

FDRS Webinar

Communicating in writing – what works for clients?

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RESOLUTION

What we will cover

- 1) Introduction
- 2) Literacy and numeracy of NZ consumer
- 3) Problems with written financial & legal info
- 4) Effective communication tips
- 5) Discussion: Complaint response email
- 6) Discussion: Complaint disclosure
- 7) References
- 8) Summary & questions

Introduction

About me

- Dispute resolution practitioner for 10 years
- Worked across various Ombudsman Schemes within the financial services industry
- Researching consumer access to civil justice in financial services

Literacy of NZ consumer

Level	PIAAC thresholds	Literacy	
	At or below Level 1	Level description	Share of Sample (%)
1	0-225	<ul style="list-style-type: none"> Read relatively short digital or print continuous, non-continuous, or mixed texts to locate a single piece of information Complete simple forms, understand basic vocabulary. Determine the meaning of sentences, and read continuous texts with a degree of fluency 	12.07
2	226-275	<ul style="list-style-type: none"> Integrate two or more pieces of information based on criteria Compare, contrast or reason about information and make low-level inferences Read relatively short digital or print continuous, non-continuous, or mixed texts to locate a single piece of information 	30.76
3	276-325	<ul style="list-style-type: none"> Understand and respond appropriately to dense or lengthy texts Understands text structures and rhetorical devices Identify, interpret or evaluate one or more pieces of information to make appropriate inferences 	41.12
4/5	326-500	<ul style="list-style-type: none"> Make complex inferences and appropriately apply background knowledge as well as interpret or evaluate subtle truth claims or arguments Perform multiple-step operations to integrate, interpret or synthesise information from complex or lengthy texts that involve conditional and or competing information. 	16.05

Variable	NZ European	Māori	Pacific Peoples	Asian	Total
Literacy					
Literacy score	289.85 (43.59)***	264.85 (45.83)***	239.43 (51.80)***	267.89 (49.22)***	280.67 (47.39)
25 th percentile	263.21	326.01	2.6.44	237.72	252.02
50 th percentile	292.21	265.48	241.71	272.62	284.33
75 th percentile	319.66	295.97	274.73	302.03	313.39
Below level 1 (%)	1.22***	3.54	11.61	4.67*	2.57
At level 1 (%)	6.22***	15.16***	25.61***	13.96***	9.46
At or below level 1 (%)	7.44***	18.70***	37.22***	18.60***	12.07
Observations (unweighted)	3864	1146	369	606	6075
Observations (weighted)	1,798,900	373,000	155,200	324,600	2,697,400

Numeracy of NZ consumer

Level	PIAAC thresholds	Numeracy	
	At or below Level 1	Level description	Share of Sample (%)
1	0-225	<ul style="list-style-type: none"> Complete tasks involving basic mathematical processes in common, concrete context where the mathematical context is explicit with little text and minimal distractions Perform simple processes involving counting, sorting, basic arithmetic operations, understanding simple percentages, and locating elements of simple or common graphical or spatial representations 	At or below Level 1 19.31
2	226-275	<ul style="list-style-type: none"> Perform tasks that require identifying and acting upon mathematical information and ideas imbedded in a range of common contexts where the mathematical content is fairly explicit or visual with relatively few distractions Interpret relatively simple data and statistics in texts, tables and graphs 	31.92
3	276-325	<ul style="list-style-type: none"> Complete tasks that require an understanding of mathematical information that may be less explicit. Embedded in contexts that are not always familiar, and represented in more complex ways Perform tasks requiring several steps and that may involve a choice of problem-solving strategies and relevant processes 	33.66
4/5	326-500	<ul style="list-style-type: none"> Understand a broad range of mathematical information that may be complex, abstract or embedded in unfamiliar contexts Understand arguments and communicate well-reasoned explanations for answers and choices 	15.11

Variable	NZ European	Māori	Pacific Peoples	Asian	Total
Numeracy					
Numeracy score	281.59 (50.20)***	247.82 (52.64)***	219.96 (55.71)***	264.70 (55.18)**	271.13 (54.37)
25 th percentile	249.58	212.60	182.66	230.83	237.05
50 th percentile	283.64	249.58	219.68	267.64	274.28
75 th percentile	315.76	284.13	258.65	303.93	308.57
Below level 1 (%)	2.46***	8.91***	21.14***	6.03	4.87
At level 1 (%)	10.40***	24.70***	32.96***	16.12	14.44
At or below level 1 (%)	12.87***	33.60***	54.10***	22.15	19.31
Observations (unweighted)	3,864	1,146	369	606	6,075
Observations (weighted)	1,798,900	373,000	155,200	324,600	2,697,400

Literacy & numeracy of NZ consumer

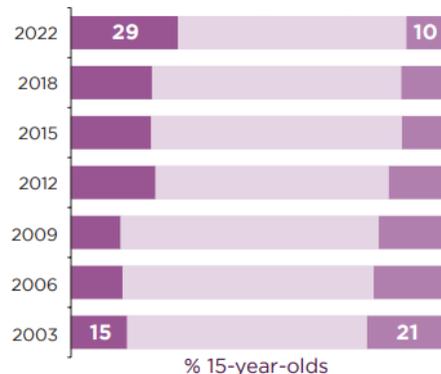
Maths



Low Proficiency

Students can employ basic algorithms, formulae, procedures, or conventions to solve problems where all the information is given clearly and most often involve whole numbers.

The proportion of low proficiency in maths has nearly doubled since 2003



High Proficiency

Students can develop and work with models for complex situations, apply systematic problem-solving strategies to challenging tasks, incorporate knowledge not explicitly stated in the task, and reflect on their work with respect to real-world context.

The proportion of high proficiency in maths has halved since 2003

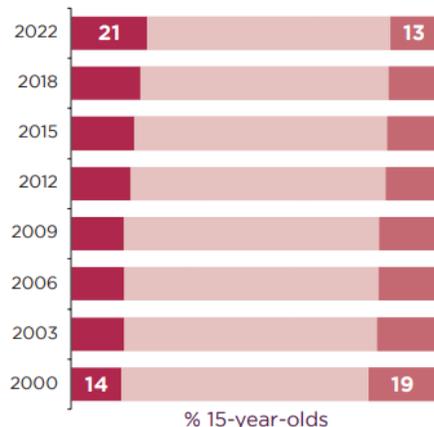
Reading



Low Proficiency

Students can understand the literal meaning of sentences or short passages. They can scan for and locate a single piece of prominently placed, explicitly stated information in a single sentence, a short text or a simple list.

The proportion of low proficiency in reading has increased since 2000



High Proficiency

Students can comprehend lengthy texts, inferring which information in the text is relevant. They can compare and contrast information across texts, identifying and resolving inter-textual discrepancies and conflicts through inferences about the sources of information.

The proportion of high proficiency in reading has declined since 2000

Problems with written financial & legal info



Consumers skim through important notices too quickly to learn from them.

(Wulf and Seizov, 2023)



Consumers misunderstand the implications of unfavourable contract terms.

(Wulf and Seizov, 2023)



Easy-to-read contract terms can increase consumer expectations.

(Van Boom, 2016)



Engagement with online content is brief with frequent switching of focus.

(Harris and Davidson, 2019)

Effective communication tips



Mix text and visuals to maximise accessibility and understanding.

(Wulf and Seizov, 2023)



Time written communications to when they are most relevant to the consumer.

(Wulf and Seizov, 2023)



Talk through financial concepts and provide real-life scenarios for context.

(based on Wulf and Seizov, 2023)



Use different multimedia formats to share information.

(based on Turner and Toy-Cronin, 2020)

Discussion: Complaint response email

Hi Jeremy,

I've taken a look at your email and I'm not sure what you mean when you say I didn't tell you that your interest rates would go up? We had a conversation about the amount of time you wanted to fix your home loan for and I sent you all the information confirming this and you signed it and said to proceed? Once the rate comes off the fixed term then whatever new rates are available that is what you can select. You need to either fix your rate with the bank direct or I can let the bank know what you want to do.

Thanks,

Katie

Questions:

- 1) How can this complaint response be communicated more effectively?
- 2) What other actions or information could help support the client?

Discussion: Complaint disclosure

Complaints disclosure example

Stage 1 – Early Resolution

When you contact us in one of the ways set out above, we will acknowledge we have received your complaint, forward your complaint to the appropriate [REDACTED] team member to address (which may include the person you have been dealing with at [REDACTED]), and will then keep you updated via your preferred contact method (phone, email, or mail).

If you do not wish to discuss your complaint with the person you have been dealing with, [REDACTED] will pass on your complaint to another team member who will work with you to try to resolve your complaint.

Stage 2 – Complaints Team review

If your complaint is not resolved at stage 1, you are able to request that this be reviewed by our Complaints team. This is an independent team who will gather information and talk with you to understand what went wrong. They'll make sure they have all the relevant information, to help them work with you to try to resolve your complaint.

Our Complaints team will try to come to an agreed resolution within ten business days, keeping you updated, and we will let you know the outcome of their investigation via phone, email, or mail.

References

- Erwin, C., Meehan, L., Pacheco, G. & Turcu, A.. (2020). An empirical portrait of New Zealand adults living with low literacy and numeracy skills. NZ Work Research Institute. Auckland, NZ.
- Harris, R. and Davidson, C. (2019). Reading in a digital Age. Research First Ltd. Christchurch, NZ.
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- Van Boom, W. H, Desmet, P., Van Dam, M. (2016). “If It’s Easy to Read, It’s Easy to Claim”—The Effect of the Readability of Insurance Contracts on Consumer Expectations and Conflict Behaviour. J Consum Policy 39(2):187-197.
- Wulf, A.J. and Seizov, O. How to Improve Consumers’ Understanding of Online Legal Information: Insights from a Behavioural Experiment. (2023). European Journal of Law and Economics 56: 559-584.

Slide 4 and 5

Notes: To account for the complex sample design of PIAAC, all estimates were calculated using the Stata ado *repest*. Standard deviations are in parentheses. Unweighted observation counts are randomly rounded to base three and weighted observation count are rounded to the nearest 100 in accordance with StatsNZ policy. Statistics are calculated using non-missing observations. Proficiency scores are measured on a 500-point scale and divided into Levels 1-5. Low skill is defined at or below level 1. ***, **, * represents statistical significance at the 1%, 5% and 10% respectively for t-tests comparing the mean for the specified ethnicity with the combined mean for all other ethnicities (Erwin et al, 2023)

Slide 6

Ministry of Education. (2022). PISA 2022: Aotearoa New Zealand Achievement Summary. https://www.educationcounts.govt.nz/_data/assets/pdf_file/0016/224602/MoE_PISA-Summary_A3.pdf

Discussion

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