			BE, CZ, IS, NO (4)				
4	29. Has problems comparing deals due to market-related factors – on-line sector	CY, LV, PT, RO (4)	IE, IT, LV, ES (4)			BE, EL, IE, MT, PT, RO (6)	RO			LT
4	30. Has problems comparing deals due to market-related factors – finance sector*		EE, UK			BE				

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: *London Economics*

Annex 4 | Incidence rate of vulnerability by sub-group

Table 136: Above average vulnerability in countries due to behavioural drivers (impulsivity 1, 2)									
D	Indicator	"I have a hard time breaking bad habits"				"I'm good at resisting temptation"			
		Impulsiveness 1: Very high	Impulsiveness 1: High	Impulsiveness 1: Low	Impulsiveness 1: Very low	Impulsiveness 2: Very high	Impulsiveness 2: High	Impulsiveness 2: Low	Impulsiveness 2: Very low
1	2. Overpaid for services due to being unable to use certain payment methods	AT, CZ, DK, EE, FR, DE, HU, IE, IT, PL, SI, ES, NL (13) EEA, EU28	ES			AT, CY, DK, FI, DE, SK, SI, NL (8)	LU		IS
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	AT, BE, CZ, DK, EE, FI, FR, DE, IE, IT, LU, NO, PL, RO, SI, ES, SE, NL, UK (19) EEA, EU28	IS		BE, HR, NL	AT, CY, DK, FI, FR, DE, HU, IS, MT, NO, SK, ES, UK (13) EEA, EU28	CZ		PL, SE
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LU, MT, PL, PT, RO, SI, ES, SE, NL, UK (24) EEA, EU28	IS		BE, BG, CZ, EE, NO, PL, SK, NL, UK (9)	AT, BE, BG, CY, CZ, DK, FI, DE, IS, IE, IT, LU, NO, PL, RO, SK, SE (17) EEA, EU28	LU, NO		BE, BG, CZ, DE, IS, IE, PL, RO, ES, SE, NL, UK (12) EEA, EU28
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LU, MT, NO, PL, PT, RO, SI, ES, SE, NL, UK (25) EEA, EU28	IS		BE, BG, HR, EE, LT, PL, SK (7)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, DE, HU, IS, IE, IT, LU, NO, PL, RO, SK, ES, SE, UK (22) EEA, EU28	NO		BG, EE, DE, IS, IE, LV, LT, PL, ES, NL, UK (11) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*	BE, EE, DE, NO, NL (5)			SK	AT, CZ, FI, DE, LU, RO (6)	EE, DE, LT, PT, SE (5)		AT, IS, NL
3	17. Has problems comparing deals due to information-related factors – financial sector*	BE, EE, FR, LT, NO, NL (6)			SK	AT, EE, FI, IS, LT, NO (6)	FR, IE		
4	21. Does not compare product deals - energy sector	BE, HR, CZ, EE, DE, IE, IT, LU, NO, SI, NL (11) EEA, EU28			AT, BE, HR, EL, IE, IT, LV, PT, SK, SI, NL, UK (12) EEA, EU28	AT, BE, HR, CZ, FI, DE, IE, IT, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (19) EEA, EU28	AT, BE, HR, CY, EE, DE, NO, SK, SI, NL (10)		BE, IE, IT, PT, UK (5)

Table 136: Above average vulnerability in countries due to behavioural drivers (impulsivity 1, 2)									
D	Indicator	"I have a hard time breaking bad habits"				"I'm good at resisting temptation"			
		Impulsiveness 1: Very high	Impulsiveness 1: High	Impulsiveness 1: Low	Impulsiveness 1: Very low	Impulsiveness 2: Very high	Impulsiveness 2: High	Impulsiveness 2: Low	Impulsiveness 2: Very low
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, BG, CZ, DK, EE, FI, FR, DE, IE, IT, LT, LU, NO, PL, ES, SE, NL (18) EEA, EU28			BG, HR, CZ, EE, FI, FR, EL, HU, IS, IE, IT, LT, LU, PL, PT, RO, SK, SI, ES, NL, UK (21) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (28) EEA, EU28	LU		CZ, EE, DE, EL, IE, IT, LV, PL, SK, ES, NL, UK (12) EEA, EU28
4	23. Does not compare product deals - finance sector	AT, CZ, DK, DE, HU, IS, IE, MT, NO, SE (10)			AT, BE, BG, HR, EE, FI, FR, DE, EL, HU, IE, IT, LV, NO, RO, SK, SI, ES (18) EEA, EU28	AT, BE, BG, HR, DK, EE, FI, EL, HU, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, SE, NL, UK (22) EEA, EU28	CY, DE, IS, SI (4)		CZ, EE, IE, IT, SK, ES (6)
4	24. Finds it very difficult to compare product deals - finance sector	CZ, EE, FI, DE, LU, NO, PL, NL, UK (9)			BG, HR, CZ, FI, FR, EL, IE, IT, LT, LU, RO, SK, SI, NL, UK (15) EEA, EU28	BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, SK, SI, ES, SE, NL, UK (25) EEA, EU28			AT, CZ, IE, PL, SK (5)
4	25. Has problems comparing deals due to personal factors – energy sector*	AT, BE, EE, FR, DE, NO, NL (7) EEA, EU28			IE, SK, UK	AT, DE, LT, LU, NO, RO, NL, UK (8) EEA, EU28	AT, CZ, DE, NL (4)		
4	26. Has problems comparing deals due to personal factors – on-line sector	AT, BE, HR, CZ, EE, FR, DE, EL, IT, LV, LT, NO, PL, ES, NL (15) EEA, EU28			AT, DK, IE, LT, LU, SK, NL (7)	AT, BE, HR, CY, DK, EE, FR, DE, EL, HU, LV, MT, NO, PL, ES, NL, UK (17) EEA, EU28	FI, FR, EL, IS, PT, SK, SI, NL (8)		LT, LU
4	27. Has problems comparing deals due to personal factors – finance sector*	AT, CZ, EE, FI, FR, DE, NO, SE (8)			LU	AT, FI, LT, LU, NO, PT, SK, SE, NL, UK (10) EEA, EU28	DE, IS, NO, SK (4)		
4	28. Has problems comparing deals due to market-related factors – energy sector*	BE, EE, FI, RO, SE, NL (6)				AT, EE, FI, DE, NO, RO (6)	DE, IE		IS
4	29. Has problems comparing deals due to market-related factors – on-line sector	BE, EE, EL, IT, LV, LT, MT, PT, RO, SI, NL (11)	EL	CY, LT		DE, EL, LV, LT, NO, PL, PT, NL (8)	AT, CY, CZ, FR, EL, SI (6)		IS

Annex 4 | Incidence rate of vulnerability by sub-group

Table 136: Above average vulnerability in countries due to behavioural drivers (impulsivity 1, 2)

D	Indicator	"I have a hard time breaking bad habits"				"I'm good at resisting temptation"			
		Impulsiveness 1: Very high	Impulsiveness 1: High	Impulsiveness 1: Low	Impulsiveness 1: Very low	Impulsiveness 2: Very high	Impulsiveness 2: High	Impulsiveness 2: Low	Impulsiveness 2: Very low
4	30. Has problems comparing deals due to market-related factors – finance sector*	EE, FI, PT	LT			AT, BE, DE, IS (4)	EE, IE		

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Table 137: Above average vulnerability in countries due to behavioural drivers (impulsivity 3, 4)

D	Indicator	"People would say that I have very strong self-discipline"				"I'm impulsive in the purchase decisions I take"			
		Impulsiveness 1: Very high	Impulsiveness 1: High	Impulsiveness 1: Low	Impulsiveness 1: Very low	Impulsiveness 2: Very high	Impulsiveness 2: High	Impulsiveness 2: Low	Impulsiveness 2: Very low
1	2. Overpaid for services due to being unable to use certain payment methods	BG, DK, FR, IE, RO, SK, ES, NL, UK (9)	LT		PL	AT, BE, BG, CZ, DK, EE, FR, DE, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, UK (22) EEA, EU28	BE, CZ, DK, FR, EL, IS, PT (7)		
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	HR, CY, DK, HU, LV, LT, NO, PL, PT, RO, SE, NL, UK (13) EEA, EU28	AT, IS, NO		BE, CZ, LT, LU, PL, SI (6)	AT, BE, HR, CZ, DK, EE, FI, FR, DE, LT, PL, PT, SK, SI, SE (15) EEA, EU28	AT, CZ, LU		BG, MT, UK
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BG, HR, DK, FI, DE, EL, HU, IT, LV, LT, MT, NO, PL, PT, SK, ES, SE, NL, UK (20) EEA, EU28	BE, DK, FR, LU, NO, SI, UK (7)		BE, BG, CZ, EE, IS, IE, LT, PL, SI, ES, UK (11)	AT, BE, BG, CZ, DK, EE, FI, FR, DE, IS, IE, LV, LT, NO, PL, RO, SK, SI, ES, SE, UK (21) EEA, EU28	IS		AT, BG, CY, EL, LT, MT, NO, PL, RO, SK, SI, NL, UK (13) EEA, EU28

Table 137: Above average vulnerability in countries due to behavioural drivers (impulsivity 3, 4)									
D	Indicator	"People would say that I have very strong self-discipline"				"I'm impulsive in the purchase decisions I take"			
		Impulsiveness 1: Very high	Impulsiveness 1: High	Impulsiveness 1: Low	Impulsiveness 1: Very low	Impulsiveness 2: Very high	Impulsiveness 2: High	Impulsiveness 2: Low	Impulsiveness 2: Very low
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	AT, BE, BG, HR, CY, CZ, DK, EE, FI, DE, HU, IT, LV, LT, LU, NO, PL, SK, ES, SE, NL, UK (22) EEA, EU28	FR, NO		BE, CZ, IS, IE, LT, PL, SI, ES (8)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, IE, IT, LV, LT, NO, PL, PT, RO, SI, ES, SE, UK (22) EEA, EU28	CZ		BG, EE, LT, NO, PL, SK, NL, UK (8)
3	15. Has problems comparing deals due to information-related factors- energy sector*	AT, EE, RO, SE (4)			DK	AT, FI, LU	FR, LT, PT		CZ, EE, SK, NL (4)
3	17. Has problems comparing deals due to information-related factors – financial sector*	AT, DK, EE, FR, NO, RO, UK (7)	IE			FR, IS, IE, LT (4)			LU, SK
4	21. Does not compare product deals - energy sector	AT, BE, CZ, DK, FI, FR, DE, EL, IE, IT, PT, SI, ES, SE, NL, UK (16) EEA, EU28	BE, EE, DE, HU, PL, SK, SI, UK (8)		BE, CZ, EE, IE, LV, UK (6)	BE, HR, CZ, IE, NO, PT, SI, ES (8)	NL, UK		AT, CZ, EE, FI, IT, PL, PT, RO, SK, SI, UK (11) EEA, EU28
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	AT, FR, NO, PT, SI, NL (6)		BE, CZ, EE, FI, DE, IE, IT, LV, SK, ES, UK (11) EEA, EU28	CZ, FI, DE, IS, IE, IT, LT, LU, NO, PL, PT, ES, NL, UK (14) EEA, EU28			AT, BE, BG, CZ, EE, FI, EL, IE, IT, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (20) EEA, EU28
4	23. Does not compare product deals - finance sector	AT, BE, BG, HR, CZ, DK, FI, FR, DE, EL, HU, IS, IE, IT, LV, NO, PL, PT, RO, ES, SE, NL, UK (23) EEA, EU28	AT, CY, DK, FI, DE, HU, PL, SI, UK (9)		CZ, EE, IE, IT, LV, SK, ES (7)	CZ, DK, FI, HU, IS, IE, LT, LU, NO, PT, ES (11)			BG, CZ, EE, EL, HU, IE, IT, LV, RO, SK, SI, ES, UK (13) EEA, EU28
4	24. Finds it very difficult to compare product deals - finance sector	BG, HR, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LU, NO, PL, PT, RO, SE, NL, UK (20) EEA, EU28			CZ, LV, LT, SK, ES, NL (6)	AT, DK, EE, FI, IE, IT, LU, PT, ES, UK (10) EEA, EU28			AT, BG, EE, DE, EL, IE, LV, LT, LU, NO, PL, RO, SK, SI, NL (15) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 137: Above average vulnerability in countries due to behavioural drivers (impulsivity 3, 4)									
D	Indicator	"People would say that I have very strong self-discipline"				"I'm impulsive in the purchase decisions I take"			
		Impulsiveness 1: Very high	Impulsiveness 1: High	Impulsiveness 1: Low	Impulsiveness 1: Very low	Impulsiveness 2: Very high	Impulsiveness 2: High	Impulsiveness 2: Low	Impulsiveness 2: Very low
4	25. Has problems comparing deals due to personal factors – energy sector*	AT, DK, FI, DE, IE, LU, NO, PT, SE, UK (10) EEA, EU28	DE, UK			AT, BE, EE, FR, LT, LU, PT, NL (8)			UK
4	26. Has problems comparing deals due to personal factors – on-line sector	AT, BG, FI, FR, EL, IS, IE, LV, PL, PT, SK, SI, ES, NL, UK (15) EEA, EU28	FR, HU, MT, PL, SI, UK (6)		CZ, EL, LT, RO, ES (5)	AT, BE, DK, EL, HU, IS, LV, LT, LU, NO, PL, PT, RO, NL, UK (15)	CZ, FR, LT, PT (4)	EE	AT, BG, EL, LT, ES (5)
4	27. Has problems comparing deals due to personal factors – finance sector*	AT, CZ, FI, IS, LU, NO, PT, SE, NL, UK (10)	AT, DE, SK		IE	AT, FR, IS, IE, LT, LU, NO, UK (8)	CZ		EE, DE
4	28. Has problems comparing deals due to market-related factors – energy sector*	AT, CZ, FI, IE (4)	EE	LT	IS	NO	PT	LT	
4	29. Has problems comparing deals due to market-related factors – on-line sector	AT, HR, CZ, FI, DE, EL, IE, MT, PL, PT, SI (11)	BG, EE, HU, NL (4)		LV	AT, HU, LT, MT, PT, RO, SK (7)	EL, LT	CY	CY, EE, LV
4	30. Has problems comparing deals due to market-related factors – finance sector*	CZ, DE, LU, RO (4)	FR, NO			BE, CZ		LU	EE

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: **London Economics**

Table 138: Above average vulnerability in countries due to behavioural drivers (knowledge tests)						
D	Indicator	Answered incorrectly first computational test	Answered incorrectly second computational test	Incorrect answer to meaning of kWh	Incorrect answer to meaning of Mbps	Did not identify best interest rate for a savings account
1	2. Overpaid for services due to being unable to use certain payment methods	AT, CZ, FI, DE, NO, SI, SE, NL, UK (9)	DK, FI, DE, IS, IE, SE, NL, UK (8)	FI, LT, NO, SE (4)	FI	SE, UK
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	AT, DK, DE, LU, RO, SK, SE (7)	BG, DK, DE, LT, PL, SK, SE, UK (8)	BG, SI, SE		AT, DE, LU, NL (4)
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	BE, BG, DE, LU, NO, RO, SK, SI, SE (9) EEA, EU28	BE, BG, DK, LT, LU, RO, SK, SE, UK (9) EEA, EU28	BG, DE, IS, MT, SE (5)	HR, LT, MT, RO, SK, SE (6)	BE, CZ, DE, LU, NO, SK, SI, ES, UK (9) EEA, EU28
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	AT, BE, BG, DK, DE, HU, IS, LT, LU, NO, RO, SK, SI, ES, SE (15) EEA, EU28	AT, BG, HR, CZ, DK, LT, LU, NO, PL, RO, SK, ES, SE, UK (14) EEA, EU28	BG, HR, DK, IS, LT, MT, SE (7)	HR, HU, LT, MT, RO, SK, SE (7)	AT, BE, BG, CZ, DK, DE, IE, LU, NO, SK, SI, SE, UK (13) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*	FI, DE, NO		BE, FI, NO	NO	DE, NO
3	17. Has problems comparing deals due to information-related factors – financial sector*	NO		LT, NO		
4	21. Does not compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, NO, PL, PT, SI, SE, NL, UK (19) EEA, EU28	AT, HR, CZ, DK, EE, FI, DE, IE, IT, LV, NO, PT, SK, SI, SE, NL, UK (17) EEA, EU28	HR, DK, EE, FI, IE, IT, NO, PT, SI, SE, NL (11)	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, NO, PL, PT, RO, SI, ES, SE, NL, UK (20) EEA, EU28	HR, CZ, IE, IT, NO, PT, SI, SE, NL, UK (10) EEA, EU28
4	22. Finds it very difficult to compare product deals - energy sector	AT, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, NO, PT, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, IS, IE, IT, LV, LT, NO, PT, RO, SK, SI, ES, SE, NL, UK (25) EEA, EU28	AT, BE, BG, HR, EE, FI, DE, EL, HU, IE, NO, PT, SI, SE, NL (15)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, LT, NO, PT, RO, SK, SI, ES, NL, UK (22) EEA, EU28	CZ, DK, EL, NO, PT, SK, SI, SE, UK (9)
4	23. Does not compare product deals - finance sector	BG, HR, CZ, DK, EE, FI, EL, HU, IE, IT, LV, LT, MT, NO, PL, PT, RO, SK, SI, ES, UK (21) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, NO, PL, PT, RO, SK, SI, ES, SE, UK (23) EEA, EU28	BG, HR, DK, EE, FI, IS, IT, LU, MT, NO, PT, SI, ES, SE, NL (15)	AT, BE, BG, HR, CZ, DK, EE, DE, EL, HU, IE, IT, LT, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	HR, CZ, DK, EL, HU, IT, LV, MT, NO, PL, PT, RO, SK, SI, ES, SE, UK (17) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 138: Above average vulnerability in countries due to behavioural drivers (knowledge tests)						
D	Indicator	Answered incorrectly first computational test	Answered incorrectly second computational test	Incorrect answer to meaning of kWh	Incorrect answer to meaning of Mbps	Did not identify best interest rate for a savings account
4	24. Finds it very difficult to compare product deals - finance sector	BG, CZ, EE, FI, DE, EL, HU, LV, LT, LU, NO, PL, RO, SK, SI, SE, NL, UK (18) EEA, EU28	AT, BG, CZ, DK, EE, FI, DE, EL, IE, LV, LT, PL, RO, SK, SI, UK (16) EEA, EU28	BG, HR, EE, LV, SI (5)	BG, HR, EE, DE, EL, IE, LT, RO, SK, SI (10)	BG, CZ, MT, SK (4)
4	25. Has problems comparing deals due to personal factors – energy sector*	LU, NO, PT, RO, NL, UK (6)	AT, FI, NO, PT, RO, UK (6) EEA	FI, IE, NO, SE (4)	BE, DE, IE, NO, PT, RO, UK (7) EEA, EU28	IE
4	26. Has problems comparing deals due to personal factors – on-line sector	BG, CY, CZ, EE, FI, FR, EL, HU, LV, NO, PL, SK, ES, NL, UK (15) EEA, EU28	AT, BG, EE, FI, FR, EL, IE, IT, LV, LT, NO, PT (12)	BG, HR, DK, EE, FR, EL, HU, LV, MT, NO, PT (11)	BE, BG, DK, EE, FI, FR, DE, EL, HU, IS, IT, LU, MT, NO, PL, PT, RO, SK, SI, SE, UK (21) EEA, EU28	HR, EL, NO, PL, PT, RO (6)
4	27. Has problems comparing deals due to personal factors – finance sector*	EE, RO, SK, UK (4)	IE, UK (2) EEA, EU28	FI, IS, NO	DE, PT, RO, UK (4) EEA, EU28	UK
4	28. Has problems comparing deals due to market-related factors – energy sector*					
4	29. Has problems comparing deals due to market-related factors – on-line sector	BG, EL, LV, PT, UK (5)	CY, EE, EL, LV, LT, PT, SK (7)	CY, HU, PT, RO (4)	BG, CY, EE, FI, IE, PT, SK (7)	HR, PT, RO
4	30. Has problems comparing deals due to market-related factors – finance sector*					

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Market-related and experience drivers

Table 139: Above average vulnerability in countries due to market-related and experience drivers (T&Cs, knowledge, compares deals - energy)											
D	Indicator	Unable to read Ts&Cs due to small print	Knows energy contract conditions				Compare deals from energy supplier				
			Not at all	Not very	Fair amount	Completely	Time to time	When need to renew	Sporadically	Only the first time	Never
1	2. Overpaid for services due to being unable to use certain payment methods	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28				IS, IT, MT	EL, HU, IS, LT, LU, MT, SE (7)	BG, HR, CZ, DK, FR, EL, HU, IT, ES (10)	MT, SE	BG, CY, UK	
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	AT, HR, DK, EE, DE, HU, IS, LU, NO, SE, UK (11)	BE, FR, DE, NO, PT, ES, SE, UK (8) EEA, EU28	CZ, EE, SE	IS	AT, HU, LU, MT (4)	PL, SE	AT, MT	IS	IS, UK	NO, SK
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, BG, HR, CY, DK, FI, FR, DE, HU, IS, IE, LV, LU, PL, PT, ES, SE, NL, UK (20) EEA, EU28	AT, BE, BG, DK, FI, FR, DE, LT, NO, PL, PT, RO, SK, ES (14) EEA, EU28	BE, EE, IS, NO, SE (5)		AT, MT, SE	LT, PL, SE	AT, CZ, EE, MT, ES, SE, UK (7)	DE, IS, LU, NO, NL (5)		BE, CZ, IE, SK (4)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 139: Above average vulnerability in countries due to market-related and experience drivers (T&Cs, knowledge, compares deals - energy)											
D	Indicator	Unable to read Ts&Cs due to small print	Knows energy contract conditions				Compare deals from energy supplier				
			Not at all	Not very	Fair amount	Completely	Time to time	When need to renew	Sporadically	Only the first time	Never
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, HU, IS, IE, LT, LU, NO, PL, PT, SK, ES, SE, NL, UK (24) EEA, EU28	AT, BG, HR, DK, FI, FR, DE, LT, NO, PL, PT, SK, ES (13) EEA, EU28	EE, DE, NO	AT, BE, CZ	LT, SE	AT, CY, CZ, EE, LV, LU, NL (7)	LU			IE, SK, SI
3	15. Has problems comparing deals due to information-related factors-energy sector*	AT, BE, CZ, DK, FI, DE, IS, IE, LT, LU, NO, SK, NL, UK (14) EEA, EU28	AT, FI, DE, IE, NO, SK, UK (7) EEA, EU28	BE, DK, FI, DE, IE, NO, PT, RO, UK (9) EEA, EU28				AT, BE, DE, IE (4)	CZ, DK, EE, FR, DE, IE, SK, SE, UK (9) EEA, EU28		AT, FI, DE, NO, SK (5) EEA, EU28
3	17. Has problems comparing deals due to information-related factors - financial sector*	AT, BE, DE, IS, IE, LU, NO, SK, SE, NL, UK (11) EEA, EU28	AT, NO			SE	AT, EE, LU, PT, UK (5)	LT, LU, PT, NL (4)	LT		
4	21. Does not compare product deals - energy sector	IE, SI	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	AT, BE, HR, DK, EE, FI, FR, DE, EL, HU, IE, IT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (22) EEA, EU28							

Table 139: Above average vulnerability in countries due to market-related and experience drivers (T&Cs, knowledge, compares deals - energy)												
D	Indicator	Unable to read Ts&Cs due to small print	Knows energy contract conditions				Compare deals from energy supplier					
			Not at all	Not very	Fair amount	Completely	Time to time	When need to renew	Sporadically	Only the first time	Never	
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, FR, DE, IE, LV, NO, PL, SK, SI, ES, NL, UK (18) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28) EEA, EU28	DE, PL						IE	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28	
4	23. Does not compare product deals - finance sector		AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	AT, DK, DE, EL, IE, IT, PL, SK, SI, NL, UK (11) EEA, EU28						AT, BE, CZ, EE, FI, DE, EL, IE, IT, LV, NO, PT, SK, SI, ES, SE, NL, UK (18) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	
4	24. Finds it very difficult to compare product deals - finance sector	AT, HR, CZ, DK, FR, DE, IS, IE, NO, SK, SI, NL, UK (13) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SI, ES, SE, NL, UK (26) EEA, EU28	DE, NL				MT		EE, DE	CZ, EE, FI, IE, LV, PL, PT, SI, ES, SE, NL, UK (12) EEA, EU28	
4	25. Has problems comparing deals due to personal factors – energy sector*	DE, LT, NO, NL (4)	AT, BE, CZ, DK, FI, DE, IE, LT, NO, PT, RO, SK, SE, NL, UK (15) EEA, EU28	AT, BE, DK, EE, FI, FR, DE, IE, NO, SK, SE, NL (12) EEA, EU28								
4	26. Has problems comparing deals due to personal factors – on-line sector	AT, CZ, EE, DE, EL, MT, SK, NL (8)	AT, BG, HR, CY, CZ, DK, FI, FR, DE, HU, IE, IT, LV, NO, PL, PT, RO, SK, SI, ES, NL, UK (22) EEA, EU28	AT, BE, HR, FI, DE, EL, IE, NO, PL, SI, ES, SE, NL (13) EEA, EU28	IS, LT		BG				BE, HR, CY, CZ, FI, DE, EL, IE, IT, LV, MT, PL, PT, RO, SI, ES, NL, UK (18) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, IE, IT, LV, LT, LU, NO, PL, PT, SK, SI, ES, NL, UK (22) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 139: Above average vulnerability in countries due to market-related and experience drivers (T&Cs, knowledge, compares deals - energy)											
D	Indicator	Unable to read Ts&Cs due to small print	Knows energy contract conditions				Compare deals from energy supplier				
			Not at all	Not very	Fair amount	Completely	Time to time	When need to renew	Sporadically	Only the first time	Never
4	27. Has problems comparing deals due to personal factors – finance sector*	EE, DE, NO	AT, CZ, FI, FR, DE, IS, IE, LT, LU, NO, RO, SK, SE, NL, UK (15) EEA, EU28	AT, FI, DE, IE, SE, NL (6)					IE	AT, BE, CZ, FI, DE, IE, PT, SE, UK (9)	CZ, DK, FI, DE, IE, NO, PT, SK, SE, NL, UK (11) EEA, EU28
4	28. Has problems comparing deals due to market-related factors – energy sector*	AT, CZ, EE, FI, DE, IS, IE, LT, NO, PT, RO, NL, UK (13) EEA, EU28	DE	AT, BE, CZ, EE, FI, DE, IS, IE, LT, NO, PT, SE, NL, UK (14) EEA, EU28							
4	29. Has problems comparing deals due to market-related factors – on-line sector	AT, BE, BG, CY, CZ, EE, FI, FR, DE, EL, HU, IS, IE, IT, LT, LU, MT, NO, PL, RO, SK, ES, NL, UK (24) EEA, EU28	BG, CY, HU, LT, SK, UK (6)	AT, BG, HR, CZ, EE, FI, DE, IS, IE, IT, LU, NO, PL, SI, NL, UK (16) EEA, EU28	MT		CY, MT		DE, LT	BE, HR, CZ, EE, DE, EL, IS, IE, IT, MT, PL, RO, SI, ES, UK (15) EEA, EU28	CZ, LV
4	30. Has problems comparing deals due to market-related factors – finance sector*	BE, CZ, IS, LU, NO, PT, RO, SK, NL, UK (10)	DE	DE, IE, NL				LT, NO, (4)	LU, PT	PT, NL	BE, IE, NO

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU,  IT, LV, MT, PL, SI, ES. Frequency to compare deals from energy supplier is used to construct the indicator

Source: London Economics

Table 140: Above average vulnerability in countries due to market-related and experience drivers (read last bill - energy)												
D	Indicator	Read last bill from energy supplier					No response to knowledge / read	Reading last bill from energy supplier				
		In detail	Glanced or skim read	Looked at total price	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
1	2. Overpaid for services due to being unable to use certain payment methods	IS		FR, DE, NL, UK (4)		CY, CZ, EE, LU, SI (5)	AT, CZ, IT, RO, SK, NL (6)	HU, IS, ES		FI, FR, DE, IS, LV, NL, UK (7)	BG, DK, EE, FI, DE, EL, IE, LV, LT, MT, RO, SI, UK (13)	
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	HU, NO		AT, DE, IS	FR, LU	IT, LU, PT, NL (4)	CZ, DE, IS, RO, SI, UK (6)	BE, LU, NO, SE (4)		DE, IS, NO, NL, UK (5)	AT, CY, CZ, EE, FI, FR, DE, IE, LU, NO, PL, PT, UK (13) EEA, EU28	LU
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	HU, IS	MT	AT, BE, DK, FI, LU, NO, SI, SE, UK (9)	AT, HR, DK, FR, NO, PL, RO (7)	CY, DK, EL, IS, IE, IT, LV, LT, MT, PT (10)	BE, BG, CZ, EE, FI, FR, IT, MT, NO, PT, RO, SI, ES, UK (14) EEA, EU28	BE, CZ, LT, LU, SI, UK (6)		BE, CY, DK, EE, FI, DE, IS, IE, LU, MT, NO, SE, NL, UK (14)	AT, BE, BG, HR, CY, CZ, EE, FI, FR, IE, LV, LU, NO, PL, PT, SI, ES, SE, NL, UK (20) EEA, EU28	DK, FR, NO, RO (4)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 140: Above average vulnerability in countries due to market-related and experience drivers (read last bill - energy)

D	Indicator	Read last bill from energy supplier					No response to knowledge / read	Reading last bill from energy supplier				
		In detail	Glanced or skim read	Looked at total price	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	HU	MT	AT, BE, DE, IS, NO (5)	AT, HR, DK, FR, NO, PL, RO (7)	AT, CZ, DK, DE, EL, IS, IE, IT, LT, MT, PT (11)	CZ, FI, FR, HU, IT, LV, NO, RO, SK, SI, UK (11) EEA, EU28	CZ, LU, SI, SE (4)		BE, FI, DE, IS, LU, MT, NO, NL (8)	AT, BE, BG, HR, CY, CZ, EE, FI, FR, DE, EL, IE, LV, LT, NO, PL, PT, SI, ES, SE, NL, UK (22) EEA, EU28	DK, NO, RO, UK (4)
3	15. Has problems comparing deals due to information-related factors-energy sector*	IE		AT, BE, DK, EE, FI, DE, PT, UK (8) EEA, EU28	AT, CZ, FI, LT, RO, SE (6)	AT, FI, DE, IE, LU, NO (6)	CZ, DE		AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (19) EEA, EU28	AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LU, NO, PT, SK, NL, UK (16) EEA, EU28	AT, DE, NO	
3	17. Has problems comparing deals due to information-related factors – financial sector*					LU, NO	NO, UK		AT, EE, FI, DE, LT, NO, SK, SE, NL, UK (10) EEA, EU28	AT, BE, DK, EE, FI, FR, DE, IS, IE, LU, NO, PT, RO, SE, UK (15) EEA, EU28		
4	21. Does not compare product deals - energy sector			AT, CZ, DK, EE, FI, FR, DE, IT, LV, PL, PT, UK (12) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (25) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LV, LT, NO, PL, PT, SK, SI, ES, SE, NL, UK (23) EEA, EU28			AT, BE, CZ, DK, EE, DE, EL, IE, IT, LV, LU, NO, PL, RO, SK, SI, NL, UK (18) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (25) EEA, EU28	

Table 140: Above average vulnerability in countries due to market-related and experience drivers (read last bill - energy)

D	Indicator	Read last bill from energy supplier					No response to knowledge / read	Reading last bill from energy supplier				
		In detail	Glanced or skim read	Looked at total price	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	22. Finds it very difficult to compare product deals - energy sector			AT, DK, DE, IS, IT, NO (6)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	AT, BG, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, LV, LT, LU, NO, PL, PT, RO, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, CZ, EE, FI, DE, EL, HU, IT, LV, MT, NO, PL, PT, SK, SI, SE, NL, UK (19) EEA, EU28			FI, DE, EL, LU, NO, RO, UK (7)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28
4	23. Does not compare product deals - finance sector			AT, BE, CZ, DK, FI, FR, DE, IT, MT, NO, PL, PT, RO, SI, ES, UK (16) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28) EEA, EU28	BG, HR, CY, CZ, DK, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, MT, NO, PT, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, BG, DK, EE, FI, FR, EL, IE, IT, LV, LT, PL, PT, SK, SI, SE, NL, UK (19) EEA, EU28	ES		CY, FI, DE, MT (4)	AT, BE, CZ, EE, DE, IE, IT, LV, MT, PL, PT, RO, SI, ES, SE, UK (16) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28) EEA, EU28
4	24. Finds it very difficult to compare product deals - finance sector			AT, EE, FI, DE, NO, PL (6)	AT, BE, HR, DK, DE, IE, LT, LU, PL, RO, SI, ES, SE, NL, UK (15) EEA, EU28	AT, BG, CZ, FI, FR, DE, EL, IS, LV, LT, LU, NO, PT, RO, SI, ES, SE, UK (18) EEA, EU28	BE, BG, CZ, IT, LV, NO, PL, PT, NL (9)			FI, DE, IE, LV, NO, UK (6)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, MT, PL, PT, RO, SK, SI, ES, SE, NL, UK (28) EEA, EU28	AT, BE, BG, CZ, DE, EL, LV, LT, LU, NO, PL, PT, RO, SI, ES, NL, UK (17) EEA, EU28
4	25. Has problems comparing deals due to personal factors - energy sector*			AT, BE, CZ, EE, FI, FR, DE, IE, PT, SE, NL, UK (12) EEA, EU28	AT, BE, CZ, DK, FI, DE, IE, LU, NO, PT, RO, SK, SE, NL, UK (15) EEA, EU28	AT, BE, CZ, FI, DE, LT, NO, PT, RO, SK, SE, NL, UK (13) EEA, EU28	AT, DK, EE, FI, DE, IE, PT, RO, UK (9) EEA, EU28			CZ, FI, FR, DE, IS, LT, NO, SE, UK (9) EEA, EU28	AT, BE, CZ, EE, FI, DE, IE, NO, PT, RO, SE, NL, UK (13) EEA, EU28	AT, BE, CZ, DK, FI, DE, IE, LT, NO, PT, RO, SK, SE, NL, UK (15) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 140: Above average vulnerability in countries due to market-related and experience drivers (read last bill - energy)												
D	Indicator	Read last bill from energy supplier					No response to knowledge / read	Reading last bill from energy supplier				
		In detail	Glanced or skim read	Looked at total price	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	26. Has problems comparing deals due to personal factors – on-line sector	LT	CZ, LV, UK	BE, DK, FI, DE, IE, MT, PL, PT, SI, NL (10)	AT, BG, HR, DK, FI, DE, EL, HU, IE, IT, LV, NO, PL, PT, RO, SK, ES, SE, UK (19) EEA, EU28	AT, BG, HR, CY, FI, FR, DE, HU, IE, IT, LT, MT, NO, RO, SI, ES, NL, UK (18) EEA, EU28	AT, BG, DK, EE, FR, EL, IE, IT, LV, LT, MT, PT, RO, ES, UK (15)	LT		AT, HR, CY, CZ, FI, DE, IE, LV, LU, MT, PL, UK (12)	AT, BE, HR, CY, DK, EE, FI, FR, DE, EL, HU, IE, LV, LT, LU, MT, NO, PT, SI, ES, SE, NL, UK (23) EEA, EU28	AT, BG, HR, DK, EE, DE, EL, HU, IE, IT, LV, NO, PT, RO, SK, ES, UK (17) EEA, EU28
4	27. Has problems comparing deals due to personal factors – finance sector*			AT, BE, CZ, FR, DE, PT (6) EEA, EU28	AT, CZ, DK, FI, DE, LT, LU, NO, PT, RO, SK, SE, NL, UK (14) EEA, EU28	AT, EE, FI, DE, IS, IE, NO, PT, NL (9)	CZ, EE, FI, IE, NO, PT, RO, SK, UK (9)			FI, DE, NO	AT, BE, EE, FI, DE, IE, PT, SE, NL, UK (10) EEA, EU28	AT, CZ, FI, IE, LU, NO, PT, RO, NL, UK (10) EEA, EU28
4	28. Has problems comparing deals due to market-related factors – energy sector*	IS	DE	BE, EE, FI, DE, IS, LT, PT, SK, NL, UK (10) EEA, EU28	IE, RO, SE					AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (19) EEA, EU28	AT, BE, CZ, DK, EE, FI, DE, IS, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (18) EEA, EU28	
4	29. Has problems comparing deals due to market-related factors – on-line sector	MT	CZ, LV	HR, CY, CZ, FI, IS, LT, MT, PL, PT, SK, SI, NL, UK (13)	BG, EL, IE, LT, PL, PT, RO (7)	BG, IE, LV, PT, RO (5)	CY, HU, LV			AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LV, LT, MT, NO, PL, LU, NO, PL, PT, RO, SK, SI, SE, NL, UK (26) EEA, EU28	AT, BG, HR, CY, DK, FI, DE, EL, HU, IS, IE, IT, LV, LU, NO, PL, PT, RO, SI, ES, SE, NL, UK (23) EEA, EU28	BG, LV, LT, PT, RO (5)

Table 140: Above average vulnerability in countries due to market-related and experience drivers (read last bill - energy)

D	Indicator	Read last bill from energy supplier					No response to knowledge / read	Reading last bill from energy supplier				
		In detail	Glanced or skim read	Looked at total price	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	30. Has problems comparing deals due to market-related factors – finance sector*	IS		DE		DE			AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LU, NO, PT, RO, SK, SE, NL, UK (18) EEA, EU28	AT, BE, DK, EE, FI, FR, DE, IS, LU, NO, PT, RO, SE, UK (14) EEA, EU28		

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Table 141: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - online)

D	Indicator	Knows internet contract conditions				Compares deals from internet providers					
		Not at all	Not very	Fair amount	Completely	No response	Time to time	When need to renew	Sporadically	Only the first time	Never
1	2. Overpaid for services due to being unable to use certain payment methods	BG, HR, EL, LU, PL, PT (6)	HR, IT, LT, ES (4)	BG	LU	DK, FI, DE, IS, IE, NO, SE, NL, UK (9)	MT	BE, HR, FR, ES (7)	BG, NO, PT	SI	
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	BE, EE, FR, IT, LV, LU, SI, ES (8)	DK, EE, FR, MT, SI, ES, NL (7)	AT	IS, LU, NL	UK	CZ	AT, DE, NO	DK, IE	BE, HR, LU, MT, SI (5)	CZ, IS, LV, LT, SK, ES (6)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 141: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - online)											
D	Indicator	Knows internet contract conditions				Compares deals from internet providers					
		Not at all	Not very	Fair amount	Completely	No response	Time to time	When need to renew	Sporadically	Only the first time	Never
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, CZ, EE, FR, IT, LV, MT, NO, RO, SK, SI, ES (13)	BG, DK, FI, FR, IS, PL, ES (7)	DE, LU, PL	AT, FI, IE, MT, SE, NL, UK (7)	HR, EE, LT, SE, UK (5)	LU, PL, SE, NL (4)	AT, DE, IT	DK, IE	BE, IS, IE, LV, LU, ES (6)	CZ, FR, EL, LT, SK, ES (6)
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	BE, CZ, FR, IS, IT, LV, LU, MT, NO, SK, SI, ES (12)	FR, IS, PL, ES (4)		AT, FI, LU, NL (4)	BE, HR, EE, HU, LT, NO, SK, SE, NL, UK (10) EEA, EU28	LU, MT, SE	AT, BE, DE, IT (4)	AT, DK	BE, LV	EL, IS, SK, SI (4)
3	15. Has problems comparing deals due to information-related factors-energy sector*	AT, FI, IE, LT, LU, NO, RO, SK (8)	AT, BE, CZ, DK, EE, FI, DE, IE, LT, LU, PT, RO, SE, NL, UK (15) EEA, EU28	LT	LT		LT	CZ, DK, LT, RO (4)	DK, EE, IE, LT, PT (5)	AT, DK, FI, IE, LT, PT (6)	DE, IE, NO, PT, RO (5)
3	17. Has problems comparing deals due to information-related factors – financial sector*	NO, RO	PT, UK	PT			SE	PT	LU, PT	LT	

Table 141: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - online)

D	Indicator	Knows internet contract conditions				Compares deals from internet providers						
		Not at all	Not very	Fair amount	Completely	No response	Time to time	When need to renew	Sporadically	Only the first time	Never	
4	21. Does not compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, FR, DE, HU, IE, IT, LV, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, CZ, DK, FI, FR, DE, EL, HU, IE, IT, LV, NO, PL, SI, ES, SE, NL (18) EEA, EU28			AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LT, PL, PT, RO, SI, ES, SE, NL, UK (21) EEA, EU28				HR, CZ, DK, EE, FI, FR, DE, HU, IE, IT, LV, PL, SK, SI, ES, NL, UK (17) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28	
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, BG, CZ, DK, EE, FI, FR, DE, HU, IE, IT, LV, LU, NO, PL, PT, RO, SK, ES, SE, NL, UK (23) EEA, EU28	EE, FI, DE, LU, PL, NL (6)			AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (25) EEA, EU28				DE	AT, BE, BG, CZ, DK, EE, FI, FR, DE, IE, IT, LV, LU, NO, PL, SK, ES, SE, NL (19) EEA, EU28	
4	23. Does not compare product deals - finance sector	AT, BE, BG, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LU, MT, NO, PT, SK, SI, ES, SE, NL (25) EEA, EU28	AT, DK, FI, FR, DE, EL, NO, PL, PT, SI, ES, NL, UK (13) EEA, EU28			AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, UK (28) EEA, EU28				AT, HR, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LV, MT, PL, PT, SK, SI, ES, NL, UK (20) EEA, EU28	AT, BE, BG, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (26) EEA, EU28	
4	24. Finds it very difficult to compare product deals - finance sector	BE, BG, CZ, FI, FR, DE, EL, HU, IS, IT, LV, LU, MT, NO, PL, PT, SI, ES, SE, NL (20) EEA, EU28	EE, FI			AT, BG, HR, CZ, DK, EE, FI, DE, HU, IE, IT, LV, LT, LU, MT, PL, RO, SK, SI, ES, SE, NL, UK (23) EEA, EU28				PT	FI, IS, IT	
4	25. Has problems comparing deals due to personal factors – energy sector*	AT, BE, CZ, DK, EE, FI, DE, IE, LT, NO, RO, SK, SE, NL, UK (15) EEA, EU28	AT, BE, CZ, DK, EE, FI, FR, DE, IE, NO, SK, SE, NL (13) EEA, EU28			PT, RO, UK (3) EEA, EU28				IE, LT	AT, DE, IE, UK (4)	AT, BE, CZ, DK, EE, FI, DE, IE, NO, SK, SE, NL, UK (13) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 141: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - online)											
D	Indicator	Knows internet contract conditions				Compares deals from internet providers					
		Not at all	Not very	Fair amount	Completely	No response	Time to time	When need to renew	Sporadically	Only the first time	Never
4	26. Has problems comparing deals due to personal factors – on-line sector	AT, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28		LT						
4	27. Has problems comparing deals due to personal factors – finance sector*	AT, CZ, EE, IS, LU, NO, PT, SK (8)	BE, CZ, EE, FI, FR, DE, IE, LU, NO, SE, NL (11)			LT, PT, RO, UK (4) EEA, EU28			IE	AT, EE, FI, DE, IE, PT, SK, UK (8)	AT, CZ, FI, DE, IE, LU, SK, NL (8) EEA, EU28
4	28. Has problems comparing deals due to market-related factors – energy sector*	FI, LT, RO, SK, UK (5)	AT, BE, EE, FI, DE, IE, LT, PT, SE, NL (10) EEA, EU28	LT				IS, LT, PT	EE, PT	BE, DK, FI, DE, IE, LT, PT, SK, UK (9) EEA, EU28	DE, IE, SK
4	29. Has problems comparing deals due to market-related factors – on-line sector	BG, HR, DE, EL, HU, IT, LV, LT, PT, RO, SK, ES, UK (13)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (29) EEA, EU28	BG, MT, PL							
4	30. Has problems comparing deals due to market-related factors – finance sector*	EE, IS, PT	AT, EE, FR, DE, IE, LT, PT, SE, NL, UK (10) EEA, EU28	PT					PT	EE, LU, PT, SK, UK (5)	IE, LT, PT



Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES. Frequency to compare deals from online provider is used to construct the indicator

Source: London Economics

Table 142: Above average vulnerability in countries due to market-related and experience drivers(read last communication - online)

D	Indicator	Read last communication from internet provider					No response to knowledge / read	Reading last communication from internet provider				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
1	2. Overpaid for services due to being unable to use certain payment methods	CY, IS, PT	BG	AT, HR, CZ, FI, EL, HU, MT, ES, UK (9)		LT, MT, PT	DK, FI, DE, IS, NO, SE, NL, UK (8)	HU, IS, ES		FI, FR, DE, IS, LV, NL, UK (7)	BG, DK, EE, FI, DE, EL, IE, LV, LT, MT, RO, SI, UK (13)	
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	LU, NO		AT, DK, EE, FI, DE, IS (6)	BE, CZ, NL	HR, HU, IT, MT, SI (5)	UK	BE, LU, NO, SE (4)		DE, IS, NO, NL, UK (5)	AT, CY, CZ, EE, FI, FR, DE, IE, LU, NO, PL, PT, UK (13) EEA, EU28	LU
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	FI, IS, NO, SE, NL (5)	MT	CZ, DK, FI, DE, LV, LU, MT, NO, ES, UK (10)	BE, FR, PL	HR, HU, IT, LU, MT, NO, PL, SK, SI (9)	HR, EE, LT, NO, UK (5)	BE, CZ, LT, LU, SI, UK (6)		BE, CY, DK, EE, FI, DE, IS, IE, LU, MT, NO, SE, NL, UK (14)	AT, BE, BG, HR, CY, CZ, EE, FI, FR, IE, LV, LU, NO, PL, PT, SI, ES, SE, NL, UK (20) EEA, EU28	DK, FR, NO, RO (4)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 142: Above average vulnerability in countries due to market-related and experience drivers(read last communication - online)												
D	Indicator	Read last communication from internet provider					No response to knowledge / read	Reading last communication from internet provider				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	FI, LU, NO, SE (4)		AT, DK, FI, DE, IS (5)	BE, CZ, IS	AT, IT, LU, MT, NO, SI (6)	BE, HR, EE, HU, LT, NO, SK, SE, NL, UK (10) EEA, EU28	CZ, LU, SI, SE (4)		BE, FI, DE, IS, LU, MT, NO, NL (8)	AT, BE, BG, HR, CY, CZ, EE, FI, FR, DE, EL, IE, LV, LT, NO, PL, PT, SI, ES, SE, NL, UK (22) EEA, EU28	DK, NO, RO, UK (4)
3	15. Has problems comparing deals due to information-related factors-energy sector*		LT, PT, RO	FI, DE, IS, LT, PT, SK, NL, UK (8) EEA, EU28	CZ, DK, LT, LU, NO, SK, SE (7)	FR, IE, LT, NO, PT (5)	BE, FR, LU			AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (19) EEA, EU28	AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LU, NO, PT, SK, NL, UK (16) EEA, EU28	AT, DE, NO
3	17. Has problems comparing deals due to information-related factors – financial sector*			SK, UK	PT	LT, NO, UK	BE, NO	EE	BG	AT, BG, HR, CY, EE, FR, EL, IT, MT, SK, ES, SE, UK (13) EEA, EU28	BE, BG, HR, CY, CZ, DK, FI, IS, IE, IT, LU, MT, NO, PL, RO, SK, SI (17) EEA, EU28	
4	21. Does not compare product deals - energy sector			CZ, EE, FI, HU (4)	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LU, NO, PL, SK, SI, ES, SE, NL, UK (23) EEA, EU28	AT, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, MT, NO, PL, PT, RO, SK, SI, ES, NL, UK (24) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LT, PL, PT, RO, SI, ES, SE, NL, UK (21) EEA, EU28	IT, LU, MT, NO (4)		AT, CZ, DK, DE, IE, IT, LV (7)	BE, BG, HR, CY, CZ, FI, FR, IE, IT, LU, MT, PT, SI, ES, SE (15) EEA, EU28	

Table 142: Above average vulnerability in countries due to market-related and experience drivers(read last communication - online)

D	Indicator	Read last communication from internet provider					No response to knowledge / read	Reading last communication from internet provider				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	22. Finds it very difficult to compare product deals - energy sector			DE, UK	AT, BE, CY, EE, FI, FR, DE, LU, NO, PL, SK, ES, SE, NL (14) EEA, EU28	BE, CZ, FI, FR, EL, IE, IT, LV, LU, MT, NO, ES (12) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, NL, UK (24) EEA, EU28	FI, NO, SI, SE, UK (5)	IS	AT, CZ, EE, FI, DE, HU, IE, IT, LV, PL, PT, RO, SK, SI, SE, NL (16) EEA, EU28	AT, BE, BG, HR, CY, CZ, FR, IE, IT, LU, MT, PT, ES, SE (14) EEA, EU28	
4	23. Does not compare product deals - finance sector			CZ, IS, NO, PT (4)	AT, BE, HR, CY, CZ, DK, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PT, SK, ES, SE, NL, UK (23) EEA, EU28	BE, CY, CZ, DK, FI, FR, DE, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, SK, SI, ES, NL, UK (23) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, UK (28) EEA, EU28	NO, SE		AT, CY, CZ, EE, FI, DE, IE, IT, LV, RO, SI, SE, UK (13)	AT, BE, BG, HR, CY, CZ, FR, IE, IT, LU, MT, PT, RO, SK, SI, ES, SE (17) EEA, EU28	IS
4	24. Finds it very difficult to compare product deals - finance sector			DK, NO	BE, FI, LU, NL (4)	BE, CZ, FR, IE, NO, PT, ES, NL (8)	AT, BG, CZ, DK, EE, DE, HU, IE, IT, LV, LT, LU, MT, PL, RO, SK, SI, ES, SE, NL, UK (21) EEA, EU28	LT	EE	AT, BE, CZ, DK, EE, FI, DE, IE, LT, LU, NO, PT, RO, SK, NL, UK (16) EEA, EU28	AT, BE, DK, FI, FR, DE, IS, IE, LU, NO, PT, RO, SE (13) EEA, EU28	SK

Annex 4 | Incidence rate of vulnerability by sub-group

Table 142: Above average vulnerability in countries due to market-related and experience drivers(read last communication - online)

D	Indicator	Read last communication from internet provider					No response to knowledge / read	Reading last communication from internet provider				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	25. Has problems comparing deals due to personal factors – energy sector*			BE, CZ, EE, LU, NO, SK, NL (7)	AT, BE, CZ, DK, FI, FR, DE, IE, NO, PT, SK, SE, NL, UK (14) EEA, EU28	AT, CZ, DK, FI, DE, IE, LT, NO, SK, NL (10)	AT, EE, FI, FR, IE, LU, NO, PT, RO, UK (10) EEA, EU28		EE, PT	AT, BE, CZ, EE, FI, DE, IS, IE, LT, LU, NO, PT, RO, SK, SE, UK (16) EEA, EU28	AT, BE, FI, FR, IS, IE, LU, NO, PT, RO, SK, SE (12) EEA, EU28	
4	26. Has problems comparing deals due to personal factors – on-line sector			AT, HR, FI, FR, DE, EL, IS, IT, NO, PL, SK, SI, ES, NL, UK (15) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (29) EEA, EU28	AT, HR, CY, CZ, DK, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, NO, PT, RO, SI, ES, NL, UK (22) EEA, EU28	AT, DK, FI, FR, HU, IS, IE, IT, LU, NO, PL, PT, RO, SI, ES, UK (16) EEA, EU28			BG, LT	BE, HR, CY, DE, IE, IT, MT, RO, SK, ES, SE (11)	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LV, LT, NO, PL, PT, SK, SI, ES, SE, NL, UK (23) EEA, EU28
4	27. Has problems comparing deals due to personal factors – finance sector*			AT, CZ, DK, NO, NL, UK (6)	AT, BE, CZ, FI, DE, IE, LU, NO, PT, SE, NL (11) EEA, EU28	AT, DE, IE, NO, SK (5)	DE, IE, LT, NO, PT, RO, UK (7) EEA, EU28			HR, FI, NO, PT, SK, NL (6)	AT, BE, BG, HR, CY, DK, FI, FR, DE, IT, LU, MT, NO, PT, RO, ES, SE, UK (18) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, SK, SI, ES, SE, NL, UK (24) EEA, EU28

Table 142: Above average vulnerability in countries due to market-related and experience drivers(read last communication - online)

D	Indicator	Read last communication from internet provider					No response to knowledge / read	Reading last communication from internet provider				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	28. Has problems comparing deals due to market-related factors – energy sector*	IS	LT	BE, FI, DE, LT, NO, PT, NL, UK (8) EEA, EU28	DE, LT	IE, LT	AT, BE, FI, FR, LU, NL (6)			PT	BE, CY, DE, IE, IT, SK, SI, ES, SE (9) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (29) EEA, EU28
4	29. Has problems comparing deals due to market-related factors – on-line sector	MT	LV	AT, HR, EE, FI, DE, EL, IT, MT, NO, PL, PT, SK, SI, ES, NL, UK (16) EEA, EU28	BG, HR, CY, CZ, FI, DE, EL, HU, IE, LV, LT, PL, PT, RO, UK (15)	AT, HR, FR, DE, EL, HU, IE, IT, LV, LT, PT, ES (12) EEA, EU28	BE, CZ, FI, FR, HU, LT, LU, NO, RO, SK, SI, UK (12)			HR, CZ, FI, DE, EL, IE, LT, PT, SI, SE, NL (11)	AT, BE, BG, HR, DK, FI, FR, DE, IS, IE, IT, LU, SK, SI, ES, SE (16) EEA, EU28	CZ, FI, DE, IE, LT, NO, PL, SI, NL, UK (10)
4	30. Has problems comparing deals due to market-related factors – finance sector*		PT	CZ, FI, PT, UK (4)	NO, PT, SK	AT, PT	BE, FR, IS, LU, NO, SE (6)			AT, CZ, FI, IE, PT, NL (6)	AT, BE, FI, IE, SK (5)	AT, BE, CZ, DK, EE, FI, DE, IE, NO, PT, SK, NL, UK (13) EEA, EU28

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Annex 4 | Incidence rate of vulnerability by sub-group

Table 143: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - finance)										
D	Indicator	Knows bank contract conditions				Compares deals from banks				
		Not at all	Not very	Fair amount	Compl etely	Time to time	When need to renew	Sporadi cally	Only the first time	Never
1	2. Overpaid for services due to being unable to use certain payment methods	AT, EE, DE, IS, LT, LU, NO, RO, ES, NL (10)	FI, IT, PL, SK, UK (5)		IS	HR, FI, IS, LU, NL (5)	HR, EE, FR, DE, EL, HU, IS, IE, IT, LU, NO, PT, RO, SI, ES, SE, NL, UK (18) EEA, EU28	BG		
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	HR, CY, CZ, EE, FI, LT, LU, NO, PT, RO, SK, NL, UK (13)	CZ, EE, FR, NO, SE, UK (6)		AT, DE, IS	IS	AT, DE, DK, MT (4)		CZ	NO, SK
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	AT, BE, BG, CY, DK, EE, FI, EL, HU, IE, LT, LU, NO, PL, PT, SI, ES, SE, NL, UK (20) EEA, EU28	AT, CZ, DK, FI, FR, DE, IS, IE, LV, NO, ES, SE, UK (13) EEA, EU28		DE, LU, MT	IS, LU, NL	AT, DE, IS, LV, LU, MT (6)	NO	DK	BE, BG, EL, IE, LT, NO, SK, SI, ES, UK (10) EEA, EU28

**Table 143: Above average vulnerability in countries due to market-related and experience drivers
(knows contract, compares deals - finance)**

D	Indicator	Knows bank contract conditions				Compares deals from banks				
		Not at all	Not very	Fair amount	Compl etely	Time to time	When need to renew	Sporadi cally	Only the first time	Never
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	BG, HR, CY, CZ, DK, EE, FI, DE, IS, IE, LV, LT, LU, NO, PT, SK, ES, NL, UK (19) EEA, EU28	CZ, EE, FR, IS, IE, LV, NO, SE, UK (9)		LU, MT, SI	IS, LU, NL	AT, DE, IS, LV, LU, MT, NL, UK (8)	NO	DK	BG, IE, LT, NO, SK, SI (6)
3	15. Has problems comparing deals due to information-related factors- energy sector*	AT, BE, CZ, FI, FR, DE, IE, RO, SK, UK (10) EEA, EU28	BE, CZ, DK, EE, FI, DE, IE, LU, NO, PT, SK, SE, UK (13) EEA, EU28			CZ	EE, PT	DK, EE, DE	EE, LT, RO, SE, NL, UK (6)	AT, FI, IE
3	17. Has problems comparing deals due to information-related factors – financial sector*	AT, BE, CZ, EE, FI, FR, DE, IE, LU, NO, NL, UK (12) EEA, EU28	EE, FI, DE, IE, LT, LU, NO, SK (8) EEA, EU28				CZ, EE	EE, LT		IE
4	21. Does not compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (25) EEA, EU28	AT, BE, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, SK, SI, ES, SE, NL, UK (23) EEA, EU28						AT, CZ, EE, FI, DE, IE, LV, MT, NO, PT, RO, SK, SI, ES, SE (14)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SI, ES, SE, NL, UK (29) EEA, EU28	AT, HR, CZ, EE, FI, FR, DE, IT, LU, NO, PL, SK, SE, NL (14) EEA, EU28							AT, BE, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, UK (25) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 143: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - finance)

D	Indicator	Knows bank contract conditions				Compares deals from banks				
		Not at all	Not very	Fair amount	Compl etely	Time to time	When need to renew	Sporadi cally	Only the first time	Never
4	23. Does not compare product deals - finance sector	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (29) EEA, EU28							
4	24. Finds it very difficult to compare product deals - finance sector	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	CZ, DK, EE, FI, FR, DE, IE, LU, NO, SK, SE, UK (12)							AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, UK (27) EEA, EU28
4	25. Has problems comparing deals due to personal factors - energy sector*	AT, BE, CZ, DK, EE, FI, FR, DE, IE, LT, SK, SE, NL, UK (14) EEA, EU28	AT, BE, CZ, DK, EE, FI, DE, IE, NO, SK, SE, NL (12) EEA, EU28						DE, IE	AT, BE, CZ, FI, DE, IE, NO, PT, RO, SK, SE, NL, UK (13) EEA, EU28
4	26. Has problems comparing deals due to personal factors - on-line sector	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, MT, PL, RO, ES, SE, UK (23) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, DE, HU, IT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (23) EEA, EU28		LT			HR, EL	AT, FI, EL, NO, PL, PT, SK, SI, ES (9)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, HU, IS, IE, IT, LV, LU, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28
4	27. Has problems comparing deals due to personal factors - finance sector*	AT, BE, CZ, DK, EE, FI, DE, IS, IE, PT, SK, SE, NL, UK (14) EEA, EU28	AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LT, LU, NO, PT, SK, SE, NL, UK (18) EEA, EU28							
4	28. Has problems comparing deals due to market-related factors - energy sector*	AT, CZ, EE, FI, DE, IS, IE, RO (8)	AT, CZ, EE, FI, DE, IE, NO, PT, UK (9) EEA, EU28				FR, IS	LT	LT, NO, SK	DE, IE

Table 143: Above average vulnerability in countries due to market-related and experience drivers (knows contract, compares deals - finance)

D	Indicator	Knows bank contract conditions				Compares deals from banks				
		Not at all	Not very	Fair amount	Compl etely	Time to time	When need to renew	Sporadi cally	Only the first time	Never
4	29. Has problems comparing deals due to market-related factors – on-line sector	AT, HR, CZ, EE, FI, DE, EL, HU, IE, IT, LV, PL, PT, RO, SK, ES, NL, UK (18) EEA, EU28	AT, BE, BG, HR, CZ, EE, FI, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, UK (23) EEA, EU28				RO	HR, CZ, DK, IE, LT (5)	AT, CY, CZ, IE, IT, LT, NO, PL, RO, SK, SI, ES (12)	BG, DE, HU, PL, PT (5)
4	30. Has problems comparing deals due to market-related factors – finance sector*	AT, CZ, EE, FI, DE, IE, LU, NO, RO, NL (10)	AT, BE, CZ, DK, EE, FI, FR, DE, IS, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (19) EEA, EU28							

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES. Frequency to compare deals from online provider is used to construct the indicator

Source: London Economics

Table 144: Above average vulnerability in countries due to market-related and experience drivers (read last communication - finance)

D	Indicator	Read last communication from bank					No response knowledge / read	Reading last communication from bank				
		In detai l	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Eas y	Difficult	Very difficult	No response
1	2. Overpaid for services due to being unable to use certain payment methods			BG, DK, EE, DE, LU, NO, PL, ES, UK (9)	AT, LU, NO	CZ, EE, PT, ES (4)	AT, CZ, DK, MT, NO, SK, UK (7)		MT	FI, FR, DE, EL, LU, SE, NL (7)	AT, BE, HR, CY, CZ, DK, FI, DE, IE, IT, LV, LT, LU, PT, RO, SK, NL (17) EEA, EU28	AT, DK, LU, NO (4)

Annex 4 | Incidence rate of vulnerability by sub-group

Table 144: Above average vulnerability in countries due to market-related and experience drivers (read last communication - finance)												
D	Indicator	Read last communication from bank					No response knowledge / read	Reading last communication from bank				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	IS		AT, DK, LU, UK (4)	AT, FI, IS, LU, NO, RO, UK (7)	CY, LT, MT, NO, PT, ES, NL (7)	BG, HR, DE, HU, IE, IT, LU, MT, PT, SK, ES, NL (12) EEA, EU28	BE, NO		AT, HR, CZ, DE, SK, NL, UK (7)	BE, BG, HR, FR, DE, HU, IS, LT, PT, SI, NL, UK (12) EEA, EU28	AT, DK, LU, UK (4)
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	DE, IS	LV	AT, CZ, DK, SE, NL, UK (6)	AT, BE, HR, CZ, DK, EE, FI, FR, IE, LV, LU, NO, ES, SE, UK (15) EEA, EU28	BE, CY, FI, HU, LT, LU, NO, PT, SK, ES (10)	BE, BG, HR, CY, CZ, DE, HU, IT, LT, LU, MT, PT, RO, SK, SI, ES, NL (17) EEA, EU28		IS	CZ, EE, FI, DE, IS, LV, LU, MT, PT, SK, SE, NL, UK (13)	AT, BE, BG, HR, DK, EE, FR, DE, EL, IS, IE, LT, PT, ES, NL, UK (16) EEA, EU28	AT, CZ, DK, LT, LU, NO, SK, NL, UK (9) EEA, EU28
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'			AT, CY, CZ, DK, NL, UK (6)	AT, BE, HR, DK, EE, FI, IE, LV, NO, SE, UK (11)	AT, CY, CZ, LT, LU, NO, PT, ES, UK (9)	AT, BG, HR, CZ, DK, FI, FR, DE, HU, IS, IE, IT, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL (24) EEA, EU28	EE		CZ, EE, FR, DE, IS, LV, LU, MT, PT, SK, NL, UK (12)	AT, BE, BG, HR, CZ, DK, EE, FR, DE, EL, IS, IE, LV, LT, PT, ES, NL, UK (18) EEA, EU28	AT, CZ, DK, IE, LT, NO, SK, UK (8) EEA, EU28

Table 144: Above average vulnerability in countries due to market-related and experience drivers (read last communication - finance)

D	Indicator	Read last communication from bank				No response knowledge / read	Reading last communication from bank					
		In detail	Glanced or skim read	Saw what it was	Not at all		Don't know	Very easy	Easy	Difficult	Very difficult	No response
3	15. Has problems comparing deals due to information-related factors-energy sector*		PT	AT, FI, FR, DE, LT, LU, RO, SK (8) EEA, EU28	AT, BE, EE, DE, IE, RO (6) EEA, EU28	AT, EE, FI, FR, IE, NO, PT, RO, SK, SE, UK (11) EEA	AT, IE, NO, SK (4)		LT	AT, BE, CZ, DK, EE, FI, DE, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (17) EEA, EU28	AT, BE, CZ, DK, EE, FR, DE, IS, IE, PT, RO, UK (12) EEA, EU28	AT, FI, DE, IE, SK (5)
3	17. Has problems comparing deals due to information-related factors – financial sector*			DK, DE, IS, LU, SK, SE (6)	NO	CZ, UK	EE, IE, NO, SK, SE (5)			AT, BE, CZ, DK, EE, FI, FR, DE, IS, LT, LU, NO, PT, RO, SK, SE, NL, UK (18) EEA, EU28	AT, DK, EE, FI, FR, DE, IS, IE, LT, PT, RO, NL (12) EEA, EU28	NO, UK
4	21. Does not compare product deals - energy sector			CZ, DK, EE, FI, DE, LV, PL, PT, SE (9)	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LU, NO, PL, PT, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, HR, CZ, FI, FR, DE, EL, IE, IT, LT, LU, PL, PT, RO, SK, SI, ES, SE, NL, UK (21) EEA, EU28			DE, NO	AT, BE, BG, DE, IE, LT, MT, NO, PL, RO, SE, NL (12)	AT, BE, HR, CZ, DK, EE, FI, FR, DE, HU, IE, IT, LV, NO, PL, PT, SK, SI, ES, SE, NL, UK (22) EEA, EU28
4	22. Finds it very difficult to compare product deals - energy sector	AT		DE, LU, SE	BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LU, MT, PL, PT, SK, SI, ES, NL, UK (21) EEA, EU28	AT, BG, CY, CZ, EE, FI, FR, DE, EL, HU, LV, LT, NO, PT, SK, SI, ES, SE, NL, UK (20) EEA, EU28	BE, BG, HR, CZ, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, SE, NL, UK (23) EEA, EU28	ES		AT, CZ, DK, EE, FI, FR, DE, IE, LU, NO, PT, SK, SI, NL, UK (15) EEA, EU28	AT, BE, BG, HR, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28	AT, BE, BG, HR, CZ, EE, FI, FR, DE, EL, IE, IT, LV, LT, NO, PL, PT, SK, SI, SE, NL, UK (22) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 144: Above average vulnerability in countries due to market-related and experience drivers (read last communication - finance)

D	Indicator	Read last communication from bank					No response knowledge / read	Reading last communication from bank				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	23. Does not compare product deals - finance sector			AT, CZ, DK, EE, FI, FR, DE, IS, MT, NO, PT, SK, SE (13)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, SK, SI, ES, SE, NL, UK (29)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SI, ES, SE, NL, UK (29)	BE, BG, HR, CY, CZ, EE, FR, EL, HU, IS, IE, IT, LV, LT, MT, PL, PT, RO, SK, SI, ES, SE, NL, UK (24)			DK, NO	AT, DE, IE, LT, NO, PT, RO, SI, ES, SE, NL (11)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30)
4	24. Finds it very difficult to compare product deals - finance sector			AT, EE, DE, LU, NO, UK (6)	AT, BE, HR, DK, EE, FI, FR, DE, IS, IE, IT, LU, NO, PL, PT, SK, ES, SE, NL, UK (20)	CY, CZ, FI, FR, DE, EL, HU, IT, LV, LU, MT, NO, ES, SE, NL, UK (16)	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30)			AT, CZ, FI, FR, DE, IS, IE, NO, SK, SI, SE, NL, UK (13)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (28)	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, IE, LV, LT, LU, MT, NO, PL, PT, SK, SI, SE, NL, UK (24)
4	25. Has problems comparing deals due to personal factors – energy sector*		AT	CZ, DK, DE, NO, SK, UK (6)	AT, BE, EE, FI, FR, DE, IE, NO, SE, NL, UK (11)	AT, BE, CZ, FI, DE, IE, LU, NO, SK, SE, NL, UK (12)	AT, IS, IE, LT, RO, UK (6)			AT, CZ, DK, DE, LU, NO, SE, UK (8)	AT, BE, CZ, DE, PT, SE, NL, UK (8)	BE, CZ, FI, DE, IE, NO, SK, SE, NL, UK (10)
4	26. Has problems comparing deals due to personal factors – on-line sector			CZ, DK, EL, HU, LT, NO, PL, PT, SI, ES, SE, NL, UK (13)	BG, HR, CZ, FI, DE, EL, HU, IE, IT, LV, LU, PL, PT, RO, SK, ES, SE, NL, UK (19)	AT, BE, BG, CY, CZ, DK, FI, FR, DE, IT, LT, NO, RO, SK, NL, UK (16)	HR, CY, CZ, DK, EE, FR, IE, LT, LU, MT, PL, SK, ES, UK (14)		LT	BE, BG, HR, CZ, DE, HU, LU, NO, PL, PT, SK, SE (12)	AT, BE, HR, CY, DK, DE, IS, IT, MT, PT, SI, SE (13)	BG, HR, CZ, DK, FI, DE, EL, HU, IE, LV, LT, PL, PT, RO, SK, ES, SE, NL, UK (19)

Table 144: Above average vulnerability in countries due to market-related and experience drivers (read last communication - finance)

D	Indicator	Read last communication from bank					No response knowledge / read	Reading last communication from bank				
		In detail	Glanced or skim read	Saw what it was	Not at all	Don't know		Very easy	Easy	Difficult	Very difficult	No response
4	27. Has problems comparing deals due to personal factors – finance sector*			AT, CZ, DK, EE, FI, DE, IS, LU, NO, PT, SE, UK (12) EEA, EU28	AT, CZ, DK, EE, FI, DE, IS, IE, LT, LU, NO, PT, SK, SE, NL, UK (16) EEA, EU28	AT, CZ, FI, DE, IE, LT, SE, UK (8) EEA, EU28	CZ, EE, IE, LT, LU, PT, RO, SK, UK (9) EEA, EU28			AT, BE, CZ, DK, FI, DE, IS, LT, NO, SK, SE, NL (12) EEA, EU28	AT, BE, CZ, DK, FR, DE, IS, LT, NO, PT, RO, SE, NL (13) EEA, EU28	AT, CZ, EE, FI, DE, IE, LT, LU, NO, PT, RO, SK, SE, NL, UK (15) EEA, EU28
4	28. Has problems comparing deals due to market-related factors – energy sector*			CZ, FI, DE, LT, NO, PT, RO, SE, UK (9) EEA, EU28	DK, EE, DE, IE, RO, UK (6)	IE	EE, IS, IE, LU, NO, SK (6)			AT, BE, CZ, EE, FI, DE, LT, LU, NO, PT, RO, SK, SE, NL, UK (15) EEA, EU28	AT, BE, CZ, DK, FR, DE, IS, IE, NO, PT, RO, NL, UK (13) EEA, EU28	DE, IE
4	29. Has problems comparing deals due to market-related factors – on-line sector			BG, CY, CZ, EE, FI, EL, IT, LT, MT, PT, RO, SK, SI, ES, NL (15)	BG, HR, CZ, EE, FI, FR, DE, EL, IE, IT, LV, LU, PL, RO, SK, SE, UK (17) EEA, EU28	AT, BG, CY, CZ, FI, HU, IE, IT, LT, LU, PT, SK, ES (13)	BG, CY, LT, PT, SI, ES, UK (7)		NL	AT, BE, BG, HR, CY, CZ, EE, FI, FR, DE, HU, IE, IT, LT, LU, MT, NO, PL, RO, SK, ES, SE, NL, UK (24) EEA, EU28	BE, BG, HR, DK, FR, DE, HU, IS, IE, IT, LT, MT, PT, SI, UK (15) EEA, EU28	BG, CY, CZ, FI, EL, LT, PT, RO, SK, SI, ES, UK (12)
4	30. Has problems comparing deals due to market-related factors – finance sector*			AT, CZ, EE, DE, IS, IE, LT, LU, NO, PT, SE, UK (12) EEA, EU28	EE, FI, IE, NO (4)	AT, CZ, IE, RO (4)				AT, BE, CZ, DK, FI, FR, DE, IS, IE, LT, NO, PT, RO, SK, SE, NL, UK (17) EEA, EU28	AT, BE, CZ, EE, FI, FR, DE, IS, IE, LT, LU, NO, PT, RO, NL, UK (16) EEA, EU28	CZ, EE, IE, NO (4)

Note: * -- Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Annex 4 | Incidence rate of vulnerability by sub-group

Access drivers

Table 145: Above average vulnerability in countries due to access drivers (type)

D	Indicator	Infrequent internet use (i.e. less than once a month)						
		Search	Compare prices	Banking	Purchases	Selling	Social	Email
1	2. Overpaid for services due to being unable to use certain payment methods	FI, DE, IE, NO, SE, NL, UK (7)	DE, NO	FI, DE, IS, LU, NO, NL (6)	DE		NO	DK, FI, DE, NO, SE, NL, UK (7)
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	HU, UK		SK	UK			HU, UK
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	HR, CY, EE, LT, MT, SI, SE (7)	HR, EE, LT, SI (4)	HR, EE, IS, LT, MT, SI, SE (7)	EE, IS, LT, SI (4) EEA, EU28		EE	HR, CY, EE, LT, MT, RO, SE (7)
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	BE, HR, CY, EE, HU, LT, MT, NO, RO, SK, SI, SE, NL, UK (14) EEA, EU28	HR, DK, LT, SK (4)	HR, IS, LT, MT, NO, SK, SE, NL (8) EEA, EU28	LT, SK, UK		HR, LT	BE, HR, EE, HU, LT, MT, NO, RO, SK, SE, NL, UK (12) EEA, EU28
3	15. Has problems comparing deals due to information-related factors- energy sector*	DE, SK	SE	FI, DE, NO, NL (4)	IE, NO		CZ, UK	CZ, FR, LU, SK, SE (5)
3	17. Has problems comparing deals due to information-related factors – financial sector*	DE, NO, SK		NO			CZ, IS	SK
4	21. Does not compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LV, LT, NO, PL, PT, RO, SI, ES, SE, NL, UK (23) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LT, NO, PL, PT, SI, ES, SE, NL, UK (21) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, PL, PT, SK, SI, ES, SE, NL, UK (19) EEA, EU28	HR, CZ, DE, IE, IT, PT, SI, UK (8)	AT, HR, CZ, EE, FI, DE, EL, IE, IT, LV, LT, PL, PT, RO, SI, ES, NL, UK (18) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LT, PL, PT, RO, SI, ES, SE, NL, UK (21) EEA, EU28

Table 145: Above average vulnerability in countries due to access drivers (type)

D	Indicator	Infrequent internet use (i.e. less than once a month)						
		Search	Compare prices	Banking	Purchases	Selling	Social	Email
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, NL, UK (25) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (25) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, SK, SI, ES, SE, NL, UK (25) EEA, EU28	AT, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LT, NO, PL, PT, SI, UK (17) EEA, EU28		AT, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, NL, UK (23) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28
4	23. Does not compare product deals - finance sector	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (27) EEA, EU28	BG, CZ, DE, IT, PL, RO, SI (7)	AT, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, MT, PL, PT, RO, SK, SI, ES (22) EEA, EU28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, NL, UK (30) EEA, EU28
4	24. Finds it very difficult to compare product deals - finance sector	AT, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LT, LU, MT, PL, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	AT, BG, HR, CZ, EE, DE, HU, IE, IT, LV, LT, LU, PL, RO, SK, SI, ES, NL, UK (19) EEA, EU28	AT, BE, CZ, DK, EE, FI, DE, IE, LV, LT, LU, NO, PL, SK, SI, SE, NL, UK (18) EEA, EU28	AT, CZ, EE, DE, IE, LT, LU, UK (8)		AT, BG, HR, CZ, EE, HU, IE, IT, LV, LT, LU, MT, PL, RO, SK, SI, ES, UK (18) EEA, EU28	AT, BG, HR, CZ, DK, EE, FI, DE, HU, IE, IT, LV, LT, LU, MT, PL, RO, SK, SI, ES, SE, NL, UK (23) EEA, EU28
4	25. Has problems comparing deals due to personal factors – energy sector*	FI, DE, LU, NO, PT, RO, SK, NL, UK (9) EEA, EU28	AT, BE, DK, FI, DE, IE, NO, PT, RO, SK, SE, NL, UK (13) EEA, EU28	BE, FI, IS, IE, NO, PT, UK (7) EEA, EU28	AT, NO, UK (3) EEA, EU28		PT, RO, UK	AT, IE, PT, RO, SK, SE, UK (7) EEA, EU28
4	26. Has problems comparing deals due to personal factors – on-line sector	HR, CY, DK, EE, FI, FR, DE, IS, IT, LV, LT, MT, PL, PT, SK, SI, ES, NL, UK (19) EEA, EU28	AT, HR, CY, DK, EE, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, MT, PL, PT, RO, SK, SI, ES, SE, NL, UK (26) EEA, EU28	AT, BE, HR, EE, FI, DE, EL, IS, IT, LT, LU, MT, NO, PL, PT, RO, SK, ES, UK (19) EEA, EU28	AT, HR, EE, EL, IE, IT, LT, MT, NO, PT, SE (11)		EL, HU, IS, IT, LV, LU, MT, PT, UK (9)	AT, BE, HR, CZ, DK, FI, FR, DE, HU, IS, IE, IT, LV, MT, NO, PL, SK, ES, SE, UK (20) EEA, EU28
4	27. Has problems comparing deals due to personal factors – finance sector*	BE, IS, LT, PT, RO, SK, SE, UK (8) EEA, EU28	AT, CZ, FR, DE, IE, LT, PT, RO, SK, SE, NL, UK (12) EEA, EU28	AT, FI, IE, LT, LU, NO, PT, SK, NL, UK (10) EEA, EU28	LT, UK (2) EU28		LT, PT, RO	DE, IE, LT, PT, RO, SK, SE, UK (8) EEA, EU28

Annex 4 | Incidence rate of vulnerability by sub-group

Table 145: Above average vulnerability in countries due to access drivers (type)								
D	Indicator	Infrequent internet use (i.e. less than once a month)						
		Search	Compare prices	Banking	Purchases	Selling	Social	Email
4	28. Has problems comparing deals due to market-related factors – energy sector*		DE, IE	EE, DE, LU, NO, UK (5)			AT, CZ	LU, SE
4	29. Has problems comparing deals due to market-related factors – on-line sector	HR, CY, EE, FR, DE, IT, LV, LU, NO, PT, SK, ES, UK (13) EEA, EU28	AT, HR, CY, EE, FI, DE, EL, HU, IE, IT, LV, LT, PT, SK, ES, SE (16) EEA, EU28	EE, LT, LU, NO, SK, UK (6)	AT, BG, CY, CZ, EE, EL, IE, LT (8)		AT, BE, HR, CZ, DK, EE, FR, EL, IT, LV, LT, LU, NO, PL, RO, ES, SE, UK (18) EEA, EU28	HR, CY, CZ, DK, FR, IT, SK (7) EEA, EU28
4	30. Has problems comparing deals due to market-related factors – finance sector*	EE	IE	AT	IE		NO	AT, RO, SE

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Table 146: Above average vulnerability in countries due to access drivers (frequency)									
D	Indicator	Uses internet at least once per month (out of 7 activities)							
		0	1	2	3	4	5	6	7
1	2. Overpaid for services due to being unable to use certain payment methods	DK, FI, DE, IS, IE, NO, SE, NL, UK (9)	FI, FR, DE, LU, MT, RO, SK, SE (8)	AT, CY, FR, DE, IT, LT, NO, PL, PT, RO, SK, UK (12)	HR, EE, UK	EE, LU, MT			AT, BE, BG, CY, DK, EE, FR, EL, IT, MT, PL, PT, ES, SE, UK (15) EEA, EU28
2	4. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to employment situation'	HU, UK	AT, CZ, EE, FR, DE, EL, MT, ES, UK (9) EEA, EU28	BE, HR, CZ, EE, IE, LT, PT, RO, SK, SI (10)	BE, HR, NL, UK (4)	DK, DE, IE, LT, SI, ES, SE, NL (8)	EE, PL		AT, DK, DE, LU, NO, SE (6)
2	5. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to financial circumstances'	HR, CY, EE, LT, MT, SE, UK (7)	CZ, DE, EL, MT, RO, ES (6)	BE, HR, CZ, EE, FI, FR, DE, EL, HU, IE, LT, PL, PT, SI, ES (15) EEA, EU28	BE, DK, FI, EL, HU, IS, IE, IT, SI, ES, SE, NL (12)	BG, DK, FR, DE, IE, IT, LV, LT, LU, PL, SI, ES (12) EEA, EU28	EE, FI, IS, PL, SK, SE (6)	LU	AT, CZ, SE, UK (4)
2	10. Perception of own vulnerability due to personal characteristics In this section referred to as 'Feels vulnerable to 'a great extent' due to any personal characteristic'	HR, CY, EE, HU, LT, MT, NO, RO, SK, SE, NL, UK (12) EEA, EU28	AT, BE, EE, FR, DE, EL, MT, PT, RO, ES (10) EEA, EU28	BE, HR, CZ, DK, FR, DE, LT, PL, PT, SI, ES (11) EEA, EU28	EL, IS, NL	DK, IS, IE, IT, LT, ES (6)	FI		AT, DK, LV, PL, SE (5)
3	15. Has problems comparing deals due to information-related factors- energy sector*	FR, SK, UK	CZ, FI, IS, NL (4)	DK, FI, FR, IE, RO, SE (6) EEA, EU28	EE, DE, IS, IE, NO, UK (6) EEA, EU28	SK	IE, NO	FI, LT	IE, LT
3	17. Has problems comparing deals due to information-related factors – financial sector*	BE, NO, SK	BE, RO	DE, PT, RO, UK (4)	IS, UK	IE			

Annex 4 | Incidence rate of vulnerability by sub-group

Table 146: Above average vulnerability in countries due to access drivers (frequency)								
D	Indicator	Uses internet at least once per month (out of 7 activities)						
		0	1	2	3	4	5	6
4	21. Does not compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, DE, EL, IE, IT, LV, LT, PL, PT, RO, SI, ES, SE, NL, UK (21) EEA, EU28	AT, HR, CZ, EE, FI, FR, DE, EL, HU, IE, LV, LT, SI, SE, NL, UK (19) EEA, EU28	BE, HR, DK, FI, DE, HU, IE, LV, LT, NO, PL, PT, RO, SI, ES, SE, NL, UK (18) EEA, EU28	AT, BE, CZ, DK, FI, FR, DE, EL, HU, IE, IT, LV, LT, NO, PL, PT, RO, SE, NL, UK (20) EEA, EU28	AT, BE, CZ, FI, IE, IT, LV, NO, PL, SK, ES, SE, NL, UK (14) EEA, EU28		MT
4	22. Finds it very difficult to compare product deals - energy sector	AT, BE, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, NO, PL, PT, RO, SK, SI, ES, NL, UK (25) EEA, EU28	AT, BG, HR, CY, CZ, FR, DE, HU, IS, IE, LV, LT, NL, UK (14) EEA, EU28	HR, DK, FI, FR, DE, EL, HU, IS, PT, SK, SI, ES, SE, NL, UK (15) EEA, EU28	BE, CZ, DK, EE, FI, LV, LU, NO, SK, SE, NL (11) EEA, EU28	AT, DK, FI, DE, LV, LU, SE (7) EEA, EU28		
4	23. Does not compare product deals - finance sector	AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, UK (28) EEA, EU28	BG, CY, CZ, DK, EE, FR, EL, IS, IE, LV, LT, LU, MT, RO, NL, UK (16) EEA, EU28	AT, BE, HR, CZ, DK, EE, FI, DE, EL, HU, IS, IE, IT, LV, LT, LU, NO, PL, RO, SK, SI, SE, NL, UK (24) EEA, EU28	BE, CY, CZ, DK, FI, FR, DE, EL, HU, IS, IE, IT, LV, LT, LU, PL, PT, RO, ES, SE, NL, UK (22) EEA, EU28	AT, DK, EE, FI, DE, HU, IS, IE, IT, LU, NO, PT, SK, ES, SE, NL (16) EEA, EU28		
4	24. Finds it very difficult to compare product deals - finance sector	AT, BG, HR, CZ, DK, EE, FI, DE, HU, IE, IT, LV, LT, LU, MT, NO, PL, RO, SK, SI, ES, SE, NL, UK (24) EEA, EU28	BG, CY, DK, IS, IE, LV, LT, LU, RO, NL, UK (11) EEA, EU28	FR, DE, EL, LU, PT, SK, NL, UK (8) EEA, EU28	AT, BE, CZ, EE, FR, IS, LV, PL, NL, UK (10) EEA, EU28	IE, LU EEA, EU28		IS
4	25. Has problems comparing deals due to personal factors – energy sector*	AT, BE, DE, IS, PT, RO, SK, NL, UK (9) EEA, EU28	CZ, FI, FR, IS, IE, SK, NL, UK (8) EEA, EU28	AT, BE, DK, FI, DE, IE, LT, LU, NL, UK (10) EEA, EU28	AT, BE, DK, EE, DE, IE, SE (7) EEA, EU28	AT, BE, FI, IE, NO, NL (6) EEA, EU28		
4	26. Has problems comparing deals due to personal factors – on-line sector	BE, HR, CY, HU, LV, MT, NO, SK, ES, NL (10) EEA, EU28	AT, CZ, FI, FR, IS, IE, MT, SK, NL (9) EEA, EU28	AT, BE, CZ, DK, FR, HU, IS, IE, IT, LT, LU, MT, SI, ES, SE, NL, UK (17) EEA, EU28	AT, BE, BG, HR, CY, DK, EE, FI, DE, EL, HU, IS, IT, LT, LU, NO, PL, PT, RO, SK, SI, ES, SE, UK (24) EEA, EU28	AT, DK, EE, FI, FR, DE, EL, IE, IT, LV, LT, LU, PL, PT, SK, SE, NL (17) EEA, EU28	UK EEA, EU28	

Table 146: Above average vulnerability in countries due to access drivers (frequency)									
D	Indicator	Uses internet at least once per month (out of 7 activities)							
		0	1	2	3	4	5	6	7
4	27. Has problems comparing deals due to personal factors – finance sector*	LT, PT, RO, SK, NL, UK (6) EEA, EU28	CZ, IS, IE, LU, SK, UK (6) EEA, EU28	AT, CZ, DK, FI, FR, DE, IE, LT, PT, RO, SE, NL, UK (13) EEA, EU28	AT, CZ, FR, DE, IS, IE, LT, SK (8)	DE, IE, SE, NL (4)			
4	28. Has problems comparing deals due to market-related factors – energy sector*	BE, SK, NL	BE, DK, LU, UK (4)	AT, DK, DE, IE, PT, RO, SE, UK (8) EEA, EU28	EE, DE, IS, IE, NO, UK (6)	CZ, DE, LT		LT, PT	LT, PT
4	29. Has problems comparing deals due to market-related factors – on-line sector	BE, HR, CY, FR, SK, ES, NL (7) EEA, EU28	CZ, UK	BE, HR, DK, FI, DE, HU, IE, IT, LU, SE, UK (11) EEA, EU28	AT, CY, EE, DE, EL, IS, IT, LT, LU, NO, PT, SI, ES, SE (14) EEA, EU28	AT, BG, CZ, DK, EE, FI, DE, EL, LV, MT, NO, UK (12)	EE, IE, LT, MT, PL (5)		RO
4	30. Has problems comparing deals due to market-related factors – finance sector*	AT, BE, FI, FR (4)	FI, RO, UK	DK, PT, SE	AT, IS, IE, LT, SK (5)	FI, NO	PT		

Note: * -= Following 11 countries not covered: BG, HR, CY, EL, HU, IT, LV, MT, PL, SI, ES.

Source: London Economics

Annex 5 Sector-level information on where consumers get information when comparing deals

The present annex discusses the 'Getting information from a few sources' indicator, which is operationalised in the survey by the 'Compares product deals by using information from advertisements only' indicator³⁸⁹ within dimension 3. As survey respondents are asked about a variety of other information gathering channels, namely:

- online search;
 - comparison sites;
- national authorities and/or consumer organisations;
- friends and/or family;
- advertisements; and
- other,

A comparison between all channels is drawn in this section, although getting information from 'advertisements only' is the indicator of consumer vulnerability. The prevalence of the aforementioned product information gathering channels in the EU28 as well as by Member State is discussed below, organised by sector.

A5.1 Energy sector

- Online search and comparison sites in particular are the most popular information channels when comparing energy deals, used on average³⁹⁰ by 82% and 51% of respondents respectively. The country with smallest share of consumers who use online search to compare energy deals is Romania with 55%, and Luxembourg with 21% of respondents who use comparison sites in particular. The country where most consumers research energy deals online is Germany - 89% and where most consumers compare energy deals on designated websites - the Czech Republic with 65%.
- The second most popular channel for comparing energy deals is 'friends and family', averaging 26% of use on average across the EU28. Respondents from Romania are the ones who use this channel the most of all countries - 50%. This method for product comparison is least popular in Finland with a 15% share.
- On average, 17% of respondents use national authorities and consumer organisations. This channel holds its lowest share in Iceland with 8% and its highest - in Austria with 31%.
- 'Advertisements only' constitutes the smallest share - 4% on average - of comparison channels. This method is comparatively more popular in Luxembourg and Portugal with around 9% of respondents reporting to use it exclusively for comparing energy deals, and least popular - in the Czech Republic, Germany, Sweden and the Netherlands with around 2%.

³⁸⁹ This indicator is part of dimension 3.

³⁹⁰ An average across 17 of the EU28 member states, excluding Bulgaria (BG), Croatia (HR), Cyprus (CY), Greece (EL), Hungary (HU), Italy (IT), Latvia (LV), Malta (MT), Poland (PL), Slovenia (SI) and Spain (ES), where the relevant survey question for the energy sector was not asked.

Table 147: Indicators of 'getting information from few sources': energy sector

	Share of consumers who use the following sources of information :						Observations
	Online search		National authorities and/or consumer organisations	Friends and/or family	Other	Advertisements ONLY	
	All	Comparison-sites					
EU28	82%	51%	17%	26%	4%	4%	9,138
AT	84%	49%	31%	24%	3%	4%	595
BE	82%	52%	28%	18%	5%	3%	582
BG							
HR							
CY							
CZ	88%	65%	14%	41%	2%	2%	562
DK	84%	51%	13%	18%	5%	4%	546
EE	84%	58%	21%	31%	4%	4%	291
FI	85%	52%	13%	15%	4%	6%	622
FR	73%	27%	23%	28%	5%	6%	359
DE	89%	59%	13%	24%	3%	2%	712
EL							
HU							
IE	84%	41%	10%	32%	1%	5%	713
IT							
LV							
LT	79%	35%	21%	34%	3%	4%	270
LU	68%	21%	21%	47%	6%	9%	193
MT							
PL							
PT	61%	34%	25%	39%	8%	9%	704
RO	55%	24%	22%	50%	7%	4%	421
SK	75%	50%	18%	48%	3%	4%	524
SI							
ES							
SE	84%	48%	12%	21%	7%	2%	629
NL	87%	57%	25%	16%	6%	2%	669
UK	83%	58%	14%	21%	4%	4%	746
IS	83%	34%	8%	29%	13%	4%	90
NO	83%	40%	24%	22%	6%	5%	604

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. In contrast to Table 12, the base of the indicators here excludes those respondents who have never compared deals. Questions only asked in some countries/via some modes.

Source: London Economics analysis

A5.2 Online sector

- Online search is used on average by 84% of respondents in the online sector, which is higher than its share in the energy sector; yet, the share of respondents

Annex 5 | Sector-level information on where consumers get information when comparing deals

who use comparison tools to search online is only 38%, compared to 51% for energy³⁹¹.

- The share of on-line search is largest in Croatia with 95%, and that of comparison sites – in Bulgaria and the UK with 51% .
- The shares of online search and comparison sites are lowest Malta with 51% and 4% respectively.
- Friends and family is the second-most used channel for comparing product deals in the on-line sector as well. The average proportion of respondents to use this channel is 29%; with the highest proportion in Slovakia (48%) and the lowest proportion – in Malta (17%).
- National authorities and consumer organisations has a take-up of 9% on average in the on-line sector, lower than the energy sector. This sector is highest in Portugal with 20%, and lowest in Hungary with 4%.
- On average only 5% of respondents who compare deals use advertisements only, but there is a large variation between countries (ranging from 2% to 24%).

Table 148: Indicators of 'getting information from few sources': On-line sector

	Share of consumers who use the following sources of information :						Observations
	Online search		National authorities and/or consumer organisations	Friends and/or family	Other	Advertisements ONLY (indicator 14)	
	All	Comparison-sites					
EU28	84%	38%	9%	29%	4%	5%	15,566
AT	83%	35%	14%	29%	3%	6%	695
BE	79%	35%	15%	23%	6%	4%	567
BG	86%	51%	11%	47%	2%	4%	475
HR	95%	39%	5%	41%	5%	2%	635
CY	52%	20%	6%	41%	4%	24%	231
CZ	81%	42%	9%	45%	3%	3%	602
DK	86%	44%	7%	21%	5%	4%	732
EE	82%	39%	15%	38%	7%	7%	306
FI	86%	38%	6%	22%	5%	5%	680
FR	81%	23%	10%	33%	3%	5%	623
DE	85%	49%	7%	29%	5%	3%	737
EL	87%	41%	9%	44%	6%	5%	526
HU	81%	22%	4%	29%	3%	9%	601
IE	82%	33%	10%	33%	2%	5%	748
IT	87%	40%	11%	24%	2%	4%	572
LV	74%	20%	9%	34%	5%	13%	304
LT	88%	27%	7%	26%	3%	4%	565
LU	60%	13%	11%	41%	4%	17%	345
MT	51%	4%	9%	17%	20%	18%	266
PL	79%	22%	5%	33%	5%	8%	633
PT	84%	40%	20%	34%	7%	4%	589
RO	74%	23%	7%	38%	4%	9%	474

³⁹¹ This could be due to the sampling differences in the two sectors – the question was not asked for the energy sector in 11 of the countries.

SK	81%	48%	8%	48%	3%	3%	644
SI	84%	37%	9%	40%	1%	7%	349
ES	83%	27%	7%	30%	3%	6%	610
SE	86%	38%	7%	23%	7%	2%	662
NL	85%	47%	16%	21%	5%	2%	710
UK	88%	51%	9%	19%	2%	3%	685
IS	79%	26%	6%	32%	11%	5%	352
NO	85%	40%	16%	22%	5%	5%	577

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. In contrast to Table 12, the base of the indicators here excludes those respondents who have never compared deals. Questions only asked in some countries/via some modes. Missing data is due to particular survey questions not being asked in all countries.

Source: London Economics analysis of survey data

A5.3 Finance sector

- Online search makes up for the largest proportion of product comparison in the finance sector - 66% on average, with a highest take-up in the Czech Republic (80%) and the lowest in Luxembourg (44%). The average use of online search for comparing financial products is much lower than for the energy and online sectors. This is also reflected in the use of comparison sites, which is reported by 29% of all respondents, the largest share being in Denmark (40%) and the lowest – once again in Luxembourg (6%).
- Unlike the energy and on-line sectors, with an average of 40%, the second most popular channel for the comparison of financial product deals is through the bank or a similar institution. This proportion is highest in Estonia (40%), and lowest in the Netherlands (24%).
- Friends and family are used by 26% of respondents, a share similar to that in the energy and online sectors.
- National authorities and consumer organisations are on average used only by an average of 10% of respondents.
- Advertisements only are used by 3% of respondents to compare financial products. This share is highest in Luxembourg with 8% and lowest in Sweden with 1%.

Table 149: Indicators of 'getting information from few sources': financial sector

	Share of consumers who use the following sources of information :						Observations
	Online search	National authorities and/or consumer organisations	Friends and/or family	Bank and/or Other	Advertisements ONLY (indicator 15)		
	All	Comparison sites					
EU28	66%	29%	10%	26%	41%	3%	9,386
AT	72%	31%	12%	27%	42%	3%	638
BE	62%	22%	16%	26%	36%	5%	493
BG							
HR							
CY							
CZ	80%	38%	9%	37%	32%	3%	626
DK	74%	40%	10%	21%	32%	3%	601

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EE	70%	25%	10%	31%	65%	3%	289
FI	72%	25%	6%	21%	46%	4%	584
FR	56%	16%	12%	25%	50%	2%	491
DE	69%	37%	8%	28%	38%	3%	660
EL							
HU							
IE	70%	26%	10%	28%	38%	5%	624
IT							
LV							
LT	71%	22%	7%	21%	45%	2%	569
LU	44%	6%	7%	39%	57%	8%	335
MT							
PL							
PT	48%	19%	14%	33%	60%	4%	633
RO	51%	17%	7%	32%	61%	5%	569
SK	69%	31%	4%	38%	46%	4%	642
SI							
ES							
SE	68%	25%	6%	25%	42%	1%	619
NL	74%	31%	15%	20%	24%	2%	432
UK	71%	31%	9%	18%	31%	4%	581
IS	68%	20%	4%	24%	49%	3%	263
NO	79%	29%	19%	22%	28%	4%	644

Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. In contrast to Table 12, the base of the indicators here excludes those respondents who have never compared deals. Questions only asked in some countries/via some modes.

Source: London Economics analysis of survey data

Annex 6 Detailed analysis of vulnerability and non-vulnerability across a number of dimensions

The present annex examines, as an alternative approach to analysing the data, the extent to which individuals identified as being vulnerable/non-vulnerable according to one vulnerability dimension are also vulnerable/non-vulnerable according to another vulnerability dimension.

For the purpose of this analysis, the survey- and experiment-based vulnerability indicators used to assess the incidence of vulnerability across the five dimensions have been further regrouped into:

- Experience-based measures of vulnerability;
- Perception-based measures of vulnerability; and,
- Outcomes of decision making tests.

Moreover, each of these measures is either non-sector-specific or sector-specific measures of vulnerability.

Thus, as a first step in this analysis, every vulnerability indicator is allocated to one of the three groups of vulnerability measures and, within each of the three groups, to either the group of non-sector-specific or sector-specific measures in Table 150.

Table 150: Categories of variables to be used to operationalise consumer vulnerability		
	Non-sector specific	Sector specific
Experience-based (e.g. experience of problems)	<p>Did not take action when experienced a problem when buying or using goods or services in last 12 months (Q22)</p> <p>Paid more for services in last 12 months due to being unable to use a certain payment method (Q21.1)</p> <p>Has not switched in last 12 months due to termination costs or bundling (Q21.3, Q21.6)</p> <p>Did not make a purchase online in last 12 months due to difficulty of process or not having payment card (Q21.4, Q21.5)</p>	<p>Where gets information to compare deals (A7, B6, C4)</p> <p>Whether compares deals (A6, B5, C3)</p> <p>Why finds it difficult to compare deals (A9a, B8a, C6a)</p> <p>Why never compares deals (A9b, B8b, C6b)</p> <p>Whether has switched in last 5 years (A21, B13, C11)</p> <p>Why has never switched (A23, B15, C13)</p> <p>Whether has tried but failed to obtain a loan in the last 5 years (Q13b)</p>
Perception-based measures (e.g. feeling vulnerable)	<p>Feels vulnerable because of health problems (Q16.1), financial circumstances (Q16.2), employment situation (Q16.3), age (Q16.5), belonging to a minority group (Q16.6), personal issues (Q16.7), personal issues (Q16.8)</p> <p>How informed feels about prices etc. when buying goods and services (Q17.1)</p> <p>Feels vulnerable because offers, terms or conditions are too complex (Q16.4)</p>	<p>How difficult finds it to compare deals (A8, B7, C5)</p>
Decision making tests	<p>Experiment choices in the cross-cutting experiment and aggregated across experiments</p>	<p>Experiment choices in the sector specific experiments</p>

Respondents may be considered as being vulnerable based on their answers to different categories of question from the table above, and some consumers may be identified as vulnerable based on questions in more than one category. For example, some consumers may have experienced problems (e.g. based on Q21 or Q22) and also feel vulnerable (based on Q16) (see figure below).

A6.1 Economic-wide findings

The key results of such a two-dimensional analysis when considering the subjective and objective measures of vulnerability across the EU28 are as follows:

A6.1.1 Feeling vulnerable due to personal characteristics and having experienced problems (Figure 49)

- 45% of the EU28 survey respondents do not feel vulnerable because of personal characteristics and have not experienced any problem when purchasing or using any goods or service.
- Another 30% of the survey respondents experienced at least one problem but nevertheless do not feel vulnerable.
- At the other end of the spectrum, 15% of survey respondents feel vulnerable and have experienced at least one problem and 10% feel vulnerable even though they did not experience any of the problems listed earlier on.

Figure 49: Consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“experience of problems”) – EU28

		Experienced problems (Experience-based)	
		No	Yes
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND haven't experienced any problems (45% of EU28)	Don't feel vulnerable AND have experienced at least one problem (30% of EU28)
	Yes	Feel vulnerable AND haven't experienced any problems (10% of EU28)	Feel vulnerable AND have experienced at least one problem (15% of EU28)

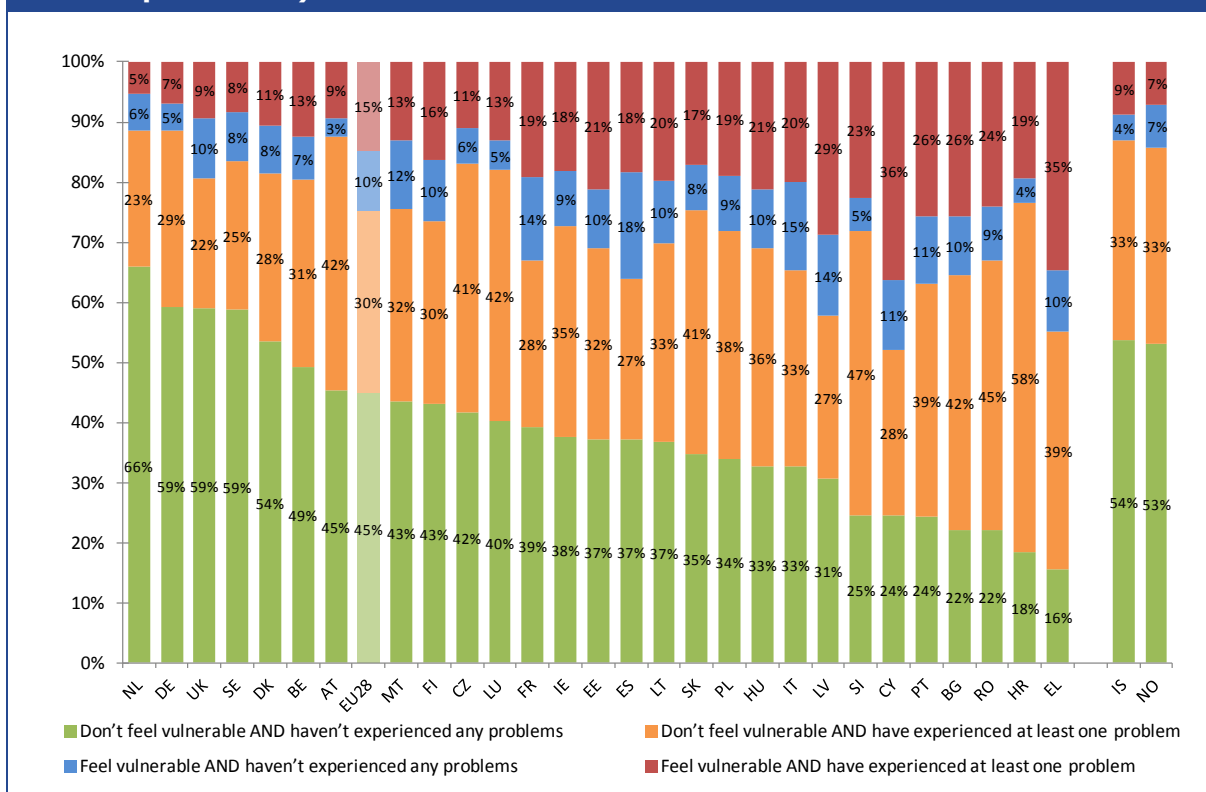
Note: Results weighted using cross-country weights. EU28 N = 18,550.

Source: London Economics analysis of survey data

The distribution of consumers between the four categories varies greatly across the EU28 Member States and Norway and Iceland (Figure 50). In particular:

- In a number of Northern and Western European countries (the Netherlands, Denmark, the United Kingdom, Sweden, Iceland, Denmark and Norway), a majority of consumers have not experienced any problems and do not feel vulnerable on the basis of their personal characteristics.
- In contrast, a relatively higher proportion of consumers in Central and Southern Europe have experienced problems and feel vulnerable on the basis of their personal characteristics.

Figure 50: Consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“experience of problems”) – EU28 + NO and IS



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 18,550.

Source: London Economics analysis of survey data

A6.1.2 Feeling uninformed and having experienced problems (Figure 51)

- 48% do not feel uninformed and have not experienced any problem;
- 10% do feel uninformed and have not experienced any problems
- Among the 45% who have experienced problems, 15% feel uninformed and 30% do not feel uninformed.

Figure 51: Consumer grouping based on perception-based measure (“feeling uninformed”) and experience-based measure (“experience of problems”) – EU28

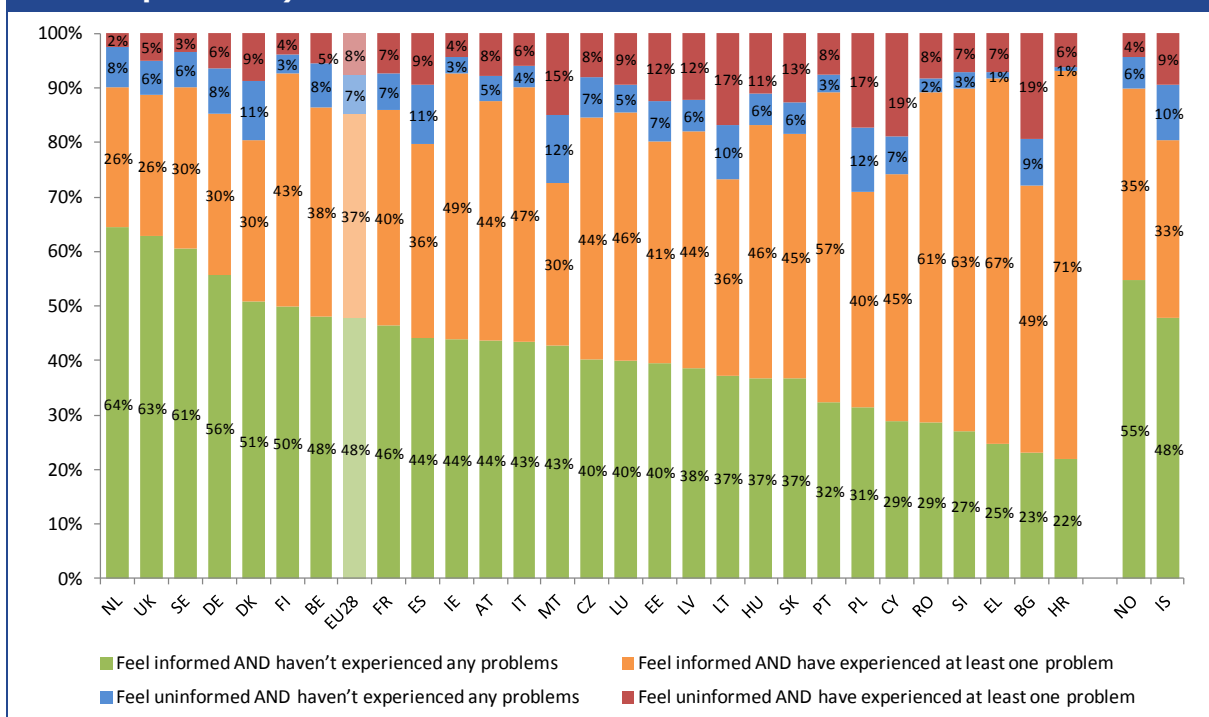
		Experienced problems (Experience-based)	
		No	Yes
Feel uninformed (Perception-based)	No	Feel informed AND haven't experienced any problems (48% of EU28)	Feel informed AND have experienced at least one problem (37% of EU28)
	Yes	Feel uninformed AND haven't experienced any problems (7% of EU28)	Feel uninformed AND have experienced at least one problem (8% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 18,550.

Source: London Economics analysis of survey data

- A relative majority of consumers in almost all countries feels informed and have experienced problems at the same time.
- In only 8 countries (Bulgaria, Cyprus, Finland, Hungary, Lithuania, Malta, Poland and Slovakia) do the proportion of vulnerable consumers due to lack of information and having experienced problems exceed 10%. But, in these cases, the proportion never exceeds 20%.

Figure 52: Consumer grouping based on perception-based measure (“feeling uninformed”) and experience-based measure (“experience of problems) – EU28 + NO and IS



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 18,550.

Source: London Economics analysis of survey data

A6.2 Sectoral analysis

The sectoral analysis focuses on perception-based indicators (either feeling vulnerable due to personal characteristics or feeling uninformed) and the experience-based indicator of comparing deals.

A6.2.1 Sectoral analysis - feeling vulnerable due to personal characteristics

- The proportion of consumers who do not feel vulnerable and do not compare deals ranges from 24% for the on-line sector to 41% for the financial services sector.
- The proportion of consumers who do not feel vulnerable and do compare deals ranges from 33% for the financial services sector to 52% for the on-line sector.
- In contrast, the share of consumers who feel vulnerable and do not compare deals ranges from 8% for the on-line sector to 17% for the financial services sector; and,
- The share of consumers who feel vulnerable and do compare deals ranges from 10% for the financial services sector to 17% for the online sector.

In the case of energy and financial services, a somewhat smaller proportion of those feeling vulnerable due to personal characteristics than those who do not feel vulnerable compare deals - 41% vs. 50% in the case of energy and 37% vs. 45% in the case of financial services. In contrast, in the case of on-line, the share of those comparing deals is the same for those feeling vulnerable and not feeling vulnerable.

Figure 53: Energy sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“comparing deals”)

		Compare market deals (Experience-based) ³⁹²	
		Yes	No
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND compare deals (37% of EU28)	Don't feel vulnerable AND don't compare deals (37% of EU28)
	Yes	Feel vulnerable AND compare deals (11% of EU28)	Feel vulnerable AND don't compare deals (16% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 25,151.

Source: London Economics analysis

Figure 54: On-line sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“comparing deals”)

		Compare market deals (Experience-based)	
		Yes	No
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND compare deals (52% of EU28)	Don't feel vulnerable AND don't compare deals (24% of EU28)
	Yes	Feel vulnerable AND compare deals (17% of EU28)	Feel vulnerable AND don't compare deals (8% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 18,506.

Source: London Economics analysis

Figure 55: Financial sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“comparing deals”)

		Compare market deals (Experience-based)	
		Yes	No
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND compare deals	Don't feel vulnerable AND don't compare deals

³⁹² The experience-based indicator of vulnerability is 'Does not compare market deals', however the opposite statement has been used and instead the 'Yes' and 'No' columns have switched places compared to previous tables, in order to avoid double negation whilst at the same time keeping the meaning of the four quadrants of the table.

Annex 6 | Detailed analysis of vulnerability and non-vulnerability across a number of dimensions

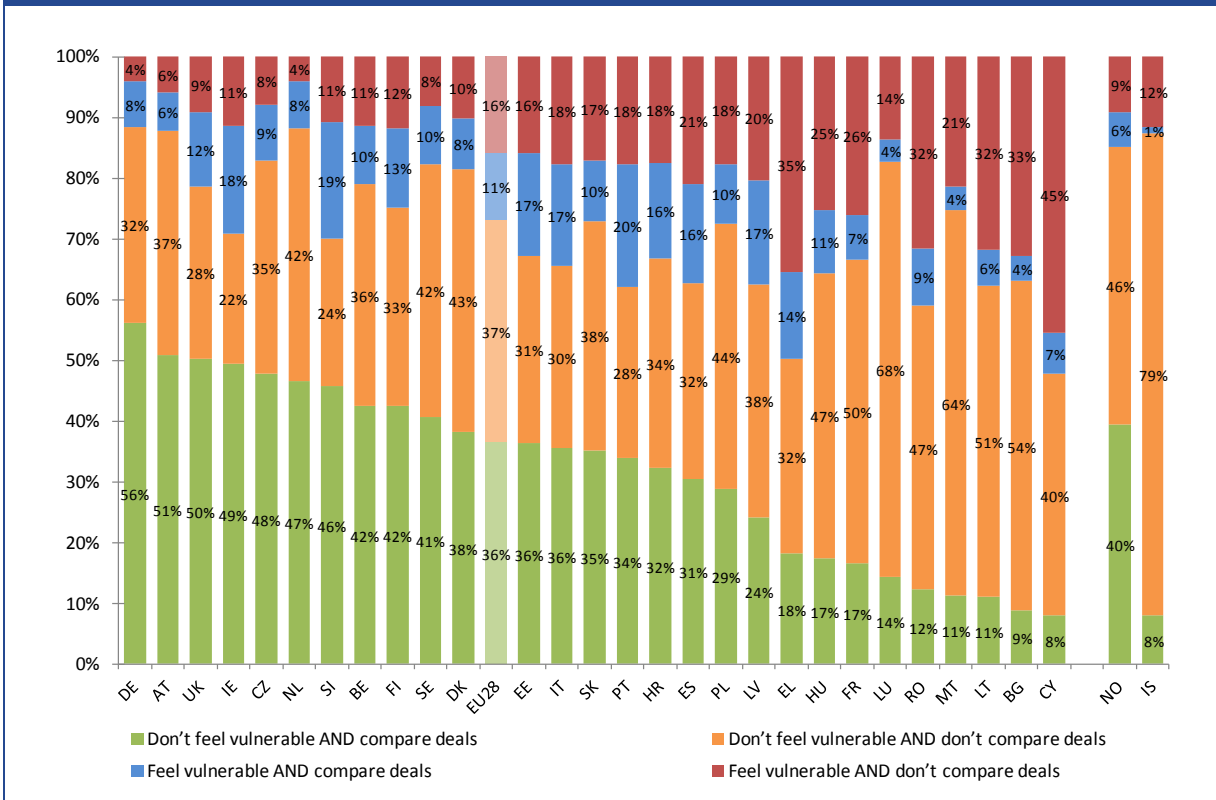
		(33% of EU28)	(41% of EU28)
	Yes	Feel vulnerable AND compare deals (10% of EU28)	Feel vulnerable AND don't compare deals (17% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 25,151.

Source: London Economics analysis

As in the previous two cases, the distribution of consumers between the four categories varies greatly across the EU28 + Norway and Iceland (see figure below). However, in the present cases, typically a relative majority does not compare deals and does not feel vulnerable.

Figure 56: Energy sector: consumer grouping based on perception-based measure ("feeling vulnerable") and experience-based measure ("comparing deals") – EU28 + NO and IS

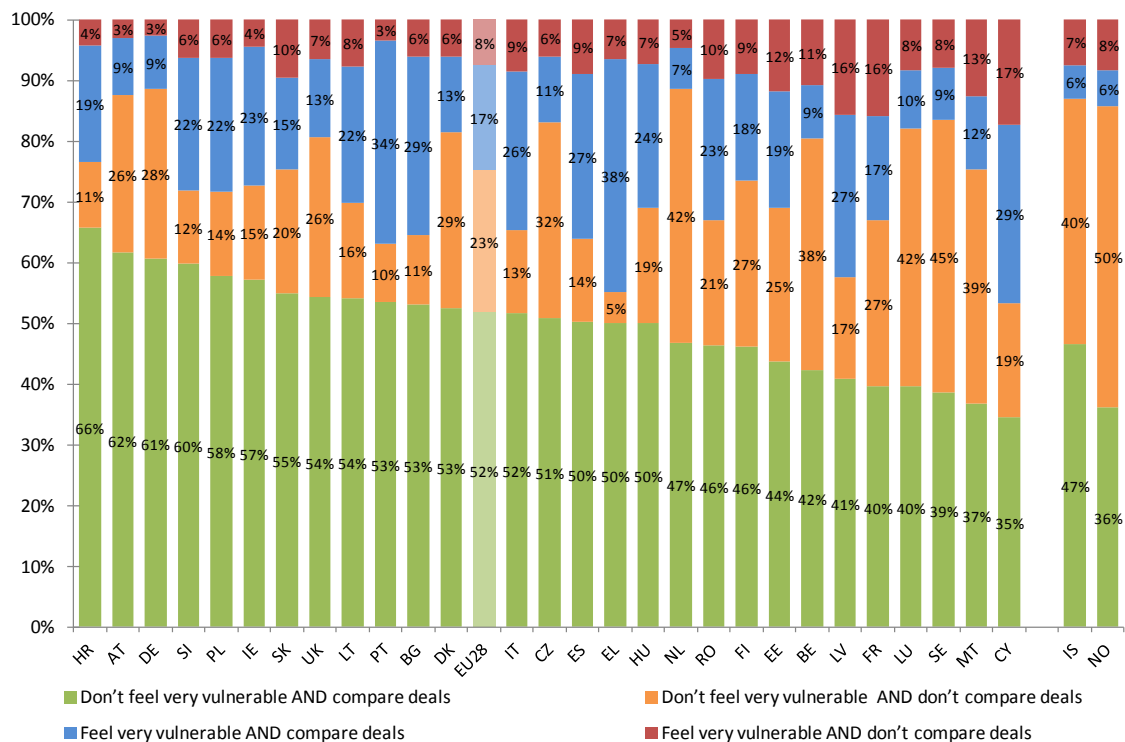


Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 25,151.

Source: London Economics analysis of survey data

Annex 6 | Detailed analysis of vulnerability and non-vulnerability across a number of dimensions

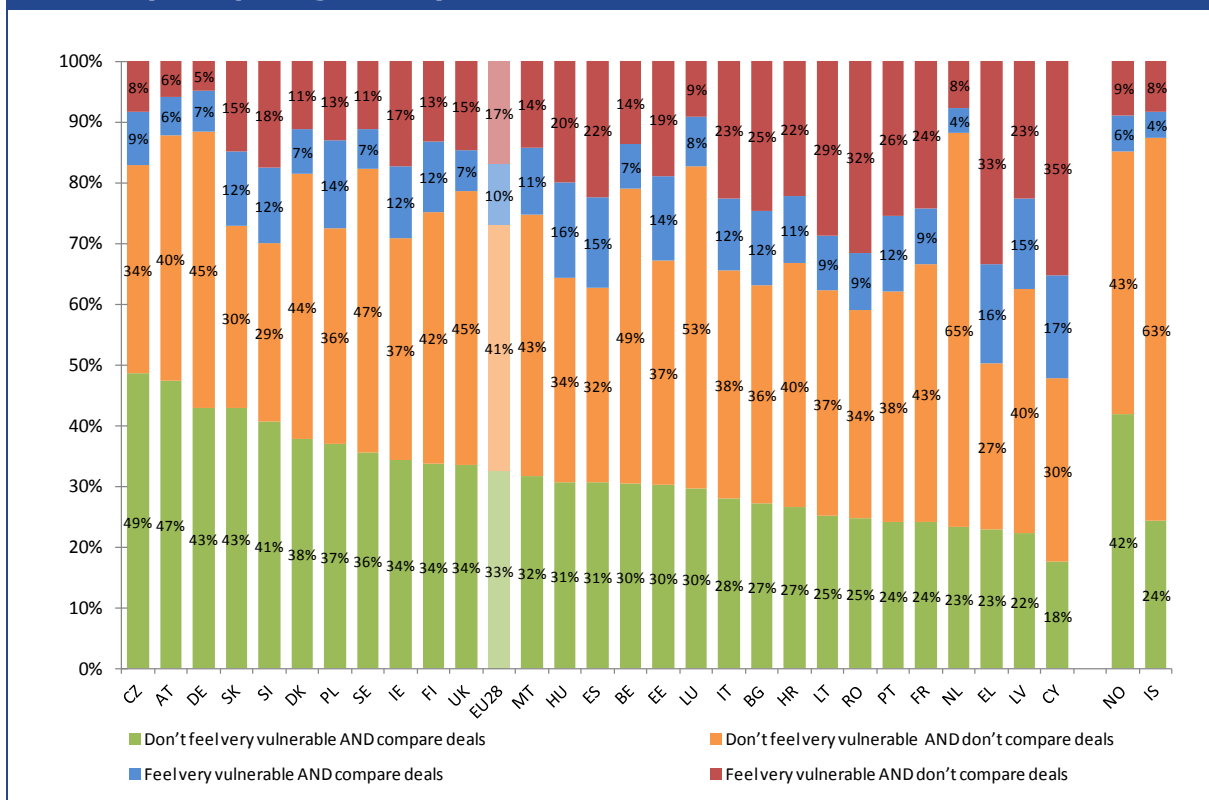
Figure 57: On-line sector: consumer grouping based on perception-based measure ("feeling vulnerable") and experience-based measure ("comparing deals") – EU28 + NO and IS



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 18,506.

Source: London Economics analysis of survey data

Figure 58: Financial sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“comparing deals”) – EU28 + NO and IS



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 25,151.

Source: London Economics analysis of survey data

A6.2.2 Sectoral analysis - vulnerability due to lack of information

Overall,

- In both the energy and the financial sectors, 81% of consumers feel informed; in the on-line sector the proportion of consumers feeling informed is even higher - 86%. 40% and 45% of consumers respectively feel informed and do not compare deals in the energy and in the financial sector, while the corresponding share in the on-line sector is only 26%.
- Among the consumers who feel uninformed (the shares of which range from 15% in the on-line sector to 20% in the financial sector), a greater share does not compare deals in the energy sector and the financial sector while the opposite is true in the case of the on-line sector.

Figure 59: Energy sector: consumer grouping based on perception-based measure (“feeling uninformed”) and experience-based measure (“comparing deals”) – EU28

		Compare market deals (Experience-based) ³⁹³	
		Yes	No
Feel uninformed (Perception-based)	No	Feel informed AND compare deals (41% of EU28)	Feel informed AND don't compare deals (40% of EU28)
	Yes	Feel uninformed AND compare deals (7% of EU28)	Feel uninformed AND don't compare deals (12% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 25,151.

Source: London Economics analysis of survey data

Figure 60: On-line sector: consumer grouping based on perception-based measure (“feeling uninformed”) and experience-based measure (“comparing deals”) – EU28

		Compare market deals (Experience-based)	
		Yes	No
Feel uninformed (Perception-based)	No	Feel informed AND compare deals (60% of EU28)	Feel informed AND don't compare deals (26% of EU28)
	Yes	Feel uninformed AND compare deals (9% of EU28)	Feel uninformed AND don't compare deals (6% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 18,506.

Source: London Economics analysis of survey data

³⁹³ The experience-based indicator of vulnerability is ‘Does not compare market deals’, however the opposite statement has been used and instead the ‘Yes’ and ‘No’ columns have switched places compared to previous tables, in order to avoid double negation whilst at the same time keeping the meaning of the four quadrants of the table.

Figure 61: Financial sector consumer grouping based on perception-based measure (“feeling uninformed”) and experience-based measure (“comparing deals”) – EU28

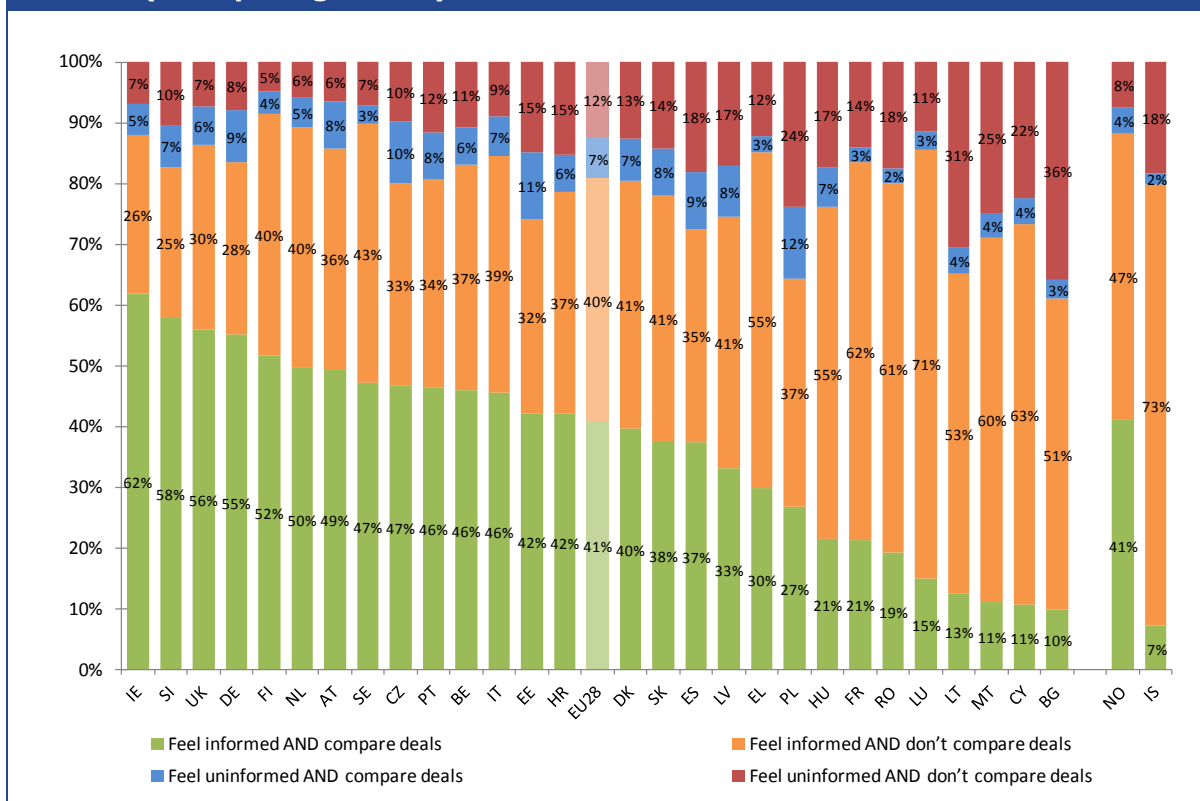
		Compare market deals (Experience-based)	
		Yes	No
Feel uninformed (Perception-based)	No	Feel informed AND compare deals (36% of EU28)	Feel informed AND don't compare deals (45% of EU28)
	Yes	Feel uninformed AND compare deals (7% of EU28)	Feel uninformed AND don't compare deals (13% of EU28)

Note: Results weighted using cross-country weights. EU28 N = 25,151.

Source: London Economics analysis of survey data

The distribution of consumers between the four categories varies greatly across EU28 Member States (see Figure 62, Figure 63, Figure 64 and Figure 65).

Figure 62: Energy sector: consumer grouping based on perception-based measure (“feeling uninformed”) and experience-based measure (“comparing deals”) – EU28 + NO and IS

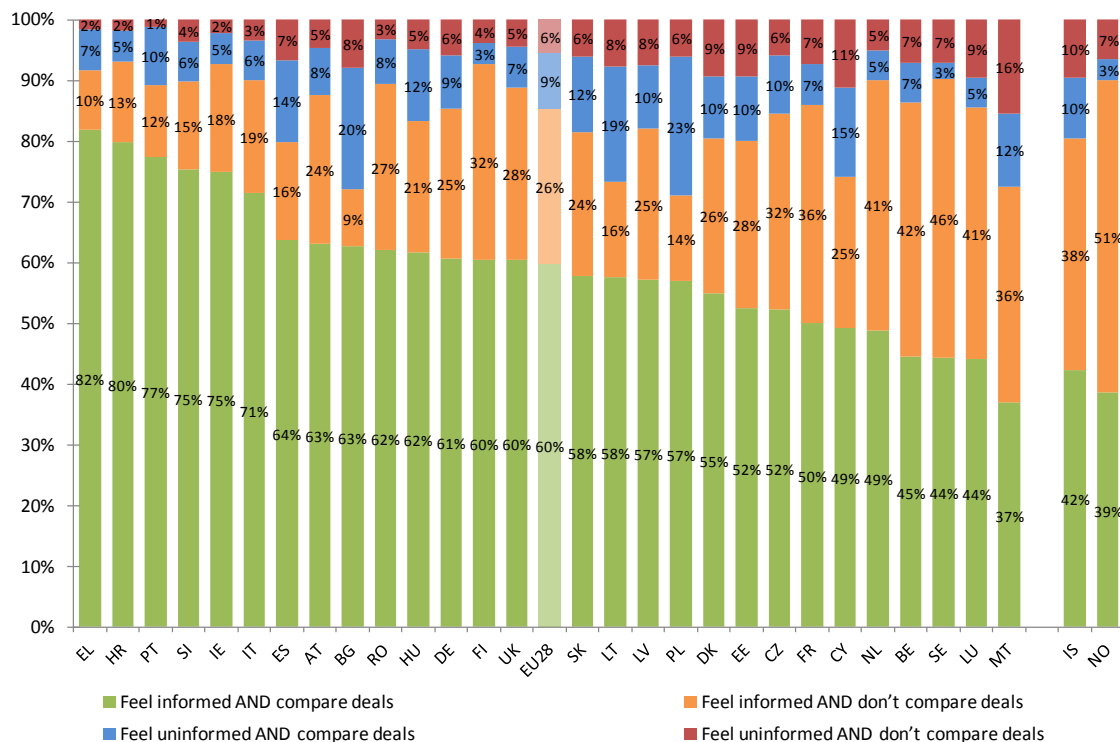


Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 25,151.

Source: London Economics analysis of survey data

Annex 6 | Detailed analysis of vulnerability and non-vulnerability across a number of dimensions

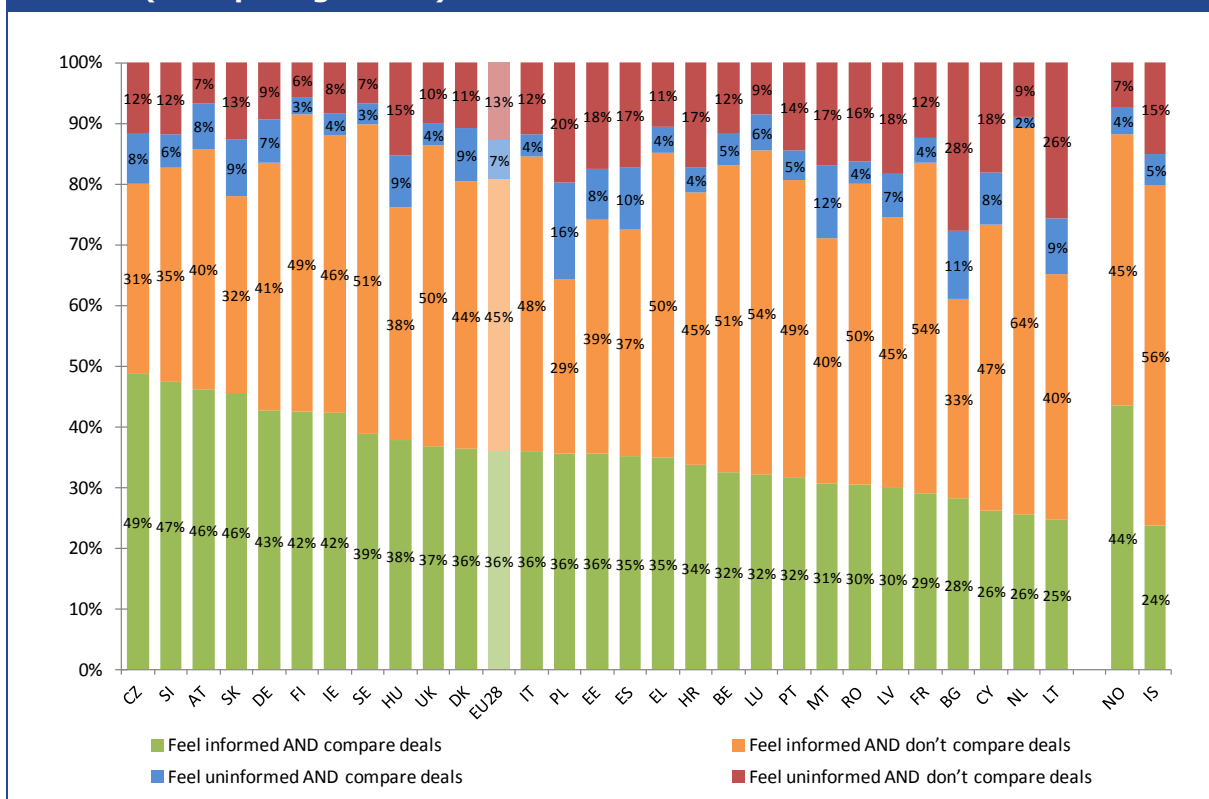
Figure 63: On-line sector: consumer grouping based on perception-based measure ("feeling uninformed") and experience-based measure ("comparing deals") – EU28 + NO and IS



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 18,506.

Source: London Economics analysis of survey data

Figure 64: Financial sector: consumer grouping based on perception-based measure ("feeling uninformed") and experience-based measure ("comparing deals") – EU28 + NO and IS



Note: Results weighted using cross-country weights for the EU28 measure and country weights for the country measures. EU28 N = 25,151.

Source: London Economics analysis of survey data

A6.2.3 Feeling vulnerable and results of experiments

The figures below present the results for each of the four experiments (energy, online and financial sectors as well as cross-cutting), for each of the two treatments – the marketing practice and the remedy treatment. In the case of the three sectoral experiments conducted in the five experiment countries³⁹⁴, out of those respondents feeling vulnerable because of personal characteristics:

- In the case of energy and online, among those consumers feeling vulnerable, a majority chose optimally (in the two rounds) under both the marketing practice treatment and the remedy treatment. This proportion is very similar for both treatments
- But only 50% chose the optimal solution in the case of the financial sector
- In the case of the cross-cutting experiment, a large majority – around 70% - of those feeling vulnerable chose the optimal solution. This proportion is slightly higher under the remedy treatment (70.8%) compared to the marketing practice (70.4%) treatment.

³⁹⁴ The countries in which the experiment was conducted are Denmark (DK), Lithuania (LT), Portugal (PT), Romania (RO) and the United Kingdom (UK).

Figure 65: Energy sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“not choosing optimally in experiment) – Experiment countries

		Poor experiment performance (Experience-based)	
		No	Yes
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND chose optimally in both rounds (Marketing practice: 12% across experiment countries) (Remedy: 26% across experiment countries)	Don't feel very vulnerable AND did not choose optimally in both rounds (Marketing practice: 3% across experiment countries) (Remedy: 8% across experiment countries)
	Yes	Feel vulnerable AND chose optimally in both rounds (Marketing practice: 60% across experiment countries) (Remedy: 46% across experiment countries)	Feel vulnerable AND did not choose optimally in both rounds (Marketing practice: 25% across experiment countries) (Remedy: 21% across experiment countries)

Note: Results weighted using cross-country weights. N = 2,522.

Source: London Economics analysis

Figure 66: On-line sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“not choosing optimally in experiment) – Experiment countries

		Poor experiment performance (Experience-based)	
		No	Yes
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND chose optimally in both rounds (Marketing practice: 35% across experiment countries) (Remedy: 48% across experiment countries)	Don't feel vulnerable AND did not choose optimally in both rounds (Marketing practice: 12% across experiment countries) (Remedy: 11% across experiment countries)
	Yes	Feel vulnerable AND chose optimally in both rounds (Marketing practice: 37% across experiment countries) (Remedy: 27% across experiment countries)	Feel vulnerable AND did not choose optimally (Marketing practice: 16% across experiment countries) (Remedy: 14% across experiment countries)

Note: Results weighted using cross-country weights. N = 2,510.

Source: London Economics analysis

Figure 67: Financial sector: consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“not choosing optimally in experiment) – Experiment countries

Poor experiment performance (Experience-based)			
		No	Yes
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND chose optimally in both rounds (Marketing practice: 57% across experiment countries) (Remedy: 64% across experiment countries)	Don't feel vulnerable AND did not choose optimally in both rounds (Marketing practice: 16% across experiment countries) (Remedy: 22% across experiment countries)
	Yes	Feel vulnerable AND chose optimally in both rounds (Marketing practice: 16% across experiment countries) (Remedy: 9% across experiment countries)	Feel vulnerable AND did not choose optimally in both rounds (Marketing practice: 11% across experiment countries) (Remedy: 6% across experiment countries)

Note: Results weighted using cross-country weights. N = 2,505.

Source: London Economics analysis

Figure 68: Cross-cutting sector : consumer grouping based on perception-based measure (“feeling vulnerable”) and experience-based measure (“not choosing optimally in experiment) – Experiment countries

Poor experiment performance (Experience-based)			
		No	Yes
Feel vulnerable (Perception-based)	No	Don't feel vulnerable AND chose optimally in both rounds (Marketing practice: 26% across experiment countries) (Remedy: 28% across experiment countries)	Don't feel vulnerable AND did not choose optimally in both rounds (Marketing practice: 8% across experiment countries) (Remedy: 10% across experiment countries)
	Yes	Feel vulnerable AND chose optimally in both rounds (Marketing practice: 47% across experiment countries) (Remedy: 44% across experiment countries)	Feel vulnerable AND did not choose optimally in both rounds (Marketing practice: 20% across experiment countries) (Remedy: 18% across experiment countries)

Note: Results weighted using cross-country weights. N = 2,565.

Source: London Economics analysis

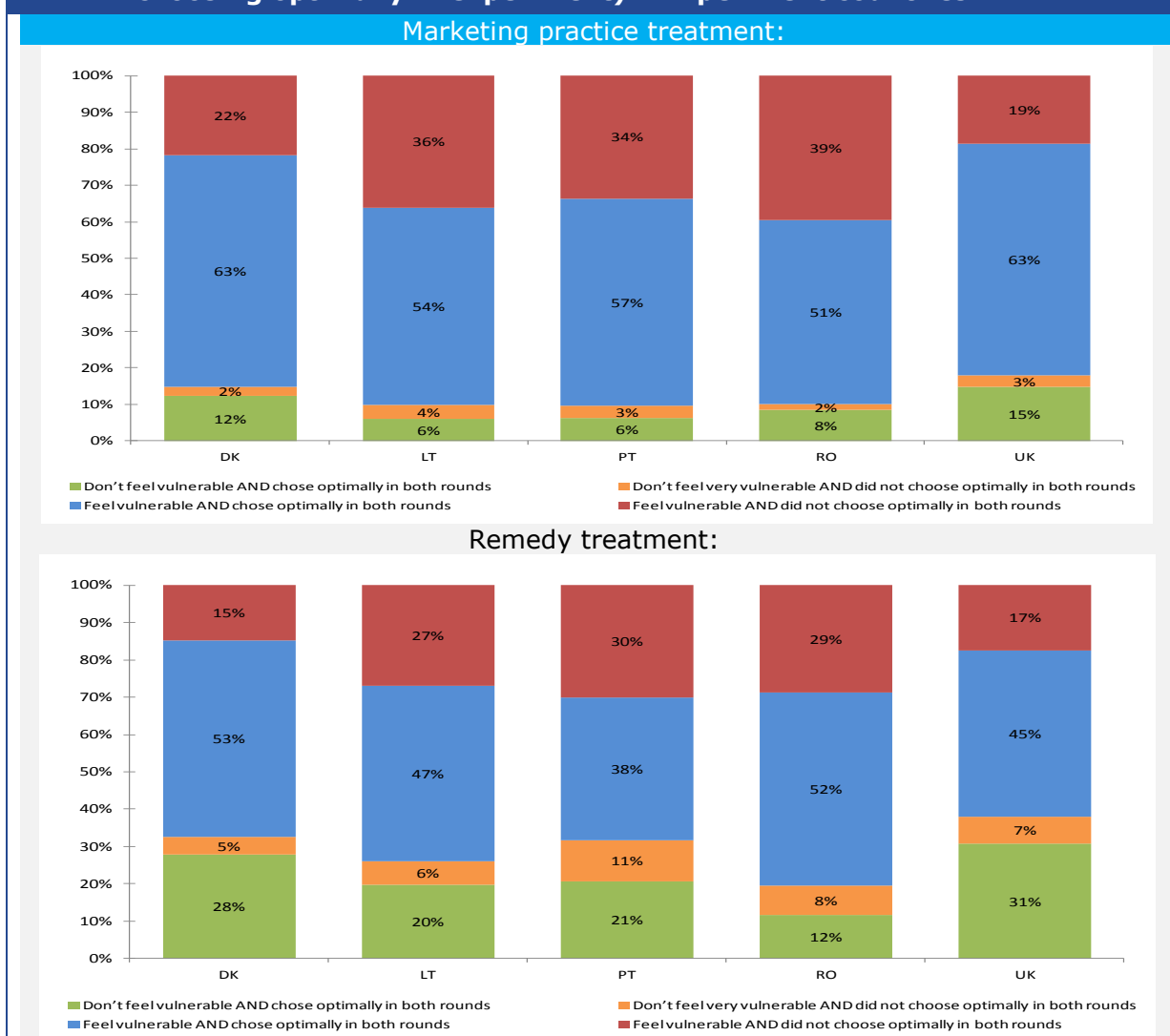
The distribution of consumers between the four categories varies greatly across the five experiment countries (see Figure 69):

- In the case of energy and online, among those consumers feeling vulnerable, a majority chose optimally in both the marketing practice and the remedy treatment.

Annex 6 | Detailed analysis of vulnerability and non-vulnerability across a number of dimensions

- However, in the case of the financial sector, the results are not as clear-cut with occasionally, a larger proportion of respondents who feel vulnerable not choosing the optimal solution (Romania for the marketing practice treatment and Lithuania for the remedy treatment).
- Finally, in the case of the cross-cutting experiment, a clear majority of vulnerable people chose the optimal solution.

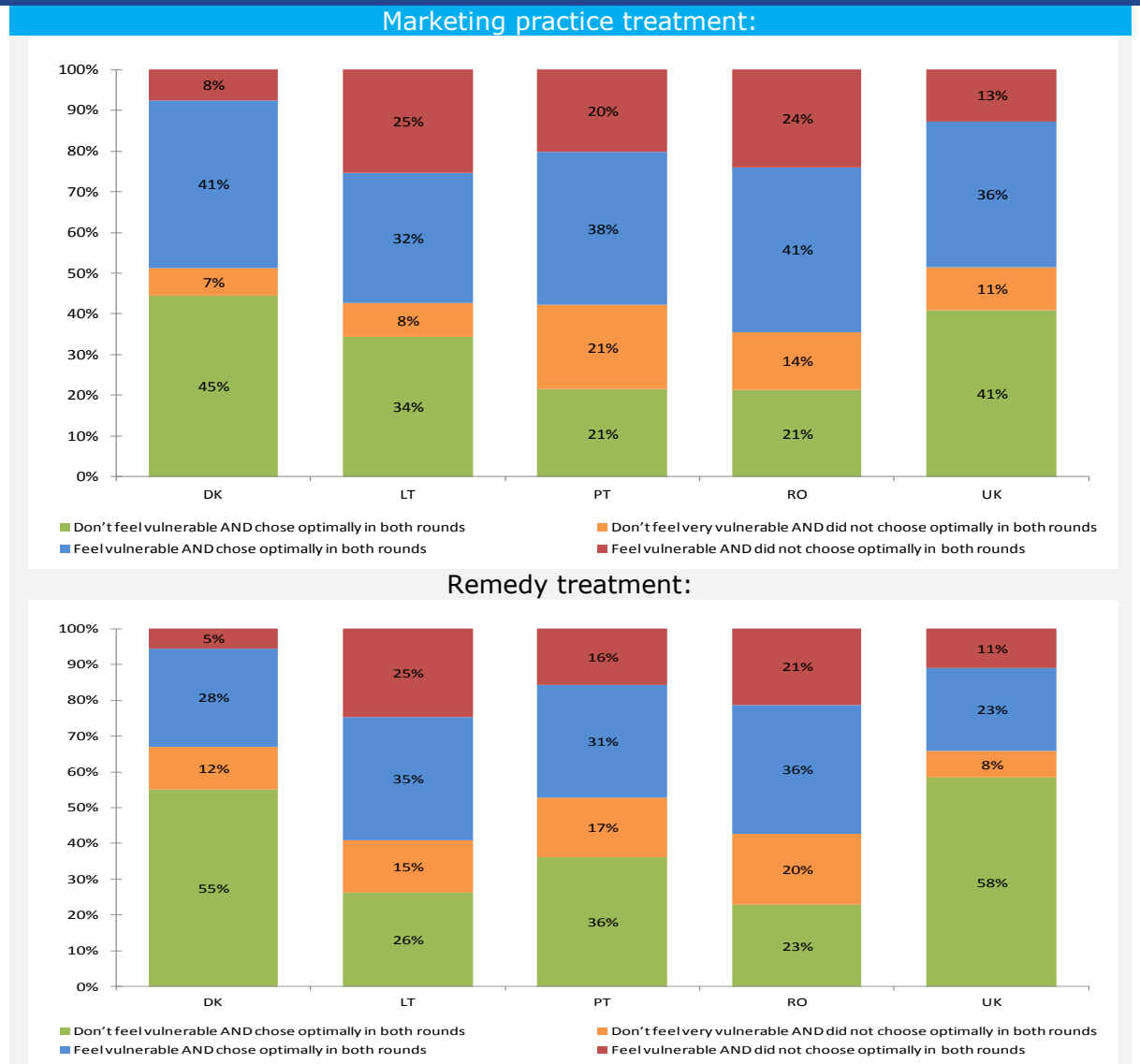
Figure 69: Energy sector: consumer grouping based on perception-based measure ("feeling vulnerable") and experience-based measure ("not choosing optimally in experiment) – Experiment countries



Note: Results weighted using country weights. N = 2,522.

Source: London Economics analysis of survey data

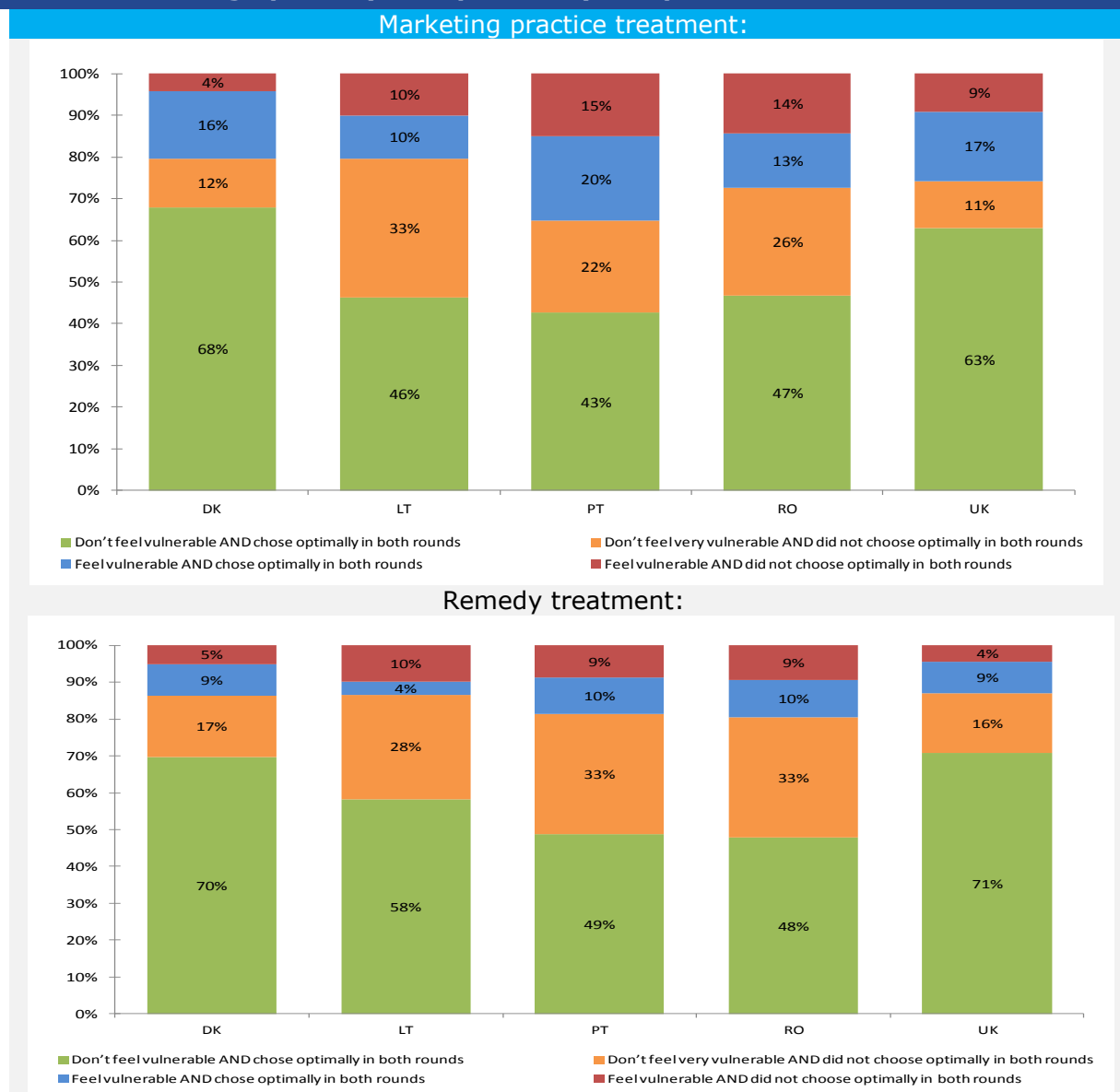
Figure 70: On-line sector: consumer grouping based on perception-based measure ("feeling vulnerable") and experience-based measure ("not choosing optimally in experiment") – Experiment countries



Note: Results weighted using country weights. N = 2,510.

Source: London Economics analysis of survey data

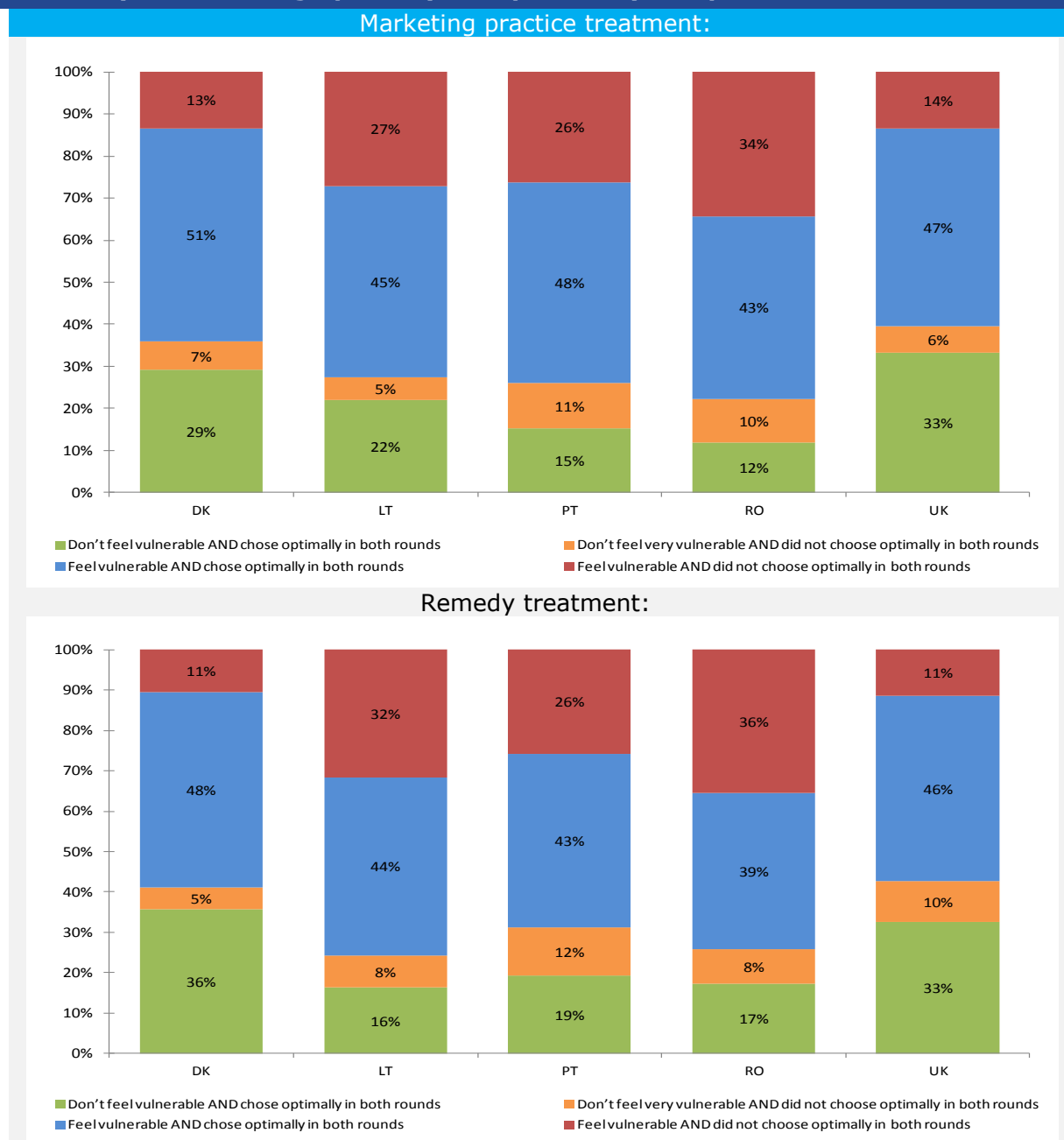
Figure 71: Financial sector: consumer grouping based on perception-based measure ("feeling vulnerable") and experience-based measure ("not choosing optimally in experiment") – Experiment countries



Note: Results weighted using country weights. N = 2,505.

Source: London Economics analysis of survey data

Figure 72: Cross-cutting sector : consumer grouping based on perception-based measure ("feeling vulnerable") and experience-based measure ("not choosing optimally in experiment) – Experiment countries



Note: Results weighted using country weights. N = 2,565.

Source: London Economics analysis of survey data

Annex 7 Cluster analysis of indicators of vulnerability

This annex provides a technical justification for the grouping of countries into separate groups. The grouping of countries is based on the indicators from the survey (discussed in Chapter 3 Table 5) and conducted through a cluster analysis of these indicators. The country groups are used in the country level analysis in Chapter 6.7 of the report to determine if the drivers of and factors linked to vulnerability in the full sample hold on a country group level.

A7.1 Method

The technique used to assign countries to groups is cluster analysis. This method calculates the dissimilarity between countries based on the differences between countries in terms of a number of vulnerability indicators³⁹⁵. In particular, the average incidence rates of the 30 countries on fifteen indicators are used in the cluster analysis, namely:

- *Unassertive (took no action) when experienced a problem (1)*
- *Overpaid for services due to being unable to use certain payment methods (2)*
- *Perception of own vulnerability due to personal characteristics (3)*³⁹⁶
- *Does not feel informed about prices etc. (4)*³⁹⁷
- *Does not compare product deals - energy sector (8_1_ene)*
- *Finds it very difficult to compare product deals - energy sector (8_2_ene)*
- *Does not compare product deals - finance sector (8_1_fin)*
- *Finds it very difficult to compare product deals - finance sector (8_2_fin)*
- *Does not compare product deals - online sector (8_1_onl)*
- *Finds it very difficult to compare product deals - online sector (8_2_onl)*
- *Has not switched due to bundling (9e_bun)*
- *Has not switched due to termination costs (9d_ter)*
- *Excluded from e-commerce due to not having a payment card (10b)*
- *Excluded from e-commerce due to difficulty of the process (10a)*
- *Perception of own vulnerability due to complexity of offers (12_off)*³⁹⁸

These fifteen indicators were selected for use in the cluster analysis since they provide a balance across the three key sectors of the study (energy, online and finance) and are available for all 30 countries. In the cluster analysis, these indicators were weighted

³⁹⁵ The dissimilarity measure is the Euclidean distance between the values of the indicators for two countries (i.e. $(\sum_{a=1}^{15} (x_{ia} - x_{ja})^2)^{1/2}$, where a is the indicator (of which there are 15 in total), and i and j are the countries; i.e. x_{ia} is the value of indicator x_a for country i, and x_{ja} is the value of indicator x_a for country j). In some cases the indicators were first rescaled; see the following footnote.

³⁹⁶ This indicator was originally a scale from 1 to 4. So that all indicators are on the same scale (so that no indicators disproportionately affect the results of the cluster analysis), for the purposes of the cluster analysis this indicator has been rescaled to a 0 to 1 (by subtracting 1 and dividing by three).

³⁹⁷ See the footnote above.

³⁹⁸ See the footnote above.

based on the number of indicators in each dimension, so that each dimension affects the results of the analysis to an equal extent³⁹⁹.

The specific type of cluster analysis method used is *complete linkage* cluster analysis (also known as the 'furthest neighbour' method), with a simple cut-off based on a maximum allowed level of dissimilarity between members of a group. This method divides objects (in our case countries) into groups based on the distances between the furthest (most dissimilar) members of the groups. The advantage of this method is that it provides well-defined groups compared to other cluster analysis methods (e.g. the single linkage or 'nearest neighbour' method).

A7.2 Results

Based on the complete linkage cluster analysis, the countries may be separated into either three or five obvious groups, as shown in Figure 1. For example, Figure 1 shows that the maximum dissimilarity (on the dissimilarity measure) between any two countries in group 1 is 0.16, which is less than a cut-off point of 0.2.

Five groups of countries are identified if the dissimilarity measure cut-off point is set at 0.2, as shown in Figure 1.⁴⁰⁰ These groups are:

- Group 1: Germany, Denmark, Sweden, Norway, Luxembourg, the Netherlands, Austria, and Iceland.
- Group 2: Czech Republic, United Kingdom, Finland, Belgium, Malta and Slovakia.
- Group 3: Hungary, Estonia, Lithuania, Latvia, Bulgaria, Poland and Spain.
- Group 4: Greece, Cyprus and Romania.
- Group 5: Italy, Slovenia, France, Portugal, Ireland and Croatia

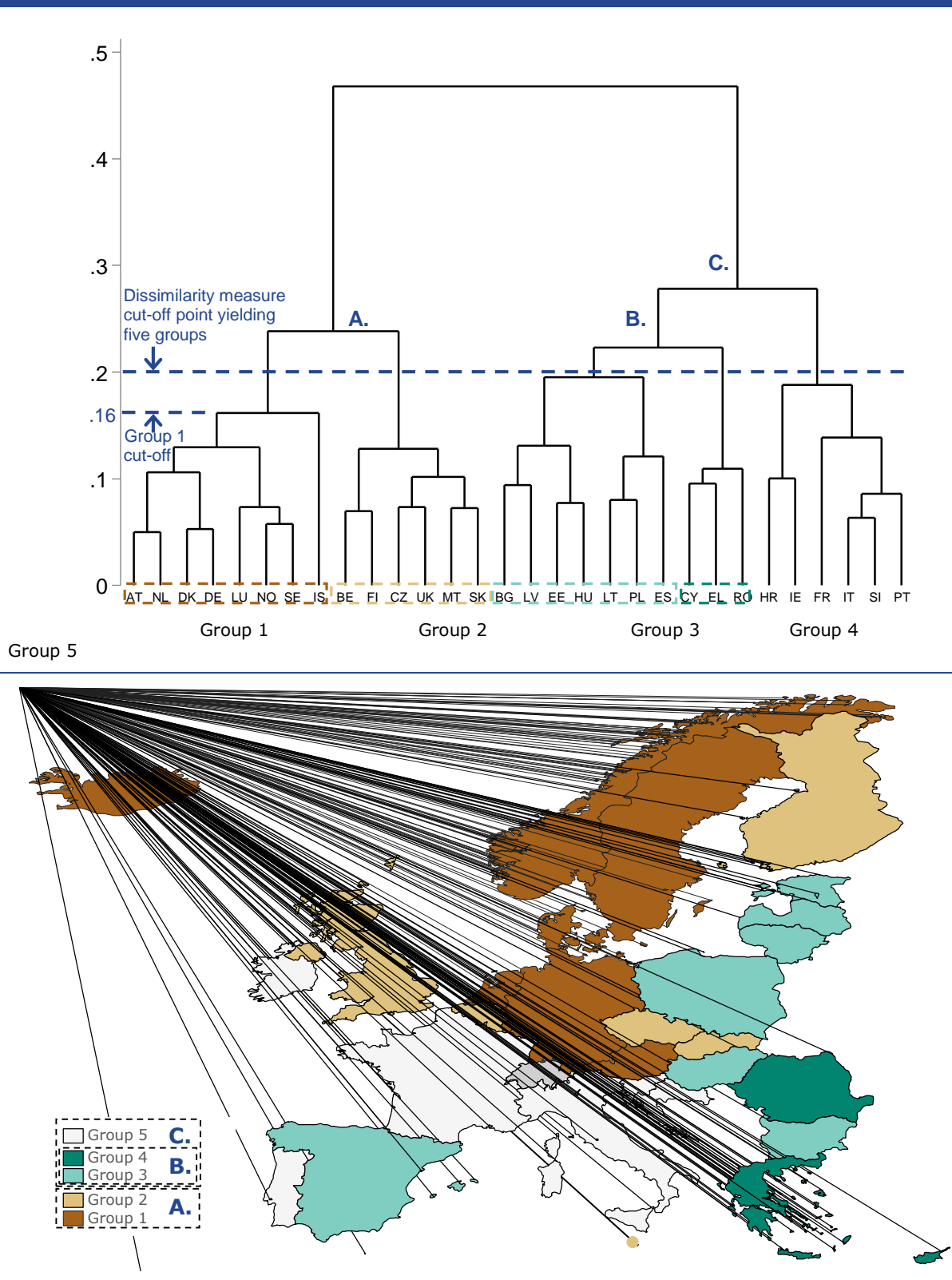
As can also be seen from Figure 1, if the dissimilarity measure cut-off point is raised, the five groups set out above would be combined as follows (in no particular order):

- A. Group 1 and group 2.
- B. Group 3 and group 4.
- C. Group 3, group 4 and group 5.

³⁹⁹ Each indicator has been divided by $1/n$, where n is the number of indicators in the dimension.

⁴⁰⁰ The dissimilarity measure between two countries/groups is the Euclidean distance between them.

Figure 73: Cluster dendrogram and map



Note: Based on indicators 1, 2, 3, 4, 8_1_ene, 8_2_ene, 8_1_fin, 8_2_fin, 8_1_onl, 8_2_onl, 9e_bun, 9d_ter, 10b, 10a, and 12_off, weighted $1/n$ where n is the number of indicators in the dimension. The dissimilarity measure is the Euclidian distance (i.e. $(\sum_{a=1}^{15}(X_{ia}-X_{ja})^2)^{1/2}$, where a is the variable, and i and j are the country averages of the (rescaled) indicator of two different countries). A complete linkage is used for the dendrogram (i.e. each branch represents the 'furthest neighbour' distance). The horizontal line in the top panel denotes the dissimilarity cut-off point for the clusters in the dendrogram. A, B, and C denote higher level cluster groupings in the analysis.

Source: London Economics analysis of the survey data

A7.2.1 Characteristics of the country groups identified via cluster analysis

Five country groups are established based on the survey data using cluster analysis in the section A7.1. This approach assigns countries to groups based on the incidence of vulnerability on fifteen indicators.⁴⁰¹ The five country groups are:⁴⁰²

- **Group 1.** A group consisting mainly of Germanic and Scandinavian countries. These countries exhibit among the lowest rates of vulnerability. Countries included in this group are Germany, Denmark, Sweden, Norway, Luxembourg, the Netherlands, Austria, and Iceland.
- **Group 2.** A group consisting mostly of countries that are neighbours of group 1. These countries have below average rates of vulnerability. The countries in this group are the Czech Republic, United Kingdom, Finland, Belgium, Malta and Slovakia.
- **Group 3.** A group of countries many of which are Eastern European. These have above average rates of vulnerability. Countries included in this group are Hungary, Estonia, Lithuania, Latvia, Bulgaria, Poland and Spain.
- **Group 4.** A group consisting of countries in South East Europe. These countries have among the highest rates of vulnerability, with especially high incidence rates on several indicators. Countries included in this group are Greece, Cyprus and Romania.
- **Group 5.** A group of countries located either on the Adriatic Sea or Atlantic Ocean. These countries exhibit average or high rates of vulnerability on some indicators, but low incidence of vulnerability on other indicators. The countries in this group are Italy, Slovenia, France, Portugal, Ireland and Croatia.

Below we discuss the characteristics of the groups that have been established as a result of the cluster analysis.

Overall vulnerability levels

In broad terms, the country groups differ in terms of their average incidence of vulnerability. Looking at the average level of vulnerability across the dimensions⁴⁰³, group 1 has the lowest average vulnerability (17.7%); followed by group 2 (20.3%), group 5 (22.2%), group 3 (25.5%), and group 4 has the highest average incidence of vulnerability (27.3%), as shown in Figure 2. All countries in groups 1, 2, and 5 have a lower average incidence of vulnerability across the dimensions than countries in groups 3 and 4. Compared to the outlier analysis, reported in Chapter 4, countries in group 1 are

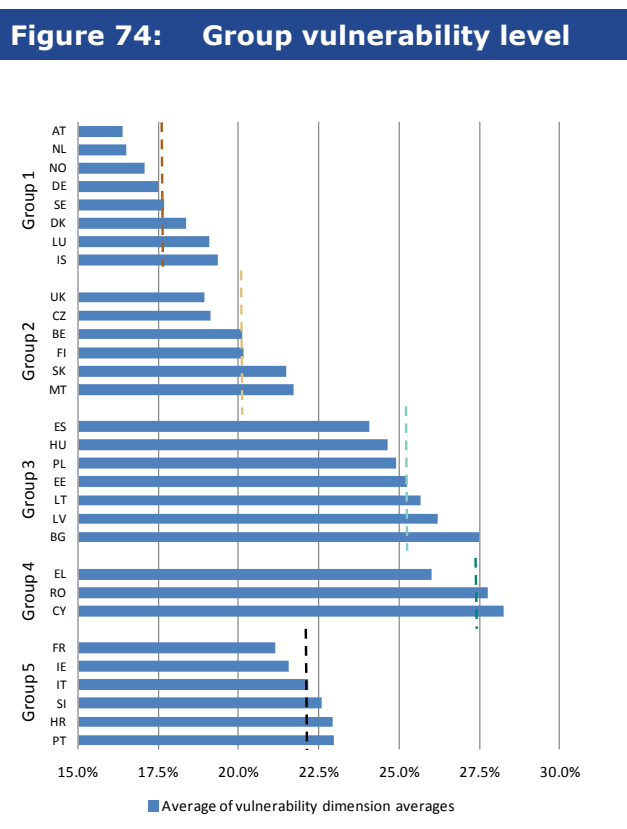
⁴⁰¹ Specifically, these indicators are (see Table 5 for definitions): 1, 2, 3, 4, 8_1_ene, 8_2_ene, 8_1_fin, 8_2_fin, 8_1_onl, 8_2_onl, 9e_bun, 9d_ter, 10b, 10a, and 12_off.

⁴⁰² The rate of vulnerability referred to in these bullet points is the average rate of vulnerability based on the indicators included in the cluster analysis.

⁴⁰³ That is, the average of the indicators for each dimension is calculated first; then the average of the dimension averages is calculated. This is based on the fifteen indicators included in the cluster analysis.

mostly low outliers on both dimension 2 and 5⁴⁰⁴, while countries in group 4 are high outliers across all the dimensions.

However, the countries are not solely grouped based on the average incidence of vulnerability across the dimensions (e.g. some countries in group 2 have lower vulnerability than in group 1).



A possible alternative approach to grouping the countries would be to rank the countries from low-to-high based on the average vulnerability levels shown in Figure 74, and then to divide the countries in five roughly equal sized groups based on this ranking. While this approach would be equivalent to the cluster analysis if countries with higher vulnerability on some indicators had higher vulnerability across all the indicators, this 'rank-and-divide' approach ignores the particular type of consumer vulnerability present in each country.

The cluster analysis, in contrast, groups countries according to the particular type of consumer vulnerability present in these countries. This is important since two countries with similar average levels of consumer vulnerability (e.g. Iceland (19.4%) and the UK (18.9%), as shown in Figure 74) may be quite different in terms of the type of vulnerability present in those countries (e.g., as reported in

section 4.1, Iceland mainly has issues relating consumer choice and switching, while the UK has a higher incidence of perceived vulnerability due to various personal characteristics).

That said, as Figure 75 illustrates, this corresponds fairly well with the level of vulnerability – however countries cannot be solely characterised in terms of the level of vulnerability.

To explore this further, additional analysis is needed on the specific dimensions of vulnerability on which countries can be grouped. This is done in the following sub-section.

A7.2.2 Group specific vulnerability

Building upon the overall vulnerability level of the country groups in the previous section, we explore in this sub-section the characteristics of the country groups in more detail.

⁴⁰⁴ Sweden and Denmark are not identified as low outliers on either dimension 2 or 5, Luxembourg is only a low outlier on dimension 2.

To visualise the clusters of countries, we proceed with two steps:

- 1) A factor analysis is used to explore how the vulnerability dimensions⁴⁰⁵ can be reduced; and
- 2) The countries are plotted on the reduced dimensions to visualise the position of the countries vis-à-vis one another.

As such, the “clusters” of countries are artificially recreated and visualised on a two dimensional plot through a combination of the dimensions.

Factor analysis

A factor analysis⁴⁰⁶ is commonly used to reduce the dimensionality of the problem. As shown in Table 1, each dimension has three numbers: a factor loading on each of the two factors (i.e. the latent root, conceptually the amount of variance accounted for by a factor), and a uniqueness score (i.e. the proportion not accounted for by either factor). The higher the factor loading, the better this factor is related to a factor. In the factor analysis, there are four factor loadings above 0.5. These have been highlighted in Table 1.

As it is impractical to visualise each country on 15 indicators, from the factor analysis, we find that we should focus on dimension 2 + dimension 5 and dimension 1 + dimension 3 to provide an informative picture of the locations of the countries in terms of vulnerability. In contrast, dimension 4 is not strongly associated with either factor and would obfuscate the picture (with two factors).

Table 151: Factor analysis of dimensions			
Dimension	Factor 1	Factor 2	Uniqueness
<i>Dimension 1. Heightened risk of negative outcomes or impacts on well-being</i>	0.1215	0.7576	0.3035
<i>Dimension 2. Having characteristics that limit ability to maximise well-being</i>	0.8659	0.1271	0.1053
<i>Dimension 3. Having difficulty in obtaining or assimilating information</i>	-0.0986	0.5397	0.7613
<i>Dimension 4. Inability or failure to buy, choose or access suitable products</i>	0.1949	0.3763	0.7345
<i>Dimension 5. Higher susceptibility to marketing practices</i>	0.9267	-0.0341	0.1771

Note: The factor analysis technique used is a principle factor (PF) with promax rotation to maximise the factor loadings of each dimension to the factors.

⁴⁰⁵ The five dimensions with the fifteen indicators are used. The cluster analysis is conducted on the indicator level, however the dimension level facilitates the reduction of the factors.

⁴⁰⁶ The factors have been rotated to have some dimensions strongly related to the factors, and other factors not very much. The promax rotation variant has been used to keep the factors uncorrelated.

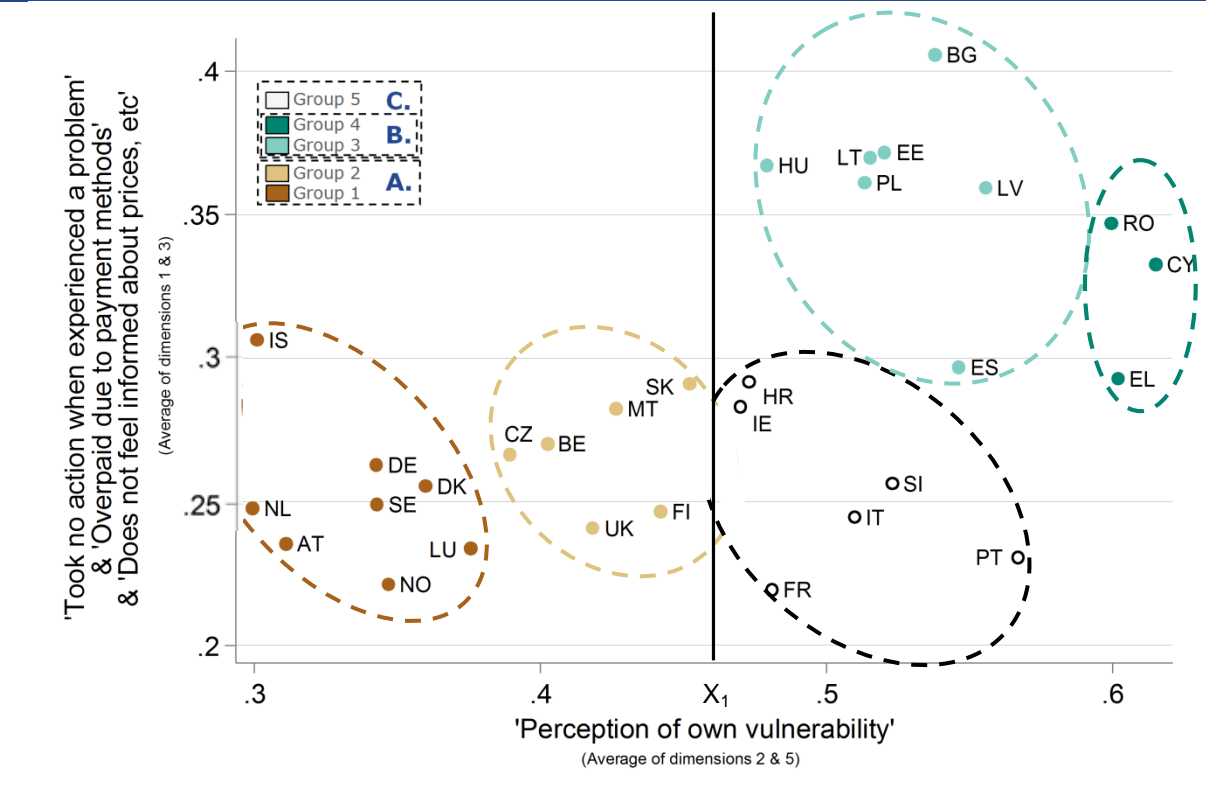
Positions countries vis-à-vis

Following the factor analysis, we take the average of the vulnerability incidence on dimension 2 + dimension 5 and dimension 1 + dimension 3 and plot these respectively on the x-axis and y-axis⁴⁰⁷.

A caveat should be added in terms of the visualisation of the position of the countries vis-à-vis one another in Figure 3, namely dimension 4, which is not incorporated, and will for some country pairs decrease the distance between one another (e.g. Poland and Spain) and for other country pairs increase the distance (e.g. Romania and Cyprus).

From the visualisation of the positions of the countries vis-à-vis one another, the five country groups can be re-identified as neighbours or “clusters” – these have been marked by circles in Figure 3. Closer to the intercept (bottom-left, group 1) the low vulnerability countries are located, while further away from the intercept (top-right, group 5) the higher vulnerability countries are located.

Figure 75: Vulnerability characteristics clusters



Note: Based on indicators 1, 2, 3_max, 4, 8_1_ene, 8_2_ene, 8_1_onl, 8_2_onl, 8_1_fin, 8_2_fin, 9_bun, 9_ter, 10_card, 10_diff, 12_off weighted by dimension. The factor analysis (ipf) shows that if countries would need to be plotted in a two dimensional space, the best use of the axis would be Dimension 1 separately on one axis and Dimensions 2 and 5 combined on the other axis.

Source: London Economics analysis of the survey data

In addition, the plot in Figure 75 shows why certain countries with similar average vulnerability levels are not grouped together, for instance, Iceland and the UK. It also

⁴⁰⁷ Dimension 1 is made up of two indicators, namely Indicator 1 'took no action when experienced a problem' and Indicator 2 'Overpaid due to payment methods'.

reveals why certain countries with different average vulnerability levels are grouped together, e.g. Greece and Cyprus, as these both score the highest on 'perception of own vulnerability' (dimensions 2 and 5).

In terms of characteristics, a rule based distinction can be made within the 'low vulnerability countries' (groups 1, 2, and 5) and the 'high vulnerability countries' (groups 3, and 4) to further split the individual groups.

Groups 1, 2 and 5 can be differentiated from each other by examining the extent that consumers in these country groups feel vulnerable for the various reasons mentioned in the survey (age, health, employment, complexity of offers, etc.). As can be seen from the top-right panel in Figure 3, countries in group 1 have the lowest 'perception of own vulnerability' (dimensions 2 and 5) among consumers, followed by countries in group 2, then countries in group 5 with the highest vulnerability on the x-axis of the graph.

Similarly, groups 3 and 4 can also be distinguished from each other by considering the average feeling of vulnerability among consumers in these country groups⁴⁰⁸. Consumers in group 3 countries on average feel less vulnerable due to the factors mentioned in the survey than consumers in group 4 countries.

Thus within each of the low and high vulnerability groups, the highest country has a lower vulnerability than the lowest of the next group on the 'perception of own vulnerability' (dimensions 2 and 5), i.e. Slovakia has a lower average 'perception of own vulnerability' than France, and puts Slovakia in group 2 and France in group 5.

Variation in perceived vulnerability is thus the method to distinguish and describe countries of the high and low vulnerability clusters into their own sub-clusters.

Last, these dimensions ('perception of own vulnerability', dimensions 2 and 5) are once more the divisive measure to cluster country groups at a more disaggregate level⁴⁰⁹. This can be done by grouping groups 1 and 2 together (Clusters A.) and groups 3, 4 and 5 (Cluster C.)⁴¹⁰ – the line X_1 in Figure 3 marks the separation between the two clusters. Thus similar to the distinction of the low 'vulnerability' and 'high vulnerability' groups in their consistent groups, the more disaggregate level groups can be distinguished on the same dimensions ('perception of own vulnerability').

408 Dimensions 2 and 5

409 For the country group analysis in the report in section 6.7, country groups are at times combined to increase the sample size.

410 Likewise groups 3 and 4 can be combined into one larger group (Cluster B.). Cluster B. reflects the close affinity of the two groups on all dimensions and intermediate grouping of Cluster C.

A7.2.3 Sample sizes for each consumer group for each experiment

Table 152: Sample sizes for each consumer group for each experiment				
	Energy	Online	Finance	Generic
Personal & Demographic				
Age 35-44 (base)	484	493	506	439
Age 16-24	336	359	343	346
Age 25-34	496	496	446	480
Age 45-54	465	429	465	477
Age 55-64	379	387	397	443
Age 65-74	261	258	264	283
Age 75+	101	88	84	97
Female (base)	1316	1338	1363	1337
Male	1206	1172	1142	1228
High density region (base)	1197	1205	1183	1205
Medium density region	640	633	628	643
Low density region	685	672	694	717
Native mother tongue (base)	2319	2306	2317	2340
Foreign mother tongue	203	204	188	225
High/Medium Education (base)	1863	1876	1875	1852
Low Education	659	634	630	713
Not long-term sick or disabled (base)	2455	2454	2422	2489
Long-term sick or disabled	67	56	83	76
Behavioural				
Risk taking: Not at all (base)	464	463	476	495
Risk taking: Not very	1134	1143	1174	1199
Risk taking: Fairly	788	759	708	719
Risk taking: Very	98	102	109	111
Trust 2: Very low (base)	374	355	375	376
Trust 2: Low	946	947	915	926
Trust 2: High	1001	994	1024	1043
Trust 2: Very high	201	214	191	220
Impulsiveness: Very low (base)	638	585	639	608
Impulsiveness: Low	1049	1078	1060	1093
Impulsiveness: High	670	681	648	683
Impulsiveness: Very high	165	166	158	181
Credulity (base)	703	698	685	712
No credulity	1501	1500	1484	1523
Market-related and experience				
Know contract conditions: Completely (base)	261	444	480	350
Know contract conditions: Fair amount	903	846	1067	975
Know contract conditions: Not very	894	345	509	607
Know contract conditions: Not at all	387	98	105	208
Compare deals: From time to time (base)	460	678	473	510
Compare deals: When notified/need to renew	292	376	213	324
Compare deals: Sporadically	276	243	324	293
Compare deals: Only the first time	340	240	494	314
Compare deals: Never	1154	229	1001	858
Read communication: In detail (base)	581	448	709	605

Table 152: Sample sizes for each consumer group for each experiment				
	Energy	Online	Finance	Generic
Read communication: Glanced or skim read	726	700	779	729
Read communication: Saw total price/what it was	541	198	231	354
Read communication: Not read it at all	417	244	211	279
Read communication: Don't know	180	143	231	173
Read bill: Very easy (base)	268	392	457	374
Read bill: Easy	993	663	836	849
Read bill: Difficult	493	84	172	261
Read bill: Very difficult	94	9	23	41

Source: London Economics

Annex 8 Data analysis undertaken to examine the drivers of and factors linked to consumer vulnerability

This annex describes the methodology and variables used in the analysis of Chapter 6 of the report. The analysis comprises of two main parts:

- 1) An analysis of factors explaining the survey-based indicators of vulnerability, and;
- 2) Analysis of factors explaining the performance of participants in the experiments, and factors explaining the treatment effect in the experiments

The analysis uses four main statistical tools:

- Correlation analysis;
- Multivariate variable selection analysis through General-to-Specific selection models. The models involved are the following:
 - Multivariate binary choice analysis through logistic regression models;
 - Multivariate ordered choice analysis through ordered logistic regression models;

Two additional univariate statistical tools are used in the experiment analysis only and are described in section A8.3:

- Difference-in-proportion analysis;
- Difference-in-differences analysis.

The section below provides a brief description of the various models and techniques that are used in both main parts of the analysis.

A8.1 Analytical tools common to both main parts of the analysis

A8.1.1 Statistical methods

Correlation analysis

The correlation analysis focuses on the potential link between a dependent variable and an explanatory variable. In the correlation analysis, a respondent is included in the data sample used in the correlation analysis as long as she/he has given an answer to the questions regarding the dependent and explanatory variables. Thus the size of the sample over which the correlation is computed will vary. This approach was adopted in order to maximise sample size while non-responses are excluded from the analysis and only reduce the number of respondents in each particular correlation computation.

The analysis is conducted at the highest level of detail possible of the explanatory variable and a correlation coefficient is computed for each possible answer to each question related to the set of potential vulnerability drivers⁴¹¹.

General-to-specific selection models

⁴¹¹ See the variable list in A8.1.2. Age was re-coded into age bands. Household size is an exception.

The econometric analysis is performed via General-to-Specific (G-S) modelling. The G-S approach is suitable for cases where there are a large number of potential explanatory variables and it is not clear a priori which explanatory variables should be included in the regression model.⁴¹²

In order to select a parsimonious model from a large set of potential explanatory variables, each dependent variable is first modelled using a general model that includes all potential explanatory variables as regressors. Then, the general model is reduced in complexity by eliminating from the model, one at a time, statistically insignificant variables while checking the validity of the model reduction at every stage.

The general-to-specific approach used here is 'GETS' in STATA⁴¹³. This approach removes the least statistically significant variable at each stage in an iterative process. To ensure that the validity of the model is maintained five statistical tests are conducted at each stage of the process.⁴¹⁴ If validity of the model is maintained (according to the results of the tests), the least statistically significant variable is removed at each iteration and this process is repeated until either all variables remaining in the model are statistically significant or no variable can be removed without failing the statistical tests⁴¹⁵.

Since the order in which variables are removed during the iterative process may affect which variables are included in the final regression model, five different 'search paths' are used in GETS. The first path starts (at the first iteration) with the removal of the least statistically significant variable, the second path starts with the removal of the second least statistically significant variable, etc. Following multiple selection paths in this way reduces the likely of excluding important variables. The final G-S model is selected from the five path endpoints based on the lowest Bayesian Information Criterion.⁴¹⁶

⁴¹² Promoted by the London School of Economics and Professor Hendry. Hendry, D. F. (1986). *Econometric modelling with cointegrated variables: an overview*. Oxford Bulletin of Economics and Statistics, 48(3), 201-212

⁴¹³ Clarke, D. (2014). *General-to-specific modeling in Stata*. Stata Journal, 14(4), 895-908. The module is also known as 'GENSPEC'.

⁴¹⁴ These tests are the Doornik-Hansen test for normality; Breusch-Pagan test for heteroskedasticity; Ramsey RESET test for linearity; and, in- and, out-of-sample Chow tests for structural breaks in the data. Tests that the model does not pass before the first iteration of the model are not used again (in practice the normality and heteroskedasticity tests, because the dependent variable is frequently binary)

⁴¹⁵ It was not practical to implement the general-to-specific statistical tests: the in-and, out-of-sample Chow tests randomly selects 50% and 10% of the sample respectively to test for structural breaks and external validity of the model. The random selection means that the test might be passed or failed by chance, leading to non-reproducible results of the G-S model. Statistical tests were disabled. Robust standard errors were specified, in response to frequent failures in particular of the Breusch-Pagan test for heteroskedasticity.

⁴¹⁶ Schwarz, G. (1978), "Estimating the dimension of a model", Annals of statistics, 6(2), 461-464. The Bayesian Information Criterion trades-off the goodness-of-fit of the model with the number of variables. The criterion's general form is as follows: $BIC = \ln(n)k - 2\ln L$, where n is the number of observations. This leads in general to a more parsimonious model selection than other criteria (e.g. Akaike Information Criterion). The first part of the expression is a function of the number of free parameters to estimate, and thus represents the complexity introduced by trying to fit the model with more regressors. The second part includes a penalty as an

In the final step, in the case of variables with a number of dummies or sub-variables (such as for example an age variable included in the analysis as a series of age range dummies – for example 0-19, 20-49, 50-69, 70+) the set of explanatory variables of the final G-S model is expanded by adding back into a model all the dummies or sub-variables variables belonging to the same group of a particular variable even if these dummies or sub-variables had been eliminated during to the G-S process. This approach ensures that the base (i.e., the particular dummy or sub-variable category excluded from the model to avoid perfect multi-collinearity) is the same across all models.

In this manner, the effect of variable represented by a series of dummies is in effect estimated relative to a base group of respondents used for comparison that differ in the characteristic of the same dimension (see section below for base categories). For example, if in model using the age groupings described above, the age group 0-19 is excluded, the econometrically estimated effect of belonging to an older age group will always be relative to effect the 0-19 age group.

If only one dummy or sub-variable is excluded from the analysis, its effect is co-mingled with that of the “true” constant term of the model. When several dummies are excluded, the estimated constant of the model reflects the combined effect of all the excluded variables and the “true” constant, and it is not possible to split the estimated constant into its constituent components.

The relationship between the dependent variable and its potential drivers is then estimated with the complete set of explanatory variables using logistic or ordered logistic regression models. Marginal effects (and odds-ratios) are reported for the final regressions.

A8.1.2 List of explanatory variables

The set of potential vulnerability drivers has been selected based on literature research, expert opinion and communication between LE, VVA, Ipsos and the European Commission. The vulnerability drivers relate to personal and demographic characteristics, behavioural characteristics, market-related and experience, access characteristics and situational characteristics. In total, 189 drivers were derived from 49 survey questions – this group of drivers also includes three sets of composite indicators related to the (employment status and time in the current status, the civil status of being single and a parent, and the number of purposes for which the internet is used on a monthly basis).

All respondent specific drivers except household size, are coded as dummy variables, i.e. the characteristic can be only true or false. In addition, characteristics related to a particular survey are mutually exclusive – these groups are indicated by intermittent shades in Table 153. For example, the gender of respondents is coded as two dummy variables (female and male) and the age of respondents is coded as six age group dummies (16-24, 25-34, 45-54, 55-64, 65-74 and 75+)

As already noted above, the coding of the various characteristics of respondents as dummy variables implies that in the regression analysis one characteristic of a particular variable is always excluded from the set of explanatory variables. Its effect is captured

increasing function of the number of estimated parameters. This penalty discourages over-fitting. Hence, the “best” model is the one with the lowest BIC value.

by the constant of the estimated model. In the discussion below, the excluded dummy is called the base category.

From a statistical point of view, the base category provides the null hypothesis that a regression analysis sets out to reject, namely that a particular characteristic has the same effect on the dependent variable as the characteristic reflected in the base category.

As the dependent variables are indicators of vulnerability and measures of experiment performance, the categories we are most interested in are the more vulnerable groups *a priori*.

The key purpose of the selection of a particular base category is to facilitate the comparison of the drivers of vulnerability. Therefore, the specific selection of the characteristics of a particular variable to define as base categories was based on the following considerations:

- **Largest group** of respondents in the case of a number of objective features of respondents (e.g. married, female, full-time employed, no dependent children, native speaker, etc.);
- In the case of ordinal responses, the **end-of-spectrum conservative response** (e.g. very low impulsiveness, very risk averse, very low trust, meeting ends is easy, complete knowledge of contract conditions, read last communication in detail, etc.);
- **Indicators least associated with vulnerability** in the experiment (e.g. age groups 35 to 44, high education, answered the credulity question correctly, does not have difficulty with small print, monthly internet use, etc.);
- **Negative responses to a positive statement** (e.g. incorrect answer to the computerised test 1&2, does not have friends that buy goods or services online, does not know the meaning of kWh/Mbps/interest rate, does not have monthly internet activities, etc.).

In addition, there are three contract-related dummies that belong to three sets each. Namely, the response "**Does not have a(n) ... contract**"⁴¹⁷ did not get the follow-up questions on 1) the knowledge of the contract, 2) the level of detail the respondent read the contract and 3) the difficulty the respondent had to read the contract in that sector.

In the correlation analysis respondents without a contract were simply left out as non-respondents and this did not pose a particular issue.

In the regression analysis however, a large and important group of respondents would not have been included in the analysis as they did not have a response variable. Therefore, a dummy variable "Does not have a(n) ... contract" was created to be used as the answer of respondents who did not answer this question.

⁴¹⁷ The three variables are: "Does not have an energy contract", "Does not have an internet contract" or "Does not have an bank contract"

Annex 8 | Data analysis undertaken to examine the drivers of and factors linked to consumer vulnerability

Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
<u>Personal and demographic characteristics</u>		
Age 16-24	Age group from 16 to 24	Age group 35 to 44
Age 25-34	Age group from 25 to 34	
Age 45-54	Age group from 45 to 54	
Age 55-64	Age group from 55 to 64	
Age 65-74	Age group from 65 to 74	
Age 75+	Age group above 75	
Male	Male respondent	Female
Low density region	Respondent lives in low density region	High density region
Medium density region	Respondent lives in medium density region	
Household size	Number of individuals in the household	N/A
Low education	Low education level	High education level
Medium education	Medium education level	
Non-native tongue, no diff'ty	Mother tongue different from the official language, but this does not cause difficulty	Native speaker
Non-native tongue, difficulty	Mother tongue different from the official language, and this causes difficulty	
<u>Behavioural characteristics</u>		
Trust 1: Low	Low trust in people; Tends to agree with the statement "you need to be very careful in dealing with people"	Very low trust
Trust 1: High	High trust in people; Tends to disagree with the statement "you need to be very careful in dealing with people"	
Trust 1: Very high	Very high trust in people; Strongly disagrees with the statement "you need to be very careful in dealing with people"	
Trust 2: Low	Low trust in people; Tends to disagree with the statement "I believe most people can be trusted"	Very low trust
Trust 2: High	High trust in people, Tends to agree with the statement "I believe most people can be trusted"	
Trust 2:Very high	Very high trust in people; Strongly agrees with the statement "I believe most people can be trusted"	
Credulity test: Incorrect	Answered credulity test incorrectly	Answered credulity test correctly
Credulity test: Not taken	Did not take credulity test	
Credulity: Low	Low credulity; Tends to disagree with the statement "Most advertisements report objective fact, I trust most of the information provided in advertisements"	Very low credulity

Annex 8 | Data analysis undertaken to examine the drivers of and factors linked to consumer vulnerability

Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
Credulity: High	High credulity; Tends to agree with the statement "Most advertisements report objective fact, I trust most of the information provided in advertisements"	
Credulity: Very high	Very high credulity; Strongly agrees with the statement "Most advertisements report objective fact, I trust most of the information provided in advertisements"	
Impulsiveness 1: Low	Low impulsiveness; Tends to disagree with the statement "I have a hard time breaking bad habits"	Very low impulsiveness
Impulsiveness 1: High	High impulsiveness; Tends to agree with the statement "I have a hard time breaking bad habits"	
Impulsiveness 1: Very high	Very high impulsiveness; Strongly agrees with the statement "I have a hard time breaking bad habits"	
Impulsiveness 2: Low	Low impulsiveness; Tends to agree with the statement "I'm good at resisting temptation"	Very low impulsiveness
Impulsiveness 2: High	High impulsiveness; Tends to disagree with the statement "I'm good at resisting temptation"	
Impulsiveness 2: Very high	Very high impulsiveness; Strongly disagrees with the statement "I'm good at resisting temptation"	
Impulsiveness 3: Low	Low impulsiveness; Tends to agree with the statement "People would say that I have very strong self-discipline"	Very low impulsiveness
Impulsiveness 3: High	High impulsiveness; Tends to disagree with the statement "People would say that I have very strong self-discipline"	
Impulsiveness 3: Very high	Very high impulsiveness; Strongly disagrees with the statement "People would say that I have very strong self-discipline"	
Impulsiveness 4: Low	Low impulsiveness; Tends to disagree with the statement "I'm impulsive in the purchase decisions I take"	Very low impulsiveness
Impulsiveness 4: High	High impulsiveness; Tends to agree with the statement "I'm impulsive in the purchase decisions I take"	
Impulsiveness 4: Very high	Very high impulsiveness; Strongly agrees with the statement "I'm impulsive in the purchase decisions I take"	
Risk taking: Not very	Not very willing to take risks	Not at all willing to take risks
Risk taking: Fairly	Fairly willing to take risks	
Risk taking: Very	Very willing to take risks	
Risk taking: No response	Did not answer the question on willingness to take risks	
Computation test 1 correct	Answered first computation test correctly	Answered incorrectly
Computation test 2 correct	Answered second computation test correctly	Answered incorrectly
Knows meaning of kWh	Knows the meaning of the term kWh	Answered incorrectly
Knows meaning of Mbps	Knows the meaning of the term Mbps	Answered incorrectly

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Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
Identified best interest rate	Identified best interest rate for a savings account	Answered incorrectly
Market-related drivers and experience in markets		
Unable to read Ts&Cs due to small print	Unable to read energy, telecommunication or banking contract terms and conditions due to overly small print	Able to read contract Ts&Cs
Compare energy deals: When need to renew	Compares energy deals from internet providers "but only when I need to renew my contract"	Compares deals "from time to time"
Compare energy deals: Sporadically	Compares energy deals "but only sporadically"	
Compare energy deals: Only the first time	Compares energy deals from internet providers only "the first time I needed to choose a provider"	
Compare energy deals: Never	Never compared energy deals	
Compare internet deals: When need to renew	Compares deals from internet providers "but only when I need to renew my contract"	Compares deals "from time to time"
Compare internet deals: Sporadically	Compares deals from internet providers "but only sporadically"	
Compare internet deals: Only the first time	Compares deals from internet providers only "the first time I needed to choose a provider"	
Compare internet deals: Never	Never compared deals from internet providers	
Compare internet deals: No response	Did not answer the question on frequency of comparing internet deals	
Compare deals from banks: When notified	Compares deals from banks "but only when I am notified that the conditions of my contract will be changed"	Compares deals "from time to time"
Compare deals from banks: Sporadically	Compares deals from banks "but only sporadically"	
Compare deals from banks: Only the first time	Compares deals from banks only "the first time I needed to choose a bank"	
Compare deals from banks: Never	Never compared deals from banks	
Know energy contract: Not at all	Does not know energy contract conditions "at all"	Know contract conditions completely
Know energy contract: Not very	Does not know energy contract conditions "very much"	
Know energy contract: Fair amount	Knows energy contract conditions a "fair amount"	
Know energy contract/Read bill: No response	Does not have a gas or electricity contract (so no response to question on knowledge of contract/read last bill)	
Know internet contract conditions: Not at all	Does not know internet contract conditions "at all"	Know contract conditions completely
Know internet contract conditions: Not very	Does not know internet contract conditions "very much"	

Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
Know internet contract conditions: Fair amount	Knows internet contract conditions a "fair amount"	
Know internet contract/read comm'n: No response	Does not have internet contract (so no response to question on knowledge of contract/read communication)	
Know bank contract conditions: Not at all	Does not know bank contract conditions "at all"	Know contract conditions completely
Know bank contract conditions: Not very	Does not know bank contract conditions "very much"	
Know bank contract conditions: Fair amount	Knows bank contract conditions a "fair amount"	
Know bank contract/read comm'n: No response	Does not have bank contract (so no response to question on knowledge of contract/read communication)	
Read energy bill: Glanced or skim read	Read last bill from energy supplier, but "glanced over it or skim read it"	Read last bill in detail
Read energy bill: Looked at total price	Read last bill from energy supplier, but "only looked at total price"	
Read energy bill: Not at all	Did not read last bill from energy supplier	
Read energy bill: Don't know	Does not know or remember if read last bill from energy supplier	
Read energy bill: No response	Does not have a gas or electricity contract	
Read internet communication: Glanced or skim read	Read last internet provider communication, but "glanced over it or skim read it"	Read communication in detail
Read internet communication: Saw what it was	Read last internet provider communication, but "only saw what it was (i.e. looked at the numbers)"	
Read internet communication: Not read it at all	Did not read last internet provider communication "at all"	
Read internet communication: Don't know	Does not know or remember if read last internet provider communication	
Read internet communication: No response	Does not have internet contract	
Read bank communication: Glanced or skim read	Read last bank communication, but "glanced over it or skim read it"	Read communication in detail
Read bank communication: Saw what it was	Read last bank communication and "only saw what it was (i.e. looked at the numbers)"	
Read bank communication: Not read it at all	Did not read last bank communication "at all"	
Read bank communication: Don't know	Does not know or remember if read last bank communication	
Read bank communication: No response	Does not have bank contract	
Read energy bill: Easy	Reading last bill from energy supplier was easy	Very easy
Read energy bill: Difficult	Reading last bill from energy supplier was difficult	

Annex 8 | Data analysis undertaken to examine the drivers of and factors linked to consumer vulnerability

Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
Read energy bill: Very difficult	Reading last bill from energy supplier was very difficult	
Did not read energy bill	Did not read the last bill from the energy supplier in detail, glanced over or skim read it (or has no energy supplier)	
Read internet communication: Easy	Reading last internet provider communication was easy	Very easy
Read internet communication: Difficult	Reading last internet provider communication was difficult	
Read internet communication: Very difficult	Reading last internet provider communication was very difficult	
Did not read internet communication	Did not read the internet provider communication in detail, glanced over or skim read it (or has no internet provider)	
Read bank communication: Easy	Reading last bank communication was easy	Very easy
Read bank communication: Difficult	Reading last bank communication was difficult	
Read bank communication: Very difficult	Reading last bank communication was very difficult	
Did not read bank communication	Did not read the bank communication in detail, glanced over or skim read it (or has no bank account)	
Access-related drivers		
Monthly internet activities: 7	Uses internet at least once per month for 7 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	Zero monthly internet activities
Monthly internet activities: 6	Uses internet at least once per month for 6 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 5	Uses internet at least once per month for 5 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 4	Uses internet at least once per month for 4 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 3	Uses internet at least once per month for 3 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 2	Uses internet at least once per month for 2 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Monthly internet activities: 1	Uses internet at least once per month for 1 out of 7 activities (Search, Price comparison, Online banking , Online purchases, Online sales, Social network, Email)	
Frequent internet use: Search	Uses internet at least once a month for: Online search	
Frequent internet use: Compare prices	Uses internet at least once a month for: Price comparison	Does not...
Frequent internet use: Banking	Uses internet at least once a month for: Online banking	Does not...
Frequent internet use: Purchases	Uses internet at least once a month for: Online purchases	Does not...
Frequent internet use: Selling	Uses internet at least once a month for: Online sales	Does not...

Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
Frequent internet use: Social	Uses internet at least once a month for: Social network	Does not...
Frequent internet use: Email	Uses internet at least once a month for: Email	Does not...
Situational drivers		
Employed part-time	Employed part-time	Employed full-time
Self-employed full-time	Self-employed full-time	
Self-employed part-time	Self-employed part-time	
Unemployed & looking	Unemployed & looking	
Unemployed & not looking	Unemployed & not looking	
Long-term sick or disabled	Long-term sick or disabled	
Housewife/Homemaker	Housewife/Homemaker	
Retired	Retired	
In full time education	In full time education	
Studying with part-time job	Studying with part-time job	
Unemployed & looking 5+ years	Has been unemployed & looking for work for at least 5 years	Not...
Unemployed & not looking 5+ years	Has been unemployed & not looking for at least 5 years	Not...
Long-term sick or disabled 5+ years	Has been long-term sick or disabled for at least 5 years	Not...
Housewife/Homemaker 5+ years	Has been a housewife or homemaker for at least 5 years	Not...
Retired 5+ years	Has been retired for at least 5 years	Not...
Remarried	Marital status: remarried	Married
Living with a partner	Marital status: not married living with a partner	
Single	Marital status: single	
Divorced or separated	Marital status: divorced or separated	
Widowed	Marital status: widowed	
Other	Marital status: other	
Single parent	Is a single parent	
1 dependent child	One child in the household	No dependent children
2 dependent children	Two children in the household	
3+ dependent children	Three or more children in the household	
Single person household	Only member of the household	
Friends buy online	Agree or strongly agree that "Most of my friends and relatives buy goods and services online"	Does not...
Friends buy on credit	Agree or strongly agree that "Most of my friends and relatives buy goods and services on credit"	Does not...

Table 153: Explanatory variables included in regressions		
Name/label	Description	Base category
Friends can't make ends meet	Agree or strongly agree that "Most of my friends and relatives find it difficult to make ends meet every month"	Does not...
Making ends meet: Fairly easy	Making ends meet is fairly easy	Making ends meet is easy
Making ends meet: Fairly difficult	Making ends meet is fairly difficult	
Making ends meet: Very difficult	Making ends meet is very difficult	
Making ends meet: Prefer not to say	Prefers not to answer the statement	

A8.2 Econometric analysis of the survey data – drivers of consumer vulnerability

The econometric analysis of the survey results aims to identify the drivers of consumer vulnerability.

Consumer vulnerability was described and operationalised using a number of quantifiable indicators as described in section 3.6.

The analysis consists of the following steps:

1. Selection of a set of representative vulnerability indicators
2. Selection of a set of vulnerability drivers
3. Preliminary correlation analysis (both between indicators and explanatory variables, and among explanatory variables)
4. General-to-specific modelling on whole survey sample (i.e. combining all countries)

The selection of vulnerability drivers is the full set of variables described in the section A8.1.2.

From the full list of over 100 quantitative indicators, a total of 37 indicators of vulnerability indicators, or dependent variables, were selected.

A8.2.1 Dependent variables

The G-S analysis examines the relationships between the explanatory variables set out in section A8.1.2 and the following survey-based indicators of vulnerability, which are the dependent variables in the regressions (these indicators are defined in section 3.6; the indicator codes in parentheses below match those in Table 5 in section 3.6).

- Indicator 1. Unassertive (took no action) when experienced a problem (1).
- Indicator 2. Overpaid for services due to being unable to use certain payment methods (2).
- Indicator 3. Perception of own vulnerability due to personal characteristics (3).
- Indicator 4. Does not feel informed about prices etc. (4).
- Indicator 5. Gets information from advertisements only; separately for the energy (5_adv_ene), online (5_adv_onl) and finance (5_adv_fin) sectors.
- Indicator 6. Has problems comparing deals due to information-related factors; separately for the energy (6_ene), online (6_onl) and finance (6_fin) sectors.
- Indicator 7. Has not switched due to information-related factors; separately for the energy (7_ene), online (7_onl) and finance (7_fin) sectors.
- Indicator 8a. Has problems comparing deals due to personal factors; separately for the energy (8a_ene), online (8a_onl) and finance (8a_fin) sectors.
- Indicator 8b. Has problems comparing deals due to market-related factors; separately for the energy (8b_ene), online (8b_onl) and finance (8b_fin) sectors.

- Indicator 8c. Has problems comparing deals due to access-related factors; separately for the energy (8c_ene), online (8c_onl) and finance (8c_fin) sectors.
- Indicator 9a. Has not switched due to personal factors; separately for the energy (9a_ene), online (9a_onl) and finance (9a_fin) sectors.
- Indicator 9b. Has not switched due to market-related factors; separately for the energy (9b_ene), online (9b_onl) and finance (9b_fin) sectors.
- Indicator 9c. Has not switched due to access-related factors; separately for the energy (9c_ene), online (9c_onl) and finance (9c_fin) sectors.
- Indicator 9d. Has not switched due to termination costs.
- Indicator 9e. Has not switched due to bundling.
- Indicator 10a. Excluded from e-commerce due to difficulty of the process.
- Indicator 10b. Excluded from e-commerce due to not having a payment card.
- Indicator 11. Declined for a loan.
- Indicator 12. Perception of own vulnerability due to complexity of offers.

A8.2.2 Statistical models and tests

The general-to-specific selection model was applied as described in A8.1.1.

The ordered logistic regression was used after the G-S selection model for Indicator 3 and Indicator 4.

An ordered logistic regression was used for Indicator 12, as well as a logistic regression on a dummy of Indicator 12 for respondents who indicated to feeling vulnerable 'because offers, terms or conditions are too complex' "to a great extent".

A standard logistic regression has been used for all other indicators.

A8.2.3 Results available in Excel format

For the empirical analysis of the drivers of vulnerability using the survey-based indicators of vulnerability, the estimation results are available in Excel format in the spreadsheet:

- Survey_G-S.xlsx

The reported values are the marginal effects and p-values for the logistic regressions, and odds-ratios and p-values for ordered logistic regressions.

The analysis was undertaken on the entire sample and for individual countries

A8.3 Analysis of experiments – relating performance to drivers of vulnerability, marketing practice and remedy treatment

The aim of the analysis of the experiment results is to relate performance in the experiments to the drivers of vulnerability, and the market conditions/remedy treatment the respondent observed.

The analysis of the factors linked to experiment performance consists of the following steps:

1. Selection of a set of indicators for experiment performance;
2. Selection of a set of vulnerability drivers;
3. Difference-in-proportion tests of the marketing practice and remedy treatment;
4. Correlation analysis between experiment performance and explanatory variables;
5. Regression analysis for each group of explanatory variables (personal and demographic, behavioural, market-related and experience, access, and situational);
6. General-to-specific modelling on whole survey sample (i.e. combining Denmark, Lithuania, Portugal, Romania, United Kingdom); and,
7. General-to-specific modelling on separate countries

The next aim of the analysis is to disentangle the different treatment effects on performance of various subgroups. More specifically, the aim is to identify the groups which are more susceptible to the marketing practice treatment, or in other words, benefit more from the remedy treatment.

The analysis of the factors linked to the treatment effect in the experiments consists of the steps:

8. Difference-in-differences estimations of the marketing practice and remedy treatment;
9. General-to-specific modelling on the whole survey sample (i.e. combining Denmark, Lithuania, Portugal, Romania, United Kingdom) and on separate countries;
 - a. Remedy treatment with full set of interaction terms;
 - b. Difference in treatment performance as dependent variable.

A8.3.1 Dependent variables

Performance

The experiment performance variable comprises nine different measures, namely:

- 2 correct or incorrect responses in the energy sector (round 1 and round 2);
- 2 correct or incorrect responses in the online sector (round 1 and round 2);
- 2 correct or incorrect responses in the finance sector (round 1 and round 2);
- 2 correct or incorrect responses in the energy sector (round 1 and round 2), and;
- 1 overall score for the total number of correct responses from the four responses.

To recap, each experiment choice had an optimal offer. In the first round, one deal was at least as good as—or better than—the other deal on all aspects (price, quality (if any), etc.). In the second round, one deal was at least as good as—or better than—two other deals on all aspects. The result of the different choices provides a single binary measure, correct or incorrect, for both rounds in the four sectors.

The variables used for experiment performance in the empirical analysis are the eight choices of deals, with two choices in each sector. For each choice decision, an optimal deal could be selected. The performance variable is thus a binary variable: did the respondent select the optimal deal presented to him/her.

Each respondent went through the first and second round choice selection in two of the four sectors. The number of correct answers is a simple sum of all correct choices in order to provide an overall score on a discrete scale from 0, in case of no correct answers, to 4, if all were choices were answered correctly.

Variation in treatment effects

The eight performance measures that are specific to the sectors and choice selection rounds are used as dependent variable in the regression.

For the assessment of overall experiment performance, a tenth and last measure is used, namely:

- The difference between marketing practice and treatment performance

The difference in treatment performance is for each respondent the number of correct deals chosen in the remedy treatment minus the number of correct deals chosen in the marketing practice.

On a five point scale, the variable is a score ranging from a maximum of 2 if the best deals chosen were only the remedy treatment to -2 if only the best deals chosen were in the marketing practice.

Each respondent was allocated randomly to the treatment and sector, and made two choices in the remedy treatment part of the experiment and two choices in the marketing practice part of the experiment.

The random allocation allows the relationship of the dependent variable with the explanatory variables to be interpreted as characteristics related to greater or lesser susceptibility to the marketing practice, or equivalently a greater or lesser benefit from the remedy.

A8.3.2 Statistical models and tests

Difference-in-proportions

Difference-in-proportions tests were used to assess the experiment performance with the marketing practice and remedy treatment.

This test compares the proportions of respondents that chose the correct deal in the marketing practice with the proportions of respondents that chose the correct deal in the remedy treatment (between-subject comparison).

No correlation between the treatment conditions and any other characteristics is expected, due to the random allocation of respondents between marketing practice and remedy treatment in the experiment design.

Difference-in-differences

The difference-in-differences of the remedy treatment of various groups were calculated after the difference-in-proportions test. The significance test used was a standard t-test⁴¹⁸.

Logistic regression models

A logistic regression model is used for each of the eight binary dependent variables, i.e. one for each round of each experiment. As in the case of the G-S models discussed earlier, robust standard errors were calculated. Subsequently, marginal effects and standard errors were calculated at the means using the `mfx` command in Stata.

Logistic regressions were performed for each of the eight models for each group of explanatory variables as well (personal and demographic, behavioural, market-related and experience, access, and situational) and the estimation results are available as Excel files.

Ordered logistic regression models

An ordered logistic regression model is used for the overall score. Coefficients were transformed to odds ratios.

Ordered logistic regressions were estimated for each of the eight models for each group of explanatory variables as well (personal and demographic, behavioural, market-related and experience, access, and situational) and the regression results are available as Excel file.

General-to-specific selection models

The general-to-specific selection model was applied as described earlier.

The final G-S model was selected using 107 potential explanatory variables in total, 90 variables from the demographic and personal, behavioural, access, and situational characteristics and the 17 market-related and experience characteristics as described in the section below.

The designated base category from the variable list was not included in the potential set of explanatory variables in the general model.

The analysis of the online sector experiment started with 108 potential explanatory variables in total and the analysis of the overall score began 106 potential explanatory variables.

The general-to-specific selection model was applied for each of the nine dependent variables for Denmark, Lithuania, Portugal, Romania, and the United Kingdom separately and combined to produce 54 regression selection models.

⁴¹⁸ The *diff* Stata package was used in this calculation. The violation of normality of the standard errors due to the comparison of binary outcome variables means some caution needs to be taken, in particular for the significance in the rounds of the finance experiment.

A8.3.3 List of explanatory variables

The explanatory variables consist of those used in the section above and described in section A8.1.2. However, there are two exceptions which are described in further details below:

- The market-related and experience variables are the only group of variables that a more parsimonious sector specific group is used instead.
- The treatment and remedy condition in the experiment provide an additional set of sector specific variables.

The relationship between experiment performance and the market-related and experience drivers of vulnerability are tested by using a tailored set of variables.

Just one variable is used for the contract knowledge, the frequency deals are compared, the detail bill or communication are read, and the difficulty to read the last bill or communication, namely the variable which relates to the experiment (e.g., knowledge of energy contract for the rounds of the energy sector experiment). As such, the performance in the experiment is related to the experience in the same sector⁴¹⁹.

Table 154: Market-related and experience variables

Description	Energy sector	Online sector	Finance sector	Cross-cutting	Overall
Knows the contract conditions of the sector	know_contract_ene_*	know_contract_onl_*	know_contract_fin_*	know_contract_gen_*	know_contract_exp_*
Frequency of comparing deals of the sector	compare_deals_ene_**	compare_deals_onl_*	compare_deals_fin_**	compare_deals_gen_**	compare_deals_exp_**
Depth in reading communications of the sector	read_comm_ene_*	read_comm_onl_*	read_comm_fin_*	read_comm_gen_*	read_comm_exp_*
Difficulty to read communications of the sector	read_comm_diff_ene_*	read_comm_diff_onl_*	read_comm_diff_fin_*	read_comm_diff_gen_*	read_comm_diff_exp_*
Marketing condition (=0) or treatment (=1)	e_treatment	o_treatment	f_treatment	g_treatment	N/A

Note: Shade indicates that the variable is a composite variable from the other variables to the left of it.
 *coded as five or six separate dummies for each possible response and no response
 **no response is not an option

Similarly, the cross-cutting experiment has three frames: energy, online and finance. The market experience used in the analysis depends on the frame that the respondent faced (e.g. knowledge of energy contract for the rounds in the cross-cutting experiment for a respondent in the energy frame).

In contrast, the overall experiment performance consists of the performance in two different frames. The overall experiment performance can thus not be assessed against a single sector experience measure. Instead, the performance in the overall

⁴¹⁹ Noteworthy, the performance in the online sector of the experiment has one more potential explanatory variable as a result: "Compare internet deals: No response" for respondents that did not answer the question on frequency of comparing internet deals.

experiment is evaluated against the highest level of experience of the two markets frames the respondent observed. For example, if the respondent was allocated to the energy and online sector experiments and indicated to know his/her energy contract “not very much” and internet conditions “a fair amount”, the respondent was scored to have “a fair amount” of knowledge of contract conditions. This reveals the experience of the respondent in a broader sense, yet still adapts the variable to the frame observed in the experiment.

No treatment effect can be determined for the overall experiment performance. Respondents observed the marketing practice for one sector and the treatment condition for the other sector. As the overall experiment performance is the number of best deals chosen among the four choices from the two rounds in the two sectors, each respondent was both in the marketing practice and remedy condition.

The variable reflecting the respondents who were unable to read energy, telecommunication or banking contract terms and conditions due to overly small print, “Unable to read Ts&Cs due to small print”, was the only variable in the market-related and experience group identical for all performance indicators.

A8.4 Results available in Excel format

For the experiment results, the following empirical results are available in Excel format:

- Experiment_Correlations.xlsx
 - Pairwise correlations for each of the nine performance indicators
- Experiment_Regressions.xlsx
 - Six separate regressions for each performance indicator/country
 - demographic and personal characteristics
 - behavioural characteristics
 - market-related and experience characteristics
 - access characteristics I: frequency of access
 - access characteristics II: type of access
 - situational characteristics
 - Nine performance indicators for the total sample and five countries.
- Experiment_G-S.xlsx
 - General-to-Specific model selected sets of explanatory variables;
 - Regressions for nine performance indicators for the total sample and five countries
- Experiment_marketing_susceptibility.xlsx
 - General-to-Specific model selected explanatory variables and interaction terms;
 - General-to-Specific model for the Remedy Treatment-Marketing Practice difference variable

The regressions are all logit regressions for binary dependent variables (i.e. the rounds of the experiments by sector) and ordered logit regressions for the multi-outcome variables (i.e. scores).

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consumer vulnerability

The values reported are the logit marginal effects and ordered logit odds-ratios with p-values.

Annex 9 Factor analysis undertaken in the validation of the operationalisation of vulnerability

The dimensions of vulnerability set out in Chapter 3 are operationalised with indicators based on the literature. However, factor analysis can provide further insights regarding the construct validity of the dimensions vis-à-vis the indicators.

Construct validity is the extent to which a survey question or test measures what is claimed, or purported, it measures (Cronbach & Meehl, 1955). We use construct validity as a methodology to assess the soundness of the grouping of indicators into dimensions.

The factor analysis is the tool we use to assess the construct validity. The factor analysis is one of the most widely used statistical techniques in social sciences and is commonly used to reduce the dimensionality of a problem (Kim and Mueller, 1978). Essentially, factor analysis is a method for expressing a number of variables in terms of a smaller number of 'factors'. Factors are unobserved latent variables created to capture the underlying shared component (i.e. the shared essence and ultimate cause) of the observed variables.

We use factor analysis to establish how the data from the consumer survey and behavioural experiment suggests the indicators should be grouped, and compare these results with our operationalisation based on the literature. The factor analysis is thus used to assess the validity of the vulnerability dimensions, rather than to redefine and operationalise the dimensions.

The specific factor analysis method we have used is a principle factor analysis without rotation⁴²⁰.

Applied to our dataset, there is a trade-off between the sample size and the set of indicators that can be included in the factor analysis, since not all indicators are

⁴²⁰ In a principal factor analysis, the first factor is a linear combination of the correlation matrix (with communalities as the diagonal) of indicators that captures the maximum variance of the matrix; the second factor is a linear combination that captures the maximum variance of the matrix and is uncorrelated to the first factor, etc. A principal factor analysis is for the preferred method in exploratory factor analysis, since it makes no assumptions about the number of patterns among the indicators or the underlying factors of the indicators (Fabrigar and Wegener 2011). While principal factor analysis does not allow the statistical tests of other approaches, important advantages of the approach are that it finds a unique factor solution, has a simple structure, and provides comparable results to other factor analysis techniques. For these reasons, the principal factor method is commonly used in the exploratory part of factor analysis. Rotation (i.e. redefining factors such that loadings on various factors tend to be very high or very low) is not deemed necessary in our analysis since the purpose, in this case, is not to link individual groups of variables in order to construct factors from these variables, but to identify the shared underlying shared components of the variables. The principal factor analysis we have undertaken provides a better understanding of the underlying shared components of the variables, and does not force variables into distinct groups, making it the preferred method of analysis

available for every respondent⁴²¹. Therefore, the factor analysis is run with four different set of indicators:⁴²²

- 52 indicators (5 countries, 642 respondents);
- 51 indicators (5 countries, 1,552 respondents);
- 37 indicators (19 countries, 2,560 respondents); and
- 22 indicators (30 countries, 6,678 respondents).

When a FA is carried out, the analyst has a choice to make regarding how many factors to analyse, given that each additional factor adds less value (incrementally) to the analysis. In our case, only the first three factors are analysed (the reason for this is explained in the box below).

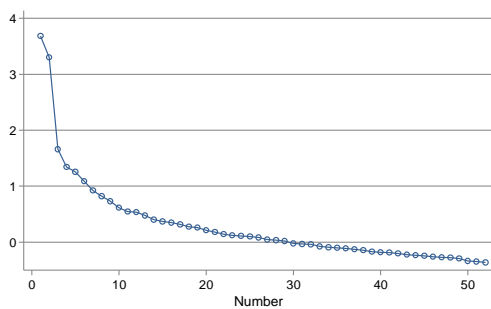
⁴²¹ This is due to the fact that not all survey questions were asked to all respondents in every country.

⁴²² The sample sizes here are the numbers of respondents for whom data are available for all indicators.

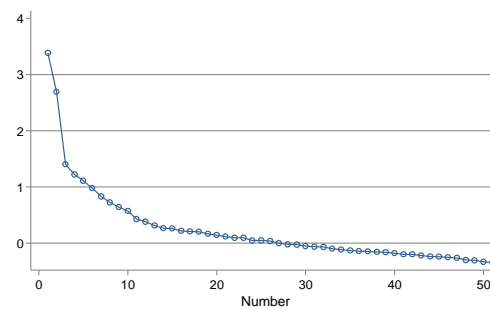
Box 9: Factor analysis – number of factors: screeplots

The number of factors examined is either determined based on a certain rule (most commonly, an eigenvalue of 1 is used as a cut-off, which implies that additional factors explain less of the underlying shared components than is used to create another distinct variable) or visually by observing from a screen-plot of eigenvalues (see below) the point at which an additional factor captures considerably less communality than the previous factor. Based on either approach, in our analysis the result is that no more than three factors should be analysed.

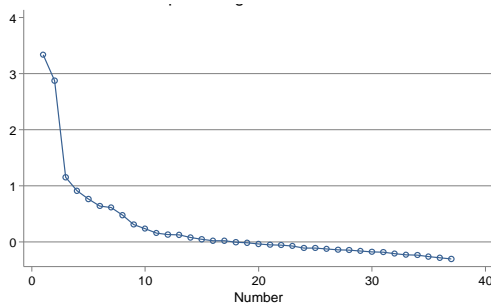
52 indictors (thus up to 52 factors)



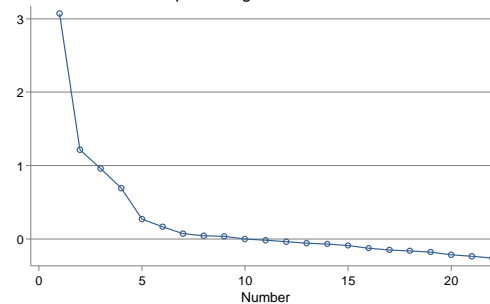
51 indictors (thus up to 51 factors)



37 indictors (thus up to 37 factors)



22 indictors (thus up to 22 factors)



A9.1 Results of the factor analysis

Factor analysis produces two types of result:

- Factor loadings, which measure how much a factor explains an indicator, show the association of each indicator with each factor. Low factor loadings note an indicator is not closely associated with a factor. Conversely, high factor loadings mean an indicator is associated with a factor. A number of high factor loadings from the same factor group indicators that define and express the same factor.
- Uniqueness scores, which measure how much of the indicator is explained by none of the factors, show indicators that are not associated strongly by any factor. These indicators cannot be grouped with other indicators.

It is common practice to look at factor loadings of above 0.3 or below -0.3 in order to determine which variables (i.e. our indicators) are linked to the same factor.⁴²³ Conversely, variables with a uniqueness score above 0.9 will not have any factor that explains 10% or more of the variable variance and will not be explained substantially by any shared factor.

Factor loadings above 0.3 are highlighted in Table 155 in green, yellow and red for the first, second and third factors, for each of the four factor analyses undertaken. Uniqueness scores above 0.9 are highlighted in blue in the same figure⁴²⁴. The indicators upon which each factor analysis is based are listed on the right hand side of Table 155.

Hence, the colour coding of the factor loadings in Table 155 provides an overview of the set of indicators associated with each factor. It should be noted that the factors in the four factor analyses do not have the same meaning, although the fact that the colour coding of each indicator is often the same across all four analyses illustrates that the meanings of the factors are similar across the analyses.

Comparison of the colour coding within a factor analysis, and particularly within a dimension within a factor analysis, provides an indication of the construct validity of the dimensions. In particular, if the factor loadings in a dimension are coloured mainly with a single colour (i.e. green, yellow or red) this indicates that the dimension has a high level of construct validity, especially if that colour is rarely present in other dimensions. Conversely, if the factor loadings in a dimension are coloured with a mix of different colours, or the uniqueness scores in a dimension are high, this implies lower construct validity.

⁴²³ Factor loadings of above 0.3 or below -0.3 imply that 10% or more of the variation in a variable is explained by the factor.

⁴²⁴ This should be taken as a fairly high cut-off point. For example, Fabrigar, Wegener, MacCallum, & Strahan (1999) provide an indicative level of 0.7 above which indicators do not represent any factor.

Annex 9 | Factor analysis undertaken in the validation of the operationalisation of vulnerability

Dimension	Indicators	Factor analysis 1 (52 indicators)				Factor analysis 2 (51 indicators)				Factor analysis 3 (37 indicators)				Factor analysis 4 (22 indicators)				Description	
		Factor loadings			Uniqueness	Factor loadings			Uniqueness	Factor loadings			Uniqueness	Factor loadings			Uniqueness		
		Factor 1	Factor 2	Factor 3		Factor 1	Factor 2	Factor 3		Factor 1	Factor 2	Factor 3		Factor 1	Factor 2	Factor 3			
D1	1	0.164	0.169	0.347	0.824					0.117	0.095	0.154	0.954	0.094	0.042	0.221	0.941	1. Unassertive (took no action) when experienced a problem	
	2	0.287	-0.043	0.358	0.788	0.295	-0.084	0.368	0.771	0.299	-0.112	0.426	0.717	0.293	-0.289	0.290	0.746	2. Overpaid for services due to being unable to use certain payment methods	
D2	3_b2_age	0.490	-0.277	-0.106	0.672	0.395	-0.245	-0.073	0.778	0.457	-0.178	-0.043	0.758	0.433	-0.027	-0.065	0.808	4. Perception of own vulnerability due to age	
	3_b2_emp	0.480	-0.085	-0.188	0.727	0.515	-0.183	-0.162	0.676	0.523	-0.115	-0.169	0.684	0.568	0.086	-0.118	0.656	5. Perception of own vulnerability due to employment situation	
	3_b2_fin	0.597	-0.118	-0.137	0.611	0.582	-0.223	-0.200	0.571	0.629	-0.074	-0.205	0.557	0.656	0.146	-0.151	0.525	6. Perception of own vulnerability due to financial circumstances	
	3_b2_hea	0.558	-0.249	-0.175	0.596	0.446	-0.231	-0.099	0.738	0.541	-0.166	-0.102	0.670	0.474	-0.008	-0.106	0.764	7. Perception of own vulnerability due to health problems	
	3_b2_min	0.474	-0.291	-0.047	0.689	0.410	-0.272	-0.030	0.757	0.487	-0.200	-0.052	0.720	0.444	-0.056	-0.083	0.793	8. Perception of own vulnerability due to belonging to a minority group	
	3_b2_per	0.549	-0.215	-0.044	0.650	0.516	-0.259	-0.036	0.665	0.541	-0.174	-0.097	0.668	0.559	0.017	-0.074	0.682	9. Perception of own vulnerability due to personal issues	
	3_b2_oth	0.552	-0.223	-0.003	0.646	0.500	-0.250	-0.015	0.688	0.479	-0.169	-0.089	0.734	0.500	0.011	-0.063	0.746	10. Perception of own vulnerability due to other reasons	
	3_b2_any	0.762	-0.221	-0.166	0.344	0.748	-0.312	-0.229	0.291	0.797	-0.184	-0.213	0.286	0.828	0.102	-0.179	0.272	11. Perception of own vulnerability due to any of the above	
	D3	4_b	-0.018	0.023	-0.021	0.999	-0.009	0.022	0.021	0.999	0.029	0.003	0.072	0.994	0.044	0.048	0.123	0.981	13. Feels 'not at all' informed about product price, quality, conditions, etc
		5_adv_ene	0.198	0.059	0.041	0.956	0.132	0.025	0.108	0.970	0.113	-0.013	0.175	0.956					14. Gets information from/compares product deals using adverts only – energy sector
		5_adv_onl	0.118	0.091	0.185	0.944	0.082	0.080	0.213	0.942	0.036	0.024	0.158	0.973					15. Gets information from/compares product deals using adverts only –online sector
5_adv_fin		0.069	0.021	0.077	0.989	0.033	0.027	0.116	0.985	0.047	-0.039	0.088	0.989					16. Gets information from/compares product deals using adverts only –finance sector	
6_ene		0.224	0.559	-0.003	0.637	0.261	0.477	0.002	0.704	0.183	0.529	0.058	0.684					17. Has problems comparing deals due to information factors – energy sector	
6_onl		0.150	0.515	-0.171	0.683	0.181	0.418	-0.134	0.775	0.161	0.487	0.125	0.721					18. Has problems comparing deals due to information factors –online sector	
6_fin		0.134	0.427	-0.198	0.761	0.180	0.377	-0.146	0.805	0.118	0.405	0.024	0.821					19. Has problems comparing deals due to information factors – finance sector	
7_ene		0.106	-0.007	0.103	0.978	0.119	0.075	0.052	0.978										20. Has not switched due to information-related factors – energy sector
7_onl		0.050	0.202	0.039	0.955	0.055	0.152	0.072	0.969										21. Has not switched due to information-related factors – on-line sector
7_fin		-0.009	-0.014	0.093	0.991	0.022	0.091	0.092	0.983										22. Has not switched due to information-related factors – financial sector
D4		8_1_ene	0.036	0.274	0.400	0.763	0.119	0.256	0.289	0.837	0.006	0.264	-0.110	0.918	0.019	0.435	0.234	0.755	23. Does not compare product deals – energy sector
	8_2_ene	0.157	0.369	-0.028	0.839	0.176	0.317	-0.084	0.861	0.138	0.336	0.044	0.866	0.106	0.324	0.303	0.792	24. Finds it very difficult to compare product deals – energy sector	
	8_1_onl	0.038	0.255	0.166	0.906	0.109	0.266	0.097	0.908	0.043	0.266	-0.180	0.895	-0.010	0.400	0.174	0.810	25. Does not compare product deals –online sector	
	8_2_onl	0.149	0.383	-0.058	0.828	0.125	0.261	-0.066	0.912	0.107	0.289	0.117	0.891	0.108	0.257	0.262	0.854	26. Finds it very difficult to compare product deals –online sector	
	8_1_fin	0.071	0.194	-0.067	0.953	0.106	0.186	-0.047	0.952	0.015	0.275	-0.244	0.865	0.012	0.425	0.140	0.800	27. Does not compare product deals –finance sector	
	8_2_fin	0.147	0.322	-0.253	0.811	0.177	0.278	-0.177	0.860	0.161	0.286	0.009	0.892	0.147	0.248	0.252	0.854	28. Finds it very difficult to compare product deals –finance sector	
	8a_ene	0.176	0.465	0.143	0.733	0.214	0.415	0.088	0.775	0.136	0.446	-0.049	0.780					29. Has problems comparing deals due to personal factors – energy sector	
	8a_onl	0.135	0.468	0.028	0.762	0.177	0.385	0.006	0.821	0.154	0.374	0.007	0.836					30. Has problems comparing deals due to personal factors –on-line sector	
	8a_fin	0.116	0.340	-0.086	0.864	0.203	0.303	-0.081	0.860	0.108	0.359	-0.141	0.840					31. Has problems comparing deals due to personal factors – finance sector	
	8b_ene	0.159	0.549	-0.060	0.669	0.237	0.523	-0.056	0.667	0.142	0.597	-0.011	0.624					32. Has problems comparing deals due to market-related factors –energy sector	
	8b_onl	0.135	0.535	-0.135	0.678	0.186	0.454	-0.155	0.735	0.150	0.568	0.054	0.651					33. Has problems comparing deals due to market-related factors –on-line sector	
	8b_fin	0.089	0.409	-0.239	0.768	0.199	0.377	-0.168	0.790	0.109	0.500	-0.073	0.733					34. Has problems comparing deals due to market-related factors – finance sector	
	8c_ene	0.005	0.168	0.429	0.788	0.118	0.184	0.335	0.840	0.067	0.160	0.059	0.967					35. Has problems comparing deals due to access-related factors –energy sector	
	8c_onl	-0.024	0.062	0.002	0.996	0.028	0.087	0.063	0.988	0.032	0.142	-0.034	0.978					36. Has problems comparing deals due to access-related factors –on-line sector	
	8c_fin	0.040	0.022	0.047	0.996	0.030	0.029	0.062	0.994	0.113	0.035	-0.004	0.986					37. Has problems comparing deals due to access-related factors –financial sector	
	9a_ene	0.043	0.116	0.149	0.963	0.077	0.070	0.089	0.981										38. Has not switched due to personal factors -energy sector
	9b_ene	0.056	0.128	0.002	0.980	0.072	0.158	0.015	0.970										39. Has not switched due to market-related factors – energy sector
	9c_ene	0.042	0.016	0.362	0.867	0.045	0.018	0.261	0.930										40. Has not switched due to access-related factors –energy sector
	9a_onl	0.038	0.175	0.054	0.965	0.039	0.078	0.029	0.992										41. Has not switched due to personal factors –on-line sector
	9b_onl	0.039	0.156	0.025	0.974	0.044	0.137	-0.013	0.979										42. Has not switched due to market-related factors –on-line sector
	9c_onl	-0.017	0.009	0.077	0.994	0.031	0.013	0.079	0.993										43. Has not switched due to access-related factors –on-line sector
	9a_fin	0.035	0.015	0.125	0.983	0.036	0.007	0.083	0.992										44. Has not switched due to personal factors –financial sector
	9b_fin	0.026	0.136	-0.090	0.973	0.074	0.164	-0.087	0.960										45. Has not switched due to market-related factors – financial sector
	9c_fin	0.199	0.168	-0.169	0.904	0.141	0.081	-0.043	0.972										46. Has not switched due to access-related factors – financial sector
	9d_ter	0.319	0.061	0.289	0.811	0.299	0.009	0.312	0.813	0.264	-0.016	0.420	0.753	0.174	-0.288	0.297	0.799	47. Has not switched due to termination costs	
	9e_bun	0.296	0.063	0.180	0.876	0.261	0.019	0.239	0.874	0.243	0.028	0.341	0.824	0.235	-0.328	0.327	0.730	48. Has not switched due to bundling	
	10a	0.328	0.071	0.228	0.835	0.285	0.050	0.259	0.849	0.254	0.039	0.349	0.812	0.258	-0.278	0.288	0.773	49. Excluded from e-commerce due to difficulty of the process	
	10b	0.353	-0.119	0.377	0.719	0.311	-0.094	0.384	0.747	0.270	-0.141	0.382	0.762	0.207	-0.233	0.320	0.800	50. Excluded from e-commerce due to not having a payment card	
	11_loan	0.172	0.015	0.087	0.963	0.144	-0.030	0.053	0.976										51. Declined for a loan
	D5	12_off_b2	0.347	-0.075	-0.042	0.872	0.352	-0.073	-0.031	0.870	0.359	-0.049	-0.006	0.869	0.350	0.042	0.058	0.872	54. Perception of own vulnerability due to complexity of offers 'to great extend' (dummy)
		expt_mp	-0.209	0.042	-0.253	0.891	-0.124	0.019	-0.380	0.840									
	treatment	0.040	0.009	0.060	0.995	-0.006	0.002	0.244	0.941									--. Treatment effects (i.e. correct choices remedy minus marketing practice treatment)	

In summary, as can be seen from the colour coding in Table 5, overall the factor analysis supports the allocation of indicators to dimensions that has been made based on the literature, since most indicators of the same colour are within the same dimension. The factor analysis supports the allocation of indicators to dimensions 1 and 2 in particular and also suggests that many indicators allocated to dimensions 3 and 4 based on the literature do indeed relate to a common factor.

However, all dimensions include highly unique indicators (coloured blue) and/or indicators that share a common factor with indicators in other dimensions (coloured green, yellow or red). Thus, the allocation of indicators to dimensions based on the data would be somewhat different to that which is based on the literature (in fact, indicators that are found to be highly unique based on the factor analysis could not be allocated to any common dimension based only on the data).

Given the broad nature of the dimensions, one would not expect all indicators that can be allocated to a certain dimension (based on theory) to measure the same phenomenon. For example, in dimension 4, failure to make a correct product choice may be driven by a range of different factors (personal, market-related, etc.) and one would not necessarily expect these factors to be associated. Therefore, the fact that the results of the factor analysis to some extent contradict the literature-based allocation of indicators is not unexpected and does not invalidate the allocation of indicators to dimensions in the study.

The dimensions themselves are linked to the factors as follows:

- In Dimension 1 'Heightened risk of negative outcomes or impacts on well-being' indicators are related in general to Factor 3, however not very well. The two indicators in this dimension share this factor with several indicators in Dimension 4 and Dimension 5. In addition, one of the two indicators (Indicator 1) is fairly unique.
- In Dimension 2 'Having characteristics that limit ability to maximise well-being' indicators are strongly associated with Factor 1. Indicators in Dimension 2 share a common factor with several indicators in Dimension 4 and one indicator in Dimension 5. Nevertheless, the indicators in Dimension 2 have higher factor loadings in Factor 1 than any other indicator (this holds across the four analyses). In addition, no indicators in Dimension 2 are highly unique. Overall, this reflects the soundness of the grouping of these indicators into the dimensions.
- In Dimension 3 'Having difficulty in obtaining or assimilating information' indicators are generally associated to Factor 2. Several indicators in this dimension share the factor with indicators in Dimension 4. However, more than half of the indicators in Dimension 3 in all four analyses are highly unique.
- In Dimension 4 'Inability or failure to buy, choose or access suitable products' indicators are generally related to Factor 2. However, there are several indicators broadly related to Factor 2, others to Factor 3, and a couple (some just below the 0.3 highlight threshold) to Factor 1. Indicators in Dimension 4 thus share a factor with indicators from each of the before mentioned dimensions. In addition, dependent on the analysis, Dimension 4 has a significant number of its indicators high in uniqueness.
- In Dimension 5 'Higher susceptibility to marketing practices' one indicators are broadly speaking associated with Factor 1 and Factor 3. Indicators in this dimension share the factors with indicators in Dimension 1, Dimension 2 and

Dimension 4. In addition, dependent on the analysis, Dimension 5 has an indicator high in uniqueness.

As concluding comment, across the dimensions a significant number of indicators have generally high uniqueness scores in our factor analysis which relates to the high dimensionality of vulnerability. One interpretation is that our indicators measure a lot of different aspects in consumer vulnerability. Consumer vulnerability is widely acknowledged to be an extremely multi-faceted concept and this is to some extent reflected in the indicators. Another reading is that our indicators capture a lot of different features of vulnerability itself and certain aspects of our dimensions are consequently still too complex. The indicators with high uniqueness scores are in this reading insufficiently understood through an analysis with a high level of generality and several indicators⁴²⁵ require additional exploration and further research from a conceptual perspective of consumer vulnerability.

⁴²⁵ Broadly the indicators that relate to: how consumers get information (13-16) ; reasons for consumers not to switch in specific markets (20-22 and 38-46) ; problems to compare deals in broadband and banking due to access reasons (36-37) ; whether consumers are declined for a loan (51) ; and corrections to marketing practices (--). (N.B. The numbers between brackets refer to the specific indicators described in Table 5).

Annex 10 Findings from the in-depth consumer interviews

This annex reports the findings from the in-depth consumer interviews. These interviews were conducted in five Member States: Denmark, Lithuania, Portugal, Romania and the UK.

A total of nine participants were interviewed for each country. In order to obtain detailed information about the research topic, each interview was scheduled to last between one hour and one hour and a half.

All respondents had previously participated in the quantitative survey. Recruitment was done based on their answers to the survey. The aim was to include people belonging to the following pre-defined typologies:

- Typology I: feels vulnerable and has experienced a problem;
- Typology II: feels vulnerable and has not experienced problem;
- Typology III: does not feel vulnerable and has experienced problem.

The three typologies are defined below, based on questions Q16 and Q21 from the questionnaire which was used for the quantitative survey:

- Typology I: Feels vulnerable & has experienced problem; Selected "To a great extent" or "To some extent" for at least one reason in Q16 AND selected "Yes" for at least one situation in Q21
- Typology II: Feels vulnerable & has not experienced problem; Selected "To a great extent" or "To some extent" for at least one reason in Q16 AND selected "No" for all situations in q21
- Typology III: Does not feel vulnerable & has experienced problem; Selected "Hardly at all" or "Not at all" for all reasons in Q16 AND selected "No" for all situations in q21

The following sections report the findings of the interviews.

A10.1 Drivers of and factors linked to consumer vulnerability

The qualitative exercise shows that consumer attitudes which help avoid vulnerability vary by sector, as well as by country.

A10.1.1 Energy sector

Differs across the five countries. In the UK, many consumers sense an opening of the market in terms of competition, while in countries like Romania and Lithuania, the general belief is that there is only one energy supplier.

In Portugal, due to the transition to an open market, consumers gained access to more energy suppliers. However, respondents in this country agree that the market offers the same (or very similar) prices and service quality.

In Denmark and in the UK, supplier selection is done mainly based on price.

Across the five countries, interest and understanding of energy bills are low, and reading energy bills is perceived as a great effort. This can become a disadvantage, as for some of the respondents, the main difficulties encountered were related to price (e.g. bill increasing unexpectedly, for reasons which respondents do not understand).

In countries such as Romania and Lithuania, consumers' involvement is rather low, as the choice of suppliers is perceived as unavailable. In these countries, the main attitudes aimed to avoid vulnerability involve investing an effort in understanding the bill (for example, by looking up the meaning of each of the different terms online, or asking the supplier to provide details about their consumption). Other strategies include closely monitoring the consumption, by regularly checking the price, or by writing down the consumption and the amount of money spent each time.

In Portugal, where offers are perceived to be very similar, consumer attitudes aimed to prevent vulnerability situations are somewhat in-line with those described in Romania and in Lithuania:

- Increased attention to price
- Close monitoring of consumption
- Inquiries about terms of payment, contracts, returns, warranties etc.
- Keeping informed through all available channels (telephone, internet, face-to-face contact)
- Filing complaints in the official complaints book or with the regulatory or supervisory authorities.

These strategies reveal the growing empowerment of Portuguese consumers.

In the UK, where the market is perceived as being very competitive, switching providers on a yearly basis is becoming more and more common. Switching is driven mainly by price, or by other incentives (loyalty points, vouchers etc.), rather than by service quality or satisfaction with the supplier.

Other strategies involve close monitoring (keeping detailed records of past consumption data and interactions with the supplier), or carefully selecting the means of payment (one of the respondents preferred using prepaid meters, as this offered her more control over her weekly budget and the ability to alter consumption accordingly).

A10.1.2 Financial sector

When it comes to the banking sector, across the five countries, most respondents are generally loyal to one bank. Switching is not a very common behaviour (although in some interviewees may have two bank accounts, either with the same bank, or with two different banks).

However, consumer attitudes with regards to the financial sector vary by country.

In Denmark and in the UK, people's attitudes towards their bank are mainly positive. Respondents in these two countries are savvier than those in than those in other countries. These respondents tend to read and understand communication from their banks. Those who have not experienced any difficulties are generally satisfied with the service.

All respondents in these two countries (apart from two of the 'offline' respondents in Denmark) use online banking - whether it is for receiving communication, checking their balance, or making money transfers and payments - and find it convenient and user-friendly.

Consumer strategies to avoid vulnerability in these two countries can be summarised as following:

- Reading communication received from the bank is seen as very important. Consumers do this in order to make sure that they don't miss out on any relevant information.
- Although switching banks is not very common, respondents (particularly those in the UK) keep informed about the latest options on the market and how they could benefit from them. British respondents frequently check comparison websites and newsletters, which they consider very easy to understand as they provide rankings which take into account all the elements of the offers.
- Switching is seen as a relatively easy process, particularly in the UK. Respondents are relatively informed about the procedure, and some cite the 7 day switch guarantee imposed by the government.
- In Denmark, although respondents are satisfied with the service they have, some envisage the possibility of switching banks in case of a change in their status (e.g. when buying a house, or finishing their studies).
- In both countries, most respondents use online banking (whether from a computer or via mobile apps), and find the process easy and convenient. When it comes to security concerns, one of the respondents in the UK mentioned that he preferred accessing his account from his office, as he felt that his home internet connection was not secure enough. Others experienced cases of fraud, which however were resolved in an efficient and timely manner by their banks.
- Respondents are generally used to handling a large number of financial instruments (current accounts, credit cards, personal loans, savings account, investment/retirement vehicles etc.). Savvier ones developed different strategies in order to maximise their benefits (e.g. receiving their salary on one account, transferring part of it towards another, with a better interest, and part on the credit balance etc.).

In Portugal, where the reputation of the banking sector seems to be deteriorating (under the impact of the crisis, as well as of certain financial scandals), people's relationships with banks are more complex. Consumers are persuaded that they do not benefit from the best market conditions, and understanding of products and services is lower in this country (respondents admit that they do not read or do not fully understand communication with their banks, and are therefore often surprised by fees or terms that they were unaware of).

Most respondents use online banking, and are satisfied with the convenience and user-friendliness of the service. Those who don't use it don't perceive it as an inconvenience, as they can access most services (bank transfers, checking balance, etc.) at any ATM machine.

In terms of strategies to avoid consumer vulnerability, communication with account managers comes across as a key element. This aspect is usually satisfactory, and is achieved through multiple channels (face-to-face, telephone, email). Other behaviours involve carefully examining the messages from promotional communication, and asking further explanations from bank employees, as well as keeping informed about how to file complaints, both through regulatory authorities and consumer authorities (DECO). Being a loyal client (using the services of the same bank for a long time) is also perceived as a potential strategy, as respondents believe that this will increase their chances of obtaining a loan (unlike in Denmark, where some would consider switching if they were to search for a loan for purchasing a house). Overall, however,

consumers feel unprotected in their relationship with banks, and lack trust in these institutions.

Similarly to Portugal, scepticism towards financial institutions is high also in Lithuania and Romania. Banks are selected according to geographical criteria (proximity to home), or recommendations from employers. Only more educated consumers make a thorough research before selecting a bank.

Respondents in these countries feel exposed to risk when dealing with banks, and the general belief is that banks are oriented towards their own gain, without focusing on consumer benefits.

Unlike in Portugal, where communication with account managers is seen as very important, consumers in Lithuania and Romania have negative views regarding contact with bank staff. Bank employees' attitude is perceived as disregarding, often making consumers feel that they are in a disadvantaged position (by making clients wait too long, showing an unpleasant/superior attitude, using financial terms without thoroughly explaining them, showing no availability etc.).

In these two countries, consumer strategies to avoid vulnerability when dealing with this sector are limited:

- Avoidance is one of the options, as some respondents do everything they can to have as little as possible to do with banks/bank employees (for example, doing everything through ATMs).
- Keeping one's savings at home, rather than in a savings account (after a negative experience with the bank).
- Using mainly cash, in order to have a better control over one's spendings, and to avoid unforeseen charges.
- Opening accounts with several banks, and transferring the income to each of these.
- Switching banks.
- Monitoring bank charges closely, by adding up all expenses, and comparing them to the balance of the account.
- More educated consumers prefer keeping close contact with the bank (receiving notifications by SMS, contact with the staff when needing more information, using online banking).

A10.1.3 Online sector

Respondents are more optimistic with regards to the internet sector (particularly in the UK, Denmark and Romania). This is generally due to the quality of the services, the affordability, but also to the number of options available on the market, and to the easiness of switching providers.

The main criteria when selecting an ISP is price and speed. In some cases, in the UK, the offer is restrained by the geographical coverage of some of the different providers. In Denmark, some of the respondents were not able to select the ISP themselves, due to the fact that they were renters.

Many consumers have bundled contracts (e.g. the internet provider is the same with the TV cable and fixed telephone provider).

Strategies aimed at avoiding vulnerability in this sector are:

- Comparing offers and keeping informed about the possibilities of switching
- Having mobile internet as an alternative
- Taking into account possible security issues, and installing anti-virus software
- In the UK, some respondents have ad blockers installed on their browsers, in order to avoid targeted advertising (in some of the other countries however, many respondents do not understand how targeted advertising works).

In Portugal, respondents are somewhat more critical regarding companies which provide these services. One of the reasons for this is the retention period (24-month contracts), but also due to issues such as non-compliance with promotional campaigns, inaccuracies with regards to billing, difficulties to terminate a contract, and aggressive commercial practices. Switching is rather common, but 'threatening' to switch is even more frequent (just by manifesting the intention to switch, consumers often succeed in obtaining better offers). The main barrier to switching is the imposed 24-month retention period.

A10.2 Role of marketing practices

Difficulties encountered by consumers when dealing with retailers come from various sources. In many cases, feelings of vulnerability are a result of a combination of factors, rather than an outcome of specific isolated elements.

Factors related to low income and low socio-economic status are mainly cited in Portugal, Romania and Lithuania. Not only these factors limit consumers' access to goods and services, but they also have a discouraging effect, as respondents who are in this situation do not feel empowered when dealing with retailers. In Portugal, low income, along with unemployment (situations where the respondents or members of their household are unemployed) and work market instabilities have a negative impact on people's self-confidence, and make them feel less secure when dealing with companies.

Similarly, in Romania and in Lithuania, low income (sometimes combined with lack of education/information, or old age) is one of the factors which influence consumer vulnerability.

Factors related to perceived problematic marketing practices are mainly cited in Romania and in Lithuania, in the context of the financial sector.

In Romania, this is very much related to people's negative attitudes and experiences with the staff. Regardless of the strategy they adopt, respondents' behaviour when dealing with this sector is mainly oriented towards avoiding the risk of being 'scammed'. Staff is often seen as intimidating and unhelpful when it comes to negotiating, explaining terms and conditions or financial vocabulary. Some consumers therefore feel the need to make an effort themselves towards keeping informed about products, terms and conditions, searching for 'hidden costs', in order to be prepared for any risk. Others simply avoid taking an interest in financial products, or prefer asking for advice among friends and family rather than from their financial advisor.

In Lithuania, despite the fact that in most cases, communication with staff is perceived as pleasant and polite, part of the respondents believe that banks do not provide sufficient information about the pricing of services and other terms and conditions.

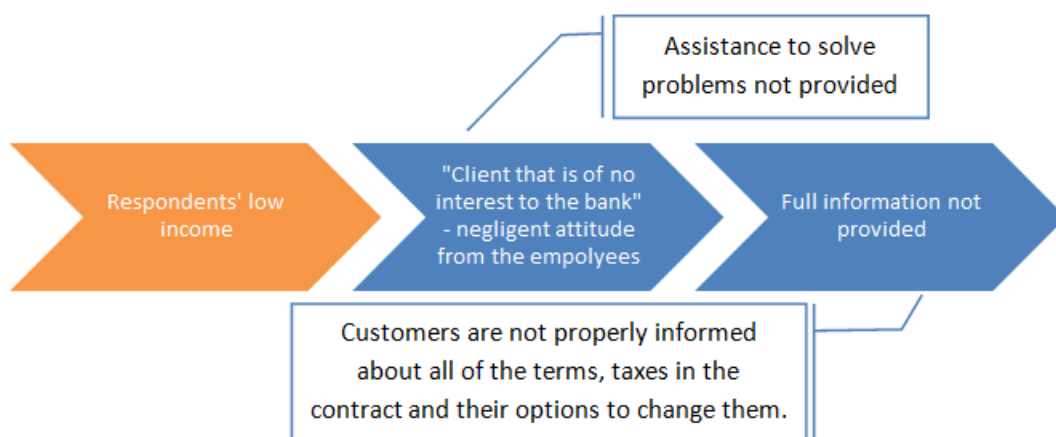
Consumers in this country (particularly the elderly) tend to rely mainly on information received from bank employees, rather than read through the terms and conditions. Some therefore believe that the staff is deliberately not providing them with all the information.

One respondent noticed that money was missing from her account, and approached the customer service department in order to clarify the situations. It was only after visiting three different departments that it was explained to her that this was due to fees for the bank services. The respondent felt that the bank was reluctant to disclose information: "I do not know for sure why they did not explain it immediately. I think that the bank is hiding all of its fees from their customers. To me it seems that it is so." (female, 65, Lithuania, typology 2).

Some of the difficulties encountered by Lithuanian consumers are related to fees which, according to the respondents, were not sufficiently explained.

"I did not read the contract. I trusted the bank employee. But she certainly did not tell me that I will have to pay for the account annually. If I only knew about the fee I would have never opened an account". (female, 73, Lithuania, typology 3)

This type of attitude from retailers is often perceived as being a consequence of poor socio-economic status. Some respondents consider that the bank's negligence or poor customer service is related to their income - in the idea that clients with low incomes are "of no interest" to the bank (female, 65, Lithuania, typology 2). This is due to the fact that respondents who are in this situation earn too little to consider either saving or investing ("it is not interesting to me, because I have no money, I don't have anything to save" - male, 66, Lithuania, typology 2)



Difficulties when dealing with the financial sector are therefore based, on the one hand, on respondents' poor financial situation, correlated with fear of losing money or property. On the other hand, belief that banks put their interest first (rather than that of the consumer) is strong and plays an important role in strengthening people's scepticism towards the sector.

The two elements (socio-economic status and problematic marketing practices) are sometimes perceived as interrelated: some feel that the bank staff is not providing

them with enough information and support because they don't qualify as "interesting" costumers, due to their low income.

A10.3 Complexities of consumer vulnerability across different sectors

The nature of the difficulties encountered by consumers when dealing with companies varies by country, as well as by sector.

Isolated incidents

Among the five countries, the British market stands out as a mature and developed one when it comes to customer protection, and there are a number of government bodies in place designed to regulate the services provided to consumers. As a result, consumers are empowered through a series of mechanisms which they use when it comes to dealing with different types of incidents.

Difficulties reported by consumers in this country are generally presented as isolated incidents, rather than vulnerability patterns (e.g. problems with energy bills, technical problems with bank cards or with submitting online applications, misunderstandings with the insurance company etc.). In most cases, consumers take the necessary actions and get to a satisfactory result.

The main disadvantage identified relies in the way in which most of these cases are treated. The onus is always on the consumer, who needs to systematically verify that they have the most appropriate deal, that the company is fulfilling their part of the agreement, to gather and provide proof in order to defend their interest and to take charge of escalating matters when necessary. Given the time and energy required, consumers are in a position where they need to evaluate whether pursuing the matter will actually benefit them or not, and may decide not to go further if the process seems too complicated, or if they don't see clear chances of immediate success.

Across the other four countries, consumer vulnerability is related to various types of factors, which (independently or combined) can make respondents feel disadvantaged when dealing with retailers:

A10.4 Socio-demographic factors

The main socio-demographic factor associated with consumer vulnerability is **low income**. This aspect is mainly raised in Portugal, Romania and Lithuania. Respondents who have low incomes do not feel empowered when dealing with retailers, and tend to feel disregarded and intimidated when interacting with staff.

In Lithuania, **old age** is also perceived as a disadvantage (particularly when combined with low incomes from small retirement pensions).

"You know, it seems that they look at me and think that, oh, an old person, I can sell her anything. It seems that they are dissatisfied with the fact that I am interested, that I want to know something more". (female, 65, Lithuania, typology 2)

Older consumers are less savvy when it comes to market practices (terms and conditions, tariffs, guarantees, consumer rights etc.), and less able to search for information themselves. Therefore, they mainly rely on advice and information received from staff, which they often find insufficient (particularly when dealing with

the financial sector). Furthermore, these consumers are often **unable to use the internet**, which limits even more their access to information.

Health problems constitute another vulnerability factor, as some of the elder consumers interviewed in Lithuania have serious health problems, finding it difficult to move. Shopping or visiting retailers at a branch can become a challenge for these people.

Old age is therefore associated with other biographical factors:

- Income decrease due to retirement
- Lack of involvement in the active life
- Health problems
- Lack of certain technical skills (e.g. in some cases, computer skills)
- Fewer abilities to absorb new information.

The **language barrier** is another possible vulnerability factor. Part of the respondents in Lithuania speak Russian. Some can understand Lithuanian but don't speak it very well. Problems may occur when faced with the official Lithuanian language (contracts, information letter etc.).

In Portugal, low income – sometimes associated with factors such as **unemployment** (situations where either the respondents or other members of their household are unemployed) or **precarious employment** not only limit people's access to goods and services, but also make them feel less empowered when dealing with retailers.

In Denmark, respondents generally feel confident when dealing with companies, and believe that the Danish system is able to protect them in case something went wrong. Some however mention feeling disadvantaged due to certain personal factors, such as **being a widow** and living alone, and not having anyone to discuss with before making an important decision (woman, 77, Denmark, typology 3).

A10.5 Market-related factors

Factors related to the **market structure** are cited mainly in the context of the energy sector, in countries such as Portugal, Romania and Lithuania.

In Romania and Lithuania, although there are no major dissatisfactions with the sector, the overall belief is that there is only one supplier, and therefore switching is excluded as an option.

“There is no one else except Enel, this is the only provider of electricity. I think the electricity was chosen way before I was born...maybe my parents have chosen it or it was simply installed by the State” (man, Romania, 40, typology 2).

In Portugal, despite the increasing number of players on the market, very few consumers compared offers. Respondents with lower income and low level of education are the least likely to compare offers or to aim to switch to another provider. All respondents agree is that there are very few differences between offers in terms of prices. Or, price is the main reason for dissatisfaction with the sector. It is generally believed that energy prices – gas and, especially, electricity – are very high and

disproportionate to the Portuguese average standard of living, and also much higher than the prices charged in most other EU Member States.

A10.6 Retailer-related factors

These types of difficulties are mainly brought up when talking about the financial sector (particularly in Romania and Lithuania).

In the two countries, the sector is regarded with a lot of scepticism.

In Romania, this is due, on the one hand, to people's negative experiences and attitudes towards bank employees, and, on the other hand, to the strong belief that banks follow their own interests, rather than consumer benefits.

"That is a generally accepted truth: all banks want to take our money and get rich. They never care about the customer, they only care about our money."
(man, Romania, 47, Typology 1)

Romanian consumers' frustration is increased by the fact that banks are services which consumers have to pay for, and still, staffs' attitudes are often unhelpful and disregarding.

"I know that bank is also benefiting of my money and thus I can't stand when they act superior with me: a lady simply avoided my eyes...it was just like she was not seeing me when in fact I was right there in front of her. I really can't accept this. If I'm there, it means I have an emergency because otherwise I would have solved everything online" (woman, Romania, typology 3).

In Lithuania, some believe that the bank sector lacks transparency, in the sense that consumers do not receive enough information about fees and other terms and conditions. This can become a challenge for elderly consumers, who find it more difficult to find the information on their own, and who rely on bank employees for information. The physical problems related to old age (weaker hearing, reaction and concentration) do not allow these respondents to understand the situation quickly or understand complex processes or terms. It is felt that this factor is not sufficiently taken into account by banks and their employees when dealing with elderly consumers. These respondents feel uncomfortable when communicating with the banks. They feel that their questions are not taken seriously. In addition, they feel disappointed if they fail to understand the answers received from the banks' employees.

Internet use

Although respondents who do not use the internet don't see this as a direct reason for feeling disadvantaged, this factor does limit their access to information and communication when dealing with retailers.

"I do not get physical bills. I can look into it on the Internet, I do not have Internet, but I drive to my friend's and she helps me find all the information that I need". (Female, 61, Lithuania, typology 2)

Some of the "offline" respondents would find it useful to have the internet at home, but cannot afford it.

"I would like to have Internet at home, however, it is too expensive for me for now". (Female, 69, Lithuania, Typology 3)

Others use the internet occasionally, with help from friends and relatives. These respondents assume that certain situations could be dealt with faster and more conveniently if they did have the internet.

Other respondents “offline” respondents are not interested in the internet, and claim that this does not affect them in their everyday lives.

Attitudinal factors

Factors related to consumers’ attitudes also play a part in the way consumers feel when dealing with retailers.

In some cases, respondents admit that they don’t make an effort to read or fully understand contracts, terms and conditions, bills etc. This is mainly the case for more complex services (e.g. the financial sector). This is due, on the one hand, to lack of interest towards the topic, or to lack of financial literacy, and, on the other hand, to the complexity of the topics and to the prevalence of economic and technical terms (e.g. Portugal, Lithuania). In such cases, respondents tend to rely on the account manager to provide all the information. In Lithuania, some of the difficulties are related to the fact that respondents do not read the contracts. On the other hand, they feel that contracts are written in a manner which they would fail to understand anyway.

In Portugal, on the one hand, respondents expect the regulators and the state to minimise consumer disadvantages when dealing with retailers. On the other hand, they find that their own attitudes lack pro-activeness when it comes to keeping informed when it comes to market practices, offers, terms and conditions or mechanisms at their disposal.

Some of the above-mentioned vulnerability factors are sector-specific. These vary however from one country to another.

Factors related to the **market** apply to mainly the energy sector. In Romania and Lithuania, there is only one supplier. In Portugal, despite the fact that the offer is increasing, there is a strong belief that there are very few differences in terms of prices.

When it comes to the internet sector, factors related to retention period (24 months in Portugal) may prevent people from being able to switch providers.

Retailer-specific factors are brought up mainly in the context of the financial sector. On the one hand, in countries like Romania, Lithuania and Portugal, people are sceptical with regards to the sector. On the other hand, the service is perceived as complex, and the different aspects (terms and conditions, fees, etc.) are not always understood by the consumers (particularly by older consumers, or by those who lack financial literacy).

Certain socio-demographic factors, along with attitudinal ones, tend to operate across sectors.

Respondents with **low financial capacities** tend to feel disadvantaged when dealing with retailers from the different sectors, on the one hand, due to the fact that their access to certain goods and services is more limited (prices are perceived as too high), and on the other hand due to a lack of self- confidence associated with their socio-economic status (fear of losing money, as well as of not being taken seriously or considered as an “important” customer). It is also the case for **old age**, along with the

other factors related to it (**being retired, having health problems, being less up-to date with certain technologies etc.**). These factors play an important part in consumers' attitudes towards certain retailers (particularly from the financial sector), but also in other situations (e.g. purchasing or returning products from stores).

In Lithuania, for Russian-speaking respondents, the **language barrier** may cause difficulties to consumers, not only when dealing with retailers but also with public services.

Although not specifically cited as a disadvantage by the respondents, the fact of **not using the internet** also limits consumers' possibilities when dealing with retailers from the different sectors. Consumers who do not use the internet are less able to look up information which would help them online, but also need to rely on friends or relatives to help them in certain situations (e.g. for accessing bills). Furthermore, in order to interact with the retailers or to benefit from certain services, respondents are constrained to comply to their branch's opening hours, which is not always most convenient.

Attitudinal factors also tend to play an important part in the way consumers deal with retailers from the different sectors. In Portugal, consumers' lack of pro-activeness in terms of keeping informed about offers, comparing deals, reading and understanding terms and conditions may lead them to feel that they are not benefiting from the best deals on the market. In Romania, consumers who lack confidence are less likely to contact the seller when encountering a problem with goods or services and more reticent when it comes to defending their case.

A10.7 Structural versus transitory nature of vulnerability

The qualitative exercise has enabled us to identify various types of coping strategies employed by consumers when dealing with retailers.

Some of these strategies consist of actions or attitudes employed by consumers in the idea of making the most appropriate choices, all while **preventing** possible difficulties.

- One of the main strategies is to thoroughly study the different options before selecting a supplier. This is however not possible in all countries/sectors, as in countries such as Lithuania and Romania, for the energy sector, the general belief is that there is only one supplier.
- Systematically comparing offers from different suppliers, and being open to switching in order to obtain a better deal (respondents in the UK are more proactive in this regard than those in other countries).
- Closely monitoring one's consumption, and keeping track of the amount of money spent each time.
- Reading communications received from suppliers (e.g. energy bills, communication from banks etc.), and making sure that this is well understood (for example, by looking up the meaning of the different terms online, or asking the supplier to provide details).

"I simply started to learn the [energy bill]: I went on the internet and I googled each term so that I know what I'm paying for. Moreover, I started to write in my notebook how much I use and how much I pay for it. As to avoid being financially tricked, I started to call Enel each month

and deliver the exact amount of energy that I have consumed. I don't like their estimations which are usually in customers' disadvantage...so I simply eliminated this as well" (woman, Romania, 49, typology 3)

- Keeping informed through all available channels (online, telephone, face-to-face contact).
- Carefully selecting means of payment (in the context of dealing with the energy sector, one of the respondents in the UK preferred using prepaid meters, as this offered her more control over her weekly budget and the ability to alter consumption accordingly).
- In the context of avoiding vulnerability in the online environment – keeping informed about security issues, installing anti-virus software and ad blockers. One respondent mentioned avoiding posting personal information on social media, due to security concerns. Others take basic preventive measures, such as not opening emails from unknown addresses or clicking on suspicious links.

With regards to the financial sector, consumer strategies aimed to avoid vulnerability differ. On the one hand, regardless of their attitudes towards the sector, some consumers opt for a pro-active approach. This type of behaviour is common for consumers in the UK, but also for some consumers in Romania. These respondents read and understand communication from their bank, keep in contact with their account manager, are used to handling various financial products and develop strategies in order to maximise their benefit (e.g. receiving their salary on one account, transferring part of it towards another, with a better interest, and part on the credit balance etc.). At the opposite end, avoidance is another strategy, as some respondents do everything they can to have as little as possible to do with banks and bank employees. This type of attitude is typical for some of the consumers in Romania and Lithuania. Consumers who fall into this category adopt the following strategies:

- Conducting operations mainly through ATMs, rather than going to the branch
- Using mainly cash, in order to have a better control over how the money is spent
- Keeping one's savings at home, rather than in a savings account
- Asking employers to pay them in cash.

"I don't want to have to do anything with the banks. I stay away as much as I can and I simply pray God that I would never have to interact with them. I know that they are not fair and I may lose the little that I have right now. I also told my boss that I want to receive my money cash, I don't need a card" (man, 40, Romania, typology 2).

"I do not have a bank account. I take my pensions in the post office, it is easier that way" (female, 73, Lithuania, typology 3).

When confronted with difficult situations, consumers resort to various strategies in order to find solutions.

In cases where difficulties consist mainly of isolated incidents (as for example in the UK), respondents tend to solve these by contacting the branch and asking for compensation. In most cases, compensation is provided. However, it is up to the consumer to prepare a case and to gather evidence. If a solution is not found from the first attempt, the consumer takes charge of escalating the matter, or referring to a third party (e.g. Citizens' advice bureau).

In Lithuania, where the main difficulties encountered are with the financial sector, respondents tend to employ the same strategy (contacting the branch). However, issues are not always resolved, as they are sometimes interpreted as misunderstandings of the contract by the consumer. In some of these cases, respondents pay the fees as requested (fearing consequences), and then close their account, or switch to another bank.

In Portugal, where the internet sector is seen as problematic, switching providers happens frequently. However, the 24 months retention period is a major barrier to switching. Therefore, “threatening” to switch providers happens more often than actually switching. However, just by manifesting their intention to switch to a different provider, consumers often succeed in obtaining better offers – in terms of services and price.

In Romania, coping strategies come across as being strongly related to consumer attitudes. While the more educated or determined consumers tend to compare offers and discuss with retailers, for the more submissive profiles, avoidance is their main strategy.

“Why would I go back [to the store], it’s my fault because I didn’t read properly the label. I don’t want to get in any scandal, it does not suit me” (man, 40, Romania, typology 2).

Respondents who feel disadvantaged due to their old age – and other correlated factors (retirement, health problems) tend to adopt the following strategies:

- Asking for support from a friend or relative when making an important purchase
„I take my daughter when I need to buy something more serious. She gives me advice and I feel braver, I know that I won’t buy some kind of nonsense”. (Female, 71, Lithuania, typology 2)
- If possible, trying to fix the problem themselves, without returning the product to the shop, or approaching the seller
“Why should I return it, I can fix it by myself”. (Male, 66, Lithuania, typology 2)
- Going to the branch in person, rather than trying to solve the problem over the telephone. (This strategy is however more time consuming).
“See how it is, sometimes I can’t hear properly, it’s more difficult for me to concentrate when I’m talking on the phone. But when I see the person I’m talking to, I perceive the information completely differently.” (Female, 69, Lithuania, Typology 3)
- Avoiding using certain services is seen as another way of minimising risks (for example, deliberately not using computers or the internet, or not having a bank account).
- Following up on payments (for example, calling certain services in order to check whether payments were received, and whether everything is in order).

Annex 11 Interview list

Table 156: Interview list				
Member State	Organisation	Name	Organisation type	Sector
AT	Austrian Regulatory Authority for Broadcasting and Telecommunications	Dieter Staudacher	Regulator	Online
AT	Chamber for Workers and Employees	Gabriele Zgubic	Consumer Organisation	General
BE	Reseau Financement Alternatif	Bernard Bayot	Other	Finance
BE	Ligue de Familles	Cecile Daron	Consumer Organisation	General
BE	Test-Achats	Stephane Dochy	Consumer Organisation	Finance
BU	Bulgarian National Association "Active Consumers"	Bogomil Nikolov	Consumer Organisation	General
CY	The Cyprus Consumers Association	Giorgos Stylianou	Consumer Organisation	General
DE	BAGSO	Elke Tippelmann	Other	General
DE	Verbraucherzentrale Bundesverband vzbv - Federation of German Consumer Organisations	Maren Osterloh	Consumer Organisation	General
DK	Danish Business Authority	Tore Kjelstrup Christensen	Consumer Agency	General
EE	The Estonian Association of Consumer's Protection UGANDI	Anne Poder	Consumer Organisation	General
EL	KEPKA, Thessaloniki	Evangelia Kekeleki	Consumer Organisation	General
ES	Organización de Consumidores y Usuarios (OCU)	David Ortega	Consumer Organisation	General
EU	Eurofinas	Alexandre Giraud	Other	Finance
EU	Age Platform	Anne-Sophie Parent	Other	General
EU	ANEC	Chiara Giovannini	Consumer Organisation	General
EU	EuroFinuse	Guillaume Prache	Other	Finance
EU	European Disability Forum	Marie Denninghaus	Other	General
EU	BEUC	Ms Anne Fily	Consumer Organisation	Finance
EU	EBF	Noemie Papp	Other	Finance
EU	European Financial Inclusion Network	Olivier Jerusalmy	Other	Finance
EU	BEUC	Ursula Pahl	Consumer Organisation	General
FI	Competition and Consumer Authority	Anja Peltonen	Consumer Agency	General

Table 156: Interview list				
Member State	Organisation	Name	Organisation type	Sector
FI	Energy Authority	Antti Paananen	Regulator	Energy
FI	Ministry of Justice	Karti Kummoinen	Ministry	General
FI	Consumer Disputes Board	Paivi Korpiola	Consumer Agency	General
FI	Energy Branch Organisation	Riina Hainmaki	Regulator	Energy
FR	UFC - Que choisir	Maxime Chipoy	Consumer Organisation	Finance
FR	Les Associations Familiales Catholiques	Nicolas Revenu	Consumer association	Online
FR	Confédération de la Consommation, du Logement et du Cadre de Vie (CLCV)	Sandrine Perrois	Consumer Organisation	General
HR	POTROŠAC: Croatian Union of Consumer Protection Organisations	Igor Vujovic	Consumer Organisation	General
HU	Hungarian Authority for Consumer Protection	Peter Aranyi	Consumer Agency	General
IS	Consumer Association	Hildigunnur Hafsteinsdóttir	Consumer Organisation	General
IT	Associazione per la Difesa Utenti Servizi Bancari e Finanziari (ADUSBEF)	Marco Novelli	Consumer Organisation	Finance
IT	Altroconsumo	Marco Pierani	Consumer Organisation	General
IT	Banca d'Italia	Salvatore Accolla	Regulator	Finance
IT	AGCOM	Sergio Del Grosso	Regulator	Online
LT	Alliance of Lithuanian Consumer Organisations	Egle Kybartiene	Consumer Organisation	General
LU	Institut Luxembourgeois de Régulation	Claude Hornick	Regulator	Energy
LU	Union Luxembourgeoise des Consommateurs, nouvelle asbl (ULC)	Josiane Adams	Consumer Organisation	General
MT	Maltese Competition and Consumer Authority	Josefine Borg	Consumer Agency	General
MT	Maltese Communication Authority	N/A (pooled written input)	Regulator	Online
NL	Authority for Consumers and Markets	Bob Boelema	Consumer Agency	Online
NL	Consumentenbond	Michiel Karskens	Consumer Organisation	General
NL	Netherlands Authority for the Financial Markets	Wijnand van de Beek	Regulator	Finance
NO	The Consumer Council	Audun Skeidsvoll	Consumer Organisation	General
NO	The Consumer Council	Toril Melander Stene	Consumer Organisation	General
PL	UOKIK	Katarzyna Araczevska	Consumer Agency	General

Table 156: Interview list				
Member State	Organisation	Name	Organisation type	Sector
PL	UKE	Mateusz Ossowski	Regulator	Online
PT	ANACOM	Iris Pita	Regulator	Online
PT	Associação Portuguesa para a Defesa do Consumidor (DECO)	Paulo Fonseca	Consumer Organisation	General
RO	National Association for Consumers Protection (ANPC Romania)	Costel Stanciu	Consumer Organisation	General
SE	Swedish Consumer Authority	Gabrielle Feng-Krog	Consumer Agency	General
SE	The Swedish Consumers' Association (Sveriges Konsumenter)	Jens Henriksson	Consumer Organisation	General
SE	Swedish Post and Telecom Authority (PTS)	Johan Rydberg	Regulator	Online
SI	Slovene Consumers' Association (SCA)	Bostjan Krisper	Consumer Organisation	Finance
SK	SOS Poprad	Petra Vargova Cakovska	Consumer Organisation	General
UK	OFCOM	Benjamis Wallis	Regulator	Online
UK	Consumer Futures	Heidi Ranscombe	Consumer Organisation	General
UK	Which?	Louise Vergera	Consumer Organisation	Finance
UK	Financial Conduct Authority (FCA)	Martin Coppack	Regulator	Finance
UK	Which?	Martin Saville	Consumer Organisation	Finance
UK	Which?	Michelle Smyth	Consumer Organisation	General
UK	The Financial Inclusion Centre	Mick McAteer	Other	Finance
UK	OFGEM	Zoe McLeod	Regulator	Energy

Annex 12 Task A2 Interview guide

Introduction

VVA Europe together with London Economics and IPSOS is carrying out a study for European Commission's DG JUST focusing on consumer vulnerability. The objective of the study is to identify marketing practices that are especially problematic for consumers and to identify good practice measures employed in Member States to mitigate consumer vulnerability. These interviews are therefore a key element of the study and an opportunity to provide valuable input into the European Commission work in this field.

We will use the information from the interview in our reports to the European Commission. We will however not quote you directly, nor attribute any statements to you as an individual. The name of your organisation may be included in the report as part of a list of stakeholders consulted during the study.

Do you have any questions?

Questions	Answers
Background information	
1. Please describe your role in your organisation	
2. What activities related to protecting vulnerable consumers does your organisation perform?	
Problematic practices	
3. What problematic market practices that exploit consumer vulnerability are you aware of in your country? Please provide concrete examples. <ul style="list-style-type: none"> • Are you aware of any problematic market practices in the online environment/telecommunications? • Are you aware of any problematic market practices in the energy sector? • Are you aware of any problematic market practices in the financial sector? 	
Measures to address consumer vulnerability [to be adapted to interviewee expertise]	
4. What are the specific measures in your country that address consumer vulnerability in the online environment and telecommunications sector? <ul style="list-style-type: none"> • Prompt: Legislation, non-legislative measures such as inspections, labelling schemes, digital literacy programmes, industry codes of conduct, campaigns, translation services, etc. • Do they target specific types of vulnerability? 	

<ul style="list-style-type: none"> • <i>Do they target specific consumer groups?</i> • <i>Do they target specific market practices?</i> • <i>What forms of sanctions are available?</i> 	
<p>5. What are the specific measures in your country that address consumer vulnerability in the energy sector?</p> <ul style="list-style-type: none"> • <i>Prompt: Legislation, non-legislative measures such as inspections, labelling schemes, industry codes of conduct, campaigns, translation services, social tariffs for energy, etc.</i> • <i>Do they target specific types of vulnerability?</i> • <i>Do they target specific consumer groups?</i> • <i>Do they target specific market practices?</i> • <i>What forms of sanctions are available?</i> 	
<p>6. What are the specific measures in your country that address consumer vulnerability in the financial sector?</p> <ul style="list-style-type: none"> • <i>Prompt: Legislation, non-legislative measures such as inspections, labelling schemes, financial education programmes, industry codes of conduct, campaigns, translation services, etc.</i> • <i>Do they target specific types of vulnerability?</i> • <i>Do they target specific consumer groups?</i> • <i>Do they target specific market practices?</i> • <i>What forms of sanctions are available?</i> 	
<p>7. Is there evidence of these measures being effective?</p> <ul style="list-style-type: none"> • <i>Prompt: studies, reports, evaluations, anecdotal evidence</i> 	
<p>8. Are you aware of any problems with the application of these measures?</p>	
<p>9. Are you aware of recent case law in your country concerning problematic marketing practices in any of the sectors we have discussed (online/telecommunications/energy/financial services)?</p>	
<p>Overall approach to consumer vulnerability [if not covered in previous questions]</p>	
<p>10. Is the term “vulnerable consumer” used in consumer protection legislation in your country?</p> <ul style="list-style-type: none"> • <i>How is it worded?</i> • <i>Is it used in other legislation (e.g. sector specific)?</i> 	
<p>11. How does the consumer protection legislation in your country refer to vulnerable consumers?</p> <ul style="list-style-type: none"> • <i>Are specific consumer groups singled out, which ones?</i> • <i>Is there dedicated legislation addressing vulnerable consumers or specific consumer groups?</i> • <i>Are you aware of recent case law concerning</i> 	

<i>consumer vulnerability in your country?</i>	
“Average consumer” concept	
12. Is the concept of an “average consumer” used in consumer protection legislation in your country? <ul style="list-style-type: none"> • <i>How is it worded?</i> • <i>Is it used in other legislation (e.g. sector specific)?</i> 	
13. If yes, how is it defined? <ul style="list-style-type: none"> • <i>Where is the definition set out?</i> • <i>Is there a single definition or multiple definitions?</i> 	
14. Are you aware of any problems with the application of the “average consumer” concept in your country? <ul style="list-style-type: none"> • <i>Prompt: Application of the concept to specific consumer groups</i> 	
15. Are you aware of case law in your country concerning the “average consumer” concept?	
Institutional landscape [optional, to be adapted to interviewee expertise]	
16. Which public institutions are engaged in protecting vulnerable consumers in your country? <ul style="list-style-type: none"> • <i>Prompt: Ministries, consumer protection bodies, regulators</i> 	
17. Which other organisations are engaged in protecting vulnerable consumers in your country? <ul style="list-style-type: none"> • <i>Prompt: NGOs, charities, help lines</i> 	
18. Is there collaboration in this area with other countries, or between different national institutions/organisations?	
Closing remarks	
19. Are you aware of recent articles, reports or studies on consumer vulnerability in your country?	
20. Which organisations or individuals in your country should we consult with regard to consumer vulnerability in the online environment, telecommunications, energy sector, or the financial sector?	
21. Do you have any additional remarks? Is there something that was not covered?	

Annex 13 Consumer questionnaire and behavioural experiment

This section presents the final consumer questionnaire and experiment.

Demographics

Questions to set quota

[Qcountry: HIDDEN VARIABLE]
[PROG: HIDDEN. SINGLE ANSWER]

- 1 AUSTRIA
- 2 BELGIUM
- 3 BULGARIA
- 4 CROATIA
- 5 CYPRUS
- 6 CZECH REPUBLIC
- 7 DENMARK
- 8 ESTONIA
- 9 FINLAND
- 10 FRANCE
- 11 GERMANY
- 12 GREECE
- 13 HUNGARY
- 14 ICELAND
- 15 IRELAND
- 16 ITALY
- 17 LATVIA
- 18 LITHUANIA
- 19 LUXEMBOURG
- 20 MALTA
- 21 NORWAY
- 22 POLAND
- 23 PORTUGAL
- 24 ROMANIA
- 25 SLOVAKIA
- 26 SLOVENIA
- 27 SPAIN
- 28 SWEDEN
- 29 THE NETHERLANDS
- 30 the UK

[Qlanguage: HIDDEN VARIABLE]
[PROG : HIDDEN. SINGLE ANSWER]

- 1 BULGARIAN
- 2 CROATIAN
- 3 CZECH
- 4 DANISH
- 5 DUTCH
- 6 DUTCH BELGIUM
- 7 ENGLISH
- 8 ESTONIAN
- 9 FINNISH
- 10 FRENCH BELGIUM
- 11 FRENCH FRANCE
- 12 FRENCH LUXEMBOURG
- 13 GERMAN
- 14 GERMAN AUSTRIAN
- 15 GREEK (CYPRUS)
- 16 GREEK (GREECE)
- 17 HUNGARIAN
- 18 ICELANDIC
- 19 ITALIAN
- 20 LATVIAN
- 21 LITHUANIAN
- 22 LUXEMBOURGISH
- 23 MALTESE
- 24 NORWEGIAN
- 25 POLISH
- 26 PORTUGUESE
- 27 ROMANIAN
- 28 SLOVAKIAN
- 29 SLOVENIAN
- 30 SPANISH
- 31 SWEDISH

Q_STAGE.

[PROG: HIDDEN, SINGLE ANSWER]

1. PILOT [Q_COUNTRY= CODE 30]
2. MAIN [Q_COUNTRY= CODE 1 TO 30]

Q_METHODODOLOGY.

PROG: HIDDEN : SINGLE ANSWER

1. ONLINE
2. CAPI
3. CATI

EXPERIMENT.

[PROG: MULTIPLE, HIDDEN, ONE RESPONDENT IS ALLOCATED TO SEE TWO EXPERIMENTS OUT OF 4 BASED ON THE Q_CELL]

[PROG: GENERIC SECTOR is related to each of the 3 SECTORS (energy/ online/ finance) and one respondent depending on the allocation cell will see the **generic sector for energy or online or finance**]

[PROG: [IF Q_STAGE= CODE 1 PILOT] OR [IF F Q_STAGE= CODE 2 MAIN AND Q_CUNTRY = CODE 30 (UK), CODE 7 (Denmark), CODE 18 (Lithuania), CODE 23

(Portugal), CODE 24 (Romania) → COUNTRIES where EXPERIMENT PART is included FOR Q_STAGE= MAIN TO BE RECONFIRMED]]

1. ENERGY SECTOR
2. ONLINE SECTOR
3. FINANCE SECTOR
4. GENERIC SECTOR

TREATMENT.

PROG: SINGLE ANSWER; HIDDEN

[RESPONDENT IS ALLOCATED TO ONE TREATMENT FOR THE 1ST EXPERIMENT TO BE SEEN AND TO THE OTHER TREATMENT FOR THE 2ND EXPERIMENT TO BE SEEN. THIS ALLOCATION DEPENDS ON THE CELL RESPONDENT IS SEEING AS LISTED BELOW IN Q_CELL]

[PROG: THE FIELD for the OFFERS OF THE TWO EXPERIMENTS/ RESPONDENT DEPENDS ON THE TREATMENT ACCORDING TO THE CELL. FOLLOW THE INSTRUCTIONS within each experiment]

1. MARKETING PRACTICE
2. REMEDY TREATMENT

Q_CELL.

PROG: HIDDEN SINGLE ANSWER; ALLOCATE RESPONDENTS RANDOMLY BASED ON THE LEAST FULL QUOTA

CELL	1st experiment	2nd experiment	Share	Respondents per 1000
1	E/MP	O/R	8,33%	83,3
2	O/MP	F/R	8,33%	83,3
3	F/MP	E/R	8,33%	83,3
4	E/R	O/MP	8,33%	83,3
5	O/R	F/MP	8,33%	83,3
6	F/R	E/MP	8,33%	83,3
7	G-E/MP	O/R	4,17%	41,7
8	G-O/MP	F/R	4,17%	41,7
9	G-F/MP	E/R	4,17%	41,7
10	G-E/R	O/MP	4,17%	41,7
11	G-O/R	F/MP	4,17%	41,7
12	G-F/R	E/MP	4,17%	41,7
13	E/R	G-O/MP	4,17%	41,7
14	O/R	G-F/MP	4,17%	41,7
15	F/R	G-E/MP	4,17%	41,7
16	E/MP	G-O/R	4,17%	41,7
17	O/MP	G-F/R	4,17%	41,7
18	F/MP	G-E/R	4,17%	41,7

Key:

E/MP = Energy sector / Marketing practice

O/MP = Online sector / Marketing practice

F/MP = Finance sector / Marketing practice
 E/R = Energy sector / Remedy
 O/R = Online sector / Remedy
 F/R = Finance sector / Remedy
 G-E/MP = Generic-Energy / Marketing practice
 G-O/MP = Generic-Online / Marketing practice
 G-F/MP = Generic-Finance / Marketing practice
 G-E/R = Generic-Energy / Remedy
 G-O/R = Generic-Online / Remedy
 G-F/R = Generic-Finance / Remedy

Q_DELAY_EXP.

[PROG: SINGLE; HIDDEN VARIABLE TO BE USED FOR THE EXPERIMENTS (DELAYS IN SEEING THE OFFERS – IN ROUND 2, IF RESPONDENT CLICKS TO SEE THE 2nd NEW OFFER, TIMER OF THE 2nd NEW OFFER CAN ONLY START ONCE 1st NEW OFFER IS DISPLAYED – BLOCK “NEXT” BUTTON UNTIL ALL REQUESTED OFFER(S) APPEAR(S) ON SCREEN)

THE OPTION WILL BE PRES ERVED FOR ALL EXPERIMENT THE SAME]

1. 10 sec
f

SUMMARY OF THE TIMERS TO BE SET :

timer name	timer START	timer STOP
TIMER 1(demo_part)	q1intro	q13c
TIMER8(exp_electricity)	E1	E4 After showing " Thank you. The deal you chose is now your current deal"
TIMER12(exp_electricity_screen1)	E3	after clicking "choose this deal "
TIMER13(exp_electricity_screen2)	E4	
TIMER9(exp_online)	O1	O5
TIMER14(exp_online_round1)	O1	O3
TIMER15(exp_online_round2)	O4	O5
TIMER10(exp_finance)	F1	F4 After showing "Thank you. The loan you chose is now your current loan"
TIMER16(exp_finance_screen1)	F1	Before entering F3
TIMER17(exp_finance_screen2)	F2	
TIMER 11(EXP_generic)	CC1	CC2FU After showing " Thank you. The [deal/provider/account] you chose is now your 'current'
TIMER18(exp_generic_screen1)	CC1	[deal/provider/account]."

TIMER19(exp_generic_screen2)	cc2	after selecting " choose this (deal/ provider/ account)
TIMER2(identity_vulnerability)	q14	q16
TIMER3(average_consumer)	q17	q19b
TIMER4(experience_electricity_sector)	A1_INTRO	A21
TIMER5(experience_online_sector)	B1_INTRO	B13
TIMER6(experience_finance_sector)	C1_INTRO	C11
TIMER 7(access_barriers)	C21	C24

[PROG: SHOW TO ALL]

Thank you for taking part in this important study. The survey is about sharing the experiences you have with energy suppliers, financial services and home Internet providers.

[PROG: [IF Q_STAGE= CODE 1 PILOT] OR [IF F_Q_STAGE= CODE 2 MAIN AND Q_COUNTRY = CODE 30 (UK), CODE 7 (Denmark), CODE 18 (Lithuania), CODE 23 (Portugal), CODE 24 (Romania) → SHOW THE FOLLOWING TEXT + LINK TO TERMS AND CONDITIONS]

In this survey, you will also be asked to complete two 'experiments'. In these experiments you will have a chance to win extra survey points. You will receive your survey points for participating in the survey as usual after completing it. In each experiment you will be shown alternative offers which you need to choose between. Each time you manage to select the most advantageous offer you will be awarded with 25 additional survey points. In total during this survey, you have the chance to win 100 additional survey points depending on the choices you make. Any additional points you win in the experiments will be added to your account after the survey closes. You cannot lose any of your initial survey points for participating in the survey. Once the survey is closed, you will be notified by e-mail about the number of best offers you correctly selected and the total additional points you have won. Please note that it can take up to 8 weeks for you to receive your additional survey points.

Please refer to the terms and conditions for more details.

[PRG: SHOW LINK TO TERMS AND CONDITIONS]

DEMOGRAPHICS

[PROG: QUESTIONS ASKED TO ALL UNLESS SPECIFIED]

[PROG: PLEASE RECORD LENGTH OF INTERVIEW STARTING AT Q1 EN ENDING AT QX]

[PROG: Demographic questions to be used for quota: Q1, Q2, Q3, Q4, Q5, Q7a, Q7b]

[TIMER1(demo part): START]

Q1_intro. Firstly please tell us a few details about yourself. This is to ensure we are including a wide range of people in this research.

[PROG: INFO TEXT]

Q1. How old are you?

[PROG: NUMERIC QUESTION – 2 DIGITS RANGE 0- 99; IF Q1 <16 END INTERVIEW]

[PROG: RECODE INTO: HIDDEN VARIABLE]

[SINGLE ANSWER]

Q1_recode.

[PROG: HIDDEN. SINGLE ANSWER]

1. 16 - 24
2. 25 - 34
3. 35 - 44
4. 45 - 54
5. 55 - 64
6. 65-74
7. 75+

Q2. Are you a...

[PROG: SINGLE ANSWER]

1. Woman
2. Man

Q3. Please select the region where you live.

[PROG: SINGLE ANSWER]

[USE STANDARD REGION LIST FROM PANEL – DO NOT ASK IN ICELAND (IF qcountry=14)]

Q4. Which best describes where you live?

[PROG: SINGLE ANSWER]

1. Rural area or village
2. Small or medium sized town
3. Large town

Q7a. What is the highest level of education you have achieved?

[PROG: SINGLE ANSWER] [ASK ALL]

PRG: INSERT LIST PER COUNTRY FROM EXCEL FILE "EDUCATION"

RECODE INTO – HIDDEN VARIABLE PRG: SINGLE CODE

1. Low
2. Medium
3. High

Q7b. How old were you when you stopped full-time education?

[ASK ALL]

1. 15 or less
2. 16 to 19
3. 20 or more
4. Still studying [EXCUSIVE]
5. No education [EXCUSIVE]
6. Don't know [EXCUSIVE]

**[IF Q7b>Q1: DISPLAY FOLLOWING ERROR MESSAGE:
"Answer provided is higher than your current age. "]**

/___/

[PROG: NUMERIC QUESTION – 2 DIGITS RANGE 0- 99][ASK IF Q7b=code4]:

Q7c. Are you still studying...

1. In full time education
2. In combination with (part-time) job
3. Don't know [EXCLUSIVE]

Q5. Which of the following best describes your current work status?

[ASK IF NOT CODE 4 AT Q7b]

[PROG: SINGLE ANSWER]

[RECODE INTO: HIDDEN VARIABLE: CODES 1-5 AS ACTIVE AND CODES 6-10 AS INACTIVE]

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

Q6. For how long have you been in this situation? Please answer in years (if less than a year, please answer 0).

[ASK IF CODES 5-9 AT Q5]

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

/___/

Q8. Which of the following best describes your situation?

[PROG: SINGLE ANSWER] [ASK ALL]

1. Married
2. Remarried
3. Not married living with a partner
4. Single
5. Divorced or separated
6. Widowed

7. Other

Q9. Including yourself, how many people live in your household at the present time?

Be sure to count all people living in your home: yourself, your partner, your children, parents, friends and/or students.

[PROG: SINGLE ANSWER] [ASK ALL]

- 1
- 2
- 3
- 4
- 5
- 6 or more

Q10. How many (if any) children under the age of 18 are living with you in your household? (If no persons under 18 in your household, please select 0)

[ASK Q10 IF CODE 2 OR 3 OR 4 OR 5 OR 6 AT Q9]

[PROG: SINGLE ANSWER]

- 0
- 1
- 2
- 3
- 4 or more

Q10a. Thinking about your household's financial situation, would you say that making ends meet every month is...?

[PROG: SINGLE ANSWER - ALLOW TO SKIP WITHOUT ANSWER] [ASK ALL]

- 1. Very easy
- 2. Fairly easy
- 3. Fairly difficult
- 4. Very difficult

Q10b. Thinking about your household's financial situation would you say that making ends meet every month is...?

[PROG: ASK ONLY IF NO ANSWER IN Q10a]

[PROG: SINGLE ANSWER]

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

Q11. Is your mother tongue different from the official language(s) spoken in [INSERT Q_COUNTRY]?

[PROG: SINGLE ANSWER] [ASK ALL]

- 1. No
- 2. Yes, but it does not cause me difficulty as a consumer
- 3. Yes, and it causes me difficulty as a consumer

Q12 How frequently do you use the internet for the following activities?

[PROG: SINGLE ANSWER PER ROW] [ASK ALL]
[GRID ACROSS]

1. Several times a day
2. Every day or almost every day
3. 2-3 times a week
4. Once a week
5. 2-3 times a month
6. Once a month
7. A couple of times a year or less often
8. Never

[GRID DOWN]

1. Searching for information
2. Comparing prices on products/services
3. Online Banking
4. Buying goods or services (holidays, books, music, etc.)
5. Selling goods or services
6. Using online social networks (Facebook, Twitter, Snapchat, etc.)
7. E-mail

Q13 How often do you buy goods and services on credit (this includes purchases made on credit cards, lines of credit and some loans)?

[PROG: SINGLE ANSWER] [ASK ALL]

1. Very often
2. Sometimes
3. Seldom
4. Never

Q13b Have you obtained or tried to obtain an unsecured loan or credit in the last 5 years?

An unsecured loan is one where you do not use immovable property (e.g. your residence), as security or another kind of deposit or pledge, to guarantee the loan (it can however include a car loan).

Examples of unsecured loans are loans taken by credit card, store card, authorized overdraft, unsecured personal loan and revolving credit

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

[PROG: SINGLE ANSWER] [ASK ALL]

1. Yes, obtained
2. Yes, tried to obtain, but did not obtain it
3. Yes, I looked for it but decided not to take it
4. No, did not look for an unsecured loan or credit in the last 5 years

Q13c From the point of your household budget, have you ever had problems to repay your loans?

[PROG: SINGLE ANSWER] [ASK ALL]

1. No
2. Yes, occasionally
3. Yes, all the time

4. Did never had loans

A15 The term 'kWh' in an offer describes...?

[PROG: SINGLE ANSWER - RANDOMIZE] [ASK ALL]

- 1: The unit of energy to measure electricity for billing purposes
- 2: The unit of energy to measure gas for billing purposes
- 3: The unit of energy to measure both electricity and gas for billing purposes
- 4: Don't know [\[KEEP POSITION\]](#)

B11 The term 'Mbps' in an offer describes...?

[PROG: SINGLE ANSWER - RANDOMIZE] [ASK ALL]

- 1: The speed of the internet connection
- 2: The maximum size of files I can download
- 3: The speed of my computer
- 4: Don't know [\[KEEP POSITION\]](#)

[TIMER1 (demo part): STOP]

*[PROG: NEW SCREEN - TO BE DISPLAYED BEFORE 1st EXPERIMENT IS STARTING]
[PROG: [IF Q_STAGE= CODE 1 PILOT] OR [IF F Q_STAGE= CODE 2 MAIN AND
Q_COUNTRY = CODE 30 (UK), CODE 7 (Denmark), CODE 18 (Lithuania), CODE 23
(Portugal), CODE 24 (Romania) → SHOW THE FOLLOWING TEXT BEFORE THE 1ST
EXPERIMENT THAT RESPONDENT IS RECEIVING]*

Thank you for your answers so far.

You are now going to take part in the first experiment where you will also have a chance to win additional survey points. In total for this experiment, you can win up to 50 points (if you select the best offer in both rounds).

You cannot lose any of your initial survey points for participating in the survey.

[PRG: SHOW LINK TO TERMS AND CONDITIONS]

*[PROG: NEW SCREEN - TO BE DISPLAYED BEFORE EXPERIMENT 2 IS STARTING]
[PROG: [IF Q_STAGE= CODE 1 PILOT] OR [IF F Q_STAGE= CODE 2 MAIN AND
Q_COUNTRY = CODE 30 (UK), CODE 7 (Denmark), CODE 18 (Lithuania), CODE 23
(Portugal), CODE 24 (Romania) → SHOW THE FOLLOWING TEXT BEFORE THE 2ND
EXPERIMENT THAT RESPONDENT IS RECEIVING]*

Thank you for your answers so far.

You are now going to take part in the second experiment where you will also have a chance to win additional survey points. In total for this experiment, you can win up to 50 points (if you select the best offer in both rounds).

You cannot lose any of your initial survey points for participating in the survey.

[PRG: SHOW LINK TO TERMS AND CONDITIONS]

EXPERIMENT PART:

ONE RESPONDENT IS ALLOCATED TO SEE 2 EXPERIMENTS OUT OF 4 BASED ON THE CELL

EXPERIMENT 1: ELECTRICITY

[TIMER 8(exp_electricity): START]

[REGISTER:

Electricity sector experiment marketing practice

- 1. EVERY CLICK THE RESPONDENT HAS DONE DURING THIS EXPERIMENT**
- 2. THE TIME SPENT ON THE EXPERIMENT**
- 3. EXACTLY THE OFFERS SEEN**

Electricity sector experiment remedy treatment

- 1. EVERY CLICK THE RESPONDENT HAS DONE DURING THIS EXPERIMENT**
- 2. THE TIME SPENT ON THE EXPERIMENT**
- 3. EXACTLY THE OFFERS SEEN**
- 4. IF THE RESPONDENT CLICKED ON THE i-ICON FOR THE PERSONAL PROJECTION**
- 5. IF THE RESPONDENT CLICKED ON THE i-ICON FOR THE TARIFF COMPARISON RATE**

USE EXCEL "ELECTRICITY DEALS FOR EXPERIMENTS – FOR IPSOS"

The structure of the experiment and the **MARKETING PRACTICE** and **REMEDY TREATMENTS** ARE THE SAME; **DEPENDING ON THE TREATMENT THE FIELDS FOR THE OFFERS WILL SLIGHTLY DIFFER AS BELOW:**

PROG: IF MARKETING PRACTICES DON'T SHOW WITHIN THE DEAL (OFFER): PERSONAL PROJECTION AND TARIFF COMPARISON RATE.

PROG: IF REMEDY TREATMENT SHOW WITHIN THE DEAL (OFFER): PERSONAL PROJECTION AND TARIFF COMPARISON RATE.

E1. How big is your home?

[PROG: SINGLE ANSWER]

1. 1 bedroom
2. 2 bedrooms
3. 3 bedrooms
4. 4 bedrooms
5. 5 bedrooms
6. More than 5 bedrooms

E2. Which of the following best describes how often you use electricity at home?

[PROG: SINGLE ANSWER]

1. Evenings and weekends (e.g. a working couple)
2. All day (e.g. a family home)

[PROG: Allocate to Profile 1, 2 or 3 according to the table below BASED ON THE ANSWERS IN E1 AND E2]

	Answer at E2:	
Answer at E1:	1.	2.
1.	Profile 1	Profile 1
2.	Profile 1	Profile 1
3.	Profile 1	Profile 2
4.	Profile 2	Profile 2
5.	Profile 2	Profile 3
6.	Profile 3	Profile 3

[PROG: USE THE FOLLOWING INSERT TEXT DEPENDING ON RESPONDENT PROFILE FOR E3 AND E4]

[Insert KWh according to profile] = 2000kWh if PROFILE 1

[Insert KWh according to profile] = 3200kWh if PROFILE 2

[Insert KWh according to profile] = 4900kWh if PROFILE 3

[TIMER 12(exp_electricity_screen1) : STARTS]

E3. Assume you use [Insert kWh according to profile] of electricity per year, manage your electricity account online, and pay your electricity bill by fixed monthly direct debit.

Please imagine you are trying to find a new electricity deal for your home electricity. Please consider the electricity deals shown below. Which of these deals would you choose?

[PROG: SINGLE ANSWER]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

[PROG: IF THE RESPONDENT IS ALLOCATED TO THE **MARKETING PRACTICE TREATMENT**, THEN PRESENT DEALS **N** AND **P** FROM THE SPREADSHEET, **WITHOUT THE PERSONAL PROJECTION AND TARIFF COMPARISON RATE.**]

<p>Deal N</p> <p>Standing charge: 4.3p/day</p> <p>First 750kWh per year: 22.8p/kWh</p> <p>Additional kWh: 11.9p/kWh</p> <p>Rates include direct debit discount</p>	<p>Deal P</p> <p>Standing charge: 11.9p/day</p> <p>First 800kWh per year: 21.8p/kWh</p> <p>Additional kWh: 13.1p/kWh</p> <p>Direct debit discount: 6%</p>
---	--

Choose this deal

Choose this deal

[IF THE RESPONDENT IS ALLOCATED TO THE **REMEDY TREATMENT**, THEN PRESENT DEALS **N** AND **P** FROM THE SPREADSHEET, WITH THE **PERSONAL PROJECTION AND TARIFF COMPARISON RATE.**]

<p>Deal N</p> <p>Personal Projection: £369 per year i</p> <p>Tariff Comparison Rate: 15.25p/kWh i</p> <p>Standing charge: 4.3p/day</p> <p>First 750kWh per year: 22.8p/kWh</p> <p>Additional kWh: 11.9p/kWh</p> <p>Rates include direct debit discount</p>	<p>Deal P</p> <p>Personal Projection: £388 per year i</p> <p>Tariff Comparison Rate: 15.97p/kWh i</p> <p>Standing charge: 11.9p/day</p> <p>First 800kWh per year: 21.8p/kWh</p> <p>Additional kWh: 13.1p/kWh</p> <p>Direct debit discount: 6%</p>
---	--

Choose this deal

Choose this deal

[PROG: Interim screen should thank the respondent after selecting one deal: "Thank you. The deal you chose is now your current deal. "]

[TIMER 12(exp_electricity_screen1): STOP]

[TIMER 13(exp_electricity_screen2): STARTS]

E4. Assume you use [Insert kWh according to profile] of electricity per year, manage your electricity account online, and pay your electricity bill by fixed monthly direct debit.

The deal you just chose is now your current deal – this deal is shown below.

Two new deals are also available, which you can see by clicking on the buttons. Would you change to one of these new deals, or stay with your current deal?

PROG: SINGLE ANSWER

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

[PROG: If Deal **N** selected at **E3** AND MARKETING PRACTICE TREATMENT → present deals **N,M,O** (from the spreadsheet) WITHOUT the **PERSONAL PROJECTION** and **TARIFF COMPARISON RATE**.

Note that the deal labelled “**Your current deal**” is **Deal N** from the first round.]

[PROG: Respondents should have to click on a button to see **deal M and deal O**, as illustrated below. Each time the respondent clicks on one of these buttons there should be a **TIME DELAY DEPENDING ON THE Q_DELAY ALLOCATED AT THE BEGINNING**. For the experiment the time delay should be 10 seconds]

<p>Your current deal</p> <p>Standing charge: 4.3p/day</p> <p>First 750kWh per year: 22.8p/kWh</p> <p>Additional kWh: 11.9p/kWh</p> <p>Rates include direct debit discount</p>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #e67e22; color: white; padding: 5px 15px; border-radius: 3px;">View Deal M</div> <div style="background-color: #e67e22; color: white; padding: 5px 15px; border-radius: 3px;">View Deal O</div> </div>
--	--

Stay with current deal

<p>Your current deal</p> <p>Standing charge: 4.3p/day</p> <p>First 750kWh per year: 22.8p/kWh</p> <p>Additional kWh: 11.9p/kWh</p> <p>Rates include direct debit discount</p>	<p>Deal M</p> <p>Standing charge: 11.9p/day</p> <p>First 800kWh per year: 22.2p/kWh</p> <p>Additional kWh: 11.2p/kWh</p> <p>Direct debit discount: 8%</p>	<p>Deal O</p> <p>Standing charge: 7.8p/day</p> <p>First 850kWh per year: 23.2p/kWh</p> <p>Additional kWh: 10.3p/kWh</p> <p>Rates include direct debit discount</p>
--	--	---

Stay with current deal

Switch to this deal

Switch to this deal

[If **Deal N** selected at **E3** and **REMEDY TREATMENT** → present **deals N, M and O** from the spreadsheet, **WITH** the **PERSONAL PROJECTION AND TARIFF COMPARISON RATE**.

Note that the deal labelled “**Your current deal**” is **Deal N** from the first round.]

[PROG: Respondents should have to click on a button to see **Deal M and Deal O**, as illustrated below. Each time the respondent clicks on one of these buttons there should be a **TIME DELAY DEPENDING ON THE Q_DELAY ALLOCATED AT THE BEGINNING**. For the experiment the time delay should be 10 seconds.]

Your current deal

Personal Projection: £369 per year i

Tariff Comparison Rate: 15.25p/kWh i

Standing charge: 4.3p/day

First 750kWh per year: 22.8p/kWh

Additional kWh: 11.9p/kWh

Rates include direct debit discount

View Deal M

View Deal O

Stay with current deal

<p>Your current deal</p> <p>Personal Projection: £369 per year i</p> <p>Tariff Comparison Rate: 15.25p/kWh i</p> <p>Standing charge: 4.3p/day</p> <p>First 750kWh per year: 22.8p/kWh</p> <p>Additional kWh: 11.9p/kWh</p> <p>Rates include direct debit discount</p>	<p>Deal M</p> <p>Personal Projection: £359 per year i</p> <p>Tariff Comparison Rate: 14.45p/kWh i</p> <p>Standing charge: 11.9p/day</p> <p>First 800kWh per year: 22.2p/kWh</p> <p>Additional kWh: 11.2p/kWh</p> <p>Direct debit discount: 8%</p>	<p>Deal O</p> <p>Personal Projection: £378 per year i</p> <p>Tariff Comparison Rate: 15.04p/kWh i</p> <p>Standing charge: 7.8p/day</p> <p>First 850kWh per year: 23.2p/kWh</p> <p>Additional kWh: 10.3p/kWh</p> <p>Rates include direct debit discount</p>
--	--	---

Stay with current deal

Switch to this deal

Switch to this deal

[PROG: IF THE RESPONDENT CHOSE DEAL P AT E3 → PRESENT DEALS P, O AND Q FROM THE SPREADSHEET, **WITH/WITHOUT** THE **PERSONAL PROJECTION AND TARIFF COMPARISON** RATE DEPENDING ON THE RESPONDENT'S **TREATMENT**.]

[PROG: ASK TO RESPONDENTS IN THE MARKETING PRACTICE TREATMENT]

E5 Thinking about the choices you made between the electricity deals you just saw, which of the following features was the most important when making your decision?

PROG: SINGLE ANSWER

1. The standing charge
2. The price per kWh for the first batch of electricity
3. The price per kWh for additional electricity
4. Any discounts that applied
5. The total cost of the deal over 12 months

6. Other features

[PROG: ASK TO RESPONDENTS IN THE REMEDY TREATMENT]

E6 Thinking about the choices you made between the electricity deals you just saw, which of the following features was the most important when making your decision?

PROG: SINGLE ANSWER

1. The standing charge
2. The price per kWh for the first batch of electricity
3. The price per kWh for additional electricity
4. Any discounts that applied
5. The total cost of the deal over 12 months
6. The Personal Projection
7. The Tariff Comparison Rate
8. Other features

[TIMER 13(exp_electricity_screen2) : STOP]
[TIMER 8(exp_electricity): STOP]

EXPERIMENT 2: ONLINE

[TIMER 9(exp_online): START]

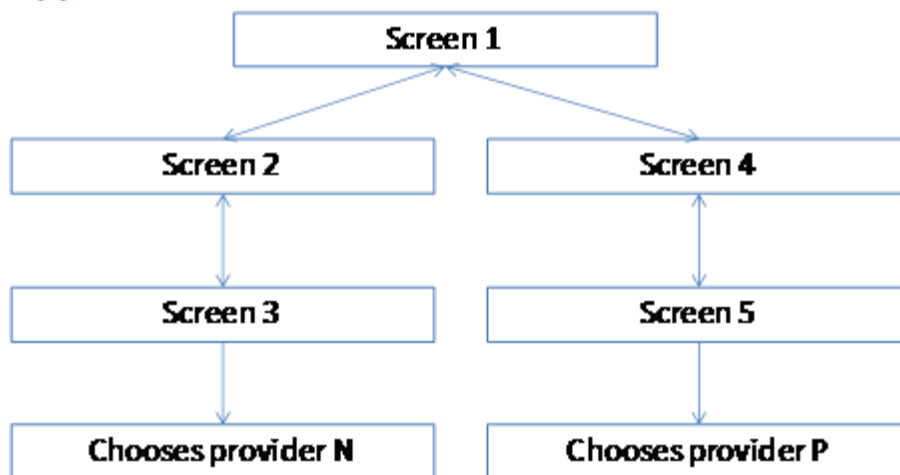
[REGISTER:

1. EVERY CLICK THE RESPONDENT HAS DONE DURING THIS EXPERIMENT EXCEPT FOR BACK AND FORTH DURING THE SCREENS AND OFFERS
2. THE TIME SPENT ON THE EXPERIMENT
3. EXACTLY THE OFFERS SEEN

REGISTER THE FOLLOWING :

TOTAL SCREEN = NB OF DIFFERENT SCREENS SAW BY RESPONDENTS DURING EXP.

ROUND 1



INFO TO BE REGISTERED IN PROGRAMMING AS IN THE TABLE BELOW :

Person	Saw Screen 1	Saw Screen 2	Saw Screen 3	Saw Screen 4	Saw Screen 5	Total screens seen	Reversed decision
1	Yes	Yes	Yes	No	No	3	No
2	Yes	Yes	Yes	Yes	No	4	Yes
3	Yes	Yes	Yes	Yes	Yes	5	Yes
4	Yes	No	No	Yes	Yes	3	No

[Total screens seen= COUNTER (the number of different screens seen)

Reversed decision= YES AT SCREEN 2 AND YES AT SCREEN 4]

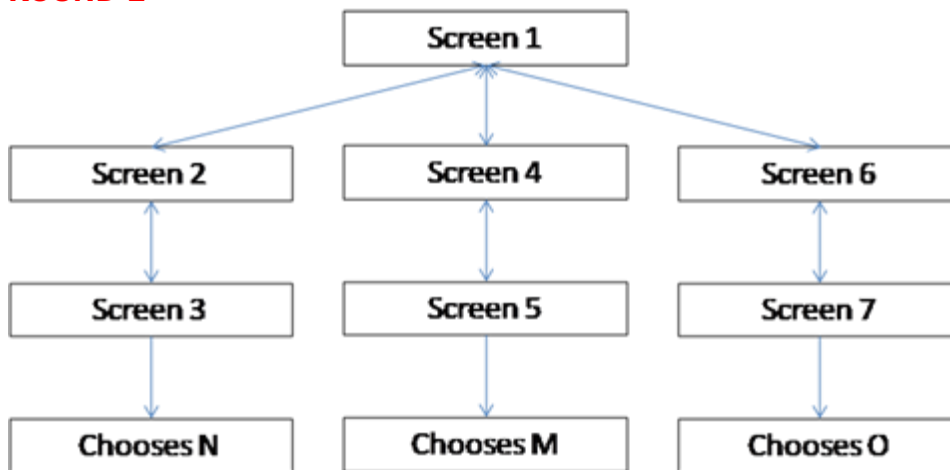
INDIVIDUAL SCREEN= REGISTER EACH SCREEN SEEN BY THE RESPONDENT CONSIDERING THE BACK AND FORTH .

EXAMPLE:

Person	Saw Screen 1	Saw Screen 2	Saw Screen 3	Saw Screen 4	Saw Screen 5	Total individual screens
x	1	1	1	0	0	3
y	1	1	2	2	0	6
z	1	1	1	2	1	6
t	1	2	1	1	1	6

- 0 respondent saw the screen 0 times
- 1 respondent saw the screen 1 times
- 2 respondent saw the screen 2 times
- 3 respondent saw the screen 3 times

ROUND 2



INFO TO BE REGISTERED IN PROGRAMMING AS IN THE TABLE BELOW :

Person	Saw Screen 1	Saw Screen 2	Saw Screen 3	Saw Screen 4	Saw Screen 5	Saw Screen 6	Saw Screen 7	Total screens seen	Reverse decision
1	Yes	Yes	Yes	No	No	No	No	3	No
2	Yes	Yes	Yes	Yes	No	No	No	4	Yes
3	Yes	Yes	Yes	Yes	Yes	Yes	No	6	Yes
4	Yes	No	No	Yes	Yes	Yes	Yes	5	Yes
5	Yes	Yes	Yes	No	No	Yes	Yes	5	Yes

6	Yes	No	No	No	No	Yes	Yes	3	No
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[Total screens seen= COUNTER (the number of different screens seen)]

[Reversed decision=

1st case: YES AT SCREEN 2 AND YES AT SCREEN 4 AND NO AT SCREEN 6

2nd case: NO AT SCREEN 2 AND YES AT SCREEN 4 AND YES AT SCREEN 6

3rd case: YES AT SCREEN 2 AND NO AT SCREEN 4 AND YES AT SCREEN 6

4th case: YES AT SCREEN 2 AND YES AT SCREEN 6 AND YES AT SCREEN 6

Person	Saw Screen 1	Saw Screen 2	Saw Screen 3	Saw Screen 4	Saw Screen 5	Saw Screen 6	Saw Screen 7	Total individual screens
x	1	1	1	0	0	0	0	3
y	1	1	2	2	0	0	0	6
z	1	2	1	2	1	2	0	9
t	1	0	0	1	1	1	1	6
w	1	0	0	0	0	1	1	6
w	1	0	0	0	0	1	1	3

USE EXCEL FILE "ONLINE SECTOR EXPERIMENT FILE FOR IPSOS V2"

The structure of the experiment and the MARKETING PRACTICE and REMEDY TREATMENTS ARE THE SAME; **DEPENDING ON THE TREATMENT THE FIELDS FOR THE OFFERS WILL SLIGHTLY DIFFER AS BELOW:**

PROG: IF MARKETING PRACTICES DON'T SHOW WITHIN THE DEAL (OFFER): THE TOTAL COST FOR 12 MONTHS

PROG: IF REMEDY TREATMENT SHOW WITHIN THE DEAL (OFFER THE TOTAL COST FOR 12 MONTHS

[PROG : In this experiment, respondents choose between: **BROADBAND; TELEPHONE; TV PACKAGES**

From 5 providers: Provider **N**, Provider **P**, Provider **M**, Provider **O**, and Provider **Q**. The Excel file specifies the characteristics of each broadband package in the tabs called "**Full text**" and "**Numeric**". (The **Full text** tab gives the **full text** that should be **shown to respondents**, whereas **Numeric tab** gives just the **relevant values for characteristics** that vary across packages or countries. The programmers can use whichever of these tabs is most convenient.)

There are **2 rounds** in the experiment.

- Respondents choose between **Providers N** and **P** in Round 1.
- If they choose Provider **N** in Round 1 → they choose between **Providers N, M** and **O** in Round 2.
- If they choose Provider **P** in Round 1 → they choose between **Providers P, O** and **Q** in Round 2.

Each round has **3 screens** – i.e. there are 6 screens in total. The tab called **“Presentation”** in the Excel file specifies what information should be shown to respondents on each screen.

- **Columns D, E and F** specify what information should be shown if the respondent is allocated to the **MARKETING PRACTICE**.
- **Columns H, I and J** specify what information should be shown if the respondent is allocated to the **REMEDY TREATMENT**

The Presentation tab also specifies *how* information should be presented – i.e. **which line** and **what font**. There are also mock-ups in the document below. In terms of how information should be presented, the programmers can follow the Excel file and/or the mock-ups.

The rest of this document specifies what should be shown to respondents and what respondents need to do at **Round 1/Screen 1; Round 1/Screen 2; Round 1/Screen 3; Round 2/Screen 1; Round 2/Screen 2; and Round 2/Screen 3**. Text that should be shown to respondents is **BLACK**.

IMPORTANT NOTE: If the respondent chose Provider **P** in Round 1, then in Round 2 **the set-up fee does not apply for Provider P**. This means that in **Round 2** for Provider **P**:

- It needs to say **“No set-up fee”**
- The **total cost for 12 months is lower** (by the amount of the set-up fee).

This is dealt with in the Excel file by having **two columns** for each of these **characteristics** – one column for **Round 1** and one column for **Round 2**.]

[TIMER 14(exp_ONLINE_ROUND1): STARTS]

ROUND 1 / SCREEN 1

O1. Suppose you are looking for a new broadband, telephone and TV package for your home. Please consider the offers from two providers shown below (these offers do not include mobile telephone).

Which of these offers would you choose? Please click to see more information about one offer.

[PROG: SINGLE ANSWER]

[PROG: respondents **choose** between Provider N and Provider P.]

[PROG: FORSEE a button below each offer which says **“Click to see more”**.]

[The tab called “Presentation” in the Excel file specifies what information should be shown to respondents.]

[Respondents are only shown **THE TOTAL COST FOR 12 MONTHS** if they are allocated to the **REMEDY TREATMENT**]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

MARKETING PRACTICE TREATMENT:		REMEDY TREATMENT:	
Provider N Broadband+Telephone+TV 12 month contract with renewal option <u>No set-up fee!</u> Up to 30Mb per second Unlimited downloads Used to be £45 per month You get a discount of 2% on your monthly subscription Now £44 per month with discount	Provider P Broadband+Telephone+TV 12 month contract with renewal option <u>5% Discount!</u> Up to 30Mb per second Unlimited downloads Used to be £40 per month You get a discount of 5% on your monthly subscription Now £38 per month with discount	Provider N Broadband+Telephone+TV 12 month contract with renewal option <u>No set-up fee!</u> Up to 30Mb per second Unlimited downloads Used to be £45 per month You get a discount of 2% on your monthly subscription Now £44 per month with discount Total cost for 12 months £529	Provider P Broadband+Telephone+TV 12 month contract with renewal option <u>5% Discount!</u> Up to 30Mb per second Unlimited downloads Used to be £40 per month You get a discount of 5% on your monthly subscription Now £38 per month with discount Total cost for 12 months £656
Click to see more	Click to see more	Click to see more	Click to see more

ROUND 1 / SCREEN 2

02. More information on the offer you just chose is shown below.

You can click to see more information on your chosen offer, or return to the previous screen to change your selection.

[PROG: INFO]

[PROG: At Round 1/Screen 2, respondents are shown more information about the offer they chose at Round 1/Screen 1. For example, if the respondent chose Provider **N** at **Screen 1**, then at **Screen 2** they would see the **information** shown below.]

[FORESEE two buttons below the offer, which say **“Click to see more”** and **“Return to previous screen”**.]

[The tab called **“Presentation”** in the Excel file specifies what **information should be shown** to respondents.]

[THIS SCREEN IS THE SAME FOR ALL RESPONDENTS (I.E. THE TREATMENT DOES NOT MAKE A DIFFERENCE).]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

Provider N Broadband+Telephone+TV 12 month contract with renewal option
<u>No set-up fee!</u>
200 free minutes to national fixed lines
Free night time & weekend calls to any fixed line unlimited
10 TV channels
No set-up fee
Click to see more
Return to previous screen

ROUND 1 / SCREEN 3

03. More information on your chosen offer is shown below.

You can either confirm your selection by clicking “Choose this offer”, or return to the previous screen.

[PROG: SINGLE ANSWER]

[PROG: At Round 1/Screen 3, respondents are shown **full information about the offer** they chose at **Round 1/Screen 2**. For example, if the respondent chose **Provider N** at Screen 2, then at Screen 3 they would see **the information** shown below.

[FORESEE two buttons below each offer, which say “**Choose this offer**” and “**Return to previous screen**”.]

The tab called “**Presentation**” in the Excel file specifies what **information** should be shown to respondents.

[THIS SCREEN IS THE SAME FOR ALL RESPONDENTS (I.E. THE TREATMENT DOES NOT MAKE A DIFFERENCE).]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

<p>Provider N Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>No set-up fee!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £45 per month You get a discount of 2% on your monthly subscription Now £44 per month with discount</p> <p>200 free minutes to national fixed lines Free night time & weekend calls to any fixed line unlimited</p> <p>10 TV channels</p> <p>No set-up fee</p> <p>Total cost for 12 months £529</p> <p>Choose this offer</p> <p>Return to previous screen</p>
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Interim screen between Round 1 and Round 2: "Thank you. The provider you chose is now your current provider."

[TIMER 14(exp_ONLINE_ROUND1) : STOP]
[TIMER 15(exp_ONLINE_ROUND2) : STARTS]
ROUND 2 / SCREEN 1

04. Now suppose you are deciding whether to renew your contract with your current provider. The offer from your current provider is shown below.

Offers are also available from two new providers. You can see these offers by clicking on the buttons. (None of these offers includes mobile telephone.)

Which of these offers would you choose? Please click to see more information about one offer.

[PROG: SINGLE ANSWER]

[PROG: At **Round 2/Screen 1**, respondents choose between **the provider they chose in Round 1** and **two other providers**.

PROG:If they chose Provider **N** in Round 1→they choose between Providers **N,M and O in Round2**

PROG:If they chose Provider **P** in Round 1→ they choose between Providers **P,O and Q in Round2]**

[PROG: Respondents should have to click on buttons **to see Providers M and O**, as illustrated below. Each time the respondent clicks on one of these buttons there should be a **time delay** DEPENDING ON THE Q_DELAY ALLOCATED AT THE BEGINNING. For the main study , the time delay should be 10 seconds .]

[PROG: Once a respondent can see an offer, there should be a button below it which says **“Click to see more”**.] [PROG: The tab called **“Presentation”** in the Excel file specifies what **information** should be shown to respondents.]

[Respondents are only shown **THE TOTAL COST FOR 12 MONTHS** if they are allocated to the **REMEDY TREATMENT**]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

EXAMPLE:

Marketing practice treatment, before respondents click buttons to see Providers M and

<p>Renew with your current provider</p> <p>Provider N Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>No set-up fee!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £45 per month You get a discount of 2% on your monthly subscription</p> <p>Now £44 per month with discount</p>	<p>View offer from Provider M</p>	<p>View offer from Provider O</p>
<p>Click to see more</p>		

Marketing practice treatment, after respondents click buttons to see Providers M and O:

<p>Renew with your current provider</p> <p>Provider N Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>No set-up fee!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £45 per month You get a discount of 2% on your monthly subscription</p> <p>Now £44 per month with discount</p>	<p>Provider M Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>10% Discount!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £40 per month You get a discount of 10% on your monthly subscription</p> <p>Now £36 per month with discount</p>	<p>Provider O Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>Only £30 per month!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>£30 per month</p>
<p>Click to see more</p>	<p>Click to see more</p>	<p>Click to see more</p>

[Remedy treatment, before respondents click buttons to see Providers M and O:](#)

<p>Renew with your current provider</p> <p>Provider N Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>No set-up fee!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £45 per month You get a discount of 2% on your monthly subscription</p> <p>Now £44 per month with discount</p> <p>Total cost for 12 months £529</p>	<p>View offer from Provider M</p>	<p>View offer from Provider O</p>
<p>Click to see more</p>		

[Remedy treatment, after respondents click buttons to see Providers M and O:](#)

<p>Renew with your current provider</p> <p>Provider N Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>No set-up fee!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £45 per month You get a discount of 2% on your monthly subscription</p> <p>Now £44 per month with discount</p> <p>Total cost for 12 months £529</p>	<p>Provider M Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>10% Discount!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £40 per month You get a discount of 10% on your monthly subscription</p> <p>Now £36 per month with discount</p> <p>Total cost for 12 months £512</p>	<p>Provider O Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>Only £30 per month!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>£30 per month</p> <p>Total cost for 12 months £420</p>
<p>Click to see more</p>	<p>Click to see more</p>	<p>Click to see more</p>

ROUND 2 / SCREEN 2 & ROUND 2 / SCREEN 3

[PROG: Round 2/Screen 2 and Round 2/Screen 3 would then proceed in exactly the same way as Round 1/Screen 2 and Round 1/Screen 3 above. That is, respondents are shown more information about the offer they chose at Round 2/Screen 1, and can either proceed:

- To **choose that deal**
- To **go back** and **change their selection**.

IMPORTANT NOTE: If the respondent chose Provider **P** in Round 1, then in **Round 2** the **set-up fee does not apply for Provider P**. This means that in Round 2 for Provider **P**:

- It needs to say “**No set-up fee**”
- **The total cost for 12 months is lower** (by the amount of the set-up fee).

This is dealt with in the Excel file by having **two columns** for each of these characteristics – one column for **Round 1** and one column for **Round 2**.

For example, if the respondent chose **Provider P in Round 1** and is allocated to the **REMEDY TREATMENT**→ the offers they will be shown in **Round 2** are presented below (note that for Provider P the total cost for 12 months is £456, rather than £656).

Use for both ROUND 2 /SCREEN 2 and ROUND 2/SCREEN 3 THE FOLLOWING TEXT

Q5. More information on the offer you just chose is shown below.

You can click to see more information on your chosen offer, or return to the previous screen to change your selection.

[PROG: INFO SCREEN]

Round 2 / Screen 1

<p>Renew with your current provider</p> <p>Provider P Broadband+Telephone+TV 12 month contract with renewal option</p> <p>5% Discount!</p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £40 per month You get a discount of 5% on your monthly subscription</p> <p>Now £38 per month with discount</p> <p>Total cost for 12 months £456</p> <p>Click to see more</p>	<p>Provider O Broadband+Telephone+TV 12 month contract with renewal option</p> <p>Only £30 per month!</p> <p>Up to 30Mb per second Unlimited downloads</p> <p>£30 per month</p> <p>Total cost for 12 months £420</p> <p>Click to see more</p>	<p>Provider Q Broadband+Telephone+TV 12 month contract with renewal option</p> <p>5% Discount!</p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £35 per month You get a discount of 5% on your monthly subscription</p> <p>Now £33 per month with discount</p> <p>Total cost for 12 months £479</p> <p>Click to see more</p>
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Round 2 / Screen 2 (if chose Provider P)

<p>Provider P Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>5% Discount!</u></p> <p>200 free minutes to national fixed lines</p> <p>Free night time & weekend calls to any fixed line up to 60</p> <p>10 TV channels</p> <p>No set-up fee</p> <p>Click to see more</p>
<p>Return to previous screen</p>

Round 2 / Screen 3 (if chose Provider P)

<p>Provider P Broadband+Telephone+TV 12 month contract with renewal option</p> <p><u>5% Discount!</u></p> <p>Up to 30Mb per second Unlimited downloads</p> <p>Used to be £40 per month You get a discount of 5% on your monthly subscription Now £38 per month with discount</p> <p>200 free minutes to national fixed lines</p> <p>Free night time & weekend calls to any fixed line up to 60 min, then charged at standard network rate</p> <p>10 TV channels</p> <p>No set-up fee</p> <p>Total cost for 12 months £456</p>
<p>Choose this offer</p>
<p>Return to previous screen</p>

O6 Thinking about the choices you made between the broadband, telephone and TV packages you just saw, which of the following features was the most important when making your decision?

PROG: SINGLE ANSWER

1. The price per month
2. The discount
3. The set-up fee
4. The free calls
5. The total cost for 12 months
6. Other features

[TIMER 15(exp_ONLINE_ROUND2): STOP]
[TIMER 9(exp_online): STOP]

EXPERIMENT 3: FINANCE SECTOR

[TIMER 10(exp_finance): START]
[REGISTER:

Finance sector experiment marketing practice

- 1. EVERY CLICK THE RESPONDENT HAS DONE DURING THIS EXPERIMENT**
- 2. THE TIME SPENT ON THE EXPERIMENT**
- 3. EXACTLY THE OFFERS SEEN**

Finance sector experiment remedy treatment

- 1. EVERY CLICK THE RESPONDENT HAS DONE DURING THIS EXPERIMENT**
- 2. THE TIME SPENT ON THE EXPERIMENT**
- 3. EXACTLY THE OFFERS SEEN**
- 4. IF THE RESPONDENT CLICKED ON THE i-ICON FOR THE APR**

The structure of the experiment and the **MARKETING PRACTICE** and **REMEDY TREATMENTS** ARE THE SAME; **DEPENDING ON THE TREATMENT THE FIELDS FOR THE OFFERS WILL SLIGHTLY DIFER AS BELOW:**

PROG: IF MARKETING PRACTICES DON'T SHOW WITHIN THE DEAL (OFFER): THE APR IS ALSO SHOWN IN LARGE FONT AT THE TOP

PROG: IF REMEDY TREATMENT SHOW WITHIN THE DEAL (OFFER): THE APR IS ALSO SHOWN IN LARGE FONT AT THE TOP

[PROG: USE EXCEL FILE "FINANCE SECTOR EXPERIMENT FOR IPSOS"]

[PROG: Respondents choose between 5 loans: **Loan N**, **Loan P**, **Loan M**, **Loan O**, and **Loan Q**. The Excel file specifies the characteristics of each loan in the tab called "Loan characteristics".]

The loan amount ("Loan amount:"), duration ("12 month personal loan") and interest rate ("...% fixed") are always shown in large font at the top, as illustrated in the mock-ups below.

[THE **APR** IS ALSO SHOWN IN LARGE FONT AT THE TOP ONLY IF THE RESPONDENT IS ALLOCATED TO THE **REMEDY TREATMENT.**]

[PROG: Full details of each loan are provided in a single sentence at the bottom, as illustrated in the mock-ups.]

[PROG: If the LOAN has a **(non-zero) fee** then this sentence should read:

- Representative example: Assumed borrowing of [Loan amount] over 12 months at a fixed rate of [Interest rate] per annum, with [Fee] arrangement and credit fee would result in an APR of [APR]%, monthly repayments of

[Monthly payment], equal repayments each months, total amount repayable [Total amount repayable].]

[PROG: If the LOAN **does not have a fee** (i.e. in the Excel file there is a 0 in the Fee column) then this sentence should read:

- Representative example: Assumed borrowing of [Loan amount] over 12 months at a fixed rate of [Interest rate] per annum, with no arrangement and credit fee would result in an APR of [APR]%, monthly repayments of [Monthly payment], equal repayments each months, total amount repayable [Total amount repayable].

The red text is completed by drawing the relevant value from the Excel file.]

[TIMER 16(exp_FINANCE_SCREEN1) : START]

F1. Please imagine you want to borrow [Loan amount] for 12 months in order to buy a good, such as a holiday, a television, or some other product for your home.

Please consider the loan offers shown below. Which of these loans would you choose?

(Please note that these loans are unsecured loans which are not linked to the purchase of a certain good or service.)

[PROG: SINGLE ANSWER]

[PROG: Respondents choose between Loan N and Loan P from the spreadsheet.]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**

[PROG: If the respondent is allocated to the MARKETING PRACTICE TREATMENT then the loans are presented **with the APR shown in the small text** but not in larger text directly below the interest rate, as illustrated below.]

<p>Loan N</p> <p>Loan amount: £930</p> <p>12 month personal loan</p> <p>3.7% fixed</p> <p>Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.70% per annum, with no arrangement and credit fee would result in an APR of 3.8%, monthly repayments of £79.06, equal repayments each months, total amount repayable £948.72.</p> <p>Choose this loan</p>	<p>Loan P</p> <p>Loan amount: £930</p> <p>12 month personal loan</p> <p>2.7% fixed</p> <p>Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 2.70% per annum, with £67.10 arrangement and credit fee would result in an APR of 17.0%, monthly repayments of £84.31, equal repayments each months, total amount repayable £1,011.72.</p> <p>Choose this loan</p>
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[PROG: If the respondent is allocated to the REMEDY TREATMENT then the loans are presented with the **APR shown in the small text** and also in larger text directly below the interest rate, as illustrated below. There should be an 'i' icon which respondents can click on to see an explanation of APR.]

<p>Loan N</p> <p>Loan amount: £930</p> <p>12 month personal loan</p> <p>3.7% fixed</p> <p>APR 3.8% ⓘ</p> <p>Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.70% per annum, with no arrangement and credit fee would result in an APR of 3.8%, monthly repayments of £79.06, equal repayments each months, total amount repayable £948.72.</p> <p>Choose this loan</p>	<p>Loan P</p> <p>Loan amount: £930</p> <p>12 month personal loan</p> <p>2.7% fixed</p> <p>APR 17.0% ⓘ</p> <p>Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 2.70% per annum, with £67.10 arrangement and credit fee would result in an APR of 17.0%, monthly repayments of £84.31, equal repayments each months, total amount repayable £1,011.72.</p> <p>Choose this loan</p>
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INTERIM SCREEN should thank the respondent saying: Thank you. The loan you chose is now your 'current loan'.

[TIMER 16(exp_FINANCE_SCREEN1): STOP]

[TIMER 17(exp_FINANCE_SCREEN2): START]

F2. Now suppose you wish to take out another 12 month loan for the same amount.

Your current loan is on offer again on the same terms. This is loan is shown below.

Two new loans are also available. You can see the details of these loans by clicking on the buttons.

Which loan would you choose?

[PROG: SINGLE ANSWER]

[If the respondent chose Loan N at F1 → they choose between Loans N, M and O at F2.]

[If the respondent chose Loan P at F1, then they choose between Loans P, O and Q at F2.]

[Mock-ups are presented below for the case where the respondent chose Loan N at F1.]

[Respondents should have to click on a button to see **Loans M, O and Q** (whichever two are relevant). Each time the respondent clicks on one of these buttons there should be a TIME DELAY DEPENDING ON THE Q_DELAY ALLOCATED AT THE BEGINNING .For the experiment the time delay should be 10 seconds .]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO;]

[If the respondent is allocated to the MARKETING PRACTICE TREATMENT then the loans are presented **with the APR shown in the small text but not in larger text directly below the interest rate**, as illustrated below.]

INCLUDE " **Your current** " (in bold) IN FRONT OF " LOAN N" [VALID FOR ALL DIFFERENT LOANS : N or P]

Your current loan

Loan N

Loan amount: £930

12 month personal loan

3.7% fixed

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.70% per annum, with no arrangement and credit fee would result in an APR of 3.8%, monthly repayments of £79.06, equal repayments each months, total amount repayable £948.72.

Choose this loan

View Loan M

View Loan O

Your current loan

Loan N

Loan amount: £930

12 month personal loan

3.7% fixed

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.70% per annum, with no arrangement and credit fee would result in an APR of 3.8%, monthly repayments of £79.06, equal repayments each months, total amount repayable £948.72.

Choose this loan

Loan M

Loan amount: £930

12 month personal loan

3.0% fixed

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.00% per annum, with £54.20 arrangement and credit fee would result in an APR of 14.6%, monthly repayments of £83.36, equal repayments each months, total amount repayable £1,000.32.

Choose this loan

Loan O

Loan amount: £930

12 month personal loan

2.8% fixed

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 2.80% per annum, with £30.50 arrangement and credit fee would result in an APR of 9.2%, monthly repayments of £81.26, equal repayments each months, total amount repayable £975.12.

Choose this loan

[PROG: If the respondent is allocated to the REMEDY TREATMENT then the loans are presented **with the APR shown in the small text** and also in larger text directly below the interest rate, as illustrated below. There should be an 'i' icon which respondents can click on to see an explanation of APR.]

INCLUDE “ **Your current** ” (in bold) IN FRONT OF “ LOAN N” [VALID FOR ALL DIFFERENT LOANS : N or P]


Your current loan

Loan N

Loan amount: £930

12 month personal loan

3.7% fixed

APR 3.8% 

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.70% per annum, with no arrangement and credit fee would result in an APR of 3.8%, monthly repayments of £79.06, equal repayments each months, total amount repayable £948.72.

Choose this loan

View Loan M

View Loan O


Your current loan

Loan N

Loan amount: £930

12 month personal loan

3.7% fixed

APR 3.8% 

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.70% per annum, with no arrangement and credit fee would result in an APR of 3.8%, monthly repayments of £79.06, equal repayments each months, total amount repayable £948.72.


Choose this loan

Loan M

Loan amount: £930

12 month personal loan

3.0% fixed

APR 14.6% 

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 3.00% per annum, with £54.20 arrangement and credit fee would result in an APR of 14.6%, monthly repayments of £83.36, equal repayments each months, total amount repayable £1,000.32.


Choose this loan

Loan O

Loan amount: £930

12 month personal loan

2.8% fixed

APR 9.2% 

Representative example: Assumed borrowing of £930 over 12 months at a fixed rate of 2.80% per annum, with £30.50 arrangement and credit fee would result in an APR of 9.2%, monthly repayments of £81.26, equal repayments each months, total amount repayable £975.12.

Choose this loan

[TIMER 17(exp_FINANCE_SCREEN2) : STOP]

F3. Thinking of the choices you made between the loans you just saw, which of the following features was the most important when making your decision:

PROG: SINGLE ANSWER

1. The interest rate

2. The APR
3. The monthly payments
4. The total amount repayable
5. Other features

F4. You are comparing two offers of a personal loan of 1000 £ for one year. In both cases, the loan is repaid through equal monthly repayments. In the first offer, the interest rate is 5% and the APR is 8.0%. In the second offer, the interest rate is 6% and the APR is 7.0%. Which offer will cost you more at the end of the one year term?

PROG: SINGLE ANSWER

1. First offer
2. Second offer
3. Both the same [volunteered]
4. Don't know

[TIMER 10(exp_finance): STOP]

EXPERIMENT 4: GENERIC

[TIMER 11(exp_generic): START]
[REGISTER:

- 1. EVERY CLICK THE RESPONDENT HAS DONE DURING THIS EXPERIMENT**
- 2. THE TIME SPENT ON THE EXPERIMENT**
- 3. EXACTLY THE OFFERS SEEN**

[PROG: USE EXCEL FILE "CROSS CUTTING EXPERIMENT SCRIPTING FILE"]

[PROG: The marketing practice examined in the cross-cutting experiment is "teaser rates" – i.e. where **an initial, more favourable price or rate** is attached to a **product** for a certain period of time, after which the **price/rate changes** to **another price/rate** which is **less favourable** for the consumer.

The cross-cutting experiment is 'framed' using products from the:

- **ENERGY SECTOR (ELECTRICITY DEALS)**
- **ONLINE ENVIRONMENT (BROADBAND PACKAGES)**
- **FINANCE SECTOR (SAVINGS ACCOUNTS).**

In this document, the term "product" is used to refer generally to an:

- **Electricity deal**
- **Broadband package**
- **Savings account**

[PROG: The structure of the experiment and the **MARKETING PRACTICE** and **REMEDY TREATMENTS ARE THE SAME** **irrespective** of **which product is used** to frame the experiment (so that the data can be pooled).]

[PROG: Like the sector-specific experiments, the cross-cutting experiment has two rounds (**CC1** and **CC2** below):

STEP 1:

Respondents are first asked to **choose between two products:**

- 1) One which has **an initial teaser rate** and a **subsequent flat rate**
- 2) One which only **has a single flat rate.**

In a choice only **one of these** will be **the cheapest over 12 months** and this will vary between **the teaser** and **the flat rate deal** for different respondents.

- Respondents are told that they will stay with the product they choose for 12 months (hence only **one of the products** on offer is **the correct choice**).

STEP 2:

Then respondents can either **choose:**

- To stay with their '**current product**' (i.e. the product they chose in the first round),
- Or **change** to one of **two 'new' products:** one **new product** has a **teaser rate**, and **the other new product** only **has a single flat rate.**

- However, if the respondent chose the **teaser rate product** in the first round, **the teaser rate of this product** will no longer apply in the second round.
- Hence for this product only the **flat rate is quoted** and the **total cost/interest payable over 6, 12 and 24 months** are calculated based on the flat rate only – see mock-ups for **CC2** below.
- Again respondents are told that they will stay with the product they choose for **12 months** (hence only **one of the products** on offer is **the correct choice**).]

[PROG: The **teaser** and **flat rates on teaser rate products** will be varied (across respondents) between three levels, namely **90%, 100% or 110%** of the median (see table below). This implies that **8 teaser rate products** are included in the experiment in total.

The rate on flat rate products will take one of **two levels**. These levels are very close to one another (the only reason for having two levels is so that respondents don't see *exactly* the same product twice), and are also very close to the median.

Therefore:

→ **In 50% of cases** the teaser rate product will be **the cheapest over 12 months**
 → **And in 50% of cases** the flat rate product will be **the cheapest over 12 months**
 – see the table below.]

[PROG: The performance measure we **will examine is whether respondents CORRECTLY chose the product that is cheapest** over 12 months.

- ⇒ In the **energy sector** and **online environment frames**, the **rates** (teaser and flat) are quoted as a **monthly cost**.
- ⇒ In the **finance sector** frame, the rates are quoted as **annual interest rates**, where **interest is paid monthly**.]

[PROG: In addition, since **the teaser** and **flat rates** on the **teaser rate products** will be varied, the analysis will also be able to examine whether respondents' propensity to choose **the teaser rate product** is more influenced **by changes to the teaser rate** or **the flat rate**.]

[PROG : The treatments are:

- Under **THE MARKETING PRACTICE TREATMENT**, the **teaser rate and the flat rate** are displayed **equally prominently, without** any further information regarding the total cost or interest payable over any time period.
- Under the **REMEDY TREATMENT**, respondents are also shown:
 → **the total cost or interest payable** for each product over **6 months, 12 months and 24 months**.]

Electricity deals used in the cross-cutting experiment in the UK, ordered by cost over 12 months

Product	Type	Teaser rate (monthly)	Flat rate (monthly)	Cost over 12 months
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O	Teaser	6.75	54.00	459
P	Teaser	7.50	54.00	462
Q	Teaser	8.25	54.00	465
R	Teaser	6.75	60.00	507
M	Flat	:	42.40	509
N	Flat	:	42.60	511
S	Teaser	8.25	60.00	513
T	Teaser	6.75	66.00	555
U	Teaser	7.50	66.00	558
V	Teaser	8.25	66.00	561

[PROG: The following tables present the text that respondents will be shown for each of the frames (electricity, online, finance)

[TIMER 18(exp_GENERIC_SCREEN1) : START]

CC1_E (Electricity frame) SINGLE ANSWER	<p>Suppose you are looking for a new electricity deal for your home electricity.</p> <p>You will stay with the deal you choose for 12 months.</p> <p>Please consider the electricity deals shown below. Which of these offers would you choose?</p>
CC1_O (Online frame) SINGLE ANSWER	<p>Suppose you are looking for a new broadband, telephone and TV package for your home.</p> <p>You will stay with the provider you choose for 12 months.</p> <p>Please consider the offers from providers shown below. Which of these offers would you choose?</p>
CC1_F (Finance frame) SINGLE ANSWER	<p>Suppose you are looking for a new savings account for your money.</p> <p>You will keep your money in the account you choose for 12 months.</p> <p>Please consider the account offers shown below. Which of these offers would you choose?</p>

Respondents choose between two products:

- **Flat rate** product drawn randomly from Products M and N in the Excel file
- **Teaser rate** product drawn randomly from Products O to V in the Excel file

- Hence for **50%** of respondents **the flat rate product** is the **cheapest over 12 months**,
- Whereas for **50%** of respondents **the teaser rate product** is **the cheapest over 12 months.**)]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**]

[PROG: Respondents allocated to THE REMEDY TREATMENT are shown the **total cost of each product** (energy and online sector frames) or **total interest payable** (finance sector frame) over **6, 12 and 24 months.**]

[PROG: Respondents allocated to the MARKETING PRACTICE TREATMENT are **not shown this information.**]

[PROG: Mock-ups of the options to be shown to respondents in each frame / under each treatment are presented below, using Products **R** and **M** as examples.]

Energy sector frame

<p>Marketing practice:</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Electricity Deal R</p> <p>£6.75 per month for the first 4 months</p> <p>£60 per month thereafter</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this deal</p> </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Electricity Deal M</p> <p>Flat rate: £42.4 per month</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this deal</p> </div> </div>	<p>Remedy:</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Electricity Deal R</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £147 - 12 months: £507 - 24 months: £1227 <p>£6.75 per month for the first 4 months</p> <p>£60 per month thereafter</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this deal</p> </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Electricity Deal M</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £254 - 12 months: £509 - 24 months: £1018 <p>Flat rate: £42.4 per month</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this deal</p> </div> </div>
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Online environment frame

<p>Marketing practice:</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Provider R Broadband+Telephone+TV</p> <p>£6.75 per month for the first 4 months</p> <p>£60 per month thereafter</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this offer</p> </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Provider M Broadband+Telephone+TV</p> <p>Flat rate: £42.4 per month</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this offer</p> </div> </div>	<p>Remedy:</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Provider R Broadband+Telephone+TV</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £147 - 12 months: £507 - 24 months: £1227 <p>£6.75 per month for the first 4 months</p> <p>£60 per month thereafter</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this offer</p> </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Provider M Broadband+Telephone+TV</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £254 - 12 months: £509 - 24 months: £1018 <p>Flat rate: £42.4 per month</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Choose this offer</p> </div> </div>
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Finance sector frame

Marketing practice:		Remedy:	
<p>Saving account R</p> <p>4,69% annual interest rate for the first 4 months</p> <p>0,52% annual interest thereafter</p> <p>Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account M</p> <p>1,91% annual interest</p> <p>Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account R</p> <p>Interest paid for every £1,000 initially deposited:</p> <ul style="list-style-type: none"> - Over 6 months: £16,27 - Over 12 months: £18,91 - Over 24 months: £24,21 <p>4,69% annual interest rate for the first 4 months</p> <p>0,52% annual interest thereafter</p> <p>Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account M</p> <p>Interest paid for every £1,000 initially deposited:</p> <ul style="list-style-type: none"> - Over 6 months: £9,5 - Over 12 months: £19,1 - Over 24 months: £38,56 <p>1,91% annual interest</p> <p>Interest is paid and compounded monthly</p> <p>Choose this account</p>

Interim screen should thank the respondent saying: Thank you. The [deal/provider/account] you chose is now your 'current' [deal/provider/account].

[deal/provider/account] = "_deal " if respondent is seeing GENERIC EXPERIMENT FOR **Electricity deal**

[deal/provider/account] = "provider" if respondent is seeing GENERIC EXPERIMENT FOR **Broadband package** , ONLINE ENVIRONMENT

[deal/provider/account]= "account" if respondent is seeing GENERIC EXPERIMENT FOR savings account / finance sector

[TIMER 18(exp_GENERIC_SCREEN1): STOP]

[TIMER 19(exp_GENERIC_SCREEN2): START]

CC2_E (Electricity frame) Single Answer	<p>Suppose it is 12 months later and you are deciding whether to stay with your current electricity deal for a further 12 months.</p> <p>Your current deal is shown below.</p> <p>Two new deals are also available. You can see the details of these deals by clicking on the buttons.</p> <p>[INSERT BLANK LINE]</p> <p>You will stay with the deal you choose for another 12 months.</p> <p>Which deal would you choose?</p>
CC2_O (Online frame) Single Answer	<p>Suppose it is 12 months later and you are deciding whether to stay with your current broadband provider for a further 12 months.</p> <p>The offer from your current provider is shown below.</p> <p>Two new offers are also available. You can see the details of these offers by clicking on the buttons.</p> <p>[INSERT BLANK LINE]</p> <p>You will stay with the deal you choose for another 12 months.</p> <p>Which offer would you choose?</p>

CC2_F	Suppose it is 12 months later and you are deciding whether to keep your money in your current saving account.
(Finance frame)	Your current saving account is shown below. Two new accounts are also available. You can see the details of these accounts by clicking on the buttons.
Single Answer	[INSERT BLANK LINE] You will stay with the deal you choose for another 12 months. Which account would you choose?

[PROG: If the respondent chose the flat rate product (i.e. Product M or N) at CC1, then that at **CC2** they choose between the following three:

- **Flat rate product** chosen at **CC1** (i.e. Product **M** or **N**)
- **Flat rate product** not offered at **CC1** (i.e. Product **M** or **N**)
- **Teaser rate product** drawn randomly from Products **O** to **V**, excluding the one offered at CC1]

[PROG: If the respondent chose the teaser rate product at CC1, then that at **CC2** they choose between the following three:

- **Teaser rate product chosen at CC1**, where the teaser rate no longer applies
 - For this product only the flat rate is quoted and the total cost/interest payable over 6, 12 and 24 months are calculated based on the flat rate only – see mock-ups below
- **Flat rate product not offered at CC1** (i.e. Product M or N)
- **Teaser rate product drawn randomly from Products O to V**, excluding the one offered at CC1]

[PROG: Respondents should have to click on a button to see the new products that are on offer. Each time a respondent clicks on one of these buttons there should be a time delay depending on q_delay allocated at the beginning of the questionnaire. The time delay should be 10 seconds .]

[PROG: FORESEE A BUTTON THAT ALLOWS RESPONDENTS TO **OPEN A CALCULATOR** IF THEY WISH TO; **REGISTER IF THE CALCULATOR HAS BEEN OPENED OR NOT**]

[PROG: Respondents allocated to the REMEDY TREATMENT are shown the **total** cost of each product (**energy** and **online sector frames**) or **total interest payable (finance sector frame)** over **6, 12** and **24** months.]

[PROG: Respondents allocated to the MARKETING PRACTICE TREATMENT are not shown this information.]

[Mock-ups of the options to be shown to respondents in each frame / under each treatment are presented below, assuming for example that the new products on offer are Products **N** and **T**.]

Finance sector frame

Choose M at CC1/ Products N and T offered at CC2/ Marketing practice treatment
INCLUDE **"Your current"** (in bold) IN FRONT OF " saving account M" [VALID FOR ALL DIFFERENT SAVING ACCOUNTS : M,N, O, P, Q, R, S, T, U or V]

Your current saving account:

Saving account M
 1,91% annual interest
 Interest is paid and compounded monthly

- Choose this account View account N View account T

Your current saving account:

<p>Saving account M 1,91% annual interest Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account N 1,95% annual interest Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account T 5,16% annual interest rate for the first 4 months 0,52% annual interest thereafter Interest is paid and compounded monthly</p> <p>Choose this account</p>
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Choose M at CC1/ Products N and T offered at CC2/ Remedy treatment
 INCLUDE **"Your current"** (in bold) IN FRONT OF " saving account M" [VALID FOR ALL DIFFERENT SAVING ACCOUNTS : M,N, O, P, Q, R, S, T, U or V]

Your current saving account:

Saving account M

Interest paid for every £1,000 initially deposited:
 - Over 6 months: £9,5
 - Over 12 months: £19,1
 - Over 24 months: £38,56

1,91% annual interest
 Interest is paid and compounded monthly

Choose this account View account N View account T

Your current saving account:

<p>Saving account M</p> <p>Interest paid for every £1,000 initially deposited: - Over 6 months: £9,5 - Over 12 months: £19,1 - Over 24 months: £38,56</p> <p>1,91% annual interest Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account N</p> <p>Interest paid for every £1,000 initially deposited: - Over 6 months: £9,7 - Over 12 months: £19,5 - Over 24 months: £39,38</p> <p>1,95% annual interest Interest is paid and compounded monthly</p> <p>Choose this account</p>	<p>Saving account T</p> <p>Interest paid for every £1,000 initially deposited: - Over 6 months: £17,79 - Over 12 months: £20,43 - Over 24 months: £25,74</p> <p>5,16% annual interest rate for the first 4 months 0,52% annual interest thereafter Interest is paid and compounded monthly</p> <p>Choose this account</p>
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Choose R at CC1/ Products N and T offered at CC2/ Marketing practice treatment
 INCLUDE **"Your current"** (in bold) IN FRONT OF " saving account R" [VALID FOR ALL
 DIFFERENT SAVING ACCOUNTS : M,N, O, P, Q, R, S, T, U or V]

Your current saving account

Saving account R

0,52% annual interest

Interest is paid and compounded monthly

Choose this account

View account N

View account T

Your current saving account

Saving account R

0.52% annual interest

Interest is paid and compounded monthly

Choose this account

Saving account N

1.95% annual interest

Interest is paid and compounded monthly

Choose this account

Saving account T

5.16% annual interest rate for the first 4 months

0.52% annual interest thereafter

Interest is paid and compounded monthly

Choose this account

Choose R at CC1/ Products N and T offered at CC2/ Remedy treatment
 INCLUDE **"Your current"** (in bold) IN FRONT OF " saving account R" [VALID FOR ALL
 DIFFERENT SAVING ACCOUNTS : M,N, O, P, Q, R, S, T, U or V]

Your current saving account

Saving account R

Interest paid for every £1,000 initially deposited:

- Over 6 months: £2.6
- Over 12 months: £5.2
- Over 24 months: £10.43

0.52% annual Interest

Interest is paid and compounded monthly

Choose this account

View account N

View account T

Saving account R	Saving account N	Saving account T
<p>Interest paid for every £1,000 initially deposited:</p> <ul style="list-style-type: none"> - Over 6 months: £2,6 - Over 12 months: £5,2 - Over 24 months: £10,43 <p>0,52% annual interest</p> <p>Interest is paid and compounded monthly</p>	<p>Interest paid for every £1,000 initially deposited:</p> <ul style="list-style-type: none"> - Over 6 months: £9,7 - Over 12 months: £19,5 - Over 24 months: £39,38 <p>1,95% annual interest</p> <p>Interest is paid and compounded monthly</p>	<p>Interest paid for every £1,000 initially deposited:</p> <ul style="list-style-type: none"> - Over 6 months: £17,79 - Over 12 months: £20,43 - Over 24 months: £25,74 <p>5,16% annual interest rate for the first 4 months</p> <p>0,52% annual interest thereafter</p> <p>Interest is paid and compounded monthly</p>
Choose this account	Choose this account	Choose this account

Energy sector frame

Choose M at CC1/ Products N and T offered at CC2/ Marketing practice treatment
 INCLUDE **"Your current"** (in bold) IN FRONT OF " Electricity Deal M" [VALID FOR ALL DIFFERENT ELECTRICITY DEALS : M,N, O, P, Q, R, S, T, U or V]

Your current deal:

Electricity Deal M

Flat rate: £42.4 per month

Choose this deal View deal N View deal T

Your current deal:

<p>Electricity Deal M</p> <p>Flat rate: £42.4 per month</p>	<p>Electricity Deal N</p> <p>Flat rate: £42.6 per month</p>	<p>Electricity Deal T</p> <p>£6.75 per month for the first 4 months</p> <p>£66 per month thereafter</p>
Choose this deal	Choose this deal	Choose this deal

Choose M at CC1/ Products N and T offered at CC2/ Remedy treatment

INCLUDE **"Your current"** (in bold) IN FRONT OF " Electricity Deal M" [VALID FOR ALL DIFFERENT ELECTRICITY DEALS : M,N, O, P, Q, R, S, T, U or V]

Your current deal:

Electricity Deal M

Total cost over:

- 6 months: £254
- 12 months: £509
- 24 months: £1018

Flat rate: £42.4 per month

Choose this deal View deal N View deal T

Your current deal:

<p>Electricity Deal M</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £254 - 12 months: £509 - 24 months: £1018 <p>Flat rate: £42.4 per month</p>	<p>Electricity Deal N</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £256 - 12 months: £511 - 24 months: £1022 <p>Flat rate: £42.6 per month</p>	<p>Electricity Deal T</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £159 - 12 months: £555 - 24 months: £1347 <p>£6.75 per month for the first 4 months</p> <p>£66 per month thereafter</p>
Choose this deal	Choose this deal	Choose this deal

Choose R at CC1/ Products N and T offered at CC2/ Marketing practice treatment

INCLUDE **"Your current"** (in bold) IN FRONT OF " Electricity Deal R" [VALID FOR ALL DIFFERENT ELECTRICITY DEALS : M,N, O, P, Q, R, S, T, U or V]

Your current deal:

<p>Electricity Deal R</p> <p>Flat rate: £60 per month</p>
--

Choose this deal	View deal N	View deal T
------------------	-------------	-------------

Your current deal:

<p>Electricity Deal R</p> <p>Flat rate: £60 per month</p>
--

<p>Electricity Deal N</p> <p>Flat rate: £42.6 per month</p>
--

<p>Electricity Deal T</p> <p>£6.75 per month for the first 4 months</p> <p>£66 per month thereafter</p>
--

Choose this deal	Choose this deal	Choose this deal
------------------	------------------	------------------

[Choose R at CC1/ Products N and T offered at CC2/ Remedy treatment](#)

INCLUDE **"Your current"** (in bold) IN FRONT OF " Electricity Deal R" [VALID FOR ALL DIFFERENT ELECTRICITY DEALS : M,N, O, P, Q, R, S, T, U or V]

Your current deal:

<p>Electricity Deal R</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £360 - 12 months: £720 - 24 months: £1440 <p>Flat rate: £60 per month</p>
--

Choose this deal	View deal N	View deal T
------------------	-------------	-------------

Your current deal:

<p>Electricity Deal R</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £360 - 12 months: £720 - 24 months: £1440 <p>Flat rate: £60 per month</p>
--

<p>Electricity Deal N</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £256 - 12 months: £511 - 24 months: £1022 <p>Flat rate: £42.6 per month</p>
--

<p>Electricity Deal T</p> <p>Total cost over:</p> <ul style="list-style-type: none"> - 6 months: £159 - 12 months: £555 - 24 months: £1347 <p>£6.75 per month for the first 4 months</p> <p>£66 per month thereafter</p>
--

Choose this deal	Choose this deal	Choose this deal
------------------	------------------	------------------

[Online environment frame](#)

[Choose M at CC1/ Products N and T offered at CC2/ Marketing practice treatment](#)

INCLUDE **"Your current"** (in bold) IN FRONT OF " Provider M" [VALID FOR ALL DIFFERENT PROVIDERS: M,N, O, P, Q, R, S, T, U or V]

Your current provider:

<p>Provider M Broadband+Telephone+TV</p> <p>Flat rate: £42.4 per month</p>

Choose this offer	View offer N	View offer T
-------------------	--------------	--------------

Your current provider:

<p>Provider M Broadband+Telephone+TV</p> <p>Flat rate: £42.4 per month</p>	<p>Provider N Broadband+Telephone+TV</p> <p>Flat rate: £42.6 per month</p>	<p>Provider T Broadband+Telephone+TV</p> <p>£6.75 per month for the first 4 months £66 per month thereafter</p>
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Choose this offer	Choose this offer	Choose this offer
-------------------	-------------------	-------------------

Choose M at CC1/ Products N and T offered at CC2/ Remedy treatment
 INCLUDE **"Your current"** (in bold) IN FRONT OF " Provider M" [VALID FOR ALL DIFFERENT PROVIDERS : M,N, O, P, Q, R, S, T, U or V]

Your current provider:

<p>Provider M Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £254 - 12 months: £509 - 24 months: £1018</p> <p>Flat rate: £42.4 per month</p>
--

Choose this offer	View offer N	View offer T
-------------------	--------------	--------------

Your current provider:

<p>Provider M Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £254 - 12 months: £509 - 24 months: £1018</p> <p>Flat rate: £42.4 per month</p>	<p>Provider N Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £256 - 12 months: £511 - 24 months: £1022</p> <p>Flat rate: £42.6 per month</p>	<p>Provider T Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £159 - 12 months: £555 - 24 months: £1347</p> <p>£6.75 per month for the first 4 months £66 per month thereafter</p>
--	--	---

Choose this offer	Choose this offer	Choose this offer
-------------------	-------------------	-------------------

Choose R at CC1/ Products N and T offered at CC2/ Marketing practice treatment
 INCLUDE **"Your current"** (in bold) IN FRONT OF " Provider R" [VALID FOR ALL DIFFERENT PROVIDERS : M,N, O, P, Q, R, S, T, U or V]

Your current provider:

<p>Provider R Broadband+Telephone+TV</p> <p>Flat rate: £60 per month</p>

Choose this offer	View offer N	View offer T
-------------------	--------------	--------------

Your current provider:

<p>Provider R Broadband+Telephone+TV</p> <p>Flat rate: £60 per month</p>	<p>Provider N Broadband+Telephone+TV</p> <p>Flat rate: £42.6 per month</p>	<p>Provider T Broadband+Telephone+TV</p> <p>£6.75 per month for the first 4 months £66 per month thereafter</p>
---	---	--

Choose this offer	Choose this offer	Choose this offer
-------------------	-------------------	-------------------

Choose R at CC1/ Products N and T offered at CC2/ Remedy treatment

INCLUDE **"Your current"** (in bold) IN FRONT OF " Provider R" [VALID FOR ALL DIFFERENT PROVIDERS : M,N, O, P, Q, R, S, T, U or V]

Your current provider:

<p>Provider R Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £360 - 12 months: £720 - 24 months: £1440</p> <p>Flat rate: £60 per month</p>

Choose this offer

View offer N

View offer T

Your current provider:

<p>Provider R Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £360 - 12 months: £720 - 24 months: £1440</p> <p>Flat rate: £60 per month</p>

Choose this offer

<p>Provider N Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £256 - 12 months: £511 - 24 months: £1022</p> <p>Flat rate: £42.6 per month</p>

Choose this offer

<p>Provider T Broadband+Telephone+TV</p> <p>Total cost over: - 6 months: £159 - 12 months: £555 - 24 months: £1347</p> <p>£6.75 per month for the first 4 months £66 per month thereafter</p>
--

Choose this offer

[TIMER 19(exp_GENERIC_SCREEN2): STOP]

CC3 Thinking about the choices you made between the [deal/provider/account] you just saw, which of the following features was the most important when making your decision?

[PROG: ASK ALL RESPONDENTS]

1. The monthly [cost/ cost/ interest] of the deals
2. The monthly [cost/ cost/ interest] over the first 4 months
3. The monthly [cost/ cost/ interest] after the fourth month
4. The [total cost/ total cost/ total interest] over 6 months
5. The [total cost/ total cost/ total interest] over 12 months
6. The [total cost/ total cost/ total interest] over 24 months
7. Other features

[deal/provider/account] = "_deal " if respondent is seeing GENERIC EXPERIMENT FOR **Electricity deal**

[deal/provider/account] ="provider" if respondent is seeing GENERIC EXPERIMENT FOR **Broadband package** , ONLINE ENVIRONMENT

[deal/provider/account]= "account" if respondent is seeing GENERIC EXPERIMENT FOR savings account / finance sector

[cost/ cost/ interest] = "cost" if respondent is seeing GENERIC EXPERIMENT FOR **Electricity deal**

[cost/ cost/ interest] ="cost" if respondent is seeing GENERIC EXPERIMENT FOR **Broadband package** , ONLINE ENVIRONMENT

[cost/ cost/ interest] = "interest" if respondent is seeing GENERIC EXPERIMENT FOR savings account / finance sector

[total cost/ total cost/ total interest] = "total cost" if respondent is seeing GENERIC EXPERIMENT FOR **Electricity deal**

[total cost/ total cost/ total interest] ="total cost" if respondent is seeing GENERIC EXPERIMENT FOR **Broadband package** , ONLINE ENVIRONMENT

[total cost/ total cost/ total interest] = " total interest" if respondent is seeing GENERIC EXPERIMENT FOR savings account / finance sector

[TIMER11(exp_generic): STOP]

11.4.1. Questions to identify vulnerability

[TIMER2(questions_id_vulnerability_1.1.2): START]

[Q14: SHOW ONLY WHEN Q_METHODODOLOGY= CODE 2 OR 3; CATI OR CAPI]

Q14 Imagine you hear the following advertisement on the radio: "Sign-up to BEACH BREAKS and receive a free pair of sunglasses. Sunglasses delivered when you purchase one of our beach holidays" .

Does this advertisement in your opinion ...

[PROG: SINGLE ANSWER]

1. Offer free sunglasses to all who sign-up to beach breaks
2. Offer sunglasses only to those who buy a holiday from beach breaks
3. Don't know

[PROG: BEFORE Q14 INSERT AUDIO CHECK - IF RESPONDENT DID NOT SUCCEED WITH THE AUDIO CHECK, HE SHOULD CONTINUE WITH QUESTIONNAIRE AND NOT BE TERMINATED]

[Q14: SHOW ONLY WHEN Q_METHODODOLOGY= CODE 1; ONLINE]

Q14. We're now going to let you hear a commercial radio ad. Please click on the icon below and listen to it attentively. The speed at which the ad will load depends on your internet connection.

Don't forget to put on your speakers.

[PROG: Q14: SHOW ONLY IF Q_METHODODOLOGY= CODE 1 ONLINE]

[PROG: INFO TEXT]

[INSERT AD]

Q14a Could you hear the radio commercial in good quality on your computer?

[PROG: SINGLE ANSWER]

1. Yes
2. No

Q14b Does this advertisement in your opinion ...

[PROG: SINGLE ANSWER]

1. Offer free sunglasses to all who sign-up to beach breaks
2. Offer sunglasses only to those who buy a holiday from beach breaks
3. Don't know

[ASK ALL]

Q15 And which of the following three statements corresponds the most with your opinion?

[PROG: SINGLE ANSWER- ROTATE]

1. Most advertisements report objective fact, I trust most of the information provided in advertisements
2. I take some precautions in regards to information provided in advertisements, some information is true whereas some is misleading
3. Most advertisements do not provide the truth, I do not trust most of the information provided in advertisements

Q16 The following statements are about disadvantages that consumers may have when dealing with retailers. To what extent do they apply to you personally?

You feel vulnerable or disadvantaged when choosing and buying goods or services...

PROG: SINGLE ANSWER PER ROW

[GRID ACROSS]

1. To a great extent
2. To some extent
3. Hardly at all
4. Not at all

[GRID DOWN - ROTATE CODES 1 TO 7]

9. Because of your health problems
10. Because of your poor financial circumstances

11. Because of your current employment situation
 12. Because offers, terms or conditions are too complex
 13. Because of your age
 14. Because you belong to a minority group
 15. Because of other personal issues [KEEP POSITION]
 16. Because of other reasons [KEEP POSITION]
-

[TIMER 2(questions_id_vulnerability_1.1.2): STOP]

11.4.2. Questions to identify the average consumer

[TIMER 3(questions_average_consumer): START]

Q17. In general, when choosing and buying goods and services, how...?

PROG: SINGLE ANSWER PER ROW

[GRID ACROSS]

1. Very
2. Quite
3. Not very
4. Not at all

[GRID DOWN - RANDOMIZE]

1. Informed do you feel about price, quality, conditions, etc....?
2. Careful are you in making purchasing decisions?

Q18. To what extent do you agree, or disagree, with the following statements?

PROG: SINGLE ANSWER PER ROW

[GRID ACROSS]

1. Strongly agree
2. Tend to agree
3. Tend to disagree
4. Strongly disagree

[GRID DOWN - RANDOMIZE]

1. You need to be very careful in dealing with people
2. Most of my friends and relatives buy goods and services online
3. Most of my friends and relatives buy goods and services on credit (this includes purchases made on credit cards, lines of credit and some loans)
4. Most of my friends and relatives find it difficult to make ends meet every month

Q19. And how do you see yourself. Are you generally a person who is ...

[PROG: SINGLE ANSWER]

1. Not at all willing to take risks
2. Not very willing to take risks
3. Fairly willing to take risks
4. Very willing to take risks

[TIMER 3(questions_average_consumer): STOP]

Experience in markets

Energy sector

[TIMER 4(experience_energy_sector): START]

[PROG: INFO TEXT]

Now some questions about your gas and electricity services.A0 Is your home connected to electricity and/or gas services?

Tick all that applies

[PROG: MULTIPLE ANSWERS - CODE 3 EXCLUSIVE]

1. Yes, electricity
2. Yes, gas (pipeline)
3. No, neither

A1 Does your household have a contract with an electricity or gas supplier?

Tick all that applies

[PROG: MULTIPLE ANSWERS - CODE 3 EXCLUSIVE]

1. Yes, electricity
2. Yes, gas (pipeline)
3. No, neither

A2 Are you responsible or jointly responsible for payment of the electricity and/or gas bills in your household?

[PROG: ASK IF CODE 1 OR 2 AT A0]

[PROG: SINGLE ANSWER]

1. Yes
2. No

A3 Are you entitled to receive social support (benefits, special rates or other type of support) to help you pay your energy bills?

[PROG: ASK IF CODE 1 OR 2 AT A1]

[PROG: SINGLE ANSWER]

1. Yes
2. No, I'm not entitled
3. No, I do not know whether I'm entitled

A4 To what extent do they help you?

[PROG: SINGLE ANSWER]

[PROG: ASK IF CODE 1 IN A3]

1. A lot

2. A fair amount
3. Not very much
4. Not at all

A5 To what extent do you know the contract conditions (type of contract, conditions for termination, etc.) with your electricity and/or gas supplier?

[PROG: ASK IF CODE 1 OR 2 AT A1]

[SINGLE ANSWER]

1. Completely
2. A fair amount
3. Not very much
4. Not at all

[ASK ALL]

A6 Do you compare the deals offered by different gas and/or electricity providers?

[PROG: SINGLE ANSWER]

1. Yes, from time to time to check if there are better deals for me
2. Yes, but only when I need to renew my contract
3. Yes, but only sporadically (because I saw an interesting ad, etc.)
4. No, I only compared offers the first time I needed to choose a provider
5. No, I have never compared

A7 Where do you get information to compare deals offered by different gas and/or electricity providers?

Tick all that applies

[PROG: ASK IF CODE 1-4 IN A6]

[MULTIPLE ANSWERS - RANDOMIZE]

1. I search on-line
2. I use comparison websites
3. Advertisements (print, radio, television, door-step selling, online)
4. Assistance from national authorities
5. Assistance from consumer organisations
6. Friends/family
7. Other [KEEP POSITION]

[ASK ALL]

A8 How easy or difficult is it for you to compare the deals offered by different gas and/or electricity suppliers?

[PROG: SINGLE ANSWER]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult

A9a What makes it difficult to compare the deals offered by different gas and/or electricity suppliers?

Tick all that applies

[ASK ALL ANSWERING CODES 3 TO 4 AT A8]

[PROG: MULTIPLE ANSWERS- RANDOMIZE]

- 1: I do not know where I can find this information
- 2: There are too many offers to choose from
- 3: I do not have enough time
- 4: Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services)
- 5: The wording used by suppliers is difficult to understand
- 6: Suppliers do not provide enough information
- 7: I do not know how to compare
- 8: I am not interested
- 9: I am not financially minded
- 10: I am not technically minded (good at technical things)
- 11: There is only one provider in my area
- 12: My partner / someone else takes care of comparing deals
- 13: Offers are time limited/ a better offer may come out next month
- 16: I live in a housing cooperative where such services are collectively negotiated
- 17: I live in rented accommodation and my landlord does not allow me to switch

- 18: I have an electricity prepayment meter
- 19: Other [KEEP POSITION]

A9b Why do you never compare the deals offered by different gas and/or electricity suppliers?

Tick all that applies

[PROG: ASK IF CODE CODES 4 OR 5 SELECTED AT QA6 AND CODES 1 TO 2 SELECTED AT A8]

[PROG: MULTIPLE ANSWERS - randomize]

- 1: I do not know where I can find this information
- 2: There are too many offers to choose from
- 3: I do not have enough time
- 4: Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services)
- 5: The wording used by suppliers is difficult to understand
- 6: Suppliers do not provide enough information
- 7: I do not know how to compare
- 8: I am not interested
- 9: I am not financially minded
- 10: I am not technically minded (good at technical things)
- 11: There is only one provider in my area
- 12: My partner / someone else takes care of comparing deals
- 13: Offers are time limited/ a better offer may come out next month
- 14: Switching is a hassle
- 15: I am happy with the service provided by my provider
- 16: I live in a housing cooperative where such services are collectively negotiated
- 17: I live in rented accommodation and my landlord does not allow me to switch
- 18: I have an electricity prepayment meter
- 19: Other [KEEP POSITION]

A10 How does your household pay its energy?

[PROG: ASK IF CODE 1 OR 2 AT A1]

[PROG: SINGLE ANSWERS]

1. You pay a variable amount that is based on actual usage
2. You pay a fixed amount over a number of periods and this amount is revised once your actual usage is known
3. You have a prepayment meter, meaning that you pay for your energy before you use it

A10a Did you read the most recent energy bill sent to you by your gas or electricity supplier?

[PROG: ASK IF CODE 1 OR 3 AT A10]

[PROG: SINGLE ANSWER]

1. Read it in detail
2. Glanced over it or skim read it
3. Only looked at the total price
4. Did not read it at all
5. Don't know/ don't remember

A10b Did you read the most recent energy settlement bill sent to you by your gas or electricity supplier?

[PROG: ASK IF CODE 2 AT A10]

[PROG: SINGLE ANSWER]

1. Read it in detail
2. Glanced over it or skim read it
3. Only looked at the total price
4. Did not read it at all
5. Don't know/ don't remember

A10c What is the main reason for not reading the energy bill?

[PROG: TO THOSE WHO HAVE NOT READ THE BILL OR CAN NOT REMEMBER (=code 4,5 at A10a or code 4,5 at A10b)]

[PROG: SINGLE ANSWER]

1. I do not understand my energy bill
2. My partner / someone else takes care of paying the bill
3. I have a rent contract, it is the owner who receives the bill
4. Other

A11 Thinking about this bill, how easy or difficult was it for you to understand?

[PROG: ASK IF CODE 1 OR 2 OR 3 AT A10a AND A10b]

[SINGLE ANSWER]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult

[ASK ALL]

A16 Approximately how much electricity do you use per year?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

[PROG: ASK IF CODE 1 AT A1]

[PROG: NUMERIC QUESTION - 5 DIGITS RANGE 0- 99999 + 1 ANSWER CODE (EXCLUSIVE)]

/___/ kWh

Don't know [*Exclusive*]

A17 Approximately how much do you spend on electricity per year?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

[PROG: ASK IF CODE 1 AT A1]

[PROG: NUMERIC QUESTION - 5 DIGITS RANGE 0- 99999 + 1 ANSWER CODE (EXCLUSIVE)]

/___/ [INSERT NATIONAL CURRENCY SYMBOL]

Don't know [*Exclusive*]

A18 Do you know the following about your current energy supply?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

[PROG: ASK IF CODE 1 OR 2 AT A1]

[PROG: SINGLE ANSWER PER ROW]

[GRID ACROSS]

1. Yes
2. No

[GRID DOWN - RANDOMIZE]

1. The name of your current energy supplier
2. The name of your current energy tariff
3. Your meter type (i.e. single rate or multi-rate)

A21 Have you switched your electricity supplier or electricity tariff scheme in the last 5 years?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

[PROG: ASK IF CODE 1 AT A1]

[PROG: SINGLE ANSWER]

1. Yes, once
2. Yes, twice
3. Yes, three times or more
4. Have not switched my electricity supplier or electricity tariff scheme in the last 5 years

A22 Why have you switched your electricity supplier? Please select the answer below that best describes your main reason.

[PROG: TO THOSE WHO HAVE SWITCHED (=not code 4 at A21)]

[PROG: SINGLE ANSWER]

1. I found a better deal
2. I moved house
3. I wanted a more environmentally friendly provider
4. Because of the poor customer service
5. I have experienced billing problems
6. There were too many interruptions in supply
7. Friends/family advised me to switch
8. Other

A23 Why have you never switched your electricity supplier? Please select the answer below that best describes your main reason.

[PROG: TO THOSE WHO HAVE NOT SWITCHED (=code 4 at A21)]

[PROG: SINGLE ANSWER]

1. I'm happy with my current supplier
2. I've checked prices of other suppliers and I think I'm on the best deal
3. I don't think there is any difference between the suppliers to make switching worthwhile
4. Switching is a hassle
5. I am unsure about where to get information to help me make a good choice
6. I am in debt with my current supplier/s so don't think I can switch
7. I live in rented accommodation and don't think my landlord will allow me to switch
8. I live in a housing cooperative where such services are collectively negotiated
9. I wouldn't know how to switch even if I wanted to
10. I did not know it was possible to switch
11. No other supplier is available in the area where I live
12. It is difficult to compare the offers of different electricity providers
13. I never thought about the issue
14. Other

[TIMER 4(experience_energy_sector):: STOP]

11.4.3. Online

[TIMER 5((experience_online_sector):: START)]

[INFO TEXT]

Now some questions about the Internet.

B1 Do you have an Internet connection at home?

[PROG: SINGLE ANSWER]

1. Yes
2. No

B2 Are you responsible or jointly responsible for payment of the Internet bills in your household?

[PROG: ASK IF CODE 1 AT B1]

[PROG: SINGLE ANSWER]

1. Yes
2. No

B3 Do you receive this Internet connection as part of a bundle?

By bundle, we mean a combined package offering internet connection together with TV, fixed telephone or mobile telephone at an overall price.

Tick all that applies

[PROG: ASK IF CODE 1 AT B1]

[MULTIPLE ANSWERS; CODE 1, 6 EXCLUSIVES]

1. No, it is not part part of a bundle
2. Yes, together with television channels
3. Yes, together with landline telephone
4. Yes, together with mobile telephone
5. Yes, together with mobile internet
6. Don't know

B4 To what extent would you say you know the contract conditions (type of contract, conditions for termination, etc.) of your internet subscription?

[PROG: ASK IF CODE 1 AT B1]

[PROG: SINGLE ANSWER]

1. Completely
2. A fair amount
3. Not very much
4. Not at all

[ASK ALL]

B5 Do you compare the services offered by different internet service providers?

[PROG: SINGLE ANSWER]

1. Yes, from time to time to check if there are better deals
2. Yes, but only when I need to renew my contract
3. Yes, but only sporadically (because I saw an interesting advertisement, etc.)
4. No, I only compared offers the first time I needed to choose a provider
5. No, I have never compared

B6 Where do you get information to compare deals offered by different internet service providers?

Tick all that applies

[PROG: ASK IF CODE 1-4 IN B5]

[MULTIPLE ANSWERS - RANDOMIZE]

1. I search on-line
2. I use comparison websites
3. Advertisements (print, radio, television, online)
4. Assistance from national authorities
5. Assistance from consumer organisation
6. Friends/family
7. Other [KEEP POSITION]

[ASK ALL]

B7 How easy or difficult do you think it is to compare the services offered by different Internet providers?

[PROG: SINGLE ANSWER]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult

B8a What makes it difficult to compare the services offered by different Internet providers?

Tick all that applies

[PROG: ASK ALL ANSWERING CODES 3 OR 4 AT B7]

[PROG: MULTIPLE ANSWERS - randomize]

- 1: I do not know where I can find this information
- 2: There are too many offers to choose from
- 3: I do not have enough time
- 4: Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services)
- 5: The wording used by suppliers is difficult to understand
- 6: Suppliers do not provide enough information
- 7: I do not know how to compare
- 8: I am not interested
- 9: I am not financially minded
- 10: I am not technically minded (good at technical things)
- 11: There is only one provider in my area
- 12: My partner / someone else takes care of comparing deals
- 13: Offers are time limited/ a better offer may come out next month
- 16: I live in a housing cooperative where such services are collectively negotiated
- 17: I live in rented accommodation and my landlord does not allow me to switch

19: . Other [KEEP POSITION]

B8b Why do you never compare the services offered by different Internet providers?

Tick all that applies

[PROG: ASK ALL ANSWERING CODES 4 OR 5 AT B5 AND CODES 1 OR 2 AT B7]

[PROG: MULTIPLE ANSWERS - randomize]

- 1: I do not know where I can find this information
- 2: There are too many offers to choose from
- 3: I do not have enough time
- 4: Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services)
- 5: The wording used by suppliers is difficult to understand
- 6: Suppliers do not provide enough information
- 7: I do not know how to compare
- 8: I am not interested
- 9: I am not financially minded
- 10: I am not technically minded (good at technical things)
- 11: There is only one provider in my area
- 12: My partner / someone else takes care of comparing deals
- 13: Offers are time limited/ a better offer may come out next month
- 14: Switching is a hassle
- 15: I am happy with the service provided by my provider
- 16: I live in a housing cooperative where such services are collectively negotiated
- 17: I live in rented accommodation and my landlord does not allow me to switch
- 19: Other [KEEP POSITION]

B9 Did you read the most recent communication sent to you by your Internet service provider?

[PROG: SINGLE ANSWER; ASK IF CODE 1 AT B1]

1. Read it in detail
2. Glanced over it or skim read it
3. Only saw what it was (i.e. looked at the numbers), but did not read it
4. Did not read it at all
5. Don't know/ don't remember

B10 Thinking about the most recent communication sent to you by your Internet service provider, how easy or difficult was it for you to understand?

[PROG: SINGLE ANSWER; ASK IF CODE 1 AT B1 AND IF CODES 1 OR 2 AT B9]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult

[ASK ALL]

B10a Which of the following reasons best describes why you did not read this communication?

[PROG: SINGLE ANSWER]

[PROG: TO THOSE WHO HAVE NOT READ THE COMMUNICATION OR CAN NOT REMEMBER (=code 3, 4,5 at B9)]

1. lack of time
2. I do not read / open letters/communications from my Internet services provider
3. I do not read / open letters/ communications from any Internet service provider
4. The communication looked like advertising
5. Other

B12 For how long have you had Internet access at home?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

PROG: SINGLE ANSWER; ASK IF CODE 1 AT B1]

1. Less than 5 years
2. More than 5 years

B13 Have you switched your home Internet provider or Internet tariff scheme in the last 5 years?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

PROG: SINGLE ANSWER; ASK IF CODE 1 AT B1]

1. Yes, once
2. Yes, twice
3. Yes, three times or more
4. Have not switched my internet provider or Internet tariff scheme in the last 5 years

B14 Why have you switched your home Internet provider or Internet tariff scheme? Please select the answer below that best describes your main reason.

[PROG: TO THOSE WHO HAVE SWITCHED (=not code 4 at B13)]

[PROG: SINGLE ANSWER]

1. I found a better deal
2. I moved house
3. I wanted faster Internet
4. Because of the poor customer service
5. I have experienced billing problems
6. There were too many interruptions in supply
7. Friends/family advised me to switch
8. Other

B15 Why have you never switched your home Internet provider or Internet tariff scheme in the last 5 years? Please select the answer below that best describes your main reason.

[PROG: TO THOSE WHO HAVE NOT SWITCHED (=code 4 at B13)]

[PROG: SINGLE ANSWER]

1. I'm happy with my current provider
2. I've checked prices of other providers and I think I'm on the best deal

3. I don't think there is any difference between the providers to make switching worthwhile
4. Switching is a hassle
5. I am unsure about where to get information to help me make a good choice
6. I am in debt with my current provider/s so don't think I can switch
7. I live in rented accommodation and don't think my landlord will allow me to switch
8. I live in a housing cooperative where such services are collectively negotiated
9. I wouldn't know how to switch even if I wanted to
10. I did not know it was possible to switch
11. No other provider is available in the area where I live
12. It is difficult to compare the offers of different Internet service providers
13. I never thought about the issue
14. Other

[TIMER 5(experience_online_sector): STOP]

11.4.4. *Finance*

[TIMER 6(experience_finance_sector): START]

[INFO TEXT]

Now some questions about the banking services you use.

[ASK ALL]

C1 Do you have a bank account (personally or together with your partner)?

[PROG: SINGLE ANSWER]

1. Yes
2. No

C2 To what extent would you say you know the contract conditions of this bank account?

[PROG: SINGLE ANSWER; ASK IF CODE 1 AT C1]

- 1: Completely
- 2: A fair amount
- 3: Not very much
- 4: Not at all

[ASK ALL]

C3 Do you compare the services offered by different banks?

With services we mean all types of products or services offered by banks, such as current accounts, savings accounts, credits, mortgages, etc.

[PROG: SINGLE ANSWER]

1. Yes, from time to time to check if there are better deals for me
2. Yes, but only when I am notified that the conditions of my contract will be changed
3. Yes, but only sporadically (because I saw an interesting ad, etc.)
4. No, I only compared offers the first time I needed to choose a bank
5. No, I have never compared

C4 Where do you get information to compare deals offered by different banks?

Tick all that applies

[PROG: ASK IF CODE 1-4 IN C3]

[PROG: MULTIPLE ANSWERS - RANDOMIZE]

1. I search on-line
2. I use comparison websites
3. Advertisements (print, radio, television, online)
4. Assistance from national authorities
5. Assistance from consumer organisation
6. Friends/family
7. I go to the bank
8. Other [KEEP POSITION]

[ASK ALL]

C5 How easy or difficult do you believe it is to compare the services offered by different banks?

[PROG: SINGLE ANSWER]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult

C6 What makes it difficult to compare the services offered by different banks?

Tick all that applies

[PROG: MULTIPLE ANSWERS; ASK ALL ANSWERING CODES 3 OR 4 AT C5 - RANDOMIZE]

- 1: I do not know where I can find this information
- 2: There are too many offers to choose from
- 3: I do not have enough time
- 4: Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services)
- 5: The wording used by banks is difficult to understand
- 6: Suppliers do not provide enough information
- 7: I do not know how to compare

- 8: I am not interested
- 9: I am not financially minded
- 10: I am not technically minded (good at technical things)
- 11: There is only one provider in my area
- 12: My partner / someone else takes care of comparing deals
- 13: Offers are time limited/ a better offer may come out next month

19: Other [KEEP POSITION]

C6b Why do you never compare the services offered by different banks?

Tick all that applies

[PROG: MULTIPLE ANSWERS ; ASK ALL ANSWERING CODES 4 OR 5 AT C3 AND CODES 1 TO 2 AT C5 - RANDOMIZE]

- 1: I do not know where I can find this information
- 2: There are too many offers to choose from
- 3: I do not have enough time
- 4: Hard to compare like for like, prices are provided in different formats, deals include different offers (bundles/ packages of services)
- 5: The wording used by banks is difficult to understand
- 6: Suppliers do not provide enough information
- 7: I do not know how to compare
- 8: I'm not interested
- 9: I am not financially minded
- 10: I am not technically minded (good at technical things)
- 11: There is only one provider in my area
- 12: My partner / someone else takes care of comparing deals
- 13: Offers are time limited/ a better offer may come out next month
- 14: Switching is a hassle
- 15: I am happy with the service provided by my provider
- 20: I am currently in in a poor financial situation (bankaccount overdraft)
- 19: Other [KEEP POSITION]

C8 Did you read the most recent communication (other than a statement) sent to you by your bank?

[PROG: SINGLE ANSWER; ASK IF CODE 1 AT C1]

- 1. Read it in detail
- 2. Glanced over it or skim read it
- 3. Only saw what it was (i.e. looked at the numbers), but did not read it
- 4. Did not read it at all
- 5. Don't know/ don't remember

C9 Thinking about this most recent communication sent to you by your bank, how easy or difficult was it for you to understand?

[PROG: SINGLE ANSWER; ASK IF CODE 1 AT C1 AND CODES 1 OR 2 AT C8]

- 1. Very easy
- 2. Fairly easy
- 3. Fairly difficult
- 4. Very difficult

[ASK ALL]

C9a Which of the following reasons best describes why you did not read this communication?

[PROG: SINGLE ANSWER]

[PROG: TO THOSE WHO HAVE NOT READ THE COMMUNICATION OR CAN NOT REMEMBER (=code 3, 4,5 at B9)]

1. lack of time
2. I do not read / open letters/communications from my bank
3. I do not read / open letters/ communications from any bank
4. The communication looked like advertising
5. Other

C10 Thinking now about savings or deposit accounts, which of the following would be the best interest rate?

[PROG: SINGLE ANSWER]

- 1: 1%
- 2: 2%
- 3: 3%
- 4: 4%
- 5: Don't know

C11 Have you switched your main bank account in the last 5 years?

[ASK ONLY IN COUNTRIES WITH EXPERIMENTS: UK, RO, LT, DK, PT]

[PROG: ASK IF CODE 1 AT C1]

[PROG: SINGLE ANSWER]

1. Yes, once
2. Yes, twice
3. Yes, three times or more
4. Have not switched my main bank account in the last 5 years

C12 Why have you switched your main bank account? Please select the answer below that best describes your main reason.

[PROG: TO THOSE WHO HAVE SWITCHED (=not code 4 at C11)]

[PROG: SINGLE ANSWER]

1. I found a better deal
2. I moved house
3. Because of the poor customer service
4. Friends/family advised me to switch
5. Fear of loosing money
6. Other

C13 Why have you never switched your main bank account in the last 5 years? Please select the answer below that best describes your main reason.

[PROG: TO THOSE WHO HAVE NOT SWITCHED (=code 4 at C11)]

[PROG: SINGLE ANSWER]

1. I'm happy with my current provider
 2. I've checked prices of other providers and I think I'm on the best deal
 3. I don't think there is any difference between the providers to make switching worthwhile
 4. Switching is a hassle
 5. I am unsure about where to get information to help me make a good choice
 6. I am in debt with my current provider/s so don't think I can switch
 7. I wouldn't know how to switch even if I wanted to
 8. I did not know it was possible to switch
 9. No other provider is available in the area where I live
 10. It is difficult to compare the offers of different banks
 11. I never thought about the issue
 12. Other
-

[TIMER 6(experience_finance_sector): STOP]

Access Barriers

[TIMER7(access_barriers): START]

Q21 Have you encountered any of the following situations in the past 12 months?

[PROG: SINGLE ANSWER PER ROW]

[PROG: SHOW IN COLUMNS]

1. Yes
2. No

[SHOW IN ROWS AS ITEMS - RANDOMIZE]

1: You had to pay more for your energy, telecommunication or banking services because you were not able to use certain payment methods such as online billing or direct debit

2: You were unable to read your energy, telecommunication or banking contract's terms and conditions due to overly small print

3: You did not switch your energy, telecommunication or banking supplier because of additional costs for termination of the contract (eg extra fees for returning the internet modem)

4: You decided not to purchase a product or service online because you found it too difficult to complete the purchase.

5: You were unable to buy a product or service online because you didn't have a payment card allowing you to pay over the internet

6: You decided not to switch provider because the offer was bundled or because your current product is part of a bundle.

Q22 In the past 12 months, have you experienced any problem when buying or using any goods or services in (INSERT Q_COUNTRY) where you thought you had a legitimate cause for complaint?

[PROG: SINGLE ANSWER]

- 1: Yes, and you took action to solve the problem
- 2: Yes, but you did not do anything
- 3: No

Behavioural questions

Computational abilities

Q23 Suppose that the exact same product is on sale in shop A and shop B. Which shop is cheaper if...?

[GRID ACROSS]

1. Shop A
2. Shop B
3. Don't know

[GRID DOWN; SINGLE ANSWER PER ROW]

1. Shop A offers a TV set for 440 £. Shop B offers the exact same type of TV set at 500 £, but with a discount of 10%

2. Shop A offers a TV set for 890 £. Shop B offers the exact same type of TV set at 940 £, but with a reduction of 60 £

11.4.5. *Self-control & others*

Q24 To what extent do you agree, or disagree, with the following statements?

[PROG: GRID ACROSS]

1. Strongly agree
2. Tend to agree
3. Tend to disagree
4. Strongly disagree

[PROG: GRID DOWN; SINGLE ANSWER PER ROW - RANDOMIZE]

1. I believe most people can be trusted
 2. I have a hard time breaking bad habits.
 3. I'm good at resisting temptation.
 4. People would say that I have very strong self-discipline.
 5. I'm impulsive in the purchase decisions I take.
-

[TIMER 7(access_barriers): STOP]

Thank you very much for taking part in this survey.

We may wish to carry out some further research on this subject(s) in the future.

Would you be willing to be re-contacted within the next year, should we wish to do so? There would be no obligation to take part.

[PROG: SINGLE ANSWER]

- 1: Yes
- 2: No

[PRG: SHOW LINK TO TERMS AND CONDITIONS]

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