



INCLUSIVE DESIGN IN ESSENTIAL SERVICES

A guide for regulators



FAIR BY DESIGN
Ending the extra costs of being poor

MONEY
ADVICE TRUST

Inclusive Design in Essential Services

This report for regulators is part of a wider *Inclusive Design in Essential Services* programme, run in partnership between Fair By Design and the Money Advice Trust.

Inclusive design is increasingly recognised as a way to ensure markets are fair and inclusive, especially for consumers in vulnerable circumstances. The Competition and Markets Authority, Financial Conduct Authority, and Ofgem have all recognised the importance of inclusive product and service design. However, there is not a well-developed, shared understanding of what inclusive design means, or how it should be incorporated into the work of regulators and businesses. *Inclusive Design in Essential Services* aims to fill this gap.

This report is aimed at regulators of essential services. The rationale being that fair and inclusive products and services will only become commonplace if the regulatory environment encourages this.

Alongside this report, we are also publishing a practical guide to inclusive design for firms in the energy, credit and insurance sectors. To view the firms guide, and to find out more about the project visit:

www.fairbydesign.com

www.moneyadvicetrust.org



About Fair By Design

People in poverty pay more for products and services. This includes expensive energy tariffs, high cost loans and credit cards, and insurance in deprived areas. This is known as the poverty premium. Fair By Design (FBD) is dedicated to reshaping essential services, like energy, credit and insurance, so they don't cost more if you're poor. Our Venture Fund provides capital to help grow new ventures that are innovating to make markets fairer. Fair By Design's vision is for a UK where poor and low income people pay a fair price for essential services. The Barrow Cadbury Trust manages our advocacy work, and Ascension Ventures manage the Fund.

MONEY ADVICE TRUST

About the Money Advice Trust

The Money Advice Trust is a national charity helping people across the UK tackle their debts and manage their money with confidence. We run National Debtline and Business Debtline, helping hundreds of thousands of people each year over phone and webchat. We are also the leading training body for UK debt advisers through our Wiseradviser service and provide training and consultancy to companies who engage with people in financial difficulty. We also work closely with government, creditors and partners to improve the UK's money and debt environment.

Acknowledgments

Fair By Design and Money Advice Trust would like to thank all the individuals who provided their expertise in the development of this report.

Project Advisory Group

- **Ambreen Shah**
Design Council
- **Bailey Kursar**
Touco
- **Chris Fitch**
Money Advice Trust
- **David Hansen**
Competition and Markets Authority (CMA)
- **Jennifer Barrow**
Inclusion & Diversity Consultant
- **Meghna Tewari**
Ofgem
- **Nadege Genetay**
ZANN Consulting Ltd.
- **Paul Massara**
Electron
- **Rebecca Langford**
Financial Conduct Authority (FCA)

Interviewees

- **Cabinet Office Disability Champion For The Insurance Industry / Access To Insurance Working Group Chair**
Johnny Timpson
- **Capital One**
Mick Halloran
- **Chartered Insurance Institute (CII)**
Matt Connell
- **Equality and Human Rights Commission (EHRC)**
Max Edelstyn
- **Three representatives from the Financial Conduct Authority (FCA)**
- **Finance Innovation Lab**
Marloes Nicholls
- **Financial Inclusion Commission**
Sir Brian Pomeroy, CBE
- **Legal and General**
Mark Jones
- **Legal and General**
Ted Hart
- **Nationwide Building Society**
Candida Williams
- **Nationwide Building Society**
Adam Plater
- **Nationwide Building Society**
Gareth McNab
- **Personal Finance Research Centre, University of Bristol**
Sharon Collard
- **Personal Finance Research Centre, University of Bristol**
Sara Davies

- **Switchee**
Isabel Taylor
- **Toynbee Hall**
Sian Williams
- **UK Finance**
Jackie Bennett
- **UK Finance**
Peter Tyler

For contributions to, or feedback on the report

- **Design Council**
Cat Drew
- **Design Council**
Elisa Valarani
- **Design Council**
Sarah Mann
- **Macmillan Cancer Support**
Leonora Miles
- **Money and Mental Health Policy Institute**
Merlyn Holkar
- **SCOPE**
Clare Symonds
- **Toynbee Hall**
Jen Durrant

Special thanks to:

Lucy Malenczuk and Barbara Limon, commissioned consultants.

Foreword: Paulette, Expert by Experience



Hi my name is Paulette and I have been married for 25 years. Sadly after the devastating news that my husband had neurological disorders, our whole lives changed. We went from earning a decent income to living from hand to mouth. Because I was his carer and he required monitoring regularly, I could not work long hours.

Things improved for a while and we had our son but sadly my husband not only deteriorated and could no longer pursue a career; my son was diagnosed with severe asthma and multiple food allergies. During this time it was a struggle, to look after my family and the health of my son and my husband.

In the past we have struggled financially with insurance costs, fuel bills and have had to resort to buying large items on catalogues.

Insurance for example was very costly especially if you had to pay monthly, then it would have an extra premium attached to pay monthly. We were always stung by this because we could not afford to pay off our car insurance in one go.

”

If we paid it in full it would have been so much cheaper, but because we had to pay monthly we had to pay so much more for our car insurance. Due to poverty, we would always have to pay more.

This included paying for things such as our washing machine on the catalogue - it cost us almost £500, which we thought was the standard price but when we looked around after we had bought it, we found it way cheaper. In the shops/online the full cash price was as cheap as £289 for the same machine.

We also had a pay as you go meter and the bills were colossal.

Trying to keep the house warm was extremely difficult and at times I had to keep us warm by using one room.

”

I tried on numerous occasions to change over to pay monthly but was turned down. It was as if they wanted to keep us in a poverty trap and they were oblivious to the

fact that they were making the most amount of money from the poorest people.

When I started working as a support worker, I knew it was my opportunity to request a change over and it was at this time I found out that I had thyroid cancer. I knew then and there that it was now or never. On a pay as you go I was paying up to £40 per week for electricity alone. I now pay a fraction over this for both my gas and electricity combined.

The poverty premium really affects people's lives, and there really were times when I had to choose between buying food and heating our home. I always had to choose heating my home especially in the winter because my son's severe asthma meant it was imperative I kept it warm for him. In addition to this, my husband who has neurological nerve damage, if left alone would become dangerously cold and would not know he was at risk. You can imagine my dilemmas in providing a warm home and healthy meals. Being on a pay as you go was like a noose around my neck and I felt so free once I moved to pay monthly. I still struggle at times but nowhere near as bad as in the past.

When I was invited to take part in the expert panel at the Fair by Design Programme at Toynbee Hall, I didn't realise how essential our stories were and how much we all resonated similar and terrible accounts of how fuel and financial companies charged the poorest sometimes double the amount of their more affluent customers.

Having an expert panel member working alongside regulators gets our voices heard. We have been silenced by poverty for

so long but now regulators and energy providers can all work together to find a best fit approach. An approach that means everyone is treated fairly.

A voice like mine could help providers to recognise the need for change, with the help of regulators, as well as helping to ensure companies can continue to survive but not just at the expense of the poorest.

”

I would definitely suggest energy companies safely streamline all cost across the board in order that we all pay the same price for fuel. After all the gas that a poverty stricken person receives is no different from the fuel received in working/ Middle class families. My advice to insurance companies would definitely be similar and even I understand that there would be incentives for those who pay in full and upfront. Notwithstanding this, there is a real need to ease the pressure on families experiencing poverty and they should be given a similar incentive, even if it means a reduction in payments when they reach say their sixth payment of their car insurance or even that the bill is reduced to the original amount once payment is received in full. Cost should be absorbed by everyone not the few poorest.

Paulette
Expert by Experience

Foreword: Lord Andrew Tyrie



Consumers like Paulette, who has written the accompanying foreword, can only go from what they experience. They experience high prices that simply don't seem fair, and products that have not been created for people like them. As Paulette says, the gas that a person on a low income uses is no different than that used by someone who is better off.

Regulators need to know what consumers really experience and they need to be constantly collecting information on how that experience is changing. Only by doing this can they target their work to minimise detriment and maximise consumer welfare.

To achieve this some regulators will need to change the way they work, also the basis on which they make decisions. Several will need to think through very carefully how best competition can meet the needs of many consumers and to ensure the most vulnerable are not neglected.

This report suggests that, to accomplish this, regulators need to 'live the experience' of consumers 'not like us'. More regulators need to meet consumers, and more of them. This report makes the case for this. It points out that consumers are themselves experts - experts by experience - and are well placed to explain what is going on and what needs to change.

”

Regulators need to start by collecting the information required to get a more comprehensive grip on the problems of consumers, first hand, rather than obtaining information by proxy, and looking for a tool in their standard toolkit for an answer.

Regulators will need to think creatively when they encounter something that doesn't quite square with their remit, or their existing range of tools. They will need to make the case to government for the right tools to solve those problems.

”

There is plenty of room for improvement on all of the above. This is a particular challenge for senior management and their boards.

As I know from personal experience and over several decades, there are many people working in regulators eager to contribute to the public benefit – an enduring challenge for government is to find ways to release those energies to best effect.

how regulators can best fulfil their roles, it will have achieved a great deal.

Lord Andrew Tyrie

“ *It will require a change in culture and mindset in a number of regulators. In particular, it will mean continuous challenge of their existing understanding of consumer detriment and of how to remedy it.* ”

And it will require regulators to open themselves up to more challenge from others, particularly their final customers for their work, the consumer. This report is one such challenge on their behalf.

When firms lose touch with consumers in an open market they lose business. But when firms lose touch in some of the regulated markets, that discipline is not so easily exercised by consumers. In those circumstances, regulators need to do some of the heavy lifting on their behalf. And there will be a growing need in the years ahead, not least as a result of the increase in the size of digital markets and platforms, to adapt to new forms of consumer detriment and to demonstrate to those on the wrong end of it that regulators are acting on their behalf.

If this report succeeds in triggering a reassessment of how best to ensure that more vulnerable consumers – a growing cohort – are not neglected, and if it succeeds in triggering greater public discourse about

Contents

Executive Summary p13

An increasing focus on inclusive design 15

Inclusive markets and regulators 17

Roadmap 18

Report Methodology p20

Advisory group 21

Desk research 21

Interviews 21

Expert design input 21

Introduction p22

Case study: Well in Work Service 25

Essential services 26

Report structure 26

Chapter 1 p27

What is the problem and why might inclusive design be the solution?

The poverty premium and essential services 28

Essential service poverty premiums – examples 29

Consumer vulnerability and protected characteristics 31

How to combat consumer vulnerability and the poverty premium? 33

Whose responsibility? 33

What is inclusive design? 34

Case Study: Toynee Hall 35

Inclusive design – societal and market level 38

Where to start? 38

Innovation and inclusive design – ‘Framework for Innovation’ (Design Council) 38

Chapter 2 p41

Using inclusive design to meet regulatory obligations

Inclusive design benefits *all* consumers 42

Case study: Future of rail 43

Inclusive design benefits regulators 44

Mandates and objectives and obligations 44

EHRC and regulator responsibility 47

Regulators – supervision and enforcement 48

Real change 48

Work on consumer vulnerability and inclusive design 49

Case study: Nationwide Specialist Support Service 51

Incentivising businesses towards an inclusive design focus 53

Inclusive design and fair pricing 53

Chapter 3 p55

Making a start with Inclusive Design

Understanding and change – from beginning to end 56

Data – thick, thin or big? And a true representation of vulnerable consumers? 56

How to combine data types for deeper more reliable insights 57

Case study: Ofgem pilot – iterative and user-centred design 59

Regulators and consumer engagement 61

Lived experience 62

Lived experience versus expert knowledge? 62

A practical approach for improved knowledge 63

A practical vision for inclusive insight and co-creation 64

Vision for the future – cross-regulator collaboration 67

Iteration 68

Addressing concerns around inclusive design 68

Chapter 4 p70

Inclusive Design Enabling conditions

Leadership 72

Purpose statements 73

Explicit purpose statements around inclusion 73

Design principles 74

Practicalities 75

Mindset as a tool 75

Empathy 76

Diversity and inclusion in the workforce 76

Culture 76

Case Study: Switchee 77

Engaging businesses, social policy makers and consumers together 78

Meaningful dialogue – creating new beneficial opportunities for all 78

Inclusive design and regulatory boundaries – working with government 79

Chapter 5 p81

Design Toolkit

About this toolkit 82

Research methods 87

Discover and define 89

1. Hopes and fears 89

2. Listing assumptions 90

3. Experience mapping 92

4. Network mapping 94

5. Systems mapping 95

6. Antagonist personas 97

7. Scenario planning 99

8. Problem statements 100

9. Affinity diagram 102

Develop and deliver 104

10. How Might We 104

11. Wear different hats 106

12. Take inspiration 107

13. Tell a story 108

14. Sketch and share 110

15. Prototyping 111

Contents

Conclusion
p113

Appendix
p117

Inclusive Design and
Universal Design – other
definitions or descriptions
currently in use 118

Vulnerability 119

Universal service
obligations 119

Essential Service 120

Utility 120

Poverty premium 120

Low income 120

References 121

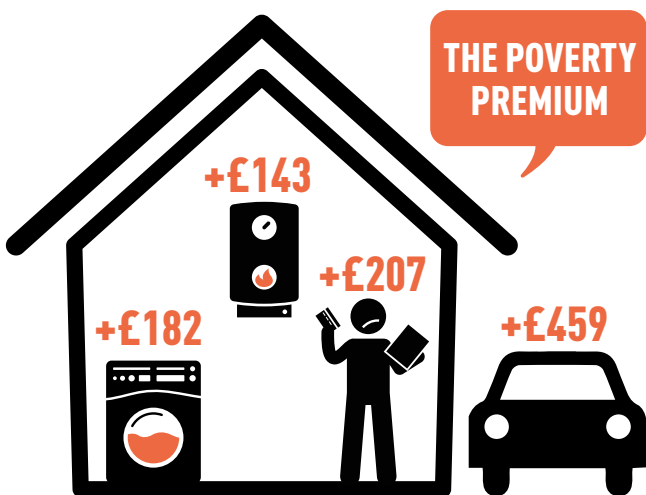


Executive Summary

p13

Executive Summary

By their very nature essential services, such as energy, credit and insurance, are needed by everyone. However, these markets have been designed in a way that results in many people in vulnerable circumstances being treated less fairly. This can mean that poorer people pay more for products and services than those better off. It can also mean that products and services do not meet people's needs or even that they are excluded altogether.



People who are living in poverty pay more for being poor. They pay more than those on higher incomes for essential items such as energy, insurance and credit services – this is called the 'poverty premium'. The poverty premium is part of a wider set of challenges around inclusion in essential services. At the heart of them is the question:

How can everybody access the essential products and services they need at a fair price?

Recent research¹ found that car insurance was the biggest contributor to the poverty premium, with some people paying nearly £300 more a year because of living in a deprived area. Paying monthly instead of annually could mean an extra £160, for a total poverty premium of nearly £500. Having a sub-prime credit card cost some households around £200 more, while purchasing from a rent-to-own store led to some households paying a poverty premium of £180. And being on a fixed energy tariff could still be costly: not paying by Direct Debit cost up to £143 more a year.

Failure to properly understand people's needs and circumstances means that products and services often do not work well for many consumers or meet their needs. There is often a vicious cycle that means that higher prices or lack of access lead to further disadvantage and vice versa.

This leads to much poorer outcomes for certain consumers within essential services markets. The poverty premiums people pay have a very real impact on people already struggling financially, leaving them with less money to pay for essentials. This puts them at increased risk of debt, meaning

they often have to go without. The fact that many products and services don't work well for them compounds these issues, and can leave people particularly vulnerable to harm. This creates wider costs, as more of them are likely to need state support and to rely on crisis services like food banks.

Currently, the poverty premium affects almost every person on a low income and costs the average low income household £490 a year. But for more than one in ten of low income households it costs at least £780. Bristol University's seminal work found that 99% of low income households paid at least one poverty premium.² Poverty premiums are a social injustice and are both a consequence and a driver of poverty.

Meanwhile, the FCA themselves found that around half of UK adults display one or more characteristics of vulnerability. Markets that do not serve or meet the needs of these consumers are not effective markets at all.

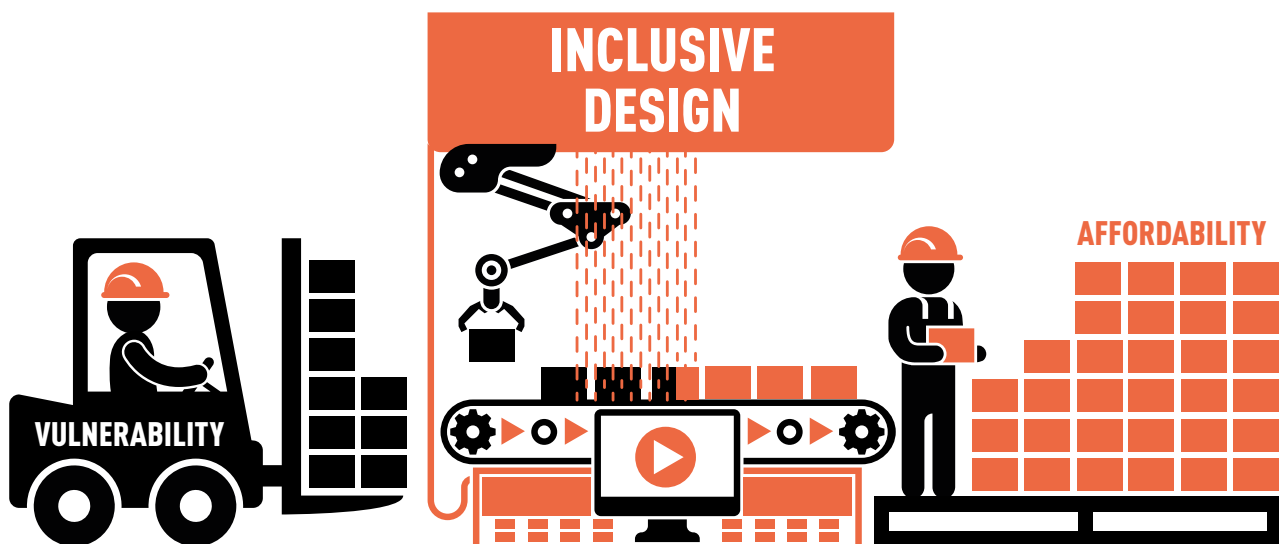
People living on low incomes and those facing existing disadvantages are also being hardest hit by the impact of the Covid-19

pandemic, which is likely to increase the number of people exposed to the poverty premium, as well as increasing existing needs or creating new vulnerabilities.

Action to stop yet more people paying extra because they are poor, and to ensure products and services meet their needs, is all the more urgent.

An increasing focus on inclusive design

Many regulators have rightly linked issues around financial resilience and affordability to their work on consumer vulnerability – which is an increasing priority for most regulators. People in vulnerable circumstances are more likely to experience financial difficulty and to struggle to access products and services. In response to these challenges, regulators increasingly want firms to design inclusively – to make products and services accessible to all by putting consumers at the heart of designing solutions.



Executive Summary



“ We want all consumers (particularly those in vulnerable situations) to have access to affordable energy and suitable services. We want products and services to be designed to meet the needs of a wide range of consumers (including the most vulnerable).” Ofgem ³

“ Firms may wish to use an inclusive design approach for ... providing products and services that are available and accessible to all consumers equally, regardless of their personal circumstances. For example, when designing online banking interfaces, firms may include facilities for consumers to notify the firm of changes in circumstances, such as bereavement.”
Financial Conduct Authority (FCA) ⁴

“When it comes to designing remedies and providing broader support for vulnerable consumers, we ... need to be mindful of the needs of a broad range of consumers. The principle of ‘inclusive’ or ‘universal’ design is helpful here. This involves designing products or services so they are accessible to, and usable by, as many people as possible.”
Competition and Markets Authority (CMA) ⁵

This is welcome. Inclusive design has the potential to bring a huge range of benefits. An inclusive design approach should be an essential part of how products and services are designed, and can help firms and regulators to:

- Understand how different groups of consumers experience regulated products and markets in the ‘real world’, including those who are poor and/or in other vulnerable circumstances

-
- Understand what matters most to consumers, including problem identification
 - Prioritise and develop more effective interventions, co-produced by those they are supposed to help
 - Explore the impact on consumers of rapidly changing products and markets.

Inclusive markets and regulators

The focus from regulators on firms designing inclusively is very welcome – and regulators should continue to work to ensure firms do so. But it isn't just products that should be inclusive. As regulators such as the FCA have recognised, *"market failures drive harms, for example vulnerable consumers paying higher than efficient prices"*.⁶ Markets as a whole need to be designed inclusively too since, fundamentally, products and services will only be created within the constraints of the existing type of market.

“ *In things like insurance there have been niche kinds of brokerage and insurers now serving people with particular needs. Some evidence of diverse audiences being accounted for – but the question comes back to what kind of quality are the products and do they give value for money?*”⁷

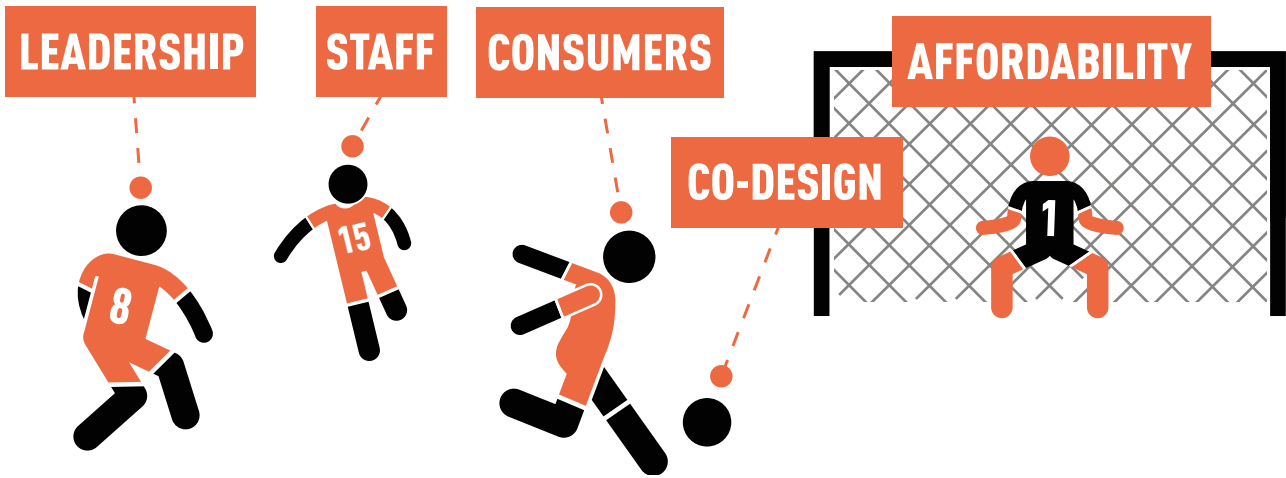
Markets that are competition-driven will lead to services and products that are competition-driven. In this context, businesses with different groups of consumers are often seen as positive. But it can result in groups of consumers falling through the cracks and missing out altogether. This should not be the case for essential services. If markets are not regulated to serve everybody, with overarching policies and guidance to achieve this, it will follow that the services and products will also not be designed to serve everybody.

This means that regulators shouldn't just be encouraging this activity in firms. They should also be applying inclusive design principles to their own work.

Taking this sort of approach is entirely consistent with regulators':

- Existing competition and consumer protection objectives
- Obligations under the 2010 Equality Act.

Inclusive design is more than just a methodology to apply to specific projects or interventions – it's about a whole organisation approach, leadership and culture which puts inclusive design and mindsets at the heart of an organisation and indeed a market. It is about giving staff the permission and guidance to build skills in inclusive design and to co-design and test solutions with the people who will need to access and use essential services.



It's also about engagement across the regulatory ecosystem because, at a more strategic level, inclusive design can mean designing out exclusion, inequality and unfairness across society. As regulators apply an inclusive design approach to their work it is likely to:

- Profoundly challenge their previous understanding of problems
- Put them far nearer to their regulatory boundaries
- Highlight the need for interventions that span regulatory and social policy remits.

Inclusive design can mean designing out exclusion, inequality and unfairness in society.

This sounds challenging – and it is. There are no quick fixes to deal with issues that don't fit neatly into the current regulatory framework. But better solutions need to be found and found urgently. Covid-19 has lifted

the veil on the gaps between government safety nets and what markets provide, and regulators will need and want to play their part in any future recovery plans. Designing inclusively to make sure markets as a whole are fair and don't penalise people for having less money is a great place to start.

There is a strong case for the essential service regulators – such as the FCA, CMA and Ofgem – to clearly embed inclusive design approaches throughout their work. This report has been developed to help regulators make a start on that journey.

Roadmap

As a roadmap to a fully inclusive design approach Fair By Design and Money Advice Trust recommends that regulators:

Practise:

- Find out more about inclusive design. Understand how it can be used and what the benefits are. This report includes examples of where inclusive design has been used effectively and signposts to where regulators can find out more

- Make a start and begin to use inclusive design methods. There is a toolkit in Chapter 5 to help with this. Alongside this report, we are also publishing a practical guide for firms on embedding inclusive design
- Carry out pilot projects and share the learning both within the organisation and with other regulators.

Collaborate:

- Convene with other regulators, relevant government departments and the design community to raise the profile of inclusive design across essential services
- Conduct pilots with other regulators and relevant government departments around issues that don't fit neatly into any one regulator's remit and share the learning through existing forums and communities of practice.

Incite change from others:

- Short term – regulators need to be bolder and more vocal about where they see inequality and injustice which affects consumers – even where this sits beyond their regulatory boundaries. They may not be able to act solely by themselves, but

they can and should be more pro-active about raising these issues across the whole ecosystem and working with others to seek solutions

- This should include being prepared to formally ask their sponsoring government department that their scope be expanded where this would help protect the consumer. Consumers' lives are messy and don't always fit neatly within institutional restraints
- Long term – sometimes legislative change may be necessary, with regulators needing explicitly to consider socio-economic issues such as the poverty premium and work with government to address them.

Start with the consumer:

- This is the most important point. To really design inclusively requires a significant shift so that everything starts from the consumer perspective. Any of the above stages need to always have the consumer, particularly the vulnerable consumer, as the starting point both in terms of mindset and approach to the task, and in terms of practical involvement of consumers in the process.





Report Methodology

p20

Report Methodology

This report has been a collaboration between Fair By Design, the Money Advice Trust and commissioned consultants with expertise in essential services. The team has met regularly to review findings and develop thinking throughout the process.

Advisory group

An advisory group was formed to provide insight from a range of sectors and constructive challenge. The project benefitted immensely from the experience and questions that the group shared.

Desk research

A review of existing evidence on inclusive design in essential services was conducted. This focused on relevant recent policy statements and consultations from regulators, reports from consumer groups and Select Committee hearings on issues relevant to inclusive design, including recent work on vulnerability. The review also included reports on some areas of longstanding consumer detriment and future challenges.

Interviews

Eighteen interviews were carried out by the authors and Fair By Design. These typically lasted between 30–60 minutes and generally took place by phone. Interviewees were all professionals working in regulators, regulated firms, trade bodies, consumer representatives or independent consultants relevant to financial services, energy markets and equalities. Questions were selected from a pre-prepared bank of questions tailored to the experience and interests of

the interviewee. Follow-up questions were included. The interviews were relatively unstructured as participants were being asked for their views as experts and were not being surveyed.

Expert design input

The Design Council provided expert input throughout the development of the project and contributed to the toolkit referenced in the report.

The project design originally envisaged a design event with policy makers and people with lived experience facilitated by inclusive design experts to demonstrate concretely what an inclusive design approach can bring to policy making in essential services. Restrictions on gathering due to Covid-19 meant that this event was postponed. Fair By Design and the Money Advice Trust are planning another event(s) following the publication of this report.





Introduction

p22

Introduction

Few would disagree that essential services should be usable and accessible to all. But there are many ways to achieve this and **not everyone sees the challenge in the same way or perceives that there is a problem.** Some argue that markets for essential services generally work well except for a few exceptional circumstances. However, there continues to be a lack of services for certain groups of people, for example those who are not online or who have physical or mental health conditions,⁸ and continued detriment is caused to groups for whom existing services do not work well and/or cost more when you are poor.

All consumers should be able to access and use the essential⁹ products and services they need, at a fair price.

The process of designing products, services or places that *everybody* can use – usually described as **inclusive design** – is increasingly being talked about as a way to deliver significantly better outcomes for consumers of essential services. And it applies both to:

- Firms who provide the products and services, and to
- The regulators whose job it is to ensure that the markets as a whole work well for everybody.

This report is also relevant for those government departments with responsibilities for essential services such as:

- HM Treasury
- The Department for Business, Energy and Industrial Strategy.

This report is:

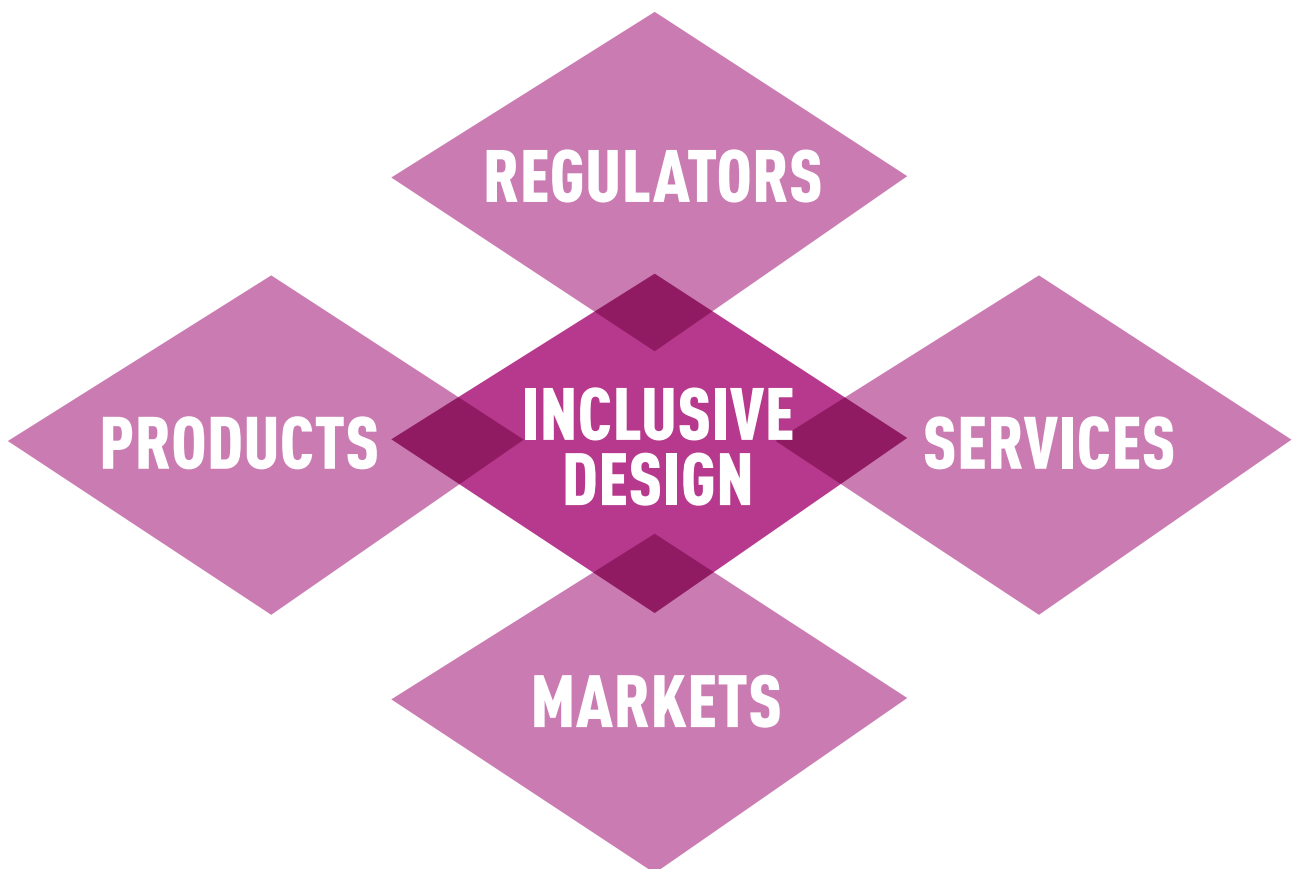
- An exploration of the potential for an inclusive design approach to contribute to the goal of meaningful inclusion
- **A practical guide** for regulators¹⁰ who want to start integrating such an approach into regulatory and policy design.

Introduction

Inclusive design is more than mere design for better usability. It's more than just applying a process to a particular policy or regulatory intervention. Really embracing inclusive design requires a richer, longer-term cultural shift both within regulators and across current regulatory boundaries. What is most important is that regulators:

- Begin that all-encompassing journey, and
- Share their learning.

This report is intended to help provide the understanding and tools to enable regulators to make a start.



Case study: Well in Work Service

Policy Lab worked with Uscreates (now FutureGov) and Mastadon C to use ethnography and data science to identify reasons why people found it hard to manage their health conditions and fell out of work. They observed people with lived experience of this going about their daily lives, and how they reacted in particular situations. At the time there were 2.5 million people on Employment Support Allowance, which cost £15bn per year.

They worked with both potential service users and stakeholders (policy makers, businesses, Job Centre staff and health services) to co-design a new health and wellbeing model, the 'Well in Work' service, to identify people early and support them in gaining confidence to speak to their boss and negotiate different working conditions (but stay in work). More specifically

they were able to test ideas and prototype tools with these communities including:

- A 'Health and work passport,' which would help the user to reduce the amount of times they must tell their story to each service provider.
- Employer signposting of the service, which would help support their employees, and keep down their levels of in-work absence, which is expensive.
- Co-location of the service in a GP surgery to make it easier to get the right help when seeing their GP.

"Innovative ideas come not just from civil servants sitting in a room at a workshop."

”

It was only by understanding people's lived experience, and the importance of confidence, that an effective and inclusive service model could be created. The outcome being that by co-designing solutions, new and real benefits could be realised.





Essential services

The report focuses on three products that are generally recognised as essential services (**energy, insurance** and **credit**). It is part of a wider series of work by Fair By Design¹² and Money Advice Trust on the use of inclusive design in essential services to meet the needs of all consumers, including those in vulnerable circumstances.

Report structure

Chapter 1 looks at:

- The nature of the problem – the poverty premium and vulnerable consumers
- What inclusive design is
- Why taking an inclusive design approach is an effective solution.

In Chapter 2 the report explores the extent to which an inclusive design approach fits with the existing objectives of the relevant regulators, including their Equality Act obligations.

Chapter 3 provides a deeper, more practical end-to-end understanding of inclusive design and the ideas behind it, and considers how regulators can start to use it.

Chapter 4 looks at the role of leadership and engagement in delivering a whole organisation approach to inclusive design, and the role of governmental departments.

Chapter 5 provides a toolkit – some practical tools to start implementing inclusive design, research and testing.

Premier independent ATM operator

cashzone
there where you need us

cash machine charges £1.99
per debit card withdrawals

Services where available:



Check Balance

Cardless
Withdraw

Accepted
here:



DISCOVER

VISA

Chapter One

What is the problem
and why might inclusive
design be the solution?

p27

Chapter 1: What is the problem and why might inclusive design be the solution?

By their very nature essential services, such as energy, credit and insurance are needed by everyone. However, these markets have been designed in a way that results in many people in vulnerable circumstances being treated less fairly. This can mean that poorer people pay more for products and services than those better off. It can also mean that products and services do not meet people's needs or even that they are excluded altogether.

Individual circumstances can make it harder for people to access products and services, and also mean they have to pay more to do so. Despite some welcome progress in recent years, we still see numerous examples of people being disadvantaged within the market because of personal circumstances. Those who are unable to pay by Direct Debit have to pay more for their energy, for example. People experiencing physical or mental illnesses may have to pay more for insurance, or be excluded altogether. People with credit products who experience a sudden life event – such as losing their job or falling ill – may find themselves at risk of spiraling debt as the product does not have in-built flexibility to help those in temporary difficulty.

In these instances, the market itself, and the actions of firms, make people vulnerable to harm, and the scale is significant. Many of us have, or will have at some point in our lifetime, additional needs or experience circumstances that make us more vulnerable to harm. The idea of a largely mythical 'average consumer' no longer holds true, if it ever did at all.

The poverty premium and essential services

A significant way in which these issues play out in reality is through the poverty premium. People who are living in poverty pay more for being poor. They pay more than those on higher incomes for essential items such as energy, insurance and credit services – and this is the poverty premium.

There are around 14 million people in the UK (20% of the population) living in poverty – 8 million working-age adults, 4 million children and 1.9 million pensioners struggling on a household income of less than £14,000 a year after housing costs.¹³

It is widely recognised that in the UK (and elsewhere in the world) poor and low income people currently pay extra¹⁴ to purchase the same/similar goods and services as households on higher incomes.¹⁵ In the UK 99% of low income households pay at least one poverty premium¹⁶ but many pay multiple premiums. The poverty premium costs the average low income household £490 a year. But for more than one in ten of low income households it costs at least £780. In real terms, these

figures mean that households could be unnecessarily paying out 6% of an income that is already potentially unable to support them. Or they may be entirely excluded from accessing some essential services.

Essential service poverty premiums – examples

Some of the ongoing issues affecting those who are poor and vulnerable are particular to the energy, insurance and credit markets:

Energy

- The higher cost of prepayment meter tariffs, despite the temporary price cap
- The penalty for not switching, despite many low income households having good reasons for not doing so
- Suppliers entering the market by targeting 'savvy' customers who are the cheapest to serve.¹⁷

Insurance

- Given the complexity and lack of transparency of insurance pricing methodologies, how can fairness be monitored and checks made to ensure that market prices accurately reflect risk, and that those classed as higher risk are not in fact subsidising those offered lower prices?¹⁸

For example:

- The cost of home and car insurance is higher for individuals living in low income areas.¹⁹
 - With the increased use of risk-based pricing (e.g. lower premiums for drivers based on their behaviour) some prices will reduce – but some groups of individuals will be considered higher risk than before, sometimes for reasons outside of their control (for example where they live). Overall, the cost of insurance for low income and vulnerable customers has gone up.^{20 21}
 - People on low incomes are less able to pay for their car and home contents cover up front and so have to pay the additional cost of paying monthly. Are monthly premiums truly cost-reflective?
 - Customers are unable to understand why they have been charged extra, because of poor feedback from insurers on why - and by how much - the cost has gone up due to their circumstances. This can make it impossible to understand whether the information is *relevant* and *reliable* in line with the Equality Act 2010.
- ### Credit – short term
- Costs are based on risk and cost-to-serve, additional costs associated with, for example, the doorstep model can be considerable.
 - Although high-cost credit is not widely used, when incurred, the premiums can be extremely high (e.g. the high cost of rent-to-own stores).

Credit – mortgages

- Despite being based significantly around affordability, over the course of the life of a mortgage product a customer may experience a range of vulnerabilities, including income shocks. This is often not 'designed' into the mortgage, despite the long-term nature of the product.
- Consumers are now more likely to hold multiple jobs, be self-employed and move jobs more frequently. These factors have implications for affordability which providers need to understand.

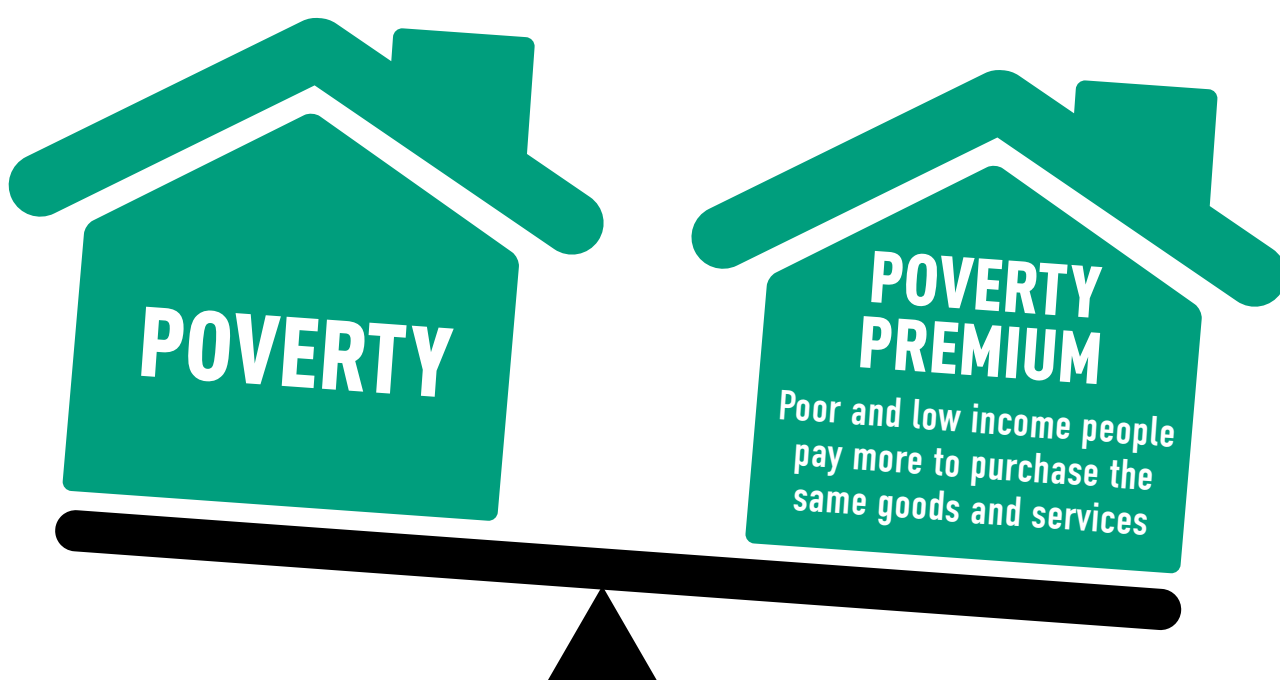
The poverty premium is distinguished from poverty more broadly as it focuses on the **additional cost** poor and low income people **pay because they are poor** in order to purchase the **same/similar goods and services** as other households. Solving the poverty premium specifically is therefore

not simply a case of arguing for increased income, including from the state.

Ending the poverty premium may, ultimately, require a social policy decision which requires government intervention, for example if it is found that it really does cost more to serve some groups of consumers.

However, the existence of the poverty premium challenges business, regulators and government to first check whether the premium is 'fair!' Research by NatCen for the CMA has found evidence that

suggests that in some cases the premium is higher than the associated cost or risk.²² Many of the areas in which the poverty premium exists are longstanding, suggesting that competition alone is unlikely to provide the solution and that deeper approaches are needed to assess the problems, along with a very real cultural shift.



“Overall, a primary concern, and possibly an increasing concern, for the poverty premium is that purely market-driven consumption in the existing supply structures will increase the vulnerability of those who are already susceptible, while also placing greater responsibility on those same households to avoid or deal with their disadvantage. Central to tackling the poverty premium is recognising that low income households have particular needs around the way they manage their money and that products and services designed for middle or higher-income customers may automatically disadvantage them ... As such, the poverty premium in some areas is underpinned by lack of true competition and innovation which meets the needs of low income consumers.”²³

Consumer vulnerability and protected characteristics

Alongside income, people can be excluded from essential services due to other personal characteristics or circumstances. People with cancer, for example, can struggle to access insurance products that meet their needs at a fair and affordable price. People with certain mental health conditions that can impact on their ability to control spending often find products have no in-built features to help them manage this. People who need help with their money – for whatever reason – may find themselves at risk of fraud because products and services are not designed to safely accommodate this.

The CMA, Ofgem and FCA also highlight that *anyone* can *become vulnerable*, with unforeseen changes in circumstances such as a sudden illness, redundancy or bereavement. The Covid-19 pandemic, while unique in its scale and impact, has highlighted how quickly and easily many of us can find ourselves vulnerable to circumstances or financial difficulty.

In practice, we see a significant link between the poverty premium and other ‘vulnerabilities’ or protected characteristics. In their recent report prepared for the Competition and Markets Authority (CMA), NatCen noted that:

“Low income tends to be correlated with other vulnerabilities, such as disability and age.”²⁴

Chapter 1: What is the problem and why might inclusive design be the solution?

In many respects, it is a vicious circle, with higher prices or lack of access leading to further disadvantage and vice versa.

Many people affected by the poverty premium have characteristics which are 'protected' under the Equality Act²⁵. Whilst living in poverty or on a low income is not in itself a protected characteristic, people with some protected characteristics are more likely to be poor or living on a low income than people without that characteristic. For example, the Personal Finance Research Centre²⁶ highlights that people from non-white groups, single parent and disabled households are more likely to be living in poverty and that:

“*The evidence does suggest that certain groups with protected characteristics are more likely to incur poverty premiums, compared with low income households as a whole.*”

For example:

- People from Black and Minority Ethnic groups, single parents (usually women²⁷) and people with disabilities are most likely to incur energy poverty premiums either by not paying in the most cost-efficient way (i.e. monthly direct debit) or through using pre-payment meters.
- People from Black and Minority Ethnic communities are most affected by area-based premiums in insurance.
- Single parents and young people are most likely to be using high-cost credit and be paying to access cash.

Factors such as the way markets shape the choices available to consumers and impose certain costs upon them are critical in driving the poverty premium.²⁸ The recognition of the importance of this type of supply-side behaviour is consistent with regulators' work and aims relating to vulnerability (**see Chapter 2**), which generally includes the behaviour of firms as a potential reason for vulnerability. The increasing ability of firms to segment and personalise pricing may also be exacerbating the additional costs faced by those who are poor or in vulnerable circumstances.

The Personal Finance Research Centre researchers also note that:

“*Evidence can sometimes fail to convey the way in which poverty impacts on all aspects of life. In particular, that poverty is not just about having a low income. It is about where you live, how much autonomy you have over things like working hours, and how much security you have (for example, whether you have savings to see you through an unexpected bill or drop in income).*”

All of these factors feed into, and can exacerbate, the experience of poverty, particularly where they give rise to poverty premiums, which compound detriments for those who can afford it least.

Factors, such as the way markets shape the choices available to consumers and impose certain costs upon them are critical.

How to combat consumer vulnerability and the poverty premium?

Many regulators rely on competition and innovation to deliver services that meet the needs of consumers, often alongside increased consumer education and a greater recognition of consumer responsibility. But this over-reliance on the market and competition can actually contribute substantially to poverty premium scenarios and poor outcomes for vulnerable and low income consumers. Consumer groups advocate for clearer recognition that energy, insurance and credit (and many others) are 'essential services' and for greater consideration of universal service obligations.²⁹

Whose responsibility?

Any discussions around fair pricing in essential services must be seen in the context of the inadequacy of income for many people in the UK today. There is a debate about whether responsibility for ensuring affordable access is for the Government (by ensuring a safety net for citizens) or firms (by ensuring that the whole of the market can access and use essential services at a fair price).

However, as commercial organisations rather than charities, it can be hard for firms to feel incentivised to prioritise vulnerable consumers in a competition-driven market. If these are essential services, it is important that markets are *regulated* as such: in a way which removes unnecessary extra costs from vulnerable³⁰ and low income customers. This *may* involve some cross-subsidisation; however, it will certainly involve developing more creative and inclusive approaches to understanding consumer needs and developing solutions. Taking account of the complexities, nuances and the lived experience of those paying poverty premiums or with other vulnerabilities, will enable regulators to develop more effective strategies and this is exactly what an inclusive design approach is intended to achieve. But what is inclusive design?

REGULATOR DESIGNING INCLUSIVELY



What is inclusive design?

Inclusive design – product and service level

In its traditional sense, at an operational and granular level, **'inclusive design'** means:

Designing a product, service, process or place so that it can be accessed by everyone.

This includes consumers with 'additional needs' (for example disabled people and people living with significant long-term health conditions). Designing for such people often makes things better for 'mainstream' users – think of drop kerbs which were designed primarily with wheelchair users in mind but are now used by pretty much everybody as markers of sensible places to cross the road.

Inclusive design takes the concepts of consumer-focused usability, embodied in user experience and user-focused writing and marketing methodologies, a step further. These methodologies are already used extensively in the private and public sector to make products and services straightforward and appealing to potential users. Part of the process involves reaching out to and engaging with the target audience (using surveys, testing etc.) to establish pain points and possible solutions. This ensures they do not give up in the face of jargon, complex layout etc. but obtain the service they are looking for (and ensures that the organisation achieves its objectives more easily).

Inclusive design applies these concepts to the *lived experience* of those *most vulnerable consumers*.

Applying concepts of usability to the lived experience of the most vulnerable consumers.

Whilst the evolution of inclusive design has taken place over the past 100 years or so, it gained pace in America in the 1970s, focusing mainly on designing products and environments for *older populations* and for *disabled people*.

The use of inclusive design continues to grow in both the private and public sector. In the private sector designing for users with additional needs and making things better for mainstream users is used to increase competitive advantage and to widen the market of potential customers³¹. The public sector is increasingly using design approaches to tackle exclusion, and to design more innovative, equitable services and systems.

Case Study: Toynbee Hall

In partnership with Fair By Design, Toynbee Hall supported a group of 'Experts by Experience' of the poverty premium to:

- Help start-up companies, investors in start-up companies, and policy makers develop a deeper understanding of the needs of low income consumers
- Place lived experience at the heart of design.

How it worked

Through their frontline services and connections with the local community Toynbee Hall recruited a group of people with lived experience of the poverty premium. This included people with different backgrounds, ages, ethnicities, household types, employment situations and mental and/or physical illnesses and disabilities. But they were *all* experiencing the poverty premium.

Toynbee Hall facilitated a series of workshops with these Experts by Experience comprising three parts:

Part 1 Experts by Experience explored their own personal experiences of a particular aspect of the poverty premium – such as access to credit, transport, energy or insurance – and how it affected them.

A central theme in these discussions was that the essential markets' approach often leads to products, services, pricing and payment systems that simply do not

recognise the reality of people's lives.

Part 2 The Experts heard from a company whose product or business model had the potential to address that part of the poverty premium.

Part 3 The Experts questioned the founders and designers rigorously, before having an in-depth discussion to examine whether the showcased product would truly work for people on low incomes and provide a real solution to the barriers they faced.

Findings

The Experts provided rich insights on a range of issues, including the secondary problems caused by the poverty premium and the lack of affordable or appropriate products in essential markets. They described the strategies they used to navigate the market and cut their costs where possible but highlighted the limitations of these individual strategies and the need for more systemic solutions.

Their discussions emphasised the importance of inclusive design. In particular, and across all sectors, the Experts highlighted the need for:

- Recognition from companies of what it means to live on a low income
- Messaging, information and explanations particularly targeted at low income groups
- Flexible payment times and channels, including options to pay by instalment and affordable alternatives for people without a bank account

Case Study: Toynbee Hall

- Adaptations to improve accessibility for elderly, digitally excluded and disabled people
- Products designed for private renters, rather than only housing associations, social housing tenants or homeowners
- Appropriate arrangements for those living in more isolated or less connected areas
- Quickly available short-term credit at affordable rates and grace periods or back-up systems for occasional late payments
- Reasonable adjustments and support for customers in debt and those struggling to pay their bills
- Automatic transfers to cheaper tariffs and removal of the loyalty premium, particularly for those less able to shop around.

Impact

Benefits to Experts

The Experts said that taking part had empowered them to connect with and influence relevant companies and investors. They also felt their confidence had improved and they had gained new knowledge and awareness around financial issues.

“*Even though I have no business idea, I felt that I was part of the next big idea. I feel that the companies really listen to the consumers.*” Winnie

“*The awareness we get and being able to share with those who will benefit from this, as it is tackling the issues people face on ground level.*” Monisha

Benefits to companies

The workshops provided the companies with unique insights into the realities of people’s lives, highlighting the barriers consumers often face in essential markets and giving them new ideas about how they could adjust their product design or business model to meet the actual needs of people on low incomes.

They said that being able to speak to and hear from the Experts directly was hugely beneficial for deepening their understanding and developing their products.

“*It was hugely valuable ... The insights we got on people’s behaviour and general attitudes were brilliant.*”

Affordable credit company

“*We came away with lots of ideas for areas to focus on ... to do with communication, reliability and safety ... The feedback around legal advice was also really valuable. This will definitely inform how we build the next bit of the platform.*” Employment rights company

Benefits to investors

Through observing the group discussions the investors gained not only vital insights into the realities of life on a low income, but also a new perspective on the products and companies from the consumer's point of view. This enabled them to make more informed investment decisions with a deeper understanding of whether the products could truly work for people experiencing the poverty premium and would also therefore likely experience future growth. In this way, a virtuous circle of investment in more inclusive products is also created.

"Although we saw a lot of potential in the product and recognised the plus points, we also recognised through some of the Experts' comments that the product itself left a lot to be desired ... One where the feedback from the Experts was vital!" Investment manager



Inclusive design – societal and market level

Designing out exclusion and inequality.

At a more strategic level, **'inclusive design' aims to design out exclusion, inequality and unfairness in society.**

To achieve this effectively will involve regulators:

- Working with and regulating businesses to make sure that they provide access to products at a fair price and which meet the needs of consumers, particularly those in vulnerable circumstances.
- Working with government and other organisations on approaches that reduce inequalities.
- Working to create a more diverse and inclusive workforce at all levels, which should be viewed as part of developing an organisation that can regulate inclusively.

These points all represent challenges to current thinking in real practical terms and are discussed in more detail in **Chapter 4**.

Where to start?

Through the practical toolkit in **Chapter 5**, we provide a comprehensive guide to how regulators can embed inclusive design in their work, including practical activities to undertake. This toolkit builds upon the Design Council's 'Framework for Innovation', which is a useful point for beginning to think about how regulators can adopt inclusive design.

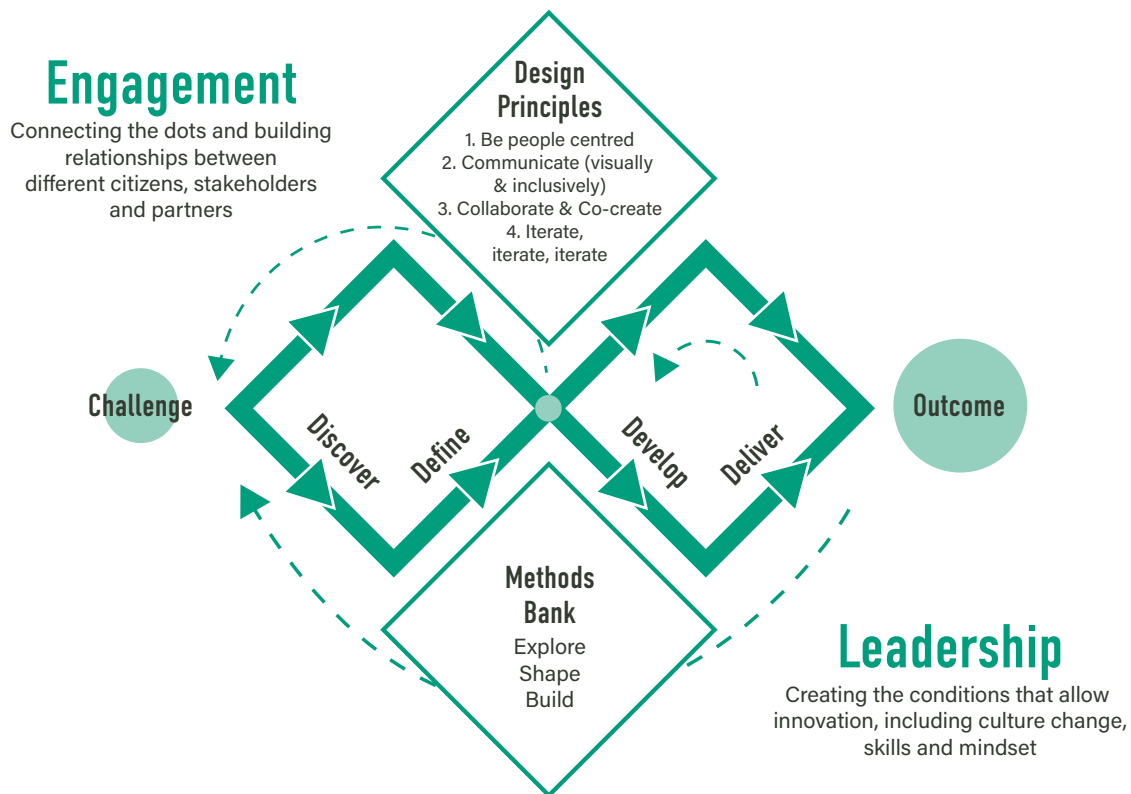


Innovation and inclusive design – 'Framework for Innovation' (Design Council)

The methodology of the Design Council's 'Framework for Innovation' is underpinned by four guiding principles, which should be kept in mind by regulators when developing their own tools and methods around inclusive design.

The principles are:

1. Be people-centred – start with an understanding of different types of consumers, including those who are most vulnerable.
2. Work inclusively – make sure you involve vulnerable consumers throughout and adapt your type of engagement and language to make them feel welcome and able to contribute thoughts and ideas.
3. Co-create and collaborate – develop ideas with a range of different people and recognise that for bigger goals, you need to work with other organisations collectively.
4. Iterate, iterate, iterate – test ideas, get feedback from consumers and adapt as you go. Knowing you won't get it right first time but spotting errors early through regular testing is better than costly mistakes at scale.



The framework is based around two diamonds (often referred to as the 'double diamond'). It represents a process for exploring an issue widely and deeply (divergent thinking – the 'discover and develop' phases) before moving on to take focused action (convergent thinking – the 'define and deliver' phases). It is an effective framework for inclusive design because:

- It emphasises the importance of spending time on understanding the problem by spending time with people involved (**discover**)
- It redefines the challenges from the perspective of users rather than 'professionals' (**define**)
- It encourages co-designing potential solutions with a range of different people (**develop**)

- It tests and iterates on a small scale to find out how a final version of the product or service works (**deliver**)

At its heart, is the idea that:

Spending time on the problem you are trying to solve, with the people you are trying to solve it for, leads to better solutions.

For more information on how to practically embed this approach in your work see the full toolkit in chapter 5.

Chapter 1: What is the problem and why might inclusive design be the solution?

The rest of this report looks in more detail at how regulators can apply this approach to their work and starts by considering the extent to which this type of inclusive design approach fits within the regulators' objectives and mandates, and what regulators are already doing.



Chapter Two

**Using inclusive design
to meet regulatory
obligations**

p41

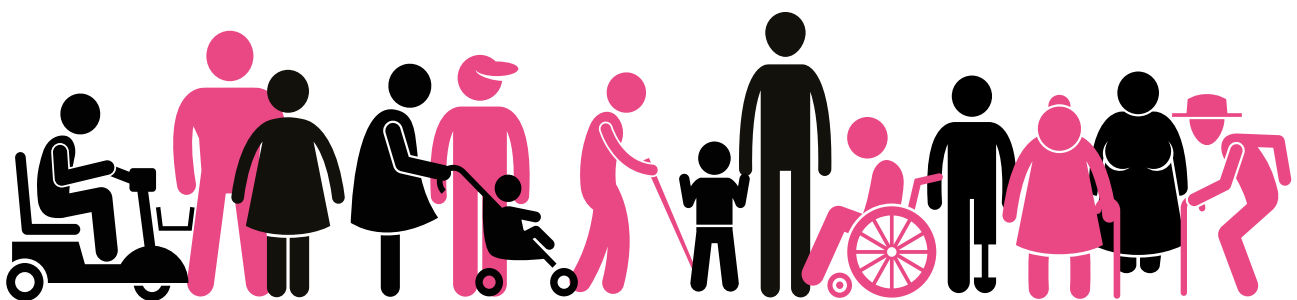
Chapter 2: Using inclusive design to meet regulatory obligations

Inclusive design benefits *all* consumers

Current regulatory models start from the premise of a largely mythical 'average consumer' and then seek to adjust *backwards* based on different vulnerabilities or characteristics. This can make it extremely challenging to understand the diversity of consumer needs and experiences and develop regulatory solutions that work effectively. By instead starting with models based on more vulnerable, non-standard consumers, *all* consumers will benefit, without many different types of consumer falling through the cracks. (See the 'Future of rail' case study opposite where non-commuter participant views were canvassed.)

An inclusive design approach can help with many of these challenges and support the delivery of existing regulatory objectives and priorities. It offers new approaches, processes and tools for developing understanding of diverse needs and creative inclusive policy making.

Wider issues identified during the inclusive design process can play a valuable part in improving outcomes for *all* consumers.



Case study: Future of rail

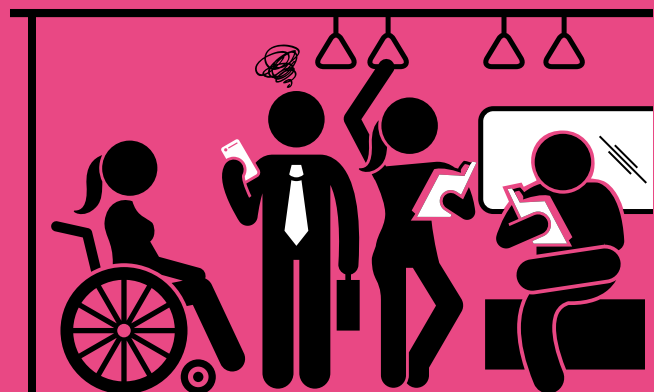
Policy Lab filmed people's train journeys to understand a diverse range of passenger experiences, including 'atypical' end users who were not commuters, such as parents with children and buggies, and also worked with non-passengers who were meeting people or buying tickets for later travel. Filming enabled an understanding of the everyday interactions and experiences people had on their journey.

Findings challenged some of the natural assumptions made by Department for Transport policy makers (most of whom commuted). And details around panic, anxiety and stress had not been picked up by a previous Rail Passenger Survey on which normal strategies and policies were based. Unlike the Policy Lab work, this survey did not observe real daily interactions – the 'emotional' side of people's journey – their lived experience.

The next step was to work with workshop participants reflecting on future trends (flexible working, ageing society, economy changes, devolution, self-driving cars) and their potential impact on travel (more passengers who are older using trains, fewer people commuting because of flexible working etc.). Participants wrote

their own narratives about the future. The Policy Lab design partners then designed prototypes of future objects (a rail map, ticketing app, electronic noticeboard for self-driving cars etc.) with the aim of eliciting further discussion about their pros and cons. The end aim of this was to gain real insights using deeper user feedback to help inform how policy makers might need to act differently in the future design, and change their decision making.

In the first instance, by reaching out to different types of passengers or users with additional needs, new insight was gained enabling a new strategy direction of 'a panic-free journey for all'. And through this and the further customer-centred workshops, the Department for Transport was able to start designing *not* for a 'preferable' or 'best case scenario' future but for a future based on real customer experience.



Inclusive design benefits regulators

Whilst regulators are not explicitly required by their objectives to use inclusive design methodologies, if regulators begin to use inclusive design processes it will:

- Help them to deliver their work, especially around consumer vulnerability
- Make it easier to demonstrate how they are meeting their obligations under the 2010 Equality Act.

Mandates and objectives and obligations

Regulators have a range of relevant objectives, powers and duties which both *enable* and *require* them to consider the extent to which different consumer groups are meaningfully included in a market (see **Table 2.1**).

Table 2.1 Relevant extracts from the key regulators' mandates and objectives

Regulator	Key points
Competition and Markets Authority (CMA)	<p>The CMA's statutory duty is to promote competition, both within and outside the UK, for the benefit of consumers, and our mission is to make markets work well in the interests of consumers, businesses and the economy.</p>
Financial Conduct Authority	<p>The consumer protection objective is:</p> <ol style="list-style-type: none"> 1. Securing an appropriate degree of protection for consumers. 2. In considering what degree of protection for consumers may be appropriate, the FCA must have regard to: <ol style="list-style-type: none"> a. The differing degrees of risk involved in different kinds of investment or other transaction b. The differing degrees of experience and expertise that different consumers may have c. The needs that consumers may have for the timely provision of information and advice that is accurate and fit for purpose d. The general principle that consumers should take responsibility for their decisions. <p>The competition objective is:</p> <p>promoting effective competition in the interests of consumers in the markets ...</p> <ol style="list-style-type: none"> 1. The matters to which the FCA may have regard in considering the effectiveness of competition in the market for any services mentioned in subsection (1) include: <ol style="list-style-type: none"> a. The needs of different consumers who use or may use those services, including their need for information that enables them to make informed choices b. The ease with which consumers who may wish to use those services, including consumers in areas affected by social or economic deprivation, can access them c. The ease with which consumers who obtain those services can change the person from whom they obtain them d. The ease with which new entrants can enter the market, and e. How far competition is encouraging innovation.

Chapter 2: Using inclusive design to meet regulatory obligations

Regulator	Key points
Ofgem	<p>The Authority's principal objective is to protect the interests of existing and future consumers in relation to gas conveyed through pipes and electricity conveyed by distribution or transmission systems. The interests of such consumers are their interests taken as a whole, including their interests in the reduction of greenhouse gases in the security of the supply of gas and electricity to them.</p> <p>The Authority is generally required to carry out its functions in the manner it considers is best calculated to further the principal objective, wherever appropriate by promoting effective competition.</p> <p>Before deciding to carry out its functions in a particular manner with a view to promoting competition, the Authority will have to consider the extent to which the interests of consumers would be protected by that manner of carrying out those functions and whether there is any other manner (whether or not it would promote competition) in which the Authority could carry out those functions which would better protect those interests.</p> <p>In performing these duties, the Authority must have regard to the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.</p> <p>[The Authority may have regard to other descriptions of consumers.]</p>

Both the CMA and FCA set out their role in relation to the promotion of competition either **in the interests or to the benefit of consumers**. Ofgem is required principally to ‘protect the interests of existing and future consumers’ – but to do so ‘wherever appropriate by promoting effective competition’. **These roles apply to consumers as a whole** – *not* the ‘average’ consumer or even ‘most’ consumers. **If there are particular groups who are not protected or for whom competition is not working well, regulators are required to remedy these failings.**

As well as their competition objectives both the FCA and Ofgem have specific mandates in respect of consumer protection and to particular groups of consumers, as set out in **Table 2.1**.

In addition to these mandates, it is worth considering in more detail the obligations that regulators have under the Equality Act 2010 and how they relate to the issues raised in this report in more detail. This is important because:

- Whilst living in poverty or on a low income is not a protected characteristic, as discussed in Chapter 1 certain groups with protected characteristics are more likely to incur poverty premiums compared with low income households as a whole.
- People with protected characteristics – such as those with physical and mental illnesses or disabilities – can face particular difficulty in accessing products and services that meet their needs.

- Equality issues and the drivers of inequality can be complex and do not always fall neatly within any one regulator’s remit and so are a good illustration of how and why current regulatory boundaries do not always serve consumers well (**see Chapter 4**).

Fundamentally the Equality Act³² prohibits both regulators and firms from discriminating, harassing or victimising its actual or potential customers due to a ‘protected characteristic’³³. By reducing or eliminating poverty premiums through inclusive design, regulators can fend against such discrimination and actively promote positive outcomes for consumers.

EHRC and regulator responsibility

The Equality and Human Rights Commission (EHRC) has oversight of compliance with the requirements under this Act and so regulators will typically not consider that they have a mandate to actively assess firms’ compliance. However, whilst the EHRC is clearly the specialist, expert agency, it faces challenges in practical supervision and enforcement, especially in the highly technical and complex markets of insurance, credit and energy. EHRC’s resources are limited so it must prioritise ruthlessly.

Many stakeholders feel it is simply not currently possible for the EHRC to provide effective equalities oversight in many fields. And, as the FCA point out, regulators should work with the EHRC to inform any assessment of a firm and engage with the EHRC on ‘policy-related or thematic issues’³⁴ and as participators in the EHRC’s

Chapter 2: Using inclusive design to meet regulatory obligations

Regulators, Inspectorates and Ombudsmen (RIO) Forum.

Regulators – supervision and enforcement

Recent discussions in some sectors have challenged whether the sector regulators should do more to support the EHRC and expressed concern at the degree to which fundamental and important legislation is falling through cracks.³⁵

The issue of whether regulators should take more responsibility for compliance with the Act has been considered recently by two House of Commons Select Committees – both of whom have recommended that regulators should be given powers to secure compliance with the Act in the sector for which they are responsible. The Treasury Select Committee recommended that:

“ *The Government should give the FCA the power to take on the enforcement of individual cases relating to financial firms’ compliance with the Equality Act, in addition to the EHRC.*”³⁶

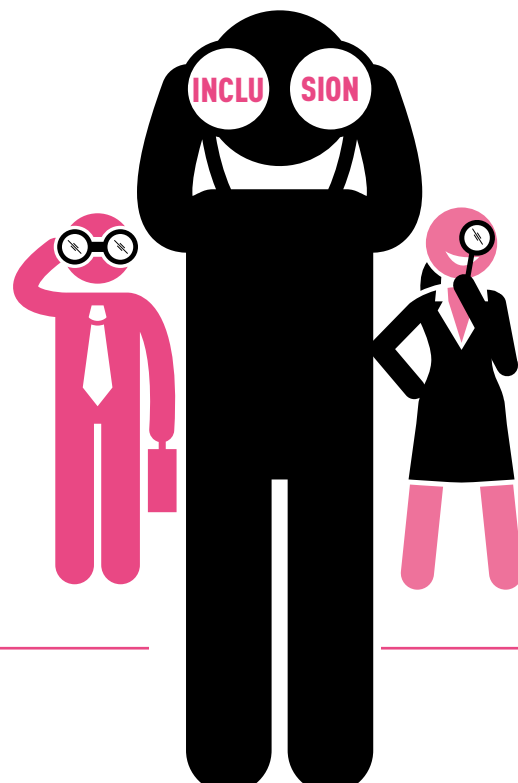
The other element (s149) of the Act which applies to regulators is the Public Sector Equality Duty (PSED), which applies to everything public sector bodies do. As the EHRC describes it:

“ *The broad purpose of the equality duty is to integrate consideration of equality and good relations into the day-to-day business of public authorities.*”³⁷

Real change

Regulators have so many requirements to consider in policy development that it is easy for the PSED to become a tick box exercise, rather than a true opportunity to promote inclusion. Reviewing recent consultations from FCA and Ofgem, from an external perspective the equalities impact process appears to focus on *avoiding negative consequences* to groups with protected characteristics, on *avoiding exclusion* rather than *actively seeking inclusion*. Taking an inclusive design approach and shifting the focus towards inclusion would *support more meaningful compliance with the PSED*.

The equalities impact process appears to focus on avoiding negative consequences to groups with protected characteristics, on avoiding exclusion rather than actively seeking inclusion.



There is also a provision within the Equality Act that is highly relevant to tackling the poverty premium. Part 1 of the Equality Act – **which has never been enacted in England** – includes a Public Sector Duty Regarding Socio-economic Inequalities:

“ **An Act to make provision to require Ministers of the Crown and others when making strategic decisions about the exercise of their functions to have regard to the desirability of reducing socio-economic inequalities.”**

If a version of such a duty were in place³⁸, or alternative explicit duties placed on regulators, it would encourage more organisations to tackle issues such as the poverty premium which is clearly a socio-economic inequality. One interviewee for this report highlighted that, whilst the FCA’s vulnerability lens has driven increased focus on some characteristics, income has not yet formed part of the equalities dialogue within their firm.³⁹ This would also be in line with the current government’s ‘Levelling Up’ agenda of spreading economic growth and development across the UK.

Some would argue that regulators should have explicit duties placed upon them, but even without them regulators should address socio-economic inequality in their work now, and work more closely with the EHRC and other regulators on these issues. Indeed, given the acceptance by regulators and the CMA that financial resilience and affordability is a key element of consumer vulnerability, it would *not* make sense for them to disregard socio-economic status

when implementing their equality and impact assessments as part of their Public Sector Equality Duty.

Work on consumer vulnerability and inclusive design

One of the significant consumer protection developments which *has* taken place over recent years has been the development of the concept of ‘Consumer Vulnerability’ or ‘Customers in Vulnerable Circumstances.’⁴⁰ Across energy and financial services regulators, vulnerability is now firmly established as a priority. The impact of this prioritisation can be seen in decisions taken in recent work by regulators on:

- Overdraft charging
- The rent to own market
- The implementation of price caps in the energy market.
- New regulatory strategies on consumer vulnerability
- New guidance for firms

The CMA, Ofgem and FCA all highlight that *anyone can become vulnerable.*⁴¹

Chapter 2: Using inclusive design to meet regulatory obligations

But although the debate over regulatory involvement in vulnerability appears on one level to be won, there remain concerns about:

- How deep the commitment to vulnerability runs
- How far the commitment is prioritised in practice, especially when cost is involved.

Regulators have a clear role to play in driving the agenda when it comes to issues around vulnerability and fairness, including setting the expectations on firms and influencing their priorities. Unsurprisingly, interviewees from firms spoken to for this report were clear about the importance of regulatory priorities in leading the priorities for firms. One interviewee reflected that firms sometimes had to be "*dragged kicking and screaming*" and highlighted what they saw as the "*huge gulf*" between where banks and insurers are on vulnerability, with banks having a more advanced approach to meeting the needs of vulnerable consumers, and linked this back to the regulatory approach within the different sectors.⁴² If regulators are to achieve their aims of improving outcomes for consumers and reducing harm, then leading by example – particularly on inclusive design – is a key way for them to do so.

We have already seen some excellent examples of how regulatory focus on an issue leads to innovation and improvements from firms themselves. This includes the Macmillan–Nationwide partnership (see the **case study**) and the 'Vulnerability Academy' run by Money Advice Trust and UK Finance.⁴³ The Vulnerability Academy helps senior managers within firms to understand how they can embed fair treatment of vulnerable customers, including using inclusive design principles to provide better products and services to these groups.

However, we cannot be complacent. Vulnerability is a highly dynamic state and there are a wide range of different vulnerabilities which, as regulators have acknowledged, can impact on a high proportion of the population at any one time, and the majority of consumers at some point in their lives.⁴⁴ As regulators' understanding of vulnerability has become more sophisticated, and in response to some of the challenges already highlighted in this report, regulators are rightly expanding their interest in inclusive design as a method for improving their response to vulnerable customers.

Case study: Nationwide Specialist Support Service

In response to a visit by their Executive Committee to a Macmillan Cancer Centre in 2014, Nationwide Building Society wanted to pilot a new way of working with customers affected by cancer, as research commissioned by Macmillan Cancer Support found that four in five people are, on average, £570 a month worse off because of their cancer diagnosis.⁴⁵ Nationwide went on to design and provide a one-to-one service for Nationwide customers affected by cancer – a service which helps them manage their financial affairs, from immediate requests for support to longer-term management of financial difficulties. The service was designed using the inclusive design approach.

In order for Nationwide to understand how cancer impacted on their customers they created a **research panel** made up of volunteer **employees who had first-hand experience of the impact of cancer** – people with **lived experience**. Macmillan's Financial Guidance Service also provided feedback and case studies on the **experience of Nationwide customers** who had accessed their Macmillan's services.

The people with lived experience were involved in:

- **Confirming what the problem was** – their stories were used to develop likely scenarios for people affected by cancer and their customer journeys.
- **Ongoing testing throughout the design process** – the scenarios were used to test products, policies and processes developed e.g. branch posters/takeaway cards/leaflets.
- **'Exposure therapy'/staff training** – the research panel (people with lived experience of cancer) and Macmillan volunteers (who had been affected by cancer) shared their experiences with Nationwide staff through interview soundbites, videos and in person.

Case study: Nationwide Specialist Support Service

Outcomes

The approach:

- Enhanced Nationwide's understanding of customer needs
- Increased customer satisfaction
- Improved customer outcomes.

For example, over the six-month pilot period Nationwide customers accessed £114,000 worth of benefits through the service. Nationwide also **predicted further financial benefits** such as reduced defaults by customers. Furthermore, this approach led to increased employee satisfaction and enhanced brand reputation. The Specialist Support Service is now assisting vulnerable members in general – not just those affected by cancer.



Inclusive design approaches do not replace a focus on vulnerability – they are part of the ‘how’.

Incentivising businesses towards an inclusive design focus

As mentioned in the previous section, some firms are already innovating and moving ahead with inclusive design. In the past, the ‘business case for inclusion’, one of the drivers for innovation, has often centred around increasing access to new markets especially the grey (older people) and purple (disabled people) pounds.

However, given the consistent lack of innovation aimed at overcoming the barriers faced by vulnerable and low income consumers and the persistency of key challenges (e.g. slow development of request to pay, third party access to banking, access to banking for digitally excluded customers, development of low-frills insurance, cost of energy on pre-payment meters, loyalty penalty) it seems that business has yet to be convinced that complete inclusion makes sense for them. This is despite some evidence of the positive business impact, such as in the Nationwide example above.

Greater clarity is therefore needed from regulators to drive inclusive outcomes.

Both the FCA and Ofgem have programmes to support innovation as part of delivering their competition objective. An effective next step might be to **prioritise supporting innovations aimed specifically at**

increasing inclusion. Unfortunately, there has been a risk to date that innovation comes at the expense of consumer protection, because it is not always done in an inclusive way or in a way which promotes better outcomes for particularly vulnerable or excluded groups. Innovating inclusively, and using an inclusive design approach can help ensure greater parity across regulators’ innovation and consumer objectives.

Inclusive design and fair pricing

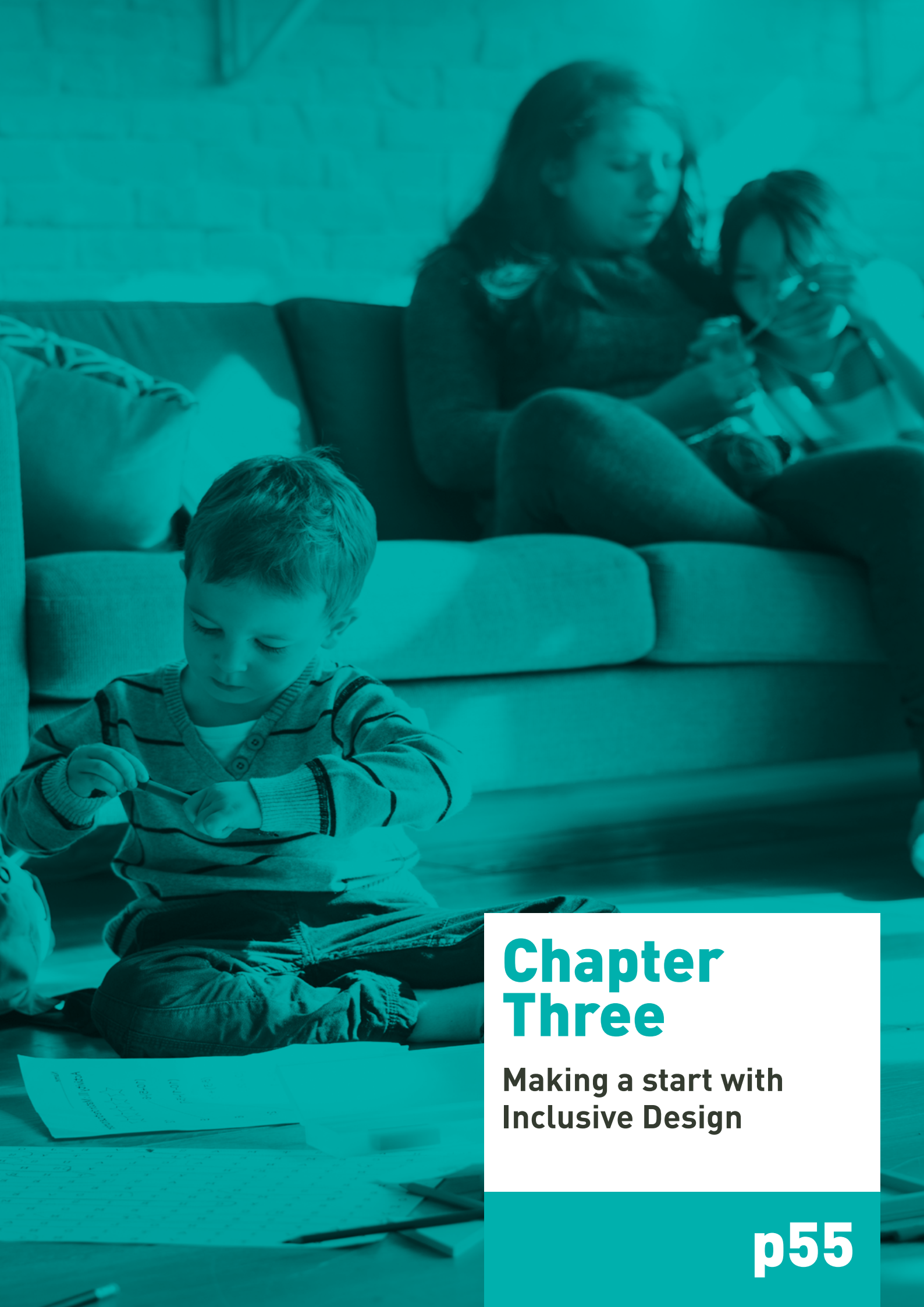
Fundamentally, regulators have an obligation to take action both in terms of their own mandates and the Equality Act 2010. Where collaboration and inclusive design are being applied, real tangible results are already being seen which fulfil the aspiration to improve services for vulnerable consumers. But businesses alone cannot be relied on to make changes through innovation that will address problems experienced by vulnerable consumers, such as affordability and price. In the current competition-driven market, regulator intervention is necessary.

Chapter 2: Using inclusive design to meet regulatory obligations

“ If a product is essential, then any concerns we have about the fairness of a pricing practice are likely to be increased, as consumers have no choice but to use the product. This might mean there are many people affected by the practice, including vulnerable consumers. In addition, if consumers are purchasing the product because they have to rather than because it is a product they are interested in, then they may be less engaged in the market or less able to understand the product.”

FCA⁴⁶

“ Fair pricing is within our remit, given our statutory and operational objectives: fair pricing is relevant to each of our operational objectives. We regulate in the public interest and will act where necessary.” FCA⁴⁷



Chapter Three

Making a start with
Inclusive Design

p55

Chapter 3: Making a start with Inclusive Design

The previous chapter set out why regulators should be taking an inclusive design approach and how this can help achieve their objectives. In this chapter, we look at how regulators might go about doing this – by exploring how inclusive design can be used practically.

Understanding and change – from beginning to end

Inclusive design is a process which uses a range of tools throughout the whole of the policy development process – **from beginning to end**. It is important that it does not get siloed within a research team or in only one part of the regulatory process. Whilst regulators may already be gaining some benefit from using tools commonly seen in inclusive design e.g. ethnography (examining the behaviour of consumers in a particular context), focus groups and diaries, they do not, alone, constitute an inclusive design approach.

A truly inclusive design approach requires practice and cultural change both within and across the regulatory ecosystem.

There is a lot that regulators can already do and this chapter looks at how regulators can start to build in inclusive design into what they are already doing by looking in more detail at four key areas:

1. The use of data
2. Consumer engagement
3. Building in lived experience
4. The role of iteration.

Chapter 5 provides a more detailed set of tools for regulators that can be used to start building inclusive design into regulators' work.

Data – thick, thin or big? And a true representation of vulnerable consumers?

Regulators already frequently use quantitative (thin) and qualitative (thick) research methods to build a richer understanding of policy issues. All regulators want to improve their capability to use the increasing amount of quantitative data available to them. Whilst this is clearly vital, regulators should also be aware of the risks of placing too much weight on numbers alone, which may not be truly representative; **gathering large-scale survey data on low income households remains a challenge.**

Excluded groups are often not well represented in data sets or other existing evidence used, in theory, to gain understanding.

As big data (data sets which are too large or complex for traditional data-processing software to deal with) plays an ever-more important role in determining direction and policy it is increasingly urgent that big data does not exclude certain groups. There is already extensive discussion around how to ensure fairness in artificial intelligence (AI). This is not the place to repeat it in detail, but it should be noted that many of the challenges identified in surveying low income households will also be relevant to collection of 'big data', as will the importance of asking the right questions.

The lack of representative data has been recognised by the National Audit Office (NAO) and in research on measuring the poverty premium conducted by the CMA. Similar challenges in ensuring representation of other vulnerable groups have also been noted by the NAO.

“ *There are no comprehensive data on the experiences of vulnerable consumers or the impact of regulatory intervention.*”

National Audit Office ⁴⁸

This lack of representative data affects our understanding both of:

- How the poverty premium and wider vulnerabilities are experienced by customers in different markets, and
- The impact of regulatory interventions and business change.

Much exclusion is connected to entrenched inequality which can in turn lead to groups not being well represented in the data or other existing evidence.⁴⁹ Inclusive design methodologies are one way in which regulators can ensure that data-driven strategies become more representative and drive positive outcomes for all.

How to combine data types for deeper more reliable insights

Particular attention should be given to the interplay between the two methods (qualitative alongside quantitative) which is where the private sector has shown real value can be added.⁵⁰ This is not simply a case of 'do more qualitative research' but **'learn how to use insights generated from a range of qualitative methods to use big data better'**. By focusing on the interaction between the two methods, regulators are also able to mitigate risks around the relatively small numbers of research subjects used to generate insights in qualitative work.

Thick data will often be perceived as more subjective and therefore a riskier basis for regulatory decisions so there is a danger that 'big data' will always trump 'thick data'. However, by not restricting the process to a one-time evaluation, **the iterative nature of inclusive design is more reliable and focuses on the interaction between the two different types of data.**

Chapter 3: Making a start with Inclusive Design

We then see deeper insights than either type of data could offer alone:

- User lived experience and qualitative research help shape the questions asked of big data and to check that data sets adequately represent a diverse range of users.
- **Divergence between the two types of data should be a sign that further investigation or consideration is needed** – neither set of data should be allowed to ‘trump’ the other unless the divergence can be satisfactorily explained.



Case study: Ofgem pilot – iterative and user-centred design

A recent Ofgem pilot on user-centred design successfully involved policy professionals in direct face-to-face conversations with consumers.

“ I think our biggest success was getting policy makers out of the office and face-to-face with energy consumers, speaking to them informally early in the policy-making process. This qualitative research had a huge effect on how we were designing regulation, and our understanding of who we were designing it for.”⁵¹

The pilot explored both agile iterative working and user-centred design, which the project described as

“ a process that involves users in the design of a product or service they are going to interact with. It’s also about making abstract design ideas tangible through prototypes and sharing these with people to gain insights that are immediately actionable.”

The project was conducted as part of Ofgem’s work on the Future of Energy Market Review and focused on the policy options around **safeguarding people who don’t or can’t shop around for better energy deals**. The pilot report is extremely useful for regulators to understand how these tools can add to existing approaches within the regulatory context.

The team used the following inclusive design tools (see the toolkit in Chapter 5 for similar tools and more):

Assumptions mapping

Separating what we know from what we think we know.

This tool was used to map the assumptions the team had about the various policy options which were ranked according to the risk of the policy and the level of uncertainty. This enabled the team to prioritise what they needed to test with consumers. This process also helped to align the team around the same research priorities and to clarify their decision making.

Journey mapping

Understanding how consumers might experience a policy – the journey of first being aware of the policy and the motivations that may lead them to take action.

The team felt that this process was useful in helping them to approach policy options with the consumers in mind and enabled them to consider the emotional impact of the policy. It revealed the differences in opinions within the team, sparked some healthy debate and helped to shift their policy design approach.

In hindsight the team wondered if this process might have been even more useful if it had been conducted nearer to the implementation phase of the project.

Case study: Ofgem pilot – iterative and user-centred design

Prototypes

Making policy ideas tangible and testing them.

The team mocked up various prototypes to test options with consumers, such as letters which customers might receive as a result of the policy roll-out. These prototypes were useful in prompting consumer feedback but could be counter-productive as research participants could focus too much on the implementation details e.g. the dates.

The team felt that visual prompts and prototypes were most useful in testing early stage policy concepts.

The team found that talking to people directly provided them with really rich insights and they were able to work fast, build empathy and inspiration, and it allowed for a more iterative development of ideas.

The team felt that the user research they carried out was the most effective of the new working practices they tried out and required little adaptation for a regulatory context.

The team didn't see this type of research as replacing more traditional quantitative and qualitative research studies but a useful complement which can be used far earlier in the policy development process when still considering a wide range of ideas.

User research

Involving consumers in shaping policy, including: adhoc research, in-home interviews, group workshops.



Regulators and consumer engagement

It can be challenging to engage meaningfully with some groups of consumers. However, it is important for regulators to continuously maintain the innovation and effort required to engage in meaningful ways and to give genuine deeper insights into the real experience of consumers. Without this, there is a risk that engagement becomes tokenistic.

Regulators already have some existing programmes of engagement with charities and consumer policy advocates to help them gain consumer insight. These include:

- Standing panels of individual experts
- Regular ad hoc meetings with consumer groups and charities.

Increasingly, regulators are also looking for alternative ways to engage with consumer groups⁵² recognising that they are often pressed for time and resources. Input typically falls into two categories:

- Intelligence gathering e.g. sharing case histories and issues arising when delivering services
- Policy analysis based on the advocates' broader understanding of their sector.

But experience shared by consumer representatives suggests that regulators are often more interested in the first category (intelligence gathering) than the second (policy analysis based on findings) and that the type of intelligence gathered by regulators from consumer representatives is not always viewed as helpful in any case. Whilst some consumer groups have specialist consumer advice lines and an increasing number are developing panels or survey groups, these are rarely set up with the specific purpose of gathering intelligence for regulators. This means that a regulator may identify a potential cause for concern and request intelligence from a relevant consumer group but may receive limited (or no) feedback – and in a format that the regulator may not find helpful.

It is important that this absence of evidence is not taken as the absence of a problem. It is here that the second type of input – policy analysis – from consumer organisations can be especially valuable. Using their understanding of the context and experiences of the relevant group consumer representatives will help regulators consider what/whether issues might be expected and how further research might be conducted.

In each case, however,

input from consumer organisations does not replace the need for including lived experience of end users, or of regulators developing empathy and understanding for themselves.

Lived experience

Inclusive design approaches often emphasise the importance of including lived experience in policy development – lived experience promotes empathy among those involved in policy development and is a source of valuable insight, as the Ofgem case study above demonstrates. Inclusive design approaches are a great leveller as, done carefully, professionals and people with lived experience listen to each other as equals (see also Toynbee Hall case study in **Chapter 1**). Hierarchies are left at the door and no single voice can dominate.

Lived experience promotes empathy among those involved in policy development and is a source of valuable insight.

Lived experience approaches also put an important emphasis on creating dialogue with individuals to *discover* and identify problems, often hitherto unknown by firms or regulators. This replaces merely reviewing existing problems with them, or proving/disproving an existing hypothesis, and working together to find solutions, although this is also important.

Lived experience should be used throughout the design process in:

- Problem identification
- Strategy setting
- Solution development.

First-hand experience is an especially powerful tool for those who are developing policy and solutions, so it is important that all those involved are able to gain personal exposure to different groups of end users, and that insight is not always mediated through professional researchers.

Lived experience versus expert knowledge?

Lived experience should not be used to replace existing expertise (or replace existing work) but rather to help inform it. Regulators are staffed by highly professional, experienced policy people, and their knowledge and skills are vital and should be fully valued. A good inclusive design process should become an additional tool in the box which contributes substantially to existing knowledge and expertise.





But it should be acknowledged that policy professionals may face profound challenge to their previous understanding of, or seemingly intelligent assumptions about, problems and solutions because of meaningful engagement with those with lived experience. Managing the value of the two different types of insight will be an important part of making inclusive design work effectively in regulators.

A practical approach for improved knowledge

One way for regulators to be able to respond to the great diversity of consumers is to seek to deep dive into the lived experiences of one or two segments at a time. Whilst this means that it will take longer to build up the knowledge base it will allow greater depth and be easier to implement in the long term and mean less need for extensive changes at a later date.

For further cost efficiency regulators could consider a cross-sector deep dive, for example under the auspices of the United Kingdom Regulators Network. Another approach is to focus less on particular characteristics (e.g. age, disability) and more on a relevant need (e.g. access to cash or access to offline services). By considering the clusters of relevant characteristics that are likely to affect the solution and those groups who are likely to experience the need, regulators may be able to steer a more practical line between responses that address only a single segment and those which are impractically diverse.

A practical vision for inclusive insight and co-creation

Engaging with typically excluded groups with sometimes complex needs (an absolute necessity if essential services are to be supplied fairly to all) can be more demanding than engagement in a single focus group or interview both in terms of recruitment and facilitation.

Before inviting people with lived experience into your design process it is crucial to understand any safeguarding implications. When asking people to share difficult or traumatic experiences it may be triggering for them, and they may need bespoke support. Specialist organisations and researchers can help identify any safeguarding risks and mitigate them with appropriate policies and procedures.

It is also important to design a process that facilitates meaningful engagement. This includes:

- Ensuring that materials and venues are appropriate and accessible
- Checking that participants feel comfortable and confident in the place used
- Ensuring that the agenda works with the energy levels of the group.

As both recruitment and facilitation adaptation are likely to be bespoke for most projects it may take some time for regulators to either:

- Upskill their own teams and/or
- Identify providers who are able to deliver lived experience recruitment and facilitation.

There are existing initiatives which can be learnt from, to create a dialogue between those with lived experience and regulators such as those in **Table 3.1**. Researching how these initiatives approach inclusive design research will help provide rich insights and guidance on other initiatives in future.

Table 3.1: Existing initiatives for lived experience consumer engagement

Consumer research panels and groups focused on potentially vulnerable or typically underserved groups:

Organisation	Key points
<p>Research Institute for Disabled Customers (RIDC)</p>	<ul style="list-style-type: none"> ■ Founded in 1963, became an independent charity 30 years ago and currently has 1,600 people on its panel. ■ Also offers research and consultancy including tried and tested mystery shopping. ■ Is at the forefront of exploring new approaches to participatory research involving people with dementia. ■ Been actively promoting an inclusive design approach for many years. ■ Has an inclusive design resource page – focused on how firms design products. ■ Will provide insight for regulators on how to engage with different groups of consumers and how consumers are really experiencing products in the markets they regulate.
<p>Toynbee Hall (see case study in Chapter 1)</p>	<ul style="list-style-type: none"> ■ In partnership with Fair By Design and Ascension Ventures, Toynbee Hall supported a group of Experts by Experience – people with lived experience of the poverty premium. ■ The Experts heard directly from companies whose product or business model had the potential to address a part of the poverty premium. ■ They questioned the founders and designers rigorously, before having an in-depth discussion to examine whether the showcased product would truly work for people on low incomes and provide a real solution to the barriers they faced. The insights and suggestions for improvement were given to the company and to the investors managing the Fair By Design Fund, who also observed the discussion
<p>Money and Mental Health Policy Institute</p>	<ul style="list-style-type: none"> ■ Developed a research community to ensure that all its research and policy is rooted in the lived experience of people with mental health conditions. ■ This panel is also available to support consultancy with firms.

Chapter 3: Making a start with Inclusive Design

Organisation	Key points
Age UK	<ul style="list-style-type: none"> ■ Engagement team who primarily support Age UK in ensuring that its work reflects the lives and needs of older people. ■ Supports engagement of older people in co-design and other research projects for both Age UK reports and some consultancy work. ■ Established a panel which responds to quarterly surveys.
Young Scot	<ul style="list-style-type: none"> ■ With the Scottish Association for Mental Health, delivered a Youth Commission on Mental Health Services. ■ Commission was made up of young people, many of whom had lived experience of accessing mental health services. ■ Followed Young Scot’s co-design process of ‘Explore-Create-Reflect-Recommend-Implement’. ■ Via a range of activities – roundtables, service visits, and workshops – gathered insights and experiences of peers, as well as youth and mental health organisations, emergency services, and NHS Scotland. ■ This helped the Commission understand what needed to be improved and opportunities for change and how changes might be implemented. ■ Through continual evaluation, investigation and development, the group refined their final recommendations, by and with young people. ■ The Scottish Government accepted/accepted in principle 99 of the 103 recommendations.
Other Experts by Experience:	<ul style="list-style-type: none"> ■ There are a number of other organisations set up to deliver ‘experts by experience’ services, including charities, social enterprises and some of the major outsourcing providers. ■ They are used extensively in the health and care sector, including by the Care Quality Commission as part of its inspections programme. ■ They can also be convened for a specific project e.g. The Commission on the Future of Health and Social Care in England. ■ Note that some models vary from other ‘lived experience’ models since: ■ Participants are often paid to inspect/comment on services with less focus on sharing own experience ■ Some organisations/projects will use the experts to identify problems at the outset (and contribute to co-designing) while others will only use them to for market research purposes and/or to assess an existing project or known problem, potentially missing the opportunity to gain richer insights. <p>It is important to be aware of these distinctions when considering approaches to engage with Experts by Experience.</p>

Vision for the future – cross-regulator collaboration

As a way of increasing efficiency and ease of involvement of people with lived experience within both classic qualitative research and also inclusive design processes, it would be valuable to explore the feasibility of a **cross-regulator engagement project**.

This approach is cheaper by scale in terms of cost, time and human resources, and also leads to better awareness of problems which may not neatly fall within a single regulator's remit. This could be delivered through UKRN as an umbrella organisation and could involve a consortium of:

- Consumer organisations
- Design experts
- Research experts.

By then developing a *specialist panel of people with lived experience*, regulators would be able to ensure that the recruiters and facilitators understood their specialist needs as regulators of complex industries as well as the needs and ways of working of the potentially vulnerable panel members.

Another major potential advantage of this approach is that it would enable a more inclusive panel to be formed – with a range of different characteristics as opposed to a focus on just one type.

In this way, a panel would be formed in an approach that:

- Includes a diversity of lived experience
- Is cost effective (as the cost would be shared across regulators)
- Can therefore be used more often
- Strengthens the relationships between regulators, potentially leading to proactive discussions about how their remits overlap and how to tackle cross-regulator issues.

See **Chapter 4** for more on cross-regulator initiatives and regulator–government department collaboration.



Iteration

The Design Council's Framework for Innovation emphasises the importance of iteration, acknowledging things are not always right first time around. Initially this may seem challenging in policy making where firms need certainty and frequent intervention can be seen as a sign of failure. Some regulators, like the CMA can have statutory deadlines which could severely restrict the time available for highly iterative processes. The CMA looks to make a single significant intervention which 'fixes' the market, as the general intention of their regime is to avoid having to intervene repeatedly in a market.

However, iteration can and should be used to test the understanding of the problem and, to some extent, the likely impact of the solution ahead of release into the real world. It may be seen as time-consuming initially but results in a better product or service and saves time in the long term, as redevelopment should then not be required for a longer period.

Generally, regulators are already creating safe spaces such as 'sandboxes' and 'sprints' which allow for some small-scale experiments which can be reviewed and revised. Indeed, the consultation process itself often undergoes several rounds in which ideas are refined following feedback and so is an example of an iterative approach. But iterative testing could be further developed by more open testing of ideas in small groups and involving people with lived experience in the process.

Addressing concerns around inclusive design

As can be seen from this chapter, inclusive design can be a more involved process than some traditional market research methods. As regulators have a lot to deliver and heavy constraints relating to time, cost and human resources, it can sometimes be hard to see the value at this early stage. This can doubly be the case as inclusive design research often reveals subtle but important problems that had *previously not been known about*. It can be hard to make a case relating to not yet tangible issues where there may not appear to be a problem to those not living with it.

We do not expect change to be seen overnight, but would encourage regulators to think about how they can begin to embed inclusive design in their existing work on innovation, vulnerability and pricing. The poverty premium – as a firmly established issue on inequality – is a good place to start. As covered in the **Introduction and Chapter 1**, the issue around the inequality of the poverty premium has been firmly established. The inclusive design process can help address this along with providing substantial other benefits. More specifically:

- Through inclusive design the risk of failure is reduced as assumptions are avoided and flaws are picked up early by the people who will be subject to the service, so there will be less need to use resources down the line to fix issues

-
- As the resulting regulatory ecosystem and market environment shift to automatically incorporate inclusive design and co-design with those vulnerable end users, improvements will prove more effective in the long term with less need to make further time-consuming and expensive changes.
 - The market environment will be genuinely more 'fair' – a system for *all* consumers – and regulators' universal service obligations and obligations relating to their mandates and the Equality Act 2010 can be fulfilled.
 - Cross-regulator collaboration will:
 - Mitigate financial costs, time cost, staff resource issues etc. by the pooling of their resources
 - Prevent certain groups of individuals from falling through the cracks where the issues they encounter do not fall neatly under the remit of one single regulator.

“ ***Spending time on the problem you are trying to solve, with the people you are trying to solve it for, leads to a more inclusive and equitable solution.***” ⁵³



Chapter Four

**Inclusive Design
Enabling Conditions**

p70

Chapter Four: Inclusive Design Enabling Conditions

As the previous chapter highlighted, embedding inclusive design requires dedicated focus and commitment. To work effectively, it needs to be embraced and supported by the organisation.

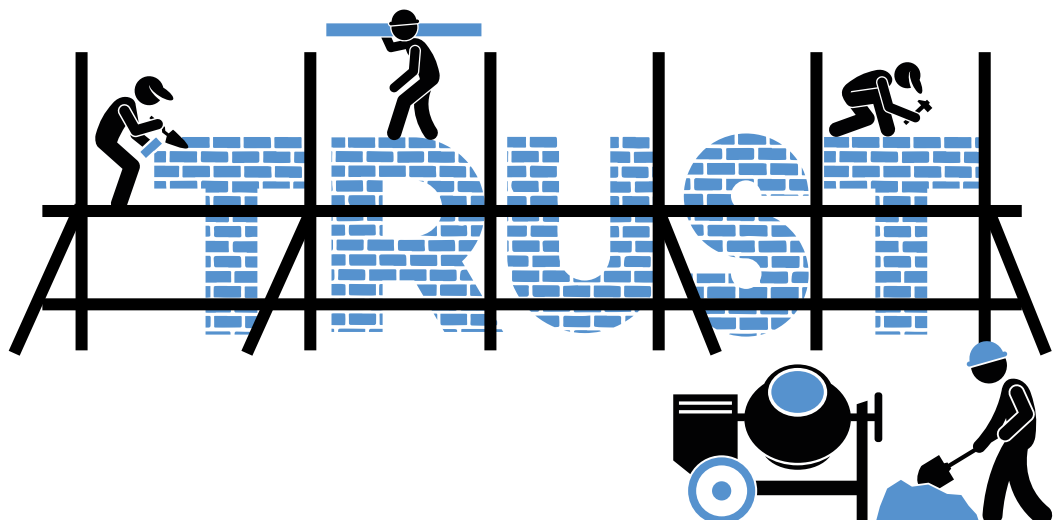
As the Design Council highlight in their framework for innovation, (**see Chapter 1**) there are two key 'enabling conditions' for inclusive design:

- Leadership
- Engagement (in this instance both with people with lived experience, and with other regulators, government and consumer groups)

Leadership in this context is about creating the right culture by:

- Putting inclusive design and mindsets into the heart of the organisation
- Giving staff the time and permission to:
 - Build skills in inclusive design and
 - Follow a process which involves co-design and tests with vulnerable consumers, and ultimately even shifts power towards them.

Engagement is not just about engaging with consumers (which was considered in some detail in the previous chapter) but also about engaging with other stakeholders – regulators, social policy makers and firms, spending as much time on building trust and relationships before 'doing the work'. It is about recognising that no single regulator on its own will be able to resolve all of the issues faced by consumers in vulnerable circumstances and which lead to poorer people paying more.



Chapter Four: Inclusive Design Enabling Conditions

This chapter discusses these concepts in more detail.

Collaborating with other regulators and organisations – recognising that no single regulator will be able to resolve all of the issues faced by consumers in vulnerable circumstances.

Leadership

Senior leaders will need to fully endorse the inclusive design approach and create a culture where it is expected that their teams learn about how to use inclusive design techniques and tools and begin to integrate them into their work. Regulators will need to:

- Experiment and iterate with their own version of the approach and
- Ensure their teams have the time and resources they need to do this.

For this to become commonplace most organisations will require a change in culture. While the research phase can require time and resource, it must be treated as a crucial part of the process, and be properly prioritised and resourced.

Overcoming these cultural challenges requires conscious effort, and leaders can support organisations to develop by practicing inclusive design, reflecting and reviewing the process and then quantifying and sharing the benefits of such an approach so that understanding and use of inclusive design builds throughout the organisation.



Leaders themselves may need support from government and others involved in policy development as they increase their use of inclusive design and become more explicit about:

- Addressing exclusion, *and*
- Actively increasing inclusion.

An increased focus on diversity and inclusion is likely to bring regulators closer to the limit of their existing powers and require them to lead initiatives that involve joint working with other bodies, including government (see below). In our view, this is a positive outcome, one to be encouraged and which we think will help regulators achieve their objectives (as set out in **Chapter 2**).

Purpose statements

To be most effective, inclusive design must be connected to an organisation's objectives.

Whilst both regulators and the CMA are increasingly explicit about their role in the protection of vulnerable customers it could be helpful for regulators to develop more explicit statements which:

- Clearly articulate their role (such as those below) in respect to inclusion
- Explicitly recognise the regulatory/social policy boundary.

Explicit purpose statements around inclusion

Explicit purpose statements that could be used by regulators:

1. We will proactively find ways to understand how different groups experience the products and markets we regulate since exclusion is often experienced by minority groups who are not represented sufficiently within regulators, in traditional research and data sets, and who may be less likely to complain than other groups.
2. We are required to promote competition in the interests of consumers – so we will ask firms if they are investing in innovation for diverse consumer groups and whether any groups are being left out. We will understand how diversity is explored in firms' design processes. We will ensure that our work on competition and innovation supports social innovation.
3. Our regulations shape markets as they develop. We will ask:
 - Do we understand how the changing shape of markets affects the diverse range of consumers these markets need to serve?
 - Are market developments being shaped and influenced by lived experience of consumers in vulnerable circumstances and are they increasing inclusion or exclusion?
 - Are there opportunities to 'bake in' inclusion?

4. We take our obligations under the Equality Act seriously and we will consider, from the start of our work, not just whether our actions make the situation worse for any group, but whether we are responding to different consumer experience appropriately and *promoting* inclusion. We recognise the importance of intersectionality of protected characteristics and their relationship with other relevant characteristics and situations, such as living on a low income.
5. We value insight from lived experience and will invest in ensuring that those who make decisions actively and directly engage with people with lived experience of a range of vulnerabilities and low income.
6. Consumers' needs are not divided neatly in ways that exactly match the separate powers of regulators and government – often our work will uncover issues that we cannot solve alone. We are clear that a key part of our responsibility includes understanding the markets we regulate and passing on intelligence on the detriment we uncover and *working in partnership* to address that detriment.

Design principles

To use inclusive design effectively regulators will need to develop (and integrate within existing ways of working) their own set of design principles^{54 55}. Design principles help to:

- Connect the opportunities presented by inclusive design with the regulator's statutory objectives and mission, ensuring that activities are purposeful

- Provide a guide for colleagues, most of whom will not be design professionals.

Table 4.1 provides Microsoft's design principles as an example.

Table 4.1: Microsoft's inclusive design principles⁵⁶

Recognise exclusion
Designing for inclusivity not only opens up our products and services to more people, it also reflects how people really are. All humans grow and adapt to the world around them and we want our designs to reflect that.
Solve for one, extend to many
Everyone has abilities and limits to those abilities. Designing for people with permanent disabilities actually results in designs that benefit people universally. Constraints are a beautiful thing.
Learn from diversity
Human beings are the real experts in adapting to diversity. Inclusive design puts people in the centre from the very start of the process and those fresh, diverse perspectives are the key to true insight.

Practicalities

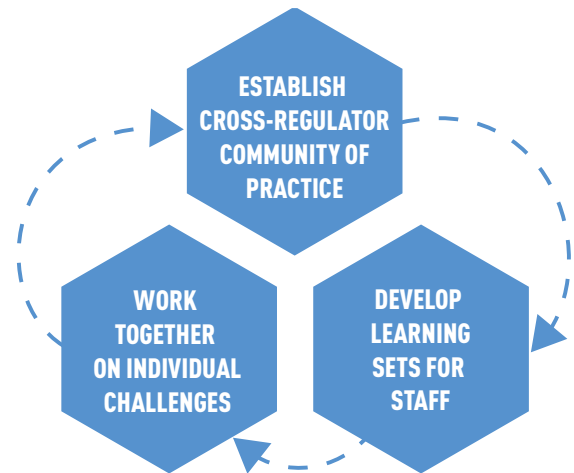
Training and cross-regulator collaboration

Regulators will need to provide training to existing staff in understanding what inclusive design is, its benefits and to support them in using an inclusive design approach. It is important that this does not remain solely the preserve of a siloed team or individuals recruited specifically to 'do inclusive design.'

Leaders will also need to create a vision for staff which embraces cross-regulator collaboration. Given the resource, time and cost constraints that many regulators operate with and the interconnectedness of the issues that consumers face, there is value in regulators working together to provide this training and skill development. Cross-collaborator inclusive design training and research will provide economies of scale as well as leading to a real and deeper understanding of the different vulnerable consumers' issues – issues which are not neatly aligned to one single regulator and often fall between the cracks of existing regulatory remits to the detriment of the many people who are paying more for essential services.

Effective ways of developing inclusive design skills collaboratively include:

- Establishing a cross-regulator community of practice
- Developing learning sets for staff
- Explicitly coming together on a particular challenge⁵⁷.



Procurement

Regulators should also make sure that their procurement and other relevant processes enable these new approaches e.g. identifying approved consultants and research agencies who are skilled and experienced in purposeful inclusive design research methodologies. There are a lot of firms offering design services but even those describing themselves as 'human-centred' may not be experienced in delivering projects that work with hard-to-engage customers or supporting the degree of diversity that regulators of essential services will be concerned with. It is therefore important that procurement includes an understanding of all the elements of the process and the regulator's design principles.

Mindset as a tool

Inclusive design is more than a project or intervention methodology – it's a shift in approach, leadership and cultural mindset.

Empathy

Empathy and flexibility are essential for inclusive design – empathy exists when one person can understand, be aware of and be sensitive to the feelings, thoughts and, importantly, the experience of another. These are skills that need to be developed in the same way as other technical skills. Regulators should provide training and add these skills to appropriate role descriptions and evaluations.

Empathy goes beyond a general commitment to inclusion and is additional to the important work of understanding data around how groups of people behave.

Leaders and those who make significant decisions need to understand the principles of inclusive design and be exposed to people ‘not like them’ in all areas of their work, especially at the beginning of projects, to ensure the right problem is being addressed and the opportunity of co-designing the solutions are thoroughly explored.

Diversity and inclusion in the workforce

Regulators and the CMA are committed to a range of initiatives to increase the diversity of their workforce. It is especially encouraging to note that this is not limited to single protected characteristics but is also extending to more integrated and complex areas such as social mobility and caring responsibilities.

Much has been written about the business case for diversity in terms of efficiency and profitability in other sectors, but there is an even clearer dividend in the case of regulators in ability to achieve their objectives – protecting the interests of *all* consumers in the UK. A greater diversity in the workforce will reflect society as a whole and is more likely to result in the development of markets that meet all varieties of need and protected characteristics. Developing diversity and inclusion of the workforce at all levels should be viewed as part of developing an organisation that can regulate inclusively.

Culture

As discussed earlier in this chapter, organisational culture is vital to embedding inclusive design. As seen in the ‘Switchee’ **case study**, some firms follow an inclusive design approach without ever using the words ‘inclusive design’ or possibly even ‘inclusion’ because it is so central to their mission and values. This can be easier in a small organisation than a larger one, where explicit identification of the value of inclusive design will almost certainly be necessary and leaders will have a vital role in ensuring that inclusion is central to working practices rather than a tick box exercise.

Case Study – Switchee

Switchee is an award-winning firm which describes itself as:

“ *A socially conscious technology innovator, focused on finding elegant solutions to housing issues. Switchee develops and supplies connected devices and analytics for landlords and their residents. Their purpose is to empower landlords to create exceptional homes for their residents. They focus on delivering improved comfort, affordability, security and safety.*” ⁵⁸

Switchee products are highly technical. Their end users are social housing residents who include a diverse range of often vulnerable clients with a wide range of digital skills and connectivity. For example, through retrofit monitoring equipment, Switchee has efficiently identified the root causes of mould in individual properties, allowing resource to be spent on directly dealing with it, rather than simply controlling it. And their flagship product is a ‘smart’ thermostat which enables individuals to make large savings through targeting room heating and applying learnt patterns.

When we interviewed Switchee for this report they described using a wide range of inclusive design tools and approaches and being incredibly focused on making their products work for end users, even though income was gained from landlords. This included regular learning and iteration, and direct hands-on installations and manning of end user helplines by staff at all levels, all generating a culture of listening to tenants and focusing on providing products which work for them. Most interestingly, Switchee did not talk about inclusive design or universal design at all, although subsequently agreed that it was fundamental to how they operated. Instead, they said the approach came from their culture. The people they hired really bought into looking after everyone because the ethics and business case needed to work for all parties for the product to work.

Whilst the company was small, key staff members had natural exposure to diverse clients – because they installed thermostats and ran phonelines themselves. Now Switchee is growing they see a need to be more explicit about how important the inclusive design approach is to them and ensuring that they continue to hire team members who share this commitment.



Engaging businesses, social policy makers and consumers together

The previous chapter discussed engagement with consumers and building lived experience into the work of regulators, but inclusive design is not just about consumer involvement.

Inclusive design also offers a powerful way to explore relationships between regulators, consumers and firms. Regulatory interventions are often presented as a set of binary choices between consumer protection and the ability of firms to function, innovate and profit. Whilst most involved in regulatory development recognise this as a gross oversimplification, some of the existing legislative and theoretical frameworks unintentionally drive debates to present adversarial options e.g. balance between consumer responsibility and firms' responsibility. And it is also true that the current competition-driven market is more likely to give rise to an environment where this dichotomy is present.

Regulator engagement processes also tend to:

- Separate consumer and firm engagement
- Steer clear of the role of social policy.

This reduces opportunities for meaningful dialogue and exploration of the best solutions.



Meaningful dialogue – creating new beneficial opportunities for all

By **convening firms and consumers together to explore common challenges** using a structured process to facilitate contributions, regulators and social policy makers are likely to gain a **new perspective on potential interventions**. This process can also:

- Change the perspectives of both firms and consumer advocates
- Provide a basis for more informed and practical policy positions, and thus
- Improve the wider policy design ecosystem.

Connecting to the ‘inclusive design community’ may also help develop this further. For instance:

- There are policy design specialists in government e.g. ‘the Policy Lab’⁵⁹
- Some regulated firms have large design teams exploring sector-specific challenges.
- Consumer representatives can also be involved in various sandbox activities.

Inclusive design and regulatory boundaries – working with government

“ *Some of the biggest challenges for vulnerable consumers relate to access, affordability and debt, which regulators alone have limited powers to solve. Regulatory interventions often have limited impact, and the lack of clarity between the responsibilities of regulators and government can mean that systemic issues are not addressed. Until regulators and government work together to clearly define roles and objectives, and prioritise the highest impact interventions, the overall arrangements in place to support vulnerable consumers will not be value for money.*” National Audit Office⁶⁰

Inclusive design approaches may well surface detrimental issues, for example where some consumers are deemed too expensive to be served by industry and require cross-subsidisation. These issues may not be able to be resolved by regulators alone but may require a combination of:

- Regulatory interventions (such as new rules and guidance)
- Governmental interventions (such as allowing the regulator to make decisions on cross-subsidisation and new legislation).

As has been widely recognised, regulators have an important role to play in contributing to the resolution of these issues through:

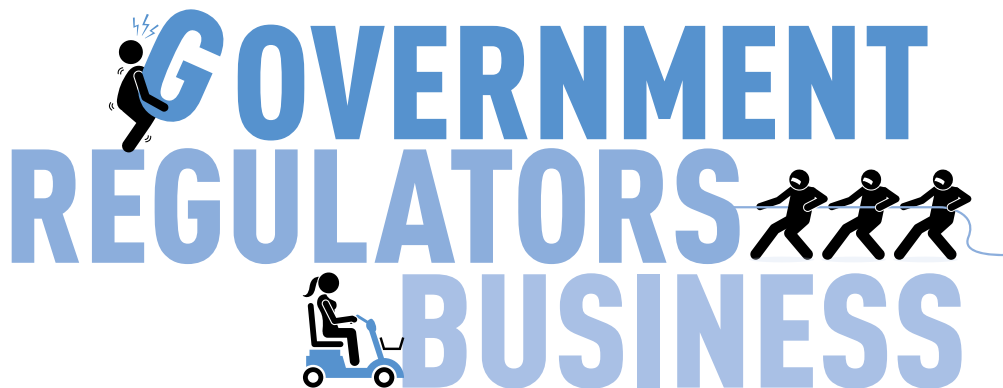
- Identifying issues where consumers require additional protection or where competition is not operating in the interests of consumers, even if the relevant regulator does not have the powers required to remedy the harm by itself; and
- Gathering and publicly sharing evidence with other agencies who may either be able to contribute to a more complete picture of the market or who may have power to resolve the issue.

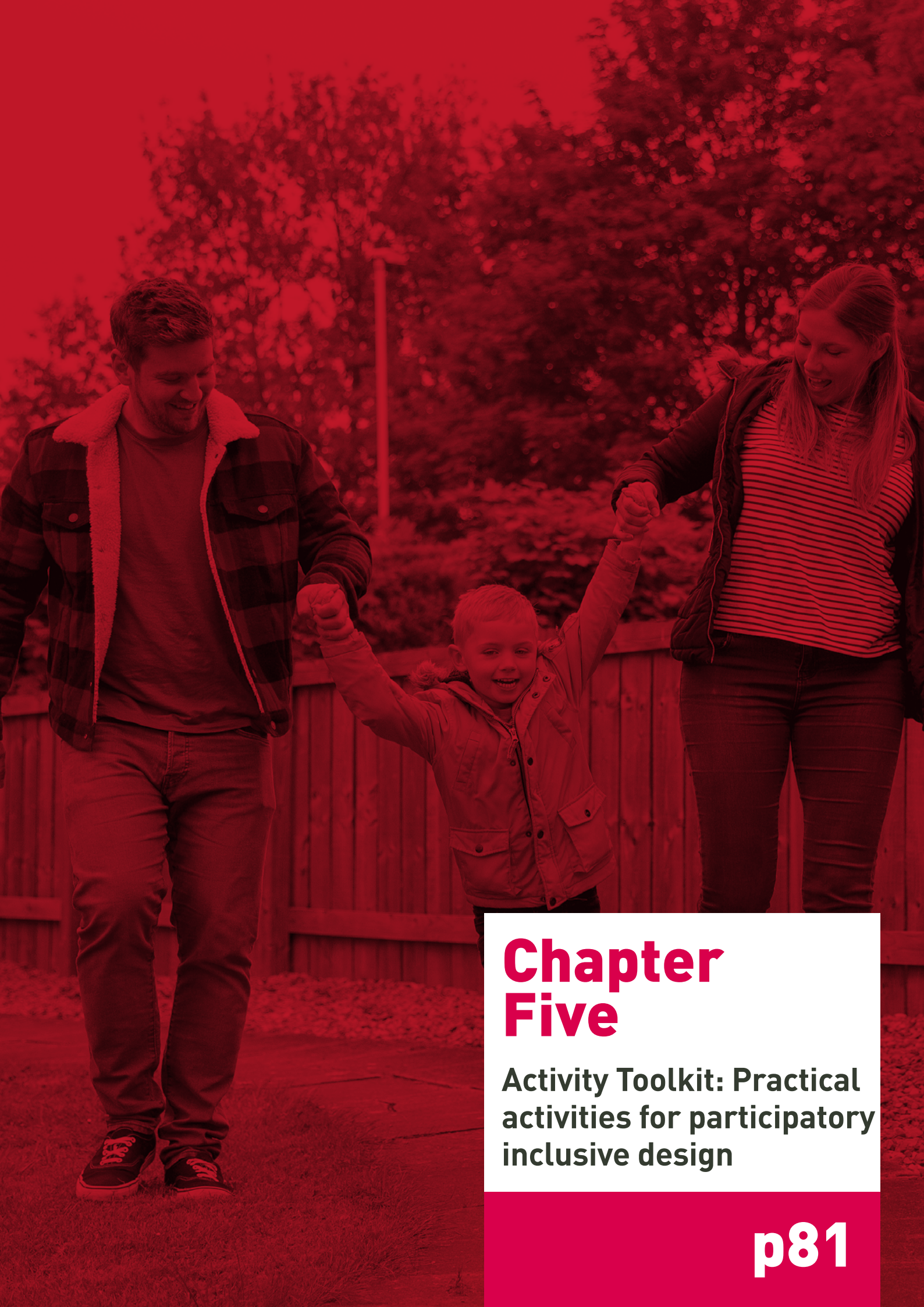
Regulators' ability and powers to resolve these issues on their own should not be the limit on the parameters of inclusive design and the opportunity to identify and resolve problems. They may well need to reach out to their governmental counterparts to work together on an issue or review their remit. Just as consumers' problems are not aligned in a straightforward way to one regulator, nor are they necessarily aligned to one government department.

To address the issues currently falling between the cracks of existing remits, a true cultural shift is needed – a real meaningful collaboration not only between regulators themselves but also between regulators and government departments, and across different government departments. Regulators may need to actively seek support and direction from government departments on some of the issues, and should be prepared to formally request their scope be expanded where this is needed to help consumers. Open and transparent forums are needed to provide clarity on cross-organisation responsibility on different policy issues and what solutions could look like, particularly where regulators and government departments own different aspects of a situation.

“Our statutory objectives give us a remit to consider the issue of fair pricing. However, we recognise that in some instances, particularly when there are clear trade-offs between different groups of consumers or there are negative implications for particular groups of consumers, it may be appropriate for the Government to lead on the issue and set public policy. We will identify where this is the case, and continue to work with the Government and other regulators to address the harm.” Financial Conduct Authority ⁶¹

This is far from an easy task and ultimately legislative change may be needed to make it easier to operate in this way. However, there is still plenty that regulators can do now. Working together with other regulators to pilot the use of inclusive design, using the suggestions and tools contained in this report, is a great place to start.





Chapter Five

**Activity Toolkit: Practical
activities for participatory
inclusive design**

p81

Chapter 5: Activity Toolkit

Practical activities for participatory inclusive design

About this toolkit

This toolkit is for you if you and your team are looking to involve experts by experience in your design process. It contains examples of research methods and activities that can be used as part of an inclusive design process.

These activities can help you and your co-design team get a better understanding of user needs so that you can translate these needs into requirements, actions, or features.

Warning! This is a toolkit, not a checklist

A warning before you go on. There is no one activity or workshop you can run to magically transform your process into an inclusive one. Instead inclusive design is all about including the people you are designing for throughout whatever process you do use.

What is participatory inclusive design?

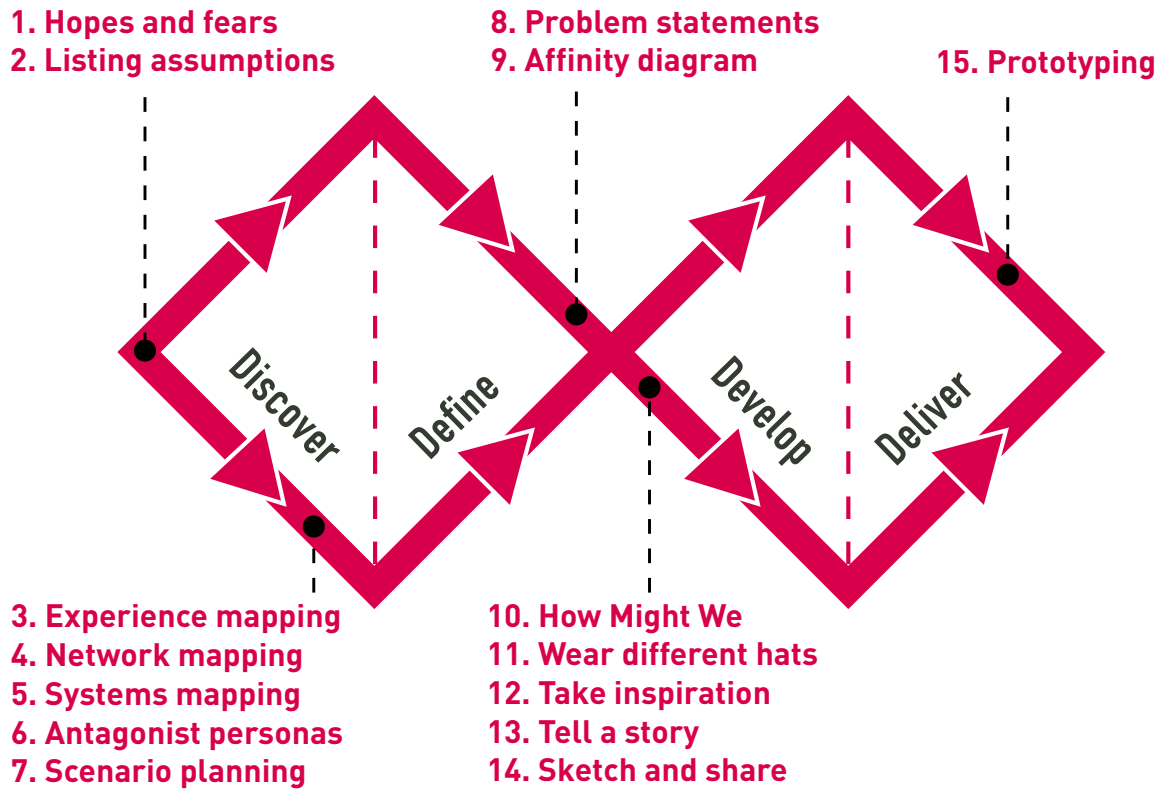
The inclusive design approach:

- Helps us design policies, products and services that can be accessed by everyone.
- Centres around people with additional or out-of-the-ordinary needs, not from an imagined 'average person.'

- Asks us to design adaptations for certain people if one solution cannot fit all.
- Involves close consultation and feedback from experts by experience throughout the design process.

Here we refer to 'participatory inclusive design' to highlight the need to collaborate with experts by experience and other co-design participants. The activities and methods outlined in this toolkit are meant to be used in an open, collaborative setting.

Inclusive design is particularly useful when designing to take into account the vulnerable circumstances that consumers face. By including the views and perspectives of vulnerable consumers throughout the design process we can ensure that the output is both useful and appropriate, limiting any potential for harm.



How should I use this toolkit?

There are three sections in this toolkit: firstly, this introduction describes the participatory design process and includes an overview of possible research methods. One research method outlined is a participatory design workshop.

In sections two and three you can read about activities and exercises you can use when running participatory design workshops. Section two outlines nine activities to use when you are in the early 'discover-define phase' of the Design Council's commonly referred to 'Double Diamond' design process. Section three outlines six activities that can help when you are later in the process, during the 'develop-deliver phase.'

The 'Double Diamond' can come across as a linear process, similar to a factory line. However it is important to recognise that the design process is actually a cycle, and so you can expect to use different methods and activities continually as you work over time to iterate and improve.

Activities can be used at different points in the process to different ends.

Chapter 5: Activity Toolkit

Situation						
Activity	Plan the project	Understand the user	Define the problem	Recognise potential harms	Generate ideas	Test ideas
Hopes and fears	X					
Listing assumptions	X					
Experience mapping		X		X		
Network mapping		X		X		
Systems mapping		X				
Antagonist personas		X		X		
Scenario planning		X		X		
Problem statements		X	X			
Affinity mapping			X		X	
How might we?			X		X	
Wear different hats	X		X		X	
Take inspiration					X	
Tell a story		X			X	X
Sketch and share					X	
Prototyping						X

Work with experts

The participatory design process requires user research and facilitation skills that might be lacking in your team. These are often undervalued in traditional design teams and therefore neglected. If this is the case it's important to bring in expert facilitators and researchers to help you run successful workshops.

Equally you may need to bring in outside experts to help you recruit 'experts by experience'. Specialist organisations exist for this purpose, or you can approach a user research recruitment agency.

I'm starting from scratch; where should I begin?

If you want to kick start a participatory design process within your organisation you may need to convince your colleagues to commission and fund a test project. At this stage it is worth thinking about the decision makers and what they will need to know to be convinced. As part of this project, we have set out the various benefits of inclusive design, which may be helpful when thinking about the value it can bring to your organisation.

Be mindful that inclusive design requires investing time and focus in the discovery process. For most organisations this means a change in mindset, accepting that assumptions made by internal staff might not be accurate and embracing the value of research and co-design.

Once the project has been approved, bring together people from your internal teams who should be involved, being mindful that a larger team will be harder to facilitate. If you have access to them you may want to include vulnerability specialists, compliance officers, designers, user researchers and frontline staff. At this stage you can review how you will bring in outside experts, including experts by experience, to help from the very start of the project.

At the end of the project consider how to evaluate the benefits and costs of the inclusive design approach and communicate these with colleagues. By using your real-life example, other projects may be commissioned and the process can be improved, continuing to instill an inclusive design culture in your organisation.

Disclaimer: Legal and ethical standards

Always adhere to legal and ethical standards when conducting any research working with the public. For example you must gather appropriate consent, informing your participants about how you're using their information, adhering to the General Data Protection Regulation.

From an ethical standpoint you must compensate participants fairly, ensure they understand your expectations of them and give them ample opportunity to ask questions. In cases where participants have lived experience of a difficult or traumatic subject matter, such as a bereavement, it is recommended you work with a specialist.

General facilitation tips

If you need to facilitate sessions yourself, think about:

- **Creating a safe space:** Being well prepared, organised and structured will help you come across as calm and welcoming, which is important to create a space that feels comfortable and safe. Also think about any accessibility requirements beforehand so that you don't need to single out participants during the session.
- **Timing exercises:** you will need a timer, but it's also useful to have a timer that's visible by participants during each exercise.
- **Factoring in breaks:** for every 60-90 minutes there should be a 10-15 minute break. This will help keep energy levels up in the group.
- **Ice breakers:** allowing some time at the start for new groups to introduce each other or for general chit-chat can help groups to bond and communicate more smoothly with one another. You can also ask an unrelated question of the group to start and break the ice, such as what they had for breakfast or their favourite book or movie.

Tips for remote facilitation

Online conferencing tools can be a barrier for participants with social anxiety, low tech literacy, or who cannot afford broadband or mobile data. Ask participants about their communication preferences, and consider adapting sessions to include their feedback using text messaging, phone calls, web chat, or email.

If participants have a good level of tech literacy you can use an online whiteboard, a visual collaboration tool like Mural or Miro, to easily guide them through the session.

If testing a digital product with a participant who is using their own mobile device, screen sharing apps like Zoom allow you to view what's on their screen easily. You can also record what's being shared, as long as you have their consent.

Research methods

This toolkit features activities you can do as part of a participatory design workshop. Workshops are just one of many research methods that organisations can use to gain insight into user experiences and problems.

The most insightful research activities require effort and can take time since they are longitudinal by nature. We recommend partnering with specialists when doing extensive research projects, particularly when working with vulnerable groups.

Top tip: Start with a question or hypothesis

When conducting research be sure to have a clear understanding of what you want to learn. Start with either a hypothesis such as 'We believe struggling consumers avoid getting in touch with banks due to anxiety', or a 'How Might We' question like 'How Might We make getting in touch easier for customers struggling with anxiety?'

Here are examples of research methods that you can use as part of your inclusive design project:

Interviews: Conduct interviews with participants, asking open-ended questions about their experiences. Avoid asking hypothetical questions or suggesting solutions. Limit the number of researchers in the room to two, one interviewer and one note-taker.

Unlike usability interviews which focus on a task, biographical interviews zoom out and allow a participant to tell their full life story without interruptions. The results of this approach can reveal patterns and opportunities for intervention or innovation.

Another approach is to interview participants in context, sitting with them in their everyday environment. By asking questions in their home or at their workplace you can make participants more comfortable and gather additional insights.

Design ethnographies: Ask participants if a trained researcher can accompany them for a day or a week and observe them in their everyday life. Use this in-depth research to answer important questions about their problems and any exclusion they face. What barriers do they experience? When in their life are they affected by your design decisions? How do they feel when they do so?

Chapter 5: Activity Toolkit

Diary studies: Diary studies give insight into a participant's everyday experiences, routine, and behaviour as they experience life.

Ask your research group to record their own experiences over a period of time. This could be over the course of a week, a month, a year or even longer. Participants might want to write things down in a physical notebook, use an app to take photos and notes or even record voice memos. Participants submit daily entries detailing events, sometimes using prompts given to them by researchers.

Role playing activities: You may want to see how your participants interact with products and services. If so, you could try role playing by enacting the situation which you want to observe in a workshop. Participants might choose to play the role of customer or staff member; either way you will learn a lot about how they perceive the interaction. (Activity 11, 'Wear different hats,' is an example of a role playing activity.)

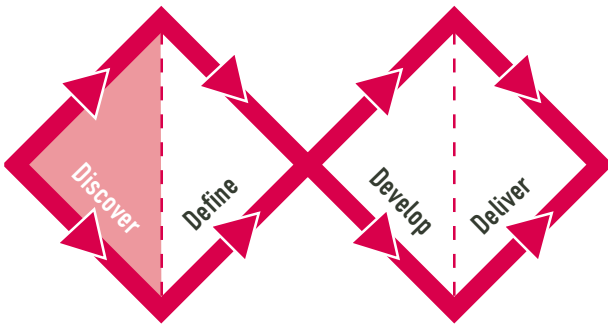
Participatory design workshops: Bring participants together with your project team in the same space to share experiences and learn from each other. Both groups can address their own assumptions and build trust. Design your own workshop activity or use one outlined in this toolkit.

These workshops require expert facilitation from someone neutral, not a decision maker. Bringing in an outside facilitator can improve efficiency and help create a safe space for all participants.

Discover and define

Immersing ourselves in consumer needs.

1. Hopes and fears



What it's for

'Hopes and fears' helps to align a new team, recognise expertise and establish expectations.

At the start of your participatory design project you'll want to bring your new team together to discuss how to proceed and to build trust. This 'Hopes and fears' exercise will help your group define what their individual contributions might be and share concerns and perceptions of what success might look like when undertaking a collaborative project.

What you need

- A safe space for your group to meet, either in person or online.
- Post-it notes and pens, or an online whiteboard.
- One facilitator and one notetaker.

How to do it

Opening: 5 minutes

Welcome the group and introduce the session, explaining what you'd like to get out of it.

Exercise: 10 minutes

Hand out post-its and pens. Ask each person to note down the following, using as many post-its as they need:

- Name and role.
- What they hope to get out of the project.
- What are their big fears about the project.

When finished, each person can put their post-its up on a wall or whiteboard, organised into three columns for each category.

Discussion: As long as needed

After the exercise ask someone to volunteer to go first in order to read their post-it notes aloud to the group. Take turns to do so before instigating a discussion on any common themes or differences of opinion, with the notetaker taking thorough notes.

Closing: 5 minutes

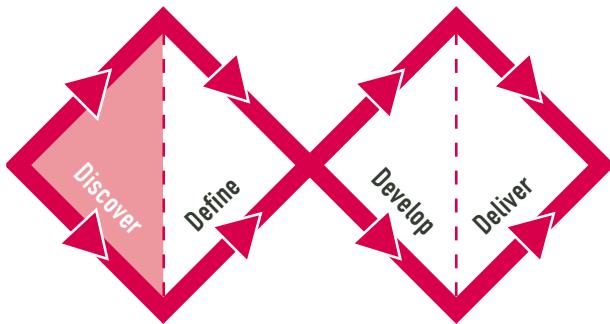
Thank participants for their time and give a quick summary of the discussion. Describe the next steps for the group.

After the session, capture the post-it note wall with photographs or screenshots to be used alongside the workshop notes.

Things to consider

- What does each person hope to achieve through the project?
- Are any of the hopes and fears within the team similar? Group these and start a discussion around them.
- Look for the outliers: the odd ones out often are full of insight and shouldn't be ignored.
- What expertise lies within the team? What might be missing?

2. Listing assumptions



What it's for

Before embarking on any user research it's important to understand what you want to discover. You may need evidence to back up your assumptions or evidence to throw them out.

This exercise can help your group become more aware of their own assumptions coming into the project and compare those with others in the design group.

What you need

- A safe space for your group to meet, either in person or online.

- Large post-it notes or index cards and pens, or an online whiteboard.
- One facilitator and one notetaker.

How to do it

Opening: 10 minutes

Welcome the group and introduce the session, explaining that you'd like to understand the group's assumptions going into the project so you can better design your research through the discovery phase.

Explain that everyone carries assumptions and that this is a safe space to describe them and question them.

Exercise: 30 minutes

Tell the group you are going to give them four categories to think about, one at a time, and for each you'd like them to note down what they think to be true on post-its during the allotted time.

Ask participants to keep a hold of the post-its they have written for now and not to share with others in the group. If you are doing this exercise online you will have to ask people to keep their post-its private on your online whiteboard for the time being.

Spend five minutes on each of the following questions, giving them the following prompts:

1. What are your assumptions about the people you're designing for?

- What education do they have?
- What's their background?
- What are their daily experiences?

-
- What are their capabilities and limitations?

2. What are your assumptions about how the people you're designing for will interact with your solution?

- Will it be daily, weekly or ad hoc?
- What will they use?
- How will they feel about it?

3. What are your assumptions about the problem you're looking to solve?

- How much of an impact does it have on people?
- What would it mean to them to have it solved?
- Who else does this problem affect?

4. What are your assumptions about the solution you might design?

- Do you think it needs to look a certain way?
- What will be necessary for it to succeed?
- Why might it fail?

After the exercise, ask everyone in the group to take their post-its and post them on a shared wall or online board. As they are posted up, ask people to group them however they feel they should be grouped. If needed, take some extra time to group the post-its yourself after they are all on the wall. Be sure to find and group any opposing assumptions so you can call them out during the discussion.

Ask the group to look over the board in its entirety before starting the discussion.

Discussion: As long as needed

Ask the group to discuss the assumptions listed on the wall. Does the group agree? Are they confident? Which assumptions need to be true for the project to succeed, and which are most unsure?

Ask the notetaker to take notes throughout.

Closing: 5 minutes

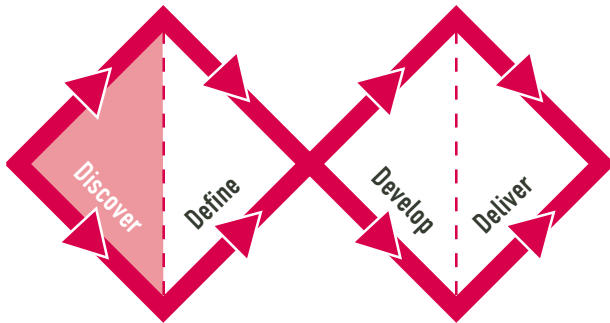
Thank participants for their time and give a quick summary of the discussion. Describe the next steps for the group.

After the session, capture the post-it note wall with photographs or screenshots. The notetaker should aim to create a list of common assumptions, alongside the biggest questions that must consequently be answered through user research.

Things to consider

- People may not be comfortable sharing some assumptions. For this reason it is sometimes valuable to ask 'What assumptions do you think others have?'; to create a space in which more negative assumptions can be shared. For these, encourage participants to refer to relevant evidence. Evidence can be read in different ways, or subsequently disproved.
- Combine this activity with 11. 'Wearing different hats' if you want to encourage the group to think about the assumptions they have about how others might perceive the problem or solution you're working on.

3. Experience mapping



What it's for

A user journey or experience map helps you understand how a consumer experiences a service across a number of stages: before, during and after using it. It is a visual tool that is used during an interview, and helps to understand the highs and the lows of their experience and therefore what could be amplified or improved.

Use this exercise as part of your discovery process in order to spot opportunities to improve or change the user's experience.

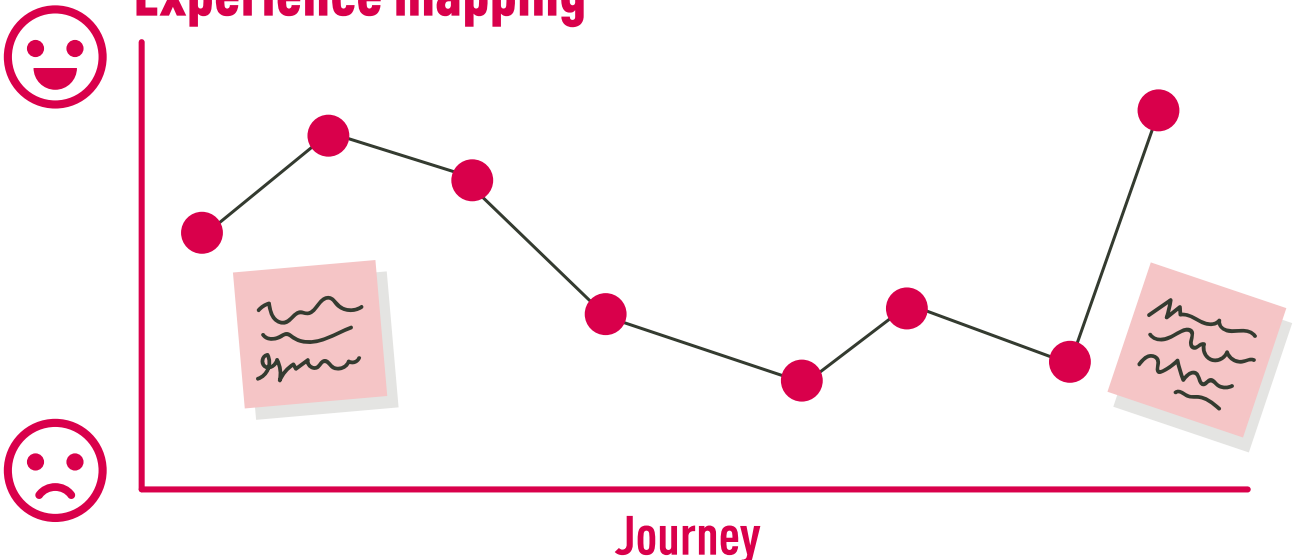
You can either run this session retrospectively or while someone is going through the experience you want to map. Recalled journeys will yield different results, but are still useful in cases where the original journey might be distressing or difficult, for example in the case of bereavement.

This exercise can be run as part of 1:1 interviews or in a workshop environment, where participants are split into pairs or smaller groups.

What you need

- Someone with lived experience of the journey you are mapping.
- A team member who is familiar with the existing journey.
- A long roll of paper, a large sheet of paper or whiteboard.
- Index cards or post-its that can be moved around, and pens.

Experience mapping



How to do it

Opening: 5 minutes

If the participant is recalling the journey, ask if it was an overall positive, negative, or neutral experience. If you are mapping in real-time, ask for their expectations of how things will go.

Exercise: 45 minutes

Plot the start event and, if possible, the closing event at the start and end of your timeline. Include quotes or bullet points outlining the negative, positive, or neutral emotions felt.

Encourage participants to think broader than the experience. When did they first become aware of the service? What was their experience after the service?

When recalling events, use prompts. If the journey is a set workflow, use known fixed points in this process. Recollection does not have to be linear; you can ask participants to talk about events according to their strongest memories. However, record the experiences in a linear way on your paper or board using movable post-its if needed.

Ask as many questions as needed to explore a particular event, but generally cover the following:

- What were you trying to do?
- Where were you and who were you with?
- Who was involved, what did you have to do?
- How did this part make you feel?
- Did the next step meet your expectations?
- What would you change?

The space between points does not need to be accurate, but do note down long time lapses. Ask if wait periods affect the participant's perception of the experience.

Top tip: Remain neutral

Avoid giving suggestions to any problems the participant has, unless it is part of completing the task. Instead, ask why they feel a certain way, and document their answers.

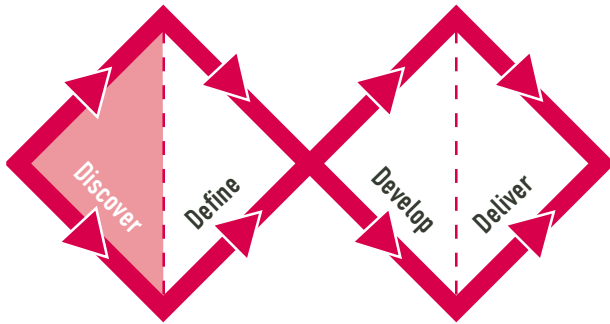
Closing: 10 minutes

Ask the participant if their opinion on the journey has now changed since the start of the session. Has reflecting made them realise the experience was better or worse than they initially thought? Did the journey exceed or fail to meet expectations? Ask if they have one thing they would change.

Things to consider

- This exercise can be combined with user interviews and design ethnographies, where researchers learn first hand from people going through an experience.
- Links or gaps in your experience map will reveal themselves as the diagram develops. These are opportunities for further exploration, where improvements or innovation can be made.

4. Network mapping



What it's for

The solution you're designing for does not exist in a vacuum. Users will interact with it alongside similar experiences in their day-to-day lives.

This network mapping exercise can deepen your understanding of how a consumer interacts with your solution alongside the network of other products, services and experiences they navigate. It can help you determine where there are gaps, opportunities to link existing solutions or to simplify.

This exercise can be run as part of 1:1 interviews or in a workshop environment, where participants are split into pairs or smaller groups.

What you need

- Someone with lived experience of the issue you wish to explore.
- A long roll of paper, sheet of paper or whiteboard.
- Index cards or post-its that can be moved around.
- Different coloured pens.

How to do it

Opening: 15 minutes

Ask the participant to talk through all of the products, services or experiences they interact with that are relevant to the problem you're looking to solve. The facilitator captures these using one post-it per product, service or experience.

Exercise: 30 minutes

Once the participant feels they have listed everything, ask them to spend 15 minutes grouping the post-its in a way that makes sense to them, no right or wrong answers. Ask them to explain their groupings as they work and label them.

Then spend 15 minutes asking the participant to draw links between each product, service, experience or group using the different coloured pens. Ask them to explain what each link means and label them.

Once the diagram has been drawn, take time to discuss the following:

- Is there anything the participant would change, add, or remove?
- Is there anything that causes them more or less stress?
- Is there anything they would like to have more guidance or information on?
- How do they feel about their service providers?

If you have time, you can introduce a different colour post-it and ask the participant to add services, products or experiences that they wish they had, and

how it would link into the existing diagram. Ask what problem they believe these additions would solve.

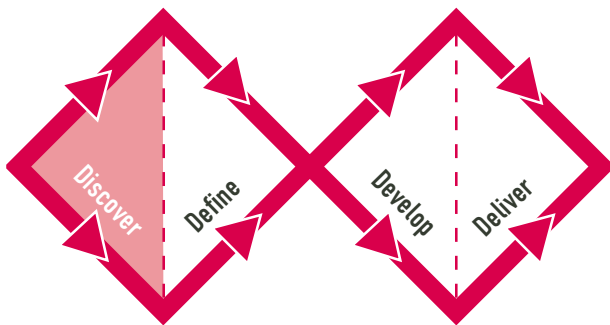
Closing: 10 minutes

To close, ask the participant if there's anything they would like to add or if anything has been missed. Ask if the exercise has changed their mind about anything since you started.

Things to consider

- This exercise is particularly useful if you are building a new solution from scratch. It will help you see where your new solution will fit in.
- Let the participant determine what is or isn't relevant when building out their diagram. They may give insight as to what they consider important, helping designers better understand their experience.

5. Systems mapping



What it's for

Systems mapping helps you understand the complexity of the problem you are trying to solve, and what is preventing it from improving. There are different types of

systems maps, but at its basic level you can put a problem or a goal in the middle and map out all the issues that lead to it (and how they are connected) or all the things that would need to happen to achieve the goal (and how they link together).

This exercise helps to map out the root cause of an issue or to show which issues have got a similar cause, so you can see where to intervene. Often it might be outside your organisation's remit - which is why collaborating with others is so important. The systems map helps you spot unusual suspects that you might need to work with.

It can also help to show different stakeholders how the issues they focus on interact with each other, and how one organisation's action can impact on another's (positively or negatively). This exercise can be very useful when thinking about problems for vulnerable consumers that bridge both regulatory and social policy.

This exercise works best in a workshop environment, where you split a larger group into pairs.

What you need

- Paper and pens for each pair. You may want to provide a worksheet with a five ring 'target' visual on it.
- Post-its or index cards to move around (optional).

How to do it

Opening: 10 minutes

Start with a whole group discussion to identify a problem or a goal that you want to focus on. It could be something based on consumer insight, or it might be a trend that you want to change, for example the increasing inequality for a certain group of people.

Then split the group into pairs, preferably mixing experts by experience with other members of the design team.

Exercise: 20 minutes

In pairs, use a five ring 'target' diagram on paper to work through the problem or goal given. You can also use physical or digital post-its so you can move them around if needed.

If it's a problem, ask why five times: why is it a problem? And why is that? And why is that?

If it's a goal, ask five times: what would need to happen to achieve it? What would need to happen first? And for that to happen, what would need to be true? etc.

Throughout the exercise make notes as a pair and look for issues that have lots of connections or feedback loops where issues are becoming worse and worse. Think about what you could do to disrupt that.

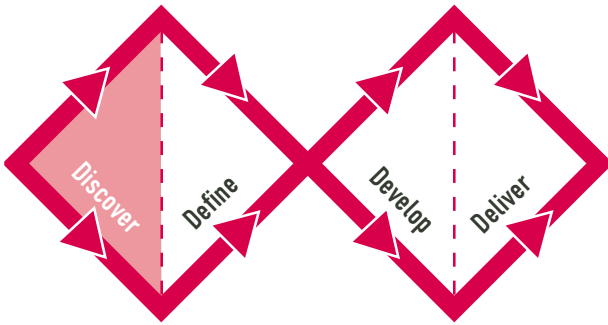
Closing: 10 minutes

Ask the group to come back together. Ask each pair to share their impressions of the exercise, one by one. Thank the group for their time and explain the next steps.

Things to consider

- It doesn't have to be perfect. Systems maps are often subjective depending on your place in the system. The value is in the collaborative process of making them together.
- If doing this exercise online you can use software like Kumu, Mural or Miro.

6. Antagonist personas



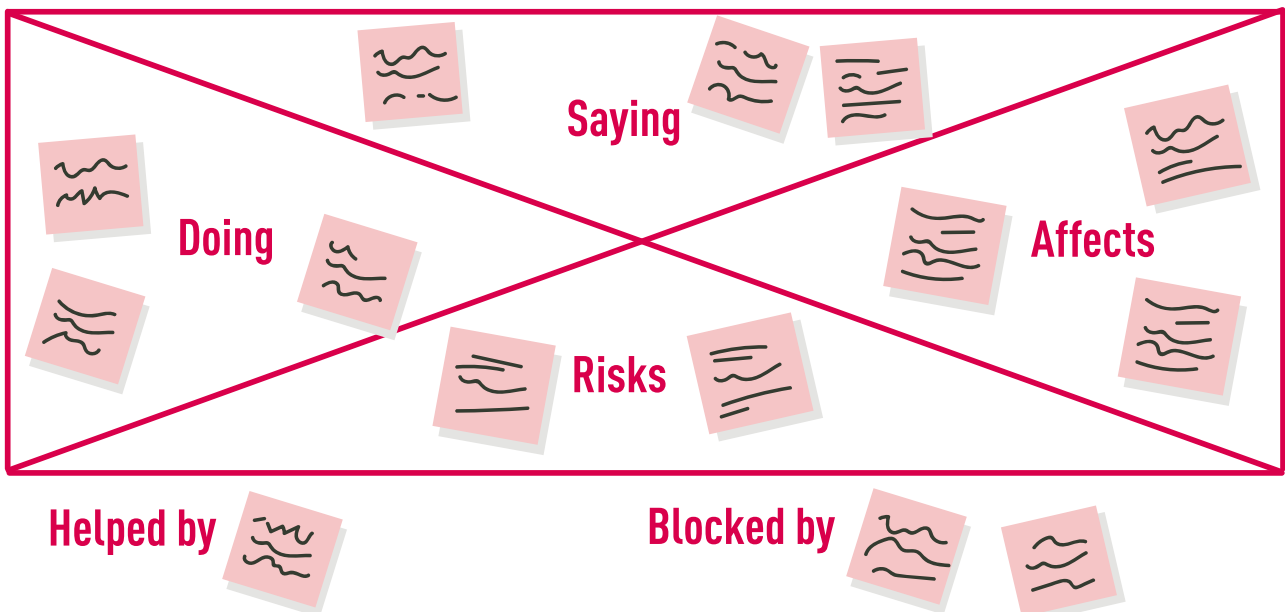
What it's for

Use this exercise to map out all the organisations, people and processes that work against the people you're designing for. By creating a list of antagonist personas you can gain an understanding of a user's potential for harm and how you might avoid it. This is especially helpful when working with vulnerable consumers.

Personas are profiles of people who use a product or service. They usually include their behaviours, actions, challenges, and demographic information, and help researchers and stakeholders to put a face to users and understand their needs. Personas are based on research, usually from 1-on-1 interviews or other primary methods.

In the case of antagonist personas, such access might not be possible. These antagonists, as their name suggests, are usually people who subvert systems intentionally to harm, coerce, or scam others. Risk or impact assessments may also help to uncover these potential sources of harm. However this exercise centres on a user perspective.

Type of antagonist:



What you need

- Access to a range of experts and experts by experience.
- Print-outs of relevant quotes from any previously completed research.
- If relevant, colleagues with an understanding of risk and fraud, and a representative from frontline staff.
- A large wall or table to work on.
- Print-outs of an antagonist worksheet or pens to draw one.
- Post-it notes or index cards.
- If you have a specialist vulnerability team or access to specialists working directly with at-risk customers, they may also be useful to include in this session.

How to do it

Opening: 10 minutes

Welcome the group and explain the purpose of the session.

Make a gallery of snippets from your research either on a wall or large table. Give everyone 10 minutes to read the quotes. For every antagonist identified, write it on a post-it and put it on the wall with little discussion at this point.

Exercise: 25-50 minutes

Spend 10 minutes asking each participant to talk through what antagonists they identified. It might be that one key antagonist or several antagonists were noted. You may want to revisit the full range of antagonists. However, to keep energy levels up, narrow the focus to just a few for the session. You

can do this by voting or singling a key antagonist out.

For each persona you will need about 15-20 minutes.

Firstly, identify the specific type of antagonist this persona is. 'Facebook hacker posing as a friend needing a loan' instead of just 'Scammer' will help you understand the specific impact of this individual.

Now go around the room and ask each participant to contribute a post-it to one of the following:

- **Saying:** What does this antagonist say to trick or coerce their victims?
- **Doing:** What behaviours are typical of this antagonist? How can they be spotted?
- **Affects:** Who do they target, how do they impact them, and how severely?
- **Risks:** What happens if the antagonist is caught or not caught?
- **Helped by:** What processes, tools or individuals help the antagonist, willingly or accidentally?
- **Blocked by:** What processes, tools or individuals hinder the antagonist, willingly or accidentally?

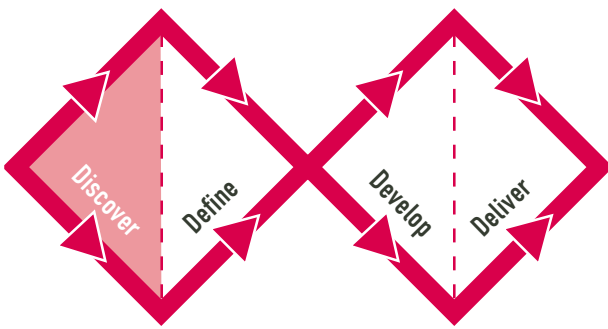
Closing: 10 minutes

Now that you have identified one or more antagonists, discuss as a team what actions you can take to support victims and stop antagonists from interacting with your systems. Organise a follow up session with colleagues tasked with implementing features or processes to create solutions.

Things to consider

- Don't be constrained by thinking of personas only as people. What other systems, companies or policies act as antagonists for users?

7. Scenario planning



What it's for

Use this exercise to discover what the potential for harm is for people using the solution you're designing. You can also use this exercise to stress test ideas against various scenarios that you take your design team and participants through.

This activity is particularly useful when designing for vulnerable consumers.

What you need

- Access to a range of experts and experts by experience.
- Post-its or index cards and pens for each participant.
- A whiteboard and whiteboard pens.
- A safe space to bring participants together, either in person or online.
- A notetaker and a facilitator.

How to do it

Opening: 5 minutes

Welcome the group and explain the purpose of the workshop. Split the group into pairs or groups of 3-4 for the exercises and make sure each group has access to writing materials.

Exercise: 45 minutes

There are three mini-exercises to complete.

For the first exercise, write the following questions on the board: 'When in the last 10 years were you doing well? What was happening that meant you were doing well?' Ask the pairs or groups to discuss and note things down, creating a post-it or index card for each scenario. Give the groups 10 minutes to discuss, and when they are done ask them to put each post-it on the wall or whiteboard in a line.

For the second exercise, write the following questions on the board: 'What things do you worry about happening in your life?', 'What have been your most difficult times in the last 10 years and why?'. Give the groups 10 minutes to discuss, and when they are done ask them to put each post-it on the wall or whiteboard in a line.

Lastly, ask each group to consider how each of the scenarios listed might affect their use of the solution being designed. Will certain scenarios impair their ability to interact with the solution? Will certain scenarios mean they no longer need to use the solution?

Give participants 20 minutes to review what's on the wall or whiteboard and discuss in their pairs or small groups. Ask them to add post-its next to the relevant scenarios

about what effect that scenario might have on their use of the solution being designed.

Closing: 10 minutes

Ask the group to come back together for a final discussion on the exercise, with someone on hand to take notes. Ask if there have been any realisations for anyone from going through the stress testing exercise.

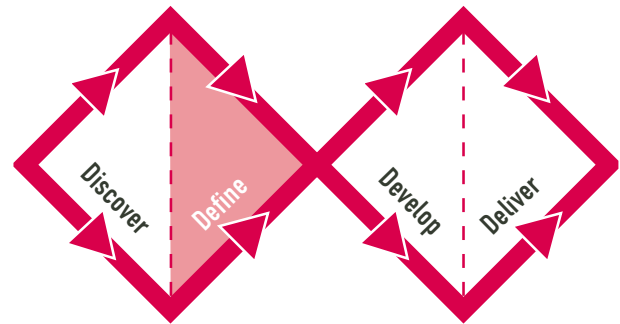
If there are scenarios which need further exploration because there may be potential for harm, capture those in the notes and assign a member of the group to follow up on them.

After the workshop, capture the post-its on the wall and write up the various scenarios and associated effects and harms and send it round to the participants to reflect on.

Things to consider

- Asking participants to relive difficult moments in their lives can be triggering, so approach this workshop with caution and make sure to let participants know the nature of the session beforehand.
- Be cautious of relying on too many assumptions when imagining the effect of different scenarios on how people might use your solution. Wherever possible, find people who have gone through the scenario you are reviewing and ask for their input.

8. Problem statements



What it's for

Writing a problem statement together can help your group define a collectively understood definition of the problem you want to solve.

This activity is a very useful tool for simplifying and clarifying the goals of a project so that there can be a focus on finding an effective solution. By co-creating the problem statement with experts by experience you will make sure that the problem is well defined.

What you need

- A safe space to bring participants together, either in person or online.
- Access to a range of experts and experts by experience.
- Paper and pens for each participant.
- A whiteboard and whiteboard pens.

How to do it

Opening: 10 minutes

Welcome the group and explain that the purpose of the session is to arrive at a problem statement that the group can agree on. Having a shared understanding of the problem being solved will help the group focus on the best possible solutions in the later stages of the design process.

Introduce three possible ways to express a problem statement, writing each one on the whiteboard for clarity. You may want to only use one option for participants, in which case pick from the three beforehand. Otherwise participants can choose for themselves which is most appropriate.

Firstly, from the point of view of the user: 'I am (person) trying to (verb) but (barrier) because (cause) which makes me feel (emotional reaction).'

Secondly, drawn from user research: '(Person) needs a way to (user's need) because (insight).'

Thirdly, using the '4 Ws': 'Our (who) has the problem that (what) when (where). Our solution should deliver (why).'

Exercise: 60 minutes

Firstly, ask each individual participant to spend 10 minutes on their own writing a problem statement.

After the 10 minutes is up, ask participants to share their statements aloud with the group and follow that with a group discussion. As facilitator, make sure to ask clarifying questions if any problem statements seem unclear or off-point.

After the group discussion, ask everyone to pair up and spend 5 minutes rewriting their problem statements as a pair. Then ask each pair to pair up, forming groups of four, and spend a further 5 minutes rewriting the problem statement. Depending on the size of the group you might want to double up again a third time.

At the end of this exercise you should have 2-4 groups left, each with a problem statement. At this stage, ask each group to share their statement and encourage further group discussion. Through this discussion aim to write one statement up on the whiteboard, dissecting every word in the statement as a group.

If there is still disagreement at the end of the exercise, ask the decision maker to write a final problem statement and explain their choice to the group. Give the group an opportunity to object if necessary, and note any objections down.

Closing: 5 minutes

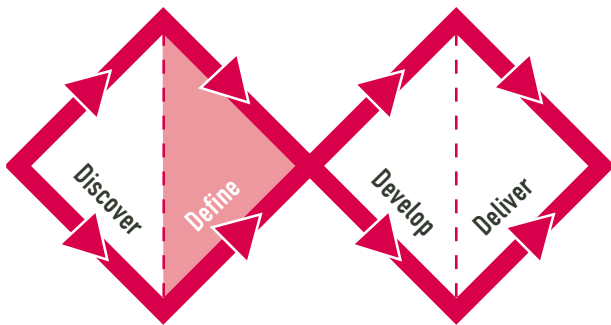
Read the final problem statement aloud to the group. Thank them for their time and tell them what the next steps are in terms of designing a solution.

Things to consider

- You may find your group agrees quickly on the problem at hand, in which case the exercise can be shortened.
- Every word of the problem statement is important since it will frame how you go onto design and test solutions, so allow the group to debate the wording if needed.

- Keep your problem statement simple; if it is too complex you are unlikely to be able to design an effective solution.

9. Affinity diagram



How it helps

Affinity mapping helps groups to spot patterns in feedback or research for further exploration.

If you have run a survey, interviews or other research work it's likely you have a large amount of qualitative data to sift through and make sense of. An affinity diagram is a simple way of laying all the research out and finding themes and patterns.

What you need

- Print-outs of responses from research, usually as snippets.
- Sticky coloured dots to identify which participant said what.
- A large wall or table to work on.
- A range of team members and experts from different disciplines, and experts by experience.

Affinity diagram

- Participant 1 ● Participant 2 ● Participant 3



How to do it

Opening: 10-15 minutes

Make a gallery of snippets from your research either on a wall or large table. Give everyone 10 minutes to read the quotes and understand who the participants were. Give some background on each participant, potentially as a profile. To avoid bias, avoid giving too much information about your research objectives.

Exercise: 30 minutes

Spend 15 minutes quickly organising the snippets and quotes into rough groups without labelling them. Encourage little discussion and rely on intuition. Participants should feel free to rearrange quotes, or split larger groups into smaller segments. Separate anything that doesn't naturally fall into a group.

Next, take a step back to discuss each group. Spend 15 minutes labelling them and reflecting on whether any quotes could be rearranged, split off, or whether some groups can be assigned a larger group label. Some quotes may also fall under multiple categories.

For any singular quotes that don't fit a category, park them in a separate group to the side.

Closing: 10 minutes

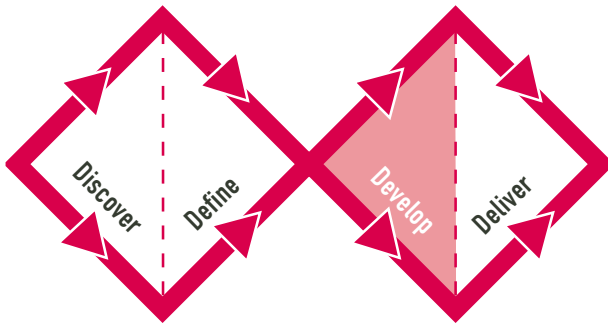
Looking at the categories with the largest grouping, discuss as a team what actions you can take to learn more about these specific areas or create next steps towards a solution or prototype. You may want to consider writing a report to share after the session, or following up with the original research participants.

Things to consider

- Sometimes the outliers can provide useful insights. Don't just focus on the largest groups of snippets and quotes.
- Think through the different ways you could organise the same material. What other themes can you find?

Develop and deliver

Collaboratively developing and delivering solutions.



10. How Might We

What it's for

Challenge mapping, or the 'How Might We' exercise, is collaborative and consensus-building, especially when working across organisations. It can be used to help you explore a problem in more detail, finding specific themes to explore when starting to think about solutions.

Challenge mapping helps assess, define and understand a challenge.

- It helps identify and explore the underlying causes of a challenge.
- It helps identify and explore potential responses to the challenge.
- It builds consensus.

What you need

- A safe space for your participants to meet in person or online.
- Post-its and pens and a whiteboard, or an online whiteboard.
- A facilitator.

How to do it

Opening: 10 minutes

Either before the session or as part of the opening, define the problem you want to solve, for example 'Some people get into problem debt because they have a life or income shock and don't have access to affordable insurance. This costs money and time and is not good for them, for creditors, or for the State.'

If the problem is not already expressed as a question, turn it into a 'How Might We' question, for example 'How Might We help stop people getting into problem debt due to not having affordable insurance?'. Write it at the top of a board.

Exercise: 60 minutes

Encourage participants to ask questions of the existing 'How Might We' question with more 'How Might We' questions, for example, 'How might we discover what types of market issues are contributing to this?', 'How might we discover if there are deeper root causes?', or 'How might we go about approaching finding this out?'. Give the group 10-15 minutes to write these down on post-its or index cards and to post them on a wall or board. As they post up questions, ask them to review the other questions from the

group and iterate with more 'How Might We' questions.

Next, ask the group to review the wall or board of 'How Might We' questions. Have participants ask 'Why?' ('Why is it a challenge?', 'Why do we need to solve this?', any 'Why' they think of). Give them 10-15 minutes and have them write answers and then question their 'Whys' with more 'Whys'. Have them write these and their answers on post-its too.

Put the 'Whys' in order on the board next to the 'How Might We' from more strategic to more operational and granular.

Now ask participants to look back at the 'How Might We' and ask 'How' questions, for example, 'How are we going to achieve this?' or 'What's stopping us that we can address and overcome?'. Again have them write their answers on post-its and follow up with more 'Hows' asked of their existing 'Hows' and write the answers for each of these on post-its too. Give the group 10-15 minutes for this part of the exercise.

Put the 'Hows' in order on the board from more strategic to more operational and granular.

As a group, cluster the post-its to identify common themes.

Closing: 20 minutes

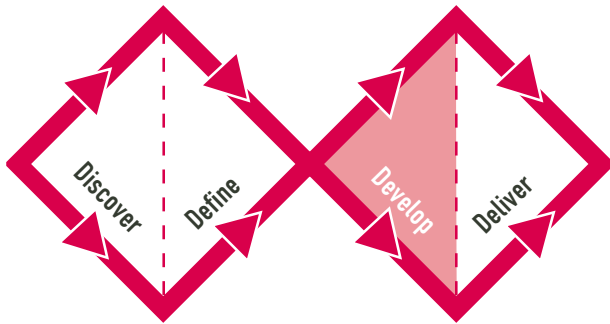
Discuss whether the original 'How Might We' challenge needs to change based on the emerging themes.

Discuss and agree what short, medium and long term steps you might take to address the challenge.

Things to consider

- Encourage participants to write down everything they think of.
- It is important to only capture one idea per post-it so they can easily be ordered from strategic to operational.
- Set a strict time limit as it is possible to generate dozens of ideas in 15 minutes.
- Before discussing, try to generate ideas individually to avoid being influenced by others. This ensures all unique ideas are captured and participants are not influenced.
- To go deeper you can use prompts such as 'How Might We... bring out the good, remove the bad, explore the opposite, question an assumption or change the status quo?'. For example, 'bring out the good' might stretch us to think of a more extreme best case scenario for our customer, so instead of writing 'How Might We help someone overcome their fear of online banking?' we could write 'How Might We get someone so excited about online banking they tell two friends?'

11. Wear different hats



What it's for

Before your group starts generating ideas for your potential solution it's important to consider unavoidable constraints and potential blockers. This role-playing exercise helps introduce different perspectives to the group so that solution ideas are kept realistic, and so that barriers to introducing effective solutions can be identified and dealt with early in the process.

What you need

- A safe space for your participants to meet in person or online.
- Post-its and pens.
- A notetaker and a facilitator.

How to do it

Decide in advance what roles you might want your participants to play in order to facilitate effective discussions about solutions. Here are some suggested roles, or 'hats', to use in your workshop:

- The capitalist: Someone who only wants to see how a solution might make sense financially.

- The simplifier: Someone who challenges the group to simplify ideas and solutions that are too complex or unusable.
- The do-gooder: Someone who just wants users to have the best experience and outcomes, no matter the cost.
- The rule-follower: Someone who calls out any concerns about how the solution might not fit with current regulations or rules.
- The big-thinker: Someone who challenges the group to think bigger with their ideas and solutions. How might it work better or for more people?

When you have decided on the roles you want to include, write out post-its, each with one role, enough for the whole group to have one each.

Opening: 5 minutes

Welcome the group and explain the purpose of the exercise. Introduce each role, using a whiteboard to note down characteristics if needed. Hand out roles to participants using the post-it notes you have prepared, distributing roles evenly across the group.

Exercise: 15 minutes

Ask the group to split into smaller groups. Give groups a topic to discuss for 10 minutes, for example a problem statement or 'How Might We' question, or ask them to come up with ideas for how to solve the problem at hand. During the exercise, ask them to adhere to the role assigned to them.

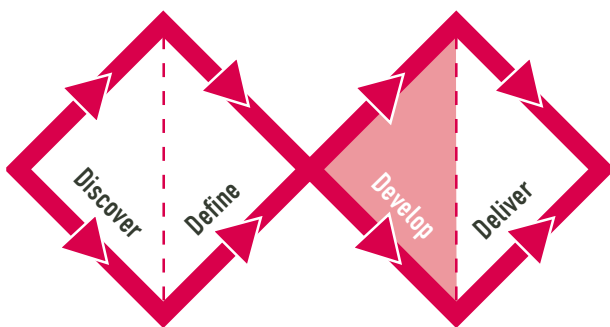
Closing: 10 minutes

After the 10 minutes, ask the group to come back together. Ask each group to share insights from their discussion, one by one, and ask the notetaker to capture any key takeaways. Ask the group if there are any barriers they have identified through the exercise that need to be addressed, and if so, assign a member of the group to follow up.

Things to consider

- This exercise can work well as part of various workshops or discussions to facilitate honest discussion about constraints. Playing a role can help participants express their true thoughts and fears with the group.
- Try to ask participants to play a role that is opposite to their natural role to give them a different perspective on the design process.

12. Take inspiration



What it's for

When your group is ready to start generating ideas and solutions it is useful to gather inspiration from existing experiences, products and services. By bringing examples of existing work into the group you can

facilitate discussion about what elements are most important and could be borrowed for your solution.

What you need

- A safe space for your participants to meet in person or online.
- Access to computers or other ways to gather material such as newspapers, magazines or brochures.
- A printer for participants to be able to print out inspiration if the workshop is face-to-face.
- A whiteboard or wall, sticky tack or masking tape.
- Post-its and pens.

How to do it

Opening: 10 minutes

Welcome the group and explain the purpose of the session. It may be helpful to prepare some examples of inspiration in advance to show to the group as part of your explanation of the exercise. Depending on the problem you are looking to solve, examples could include newspaper articles about new initiatives, screenshots of websites or apps, photos of in-person experiences or adverts.

Explain that the group must look for inspiration in response to a specific problem statement or 'How Might We' questions posed.

Exercise: 45-60 minutes

Ask each individual participant to gather inspiration in whatever way makes sense to them for a set amount of time. If the workshop is online, ask them to create their own virtual whiteboard to share with the group. If in person, ask them to print out or gather physical examples to share.

Encourage participants to seek inspiration from different industries, experiences, or geographies. Ask them to think about examples from different time periods or from fiction. Allow participants to think creatively, reassuring them that a range of inspiration will lead to richer discussion.

Closing: 30 minutes

If a wall or whiteboard is available, ask participants to post their examples up using sticky tack or masking tape, grouping examples if possible by theme as they go.

Ask each participant to talk through their examples in front of the group, one by one, and then facilitate group discussion about elements that might be important when designing your own solution.

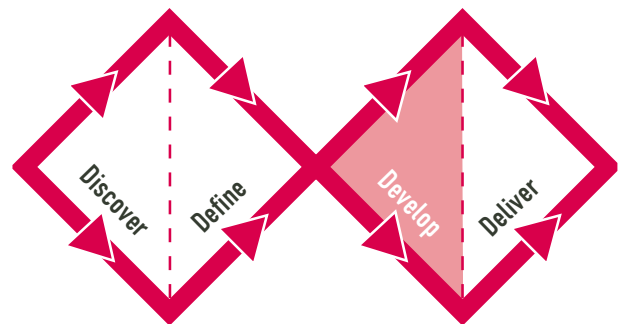
After the workshop, photograph or otherwise capture the examples and write up the most important takeaways to share with the group to reflect on.

Things to consider

- Sometimes the best inspiration can come from industries or situations that are very different to the one you're designing for. Encourage participants to think outside the box.

- Examples can be very specific details about an experience, such as the placement of a button on a website, or could be much broader, such as the colours or language used. Both are interesting to bring to the table.
- Often a prototype can be pieced together using existing examples of experiences, services or products. Taking direct inspiration in this way can give designers a shortcut to rapidly test their hypotheses.

13. Tell a story



What it's for

Use storytelling as a way of getting insight from your design team and research participants, and to anticipate what kind of solutions might work for them.

By writing stories about what kind of solution will be created during the design process the group can discover ideas and start to sketch out the detail behind those ideas. Storytelling can also help groups sense check their ideas with experts by experience, to check that the imagined solutions work in the context of real problems and scenarios.

What you need

- Access to experts and experts by experience.
- A whiteboard and whiteboard pens.
- Note paper and pens.
- A notetaker and a facilitator.

How to do it

Opening: 5 minutes

Welcome participants and set the scene. Split the group into pairs or groups of three, with each group consisting of a mix of team members and experts by experience.

Exercise: 30-40 minutes

Ask each group to write a story, with the participant with lived experience informing the character of the hero. Explain that the story should follow the hero's journey as they experience the problem you're solving and interact with the solution you might design.

Using the whiteboard to summarise, explain that the story should contain the following elements:

- A hero: a character at the centre of the story. Who are they? What are their problems? What are they feeling?
- A plot with conflict: a journey that the hero goes on to solve their problem using your imagined solution.
- A setting: where does the story take place? When is the solution used?
- An ending: what happens at the end of the story? How does the hero feel? What do they do next?

Ask participants to co-create a story with a clear beginning, middle and end, using the note paper and pens to summarise the key elements. An alternative to a written story is to ask groups to create a comic-book like storyboard using a grid on their note paper.

Give groups 20-30 minutes to write their stories.

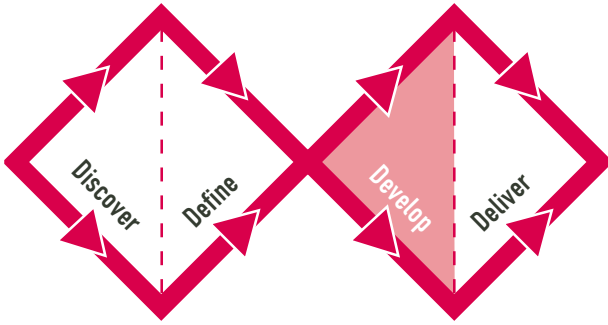
Closing: 10-20 minutes

Ask each group to share their story with the room. Encourage a group discussion about the imagined solutions and outcomes. Are there any clear ideas emerging? Any outcomes that need to be designed for that were not previously considered? If so, ask the notetaker to capture them.

Things to consider

- This exercise can be incorporated into the writing of problem statements in order to help groups understand what a good solution and outcome will look like. It may feel more accessible for certain participants than creating problem statements.
- Storytelling should be informed by research and by participants with lived experience. By asking experts by experience to tell their own idealised stories you can uncover important insights as a design team.

14. Sketch and share



What it's for

This exercise (often referred to as 'Crazy Eights') is for design teams that are ready to start generating ideas and discussing them. It must be based on understanding the problem being solved through research and insights.

What you need

- Access to experts and experts by experience.
- Blank sheets of paper and drawing pens, such as felt tips or Sharpies.
- Sticky dots or highlighter pens.

How to do it

Opening: 5 minutes

Welcome the group and set the scene. Explain that by the end of the session every participant will have generated and shared some potential solutions. Reassure participants that they do not need to be good at drawing, rather they can use stick figures and other abstract drawing styles to get their ideas down on paper.

Exercise: 30-40 minutes

Give each participant sheets of paper and drawing pens. Ask them to draw eight boxes on their paper, folding the paper in half and then into quarters if needed to provide eight evenly spaced boxes.

Set a timer for 8 minutes and ask participants to sketch 8 quick ideas each in 8 minutes using their boxes. The idea is to generate many ideas: quantity not quality. When the timer goes off, ask participants to put their pens down.

Go round the group and ask participants to present their top three ideas.

After a short discussion, set a timer for a further 8 minutes and ask participants to use a second sheet of paper to draw out their favourite idea in more detail.

After the timer goes off, ask participants to put their final drawing on the wall in a gallery of ideas. Give everyone the opportunity to review other drawings in silence for 5-10 minutes.

Give everyone two sticky dots (or give them highlighter pens and ask them to use them to create dots). Ask participants to vote on the ideas in the gallery using their dots. They can split their dots across two ideas or use both on one.

Closing: 5-10 minutes

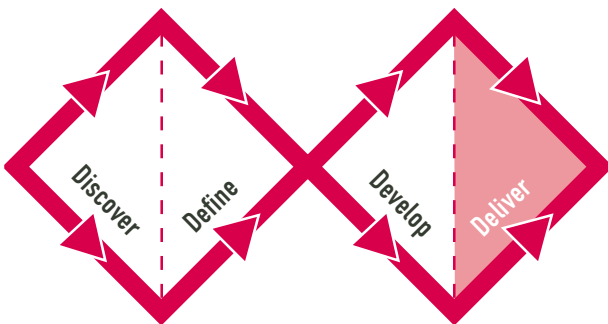
Summarise the activity and review the wall, highlighting where the dots are. If there is time, encourage some group discussion.

Thank participants for their time and let them know what the next steps are.

Things to consider

- You can ask participants to iterate several times on their top ideas. The more you can ask them to iterate and discuss, the better the ideas are likely to be, but be aware of the group's energy levels if you want to lengthen the workshop.
- It can be helpful to ask participants to express their final idea as a series of drawings, taking people through the experience step-by-step rather than in a snapshot. A comic-book style storyboard might be helpful in this case.

15. Prototyping



What it's for

Prototyping, testing initial versions of a product or service, allows you to test ideas and gather feedback on potential solutions in order to make iterations and improvements. There are many different methods for prototyping. For example rough-and-ready prototyping is a rapidly built model of a product or environment that approximates its appearance.

- Prototyping can help manage risk and allows potential end users (consumers) and stakeholders to see, touch or even use a concept to provide feedback. It can

enable deeper and more useful insight, which reduces time spent pursuing the wrong approach.

- Prototyping policy or regulation can sometimes feel quite abstract (compared to prototyping an object, a building or a service). In this case it is useful to think through how a person would experience the results of that (e.g. a letter, an information campaign, a higher tariff) and visualise that so you can get feedback.

What you need

Depends on what kind of prototype you want to build, and to what level of detail.

How to do it

There are lots of different types of prototype:

- A scale model is a physical 3D mock-up of a product or service (for example an ATM mocked up out of cardboard).
- A wireframe is a sketch of a website or a static image or even slightly interactive screen with a simple structural version with no design yet applied, to allow users to review and test the usability of the layout and review understanding of the language and signposting.
- A website or app prototype is a more fully formed version with design initially implemented and full navigation between screens, which allows users to give feedback and be observed trying to complete tasks and where difficulties are encountered.

Chapter 5: Activity Toolkit

- Marketing messaging which communicates the concept – the policy or regulation, product or service that you are trying to get feedback on. It's worth testing this within the organisation and on end users before getting to the expensive design stage.
- Imaging or design prototypes, for example a poster, can also be worth testing at the early stages. Check that the proposed imagery and design support the concept rather than undermine it, and don't cause confusion or even offence.
- A service blueprint is a visual sketch of the process of a new service, from finding out about it, to joining it, to using it, to leaving it. This is often used at the early stage of regulation, service or product planning and it can be useful to test it on those parties whom it affects or represents. This is especially the case when it informs later prototype design or decisions about regulations or other concepts.
- A storyboard is a wider sketch of how someone might experience a service, policy or regulation, situated within the bigger journey context of their home, working life or local environment.
- Roleplay is a simulation technique that helps you test a service or product or an explanation of a regulation through user interaction, the sort that the user might experience when using it for real in a phone call or an online chat, and see through the eyes of people to learn what they are experiencing.

Here's how to get started with prototyping:

1. Identify an idea to develop. Use the top idea from your 'sketch and share' session, or ask the decision maker to decide based on feedback from the group.
2. Gather basic materials, depending on the type of prototype you are producing.
3. Think about the key things you want to learn. What are the group's riskiest assumptions? What are the most important 'How Might We' questions that need to be tested?
4. Build a rough approximation of the idea. Consider using roleplay to simulate interaction.
5. Ask people to provide feedback. This step can be through interviews, surveys or pilots. See the 'research methods' section for ideas.
6. Document your work to communicate the insights learned. This step allows you to share the user testing and feedback with other stakeholders and consider changes needed for the next prototype.

Things to consider

- What: Type of prototype you need by thinking what you need to test and how you're going to do it.
- How: Use 'just enough' tech to get going such as PowerPoint to mock-up software, cardboard to mock-up interiors.
- Where: It can be helpful to test in the place where a product or service is used.
- When: It may happen over a number of hours, days or weeks and multiple times.



Conclusion

p113

Conclusion

In this report we have established that inclusive design is more than just a methodology to apply to specific projects or interventions – it’s about a whole organisation approach, leadership and culture which puts inclusive design and mindsets at the heart of an organisation and indeed a market. It is about giving staff the permission and guidance to build skills in inclusive design and to co-design and test solutions with the people who will need to access and use essential services.

As this report has demonstrated, doing so can have significant benefits. It supports regulators to meet their existing objectives and commitments to consumers and will help them to ensure their work is as effective as possible. More importantly, a regulatory framework which puts inclusive design at its heart is likely to transform outcomes for consumers – particularly those on the lowest incomes. We would expect to see a better-functioning, more effective market with much less potential to cause harm.

Embedding inclusive design within regulation isn’t just about any one organisation. As we have explored, it also requires engagement across the regulatory ecosystem because, at a more strategic level, inclusive design can mean designing out exclusion, inequality and unfairness across society. As regulators apply an inclusive design approach to their work it is likely to:

- Profoundly challenge their previous understanding of problems
- Put them far nearer to their regulatory boundaries
- Highlight the need for interventions that span regulatory and social policy remits.

This means there is a role for government too. Regulators may need actively to seek support and direction from government departments on some of the issues, and government needs to be prepared to intervene, such as by expanding a regulator’s perimeter to tackle certain issues or to enable them to make decisions on cross-subsidisation.

A roadmap to change

In this report, we have explored both the wider enabling conditions that support an organisation to embed inclusive design (see chapter 4) and the practical steps that can be taken to utilise inclusive design approaches throughout a regulators’ work.

The FCA, CMA and Ofgem have all taken welcome steps as essential service regulators to promote the value of inclusive design by firms. But we need to see regulators leading by example themselves too. We would encourage the FCA, CMA and Ofgem to now take steps to ensure there is a focus on inclusive design throughout their organisation. In practical terms of how to start achieving this, we can return to the roadmap from the start of the report .



■ This involves:

- Clear purpose statements in line with these ideas
- Cultural shift within own organisation and across the market towards inclusive design research and tools
- Placing lived experience at the heart of policy and regulatory design
- Cross-collaboration (between regulators and with different government departments)
- Government buy-in and support.

Practise:

- Find out more about inclusive or universal design. Understand how it can be used and what the benefits are.
- Make a start and begin to use inclusive design methods (using **Chapter 5** for guidance). Alongside this report, we are also publishing a practical guide for firms on embedding inclusive design.
- Carry out pilot projects and share the learning both within the organisation and with other regulators.

Collaborate:

- Convene with other regulators, relevant government departments and the design community to raise the profile of inclusive design across essential services.
- Conduct pilots with other regulators and relevant government departments around issues that don't fit neatly into any one regulator's remit and share the learning through existing forums and communities of practice.

Incite change from others:

- Short term – regulators need to be bolder and more vocal about where they see inequality and injustice which affects consumers – even where this sits beyond their regulatory boundaries. They may not be able to act solely by themselves, but they can and should be more pro-active about raising these issues across the whole ecosystem and working with others to seek solutions.
- This should include being prepared to formally request to their sponsoring government department that their scope be expanded where this would help protect the consumer.

Conclusion

- Consumers' lives are messy and don't always fit neatly within institutional reimits.
- Long term – sometimes legislative change may be necessary, with regulators needing explicitly to consider socio-economic issues such as the poverty premium, and work with government to address them.

Start with the consumer:

- As stated throughout, this is the most important point across the board. To really design inclusively requires a significant shift so that everything starts from the consumer perspective. Any of the above stages need to always have the consumer, particularly the vulnerable consumer, as the starting point both in terms of mindset and approach to the task, and in terms of practical involvement of the relevant consumers in the process.



Appendix

p117

Appendix: Definitions of key terms as used by relevant bodies

Inclusive Design and Universal Design – other definitions or descriptions currently in use

Working definition used by Microsoft:

Inclusive Design: A methodology that enables and draws on the full range of human diversity. Most importantly, this means including and learning from people with a range of perspectives.

Accessibility:

1. The qualities that make an experience open to all.
2. A professional discipline aimed at achieving No. 1.

Universal design:

The design of an environment so that it might be accessed and used in the widest possible range of situations without the need for adaptation.

FCA description in Vulnerability Guidance consultation:

Firms may wish to use an inclusive design approach for this, by which we mean providing products and services that are available and accessible to all consumers equally, regardless of their personal circumstances. For example, when designing online banking interfaces, firms may include facilities for consumers to notify the firm of changes in circumstances, such as bereavement.

Ofgem description (vulnerability strategy Oct 2019):

Page 67: OUTCOME 4A: *“We want products and services to be designed to meet the needs of a wide range of consumers (including the most vulnerable).”*

MEASURE: *“Collecting evidence from energy companies of inclusive design processes.”*

Design Council

Inclusive design aims to remove the barriers that create undue effort and separation. It enables everyone to participate equally, confidently, and independently in everyday activities.

Helen Hamlyn Centre for Design

Inclusive Design – the process of designing products, services and systems for ease of use by the maximum number of people. The Centre coined the term ‘Inclusive Design’ in a special issue of Applied Ergonomics in 1993, and since then, the term has spread globally. The Centre was also key in developing the Double-Diamond innovation approach with the Design Council.

Vulnerability

FCA:

Vulnerable person: "Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care."

Occasional Paper 8, Mission Statement, 2019
Guidance Consultation

"In our Approach to Consumers we set out these factors that act as drivers to actual or potential vulnerability:

- Health – health conditions or illnesses that affect the ability to carry out day-to-day tasks
- Life events – major life events such as bereavement or relationship breakdown
- Resilience – low ability to withstand financial or emotional shocks
- Capability – low knowledge of financial matters or low confidence in managing money [low/erratic income/low savings recognised as drivers of low resilience]"

FCA, Consultation on Guidance on Vulnerable Consumers

Ofgem:

"We define vulnerability as when a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where he or she is:

- Significantly less able than a typical domestic consumer to protect or represent his or her interests; and/or

- Significantly more likely than a typical domestic consumer to suffer detriment or that detriment is likely to be more substantial."

Ofgem Consumer Vulnerability Strategy Oct 2019

CMA:

Considers two kinds of vulnerability in its Feb 2019 Paper on Consumer Vulnerability, Challenges and Potential Solutions:

- 'Market-specific vulnerability', which derives from the specific context of particular markets, and can affect a broad range of consumers within those markets; and
- 'Vulnerability associated with personal characteristics' such as physical disability, poor mental health or low incomes, which may result in individuals with those characteristics facing particularly severe, persistent problems across markets.

Universal service obligations

These are obligations which ensure that defined basic services, considered essential in current social and economic conditions, are available to all on request at an affordable cost. In the UK there are universal service obligations in relation to postal services, telecoms and broadband.

Appendix: Definitions of key terms as used by relevant bodies

Essential Service

Cambridge English dictionary: "Basic public needs, such as water, gas and electricity, which are often supplied to people's houses, or necessary social services such as education and health care."

Utility

Cambridge English dictionary: "A supply of gas, electricity, water or telephone service to homes and businesses, or a business that supplies such services."

Poverty Premium

Personal Finance Research Centre:

Avoids a short definition, including concepts of different components, drivers and experiences of the poverty premium and clarifies that it includes the following types of additional cost:

- "Additional costs directly resulting from having a low income, for example because this reduces the flexibility of payment methods;
- Additional costs associated with a low income even though not directly resulting from it, for example the additional chance that someone on low income lives in a high-crime area where insurance premiums are high; and

- Additional costs that can be experienced by people across income groups, but are more likely to be experienced by lower income households, such as not 'shopping around' for utility tariffs, and which place a disproportionately high burden on low income households' resources."⁶²

NatCen for CMA:

"The extra cost that households on low incomes incur when purchasing the same goods and services as households on higher incomes."⁶³

Social Market Foundation:

"The extra cost that households on low incomes incur when purchasing the same essential goods and services as households on higher incomes."⁶⁴

Low income

A household is usually defined as being on a relative low income if it has less than 60% of the UK's median (average) income. In 2018-19 the UK's median income after housing costs was £23,244, and 60% of this was equal to just under £14,000 (£13,936.)⁶⁵

References

- 1 *The poverty premium: a customer perspective* (Davies, S. & Trend, L.; Personal Finance Research Centre, University of Bristol Nov 2020)
- 2 University of Bristol (Personal Finance Research Centre), *Paying to be poor*, November 2016
- 3 Ofgem, *Consumer Vulnerability Strategy 2025*, Oct 2019
- 4 FCA, *Vulnerability Guidance*, July 2019
- 5 CMA, *Consumer Vulnerability: Challenges and Opportunities*, Feb 2019
- 6 FCA, *GC20/3 Guidance for firms on the fair treatment of vulnerable customers*, July 2020
- 7 Interview for this report
- 8 Other examples include travel insurance for people with a cancer diagnosis, options for delegated access to current accounts, lack of progress on developments of alternatives to PINs and passwords.
- 9 Essential services are services everybody needs to access, such as telephone, water and postal services. This report focuses on energy, insurance and credit.
- 10 Whilst aimed at the regulators directly concerned with energy, insurance and finance – i.e. CMA, FCA and Ofgem the contents of the report are likely to be of interest to other regulators such as Ofwat and Ofcom.
- 11 Policy Lab, *Prototyping a new health and work service* (blog), February 2016
- 12 The Toynbee Hall case study in Chapter 1 illustrates how Fair By Design is doing this in its own work and with the firms funded through its Venture Fund.
- 13 Households below average income data (HBAI), 1994-95 to 2018-19
- 14 One consequence of the poverty premium may be that households go without goods and services because the extra cost makes them unaffordable. As a result of being priced out, these households are no longer even counted among the statistics for households experiencing the poverty premium.
- 15 *Paying to be Poor*; Davies, Finney & Hartfree; Personal Finance Research Centre, University of Bristol Nov 2016
- 16 *Paying to be Poor*; Davies, Finney & Hartfree; Personal Finance Research Centre, University of Bristol Nov 2016
- 17 APPG on Poverty, minutes of the evidence session on business solutions to the poverty premium (utilities) 12/12/2018. NB in a discussion with Ofgem an alternative perspective was offered, in which challengers saw value in low income customers because they had stable energy use which helped them to build stable demand for energy across their product (and possibly also because they were less likely to switch away), it was suggested that some of the larger firms aren't able to identify this value or that it is not as relevant for them as they already have a range of customers and therefore usage types.
- 18 At the time of writing the FCA is consulting on measures to ensure firms cannot charge renewing customers more than new customers, and to prevent high prices being paid by many longstanding customers (loyalty premiums), These measures go some way to addressing issues in the insurance market but fall far short of fully addressing the poverty premium issue.
- 19 *The poverty premium: a customer perspective*; Davies, S. & Trend, L.; Personal Finance Research Centre, University of Bristol Nov 2020
- 20 There is a strong correlation between consumer vulnerability characteristics (e.g. illness, bereavement, losing a job and being a carer) and low income. Consumer vulnerability characteristics are central elements when discussing the topic of transferring risk to individuals/consumers. Such characteristics are at the heart of insurance premium calculations.
- 21 FCA, Occasional Paper No. 8: *Consumer Vulnerability*, February 2015; FCA, Occasional Paper No. 17: *Access to Financial Services in the UK*, May 2016; Fair By Design, response to Institute and Faculty of Actuaries consultation on the 'Great Risk Transfer', May 2020
- 22 NatCen, *Advice on the Measurement of the Poverty Premium across UK markets*, February 2019

Appendix: References

- 23** *Paying to be Poor*; Davies, Finney & Hartfree; Personal Finance Research Centre, University of Bristol Nov 2016
- 24** NatCen, *Advice on the Measurement of the Poverty Premium across UK markets*, February 2019
- 25** The protected characteristics are: age, disability, gender reassignment, race, religion and belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity
- 26** *The Inequality of Poverty*; Davies, S.; Personal Finance Research Centre, University of Bristol. Forthcoming research exploring the link between the poverty premium and protected characteristics
- 27** 90% of single parents are women according to ONS 2019 *Families and Households*
- 28** *Paying to Be Poor*; Davies, Finney & Hartfree; Personal Finance Research Centre University of Bristol Nov 2016
- 29** Essentially meaning that it is available for everybody, at a reasonable cost. See glossary for more detail.
- 30** Each of the regulators define vulnerability in a slightly difference way, for a longer discussion on vulnerability see Chapter 2 and also the glossary
- 31** See http://www.inclusivedesigntoolkit.com/case_studies/case_studies.html#p80 for a number of examples from the commercial sector (accessed 24/8/20)
- 32** See for further information about the requirements of the Act for financial service providers <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-law-banks-and-other-financial-servicesproviders> EHRC website, accessed 24/8/20
- 33** The protected characteristics are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.
- 34** FCA, GC20/3 Guidance for firms on the fair treatment of vulnerable customers, July 2020
- 35** Government response to Treasury Committee Report on Consumers' Access to Financial 34 Services, July 2019 See also Women and Equalities Committee Report: Enforcing the Equality Act: the law and the role of Equality and Human Rights Commission, Conclusions and recommendations, July 2019
- 36** Government response to Treasury Committee Report on Consumers' Access to Financial Services, July 2019
- 37** <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty> EHRC website, accessed 22/7/2020
- 38** Versions of a socio-economic duty have come into force in Scotland and Wales (but this do not apply to CMA, FCA and Ofgem)
- 39** Interview for this report
- 40** See glossary for detail on how each regulatory uses these terms
- 41** <https://www.fca.org.uk/publication/guidance-consultation/gc20-03.pdf>
- 42** Interview for this report
- 43** <https://www.ukfinance.org.uk/>
- 44** FCA Financial Lives Survey 2020 estimated half of the UK population display vulnerability characteristics.
- 45** Macmillan Cancer Support, *How can we help: the role of financial services providers 44 in supporting people affected by cancer*
- 46** FCA, DP18/9 Fair Pricing in Financial Services, October 2018
- 47** FCA, DP18/9 Fair Pricing in Financial Services, October 2018
- 48** Office Audit National, *Vulnerable consumers in regulated industries*, March 2017
- 49** *Weapons of Math Destruction*, Cathy O'Neil, Penguin 2016

-
- 50** <https://medium.com/ethnography-matters/why-big-data-needs-thick-data-b4b3e75e3d7>
- 51** OFGEM, *Pioneering policymaking*, September 2019
- 52** For useful discussions on the strengths and limitations of different types of engagement, see: UKRN, *Involving consumers in the development of regulatory policy*, July 2014; Queen Margaret University, *Consumer Dispute Resolution Centre, Consumer representation in financial services*, October 2017
- 53** Interview for this report.
- 54** See: <https://principles.design/> for wide range examples
- 55** See also the work the Design Council did with Network Rail on their design principles <https://www.networkrail.co.uk/wp-content/uploads/2019/03/Our-principles-of-good-design.pdf> and the Government's design principles and examples of how they use them <https://www.gov.uk/guidance/governmentdesign-principles>
- 56** Taken from Microsoft's description of its inclusive design principles <https://www.microsoft.com/design/inclusive/> accessed 7/5/2020
- 57** See joint work done by The Design Council and Local Government Association, where cross-functional teams from different authorities were brought together.
- 58** <https://www.switchee.co/about/> <https://www.designcouncil.org.uk/resources/report/impact-report-chapter-3>
- 59** <https://openpolicy.blog.gov.uk/about/>
- 60** Office Audit National *Vulnerable consumers in regulated industries*, March 2017
- 61** FCA, FS19/04 Fair Pricing in Financial Services: summary of responses and next steps, July 2019



FAIR BY DESIGN

Ending the extra costs of being poor

fairbydesign.com
[@FairByDesign](https://www.facebook.com/FairByDesign)



Fair By Design is managed by The Barrow Cadbury Trust on behalf of a group of foundations.
Charity number: 1115476, Registered in England No: 5836950

MONEY ADVICE TRUST

moneyadvicetrust.org
[@Money_Advice](https://www.facebook.com/Money_Advice)

The Money Advice Trust is a registered charity number 1099506. A company limited by guarantee.
Registered in England and Wales, number 4741583.