

FINAL
REPORT

Request for Specific Services n° JRC/IPR/2019/Chafea/2015/CP/01 for the implementation of the Framework Contract no Chafea/2015/CP/01 for the provision of "Consumer testing and communication design work specifying the details of the pan- European Personal Pension Product (PEPP) Key Information Document (KID) and Benefit Statement (PEPP BS)"



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EXECUTIVE SUMMARY

The objective of the study was to facilitate and execute graphic design work and consumer testing in the development of two information documents for the Pan-European Pension Product - the Key Information Document (KID) and the Benefit Statement (BS). Taking account of the PEPP Regulation, the Consortium supported EIOPA in the creation, testing and selection of KID and BS documents that would be attractive to citizens, successful in informing them of the details of pension products and pre-empt behavioural biases that might lead to sub-optimal decisions. The study will inform EIOPA's specification of the draft Regulatory Technical Standards (RTS) with the objective of incorporating the successful designs as templates in the draft RTS by EIOPA.

In addition to behaviourally informed graphic design, the study comprised quantitative and qualitative methods, using secondary and primary data sources. The combined use of these techniques ensured that both the generic and the more specific research questions were addressed, and that the development of mock-ups was based on multiple sources of insight.

From the start to the conclusion of the study the KID and BS designs evolved and were fine-tuned in an iterative process between EIOPA and the Consortium. The PEPP Regulation prescribes the wording and sequencing of the content of the documents, leaving open for development the issues of colours, format, graphics and navigational aids.

Initial designs were discussed in qualitative focus group interviews in three Member States Croatia, Ireland and Spain. The choice of these three Member States was motivated by a combination of reasons, including geographical scope, how developed the pensions market is in terms of private pension asset per capita and the ratio of the number of elderly people (i.e. aged 65 and over), compared to the number of people of working age ("old age dependency ratio").

In each Member State, two groups were convened: one with people aged 25-39 and the other with people aged 40-55. The reason for the age split was that we expected that younger and older people would have different views and concerns about pensions. The sessions were framed as a citizens' panel set up to advise the European Commission on the best way to introduce a new pension product to help all Europeans save for their old age. Before the sessions, the participants had a few days to study examples of the KID and BS documents and invited to discuss them with family and friends.

For the KID, participants were presented three alternative ways of illustrating information on crucial elements of the KID, such as 'risk-reward profile' and 'aggregated costs'. Similarly, for the BS, participants were presented two sample designs of the document providing alternative ways of illustrating information on this annual statement, such as 'pension benefit projections', 'breakdown of costs' and 'past performance'.

In the two-hour sessions, the highly motivated participants provided very detailed advice on their understanding on key terms and on how to improve the different mock-ups. While there were some differences in preferences, there was a consensus on the features that were most attractive and easy to read. The outcome of the group sessions was the creation of two versions of the KID and BS, called the 'yellow' and 'blue' to be consumer-tested with representative population samples.

In each Member State - Croatia, Ireland and Spain - a representative sample of 1000 respondents participated in the online survey designed to quantitatively test the levels of understanding and the overall evaluation of the blue and yellow versions of the KID and BS documents.

A second part of the survey involved a discrete choice experiment designed to elicit the relative importance of the key attributes of pension products and to determine whether respondents had acquired sufficient information to make informed decisions between different pension products. The key attributes concerned security (through the presence of a guarantee), annual costs, risk

profile, quality assurance (through the presence of an EU flag), reward projection and a social nudge.

For the low-risk product, respondents preferred having lower cost, a guarantee, the EU flag as quality assurance, and a higher reward projection. The social nudge, 'other people are buying this product', was almost irrelevant, probably because with a low-risk product there was no need to be reassured by the choice of others. When offered a higher risk product, respondents preferred a guarantee, with lower annual costs, quality assurance and a reassuring social nudge. These results were consistent across the three countries and demonstrate that citizens can make informed choices when offered different pension products.

Based on the statistical analysis of the results, a comparison of the blue and yellow KIDs showed that the yellow version was significantly better than the blue version on 'ease of understanding', 'attractiveness', 'trustworthiness' and 'feeling comfortable about making a decision', and, at a marginal level of significance, better on 'ease of understanding' and 'usefulness'. However, the blue version elicited more correct responses as to whether a guarantee was included in the KID. On the other indicators – both for the KID and BS - there was no difference between the two versions. Whilst the yellow version overall performed slightly better than the blue one, it is worth considering implementing the presentation tools of the blue version (in particular, as regards the guarantee) where a higher level of comprehensibility was reached.

In conclusion, the evidence gathered from the different tasks provides a robust basis for developing the PEPP information documents that will help European citizens to make informed decisions over their pension products. Following an evidence-based approach, it will be now EIOPA's responsibility to make a final decision on the final KID and BS to be included in the draft Regulatory Technical Standards (RTS).

INTRODUCTION

This final report brings together the work carried out over a period of seven months, starting from November 2019, as part of the study ""Consumer testing and communication design work specifying the details of the pan- European Personal Pension Product (PEPP) Key Information Document (KID) and Benefit Statement (PEPP BS)". This entailed the development of different mock-ups for the KID and BS, qualitative research conducted through focus group discussions, online experiments and the final analysis of results. In this final report we triangulate the results coming from the different phases of the study and provide final recommendations to EIOPA for its future policy work on the PEPP KID and BS.

The report is divided in four main chapters. In Chapter 1 we briefly review the policy context of the study, then we present the objectives and the overall approach taken by the Consortium. In Chapter 2 we describe the whole process that brought us from the first mock-ups to the final versions tested in the online experiments. This process involved a first engagement with EIOPA to develop the first mock-ups (section 2.1), followed by qualitative research conducted in the form of six focus groups in three countries (section 2.2), which provided insights to adjust and refine the mock-ups (section 2.3). In Chapter 3 we present the main results of the online experiments, with a discussion on levels of understanding and on the evaluation of the two different mock-ups, as well as on the key attributes that consumers consider most important in a pension product. Finally, in Chapter 4 we present the conclusions and the recommendations based on the triangulation of the results of both the qualitative and quantitative research conducted. We also include in the annexes some of the quotations from the focus groups, as well as the final protocol of the online experiments.

1. Objectives and approach

1.1 Policy context

The pan-European personal pension product (PEPP) is a voluntary personal pension scheme that will offer consumers a new pan-European option to save for retirement starting from 2021. This new type of product was designed to give savers more choice and provide them with more competitive products, while enjoying high levels of consumer protection and support EU mobility of workers. The aim was to introduce a highly standardised personal pension product with a default investment option ("Basic PEPP"). It will be offered by a broad range of financial providers such as insurance companies, asset managers, banks, investment firms and occupational pension funds. The Regulation of the European Parliament and of the Council on a pan-European Personal Pension Product (PEPP) mandates EIOPA to develop draft regulatory technical standards (RTS) specifying – among others - the details of the PEPP Key Information Document (PEPP KID) and PEPP Benefit Statement (PEPP BS).

One of the key drivers for the introduction of these products was the lack of consumer trust in financial products and financial institutions. It is well known that financial services is the least-trusted sector, as measured by the Trust Barometer¹. Starting from this perspective, the two information documents that accompany the new pension product, should help consumers to understand the complex information provided, and be presented in the most trustworthy fashion.

In the area of information to consumers, communication design and behavioural studies such as consumer testing in different Member States of the European Union have become important sources for developing policy instruments. Behavioural studies serve to test particular policy options under consideration in terms of their impact on consumer behaviour and/or to explore specific market issues (e.g. problematic marketing practices) from a consumer-centred behavioural perspective. Behavioural insights are increasingly used in policymaking both at

¹ <https://www.edelman.com/trustbarometer>

national and European level. In this specific context, first insights from the literature of behavioural science was used to contribute to the development of initial versions of the KID and BS, within the scope of the Regulation. Then, the mock-ups were tested using both qualitative and quantitative methods largely used in behavioural studies.

1.2 Objectives of the study

The overall purpose of the study was to facilitate and execute graphic design work and consumer testing regarding the PEPP KID and PEPP BS in a number of Member States of the European Union. The outcome of the consumer testing was designed to help EIOPA with its policy decision on the comprehensibility of the information to be included in the PEPP KID and PEPP BS and the presentation of this information.

Starting from the above context, and acting within the scope of the regulation, the Consortium supported the work on EIOPA in designing and testing the two information documents to inform consumers and pre-empt / remedy the well-known heuristics and biases. While recognising the specifics of financial decisions for retirement provisions, the Consortium first drew on the insights and lessons learned from the application of behavioural insights in different consumer policy sectors and from studies conducted for the European Commission.

The overall purpose of the study was then declined in four specific objectives, as set out in the Terms of Reference (ToR):

Objective #1: To develop and design different formats of the PEPP KID and the PEPP BS for subsequent testing on consumers in consultation with the designated EIOPA expert. EIOPA intends to draft Regulatory Technical Standards (RTS) taking into account the results of this design work and consumer testing exercise. Successful designs (or parts of these) may be included as templates in the Regulation by EIOPA.

Objective #2: To conduct consumer testing in three Member States of the European Union. The results of this exercise should clearly indicate the most robust, clear and reliable solution to be applied across all EU28 MS plus Norway, Iceland and Liechtenstein and should help EIOPA to form an opinion on the best format to propose for use on a pan-European basis. The consumer testing is supposed to take place ideally in one English-speaking MS, one Eastern-European MS and one Western-European MS.

Objective #3: To understand relevant behavioural biases, and why consumers find certain aspects of information difficult to understand, and how to overcome those difficulties.

Objective #4: To be in the position to communicate the specified content of the PEPP KID and the PEPP BS in a clear, understandable, not misleading format and not only in a physical, but also in a digital way so that it helps the consumer to make an informed choice and to compare different PEPPs. It is also worth bearing in mind that the PEPP Regulation requires that the PEPP KID should be provided to PEPP savers with visual impairment and that the format and the distribution channel used for the PEPP KID needs to take this aspect into account.

1.3 Approach

The approach adopted for the study addressed the main objectives as presented above. In the pursuit of these objectives, we combined different quantitative and qualitative research methods, using secondary sources and gathering primary data through field work. The combined use of these different techniques ensured that both the generic and the more specific research questions presented in the ToR were addressed. Obviously, different kind of information and data gathered were able to answer the different research questions in different ways. Qualitative

sources found through the literature review, our own qualitative research (focus groups), and parts of the online survey were better suited to explore the deep meaning and values consumers associate to certain type of information contained in the pension products. The experimental study was better suited to provide robust answers to questions on what works and what does not and on what changes might enhance consumers' understanding.

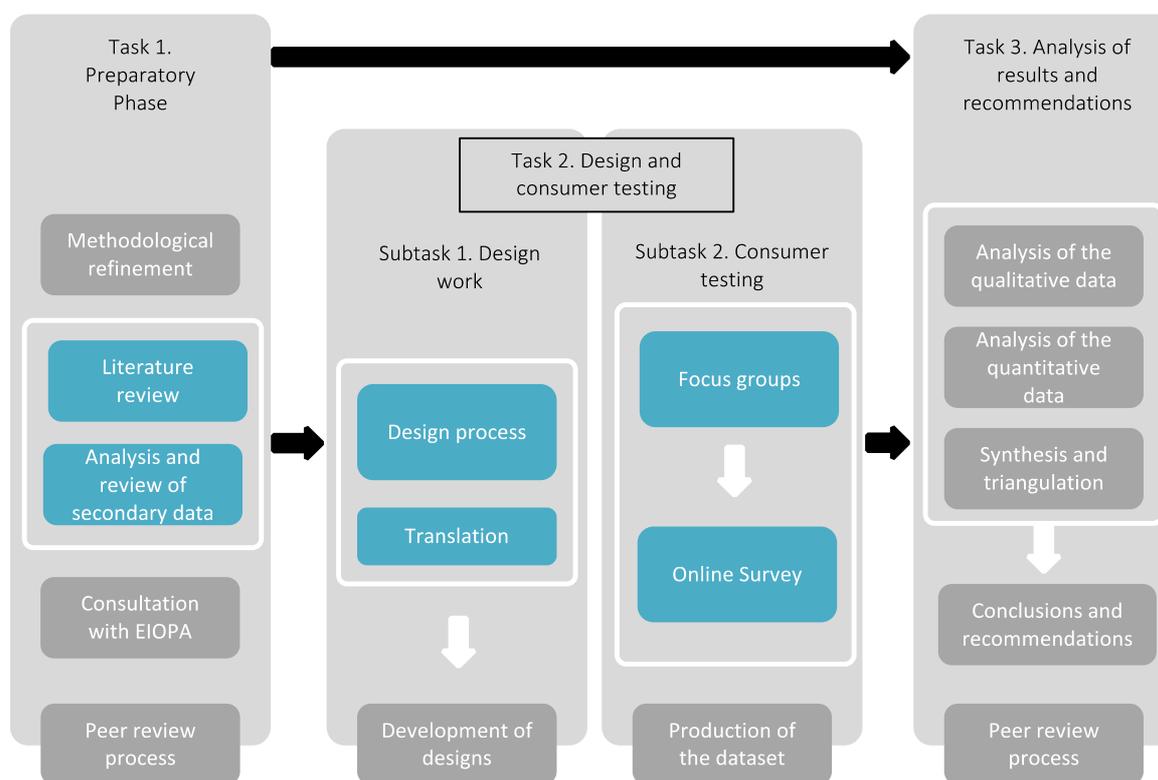
Regarding the country selection for the consumer testing phase, in agreement with EIOPA focus groups and the online experiments were conducted in Ireland, Spain and Croatia. The choice of the three country was motivated by a combination of reasons, including geographical area, language and pension systems. Ireland was chosen as English-speaking Member State. In addition, the country has a developed pensions market with a high level of private pension asset per capita and a low old-age dependency ratio of around 35%, so there are potentially more young people in the early stages of the pension accumulation phase. Spain was selected as Western European Member State, since EIOPA preferred to have a more geographic spread in the testing. In addition, Spain has a medium to high level of pension assets per capita and an old-age dependency ratio of 55%. From a practical reason, Spain was selected over Italy because BDI Research, a consortium partner, would be able to conduct the consumer testing in its facilities and the Consortium would be able to monitor the development of the study's procedures more closely. Finally, Croatia was chosen as Eastern European Member State, in which voluntary pension funds were introduced in 2002 and having a high old-age dependency ratio of 55%.

To summarise what has been presented above, the study followed these phases:

1. Preparatory measures (literature review);
2. Design work starting with a one-day meeting of the Consortium's Scientific Director and Graphic Designer with EIOPA to discuss the development of the KID and BS design in the context of the Regulatory specification
3. Consumer testing phase:
 - Qualitative research (focus groups in 3 countries);
 - Quantitative research (behavioural experiments in 3 countries).
4. Analysis and recommendation phase:
 - Vertical analysis of the results of different empirical work performed;
 - Horizontal triangulation of all the empirical results;
 - Policy recommendation.

The above four phases are summarised graphically in the picture below.

Figure 1 Overall approach sketch



Source: own elaboration

2. From design to focus groups

2.1 Development of mock-ups

This component of the study was key for the consumer testing and the final output, and the preparatory work started immediately after the kick-off meeting held on 7th November 2019. The Consortium committed from the beginning to a steady and constructive dialogue with EIOPA for the development of the different versions of the PEPP KID and BS documents to be tested in the fieldwork. This phase required several iterations between the Consortium's graphic designers and EIOPA and it continued until the start of the second phase of consumer testing in the online experiments. The development of the KID and BS examples followed the mandatory elements set out in the Regulations. Overall, issues related to format could be edited to help consumers navigate the documents, while the wording and the sequence (for the KID in particular) were set out in the Regulations.

The first sample of mock-ups were developed by EIOPA and were presented during the first conference call held on 29th November 2019. In particular, three different versions of the KID and two of the BS were presented to the Consortium as a starting point. A meeting was held at the EIOPA premises in Frankfurt on DECEMBER 4TH to discuss specifically some of the details of the mock-ups with the Consortium's scientific director and designer, Anthony Lewis. After reviewing the first round of mock-ups from EIOPA, the Consortium's other graphic designer, Sille Krukow, provided feedback that was used by Anthony Lewis to develop revised versions of mock-ups. In particular, Sille Krukow recommended narrowing down the number of mock-ups. Also, from an experimental point of view, it was noted during the conference call that the mock-ups should feature more differences to lead to statistically significant results from the behavioural experiments.

As a result of these consultations, the Consortium reached an agreement on 3 mock-ups to be used as stimuli during the focus groups. It was planned that insights gathered during the focus groups would allow for the number of mock-ups to be reduced to two for the final consumer testing in the online experiments. For the consumer testing phase, two versions featuring variations on particular areas that EIOPA and the Consortium were most interested in testing were selected. Each design it was decided would present two PEPP products.

2.2 Focus group discussions

2.2.1 Objective and methodology

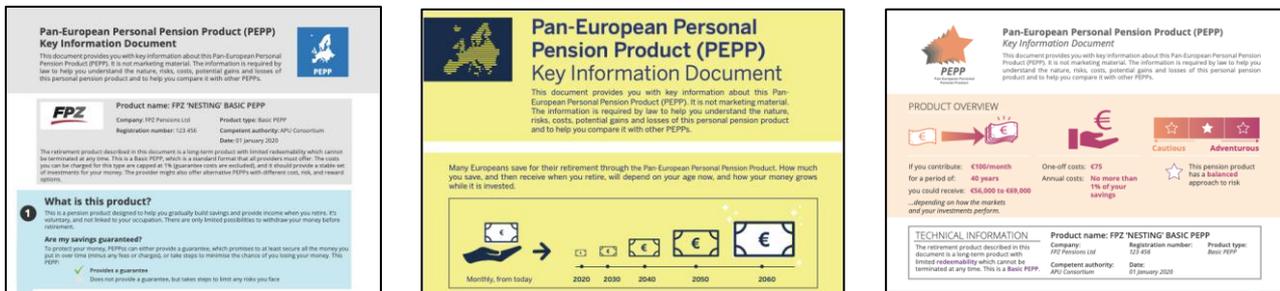
The objective of the focus groups was to gather feedback from participants on alternative mock-ups of the KID and BS. The group discussions aimed to provide useful insights on which formats were more understandable, non-misleading and that could aid comparisons between different products. The main objective of the discussion was exploring participants' understanding of the KID and the BS and what adjustments could be made to improve the formats. The function of focus groups is to elicit "insights" about the "human" side of the issue of pensions, and about these specific documents in particular.

Two focus groups, each of 120 minutes duration, were conducted in the three Member States. The first one with younger people aged 25-39 and the other with older people aged 40-55. It was decided to split the group participant by age because we considered that life cycle and age group make for very different orientations to pension planning. We expected that younger people in the first group would be likely to have systematically different views and concerns about pensions compared to older people in the second group. Differences that, in part, reflect the outcome of behavioural biases. Eight participants were invited to each focus group, including four women and four men. The only exceptions were in the older age group in Spain where there was seven participants (two women and five men) and in the older age group in Ireland there was nine participants (four women and five men).

For the KID, participants were presented three alternative ways of illustrating information on crucial elements of the KID, such as "risk-reward profile" and "aggregated costs". Similarly, for the BS, participants were presented two sample designs of the document providing alternative ways of illustrating information on crucial parts of this annual statement, such as "pension benefit projections", "breakdown of costs" and "past performance". Paper versions of the documents were used. Before attending the focus groups, participants were provided with the three different KID mock-ups and the two different BS mock-ups. They were asked to look over them and decide which KID looked best to them and, similarly, which BS stood out as most informative and easy to understand. They were told that if they wanted to discuss the sample KIDs and BSs with their partner, family or friends they should do so; just as might happen in everyday life when taking a 'big' decision. Participants were encouraged to take notes and bring them to the focus group. We decided to frame the group discussions as a citizens' panel set up to advise the European Commission on the best way to introduce a new pension scheme to help all Europeans save for their old age.

Three versions were used for the discussions: blue, yellow and pink. Below we provide a snapshot of each of the three versions.

Figure 2 Three versions of KID for the focus groups



2.2.2 General feedback

Participants noticed the considerable difference among the three mock-ups, which in some cases led them to think that also the content was different. After a close examination of the KID and the BS they recognised that the content was almost identical, however, the different layout and framing of information influenced their perception of the information presented.

The question-answer format of the mock-ups was well appreciated, especially among the younger segment, because it was considered friendly and dynamic, allowing them to skip over the issues that are less interesting and direct their attention towards the more relevant ones.

Participants had a general knowledge about the key concepts, both for the KID (i.e. risk indicator, performance scenarios and cost disclosure) and for the BS (i.e. pension projections, cost breakdown and past performance). Nevertheless, the way these concepts are explained or displayed was perceived as lacking clarity in some cases; which raised some doubts and questions. Some concepts were also considered to lack relevance (e.g. "What will I receive when I retire?" or parts of "Key factors affecting the performance of your PEPP), at least for this kind of document, which generated many questions and an interesting debate about whether they should be included. Some participants proposed adding a glossary for the BS to explain terms such as "return", "profitability", "benefits" and "performance".

The flow of issues in the mock-ups was perceived as rather confusing and lacking a natural logic because the questions and concepts behind them were thought to be mixed up. In relation to this, the structure looked more appropriate for a FAQs section than for a Key Information Document. The participants had to go back and forth in the document, as there were concepts that spread over the document in different paragraphs or sections. For instance, the eventual cancellation and redeemability of the product, which was considered a key element by all participants, was mentioned here and there in different ways, whereas they expected it to be fully explained under the same question or heading. In other cases, some concepts were considered properly explained (e.g. change the form of out-payment when switching provider before giving information about switching provider). As such, participants had to gather isolated pieces of information from different paragraphs or sections to understand the underlying concept. This lack of consistency regarding the conceptual content made them feel at a loss and challenged comprehensibility.

Some of the wording of the mock-ups used different adverbs and expressions that injected too much ambiguity and uncertainty into the content ("however", "nevertheless", "at least", "it's impossible to predict", "the possibilities for this will be discussed with you when you retire", etc.). And there were pieces of information that were seen as contradictory or at least ambiguous or unclear (e.g. "this product comes with a guarantee, which promises to secure at least all the money you put in over time (minus any fees or charges). Nonetheless, you should be aware of the fact that the guarantee does not apply if you decide to switch the provider before the end of

the accumulation phase. (...). However, you cannot lose all your money, not even with a PEPP which has no guarantee.”)

This perception of unclear content and ambiguity triggered doubts and fears of misunderstanding, which might give rise to a loss of interest, credibility and trust in the product in real life. The content was considered too vague for a key information document, but too long as a marketing brochure. Most participants admitted they would need the help of a professional to answer all the doubts and questions the KID generates in order to consider the PEPP interesting or not.

Finally, being under the supervision of the European Union was considered positive and created trust among participants – except among the Irish participants who reacted with more indifference. However, the link with the EU was not perceived clearly in any of the mock-ups, because there is no official EU logo or any reference to EU supervision either in the product presentation or in the rest of the document. It was clearly understood that the product has an EU scope and that it is specially designed to facilitate the mobility of citizens through the different EU states. At the very least, such EU involvement led some participants to assume that the product would be under some EU regulation.

2.2.3 Specific comments to mock-ups

When asked which version was considered as easier to understand, there was a general preference for the pink version for both documents (KID and BS). Overall, it was considered more appealing with respect to the display of text and pictures, as well as the colour combination. It was more inviting to be read and considered easier to follow and to understand. However, when examining the pink version in depth during the group sessions, participants admitted there were concepts and items that were better explained in the other versions. For instance, many participants agreed that some features from the yellow version were better and could be used to improve the pink version. In conclusion, there were pros and cons for all the different versions, and we summarise below the main comments.

The blue version was seen as more serious and duller, since it had no icons and pictures. This mock-up gave the impression that it contained more text than the other versions, even though it did not. Moreover, participants reported that it used a combination of colours that were not loud or flashy, but rather discrete and soft. Therefore, it conveyed more credibility when in relation to financial or important documents that need to be read in depth before taking an important decision. This is the reason why the blue version was chosen as the favourite version by some Spanish and Croatian participants within the younger age group, who felt less familiar with this kind of document as most of them have no private pension plan. Whether chosen as the favourite or not, the blue version tended to be the best option when it came to explaining the risk indicator and the cost disclosure. However, it did not perform as well as the over version in terms of being appealing and inviting to read.

The pink and yellow versions were considered much more inviting to read as they combined text with icons and pictures, making the paragraphs look shorter so that participants did not feel overwhelmed by text – as it experienced sometimes with the blue version.

The yellow version seemed to be easier to read than the pink version, on first glance because of the bigger headings and icons next to them. It looked “cleaner” and easier to follow. However, the front page was seen as lacking seriousness for an important document, such as a pension plan, due to the yellow background colour, the simplistic diagrams and the organization of the information horizontally instead of vertically. Participants did not know where to focus their attention. When the document was read in depth, the KID key concepts (i.e. risk indicator, performance scenarios and cost disclosure) were not better understood than in the other versions and the diagrams were considered less clear. For instance, for the KID, using the same scale for the risk level (“What is the risk profile of this product?”) and the retirement scenarios

("What can I expect at retirement?"), made some respondents assume the product would provide the medium scenario, regardless the economic environment. On the other hand, the differences among the three scenarios were hard to see as they all looked the same, and the different amounts were shown in such small print that they might go unnoticed within the uniformity of the chart. In addition, the explanation of the diagram was not on the same page, but on the next one, making people focus on the diagram and overlook its explanation. Thus, the yellow version was preferred only by some participants who appreciate its overall display, particularly from page 2. The information was displayed in a way that made the document look better structured due to the different sections and paragraphs being very clearly differentiated –which was acknowledged by most of participants, including those who do not prefer it.

The pink version was considered the most appealing due to the combination of text and pictures, and the colour combination. It was thought that the content flowed in a more dynamic, lively and stimulating way that awakened curiosity and invited participants to read on. Moreover, the right-hand column containing a kind of financial glossary, different clarifications and links to some websites to check further information was much appreciated. It was experienced as a help to understand the financial context and to feel supported by broader explanation on the website. This right-hand column also helped lighten the text, making the different paragraphs shorter than in the other versions. The different paragraphs within each section were clearly differentiated thanks to the title in bold print and the icon next to it. However, there seemed to be an overload of icons and pictures spread over the document in colours that were too loud, which was one reason why some participants preferred the yellow one, as it looked more homogeneous and balanced in contrast to the over-stimulating and excessively informal pink version.

Lastly, regarding the PEPP logo, the European map in the yellow and the blue versions was more immediate for participants, as they associated it with a European product, as the title of the document stated. However, they did not really understand that it was a regulated product by the EU. In the pink version, the PEPP logo did not evoke Europe at all – but the Soviet Union in Croatia. In conclusion, the yellow version was considered the best one in conveying the message that PEPP is a European product – thanks to the logo showing the map of Europe and the combination of colours (blue and yellow) that evoke the European flag. The pink version was the furthest away from communicating this European character due to showing a logo and combination of colours that were not related to Europe.

2.3 Refinement of mock-ups

Based on the insights from the focus groups in the three countries and a consultation with stakeholders, EIOPA proposed some adjustments to the mock-ups. The initial idea was to narrow down the number of mock-ups to two KID and two BS, because having more than two would have increased the complexity of the online experiments. The decision taken by EIOPA was to focus on the "blue" and "pink" versions of the KID and BS discussed in the focus groups, as the most preferred by participants. However, the colour of the latter was changed (yellow instead of pink), to follow the recommendation of the participants, who considered the yellow colour to convey better the idea of Europe. Other key suggestions from the participants of the focus groups were taken into account for the work of refinement of the final two versions. Figure 3 is illustrative in showing some of the specific comments that were made during the group discussions that were taken into account in the development of the final mock-ups.

Summing up, for the quantitative consumer testing the blue version was kept very similar to the one used during the focus groups. The alternative was a combination of the best features of the yellow and the pink versions.

Figure 3 Example of advice from the focus groups

The image displays two versions of a PEPP Key Information Document (KID) with numbered annotations (4-8) and a separate blue version presentation.

Yellow version PEPP logo (Annotation 4): A logo featuring a star and the text "Pan-European Personal Pension Product (PEPP) Key Information Document".

Product Overview (Annotation 5): A section titled "PRODUCT OVERVIEW" with a red dashed border. It includes a "Cautious" vs "Adventurous" risk scale, contribution details (€100/month for 40 years), and potential returns (€36,000 to €99,000). It also states "Annual costs: €75" and "No more than 1% of your savings".

Technical Information (Annotation 6): A section titled "TECHNICAL INFORMATION" with a red dashed border. It lists product details: "Product name: FPZ 'NESTING' BASIC PEPP", "Provider: FPZ Pensions Ltd", "Registration number: 123 456", and "Product type: Basic PEPP".

Section 1: WHAT IS THIS PRODUCT? (Annotation 7): A section with a red dashed border and a question mark icon. It includes sub-sections: "How is my money invested?", "Who is this for?", and "Are my savings guaranteed?".

Annotation 8: A green dashed box containing the text: "The tick in the lock reinforces the idea of providing a guarantee." It points to a lock icon with a checkmark in the "Are my savings guaranteed?" section.

Blue version PEPP presentation (Annotation 7): A presentation slide titled "Pan-European Personal Pension Product (PEPP) Key Information Document". It features a blue logo with a map of Europe and the text "PEPP". Below the title, it states: "This document provides you with key information about this Pan-European Personal Pension Product (PEPP). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this personal pension product and to help you compare it with other PEPPs." Below this, it lists product details: "Product name: FPZ 'NESTING' BASIC PEPP", "Provider: FPZ Pensions Ltd", "Registration number: 123 456", "Product type: Basic PEPP", "Competent authority: APU Consortium", and "Date: 01 January 2020".

4. Substitute the PEPP logo with the logo in the yellow version (as shown in figure below); it best conveys the idea of being a European product. In any case, the official EU logo would definitely convey much more credibility and trust as it would more clearly suggest the PEPP is a EU-regulated product.

Figure: Yellow version PEPP logo



5. The "Product overview" can be removed; it tends to go unnoticed or raise more doubts than providing useful information.

6. Present the PEPP like in the blue version (as shown in figure below). The product and company data are expected to be shown right after the presentation of the product, as the whole pattern performs like a "visiting card".

Figure: Blue version PEPP presentation



In addition, as planned in the experimental design for the consumer testing, two alternative PEPP products were selected: Basic PEPP with a hard guarantee and another Basic PEPP, which did not come with a hard guarantee, but follows a life-cycling investment strategy.

In conclusion, after lengthy interchanges between Anthony Lewis (the graphic designer) and the EIOPA team, the final mock-ups for the experimental phase were produced and then translated into the relevant other languages. The figures below show examples of each mock-up for one PEPP product.

Figure 4 Final KID and BS mock-ups (yellow)

Pan-European Personal Pension Product (PEPP) Key Information Document

This document provides you with key information about this Pan-European Personal Pension Product (PEPP). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this personal pension product and to help you compare it with other PEPPs.

PEPP at a glance

If you contribute: **€100/month**
for a period of: **40 years**
you could receive: **€50,500 to €62,000**
...depending on how the markets and your investments perform

Annual costs: **1.1% of your accumulated savings**

This pension product has a **low** approach to risk
This PEPP provides a guarantee (see information below)

The retirement product described in this document is a long-term product with limited redeemability which cannot be terminated at any time. This is a Basic PEPP.	Product name: FPZ 'Nesting' Basic PEPP Provider: FPZ Pensions Ltd 456 Street, Dublin 1234, Ireland Registration number: 123 456 Competent authority: APU Consortium	Product type: Basic PEPP Date: 01 January 2020
---	--	---

1 WHAT IS THIS PRODUCT?
This is a pension product designed to help you gradually build savings and

Pan-European Personal Pension Product (PEPP) Benefit Statement

For the period 1 January 2019 - 31 December 2019

PRODUCT NAME: FPZ 'Nesting' Basic PEPP		PEPP contract ID/NR: 531675
Name: Joanne Jones	Company: FPZ Pensions Ltd	
Date of birth: 1 January 1990	Contact address: 456 Street, Dublin 5678, Ireland	
Address: 123 Street, Dublin 1234, Ireland	Registration country of the PEPP provider: Ireland	
Date you joined the PEPP: 1 January 2015	Competent authority: APU Consortium	
Earliest possible date of retirement: 1 January 2050		

1 HOW MUCH HAVE I SAVED SINCE I BOUGHT THE PEPP?
From 1 January 2015 until 31 December 2019

You have paid
€6,000

Your investments have returned
€324

The costs have been
€246

In total, your pension pot is worth
€6,078

Figure 5 Final KID and BS mock-ups (blue)

Pan-European Personal Pension Product (PEPP) Key Information Document

This document provides you with key information about this Pan-European Personal Pension Product (PEPP). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this personal pension product and to help you compare it with other PEPPs.

Product name: FPZ 'Nesting' Basic PEPP

Provider: FPZ Pensions Ltd
456 Street, Dublin
1234, Ireland

Registration number: 123 456

The retirement product described in this document is a long-term product with limited redeemability which cannot be terminated at any time. This is a Basic PEPP, which is a standard format that all providers must offer. The costs you can be charged for this type are capped at 1% per year (guarantee costs are excluded), and it should provide a stable set of investments for your money. The provider might also offer alternative PEPPs with different cost, risk, and reward options.

Product type: Basic PEPP

Registration number: 123 456

Competent authority: APU Consortium

Date: 01 January 2020

1 What is this product?
This is a pension product designed to help you gradually build savings and provide income when you retire. It's voluntary, and not linked to your occupation. There are only limited possibilities to withdraw your money before retirement.

Are my savings guaranteed?
To protect your money, PEPPs can either provide a guarantee or take steps to minimise the chance of you losing your money. This PEPP:

- Provides a guarantee: At retirement you will at least be able to recoup all the money you put in over time (minus any costs and charges)
- Does not provide a guarantee, but takes steps to limit investment risks.

How is my money invested?

Pan-European Personal Pension Product (PEPP) Benefit Statement

For the period 1 January 2019 - 31 December 2019

Product name: FPZ 'Nesting' Basic PEPP		PEPP contract ID/NR: 531675
Name: Joanne Jones	Company: FPZ Pensions Ltd	
Date of birth: 1 January 1990	Contact address: 456 Street, Dublin 5678, Ireland	
Address: 123 Street, Dublin 1234, Ireland	Registration country of the PEPP provider: Ireland	
Date you joined the PEPP: 1 January 2015	Competent authority: APU Consortium	
Earliest possible date of retirement: 1 January 2050		

1 How much have I saved since I bought the PEPP?
From 1 January 2015 until 31 December 2019

€6,078

You have paid in
€6,000

Your investments have returned
€324

The costs have been
-€246

In total your pension pot is worth
€6,078

3. Online survey and experiments main findings

The detailed protocols followed for the testing of the KID and BS mock-ups and for eliciting the most important attributes of different PEPP products (low-risk and high-risk) is reported in Annex II. Before presenting the findings in the next three sections, below we report the main objectives of this phase of the work and a brief sketch of the design.

As a result of design work, focus groups and in collaboration with EIOPA two versions of the mock-ups that hereafter we call simply the "yellow" and the "blue" versions were tested (see graphs).

Figure 6 KID and BS yellow mock-ups

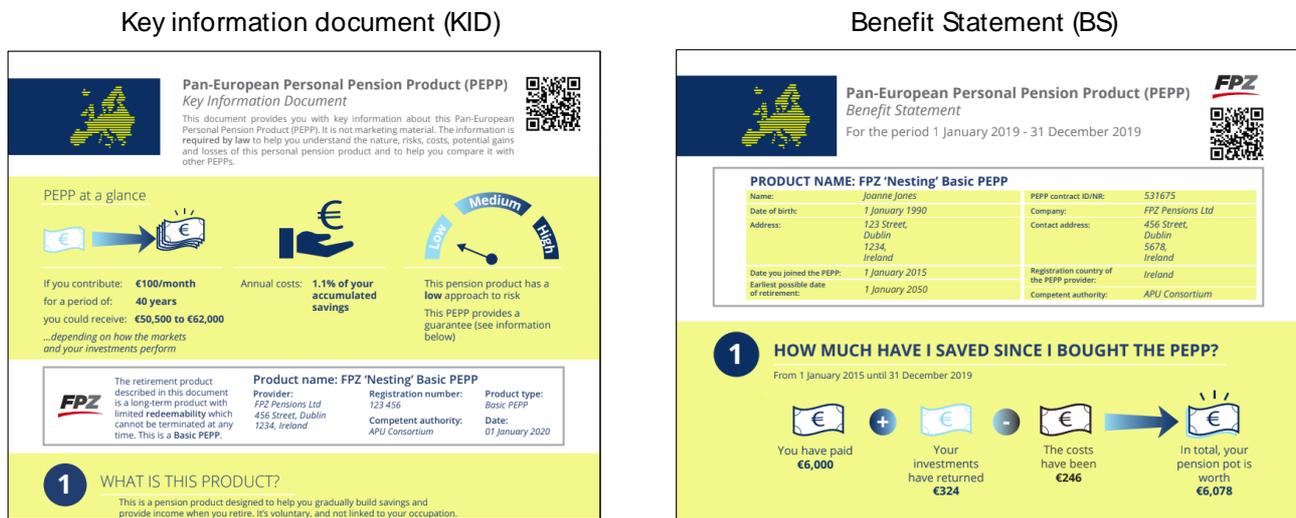
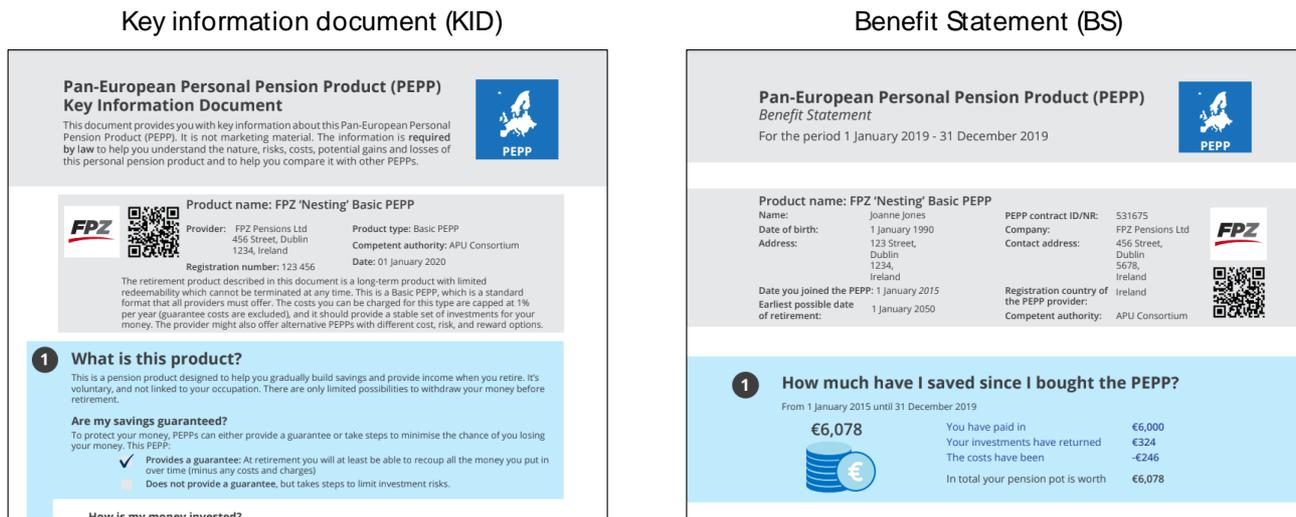


Figure 7 KID and BS blue mock-ups



While the focus groups provide qualitative insights into people’s views and interests, the online survey with representative samples of respondents from the three EU member states provide statistically robust evidence to inform EIOPA’s decision making.

The survey was conducted between 10th and 28th April 2020. In each country – Croatia, Ireland and Spain - a representative sample of 1000 respondents participated in the online survey.

The table below shows the breakdown of the key socio-demographic characteristics of the respondents. Despite the survey was conducted online, in all Countries the older group is slightly over-represented. This is a rather positive feature as - assuming the interest for pension products grows with age - we would expect replies from this group to be particularly insightful. A similar reflection could be made for the breakdown by self-assessed level of financial literacy, with only about 10% of the overall sample reporting having a low level of financial literacy.

Table 1 Sample characteristics

	Croatia	Ireland	Spain
N. of respondents	1,000	1,000	1,000
Gender break-down	Male 51.4% (514) Female 48.5% (485) Other 0.1% (1)	Male 53.7% (537) Female 46.2% (462) Other 0.1% (1)	Male 49.9% (499) Female 50.1% (501) Other 0% (0)
Age 25-39	36.4% (364)	44.4% (444)	33.2% (332)
Age 40-55	63.6% (636)	55.6% (556)	66.8% (668)
Self-assessed level of financial literacy	Low 5.6% (56) Medium 43.7% (437) High 50.7% (507)	Low 13.7% (137) Medium 45.5% (455) High 40.8% (408)	Low 12.3% (123) Medium 42.5% (425) High 45.2% (452)

Table 2 shows the average time to complete the online survey. The table shows that the average time taken by respondents increases with the level of financial literacy (i.e. the higher the self-attributed financial literacy, the longer time do respondents take to complete the survey). This finding held for respondents in all three countries. While, the structure of the questionnaire led those with greater understanding and recall of factual details to be asked more questions, this would not account for the differences. What is more likely is that those with greater financial literacy were more interested in the topic and devoted more time and attentiveness to the KID and the BS mock-ups.

Table 2 Mean duration by financial literacy

Level of financial literacy	Mean duration (min)
High	27
Medium	22.9
Low	19.6

While the focus group provided qualitative information, the online survey with a representative sample provides statistically meaningful evidence. The first objective of the online survey was to objectively measure the extent to which consumers understand the content of the two mock-ups. This was accomplished by presenting respondents with questions about the mock-ups for which there was one correct answer. The second objective was to assess the respondents' perceived attractiveness and trustworthiness of the mock-ups. For this, respondents were asked some 'evaluative' questions based on psychometric scales. The third objective was to assess the impact of different PEPP attributes on consumers' choices. This was investigated using a Discrete Choice Experiment (DCE).

Respondents went through three tasks, as illustrated in detail in Annex II. They were first shown different combinations of KID and BS for two different PEPP products. After this part, they answered some factual questions and their evaluation of the documents. The comprehension questions asked about the content of the PEPP documents with mainly a "correct/incorrect" answer. In this way, we tested the objective capacity of respondents to understand the content of the PEPP documents. Other questions referred to other evaluative aspects, such as the "attractiveness" of the document or the "trustworthiness". Such aspects are important as they influence the level of attention that a consumer dedicates to a document. Literature shows² that difficult to read instructions decrease motivation ("If it's Hard to Read, it's Hard to Do"). Respondents were then assigned at random to different conditions in the discrete choice experiment where they were presented with 12 consecutive binary choices between 2 alternative hypothetical options displayed on simple cards. Each of the options represented a pension product, composed of 6 attributes. Each single attribute could take different values, which varied from card to card. Below we report the six attributes with their respective range of values:

For the low risk product:

- Security (guarantee)
 - With guarantee
 - Without guarantee
- Annual costs
 - 1.0%
 - 1.1%
- Risk profile
 - Low
 - Medium
- Quality assurance (EU flag)
 - With EU Flag
 - Without EU Flag
- Social nudge
 - Yes
 - No
- Reward projection
 - 56k - 69k
 - 58k - 71k

For the higher risk product:

- Security (guarantee)
 - With guarantee

² Song, H., & Schwarz, N. (2008). If it's hard to read, it's hard to do: Processing fluency affects effort prediction and motivation. *Psychological Science*, 19(10), 986-988.

- Without guarantee
- Annual costs
 - 1.2%
 - 1.3%
- Risk profile
 - Medium
 - High
- Quality assurance (EU flag)
 - With EU Flag
 - Without EU Flag
- Social nudge
 - Yes
 - No
- Reward projection
 - 58k - 71k
 - 70k-73k

Finally, a post-experimental questionnaire was administered to elicit socio-economic and demographic characteristics and the respondents' level of financial literacy. In particular, the five questions on financial literacy (see Annex II) were taken from the Global Financial Literacy Excellence Centre Report "Financial Literacy Around the World" which is based on the Standard & Poor's Ratings Services Global Financial Literacy Survey³. We built three levels based on the answers that respondents gave to the 5 questions (low=0-2 correct answers, medium=3 correct answers, high=4-5 correct answers). In the following section we report the main statistical findings.

Basic descriptive statistics are presented for each of the questions in the online survey eliciting respondents' reactions to the blue and yellow versions of the KID and BS documents.

In parallel, statistical comparisons of the responses to the two versions are shown. Where the response alternatives form a scale, for example, on '*ease of understanding*' respondents could choose one of the following 'very easy', 'fairly easy', 'neither easy nor difficult', 'fairly difficult', 'very difficult', the mean scores were compared using the t-test. This is an inferential statistic indicating whether, between two groups, there is a significant difference in the mean scores of a given indicator. The hypothesis that there is no difference between the mean scores is rejected if the p value is less than the 0.05 level of significance.

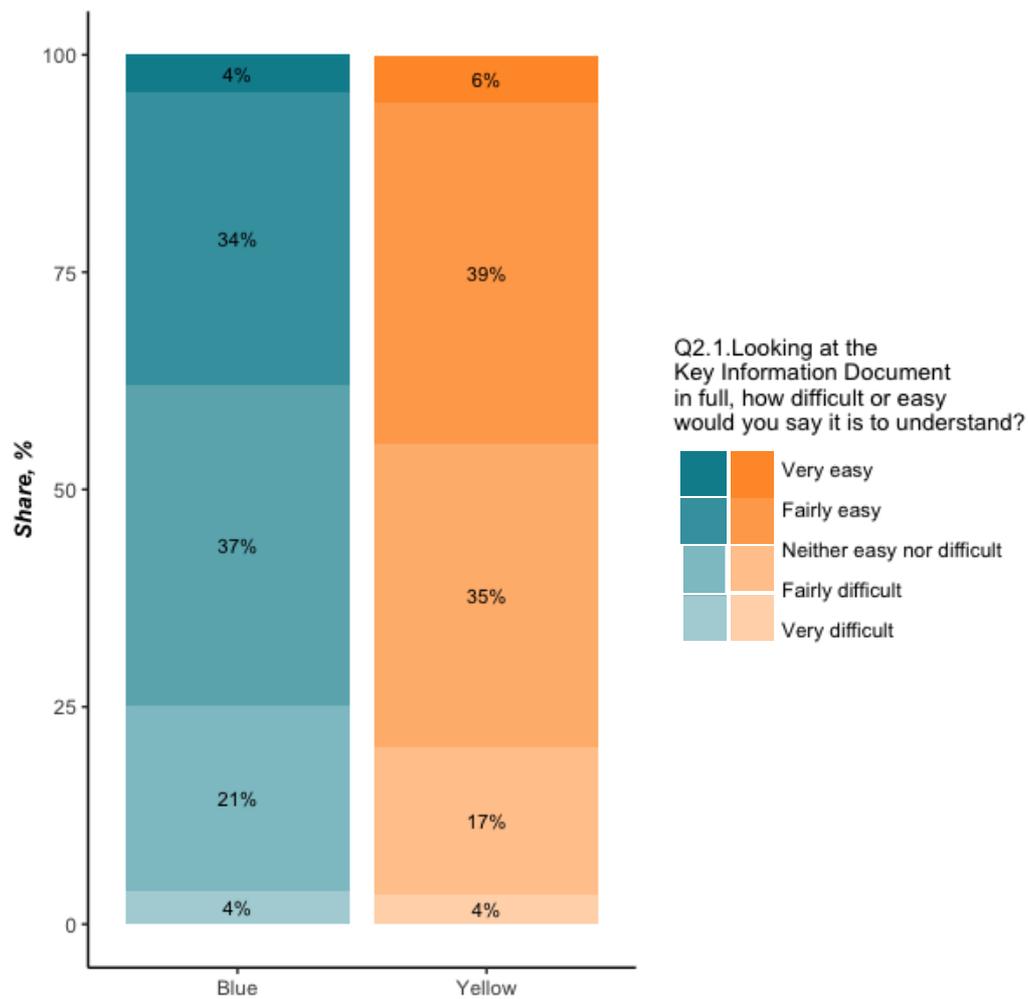
For questions such as the accuracy of recall of KID/BS details - where there is one correct answer, a categorical variable - the chi-square test, also written as χ^2 , is reported. The same level of significance is used in assessing whether the null hypothesis (no difference between responses to the blue and yellow versions) could be rejected.

3.1 Key Information Document (KID)

We present below the aggregated descriptive results obtained for each of the questions that respondents answered. The order of presentation follows that of the questionnaire. We present (i) the statistical comparison between the yellow and blue mock-ups and (ii) a comment on the profile of responses – notable percentages on evaluative and comprehension questions. For these descriptive statistics we avoid value judgements as we have no external criteria on which to judge whether, to use a phrase, 'the glass is half full or half empty'.

³ https://qflec.org/wp-content/uploads/2015/11/3313-Finlit_Report_FINAL-5.11.16.pdf?x47626

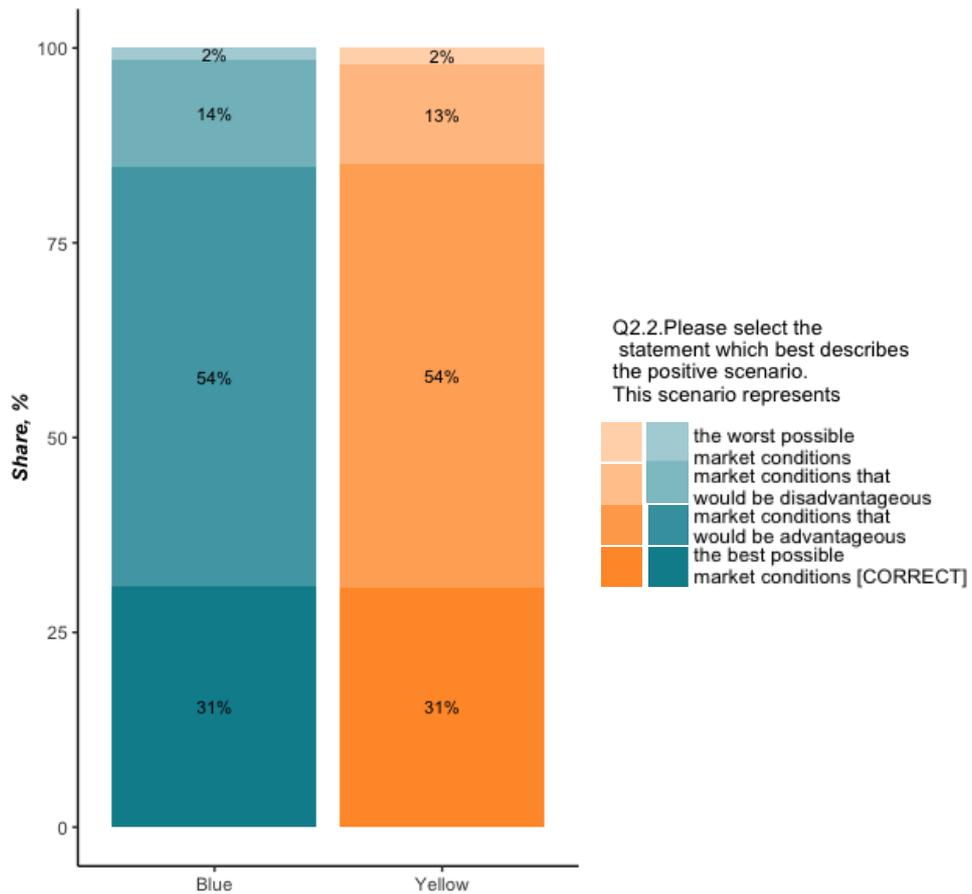
Figure 8 Ease of understanding the KID



On a five-point scale of 'ease of understanding' the yellow version (mean = 3.26) is significantly easier to understand than the blue version (mean = 3.13), $t = -3.89$, $df = 2998$, $p\text{-value} = 0.0001$.

Aggregating the responses 'very easy', 'fairly easy' and 'neither easy or difficult' shows that 75% for blue version and 80% for the yellow version were not having difficulty understanding the KID.

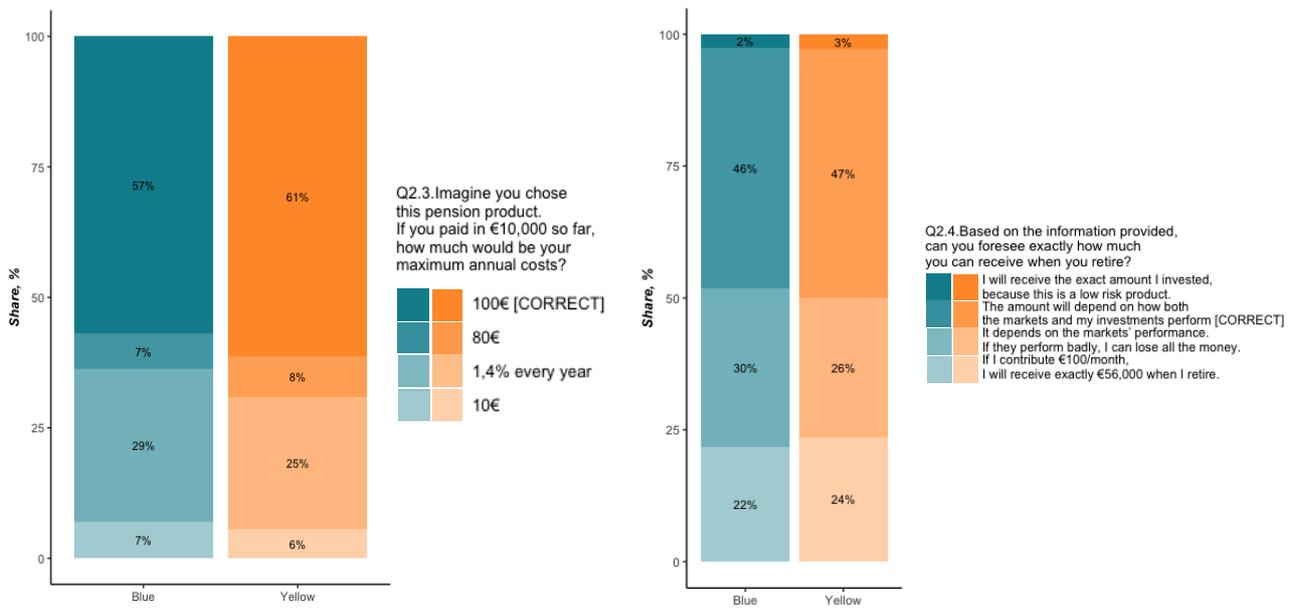
Figure 9 KID understanding of positive scenario



On selecting the correct statement which best describes the positive scenario there is no significant difference between the blue and yellow versions ($\chi^2=0.002 \cdot df=1 \cdot \phi=0.001 \cdot p=0.968$)

For both versions of the KID, 31% of respondents gave the correct answer.

Figure 10 KID understanding of annual costs and return



Looking at the question on the left of

Figure 10, the yellow KID attracted significantly greater correct responses on the issue of maximum annual costs ($\chi^2=5.831 \cdot df=1 \cdot \phi=0.045 \cdot p=0.016$)

Looking at the question on the right, we can conclude that there was no significant difference between the blue and yellow KIDs on the correct response on retirement outcome ($\chi^2=0.649 \cdot df=1 \cdot \phi=0.015 \cdot p=0.421$)

In conclusion, about 60% gave the correct response on the maximum annual costs and about 45% registered a correct response regarding the how the outcome will be determined on retirement

Figure 11 KID understanding guarantee

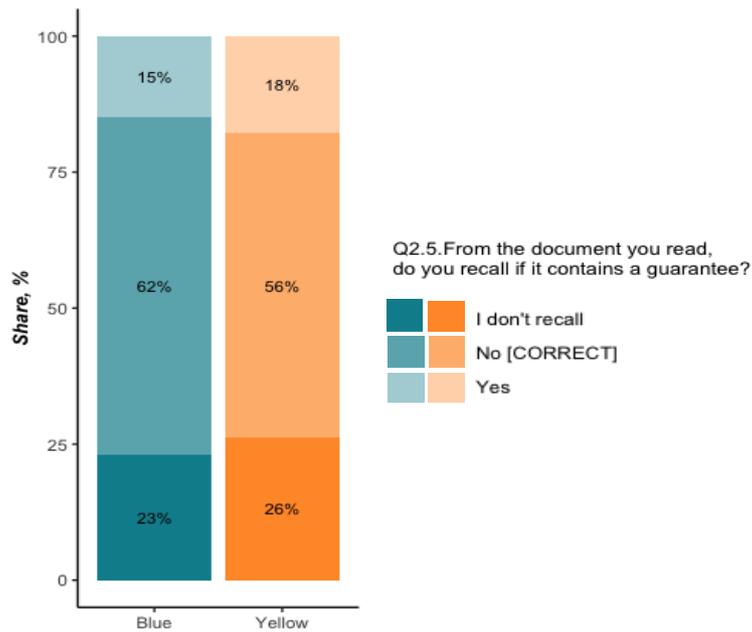
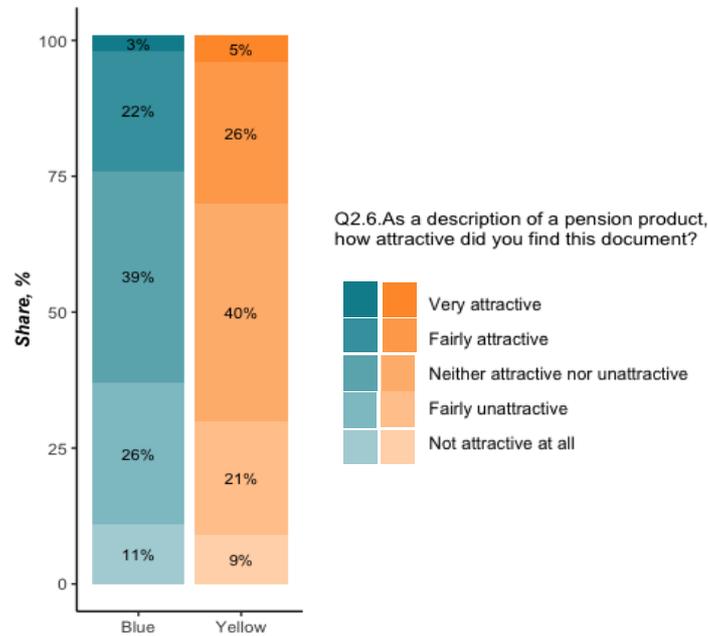


Figure 11, shows that the blue KID attracted 6% more correct responses on whether the document has a guarantee. This is statistically significant ($\chi^2=10.658 \cdot df=1 \cdot \phi=0.060 \cdot p=0.001$). On average, about 60% gave the correct response to the question as to whether the KID included a guarantee.

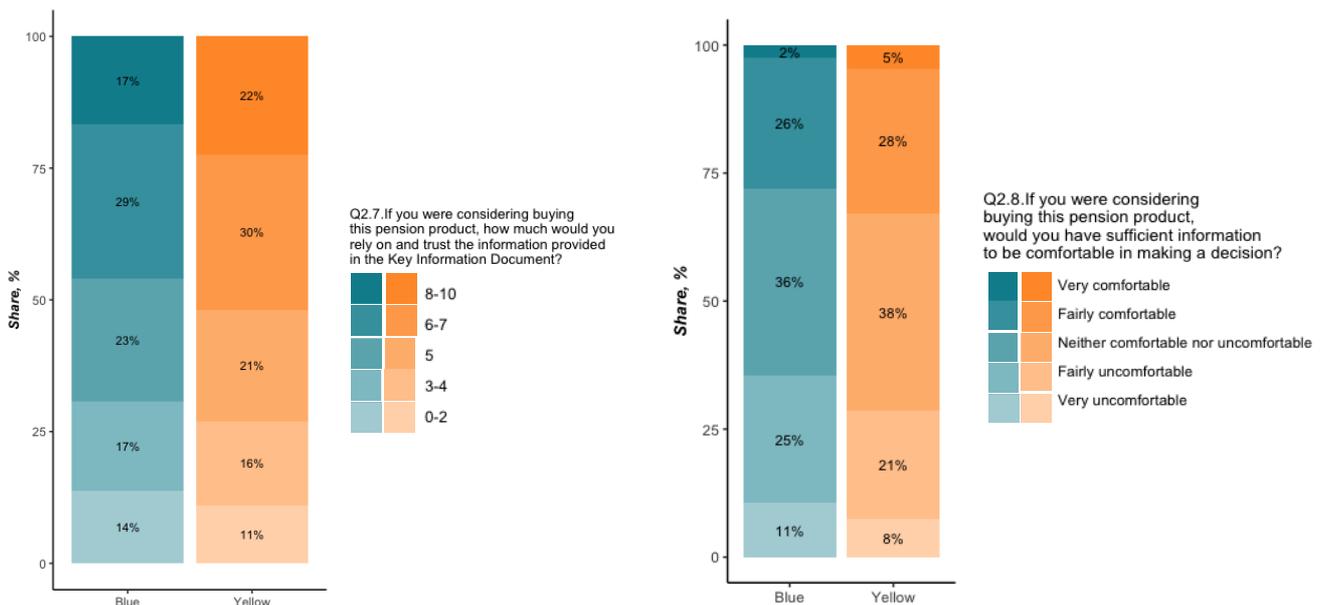
Figure 12 KID attractiveness as a description of pension product



Regarding findings on the attractiveness of the document (see Figure 12), on a five-point scale of attractiveness, the yellow version (mean = 2.98) was significantly higher than the blue version (mean = 2.82), $t = -4.37$, $df = 2996$ $p\text{-value} = .0000$

Aggregating over the responses 'very attractive', 'fairly attractive' and 'neither attractive nor unattractive' the blue version records 63% and the yellow version 70% of respondents that did not find the KID unattractive.

Figure 13 KID trustworthiness and informative content



First, looking at the question on the left of Figure 13, on a trustworthiness scale of 1-10, the yellow version (mean = 5.55) was significantly higher than the blue version (mean = 5.25); $t = -3.4531$, $df = 2998$, $p\text{-value} = 0.0005$. In addition, for relying on and trusting the KID the

percentages reporting 4 or less on the scale (i.e. low trust) were 31% for the blue version and 27% for the yellow version.

Second, looking at the question on the right of Figure 13, on feeling comfortable about making a decision scale of 1-5, the yellow version (mean = 2.99) was significantly higher than the blue version (mean = 2.84): $t = -3.724$, $df = 2997$, $p\text{-value} = 0.0001$. In addition, by aggregating over 'very comfortable', 'fairly comfortable' and 'neither comfortable nor uncomfortable', the blue version records 64% and the yellow version 71% of those not uncomfortable in making a decision based on the information given.

In conclusion, for the KID, a summary of the comparisons between the yellow and blue versions of the KIDs revealed the following.

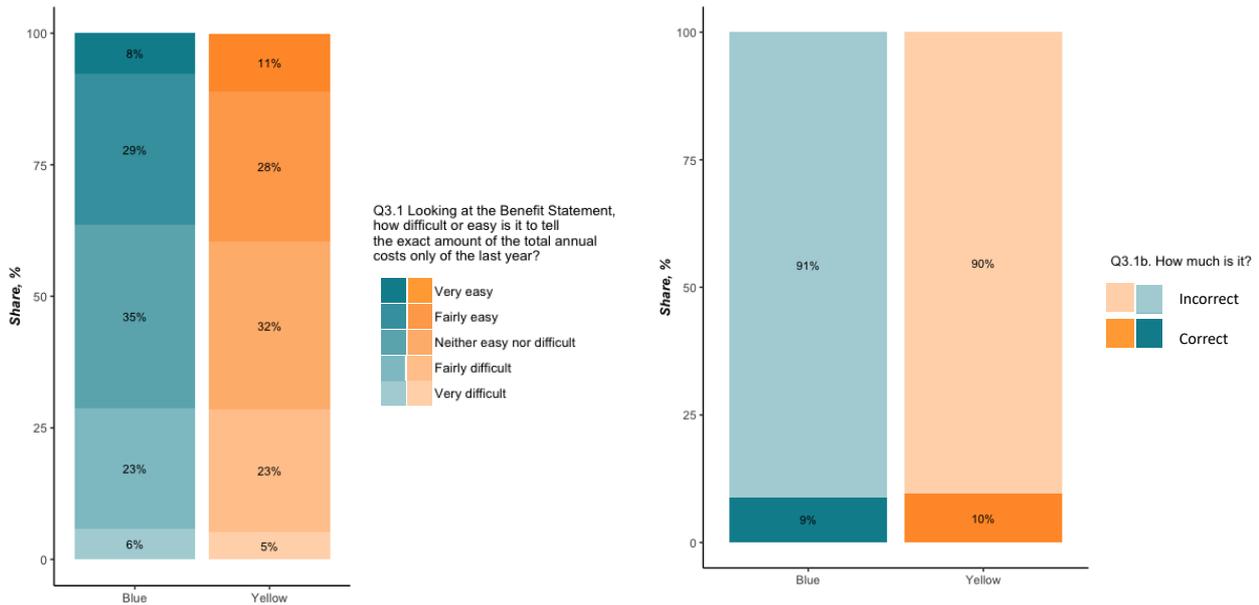
The yellow version was significantly 'better' than the blue version on 'ease of understanding', 'attractiveness', 'trustworthiness' and 'feeling comfortable about making a decision'. The blue version elicited more correct responses as to whether a guarantee was included. On the other comprehension questions – the recall of the 'positive scenario' and 'retirement outcome' – there were no difference in response profiles for the yellow and blue versions.

While the differences in the mean scores on the selected indicators of consumers' responses are statistically significant, the magnitude of the differences is not that large and whilst the yellow version overall performed slightly better than the blue one, it is worth considering to implement the presentation tools of the blue version where a higher level of comprehensibility was reached. The most evident example for that is the information element regarding guarantees in the blue version. It is recommended to take such a result into account in the design of the version to be implemented.

3.2 Benefit Statement (BS)

As for the KID, for the BS we present the aggregated descriptive results obtained for each of the questions. In the case of the BS respondents first answered a question about how easy they thought was to understand a given item. Next, only to respondents that answered they thought understanding was very easy or fairly easy we posed a multiple choice question with one correct answer to test the objective level of understanding.

Figure 14 BS Information about costs: appraisal and understanding question

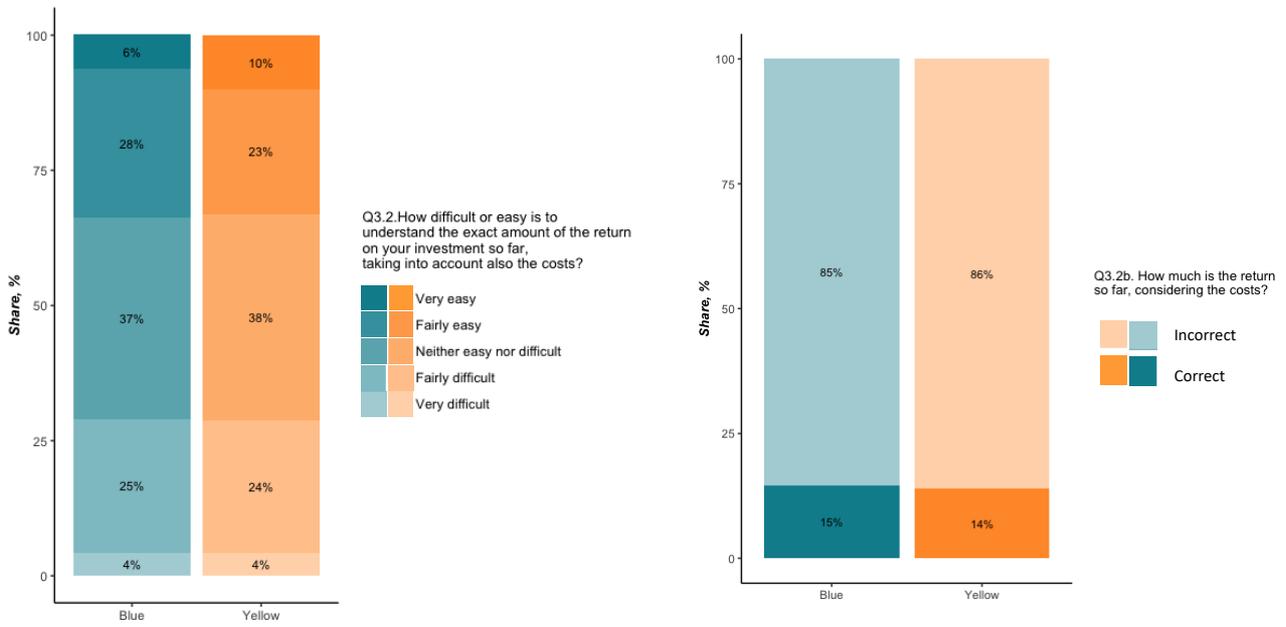


First, looking at the question on the left of Figure 14, on a five point scale of 'ease of understanding annual costs' the yellow version (mean = 3.17) was marginally significantly higher than the blue version (mean = 3.10); $t = -1.8669$, $df = 2993.1$, $p\text{-value} = 0.06$.

Second, looking at the question on the right, there was no statistically significant difference in the percentage of correct responses to the question 'how much is it?' regarding annual costs, $\chi^2=0.098 \cdot df=1 \cdot \phi=0.012 \cdot p=0.754$

Aggregating the responses 'very easy', 'fairly easy' and 'neither easy or difficult' shows that 75% for blue version and 80% for the yellow version were not having difficulty understanding cost information. Actual understanding, however, is much lower with 10% of correct answers for the yellow and 9% for the blue.

Figure 15 BS Information about return: appraisal and understanding question



First, looking at the question on the left of

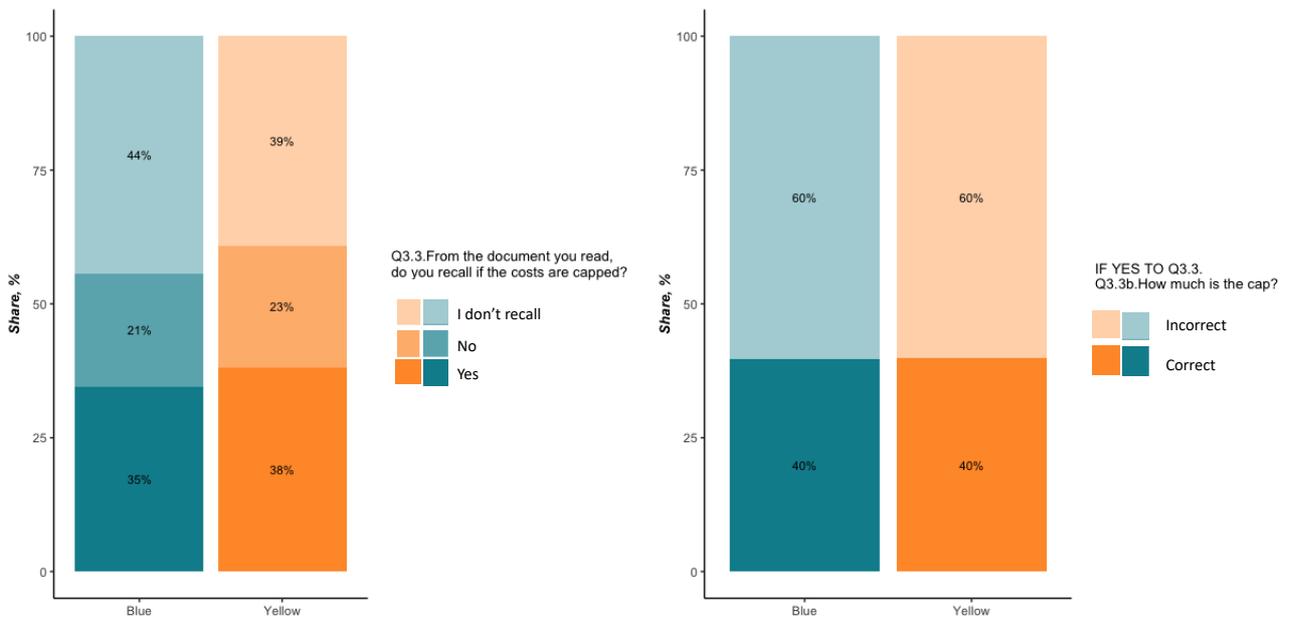
Figure 15, on a five-point scale of 'ease of understanding return taking account of costs' there was not difference between the blue (mean = 3.07) and yellow (mean = 3.10) versions; $t = -0.80$, $df = 2990$, $p\text{-value} = 0.42$.

Second, looking at the following question on the right, on correctly identifying the return so far considering the costs there was no difference between the blue and yellow versions ($\chi^2=0.032$ · $df=1$ · $\phi=0.009$ · $p=0.857$).

Aggregating the responses 'very easy', 'fairly easy' and 'neither easy or difficult' shows that 71% for blue version and 72% for the yellow version had no difficulty understanding the return on investments.

Actual understanding, however, was much lower overall, with 14% of correct answers for the yellow version and 15% for the blue version.

Figure 16 BS Information about cost capped: recall and understanding question



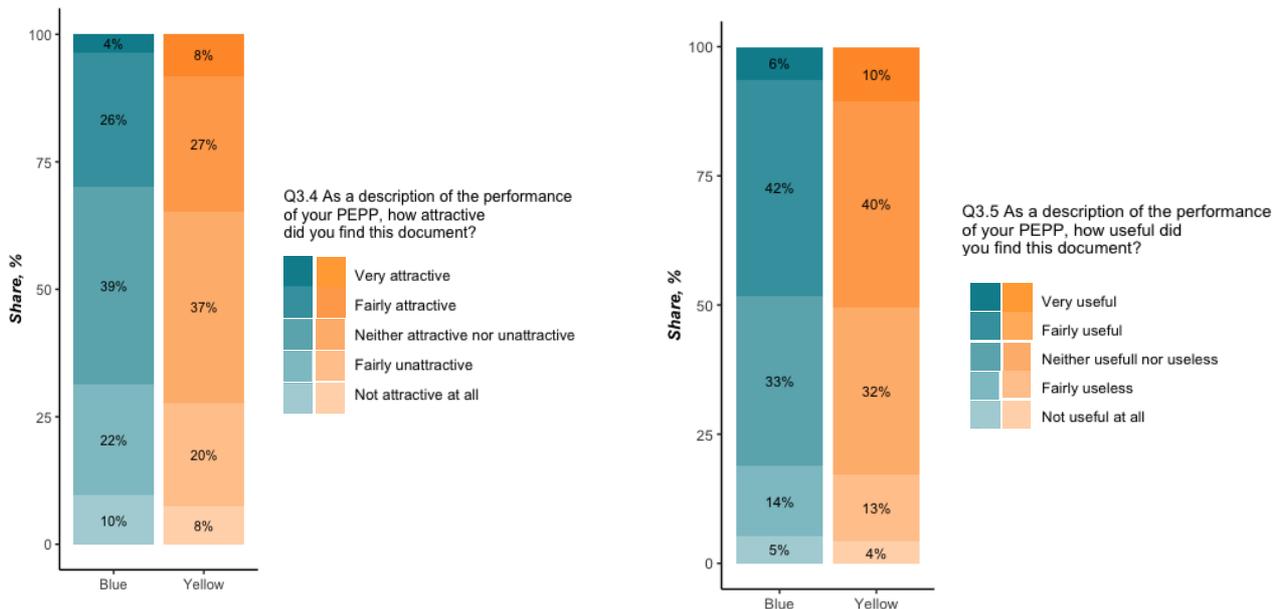
First, the question on the left of

Figure 16, on whether respondents recalled whether the costs were capped, the yellow version attracted significantly more 'yes' responses than the blue version ($\chi^2=3.695 \cdot df=1 \cdot \phi=0.036 \cdot p=0.05$).

Second, for the question on the right on the correct recall of the amount of the cap, there were no differences between the two versions ($\chi^2=0.000 \cdot df=1 \cdot \phi=0.002 \cdot p=0.98$).

Overall, 38% said that they recalled that the costs were capped for the yellow version and 35% for the blue version. When asked about "how much is the cap", 40% of those who said they recalled it in both versions gave the correct answer.

Figure 17 BS attractiveness and usefulness as descriptor of performance



First, on the question on the left of Figure 17, on a five-point scale of attractiveness of the BS the yellow version (mean = 3.08) was significantly higher than the blue version (mean = 2.95); $t = -3.50, df = 2996, p\text{-value} = 0.0004$.

Second, on the question on the right, again on a five-point scale of usefulness of the BS, the yellow version (mean = 3.40) is marginally statistically higher than the blue version (mean = 3.33); $t = -1.8993, df = 2997.6, p\text{-value} = 0.06$.

Aggregating the responses 'very attractive', 'fairly attractive' and 'neither attractive nor unattractive' 68% for blue version and 72% for the yellow version did not find the description of the BS unattractive.

On whether the description of the performance was useful, combining 'very useful' 'fairly useful' and 'neither useful nor useless', for the blue version 81% and the yellow version 83% did not find the description useless.

In conclusion, the comparison between the two versions of the Benefit Statement shows that the yellow version was perceived to be significantly higher on 'attractiveness' and, at a marginal level of significance (0.06), was better on 'ease of understanding' and 'usefulness'. On the other indicators there was no difference between the two versions.

Of note is that the analysis shows that the objective understanding of the Benefit Statements was substantially lower compared to that of the KID. As illustrated in Annex II on the protocol, for the understanding of the BS two types of question were used. "Type A". Self-reported measures such as: "Looking at the Benefit Statement, how difficult or easy is it to tell the exact amount of the total annual costs only of the last year?" scale from 1 to 5. From these questions

we can obtain an indication of the level of confidence of respondents in understanding some key concepts of the BS. "Type B" were asked only to those who had answered the previous question (i) very easy or (ii) fairly easy. They were then asked a second type of question, where they had to type in the exact value of the, for example, the annual costs. These questions were more challenging than those posed for the KID, where participants could spot the right answer from the choices provide.

In addition, for the focus groups the participants were sent key documents prior to the session and invited to discuss the contents with others at home. This many did and the result was extensive discussions on the design and content of the documents. It is worth bearing in mind that the survey findings arise from about a twenty to twenty-five-minute engagement with the KIDs and BSs. In the real-world people would take time to consider pension arrangements and would be likely to take advice from family, friends and pension advisors. So, in view of this and considering the answers to the 'evaluative' questions, to arrive at the conclusion that the BS preforms much worse than the KID would not be justified.

3.3 Attributes importance: results of Discrete Choice Experiment (DCE)

In the discrete choice experiment respondents were presented with 12 consecutive binary choices between 2 alternative hypothetical options displayed on cards. Each of the options represented a pension product, composed of 6 attributes. Each single attribute could take different values, which vary from card to card. The six attributes were security (guarantee), annual costs, risk profile, quality assurance, social nudge and reward projection. Respondents were randomly allocated to a low and a higher risk product level. - a low risk product with risk levels low or medium and a higher risk product with medium and high-risk levels.

The discrete choice methodology is based on random utility maximisation theory, whereby an individual is assumed to choose the utility-maximising option when presented with a choice set containing alternative scenarios. The parameter estimates are standard logit, the outcome of a conditional logistic regression with the regression coefficients representing the change in the logit for each unit change in the predictor.

Table 3 Low-risk product aggregate analysis: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq
Security	117.880	1	<.0001*
Annual Cost	1930.018	1	<.0001*
Risk profile	937.782	1	<.0001*
Quality Assurance	577.745	1	<.0001*
Social Nudge	128.876	1	<.0001*
Reward projection	199.818	1	<.0001*

Choice Model: Response

The table gives an indication of the relative importance in consumers' choices of the attributes tested in the discrete choice experiment. While all the attributes make a significant contribution to choices, the most influential attributes were 'annual cost', 'risk profile' and 'quality assurance'. We can assess the relative importance of each attribute by converting the estimate in an odds ratio and percentage as shown in the table below.

Table 4 Low risk product: parameters, odds ratios and probabilities

Term	Estimate	Std Error	Odds ratio	Probability
Security [Guarantee]	0.098903	0.0091	1.10	+10%
Annual Cost [1,0%]	0.460156	0.0113	1.58	+58%
Risk profile [Low]	-0.325011	0.0108	0.72	-28%
Quality Assurance [EU Flag]	0.278080	0.0119	1.32	+32%
Social Nudge [Very Popular]	0.112531	0.0010	1.11	+11%

Reward projection[56k-69k]	-0.152382	0,0108	0.85	-15%
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Holding all other attributes constant, having a lower annual cost increased the probability of selecting a pension product by 58%. Quality assurance with the presence of the EU flag increased the probability of selecting a product by 32%. We can conclude that, when offered a product presented as 'low-risk', respondents preferred having lower cost, a guarantee, a medium risk profile (it is likely that the attribute 'low risk' was discounted as the product was already low risk), the EU flag as quality assurance, and the higher reward projection. Social nudge (i.e. other people are buying this product) was almost irrelevant, probably because a low-risk product is just that and as such there was no need to be reassured by the choice of others.

3.3.2 High risk product: aggregate analysis

The Table 5 below reports the Likelihood Ratio Tests and shows that by far the most important attribute in determining the choice of a product was level of security (guarantee), followed by annual costs, the social nudge and quality assurance (EU Flag). Reward projection was not considered relevant.

The key elements in decisions about a higher risk product were very different from the lower risk product. The fact that security, a guarantee, became the most important attribute clearly shows that respondents were risk averse when choosing among different possible combinations of a higher risk product. Cost, however, remained an important attribute.

Table 5 High-risk product aggregate analysis: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	900.566	1	<.0001*	
Annual Cost	522.076	1	<.0001*	
Risk profile	7.337	1	0.0068*	
Quality Assurance	204.735	1	<.0001*	
Social Nudge	232.321	1	<.0001*	
Reward projection	0.065	1	0.7994	

Choice Model: Response

Table 6 Higher risk product: parameters, odds ratios and probabilities

Term	Estimate	Std Error	Odds Ratio	Probability
Security [Guarantee]	0.265798	0.0090	1.30	+30%
Annual Cost [1,2%]	0.228426	0.0102	1.26	+26%

Risk profile [High]	0.028461	0.0105	1.02	+2%
Quality Assurance [EU Flag]	0.155289	0.0110	1.17	+17%
Social Nudge [Very Popular]	0.147151	0.0098	1.16	+16%
Reward projection [70k-73k]	-0.002519	0.0010	0.99	-1%

Table 6 shows that holding other attributes constant the presence of a guarantee increased the probability of choosing a pension plan by 30%. And, again, holding other attributes constant, the probability of selection increased by 26% with a lower annual cost, by 17% with quality assurance and by 16% with the social nudge. The EU flag as quality assurance and the social nudge (other people buying this product) became relevant when choosing a higher risk product as these offer institutional and social reassurance that may reduce risk perception.

Overall, when offered a higher risk product, respondents preferred a guarantee, with lower annual costs, quality assurance and reassuring social nudge. To use a colloquial expression, respondents show *'the cake and eat it position'*: higher risk, lower cost, social validation and EU quality assurance.

3.3.3 Final considerations on DCE results

Separate analyses of the three countries (Croatia, Ireland and Spain) show no noticeable differences in terms of the relative importance of the attributes that influence respondents' choices. While generalisations from the results from three Member States to the rest of the EU should be made with caution, the similarity across the three countries is clearly relevant for the development of a pan-European information-based intervention.

A further question is whether different levels of financial literacy affect choices. For the lower risk product there are no differences in the order of importance of the product attributes between respondents with low, medium and high financial literacy. In order of importance are annual costs, risk profile and quality assurance.

For the higher risk product, respondents across all three levels of financial literacy gave top importance to security followed by annual costs. On the attributes ranked third and fourth there are some differences. For those with low financial literacy it was quality assurance and at the borderline of statistical significance social nudge; for the medium financial literacy quality assurance and social nudge were given equal importance, and for high literacy, social nudge was followed by quality assurance. Overall, the robustness and relevance of the DCE findings merits recognition. The experiment was part of a 20 minutes survey and was presented after the respondents had completed the understanding and appraisal task of KID and BS mock-ups. Given the task of selecting between a range of pension plans that comprise the presence or absence of key characteristics, the respondents' choices clearly reflect utility maximisation, a strong preference for lower costs, a guaranteed outcome and quality assurance. Their choice profiles can be taken as an indication of a reasonable level of understanding and of the where with all to choose between different pension product profiles.

Were respondents not to prefer schemes offering low cost, low risk, high return and quality assurance, the experimental results would be called into question. The differences in attribute importance between the low and higher risk products fully resonate with risk aversion. When choosing a high-risk product, the guarantee becomes more important than the annual cost. Our

interpretation of the fact that 'reward projection' as an attribute received less importance than expected (the more so for the high-risk product) is that, since product were presented as low or high risk, respondents discounted reward projection and focussed on other attributes. This is particularly evident for the high-risk product, where the reasoning from the results could be summarised as follows: 'I know it gives me higher reward, but I want a guarantee and lower costs'.

Finally, it is noteworthy that the EU flag acted as an indicator of quality assurance influenced choices and, it can be assumed, gave respondents confidence in the pension schemes.

4. Conclusions

The conclusion develops along three lines. First, we present the comparison between the yellow and the blue versions of the KIDs and BSs versions based on the statistical analysis of the comprehension and evaluation questions in the first part of the online survey. Second, from the discrete choice analysis we identify the important attributes of a pension plan. Finally, we draw some implications from a combination of the results in the two sections of the consumer testing for the PEPP's

A. The comparison between the blue and yellow mock-ups

Based on the regulatory framework, exchanges between EIOPA staff and the Consortium's designer, and the views of participants in the focus group discussion the quantitative consumer testing involved two KID and BS designs. A blue version that was very similar to one of the KIDs used in the focus groups, and a yellow version that combined the best features of two other designs that had been developed.

Based on the statistical analysis of the results, a comparison of the blue and yellow KIDs showed that the yellow version was significantly 'better' than the blue version on 'ease of understanding', 'attractiveness', 'trustworthiness' and 'feeling comfortable about making a decision'. However, the blue version elicited more correct responses as to whether a guarantee was included in the KID. On the other comprehension questions – the recall of the 'positive scenario' and 'retirement outcome' – there was no difference in response profiles for the yellow and blue versions. The first conclusion from the study is that on comprehension and evaluation of the KID, with a single exception, the yellow KID performed consistently at a statistical level of significance better than the blue version.

The comparison between the two versions of the Benefit Statement showed that the yellow version was perceived to be significantly higher on 'attractiveness' and, at a marginal level of significance (0.06), better on 'ease of understanding' and 'usefulness'. On the other indicators the was no difference between the two versions.

B. The discrete choice experiment: the importance of attributes

For the lower risk product, the experiment showed that in order of importance in choices the key attributes were annual costs (lower), quality assurance (presence of the EU flag), risk profile (medium preferred to low). A guaranteed outcome and a social nudge were not judged as important.

For the higher risk product, the order of importance in influencing choices was security (a guarantee), annual cost, social nudge (other people buying this product) and quality assurance (EU flag).

What these findings show is that (i) respondents showed an understanding the different attributes in pension plans, (ii) that in weighing up different levels of the attributes (for example

lower and higher annual costs, and lower and higher risk profile) respondents were making plausible and understandable choices and (iii) that for the higher risk products they were maximising utility in their preference for higher risk, lower costs, social validation and EU quality assurance.

Taking into consideration that these choices were elicited in just a few minutes in an online survey, it suggests that in a real-world situation of considering a pension plan many Europeans are not naïve.

A further and important finding is that by and large the choice preferences demonstrated in the DCE were similar across the three EU member states – Croatia, Ireland and Spain.

C. Combined insights from the survey questions and the discrete choice experiment

Bringing together the results of the first part of the online experiment concerning comprehension and evaluation of the KIDs/BSs and the choice outcomes, we can draw the following conclusions.

The yellow version showed greater comprehension of the annual costs, an attribute that was considered the most important, according to the choice experiments, for the low-risk products and the second most important for the higher risk products. The information about a guarantee (security in the DCE table) was the most important attribute in the context of the higher risk products. On this attribute the blue KID version performed better than the yellow KID version. A granular reading of the data and findings points to the conclusion that the yellow design is better for low-risk products while the blue version might be a better choice for higher-risk products. Another option might be to combine the strengths of the two designs - the yellow version design with the visualisation of the guarantee taken from the blue version.

5. ANNEX I. Selecting verbatim from focus groups

This annex contains a selection of verbatim that has been classified according to the different sections of this report in order to support and illustrate its content.

The coding in brackets reflects the participant's classification regarding her/his gender, age and country as follows:

- Gender: F = female, M = male
- Age: Y = younger (25-39 y.o.), O = older (40-55 y.o.)
- Country: HR = Croatia, IE = Ireland, SP = Spain

5.1 Overall perception of the documents and preferences, perception and comparison of the three KID versions

Maybe the grey one (referring to the blue one) was a bit more difficult to understand. Maybe the colour influenced my opinion. (M, Y, HR)

The pink (referring to the pink one) was the best one, blue was palatable but not so interesting, and the yellow one was the most boring. It was the hardest to read and to understand. The pink version has the same text, but it is arranged in a different way, more interesting, and visually more appealing. I think it is more suitable for common people without extensive knowledge on the topic... In the A version (yellow), when you need an explanation of certain terms, you can find it way below in the text. In the B version (pink), everything is explained as you go through the text, on the margins, on the side, etc. That is why I find the B version more informative. (M, Y, HR)

I do not understand why it was constantly saying that there is a medium risk, if you can't lose anything apart from the expenses for managing your account. If I understood correctly, you can't lose the savings. (M, Y, HR)

When I read the yellow document, I realized that its text was clearer than in the pink (pink) document, things are explained in an easier way to understand. I liked the blue document least. (F, Y, HR)

I liked the blue one the most. It has the most information, so you can read all about the product in one place. (F, Y, HR)

The pink one, with the star, was the least attractive. What shocked me were the expenses. If I understood correctly, out of the total sum paid, they take 28% of expenses... I would choose the blue one... First visually, but also content-wise. When we speak about finances, I don't like cartoons, animations and information displayed as if for children. I like reading texts that are extensive, informative and for which I need to concentrate. (M, Y, HR)

I had to read them more than once, because some things were not clear to me... Content-wise, I prefer the pink document. It is clear, dynamic, with plenty of graphics... I am a visual type, so I memorize information better if I have graphs and pictures that explain things, especially the numbers, percentages, etc. That is why I preferred the KIDs pink document... The KID blue document was horrible. It is just text...There is too much text, and no pictures. (F, Y, HR)

I like the pink document the best. I like the hints on the sides, explanations of things. You can easily manage through the document; everything is understandable and easy to find. Document A (yellow) is interesting, but only the first page. After that, it's quite hard to grasp. (M, Y, HR)

I can't say I would contract such a service. I would contact a personal financial adviser or similar person, because I still have plenty of questions. The blue KID was not understandable in one part, the information is not filtered enough. My impression is that they go from one section to the other with plenty of things unexplained. However, I liked the header of the yellow KID. The best KID is the pink one, but I would put some information from the blue one in it. The blue KID looks like the invoice from the gas company, with too much text. (M, O, HR)

Although the information was the same in all texts, the pictures made them clearer and more interesting. (F, O, HR)

I wrote some notes during the reading. Like Larisa, I also noticed the 28%. The Longer texts have plenty of information. I still have some questions and doubts regarding the content. If I had to compare them, my favourite is the pink one.... If these documents are informative, they have to explain, even in the broadest terms, the basic things about this product. (F, O, HR)

(Comparing logos) This star (pink version) means nothing, but the white Europe on a blue surface to me means that all of Europe is equal and all its citizens are equal. (M, O, HR)

(Comparing logos) This star (pink version) reminds me of the Soviet Union. That document is the best, but the logo is the worst. (M, O, HR)

(Comparing logos) I see a graphical error in the logo. The UK is no longer a member of the EU. (M, O, HR)

(Comparing logos) The stripped logo is interesting, the most visually appealing. (F, O, HR)

One of these documents resembles the PMZ News leaflet. It was the most interesting one. It looked familiar...Content- and appearance-wise, I liked the pink documents the most. They have pictures, they are dynamic and they have plenty of information laid out in an interesting way. The blue/yellow document resembles the European Accident Statement that we all have in our vehicles. Now I am speaking about the visual impression. The blue one looks like the instructions for the fridge that usually no one reads. No pictures, no graphs, just plain and quite boring text... The information is understandable in all documents, perhaps because I first opened the pink document, which was interesting and visually attractive. Then, when I continued reading the same information in these "not so attractive" versions, the information was already familiar to me and I did not find them confusing or incomplete. (F, Y, IE)

In the documents I stumbled upon the expression "direct and indirect investment", so I checked it online. (F, Y, IE)

I felt it was all lots of different documents saying different things. And I realised it was three versions of the same thing. (F, Y, IE)

(Referring to the blue version) I was like this is all text, it was a bit like overwhelming and I was like oh god I have to read all this kind of thing. (F, Y, IE)

Oh well one of them I found easier to break down, I'm quite used to looking at like scientific studies so I'm like okay that was really good because I didn't have a clue about pensions before... The yellow one is really easily digested. (F, Y, IE)

(Referring to the blue version) I thought it was an awful lot of text. I actually like the pink one... I thought that was handy because it was a combination of good examples, the simple language I thought it was quite easy to follow. There was nice footnotes and stuff on it. I thought it was handy if you know you didn't particularly know what fundamental it seemed to refer backwards I thought that was a little bit easier to understand like the first one I read. So after reading that one I had a broader understanding of what I was reading within the next ones as well... (Referring to the pink version) It stood out a bit more. With some of them they are a bit easier to follow, but I did also find that it was a little bit too vague. And going through it I mean there was an awful lot of references to the website type of thing and I think as soon as you get people to work on their own they are less likely to do it. (M, Y, IE)

(Referring to the pink version) That's the one I went back to that made more sense to me... So I thought this had the information laid out better than some of them. But again there were different parts of the other ones that were better, but ultimately yeah I think the pink one. (M, Y, IE)

Particularly this one I thought was laid out in a much better way... the yellow one. Just in a really understandable way I liked. There was one, this one here (referring to the blue version), very text, text, I didn't like that one. In the yellow one I just liked the way number one at the top it was really clear what it is, the title on it. And there are lots of little diagrams and I just like the way it was laid out I suppose. It just was very clear. (F, Y, IE)

The only thing I'd say about both benefit statement versions is they both start with this box which I'm assuming is necessary but didn't read that... I realised after I got the document that I just kind of went uhh, I just kind of scanned over it. (F, Y, IE)

(Referring to the yellow version) I thought the actual diagrams on it were a little easier to read... I think this is laid out a lot more clearly than in the other key statement, or benefit statement. I thought it was a lot easier to read because I think most people are used to reading like this kind of information in a more map language as you read down as opposed to across... there's an awful lot of text in this one (blue version) and I kind of felt myself getting a bit bored towards the end of it... But in terms of the diagrams for example this little gauge of low TFI risk in the other key information is done by this cautious and adventurous and just stars, to me that feels a bit childish. It might be easier to read for someone but for me I prefer the gauge it's a lot easier to know exactly what I'm looking at, low risk or high risk. (M, Y, IE)

The easiest to read, like the easiest to understand was the pink one (referring to the BS versions)... (Referring to the KID versions) the yellow one was the easiest for me to read and to kind of realise what I'm going to get back. And how was it going to benefit me. (M, Y, IE)

(European Parliament support) I just assumed that this was a European project based on the map of Europe. (M, Y, IE)

(European Parliament support) The only thing is I suppose it's the same colouring the square... (F, Y, IE)

(European Parliament support) I think if I was applying for this pension or whatever I was going to set it up, knowing that the European Parliament had backed it would make a difference for me... It seems very secure and I know it does say in the document that it's a guaranteed pension scheme so you can't lose it. Which is brilliant obviously after what happened in the crash. Probably didn't affect us but might have affected our parents. That's a really big important thing if I'm going to put 10% of my salary in every month I want to make sure that I get that back at the end of it. (F, Y, IE)

(European Parliament supervision) Investment means it can go either way. So without knowing there's a guarantee they would be less likely to, but it does say there's a guarantee but it's not exactly in your face. (M, Y, IE)

I guess the question could be thrown in what if your country leaves the EU? Which is likely now. (M, Y, IE)

Most people would have chosen this one (the blue one) as the most confusing one, the one with the most text... because there's no visual aids, there's nothing to draw your eye away from the constant text. (M, Y, IE)

(Pink version) I also find the colour in this is much better. You know, the important things are highlighted in the pink font or the pink background and then the rest of it is in white but the black in the headings is clearer even though it's the same size as here but I think it seems clearer because it's black maybe it's just me as well. It seems visually different. (F, Y, IE)

(Pink version) What it costs, section four I think that's a lot easier to read than just the text in the yellow one. It stands out more. (M, Y, IE)

(Blue version) The risk indicator is easier to understand... It literally says lower risk more stable, higher risk, greater chance of higher rewards. It is explaining it a bit more. (F, Y, IE)

(Blue version) It says my savings are guaranteed and there's a box underneath that says provides a guarantee. It's very clear. (F, Y, IE)

Words like redemption but in that pink one the footnote had explained that. So highlight it and it was explained. So those particular words that might be difficult for some people were explained, on the right-hand side of the footnote. (M, Y, IE)

One of them looked like a Ryan Air boarding pass. (F, O, IE)

(Yellow version) I think the symbols in that particular one because I'm quite a visual person... that type of thing was easier for me. (M, O, IE)

(European Parliament supervision) Once there's a provider in that country you can change to that provider, there might be an additional changeover cost but you can still keep going, it's clear that it's over all of Europe, once you move within Europe you can bring your pension with you. (M, O, IE)

(European Parliament supervision) It looks more official I think when it's like the actual flag, when it's a sort of a map like that (yellow or blue version) it could be any pamphlet that's flogging something. (M, O, IE)

(Tested documents) It seemed like data. Too many charts, too vertical. I wanted to look at it globally... The bluish one looked clearer. (F, Y, SP)

(Tested documents) Some were clearer to me for their information and graphics. (Unclear issues) redeeming the money only when you retire. This is an issue that caught my attention. I don't know whether this is real or not. (F, Y, SP)

I had a hard time reading and comprehending the first one. The second one was the same, so it flowed more smoothly. The rescue mode caught my attention. It can be a single payment, an annuity, another option, and a combination of all. I didn't understand the last one very well. I don't know how it works. (M, Y, SP)

I opened the first document and read it completely. I opened the rest and realized they were more or less the same. They only varied in design. Even though they are the same, the first document from the three was the clearest to me. When it comes to financial/bank documents, the more explicit and information, the better. The first one was blue and grey... It was more detailed, more self-explanatory. (M, Y, SP)

The second and third document were the clearest to me. The second was more appealing for its visual design. The third was clearer because it was structured into columns. Overall, the information was clear. I agree with what my colleagues mentioned about the rescue. I became anxious about the investment and that money may not be fully recovered. It caught my attention. This was stated repeatedly, which made me feel uncertain. If the market drops, my money is gone. And, my retirement goes along with it. It's fine to state it but not repeatedly on each page. (F, Y, SP)

I'm unsure if the invested money is the guarantee itself during the accumulative period. What is the accumulative period? (F, Y, SP)

When I first saw them, I thought that pensions could now be managed through agencies like the insurance ones. (M, Y, SP)

The first one I read was the blue one. It was the clearest, most serious one. The other two documents seemed to be talking about something else. Because of the colours, they seemed childish... I noted, maybe I missed it, that it didn't mention what happens if you die before. (F, Y, SP)

The thing about the Pan-European product sounded like Pan-American. I didn't know whether it was a bank or something else... It sounds familiar but really don't know what it is...It sounds weird. I don't know. (M, Y, SP)

By the word "Pan-European", you can tell it's something global. It isn't Spanish. (M, Y, SP)

It states that you can move to any country. It's clear that it provides European coverage. It wasn't clear to me that the European Commission was the regulatory body behind. (F, Y, SP)

Even though it looks like the most serious, the blue document has too many texts. It looks more like an insurance thing. The pink one is more self-explanatory... A nonsense picture is featured in the yellow document. These bills growing mean nothing. There is no figure. It's something extra, not related. (M, Y, SP)

The visuals are too much. The yellow colour is too shocking, too strong... I like the different columns from the pink one. It has the key points on a side. It's a nice way of highlighting things. It's well-structured. (F, Y, SP)

I chose the yellow document because it targets everyone. It's easy to read and to understand. Now that I'm looking at them, I realize that maybe the pink one is better. At first glance, the yellow one is more inviting. It's faster to understand. The information provided isn't as broad as the other two... it's better explained in the pink one. I'd mix the yellow and the pink documents. It looks like the yellow document provides less information than the pink one. (M, Y, SP)

The pink seems disorganized. It's visually messy... There are too many text boxes on the top. I don't know in which order I have to read them. It's confusing. The yellow document is easy to read. The information on page two is concise because it is featured in a question-answer format. The chart on page four, which explains how the investment is recovered, is clearer than the one from the pink document. In the pink document, the charts are hard to read. It's confusing for me. (F, Y, SP)

In terms of money investment, this document looks more serious (the blue one). The pink and yellow documents look like flyers because of the colour. It looks like they are selling something... The pink document seems childish to me because of the colours, the pictures. (F, Y, SP)

The colours of this document [showing the yellow one] make sense if the European Commission is behind it. The yellow and the blue are the colours of the flag of this organization. (F, Y, SP)

In terms of money investment, the blue document seems more serious because of the charts, the information highlighted in green. The font is smaller. The font of the yellow document is bigger. For signing the agreement, I prefer the format of the blue document. (F, Y, SP)

I prefer the pink document. The other one is too childish. (F, Y, SP)

The yellow document is more explicit. The information is concise and enough. The others contain too much information. (M, Y, SP)

(Tested documents) It seems that it was well written and explained. But there were things or items about which you have to ask or search for information...The three existing scenarios to invest in your pensions plan – moderate...You have to know how it works. There are things which are still insufficiently explained. (F, O, SP)

(To ask for further explanation) You can either send an e-mail or go to the headquarters where the plan is done... or you may also call a phone number. (F, O, SP)

Some of them (tested documents) were quite detailed, and others were briefer and used another type of more simple or complex language. But anyway, you could get an idea of what the product was about... the information on how to rescue the plan was a bit messier. (M, O, SP)

The part on the rescues was messier... if you make it earlier, they will charge you for 5 years or something... and the cost here, and the cost there...a bit dizzy. (F, O, SP)

The first thing I read was "European Pensions Plan" and I thought that they were going to take our pensions away and change it for... I was scared! But then I saw that it was individual and that it looked like a pensions plan... because it seemed to be a governmental document... I thought they may be changing the pensions... I thought they were going to take away our public pensions. That they were changing the current system. That there was a new law... But then I realized it was a pensions plan, at a European level. (F, O, SP)

It is a bit shocking. It reads "European", as if they wanted to centralize it. (F, O, SP)

It (being European) made me feel more trust, than if it was Spanish. (M, O, SP)

I preferred the second option (the pink one), as it was clearer. Everything was more or less understandable... but I would still have some doubts. For example, it was not clear to me whether there is just one risk level, or whether it was just an example and there are three different levels of risk. I made my pensions plan at the end of 2019, and when I went to the bank, they proposed I take one of the three options. So, it is not clear for me whether it is just one risk level for everybody or not. Besides, this thing about the guarantee and losing your money – it was not clear for me up to how much you may lose. Because they tell you about your accumulation... but it is not clear for me whether you only accumulate during the first five years and the rest is like this.... I do not know, there are quite a lot of weird things. (M, O, SP)

The second one provides a better breakdown – for instance it tells you the reason for this commission of 0.9% or something. It gives you a better idea about what you are paying. Besides, even if I understood it, I still had some questions and doubts, as it is not very specific. For instance – how can I redeem? Or which is my plan, moderate or risky? (M, O, SP)

The first two documents (the yellow and the pink one) were quite schematic, and this helped make them more understandable. At the end, when there were already more words, more doubts were generated. It is true that the three scenarios make me have doubts, but I did think it was an example and that there would be similar examples with a harder

and a softer scenario. But when there were more words, I had more doubts in relation to cancellation... there was one first cancellation, and a subsequent cancellation... I think that the more they speak in a bank document, the more things in between you dislike are being sold to you... I did have doubts. But the more schematic it was, the clearer it was. (M, O, SP)

The more schematic ones were easily read. First, I was shocked by the fact that there were financial intermediaries. I did not interpret that the European Commission or the Parliament were behind it. I thought it was about companies offering products based on a series of regulations. Then I saw that there were risks and that you could even move the plan between these risks... but in this move, if something happened you could lose it. I saw weird things that I did not like. And if this is really done by the European Parliament, I do not know why the European Central Bank is not launching this kind of products, as it would provide a solid guarantee to it. Because guarantees here did not inspire any confidence in me... in terms of solvency, in terms of what would happen... (M, O, SP)

I had the idea that it was something private, as a bank, but following a common European regulation for all countries. Hence, I could do it here in a bank, following a European regulation, and that it would be done also elsewhere. So, if in the future I move to Italy or I retire in Italy, I could get my money there without any problem. (M, O, SP)

I realized that it was something affecting all Europe, but I did not realize that the European Parliament was behind it, as an official institution. I thought it was just a label, it could have also been "international pensions plan" or something like that... I saw that there were European regulations, but that behind it there were private companies, which were just adapting to these regulations. (M, O, SP)

5.2 Analysis of the KID version (pink)

They mention one-off costs, and annual costs. The annual costs should not exceed 1% of the savings. Later on, they mention 0.96%. It was not clear to me what these costs cover. In other documents, they explained more clearly these costs. They have structure; they explained what these costs actually are. (F, Y, HR)

"Technical information" is not clear at all... It is needles. I wouldn't put it in the text at all. (M, Y, HR)

It is previously explained what the PEPP is. I don't mind this technical information. This is a basic product. (F, Y, HR)

Are there any guarantees for my savings? I think these things should be stressed more. I am putting my money somewhere, I am paying for something. I need to see that someone will give me the guarantee that my money is secure. (M, Y, HR)

It says here that the product does not include life insurance that would continue to contribute after my death. What life insurance? Do we have to pay for the life insurance? ... I was really confused. If I die, I guess that my family will inherit something, not being forced to pay for something after I die. (F, Y, HR)

I was confused by this "early withdrawal" from the product. It says here, withdrawal after a short time. What is "short time"? If, for example, I pay for the product for 4 years, and then decide to take the money out, I will have HRK 30,000 and I will lose HRK 750. This is not a significant loss... My impression is that they are trying to scare us not to leave their service. This loss of HRK 750 is not significant. (M, Y, HR)

I am confused by these sentences regarding the early withdrawal... And why should I lose my money if I change the provider? If I, for example, move to Sweden, I believe there is still a central body regulating the payments and rules. I think that I should not lose the guarantee, if the whole thing is regulated by one central body. (F, Y, HR)

I don't understand these details about closing the account. In the early withdrawal part, they say there are limited possibilities to do so, and later on they explain it is possible, of course, with certain costs. In the first part (early withdrawal), my impression was that there are almost no ways to get your money and close the account. Like, you almost have to starve to death before you can get your money. Later on, it is clear that it is not hard to do, no mention of "very limited possibilities", but there are just some costs if you decide to close the account. As if they were trying to scare us not to leave the service. (M, Y, HR)

Can the money be withdrawn earlier? I see that many of us have the same doubts. You lose the guarantee, lose significant sums of money, etc., but nothing is explained. How can I lose the guarantee, the money, what sums are we talking about? What are the exact costs? What happens if I, for example, decide to withdraw the money after six years? I lack this information. I think that an additional table would be necessary to explain these things... it stopped being credible. I stopped believing that this information is true. (M, Y, HR)

Is there a risk that I will lose all my money? "Should you decide to switch the provider and if the market performance was bad you might lose – in the worst case – a substantial amount of your invested capital. However, you cannot lose all your money, not even with a PEPP which has no guarantee."... I understood that all PEPPS have guarantees. Now it says otherwise... This whole thing with changing providers and guarantees should be explained more clearly. (F, Y, HR)

I don't understand why this is a medium-risk product, why it is not low-risk. You can't lose anything... If you don't change the provider and save money your whole life, you will get at least half of your money. They guarantee you that... (The limited

guarantee) the amount is quite high, HRK 150,000. Who can pay more than that? ... If they invest in the best stocks and bonds, in the best banks, I don't see how it could go completely wrong. (M, Y, HR)

They do not define what is risky. And what is the size of that risk. (M, Y, HR)

I do not understand this "how the product performed in the past". It is not clear at all. I read this part more than once, and I am stupid. I do not understand a thing. "Past performance is not indicative of future performance."... I understand the meaning, but I do not understand what this graph means. Last year, last 3 years, etc. (M, Y, HR)

I think there should be some information, because of the credibility of the fund. I would not invest in the fund that was funded yesterday. However, the numbers are not so relevant and important, especially if they do not guarantee the future trends. I would not miss the numbers, but I would wonder who is behind this fund. (F, Y, HR)

The risk is that they will perform negatively in the future, and that risk always exists, but their past performance tells us something about the fund... If people do not know what the percentage is, they will hardly understand this information... Maybe if they would put it more descriptively, in the HRK and Euro amounts. Maybe when they see the numbers, people will understand better. (M, Y, HR)

If you saved HRK 75,000, and the return is HRK 750, with the 1% return rate, I believe everything is clear, even to laymen. (F, Y, HR)

(Section 4) I think we all underlined this. They say only 0,96%, and it is not specified. (M, Y, HR)

(Section 4) They say here "the percentage of accumulated savings". Do they take only payments or also take the return into account? (M, Y, HR)

It has pictures, exclamation marks, question marks, it highlights important things with these symbols, and the text is easy to follow. (F, O, HR)

It is visually the most appealing, it is better structured than the other two texts, and it has these comments on the margins, explaining things in more detail. (M, O, HR)

My impression was also that this is a Pan-European company offering these services in Croatia. I thought so even because of the wording. My impression is that the translation is not ideal. In some places, instead of "provider" they state "service". (M, O, HR)

If it is important to them, it should be stated in the first sentence. "The European Commission regards as important that all EU citizens are informed on the possibility of pension savings in Pillar III." Or something like that. (M, O, HR)

Provides/does not provide guarantee. I do not understand. Provides guarantee with the "check" sign should perhaps be in bold. It should be clearer that the guarantee is given. (M, O, HR)

We keep coming back to costs, which are not clearly stated and explained. And the last part of this page, the guarantee: "which promises to at least secure all the money you put in over time (minus any costs or charges)." What's this? Will I get all my money, or will it be reduced by a certain sum? Will this sum be costs or charges? It is very unclear. (M, O, HR)

There are too many words with the same meaning "at least", "only", "at the least" (in Croatian, "Najmanje", "barem", "samo"). (M, O, HR)

The cancellation part is also not clear. "Cancelling your contract comes with cost." The amount or percentage of costs is not stated. (M, O, HR)

The part about what happens if you die before you retire "This product does not include life insurance that would continue to contribute after your death." What life insurance? (F, O, HR)

If you die before they pay you out all the savings, you are in bad luck. (M, O, HR)

Maybe it should be explained what happens if you die before you "spend" your whole pot. (M, O, HR)

What bothered me is the "combined" way of pay-out. You can have the money paid out in different ways, and which way to choose "we will arrange when you retire". Why should we only discuss it then? (F, O, HR)

The 3rd and 4th model (retirement scenarios) are not explained enough. I would need more clarification. (F, O, HR)

"Early withdrawal". The whole concept is not clear to me and it has a logical error. It says that "early withdrawal" from the product is charged with one-time fee of HRK 750. In the margin, in that text, it says that "the early withdrawal after a short time will result in a significant loss of money". What is "short time"? It says within first five years, and the loss is HRK 750. It is not significant loss, if you saved HR 500,000. I don't understand what they wanted to say here. (M, O, HR)

How to decide what is sustainable, in what type of guns/arms we are investing? Nuclear power plants can produce as much damage, if not more, as guns. (M, O, HR)

"Can I cancel or change my mind". (...) you can change the option every five years, but there is no mention of costs. Is it free or are we getting charged? If yes, how much? (M, O, HR)

They did not explain what will happen if this fund will not be able to pay out our money. They mention that they have an "ABC system", but it is not clear who will protect our money and guarantee the pay-out... If we are talking about the investment funds, theoretically they can lose all our money. I want to know who guarantees our money. Many pension funds went bankrupt. (M, O, HR)

I don't understand the whole section regarding the past returns of the investment. I read it a few times, and I don't understand a thing. (F, O, HR)

(Referring to the inflation adjustment) This is typical legal language used in order to confuse the client and leave things unclear. It is not clear at all. Does it take the inflation into consideration, and in what way? It says only "adjusted". You have a certain percentage of inflation, calculate it in this whole story and that's it. (M, O, HR)

Past performance is really hard to understand. "So if you've saved €10,000, a 1% return would earn you an extra €100 each year." This is clear, a 1%, but what "saved amount" is, is not clear. Is it the money paid or all the interests and returns with it? (M, O, HR)

(Section 4) I do not understand, the one-off costs in the first year are HRK 750, but all the other costs are not so transparent. I am afraid they will add some "small print" somewhere if all the costs are not specified properly, which is not the case here. (F, O, HR)

On every page, they use different wording for the same information. That is not good. It needs to be unified throughout the text and clearly define the conditions and everything regarding these financial issues. (M, O, HR)

The European flag would be better in that position. Get rid of the stars logo and put in the European flag instead. (M, Y, IE)

It should be saying you will be taxed on this. In black and white you are going to be paying PAYE or whatever, not PAYE but whatever version it is for pension tax. (M, Y, IE)

There was a line here we will never invest in - companies which are involved in personal weapons production – does that mean that you invest in companies that are involved in other types of weapons? That doesn't make sense to me. (F, Y, IE)

"Cautious" and "adventurous", that's kind of, it's not quite defined... Whereas the other one (the blue one) I thought was quite defined. (M, O, IE)

Using the word cautious like we should be scared of it... a bit fearful... And it's meant to mean the opposite isn't it, that's the safer one. (F, O, IE)

Whereas you might be enticing people, oh be adventurous, you know go for the high risk one, you know. Just say low risk, high risk. (M, O, IE)

I like the symbols, just because like I'm very visual, I also like the size of the print at the top, one of them was really, really big print (the yellow one) and I didn't really like that, I like the size of it here... I like the way it was laid out horizontally... when it's in grid like form, like the yellow one... I liked the questions and I like them in the bold script as well which stands out. Whereas the other one (the yellow one) it wasn't standing out as much. (F, O, IE)

Just kind of technical information, maybe that's more like small print, it's not jumping out to you... but I suppose it's very important you know... And it's quite small. (M, O, IE)

(The footnotes on the right-hand column) I like them... they're often things that you might not necessarily understand or even see but they're at the bottom of the paragraphs in some of the documents, including in the text whereas they're separated here and I felt it was for somebody who may not know much about the product, they can sort of inform themselves. And it nearly makes it a little bit easier to understand even though it's the same thing you would have read in a paragraph form, you know. I like the idea of it yeah, it's something that when I am reading these type of documents, be it for bank type stuff or pension maybe or whatever it might be, that it's like those little notes, you know where I means such and such. (M, O, IE)

They gave you a website to go to if you want the full list, so it's giving you a little bit more information... Little click on the side if you want to go on to that website there, it has a thing, go to example.com. It just gives you somewhere else you can go to. (M, O, IE)

These symbols are good and it's nicely sort of laid out, whereas in this you're all over the place here like you know with the grid (referring to the yellow document)... because when you look at pages like that, you don't know where to look kind of you know, where do you start? (M, O, IE)

I just think it's more simplified and probably even again I'm visual and I actually think, to me now I actually prefer the layout of the yellow one... The front page yeah. Like straight away you can actually see, where this one (the pink one) I find these little notes at the side, I just think the print is too small. (F, O, IE)

When it says what happens when I retire, it's much better than the yellow one... annuity, lifelong pay out, lump sum and it's just, it's nicely done whereas in the yellow one it just has 4 lines, 1, 2, 3, 4. (M, O, IE)

("How has this product performed in the past?") On reflection I'm going with the pink one even though I ticked the yellow one... the more I look at it all the lines are beginning to, do you know I think that there's too many lines. (M, O, IE)

I did see where it says your savings are guaranteed, so there was some element of that in there, while there's a certain element of risk and should probably be linked to that, near where that example is, (M, O, IE)

A tick and a lock, your savings are guaranteed (referring to the pink one). This one here (the yellow one) means your savings are tied into something, you can never get them back. (M, O, IE)

Then it says guaranteed costs are excluded. So what does that mean?... It's telling you they're capped at 1% but the guarantee costs are still, what are the guarantee costs. (M, O, IE)

I would like to find something that supports the fact that it is following a European Directive, as I am not getting this feeling. (M, O, SP)

First thing is the logo – I do not identify this as something official from the European Commission or something that is based on a current European regulation. It looks like the product of a company, and I am even quite reluctant to read this "Pan-European Product" thing, as it never mentions that it is something official of the European Commission... (To make it clear) The logo of the EU, or something that reads "homologated by...", something official. (M, O, SP)

I'm also missing something official. This logo could be whatever. (F, O, SP)

In item 1 about the product, it does not clearly mention that it is an EU product... It should say "under the EU regulation..." or something. (M, O, SP)

(The title) It does not convey confidence to me. I do not see it as something supported by official regulations or as something European... It should be visible that there is some official regulation behind it. (M, O, SP)

There is something which must be some translation mistake – "careful and adventurous" [cauteloso /aventurero]. This makes me mistrust it. It is not correct financial terminology... If there are three (risk) levels, I would speak of "low, medium and high". (M, O, SP)

I like the way it (risk levels) is here – the blue one. There are four levels, instead of three. (F, O, SP)

The issue of the guarantee is not very clear [Section – are my savings guaranteed?]. It speaks about an accumulation phase, with commissions and costs... Later on, it speaks about the possibility to lose a substantial part if there is a change to another sponsor... It should provide a better definition. It reads that it provides a guarantee, but it should be more specific, and convey which guarantee this is. (M, O, SP)

The section on the cancellation of the product was not very clear for me. "There are very limited options to close this account" – but which are these options? ... It should at least list the two or three cases. (M, O, SP)

I think it is very important to know the reasons under which you can cancel it. Of course, we can imagine it can only happen in very serious scenarios... As he said, it should be listed here, as we are just speaking about four scenarios, so it will not be a very long list. I think it would help... and you can read more information about it elsewhere. (M, O, SP)

(The paragraph on the change of provider) It says that you may lose some guarantee, right? But, what guarantee is lost? (F, O, SP)

I understand that if this is all regulated by the same entity, conditions are supposed to be similar for everybody. For instance, I will always be charged 0.96%, I will always pay €75 and I will always receive a certain interest because it has been regulated by a body... For instance, if we had companies A, B and C – it doesn't matter which company I take the plan out with, as they will all apply the same existing interest for that year. (M, O, SP)

It makes me think that the accumulation phase is not the period of time over which you are putting in money before retirement, but a different period, which is not clear anywhere. (M, O, SP)

It speaks about "sustainable" investment, but I would speak about "ethical" investment. It says that they will not invest in weapons, in companies that use child labour... This is not sustainable, this is ethical. (M, O, SP)

(Section 3) There is something that I do not understand, which is why you just recover €100,000 if you have invested more. (M, O, SP)

(Section 3) they should make it clearer, for people to understand that if you put in €200,000, you will recover €100,000. (F, O, SP)

It is not clear for me what "accumulation phase" refers to. This term appears all the time. They should explain what it is... Because I do not know whether it refers to 5 years or to the whole period. (F, O, SP)

(Distribution costs) I do not know what it is. It is a euphemism. I guess it refers to commissions. (M, O, SP)

Where it reads "annual costs", it is clear that it is 0.96%, it would be better to state this figure instead of saying "no more than 1%". As it is already a fixed rate. (M, O, SP)

I have seen that on the right there is some link to a website, where its responsible investment policy is explained – this is good, as you can check all details elsewhere. (M, O, SP)

The point on cancellation, in page 3 ("Can I cancel or change my opinion?") could be more concise, as this is a very important aspect. If you can just cancel over the first 30 days, it should be stated that you cannot cancel after 30 days. (M, O, SP)

I have a problem with the term "cancel", because in page 2 it reads "Can I withdraw from the product early?" and in page 3 again it speaks about cancelling the product or changing one's opinion. I understand both parts, but one cancellation is after 10 years, another cancellation is before 5 years have passed or cancellation within the first 30 days... There are many cancellations, and each cancellation has its features... they should explain each situation – within 30 days, within 5 years and over the period... (M, O, SP)

I did not understand it like that. I just read something in another paragraph that said that if within 30 days you had already put in some money, you could not step back. (F, O, SP)

And now the subsequent period is dead, as it does not say what happens if you cancel in the 6th or the 7th year. (M, O, SP)

It says that you do not have to pay if you cannot. Is it that you cannot pay or that you do not want to pay? These are different situations. If I do not pay – are they going to charge something for that? Based on this I could make the decision to stop paying and to just receive the money that I had accumulated up to that point. Because elsewhere they were telling you that you were being charged for things and that you could not cancel it, except for special cases... some sentences are kind of left up in the air. (M, O, SP)

Regarding the way to recover the money, I understand the one with the recovery of all the money together. The one with the months, I do not know if this one is based on what you want. There is another option that says "you will see when the day comes". And another that tells you that you can take a part now and the rest of the money will continue being invested. What about this? What is the difference between this last one and the one where you get an amount every month? In the option where you get an amount every month, is the money just saved there until you get it? And with the other one you still play with your money and there are still risks? No risks? (M, O, SP)

It is like when you win a lotto prize, they tell you about the money you are going to get, but you also know that you have to pay taxes. What is the real amount that I will get? ... You will still want to contract it (the PEPP), even if you have to pay taxes. But this is something that has always made me reluctant. If somebody comes and shows everything clearly from the beginning, I would not be scared. (M, O, SP)

They have wanted to make a question-answer document, using short answers. But many questions may be very similar between them, such as the part on cancellation. (M, O, SP)

In order to make this pensions plan – information on where you have to go, how to do it... they should specify these aspects more. Can you go to some office and deal with it face-to-face? Is everything on the phone? Do you just read it and fill it in? (F, O, SP)

5.3 Perception of the KID version (blue)

Technical details are systematically displayed here. You can understand what it is all about... And the guarantee is more visible. (M, Y, HR)

Explanation of what happens when you retire, rent, draw down payments, etc. It is visually better laid out and simpler to understand. (F, Y, HR)

I highlighted this risk section. It is clearer what the difference is between low-risk and high-risk products and that it is closer to lower risk. (M, Y, HR)

That's what I meant when I criticized these pictures and symbols in the pink version. Asterisk, exclamation mark, Euro sign, etc., it is ridiculous to use such things when talking about finances. (M, Y, HR)

And they state here that the higher risk brings higher return/reward. It means that more security brings less return. (F, Y, HR)

(Referring to costs) This way of putting things is by far the clearest in all three documents. Visually, you see right away all the costs. The other two versions lack this clarity. In the pink one, the sub-titles are too small and the font is hard to read. In the yellow one, sub-titles and the text are not arranged in a good way, they are too small, it is easy to get lost. You can't find any information. In the blue version, everything is visible, clearly displayed and understandable; the costs, specific requirements, etc. (M, Y, HR)

I think people might be attracted by these marketing tools, the style of displaying information in a more "informal" way (referring to the other versions). (M, Y, HR)

Product information, guarantees and what will happen when I retire. This whole section is more understandable. (M, O, HR)

These four levels of risk are graphically better laid out. In the pink version, the information is the same, but here these levels are better represented. (M, O, HR)

(The risk and reward scenarios) that looks like a child has been...playing a game...it's too much. (F, O, IE)

You have the product name and that's in the right place probably, in the other 2 it's sort of just stuck in you know. Its underneath what it is and then it goes into product name, provider, registration number and then you go on about the product. (M, O, IE)

("Are my savings guaranteed?") That's a bit confusing... It should just say provides a guarantee, it's like its giving 2 options and ticks one... I don't see the need for the second option, just say it provides a guarantee, just make the statement... It's not a questionnaire like, it's giving information. (M, O, IE)

I don't like this, there's no symbols, it's all writing. (F, O, IE)

That last page where it gives the costs, you know I felt that it was sort of all over the place and it could be hard to follow. (M, O, IE)

I'd place the (European) logo differently so you can appreciate it as a logo. (F, Y, SP)

I like the description given about the document (the text below the document title). It's a mandatory informational text to comply with regulations. (F, Y, SP)

(The text below the document title) This is the common guarantee for all. (M, Y, SP)

Some paragraphs are unclear. For instance, the paragraph of "Are my savings guaranteed?" is ambiguous. It's confusing as you read it. A lot of "buts" are used... It's not definite... I'd begin the answer with, "Yes, because..." The answer should be clearer.... The same happens with the following paragraph about how money is invested. The writing style isn't direct. It's too, "on the one hand, on the other hand." Too many "but". (F, Y, SP)

This (referring to ambiguity) happens throughout the whole document. (F, Y, SP)

I'm not completely into the last paragraph where it says, "What happens when I retire?" I don't like it because it says that these scenarios will be discussed when the person actually retires. Basically, it says nothing. (F, Y, SP)

The problematic scenario is the last one, "One of these combinations." (F, Y, SP)

I just want to know where my money will be allocated, e.g. half in annuity and the other, somewhere else. More specific information. (F, Y, SP)

The change of promoter is ambiguous (paragraph "What happens when I retire?"). I don't know when I can change promoters, how frequently I can do so. (F, Y, SP)

The thing about moving to another country. I thought that I could pay my pension despite my place of residence. I really don't understand what is said here... I don't get it. I pay my current pension in ING. For ING, it doesn't matter where I am. I don't think that I have to open another account if I go to China. I don't understand how this works if I pay my monthly pension. (M, Y, SP)

Since this is a project from the European Union, users may enjoy guarantees and benefits in any place from the list of countries where PEPP works. It's a private insurance company, but... (F, Y, SP)

This ("What happens if I move countries?") is nonsense. It doesn't matter where you move to as long as it belongs to the European Union. (F, Y, SP)

Since this ("What happens if I move countries?") addresses a very small, specific population, it's confusing for us. It's not clearly stated. Moving to another country is something that you don't think about. It's ambiguous. It should be stated clearer... Tax regulations somehow can benefit you or not in terms of the taxes you paid to the Spanish body. There's a fiscal issue with this. (F, Y, SP)

This is about feeling powerful for having a system that works at the European level. (F, Y, SP)

I may retire and die two years later. This scenario isn't included here "What happens if I die before I retire, or cannot keep up payments?" (F, Y, SP)

It's herein mentioned that it's impossible for me to withdraw the money. However, it says that if I pay 100€ I can withdraw the money. The time periods are unclear. It seems that if I want to withdraw the money, I can do so within five years and paying one hundred euros. I can't do it afterwards. This is unclear. (F, Y, SP)

I'd put everything backwards. After the product of the pension plan is introduced, the death scenario is mentioned. This makes no sense. First, I'd provide the information about the product, then the other information, and at the end, about special cases. (M, Y, SP)

It seems that the factual information is scattered throughout the document. (M, Y, SP)

I don't know whether it is a flyer with concise information or a professional, serious document with explicit information. It looks like a hybrid between a professional document and a flyer. I don't understand its goal and what they want me to do. It's too long for a flyer and too basic for me to sign it today. (F, Y, SP)

This ("What are the risks and what could I get in return?") is informative because it provides references on how much money you will make based on the investments that you make. Even though this paragraph is small and informative, it helps you decide whether this is right for you or not. (F, Y, SP)

If you switch documents, the information on this (level of risk) is different. It's 2/4 in one and 2/3 in others. The information is being manipulated. The source should be provided. (F, Y, SP)

The concept of accumulation bothers me. It's unclear what I have to do, for how long, etc. The information of the accumulation phase is missing. I don't know if it's only during the first five years or not. (F, Y, SP)

The concept of accumulation bothers me. It's unclear what I have to do, for how long, etc. The information of the accumulation phase is missing. I don't know if it's only during the first five years or not. (F, Y, SP)

I don't know if the sub requisites become effective when I turn sixty-years old or when I retire. (F, Y, SP)

I don't understand the costs...I see the first quota as if it were an enrolment fee. I don't understand the costs for the following years... I like the breakdown but don't know what they refer to. (F, Y, SP)

5.4 Perception of the KID version (yellow)

"What could I get when I retire" and "costs". These things are systematically explained in this version (the yellow one), better than in the pink document. (M, Y, HR)

I have the costs - the costs of distribution, etc. They are specified here, which makes it clearer. (F, Y, HR)

When I saw this blue/yellow document, it looks like the EU document. When I saw it, it reminded me of the EU. (F, Y, HR)

I got the impression that it is an EU document at the beginning of the yellow version, but as the text went on, I lost that impression. (M, Y, HR)

You can put an EU sign somewhere at the beginning, just to know they're the patrons of this. (M, Y, HR)

I think that people do not know what Pan-European means in the first place. We are a very young EU Member State and people are not familiar with those things. They should be explained. (M, Y, HR)

In the pink version, the star does not mean anything. I associate it with the EU. It's just a decoration...reminds of the Soviet Union. (M, Y, HR)

The yellow one is the best, but still does not remind me of EU. (M, Y, HR)

I like the text from the yellow version "Many Europeans save for their retirement through the Pan-European Personal Pension Product." I did not see this sentence in other versions. It attracted me to continue reading. (M, Y, HR)

Logotype is much better. Also, this graphical representation of euro bill growing implies that the longer you save the more money you will get in the end. I like this picture. Nicely made illustration. In the pink version, the animation is "dead". This one is much better. (M, O, HR)

I really like the question format... the whole thing is just like the main question at the top and the little kind of icon and then you answer all the questions, I really like that. (F, Y, IE)

(Question/answer format) You can pick out what is important to you. (F, Y, IE)

(The icons on the side) it makes it easier to kind of relate to what the paragraphs are about. (F, Y, IE)

In terms of that indicator there (risk) I like that I can tell that it's medium because obviously its pointing to medium. And then it says underneath that it's classified as medium. And as I kind of said earlier with the other one it's just cautious or adventurous and shaded in stars. I just think this (the yellow one) is a bit easier for me to follow. (M, Y, IE)

The other thing that I liked was that diagram on the - what can I expect at retirement. Gives you a breakdown of the ages and then if your investments come out good, medium or bad... I just found it easier like that I can see if my investment turns out to be good by the time I'm at retirement age I could be looking at a sum of 69,000 or €280 a month. And then I can see it on the other side of the scale if it turns out bad I can see myself getting 56,000 or €220 a month. To be honest that's the only one that I really focused at. Because it relates to me as opposed to the other ages. (M, Y, IE)

I think they need to label it to say that's what it actually is... because when I first saw it I was like hold on a sec. If I was saving from my 20s... I was thinking why do they need more money than the 56 year old. Just breaking it down to very basic, like I think they just need to label what those ages actually mean. (F, Y, IE)

And also to have a ten year gap there as well, I was looking at that earlier on and so between 40 and 50s it's a 10 year investment that I was you know was another one in the blue, the graph I found it gave, well it wasn't as clear as the other ones well I could be 50 and this man could be 40 and you know there's a big difference between here. (M, Y, IE)

It might seem a bit vague like for instance the ten year increment is a little bit confusing. So like that age 20 to 30, I think is you know if I started a pension at aged 29 I'm not going to get 69 grand. As opposed to if I started at 20. So that can be a bit confusing and an element of getting people's hopes up as well. (M, Y, IE)

(Referring to "What can I expect at retirement?") My issue with this is that every single row looks the same, every single column looks the exact same. It's the tiniest bit of information in each one that's different. It's not a very good depiction, it's not a very good visual depiction. (F, Y, IE)

(Referring to "What can I expect at retirement?") You might be better off changing it all into one page and putting the paragraph in front of the diagram. (F, Y, IE)

(Referring to the 1st page) I didn't really like this one at all either... I thought this diagram is over simplistic... just grows and grows but I mean then are my savings guaranteed, it doesn't say yes till the end it kind of gives a politician's answer. It says to protect your money bla-bla-bla and then the last line is SPE has a guarantee which is in bold, but if it does have a guarantee why don't they just say yes at the start. And that came up again. (F, Y, IE)

That was really confusing so if you go into section two, is there a risk that you will lose all your money? And again like a politician's answers it's a whole paragraph and then at the end it says which has no guarantee. It doesn't make it clear here. (F, Y, IE)

So this one does have a guarantee but they are telling you for some reason about the ones that have no guarantee which makes no sense. (F, Y, IE)

It promises to at least secure all the money so you are saying you are putting in this money you are guaranteed that I mean that sounds good but there's more to it because the 100 grand is mentioned then later on. (M, Y, IE)

The 100 grand is your cap so if you save more than 100 grand you are not getting any more than 100 grand back. (F, Y, IE)

Why is this diagram like this? ("How has this product performed in the past?") Why is it not straight lines? What's all these levels about?... why is it not just a normal bar graph with time at the bottom and percentage what's this gap and why are there 1, 2, 3, 4 lines. (F, Y, IE)

The same thing with the good, medium and bad for me. It should start from the minimum you are going to get, they shouldn't be telling you the max you are going to get straight away. They should just tell you this is what you are going to get, if it doesn't do well. (M, Y, IE)

I wish they focused on, in the text above they say that if you perform over 5% you don't get any of that back, its capped at 5%. I feel like it just kind of breezes over that very quickly... it feels like they just brush over that and its never mentioned again. It's just put in there for legal reasons, and then you come up five years later and you are like oh this is done better than what I've been getting back what's happening here? (F, Y, IE)

("What happens when I retire?") It kind of says possibilities of this would be discussed when you retire, which is kind of pushing it down the road. I would wonder why can't you tell me now. (F, Y, IE)

I like the bars along the side saying risk and rewards... you know what each section is. (M, O, IE)

The symbols are nice, I like the symbols... Coming down the side... because it's like they explain... The symbol and the heading is bigger on that one (the yellow one)... So you sort of focus in on what you want to look at. (M, O, IE)

("How has this product performed in the past?") It gives you the information better because of the lines along the bottom. (M, O, IE)

Main KID concepts and the ideal flow to present them

How much you invest and how much you get. Not estimates, but real numbers. "You should invest this much each month", not "approximately" or "let's say, for example". (M, Y, HR)

Costs should not vary that much. It is not enough to say "there will be costs", they should state "you will pay 0.05% percent for that and 0.07 percent for this", as is stated in the blue version. We need numbers to be able to plan and think about these things. 5% return or 1% return means nothing if I don't know how much I have to pay each month. (M, Y, HR)

Guarantee also needs to be stressed, that I will get the money, that I will not lose money. Also, the conditions, who can contract this product, age limits, when you will get the money. (F, Y, HR)

Who guarantees the money. I think it is important to know who guarantees this HRK 750,000... If Croatia guarantees the money, it is not a secure investment. (M, Y, HR)

The explanation what the Pan-European Personal Pension Product is in the first place. (M, Y, HR)

How we can get the money after we retire, in which ways, and the conditions (cancellation terms). (F, Y, HR)

Risks, they should be explained. It is not clear what is low, medium or high risk. In these documents, I can't understand what this medium-risk is. They state they will invest in bonds, stocks, raw materials, but still I don't understand what this middle risk is. (F, Y, HR)

Maybe the risks should be explained a bit more. What are these risks in real-life situations. (M, Y, HR)

I liked the explanation of where that money goes. (...). My impression was that this fund will go bankrupt only if the world is destroyed. It gave me a certain level of security. (M, Y, HR)

I googled some things, because I had no idea what they are exactly. (F, Y, HR)

These matters regarding money are important. These are too broad terms to explain in such documents, but you need to educate the public in some ways. As I said before, you could organize workshops. (M, Y, HR)

If this is just an informative prospectus, there is no need to mention how we can complain. There is no service contracted yet, so there are no specifics upon which I can complain. (M, Y, HR)

In the introduction, explain what it is, who is behind it. It's important to point out this is a Pan-European product... It's important to gain trust. Mention EU. (M, Y, HR)

(Product description) I would just put the table from the blue document into the pink document and that's it. (M, Y, HR)

Make this "check" mark more visible, add the table from the blue document (costs). (F, Y, HR)

(Order) It states what it is, who it is for, guarantees, how to invest... (F, Y, HR)

I like the table in the blue KID. It is more systematic, the table has lines. In the pink version, it's just a bunch of text. (F, Y, HR)

(What are the risks?) Here we said we should put the graph with four levels of risk. (M, Y, HR)

The guarantee, who guarantees for the money, how, etc. (F, Y, HR)

We described the product, risks, what happens when we retire, what happens if they can't pay... And the specification of costs. (F, Y, HR)

They could change something to make the blue version less serious, or the pink version more serious. Maybe the point is in the choice of font and colours. (M, Y, HR)

If I know that the institution behind all this is an important one, the EU... If not, I would prefer a document more similar to the blue one. If it says "The Republic of Croatia" in the introduction, then nothing in the whole document is credible. (M, Y, HR)

That we can change the pay-out model free of charge. That's important. (F, O, HR)

Costs. We will invest some money, but what will they charge us? How much exactly? (F, O, HR)

Minimum investment, maximum investment, minimum time, maximum time... Minimum age is 18, maximum is not strictly defined, it only says that you can get the pay-outs after you retire. What does that mean? The legal retirement age or when I decide to retire? (M, O, HR)

Pay-out models, and what happens with my money if I die when the pay-out has already started. It must be clearly stated, if the money can be inherited. It can influence my decision whether I will take the money as the lump sum or in monthly pay-outs. (M, O, HR)

Clearly state who is the re-insuring body/company in case the fund can't make pay-outs and in which way will they guarantee the pay-outs. (M, O, HR)

The conditions if we get in trouble and we stop paying... are there any "buyout options"? This is not clear... What if I need the money? Can I take it, and what are the sanctions? (M, O, HR)

It is important to know where they invest to know the return, in case they invest in bonds or stocks. That's why the return is minimal. (M, O, HR)

(Order) Logo. The product data first... I would have to see what my benefits are to be interested in reading more. (F, O, HR)

(Order) I see the product, its main features, costs, and then I would like to know what would happen when I retire. After that, I would put the explanation of how we achieved it... It is more important than how the money is invested. (M, O, HR)

Guarantee is more important than Change of provider. (M, O, HR)

Can I cancel or change my mind...then Can I switch my provider; Are my savings guaranteed from the first page. (M, O, HR)

"Who is it for" I would put it at the top of the page 1, as an introduction, with the basic information about the product. (F, O, HR)

For me, the risks and sub-title What happens if the fund is unable to pay out? should be in the same section. The fund bankruptcy is also a risk. (M, O, HR)

I would put sub-title "How has this product performed in the past" at the end of the section, after the risks. They are the least important. They do not guarantee the future return. (M, O, HR)

I think on the key information the guarantee for me is number one. That's above all you want to know that you are going to get at least the money that you are putting in back. And not to give these ambiguous answers like it's almost like some of them are contradicting themselves sometimes for the guarantee. (M, Y, IE)

There is a small section in the information document about where your funds are going to be invested and I think that would be of interest to me. (F, Y, IE)

Show case studies, I'd like that. (e.g. "Mary is 32...") That might be easier for people to digest because it might be a bit more personal and okay now I understand it. Rather than seeing a graph. (F, Y, IE)

Do they have any of these products that have matured to the full term? That they can say look this guy did invest this much and this is what he got. (M, Y, IE)

In terms of the balance statement I think how much you will receive either as a lumpsum or monthly is something that I would like to see each time I get a statement. (M, Y, IE)

I'd like to see what percentage of Irish people is investing in it. (F, Y, IE)

We don't want to know too much... If you do want to know more you can ring them or go online. (F, O, IE)

They're quite specific headings aren't they,? you know in each of those specific headings, that you would get enough information...bullet points. (M, O, IE)

Simple graphs.... So that it doesn't all look the same... not just writing. (F, O, IE)

I suppose legal has to be in text anyway, but apart. (M, O, IE)

Sustainability, all that, where the corporate responsibility is. (M, O, IE)

The envelop sign, that's kind of telling you straight away where you can get in contact. (F, O, IE)

They've given you the little footnote on the side, if you need to get more go to this website and it's there. Rather than getting another bloody envelop in the door. (M, O, IE)

Structure it well... Organize it better. (F, Y, SP)

The product description and who is behind. (F, Y, SP)

The amount to invest...rescue plan. (M, Y, SP)

Risks and benefits. (F, Y, SP)

Guarantees at the end. Risks and cancellation aren't the same. (F, Y, SP)

They could go together, how to subscribe and how to end the subscription. (F, Y, SP)

The extras include European mobility, change of promoter and legal framework. (F, Y, SP)

Costs are missing. They should be in investment and costs. At the end, I'd include where to subscribe to this plan. It's discouraging if you put it at the beginning. (F, Y, SP)

The logo should ensure that the EU is behind it... And if possible, this aspect should also be mentioned. They should mention the corresponding directive. (M, O, SP)

It should specify what a 12-month simulacrum is. (M, O, SP)

It should specify the entity that guarantees it, who is behind it. (F, O, SP)

There should be some scheme for the part on the three possible cancellations. They should be all presented and assessed together (30 days, 5 years...). This would be a better explanation. (F, O, SP)

There is another option that says "you will see when the day comes". And another that tells you that you can take a part now and the rest of the money will continue being invested. What about this? (M, O, SP)

There is something that I do not like in any document. If you decide to recover all the money at once, for sure you will pay taxes, right? There should be some way to know about this... And then the day of recovery comes and they tell you that you have to pay 30% of the value! It would have been more worth it to invest that money elsewhere or just keep it at home. (M, O, SP)

It would be good to have all situations on the table before you contract this product. All the cards on the table. (M, O, SP)

They should also provide more information about the kind of people who can make this plan... What about a person with disability or something like that? (F, O, SP)

They have wanted to make a question-answer document, using short answers. But many questions may be very similar between them. Such as the part on cancellation. (M, O, SP)

In order to take this pensions plan – information on where you have to go, how to do it... they should specify these aspects more. Can you go to some office and get it face-to-face? Is everything on the phone? Do you just read it and fill it in? (F, O, SP)

What does this offer apart from mobility within Europe? I do not care about mobility. (M, O, SP)

If it provided guarantees! For instance, you will earn less money, but we guarantee that this plan will generate these amounts... and safety...(M, O, SP)

5.5 Perception and comparison of the two BSs versions

These two are more economic calculations. I remember that not all the things were clear. I had to read those 3-4 times to understand. (M, Y, HR)

All shorter documents (BSs) are hard to understand. The information is scarce for someone not interested in finances. You can't understand easily everything written there, as opposed to the longer texts (KIDs). (F, Y, HR)

I liked the pink document the most. It was visually more interesting and clearer, maybe because the pictures make it more interesting and more understandable. (F, Y, HR)

The pink one got on my nerves right away, just visually. I got the impression they are trying to bullshit us, with these little dots and other stuff. I am now talking only about the visual appearance, not about the text. So, visually, I preferred the yellow/blue text. Regarding the content, they are about the same, both very informative, but I again preferred the blue/yellow text. (M, Y, HR)

Of the two BS documents, I think I also preferred the pink one. (F, Y, HR)

The best BS is the yellow/blue one, especially the first part, but they need to be combined. (M, O, HR)

I'd change how the paragraphs are arranged in the pink one. It looks like they all belong to the same criteria. I like the other order better because it's vertical. (F, Y, SP)

Point number three of the yellow document seems like the balance sheet of a company. The other is more visual. (M, Y, SP)

5.6 Analysis of the BS version (pink)

Section one, with these Euro bills, did not impress me. I like the numbers, not pictures. (M, Y, HR)

The sentence "Costs are capped at 1% of your accumulated capital per year. If you continue saving in this pattern, the total costs incurred over the savings phase will have reduced your total savings by 28%." I simply don't get it... Does this mean, for example, I'll save for 30 years and I should get HRK 500,000, that you will take 28% of that sum? I mean... It looks serious and dangerous. (F, Y, HR)

It is structured in a better way, has icons in the margins. (M, O, HR)

Logotype, the display of my savings with euro bills, I really don't like it. This information is displayed in a much better way in the yellow document. (M, O, HR)

(Section 3) The displayed information is much more understandable in the yellow version. (M, O, HR)

(Section 3) "If I continue saving in this pattern, the total costs incurred over the savings phase will reduce my savings by 28%." I don't get it. It is unclear. (F, O, HR)

Section 4. The graph/table should be clearer... the percentages are illogical as in the KID document, the graph could be neater. (M, O, HR)

Regarding the retirement options, what about disability retirement? Is it covered with this savings plan? (F, O, HR)

Section 3. They mention "Subsidies/taxes". These are completely opposite things. Subsidies are stimulating measures, and taxes are opposite, taking our money. (M, O, HR)

A lot of it works for me, I thought it was very straightforward broken down into the key sections. I think the graphs were very easy to follow. As well as section two here it breaks it down into the lump sum payment and then the monthly payments, and that also gave you some other considerations and they called those out. The big colourful sections, some useful tips around pension calculators. And then section three I found it easy to follow but I'm wondering if all that information is needed, like administrative costs, investment costs... Or is this something that we could visit on a website if we really needed this kind of

thing... I thought the graph bar chart was good in section four and then the use of like those icons throughout was helpful as well. I thought overall it was pretty easy. (F, Y, IE)

A lot of references. An awful lot of visit our website, they were all different websites. There are four at one time. (F, Y, IE)

Number three graph I don't really like. I'm just comparing it to the other one, I kind of feel like I can follow the other one a bit better, it actually looks a bit more like a balance sheet than the other one does. I can just follow that easier I think. You probably don't want to see all the negatives there, like there is a lot of costs probably unnecessary but if you did want to see them it's easier to read it in this format as opposed to this one here. (M, Y, IE)

It says please contact us but are they asking you to go to their website or to phone them or email them like, where do you go to contact them. (M, Y, IE)

It doesn't really tell you where exactly the investments were made. Because I got my own one and I've seen exactly where the money went. Just interesting to see it. (M, Y, IE)

It does say subsidies from your government on the very front of it. Does that mean the government are giving me a €60 extra? (F, Y, IE)

Good layout and clearly explained. (F, O, IE)

For comparison purposes I thought question 3 ("How has my PEPP changed in the last year?") was better actually in the other one (the yellow one), that it was just easier for me to follow, thought it was a little bit more complicated in the pink one. (M, O, IE)

("How has my PEPP changed in the last year?") I prefer the pink one, just again it's just easier on my eye, the plus and minus, you can just see what is going in and what is going out and what's left and I like the total at the end. (F, O, IE)

What I didn't like is that the pink one, had, a complain section and it had a heart or something, I didn't like that. (M, O, IE)

Is the sub account for family members or something is it? (M, O, IE)

I am wondering where the actual money is, who is it like, who holds the money... so what's the plan, if you move to France you can carry your pension across, is that, what is the actual benefit rather than just having an Irish pension? (M, O, IE)

You can actually call them to find out, say for example you decide you want to retire 4 years early or whatever, so you can actually get someone to talk to you, explain to...you know that's what I like as well. And it's quite clear there. (F, O, IE)

In this sentence when it reads "since you contracted it up to the 31st of December". Here it should state the specific period, the initial date. (M, O, SP)

Here it says "government subsidies"... that is a tax reduction...I would not include it here... Because subsidies are something that I am reducing, it has nothing to do with... when I retire, I will have to pay for these taxes, and they do not say it here. On the top it speaks about the nice things, but below they do not state the ugly parts. (F, O, SP)

I am not sure whether it (government subsidies) means that when you make your annual income declaration you will be deducted €60. (M, O, SP)

For me the part on costs... the amount there seems to be very high for me at first sight, considering the cost they claimed. They claimed the cost was of 0.96% and suddenly here you see €246... 0.96€ of €6,000 would not be more than €60... It is not clear for me either where the cost comes from. (M, O, SP)

You are interested in your results for one year, and not in the accumulation over the years, that would be in a different and more detailed summary per year. But at a glance, with this you have to remember that 16 years ago you paid €75 or €100 to contract this... (M, O, SP)

Yield is the interest obtained with the money you have there. (F, O, SP)

(What yield is) the difference between what you have obtained and the costs, the proportion of this difference. (M, O, SP)

For them here, yield is what you have earned. After that, they reduce the expenses. (M, O, SP)

Page 1, point 2 ("What will I receive when I retire?") I would really leave it out. Besides, the first sentence is "it is impossible to foresee" ... I would not even want to know about this... There is a huge difference. Considering that it is based on an EU regulation, I would miss some minimum information about it. For instance, "we guarantee that no matter how investments go, you will receive a minimum amount of X"... I deem this to be irrelevant as part of the information sent on a yearly basis. (M, O, SP)

They could provide information on the evolution of this pension plan over the years you have had it. The profits generated over the different years: 2015, 2016, 2017... so you could see the evolution. (M, O, SP)

Remove this one (section 2) and put the historical record with your earnings. So that you can see this once a year. (M, O, SP)

There is not much more to see – just your input and earnings. And some information about your historical record. I do not think any more is necessary in an annual report. (M, O, SP)

5.7 Perception of the BS version (yellow)

All these childlike pictures, stars and exclamation marks mean nothing to me. The yellow document specifies things, gives them in categories and groups; you can read the information more easily. I prefer this style when we speak about finances. (M, Y, HR)

I prefer these tables, I have the impression the information is laid out more clearly. It took me longer to study the pink version and I did not get all the information from it. (F, Y, HR)

(Referring to section 3) It looks more professional, like in a bank. (M, Y, HR)

(Referring to section 3) It's more trustworthy, more systematic. (F, Y, HR)

The first section, with general information. It looks more professional in the yellow version. And the table with how much I saved, it is better than in the pink version. (M, Y, HR)

The table, technical information... The information is more clearly visible. (M, O, HR)

("How much have I saved?") I like this picture of palm with a bill on it, and the way the information is put. (M, O, HR)

I'd rather be told the minimum you are going to get not be told what you may get. Whatever you get after that is a bonus. I wouldn't be counting on it like. And I think looking at it there they are leading you, they are selling, they are trying to sell it to you like... With the highest return at the start it also comes with highest risk. (M, Y, IE)

I also think with that graph ("What will I receive when I retire?") I think the points underneath it look like they are related, like the bottom warning is related to the "Good" and so on. (F, Y, IE)

("What will I receive when I retire?") It doesn't say per month vs. year. (M, Y, IE)

You paid in €6000, the government are giving you 60 and your investment and it has the costs, but I know it breaks it down on the other page but I'm looking at that, I'm getting costs of €246 and I'm going well where did they come from. And then when I look at the next page, does that break down the €246? If you look at number 1, it goes €6000 in, €62, €308 and then you're going what is the €246, that's a bit high. But then when you look at it on this side, like I can't see the €246 in the breakdown. (M, O, IE)

I don't know if I'm just reading this wrong but then it says costs are capped at 1% of your accumulated capital, if you continue saving in this pattern your total costs incurred over savings phase will have reduced your total savings by 28%. What's that like?... I thought your savings were at least guaranteed. (M, O, IE)

I'd highlight the negative costs. They are quite shocking...With a minus? Otherwise, they all look like positive numbers. (F, Y, SP)

The joining date is missing. (F, Y, SP)

The total amount (section 1) should be at the end, not at the beginning. (M, Y, SP)

The structure of section 2 is confusing because the columns look like they belong to the three scenarios, but have nothing to do with them actually. (F, Y, SP)

I don't care about the breakdown of administrative costs. I don't care about the type. (M, Y, SP)

In terms of format, I wouldn't place the percentages next to the amounts. It's messy. It's hard to understand. I would set them apart. (F, Y, SP)

If this were an online document, I'd hide the percentages and have them be drop-down. (M, Y, SP)

I'd replace the word "sustainability" for responsibility or ethics. (F, Y, SP)

Point number four is already there. This breakdown makes no sense... I'd remove it. (M, Y, SP)

I'd appreciate knowing where the money has been invested this year. Provide the names of the companies. No descriptions. (F, Y, SP)

Point number two is more for KID than BS. (F, Y, SP)

Point number two must be personalized. (F, Y, SP)

3.9 Main BS concepts and the ideal flow to present them

(Section 2) For me, it is not so important. Are these projections related to real investments or just examples? Are Sections 2, 4, and 5 just reminders, or personalized calculations based on real numbers? ... If it's personalized for Ana Anić in this case, then it is OK. (M, Y, HR)

What does it mean "return of investment"? (M, Y, HR)

There is much information that would probably be explained in detail in the contract. I think that this BS could be a one-page document. (M, Y, HR)

Sustainability, environment-friendly things, etc. attract people and it is important. In Croatia, not that much... It is OK to have it in the KID, but not in BS. (M, Y, HR)

I would like to see it, how my fund operates in the long-term. (F, Y, HR)

(Section 4) I don't know how the regular Croatian pension funds do in the market. I don't think it's something for the yearly statement. (M, Y, HR)

The EU logo for sure, and perhaps the provider logo below it. (F, Y, HR)

I would put the number how much I saved and profited this year first, and then in total, for the whole saving period so far. (M, Y, HR)

"What will I receive when I retire?" It is not important here. (M, Y, HR)

I would like to see how my fund operated in the last couple of years, but just the numbers... At least 10, per year, to see the peeks. (F, Y, HR)

I would keep some information, about investment options, retirement options, and investment policy. (F, Y, HR)

The information "What will I get when I retire" is irrelevant for this statement. Maybe they should give that information to people closer to retirement. For me, what matters is how much I saved and what happened with my money in a one-year period and in total... This projection of future trends is just a projection. It is irrelevant and contrary to the information in the KID document, where they stated that the past returns are no guarantee of future results. (M, O, HR)

Many people get disappointed when the pay-out starts and they lose substantial amount with taxes. This is a very important thing. It should be clearly stated. (M, O, HR)

What I lack in these materials is the fund structure. For example, 30% invested in stocks, 20% in bonds, etc... I just want to know the structure of investment, whether they purchased guns or food. (M, O, HR)

(Paper vs. online) I prefer like as you said online but like in terms of having an actual App the way it works for the bank accounts. And just seeing it there. (M, Y, IE)

You want to know clearly what you put in. (M, O, IE)

About the costs, that it's specifically broken down properly. (M, O, IE)

The first thing you want to see is if this product still provides a guarantee. (F, O, IE)

Is there tax on it? (F, O, IE)

How much can you get tax free? (M, O, IE)

It depends on how it performs or what's going to happen, you could be, might be making nothing on it so the tax won't matter a damn. Or you could be making a packet and then it does matter a damn. (M, O, IE)

That table there if you're 40 put in this and if you're 50 you need to ramp it up, that table, I think that's key. You have to put in €1000 a month now because you're getting too old, if you start when you're 20 you're grand at €500 or something, you know. So that table telling you that you haven't put in enough... The age-related table. (M, O, IE)

Keep two thirds of it safe and then a third to risk, that you could put at a high risk but you still have something guaranteed at the end of it, you know. That type of information would be, again if you were starting later in life you might differ on how much you would risk, whereas if you're starting earlier, you'd say actually look it, I don't have to be risky with it, I can play safe because I've a long time to do it. (M, O, IE)

This is my age and what do I need from my pension... What do I need to get such and such every month in 20 years' time? (F, O, IE)

You're going to be paying for riskier options like when you're young and then when you're older then get less and less, go more and more safe. (M, O, IE)

Point number one is well explained. How much money I have earned in detail. How much I have saved. (F, Y, SP)

The breakdown, first. Then, the forecast. (F, Y, SP)

Put point number two in place of number three. (M, Y, SP)

Point number two is more for KID than BS... It must be personalized. (F, Y, SP)

I'd remove point number four... It's better that it takes two pages than three. (F, Y, SP)

They should remove this part on "what will I get when I retire". (M, O, SP)

They should break down the costs. (M, O, SP)

They should explain what subsidies are. (M, O, SP)

They should include your own historical record on your profits. (M, O, SP)

Remove this one (section 2) and put the historical record with your earnings. So that you can see this once a year... My annual earnings over the past years. (M, O, SP)

I do not like the name – “declaration of benefits”. I do not know what this is... it sounds very weird. Better – “summary of your pensions plan”. (F, O, SP)

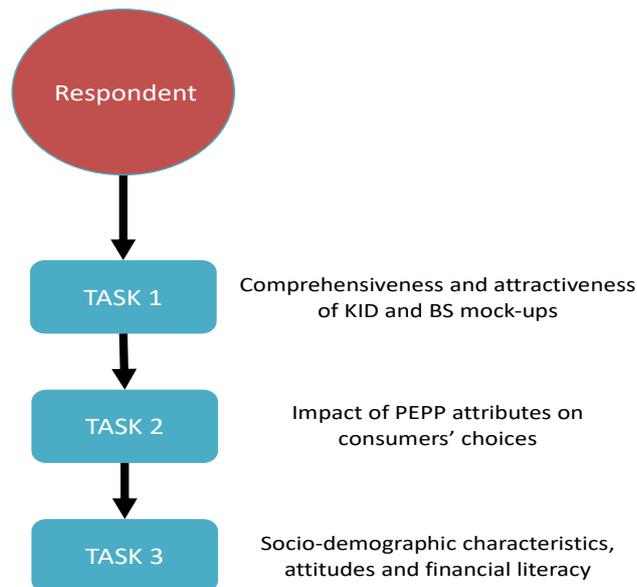
6. ANNEX II: Experimental protocol.

6.1 Introduction

The online survey and experiments were carried out in Ireland, Spain and Croatia with representative samples of 1000 adults in each country, aged between 25 and 55. The field work took place between 8th April 2020 and 22nd April 2020. It included two experimental tasks and a post experimental questionnaire. The first task was an experiment testing the level of understanding of the mock-ups. The second was a Discrete Choice Experiment (DCE) to identify the PEPP most important attributes in influencing consumers’ choices.

- Task 1: Testing comprehension and attractiveness of two versions of KIDs and BSs
- Task 2: Assessing the impact of different PEPP attributes on consumers’ choices
- Task 3: Socio-demographic and financial literacy questions

Figure 18 Online survey and experiments overall logic flow



It is important to illustrate how the overall survey and experiments were presented to participants reporting the statement they found at the very start:

“The Pan-European Personal Pension Product (PEPP) will be introduced in the European Union from 2021. It is a standardised personal pension product, which will be offered throughout the European Union by eligible providers, such as insurers, banks, asset managers and some pension funds. All PEPPs will be authorised by the national competent authorities in the EU Member States and follow a strict European Regulation.”

"This online survey is divided into three parts and we will give you instructions for each of them at the introductory section."

6.2 Task 1

6.2.1 Stimuli

For Task 1, we used a number of mock-ups stimuli (already translated in the 3 languages) that can be retrieved from: <https://drive.google.com/open?id=1ydryBB7L84HSWQqnhQeDbrGs6UbCw80o>.

The mock-ups included:

- a) Benefit Statement (folder "BS v10")
- b) Key Information document (folder "KID v15")

For each of the two documents, there are 2 different graphical format ("yellow" and "blue") that include exactly the same content but with different graphic and lay out. Both documents provided information about the PEPP pension product. As you can see in the folder, there are two KID and two BS of each graphic format (i.e. two yellow KID and two blue KID), since we developed these documents for 2 different pension products ("PEPP A" and "PEPP B"). See the image below. Therefore, we have a total of 8 mock-ups

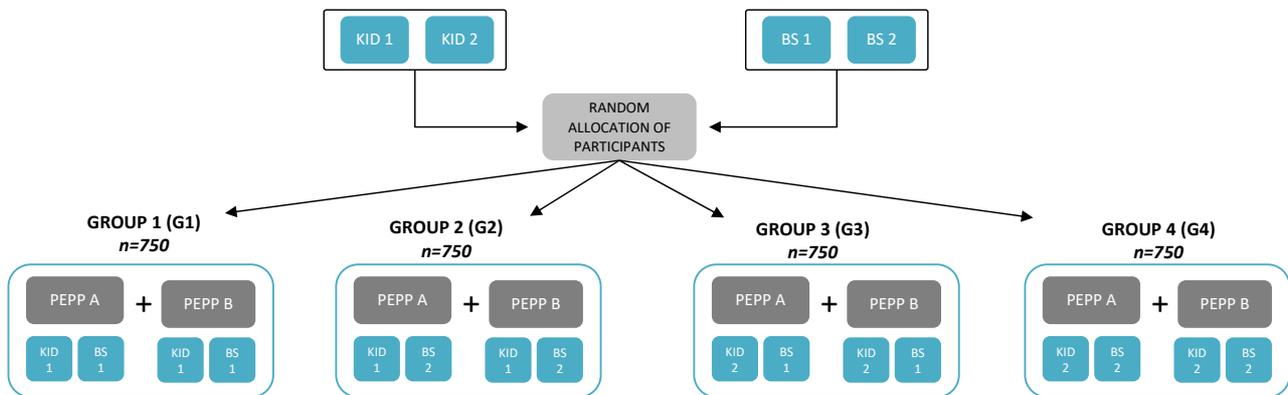
Figure 19 Products and mock-ups: overview



6.2.2 Method

Respondents were split into 4 groups as shown in the diagram below.

Figure 20 Task 1 logic diagram

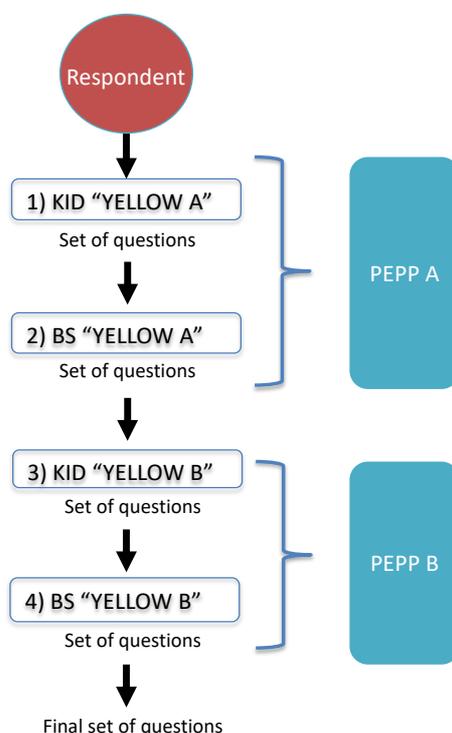


Each of them was shown 2 different mock-ups for each of the 2 PEPP products. Meaning that they saw 4 mock-ups in total and answered questions about their content and the graphical format to assess both (i) cognitive and (ii) affective reactions. For instance, participants in Group 1 saw "KID YELLOW A" – "BS YELLOW A" – "KID YELLOW B" – "BS YELLOW B". The participants in the other groups saw different combinations of mock-ups but will answer the same questions. Ex post, by analysing the answers of the respondents in the different groups, we were able to recover how different mock-ups performed in terms of comprehension and attractiveness. The image below shows the general structure of the task. In the image below, we refer to KID/BS 1 as the "YELLOW" and KID/BS 2 as the "BLUE".

6.2.3 Procedure

Each participant went through 4 documents. After having seen the document, he/she answered some questions. While he/she answered the different questions, he/she can look at the stimuli. The image below shows an example of the sequence of the task for a participant of the Group 1.

Figure 21 Example of Task 1 journey: example for group 1



The participants were instructed as follows

"Now you will see 2 information documents for 2 different pensions products (PEPP), four documents in total.

The two documents for each product that you will see are:

- a) **Key information document (KID)** – which provides key information about the specific pension product.
- b) **Benefit statement (BS)** – which provides a summary of savings, costs, past performance and forecasts.

You will see these two informative documents one after the other, for 2 PEPP products that vary in which vary in terms of security, costs, potential savings etc.:

- 1) Basic PEPP "Nesting" – with a guarantee to recoup the capital invested
- 2) Basic PEPP "Life cycling" – without such a guarantee

To sum up, you will see 4 documents in total, 2 for each pension product.

After you see each of the four documents, you will be asked a number of questions on the content and the graphic aspect of these documents."

6.2.4 Questionnaire

The questions were divided in 4 blocks, and they were asked to participants, depending on what they saw on the screen. Meaning that each of the block is associated with a particular stimulus. Some of the questions are repeated in different blocks. The four blocks are:

1. Block 1: Questions for PEPP A – KID
2. Block 2: Questions for PEPP B – KID
3. Block 3: Questions for PEPP A – BS
4. Block 4: Questions for PEPP B – BS

5. Block 5: Final questions of comparison

Block 1 (PEPP A – KID).

Q1.1 Looking at the Key Information Document in full, how difficult or easy would you say it is to understand? (Scale from 1 to 5; 1 = very easy; 2= fairly easy; 3= neither easy nor difficult; 4= fairly difficult and 5 = very difficult)

Q1.2. Please select the statement which best describes the positive scenario. This scenario represents

(i) the best possible market conditions [CORRECT]

(ii) market conditions that would be advantageous

(iii) market conditions that would be disadvantageous

(iv) the worst possible market conditions

Q1.3. Imagine you chose this pension product. If you paid in €10,000 so far, how much would be your maximum annual costs?

(i) 10€

(ii) 100€

(iii) 5%

(iv) 110€ [CORRECT]

Q1.4. Based on the information provided, can you foresee exactly how much you can receive when you retire?

(i) If I contribute €100/month, I will receive exactly €50,500 when I retire.

(ii) It depends on the markets' performance. If they perform badly, I can lose all the money.

(iii) The amount will depend on how both the markets and my investments perform [CORRECT]

(iv) I will receive the exact amount I invested, because this is a low risk product.

Q1.5. From the document you read, do you recall if it contains a guarantee? [Yes/No/I don't recall] – **YES IS THE CORRECT ANSWER**

Q1.6. As a description of a pension product, how attractive did you find this document? Scale from 1 to 5 (1 = not attractive at all; 5 = very attractive).

Q1.7. If you were considering buying this pension product, how much would you rely on and trust the information provided in the Key Information Document? Scale from 0 to 10 (0= do not trust at all; 10= completely trust)

Q1.8. If you were considering buying this pension product, would you have sufficient information to be comfortable in making a decision? (1=very comfortable to 5= very uncomfortable)

Block 2 (PEPP B – KID)

The questions were the same of Block 1. However, the answers were different for Q3, Q4 and Q5 (see below).

Q2.3. Imagine you chose this pension product. If you paid in €10,000 so far, how much would be your maximum annual costs?

(i) 10€

- (ii) 1,4% every year
- (iii) 80€
- (iv) 100€ [CORRECT]**

Q2.4. Based on the information provided, can you foresee exactly how much you can receive when you retire?

- (v) If I contribute €100/month, I will receive exactly €56,000 when I retire.
- (i) It depends on the markets' performance. If they perform badly, I can lose all the money.
- (ii) The amount will depend on how both the markets and my investments perform [CORRECT]**
- (iii) I will receive the exact amount I invested, because this is a low risk product.

Q2.5. From the document you read, do you recall if it contains a guarantee? [Yes/No/I don't recall] – **NO IS THE CORRECT ANSWER**

Block 3 (PEPP A – BS)

Q3.1 Looking at the Benefit Statement, how difficult or easy is it to tell the exact amount of the total annual costs only of the last year? (Scale from 1 to 5; 1 = very easy; 2= fairly easy; 3= Neither easy nor difficult; 4= fairly difficult and 5 = very difficult)

→ IF ANSWER IS 1 OR 2 THEN: How much is it? [CORRECT ANSWER: €13.20]

Q3.2 How difficult or easy is to understand the exact amount of the return on your investment so far, taking into account also the costs? (Scale from 1 to 5; 1 = very easy; 2= fairly easy; 3= Neither easy nor difficult; 4= fairly difficult and 5 = very difficult)

→ IF ANSWER IS 1 OR 2 THEN: How much is the return so far, considering the costs? [CORRECT ANSWER: €78]

Q3.3 From the document you read, do you recall if the costs are capped? [Yes/No/I don't recall] – **YES IS THE CORRECT ANSWER**

→ IF ANSWER IS 1 OR 2 THEN: How much is the cap? [CORRECT ANSWER = 1,1%]

Q3.4 As a description of the performance of your PEPP, how attractive did you find this document? (Scale from 1 to 5; 1 = very easy; 2= fairly easy; 3= Neither easy nor difficult; 4= fairly difficult and 5 = very difficult)

Q3.5 As a description of the performance of your PEPP, how useful did you find this document? (Scale from 1 to 5 (1 = not useful at all; 2= fairly useless; 3= neither useful nor useless; 5 = very useful).

Block 4 (PEPP B – BS)

The questions were the same as Block 3. However, the answers were different for Q1, Q2 and Q3 (see below).

Q4.1 → IF ANSWER IS 1 OR 2 THEN: How much is it? [CORRECT ANSWER: €12.00]

Q4.2 → IF ANSWER IS 1 OR 2 THEN: How much is the return so far, considering the costs? [CORRECT ANSWER: €160]

Q4.3 → IF ANSWER IS 1 OR 2 THEN: How much is the cap? [CORRECT ANSWER = 1%]

Block 5 (Final questions of comparison)

Q5.1 Which of the two products is riskier?

- (i) FPZ 'Nesting' Basic PEPP
- (ii) FPZ Life Cycling PEPP [CORRECT ANSWER]**

Q5.2 If you choose that product, is there a risk of losing all the money invested? CORRECT ANSWER: No

6.3 Task 2

In the second task, the participants had to make 12 consecutive binary choices between 2 alternative hypothetical options displayed on simple cards (example below). Each of the option represented a pension product, composed of 6 attributes. Each single attribute had different levels, which vary from card to card. Here the attributes in each card:

- Security (guarantee)
- Annual costs
- Risk profile
- Quality assurance (EU flag)
- Social nudge
- Reward projection

6.3.1 Stimuli

The cards shown to participants were very simple, showing only the list of attributes, with the levels that vary for each choice randomly. Next to the name of the product, there was one of the attributes (EU flag) – which can be either present or absent in the card. See image below.

Figure 22 Discrete Choice Experiment (DCE) stimuli

Product #1	Product #2
 PEPP	
Security: with a guarantee	Security: with a guarantee
Annual cost: 1.1%	Annual cost: 1.1%
Profile: Low Risk	Profile: Medium Risk
"Very popular product"	
Rewards: between €56,000 and €69,000	Rewards: between €58,000 and €72,000

6.3.2 Method

The full sample was divided in two groups. The attributes tested were the same in both groups, but the levels varied to make the options realistic (i.e. we could consider a card with very low risk and very high rewards). In both groups, the respondents had to make 12 consecutive choice between two alternative cards, containing the same attributes, but with different levels every

time. The analysis of data allows to determine which are the attributes that drives consumer's choice the most when choosing a pension product.

Group 1 (lower risk product) – attributes' levels

Attribute	Level
Security	<ul style="list-style-type: none"> • With guarantee • Without guarantee
Annual cost	<ul style="list-style-type: none"> • 1,0% • 1,1%
Risk profile	<ul style="list-style-type: none"> • Low • Medium
Quality assurance	<ul style="list-style-type: none"> • With EU flag • Without EU flag
Social nudge	<ul style="list-style-type: none"> • Yes • No
Reward projection	<ul style="list-style-type: none"> • 56k – 69k • 58k – 71k

Group 2 (higher risk product) – attributes' levels

Attribute	Level
Security	<ul style="list-style-type: none"> • With guarantee • Without guarantee
Annual cost	<ul style="list-style-type: none"> • 1,2% • 1,3%
Risk profile	<ul style="list-style-type: none"> • Medium • High
Quality assurance	<ul style="list-style-type: none"> • With EU flag • Without EU flag
Social nudge	<ul style="list-style-type: none"> • Yes • No
Reward projection	<ul style="list-style-type: none"> • 58k – 71k • 70k – 73k

In the following two tables, we show the 12 combination of options for the two groups:

Group 1 Lower Risk

Choice Set	Security	Annual Cost	Risk profile	Quality Assurance	Social Nudge	Reward projection
1	Guarantee	1,1%	Low	EU Flag	Nothing	58k-71k
1	No guarantee	1,0%	Low	No EU Flag	Very Popular	58k-71k
2	No guarantee	1,1%	Medium	EU Flag	Very Popular	56k-69k
2	Guarantee	1,1%	Low	No EU Flag	Nothing	58k-71k
3	No guarantee	1,0%	Low	EU Flag	Very Popular	58k-71k
3	No guarantee	1,1%	Medium	No EU Flag	Nothing	56k-69k

Choice Set	Security	Annual Cost	Risk profile	Quality Assurance	Social Nudge	Reward projection
4	Guarantee	1,1%	Medium	EU Flag	Very Popular	58k-71k
4	No guarantee	1,0%	Low	EU Flag	Very Popular	56k-69k
5	Guarantee	1,0%	Medium	EU Flag	Nothing	56k-69k
5	No guarantee	1,1%	Low	EU Flag	Very Popular	58k-71k
6	No guarantee	1,1%	Medium	No EU Flag	Nothing	58k-71k
6	Guarantee	1,0%	Medium	EU Flag	Very Popular	56k-69k
7	Guarantee	1,1%	Low	EU Flag	Very Popular	56k-69k
7	No guarantee	1,0%	Medium	No EU Flag	Nothing	56k-69k
8	No guarantee	1,1%	Low	EU Flag	Nothing	56k-69k
8	No guarantee	1,0%	Medium	No EU Flag	Nothing	58k-71k
9	Guarantee	1,1%	Medium	EU Flag	Nothing	56k-69k
9	No guarantee	1,1%	Low	No EU Flag	Very Popular	58k-71k
10	Guarantee	1,0%	Low	No EU Flag	Nothing	56k-69k
10	No guarantee	1,1%	Medium	EU Flag	Nothing	58k-71k
11	Guarantee	1,0%	Medium	EU Flag	Very Popular	58k-71k
11	No guarantee	1,1%	Low	No EU Flag	Very Popular	56k-69k
12	No guarantee	1,0%	Low	EU Flag	Nothing	58k-71k
12	Guarantee	1,1%	Low	No EU Flag	Very Popular	56k-69k

Group 2 Higher Risk

Choice Set	Security	Annual Cost	Risk profile	Quality Assurance	Social Nudge	Reward projection
1	No guarantee	1,3%	Medium	EU Flag	Very Popular	70k-73k
1	No guarantee	1,2%	High	No EU Flag	Nothing	58k-71k
2	No guarantee	1,3%	High	EU Flag	Nothing	58k-71k
2	Guarantee	1,2%	High	No EU Flag	Nothing	58k-71k
3	Guarantee	1,2%	Medium	EU Flag	Nothing	70k-73k
3	No guarantee	1,3%	Medium	No EU Flag	Very Popular	58k-71k
4	Guarantee	1,2%	Medium	EU Flag	Very Popular	70k-73k
4	No guarantee	1,3%	High	No EU Flag	Nothing	70k-73k
5	Guarantee	1,2%	High	No EU Flag	Very Popular	70k-73k
5	Guarantee	1,3%	Medium	EU Flag	Nothing	70k-73k
6	Guarantee	1,3%	High	EU Flag	Nothing	70k-73k
6	No guarantee	1,2%	Medium	No EU Flag	Very Popular	70k-73k
7	No guarantee	1,2%	High	EU Flag	Very Popular	70k-73k
7	Guarantee	1,3%	Medium	EU Flag	Nothing	58k-71k
8	Guarantee	1,3%	High	EU Flag	Very Popular	58k-71k
8	No guarantee	1,2%	Medium	EU Flag	Nothing	70k-73k
9	Guarantee	1,3%	Medium	No EU Flag	Very Popular	70k-73k
9	No guarantee	1,2%	High	EU Flag	Very Popular	58k-71k
10	No guarantee	1,3%	Medium	No EU Flag	Nothing	70k-73k
10	Guarantee	1,3%	High	EU Flag	Very Popular	58k-71k
11	No guarantee	1,3%	High	EU Flag	Very Popular	70k-73k
11	No guarantee	1,3%	Medium	No EU Flag	Nothing	58k-71k
12	Guarantee	1,3%	Medium	No EU Flag	Nothing	70k-73k
12	No guarantee	1,2%	Medium	EU Flag	Very Popular	58k-71k

6.3 Task 3

A post-experimental questionnaire was administered, the findings from which provide insights into personal and social characteristics that are associated with different choices regarding pensions. It focussed on 3 issues:

1. Socio-economic profile
2. Financial literacy
3. Details of current pension provision

SOCIO-ECONOMIC QUESTIONS

1. What is your current occupation?

- Unskilled manual worker (blue collar)
- Trained/technical manual worker (blue collar)
- Self-employed (white collar)
- Administrative employee (white collar)
- Middle-manager (white collar)
- Owner/executive (white collar)
- Unemployed (non-working)
- Retired/Long-term sick leave (non-working)
- Home-maker (non-working)

- Student (non-working)

2. Do you or a close relative currently work in any of the following industries?
(READ ITEMS. MULTIPLE ANSWER)

- Market research
- Journalism, radio, TV or digital media
- Banking
- Insurance

- None of the above

3. What is your civil status? (SINGLE ANSWER)

- Single (never married)
- Separated / divorced / widower
- Living with partner / married

4. Just for statistical classification purposes, which of the following ranges corresponds to your household's gross annual income? (READ ITEMS. SINGLE ANSWER)

- 0-20,000 Euro
- 20,001-40,000 Euro
- 40,001-60,000 Euro
- 60,001-100,000 Euro

- Above 100,000 Euro

FINANCIAL LITERACY ASSESSMENT

1. Suppose you have some money. Is it safer to put your money into one business or investment, or to put your money into multiple businesses or investments?
 - One business or investment
 - Multiple businesses or investments
 - I don't know
2. Suppose over the next 10 years the prices of things you buy double. If your income also doubles, will you be able to buy less than you can buy today, the same as you can buy today, or more than you can buy today?
 - Less
 - The same
 - More
 - I don't know
3. Suppose you need to borrow 100 Euro. Which is the lower amount to pay back: 105 Euro or 100 Euros plus 3%?
 - 105 Euro
 - 100 Euro + 3%
 - I don't know
4. Suppose you put money in the bank for 2 years and the bank agrees to add 15% per year to your account. Will the bank add more money to your account the second year than it did the first year, or will it add the same amount of money both years?
 - More money
 - The same amount
 - I don't know
5. Suppose you had 100 Euro in a savings account and the bank adds 10% per year to the account. How much money would you have in the account after 5 years if you did not remove any money from the account?
 - More than 150 Euro
 - Exactly 150 Euro
 - Less than 150 Euro
 - I don't know

CURRENT PENSION PROVISION

1. What type of financial arrangements do you currently have or plan to implement for your retirement? Please let us know whether you currently hold those assets, you are planning to have them (and are actively working on it), you may consider doing it in the future or you doubt you will ever get them.

FINANCIAL SCHEMES FOR RETIREMENT PLANNING	1 Currently have	2 Plan to have	3 May con- sider it	4 Not intereste d
a. Public pension plan (government-managed)	1	2	3	4
b. Private pension/savings plan (bank-managed)	1	2	3	4
c. Investment in real estate/property assets	1	2	3	4
d. Financial investment products (bonds, stocks...)	1	2	3	4
e. Other. _____	1	2	3	4

7. ANNEX III: DCE statistical annex.

We report in this annex all the DCE statistical results divided for low-risk product (7.1) and high-risk product (7.2). For each of the two products we divide the statistics in three paragraphs: one with aggregate analysis, the second with analysis by country, and the third with analysis by financial literacy

7.1 Low risk product

7.1.1 Low risk product: aggregate analysis

Figure 23 Low-risk product aggregate analysis: DCE effect summary

Source	LogWorth		PValue
Annual Cost	969,018		0,00000
Risk profile	205,221		0,00000
Quality Assurance	126,935		0,00000
Reward projection	44,641		0,00000
Social Nudge	29,141		0,00000
Security	26,735		0,00000

Figure 24 Low-risk product aggregate analysis: DCE parameter estimates

Term	Estimate	Std Error	Lower 95%	Upper 95%
Security[Guarantee]	0,098903082	0,0091424336	0,0810001	0,1168335
Annual Cost[1,0%]	0,460156380	0,0112763293	0,438152	0,4823516
Risk profile[Low]	-0,325011717	0,0108401027	-0,346297	-0,30381
Quality Assurance[EU Flag]	0,278080483	0,0118835436	0,2548575	0,3014358
Social Nudge[Very Popular]	0,112531589	0,0098879997	0,09315	0,1319051
Reward projection[56k-69k]	-0,152382799	0,0108447737	-0,173662	-0,131154

AICc	21822,14
BIC	21868,924
-2*LogLikelihood	21810,135
-2*Firth LogLikelihood	21755,055

Converged in Gradient
Firth Bias-Adjusted Estimates
Choice Model: Response

Figure 25 Low-risk product aggregate analysis: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq
Security	117,880	1	<,0001*
Annual Cost	1930,018	1	<,0001*
Risk profile	937,782	1	<,0001*
Quality Assurance	577,745	1	<,0001*
Social Nudge	128,876	1	<,0001*
Reward projection	199,818	1	<,0001*

Choice Model: Response

Figure 26 Low-risk product aggregate analysis: DCE Effect marginals

Marginal Probability	Marginal Utility		Security
0,5493	0,09890		Guarantee
0,4507	-0,09890		No guarantee
Marginal Probability	Marginal Utility		Annual Cost
0,7151	0,46016		1,0%
0,2849	-0,46016		1,1%
Marginal Probability	Marginal Utility		Risk profile
0,3430	-0,32501		Low
0,6570	0,32501		Medium
Marginal Probability	Marginal Utility		Quality Assurance
0,6356	0,27808		EU Flag
0,3644	-0,27808		No EU Flag
Marginal Probability	Marginal Utility		Social Nudge
0,5560	0,11253		Very Popular
0,4440	-0,11253		Nothing
Marginal Probability	Marginal Utility		Reward projection
0,4244	-0,15238		56k-69k
0,5756	0,15238		58k-71k

7.1.2 Low risk product: analysis by country

Figure 27 Low-risk product Croatia: DCE effect summary

Source	LogWorth		PValue
Annual Cost	198,095		0,00000
Risk profile	92,999		0,00000
Quality Assurance	65,985		0,00000
Reward projection	16,398		0,00000
Security	9,491		0,00000
Social Nudge	7,996		0,00000

Choice Model: Response Country=CR

Figure 28 Low-risk product Croatia: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,101667183	0,0162425617
Annual Cost[1,0%]	0,569540993	0,0211394705
Risk profile[Low]	-0,383663992	0,0192968424
Quality Assurance[EU Flag]	0,364387652	0,0221030525
Social Nudge[Very Popular]	0,100735888	0,0175318067
Reward projection[56k-69k]	-0,165464855	0,0197903657

AICc	6934,9621
BIC	6975,1452
-2*LogLikelihood	6922,9481
-2*Firth LogLikelihood	6874,9384

Converged in Gradient
Firth Bias-Adjusted Estimates

Choice Model: Response Country=CR

Figure 29 Low-risk product Croatia: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	39,533	1	<,0001*	
Annual Cost	904,999	1	<,0001*	
Risk profile	421,778	1	<,0001*	
Quality Assurance	297,717	1	<,0001*	
Social Nudge	32,823	1	<,0001*	
Reward projection	70,777	1	<,0001*	

Choice Model: Response Country=CR

Figure 30 Low-Risk product Spain: DCE effect summary

Source	LogWorth		PValue
Annual Cost	203,434		0,00000
Risk profile	96,525		0,00000
Quality Assurance	50,512		0,00000
Reward projection	29,970		0,00000
Security	14,414		0,00000
Social Nudge	11,335		0,00000

Choice Model: Response Country=ES

Figure 31 Low-risk product Spain: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,127658863	0,0163595877
Annual Cost[1,0%]	0,580629786	0,0213146735
Risk profile[Low]	-0,394899626	0,0195628455
Quality Assurance[EU Flag]	0,316528412	0,0217277137
Social Nudge[Very Popular]	0,122327077	0,0176262832
Reward projection[56k-69k]	-0,227000850	0,0200113801
AICc		6866,8089
BIC		6906,9919
-2*LogLikelihood		6854,7948
-2*Firth LogLikelihood		6806,8505

Converged in Gradient
Firth Bias-Adjusted Estimates
Choice Model: Response Country=ES

Figure 32 Low-risk product Spain: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	61,775	1	<,0001*	
Annual Cost	929,561	1	<,0001*	
Risk profile	437,976	1	<,0001*	
Quality Assurance	226,731	1	<,0001*	
Social Nudge	47,839	1	<,0001*	
Reward projection	132,661	1	<,0001*	

Choice Model: Response Country=ES

Figure 33 Low-risk product Ireland: DCE effect summary

Source	LogWorth		PValue
Annual Cost	58,636		0,00000
Risk profile	32,885		0,00000
Quality Assurance	21,205		0,00000
Social Nudge	11,112		0,00000
Security	6,781		0,00000
Reward projection	6,585		0,00000

Choice Model: Response Country=IR

Figure 34 Low-risk product Ireland: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,079843585	0,0153007126
Annual Cost[1,0%]	0,277762964	0,0175959351
Risk profile[Low]	-0,216280123	0,0180443348
Quality Assurance[EU Flag]	0,180493519	0,0189902266
Social Nudge[Very Popular]	0,113350537	0,0165658966
Reward projection[56k-69k]	-0,089613000	0,0174411719

AICc	7825,1824
BIC	7865,3655
-2*LogLikelihood	7813,1684
-2*Firth LogLikelihood	7764,0033

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response Country=IR

Figure 35 Low-risk product Ireland: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	27,400	1	<,0001*	
Annual Cost	263,994	1	<,0001*	
Risk profile	145,990	1	<,0001*	
Quality Assurance	92,651	1	<,0001*	
Social Nudge	46,834	1	<,0001*	
Reward projection	26,528	1	<,0001*	

Choice Model: Response Country=IR

7.1.3 Low risk product: analysis by financial literacy

Figure 36 Low-risk product/low financial literacy: DCE effect summary

Source	LogWorth		PValue
Annual Cost	20,513		0,00000
Risk profile	11,211		0,00000
Social Nudge	6,169		0,00000
Reward projection	5,907		0,00000
Security	3,747		0,00018
Quality Assurance	1,742		0,01813

Choice Model: Response category fin_lit=low

Figure 37 Low-risk product/low financial literacy: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,098207556	0,0264041211
Annual Cost[1,0%]	0,276802378	0,0300879620
Risk profile[Low]	-0,212735161	0,0313060165
Quality Assurance[EU Flag]	0,075385636	0,0320525069
Social Nudge[Very Popular]	0,141994474	0,0286268783
Reward projection[56k-69k]	-0,143958189	0,0299152249

AICc	2656,8079
BIC	2690,4908
-2*LogLikelihood	2644,7666
-2*Firth LogLikelihood	2602,1001

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response category fin_lit=low

Figure 38 Low-risk product/low financial literacy: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	14,038	1	0,0002*	
Annual Cost	89,500	1	<,0001*	
Risk profile	47,282	1	<,0001*	
Quality Assurance	5,583	1	0,0181*	
Social Nudge	24,678	1	<,0001*	
Reward projection	23,516	1	<,0001*	

Choice Model: Response category fin_lit=low

Figure 39 Low-risk product/medium financial literacy: DCE effect summary

Source	LogWorth		PValue
Annual Cost	116,050		0,00000
Risk profile	61,571		0,00000
Quality Assurance	33,138		0,00000
Reward projection	15,440		0,00000
Security	12,546		0,00000
Social Nudge	12,215		0,00000

Choice Model: Response category fin_lit=medium

Figure 40 Low-risk product/medium financial literacy: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,098280649	0,0135124593
Annual Cost[1,0%]	0,350406505	0,0159519663
Risk profile[Low]	-0,262650290	0,0159774177
Quality Assurance[EU Flag]	0,202906010	0,0169827527
Social Nudge[Very Popular]	0,105401881	0,0146248550
Reward projection[56k-69k]	-0,126653200	0,0156128988

AICc	10013,494
BIC	10055,319
-2*LogLikelihood	10001,484
-2*Firth LogLikelihood	9950,9232

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response category fin_lit=medium

Figure 41 Low-risk product/medium financial literacy: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	53,313	1	<,0001*	
Annual Cost	527,704	1	<,0001*	
Risk profile	277,460	1	<,0001*	
Quality Assurance	147,151	1	<,0001*	
Social Nudge	51,814	1	<,0001*	
Reward projection	66,429	1	<,0001*	

Choice Model: Response category fin_lit=medium

Figure 42 Low-risk product/high financial literacy: DCE effect summary

Source	LogWorth		PValue
Annual Cost	763,258		0,00000
Risk profile	152,118		0,00000
Quality Assurance	120,198		0,00000
Reward projection	25,882		0,00000
Security	13,235		0,00000
Social Nudge	12,344		0,00000

Choice Model: Response category fin_lit=high

Figure 43 Low-risk product/high financial literacy: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,107765770	0,0144144065
Annual Cost[1,0%]	0,663678961	0,0196498103
Risk profile[Low]	-0,431908786	0,0170874649
Quality Assurance[EU Flag]	0,447071320	0,0204206536
Social Nudge[Very Popular]	0,112124713	0,0154408275
Reward projection[56k-69k]	-0,191362708	0,0180278377

AICc	8885,1638
BIC	8927,1333
-2*LogLikelihood	8873,1534
-2*Firth LogLikelihood	8823,8323

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response category fin_lit=high

Figure 44 Low-risk product/high financial literacy: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	56,433	1	<,0001*	
Annual Cost	1518,737	1	<,0001*	
Risk profile	693,532	1	<,0001*	
Quality Assurance	546,771	1	<,0001*	
Social Nudge	52,397	1	<,0001*	
Reward projection	113,986	1	<,0001*	

Choice Model: Response category fin_lit=high

7.2 High risk product

7.2.1 High risk product: aggregate analysis

Figure 45 High-risk product aggregate analysis: DCE effect summary

Source	LogWorth		PValue
Security	197,131		0,00000
Annual Cost	114,825		0,00000
Social Nudge	51,731		0,00000
Quality Assurance	45,713		0,00000
Risk profile	2,170		0,00676
Reward projection	0,097		0,79943

Choice Model: Response

Figure 46 High-risk product aggregate analysis: DCE parameter estimates

Term	Estimate	Std Error	Lower 95%	Upper 95%
Security[Guarantee]	0,265798199	0,0090418151	0,2481102	0,283549
Annual Cost[1,2%]	0,228426429	0,0102328051	0,2084229	0,2485305
Risk profile[High]	0,028461197	0,0105297460	0,0078497	0,0491201
Quality Assurance[EU Flag]	0,155289235	0,0109559064	0,1338516	0,1767923
Social Nudge[Very Popular]	0,147151674	0,0097503653	0,1280736	0,1662891
Reward projection[70k-73k]	-0,002519494	0,0099459418	-0,022011	0,0169718

AICc	23374,096
BIC	23420,88
-2*LogLikelihood	23362,091
-2*Firth LogLikelihood	23306,369

Converged in Gradient
Firth Bias-Adjusted Estimates

Choice Model: Response

Figure 47 High-risk sk product aggregate analysis: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	900,566	1	<,0001*	
Annual Cost	522,076	1	<,0001*	
Risk profile	7,337	1	0,0068*	
Quality Assurance	204,735	1	<,0001*	
Social Nudge	232,321	1	<,0001*	
Reward projection	0,065	1	0,7994	

Choice Model: Response

Figure 48 High-risk product aggregate analysis: DCE Effect marginals

Marginal Probability	Marginal Utility		Security
0,6299	0,26580		Guarantee
0,3701	-0,26580		No guarantee
Marginal Probability	Marginal Utility		Annual Cost
0,6123	0,22843		1,2%
0,3877	-0,22843		1,3%
Marginal Probability	Marginal Utility		Risk profile
0,5142	0,02846		High
0,4858	-0,02846		Medium
Marginal Probability	Marginal Utility		Quality Assurance
0,5770	0,15529		EU Flag
0,4230	-0,15529		No EU Flag
Marginal Probability	Marginal Utility		Social Nudge
0,5730	0,14715		Very Popular
0,4270	-0,14715		Nothing
Marginal Probability	Marginal Utility		Reward projection
0,4987	-0,00252		70k-73k
0,5013	0,00252		58k-71k

7.2.2 High risk product: analysis by country

Figure 49 High-risk product Croatia: DCE effect summary

Source	LogWorth		PValue
Security	87,771		0,00000
Annual Cost	49,485		0,00000
Social Nudge	25,151		0,00000
Quality Assurance	12,318		0,00000
Risk profile	0,939		0,11497
Reward projection	0,375		0,42171

Choice Model: Response Country=CR

Figure 50 High-risk product Croatia: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,3101121882	0,0160293928
Annual Cost[1,2%]	0,2605485439	0,0180027946
Risk profile[High]	0,0289336342	0,0184189068
Quality Assurance[EU Flag]	0,1375382629	0,0191965870
Social Nudge[Very Popular]	0,1775033355	0,0171132242
Reward projection[70k-73k]	0,0140352436	0,0174519068

AICc	7658,4889
BIC	7698,672
-2*LogLikelihood	7646,4749
-2*Firth LogLikelihood	7597,5029

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response Country=CR

Figure 51 High-risk product Croatia: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	397,756	1	<,0001*	
Annual Cost	222,024	1	<,0001*	
Risk profile	2,485	1	0,1150	
Quality Assurance	52,283	1	<,0001*	
Social Nudge	110,648	1	<,0001*	
Reward projection	0,646	1	0,4217	

Choice Model: Response Country=CR

Figure 52 High-risk product Spain: DCE effect summary

Source	LogWorth	PValue
Security	82,951	0,00000
Annual Cost	42,877	0,00000
Social Nudge	20,617	0,00000
Quality Assurance	16,795	0,00000
Risk profile	0,810	0,15498
Reward projection	0,131	0,73917

Choice Model: Response Country=ES

Figure 53 High-risk product Spain: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,298973305	0,0158415285
Annual Cost[1,2%]	0,241997632	0,0179577094
Risk profile[High]	0,026054262	0,0183861334
Quality Assurance[EU Flag]	0,161453204	0,0191624313
Social Nudge[Very Popular]	0,159652237	0,0170444852
Reward projection[70k-73k]	-0,005757587	0,0173767629

AICc	7704,1236
BIC	7744,3067
-2*LogLikelihood	7692,1096
-2*Firth LogLikelihood	7643,0889

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response Country=ES

Figure 54 High-risk product Spain: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	375,617	1	<,0001*	
Annual Cost	191,737	1	<,0001*	
Risk profile	2,023	1	0,1550	
Quality Assurance	72,582	1	<,0001*	
Social Nudge	89,974	1	<,0001*	
Reward projection	0,111	1	0,7392	

Choice Model: Response Country=ES

Figure 55 High-risk product Ireland: DCE effect summary

Source	LogWorth		PValue
Security	36,610		0,00000
Annual Cost	27,047		0,00000
Quality Assurance	18,424		0,00000
Social Nudge	10,128		0,00000
Risk profile	1,021		0,09517
Reward projection	0,380		0,41725

Choice Model: Response Country=IR

Figure 56 High-risk product Ireland: DCE parameter estimates

Term	Estimate	Std Error
Security[Guarantee]	0,192891583	0,0152724148
Annual Cost[1,2%]	0,186000640	0,0173222585
Risk profile[High]	0,029919613	0,0179831372
Quality Assurance[EU Flag]	0,165163736	0,0186574441
Social Nudge[Very Popular]	0,107381561	0,0166055604
Reward projection[70k-73k]	-0,013715177	0,0169467287

AICc	7984,632
BIC	8024,815
-2*LogLikelihood	7972,618
-2*Firth LogLikelihood	7923,2793

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response Country=IR

Figure 57 High-risk product Ireland: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	163,038	1	<,0001*	
Annual Cost	119,305	1	<,0001*	
Risk profile	2,785	1	0,0952	
Quality Assurance	79,989	1	<,0001*	
Social Nudge	42,396	1	<,0001*	
Reward projection	0,658	1	0,4173	

Choice Model: Response Country=IR

7.2.3 High risk product: analysis by financial literacy

Figure 58 High-risk product/low financial literacy: DCE effect summary

Source	LogWorth		PValue
Security	12,964		0,00000
Annual Cost	7,541		0,00000
Quality Assurance	2,853		0,00140
Social Nudge	1,989		0,01027
Risk profile	0,517		0,30404
Reward projection	0,435		0,36732

Choice Model: Response category fin_lit=low

Figure 59 High-risk product/low financial literacy: DCE parameter estimates

Term	Estimate	Std Error	Lower 95%	Upper 95%
Security[Guarantee]	0,207005167	0,0282770149	0,1518834	0,2625738
Annual Cost[1,2%]	0,173617852	0,0318433084	0,1116718	0,2363427
Risk profile[High]	0,033849122	0,0331367942	-0,030835	0,0988702
Quality Assurance[EU Flag]	0,108541037	0,0342698153	0,0416905	0,1758283
Social Nudge[Very Popular]	0,077932708	0,0305959913	0,018235	0,1379903
Reward projection[70k-73k]	-0,028065556	0,0313287030	-0,089424	0,0332185

AICc	2347,2847
BIC	2380,0477
-2*LogLikelihood	2335,2366
-2*Firth LogLikelihood	2293,2481

Converged in Gradient
Firth Bias-Adjusted Estimates
Choice Model: Response category fin_lit=low

Figure 60 High-risk product/low financial literacy: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	55,204	1	<,0001*	
Annual Cost	30,788	1	<,0001*	
Risk profile	1,056	1	0,3040	
Quality Assurance	10,200	1	0,0014*	
Social Nudge	6,588	1	0,0103*	
Reward projection	0,813	1	0,3673	

Choice Model: Response category fin_lit=low

Figure 61 High-risk product/medium financial literacy: DCE effect summary

Source	LogWorth	PValue
Security	69,718	0,00000
Annual Cost	45,781	0,00000
Social Nudge	15,637	0,00000
Quality Assurance	15,115	0,00000
Risk profile	0,267	0,54019
Reward projection	0,013	0,97061

Choice Model: Response category fin_lit=medium

Figure 62 High-risk product/medium financial literacy: DCE parameter estimates

Term	Estimate	Std Error	Lower 95%	Upper 95%
Security[Guarantee]	0,2351593900	0,0134763457	0,2088161	0,2616268
Annual Cost[1,2%]	0,2132119456	0,0151968610	0,1835361	0,2430914
Risk profile[High]	0,0095822560	0,0156780297	-0,021099	0,0403384
Quality Assurance[EU Flag]	0,1304675015	0,0163115012	0,0985709	0,1624906
Social Nudge[Very Popular]	0,1182133735	0,0145042281	0,0898448	0,1466819
Reward projection[70k-73k]	0,0005854124	0,0148745891	-0,028559	0,0297315

AICc	10432,757
BIC	10474,609
-2*LogLikelihood	10420,746
-2*Firth LogLikelihood	10369,822

Converged in Gradient
 Firth Bias-Adjusted Estimates
 Choice Model: Response category fin_lit=medium

Figure 63 High-risk product/medium financial literacy: DCE likelyhood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	314,851	1	<,0001*	
Annual Cost	205,045	1	<,0001*	
Risk profile	0,375	1	0,5402	
Quality Assurance	64,951	1	<,0001*	
Social Nudge	67,322	1	<,0001*	
Reward projection	0,001	1	0,9706	

Choice Model: Response category fin_lit=medium

Figure 64 High-risk product/high financial literacy: DCE effect summary

Source	LogWorth	PValue
Security	121,203	0,00000
Annual Cost	64,660	0,00000
Social Nudge	39,645	0,00000
Quality Assurance	31,066	0,00000
Risk profile	2,562	0,00274
Reward projection	0,000	1,00000

Choice Model: Response category fin_lit=high

Figure 65 High-risk product/high financial literacy: DCE parameter estimates

Term	Estimate	Std Error	Lower 95%	Upper 95%
Security[Guarantee]	0,3095768825	0,0135667876	0,2830762	0,3362432
Annual Cost[1,2%]	0,2557466764	0,0154233777	0,2256516	0,286098
Risk profile[High]	0,0471430577	0,0158108787	0,0162355	0,078197
Quality Assurance[EU Flag]	0,1904157350	0,0164584279	0,1582547	0,2227532
Social Nudge[Very Popular]	0,1917796200	0,0146717326	0,1631211	0,220618
Reward projection[70k-73k]	0,0000150877	0,0148245752	-0,029032	0,0290646

AICc	10573,21
BIC	10615,364
-2*LogLikelihood	10561,2
-2*Firth LogLikelihood	10510,319

Converged in Gradient

Firth Bias-Adjusted Estimates

Choice Model: Response category fin_lit=high

Figure 66 High-risk product/high financial literacy: DCE likelihood ratio tests

Source	L-R ChiSquare	DF	Prob>ChiSq	
Security	551,391	1	<,0001*	
Annual Cost	291,636	1	<,0001*	
Risk profile	8,973	1	0,0027*	
Quality Assurance	137,675	1	<,0001*	
Social Nudge	176,936	1	<,0001*	
Reward projection	0,000	1	1,0000	

Choice Model: Response category fin_lit=high