

# Changing behaviour around online transactions



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# Key Findings

**45.2%**  
of participants in the control group went on to transact online.

In contrast  
**84.5%**  
of participants in the test group went on to transact.



People supported to undertake real financial transactions improved their financial capability, felt more confident, and were more likely to transact online again in the future

Participation in the assisted digital transaction improved scores across six key indicators including digital inclusion and budgeting. The combined score across these indicators increased by:



People who were part of the intervention were **6.5x** more likely to transact again if they were supported to transact through the intervention.





# Summary



## Digital exclusion compounds the poverty premium.

The poverty premium is the name given to all of the extra costs that impinge on people who have the lowest incomes. There is consensus that goods and services are cheaper online. Most recently, this has been confirmed by the University of Bristol and the Lloyds Consumer Digital Index.

This means that people who use the internet have access to financial savings that are not available to people who do not use the internet. If a person doesn't know how to save money online, then they are more subject to the poverty premium.

## 11.5 million people in the UK are without basic digital skills.

In 2016, the Lloyds Consumer Digital Index suggested that low-income individuals could save up to £516 each year by being online.

Good Things Foundation and Toynbee Hall have together proven that if you help someone to transact online, then they are more likely to transact on their own in the future. This is a simple technique which changes people's online behaviour. As a result, it saves them money.

A supported transaction embeds the skill to buy online. By embedding this skill, it empowers people to save money by changing the way in which they buy things. It is more effective than giving someone information alone.

# Introduction



Digital and financial capability are increasingly entangled. Financial capability interventions may recognise this by including digital skills or introducing participants to digital tools but they very rarely ask participants to undertake live transactions.

As a result, digital transactive skills may be taught but they are unlikely to be consolidated through experience. For this reason, financial capability interventions rarely enable digitally excluded people to transact independently.

This project is the first to create robust evidence of how digital skills can improve financial capability. To do this, it tested the following research question:

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***“The ability to transact online can reduce the poverty premium. Are individuals receiving financial capability support better able to transact online if they are also supported to undertake a live transaction online?”***

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To create the best evidence we could, we ran the project as a Randomised Control Trial (RCT). An RCT compares two sets of data, the test and control groups.

- Test: the group of people who received the intervention
- Control: the group of people who did not receive the intervention.

An RCT is the gold standard for data comparison because it randomises which participants will be in the test group, and which will be in the control. By randomising, the model tries to remove bias. These are the factors which are not contained in the intervention, but which might have an effect on how effective it is.



Removing bias can help us to say whether an intervention will still work if we run it in the same way but in different places.

An RCT can say whether an intervention works. This project tested the following intervention:

1. Learners attend financial capability classes for 8 weeks at an Online Centre
2. After 4 weeks, participants choose a transaction which they would like to complete. The transaction should save them money on something they would have bought anyway
3. Someone in the Online Centre helps them to go through the transaction, one-to-one.

The test group did this supported transaction in week 5 of an 8-week financial capability course. The control group did not do a transaction, but they did do an 8-week financial capability course.

## How it worked



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Transacting online is a big step for some people, and it is hard to teach it as part of financial capability. For these reasons, it was important for us to design a service which provided the right kind of support for the assisted transaction to take place.

For this to happen, the context of the financial inclusion transaction was important. It provided a structure which created conversation around financial capability. This created peer-learning opportunities which led to successful transactions. The course also provided ethical surety; we knew that participants had at least basic financial capability before completing a transaction.

Best practice from this project was to allow participants to identify a transaction for themselves. Tutors gave them time to choose the transaction by setting a date for support four weeks in advance. This gave the participant time to prepare themselves to make the transaction. Part of this preparation was to choose a transaction which was useful to them. By choosing a transaction which would make their own life easier and save them money, the transaction became relevant to participants. This improved the likelihood of them taking part in the assisted transaction and it improved the likelihood of them transacting again in the future.

The intervention took place in 18 Online Centres around the UK. Typically, an Online Centre is an independent community or grassroots organisation. They provide a range of support which includes informal education and development. Often this is offered alongside advocacy and crisis support. The holistic, informal way of delivering services was crucial to the success of the project. Online Centres quickly built trust with participants.

This made the transaction more likely. In addition, Online Centres offered **open ended support**. This was important because participants needed support which extended beyond the assisted transaction.

Participants were anxious after the transaction, and needed a point of contact to reassure them that their goods would arrive. If they needed help to return their goods, then the Online Centre could help them to do that too.

Even with these limitations, we believe that the central component of the project - the assisted digital transaction - is a highly valuable and transferable component.

# Recommendations



Changing behaviour around online transactions

- **Build digital into financial capability training**

This project supported financial capability by changing online behaviours. It did this by developing an understanding of how to use digital tools to improve financial capability. This happened both through information and practice; through modules that introduced learners to digital financial services as well as the actual practice of transacting online.

Outcomes from this project suggest strongly that there is a real opportunity for the financial capability sector to build their capacity to deliver digital understanding.

- **Prioritise support that helps people to transact online**

The ability to transact online changes the financial prospects of people in poverty. It allows them to save money on basic goods by changing the way that they interact with services. Financial capability interventions should therefore prioritise support that develops the ability to transact online.

Outcomes of this project suggest that assisted digital transaction support is an effective, appropriate and scalable way of building financially capable behaviours.

- **Create trust**

The intervention tested in this project was effective because the practitioners who delivered the intervention were able to quickly create relationships of trust with their clients. They are able to do this through informality and open-ended support.

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Community centres do not set targets for their clients or stop supporting them when it is no longer financially viable. As we saw in this intervention, open ended support was important in mitigating anxiety around the transaction. Support needed to be present in the days that came after the assisted transactions. Financial capability providers have the opportunity to learn from this insight.

- **Change the risk-averseness of the financial inclusion sector**

Financial inclusion is only effective if it changes behaviour. Behaviour change happens through practising and empowerment.

Assisted digital transactions provide a practical route to sustained behaviour change. However, at the moment, the perceived risks in providing assisted transactions inhibit the impact of mainstream financial capability.

This project proved that assisted digital support can be delivered ethically and in a way that minimises risk. Assisted digital transactions are not a regulated activity. It is not a risk-free activity but practitioners can mitigate a lot of this risk by providing appropriate support to empower their clients.



[www.goodthingsfoundation.org/changing-behaviour-around-online-transactions](http://www.goodthingsfoundation.org/changing-behaviour-around-online-transactions)

