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A guide to clear communication



Association of British Insurers
in partnership with Fairer Finance



A guide to clear communication

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Chapter 1

The importance of clear communication

Financial services products have become ever more complex over the last few decades – as firms have innovated to win customers in an increasingly competitive market. When home insurance was first conceived after the Great Fire of London, its only purpose was to protect your house from burning down. Today, buildings and contents insurance may do everything from protecting you against storm, flood, subsidence and burglary through to covering the contents of your freezer if it breaks down.

Clear communication has always been an important plank in building trust with customers. But historically, brokers and financial advisers worked as translators for the more complex elements of the products they were selling.

Terms and conditions were often produced exclusively by legal and underwriting teams. And while most firms were aware that these would not be straightforward for the average customer to understand, they relied on distributors to decode them.

Today's complexity is amplified by the fact that many more consumers now buy insurance and long-term savings products direct – without any advice or support. And even where products are sold by intermediaries, customers are still – more often than not – left to manage them on their own after the initial sale or renewal.

The financial services regulator has long required firms to communicate in a way that is “clear, fair and not misleading”. Yet, it's fair to say that is a principle that can be interpreted in many different ways and has proved hard to enforce. Most terms and conditions have reading ages well above the national average, and include a myriad of legal and industry jargon that is unfamiliar to the majority of customers.

According to the National Literacy Trust, one in six British adults has a reading age of 11 or less, while a further 28.5% would not achieve a grade C or higher in an English GCSE. Yet, as the table below shows, the average reading age of policy documents and long-term savings Ts&Cs is 16-18 years – with the worst offenders registering reading ages of up to 25.

Average and maximum reading ages

	Average reading age	Highest reading age
Home insurance	17	20
Travel insurance	18	25
Car insurance	17	22
Pet insurance	16	21
Life insurance	16	20
Investment platforms	18	22

Source: Fairer Finance customer experience ratings – Autumn 2022

Although a number of firms have invested in improving their communications over the last few years, a changing regulatory and legislative context means it is now becoming a priority for all.

Fair and reasonable

While most financial services terms and conditions documents are written to be watertight in a court of law, the reality is that most disputes are not fought there. Since 2001, the vast majority of escalated insurance and long-term savings complaints have been resolved at the Financial Ombudsman Service (FOS).

Here, decisions are made on what is “fair and reasonable”. Hence, the clarity of information that firms provide to customers – both in the application journey, and in the letters and technical documents that follow – are key to many decisions.

Ombudsmen often rely on the principle that if a term is unexpected or unusual, it needs to be drawn clearly to the customer's attention. In other words, it's not simply enough to get customers to click a button saying they agree to the Ts&Cs or policy document. Instead, firms are expected to have taken reasonable steps to bring unusual or particularly important clauses to the customer's attention before they have bought the product.

Back in 2015, a FOS decision included the following statement from Ombudsman Neil Marshall.

"...our usual approach in cases where there is ambiguity in the meaning of a policy wording is to interpret the words in the way that benefits the customer. The business are the experts in insurance, not the customer. And if they leave open a construction of their policy which the customer may have taken as read when buying the policy, they – the business – should live with the consequences of that ambiguity in the document they drafted."

The importance of prominence

But it is not just at the Ombudsman that the principle of prominence is enforced. In the event disputes do make it to the courts, the Consumer Rights Act 2015 also states that contract terms must pass a fairness test if they are not transparent.

In this context, transparent is defined as being written in "plain and intelligible language". Onerous clauses also need to be brought "prominently" to the customer's attention.

That means that simply including a clause in the Ts&Cs is not always enough to rely on it. If it's outside of most customers' expectations – or is unusual within the industry – it will need to be explained clearly. Furthermore, it will also need to be drawn out prominently when customers are applying for the product.

As most disputes are fought at FOS, there has not been a lot of case law around the Consumer Rights Act since it came into force seven years ago. Nevertheless, the principles of the Act shine through in many FOS decisions.

A rising bar

Although the FCA handbook has long required firms to communicate in a way that is clear, fair and not misleading – it has been rare for the regulator to enforce against these rules.

However, in July 2023, the FCA's new Consumer Duty will raise regulatory expectations on clear communication once again.

At a high level, the Consumer Duty sounds innocuous enough. Its key principle simply states that “a firm must act to deliver good outcomes for retail customers”. However, the key difference between this new principle and the FCA's legacy set of principles is that firms will now have to prove they are doing so. Firms will have to attest they are meeting the requirements of the Duty at board level every year.

Furthermore, underlying the key Consumer Principle are four areas in which firms will have to prove their compliance – one of which is Consumer Understanding. This requires firms to prove not only that customers can understand their communications, but also that they are communicating at the right time and in the right way.

In the FCA's words:

“We want customers to be given the information they need, at the right time, and presented in a way they can understand. This is an integral part of firms creating an environment in which customers can pursue their financial objectives.”

Taken at face value, these new rules require firms to review all their communications. In many cases, firms will need to rewrite them, or add to them, to ensure they are comprehensible and comprehensive enough to support their customers. As well as disclosing key product information to customers, firms will need to demonstrate they are supporting customers with all the information they need to make informed decisions. This will apply to all communications channels and firms will have to develop an approach to testing consumer understanding that evidences their success.

Prioritising communications

For larger firms, there may be much to do. But the FCA has made it clear that it does not expect everyone to have rewritten every piece of literature by July 2023. However, it does expect firms to prioritise communications – and rework those that have the highest risk of delivering poor outcomes as soon as practicable.

High risk communications may be those which include a call to action – particularly if the customer may be in a worse position if they don't act. For example, insurance renewal letters, which require customers to check their information is up to date and to accept a quote for next year might be considered high priority. If a customer doesn't engage, they may end up invalidating their cover by failing to tell the insurer about a change in their circumstances. Alternatively, they could end up without cover if there is no auto-renewal in place. In contrast, a letter confirming the customer's instructions could be classified as medium priority.

When it comes to testing the effectiveness of communications, firms should think about what MI they can gather to prove their communications are having the desired impact. For example, if a communication requires a customer to contact the firm, or engage via an online portal, you need to be recording this information to monitor its effectiveness.

When developing new communications, firms could consider creating an internal clearer communications group consisting of people at all levels of the business – including front line staff. This group would have the task of sense checking letters before they go out to ensure they are effective and their messaging is clear. Testing comprehension with groups of customers may also be appropriate.

It's important to remember that SMEs are included in the context of the Consumer Duty. So if you're selling financial products to smaller businesses, you'll need to meet the same requirements as you would for retail customers. And while the Consumer Duty won't apply retrospectively, you will need to apply the rules to legacy products from 31 July 2024.

Mandatory wordings

It's certainly true that the FCA's own rulebook – along with parts of the statute – place restrictions, sometimes unhelpfully, on the way that firms communicate.

Across all financial services sectors, there are prescribed pieces of disclosure – often including words or phrases that may not be commonly understood by the majority of customers.

From Insurance Product Information Documents (Iipids) and Key Investor Information Documents (Kiids) – many of these prescriptions often fall short of their intended purpose, and even work against it. However, many of these prescriptions originated in European law – and a post-Brexit landscape presents an opportunity to reform the rulebook.

As long as these rules and laws remain in place, however, firms will have to comply. All the same, in most cases, they should not stand in the way of creating clearer journeys, letters and technical documents.



The benefit of clear communication

As well as the clear regulatory and legislative imperatives to communicate clearly, there are also clear business benefits. This is particularly true in the world of general insurance and protection, where complexity can often lead to misunderstanding and complaints.

Fairer Finance's research shows that where firms have improved the clarity of their customer journeys and documentation, customer happiness and trust levels have increased within six to 12 months.

Many firms have also reported lower call volumes, and lower uphold rates at the Ombudsman.

Although full redrafts of terms and conditions can be lengthy, resource intensive exercises, they almost always result in better managed risk for the organisation. Many Ts&Cs have been added to incrementally over decades. When a review is finally undertaken, firms often discover that wordings don't articulate the cover they intend to write – or include terms that are unenforceable.

And from a customer perspective, clear communication helps set expectations in the right place, and ultimately builds trust and loyalty with your brand.

Chapter 2

Creating clear and simple communications

Although the task of simplifying complex documents can be daunting, there's now a growing library of financial services communications which demonstrate the art of the possible. In this chapter, we will outline the principles of clear communication, as well as providing simple tools for firms to use when crafting or redrafting documents and online journeys.

Clear language

No matter what medium you're communicating with your customers through, clear language is at the heart of clear communication. The three keys to writing clear documents are to minimise jargon, write in short sentences and use shorter words wherever possible.

Jargon

We categorise jargon into three buckets – legal, industry and everyday.

Legal jargon refers to words commonly used in contracts or legislation – but which are rarely or never used in conversation. It stands to reason that these are words that the majority of the public – excepting those who work in the legal profession – are unlikely to understand.

Examples include 'ancillary', 'liability', or 'statutory'. We also include mentions of Acts of Parliament in this category. There is no need to mention specific legislation in consumer facing contracts, even if you wish to rely on it. There are a limited number of cases where mandatory wording includes references to Acts of Parliament – but these are rare in the insurance industry.

When simplifying complex documents, we advocate a “simplify or explain” policy. In many cases, legal jargon can be replaced with alternative simpler words. However, where it is felt a term cannot be replaced, firms should at least follow the term with a plain English explanation. For example, “When we say statutory, we mean required by law”.

The second category of jargon is industry jargon. These are words and phrases that may be common within your company and industry on a day to day basis – but again, are unlikely to be used in most conversations. In insurance, this includes terms like subrogation and subsidence, while in long-term savings, it includes words such as yield or denomination.

As with legal jargon, these words can often be dispensed with and explained in simpler terms. But where these terms can’t be avoided, they should followed up with an explanation in clear language. Sometimes it may be necessary to use an example to bring more abstract terms to life.

The final category of jargon is everyday or common jargon. These are words which tend not be used conversationally – and where simpler alternatives would suffice. For example, using “commence” rather than “start” or “begin”.

Toolkit



Fairer Finance’s Insight Portal includes a jargon checker, which scores documents based on how many jargon words they use, and how bad those words are. This gives documents a score of ‘poor’, ‘fair’, ‘good’, or ‘excellent’ – and tells firms which of our 600+ jargon words are in their document.

Go to the Fairer Finance Insight portal:

[***https://insight.fairerfinance.com/dashboard/jargon***](https://insight.fairerfinance.com/dashboard/jargon)

Upload your document to the jargon checker. This will give you a score of ‘Excellent’, ‘Good’, ‘Fair’ or ‘Poor’ – and will list the most used jargon words in your document.

Reading grade

A simple way of assessing how clear documents are is to calculate their reading grade. There are a number of different formulas to do this – the best known of which is the Flesch Kincaid score. You can calculate this using the Editor tool in Word. The closer your reading ease score is to 100, the easier it is to read.

For the Fairer Finance Clear & Simple Mark assessment, we use the Automated Readability Index (ARI). This is a formula which analyses average word and average sentence length in a document. An ARI reading grade is equivalent to the US school year for which the document would be appropriate. A grade of 7.0, for example, equates to seventh grade (Year 8 in the UK school system) and a reading age of around 11.

Although all readability formulas are blunt instruments, they do provide an easy rule of thumb as to how simple a document is to read. Essentially, a high reading grade means a document has lengthy sentences and lengthy words in those sentences. If your document has a high reading grade, the easiest way to lower it is to shorten the length of your sentences.



Toolkit



Calculating reading grade and reading age:

Microsoft Word can calculate the Flesch Kincaid Reading Grade and Flesch Kincaid Reading Ease scores for you. You can find these by clicking on the Editor tool, which is displayed under the home tab. From there, click on Document Stats.

Hemingway Editor (<https://hemingwayapp.com>) is a paid for app which analyses documents for grammar and also provides a readability score, or a word counting tool. Alternatively you can manually calculate the Automated Readability Index score by using the formula below. Use a tool like countthewordsworth.com to get the number of words, sentences, and characters in your document.

Insert these numbers into the formula below to get the reading grade:

$$4.71 \left(\frac{\text{characters}}{\text{words}} \right) + 0.5 \left(\frac{\text{words}}{\text{sentences}} \right) - 21.43$$

Aim for a reading grade of 8.0 or less.

To change this number to reading age **add 4.5**.

Sentence length

Keeping sentences short is vital for ensuring that a document is readable. Sentences that have multiple clauses, or try to cover multiple situations in one go are particularly difficult for most people to understand. Legal documents and terms and conditions usually use longer sentences than customer letters, maturity packs, and fraud leaflets. Research has shown that sentences above 30 words are 'very difficult' to read. While a standard sentence length should be 17 words.

As part of our Clear & Simple mark criteria, we require that documents have no sentences longer than 29 words. Simply applying this tool to your documents can bring down reading age – and help simplify your communications.

Design

While using clear language is crucial to making documents easy to understand, it's all too easy to undermine this with small font sizes, cramped pages and poor design.

Using design effectively can make a document easier to read, easier to understand and less intimidating to customers. Furthermore, it can help build a positive association with your brand. While redrafting the text can be lengthy exercise – particularly for longer technical documents – design fixes are easy to do and can instantly lift a document.

Font size

We recommend that communications are written in a minimum font size of 10pt. However, 12pt is better – and depending on the font, you may need to make your core text a point or two larger.

Some fonts are smaller than others. Here's an example of the same sentence in 12pt text – one in Calibri font and one in Trebuchet MS font.

We will take the charges from your account on the 1st day of each month

We will take the charges from your account on the 1st day of each month

For customers with visual impairments or specific learning disabilities such as dyslexia, it is especially important to make documents accessible. This doesn't need to be limited to special large print versions of your documents.

Line spacing

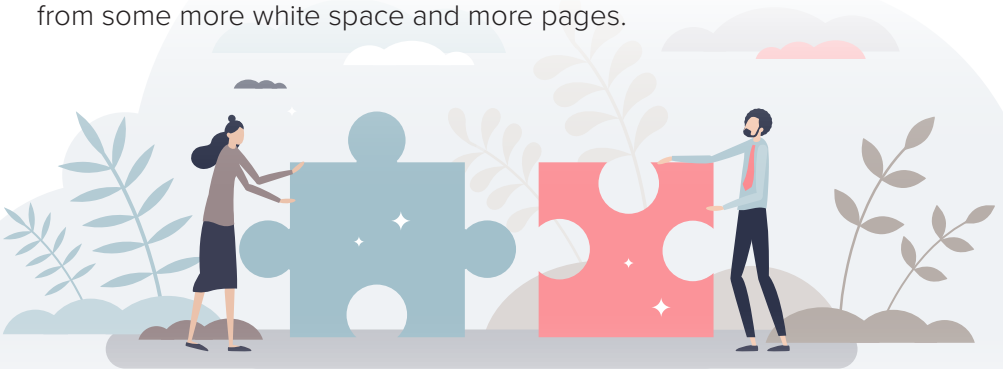
Once you've chosen a suitable sized font, it's also important that you provide enough space between the letters and the lines, to make the text easily readable. We recommend a minimum of 1.25 spacing on each line. If the document uses different spacing, judge the smallest one. Well-spaced documents are easier to read and understand. They also help customers who might have specific learning disabilities such as dyslexia, or troubles with eyesight.

In addition, the gap between the heading and the first line of text must be smaller than the gap between the last line of text and the next heading. This groups information together with the relevant heading, and helps give the document a sense of order. It makes it easier for the reader to see which sections belong together and how it fits together as a whole.

Words per page

Many technical documents are made all the harder to read by having too much text on every page. Walls of text with no space, graphics, tables or images to break up the page are intimidating for the reader and make it easier to make a mistake when reading.

We recommend that on average a document has fewer than 400 words per page. This doesn't mean that every page needs to adhere strictly to this limit. Occasionally, it may be appropriate to have one or two pages with a few more words. But if your document as a whole is running to more than an average of 400 words a page, it would probably benefit from some more white space and more pages.



Colours

Colourful documents are far more visually appealing and engaging than black and white documents. We recommend firms use at least three colours. This includes black and white.

Colour coding can be a useful tool to help readers navigate a document. Using a different colour to mark each section of the document can help readers know where they are, and make it easier to find sections they are looking for. Colour can also emphasise headings or highlight important information.

Colour Contrast

Where colour is used, however, it's important to ensure that there is sufficient contrast between the colour of the text and the colour of the background.

Poor colour contrast can make documents very difficult to read for those with colour blindness or those who are partially sighted.

The Web Content Accessibility Guidelines (WCAG) recommend that colour contrast should be a minimum of 4.5:1. Some firms may need to pay careful consideration to their brand guidelines – and sometimes alter them – to ensure they can adhere to these contrast standards.

Toolkit



Colour contrast assessment tools

We use the Web Content Accessibility Guidelines (WCAG).

Use a colour contrast analyser, which can be downloaded as an app. We recommend *Color Contrast Checker – TPGi*.

Select the pipette icon, then click on the colour of the text and the colour of the background. This will give you the colour contrast ratio.

Chapter 3

Communicating clearly in different media

Each different type of communications requires slightly different considerations in terms of what will make it most effective. In this section, we'll look at the things you need to take into account when writing terms and conditions, letters and emails as well as online purchase journeys.

Policy documents and Terms & Conditions

The importance of structure

Very few consumers read terms and conditions or policy documents from top to bottom. And the legislative and regulatory framework does not require them to do so.

Instead, these lengthy documents tend to be used as manuals – taken out of the filing cabinet, or more often the email folder, when customers have a question.

As a result, the structure of these documents is key to making them accessible. Every main heading should be a jumping off point to your customers' likely lines of enquiry. Generic headings such as “General conditions” and “Important Information” should be avoided.

If this is done effectively, the contents page will be a useful starting point for any customer query.

This is the contents page of an Animal Friends policy document.

Contents

- Welcome 3
- Contents 4
- How to use this booklet 5
- Cover limits 6
- Contact details 7
- How this policy works 8
- How to make a claim 12
- What this policy covers 13
 - Section A: Vet fees 13
 - Section B: If your pet dies or is put to sleep 16
 - Section C: If your pet goes missing or is stolen 18
 - Section D: If you can't look after your pet because you're in hospital 20
 - Section E: If your pet injures someone or damages their property 21
 - Section F: If your pet needs urgent medical care abroad 23
 - Section G: If you need to cancel or cut short a holiday because
your pet needs urgent medical care. 24
- What this policy doesn't cover 25
- Making changes to this policy 27
- Cancelling your policy 28
- How to make a complaint 29
- How we use your personal information 30



Clear use of headings

As well as using intuitive section headings that answer likely customer enquiries – a good terms and conditions document will use different size headings and sub-headings. This will help customers easily navigate a document.

For example, a section may start with a large heading and be broken up into a series of small sections marked with mid-size sub-headings. In some cases, secondary smaller sub-headings can be used within sub-sections. Headings should be larger than the main text and size of headings and sub-headings should be consistent throughout the document to give a clear sense of hierarchy to the information.

Structure also matters within a section. The most important information should be drawn out to the customer. This may mean repeating it in a summary section at the start of the document, or using design aids, such as use of coloured boxes, to add emphasis to a particular point.

It can be helpful to break up large sections using sub-headings. For example, there may be several elements to the process of making a claim – such as first contact, providing evidence, and receiving payment. These may all sit within a section called ‘How to make a claim’ – with each stage of the process explained under clear sub-headings.

Given that you can’t rely on customers having read any other part of the document, each section should not rely on information from elsewhere. Each section should begin by explaining what will be covered in that section, so customers can quickly know what to find there.

Inter-referencing

Inter-referencing is where customers are referred from one section of a document to another. This can make them hard to understand.

Many traditional legal contracts include clauses that begin by referencing another clause. For example, “Subject to clause 3.5.2, we’ll cover you for theft of your bicycle”. To understand this sentence, the consumer has to refer back to the referenced clause, re-read it and then jump back to try and put all the information together.

Instead, firms should aim to put all necessary information together. Sometimes, if the information is short, it’s better to repeat information instead of inter-referencing.

Inter-referencing is not always bad, however. If you’re mentioning another section in passing – it may make sense to tell customers that they can find more detail in another section. But this needs to be done clearly. For example, you might say in a welcome section that customers need to let you know if any of their details change – and add “For more details, see “Making Changes to Your Policy on page 25”.

Definitions

Most contracts have a lengthy definitions page at the start of the document. However, this provides a difficult experience for the customer – forcing them to flick back and forth between the definitions page to understand what they are reading.

Some definitions may be unavoidable. However, where possible, terms should be defined at the point they are used – rather than at the start of the document. If they are used multiple times in a section, it may be appropriate to define terms once at the start of a section.

As a starting point, however, it’s worth considering whether a definition is needed for a term at all. If there is no definition, an Ombudsman or court will defer to the common meaning – and in many cases, this will be adequate.

Often, rewriting a word in simpler or more direct terms can remove the need for a definition at all. For example, ‘family member’ might be defined as ‘someone who lives in your house’. In this case, you might replace ‘you or a family member’ with ‘you or someone who lives with you’ whenever this is used in the document.

Some terms may be used so frequently in the document that it is necessary to define them at the top of the document. In most cases, however, these will be words that are commonly understood, but which have a technical meaning in the context of your document. For example, the word “home” in a home insurance document is likely to have a specific definition that may not map exactly onto everyone’s personal understanding of the word.

We recommend including these small number of definitions in a section at the top of the document, entitled “Making sense of your policy” or “How this policy works”. If there are a sufficiently small number, it may be suitable to incorporate them within a welcome section.

When it comes to complex medical definitions which may not be able to be simplified, we recommend adding plain English explanations, after the technical definition. This is the approach taken by Royal London in the example below. Alternatively, medical definitions can be grouped in a separate section, with an introduction which explains that these should be discussed with a medical professional.



STROKE – which causes permanent damage to your nervous system

A stroke diagnosed by an appropriate medical consultant which has resulted in lasting impairment to the nervous system. The lasting impairment is measured using the Modified Rankin Scale at least one month after the stroke. The Modified Rankin Scale must be at level 2 or above.



The impact of a stroke depends on its size and where in the brain the stroke takes place. For example, someone who has a small stroke may experience only minor effects such as weakness of an arm or leg. But someone who has a more severe stroke may be left paralysed on one side, lose his or her ability to speak or, in severe cases, die.

The Modified Rankin Scale is a commonly used and internationally accepted scale for measuring the effects of a stroke. It measures how well a person can carry out daily activities after suffering neurological damage – including from a stroke. ‘Neurological damage’ means damage to the nervous system, which may include the brain.

This policy pays out when the impact of a stroke is deemed to be at least level 2 which is defined as having a:

Slight disability – Able to look after own affairs without assistance, but unable to carry out all previous activities.

Letters, emails and texts

In today's busy world, people receive dozens of communications a week from different service providers. As a result, when your letter lands on a customer's doormat, or drops into their inbox, there's no guarantee that it will be read. And even if it is, it may not be read from start to finish.

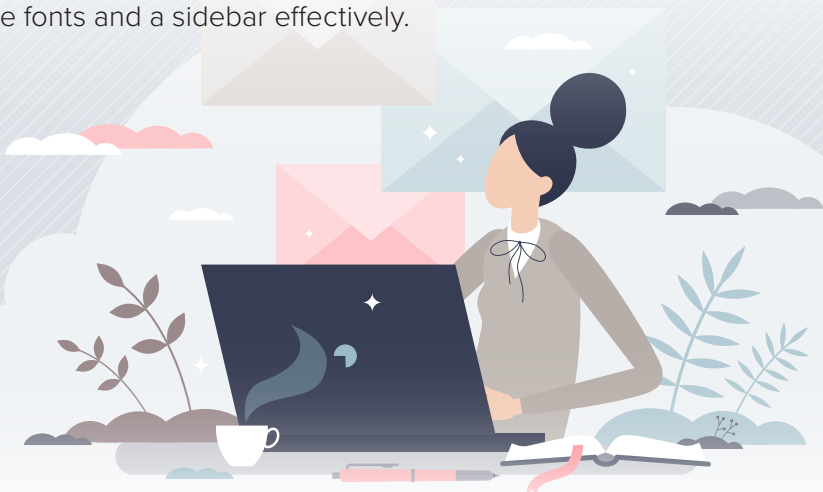
In a Consumer Duty world, it's incumbent on providers to think about how to ensure their message is getting through. And there are several things you can consider doing, depending on the medium you're communicating through.

Letters and emails

Letters and emails are both most effective when they have just one clear message. The more different messages you try to cram into a single communication, the more likely that one of them won't be read by the customer.

If a letter or email requires some action on the part of the recipient, this should be communicated very clearly in large print at the top of the letter – so it's hard to miss at a glance. For example, “Your policy is about to renew – time to act”.

Use boxes or sidebars to highlight key information, such as price or payment changes. Here's an example of a clear letter that makes use of large fonts and a sidebar effectively.



Fairer Insurance
0800 123 4567
fairerinsurance.co.uk

John Smith
24 St John Street
Worcester
WR1 6GH

Fairer Insurance
Dorrit House
Micawber Street
Marshalsea
London
SE1 1JA

Date: 21/02/2023
Your policy number:
FF1256765/AS35

Time to act: your home insurance is about to renew

Dear John

Get in touch if your details have changed

Your home insurance policy is due to automatically renew on 21 March 2023.

It's time to make sure we have the correct details for you – and that your insurance still meets your needs.

Please check the Statement of Information in this pack to ensure we have all the right details. If anything is wrong, or something has changed, please call us on **0800 123 4567**. Lines are open Monday to Friday between 09:00 – 17:00 (Wednesday from 09:30).

If you would rather use email, contact us at renewal@fairerinsurance.com

If you're happy with the price and cover, you don't need to do anything

If you've checked the details of the new policy, and are happy with the price you're paying, you don't need to do anything. You'll continue to be insured. We'll take a payment of £26.12 from the card ending **** * 1234 on 21 March 2023.

What if I don't want to renew?

If you don't want to continue with your insurance, you can cancel by calling us on 0800 123 4567 or by logging into your account at portal.fairerinsurance.com.

Yours sincerely,

Renewals Team, Fairer Insurance

Renewal date:
21 March 2023

Current monthly payment:
£24.67

New monthly payment:
£26.12

Call us on
0800 123 4567
lines open Monday – Friday
9:00 – 17:00 (Wednesday
9:30 – 17:00)

Email us at
renewal
@fairerinsurance.com

Scan here for
our Customer
Portal



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If you're communicating by email – make sure the subject line is compelling and clear enough to encourage customers to open it. And remember that customers may be viewing it within a preview panel which only shows the first few lines. So getting your key message into the top of the email is particularly important.

Emails can and should be used for more informal, regular communications, such as follow-ups or helpful information – as well as important updates. Communicating with customers about the benefits and limitations of their insurance at key points in the year can help set expectations and reduce the chance of claims. For example, a home insurer might send an email at the start of winter, reminding customers to leave their heating on a low level if they are away – to prevent a burst pipe.

Texts/SMS

Texts are most effective when used sparingly. They are more likely to be seen by customers – and they can be an effective way of getting important information across. For example, using a text to confirm someone's cover has been updated after a mid-term adjustment, or to remind them about an upcoming renewal can be effective.

Over-using texts removes their power, and increases the chances that your customers will stop reading them. So reserve them for the most important communications.

Layering

As customers receive so many communications from different providers, it's often important to send key messages across multiple channels.

A mixture of letters, e-mails, texts, and, in extreme cases, phone calls may be necessary to have the confidence that a customer has had fair warning about an important update.

Under the Consumer Duty, firms must ensure that they are acting to deliver good customer outcomes. This means being able to say that they have done what they reasonably can to help their customers make good decisions.

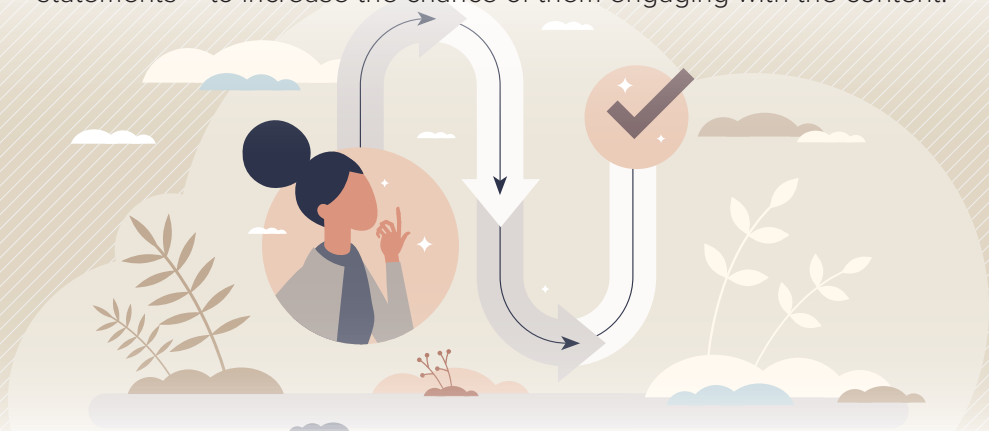
If you're putting your charges up, for example, customers need to have the chance to decide whether they want to move their business. A single letter 60 days before the change could easily be missed. However, two letters, two or three emails and a well timed text message greatly increase the likelihood that your message has got through.

Customer journeys

If you're selling products to customers directly, the purchase journey is often one of the only opportunities to set their expectations. Customers don't want to spend any longer than necessary buying their insurance, or applying for a pension – and companies are obviously keen to complete their sale. Nevertheless, it's important to resist the temptation to prioritise speed over comprehension in your purchase journeys.

In its Consumer Duty papers, the FCA talks about the importance of “positive friction”. This might mean asking more questions to better understand customer needs, and to help them understand any limitations of your product or service. For example, if an annual travel policy doesn't offer cover for trips longer than 31 days, the insurer could ask customers if they plan to take any longer trips. If a customer says yes, a warning can be provided that the policy won't cover them beyond 31 days.

It's also important to avoid getting customers to passively agree to long lists of restrictions by asking them to tick a single box. Instead, consider asking them to acknowledge each statement individually or groups of statements – to increase the chance of them engaging with the content.



If your product has a high degree of complexity – and not all the key information can be displayed on the page during the application journey – consider directing people to read a summary. In some cases, it may be suitable to force customers to open the summary document, or to scroll down a summary on screen, before they proceed.

Use of video can also be an effective way to underline the benefits and any limitations of your product. This could be played at the end of the purchase journey – whilst a customer's payment details are being processed. In this event, the sale is complete, but valuable information is played back to customers at a moment when there's a greater chance that they will be paying attention.

All the design rules that we discussed in the previous chapter are just as important in online journeys. Font sizes need to be adequate – and small print should be avoided. If it's important enough to be put on the page at all, it should be in a large enough font that customers will be able to read it.

Although boxes can be used to increase the prominence of key information, be careful of using the right hand side of the screen. Research shows that most people read web pages in an F-shape. As you get further down the page, information on the right side of the screen is less likely to be engaged with.

A note about numbers

Numbers are an essential part of all financial services products – but it's important to think carefully about how you use these in your documents to maximise understanding. Just as a large number of adults have poor literacy levels, as many as half of all adults have the numeracy skills that are expected of a primary school child.

Percentages are often used in financial services, but some customers struggle to understand them, so consider also illustrating what these will mean in pounds and pence to the customer.

For more information on how to communicate numbers clearly to your customers, take a look at the Plain Numbers research report which can be downloaded from their website www.plainnumbers.org.uk.

Document checklist

- All sentences under 29 words
- ARI Reading grade of 8 or less
- Minimal jargon (Score of Excellent on the Fairer Finance jargon checker)
- No examples of poor inter-referencing
- Clear contents page (for documents over 2,000 words)
- All headings answer customers' likely lines of enquiry
- Use of at least three colours
- Colour contrast of more than 4.5:1 throughout the document
- Font size of at least 10-12 pt
- Minimum line spacing of 1.25
- Average words per page less than 400



Examples of good practice

Animal Friends pet insurance policy documents

These pet insurance documents include a clear contents page which is a jumping off point for all likely lines of customer enquiry. The documents have a reading age of below 12.

[*https://www.animalfriends.co.uk/animalfriends/booklets-sep2021/pet-max-benefit.html*](https://www.animalfriends.co.uk/animalfriends/booklets-sep2021/pet-max-benefit.html)

[*https://www.animalfriends.co.uk/animalfriends/booklets-sep2021/pet-lifetime-superior.htm*](https://www.animalfriends.co.uk/animalfriends/booklets-sep2021/pet-lifetime-superior.htm)

Royal London Life Insurance

This is an example of a clear policy document from the protection sector. Technical medical definitions are followed up with plain English explanations.

[*https://www.royallondon.com/siteassets/site-docs/insurance/life-insurance/rl-direct-terms-and-conditions.pdf*](https://www.royallondon.com/siteassets/site-docs/insurance/life-insurance/rl-direct-terms-and-conditions.pdf)

Civil Service Pension Scheme

This is an example of a pensions scheme with an interactive terms and conditions written in plain English and clearly designed.

[*https://www.civilservicepensionscheme.org.uk/knowledge-centre/pension-schemes/alpha-scheme-guide/*](https://www.civilservicepensionscheme.org.uk/knowledge-centre/pension-schemes/alpha-scheme-guide/)

AIG personal accident policy

This is an example of a personal accident policy with a clear structure and a low reading age.

[*https://s3-eu-west-1.amazonaws.com/jtc-prod/files/03705ec8-f26b-4f5b-a02a-56cd60fede61.pdf*](https://s3-eu-west-1.amazonaws.com/jtc-prod/files/03705ec8-f26b-4f5b-a02a-56cd60fede61.pdf)

Scottish Widows critical illness cover summary

This plain language protection summary document includes a useful infographic to help bring the information to life.

<https://adviser.scottishwidows.co.uk/assets/literature/docs/54516.pdf>

Sunlife equity release guide

This is an example of a plain language brochure explaining how equity release works.

<https://www.sunlife.co.uk/siteassets/documents/equity-release/equity-release-guide-2020.pdf>

Clear customer journey: Nationwide home insurance

This is an example of a clear online application journey, where all the key information is displayed prominently.

<https://nationwidehomeinsurance.co.uk/>

Clear customer journey: Halifax investment account

This is an example of a clear investment platform application journey.

<https://www.halifax.co.uk/investing/start-investing.html>

