

Your response

Question	Your response
<p data-bbox="204 353 751 454">Question 1: Do you agree with the proposed revisions to our guide? Please provide your views with supporting evidence.</p>	<p data-bbox="810 353 1209 383"><i>Is this response confidential? – N</i></p> <p data-bbox="810 427 1382 920">At Plain Numbers, we welcome the measures that have been set out by Ofcom in its latest proposals for better treatment of customers who are in debt or struggling with payments. We particularly welcome the calls for clear communications set out in sections 4.16-4.19. However, we believe these measures need to go further to ensure good comprehension by customers so they have a positive experience, are faced with less anxiety and can make informed decisions. As well as encouraging communications to be in Plain English (4.16), we argue that it is essential that they should also be in Plain Numbers.</p> <p data-bbox="810 958 1382 1485">Poor numeracy is a widespread issue amongst UK consumers and can make people vulnerable. Almost half of the working aged population has numeracy skills at or below the level expected of primary school leavers. At least one in five people experience “maths anxiety.” The consultation paper references literacy skills, but not numeracy skills. This is despite the fact that more people suffer from poor numeracy than poor literacy. Some regulators have recognised the role that this plays in consumer vulnerability, for example in the FCAs occasional paper 8 (2015). In that paper, numeracy was the identified vulnerability which impacts the largest number of adults.</p> <p data-bbox="810 1496 1382 1776">Evidence from across many sectors indicates that poor numeracy can inhibit people’s ability to understand communications around payment from their providers. Broadband, phone and telecoms providers are not immune to this. However, few if any firms take serious account of this when communicating with customers about payments.</p> <p data-bbox="810 1787 1382 1955">People within the telecoms industry may hypothesise that product information is not as complex as in other markets and therefore comprehension issues are not likely to be a problem for consumers.</p>

Given our experience in similar markets such as water and energy, alongside the scale of poor numeracy in the UK, this is unlikely to be the case. For example, [recent news coverage reported the case of one customer](#) who felt their phone provider's information was "being met with a math equation that induced anxiety like an A-Level algebra exam." Other customers branded the information "confusing" and "unclear". This is just one example of poor communication of numbers making informed decision making almost impossible. Against a concerning backdrop of the cost-of-living crisis, people's need to understand their payments, options and potential offers becomes all the more important.

A Plain Numbers Approach has been shown to double consumer comprehension when tested in four different sectors in our trials. This included working on other household bills from Thames Water and Octopus. In the Thames Water trial for example, when asked five simple comprehension questions only 13% of consumers were able to correctly answer four or five out of five questions about the information. On a Plain Numbers version, this improved to almost half of customers correctly answering four or five questions.

Another key finding of the research was that a customer's perception of their understanding does not always match their actual understanding. In all of our trials across the different industries, around 7 in 10 people believed that the original communication was clear, fair and that they understood it. However, actual comprehension was much lower. In all cases only around a third of people or less were able to answer four or five of the comprehension questions correctly. Most firms test perceived comprehension rather than real comprehension. [The research report is available in full here.](#)

Other regulators have put increasing emphasis on consumer comprehension. For example, the FCA's [new Consumer Duty](#) extends the requirements on firms by saying: "The proposals build on, and go further than, Principle 7 by requiring firms to focus much more on consumer outcomes and understanding throughout the customer journey. As well as ensuring individual

communications are fair, clear and not misleading, firms will need to consider their overall approach to communicating information to make sure they equip consumers to make effective, timely and properly informed decisions. They will need to **monitor and, where appropriate, test and adapt their communications** so they can **demonstrate** they have acted to deliver this outcome and support consumers.” We encourage Ofcom to consider placing a similar requirement on broadband and telecoms providers.

Many firms in other industries are beginning to recognise this need for their customers and change their approaches accordingly. We are already working with Utilities providers such as Thames Water, debt advice organisations such as PayPlan major insurers including Direct Line Group, Aviva, RSA, Atlanta and Bupa, long term savings providers such as Standard Life and Royal London, other major financial services organisations such as Clear Score and influential bodies such as HM Treasury, the Bank of England, the Building Societies Association and the Association of British Insurers. Notably, telecoms providers are absent from those who have embraced a Plain Numbers approach.

Given the evidence and the troubling financial situation facing consumers, it is our recommendation that Ofcom enhances its call for Plain English by also calling on firms to ensure they communicate in Plain Numbers, giving a better chance for consumers to understand the information that they need to make the best decisions for them. All communications by firms about payments, offers and billing must be clear, fair and never misleading, which means that the way numbers are communicated must be addressed too.