

Getting the message

How StepChange communications work for our clients and what we've done to improve them.



1. Introduction and background

In September 2022 StepChange and Amplified Global published our *Mixed Messages*¹ report that assessed the role that communications play in helping people resolve their financial difficulties.

- We found firms' communications to people in financial difficulty created barriers that delayed or prevented them from getting help.
- We found good evidence pointing to how these barriers can be overcome.
- We concluded by urging firms to review their communications and support for people in financial difficulty to improve engagement and get people to the help they need earlier.

Since then the Financial Conduct Authority's Consumer Duty has come into force and we have seen a strengthening regulatory focus on improving support for people in financial difficulty across utilities and elsewhere. The need for better communications is centre stage.

The Consumer Duty applies to FCA authorised debt advice providers, so StepChange is under the same duty as financial services providers to ensure our communications deliver good outcomes for our clients. More importantly we are a debt advice charity with a strong social mission to reduce the harm that problem debt causes.

By definition our clients are vulnerable because of their financial difficulties and the majority have additional vulnerabilities such as poor mental health, physical and sensory disabilities.

So we need to ensure that once people finally get to StepChange our communications help them to act on the advice they have received.

Getting the message:

StepChange communications and our clients' journeys

In *Mixed Messages* we promised that we would publish a second report picking up the financial difficulties journey at the point StepChange clients were about to seek advice. In this report we return to the client survey and focus groups in *Mixed Messages* to look at our clients' experiences of the communications they received from StepChange².

The report will show that clients faced barriers to acting on debt advice and that the information they received from StepChange was a part of this. We will discuss the work we have been doing to review and improve our client communications since *Mixed Messages*. The report will reflect on the need for evidence-based critical appraisal to understand how client-facing communications are working.

¹ <https://www.stepchange.org/policy-and-research/mixed-messages.aspx>

² StepChange worked with Amplified Global to design an online survey which was sent to a sample of StepChange clients in November 2021. We received 478 responses to the survey. Individual questions in the surveys had different numbers of respondents. We conducted in depth focus groups with nine StepChange clients.

2. Seeking advice: Apprehension then reassurance

In *Mixed Messages* we highlighted the relatively low awareness of debt advice among people in financial difficulty. Around a third of respondents said they had held back because they were not aware that ‘debt advice could offer any help to people like me’.

People told us that a mention of debt advice on a letter could prompt them to seek help, but we heard that debt advice was often poorly explained so people were not clear how it would help them.

When we asked StepChange clients how they felt as they approached debt advice, the overwhelming response was uncertainty and anxiety³.

- Only a minority (45%) agreed with the statement ‘I thought I knew what would happen when I did take debt advice’.
- Nearly 90% agreed with the statement ‘When I took debt advice I was nervous about what would happen’, with nearly two thirds of respondents saying they agreed strongly.

Without better explanation, debt advice can look like one more scary thing to get through. The anxiety reported by people who did get to StepChange could be preventing other people from taking the final step to debt advice.

The effectiveness of debt advice referrals could be impaired by poor understanding about debt advice, contributing to poorer financial client journeys. This might be easily remedied by clearer messaging earlier in the debt advice journey.

Once people got to debt advice these worries seemed to largely melt away.

- 95% of respondents said they agreed with the statement *‘By the end of the debt advice session, I was clear about the different options that could help me’.*
- 96% agreed with the statement *‘At the end of the debt advice session, I was clear on what I had to do next’.*
- 94% agreed with the statement *‘At the end of the debt advice session, I was sure that I was going to get the help I needed’.*



“I wasn’t aware debt advice could offer any help to people like me.”

³ The number of respondents for statements on this page varied from 320 – 332

Perhaps this should not be surprising. Research suggests that the stress associated with financial difficulties can create a cognitive overload, reducing people’s capacity to process information, make decisions and take action to change their situation⁴.

We saw in *Mixed Messages* how respondents were overwhelmed by pre debt advice feelings of anxiety, helplessness, embarrassment and confusion.

This could weaken their capacity, opportunity and motivation to take control of their situation⁵. Our client research regularly highlights the sense of relief that clients feel after taking debt advice.

Our advice outcomes work shows a boost in wellbeing when people feel they are making progress with their debts⁶.

In this report, comments from StepChange clients tell us how the reassurance that debt advice gave them broke the spell.

However this initial reassurance will only translate into sustained improvement in peoples’ lives if they are able to take the next steps and act on the advice they have received.



“I felt confident that I had been guided in the right direction and there was light at the end of the tunnel. I felt deep gratitude too. I cried after the phone call because, even though this course of action seemed drastic to me, I realised my situation was drastic and I felt that I was now on the right path at last. StepChange explained what they were going to do, and the probability of the outcome, and made me feel safe.”



⁴ Further discussion on this see: Money and Pensions Service (2020), Changing behaviour to provide innovative debt advice services

⁵ Social Change UK: A guide on the COM-B Model of Behaviour. https://social-change.co.uk/files/02.09.19_COM-B_and_changing_behaviour_.pdf

⁶ See <https://www.stepchange.org/Portals/0/documents/Reports/stepchange-debt-charity-measuring-client-outcomes-pilot-project.pdf> and https://www.stepchange.org/Portals/0/assets/pdf/Paths-to-Recovery_March-2020.pdf

3. After advice: How clients felt about information from StepChange

We asked survey respondents how they felt about the Personal Action Plan (PAP). This is a key output of the debt advice session. It provides written information on the advice given, the different options a person has for dealing with their debts⁷, and a recommended course of action.

This is clearly an important stepping stone to good consumer outcomes and FCA rules require this information to be fair, clear and not misleading, and in plain and intelligible language⁸.

However the PAP contains complex and technical information. So it is vital that the text is both intelligible and usable for people in financial difficulties.

Given the Consumer Duty's specific reference to consumer understanding and support outcomes we were particularly keen to get feedback from our clients about their perceptions of the PAP.

Table 1 below sets out survey respondents' answers to the questions we asked about the PAP. The headline responses show nearly every respondent giving positive feedback on clarity, presentation and their ability to understand the information.

Table 1: Perceptions of the StepChange Personal Action Plan⁹

	% Agreeing with statement
It used language that was easy to understand	97%
It was presented in a way that was easy to understand	97%
The different options for dealing with my debts were clearly explained	97%
I was able to understand any pros and cons related to taking action	96%
I was able to understand the options that were best for me	96%
There was a clear action plan, and I knew what to do next	96%
Reminders from StepChange helped me to take the next steps	89%

⁷ See <https://www.stepchange.org/Portals/0/documents/Reports/stepchange-debt-charity-measuring-client-outcomes-pilot-project.pdf> and https://www.stepchange.org/Portals/0/assets/pdf/Paths-to-Recovery_March-2020.pdf

⁸ FCA rules require debt advisers to provide their clients with information on available debt solutions and the advice given in a durable medium. See CONC 8.3.8G and CONC 3.3.2R. Also see CONC 8.3.4R – CONC 8.3.7R.

⁹ The number of respondents for statements in this table varied from 306 – 316

This encouraging result might reflect the past work StepChange has done on the tone of voice and user experience of the PAP. Our advice model gives our clients recommendations, rather than just leaving them to make an ‘informed choice’, so confirmation on understanding options and the clarity of action plans is important.

Questioning the headline results

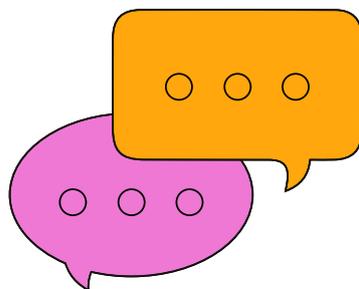
However, when headline results on something as complex as the PAP are this good we are put on notice not to just accept them on face value. We need to look deeper.

The first challenge is a significant bias in our survey respondent group compared to the whole population of StepChange clients. Over 90% of these survey respondents said they entered a debt solution with StepChange following debt advice. However our 2022 statistics show only half of people who were recommended a solution managed by Stepchange following debt advice went on to take out a debt solution¹⁰ with StepChange.

That does not mean that all the rest of the people we advised did not act on the advice. It does mean that a significant number did not take the next steps to a debt solution where the longer-term good client outcomes start to occur.

People may act or not act on advice for a variety of reasons. For instance, people entering the Breathing Space scheme have been more likely to complete debt advice and enter a debt solution, suggesting Breathing Space encourages engagement¹¹. In contrast we have seen more clients coming out of debt advice with negative budgets over 2023. At the point they took advice, they are much less likely to have a unique long-term solution to their financial difficulties.

More client research is needed to fully understand why some people are not acting on advice. However, *Mixed Messages* highlighted the role that communications play in people delaying seeking help. So we must consider whether StepChange communications, and the PAP in particular, create barriers that prevent or delay our clients from acting on advice.



¹⁰ Solutions managed by StepChange in 2022 included Debt Management Plans, Token payment plans, Debt Relief Orders, Individual Voluntary Arrangements, Equity Release and DAS Debt Payment Plans. Other clients will have been recommended solutions that are not managed by StepChange (such as bankruptcy) or were able to deal with creditors themselves following advice. Our data on clients who entered a solution managed by StepChange allow an accurate comparison with the number of clients recommended one of those solutions.

¹¹ See our report evaluating the first year of the Breathing space scheme: <https://www.stepchange.org/Portals/0/assets/impact/Breathing-Space-one-year-on-initial-findings-StepChange.pdf>

What did our client survey tell us about engagement and acting on advice?

Our survey asked StepChange clients about a range of possible barriers that may have delayed or stopped them from acting on the advice they received.

40% of those answering this question¹² mentioned one or more barriers to acting on advice. 31% mentioned one or more of the following barriers, suggesting they needed more help to be able to move forward from advice:

- The advice from StepChange Debt Charity wasn't helpful.
- I was not sure what I should do next.
- I was nervous about taking the next steps.
- I needed more help.

While nearly all these respondents said they went on to enter a debt solution, digging deeper into their reasons for delay gives us insight on why other StepChange clients are not acting on advice.

StepChange client comments highlighted a number of issues that delayed them. Some clients cited practical barriers that had little to do with StepChange communications or support, such as not being able to afford the fee for a debt relief order.

Other respondents who were nervous about taking the next steps said this reflected still unresolved feelings about their situation, or trepidation about the debt solution they were about to enter.



"It wasn't the advice or any communication, it was taking the next steps. Knowing I was going to be insolvent, and I felt worried about whether I would be successful in my application. This was not due to StepChange, more the process of the debt relief order. I was embarrassed because I hadn't managed to sort things out and pay my debts, but I was also overwhelmingly relieved because my debts were affecting every part of me and my life."

"Nothing to do with tone or language actually. It was merely the 'situation' and the asking myself 'I have three degrees, I have worked all my life, how did this happen?'. Again, if the general narrative around debt were not so stigmatising, I would have probably felt differently."

¹² 313 respondents

A number of clients did tell us that they needed more help to understand the information and advice they received before they could take the next steps.

“When I get overwhelmed I go like a rabbit in the headlights – I seem to switch off and I can’t take in all the information. It wasn’t anything you guys were doing it was just me, the way I am.”

“It was explained how my debts can be handled however I could not absorb this properly due to my mental state.”

“I think it was just a lot to take in. I’m dyslexic and I find paperwork a struggle...”

“I didn’t understand the implications till I spoke with you”.

Further analysis of our survey data highlights both barriers connected to vulnerability and the importance of post-advice support.

- 53% of people who had told us they had delayed seeking debt advice because they were ‘not in a fit state to help themselves’, had also delayed acting on debt advice¹³.
- This compares to 34% of other clients who delayed acting on advice.

These survey respondents were able to overcome barriers by seeking further help from StepChange. However other StepChange clients struggling with the PAP may have just disengaged.

The takeaway here is the StepChange PAP (and communications around it) has to impart complex information clearly but also has to keep people engaged with the debt advice process¹⁴.



¹³ 313 respondents

¹⁴ The survey provides some evidence that people who had said they delayed seeking advice because they were ‘not in a fit state to help themselves’ did not delay acting on advice solely or mainly for that reason. They were much more likely to have answered the survey questions on StepChange communications and barriers to acting on advice.

Digging deeper into the responses in Table 1, we found a clear reduction in the strength of sentiment towards the PAP from clients who said they faced barriers to acting on the advice they had been given.

Table 2 disaggregates the 'Agree' category to show only the proportion of clients who strongly agreed with the statements.

Table 2:

% Respondents who said they 'strongly agreed' with statements about the PAP, split by those who said they delayed acting on advice and those that did not.



	Did not delay acting on advice	Delayed acting on advice
It used language that was easy to understand	84%	74%
It was presented in a way that was easy to understand	86%	72%
The different options for dealing with my debts were clearly explained	86%	74%
I was able to understand any pros and cons related to taking action	82%	63%
I was able to understand the options that were best for me	84%	72%
There was a clear action plan, and I knew what to do next	87%	67%
Reminders from StepChange helped me to take the next steps	80%	69%

The sentiment gap looks particularly large for the statements ‘Able to understand any pros and cons...’ and ‘There was a clear action plan and I knew what to do next’.

This suggests StepChange clients can struggle to understand complex information about different debt solutions and may have difficulty navigating the information in the PAP about next steps.

Over 90% of the StepChange clients who answered the question, ‘When you received information from StepChange, how did this make you feel?’ reported a positive emotional response¹⁵.

However 30% of respondents said they had experienced one or more negative emotional responses¹⁶. In *Mixed Messages*, negative emotional responses to firms’ communications was strongly associated with people delaying seeking debt advice.

Here, we found 53% of people who reported a negative emotional response to StepChange communications said they had delayed acting on advice.

This compared to 35% of those who did not report a negative emotional response.

This was also true of people who had told us they had delayed seeking advice because they ‘were not in a fit state to help themselves’. 68% of this group who reported negative emotional responses delayed acting on advice, compared to 43% of those not reporting a negative emotional response.

People can experience negative emotional reactions to communications for a variety of reasons. In *Mixed Messages*, people were reacting to collections communications that contained a level of demand and perceived threat that is very different to the StepChange PAP.

However in *Mixed Messages* StepChange clients told us that complex, legalistic language in firms’ communications could provoke negative emotional responses that caused them to disengage.

So StepChange clients’ reaction to language and complex information in our communications, including the PAP, could also result in some clients disengaging or delaying acting on advice.



This shows the need for StepChange to review our client communications with the aim of improving their intelligibility and usability for our clients.

¹⁵ This included feeling reassured, informed and feeling ‘more able to take control of my situation’.

¹⁶ These included feelings of being confused, overwhelmed, anxious, helpless or embarrassed. Note that many clients experienced both positive and negative emotional responses to communications from StepChange.

4. Reviewing and improving communications

StepChange has been continually reviewing and updating our client communications for a number of years. We felt many of our communications were well-written and we had no specific evidence they weren't working.

However we knew that they could be complex with lots of debt advice jargon unfamiliar to the people receiving them. In addition we knew our communications were uneven and could be inconsistent as a result of piecemeal updating at different points over the years.

The work on *Mixed Messages* coincided with the lead-in to the implementation of the Consumer Duty. This helped us develop a structured approach to making our communications clearer.

For instance, the FCA's non-handbook guidance stresses layering, encouraging engagement, relevance, simplicity and timeliness as features of more effective communications¹⁷.

This shaped our fundamental thinking about the outcomes we want our client communications to achieve and the changes we would need to make to get there.

We grounded this thinking in a set of guiding principles that underpin our future communications approach:

- Our communications align with the needs and wants of our target audience.
- The way we talk is consistent across all touchpoints.
- We know why we should communicate before we communicate.
- We make our content understandable and engaging.
- We aim for a level of understanding equivalent to 10–11 years old.
- We encourage people to return to the correct point to continue their journey.
- We make it straightforward to find our comms and content within our systems.

Given the findings in the sections above, our first priority was to review the language and presentation of information in our communications to improve the intelligibility and usability for clients.

¹⁷ See paragraph 8.13 of the Financial Conduct Authority 'final non-Handbook Guidance for firms on the Consumer Duty', FG22/5. <https://www.fca.org.uk/publication/finalised-guidance/fg22-5.pdf>

Our partnership with Amplified Global on *Mixed Messages* grew from a shared concern that the complex legal language, tone and messaging in financial services communications were not helping consumer understanding or engagement.

Amplified Global uses technology to help companies communicate more simply with their customers, so their customers understand and act on what they have read and are better off for having done so.

We used the Amplified Global tool to assess our communications for intelligibility. The tool rates a communication and offers suggestions to make the words, sentences, and paragraphs more understandable. We've used this, alongside the natural expertise in the client communications team, to check client communications, starting with the most important client documents such as the PAP.

Initial results

So far we have reviewed over 1,200 documents, including web copy, online debt advice, user interface text and statements that advisors read out to clients. This amounted to over 70,000 edits in total, across over 1,200 hours of work.

These documents were organised into five levels, ranging from those that were understandable by a large number of people (level 1, requiring understanding equivalent to an average 11-year-old) through to level 5 (documents containing a large amount of legalese and jargon, such as our solution agreements). Table 3 below gives a summary of the initial Amplified Global tool assessment and the improved intelligibility following changes to the text and presentation suggested by the Amplified tool.

Table 3:

Summary results of Amplified Global tool assessment and StepChange amendments to client communications.

	Number of documents assessed	Original intelligibility	Revised intelligibility*	% Change
Level 1	615	86.9	89.6	3.1%
Level 2	416	75.4	85.3	13.1%
Level 3	167	65.9	79.1	20.1%
Level 4	48	52.5	75.5	43.7%
Level 5	6	37.5	53.8	43.5%
All	1252	78.7	86.1	9.3%

* A higher score means a more intelligible communication

What this means

- Across all the documents intelligibility has improved by 9%. That is the equivalent of reducing the level of understanding required to read the document from 13 years old to 11 years old – the level required to understand a tabloid newspaper, one of our aims with this work.
- Level 4 documents contain some of the most complex wording we put in front of our clients. We've made a 43.7% improvement in their intelligibility scores, lowering the level of understanding from A-level/degree to 13-year-old. These communications are now much clearer and easier to read.
- We increased the proportion of documents and communications at the appropriate level of intelligibility from 82.5% to 99.5%, while making a vast number of improvements to those that already met our intelligibility standard.
- We are still working on the few level 5 documents we have: the solution agreement documents. To begin with we've added plain English summaries to help understanding, and to deliver information in different ways that helps clients understand the information. We're now working with our solicitors to rewrite the agreements themselves to attain a level of understanding equivalent to that of a 13-year-old. This task has changed our perception on how complex concepts and content can be written in a different way.



The assessment was also able to identify complex words and sentences. This found that words used every day in debt advice, and used commonly in the PAP reduced intelligibility.

This included words like: *arrears, eviction, collections, secured, judgment, enforcement, finance, insolvency, dispute, affordable, defaulting* and *creditor*.

We now understand how legalise and jargon in our communications could create negative emotions and disengagement.

What this means for the Personal Action Plan

We undertook a re-drafting process that drew on feedback from clients gained in user testing and research and the experience of our front-line advisers.

We made an average improvement of 3 years in the level of understanding, from around 15-years-old to 12-years-old. We believe our personal action plan advice booklet is now well-written.

However we know that there is still work to do. This is not just a review of communication wording, but a wholesale review of our communications approach.

The PAP remains a potentially overwhelming document, with 40–50 pages of content to digest. StepChange client focus group participants told us that they found the PAP useful but in some ways difficult to use.

Some confirmed finding it to be clearly set out and helpful, despite finding the document to be long.

“It was a long PDF I have to say but full of useful information.”

“Yeah, I read and it was really useful to have it all broken down, so it was really handy. I still have it, which I sometimes refer back to when I need to understand what’s going on with the budget.”

Other focus group participants were more nuanced in their appreciation of the PAP, telling us about the difficulties they had using this information.

“The contents were long... I might have thought some of it was there for the sake of being there in terms of completing the picture as it were.”

“I was a tad overwhelmed at the sight of it. I mean, scrolling down, I don’t have a computer because I can’t afford one, so I’m on my phone and I’m trying to scroll down and read these documents. It was just sort of like, ‘no, I’m not doing it’.

“I found it too long and I found it so long that it was off-putting to read from cover to cover, I had to make myself do it.”

Focus group participants suggested changes they thought would improve the PAP:

- Breaking the document into manageable chunks.
- Providing a clear ‘to do’ list so they can track their progress on next steps activities.
- Making debt solutions options more prominent and easier to navigate.
- Make the PAP an app with usable tools, like an interactive budget.
- Continue to provide a long-form pdf PAP as a backstop they can easily access from any device or as a hard copy.

Focus group participants were clear that innovations like these could increase the value of the PAP and help people to act on the advice they received.

“I think potentially it would make you even more keen to engage with the process.”

“I think it would draw me in faster. Probably because of that very neat list of things you have to do so it would give me a structured way through it.”

“Breaking it down like that goes with the message from StepChange throughout my advice that it’s manageable. It’s not necessarily easy but it’s a manageable solution. It’s not as scary as it seems. This is a reinforcement that this is manageable and it’s not an impossible situation anymore. So in that sense, I think it would have gingered me up even more to get on and get this sorted.”



Next Steps

We have started a large project to fully overhaul the PAP and the way we present our debt advice. We plan to break the content down into more understandable component parts ('layering'), delivered at key points in the client's initial journey with us ('well-timed'). To help with this our client communication specialists are working on background research and testing into behavioural bias, choice architecture, and level of understanding of the current booklet.

We are looking to test and learn from the changes we have made so far. Early testing has come through feedback from our front-line advisors on the statements they read to clients. These have been rewritten to be much clearer to read out and understand. This is an iterative process with the questions asked by clients ("what does this bit mean?") helping us to improve communications further.

We know that we will need ongoing user testing of rewritten communications, especially those at key points in the journey, to ensure these are fully understood and clients know what to do next. This evidence will inform updates to those communications and give us broader insight for all our client communications.

A key challenge here is to ensure we understand the experiences of clients who have disengaged at some point in the debt advice process. *Mixed Messages* found the quality of support firms provided was crucial to moving people forward. Our communications approach will consider the support our clients need to help them through key parts of the debt advice journey.

5. Conclusions



In this report and *Mixed Messages* we have followed StepChange clients across their financial difficulties journeys.

Key findings:

1.

Their experiences highlighted problems with communications and support from their creditors that created barriers to seeking help.

2.

They told us that their patchy knowledge about how debt advice could help them made them nervous about getting debt advice.

3.

Taking debt advice reduced their anxieties and gave them reassurance that help was at hand.

However we also found issues with communications from StepChange:

- Clients who had negative emotional responses to our communications were more likely to have delayed acting on advice.
- So were people who found key debt advice information harder to understand and use.
- So were people who told us they were 'not been in a fit state to help themselves' prior to debt advice.

The language, tone and presentation of our communications mattered to our clients, just like *Mixed Messages* said creditors' communications mattered.

So improving our communications may encourage more people to complete debt advice and then act on the advice they receive. This would reduce the harm that problem debt causes.



"Improving our communications may encourage more people to complete debt advice."

We have discussed what we have done so far to improve our client facing communications and some of the next steps to test the effectiveness of this. The proof will lie in research that we don't yet have and will take time to gather.

However since the changes to the PAP and other communications, StepChange has seen a steady increase in the proportion of clients saying they found our service easy to access. This might be a coincidence, or it might be a start. Time and more work will tell.

FCA guidance tells firms that a key part of the Consumer Duty is that firms 'assess, test, understand and are able to evidence the outcomes their customers are receiving'.

It goes on to say that firms 'have to be able to identify poor outcomes and take appropriate action to rectify the causes'¹⁸.

A key test and priority for the Consumer Duty is that it results in better financial difficulties journeys that consistently deliver good consumer outcomes. Both of our reports confirm the vital importance of this point.

We have called on firms to take a test and learn approach to their communications to customers in financial difficulties. In this report we outline a roadmap for such an approach for our clients.

We are only part way through that journey and we know we need to build our understanding of the reasons some clients are not acting on the advice they received.

Capturing more data on the experiences of hard-to-reach clients is a key next step for us. However *Mixed Messages* tells us that this is a challenge for everyone and the success of the Consumer Duty may rest on it.

In respect of improving client outcomes, we have learned that a good client research strategy is as important as a good client communication strategy.

Our experience so far suggests you cannot have one without the other.



¹⁸ See Financial Conduct Authority Final non-Handbook Guidance for firms on the Consumer Duty (FG22/5) paragraph 11.1, 11.2 and 8.58–8.73.

 www.stepchange.org

 0800 138 1111 (Freephone)

 @stepchange

 @stepchange-debt-charity

StepChange
Debt Charity