

## UKCN consumer remedies project: knowledge bank

### Sources of demand-side problems: information asymmetries, search costs, barriers to switching and behavioural biases

The content is divided into ‘core reading’ and ‘further reading’ lists. Core reading captures fundamental and/or important documents of use primarily to inexperienced users while further reading lists capture more specific material intended for experienced practitioners.

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## Overview of demand-side problems

### Core reading

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CC, (2013), <a href="#">Guidelines for market investigations: Their role, procedures, assessment and remedies</a> (Part 3: ‘weak customer response’)	Weak Consumer Response, Features Harming Competition, Competitive Markets, Market Characteristics.	Part 3 of this guidance addresses the three key analytical issues the CMA looks at in market investigations:  — the characteristics of the market and the outcomes of competition within it;  — the definition of the market; and

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		<p>— the state of competition in the market; and whether there are any features harming competition.</p> <p>Paras 295-318 of this guidance set out the factors the CMA will consider in relation to ‘weak customer response’. This includes difficulties customers may face in accessing information, identifying best value offers and switching suppliers.</p>
FCA, (2016), <a href="#">Economics for Effective Regulation</a>	Issue Diagnosis, Intervention Design, Impact Assessment	The paper presents a market-based approach to the design of regulation. It produces a combined assessment of all the main problems facing regulators who want to make markets work well: information asymmetries, externalities, market power, and behavioural distortions, as well as the effects of previous intervention.

### ***Further reading***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
UKRN (2015): <a href="#">Consumer engagement and switching</a>	Barriers To Consumer Engagement, Switching, Behavioural Remedies.	Report analyses past and ongoing work on consumer engagement and switching already undertaken by participating regulators. It also identifies and groups 12 key

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		barriers that make it difficult for consumers to engage, assess and/or act.
<p>Europe Economics (2007). <a href="#">An analysis of the issue of consumer detriment and the most appropriate methodologies to estimate it</a> – report for DG SANCO (Parts 1 and 2)</p> <p><a href="#">Handbook to Assess consumer detriment</a></p>	<p>Consumer Detriment, Markets, Consumer Welfare, Consumer Dissatisfaction.</p>	<p>The purpose of this paper is to review theoretical and empirical literature which shed light on the following:</p> <ul style="list-style-type: none"> <li>• How consumer detriment can arise and the factors that may affect its magnitude;</li> <li>• How consumer detriment might be measured;</li> <li>• How markets could be monitored for the possible presence of consumer detriment.</li> </ul>
<p>Luke Garrod, Morten Hviid, Graham Loomes and Catherine Waddams, CCP (2008) <a href="#">Assessing the effectiveness of potential remedies in consumer markets – OFT994</a> (in particular, section 3)</p>	<p>Consumer Remedies, Market Investigations, Behavioural Remedies, Economic Theory, Bounded Rationality, Search Costs, Switching Costs.</p>	<p>This paper summarise the existing economic theory and empirical evidence underlying a number of remedies in consumer markets.</p> <p>Section 3 of this paper provides a discussion of why consumers may be inactive in a market. Specifically, there is a brief review of the impact on consumer behaviour and competition of:</p> <ul style="list-style-type: none"> <li>• search costs</li> <li>• switching costs, and</li> </ul>

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		<ul style="list-style-type: none"> <li>• bounded rationality and non-standard preferences.</li> </ul> <p>In addition, there is discussion of what makes a successful remedy.</p>
Stefano Della Vigna (2009): <a href="#">Psychology and Economics: Evidence from the field</a>	Consumer Preferences, Consumer Behaviour, Empirical Analysis, Decision Making.	<p>The paper looks at research in Psychology and Economics, and specifically:</p> <ol style="list-style-type: none"> <li>(1) nonstandard preferences,</li> <li>(2) nonstandard beliefs, and</li> <li>(3) nonstandard decision making.</li> </ol> <p>The paper surveys the empirical evidence from the field on these three classes of deviations.</p>

## Informational market failures, search and switching costs

### Core reading

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
OFT655, (2003), <a href="#">Switching Costs</a> Annex A, <a href="#">Literature review</a>	Switching Costs, Search Costs, Imperfect Information,	The paper looks at different types of switching costs and provides an overview of the economics of switching costs and how they can affect competition, including a review of

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Annex B, <a href="#">Empirical methods</a> Annex C, <a href="#">Case studies</a>	Effect On Competition, Intervention Design, Empirical Analysis, Literature Review	literature on switching costs. It also discusses the implications for competition policy and interventions and provides a practical guidance for the assessment of the effect of switching costs (including annexes focusing on empirical methods and case studies).  Search costs are discussed in detail in Chapters 2 – 4 and Annex A  Information market failures are discussed in detail in Chapter 4 – The economics of switching costs and Annex A
OFT, (1997), <a href="#">Consumer Detriment under Conditions of Imperfect Information</a>	Imperfect Information, Search Costs, Intervention Design	The paper looks at the markets with imperfect information and search costs, examines how consumers make choices in such markets and how this may effect competition and consumer welfare. The paper develops a framework which helps to identify markets where consumer detriment is likely to be a problem and devise appropriate remedies.

**Further reading – informational asymmetry**

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
OFT1531, (2014), <a href="#">Competing on quality – literature review</a>	Increased Competition, Competing on Quality, Price Setting, Price Regulation.	<p>The paper consists of two separate reports: a general literature review (General Report) and a literature review focusing on the healthcare sector (Healthcare Report).</p> <p>Both reports emphasise the challenges around the objective and robust measurement of quality and both find that the literature can provide only limited insights into the relationship between competition and quality when suppliers are free to set both quality and prices. In contrast, when suppliers are not free to set prices--for example, because prices are regulated--the literature points toward a positive relationship between increased competition and improved quality.</p>
Hunter, J, Ioannidis, C and Iossa, E, (2001), <a href="#">Measuring Consumer Detriment under Conditions of Imperfect Information</a>	Imperfect Information, Search Costs, Product Quality	The paper discusses different models and empirical techniques to measure consumer detriment due to the presence of imperfect information about prices and quality.
Akerlof, G, (1970), <a href="#">The Market for “Lemons”: Quality uncertainty and the Market Mechanism</a>	Imperfect Information, Product Quality, Consumer Uncertainty.	<p>The classic article examines the effect of information asymmetries on competition.</p> <p>The paper concludes that it is difficult to distinguish between good quality and bad; and that this may explain many economic institutions and may be one of the more important aspects of uncertainty.</p>

### Further reading – search costs

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Baye, M, Morgan J and Scholten, P, (2006) <a href="#">Information, Search, and Price Dispersion</a>	Search Costs, Empirical Analysis	The paper provides a unified treatment of several theoretical models that explain the price dispersion observed in many homogeneous product markets.
Ellison, G and Fisher Ellison, S, (2009), <a href="#">Search, Obfuscation, and Price Elasticities on the Internet</a>	Search Costs, Online Platforms, Empirical Analysis	The paper examines a model of competition between internet retailers who operate in an environment where a price search engine plays a dominant role. The authors discuss several consumer obfuscation models and examine their effects on demand and mark-ups empirically.
Stigler, G (1961) <a href="#">The Economics of Information</a>	Search Costs, Price Dispersion, Consumer Choice, Search Engines	<p>The paper examines the effect of search cost on competition and price dispersion. The paper finds that the identification of sellers and the discovery of their prices are only one of the roles of search information in economic life.</p> <p>The paper finds that the search for knowledge on the quality of goods is equally important.</p>
Diamond, P, (1971), <a href="#">A Model of Price adjustment</a>	Search Costs, Competitive Prices, Consumer Choice.	The paper examines the implications of the existence of search costs on competition. It finds that in a market with search costs, firms have incentives to increase prices above competitive levels, as a result of consumers having no incentives to search and choosing a firm randomly.



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Salop, S and Stiglitz, J, (1977), <a href="#">Bargains and ripoffs: a model of monopolistically competitive price dispersion</a>	Search Costs, Price Dispersion, Price Discrimination	The paper examines a model where in a market with search costs, firms price discriminate across informed and uninformed consumers.

### ***Further reading – switching costs***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Farrell, J and Klemperer, P, (2007) <a href="#">Coordination and Lock-In: Competition with Switching Costs and Network Effects</a>	Switching costs, Network effects, Lock-in, Network externalities, Co-ordination, Indirect network effects	<p>The paper examines the implications of consumer switching costs in a market with network effects.</p> <p>The paper finds that even inefficient incompatible competition is often more profitable than compatible competition, especially for dominant firms with installed-base or expectational advantages.</p>
Wilson, C and Waddams Price, C, (2005), <a href="#">Irrationality in Consumers' Switching Decisions: When More Firms May Mean Less Benefit</a>	Switching Costs, Empirical Analysis, Consumer Behavioural	The paper examines irrational consumer behaviour (eg not switching, switching from to a more expensive supplier) in UK's electricity market.
Luis Cabral (2015), <a href="#">Dynamic Pricing in Customer Markets with Switching Costs</a>	Switching Costs, Equilibrium Prices, Competitive Markets, Duopoly Model	The paper looks at conditions under which switching costs decrease or increase equilibrium prices. Taken together, the results suggest that, if markets are very competitive to begin with, then switching costs make them even more competitive;

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		whereas if markets are not very competitive to begin with, then switching costs make them even less competitive.
Klemperer, P, (1987), <a href="#">Markets with Consumer Switching Costs</a>	Switching Costs, Monopoly Power, Consume Switching, Consumer Choice	The paper examines consumer switching costs and their potential effect on competition. Using a two-period model the author shows that the existence of switching costs may lead to firms gaining monopoly power in the second-period. However, in the first-period firms engage in vigorous competition for market share before consumers have attached themselves to a particular supplier.
Farrell, J and Shapiro, C, (1988), <a href="#">Dynamic competition with Switching Costs</a>	Switching Costs, Duopoly Model, barriers to Entry.	Using a duopoly model of dynamic competition with switching costs, the authors show that firms with larger customer base are less aggressive in seeking to attract new customers.  The paper also examines the effect of switching costs on entry by firms, showing that they do not always act as a barrier to entry.

## Behavioural economics

### Core reading

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
BIT, (2016), <a href="#">Applying behavioural insights to regulated markets</a>	Behavioural Economics, Behavioural Biases, Supply Side, Demand Side, Intervention Design, Application To Regulated Markets, Vulnerable Consumers	<p>The paper provides an overview of the key behaviour biases present in regulated markets and provides examples of interventions used to address them also discussing their effectiveness.</p> <p>Appendix A provides detailed examples of suggested behaviourally-informed interventions.</p>
FCA, (2013), <a href="#">Applying Behavioural Economics at the FCA</a>	Behavioural Economics, Behavioural Biases, Behavioural IO, Intervention Design, Demand Side, Supply Side, Information Asymmetries, Effect On Consumer Welfare, Effect On Competition	<p>The paper provides a good overview of behavioural economics, behavioural consumer biases and how they can be exploited by firms leading to consumer detriment. Provides guidance to regulators on how behavioural economics can be put into practice.</p> <p>The annex lists 10 key biases, their effects, firm responses and potential remedies to address each of them.</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
OFT1224, (2010), <a href="#">What does Behavioural Economics mean for Competition Policy?</a>	Behavioural Economics, Behavioural IO, Behavioural Biases, Access Assess Act Framework, Demand Side, Supply Side, Effect On Consumer Welfare, Effect On Competition, Intervention Design, Irrational Firms	<p>The paper provides an overview of demand-side behavioural biases and how they can affect competition. It looks at how behavioural biases may affect consumers (demand side), how firms may exploit these biases (supply side) and how this may effect consumer welfare. It also provides a discussion of how behavioural biases may affect antitrust enforcement and interventions.</p> <p>The paper also explores how behaviour by irrational firms (supply-side biases) may affect competitive outcomes.</p>
OECD, Pete Lunn (2014) <a href="#">Regulatory Policy and Behavioural Economics</a>	Behavioural Economics, Regulatory Policy, Public Policy	<p>This study offers an international review of the initial applications of behavioural economics to policy, with a particular focus on regulatory policy. It describes the extent to which behavioural findings have begun to influence public policy in a number of OECD countries, referring to a total of more than 60 instances, the majority of which concern regulatory policy.</p>

### Further reading – behavioural biases

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
OFT1324, (2011), <a href="#">Consumer behavioural biases in competition: A survey</a>	Behavioural Economics, Behavioural Biases, Behavioural IO, Literature Review, Demand Side, Supply Side, Search Costs, Imperfect Information, Intervention Design	The paper provides a review of literature which discusses models which take into account the existence of various behavioural biases. The paper also discusses potential remedies which may be used to address these issues and describes empirical strategies to identify the presence of behavioural biases.
Oxera, (2016), <a href="#">Behavioural insights into Australian retail energy markets</a>	Behavioural Biases, Behavioural Economics, Consumer Engagement, Access Assess Act Framework, Demand Side, Supply Side, Energy Markets, Intervention Design	The paper provides a summary of different behavioural biases, their effect on consumer behaviour (demand side), how firms may exploit these biases (supply side) and how this may affect market outcomes. The paper also discusses policy implications and provides an overview of different interventions and their effectiveness in resolving behavioural biases.
BIS, (2016), <a href="#">Evidence review of Trigger Points in Regulated Markets</a>	Behavioural Biases, Consumer Engagement,	The paper provides an overview of behavioural biases and discusses tools which could be used to increase consumer engagement triggers and the effectiveness of some of them. Also looks at issues facing vulnerable consumers.

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Intervention Design, Vulnerable Consumers	
Ellison, G, ' <a href="#">Learning from Personal Experience: One Rational Guy and the Justification of Myopia</a> '	Consumer Choice, Rational Behaviour, Behavioural Economics, Risk Awareness and Choices	The paper examines a large population of fictitious play in which players learn from personal experience, focusing on what happens when a single rational player is added to the population. The paper finds that because the learning process generates contagion dynamics, the rational player at times has an incentive to act non-myopically. The paper finds that in 2X2 games the dynamics are asymmetric and favour risk dominant equilibria. The paper presents a variety of other examples.
Ellison, G and Fudenberg, D, ' <a href="#">Word of Mouth Communication and Social Learning</a> '	Social Learning, Consumer Choice, Communication	The paper looks at how word-of-mouth communication aggregates the information of individual agents. The paper finds that the structure of the communication process determines whether all agents end up making identical choices, with less communication making this conformity more likely. The paper also finds that word-of-mouth communication may lead all players to adopt the action that is on average superior.
Ellison, G and Fudenberg, D, ' <a href="#">Rules of Thumb for Social Learning</a> '	Social Learning, Consumer Choice, Behavioural	This paper present two models of how economic agents decide which of two technologies to use when the relative profitability of these technologies is unknown. The paper looks at 'social learning' (where agents base decisions on the

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Economics, Behavioural Bias	experience of their neighbours) and how that is a very important factor in the process of technology adoption.
Scheibehenne B, Griefeneder R, and Todd PM, (2010), <a href="#">‘Can there ever be too many options? A meta-analytic review of choice overload’</a>	Choice Overload Hypothesis, Consumer Choice, Consumer Behaviour, RCTs	The paper looks at the ‘choice overload hypothesis’. A number of previous studies found strong instances of choice overload in the lab and in the field, but others found no such effects or found that more choices may instead facilitate choice and increase satisfaction. The authors found a mean effect size of virtually zero but considerable variance between previous studies. While further analyses indicated several potentially important preconditions for choice overload, no sufficient conditions could be identified. The paper reviews these studies and identifies possible directions for future research.
Gabaix, Xavier and Laibson, David (2006), <a href="#">Shrouded attributes, consumer myopia, and information suppression in competitive markets</a>	Behavioural Biases, Consumer Myopia, Economic Behaviour	The paper looks at how some firms exploit myopic consumers through marketing schemes that shroud high priced add-ons. In turn, sophisticated consumers exploit these marketing schemes. The authors show that informational shrouding flourishes even in highly competitive markets, even in markets with costless advertising, and even when the shrouding generates allocational inefficiencies

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Simon, HA, (1986), ' <a href="#">Rationality in psychology and economics</a> '	Behavioural Biases, Consumer Rationality, Economic Behaviour	The paper examines the differences between economic and psychologic / behavioural concepts of consumer rationality.
Keller, Harlam, Loewenstein, and Volpp (2011), <a href="#">Enhanced active choice: A new method to motivate behaviour change (Journal of Consumer Psychology)</a>	Consumer Choices, Behavioural Biases, Active Choice, Effective Decisions	The paper presents a series of studies, including two field experiments, that test the effectiveness of an alternative, 'active choice' policy in which there is no default, but decision makers are required to make a choice (Carroll, Choi, Laibson, Madrian, & Metrick, 2009; Spital, 1993, 1995). In addition, The authors propose and test a modified version of active choice, 'enhanced active choice' that favours one alternative by highlighting losses incumbent in the in the non-preferred alternative.

***Further reading – behavioural industrial organisation***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Spiegler, R, (2011), <a href="#">Bounded Rationality and Industrial Organization</a>	Behavioural IO, Consumer Behaviour	The book covers various behavioural IO topics. It seeks to summarise and synthesise recent developments in the theory of IO that incorporate departures from the standard model of consumer behaviour.



<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
FCA, (2016), <a href="#">Occasional Paper No 13 - Economics for Effective Regulation</a>	Intervention Design, Impact Assessment, Behavioural Economics, Information Asymmetries, Behavioural IO	The paper provides an overview of a market-based approach to the design of regulation and the assessment of the effects of interventions. The approach is split into three key stages: problem diagnosis, intervention design and impact assessment.  Behavioural IO is covered in Chapter 2.  Appendix 3 contains examples of 11 systematic drivers of poor market outcomes and Appendix 4 provides an overview of the types of harm that can arise.
Spiegler, R, (2006), <a href="#">Competition over agents with boundedly rational expectations</a>	Behavioural IO, Behavioural Economics. Obfuscation	The paper examines the implications of market competition in markets where consumers are not perfectly rational. The paper shows that interventions which foster competition in market with rational consumers (eg increasing the number of competitors, introducing an attractive outside option) may have adverse welfare effects when consumers are limited in their ability to evaluate complex objects. The reason is that firms respond by obfuscating, rather than by acting more competitively.
UEA, (2013), <a href="#">Behavioural economics in competition and consumer policy</a>	Behavioural IO, Behavioural Economics,	The paper provides an introduction to consumer biases and behavioural economics and discusses their implications for competition and consumer policy.

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Behavioural Biases, Intervention Design, Demand-Side, Supply-Side, Pricing Practices	The paper also examines consumer irrationality and how firms can exploit such behaviour. Includes a discussion of remedies for interventions founded on behavioural economics. It also discusses the effects of price complexity and pricing practices adopted by firms and how people's choices may change as a result of social influences.
Della Vigna, S and Malmendier, U, (2004), <a href="#">Contract Design and Self-Control: Theory and Evidence</a>	Behavioural IO, Time-Inconsistency	The paper examines the market interaction between profit-maximizing firms and consumers with time-inconsistent preferences and naive beliefs. The authors find that that in such markets firms deviate from marginal-cost pricing, charge back-loaded fees, and design contracts with automatic renewal and endogenous switching costs. The paper also discusses welfare effects.

***Further reading – application to vulnerable consumer groups***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
FCA, (2014), <a href="#">Occasional paper No. 8 – consumer vulnerability</a>	Vulnerable Consumers, Consumer Choices	The paper discusses the issues surrounding vulnerable consumers. It provides an overview of the sources for consumer vulnerability, discusses potential problem areas

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		and discusses the role of regulators (FCA) in protecting vulnerable consumer groups.
Lunn, P and Lyons, S, (2010), <a href="#">Behavioural Economics and 'Vulnerable Consumers': A Summary of Evidence</a>	Vulnerable Consumers, Behavioural Biases, Consumer Choices	The paper summarises evidence from behavioural economics relating to vulnerable consumers and discusses whether they are more or less prone to certain behavioural biases. It also discusses the implications this may have for policy and regulation.
Centre on Regulation in Europe (2017), <a href="#">Empowering electricity consumers in retail and wholesale markets</a>	Consumer Choices, Switching, Vulnerable Consumers	The report tries to shed light on the problems raised by the lack of engagement of electricity consumers in market activities and to examine the solutions that are currently put forward. The paper focuses on two solutions currently considered in several EU countries: incentivising switching to low price retailers and promoting demand response.

### ***Further reading – pricing practices***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
OFT1291, (2010), <a href="#">Advertising of Prices</a>	Pricing Practices, Price Framing, Drip Pricing, Time Limited Offers,	The study examines the effects of price framing on consumer's assessment of the value of the offer. The study also looks at the effects of digital comparison tools and how they could mitigate the concerns around misleading price

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Baiting Sales, Reference Price, Volume Offers	advertising (although this information might be a bit dated now).
Ellison, G, (2005), <a href="#">A Model of Add-on Pricing</a>	Pricing Practices, Price Framing, Drip Pricing	The paper examines two models of price discrimination: a standard competitive price discrimination model in which consumers observe all prices and an 'add-on pricing' game where the add-on prices are unobserved. The paper finds that add-on prices can raise equilibrium prices by creating an adverse selection problem that makes price-cutting unappealing for firms.
OFT1501A, (2013), <a href="#">Partitioned Pricing Research – The economics of partitioned pricing</a>	Pricing Practices, Price Framing, Drip Pricing, Consumer Choice	The paper presents an economic experiment focusing on how different price framing mechanisms can impact consumer behaviour. It looks at 'partitioned pricing', ie where the price is split into multiple components, and includes a form of drip pricing. The report finds that price framing may lead to reduced search effort by consumers and that some price frames may also increase the number of mistakes consumers make as compared to straight unit pricing.
Gaudeul, A & Sugden, R, (2012), <a href="#">Spurious complexity and common standards in markets for consumer goods</a>	Imperfect Information, Common Standard, Signalling, Choice	The paper examines how firms can exploit consumer biases by introducing complexity into tariff structures, thus weakening price competition. The authors further explore the effect of the introduction of common product standards

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Complexity, Behavioural Economics	on consumer choice problems and firms' incentives to compete.

## Choices of remedies and types of demand-side interventions

### Core reading

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Amelia Fletcher, CCP, (2016), <a href="#">The Role of Demand-side remedies in driving effective competition – report commissioned by Which?</a>	Remedies Design, Remedy Choice, Consumer Engagement, Behavioural Economics	This paper examines the available evidence to date: what has been tried, what works, and what doesn't? The evidence is primarily drawn from the UK, and comprises existing evaluations and reviews, as well as relevant academic research. Although the evidence base is limited, and thus any conclusions must necessarily be somewhat tentative, the paper sets out some thoughts on how the design and use of demand-side remedies might be improved in order to enhance their effectiveness.
CC, (2013), <a href="#">Market investigation guidelines</a> (Part 4: remedial action and Annex B)	Guidance, Evaluation Of Detriment, Demand-Side Remedy Design, Behavioural Remedies. Structural	Part 4 discusses the remedial action the CC may prescribe, if it has found there to be an AEC; this may include divestiture, behavioural remedies or recommendations for action by Government or others.  This part of the Guidelines first sets out the framework for consideration of remedies. It then provides an overview of

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	Remedies. Market Opening Measures. Information Remedies. Controlling Outcomes.	<p>different types of remedy – including “demand-side” remedies - and their characteristics before setting out some of the main considerations that go into the selection of remedies from the options available.</p> <p>Annex B offers a more detailed discussion of particular types of remedy discussed in Part 4. This annex summarizes some of the key considerations relevant to the evaluation, design and implementation of different classes of remedies. Section 2 of this annex seeks to outline the CC’s general approach to behavioural remedies, making reference to the types of measure that have been implemented in investigations at the time of writing, rather than dealing with all possibilities. A variety of behavioural remedies are considered, under the broad headings of enabling measures and measures to control outcomes.</p>
FCA, (2016), <a href="#">Economics for Effective Regulation</a>	Interventions, Regulation, Evaluation of Detriment, Quantifying Impact of Remedies	<p>The paper is split into the following sections:</p> <ol style="list-style-type: none"> <li>1. Overview</li> <li>2. The conceptual framework: working out when it makes sense to intervene in markets</li> <li>3. The process: diagnosing root causes of problems</li> <li>4. The process: designing effective interventions</li> <li>5. The process: assessing impacts of interventions</li> </ol> <p>Appendix 1 – Describing the markets and its participants</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		<p>Appendix 2 – Information gathering methods</p> <p>Appendix 3 – Systematic drivers of poor market outcomes</p> <p>Appendix 4 – Assessing types of harm</p> <p>Appendix 5 – Types of harm: an illustration</p> <p>Appendix 6 – Analysing the likely impacts of interventions on market outcomes</p> <p>Appendix 7 – methods of (partly) quantifying indirect impacts</p>
<p>Luke Garrod, Morten Hviid, Graham Loomes and Catherine Waddams, CCP (2008)</p> <p><a href="#">Assessing the effectiveness of potential remedies in consumer markets – Report commissioned by OFT</a></p>	<p>Remedies Design, Remedy Choice, Consumer Engagement, Behavioural Economics</p>	<p>This paper presents and evaluates a number of remedies that can be used to encourage consumers to play a more active role in finding the best deal. This paper:</p> <ul style="list-style-type: none"> <li>• identifies the potential benefits and costs of different types of remedy;</li> <li>• identifies the conditions under which a remedy is likely to have maximum positive impact on a market;</li> </ul> <p>A broad conclusion of this study is that the power of the remedy is generally weaker the further that consumers are along the consumption path (i.e. it is harder to change customer behaviour, once they have started to take a particular course of action).</p>

**Further reading – ‘paternalist’ remedies: benefits and risks of intervening on consumers’ behalf**

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
John Y. Campbell (2016): <a href="#">Restoring Rational Choice: The Challenge of Consumer Financial Regulation</a>	Financial Regulation, Welfare Economics, Paternalistic Intervention	<p>This paper is the summary of a lecture given by John Campbell as part of the Richard T. Ely Lecturers for the American Economic Association. The paper considers the case for consumer financial regulation in an environment where many households lack the knowledge to manage their financial affairs effectively.</p> <p>The lecture argued that financial ignorance is pervasive and unsurprising given the complexity of modern financial products, and that it contributes meaningfully to the evolution of wealth inequality.</p> <p>The lecture used a stylised model to discuss the welfare economics of paternalistic intervention in financial markets, and discusses several specific examples including asset allocation in retirement savings, fees for unsecured short-term borrowing, and reverse mortgages.</p>
Camerer, C et Al, (2003), <a href="#">Regulation for Conservatives: Behavioral Economics and the Case for ‘Asymmetric Paternalism’</a>	Behavioural Economics, Policy and Regulation, Paternalistic Regulations	<p>This paper looks at “paternalistic” regulations that are designed to help on an individual basis. Paternalism forces or prevents choices for the individual’s own good.</p> <p>The paper proposes an approach to evaluating paternalistic regulations and doctrines that the writers call “asymmetric</p>



<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		<p>paternalism.” A regulation is asymmetrically paternalistic if it creates large benefits for those who make errors, while imposing little or no harm on those who are fully rational.</p> <p>The authors document existing and potential regulatory responses to decision-making errors that satisfy this criterion.</p>
<p>Berg, N and Gigerenzer, G, (2007),  <a href="#">‘Psychology implies paternalism? Bounded rationality may reduce the rationale to regulate risk-taking’*</a></p>	<p>Normative Economics, Behavioural Economics, Policy, Ecological Rationality, Satisficing, Libertarian Paternalism, As-If, Methodology, Choice Under Uncertainty, Procedural Rationality</p>	<p>This paper considers whether to regulate risk-taking behaviour in a population whose individual-level behaviour may or may not be consistent with expected utility maximization. Using a social welfare function, the paper argues that psychological theories that depart from axiomatic decision-making norms (e.g. “behavioural biases”) do not necessarily strengthen the case for “paternalism”, and conformity with such norms is generally not an appropriate policy-making objective in itself.</p>

### Further reading – ‘nudges’

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Sunstein, C (2014): <a href="#">Nudging: a very short guide</a>	Types Of Nudges, Behavioural Insights Unit	<p>This paper offers a general introduction to the idea of nudging, along with a list of ten of the most important “nudges.”</p> <p>The paper also provides a short discussion of the question whether to create some kind of separate “behavioural insights unit,” capable of conducting its own research, or instead to rely on existing institutions.</p>
Sunstein, C, (2013), <a href="#">Nudges.gov: behavioural economics and regulation</a>	Behavioural Economics, Nudge, Regulation, Energy Efficiency	<p>The paper discusses how behavioural economics is influencing regulatory initiatives in many nations and how it is likely to increase in the next generation.</p> <p>The paper finds that choice architecture -- including default rules, simplification, norms, and disclosure -- can affect outcomes even if material incentives are not involved. Furthermore, behavioural economics has helped to inform recent and emerging reforms in areas that include savings, finance, distracted driving, energy, climate change, obesity, education, poverty, health, and the environment.</p>
Johnson et. Al. (2012): <a href="#">Beyond nudges: Tools of a choice architecture</a> , Marketing Letters, 23, 487-504.	Choice Architecture, Decision Support, Options And Alternatives,	This paper outlines the tools available to choice architects, which is anyone who present people with choices. The authors divide these tools into two categories:

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Describing Attributes	<ul style="list-style-type: none"> <li>• those used in structuring the choice task and</li> <li>• those used in describing the choice options.</li> </ul> <p>The paper discusses implementation issues in using choice architecture tools, including individual differences and errors in evaluation of choice outcomes.</p> <p>This paper also presents a few applications that illustrate the positive effect choice architecture can have on real-world decisions.</p>
Sunstein, C, (2016), <a href="#">Nudges that fail</a>	Behavioural Insights Team, Counter-nudges, Choice Architects, Nudge.	<p>The paper looks at why some nudges are ineffective, or at least less effective than choice architects hope and expect. Focusing primarily on default rules, this paper emphasizes two reasons.</p> <ul style="list-style-type: none"> <li>• The first involves strong antecedent preferences on the part of choosers.</li> <li>• The second involves successful “counter-nudges,” which persuade people to choose in a way that confounds the efforts of choice architects.</li> </ul> <p>The paper looks at a number of reason why nudges might be ineffective, and less effective than expected:</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		<ul style="list-style-type: none"> <li>• Some nudges produce confusion on the part of the target audience.</li> <li>• Some nudges have only short-term effects.</li> <li>• Some nudges produce “reactance” (though this appears to be rare).</li> <li>• Some nudges are based on an inaccurate (though initially plausible) understanding on the part of choice architects of what kinds of choice architecture will move people in particular contexts.</li> <li>• Some nudges produce compensating behaviour, resulting in no net effect.</li> </ul>
Sunstein, C, (2016), <a href="#">Do people like nudges?</a>	Nudge, Choice Architecture, Default Rules, Social Norms	<p>The paper looks at the debate about the ethical questions associated with “nudges,” understood as approaches that steer people in certain directions while maintaining their freedom of choice.</p> <p>The paper finds that there is widespread support for nudges ie people do not have similar objections to nudges. However, the support evaporates when people suspect the motivations of those who are engaged in nudging.</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		<p>There appears to be somewhat greater support for nudges that appeal to conscious, deliberative thinking than for nudges that affect subconscious or unconscious processing.</p> <p>People’s assessment of nudges in general will be greatly affected by the political valence of the particular nudges that they have in mind.</p> <p>Transparency about nudging will not, in general, reduce the effectiveness of nudges, because most nudges are already transparent, and because people will not, in general, rebel against nudges.</p> <p>There is preliminary but suggestive evidence of potential “reactance” against certain nudges.</p>
<p>Cabinet Office (2012) – <a href="#">applying behavioural insights to reduce fraud, error and debt</a></p>	<p>Behavioural Insights Team, Fraud, Error and Debt, Central Government</p>	<p>This paper does two things:</p> <ul style="list-style-type: none"> <li>• Part 1 sets out seven of the most important insights that can be used by public bodies to reduce fraud, error and debt.</li> <li>• Part 2 describes eight trials which the Behavioural Insights Team has launched with a range of different government departments, agencies and local authorities to test these insights in practice.</li> </ul>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
FCA/Oxera (2016) – <a href="#">increasing engagement in the annuities market</a>	Annuities, Prompts, Consumer Choices, Behavioural Economics	<p>This paper talks about the test to whether, and if so how, ‘prompts’ might encourage consumers to shop around for their annuity.</p> <p>The experiment focused on the particular point when consumers receive an annuity quote from their pension provider. In particular, the experiment tests the impact of different prompts in the provider’s written communication. Although the experiment focuses on prompts in the annuities market, it is also likely to provide more general lessons about the effectiveness and use of prompts relevant to other markets and sectors.</p>

***Further reading – providing information to customers***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
FCA (2016): <a href="#">Full disclosure: a round-up of FCA experimental research into giving information</a>	Disclosure of Information, Communication, Trials, Experiments.	This paper looks at the results of eight experiments into communications and disclosure covering topics ranging from compliance to choosing a payday loan. This paper summarises a number of previously unpublished trials, which the FCA conducted when it first began using experiments for regulation, as well as newer research conducted in collaboration with others.

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Ofcom, (2013), <a href="#">A review of consumer information remedies</a>  <a href="#">Full Report</a>	Disclosure, Information Remedies, Intervention Design	The paper looks at different types of information remedies, provides a review of how to use information-based remedies and summarises practices across a wide range of sectors. The paper looks both at cases where a well-designed information remedy can be effective and cases where an information remedy could lead to unintended or negative consequences.
Oxera (2014), <a href="#">“Review of literature on product disclosure – Prepared for Financial Conduct Authority”</a>	Product Disclosure, Behavioural Economics, Regulatory, Academic, Qualitative Market Research.	This paper summarises the literature on product disclosure, identifying elements of behavioural economics that are crucial to consumer understanding and behaviour, this report looks at both academic and regulatory evidence of ‘best practices’ for product disclosure.  The report also provides an overview of approaches for evaluating product disclosure. These include methods that can be used to inform prototype disclosure design, such as literature reviews and qualitative market research techniques.
Sunstein, C.R. (2011) <a href="#">Informing Consumers through Smart Disclosure. Memorandum for the Heads of Executive Departments and Agencies</a>	Disclosure, Regulatory Techniques, Consumer Behaviour.	The purpose of this paper is to set out guidance for agencies to inform and facilitate the use of disclosure, specifically "smart disclosure." As used here, the term "smart disclosure" refers to the timely release of complex information and data in standardized, machine readable formats in ways that enable consumers to make informed decisions.

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		In some cases, agencies or third-party intermediaries may also create tools that use these data sets to provide services that support consumer decision-making. Such decision-making might be improved, for example, by informing consumers about the nature and effects of their own past decisions (including, for example, the costs and fees they have already incurred).
Oren Bar Gill (2012), <a href="#">Seduction by contract</a> .	Public Disclosure, Psychology, Economics	Using both general theory and detailed case studies, this book explains the costs – to consumers and society at large – imposed by seductive contracts, and outlines a promising legal policy solution: Disclosure mandates. Simple, aggregate disclosures can help consumers make better choice. Comprehensive disclosures can facilitate the work of intermediaries, enabling them to better advise consumers. Effective disclosure would expose the seductive nature of consumer contracts and, as a result, reduce sellers' incentives to write inefficient contracts.
Ryan Bubb (2015) " <a href="#">TMI? Why The Optimal Architecture of Disclosure Remains TBD</a> ", <i>Michelin Law Review</i> , Vol. 113.	Disclosure, Regulatory Techniques, Behavioural Economics, Consumer Behaviour.	The book provides a critique of the traditional approach to mandatory disclosure. The book follow on from previous analysis of a particular rationale for disclosure regulation: providing information to improve deliberate decision-making. The previous studies showed that this model of disclosure often gets the psychology wrong.



<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		The book examines an alternative mode that aims simply to influence rather than instruct via disclosure.
Ben-Shahar and Schneider (2014), <a href="#">More than you wanted to know. The failure of mandated disclosure</a>	Disclosure, Regulatory Techniques, Behavioural Economics, Consumer Behaviour.	<p>The paper looks at whether Mandated Disclosure as a regulatory technique in American law works in practice.</p> <p>That paper finds that disclosure can be useful given that information to consumers can be vital, in most circumstances. However, the paper finds that mandated disclosure is used with unrealistic expectations and yields inappropriate results that it should be barred.</p>
Loewenstein, Sunstein and Golman (2013): <a href="#">Disclosure: Psychology changes everything, Harvard Law Working Paper</a>	Regulation, Public Disclosure, Psychology, Economics	<p>The paper reviews the literature examining the effects of laws and regulations that require public disclosure of information. The paper takes into account the economic literature relevant to such disclosure, and then discusses how different psychological factors complicate, and in some cases radically change, the economic predictions.</p> <p>The paper finds that in many cases disclosure does not much affect the recipients of the information, but does significantly affect the behaviour of the providers, sometimes for the better and sometimes for the worse.</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		The paper also looks at research suggesting that simplified disclosure, standardized disclosure, vivid disclosure, and social comparison information can all be used to enhance the effectiveness of disclosure policies.
FCA (2016): <a href="#">Occasional Paper No. 19: Attention, Search and Switching: Evidence on Mandated Disclosure from the Savings Market</a>	Disclosure of Information, Randomised Controlled Trials, Regulatory Intervention, Consumer Decision Making.	<p>The paper looks at disclosure of information and the key part it plays in consumer decision making since this has been one of the most popular types of regulatory intervention in retail financial markets across the world. The paper stresses the importance of understanding how to design disclosure works and when it should be used.</p> <p>The authors tested the importance of disclosure design in protecting consumers and improving competition. They used data from five randomised controlled trials (RCT) with over 130,000 savings account holders, who had an opportunity highlighted to them to switch to an equivalent but better paying product, in some cases when the interest rate on their savings was decreasing. Working with five UK providers, they tested potential regulatory interventions in three areas: search and comparison, ease of implementation, and attention to the task.</p>
OFT (2005): <a href="#">Evaluating the impact of the supply of extended warranties order</a>	Extended Warranties, Disclosure,	The paper focuses on the evaluation of extended warranties order. In 2001 the OFT launched an inquiry into the extended warranty market. It concluded that the market for extended warranties did not appear to be working effectively and that

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	Consumer Protection.	<p>consumers were not adequately informed or protected. In 2002 the OFT referred the market to the CC for a more in-depth study. The CC reported in December 2003 and recommended a number of remedies which were implemented by the Supply of Extended Warranties on Domestic Electrical Goods Order 2005.</p> <p>The paper assesses how the extended warranties market has changed since the implementation of the Order drawing on four sources of information: OFT own research; interviews with stakeholders; a consumer survey, and a mystery shopper exercise</p>
CC (2013), <a href="#">Understanding past market investigation remedies, Home credit</a>	Remedy Testing, Behavioural Economics, Consumer Choices, Disclosure of Information, Consumer Behaviour.	<p>The paper finds that the remedy package addressed some of the features identified and significantly reduced the detriment caused by those features. In particular:</p> <ul style="list-style-type: none"> <li>• the data-sharing remedy, has reduced information asymmetries, which has helped reduce incumbency advantages;</li> <li>• customers that used LendersCompared.org.uk benefited from reduced search costs and being more aware of price differences between lenders; and</li> <li>• the changes to early settlement rebates have led to a transfer from lenders to customers of around £35 million a year.</li> </ul>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		<p>The paper finds that the remedy requiring on-demand statements appears to have delivered relatively little benefit for customers.</p> <p>The paper concludes that there have been few, if any, unintended consequences from the CC's remedies. Looking forward, the paper concludes that maximizing the impact of the website remedy in particular will be important. As and when economic conditions improve, the paper suggests that the data-sharing remedy should have a greater effect than it has had hitherto.</p>
<p>FSA, (2009), <a href="#">Occasional paper 32 – Did life and pensions “disclosure” work as expected?</a></p>	<p>Disclosure, Consumer Choices, Behavioural Economics.</p>	<p>The paper looks at how disclosure influences consumer choices. It finds that after disclosure some consumers shopped around more, at least in the period covered by the data.</p> <p>One argument for benefits is that consumers who shop around are likely to increase the efficiency of their consumption. Another argument for benefits is that, in response to shopping around, firms are likely to seek to improve their offerings. This could be by setting prices closer to marginal cost, thereby improving allocative efficiency. Equally, it could be by improving quality for a given price.</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		The evidence adduced here, however, is indirect: due to data constraints, inferences about demand-side behaviour have been drawn from supply-side statistics.
Transport Focus/ORR, (2016) - <a href="#">Rail delays and compensation- what passengers don't want</a>	Quantitative Study, Market Research, Consumer Satisfaction, Consumer Research, Behavioural Remedies	<p>This is a quantitative study, the authors carried out online interviews with over 8000 passengers as part of this research.</p> <p>The research found that:</p> <ul style="list-style-type: none"> <li>• the number of passengers claiming compensation has increased since 2013 from 12% to 35%</li> <li>• 57% of eligible passengers weren't aware they could claim compensation or didn't even think about it</li> <li>• just 38% of passengers are satisfied with the train company alerting them to their right to claim compensation</li> </ul>

**Further reading – shopping around and digital comparison tools**

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
UKRN (2016) <a href="#">“Price Comparison Websites: Final Report”</a> .	Price Comparison Websites, Fair Outcomes, Consumer Engagement.	<p>The paper focuses on Consumer Engagement and Switching price comparison websites (PCWs), taking into consideration the impact of innovations and the regulatory challenges that these developments are likely to present. This report covers:</p> <ul style="list-style-type: none"> <li>• the role of PCWs;</li> <li>• understanding consumer expectations;</li> <li>• how PCWs are regulated.</li> </ul>
CMA (2017) – <a href="#">Digital comparison tools market study</a> , interim report	Price Comparison Websites, Fair Outcomes, Consumer Engagement.	This paper provides an update on our market study of digital comparison tools (DCTs). The evidence we have reviewed suggests that many people are likely to be realising significant benefits from DCTs in the sectors we have looked at, but that there is room for improvement.
FCA (2014) <a href="#">“Price comparison websites in the general insurance sector”</a> , Thematic Review TR14/11.	Price Comparison Websites, Fair Outcomes, Consumer Engagement.	<p>The paper looks at consumers’ experience of using PCWs and their understanding of the role played by the PCWs.</p> <p>The authors conducted a combination of desk-based reviews and consumer research, and challenged firms to demonstrate that the customer is at the heart of their business model.</p>

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
		<p>The review focused on the intermediation of retail GI products (namely private motor, home and travel insurance) because they are the GI products most commonly purchased through a PCW. The paper also considered the extent to which PCWs had implemented the guidance issued by the FSA in 2011.</p> <p>One of our key areas of focus during the review was whether consumers were likely to achieve fair outcomes when buying GI products through a PCW.</p>
Warwick Economics Research Paper Series (2015), <a href="#">David Ronayne: Price Comparison Websites</a>	Online Markets, Price Comparison Sites, Competition, Price Dispersion	<p>The paper looks into whether price comparison websites (PCWs) or 'web aggregators' benefit consumers by increasing competitive pricing pressure on firms.</p> <p>The author investigates the impact of introducing PCWs to a market for a homogeneous good. The paper finds that introducing a single PCW increases prices for all consumers, both shoppers and non-shoppers. The paper also finds that in the most profitable equilibrium for competing PCWs, prices tend to rise with the number of PCWs.</p>
FCA, (2014), <a href="#">Price comparison website: consumer market research</a>	Consumer Choices, Qualitative Research, Behavioural	The paper talks a programme of qualitative research with consumers driven by the FCA. The FCA wanted to check if consumers who use PCWs buy products through them with confidence and make well informed decisions.

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
	Economics, Decision-Making	The key aim of this research was to provide insight into the customer journey when using PCWs, in particular, how consumers approach, use and make decisions using PCWs.

### ***Further reading – measures to promote switching***

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
Social Market Foundation (2015) – <a href="#">Should switch won't switch</a>	Consumer Inertia, Switching, Policy Design and Regulation.	The paper looks at why so many consumers remain inert, how inertia varies between markets, and how best design policy and regulation can be designed to overcome inertia.  The markets considered are those in which households spend a considerable proportion of their money, including the markets where regulators have noted past challenges with consumer engagement.
Ofgem (2014) “ <a href="#">Protecting consumers in collective switching schemes</a> ”	Collective Switching, Transparency.	The consultation paper outlines proposals for interim regulatory measures to build consumer trust, promote transparency and create positive opportunities for consumers.
DECC/Newcastle City Council (2014), <a href="#">Heating Control Advice in Newcastle</a>	RCT, Behavioural Insights, Switching	This report presents findings of a Randomised Control Trial (RCT) that aimed to test whether tailored advice from a ‘trusted messenger’ on how to use standard heating controls can reduce energy consumption. Commissioned by DECC, the trial was



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		designed by the Behavioural Insights Team and implemented by Newcastle City Council with the assistance of local partners. NatCen Social Research conducted a process evaluation alongside the trial and has been responsible for integrating the results of these activities into this report.
Grubb and Osborne (2015), <a href="#">Cellular Service Demand Biased Beliefs, Learning, and Bill Shock</a>	Consumer Behaviour, Inattention, Consumer Choices	<p>The paper specifies and estimates a model of consumer cellular phone plan and usage choices. The authors identify the distribution of consumer tastes from observed usage and consumers' beliefs about their future usage from observed plan choices.</p> <p>An important caveat to the results is that consumers may be unaware of their own inattention.</p>
Heiss, McFadden, Winter, Wuppermann & Zhou, <a href="#">Inattention and Switching Costs as Sources of Inertia in Medicare Part D</a>	Switching Costs, Consumer Behaviour, Consumer Choices	The paper finds that consumers are more likely to pay attention to medical plan choice if overspending in the last year is more salient and if their old plan gets worse, for instance due to premium increases. Moreover, conditional on attention there are significant switching costs. The paper recommends separating the two stages of the switching decision, this is important when designing interventions that improve consumers' plan choice.

<i>Document</i>	<i>Topics covered</i>	<i>Notes</i>
OECD (2017), <a href="#">Behavioural Insights and Public Policy. Lessons from around the world</a>	Behavioural Insights, Public Policy	The report looks at the use and reach of Behavioural Insights through a comprehensive international overview of their application. The paper finds that Behavioural Insights have moved beyond just a trend.
Huck, S. and B. Wallace (2011), <a href="#">“Experimental work on potential interventions in relation to non-geographic calls: Final Report”</a> , London Economics,	Consumer Behavioural, Switching, Experimental Economics	<p>This paper is a report commissioned by Ofcom from London Economics. The paper is an experimental economics study on different ways of presenting call charge information for non-geographic telephone numbers to consumers.</p> <p>The strongest finding from this experiment is that any intervention which improves consumers' price information available at the time the consumer decides to make a call, will help consumers in the field. The study also confirms that such price information does not have to be complete (i.e. the total charge) for it to be useful.</p>