



Plain Numbers

Clear. Fair. Never misleading.



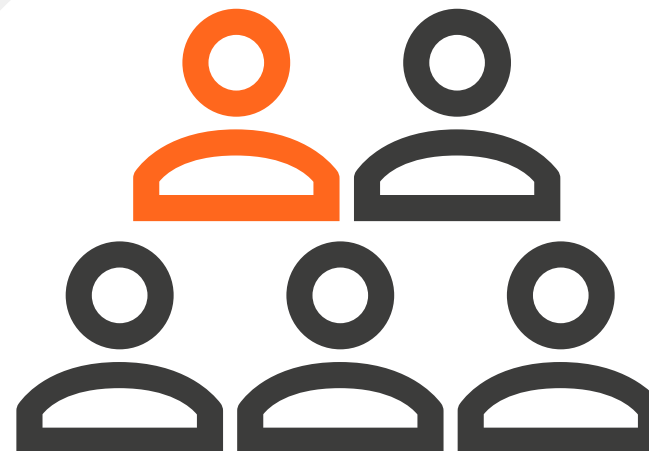
AFM Conference Oct23: How to make numbers accessible for everyone

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Most adults have far lower numeracy levels than we might expect...



Almost half of adults
have the numeracy
skills expected of a
primary school child



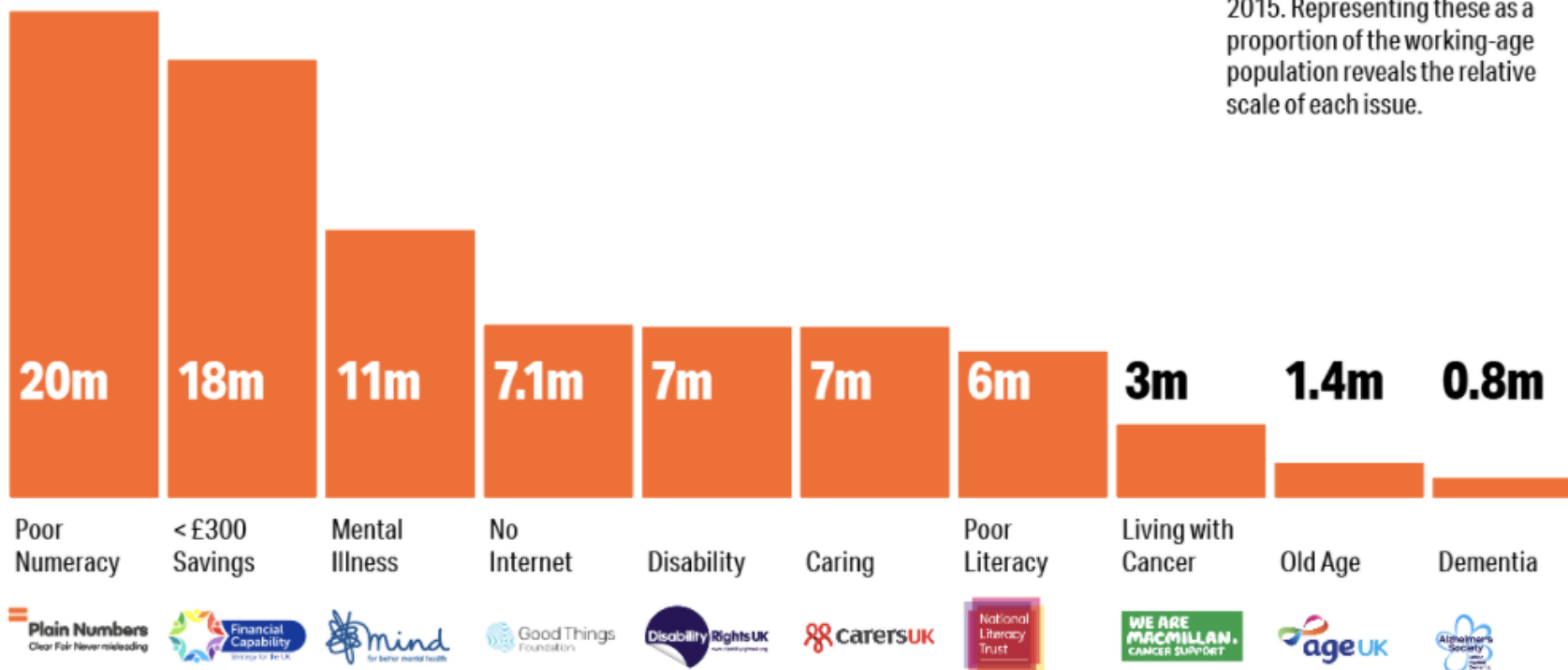
At least **1 in 5** adults
experience maths anxiety

...millions of people struggle with low skills, low confidence, or both.

Data used by the Financial Conduct Authority shows that poor numeracy is the single most common vulnerability...

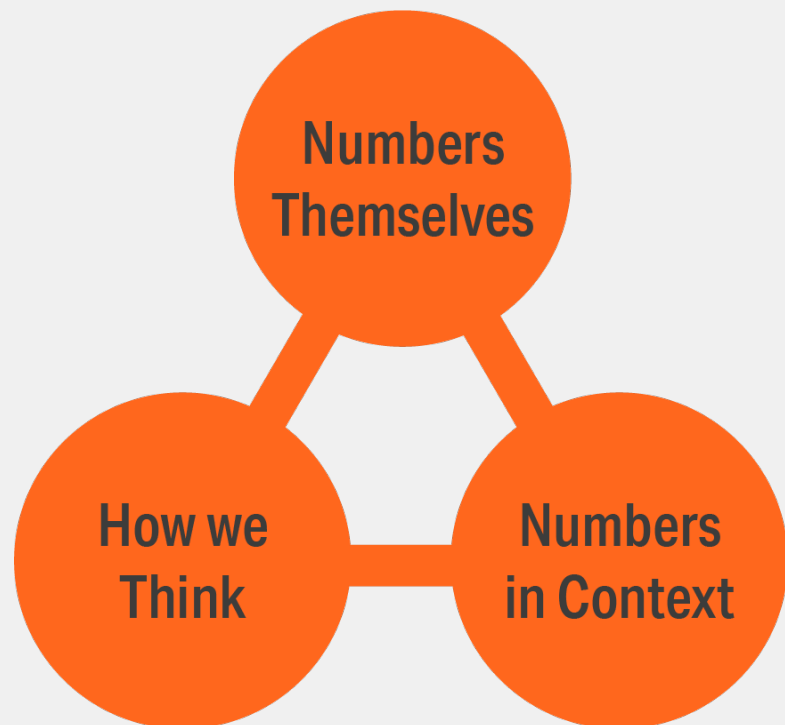
Figure 1: Consumer vulnerabilities

The FCA identified the main 'consumer vulnerabilities' in OP8, 2015. Representing these as a proportion of the working-age population reveals the relative scale of each issue.



...but most firms don't recognise this - yet.

The Plain Numbers Approach transforms consumer understanding...



We combine the latest insights from behavioural science with our in-depth knowledge of adult numeracy issues, and have expressed this in 3 key principles:

1. Numbers themselves:

Numbers do not come naturally to most humans. They need to therefore be presented in ways that most humans can understand.

2. Numbers in context:

Don't assume the customer understands "our little world". Avoid terminology around numbers and speak "human to human".

3. How we think:

Are the numerical concepts and the numbers and data we are presenting for 'fast' or 'slow' consumption – do we want to do anything to change this?

...through seemingly small changes to firms' written communication.

In 2021 we trialled this Approach with five market leading firms using Randomised Controlled Trials...

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2 Your charges

1 January 2021 to 31 March 2021 (90 days)
This billing period is based on our 2020/2021 rates

Fresh water			Wastewater		
Charge for water used	m ³	rate	Charge for waste removed	m ³	rate
	33.0000	× £1.3818		33.0000	× £0.8963
		= £45.60			= £29.58
Fixed charge		+ £4.74	Fixed charge		+ £15.65
Subtotal		= £50.34	Subtotal		= £45.27
Total new charges for this period			£95.61		

1 April 2021 to 30 June 2021 (91 days)
This billing period is based on our 2021/2022 rates

Fresh water			Wastewater		
Charge for water used	m ³	rate	Charge for waste removed	m ³	rate
	33.0000	× £1.4619		33.0000	× £0.9133
		= £48.24			= £30.14
Fixed charge		+ £4.79	Fixed charge		+ £15.86
Subtotal		= £53.03	Subtotal		= £46.00
Total new charges for this period			£99.03		

Summary

The cost of what you've used	
• From 1 January 2021 to 31 March 2021	£95.61
• From 1 April 2021 to 30 June 2021	+ £99.03
What you've paid since your last bill	
1 Feb 2021: £30	1 Mar 2021: £30
1 May 2021: £30	1 Jun 2021: £30
We'll take one more payment of £30 on 1 July 2021.	
	- £180
What's left to pay	= £14.64
The cost of what we think you'll use over the next 12 months	+ £407.22
What you owe	£421.86
You're spending an average of £1.16 a day	

Your metered charges explained
We charge you separately for fresh water, which comes out of your taps, and wastewater, which goes down your drains.
Your fresh water charges pay for sourcing, storing and delivering water to your home, while your wastewater charges pay for removing, cleaning and returning wastewater safely to the environment.
If you need help understanding your charges, please head to thameswater.co.uk/bill

What's a fixed charge?
Your fixed charge helps to cover some of our essential running costs, like maintaining pipes and handling enquiries.

Your summary explained
We've looked back at the last 12 months to check you didn't over or underpay. As you can see from our calculations, your payment plan wasn't covering your water use. That's why we've carried £14.64 over to this bill.
We've also predicted how much you'll use over the next year based on your meter readings.

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2 Your charges

What you've used:
You have used **66m³** of water (equivalent to around 800 baths) in the first half of the year at a total cost of **£194.60** (that's about 24p per bathtub).

What that costs:

Charge for water used:	£93.84
Charge for Wastewater removed:	£59.72
Fixed Charge:	£41.04
Total:	£194.60

What you've paid:
You've been paying **£30** per month so that's a total of **£180** for the first half of the year. This is **£14.60 less** than the cost of the water you have used.

Our estimate of future costs
Based upon your meter readings, we estimate that the total cost of what you'll use in the coming year will be **£407.22**

Total cost and new monthly payments
When we add this to the **£14.60** that you owe we get a **total cost of £421.82**

Splitting this into equal monthly payments means that your new monthly Direct Debit payments will be **£35.15**. This is around **£1.16** per day.

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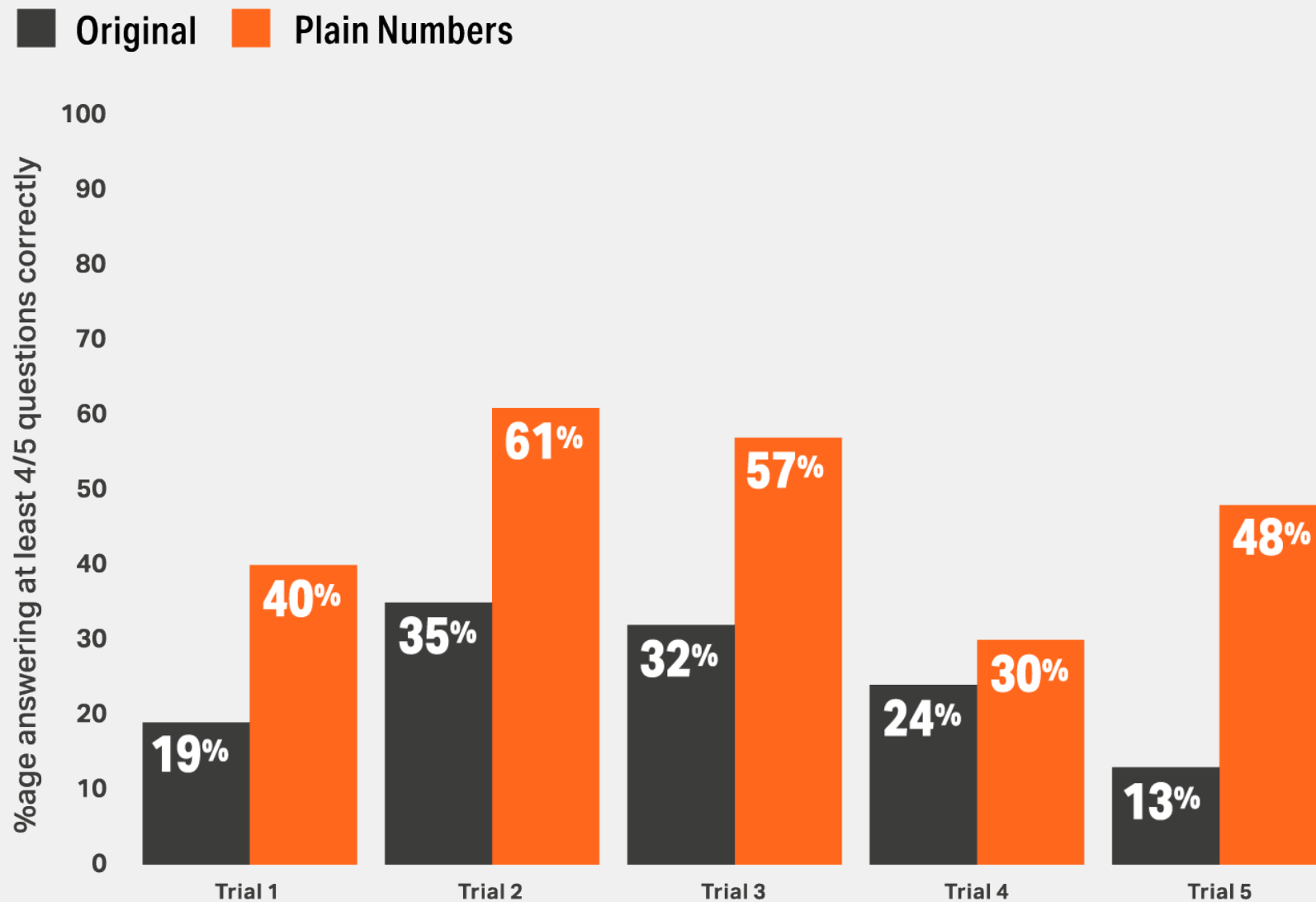
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Your costs explained
How we calculate costs for fresh water used:
66m³ x £1.42 (£1.4219)
average cost per m³ = £93.84
How we calculate costs for wastewater removed:
66m³ x 90p (£0.9048)
average cost per m³ = £59.72
These calculations use a weighted average if your bill covers different charging periods. For more detail see: thameswater.co.uk/bills

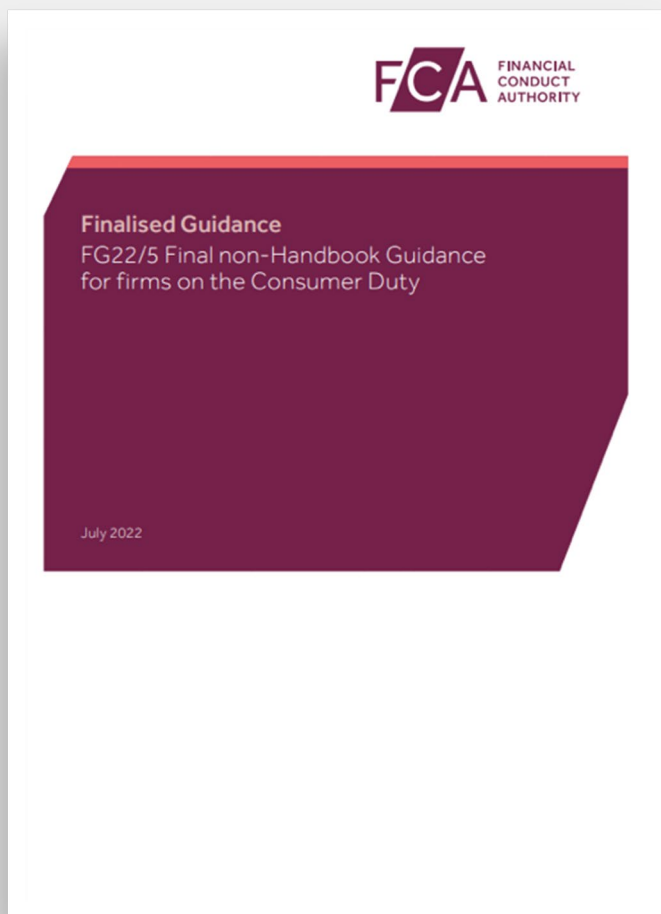
...to test existing documents against a Plain Numbers version.

Overall, the number of people answering at least four out of the five comprehension questions correctly **DOUBLED**.

Improvement in comprehension using the Plain Numbers Approach



The FCA's Consumer Duty places positive and proactive expectations on all firms...



“Our Financial Lives Survey also found 17.7 million adults (34%) have **poor or low levels of numeracy** involving financial concepts. So, if a firm is developing communications in relation to a simple mass market product, for example, **we expect them to take these characteristics into account and communicate information in as simple a way as possible to support understanding for these customers.**”(Guidance 8.34)

“Recent work, **such as by Plain Numbers**, has demonstrated how seemingly small changes to communications **can substantially increase comprehension** among consumers.”
(Guidance 8.13)

... and cited Plain Numbers as a way to improve consumer understanding.

What does implementation of the Plain Numbers Approach look like in practice?

A shift from this...



Name	Jason Smith
Company	Demo Customer 1

Payments	
Salary	£3,916.67
Air travel expenses	£525.00
Pension Contribution	-£195.83
Total Payments	£4,245.84

Benefits (included in tax calculation)	
Total Benefits	£0.00

Mailing Address	
1 Main Street	
London	
W1U 4DJ	
England	

Payslip Date	31 March 2023
Payroll Code	1
Tax Code	1259L M1
NI Number	JB941018C
PAYE Reference	1324/54664

Deductions	
Charity Donation to Barnardo's	£8.00
Charity Donation to Cancer Research UK	£5.00
Charity Donation to Barnardo's	£8.00
Charity Donation to Barnardo's	£5.00
PAYE Tax	£534.00
National Insurance	£320.74
Total Deductions	£880.74

NET PAYMENT	£3,339.10
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This Period Totals	
Gross Pay	£4,245.84
Taxable Pay	£3,720.84
Tax Paid	£534.00
Employee Pension Contribution	£195.83
Employer Pension Contribution	£117.50

Year To Date Totals	
Previous Employment Taxable Pay	£0.00
Previous Employment Tax Paid	£0.00
Gross Pay YTD	£47,832.18
Taxable Pay YTD	£47,832.18
Tax Paid	£9,648.17
Employee National Insurance YTD	£3,773.78
Benefits YTD	£0.00
Net Pay YTD	£34,255.09

What does implementation of the Plain Numbers Approach look like in practice?

... to this:

You will receive **£3,021.93** on 28th April 2023
This payment relates to the hours you worked in April 2023

If you would like some help with your payslip please [click here](#)

This is what your **pay** is made up of...

Salary	£3,500.00
30 hours at £10.00	£300.00
Expenses	£100.93
Commission	£426.00
Total	£4,326.93

This has been **paid out** for you...

Tax	£738.86
National Insurance	£391.14
Pension	£150.00
Charity	£25.00
Total	£1,305.00

This means your net pay is **£3,021.93**

Good news – your employer has also paid **£150.00** into your **Pension Fund** this period, making a total of **£300.00**

Thank you for your hard work this month – we appreciate you!

We are proud to be working with a growing group of forward-thinking Plain Numbers Partners...



NatWest



...and are keen to work with all organisations interested in improving consumer understanding.