



Study on measuring consumer detriment in the European Union

Final report Part 1 – Main report

Prepared by Civic Consulting
February 2017

*Justice and
Consumers*

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Final report Part 1 – Main report

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Abstract

This study developed a methodology to assess revealed personal consumer detriment that robustly measures and quantifies the incidence and magnitude of detriment at EU and national level, taking into account both pre- and post-redress financial detriment and non-financial detriment such as time loss and psychological detriment. It can be applied consistently across a broad array of markets as well as adapted to specific markets. An operational guidance document was developed to guide practitioners based on the work undertaken in this study. The methodology builds on previous studies in different countries and markets. Consumer surveys constitute the main data collection tool. The methodology was applied in six markets (mobile telephone services; clothing, footwear and bags; train services; large household appliances; electricity services; and loans, credit and credit cards) and four countries (France, Italy, Poland and the UK). Results were extrapolated to the EU28. The results show that, across the six markets covered, consumers suffered total pre-redress financial detriment of between EUR 15.4 billion and EUR 47.9 billion, post-redress financial detriment of between EUR 9.6 billion and EUR 33.3 billion and monetised time loss of between EUR 10.7 billion and EUR 25.0 billion over the last 12 months in the EU28.

1. Introduction

The Consumers, Health, Agriculture and Food Executive Agency acting on behalf of the European Commission has commissioned a study on measuring consumer detriment in the EU, conducted by Civic Consulting (subcontractor: TNS opinion) of the Consumer Market Studies Consortium. This report is the final deliverable of the study.

It describes all the work carried out and brings together the results obtained under the specific contract. The following aspects are covered in detail:

- Description of the analytical process and variables for selecting the markets assessed;
- Implementation of the fieldwork, describing the processes for the consumer survey, factual data collection and the analysis;
- Presentation of the results, drawing attention to any methodological issues relating to the interpretation of these results;
- Comparisons of countries/markets and groups of countries/markets;
- Indications of possible improvements to the methodology, lessons learned and any shortcomings in the implementation of the tasks.

This document is structured as follows:

Section 2 presents the objectives and scope of the study;

Section 3 presents the definition of revealed personal consumer detriment;

Section 4 presents the development of the approach to measure revealed personal consumer detriment;

Section 5 presents the development of the approach to triangulation of consumer survey results;

Section 6 presents the results of the assessment of personal consumer detriment;

Section 7 presents the results of the triangulation of consumer survey results;

Section 8 presents the results of the extrapolation of financial detriment and time loss detriment to the country and EU level; and

Section 9 presents the overall conclusions of the study.

The operational guidance document, which was developed as part of this study, provides guidance for future assessments of personal consumer detriment.

In a separate annex document, detailed information on the methodological tools applied, data tables and other relevant study results are presented (see List of Annexes above).

2. Objectives and scope

2.1. Objectives

The European Union's Europe 2020 strategy aims at inclusive, smart and sustainable growth, to which well-functioning markets that benefit consumers contribute. The rationale for this study is the need to investigate further the issue of consumer detriment in order to identify the consequences of consumers' problems in different markets, which may limit potential benefits. While there is a wide array of methodologies for assessing consumer detriment in different countries and markets, previous studies carried out to measure consumer detriment have not provided comparable quantitative estimates across countries and markets. The review of existing methodologies identified key shortcomings to be overcome in the way assessments of personal consumer detriment are currently conducted, in that they often do not fully consider various forms of financial and non-financial personal detriment as well as redress, are expensive when used across multiple countries and may not adequately address the small subset of consumers experiencing very large financial losses.

Consequently, the objective of this study is to help improve the quality and consistency of consumer evidence by developing a simple, consistent state-of-the-art methodology to identify, measure and quantify the incidence and the magnitude of personal consumer detriment across a broad array of markets, to test the data collection in order to prove its robustness and in a further step to apply it across the markets, and in doing so to provide comparable, reliable quantitative estimates (pre- and post-redress) and qualitative assessments for each of these markets. It is expected that the study thereby be instrumental in broadening the knowledge base for the European Commission's Consumer Markets Scoreboard, and kick-start a resource-efficient assessment of consumer detriment for in-depth consumer market studies.

2.2. Study questions

The research questions for this study as provided in the tender specifications are the following:

- How and to what extent can recent EC market studies and the methodologies proposed in the 2007 detriment study inform the development of a simple and consistent methodology for assessing consumer detriment across markets?
- How and to what extent can existing examples of survey-based assessments of personal consumer detriment across markets at national level (e.g. UK, Ireland, Australia) inform the methodology for assessing consumer detriment and their results potentially be integrated into the assessment?
- Which markets require methodological tools in addition to the ones that can be applied across markets? How can these needs be met (data collection, adaptation of methodology, etc.)?
- How needs the methodology to be adapted further, beyond the scope of this study, in order to enable a (more) complete and/or robust assessment across the range of markets of the Consumer Markets Scoreboard?

- Which shortcomings revealed by the assessment of consumer detriment in the markets subject to analysis and/or across markets and borders could be addressed in future consumer policy measures at EU level? What kinds of consumer policy measures are deemed the most appropriate in order to remedy these shortcomings?

The research questions indicate the need to develop a new methodology that should go beyond past efforts to assess consumer detriment in particular by being applicable to a range of markets and countries, considering other dimensions beyond the financial costs borne by consumers, and quantifying them as part of the overall assessment. Significant methodological challenges may explain why no consensus has developed around an appropriate methodology to this date. Incorporating non-financial detriment into the assessment is difficult because the various types of non-financial detriment generally are not readily quantifiable. Furthermore, when quantification is possible (e.g. hours of time loss), the monetary value used for monetisation is highly subjective (e.g. the value of working time vs. leisure time), which makes it difficult to generate broad-based stakeholder consensus in this respect. Beyond the challenges related to quantification, insufficient sample sizes can mean that total detriment is underestimated, if the small subset of consumers experiencing high levels of financial detriment is not accounted for. However, the coverage of large samples, in multiple markets and multiple countries is costly, especially when using face-to-face surveys, which have so far been the standard in most previous studies. Overestimation of detriment is also a risk in the event that appropriate methods are not applied to gauge the plausibility of the reported detriment.

Despite these challenges, several major attempts have been made to develop methodologies for assessing personal consumer detriment. The 2007 study on consumer detriment and its accompanying handbook, which develop and describe a methodology for estimating the impact of policies on consumer detriment, constitute a starting point, as described in Sections 3 and 4 below. Although the study provides an examination of various dimensions, causes, and consequences of consumer detriment while suggesting some broad indications for measuring it, it does not provide a detailed and practicable approach for this purpose. Therefore, its practical uses are somewhat limited. Previous survey-based assessments of personal consumer detriment in several countries have also informed the development of the methodology presented in this study, as detailed in Section 4.5 on the dimensions of consumer detriment and Section 4.6 on the development of the consumer survey questionnaire. The review of existing methodologies identified key shortcomings to be overcome in the way assessments of personal consumer detriment are currently conducted. For instance, the U.K Department for Business Innovation and Skills has recently attempted to quantify the detriment experienced by British consumers by examining the link between consumer empowerment and consumer detriment.¹ The survey collects data on the emotional impact, time loss, and impact on spending patterns as a result of problems with goods or services. However, it does not subsequently seek to monetise these effects. Another recent study aiming to value consumer detriment was conducted by the Competition and Consumer Protection Commission in Ireland in 2014.² Though both the UK and Irish studies include costs linked to problem resolution, they do not consider the benefits or reduced financial detriment that may result from obtaining redress. Earlier, in 2011, the Australian Government had launched the Australian Consumer Survey.³ The survey covers *inter*

¹ TNS Consumer Engagement and Detriment Survey UK (2014)

² Ireland Consumer Detriment Survey (2014)

³ Australian Government, Australian Consumer Survey 2011, 2011.

alia the experiences of consumers and businesses in dealing with consumer issues, in particular with the aim of measuring the cost, in terms of time and money, to consumers of problems associated with problems. This survey however does not cover other dimensions of consumer detriment and only considers costs and time spent by consumers to solve the problem.

In view of reaching the objectives of the study presented above, the research questions have guided the design of the different phases of the study. The study questions have also been the basis for recommendations regarding future assessment of consumer detriment. In particular, the accompanying operational guidance document addresses the need for additional data collection tool(s) to assess personal consumer detriment among specific vulnerable consumer groups or in very low penetration markets (Step 1) and provides guidance as to how to adapt the components of the methodology developed to the needs of future assessments, especially how to adapt the questionnaire that would generally need to be specifically tailored to the market(s) considered (Step 2). It also addresses shortcomings revealed by the assessment of consumer detriment in the markets subject to analysis in this study.

2.3. Geographical scope and coverage

The collection of data for this study covered six markets (goods and services) in a sample of four Member States of the European Union. This allowed the methodology to be tested in countries with different levels of consumer protection and/or consumer empowerment. The geographically balanced sample of countries selected also allowed results to be extrapolated to all twenty-eight EU Member States.

As part of the development of the methodology, in order to test the data collection before the main field work, two countries and two goods and two services markets were covered in a pilot survey.

2.4. Time period

The period examined covered the last year before the survey. This limited time period was chosen to ensure reliable data collection, taking into account the limited timeframe during which survey respondents can be asked about their experience and to avoid that results reflect long term changes in the markets scrutinised, as well as comparability of results across markets, taking into account the characteristics of the markets in question.

2.5. Thematic coverage and main tasks

Throughout the study, particular attention was given to:

- Bottlenecks and risks in the set-up of the study that could jeopardize its completion and ways to mitigate these risks;
- Differences between online and offline channels, including discrimination in offers/prices, to consider in the assessment whenever relevant;
- How and to what extent can consumer detriment arising from cross-border trade within the EU as against domestic trade be assessed;
- Differences in consumer expectations and susceptibility to detriment;
- Redress mechanisms as a means to reduce detriment; and

- The nature and measurement of non-financial/monetary detriment (e.g. loss of time, adverse effect on health or psychological detriment such as disappointment, dissatisfaction or offence) or social detriment (e.g. lack of trust in others due to fear of fraud).⁴

These aspects were taken into account in the development of the methodology and throughout the study phases. They are addressed in Section 4 on the development of the methodology and later in Section 6 where the results are presented.

The work undertaken was divided into three Main Tasks (1, 2 and 4).

Main Task 1 is the development of a state-of-the-art methodology to identify and quantify the incidence and the magnitude of personal consumer detriment across a broad array of markets, based on existing surveys, primary research and factual data, in particular the European Commission harmonised complaints database,⁵ and national research. The tender specifications note that the development of the methodology should be based on the 2007 detriment study and its accompanying Handbook to assess consumer detriment, taking duly into account recent efforts to apply these methodologies in practice, and building on the experience gathered in recent EC and national research.

Main Task 2 consists of a test of the methodology developed under Main Task 1, its reliability and robustness in measuring the incidence and magnitude of consumer detriment within and across selected markets and EU Member States as well as the assessment of personal consumer detriment across markets.

Finally, Main Task 4 consists of setting up, testing and running a mystery shopping exercise in order to gather additional information (complementary to survey and factual data gathered in the other main tasks) about the experience of consumers in the markets subject to analysis.

2.6. Methodological tools applied

The methodological tools applied in this study consist of the following, ordered by Main Task:

- Main Task 1:
 - Desk research
 - Expert interviews
 - Collection of complaints data from the European Commission harmonised complaints database
 - Survey of complaint handling bodies
 - Expert workshops
 - Analysis

These tools fed into the development and refinement of the definition of personal detriment and the development of the approach to measure personal consumer detriment, triangulate and extrapolate results, described in Sections 3, 4 and 5 below. While secondary data served as a basis for the development of the methodology,

⁴ After consideration, social detriment was excluded from the analysis, see Section 4.5.

⁵ See http://ec.europa.eu/consumers/consumer_evidence/data_consumer_complaints/index_en.htm

interviews and workshops focused on discussion and critical assessment of the methodology developed.

- Main Task 2:
 - Online consumer surveys (pilot and main)
 - Face-to-face consumer surveys
 - Cognitive interviews

The consumer surveys constituted the main data collection tool in the methodology, used for collection of data on the incidence and magnitude of personal consumer detriment. Details on the implementation of the main fieldwork surveys are presented in Section 6.1. and results are presented in Sections 6.2. to 6.8. The survey questionnaire implemented in the main fieldwork phase of the study was developed inter alia on the basis of testing in the context of cognitive interviews and the online pilot survey.

- Mystery shopping /website review

The aim of the mystery shopping exercise was to gather additional evidence about the experience of consumers that was complementary to the consumer survey and complaints data gathered, and to triangulate results. The approach to triangulation is described in Section 5.4., and results of the triangulation are presented in Section 7.

The table on the following page presents a matrix of the five research questions by the Main Tasks and the related data collection tools.

Table 1: Matrix of study questions by methodological tools for the study on measuring consumer detriment in the EU

Research questions	Main Task 1	Main Task 2	Main Task 4
Methodological tools/data sources	<i>Desk research Expert interviews Collection of complaints data from EC database Survey of complaint handling bodies Expert workshops Analysis</i>	<i>Online consumer surveys (pilot and main) Face-to-face consumer surveys Cognitive interviews</i>	<i>Mystery shopping /website review</i>
1. How and to what extent can recent EC market studies and the methodologies proposed in the 2007 detriment study inform the development of a simple and consistent methodology for assessing consumer detriment across markets?	√	(√)	(√)
2. How and to what extent can existing examples of survey-based assessments of personal consumer detriment across markets at national level (e.g. UK, Ireland, Australia) inform the methodology for assessing consumer detriment and their results potentially be integrated into the assessment?	√	√	
3. Which markets require methodological tools in addition to the ones that can be applied across markets? How can these needs be met (data collection, adaptation of methodology, etc.)?	√	√	√
4. How needs the methodology to be adapted further, beyond the scope of this study, in order to enable a (more) complete and/or robust assessment across the range of markets of the Consumer Markets Scoreboard?	√	√	√
5. Which shortcomings revealed by the assessment of consumer detriment in the markets subject to analysis and/or across markets and borders could be addressed in future consumer policy measures at EU level? What kinds of consumer policy measures are deemed the most appropriate in order to remedy these shortcomings?	√	(√)	(√)

Note: √ =directly relevant to the research question (√) = indirectly relevant to the research question

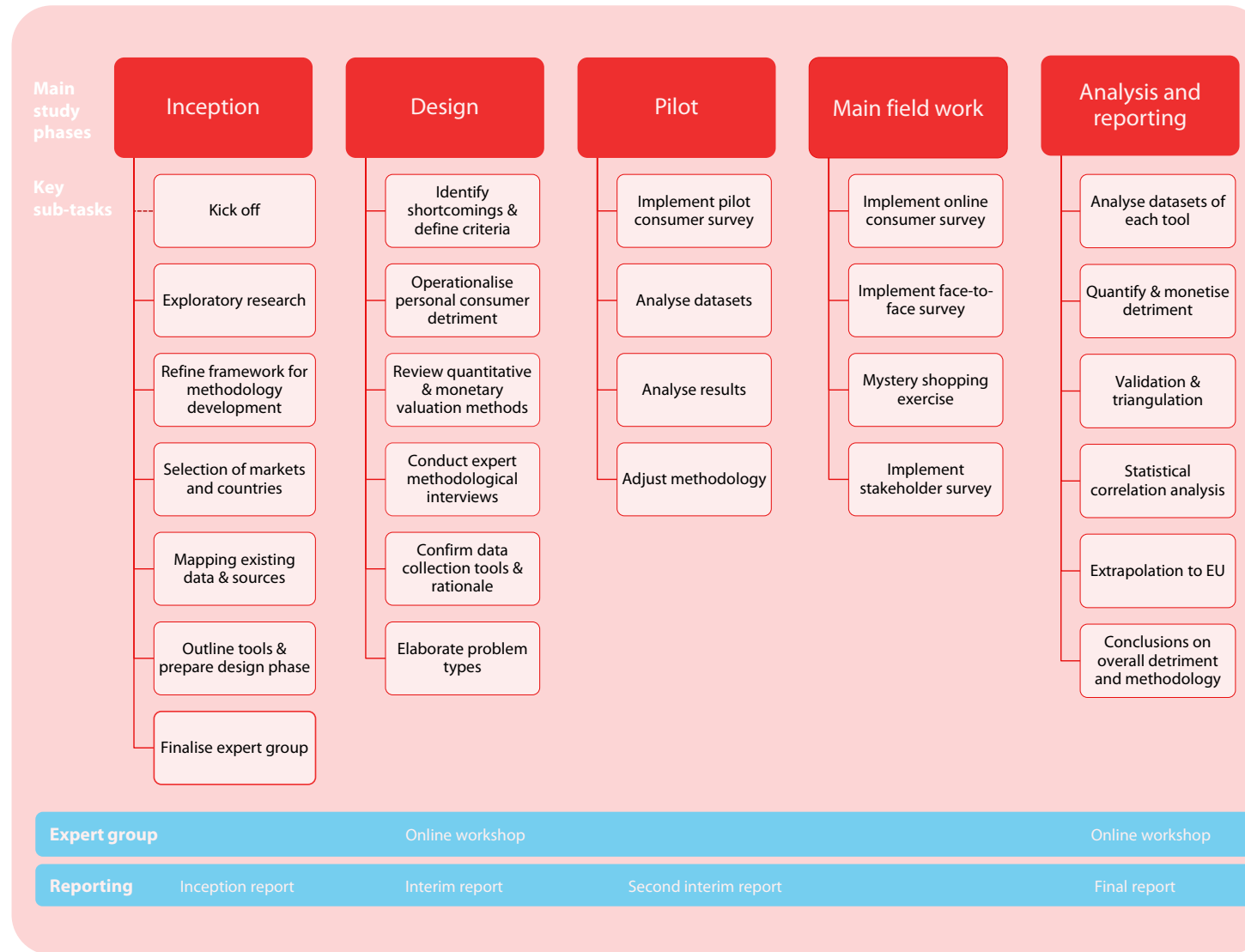
2.7. Main study phases

The methodological steps for implementing the study were divided into five phases:

- Inception phase;
- Design phase;
- Pilot phase;
- Main field work;
- Final analysis and reporting.

The figure on the following page gives an overview of the study process. Each of the phases has been structured into sub-tasks.

Figure 1: Overview of methodological steps



3. Definition of personal consumer detriment

3.1. Background

Consumer detriment arises when market outcomes fall short of their potential, resulting in welfare losses for consumers. A study commissioned by the European Commission on consumer detriment in 2007⁶ differentiated between two forms of consumer detriment: 'structural detriment' and 'personal detriment':

- *Structural detriment* refers to the loss of consumer welfare in the aggregate due to market failure or regulatory failure, as compared to well-functioning markets;
- *Personal detriment* refers to the difference between the value that consumers reasonably expected to get from a good or service and the value that they actually get from it, relating to problems experienced by consumers *post-purchase*.

A key difference between structural and personal consumer detriment is that while the latter affects an individual in a specific transaction, the former arises from a structural problem that affects an entire market or sector. The incidence of structural consumer detriment is therefore largely independent of an individual consumer's decision-making ability, behavioural bias, expectations, etc. Indeed, it is likely to affect the majority of consumers in that market or sector.

The 2007 detriment study explained that it applied the term 'personal' because it relates to the personal experience of those consumers for whom *something goes wrong*. The European Commission's consumer policy primarily addresses shortcomings stemming from this form of detriment: it is a topic that is regularly addressed in consumer in-depth market studies and the European Commission's Consumer Scoreboards, is a pivotal element for setting priorities in consumer issues of enforcement and redress, and is in general the focus of many consumer protection activities and legislation. As indicated above in Section 2.1., while there is a wide array of methodologies for assessing consumer detriment in different countries and markets, previous studies carried out to measure consumer detriment have not provided comparable results. As a starting point, the definition of personal consumer detriment was therefore revisited in order to inform the kind, number and depth of consumer problems to be analysed. Accordingly, the methodology developed in this study focuses on the assessment of *personal consumer detriment*.

In the inception and design phase of the study we conducted a literature review and interviews with relevant experts to provide input to the development of a definition of personal consumer detriment as a basis for the methodology.

The literature review focused on definitions applied in recent studies on consumer detriment and how they differentiate between and characterise key concepts such as personal and structural detriment, revealed and unrevealed/hidden detriment, behavioural biases, as well as the focus of the related assessment conducted, if applicable. The full list of literature reviewed is provided in Annex XVIII.

⁶ Europe Economics, *An Analysis of the Issue of Consumer Detriment and the Most Appropriate Methodologies to Estimate It*, 2007.

3.2. Refinement of the definition

3.2.1. The place of hidden detriment

As indicated above, the aim of this study was to develop a methodology to measure personal consumer detriment. An initial conclusion from the literature review and interviews outlined above is that hidden detriment is more readily captured with the concept of structural detriment, because it tends to relate to problems affecting consumers more generally through market or regulatory failures. Moreover, as the methodology developed is primarily survey-based, it necessarily focuses on problems reported by consumers and therefore ones that they have *knowingly suffered*. As indicated in past studies, a survey-based assessment by its very nature requires that consumers be aware of the detriment, and therefore cannot assess 'hidden' or 'unrevealed' detriment. Accordingly, the methodology developed in this study focuses on the assessment of *revealed personal consumer detriment*.

Nonetheless, while the experts interviewed have broadly confirmed this conclusion, feedback has indicated that the distinction is not clear-cut. As one interviewee put it: "A lot of structural detriment is unrevealed but is all unrevealed detriment structural? Probably not." The interviewee provided an example of the mis-selling in the UK of payment protection insurance, which was also used in an OECD report⁷ to illustrate the personal and structural nature of hidden detriment. The report notes that the very low level of claims paid relative to premiums collected suggested substantial structural detriment in the form of inflated prices for the insurance. On the other hand, it suggests that consumers who were sold inappropriate insurance policies also suffered personal detriment, without knowing this.⁸

3.2.2. Benchmark of 'reasonable expectations'

Another conclusion relates to the benchmark or counterfactual against which negative ex-post outcomes for consumers can be assessed. As noted in the 2007 detriment study, if there were no explicit benchmark or counterfactual defined, then 'no negative outcomes' would implicitly become the benchmark. The study saw this as problematic because it would count as detriment those negative outcomes which the consumer might have reasonably expected (e.g. stress arising from a fault with a second-hand car which the consumer knew about at the time of purchase). And if 'actual expectations' were the benchmark, this may lead to erroneous results at the level of specific sub-samples, due to differences in expectations among different groups of consumers. Specifically, certain groups of consumers - e.g. demanding/over-optimistic consumers, or vulnerable consumers - may have expectations which would either overstate or understate their actual consumer outcomes when measured objectively.⁹

⁷ OECD, Consumer Policy Toolkit, 2010.

⁸ Nonetheless, once the PPI scandal was revealed and addressed by the supervisory authority, many consumers became aware of the detriment suffered. This led to a large increase in the number of complaints and compensation claims. See e.g. <http://www.financial-ombudsman.org.uk/publications/ar14/ar14.pdf>.

⁹ The 2007 detriment study notes: "(a) Consumers in new Member States may have lower expectations than those in the EU-15, and hence may appear to suffer lower detriment even if, objectively measured, consumer outcomes are actually worse; (b) Within any country there may also be vulnerable groups who have low expectations (e.g. minorities who have come to expect some level of discrimination). Measuring detriment relative to their expectations would tend to understate the negative outcomes experienced by such groups; (c) On the other side, there may be certain types of consumers who have unreasonably high expectations (e.g. over-optimistic or demanding consumers). In this instance, defining and measuring detriment relative to expectations could encourage an inappropriate policy focus on the welfare of these consumers, since they might appear to be suffering the most detriment."

Finally, if one were to use the legal framework as a benchmark for assessing detriment – meaning only negative outcomes resulting from illegal actions on the part of traders would be considered as detriment – then the conclusions would be of a circular nature, considering that often research into consumer detriment would be aimed at identifying commercial practices to be tackled in future legislation.

For these reasons, the 2007 detriment study notes it is preferable to define personal detriment relative to ‘reasonable expectations’. Expert interviewees broadly confirmed that ‘reasonable expectations’ is the proper benchmark for an assessment of personal consumer detriment. We have therefore maintained this benchmark as part of the definition of personal consumer detriment when applied to specific markets, i.e. personal detriment is assessed based on *what might reasonably have been expected given the type of transaction in the market in question*.

Survey-based assessments of consumer detriment have often operationalised reasonable expectations through the concept of problems which led to a ‘genuine’ or ‘legitimate’ cause for complaint, although other approaches have also been employed (see next section).

3.2.3. Differentiation of personal and structural detriment

The distinction between personal and structural consumer detriment has been largely maintained in studies on consumer detriment since the 2007 detriment study, along with their respective definitions. Personal consumer detriment is largely seen to relate to the financial and non-financial impacts of specific problems for individual consumers relative to a benchmark of reasonable expectations, whereas structural detriment is seen to relate to loss of consumer welfare in the aggregate due to market or regulatory failures. While selected studies on consumer detriment have covered both personal and structural detriment, the focus has generally been on personal consumer detriment.

Yet, as indicated in previous studies and in the example of payment protection insurance above, and confirmed by our interviews, there may be overlaps between personal and structural detriment. A closer review of the 2007 detriment study allows the two concepts to be better distinguished. It notes that the key difference between personal and structural detriment is not so much the level at which detriment is analysed (i.e. individual versus aggregate), but rather the difference in *what “counts” as detriment*, given the counterfactual against which outcomes are being compared. The study notes: “in the case of personal detriment, the counterfactual is (reasonable) expectations, and so anything that falls short of what consumers (reasonably) expected given the circumstances of the transaction counts as detriment. By contrast, structural detriment focuses on welfare loss due to market or regulatory failure, and hence the relevant comparison is not with (reasonable) expectations but rather with what would have happened in the absence of market or regulatory failure.”

Such a distinction does not exclude the possibility that personal and structural detriment exist concurrently. In particular, in some cases individual outcomes experienced may not meet reasonable expectations for a wide range of consumers. An example provided in the 2007 detriment study is the systematic risk to which consumers investing in financial products in the stock market are exposed. Such cases could therefore also be an indication of market failure and thus structural detriment. As shown in the study, the overlap of personal and structural detriment can be characterised as the loss of consumer welfare resulting from a market imperfection whereby sellers mislead consumers into purchasing more of a product than they

actually would if they had been truthfully informed about the characteristics of the product.¹⁰

But the delineation provided is critical for assessing whether specific problems causing detriment fall within the scope of structural or personal detriment. The question to ask is whether the negative outcome relating to the problem occurs because markets are not functioning well (e.g. due to market power or imperfect information) or because individual consumers are not receiving what they reasonably expect (e.g. because of unfair commercial practices such as scams). Taking the example of a situation in which some consumers pay a higher price than others for the same product, the delineation provided by the 2007 detriment study can be applied to determine whether the detriment can be considered structural or personal:

- In those cases where consumers *reasonably expect* to pay a higher price based on information prior to purchase – e.g. because they are aware that there is only one monopoly provider in their area – regardless of whether they actually make a purchase, then the ensuing detriment falls within the scope of structural detriment, and is hence best assessed with a separate methodological approach¹¹ tailored to the concept of structural detriment;¹²
- In contrast, in those cases where consumers *did not reasonably expect* to pay a higher price when they *actually undertook a transaction* – e.g. because they were scammed – and thus the detriment they suffered occurred only *subsequent to their purchase*, then it falls within the scope of personal detriment.

This example illustrates a further conclusion: personal detriment relates specifically to negative outcomes related to individual transactions or purchases falling short of reasonable expectations *that actually took place*.¹³ In this regard, situations in which consumers tried to make a purchase but failed, for example when buying products online, or were denied market access, are excluded from the scope of personal detriment. We suggest that such problems are instead best dealt with using the concept of structural detriment. As noted in the 2007 detriment study: “In such cases [where no transaction is made], analysing personal detriment is difficult because it is not obvious what ‘reasonable expectations’ means where there has been no transaction. By contrast, it is more straightforward to analyse the negative impact on consumers using the concept of structural consumer detriment, as significant economic analysis has been done on the loss of consumer welfare or total welfare which may result from such problems.”

¹⁰ This is illustrated graphically in the 2007 detriment study on page 45.

¹¹ Examples of methodological approaches to assess structural detriment outlined in the 2007 detriment study include collection of data relating to market power such as price mark-ups and concentration indices, theoretical market models, or other modelling involving econometrics or simulations. See page 223 and 224 of the 2007 detriment study. An example of a study in which econometric modelling is applied to quantify structural detriment is London Economics, *Measuring Consumer Detriment from Postal Quality-Price Misperceptions in France*, 2011.

¹² As noted in the 2007 detriment study, “it is less easy to apply the concept of personal detriment where consumers lose out as a consequence of transactions not taking place due to some market imperfection or regulatory failure.”

¹³ Although, the cause of detriment may be linked to pre-contractual practices relating to the individual transaction (such as unfair commercial practices).

3.2.4. Updated definition and feedback from first workshop with experts

In light of the research conducted, we clarified that the primary focus of the methodology developed in the study was on problems involving negative outcomes that:

- Individual consumers are aware of;
- Relate to the actual purchase or use of the good or service of the market in question;
- Are relative to what might reasonably have been expected given the type of transaction in the market in question.

On this basis we developed a definition of *revealed personal consumer detriment*, which was approved by our expert panel, in order to guide the application of the methodology:

Revealed personal consumer detriment is defined as negative outcomes for individual consumers that they become aware of following the purchase or use of a good or service, measured relative to what would reasonably have been expected given the type of transaction.

We introduced the wording ‘purchase or use of a good or service’ rather than ‘purchase of or transaction related to a good or service’, as it is simpler, and also covers situations in which a good or service is provided for free, e.g. a free sample of a product that causes harm to a consumer. This is, for example, an important issue for free digital content such as music samples.¹⁴

This definition was met with broad approval at the first workshop conducted in the framework of the study as a basis to proceed with.¹⁵ Experts agreed in particular that, while ‘reasonable expectations’ is a difficult concept to interpret, it remains the best benchmark for a credible assessment of detriment at the level of individual consumers. Nonetheless, experts warned that ‘reasonable expectations’ should not be regarded as set in stone or unchangeable. They emphasised that the reasonableness of expectations is based on norms and customs in different markets and countries. The norms may for example relate to the propensity to shop around and awareness of standards, which have an influence on the formation of expectations. Such norms may also evolve over time, for example as a result of technological development.

Experts also noted the interlinkage and complementarity between structural detriment and personal detriment. Structural detriment from market failure that has over time become a social norm can result in the crystallisation of low expectations in society. Experts noted that using ‘reasonable expectations’ as a benchmark thereby helps to filter out the element of subjectivity, or inter-subjectivity among consumer groups faced with different social norms, in reported welfare losses as well as the role of

¹⁴ A detailed discussion of personal detriment relating to digital content is provided in Europe Economics, *Digital Content Services for Consumers: Assessment of Problems Experienced by Consumers (Lot 1) Report 4: Final Report*, 2011.

¹⁵ The first workshop was conducted in July 2015 with experts with different areas of expertise related to measuring consumer detriment, including experts in practical quantitative analysis of consumer detriment, in consumer law and consumer redress law, and in behavioural economics and consumer decision-making. In view of a methodology that is broadly accepted and credible and is based on the state of the art in terms of methodologies and quantification tools, experts were asked for feedback and views on the definition of consumer detriment developed, the measurement of the various dimensions of consumer detriment, the draft problem mapping developed, and the proposed approach for validation.

market failure in reducing consumers' expectations. In this respect, in future market studies the inclusion of an analysis of the available evidence concerning structural detriment (e.g. academic literature or sector reviews conducted by competition authorities) – even if only available for selected countries, as is typically the case – could be considered to complement the analysis of personal detriment in order to gain a broad perspective.

Finally, experts noted that this definition allows for long-term problems to be considered, e.g. if a consumer only realises he or she suffered or suffers detriment from a bad choice in pension plans several years after having signed up to the plan. As long as the consumer becomes aware of the detriment, such problems fall within the focus of the methodology and the proposed definition.

3.2.5. Relevance of behavioural biases

Previous survey-based assessments of personal consumer detriment have not explicitly focused on the role of behavioural biases. In accordance with the findings of the 2007 detriment study, the relevance of detriment resulting from behavioural biases for the methodology first depends on whether it can be considered to fall within the scope of structural or personal detriment. As indicated in the 2007 detriment study, certain behavioural biases can themselves lead to market failures. It gave the example of status quo bias (i.e. a preference for an option which is currently being used, which goes beyond the objective value of the option) reducing consumers' willingness to switch and thus allowing firms to exercise market power. It noted that the welfare losses resulting from such market failures would then fall within the scope of structural detriment. It also suggested that behavioural biases may also lead to more direct welfare losses when consumers make decisions which are not in their own best interests, and that this type of detriment could then be analysed using the concept of personal detriment. Moreover, most consumers are unaware of the impact of behavioural biases on the decisions they make. Indeed, many biases cause welfare losses because consumers are not aware that they could have made better decisions. A notable example is time variant preferences/projection bias, according to which people value the present disproportionately over the future or underestimate how much their preferences may change over time. In these cases, the resulting welfare losses can be considered to largely fall within the scope of hidden detriment. For example, a consumer might expect that buying the latest device will continue to provide satisfaction many years after purchase, when in reality the novelty effect quickly wears off. Yet he or she may not have realised this at the time of purchase.¹⁶

Furthermore, in some cases problems caused by behavioural biases are not related to outcomes that fall short of what could be reasonably expected of the trader. Indeed, welfare losses in cases where consumers themselves recognise they are at fault – e.g. when they regret buying a product even if it functions exactly as intended and, accordingly, as could be reasonably expected at the time of purchase – would tend to overstate actual personal consumer detriment if they were considered in its estimation. As indicated in Section 4.6.2. below, one approach to filtering out such instances from the estimation of detriment is to ask that respondents report only those problems for which they had a legitimate or genuine cause for complaint.

In light of the above considerations, it is apparent that behavioural biases are relevant only in specific situations in the context of this methodology. These would generally be

¹⁶ The link between hidden detriment and behavioural bias is also explored in OECD, *Consumer Policy Toolkit*, 2010, p.53. A more recent general overview of the link between behavioural biases and detriment is presented in Financial Conduct Authority, *Applying Behavioural Economics at the Financial Conduct Authority*, 2013.

those in which consumers realise their imperfect decision-making ability has been exploited by traders. Key examples are complex or unclear tariff schemes ('confusopoly', e.g. in the area of network services), or specific unfair commercial practices such as misleading advertising, in which offers are framed in ways that may lead to suboptimal decisions. The detriment resulting from such practices is considered when respondents select the problem types relating to these problems in the consumer survey.

This being said, while complex pricing and misleading advertising may exploit behavioural biases and thereby lead to detriment, not all detriment caused by complex pricing/misleading advertising is necessarily related to behavioural biases. It is therefore not possible to report precisely on whether reported detriment in the survey caused by complex pricing/misleading advertising can be attributed to behavioural biases, as this depends precisely on the specific circumstances.

3.2.6. Conclusion on structural and hidden detriment

Both the structural and hidden forms of detriment are important to consider in a policy perspective in addition to revealed personal consumer detriment. However, for assessing structural and/or hidden detriment, other methodological approaches will be needed. For structural detriment, this could involve sector inquiries as well as specific methods related to assessing market power.¹⁷ For unrevealed detriment related to welfare losses that result, for example, from not knowing about the possibility to switch to another provider offering a lower-priced tariff with the same properties, or from having to pay a higher price for goods purchased due to consumer profiling, this could involve market research on available tariffs/price variations according to different profiles, possibly complemented by behavioural research concerning switching behaviour of consumers. To give a full picture of the consumer situation in a given market, a study on revealed personal consumer detriment should therefore be complemented by these and other approaches, wherever possible.

¹⁷ Examples of methodological approaches to assess structural detriment outlined in the 2007 detriment study include analysing supply side data relating to market power such as price mark-ups and concentration indices, theoretical market models, or other modelling involving econometrics or simulations. Moreover, Commission policies addressing structural detriment include e.g. competition policies (such as antitrust policy) or internal market policies aimed at reducing barriers to cross-border trade.

4. Development of the approach to measure personal consumer detriment

4.1. Rationale for the survey-based approach

The 2007 detriment study determined that the most effective way to estimate consumer detriment is through a suitably designed survey of consumers. A survey-based approach entails that the precise information that is required for an estimation of consumer detriment can be identified. Results from a representative survey can also be extrapolated to country- and EU-level estimates allowing for the identification of the overall economic impact of personal consumer detriment. Moreover, a survey-based approach is also replicable for future measurements.

For the development of the approach, we first considered the key dimensions of personal consumer detriment to be measured, namely financial detriment, time loss, psychological detriment, adverse effects on health, social detriment, and redress. We then developed a draft questionnaire taking into account the key concepts and conducted a first test through cognitive interviews. As a result, the questionnaire was revised and tested again on a larger scale in the pilot consumer survey. Lastly, in light of the pilot results, the questionnaire was finalised. Details on the development of the approach and the consumer survey questionnaire are provided in the following sections.

4.2. Markets subject to assessment

4.2.1. Selection criteria

The pilot test of the methodology should cover at least two goods and two services markets, each including one market with presumably low and one with presumably high personal consumer detriment. The subsequent overall assessment of personal consumer detriment is to cover a total of six markets (goods and services). The tender specifications also noted that:

- The clustering of markets corresponding to the extent possible to ones which are assessed in the current version of the Consumer Markets Scoreboard should be considered;
- In the selection of the markets subject to analysis one or more of the following criteria might be applied by the contractor: degree of market penetration, incidence of detriment, fast moving consumer goods; and
- Priority sectors highlighted in key policy documents, should be taken into account when proposing the markets to analyse, namely travel and transport, financial services, food, energy, and immovable property.

4.2.2. Selection of markets

Based on the indications in the tender specifications, as with the countries selected we proposed an initial selection of markets for in-depth scrutiny of consumer detriment:¹⁸

¹⁸ At the kick-off meeting, Chafea/DG JUST noted that in the relevant European Commission DGs, support for covering the train services market and no objection to covering the gas services market was expressed. No other specific feedback was received.

- Fruit and vegetables;
- Clothing and footwear;
- Train services;
- Gas services;
- Mobile telephone services; and
- Mortgages.

These markets are presented in the table below along with key characteristics considered.

Table 2: Initial selection of markets and selection criteria

Market	Cluster	Type of market	Degree of market penetration ^{a)}	Problems ^{b)}	Complaints ^{c)}
Fruit and vegetables	Fast moving goods	Goods	80%	10%	59%
Clothing and footwear	Fast moving goods	Goods	82%	12%	76%
Train services	Transport	Service	42%	16%	69%
Gas services	Utilities	Service	48%	8%	71%
Mobile telephone services	Telecoms	Service	71%	18%	82%
Mortgages	Banking services	Service	21%	10%	73%

Sources: a) Market monitoring survey, 2013, based on data for individual markets. Market penetration is defined as the proportion of consumers who bought a product or service within the reference period in each market cluster. b) Consumer Markets Scoreboard, June 2014. Proportion of consumers surveyed answering Yes to: “Did you experience a problem with <the service/product> or <the supplier/retailer>, where you thought you had a legitimate cause for complaint?”. c) Consumer Markets Scoreboard, June 2014. Proportion of consumers surveyed answering Yes to: “Have you complained about <this problem/one of these problems>?” (i.e. as percentage of consumers who experienced a problem).

In exploratory interviews conducted with selected stakeholders and experts, interviewees found it particularly important to consider financial services in the selection of markets, as they were deemed a prominent but very specific source of detriment. It was noted however that the penetration rate in the mortgage market would pose challenges to the obtainment of sufficient sample sizes for a robust incidence rate of detriment. Taking into account feedback from interviewees, initial options proposed to address the issue included:

- Broadening the definitions of the markets (e.g. grouping mortgages with consumer credit markets), in line with the clusters of markets applied in the CMS. However, taking into account feedback from Chafea/DG JUST and the emphasis on the development of a methodology which can also be applied to *in-depth market studies*, it was agreed to focus on specific markets with a higher expected incidence rate for those markets for which strong preferences had not been voiced;
- Potentially extending the time period for which detriment could be assessed in specific markets (e.g. from one to two or three years). However, with the set-up of the screener in this study, it is not possible to apply different reference time periods for different markets, because the screener in this study, being a *cross-market assessment*, needs to apply to all of the

markets subject to analysis. The reference periods in the Market Monitoring for the markets subject to analysis in this study (listed below) are all 1 year, except for large household appliances and loans, credit and credit cards, which feature a reference period of 2 years. Nonetheless, this would not be a problem in an in-depth market study, where the focus is on one market alone.

Taking these points into account, during discussion with Chafea/DG JUST and in exploratory interviews it was agreed that the most appropriate approach was to consider the consumer credit market ('Loans, credit and credit cards' using the CMS categorisation) instead of the mortgages market.

Interviewees also considered that durable goods, as an important source of detriment, were lacking in the initial selection proposed. Durable goods were also seen as relatively more problematic from the perspective of detriment than fruit and vegetables. Household appliances were therefore suggested as a replacement for fruit and vegetables. We opted to cover large household appliances (using the CMS terminology), in addition to covering clothing and footwear, which was considered to be a good choice by our interviewees.

To determine the approximate expected sample size of respondents per country who had a problem in a given market, we first proceeded to an estimation of the incidence rates in each market and country, based on the data from the Market Monitoring Survey (MMS) in 2013, in particular the market penetration rate and the rate of problems as defined by the MMS:

- The *market penetration rate* is defined in the MMS as the percentage of respondents who bought goods/services in the market in question within the reference period as a proportion of those asked;
- The *rate of problems* is defined in the MMS as the percentage of respondents who reported a problem in the market as a proportion of those who bought goods/services in the market within the reference period.

The approximate incidence rate can then be calculated with the MMS data as follows:

$$\text{Incidence rate MMS} = \text{Penetration rate MMS} \times \text{Rate of problems MMS}$$

This is only an approximation of the incidence rate expected in our consumer survey, as the MMS only considers problems arising in the same period as the good or service was purchased (one, two or three years). In contrast, the incidence rate in our consumer survey also included problems from goods or services that were purchased several years prior to the reference period (e.g. this would include problems a consumer had with a washing machine purchased 4 years ago).

Then, we multiplied the incidence rate as estimated with the MMS data by the sample sizes used in the field work for this study for each country (i.e. 2000 for both survey modes):

$$\text{Expected sample size of respondents who had a problem} = \text{IR MMS} \times 2000$$

In light of the higher expected sample size estimated with these calculations, electricity services were suggested to replace gas services.¹⁹ The final list of markets agreed to be subject to analysis in this study is therefore:

- Clothing and footwear;
- Large household appliances;
- Loans, credit and credit cards;²⁰
- Train services (not in pilot);
- Mobile telephone services;
- Electricity services (not in pilot).

4.2.3. Addressing the issues of differing market penetration rates and ensuring robust results in the study and the fieldwork

The concept of the market penetration rate allows for markets in which consumers often make transactions (higher penetration markets) to be differentiated from those in which consumers rarely make transactions (lower penetration markets). The concept is linked to the concept of vulnerability, because lower frequency of purchases means less experience in and therefore more limited knowledge of such markets. Limited knowledge can in turn have an impact on consumer detriment, e.g. as consumers are less capable of distinguishing different levels of quality or the suitability of goods and services to their needs. Thus the rate of problems might be higher in a lower penetration market than in a higher one (all other things being equal).

The concept is relevant from a sampling perspective because the market penetration rate has an impact on the number of respondents that are likely to report a problem in a quantitative survey, and hence on the sufficiency of the sample size needed to arrive at robust results on consumer detriment in that market. This means that a) the statistical robustness of the results needs to be ensured; but also b) the method for recruiting the respondents who suffered detriment – the screener – needs to be optimised.

The markets subject to analysis in this study feature different penetration rates: the markets for clothing, footwear and bags and mobile telephone services are characterised by particularly high penetration rates, while the markets for loans, credit and credit cards and large household appliances are characterised by lower penetration rates. As indicated above, in view of obtaining an indication of the likely robustness of the estimates of the incidence rate in the markets subject to analysis, in the design phase, estimations of the incidence rates in each market and country were calculated. We used MMS data to calculate the expected incidence rate, expected sample sizes and confidence intervals for the incidence rates calculated for each market. These are presented in Annex II.

¹⁹ Using the MMS data, it is possible to determine approximately how much larger than electricity services the starting sample for gas services would likely be needed in order to obtain the sample size of respondents who reported a problem: considering that the incidence rate calculated with the MMS data in 2013 is 7.8% for electricity services and 3.3% for gas services, based on this data the starting sample would need to be $7.8/3.3=2.36$ times larger for gas services in order to expect to obtain the same sample size of respondents who had a problem as for electricity services.

²⁰ In light of the substantial adaptations required to cover both loans, credit and credit cards as one market (particularly regarding reference values and problem types), it could be considered to assess credit cards separately in future assessments of consumer detriment.

The confidence interval can be understood as follows: taking the example of clothing, footwear and bags, we can be '95% confident' that the true incidence rate of the population lies between 9.7% and 12.5%. Furthermore, the margin of error – defined as half the width of the confidence interval – ranges between 0.8% and 1.5% across the six markets. These margins of error are low: while the acceptable margin of error of surveys is highly dependent on the survey in question, often a margin of error of 5% is considered acceptable. As a result, these calculations confirmed that a sample size of 2000 was sufficient to achieve robust results for the incidence rate in each market.

The formula for determining the confidence interval of a population proportion is also instructive as to what minimum sample size would be needed in a future survey in order to estimate the incidence rate at the 95% confidence level within a desired margin of error e , as shown in the box below.

Minimum sample sizes to estimate a population proportion

The confidence interval for a population proportion (e.g. incidence rate of detriment) is given by:

$$CI_{PP} = p \pm z^*_{95} \times \sqrt{\frac{p(1-p)}{n}}$$

where n is the size of a simple random sample (obtained via a probability-based sampling method), p is the sample proportion, and z^*_{95} is the 'z-value' at the 95% confidence level (approximately equal to 1.96). If we note $e = z^*_{95} \times \sqrt{\frac{p(1-p)}{n}}$ as the margin of error, then we can express the minimum sample size n needed to estimate a population proportion based on a sample proportion p at the 95% confidence level within a desired margin of error e as:

$$n = \left(\frac{z^*_{95}}{e} \right)^2 \times p(1-p)$$

To illustrate the formula with an example, we can take the market for clothing, footwear and bags again, and assume a more flexible margin of error of 2%. The calculated sample incidence rate for clothing, footwear and bags is 11.1%. Accordingly, the minimum sample size that would be needed in a future survey in order to be '95% confident' that the incidence rate calculated is within 2% of the population incidence rate is:

$$n = \left(\frac{1.96}{0.02} \right)^2 \times 0.111(1 - 0.111) = 947$$

As shown, with only a slightly higher accepted margin of error, a sample of roughly half the size would be needed in order to obtain robust estimates of the incidence rate. Based on the main fieldwork results, in view of future applications of the methodology we later provide step-by-step guidance on how to determine the minimum sample size in order to estimate the incidence rate of detriment in a market within a given margin of error.

A similar question is the minimum sample size needed to estimate the average magnitude of financial detriment in a market. As with the population proportion, the formula for determining the confidence interval of a population mean is also instructive as to what minimum sample size would be needed in a future survey in order to estimate the average financial detriment of a population at the 95% confidence level within a desired margin of error e , as shown in the box below.

Minimum sample sizes to estimate a population mean

The confidence interval for a population mean (e.g. average financial detriment) is given by:

$$CI_{PM} = \bar{x} \pm z^*_{95} \times \frac{\sigma}{\sqrt{n}}$$

where n is the size of a simple random sample (obtained via a probability-based sampling method), \bar{x} is the sample mean, σ is the standard deviation and z^*_{95} is the 'z-value' at the 95% confidence level. If we note $e = z^*_{95} \times \frac{\sigma}{\sqrt{n}}$ as the margin of error, then we can express the minimum sample size n needed to estimate a population mean with a standard deviation σ at the 95% confidence level within a desired margin of error e as:

$$n = \left(\frac{z^*_{95} \times \sigma}{e} \right)^2$$

As shown, the minimum sample size needed to estimate the average financial detriment of a population within a given margin of error when applying a probability-based sampling method is an increasing function of the standard deviation. And while the standard deviation is not known in advance, as with the incidence estimates it can be approximated by existing data on the standard deviation for financial detriment for a given market.

4.3. Countries subject to assessment

4.3.1. Selection criteria

The tender specifications indicated that the pilot test of the methodology should cover at least two countries and that the subsequent overall assessment of consumer detriment should cover at least four geographically balanced countries among EU Member States. The tender specifications also noted that groups of countries should be established, reflecting different levels of consumer protection and/or consumer empowerment.

We therefore applied the following methodological criteria in determining the selection of countries chosen for analysis as part of our offer:

- Region (Northern, Western, Southern or Eastern Europe);
- Market size (in population size);
- Perceived level of consumer protection (Eurobarometer survey data); and
- Incidence of detriment (Eurobarometer survey data).

Furthermore, we also took into consideration the following additional practical factors relevant for the implementation of the methodology.

- Availability and cost of large online consumer panels and face-to-face omnibus surveys; and
- Availability of existing evidence to serve as a benchmark for the current study.

4.3.2. Selection of countries

As part of our offer we established a preliminary selection of six countries on the basis of these groupings with the aim of covering a wide range of country groupings: the

Czech Republic, Estonia, France, Italy, Poland and the United Kingdom. It was suggested to exchange the UK for Ireland in order to limit potential influence from recent UK studies in the methodological design. As to date most studies on consumer detriment carried out in the EU were conducted in this country, the availability of existing evidence was a critical determinant for the inclusion of the UK. Indeed, surveys on the subject of consumer detriment have previously been conducted face-to-face in the UK, which is the only country where a reliable benchmark for the comparison of the effect of the mode exists and can be used for external validation. At the conclusion of the inception phase, this selection was agreed upon. However, following discussions relating to a revised approach for the consumer surveys in view of enhancing robustness by using large sample sizes for the face-to-face and the online surveys, the sample of countries subject to analysis was reduced. The final sample consisted of:

- France;
- Italy (not in pilot);
- Poland (not in pilot);
- United Kingdom.

In the table below we indicate the selection criteria leading to the selection of countries.

Table 3: Selection of countries

Country	Region	Population size	Consumer protection	Incidence of detriment	MPI
FR	Western	Large	Medium	Low	79.7
UK	Northern	Large	High	High	77.8
IT	Southern	Large	Medium	Low	75.8
PL	Eastern	Medium	Medium	High	75.8

Sources: Region: Classification of countries is according to the United Nations Statistics Division; Population size: United Nations, countries with a population < 15 million are considered small, countries with population < 40 million are considered medium; Consumer protection: Flash Eurobarometer 358 Consumer Attitudes Towards Cross-Border Trade and Consumer Protection Report based on answers to question: "How strongly do you agree or disagree with each of the following statements: 'In (OUR COUNTRY) you feel that you are adequately protected by existing measures to protect consumers?'" High >70%, 70%>Medium>40%, Low<40%; Incidence of detriment: Flash Eurobarometer 358 Consumer Attitudes Towards Cross-Border Trade and Consumer Protection Report based on total "Yes" responses to question: "In the past 12 months, have you had a legitimate cause for complaint when buying or using any goods or services in (OUR COUNTRY)?" High > 25%, 25%>Medium>20%, Low< 20%. MPI: Consumer Markets Scoreboard, June 2014. MPI= Market Performance Indicator, a composite index based on assessment of markets according to comparability, trust, problems and complaints and consumer satisfaction.

Combined, the four countries represent 45% of the EU28 population.²¹ The four countries also cover all four geographical regions (one country from each of the northern, eastern, southern and western regions of Europe) and all three levels of incidence of consumer detriment based on available Eurobarometer data (two with high incidence, one with medium incidence and one with low incidence).

Finally, the table below also presents the size of online panels and the feasibility of face-to-face omnibus surveys in these countries. As shown, the countries each feature a high availability of online panellists, and face-to-face omnibus surveys can be conducted in all of the selected countries.

²¹ Source: Eurostat series demo_pjan.

Table 4: Size of online panels and face-to-face-omnibus feasibility by country

Profile	Size of online panels	Face-to-face omnibus feasibility
France	Lightspeed panels: 295 000 panellists	Yes
United Kingdom	Lightspeed panels: 403 000 panellists	Yes
Italy	Lightspeed panels: 178 000 panellists	Yes
Poland	Lightspeed panels: 51 000 panellists	Yes

Source: Civic Consulting.

4.4. Key concepts concerning survey-based measurement of personal consumer detriment

Two main aspects of personal consumer detriment need to be measured as part of an assessment of revealed personal consumer detriment: the *incidence* and the *magnitude* of detriment.

In a survey sample, the incidence refers to the proportion of respondents who experienced a problem in a given time period as a percentage of the total sample surveyed.²² As explained in further detail in Section 4.9.2, the incidence rate for a given market is calculated as the total of the number of respondents who ‘ticked’ that market in the screener, i.e. the number of respondents who experienced at least one problem in that market, as a percentage of the total survey sample. Measuring incidence of detriment therefore equates to providing an estimate of the occurrence of problems in a given market.

In a survey sample, the average magnitude of personal consumer detriment refers to the extent or the level to which respondents who experienced a problem suffered detriment, on average. Measuring magnitude of detriment therefore equates to providing an estimate of the severity or gravity of problems in a given market. In view of a comprehensive consideration of personal consumer detriment, this study aims to develop a methodology that incorporates all relevant dimensions, including both financial and non-financial detriment, and redress. Magnitude of detriment can be measured in terms of several dimensions: *financial detriment*, *time loss*, *psychological detriment*, or *adverse effects on health*. In the following we present an overview of these dimensions of consumer detriment and redress and challenges for measurement.

4.5. Dimensions of consumer detriment

4.5.1. Financial detriment

Financial personal detriment can be defined as the monetary costs and losses incurred by the consumer as a result of a problem relating to a good or service that fell short of what one might reasonably have expected at the time of purchase or use. It is important to consider that when the consumer faces a problem with a good or service, different types of costs and losses can be incurred at different stages. A range of cost types fall within the scope of financial detriment, including costs related to the amount

²² In this section and the remainder of the document, ‘a problem’ signifies a problem that is a cause of personal consumer detriment as per the definition in the previous section.

paid for the good or service (e.g. if it was faulty or if the consumer was overcharged), costs related to repairing or replacing the good or service, or other costs related to dealing with the problem (e.g. the costs of obtaining redress). Specifically accounting for all these types of costs ensures that total financial detriment is not underestimated. At the same time it is important to make sure that cost types do not overlap, to avoid counting costs twice and thereby overestimating financial detriment. Furthermore, it is also important to specify whether respondents should include any financial compensation in their estimation, to avoid discrepancies across respondents.

A key concern from past studies in relation to financial detriment is the small subset of consumers who have experienced very large financial losses. A very small sample is unlikely to capture a sufficiently representative number of this subset, which can lead to an underestimation of the total consumer detriment when extrapolating to the population level. Possible solutions to this are to use larger survey samples or focus on the main or worst problems suffered in a given period.

4.5.2. Time loss

Time loss refers to the total amount of time a consumer has spent either as the direct result of a problem or from trying to sort a problem out. Time lost as a result of a problem can constitute significant personal consumer detriment, and could often be as relevant as the financial detriment suffered in the perception of the affected consumer. Time can be lost either due to the problem itself, e.g. in cases of delay, or as a result of taking action to sort the problem out, e.g. by travelling to the trader's premises. In contrast to financial detriment, 'time lost as a result of a problem' may be considered a relatively more homogeneous form of detriment and therefore less prone to survey respondents' disregarding specific sub-categories. Still, in a survey it appears important to remind the respondent of the various ways time can be lost as a result of problem, from its onset through its eventual resolution (e.g. through means of redress). In addition, survey respondents tend to be less likely to accurately recall the exact time loss from a particular problem, particularly if the problem occurred many months ago; this contrasts with financial costs for which consumers may have bills or bank statements to aid their recollection.

Most recent country-level consumer surveys focusing on consumer detriment have addressed time loss (e.g. the studies conducted in the UK and Ireland), in terms of the number of hours spent experiencing and dealing with the problem. Less attention however has been focused on the monetisation of time loss. A critical distinction in past studies has been between leisure or working time lost. Past valuations have ascribed a greater value to working time lost as this may also incorporate the opportunity costs of lost earnings. An example is valuing lost leisure time at 30% of the value of lost working time. Yet care should be taken in several respects in this regard. First, it is possible that costs from lost earnings may be subsumed in the estimation of financial detriment, which would then imply a double calculation if working time were ascribed a higher value. Second, preferences for labour and leisure can be starkly heterogeneous across consumers (partly, but not only influenced by differences in wage rates); the value different consumers ascribe to work or leisure time can therefore also differ substantially by country. Third, some interviewees and experts have considered working time to be equivalent in value to leisure time, on the assumption that choices to spend time in labour or leisure are generally based on individual preferences.

4.5.3. Psychological detriment

The psychological detriment or 'emotional cost' caused by problems can also be a major factor contributing to the overall detriment felt by consumers. It is a critical dimension of personal detriment, which is likely to go hand in hand with substantial time loss.²³

Similarly to time loss, it has received attention in several surveys, although there have been very limited attempts at quantifying it. This may relate to the difficulty in identifying a suitable unit for the purposes of quantification. Indeed, psychological detriment arising from problems can relate to different emotions, such as frustration, anxiety, anger or offence, or disappointment. As with adverse health effects, important concepts for the measurement appear to be the gravity and duration of the psychological detriment. Furthermore, a distinctive characteristic of psychological detriment is its heterogeneous nature among consumers. Not all consumers suffer emotional stress in the same way, as this depends on inherently idiosyncratic personality traits such as self-control, optimism, self-esteem, and emotional stability. Hence, the level of psychological detriment can differ starkly across consumers for the same problem.

4.5.4. Adverse effects on health

Consumers' health can also be affected as a result of the consumption of a good or service, which can result in personal consumer detriment. In contrast to other forms of non-financial detriment, the possibility of adverse effects on health is relatively restricted to specific markets in which the risks of physical harm are higher, such as food and drink (e.g. unsafe food) or automotive goods (e.g. faulty cars).

To our knowledge, this dimension has so far not been considered in prior assessments of consumer detriment conducted. On the one hand, the health impacts of e.g. consuming unsafe food can extend far beyond the financial costs involved, and therefore may merit consideration in the markets for which health impacts may be relevant. On the other hand, causality is often difficult to establish (e.g. illness resulting from salmonella in eggs), and where it is simple to do so (e.g. regarding transport accidents), the accidents are typically rare high-impact incidents that are addressed through safety-related legislation outside the consumer policy field (e.g. air transport safety regulation).

Important concepts in this context of quantification of detriment related to health are the gravity (i.e. the seriousness of the impacts on health resulting from the problem) and duration (i.e. the length of the time that the health impacts lasted) of the adverse health effects. Both of these aspects however present important challenges for quantification, as, for instance, the reported gravity of adverse health effects due to accidents involving a consumer good or service is dependent on highly subjective perceptions, and the duration of health impacts may be highly variable depending on the person, the age and other factors.

Several approaches to measuring detriment from adverse effects on health can be considered, although as mentioned above none of these approaches has been applied to the assessment of consumer detriment in prior studies:

²³ As presented in Section 6.4.3., results indicate that psychological detriment is moderately and significantly correlated with the loss of time.

- Assessing the extent of the adverse health effects caused by the problem in qualitative terms, by asking consumers to report on the gravity of the injury or physical harm related to the problem;
- Assessing the duration of the adverse health effects caused by the problem, by asking consumers to report on the duration of the injury or physical harm related to the problem;
- Assessing the extent of the adverse health effects resulting from the problem in qualitative terms, by asking consumers to evaluate the extent of the injury or harm on a qualitative scale from 0 to 10;
- Assessing the consumer's willingness to pay to avoid the adverse effects on health experienced as a result of the problem;
- Valuing the harm or injury reported by the consumer in monetary terms based on court awards for similar cases of harm or injury;
- Determining the value of living under a certain health condition for a certain duration, using the notion of Quality Adjusted Life Years (QALY).

Below we detail selected examples of approaches to measure adverse effects that were considered feasible to implement in a survey-based assessment and hence put forward for discussion at the first expert workshop.

Table 5: Selected approaches to measuring consumer detriment from adverse effects on health in a survey-based assessment

Description of approach	Data needs	Example question and answer items (from previous studies)	Source
a) Assessment of the extent of adverse health effects caused by the problem in qualitative terms	<i>From consumer survey:</i> Respondent's stated extent of the problem on their or other household members' health	<p>QUESTION: Did the problem cause any physical injury or inconvenience to you or anyone else in your household?</p> <p>ANSWER ITEMS: <i>[Select one item]</i></p> <p><i>Yes, I or a member of my household suffered a serious injury</i></p> <p><i>Yes, I or a member of my household suffered a minor injury</i></p> <p><i>Yes, I or a member of my household suffered a major inconvenience (e.g. unable to use a room of your house, or having to change your routines to accommodate the problem, etc)</i></p> <p><i>Yes, I or a member of my household suffered a minor inconvenience (e.g. the absence of a working product made you late or prevented you from enjoying a leisure activity fully, etc)</i></p> <p><i>No one in my household suffered any injury or inconvenience</i></p> <p><i>Don't know</i></p>	Europe Economics (2007)
b) Assessment of the duration of the adverse health effects caused by the problem	<i>From consumer survey:</i> Respondent's stated duration of injury or physical harm related to the problem	<p>QUESTION: How long did the injury or physical harm related to the problem last?</p> <p>ANSWER ITEMS <i>[Select one item]</i></p> <p><i>A few hours to a day</i></p> <p><i>One day to a week</i></p> <p><i>One to two weeks</i></p> <p><i>Three to four weeks</i></p> <p><i>Five to eight weeks</i></p> <p><i>Nine to twelve weeks</i></p> <p><i>More than twelve weeks</i></p> <p><i>Don't know</i></p>	Indicative example proposed by Civic Consulting

c) Assessment of extent of adverse health effects resulting from problem, qualitative scale	<p><i>From consumer survey:</i></p> <p>Respondent's stated extent of injury or physical harm from problem, in qualitative terms</p>	<p>QUESTION: On a scale from 0 to 10, to what extent have you suffered an injury or physical harm as a result of the problem?</p> <p>ANSWER ITEMS: <i>[Select one of the following items on a slider]</i></p> <p><i>0 – No injury or physical harm;</i></p> <p>...</p> <p><i>10 – Very grave injury or physical harm</i></p> <p><i>[If higher than '0':]</i></p> <p><i>Please specify the injury or harm: [Enter text into text field]</i></p>	Civic Consulting, based on Commission Market Monitoring Survey
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Note: Compiled by Civic Consulting; sources indicated in table.

4.5.5. Social detriment

Social detriment, which is another form of non-financial detriment that may result from outcomes related to purchases or transactions that did not meet consumers' expectations such as a lack of trust in others that may result from fraudulent practices, was also considered at the first expert workshop. However, it was excluded due to concerns about the numbers of questions that would be needed to obtain data of high quality on this dimension of detriment and about the difficulty of phrasing such questions.

4.5.6. Redress

Redress can be defined in abstract terms as 'remedy or compensation for a wrong or grievance'. In the context of this study it mainly refers to a remedy or compensation for a wrong or grievance related to the purchase or use of a good or service (such as a defective good or service), which is provided by a seller/supplier, but obtained through one of several possible procedures, including alternative dispute resolution or legal procedures. In this regard it is important to distinguish the following aspects of redress: substantial redress and redress procedures.

Substantial redress refers to what the consumer actually receives as redress for their problem, such as a replacement product, a refund or compensation. In the broader sense it can also refer to non-monetary redress such as acknowledging the problem or providing a satisfactory explanation. Indeed, during the exploratory research interviewees emphasised that non-monetary redress can play a significant role in alleviating non-financial detriment.

Redress procedures refer to the way in which the consumer obtains or attempts to obtain redress. Examples include contacting the seller/supplier to ask for compensation, contacting a government body or consumer organisation, or taking the seller/supplier to court or an alternative dispute resolution body. Distinguishing redress procedures is important because the costs of obtaining redress, a potentially significant component of financial detriment, differ according to the procedure undertaken. Such costs are also likely to vary according to the country and market concerned.

The handbook annexed to the 2007 detriment study highlighted that redress can contribute to partly or wholly offsetting the detriment brought about by the problem. Quantifying redress is therefore important from the perspective of assessing both pre- and post-redress detriment. Yet so far redress has generally only been considered on a qualitative level, and we are not aware of approaches to quantify it that have been implemented in a survey-based assessment.

4.5.7. Conclusions on the various dimensions of consumer detriment

For a comprehensive assessment of magnitude of detriment in most consumer markets, the expert group concluded that financial detriment, time loss and psychological detriment should be assessed. In addition, adverse health effects (e.g. injuries) could be considered in the context of markets for which these dimensions would be specifically relevant.²⁴

²⁴ E.g. food markets. Examples of relevant questions for assessing adverse health effects are provided in Europe Economics, *An Analysis of the Issue of Consumer Detriment and the Most Appropriate Methodologies to Estimate It*, London, 2007 and Ipsos MRBI / Competition and Consumer Protection Commission, *Consumer Detriment Survey 2014*, 2014 respectively.

4.6. Development of the draft consumer survey questionnaire

4.6.1. Cross-cutting review of previous survey-based assessments and approaches

Following the development of the definition of personal consumer detriment (as discussed in Section 3.2. above) in the design phase of the study, as an initial step, all relevant literature collected in the inception phase was accessed and reviewed (a bibliography is provided in Annex XVIII). As an important aim was to capitalise on research conducted previously, we devoted particular attention to questionnaires from previous studies to ensure that the best elements from previous questionnaires were considered. Questionnaires that were subject to detailed review include those from the following studies:

- Ipsos MRBI / Competition and Consumer Protection Commission, *Consumer Detriment Survey 2014*, 2014.
- Office of Fair Trading, *Consumer Detriment: Assessing the Frequency and Impact of Consumer Problems with Goods and Services*, 2008.
- TNS / Department for Business Innovation and Skills, *Consumer Engagement and Detriment Survey*, 2014.
- Europe Economics, *Consumer Detriment Survey - Revised Questionnaire*, 2007.
- TNS Opinion & Social / European Commission, *Special Eurobarometer 342 - Consumer Empowerment*, 2011.
- TNS Political & Social / European Commission, *Flash Eurobarometer 358 - Consumer Attitudes Towards Cross-Border Trade and Consumer Protection*, 2013.
- European Commission, *Monitoring Consumer Markets in the European Union 2013 - Part I, II & III*, 2013.
- Other past surveys conducted to establish the socio-demographic characteristics of respondents.

The questionnaires were methodically reviewed by comparing the approaches (i.e. question and answer items) applied in each questionnaire by question topic. This allowed the team to first establish the differences and similarities between questionnaires. In parallel, we conducted a review of approaches for measuring the various dimensions of personal consumer detriment. These included a range of relevant quantitative and monetary valuation methods. Of those approaches reviewed, a selection of approaches was retained for each dimension of detriment for further review and discussion at the first expert workshop. We then assessed the relevance of the question topics/approaches reviewed across the studies by cross-checking them against the key data needs for which the questionnaire would provide the source. This allowed the study team to narrow down the question topics to those most relevant for the questionnaire development.²⁵ At the conclusion of this process, for each key question topic of relevance, several approaches from previous questionnaires had been reviewed.

²⁵ Questions that were discarded included those of a more general nature that were considered to fall outside of the scope of the questions needed for measurement of detriment in the specific markets subject to analysis e.g. the number of people the respondent told about the last problem he or she had as a consumer, or the number of problems encountered for which the respondent made a complaint to the supplier. These questions focus on measuring issues related to consumer detriment at a broader level, outside the scope of any specific market, and have a more indirect nature. Both are questions from TNS Opinion & Social / European Commission, *Special Eurobarometer 342 - Consumer Empowerment*, 2011.

Subsequently, in the case of some question topics, we took on the best approach identified in the literature as a starting point and refined it, e.g. through relevant adaptations to the current study, improvements in sentence formulation, improvements in precision of wording, and reductions in the length of the questions (as an important factor for the success of the online survey was avoiding 'survey fatigue'). However, in the case of other question topics, no existing approaches identified appeared relevant and an entirely new approach needed to be developed to respond to the precise needs of the study.²⁶ Finally, in other cases the approaches documented were first put forth for discussion at the first expert workshop conducted in the study, in particular when these related to specific areas to which the expert group could provide input (e.g. the measurement of the dimensions of consumer detriment). The outcome of the discussions then guided the process for refinement. For further discussion on approaches considered for the measurement of the dimensions of detriment in the design phase, refer to Section 4.9. on the final approach developed.

Concerning the questions on socio-demographics, the approach to be employed to gather data on the education level of the respondent was discussed extensively. An initial suggestion focusing on the age of the respondent when he or she finished full-time education was proposed, in light of advantages in terms of cross-country comparability and its validated use through several previous EU-wide studies, inter alia. Subsequently, a question focusing on the highest level of education achieved by the respondent and applying country-specific ISCED²⁷ levels of education was preferred, particularly in view of alignment with the Consumer Markets Scoreboard and recent studies commissioned by DG JUST, its use by other European Commission services, and the possibility to account for life-long learning efforts.

4.6.2. Review of approaches to operationalise 'reasonable expectations'

When using the definition of revealed personal consumer detriment presented above in Section 3.2.4., a key question is how to apply the concept of 'reasonable expectations' in practice in the context of a survey-based assessment. In the course of our research in the design phase we identified and reviewed a range of approaches that were applied or suggested in previous studies. Below we provide an overview of these approaches, followed by a discussion on their feasibility and conclusion as to which approaches were selected as part of the methodology.

²⁶ Questions relating to financial detriment fall into this category: as described in Section 4.9., an entirely new approach needed to be developed to ensure accurate data. A major difference with and valuable refinement of previous approaches is that the methodology developed provides a deconstructed calculation of financial detriment, and thus estimates both pre-redress financial detriment and post-redress financial detriment.

²⁷ International Standard Classification of Education.

4.6.2.1. Overview

As mentioned previously, survey-based assessments of consumer detriment have often operationalised reasonable expectations through the concept of problems which led to a 'genuine' or 'legitimate' cause for complaint. In the table below, we list this and other approaches we identified that would potentially be feasible to apply in the context of a survey-based assessment of consumer detriment. The table also indicates which approaches were used in previous assessments of or studies on consumer detriment.²⁸

²⁸ Other studies that involved the calculation of consumer detriment, i.e. the 2015 support study for the impact assessment on the review of the CPC Regulation and the 2015 Economic Study on Consumer Digital Content Products, were also reviewed, however the methodologies applied did not address the concept of 'reasonable expectations'.

Table 6: Overview of approaches identified to operationalise reasonable expectations

Type of approach	Approach	Description of approach	Example of question and answer items for survey questionnaire (from previous studies)	Source
a) Subjective legitimatisation of expectations	Question on legitimate/genuine cause for complaint	Survey respondents are asked to recall problems for which they had a genuine or legitimate cause for complaint in order to filter out problems which respondents did not consider to reasonably cause them detriment.	<i>Question: Please look at this card which outlines some goods or services which you might have had a problem with in the past twelve months, for which you consider you have a genuine cause for complaint. It doesn't matter what type of product or service the problem relates to or whether or not you decided to complain about the problem, but it must be something you were dissatisfied with. Please take the time to look through the list and tell me which goods or services you have had a problem with where you have had a genuine cause for complaint.</i>	UK BIS /TNS (2014); Other examples include CPCC / Ipsos MRBI (2014)
b) Reported price as benchmark/proxy for expectations	Reported price of good or service as benchmark for assessing detriment	Survey respondents are asked to report the price of the good or service causing detriment. The reported price then serves as a benchmark for assessing the extent to which reported detriment can be considered reasonable.	<i>Question: Approximately how much did you pay [over the last 12 months if subscription service] for the product or service that caused the problem?</i> <i>Answer items:</i> [List of price ranges]	Approach suggested by Civic Consulting in this study
	Average market price of good or service as benchmark for assessing expectations	Survey respondents are asked to report the price of the good or service causing detriment. The difference between the reported price and the average market price then serves as a proxy for their ex-ante expectations.	<i>Question & answer items:</i> As above. The data collected would then need to be complemented by price data on average prices in the market.	GfK (2014)

c) Control questions regarding expectations	Questions on expectations regarding consumption in general	Survey respondents are asked questions concerning their expectations in general regarding consumption as a means to determine the extent to which their reported detriment can be considered reasonable.	<p><i>Question: I am going to read out a number of statements about general attitudes of consumers. Please indicate to which of the following statements you agree.</i></p> <p><i>Answer items:</i></p> <p>(1) Consumers should not put up with suppliers failing to meet their expectations</p> <p>(2) Consumers can only expect the level of service they pay for</p> <p>(3) Consumers should accept that suppliers will sometimes fail</p> <p>(4) Consumers should always be compensated or given money back by suppliers whenever something goes wrong</p> <p>[...]</p>	Adapted from Europe Economics (2007)
	Questions on expectations in general regarding a typical good or service	Survey respondents are asked about their expectations about a typical good or service for the market in question. Answers are then compared to existing market-specific data or expert assessments to assess the extent to which expectations in general regarding the good or service can be considered reasonable.	<p><i>Question: In general, how long should the [insert typical good or service] you purchased be expected to last before breaking down?</i></p> <p><i>Answer items:</i></p> <p>[List of different ranges of potential lifespans]</p>	Approach suggested by Civic Consulting in this study
	Question on forewarnings of a problem from the specific good or service purchased	Survey respondents are asked whether and to what extent they thought they might have a problem when they bought the good or service, as a means to determine the extent to which their reported detriment can be considered reasonable.	<p><i>Question: When you bought the product or service, were you aware that there could be a problem associated with this purchase?</i></p> <p><i>Answer items:</i></p> <p>(1) Very much</p> <p>(2) Somewhat</p> <p>(3) Not really</p> <p>(4) Not at all</p>	Europe Economics (2007); Answer items suggested by Civic Consulting in this study
d) Aggregate expectations as proxy for expectations	Aggregate expectations of a random sample	If it is assumed that in the survey sample, the degree/frequency of unreasonably high expectations is equivalent to that for unreasonably low expectations, then aggregate expectations can be used as a proxy for reasonable expectations.	Not applicable (no additional question required).	Europe Economics (2007)

Sources indicated in table (the full bibliographic data is provided in Annex XVIII).

4.6.2.2. Review of approaches and summary of workshop discussion

In the following we review these approaches in detail, give indications as to their feasibility in a survey-based assessment across multiple markets including relevant feedback from the discussion at the first expert workshop, and conclude on the approaches selected for inclusion as part of this methodology.

Subjective legitimisation of expectations

This approach involves asking respondents to recall only those problems for which they had a genuine or legitimate cause for complaint, and has been employed in several past studies. It places the burden on the respondent to only consider those problems which, in their view, were worthy of being complained about (regardless of whether the respondent actually does complain); this thereby forces the respondent to subjectively assess the reasonableness of their expectations in dealing with the problems suffered. An important assumption is that respondents do not also consider the costs (financial or otherwise) of complaining/obtaining redress in their own specific case, but only the legitimacy of complaining itself. Furthermore, a *stricto sensu* understanding of 'legitimate' could prompt an undue legal interpretation of the question, which would induce an assessment of detriment based on deviation from legal requirements alone. However, interviewees who conducted the previous surveys having implemented this approach (i.e. recent consumer detriment surveys in the UK and Ireland)²⁹ did not report problems relating to its interpretation by respondents or concerns in this regard. This would tend to support the view that a 'legitimate cause for complaint' is generally understood to mean 'a complaint that would be legitimate for a consumer to have', with 'legitimate' in particular understood as 'not spurious or unjustified; genuine'. It is based on the argument that if consumers did not truly think their problem would be worthy of being complained about, then either they deemed the problem insignificant or they reassessed their expectations concerning the good or service as unreasonable. The approach thereby works by subjective legitimisation, in that respondents determine themselves the legitimacy of their expectations, even if these may not stand up to objective scrutiny. This approach appears to be highly feasible to implement, despite its inherent lack in objectivity.

Workshop participants generally agreed that this approach is appropriate and should be implemented in the consumer survey questionnaire.

Reported price of good or service as benchmark for assessing detriment

We had originally envisaged this approach as a targeted follow-up question on the price of the good or service purchased. We envisaged it as a benchmark for checking the plausibility of estimates of detriment provided by respondents, since previous studies suggested reports of large financial losses could sometimes be the result of misjudgement on the part of the respondent. But it may also serve as a 'proxy' for assessing the reasonableness of expectations: the implicit argument would be that detriment assessed based on reasonable expectations would be proportional in some respect to the price of the good or service causing the detriment. This approach is also fairly straightforward to implement in a survey, and would not involve price collection beyond the survey itself, although one difficulty is determining the appropriate threshold beyond which reported detriment would be considered to be based on unreasonable expectations.

²⁹ TNS / Department for Business Innovation and Skills, Consumer Engagement and Detriment Survey, 2014; Ipsos MRBI / Competition and Consumer Protection Commission, Consumer Detriment Survey 2014, 2014. As indicated in the table above, this particular approach was applied in both these studies to operationalise reasonable expectations.

Experts participating in the workshop agreed that the price of the good or service the consumer had a problem with would be an appropriate and robust benchmark for assessing reasonableness of expectations. It is a clear and objective concept that is expected to be straightforward for respondents to report on. Experts noted that this approach would be applicable across markets. However, it may not be applicable in very specific cases in which the financial costs exceed by far the original price (e.g. a flood at home due to a dishwasher breakdown). Experts also highlighted that the price paid for a good or service serves as a reference point for consumers when they assess the value of the good or service itself, or when they evaluate the related problem and decide on what action to take to handle it.

Average market price of good or service as benchmark for assessing expectations

A related approach was applied in the European Commission's consumer market study on the second-hand car market.³⁰ In this study, respondents reported the price of the car they purchased. The authors then used the difference between the price paid for the car and the average price for a similar car as an indicator for expectations at the time of purchase. The intuition was that a higher (resp. lower) than average paid price by the consumer would denote higher (resp. lower) ex-ante expectations. Accordingly, for each specific category of car, the authors first determined an average price. They then divided respondents into three categories, based on relative price differences: those who paid 30% or more below the average purchase price; those who paid within 30% of the average purchase price; and those who paid 30% or more above the average purchase price. They then used complaints data and problems data to show that these three categories were likely to coincide with low, medium and high ex-ante expectations respectively. Finally, they applied different weights to the detriment reported by the different groups to account for differences in ex-ante expectations. This approach is likely to involve significant and likely expensive data collection efforts in order to determine the average purchase price of the product in question, as prices would need to be collected for each product category in each market subject to analysis. It also relies on a very accurate delineation of product categories, which can be very difficult for some markets. We therefore suggested that, unless a significant, targeted price collection exercise is also envisaged, this approach is relatively less feasible in a survey-based assessment.

Experts participating in the workshop agreed with these conclusions and also expressed general doubts about the appropriateness of this approach in markets other than those related to second hand goods. Indeed they noted that expectations are not necessarily driven by general market characteristics such as the average price of a given product. Expectations can be driven by the specific product the consumer is used to using or by the supplier the consumer is used to buying from within a specific market. Moreover, it might not be realistic to assume that consumers are generally aware of average purchase prices and take them into account when buying goods or services. This is particularly relevant in markets in which prices can fluctuate substantially, such as electricity, gas or financial services.

Questions on expectations regarding consumption in general

This type of approach was proposed in the 2007 detriment study. It involves asking respondents questions concerning their expectations in general regarding different aspects of the purchase of goods and services. The answers can then be used as a basis for interpreting the reported detriment and the extent to which it can be considered reasonable. The 2007 detriment study notes: "For example, if survey respondents in Eastern Europe reported low levels of detriment but the control questions found that they generally had low expectations as consumers, then the

³⁰ European Commission, *Consumer Market Study on the Functioning of Market for Second-Hand Cars from a Consumer Perspective*, 2014.

implication would be that consumer detriment in Eastern Europe had been under-reported". As with the reported price approach, respondents could then feasibly be divided into groups of different levels of expectations on the basis of their answers, potentially as a basis for applying weightings to their reported detriment.³¹ This approach is also feasible to implement in a survey, although, as the 2007 detriment study indicates, it is important to phrase the questions carefully to obtain truthful answers, since if one of the available responses is obviously unreasonable then few respondents are likely to choose it.

Experts agreed that a question on expectations regarding consumption in general would be important to include in the survey. It should however be clear to respondents that the focus of such a control question – expectations relating to general consumer issues – is independent from the rest of the questionnaire, which focuses on one or two specific problems the consumer had with a good or a service. Respondents' assessments can then be used to create groups of differing expectation levels (e.g. low, medium, high).

Questions on expectations in general regarding a typical good or service

Another possible approach involves first asking respondents questions on expectations regarding a typical good or service in general in the market subject to analysis (e.g. how long they think a typical product – e.g. a washing machine – would last before breaking). Respondents' answers are then compared with what could reasonably be expected of the good or service on the basis of market-specific data or expert assessments. Their answers then act as a benchmark for assessing the extent to which the reported detriment for problems experienced in that market can be considered reasonable. Again, respondents could feasibly be divided into groups of differing expectations on the basis of their answers, which could then serve as a basis for interpreting the reported detriment of respondents in each of these groups. This approach is similar to the problem-specific approach based on questions concerning expectations, as it involves comparing respondents' reported expectations regarding a good or service to an existing benchmark. It only covers respondents' expectations in relation to the typical good or service - as opposed to the specific problem they suffered. This approach is thus relatively feasible to apply in a survey-based assessment. However, it depends on a very accurate definition of reasonable expectations regarding a few key aspects of the typical good or service (e.g. durability, typical use, etc.), as an appropriate benchmark for assessing respondents' reported expectations.

Question on forewarnings of the problem from the specific good or service purchased

This type of approach was also proposed in the 2007 detriment study. It involves asking the respondents whether and to what extent they thought they might have a problem when they bought the good or service. The aim is to thereby assess whether the consumer could reasonably have foreseen that there might be a problem or a risk with the purchase. The answers to this question can then be used as a means to interpret reported detriment. It appears in principle feasible to employ in a survey-based assessment. Nonetheless, a drawback to this approach is that many respondents could well declare that they did not expect a problem even though it may have been reasonable to do so (e.g. in a market for second-hand goods or services). As a result, this approach appears to be equivalent to using expectations as a benchmark, as opposed to reasonable expectations.

³¹ Variations in consumers' expectations across markets are not relevant in this context: here the aim is to assess consumers' expectations regarding consumption of goods and services in general in relation to a few key aspects as indicated in the questionnaire: quality, redress, customer service and information provision. Segmenting consumers into groups based on their answers then be used to determine to what extent expectations play a role in differences in reported detriment.

This and the previous approach presented above were not perceived as particularly suitable approaches during the workshop.

Aggregate expectations as proxy for expectations

The final approach identified is similar to the reported price approach to the extent that it is also proxy-based and does not directly inquire about respondents' expectations. This approach was also proposed in the 2007 detriment study. It is based on the assumption that in a random sample, the degree/frequency of unreasonably high expectations among consumers (which thus overstate detriment) is likely to be equivalent to that for unreasonably low expectations (which thus understate detriment). As a result, one could argue that these two effects cancel out in the aggregate, such that average detriment could be considered accurate to reflect reasonable expectations.

The implicit argument is that consumers themselves are the best judges of the reasonableness of their expectations, and that expectations taken in the aggregate are therefore reasonable *by definition*. Parallels can be drawn to the concept of the 'wisdom of the crowd', according to which a large group's aggregated answers to questions involving e.g. estimation are as good or better than the answer given by any individual in the group. Support for this reasoning can also be found in the use of the 'average consumer' in the Unfair Commercial Practices Directive as a benchmark, defined as being "reasonably well-informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors". Such an approach is therefore attractive because it depends on the quality of the sampling alone to ensure that the problem of reasonable expectations is adequately addressed. However, the 2007 detriment study highlights that cross-sectional analysis of variations in detriment across different groups of consumers would be limited, due to the potential for a systematic tendency for some groups to have unreasonably high or low expectations. As a result, estimations of detriment from vulnerable consumer groups would need to be interpreted with the appropriate caveats.

In contrast with the previous approaches described, as this is based on the assumption that expectations in the aggregate are reasonable provided the sample is random, then there is no specific question needed in the consumer survey questionnaire for this approach.

Experts participating in the workshop did not select this approach for implementation in the methodology. However they suggested that it could be most relevant in cases where only limited data collection is feasible, as it does not require survey questions that are specifically tailored to assessing respondents' expectations.

4.6.2.3. Summary concerning approaches to operationalise reasonable expectations

Based on the research in the design phase of the study and the discussion at the first expert workshop, we included the following questions in the consumer survey, which contribute to ensuring that detriment related to respondents' reported problems is measured based on reasonable expectations:

- 1) Asking respondents to report a problem for which they have a *legitimate cause for complaint*;
- 2) Asking respondents about the *price* they paid for the good or service;
- 3) Asking respondents *how long ago* the good or service was bought; and
- 4) Asking a control question on *consumer expectations in general* based on statements in relation to specific consumer issues – good/service quality, compensation and customer service – in order to create three groupings that correspond to different levels of expectations based on the level of agreement

with the statements. To allow for better differentiation of responses, the statements are worded in a negative form, so that respondents with average or high expectations regarding the specific consumer issues are expected to disagree with the statements. On the contrary, agreement with the statements indicates lower expectations regarding these aspects. The three groupings are then based on the number of statements the respondents disagree with.

The related final questions and answer items developed for the questionnaire are presented as part of the operational guidance for the implementation of the methodology in future assessments, as well as in the full (online) consumer survey questionnaire in the Annex III. The results for these questions from the main fieldwork surveys are presented in Section 6.

4.6.3. Problem types and mapping

4.6.3.1. Overview

In order to accurately identify problems areas where policy action might be appropriate using the results of the consumer survey, it is necessary to present respondents with problem types that are sufficiently accurate and broad to capture the full range of problems that consumers can experience in the markets subject to analysis, while being sufficiently intuitive for respondents to be able to easily identify the nature of their problem. In parallel to the overall questionnaire development, we therefore developed detailed generic and market-specific problem types. This was done on the basis of a structured 'mapping' to the complaint categories in the European Commission complaints database (which is based on the harmonised methodology for classification of complaints proposed in Recommendation C(2010)3021), as this is a key condition for the triangulation of the consumer survey data using complaints data as described in Section 5.

Developing the problem type categorisation in line with the categorisation of complaint types suggested by the European Commission as part of the harmonised methodology for classification of complaints had several main advantages:

- It facilitated the definition of distinct problem types based on an agreed standard;
- It allowed for a straightforward adaptation to the market(s) subject to analysis, on the basis of the frequency of the complaints relevant for that/those market(s);
- It allowed for the triangulation of the consumer survey data using complaints data.

The next sections describe the process followed for the mapping.

4.6.3.2. Initial development of mapping

As with the overall questionnaire development, the first step in the development of the problem mapping was a thorough review of problem types applied in previous studies. This ensured that the best elements from previous questionnaires – e.g. the wording or the classification of the problem types – were considered. Questionnaires that were subject to detailed review regarding the problem types applied included those from the studies listed above in Section 4.6.1. and the following studies:

- Civic Consulting, Consumer market study of the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, 2011.
- Civic Consulting, Consumer market study on the functioning of the market for internet access and provision from a consumer perspective, 2012.

- Civic Consulting, Consumer market study of the functioning of the market for vehicle fuels from a consumer perspective, 2014.

This review allowed the study team to develop an initial categorisation of problem types by complaint category. Emphasis was placed on ensuring that the problem types were worded in a 'consumer-friendly' way such that survey respondents can easily categorise the nature of their problem, while at the same time ensuring that the problem types comprehensively captured the complaint category(ies) they were mapped to. At this stage, as most of the material from previous studies reviewed related to problems/complaints applicable across markets, we focused on developing problem types for both goods and services markets.

Subsequently, we conducted an interview with the European Commission for an initial assessment of the appropriateness and relevance of the problem types identified and related complaints categories. We also received an extract of the complaints database for the countries and markets subject to analysis in the study, and broadly reviewed the applicability of the problem types identified across markets. The problem mapping was then put forth for discussion at the first expert workshop.³²

Overall, experts generally found the proposed mapping of problem types and complaint categories appropriate. In some cases, they suggested further grouping of categories. It was broadly agreed that the overall number of problem types should be reduced, through grouping of complaint categories, to avoid an excessively long list of problem types in the survey.

Moreover, it was initially suggested that respondents could first be asked to select the type of problem they had from a set of broader categories of problem types, then select the specific problem type(s) from a list relevant to the broader category of problem types selected. However, following a more detailed review of the frequency of complaint categories in the extract of the complaints database, we initially found that approximately 12-13 problem types would be generally sufficient to capture the vast majority of complaint categories for each of the six markets subject to analysis. Experts also agreed that the questionnaire should focus on presenting to the respondent the problem types which were identified as relevant for the specific market in which he or she had a problem. Such an approach also avoids overwhelming the respondent with a list of problem types that are irrelevant to the market in question.

4.6.3.3. Ranking the problem types by market

We considered that the key problem types relevant for the market in question could be determined on the basis of the most frequently reported complaint categories in each market, as well as market-specific studies and expert assessments. Once the mapping of problem types was finalised, we proceeded to assess the frequency of complaint categories for each market. Using the problem mapping developed, we could then rank the problem types in each market by the frequency of the complaint categories to which they were mapped. This revealed some initial conclusions.

Markets that were similar in nature tended to have similar rankings of problem types. For example, 'Bill incorrect' was among the highest ranked problem types for electricity services and mobile telephones services, subscription services that are typically paid for with monthly bills. In contrast, problems related to delivery of the good or service were highest among clothing and footwear and large household appliances.

³² For an overview of the draft problem mapping, refer to Table 8 of the first expert workshop document provided in Annex XVI. The final version of the mapping is presented in Annex XIX.

Some problem types were highlighted in other studies as particularly relevant for certain markets (e.g. 'Train delayed' for train services),³³ while other problem types we thought to be highly relevant from the perspective of almost all markets (e.g. 'Advertising was misleading' or 'Customer service unsatisfactory'). Yet these were both in some cases mapped to complaint categories featuring a very low frequency in some markets. Nonetheless, as complaints may not reveal all the various types of problems consumers have (there may be some problems which consumers often have but tend not to complain about), we came to the conclusion that some generally relevant problem types should feature in the list for all markets, while some key market-specific problem types should feature in the related market-specific lists of problem types irrespective of the complaints frequency.

4.6.3.4. Developing market-specific problem types

Once the ranking of problem types for each market was complete, a final step was to develop a market-specific characterisation of the problem types for each market. This meant adapting or refining the wording to a more concrete representation of the problem type in the market in question. For example, in the case of train services we adapted the generic problem type 'Service was provided late' to 'Train delayed'. To support this process we collected further information from market-specific literature and conducted additional targeted interviews.

Furthermore, some additional problem types that were deemed relevant for policy purposes were included in the consumer survey in specific markets, which increased the length of the initial list of problem types. Due to their specific nature, some of these problem types could not be directly mapped to existing complaint categories (i.e. the problem types under the categories 'Luggage and bicycles', 'Reduced mobility or disability', and 'Train delays and cancellation issues' in the market module for train services).

The final lists of market-specific problem types are presented in the market modules of the questionnaire in Annex III.

4.6.4. Assessing the detriment of vulnerable consumers

4.6.4.1. Drivers of consumer vulnerability

Consumer vulnerability is a multi-faceted and complex concept, as a recent study on consumer vulnerability across key markets in the European Union commissioned by the European Commission has highlighted.³⁴ It notes that there are a number of definitions of consumer vulnerability used in academic and grey literature, which can be divided into two broad categories, namely:

- Definitions focusing on personal characteristics of the consumer; and
- Broader definitions taking into account the overall situation in which the consumers find themselves.

In order to operationalise these definitions, the authors developed a number of key 'vulnerability dimensions':

³³ Relevant studies reviewed include Consumer Affairs Victoria, Consumer detriment in Victoria: a survey of its nature, costs and implications, 2006; TNS /Consumer Focus, Consumer Detriment 2012, 2012; Australian Government, Australian Consumer Survey 2011, 2011.

³⁴ European Commission, Consumer vulnerability across Key Markets in the European Union, 2016.

- Heightened risk of negative outcomes or impacts on well-being;
- Having characteristics that limit ability to maximise well-being;
- Having difficulty in obtaining or assimilating information;
- Inability or failure to buy, choose or access suitable products; and,
- Higher susceptibility to marketing practices, creating imbalances in market interactions.

These dimensions were then translated into measurable indicators to be populated with data from responses to specific questions in a bespoke consumer survey. An analysis of correlations then allowed the authors to determine factors associated with drivers of vulnerability, including the following:

- Personal and demographic characteristics, including:
 - Age: People aged 65 and older;
 - Education: People with a low education level.
- Situational drivers of vulnerability, including:
 - Occupational status: Long-term unemployment, or retired;
 - Financial situation of the household: A situation characterised as being very difficult to make ends meet every month.
- Behavioural drivers of vulnerability, including:
 - Very low willingness to take risks.
- Access drivers of vulnerability, which includes infrequent internet use.

4.6.4.2. Addressing the issue of vulnerable consumers in the study and fieldwork

Specific aspects of the implementation of the study and the fieldwork contribute to addressing a number of the issues highlighted above, as shown below:

- Cognitive interview testing: During the cognitive interview process (described in Section 4.7.), emphasis was placed on obtaining a balanced sample of respondents, including in particular both elderly respondents and respondents with low education levels. This contributed to ensuring that the questionnaire could be answered straightforwardly by respondents characterised by these vulnerability-related factors;
- Large sample sizes: Our main fieldwork survey – conducted both online and face-to-face – targeted in total 4000 consumers per country (2000 per mode in each country). The large sample sizes contribute to ensuring that consumers featuring the characteristics and/or being in the situations highlighted above are included in the assessment of consumer detriment;
- Comparison of results between face-to-face and online survey: A quota-based sampling procedure was employed to ensure that the online panels are representative of the general population. Nonetheless, by definition the samples obtained are made up of online consumers. Consumers that tend to use or have less access to the internet, and which thus correspond to a higher level of vulnerability as indicated above, are therefore likely to be less well represented in online panels. With this in mind, the added value of conducting a face-to-face survey in parallel was the possibility to compare the results of the two modes: the comparison of the results of the two modes allowed for indications as to a possible bias in the coverage of the online survey as well as to the potential detriment among consumers with less access to/use of the internet;

- Targeted questions in the survey questionnaire and cross-tabulations: A series of questions related to socio-demographics were developed relating to several of the personal/ demographic as well as situation factors that drive vulnerability as highlighted above. These include questions on age (consumer survey question D2), education level (D6), occupation (D7), financial situation in the household/difficulty in making ends meet (D8), frequency of internet use (D9 in the face-to-face survey), actions taken as a result of the problem experienced (M9 and M9bis that respectively ask whether the respondent took action when the problem occurred and, for those respondents who reported not taking action, the reasons that drove this decision, and thus provide insights into the behavioural drivers of vulnerability highlighted above).

The table below provides an overview of the questions and relevant answer items in the questionnaire relating to the abovementioned vulnerability-related factors and drivers.³⁵

Table 7: Factors/drivers of consumer vulnerability and related questions

Factor/driver of vulnerability	Survey question	Answer items that could indicate vulnerability
Age	D2- How old are you?	Highest age category
Education	D6 - What is the highest level of education you have achieved?	Primary education Lower secondary education Upper secondary education
Occupational status	D7 - What is your current occupation?	Seeking a job Retired
Financial situation of the household	D8 - Thinking about your household's financial situation would you say that making ends meet every month is...?	Very difficult Fairly difficult
Willingness to take risks	M9 - Which of these, if any, have you done to sort out the problem? Mark all that apply.	Have not taken any action
	M9bis - For which of the reasons below have you not taken action? Mark all that apply.	I did not know how or where to complain I was not sure of my rights as a consumer I tried to complain about other problems in the past but was not successful I thought complaining would have led to a confrontation, and I do not feel at ease in such situations
Frequency of internet use*	D9 – How frequently do you use the internet?	Once a month A couple of times a year or less often Never

Note: (*) This question was only included in the face-to-face survey.

Results for incidence and magnitude of personal consumer detriment according to different socio-demographic groups, including these drivers of vulnerability, are presented in Section 6.4. and the results of all questions cross-tabulated with socio-demographic characteristics are presented in Annex IV.

³⁵ The final questionnaires are presented in Annex III.

4.6.4.3. *Other methods and tools for assessing consumer detriment among vulnerable consumer groups*

Beyond those questions highlighted above that are included in the questionnaire employed in the fieldwork, other questions aiming to measure detriment among consumers made vulnerable due to market-related and experience drivers could also be envisaged for complementary studies, which more specifically focus on the experience of these groups. These could relate e.g. to the extent to which the respondent compares or has access to different offers, as detailed in the 2016 European Commission study on consumer vulnerability.

However, beyond the means employed in this study to assess detriment among vulnerable consumer groups, including the targeted questions in the consumer survey, a quantitative survey may not deliver a comprehensive assessment of the detriment among vulnerable groups, simply by virtue of the fact that such consumers are less likely to be captured by quantitative surveys. Indeed, for specific studies on vulnerable consumer groups additional tools may be needed to accurately assess detriment in these groups that would rarely be captured in surveys, however large the sample size. Moreover, as indicated by our expert interviewees, a quantitative survey is not suited for providing details on the reasons for which vulnerable consumers suffer from detriment, which are also important from a policymaking perspective.

Hence, for an in-depth assessment of detriment among vulnerable consumers, expert interviewees and workshop participants advised that a first step could be contacting relevant consumer bodies representing the groups of interest to collect information and potentially identify vulnerable groups in specific markets for targeted interviews. Complementary qualitative research targeting experts relevant for those vulnerable groups and/or the vulnerable consumers themselves could also be employed in these studies, with the aim of providing in-depth, qualitative information on these consumers' experiences.

4.6.5. Structure of the consumer survey questionnaire

The consumer survey questionnaire was designed with three main components: the screener, the market module(s) and the socio-demographic questions, including a control question on consumer expectations. The questionnaire was developed with the aim of measuring both incidence and magnitude of consumer detriment at market-level.

4.6.5.1. *Screener*

The *screener* is used to identify consumers that experienced personal detriment. More precisely, the *screener* refers to the set of questions asked of the whole sample aimed at both jogging the respondent's memory into remembering relevant problems and establishing in which of the markets the respondent experienced problem(s) and in which market his/her most serious problem was experienced. The screener questions are therefore instrumental for assessing the *incidence* of personal consumer detriment in the markets subject to assessment. Similar approaches for measuring the incidence of consumer detriment directly via consumer surveys were also employed in previous survey-based assessments of consumer detriment, e.g. in the UK, Ireland, and Australia. The incidence of consumer detriment is, however, assessed differently in the MMS, where the approach employed, described in Section 4.2.2., requires the incidence rates to be calculated multiplying the measured penetration rates and rates of problem, as opposed to directly measured. The approach in the MMS also differs in that it includes pre-screening of respondents, whereas, as detailed in Section 6.1.1., the target group for the consumer survey in this study is the general population. As a

result of the absence of pre-screening, the incidence of personal consumer detriment is calculated directly using survey questions. Additional information on the penetration rate or frequency of purchase is not required and is not measured in the survey.³⁶

The screener also clarifies that respondents should only report problems for which they had a legitimate cause for complaint. Considering only those problems that can be considered a 'legitimate cause for complaint' helps operationalise the concept of reasonable expectations in the definition of personal consumer detriment outlined above (see Section 4.6.2. above on the review of approaches to operationalise reasonable expectations for details). Three different screeners were developed of different length and complexity, for the purposes of testing the effect of different screeners on the incidence rate of detriment in the pilot survey. The design of the screeners was built on previous work undertaken to measure consumer detriment. Each screener was tested on a different random sub-sample of respondents (results are presented in Section 4.8.3.).

4.6.5.2. *Market module*

The *market module* refers to a set of market-specific questions aimed at exploring the problem experienced by the respondent in depth, in particular in terms of the *magnitude* of financial detriment, time loss and psychological detriment relating to the problem. The market module questions are thus only asked of the sub-sample of respondents who experienced problem(s) in at least one of the assessed markets. We developed one market module for each of the six sample markets selected. Respondents first responded to an initial market module relating to their most serious problem (selected at the end of the screener). Online respondents were then asked to respond to a second market module referring to their second most serious problem in the markets subject to assessment (if they indeed experienced a second problem in these markets). At the first expert workshop conducted in the study, the alternative of asking about the respondent's most recent problem was also considered. However it was agreed that respondents' most serious problem should be used as a basis for measuring their detriment – defined as the 'problem that caused the most trouble or cost' – particularly as this ensures that rare cases of very high detriment are considered to the extent possible, as per the tender specifications of this study.

4.6.5.3. *Socio-demographic questions*

The *socio-demographic questions* provide further details on the socio-demographic characteristics of the respondent, complemented by a *control question* on consumer expectations. Questions on gender, age, and region come at the beginning of the questionnaire, as they are used to set quotas, the control question and questions related to level of urbanisation, education, employment status and financial situation at the end. The face-to-face survey closes with a further question on frequency of internet use.

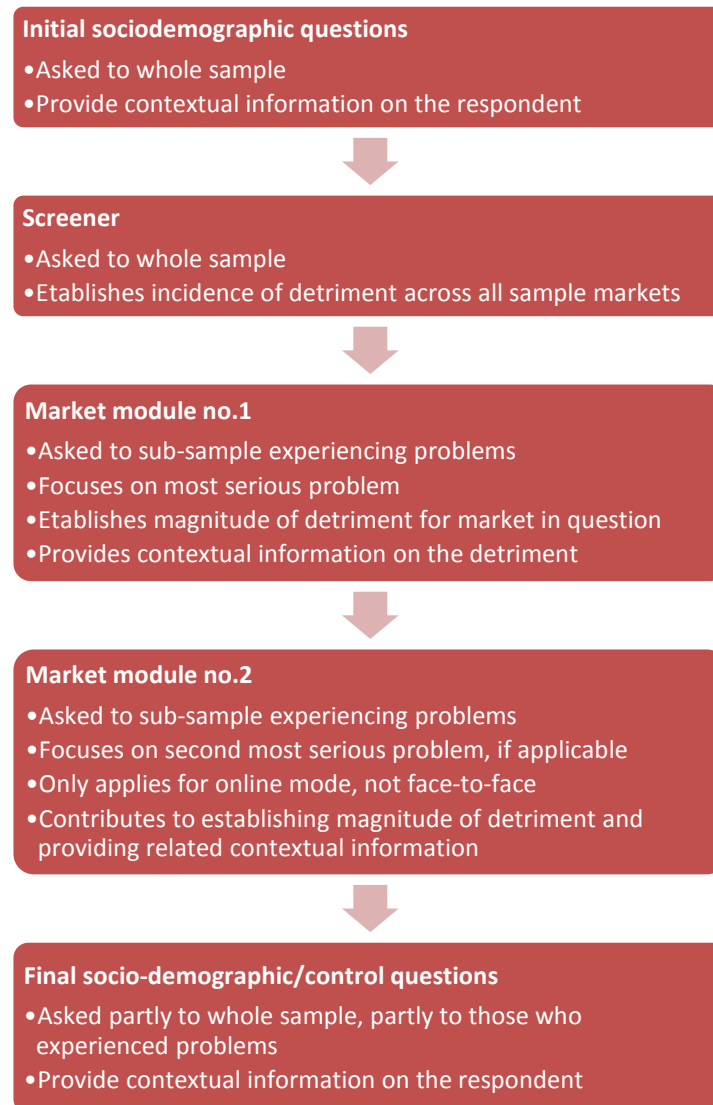
The questions can be sub-divided into three broad categories: those needed for measuring *incidence* of personal consumer detriment (i.e. the screener question on markets in which problems were experienced), or for measuring *magnitude* of personal consumer detriment (i.e. market module questions on financial detriment, time loss, psychological detriment), and those that provide additional '*contextual*' information for the assessment (e.g. market module questions on the sales channel or the location of the seller/provider, or socio-demographic questions).

³⁶ Collecting meaningful data on the frequency of purchase would have required at least one additional survey question, which would have increased the length of the screener.

4.6.5.4. Overview of the structure

The diagram below provides a graphical overview of the structure of the questionnaire.

Figure 2: Overview of the structure of the consumer questionnaire



Source: Civic Consulting.

4.7. Cognitive interviews

4.7.1. Methodology

4.7.1.1. Objectives and approach

Once the first draft of the consumer survey questionnaire was developed, the main aim of the cognitive interviews was to explore consumers' understanding of the questionnaire. Respondents were asked to 'think aloud' as all questions were read to them with the aim of obtaining as much evidence as possible concerning the reasons behind the responses they gave. The interviews enabled us to understand respondents' thought processes when they answered the questions and the extent to which these matched what was anticipated from the wording of the questions. This helped to identify any misunderstanding of the question wording, test alternative wordings, highlight areas of sensitivity, and to identify any omissions. The systematic analysis of the respondents' responses and general feedback helped identify the best

wording for each question and resulted in recommendations to optimise the flow and understandability of the questionnaire overall.

4.7.1.2. Interviewing process

The cognitive interviews were implemented by TNS Opinion in September and October 2015. As per the proposal, eight cognitive interviews were conducted in two languages (English and French). At the request of the European Commission, two additional cognitive interviews were conducted shortly afterwards.

All of the interviewers were briefed on the task at hand, the specificities of the project, the objective of the exercise, the interviewing guide and the questionnaire. Training materials for each of these elements were also disseminated prior to the briefing session. Interviewers had the master questionnaire as a bilingual matrix. Interviewers were instructed to replicate the online experience; as such, the respondent could see the questionnaire on the screen.

To make sure respondents spoke from their real-life experiences, the time frame of 12 months used in the screener was extended to 'the last few years'. Moreover, if respondents had experienced more than one problem, they were asked to provide their answers concerning a market for which the interview process was not yet completed. In this way, the market module questions for all of the markets subject to analysis were tested.

4.7.1.3. Respondent profiles

Respondents were targeted so as to ensure a broad balance according to the following criteria:

- Gender;
- Country;
- Age;
- Education level; and
- Experience of problems in markets subject to analysis.

Respondents had no prior knowledge of the subject being investigated, matching the profile of real survey respondents.

In the first round of interviews, four were conducted in French and four in English.³⁷ The group of interviewees was composed of three male and five female respondents aged between 21 and 40 years. The market modules covered in these first eight interviews were mobile telephone services (1), electricity services (1), train services (2), large household appliances (1), loans, credit and credit cards (2), and clothing, footwear and bags (1).

At the request of the European Commission, two further cognitive interviews were conducted to better cover consumers with less formal education as well as elderly consumers. Both respondents in this second round had experienced a problem recently in one of the relevant markets and the same general interviewing procedure was applied. The two additional interviewees were a woman and a man, both aged 55, and who had ended their respective educations at age 18. One interview was conducted in English concerning a problem with mobile telephone services and the

³⁷ The number of respondents per country is very low, thus figures are not reported per country. Country-specific conclusions cannot be established.

other was conducted in French concerning a problem with loans, credit and credit cards.

An overview of the respondents' profiles and the markets covered in the cognitive interviews is presented in the table below.

Table 8: Overview of respondents' profiles

Profile	10 respondents
Language	5 in EN and 5 in FR
Gender	6 female and 4 male
Age	Between 21 and 55
Education	2 ended their education at age 18 and 8 finished their education at age 23 or above or were still studying
Markets covered	Mobile telephone services (2), electricity services (1), train services (2), large household appliances (1), loans, credit and credit cards (3), and clothing footwear and bags (1)

Source: Cognitive interviews.

4.7.2. Overview of results

All respondents agreed that the questionnaire could be shortened, simplified and clarified. There was a consensus among respondents that the questionnaire was too long and that it required a lot of effort and concentration to complete. Indeed by question M6, some respondents showed signs of weariness. In order to address these remarks, we made suggestions in view of:

- Improving the flow of the screener;
- Implementing an alternative solution to the follow-up confirmation brackets, for which respondents had strong feelings;
- Adjusting the filtering of questions so that questions are asked of respondents only when relevant, in particular questions about redress obtained and actions taken by consumers.

4.7.2.1. Understanding of the questionnaire

Respondents agreed that the questions were understandable. Most of the time respondents could understand the objective of the questions. In this regard, M3 on the price was singled out as being confusing. Also, they felt that the lists of examples provided in some questions (e.g. in M10 on time loss) helped them to understand the questions.

However, the consistent feedback received on the question items and the range of answer items served to identify some patterns that compromise the performance of each question:

- The list of items and items themselves were perceived as too long (see feedback on M6 and M9 in Section 4.7.3.3. below);
- Some overlap of items were identified (see feedback on M2, M6 and M9 in Section 4.7.3.3.);
- Some items missing from the lists were identified (see feedback on M4 and M9bis in Section 4.7.3.3.).

The specific questions and answer items referred to, as well as the resulting changes applied, are highlighted below.

4.7.2.2. Other observations

Respondents felt that the long and medium screeners were too long and that the flow should be improved. In particular, all respondents agreed that the way the question about sales channels was phrased confused rather than helped them to remember problems they may have experienced. Respondents also felt that where the lists of answer items were long (i.e. in M6, M9 and M14) it was difficult to find the answer which best described their situation. They also noted that some of the answer items were very specific and felt that these would only apply in specific cases, in particular some of the problem types listed in M6 (e.g. the answer item 'Was put under pressure when signing up to the mobile telephone service' in M6 in the market module for mobile telephone services). The resulting overall impression was that of a difficult and long questionnaire. Finally, the confirmation brackets used in numerical questions M3, M7 and M12 (in which respondents are asked to confirm that the numerical value they provide is between two pre-defined values) were described as annoying and unpleasant. All respondents said they gave the correct answers and that the question should be better phrased.

4.7.3. Overview of the changes in the consumer survey questionnaire

Based on the feedback obtained via the cognitive testing presented above, we proposed alternative approaches and wordings for the questions that posed a problem. Following several rounds of feedback and discussion with the European Commission, the questionnaire was revised for the pilot survey. The changes that were applied to the screener questions, the market modules questions and the control question are listed below.

4.7.3.1. Short screener

The changes made in the short screener are the following:

- The instructions were made clearer in questions DS1, DS1 and DS3;
- In the screener questions that list goods and services (questions DS2 and DS3), the items 'loans or credit' and 'credit cards' were separated (but lead to the same market module if they are ticked).

4.7.3.2. Medium and long screeners

Where applicable, the changes listed above were also applied to the medium and long screeners. The additional changes made in the short and medium screeners are the following:

- In the original version of the long screener, respondents were asked all questions in order to jog their memory for potential additional problems, even if they had identified a problem in the first question. In the revised version, filters were adapted so that fewer questions are asked to respondents who identified problems quickly;
- These additional questions were also made shorter and clearer.

4.7.3.3. Market modules and control question on expectations

M1 - Specific good or service with which the problem was experienced

The question was clear and the list of items was perceived as exhaustive. In the train services module, the first item was found to overlap with all of the following categories.

- As a special case, multiple answers were made possible for question M1 on the product type in the train services market module;

- In the market module for clothing, footwear and bags the answer item 'Accessory' in question M1 was deleted;
- For consistency reasons, similar to the market module for clothing footwear and bags, the additional answer item 'Package of multiple large household appliances' was added to question M1 in the market module for large household appliances.

M2 - Time of purchase of the good or service

- The question was kept as it was and the answer items were made mutually exclusive.

M3 - Price of the good or service

Respondents reported that question M3 on the price was confusing because it could be interpreted as asking either how much they paid (and in case of overcharges they would report that as well), or how much they paid for the product alone (excluding any potential overcharges).

- The question was reworded in order to make it clear that the second interpretation is the correct one;
- The confirmation questions for input amounts were rephrased to focus on the value that the respondent entered and highlight the 'quality assurance' nature of the question. This applies to M3, M7, M12 and M15.

M4 - Sales channel

- The answer item 'Other' was added in all market modules;
- The existing answer item 'Over the Internet, through a comparison website or other intermediary' was changed to 'Over the Internet, through an intermediary (e.g. comparison website)';
- The answer item 'On the train' was added in the train services market module.

M5 - Country of the seller/provider

- The answer item 'I don't know where the provider is based' is shown on the first screen, i.e. not only when respondents try to skip.

M6 - Description of the problem experienced

Respondents found that the lists of answer items were long and that some answer items were too specific. They also indicated that they had difficulties remaining focused while reading the list of answers.

- Headers were introduced so that problem types are presented by category (e.g. 'Quality', 'Billing and payments', 'Contractual issues'), in order to guide the respondent to their problem type. Please see the full list of market specific headers in the pilot survey questionnaire in Annex VIII;
- In response to the comments on the long lists of answer items, in particular in M6 across market modules, the problem types 'Appliance only partially delivered' and 'Appliance delivered late' were grouped in the large household appliances market module, as these two items relate to the way delivery was carried out.

M7 - Over-/extra charges or hidden fees

In line with the refinement to question M3 on the price, the wording of question M7 on extra charges was revised to make the purpose of the question clearer.

- The instruction therefore clarifies that the question is about extra charges regardless of any redress received.
- The confirmation question for input amounts was rephrased to focus on the value that the respondent entered and highlight the 'quality assurance' nature of the question.

M8 - Usability of the good or service

Respondents found that this question was understandable but difficult to answer. They were not sure what 6 or 7 on the answering scale would mean. They therefore suggested replacing the scale with answering categories they could choose from, i.e. a Likert scale.

- The answering scale applied was changed from a 11-point scale – 0 (Not at all) to 10 (Fully) – to a 4 point-scale of 'Not at all', 'Partly, with major difficulty', 'Partly, with minor difficulty', 'Fully'.

M9 - Action taken by consumer to sort out the problem

Respondents found that the question was clear but too long. We proposed using the pilot survey results to determine which items could be removed or consolidated.

- The wording of the problem types related to cancelling the contract was clarified in the market modules for electricity services, mobile telephone services, and loans, credit and credit cards where the items 'Cancelled the mobile telephone services within the withdrawal period of 14 days from the conclusion of the contract online' and 'Cancelled the mobile telephone service contract' were overlapping. As a result 'terminated' is used to refer to ending the contract outside of the cooling-off period.

M9bis - Reasons consumers do not take action to sort out the problem

- To highlight the fact that respondents are offered answers from a list, the question wording was changed to 'For which of the reasons below have you not taken action? Mark all that apply.';
- Respondents identified two items missing from the list. The following answer items were therefore added: 'The complaints procedure was too complicated' and 'I have not had the time yet'.

M10 - Time lost as a result of the problem

In general, the respondents agreed that the question was clear and the examples were helpful to better understand the question. However, most of the respondents said the scale was too detailed.

- The answering scale was adjusted in all market modules. In particular, answer categories for time loss above 5 hours were regrouped as follows: '5 to 10 hours', '11 to 20 hours', 'More than 20 hours',

M11 - Emotional stress as a result of the problem

Respondents found that it was difficult to quantify such emotions and that the scale had too many points.

- The answering scale applied was changed from a 11-point scale – 0 (Not at all emotionally stressed) to 10 (Very much emotionally stressed) – to a 5 point-scale of 'Not all', 'A little', 'Moderately', 'Quite a lot', and 'Extremely'.

M12 - Costs incurred sorting out the problem

- The items 'Don't know' and 'Not relevant' were shown on the first screen for each cost item in order to avoid forced answers, which would have added noise to the data.
- The confirmation question for input amounts was rephrased to focus on the value that the respondent entered and highlight the 'quality assurance' nature of the question.

M13 - 'Fair price' estimation

- The price paid for the good or service is used as a benchmark for the 'fair price' estimation. Owing to the lack of an appropriate price-related benchmark in the loans, credit and credit cards market module, this question was changed to 'Taking into account all the trouble you had as a result of the problem, including any financial loss, time loss, and emotional stress, would you sign up to this banking service again?'.

M14 - Action taken by the seller/provider in response to the problem

- A filter was applied so respondents who indicate not having taken any action in M9 are not asked M14.

M15 - Reimbursement or compensation provided by the seller/provider

- The question was kept as it was.
- The confirmation question for input amounts was rephrased to focus on the value that the respondent entered and highlight the 'quality assurance' nature of the question.

M16 - Extent to which the problem was resolved

- The question was kept as it was.

M17 - Duration of the problem

- The question was kept as it was and the answer items were made mutually exclusive.

Other changes applied to all market modules included improved questions wordings and additional programming rules on answer items that are mutually exclusive.

D4 - Control question on expectations

Finally, control question D4 on expectations, which includes four statements relating to quality, redress, customer service and information, was found to yield only strong agreements with the statements provided.

- The statements were thus reversed to read in the negative form. This way, respondents will indicate how much they disagree with each statement rather than how much they agree;
- The response scale was also adapted so that it is symmetrical and consists of mutually exclusive items ('Totally agree', 'Tend to agree', 'Tend to disagree', 'Totally disagree').

4.7.4. Final annotated questionnaire

Following from the detailed feedback obtained on each question, the resulting recommendations and the subsequent discussions with the European Commission, final refinements were made to the questions and answer items. Changes of a general nature were applied to all market modules and a few market-specific refinements were implemented, as presented above.

4.8. Pilot consumer survey

4.8.1. Methodology

4.8.1.1. Overview

Taking into account the results of the cognitive interviews, the questionnaire was revised and tested over the course of October and November 2015 in close collaboration with the European Commission. The following points describe the set-up of the questionnaire:

- *Aim:* To test the questionnaire on a quantitative basis, in particular:³⁸
 1. Check the sample sizes obtained for the markets subject to analysis;
 2. Test the effectiveness of the three different screeners designed in order to identify the optimal screener, i.e. the screener with the combination of questions obtaining the highest overall incidence rate, while being as short as possible;
 3. Assess the appropriateness of the numerical input questions and the follow-up confirmation procedure;
 4. Assess the appropriateness of answer items across all questions;
 5. Review data obtained through the open text field in the question on the description of the problem to identify potential gaps in problem categories;
 6. Test the format of the data tables.
- *Mode:* Online, using TNS online access panels;
- *Country coverage:* France and the United Kingdom;
- *Sample design:* Quota-based, with quotas for gender, age (18+) and region reflecting national proportions. Once the total samples for both countries were obtained, three sub-samples in each country (each assigned one of the screeners) were obtained by randomly assigning each respondent to one of the three screeners. The random assignment ensures that the three sub-samples do not differ in terms of quotas for gender, age and region;
- *Sample size:* 1000 respondents per country, for a total of 2000. These sample sizes were chosen with the aim of identifying sufficient respondents who had experienced problems in the markets covered;³⁹
- *Market coverage:* Four markets: clothing, footwear and bags, large household appliances, mobile telephone services, and loans, credit and credit cards;⁴⁰

³⁸ While a comparison of incidence rates obtained in the pilot survey with those from the Market Monitoring Survey is provided below (Section 4.8.3.2), the aim of the pilot survey was not to conduct an assessment or analysis of detriment or a comparison of detriment with previous assessments.

³⁹ Regarding the surveys conducted for testing the methodology a base size of 50 or more respondents who experienced a problem per country and market was considered appropriate, and was reached in the pilot survey. This number is a common benchmark used in market research for communicating sound results, which is rooted in the central limit theorem of statistics.

⁴⁰ An additional two markets – electricity services and train services – were covered in the main fieldwork.

- *Questionnaire length:* One screener (short, medium or long, depending on the sub-sample to which the respondent was assigned) followed by up to two market modules per respondent (depending on whether the respondent had experienced problems in a relevant market).

Details on the implementation of the pilot survey, the pilot sample composition and data processing are provided in Annex XIII.

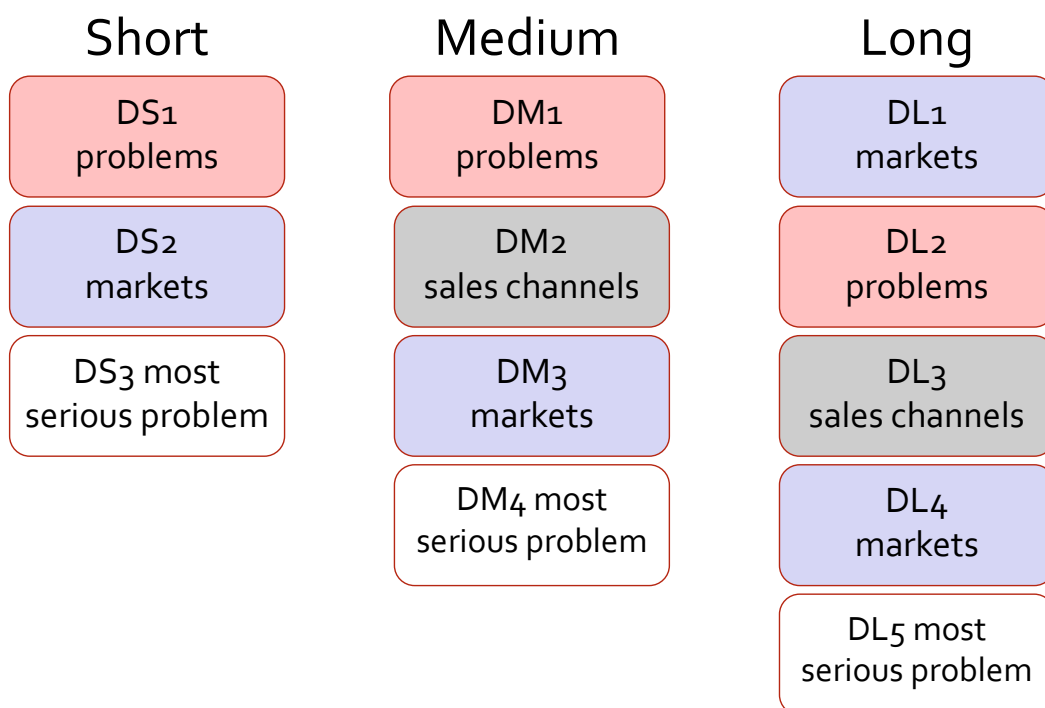
4.8.1.2. Screener design

Three different screeners were developed to test in the pilot survey: the short screener, the medium screener and the long screener. Each respondent was randomly assigned to one of the three screeners, leading to roughly equally numbered sub-samples. The questions used in the three screeners are identical; as a result, the contribution of each question to the overall incidence rate could be tested.

The aim was to determine which screener represents the combination of questions obtaining the highest overall incidence rate, while being as short as possible for cost-effectiveness reasons. A key assumption was that a screener leading to a high overall incidence rate implies less underreporting of problems, i.e. does not induce respondents to over-report problems. This is because the screener questions explicitly referred to problems for which the respondent had a legitimate cause for complaint; jogging the respondent's memory was therefore unlikely to induce him or her to report problems that do not meet this criterion.

The figure below provides a graphical overview of the design of the different screeners, including the nature and order of the questions in each screener.

Figure 3: Overview of design of screeners



Source: Civic Consulting.

4.8.2. Questionnaire

The questionnaire used in the pilot survey is provided in Annex VIII.

4.8.3. Analysis of pilot survey results

In this section we present the analysis of the results. The full data tables for the pilot survey are in Annex V.

4.8.3.1. Overview of results

The following points provide an overview of the key results of the pilot survey against the aims listed above.

1. All three screeners performed as intended, with substantial sample sizes achieved per country and across the markets subject to analysis. The pilot survey was effective for the identification of the optimal screener, i.e. the screener with the combination of questions obtaining a high overall incidence rate, while being as short as possible.
2. The numerical questions worked well and almost all respondents reported reasonable amounts. Please see the data tables for questions M3, M7, M12 and M15 in all market modules in Annex V for a detailed distribution of the amounts reported (for instance pages 27, 36, 46, 47, 48, and 56 in Annex V for mobile telephone services). However, the confirmation questions proved redundant, as all or almost all respondents confirmed the value they had indicated. Moreover, the few respondents who did not confirm the value they had indicated nonetheless picked the bracket corresponding to the value they had indicated in the follow-up questions.
3. In general, responses are well distributed among the answer items for questions in all market modules. However, where some answer items could be better worded in order to improve the discriminatory power of the related question, we put forward suggestions for improvement. Please see Section 4.8.3.3. below where the results and recommendations for improvement are detailed question by question.
4. In question M6 on the description of the problem, only a handful of respondents selected the 'Other' category, which is a good indication that the list of problems was exhaustive and relevant. Please see results for M6 in Section 4.8.3.3. for a detailed account of the number of respondents who ticked 'Other' in each market module. Nonetheless, in the text fields provided for the item 'Other', respondents provided indications as to a few additional relevant problem types, as detailed below.

In the following sub-sections we review the results for each question. For those questions/aspects of particular interest from the perspective of improving the functioning of the questionnaire, we have also provided graphical representations of the results.

4.8.3.2. Results of piloting the screeners⁴¹

Short screener

In total, 669 respondents were assigned to the short screener (332 in the UK and 337 in France) and 302 of them were recruited. The short screener recruited 52% of respondents assigned to this screener in the UK (i.e. 174 respondents) and 38% in France (i.e. 128 respondents). We therefore suggested that the short screener was an option to consider for the main fieldwork.

- DS1: This question performed well. It recruited 66% of the respondents assigned to this screener in the UK (i.e. 219 respondents were reminded of a problem they experienced) and 50% in France (i.e. 167 respondents were reminded of a problem they experienced). We recommended keeping this question as it was, in the event the short screener were chosen for the main fieldwork.
- DS2a: This question performed well. It recruited (i.e. at least one relevant market was ticked) an additional 19% and 22% of the respondents assigned to the short screener in the UK and France respectively. We recommended keeping this question as it was, in the event the short screener were chosen for the main fieldwork.
- DS2b: This question follows from QS1 for the respondents who remembered they had experienced a problem, and therefore it is not a reminder question. 59% (130 respondents) and 54% (90 respondents) of the respondents assigned to this question in the UK and France respectively ticked at least one of the relevant markets. Based on the results, we had no reason to change it. We recommended keeping this question as it was, in the event the short screener were chosen for the main fieldwork.
- DS3: This question follows on from DS1 and DS2 for the respondents who remembered they had experienced problem(s), and therefore it is not a reminder question. None of the respondents opted for the 'Don't know' option. Around seven in ten respondents (72%) selected one of the four relevant markets as markets where they had experienced the most serious problem. The market most often selected as the market in which respondents experienced their most serious problem is the market for mobile telephone services (27%), followed by large household appliances and train services, cited by around one in five respondents (17% for both markets). Loans or credit and credit cards were selected by 12% of the respondents. Based on these results, we had no reason to change it. We recommended keeping this question as it was, in the event the short screener were chosen for the main fieldwork.

Medium screener

In total, 669 respondents were assigned to the medium screener (333 in the UK and 336 in France) and 286 were recruited. The medium screener recruited 44% of respondents assigned to this screener in the UK (i.e. 148 respondents) and 41% in France (i.e. 138 respondents). Considering that no further impact on the incidence rate is achieved by the medium screener compared to the short screener, we recommended against using the medium screener for the main fieldwork.

⁴¹ Note that the base sizes for questions and answer items displayed in the data tables and copied into this section have been rounded following the weighting procedure. As a result, minor divergences between the total base size of a question or answer item and the sum of the base sizes for specific sub-samples are possible. Also, the percentages in the data tables are calculated based on the weighted figures, not the rounded base sizes. Therefore minor divergences between percentages and the ratio of the base sizes are possible.

- DM1: This question performed well. It recruited 60% of the respondents assigned to this screener in the UK (i.e. 199 respondents were reminded of a problem they experienced) and 55% in France (i.e. 185 respondents were reminded of a problem they experienced).
- DM2: This question did not appear to be effective. It only recruited 5% (34 respondents) of new 'Yes' answers, i.e. 4.2% in the UK (14 respondents) and 5.8% in France (20 respondents).
- DM3a: This question performed well. It recruited (i.e. at least one relevant market was ticked by) an additional 16% and 18% of the respondents assigned to the medium screener in the UK and France respectively.
- DM3b: This question follows from DM1 and DM2 for the respondents who reported they had experienced problem(s), and therefore it is not a reminder question.

Long screener

In total, 661 respondents were assigned to the long screener (334 in the UK and 327 in France) and 340 were recruited. The long screener recruited 54% of respondents assigned to this screener in the UK (i.e. 181 respondents) and 49% in France (i.e. 159 respondents). We suggested that the long screener was an option to consider for the main fieldwork.

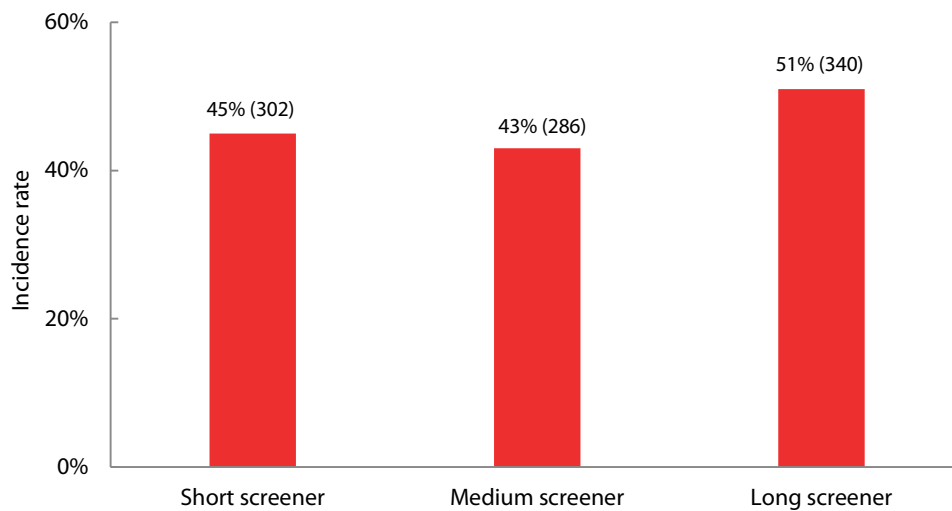
- DL1: This question performed well. It recruited 58% of the respondents assigned to this screener in the UK (i.e. 195 respondents reported they experienced a problem) and 51% in France (i.e. 167 respondents reported they experienced a problem). We recommended keeping this question as it was, in the event the long screener were chosen for the main fieldwork.
- DL2a: This question performed well. Respondents who did not remember experiencing a problem in DL1 were asked this question. Of the respondents who were asked DL2a, it recruited 26% (36 respondents) and 22% (35 respondents) in the UK and France respectively. We recommended keeping this question as it was, in the event the long screener were chosen for the main fieldwork.
- DL2b: This question performed well. Respondents who remembered they had experienced a problem in DL1 were asked this question. More than two-thirds of the respondents who were asked DL2b confirmed they had also experienced other problems, with 76% (149 respondents) in the UK and 67% (113 respondents) in France giving a positive answer on this question. We recommended keeping this question as it was, in the event the long screener were chosen for the main fieldwork.
- DL3a: This question was the least effective. Respondents who did not remember experiencing a problem after the two first questions (i.e. 104 respondents in the UK and 124 respondents in FR) were asked this question. Of the respondents that were asked DL3a, this question recruited 7% (8 respondents) and 11% (13 respondents) in the UK and France respectively new 'Yes' answers. However of these 21 new 'Yes' answers in total, only one respondent had experienced a problem in the mobile telephone services market and only two respondents in the market for clothing, footwear and bags. Three respondents out of a total of 340 recruited by the long screener for the target markets equates to less than 1%. We therefore recommended deleting this question to make the screener shorter and simpler, in the event the long screener were chosen for the main fieldwork.
- DL4: This question performed very well. Respondents who remembered problems in DL2a, DL2b and DL3a were asked this question. Only 3 respondents ticked relevant markets coming from DL3a. The remaining respondents who were asked this question (90.48% and 79.49% in the UK

and France respectively) and who ticked relevant markets came from DL2a or DL2b. We recommended keeping this question as it was, in the event the long screener were chosen for the main fieldwork.

Comparison of incidence rates overall, by country and by market

The figure below provides a graphical overview of the overall incidence rates achieved by each screener.

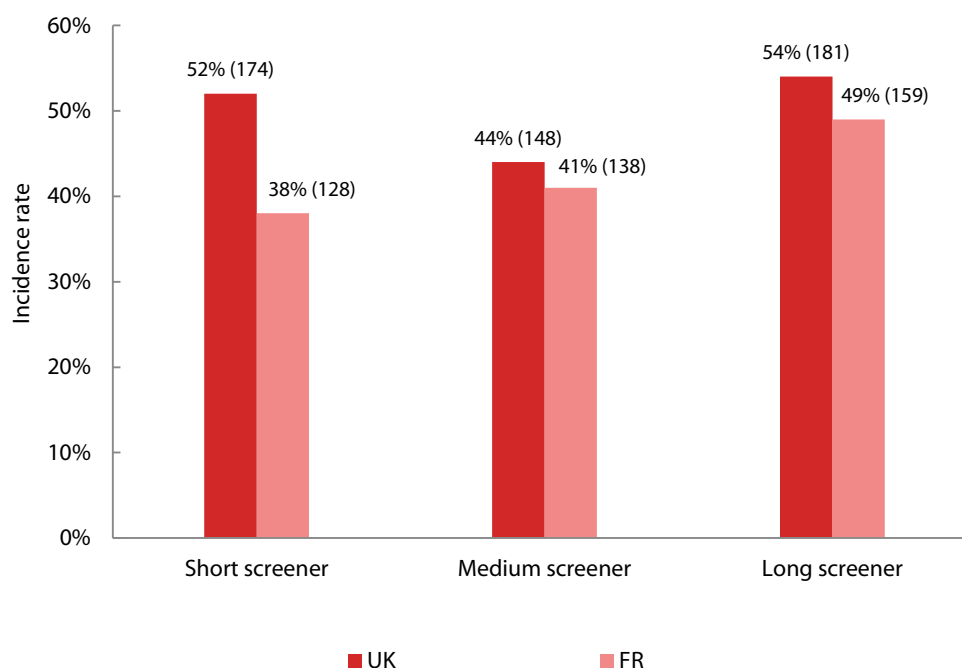
Figure 4: Incidence rates overall by screener



Source: Pilot survey, DS1-DS3; DM1-DM4; DL1-DL5. Notes: absolute numbers are in brackets.

While the difference observed between the medium and long screener is statistically significant, this is not the case between the short and the medium screeners. Furthermore, no significant difference was observed between the incidence rates by market obtained via the different screeners.

In addition, the figure below provides a graphical overview of the incidence rates achieved by each screener in the UK and in France.

Figure 5: Incidence rates by screener by country

Source: Pilot survey, DS1-DS3; DM1-DM4; DL1-DL5. Notes: absolute numbers are in brackets.

The small sample sizes in the pilot survey (roughly 300 per screener per country) are likely to explain a large proportion of the observed differences in incidence between the UK and France: with larger samples, in which the characteristics more closely resemble the general population, the observed differences between the countries are likely to be smaller.⁴² Moreover, differences at the market level between the two countries were generally minor across the three screeners.

Next, the figures below provide a graphical overview of the incidence rates achieved by the short screener (as it was in the end selected for the main fieldwork – please see the conclusion at the end of the section) by market. These are compared with the ex-ante expected incidence rates calculated for these markets based on the Market Monitoring Survey (MMS) data for France and the United Kingdom in 2013.⁴³ The incidence rates calculated based on the Market Monitoring Survey data are presented on an indicative basis, as they constitute only approximations of the incidence rates expected in the consumer detriment survey. Indeed, the MMS only considers problems arising in the same period as the good or service was paid for (one, two or three years, depending on the market). The reference periods in the MMS for the markets subject to analysis in this study are all one year, except for large household appliances and loans, credit and credit cards, which feature a reference period of 2 years.⁴⁴ In

⁴² The difference in incidence between the UK and France observed in the main online survey, where the short screener was used, is indeed smaller: 49% in the UK and 44% in France.

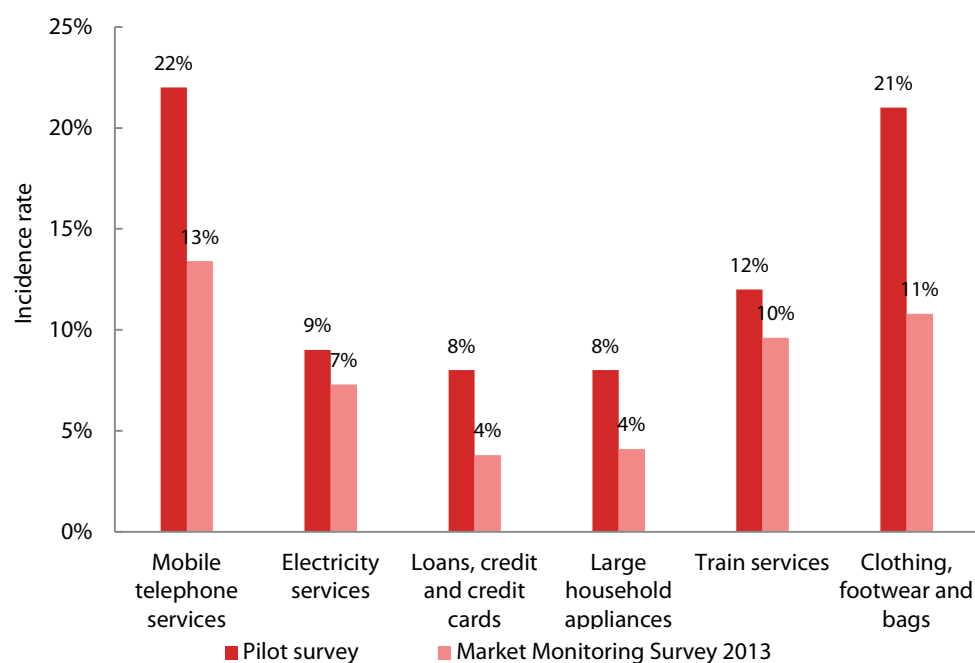
⁴³ The MMS was originally used as a basis for calculating expected incidence rates. We therefore compare how much the results obtained in the pilot survey match the expected incidence rates. The MMS data also present the advantage of covering the same markets as in this study and providing results for both UK and FR. MMS data used to calculate the ex-ante expected incidence rates provided in the next figures are presented in Annex II.

⁴⁴ In the MMS, the penetration level of the markets are measured as the percentage of the adult population who bought the product/service in the time span specific for each market and the problems rate is measured using the following question: 'Within the past <X> year(s), did you experience any problem with the product/services you purchased/paid for, either with the product or the retailer/the service or provider, where you thought you had a legitimate cause for complaint?'

contrast, the incidence rate in our consumer survey also includes problems resulting from goods or services that were purchased outside the MMS reference period. Evidence of this can be found in the answers to Q2 on the time of purchase of the good or service: in some markets a substantial proportion of respondents purchased the good or service outside of the MMS reference period for the market in question.

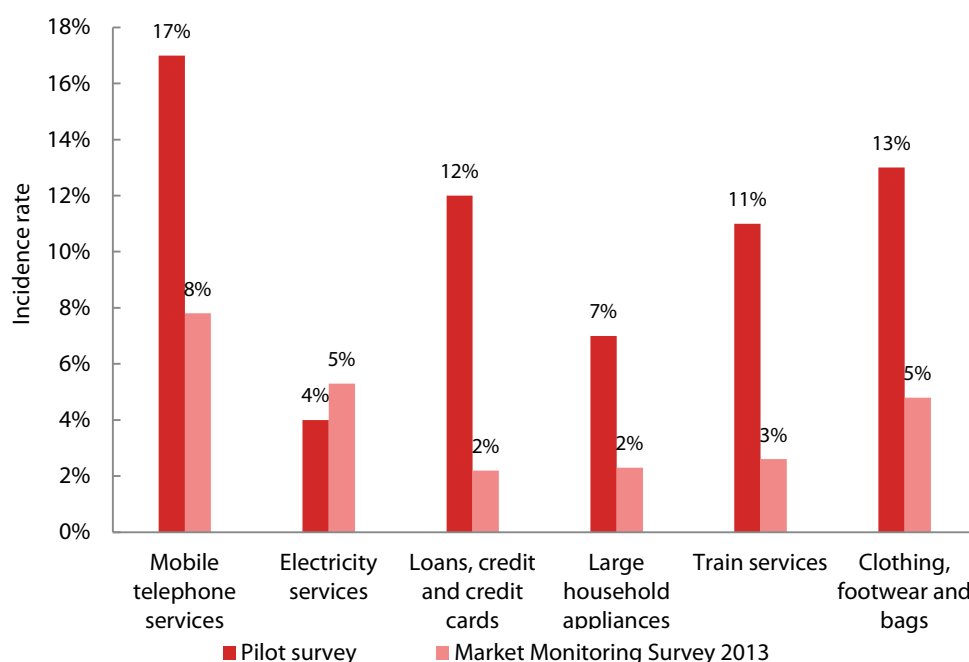
The figure below provides the incidence by market for the UK.

Figure 6: Incidence rates by market in the UK (short screener)



Source: Pilot survey (DS1-DS3); European Commission, Market Monitoring Survey, 2013. Note: The incidence rates based on the MMS data were calculated by multiplying the penetration rate obtained in the MMS by the rate of problems obtained in the MMS for each market under study. As the MMS incidence rates are thus based on a calculation, there is no original base size to which the base size of the screener could be compared.

The figure below provides the incidence by market for France.

Figure 7: Incidence rates by market in France (short screener)

Source: Pilot survey (DS1-DS3); European Commission, Market Monitoring Survey, 2013. Note: The incidence rates based on the MMS data were calculated by multiplying the penetration rate obtained in the MMS by the rate of problems obtained in the MMS for each market under study. As the MMS incidence rates are thus based on a calculation, there is no original base size to which the base size of the screener could be compared.

The following findings can be established:

- Each of the screeners was successful in obtaining incidence rates by market that are higher than the expected incidence rates based on the MMS data. This may partly be explained by the larger scope of the survey as outlined above. In addition, the length of the screeners (which all involved several questions) could increase incidence rates, in that multiple reminder questions as well as examples of problems are presented to jog respondents' memory;
- For the long screener the proportion of recruited respondents is the highest (51%). The proportions of respondents recruited for the short and medium screeners were slightly lower and very similar (45% and 43%);
- The reminder question outlining potential sales channels (DL3a and DM2) did not materially contribute to the recruited proportions in both the medium and long screener.

It is important to recall the rationale of the testing of the three different screeners: (a) identify the best performing screener while (b) bearing in mind the length and complexity of the questions asked. Furthermore, it should be noted that the length of the screener determines the number of questions to be included in the market modules. Having taken these considerations and the key results outlined above into account, two main options appeared reasonable for the screener in the main fieldwork survey:⁴⁵

⁴⁵ As a different combination of questions from those featuring in the three screeners would have been untested, we have excluded this as an option.

1. Use the short screener, as it currently stands, which would allow the same number of questions as in the pilot survey in the remainder of the questionnaire to be kept; or
2. Use the long screener, with one question fewer (DL3a reminder question on sales channel).

Following feedback received from the European Commission, it was agreed to proceed with the short screener (option 1). As rather small difference in incidence measured was obtained between the long and the short screeners, and the pattern in the results for both screeners were broadly in line with the findings from the MMS, the shortest screener was selected.

4.8.3.3. Results of piloting the market modules

M1 - Specific good or service with which the problem was experienced

Overall, responses are well distributed among the answer items for this question in all market modules, although there are some interesting specific findings for each market module. The number of respondents who selected 'Other' is generally low, which indicates that the answer items cover the scope of the question well.

However, the market module for mobile telephone services (MA1) is an exception: in this module, the 'Other' answer item was selected by 12% and 15% respondents who answered MA1 in the UK and France, respectively. These respondents may have understood the question to refer to the type of problem they had, rather than the type of mobile telephone service. Therefore, for this particular market module we recommended rephrasing the question so that it is clearer to respondents that the question is about the mobile telephone service they subscribed to. As the market for electricity services, which was not tested in the pilot, is similar to the market for mobile telephone services, we also recommended aligning the wording of the question in the electricity services market module with that used in the mobile telephone services market module.

- It was agreed that the wording for the mobile telephone services and electricity services market modules respectively should be as follows: *What type of mobile telephone service did you have?* and *What type of electricity service did you have?*

Moreover, a very small number of respondents selected the items 'Carpet shampooing machine or machine for scrubbing, waxing and polishing floors' (no respondents), 'Sewing machine or knitting machine' (no respondents), 'Package of multiple large household appliances' (two respondents) in the market module for large household appliances (MD1) and the items 'Fur' and 'Hat' (no respondents) in the market module for clothing, footwear and bags (MF1). We therefore recommended deleting these items, as the answer category 'Other' would cover all items not included in the list.

Because these items (except the item 'Hat') might yield higher response rates in other countries and could otherwise be grouped with similar categories in the analysis stage, it was agreed that only the item 'Hat' would be removed.⁴⁶

⁴⁶ In the main online survey, however, results relating to these answer items were similar. In total, a very small share of respondents selected the items 'Carpet shampooing machine or machine for scrubbing, waxing and polishing floors' (1%), 'Sewing machine or knitting machine' (1%), 'Package of multiple large household appliances' (1%) in the market module for large household appliances (QD1) and the items 'Fur' (0%) in the market module for clothing, footwear and bags (QF1).

M2 - Time of purchase of the good or service

The proportions of answers are well distributed across the scale, with around a fifth of respondents selecting each of the answering items in all market modules. In the market module for 'Clothing, footwear and bags' (MF2), however, the answers are skewed towards the left side of the scale, with around two-thirds of respondents (159 respondents out of a total of 240 respondents) selecting the item 'Less than six months ago'.

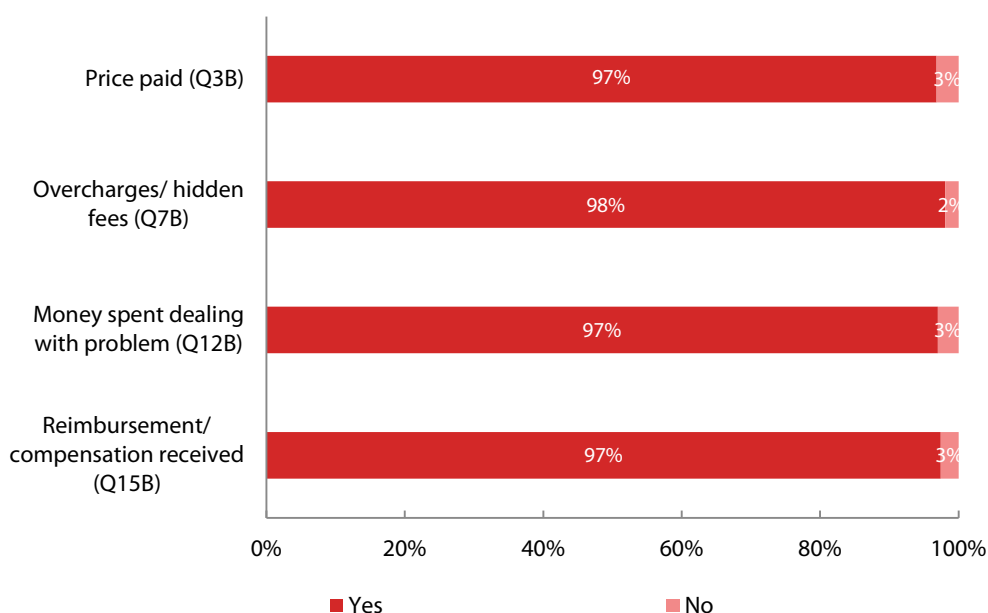
- It was agreed that the same wording would be kept for both the question and answer items for all market modules, with the exception of the scale for the 'Clothing, footwear and bags' module. Because the answer item 'Less than six months ago' was selected by around two-thirds of the respondents in this market module, it was split into 'Less than 3 months ago' and '3 months to less than 6 months ago'. This does not harm comparability across the different market modules because these categories can be recombined into 'Less than 6 months ago'.

M3 - Price of the good or service

The following comments relate to the numerical questions across all market modules (M3, 7, 12 and 15), including the 'sub-question' prompting for the amount (question type A), the sub-question asking the respondent to confirm the amount (type B) and the follow-up sub-question asking the respondent to specify a range of values in case the amount was not confirmed (type C).

The figure below provides a graphical overview of the results for sub-question type B (concerning the confirmation of the amount) for each of the numerical questions outlined above, averaging across markets.

Figure 8: Rate of confirmation of numerical inputs



Source: Pilot survey, M3B, M7B, M12B, M15B, averages across market modules.

The following key results can be highlighted:

- The numerical questions worked well - almost all respondents reported reasonable amounts;

- The confirmation questions (M3B, M7B, M12B, M15B) proved to be broadly redundant, as all or almost all respondents (95-99%) confirmed the value they had indicated, with only a handful of respondents who did not confirm the value they indicated (1-5%, or 1-10 respondents in absolute terms);
- Those who did not confirm the value they indicated nonetheless always selected the bracket corresponding to the value they had indicated in the follow-up question (M3C, M7C, M12C). This pattern and the figures indicated are consistent for all numerical questions across all four market modules tested.

Our conclusion was therefore first to keep question type A as it is and remove question types B and C from M3, M7, M12 and M15. Moreover, despite the indication in the questions to not include any over-/extra charges in the amount reported (as this relates to financial detriment, not the price paid), results showed a few respondents may nonetheless have included additional charges in their inputs.

Therefore, we considered that particularly for M3, market-specific maximum values of the amount paid should be introduced as an upper threshold, combined with an error message if a higher value than the threshold is specified. Taking into account the pilot results, it was agreed that the following upper thresholds would be introduced:

- Mobile telephone services (MA3): *Max EUR 300 (per month)*
- Electricity services (MB3): *Max EUR 2,000 (per year)*
- Loans, credit and credit cards (MC3): *Max EUR 75,000*
- Large household appliances (QD3): *Max EUR 10,000*
- Train services (ME3): *Max EUR 1,000*
- Clothing, footwear and bags (MF3): *Max EUR 2,000*

If respondents do not report an amount paid below these thresholds, the following error message is displayed (example mobile telephone services): *'The amount you entered is high. Please make sure you are reporting the amount paid for the mobile telephone service per month'*. Then the question is repeated with no upper limit.

M4 - Sales channel

The first four items ('In person, at a shop or other sales point', 'Over the Internet, directly from the provider', 'Over the Internet, through an intermediary (e.g. comparison website)' and 'By telephone') were selected by almost all respondents across all four market modules. The remaining items ('By mail order', 'From a salesperson visiting the home' etc.) were only selected by a handful of respondents (e.g. 6 and 0 respondents overall respectively in the market module for clothing, footwear and bags and 2 and 1 respondents respectively in the market module for loans, credit and credit cards).

- Despite the skew in responses, we opted to keep the answer items as such, in order to accommodate a potentially greater variety of use in sales channels in other countries.

M5 - Country of the seller/provider

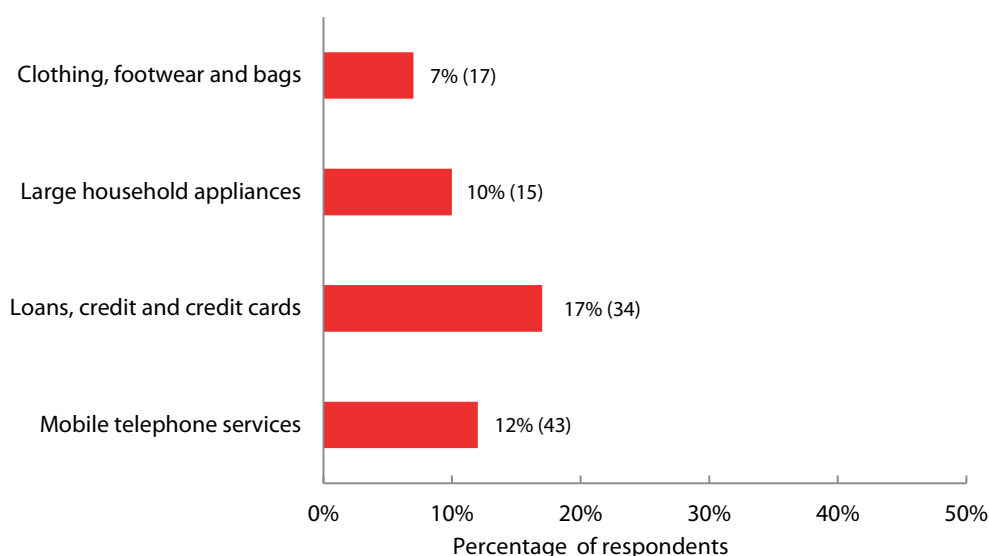
Most of the respondents answered that the seller/provider was based in the respondent's country of residence (more than 80% of respondents in all market modules). Only small proportions reported that the seller/provider was based in another EU country (around 10% of respondents overall) and even fewer that the seller/provider was based outside the EU (around 2-3% of respondents in all market modules).

- Although the distribution of responses has a large skew, this question is important for the purposes of providing indications as to detriment relating to cross-border purchases, so it was kept as it is.

M6 - Description of the problem experienced

Overall, responses are well distributed among the answer items for this question for all market modules. Only a handful of respondents selected the 'Other' category, which is a good indication that the list of problems was exhaustive and relevant. The figure below provides a graphical overview of the proportion of responses who selected the item 'Other' by market.

Figure 9: Proportion of respondents who identified their problem as 'Other'



Source: Pilot survey, M6. Notes: absolute numbers are in brackets

Nonetheless, in the text fields provided for the item 'Other', some respondents provided indications as to additional relevant problem types, as shown below. Furthermore, certain items were selected by very few respondents, and we would recommend either removing the items or grouping them, as indicated:

- Mobile telephone services (MA6):
 - Of those respondents who selected 'Other':
 - Several respondents (11 in the UK and 6 in FR) indicated a problem related to the phone, which they may have received as part of the mobile telephone service contract. Hence, a specific problem type for this kind of issues was added under the problem category 'Quality and provision of service': 'Phone provided with contract faulty or not as described'. This also clarifies that the problem is with the phone provided as part of the consumer's contract with the provider;⁴⁷

⁴⁷ We cannot exclude the potential for some respondents to select the market for mobile telephone services in the screener although their problem refers to a handset that they purchased. However, considering that questions 1, 3 and 6 clearly refer to a mobile telephone service in terms of the type of service, the monthly price paid for the service and problems related explicitly to the service, we expect the potential for such an overlap to be minimal.

- A few respondents (1 in the UK and 1 in FR) indicated they had difficulty in changing tariffs, as opposed to switching providers; hence the existing 'Problems terminating my contract' was changed to 'Problems terminating my contract or switching tariff'. As the market for electricity services is similar to the market for mobile telephone services, this change was also applied to the electricity services market module.
- Loans, credit and credit cards (MC6):
 - We recommended grouping the items 'Could not withdraw within the 14 day cooling-off period after signing the contract' and 'Problems with termination of my contract or early repayment' into 'Other contractual issues';
 - Of those respondents who selected 'Other', several respondents (5 in the UK and 5 in FR) reported a problem related to fraudulent use of their credit card. Hence, the item 'Fraudulent use of credit card' was added under a new category 'Fraud'.
- Large household appliances (MD6):
 - We recommended grouping 'Appliance caused damage to other possessions' and 'Appliance caused injury' into a single item: 'Appliance caused injury or damage to other possessions';
 - Of those respondents who selected 'Other', several respondents (6 in the UK and 5 in FR) indicated a problem relating to faulty appliances or appliance that stopped working. This is despite the fact that the item 'Appliance faulty (e.g. fell apart quickly)' is listed. We judge that the example 'e.g. fell apart quickly' may therefore be too restrictive. Hence, it was agreed that the existing item 'Appliance faulty (e.g. fell apart quickly)' should be changed to 'Appliance faulty or broke down (without me causing the damage)'.
- Clothing, footwear and bags (MF6):
 - Of those respondents who selected 'Other', several respondents (6 in the UK and 4 in FR) indicated a problem relating to the wrong item or size being delivered. This is despite the fact that the item 'Item of unsatisfactory quality, counterfeit or not as described' is listed. We judged that the item was likely too long, and it was agreed that two changes should be applied: a) Splitting the item 'Item of unsatisfactory quality, counterfeit or not as described' into 'Item of unsatisfactory quality' and 'Counterfeit item (fake brand)'; and b) adding the item 'Wrong item delivered (e.g. wrong size or different item)' under 'Delivery'.

M7 - Over-/extra charges or hidden fees

The general findings and recommendations concerning the collection of numerical values detailed in question M3 above also apply to this question.

M8 - Usability of the good or service

Overall, responses are well distributed among the answer items for this question for all market modules (however, this question is not asked in the loans, credit and credit cards market module). Each answer item was selected by between 12% and 44% of the respondents in all market modules and no respondent ticked 'Don't know'.

- We kept the same wording for the question and answering items for all market modules.

M9 - Action taken by consumer to sort out the problem

Across the market modules, between 87% (mobile telephone services) and 94% (large household appliances) indicated that they took action. Overall, the responses are well distributed among the answer items for all market modules and no respondent ticked 'Don't know'.

- We kept the same wording for the question and answering items for all market modules.

M9bis - Reasons consumers do not take action to sort out the problem

The base size for this question is very low, with fewer than 15 respondents per country qualifying to answer the questions (with the exception of the mobile telephone services market module in France, for which 30 respondents qualified). This is due to this being a 'split' question with M14 following answers to M9: those respondents who took action are directed to M14, while those who did not are directed to M9bis.

- We kept M9bis as it is, as an alternative question for those respondents who reported not taking action in M9. Despite the low expected base size, it was considered the answers may prove useful in providing indications as to why consumers did not take action and corresponds to vulnerability-related factors/drivers.

M10 - Time lost as a result of the problem

Across the market modules, between 96% (clothing, footwear and bags) and 99% (loans, credit and credit cards) indicated they lost some time as a result of the problem. Overall, the responses are well distributed among the answer items for all market modules and no respondent ticked 'Don't remember'.

- We kept the same wording for the question and answering items for all market modules.

M11 - Emotional stress as a result of the problem

Following from the cognitive interview results, the answering scale applied for this question was a 5 point-scale of 'Not all', 'A little', 'Moderately', 'Quite a lot', and 'Extremely'. The pilot survey results show that a significant proportion of respondents (more than 20% to 35%) in both countries selected the category 'Moderately', which is the middle category. In our experience, responses to assessments based on 5-point scales are generally biased towards the middle category as respondents tend to avoid ticking extreme response categories. Also, the answers to that question are skewed towards the right part of the scale (i.e. towards 'Quite a lot' and 'Extremely').

- To increase the question's capacity to differentiate respondents, i.e. obtain a more spread out distribution, and balance the scale, i.e. give less weight to central categories, we opted for a 4-point Likert scale (i.e. with no middle category), in which the answer items in the left part of the scale 'Not at all' and 'A little' are combined under 'Not at all or only a little' in all market modules (it would not be optimal to merge 'A little' and 'Moderately', as this would give more weight to a central category).

M12 - Costs incurred sorting out the problem

The general findings and recommendations concerning the collection of numerical values detailed in question M3 also apply to this question. An important feature of this question was that it itemised the amounts of money spent in order to sort out the problem. Very low numbers of respondents (around five per country) indicated amounts spent for 'Costs related to court proceedings' (item 2). We therefore recommended deleting this item, as the item related to amounts spent for 'Other extra costs' would be expected to cover for such costs.

- In order to address the lack of information regarding the costs related to court proceedings consumers incur in the EU, it was agreed that this cost item should be kept.

M13 - 'Fair price' estimation

Across the market modules, between 56% (clothing, footwear and bags) and 79% (mobile telephone services) indicated they would pay between a quarter of the price and the same price again, with the answer item 'Would pay one quarter of the price' being the least ticked. Overall, responses are well distributed among the answer items for this question for all market modules and only one respondent ticked 'Don't know'.

- We kept the same wording for the question and answering items for all market modules.

M14 - Action taken by the seller/provider in response to the problem

Overall responses are well distributed across the answer items for this question. However, almost no respondents (19 and 15 respondents only across all market modules in the UK and in FR respectively) selected items 10 'Offered compensation/reimbursement and I have not yet decided whether to accept it or not' or 11 'Offered unsatisfactory compensation/reimbursement which I declined' across all market modules. Most importantly, these items are two-dimensional because they include information on the action taken by the seller/provider and the consumer's response to the action. Therefore, they make it difficult for the respondent to answer due to their contradiction with other answer items (such as 'Gave a partial or full refund of the money I paid', 'Gave credit note or voucher', 'Gave compensation for damages or losses').

- With these considerations in mind, we deleted items 10 and 11. The item 'Other' covers for the very rare situations in which compensation/reimbursement is offered and not accepted. The benefits are twofold - it simplifies the implementation of the questions and makes it consistent and shorter for the respondent.

M15 - Reimbursement or compensation provided by the seller/provider

The general findings and recommendations concerning the collection of numerical values detailed in question M3 also apply to this question.

M16 - Extent to which the problem was resolved

Across the market modules, between 41% (loans, credit and credit cards) and 65% (large household appliances) indicated that the problem was fully resolved. Overall, responses are well distributed among the answer items for this question and no respondent ticked 'Don't know'.

- We kept the same wording for the question and answering items for all market modules.

M17 - Duration of the problem

M17 on the duration of the problem can be asked in four different forms, depending on what the respondent indicated in M16 on the extent to which the problem was resolved. Owing to the routing from M16, the different versions of M17, i.e. M17A, M17B, M17C, and M17D, were not asked to the same number of respondents. In particular, M17A consistently has the largest base size while M17D has the lowest base size. Where the base size is low it is more difficult to assess the distribution of responses; however, as the answer items are the same across the four versions of

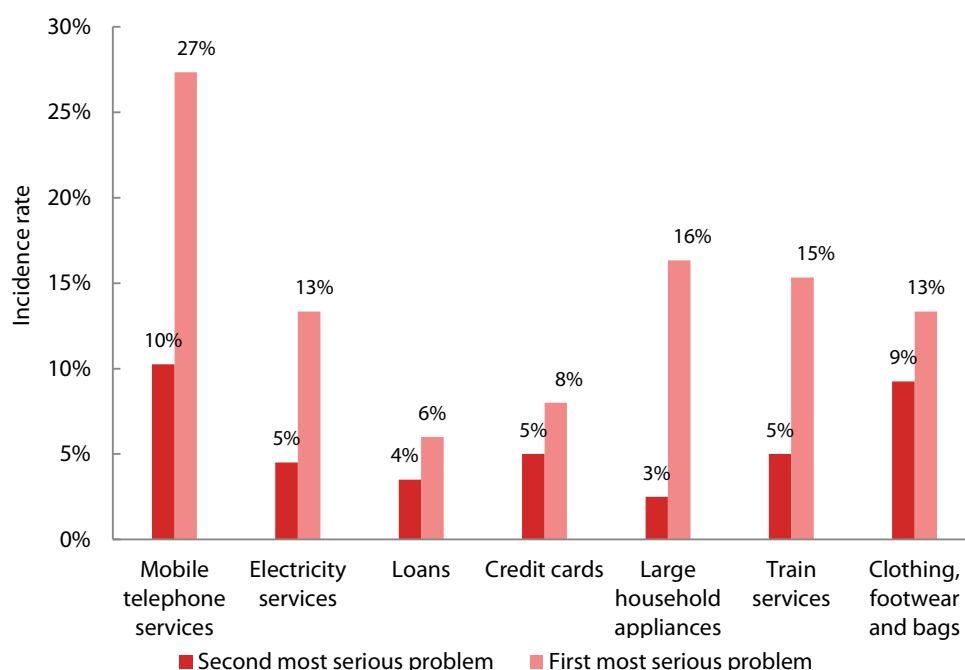
M17, we can conclude that overall, responses are well distributed among the answer items for this question.⁴⁸ Furthermore, no respondent ticked 'Don't remember'.

- We kept the questions and answering items for all market modules.

M18 - Selection of second most serious problem

The figure below displays the averages of responses to M18 across market modules, compared to the incidence rate of the first most serious problem by market obtained via the last questions in the screeners.

Figure 10: Markets in which respondents had their most serious problem and second most serious problem (if any)



Source: Pilot survey, DS3, DM4, DL5, averages across screeners, and M18, averages across market modules. Note: These rates are calculated based on different sample sizes, as respondents who indicated they had their first most serious problem with electricity services or trains services were excluded after the screener (as these markets were not covered in the pilot) and thus did not answer M18.

The objective of this question was to maximise the recruitment of respondents who had experienced problems leading to detriment in the relevant markets. Bearing this in mind, the question recruited significant proportions of respondents across all the relevant market modules, as shown in the figure above.

- We kept this question as it was for all market modules.

⁴⁸ The answer item 'A year or more' is included to account for problems that may have started before the last 12 months and lasted so that they are still experienced in the last 12 months. This answer item was chosen by a significant share of respondents in the pilot and in the mainstage survey, which suggests that respondents indeed considered such problems and didn't interpret problem 'experienced' as restricted to problem 'occurred'.

4.8.3.4. Results of the pilot of the socio demographic questions

Socio demographic questions used to set quotas: D1- Gender; D2 - Age and D3 - Region

The quotas set on the socio-demographic questions worked well and ensured a match between the profile of the sample and the national statistics. A good balance was achieved across the national regions, as well as between age groups and gender categories.

- We kept these questions as they were.

D5 - Rural area or village, small or middle sized town, or large town or city

This question performed well and differentiated respondents living in areas with different levels of urbanisation well. Indeed 29% of the respondents indicated they live in a rural area or village, 42% indicated they live in a small or middle-sized town, 29% indicated they live in a large town or city, and no respondent ticked 'Don't know'.

- We kept the same question wording.

D6 - Level of education

Overall this question performed well and differentiated respondents with different levels of education well.

- We kept the same question wording.

D7 - Current occupation

This question performed well and differentiated respondents with different occupations well.

According to Eurostat data, the 2014 employment rates in the UK and in France were respectively 71.9% and 64.3%. The employment rate is defined as the proportion of the working age population (15 to 64 years old). However about 20% of our sample is made up of respondents over the age of 65, as it is representative of the overall population. Yet as this age group is also characterised by a high proportion of retirees, this would explain the difference between the Eurostat employment rates and the respondents not characterised as 'without a professional activity'.⁴⁹

- We kept the same question wording.

D8 - Making ends meet

This question performed well and differentiated respondents at different income levels well.

- We kept the same question wording.

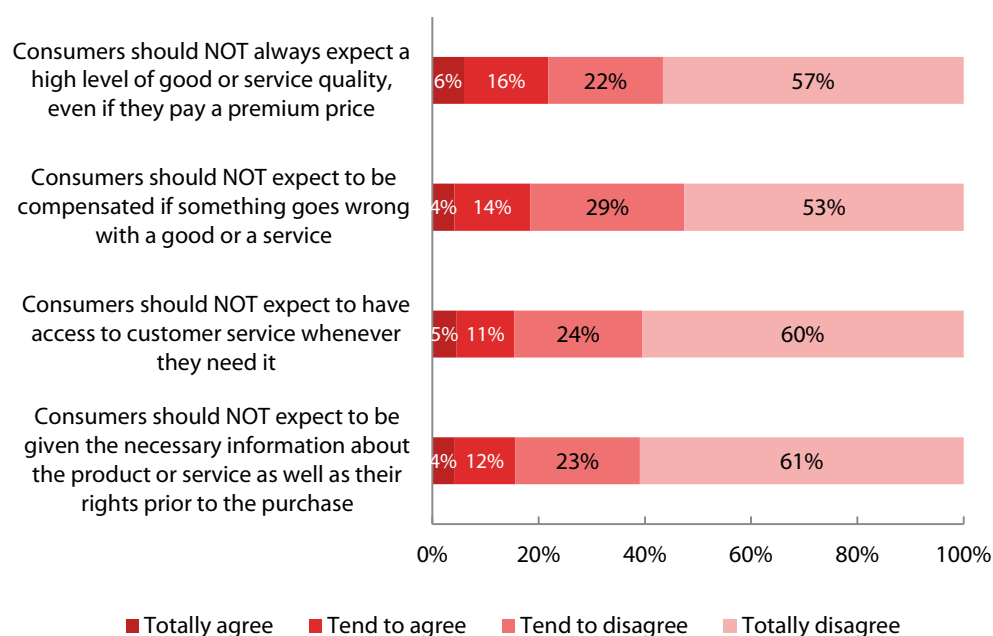
⁴⁹ http://ec.europa.eu/eurostat/statistics-explained/index.php/Employment_statistics. Respondents characterised as 'without a professional activity' comprise all respondents who selected 'Student'; 'House-person or other not in employment'; 'Seeking a job' or 'Retired'; respondents who selected the remaining categories 'Self-employed'; 'Manager'; 'Other white collar'; 'Blue collar' are considered to have a professional activity. The EU LFS defines persons in employment as "those aged 15 and over, who, during the reference week, performed some work, even for just one hour per week, for pay, profit or family gain". The employment rate as defined by the EU LFS can therefore be compared with respondents who indicated they have a professional activity in the survey; conversely the rate of non-employment (which comprises both those seeking a job and those who are not) can be compared with respondents characterised as 'without a professional activity' in the survey.

D4 - Control question on expectations

Based on the cognitive testing and past research comparing assessments of statements written in a positive and a negative form that showed that the negative form allowed for better differentiation of responses (research on 'acquiescence bias'),⁵⁰ the statements were formulated in the negative for the pilot survey.

As anticipated, the proportions of answers across the four items aimed at measuring consumer expectations show a clear bias towards the right side of the scale. Indeed, as shown on the figure below, a majority of respondents indicated they tend to disagree or totally disagree with the four items presented. Nonetheless, we judge that formulation of the items in the negative ('Consumers should NOT...') has enabled better differentiation between respondents. The figure below presents the break-down of responses by item.

Figure 11: Agreement with statements concerning expectations of quality, redress, customer service and information provision



Source: Pilot survey, D4.

This can also be analysed at the level of each assessment: the assessment 'Totally disagree' allows for more differentiation, with the items 'Consumers should NOT always expect a high level of good or service quality, even if they pay a premium price' and 'Consumers should NOT expect to be compensated if something goes wrong with a good or a service' differentiating respondents better than 'Consumers should NOT expect to have access to customer service whenever they need it' and 'Consumers should NOT expect to be given the necessary information about the product or service about their rights prior to the purchase'.

Further insights can be obtained through examining the correlations between the questions. The table below presents a matrix of correlations between the responses provided for each question.

⁵⁰ See e.g. 'The acquiescence effect in responding to a questionnaire' <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2736523/>

Table 9: Correlation matrix of the answer items D4.1, D4.2, D4.3, D4.4

Statement	D4.1	D4.2	D4.3	D4.4
D4.1 Consumers should NOT always expect a high level of good or service quality, even if they pay a premium price	1.000	.692	.680	.719
D4.2 Consumers should NOT expect to be compensated if something goes wrong with a good or a service	.692	1.000	.720	.710
D4.3 Consumers should NOT expect to have access to customer service whenever they need it	.680	.720	1.000	.812
D4.4 Consumers should NOT expect to be given the necessary information about a good or service or about their rights prior to the purchase	.719	.710	.812	1.000

Source: Pilot survey, D4.

Item 1 above relates to expectations concerning quality, item 2 to expectations concerning redress, item 3 to expectations concerning customer service and item 4 to expectations regarding information provision.⁵¹ As shown, item 4 (information provision) is highly correlated with the other items, but in particular with item 3 (customer service). Item 4 therefore does not contribute to explaining a substantial proportion of the variance among respondents beyond item 3; as a result, the item is likely to provide little additional differentiation.

- Considering that item 4 both performs worst among the items at differentiating between respondents with differing expectations and is also highly correlated with the remaining items, it was agreed that it should be deleted.

4.8.4. Conclusions

Overall, the pilot survey was a successful test of the questionnaire to be applied in the main fieldwork of the study. The results contributed significantly to confirming the approach and improving the questionnaire.

4.9. Final approach to measuring personal consumer detriment and extrapolating results

4.9.1. Overview of final questionnaires

Following discussion of the recommendations on the pilot, we adapted the questionnaire for the main fieldwork phase (see Annexes III.a and III.b). The table below provides additional details concerning each of the questions of each component, based on the final consumer survey questionnaires implemented in the online and face-to-face main fieldwork (in which the short screener was used).

⁵¹ The choice of dimensions is based on the aim of characterising expectations across a broad range of aspects that are important for consumers.

Table 10: Overview of consumer survey questionnaires

Q.	Question topic	Whole or sub-sample	Incidence of detriment	Magnitude of detriment	Contextual information
Initial socio-demographic questions.					
D1	Gender	WS			✓
D2	Age	WS			✓
D3	Region	WS			✓
Screeners.					
S1	Examples of types of consumer problems	WS	✓		
S2A/B	Markets in which problems experienced	WS	✓		
S3	Market in which most serious problem experienced	WS		✓	
Market module.					
M1	Specific product/service	SS			✓
M2	Age of good/service *	SS			✓
M3	Amount paid or reference amount for good/service	SS		✓	
M4	Sales channel	SS			✓
M5	Location of the trader *	SS			✓
M6	Problem description	SS			✓
M7	Over-/extra charges or hidden fees	SS		✓	
M8	Usability of the good or service	SS		✓	
M9	Actions taken by the consumer	SS		✓	✓
M9B	Reasons for not taking action	SS			✓
M10	Time loss	SS		✓	
M11	Psychological detriment	SS		✓	
M12	Money spent trying to sort out the problem	SS		✓	
M13	Estimation of 'fair price' for good/service	SS		✓	
M14	Actions taken by the trader	SS		✓	✓
M15	Amount received as reimbursement/ compensation	SS		✓	
M16	Status of the problem *	SS			✓
M17	Duration of the problem	SS		✓	
M18	Market in which 2 nd most serious problem experienced	SS		✓	

Final socio-demographic/control questions					
D4	Consumer expectations	SS			✓
D5	Locality	WS			✓
D6	Education level	WS			✓
D7	Occupation	WS			✓
D8	Financial situation	WS			✓
D9	Frequency of internet use**	SS			✓

Notes: Initial socio-demographic questions on gender, age and region were posed before the screener for the quota based sampling approach. * Only for online survey. ** Only for face-to-face survey. 'SS' refers to the sub-sample of respondents who completed a market module, i.e. who reported having experienced a problem in one of the six markets under study.

The questionnaire for the face-to-face survey (implemented in parallel to the main online survey) was a slightly shortened version of the online questionnaire (excluding M2, M5, M16). This is because the face-to-face mode needed to be more limited in terms of the number of questions asked to respondents, and mainly focuses on the questions related to the incidence and magnitude of detriment experienced by consumers. In the table below we present the candidates for deletion and suggestions for insertion for the face-to-face questionnaire, as well as the pros and cons for each question.

Table 11: Candidates for deletion and suggestions for insertion for face-to-face questionnaire

Question	Question topic	Comments	Change for FTF
M1	Specific product/service	Provides very important contextual information on detriment.	None
M2	Age of good/service	Provides contextual information on detriment, which is relatively less likely to differ significantly between online and FTF modes (as this mainly depends on average product lifetime/frequency of defects in a given market).	Deletion
M3	Amount paid or reference amount for good/service	Essential for assessment of detriment	None
M4	Sales channel	Provides contextual information on detriment, which may differ significantly between modes (e.g. online purchases).	None
M5	Location of the trader	Provides contextual information on detriment. Less relevant, as in the pilot survey only about 10% of respondents reported that the seller/provider was based in another EU country or outside the EU.	Deletion
M6	Problem description	Essential for assessment of detriment	None
M7	Over-/extra charges or hidden fees	Essential for assessment of detriment	None
M8	Usability of the good or service	Essential for assessment of detriment	None
M9	Actions taken by the consumer	Provides contextual information on detriment, in particular on behavioural aspects, which may differ significantly between modes.	None
M9b	Reasons for not taking action	Provides contextual information on detriment, in particular on behavioural aspects, which may differ significantly between modes.	None
M10	Time loss	Essential for assessment of detriment	None
M11	Psychological detriment	Essential for assessment of detriment	None
M12	Money spent trying to sort out the problem	Essential for assessment of detriment	None
M13	Estimation of 'fair price' for good/service	Important alternative approach for assessment of detriment, to be tested across both modes.	None

M14	Actions taken by the trader	Essential for assessment of detriment	None
M15	Amount received as reimbursement/compensation	Essential for assessment of detriment	None
M16	Status of the problem	Provides contextual information on detriment, which is less relevant. If deleted, Q17 would be reworded to apply to all cases in Q16: 'How long did the problem last/has lasted?'	Deletion
M17 a/b/c/d	Duration of the problem	Essential for assessment of detriment	Rewording
M18	Market in which 2 nd most serious problem experienced	Not applicable for the FTF.	Deletion
D9	Frequency of internet use	<p>In light of the indicators of vulnerability developed in a recent study on consumer vulnerability across key markets in the European Union commissioned by the European Commission,⁵² we propose adding a question on the frequency of internet use as an additional question to cover this vulnerability-related factor: 'How frequently do you use the internet?'</p> <p><i>Every day or almost every day</i></p> <p><i>Once a week</i></p> <p><i>2-3 times a month</i></p> <p><i>Once a month</i></p> <p><i>A couple of times a year or less often</i></p> <p><i>Never</i></p>	Insertion

Source: Civic Consulting.

⁵² London Economics/VVA Consulting/Ipsos Mori, Consumer vulnerability across key markets in the European Union, 2016

The suggestions presented in the table above were discussed with the European Commission, and all suggestions were agreed on and implemented. The questions that were asked in both questionnaires were identical in both survey modes in all countries to ensure comparability of results.

4.9.2. Incidence of personal consumer detriment

As indicated above, the incidence of personal consumer detriment refers to the number of respondents who report having experienced a problem for which they had a legitimate cause for complaint in a given time period, as a percentage of the total sample surveyed. The screener questions are instrumental for assessing the *incidence* of personal consumer detriment in the markets subject to assessment. In particular, in this study the incidence for a given market is calculated as the total of the number of respondents who 'ticked' that market in S2A or in S2B, i.e. respondents who experienced at least one problem in that market, as a percentage of the total survey sample.⁵³

4.9.3. Magnitude of personal consumer detriment

For a comprehensive assessment of personal detriment in most consumer markets, the first expert workshop concluded that it is sufficient to consider financial detriment, time loss and psychological detriment. The methodology we have developed therefore focuses on these three key dimensions.⁵⁴ In the following, we detail the approach developed for collecting data on and assessing the magnitude of detriment relating to each of these dimensions. The related questions applied to collect the data are presented in full in each of the market modules developed in this study in the consumer survey questionnaires in Annex III.

4.9.4. Financial detriment

Distinguishing between pre- and post-redress financial detriment

One of the objectives of this study, and a valuable refinement of previous approaches that did not consider the benefits or reduced financial detriment that may result from obtaining redress, was that the methodology estimates both *pre-redress financial detriment* (i.e. prior to receiving any substantial redress, e.g. in the form of monetary reimbursement or compensation, or replacing the good or service, etc.) and *post-redress financial detriment* (i.e. financial detriment net of any redress received).⁵⁵ This approach was applied in a recent economic study on consumer digital content products, where the authors measured consumer detriment with digital content or

⁵³ Question S2A is formulated as follows: *To help remind you about any problems you may have experienced, the list below outlines different types of goods or services. Please indicate all goods or services you have experienced a problem with in the last 12 months, either with the goods or services or the seller/provider. It doesn't matter whether or not you complained about the problem, but it must be something for which you had a legitimate cause for complaint.* Question S2B is formulated as follows: *Please look through the list below and indicate all goods or services you have experienced a problem with in the last 12 months, either with the goods or services or the seller/provider, for which you consider you had a legitimate cause for complaint.*

⁵⁴ For examples of relevant questions for assessing adverse health effects or social detriment, please see Europe Economics, *An Analysis of the Issue of Consumer Detriment and the Most Appropriate Methodologies to Estimate It*, London, 2007 and Ipsos MRBI / Competition and Consumer Protection Commission, *Consumer Detriment Survey 2014*, 2014 respectively.

⁵⁵ Where no redress was received pre-redress financial detriment and post-redress financial detriment are equal.

service via a survey and differentiated between 'gross financial detriment' and 'net financial detriment'.⁵⁶

If any form of redress has taken place, redress can be defined in abstract terms as 'remedy or compensation for a wrong or grievance'. In the context of this study it refers to a remedy or compensation for a wrong or grievance related to the purchase or use of a good or service (such as a defective good or service), which is provided by a seller/supplier, but obtained through one of several possible procedures, including alternative dispute resolution or legal procedures.

Substantial redress refers to what the consumer actually receives as redress for their problem, such as a replacement product, a refund or compensation. In the broader sense it can also refer to non-monetary redress such as acknowledging the problem or providing a satisfactory explanation. *Redress procedures* refer to the way in which the consumer obtains or attempts to obtain redress. Examples include contacting the seller/supplier to ask for compensation, contacting a government body or consumer organisation, or taking the seller/supplier to court or an alternative dispute resolution body.

As noted in Section 4.5.6., redress can contribute to partly or wholly offsetting the detriment brought about by the problem. Quantifying redress is therefore important from the perspective of assessing both pre- and post-redress detriment.

Approach to data collection on financial detriment

In the consumer survey we collected data that allows pre- and post-redress financial detriment to be calculated, while at the same time avoiding ambiguities and double counting. The pre-redress stage is considered to cover all financial losses resulting directly from the problem as well as the actions taken by the consumer to sort out the problem and their related costs, *but excludes any actions taken by the trader to sort out the problem*.

At the pre-redress stage, financial losses resulting directly from the problem might include:

- *Over-/extra charges or hidden fees (e.g. because of an incorrect bill);*
- *Potential reduction in value of the good or service because it cannot be used as intended (e.g. because it is faulty).*

Internal testing, cognitive interviews and the pilot survey indicated that it is straightforward for survey respondents to report over- or extra charges or hidden fees. Thus it was asked directly in the consumer survey (question M7, see questionnaire overview in the table above). Yet it appeared to be difficult for respondents to accurately estimate the detriment relating to a reduction in value of a good or service as a result of a problem – for example, in the case of a good or service that is unusable due to the problem – and that the reasoning applied to determine the reduction/loss in value differs significantly across respondents.

We therefore opted for an approach to measure the reduction in value of the good or service due to the problem based on three elements:

- The price of the good or service (M3);

⁵⁶ European Commission, Economic Study on Consumer Digital Content Products (2015). In this study, gross financial detriment is calculated by multiplying the average financial loss per problem per user by the number of consumers who have experienced a problem with digital content or service in the 12-month period preceding the survey and net financial detriment is calculated as gross financial detriment less financial remedies received.

- The extent to which the good or service can be used as intended after or during the problem's occurrence (M8), using the following 4-point scale as answer items:
 - Not at all;
 - Partly, with major difficulty;
 - Partly, with minor difficulty;
 - Fully.
- The duration of the problem e.g. in terms of how long it took to be resolved (if this is the case) or how long it has lasted (if unresolved) (M17).

The combined information from these three questions allows the reduction in value in a good or service resulting from a problem to be calculated. Moreover, question M8 on the usability of the good or service was only asked to respondents who indicated a problem type (in M6) that could lead to a reduction in value of the good or service. For example, if a problem relates to pricing, billing or payments, then the quality and/or the performance of the good or service are not impaired as a result of such a problem, which would rather impact the amount paid and result in possible over-/extra charges or hidden fees. Applying such a filter ensures a better questionnaire flow for the respondents who are not affected by a reduction in value as well as a conservative estimate. Although problems related to quality and delivery are generally considered relevant and problems related to pricing, billing or payments, and contractual issues are generally considered not relevant for the assessment of the usability of the good or service, the identification of the relevant problem categories should be assessed at market level by considering both the nature of the market and the market-specific problem types listed in the questionnaire.⁵⁷ Similarly, as over-/extra charges or hidden fees only occur in the context of specific types of problems, the related question was only posed to those respondents who reported relevant types of problems (in M6).

Results of internal testing and cognitive interviews also highlighted a tendency among respondents to erroneously estimate total costs and losses resulting from a problem, for example through double counting (e.g. counting both the cost of a replacement good/service and the cost of the original possibly faulty good/service) or considering elements relevant for other dimensions of detriment (e.g. also considering the value of the time they spent dealing with the problem).

We therefore concluded that costs incurred by trying to sort out the problem should be asked for *after* the other dimensions of detriment (psychological detriment and time loss) are assessed in the questionnaire, to clarify that these dimensions are evaluated separately. For this reason, questions M10 and M11 on time loss and psychological detriment precede M12 on money spent trying to sort out the problem.

We also opted for an approach in which data on costs of sorting out the problem (M12) are collected in three separate respects:

- *Costs of repairing/replacing a good or buying an alternative service at the consumer's own expense;*
- *Costs related to court proceedings;*
- *Other costs such as costs of telephone, postage, or travel to sort out the problem.*

⁵⁷ For instance, the market-specific problem type 'Train delayed' is relevant in the market module for train services.

This distinction allows for both a greater differentiation of key types of costs and a more accurate calculation of financial detriment at the pre-redress stage.

Furthermore, internal testing and cognitive interviews revealed that in absence of more precise indications, respondents tended to report their financial detriment differently depending on whether or not they received redress for the problem they had. In particular, some respondents reported their post-redress (or 'net') financial detriment, while others reported their pre-redress financial detriment. In order to clarify that respondents should report their pre-redress costs and losses, questions on costs incurred in dealing with the problem (M12) and potential overcharges (M7) therefore explicitly state that respondents should not consider any monetary compensation or reimbursement in the costs they report.

Finally, relevant answer items were developed in M9 in order to collect additional information on specific actions taken by the consumer that need to be considered in order to arrive at an accurate estimate of pre-redress financial detriment, including whether the respondent cancelled the purchase of the good/service, returned or repaired the good/service, or bought a replacement good or service, etc.

The post-redress stage then considers all actions taken by the trader to solve the problem (i.e. any substantial redress provided by the trader to the consumer). The substantial redress may partly or wholly offset the financial detriment suffered by the consumer at the pre-redress stage. It may consist of:

- *Repairs, replacement goods or alternative services provided by the trader to the consumer; and/or*
- *Monetary redress, i.e. partial or full refund, credit note, voucher, or compensation provided by the trader to the consumer.*

In order to collect data on monetary redress as well as whether any repairs, replacement goods or alternative services were provided by the trader to the consumer, the questionnaire includes two separate questions to this end (M14 and M15).

Assessment of financial detriment – respondent level

Data collected at the pre-redress and post-redress stage is used for the calculation of financial detriment at the respondent level, where post-redress financial detriment is obtained by deducting the substantial redress from the pre-redress financial detriment.

The different elements of consumer detriment necessary for the calculation of pre-redress financial detriment, substantial redress and post-redress financial detriment are either based on monetary data directly reported by respondents or calculated based on answers provided by respondents across multiple questions.

The calculation of **pre-redress financial detriment** involves the following elements, which are calculated separately for each respondent:

- 1) *Reduction in value or loss of service relating to loss in usability of a good or service, as a result of the problem. This is calculated by using the answers to M8 (on usability of the good or service) to first assign an index value between 0 and 1 to usability of the good or service based on the following scale:*⁵⁸

⁵⁸ If the respondent did not receive this question (because loss of usability is irrelevant for the problem he or she had, e.g. generally problems related to pricing, billing or payments, and contractual issues), then this is assigned the value of 0.

- Not at all → 1
- Partly, with major difficulty → 0.67
- Partly, with minor difficulty → 0.33
- Fully → 0

The reduction in value relating to the loss in usability is then equal to the price reported in M3 multiplied by the index value for the loss in usability. In the case of a subscription service,⁵⁹ this figure is then multiplied by the duration of the problem (reported in M17), to account for the duration of the loss of the subscription service. The reduction in value relating to the loss in usability is equal to 0 in case the respondent repaired or replaced the good at his or her own expense, as reported in M9 (because in this case the related repair or replacement costs constitute the detriment incurred) and equal to the price of the good in case the good was not delivered or was returned to the seller (because in this case the respondent suffers a full loss of value). For markets other than goods and subscription services markets, such as the market for loans, credit and credit cards, reduction in value or loss of service is not relevant. However this does not limit the comparability of results across markets, as the methodology developed covers all the main ways in which financial detriment occurs, regardless of the market.

- 2) *Over-/extra charges or hidden fees* incurred by the consumer as a result of the problem are directly used as specified by the respondent in M7. If the respondent did not receive this question (because the over-/extra charges or hidden fees are irrelevant for the problem he or she had), then this is assigned the value of 0.
- 3) *Costs incurred by the consumer trying to sort out the problem*, which is the sum of the a) costs of repairs or replacement/alternative goods/services, b) costs relating to court proceedings and c) other costs (as specified by the respondent in M12). In case the respondent cancelled the purchase or returned the good and bought a replacement, or cancelled the contract and subscribed to an alternative service, the costs of replacement/alternative goods/services are not taken into account (in order to avoid double counting).

Pre-redress financial detriment is then calculated by summing elements 1, 2 and 3.

Subsequently, **substantial redress** involves the following elements, again calculated separately for each respondent:

- 4) *Monetary redress* received by the consumer from the trader (as specified by the respondent in M15). If the respondent did not receive this question (because he or she did not indicate receiving reimbursement or compensation in M14) then this is assigned the value of 0.
- 5) *Value of any repairs or replacement by the trader*. In the case a good is repaired or replaced by the trader, then the consumer is also considered to be reimbursed for any reduction in value suffered (i.e. the amount of reduction in value calculated in element 1 is considered to be the value of the repairs/replacement).

⁵⁹ Subscription services are defined as services provided to the consumer on a continuous basis in exchange for a regular payment (e.g. mobile telephone service, electricity, internet, etc.).

Substantial redress is calculated by summing elements 4 and 5.

Finally, **post-redress financial detriment** is equal to **pre-redress financial detriment** (1+2+3) minus **substantial redress** (4+5).

An overview of the data sources from the consumer survey for the step-by-step assessment of financial detriment is presented in the table below.

Table 12: Overview of the consumer survey questions used to calculate the different elements of financial detriment

Q.	Question topic	Market relevance	1		2	3	1+2+3	4	5	4+5	1+2+3 -(4+5)
			Reduction in value of good	Loss of service ¹	Over-/extra charges	Costs of sorting out the problem	Pre-redress financial detriment	Monetary redress	Value of repairs/ replacement	Substantial redress	Post-redress financial detriment
M3	Amount paid or reference amount for good/service	All markets except loans, credit and credit cards	√	√			√				√
M7	Over-/extra charges or hidden fees	All markets			√		√				√
M8	Usability of the good or service	All markets except loans, credit and credit cards	√	√			√				√
M9	Actions taken by the consumer	All markets	√				√				√
M12	Money spent trying to sort out the problem	All markets				√	√				√
M14	Actions taken by the trader	All markets							√	√	√
M15	Amount received as reimbursement/compensation	All markets						√		√	√
M17	Duration of the problem	Mobile telephone and electricity services		√			√				√

Source: Civic Consulting. √=indicates that the question contributes to the respective element mentioned in the table column headings. 'Loss of service' relates specifically to the loss of a subscription service.

Assessment of financial detriment – average

Once pre- and post-redress financial detriment is calculated at the individual level, the next step is to calculate the average across respondents at the market level.

Ideally, respondents would have the opportunity to respond to separate market modules for all problems experienced in the market in the past 12 months for which he or she had a legitimate cause for complaint, to then calculate the average magnitude of financial detriment resulting from problems in that market. Of course, an infinite amount of market modules is both unfeasible in terms of resources and likely to result in survey fatigue. This implies the need for respondents to report specific problem(s) to be analysed in a corresponding number of market modules – up to two in the online survey and one in the face-to-face survey in this study – selected according to a specific criterion.

At the first expert workshop, two main options for such a criterion were proposed, based on previous studies: a) the ‘most serious’ problem, defined as ‘problem that caused the most trouble or cost’; b) the last or most recent problem. Both criteria introduce a potential bias when computing the average magnitude of detriment, with the former less likely to cover minor problems and the latter less likely to cover types of problems occurring less frequently. The choice to focus on the most serious problem was made to ensure that rare cases of very high detriment are considered to the extent possible. A further consideration was that respondents would, even if asked for the last problem, likely be more prone to remembering the most serious problem and report accordingly, so that option b) would be unlikely to properly work in practice.

The approach for calculating average magnitude of detriment – detailed below – is response based (and not respondent based), which means that all responses are used to calculate averages at the market level. For a given online respondent the two most serious problems are considered separately as distinct responses. In the particular case where one respondent completes two market modules for the same market, this counts as two distinct responses that are equally considered in the calculation of the averages, and averages are not calculated across the respondent’s answers.⁶⁰ Yet, any potential bias due to calculating the average magnitude of detriment on the basis of the most serious/second most serious problems would depend on the number of remaining problems respondents experienced in the past 12 months (i.e. problems beyond the most and second most serious) for which, importantly, they had a legitimate cause for complaint. Evidence from this study suggests that this number is low. In the main online survey, the percentage of respondents that indicated more than two problems for which they had a legitimate cause for complaint (i.e. who reported problems in three or more of the six target markets in the screener) was 8% of respondents. If problems in other markets are included, this figure rises to 11%. In the face-to-face survey, the respective percentages are 2% and 3%. These results indicate that any potential bias in the calculation of average detriment is likely to be very limited, if existing at all.

At the second expert workshop, the approach for presenting results was discussed. Initial results were presented for three of the selected markets that showed skewed distributions of observed financial detriment, i.e. where the average is greater than the median. Experts agreed that average values should be presented, like in the recent consumer detriment studies conducted in the UK and Ireland, and as the plausibility checks, described in section 6.3., ensure that average values reflect

⁶⁰ In the context of the present study however, even if an online respondent experienced two problems in a given market, s/he did not necessarily report on these problems in two market modules for this market as s/he could have experienced more serious problem(s) in other relevant market(s) and completed the other market module(s) instead. Thus, two problems in the same market do not necessarily result in two survey responses for this market, as several markets were subject to analysis.

realistic levels of detriment. Experts also agreed that averages should be complemented by median values, which are less sensitive to extreme values. Experts further indicated that presenting interquartile ranges would have a limited value added as the ranges would be large and would take up much space, thus impairing readability of results. In conclusion, average and median values are presented in the results section below, and graphs showing the distribution of values are presented in Annex XV.

4.9.5. Time loss

Approach to data collection on time loss

In line with the approach taken in previous studies in Ireland and in the UK and as confirmed during the first expert workshop, we opted for an approach that involves collecting total time loss resulting from the problem via a single question, as opposed to separately according to different elements, for several reasons. First, it is possible to spend time in two or more ways at the same time (e.g. one could be delayed as a result of the problem, while making phone calls to the trader and seeking legal advice), which would lead to double counting if these were reported separately and added up. Second, internal testing indicated that respondents generally do not conceptually differentiate between different ways time was spent when thinking about the problem, but rather have a broad idea of the total time spent as a result of the problem.

Nonetheless, results of the testing indicated that it is important to list examples of the various ways consumers can spend time as a result of the problem in the question (M10), to remind the respondent to consider time loss in its totality and thus reduce the risk of underestimating detriment from time loss.

Feedback from interviewees and experts as well as internal testing indicated that, in contrast to financial detriment, it is difficult for respondents to put an exact figure on the amount of hours they have spent as a result of the problem, and that it is increasingly difficult to be precise the greater the magnitude of time loss. We therefore employ an approach in this methodology based on answer items displaying increasing ranges of values of time (in hours). The final set of answer items developed is as follows:

- Less than 1 hour
- 1 to 2 hours
- 3 to 4 hours
- 5 to 10 hours
- 11 to 20 hours
- More than 20 hours
- No time lost

The maximum value that can be selected is 20 hours, as internal testing and the cognitive interviews showed that time loss beyond 20 hours is difficult to accurately assess and therefore additional answer items displaying longer periods were unlikely to yield more precise results.

Assessment of detriment relating to time loss

Assessing the detriment from time loss for a given market means calculating the average level of time loss per problem. However, as the data collected is in an ordinal format, we first needed to translate each response into a quantitative approximation. We did this by assigning the value of the mid-point of the ranges to each answer item. For example, the mid-point of '3 to 4 hours' is 3.5 hours, the mid-point of '11 to 20 hours' is 15.5 hours. We assigned a value of 20 hours to the category 'More than 20

hours', to provide a conservative estimate of the level of time loss. Average time loss per market in the countries subject to analysis could then be calculated at individual level and country level.

Furthermore, during the course of the study we considered the option of monetising the hourly time loss as part of the assessment of detriment relating to time loss, i.e. placing a monetary value on the value of an hour lost due to a problem, in order to put detriment resulting from time loss into perspective with financial detriment. To do this, several options were considered; the following options were presented to workshop participants at the second workshop in the context of the study:

- 1) Using a fixed amount for the average value of time employed in previous studies. For example, several EU studies applied an EU-wide value of time of EUR 7 per hour.⁶¹
- 2) A) Using a country-specific value of working time based on Eurostat data, a value of leisure time equal to a percentage of the value of working time (e.g. 30%), and providing two estimates – one based on the value of leisure time, another based on the value of working time.⁶²

B) Using only country-specific values of working time based on Eurostat data, without considering a lower estimate for leisure time. This approach was considered during the first expert online workshop as most appropriate, as many people do not value their leisure time less than their working time.
- 3) Applying either approach 2)A) or 2)B) and in each case presenting two values, a minimum (more conservative) value and a maximum (less conservative) value
- 4) Not monetising time loss, and only calculating and reporting the average time lost in hours per problem.

The second expert workshop reconfirmed that the most appropriate option was 2) B). However, as differences in average earnings between countries would entail potentially substantial differences in the value of time loss between countries, experts considered it best to monetise time loss for a given market at EU level only, based on a population-weighted average wage rate for the EU. As this relates to the extrapolation of results, the approach to monetisation of time loss is further detailed in Section 8 on extrapolation.

4.9.6. Psychological detriment

Several approaches to measuring psychological detriment can be considered, some of which may be complementary:

- Assessing the extent of overall emotional stress consumers experienced in qualitative terms as a result of the problem;

⁶¹ See Steer Davies Gleeve (2006): Air and Rail Competition and Complementarity, Final Report for European Commission, DG TREN; Civic Consulting (2008): Evaluation of the effectiveness and efficiency of collective redress mechanisms in the European Union, Final Report, DG SANCO. Ofcom (2012): Consumer switching. A consultation on proposals to change the processes for switching fixed voice and broadband providers on the Openreach copper network, used a value of leisure (non-working) time of GBP 5.97 per hour. This was considered a conservative estimate because some consumers would try to address problems during work time with a higher opportunity cost (GBP 30 per hour).

⁶² See Civic Consulting (2012): Consumer market study on the functioning of the market for Internet access and provision from a consumer perspective, Final Report, EAHG/DG SANCO.

- Assessing the extent to which consumers felt specific emotions (anger, frustration, worry) as a result of the problem separately;
- Assessing the extent of psychological detriment arising from problem on a qualitative scale from 0 to 10;
- Assessing the duration of the emotional stress the consumer experienced during the period the problem took place, to complement the assessment of the extent of emotional stress, if any;
- Assessing the consumer's willingness to pay to avoid the psychological detriment they experienced as a result of the problem;
- Assessing the emotional stress at two different points: at the time the problem occurred and during the problem resolution;
- Valuing psychological detriment as an additional percentage (e.g. 25-30%) of the reported amount of financial detriment [or time loss], by estimating the share of respondents who experienced major emotional stress in past surveys and the related correlations with financial detriment [or time loss].

Below we detail selected examples of approaches to measure psychological detriment that were considered feasible to implement in a survey-based assessment and hence put forward for discussion in the first expert workshop.

Table 13: Selected approaches to measuring consumer psychological detriment in a survey-based assessment

Description of approach	Data needs	Example question and answer items (from previous studies)	Source
a) For a given amount of financial [or time loss] detriment, psychological detriment is valued as an additional percentage (e.g. 25-30%) of the financial detriment [or the reported time loss]	<i>From other sources:</i> Estimate of the share of respondents who experienced emotional stress in past surveys and related correlations with financial detriment [or time loss]	<i>Not relevant</i>	Australian Productivity Commission (2007) [Civic Consulting for similar approach using time loss]
b) Respondents are asked to assess the level of overall emotional stress they experienced on a scale	<i>From consumer survey:</i> Respondent's assessment of the overall level of emotional stress experienced as a result of the problem	QUESTION: During the period of the problem taking place, to what extent did you feel emotionally stressed e.g. angered, frustrated, or worried? ANSWER ITEMS: <i>[Select one item]</i> <i>A great deal</i> <i>A fair amount</i> <i>A little</i> <i>Not at all</i> <i>Don't know</i>	Adapted from Ipsos MRBI / CCPC (2014)
c) Respondents are asked to assess to what extent they felt specific emotions during the problem taking place on a scale	<i>From consumer survey:</i> Respondent's assessment of emotions experienced as the result of the problem	QUESTION: During the period of the problem taking place, to what extent have you felt under stress/angry/worried/frustrated? ANSWER ITEMS: <i>[Select one item for each emotion]</i> <i>A great deal;</i> <i>A fair amount;</i> <i>A little;</i> <i>Not at all;</i> <i>Don't know</i>	Ipsos MRBI / CCPC (2014)

d) Assessment of extent psychological detriment resulting from problem, qualitative scale	<i>From consumer survey:</i> Respondent's stated extent of psychological detriment from problem, in qualitative terms	<p>QUESTION: On a scale from 0 to 10, to what extent have you felt stressed or angry as a result of the problem?</p> <p>ANSWER ITEMS: <i>[Select one of the following items on a slider]</i></p> <p>0 – <i>Not all stressed or angry;</i></p> <p>...</p> <p>10 – <i>Very much stressed or angry</i></p>	Civic Consulting, based on Commission Market Monitoring Survey
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Note: Compiled by Civic Consulting; sources indicated in table.

Approach to data collection on psychological detriment

The first expert workshop concluded that data on psychological detriment can be collected without differentiating between the potential forms of psychological detriment indicated above. The workshop concluded that it would be difficult for respondents to think of and report separately on different types of emotional stress. Moreover, there is little added value from a policy perspective in knowing that some problems caused e.g. more frustration than anger, or more worry than fear, etc. Nonetheless, as with time loss, it is important to indicate in the question (M11) examples of different types of emotional stress to remind the respondent to consider psychological detriment in its totality.

Our research indicated that respondents are most at ease in reporting on their psychological detriment with a qualitative ordinal scale, running from 'Not at all or only a little' to 'Extremely'. Furthermore, our testing showed that a four-point scale (i.e. with no 'middle' option) allows for the best differentiation of respondents across the various levels of psychological detriment.

Assessment of psychological detriment

The first expert online workshop concluded that psychological detriment should not be monetised, due to the inherent complexity in assigning a monetary value to different levels of emotional stress. The magnitude of psychological detriment for a given market is therefore indicated by the percentage of respondents who felt either 'quite a lot' or 'extremely' emotionally stressed as a result of the problem they experienced.

4.9.7. 'Fair price' approach

The 'fair price' approach is intended as a proxy to measure consumer detriment with a lower number of questions, obtained by asking respondents to indicate the most they would pay at present for the good or service taking into account all the trouble they had as a result of the problem, including any financial loss, time loss, and emotional stress. The detriment estimation is then obtained by subtracting the 'fair price' (obtained in M13) from the price the respondent actually paid for the good or service (obtained in M3 on price). The application of this approach requires that data on the price/amount paid for the good or service by the respondent be collected in the survey. However, for the market for loans, credit and credit cards, the amount of the loan taken out or the spending limit on the credit card were instead considered the most appropriate reference measures of value to collect data on in M3. Accordingly, the 'fair price' approach does not apply to the market for loans, credit and credit cards. Question M13 was adapted in this market module to reflect this, and instead asks whether the respondent would be willing to sign up to the banking service again. However, a limitation of this approach is that it does not allow the different dimensions of detriment to be distinguished and that it does not differentiate between pre-redress and post-redress detriment.

4.9.8. Context to the detriment measured

Approach to data collection on contextual information

Beyond the measurement of magnitude of personal consumer detriment we also developed questions to provide further information on the context in which the detriment was experienced.

In the market module, this relates to both information about the purchase, such as the type of product (M1), how long ago it was purchased (M2), the sales channel used for the purchase (M4), the location of the trader (M5), as well as additional information about the problem and how the respondent dealt with it – such as the type of problem (M6), actions taken by the consumer (M9), reasons for not taking

action (M9B, applicable for respondents who selected 'Have not taken action' in M9), actions taken by the trader (M14), and the status of the problem (M16).⁶³

We also included a series of socio-demographic questions to provide additional context to the personal consumer detriment reported. Questions relate to gender (D1), age (D2), region (D3), locality (D5), education level (D6), occupation (D7) and financial situation (D8) of the consumer as well as a control question on consumer expectations (D4). Such questions are essential for determining which types of consumers suffer from detriment most, particularly as these variables cover several key drivers of consumer vulnerability (e.g. age, educational attainment, financial situation). For the face-to-face survey, an additional question on internet use (D9) was included. Socio-demographic questions are identical across markets.

Use of data on contextual information

The data on contextual information are used either as standalone information, e.g. to show the break-down of different problem types, or as a cross-tabulation with the questions on magnitude of detriment, e.g. to show the average detriment for problems relating to products that were purchased online. Results of the survey questions relating to contextual information are provided in Section 6.8.

4.9.9. Extrapolation to country level

Having calculated the incidence of problems and the average (pre- and post-redress) financial detriment and time loss per problem in the survey sample for the six markets subject to analysis (see above), the following steps are applied to arrive at an estimate of financial detriment or time loss at the level of a specific country.

As a starting point for the calculation, the following survey results are used for each market at the country level:

- The *incidence* for the market, calculated as the combined total of respondents who 'ticked' that market in the screener questions S2A or S2B, i.e. the number of respondents who experienced at least one problem in the market, as a percentage of the total survey sample (as discussed above in Section 4.9.2.);⁶⁴
- The *average magnitude of detriment per problem* at the market level, given by the average magnitude of detriment calculated across responses to the corresponding market module (as discussed in Sections 4.9.3. and 4.9.4.).⁶⁵

⁶³ Note that M9 and M14 are also relevant for the calculation of financial detriment, as indicated in Section 4.9.4.

⁶⁴ Any bias due to considering the number of respondents who experienced *at least one problem* in a given market would depend on the number of respondents who experienced *more than one problem* in that market in the past 12 months and for which, importantly, they had a legitimate cause for complaint, which is estimated to be low although not directly measured in the survey (see next footnote).

⁶⁵ As detailed in Section 4.9.4., the approach for calculating the average magnitude of detriment is response based (and not respondent based), which means that all responses are used to calculate averages at the market level. For a given online respondent, the two most serious problems are considered separately as distinct responses. In the particular case where one online respondent completes two market modules for the same market, this counts as two distinct responses that are equally considered in the calculation of the market level averages. Any potential bias due to calculating the average magnitude of detriment on the basis of the most serious/second most serious problems would depend on the number of remaining problems respondents experienced in the past 12 months (i.e. problems beyond the most and second most serious) for which, importantly, they had a legitimate cause for complaint. Evidence from this study suggests that this number is low and results indicate that any potential bias in the calculation of average

First, because not all survey respondents experience a problem in a given market, it is necessary to derive an estimate of the average financial detriment *per capita*, by multiplying the proportion of respondents who reported a problem in the market (i.e. the incidence) and the average magnitude of financial detriment.

Next, as our consumer survey was targeted at the overall population aged 18 or above, the resulting average financial detriment per capita and the average time loss per capita are multiplied by the population aged 18 or above for the country in question in order to arrive at an estimate of *total* financial detriment and *total* time loss for the country.⁶⁶

This is depicted in the equations below:

$$Total\ FD_{c,m} = Average\ FD\ per\ problem_{c,m} \times Incidence_{c,m} \times Pop_c$$

$$Total\ TL_{c,m} = Average\ TL\ per\ problem_{c,m} \times Incidence_{c,m} \times Pop_c$$

Where:

FD denotes financial detriment, measured via the market modules;

TL denotes time loss, measured via the market modules;

Incidence refers to the proportion of respondents who experienced at least one problem in the market, measured via the screener;

c denotes the country;

m denotes the market;

Pop_c denotes the population aged 18 or above for the country.

4.9.10. Extrapolation to EU level

Next, the results obtained for the four sample countries – which cover different geographical regions of the EU and approximately 45% of its population – are used to extrapolate results for the rest of the EU, in order to obtain an estimate of overall financial detriment and time loss in the entire EU for the six markets subject to analysis. For this purpose we apply separate approaches to estimate both the incidence and magnitude of financial detriment and time loss in the rest of the EU as described in the following. While simple extrapolation methods using population figures have been applied in previous assessments, the use of available secondary data on penetration rates and rates of problems as well as the use of price indices provide for a more elaborated extrapolation approach.

detriment is likely to be very limited, if existing at all. Lastly, while any bias due to considering the number of respondents who experienced at least one problem in a given market in conjunction with the calculation of the average magnitude of detriment on the basis of the most serious/second most serious problems is estimated to be limited, it is not possible to state definitively the direction of such potential bias in the estimates.

⁶⁶ In line with the coverage of the survey, the resulting figures estimate the financial detriment and time loss incurred by the population aged 18 or above for the country in question. Population data for each country is provided in Annex II.

Incidence of detriment

To extrapolate the incidence of detriment measured for the sample countries to the rest of the EU, we apply a weighting factor using data from the European Commission Market Monitoring Survey (MMS) of 2015. The European Commission's Market Monitoring Survey/Consumer Markets Scoreboard collects data on the *rate of problems* and the *market penetration rate*. Multiplying these two variables provides an estimate of the incidence rate of problems for the market. While this is only an indirect method of calculating incidence, and the MMS uses a different survey methodology, this allows us to obtain a market-specific incidence rate of problems for each country in the EU. We can then calculate a population-weighted average of the sample countries' MMS incidence rates as well as of the rest of the EU. This is depicted in the equation below, which applies to both groups of countries, i.e. the sample countries and the rest of the EU:

$$IncMMS_{countries,m} = \frac{1}{Pop_{countries}} \sum_{countries} Problem\ rate_{c,m} \times Market\ penetration\ rate_{c,m} \times Pop_c$$

Finally, the weighting factor is calculated as the ratio of the population-weighted average of the sample countries' MMS incidence rates and of the rest of the EU for each market. We apply the ratio of the MMS incidence rates for the sample countries and the rest of the EU to the incidence rates calculated in this study in both modes for the total of the sample countries. This is depicted in the equation below:

$$Incidence_{rest,m} = Incidence_{sample,m} \times \frac{IncMMS_{rest,m}}{IncMMS_{sample,m}}$$

Magnitude of financial detriment

To extrapolate the average magnitude of financial detriment per problem calculated for the sample countries to the rest of the EU, we apply a weighting factor. This weighting factor is calculated on the basis of market-specific Eurostat price index data,⁶⁷ as financial detriment is highly correlated with the price of a good or service respondents experienced a problem with (see Section 6.3.4. on the correlation analysis). For this purpose, we first calculate the ratio of the population-weighted average price index of the sample countries and the population-weighted average price index of the rest of the EU for each of the six markets. We then multiply this ratio (or weighting factor) with the average magnitude of detriment in the sample countries to estimate the magnitude of average financial detriment per problem in the rest of the EU.

This is depicted in the equation below:

$$Average\ FD\ per\ problem_{rest,m} = Average\ FD\ per\ problem_{sample,m} \times \frac{Price\ index_{rest,m}/Pop_{rest}}{Price\ index_{sample,m}/Pop_{sample}}$$

Magnitude of time loss

In contrast, for magnitude of time loss, cross-country differences in time spent dealing with a problem are not highly correlated with differences in the price paid for the good or service respondents experienced a problem with. Indeed, as shown in the results for time loss in Section 6.3.2., average time loss for a given market is relatively similar across countries. Moreover, considering that the sample countries and the rest

⁶⁷ Eurostat data series prc_ppp_ind, 2014. The full Eurostat price index data is in Annex II.

of the EU both constitute relatively diverse groups of countries, we use average time loss per problem in the sample countries as a proxy for the average time loss per problem in the rest of the EU.

This is depicted in the equation below:

$$\text{Average TL per problem}_{rest,m} = \text{Average TL per problem}_{sample,m}$$

Total financial detriment and total time loss

Total financial detriment and total time loss of the rest of the EU are then calculated in the same way as for a sample country, i.e. by multiplying the average financial detriment/time loss per problem by the incidence rate and by the population of age 18 and above.

This is depicted in the equations below:

$$\text{Total FD}_{rest,m} = \text{Average FD per problem}_{rest,m} \times \text{Incidence}_{rest,m} \times \text{Pop}_{rest}$$

$$\text{Total TL}_{rest,m} = \text{Average TL per problem}_{rest,m} \times \text{Incidence}_{rest,m} \times \text{Pop}_{rest}$$

Total financial detriment and time loss for the EU28 is then calculated by summing the values calculated for the sample countries and the rest of the EU.

This is depicted in the equations below:

$$\text{Total FD}_{All,m} = \text{Total FD}_{rest EU,m} + \text{Total FD}_{sample,m}$$

$$\text{Total TL}_{All,m} = \text{Total TL}_{rest EU,m} + \text{Total TL}_{sample,m}$$

Finally, as indicated in Section 4.9.5., in order to put detriment resulting from time loss into perspective with financial detriment, time loss at the EU level is monetised using a population-weighted mean hourly earnings rate for the EU in Euro, derived from Eurostat data on country-specific mean hourly earnings in actual Euro.⁶⁸

This is depicted in the equation below:

$$\text{Monetised total TL}_{All,m} = \text{Total TL}_{All,m} \times \frac{1}{\text{Pop}_{All}} \sum_{All} \text{Mean hourly earnings}_{c,m} \times \text{Pop}_c$$

The results of the extrapolation are presented in Section 8.

⁶⁸ Eurostat data series earn_ses_hourly 2010, as detailed in Annex II, Table 1. The population-weighted mean hourly earnings rate can be calculated in actual Euro or in purchasing power parities (using the Eurostat-defined 'Purchasing Power Standards'). In this study, hourly earning rates calculated in actual Euro were used, for simplicity and as the results obtained with the two kinds of rates were similar.

5. Development of the approach to triangulation of consumer survey results

5.1. Rationale for triangulation and related triangulation tools

The recent Better Regulation Toolbox emphasises the benefit of triangulation, i.e. "the application and combination of several research methodologies in the study of the same phenomenon", as it "enhances confidence in results if different methods lead to the same result".⁶⁹ The methodology in this study therefore employs two additional tools, *an analysis of complaints data* (collected through the European Commission's harmonised complaints database and a complementary survey of complaint handling bodies) and a *mystery shopping exercise*, to triangulate the results of the consumer survey. The aim of the triangulation is to check the consistency of results of the consumer survey with both of these tools regarding the frequency of the different types of problems reported by consumers.

Complaints data is used because it serves as an indicator of the functioning of consumer markets. Individual consumer complaints following dissatisfying experiences with a good, service or trader, that are available in aggregate and harmonised form in the European Commission harmonised complaints database provide a picture of the trends in consumer experiences in consumer markets. Complaints data can thus be used as complementary information regarding the frequency and types of problems experienced by EU consumers and to compare the situation in different markets and countries. The limits of the comparison may lie in the fact that consumers may experience problems for which they have a legitimate cause for complaint and yet not complain to a complaint body in all cases or complain to third parties more often about particular types of problems.

The main activities of the mystery shopping involved replicating the consumer experience by assessing the prevalence of issues related to selected unfair commercial practices and to the provision of pre-contractual information that potentially could cause consumer detriment, on the basis of seller/provider websites. This contrasts with the largely post-purchase focus of the complaints data. Indeed, pre-transaction practices such as misleading advertising, misleading indication of prices or unclear or complex tariffs are an important source of post-transaction detriment, as they may cause a consumer to take a transactional decision that he or she would not otherwise have taken, and which may later turn out to be not an advantageous choice. Collecting pre-transaction data from suppliers/providers websites is therefore a good means of assessing the prevalence of such practices.

5.2. Development of the survey of complaint handling bodies

5.2.1. Overview

Key features of the survey of complaint handling bodies are as follows:

- *Aim:* To collect data on consumer complaints in the countries subject to analysis in order to validate and triangulate the data on the nature and incidence of consumer detriment collected in the consumer survey, together

⁶⁹ Better Regulation Toolbox, complementing the Better Regulation Guideline presented in in SWD(2015) 111, p. 16

with the data obtained from the European Commission harmonised complaints database;⁷⁰

- *Target sample:* The survey is targeted at complaint handling bodies, including consumer authorities, regulatory authorities, complaints boards, alternative dispute resolution bodies, independent ombudsmen, and consumer organisations;
- *Market coverage:* The six markets subject to analysis in the study: clothing, footwear and bags; large household appliances; mobile telephone services; electricity services; loans, credit and credit cards; and train services;
- *Country coverage:* The four countries in which the consumer survey is conducted: France, Italy, Poland and the United Kingdom;
- *Implementation platform:* The questionnaire is implemented via an online survey platform, *Qualtrics*;
- *Development process:* A draft questionnaire was developed by Civic Consulting and circulated to the European Commission in November 2015. The final version of the questionnaire was approved by the European Commission in mid-December 2015. In parallel, a list of complaint bodies to be surveyed was compiled in December in coordination with the European Commission. The survey was launched in January 2016.

5.2.2. Methodology

Scope of the exercise

We proposed to collect complaints data covering the markets and countries subject to analysis, retrieved from the centralised databases on complaints and a complementary survey of complaint bodies, consumer agencies and organisations. We initially planned to collect complaints data from centralised databases on complaints at national or EU level, including from the European Commission harmonised complaints database, data on cross-border complaints and infringements from European Consumer Centres (ECC) and cross-border enforcement cooperation (CPC). It was agreed that bodies which already provide quantitative data to the European Commission harmonised complaints database, i.e. ECC, CPC and other bodies, should be excluded from the list, to avoid duplication of information and the risk of adding to their administrative burden.

Rationale for survey

The European Commission complaints database serves as a source of harmonised data on consumer complaints across countries. However, research in the course of the study confirmed that in many Member States, complaint handling bodies have yet to provide data to the European Commission complaints database in line with the harmonised methodology. In Poland in particular, only the ECC provides data to the European Commission. The survey questionnaire was designed to fill gaps in the European Commission database, in view of consistent and comparable complaints data for the countries subject to analysis in the study. The key aspects of the questionnaire design are presented below.

Closed questions with focus on quantitative data and scale-based assessments

In view of the objective of providing comparable cross-country and cross-market data that allow for consistent triangulation of the consumer survey data, the survey

⁷⁰ Based on EC Recommendation of 12.5.2010 on the Use of a Harmonised Methodology for Classifying and Reporting Consumer Complaints and Enquiries, 2010

questionnaire mainly consists of closed questions offering a choice of responses that require either the provision of quantitative data or scale-based assessments. The survey also includes comment fields in order to give respondents the opportunity to provide additional information regarding the data or assessments provided.

Problem categories identical to problem types in the consumer survey

For each market subject to analysis, complaint handling bodies were provided with the list of market-specific problem categories listed in the consumer survey (in M6 of each market module; see consumer survey question in the market modules in Annex III). Complaint handling bodies were asked to assess the frequency of complaints related to each problem category. The fact that the problem categories are identical to those in the consumer survey facilitates the comparison of the incidence rate of the problem categories in the consumer survey data with the frequency of types of complaints reported by the complaint handling bodies, in the framework of the approach to triangulation described in Section 5.4.

However, as the problem categories of the consumer survey are not identical to those in the European Commission harmonised complaints database, a mapping of the complaints classification categories to the problem types listed in the consumer survey was undertaken; further details are provided in Section 4.6.3.2.

Using a common rating scale

The frequency of complaints registered for each problem category in a given period is assessed on a rating scale ranging from 'Never' to 'More than once a week'. Furthermore, in order to more readily accommodate for complaint handling bodies with different categorisation methods and thus allow for a better chance of receiving data on numbers of complaints, the problem categories listed are not split into the different problem types of the consumer survey (although these are nonetheless listed as examples).

As our interviews have shown,⁷¹ only a small share of the complaints bodies in the countries subject to analysis have adapted to the European Commission's harmonised methodology, such that there is likely a wide variation in the classification methodologies used across complaint handling bodies and countries. Many of the complaint handling bodies are therefore likely to have registered complaints under categories different from those recommended by the European Commission (e.g. broader or more specific categories). The rating scale solves this problem: by requiring respondents to provide their assessments on a common scale based on the data they have available, the survey will produce comparable cross-country data. In the event that the complaint handling body's data does not allow for a one-to-one mapping with the problem categories listed, the comments boxes are provided for the complaint handling body to indicate this.

Calculating relative frequencies

If the complaint handling bodies also have data available on the number of complaints by problem category for the period specified, they were able to provide this to complement the frequency rating. The rationale was to be able to quantitatively calculate the relative frequency of complaints by problem category, as the ratio of the number of reported complaints per category over the total for each market. As the complaint handling body infrastructure in the EU differs widely across Member States, a focus on absolute numbers of complaints would have been significantly biased, both because Member States with a well-developed complaint body infrastructure may receive more complaints, and because the availability of complaint bodies influences

⁷¹ With the policy officer in charge of the EC harmonised complaints database and consumer organisations.

consumers' propensity to complain and seek redress. Thus, by calculating the relative frequency of complaints by type based on the survey data, we avoided country-specific bias.

5.2.3. Questionnaire design and structure

The questionnaire for the survey of complaint handling bodies is designed in three main sections, as follows:

- Identification;
- Consumer complaints collected by the organisation;
- Six market-specific sections, including questions relating to:
 - The total number of consumer complaints received regarding the specific market during the reference year;
 - The frequency of complaints for the listed problem categories;
 - The average financial detriment suffered by consumers in that market.

The final questionnaire is provided in Annex VII.

5.3. Development of the mystery shopping exercise

5.3.1. Overview

Key features of the mystery shopping exercise are as follows:

- *Aim:* To gather information about the experience of consumers in the selected markets; to validate and triangulate the data on the nature and incidence of problem types in the consumer survey relating to specific unfair commercial practices and other relevant issues relating to contracts and tariffs/pricing;
- *Market coverage:* Four of the markets subject to analysis in the study: clothing, footwear and bags; mobile telephone services; electricity services; and loans, credit and credit cards;
- *Country coverage:* The four countries covered by the consumer survey: France, Italy, Poland and the United Kingdom;
- *Approach and scope:* Checking seller/provider websites for relevant aspects (30 seller/provider websites per market per country);
- *Development process:* Civic Consulting first proposed a selection of markets and problem types to be assessed in the mystery shopping exercise to the European Commission in the course of November 2015. A first draft questionnaire focusing on the market for mobile telephone services was then developed by the Civic team and circulated to the European Commission. The European Commission provided feedback and Civic Consulting revised the questionnaire, taking into account the comments, which mostly related to clarity of instructions and appropriateness of answer items. Civic Consulting also applied these comments to the questionnaire sections for the three other markets. Following several rounds of feedback and revisions, in particular regarding the specific terminology used in the loans, credit and credit cards section,⁷² the full mystery shopping questionnaire was approved in mid-December 2015. During the pilot phase, the mystery shoppers were also recruited. The field work was conducted in January 2016.

Note: while the term 'mystery shopping' is used to refer to this exercise throughout this report, technically speaking the exercise consists of a website check and does not include a purchase phase.

5.3.2. Methodology

5.3.2.1. Rationale for the selection of markets and problem types

Scope of the exercise

The main activities of the mystery shopping involved replicating the consumer experience by assessing the prevalence of issues related to selected unfair commercial practices and to the provision of pre-contractual information that potentially could cause consumer detriment, on the basis of seller/provider websites. Collecting pre-

⁷² This section of the mystery shopping questionnaire focused on the product's main characteristics available on the website and market-specific terminology was employed to reflect the standard information to be included in advertising listed in Article 4 of the Consumer Credit Directive (2008/48/EC). In particular, market-specific questions related to the provision of a representative example, the total amount payable by the consumer (i.e. the amount of borrowed capital plus interest and possible costs related to the credit), the spending limit of the credit card and annual fees, and whether the interest rate was fixed, variable or both.

transaction data from suppliers/providers websites is a good means to assess the prevalence of pre-transaction practices, that are an important source of post-transaction detriment, in view of triangulation of the consumer survey data. For example, if survey respondents indicate unclear or complex tariff structures as the problem that occurred, this should be visible on provider websites.

Criteria for the selection of markets

The mystery shopping exercise was conducted in four markets in all four sample countries. The selection of markets was made based on the following criteria:

1. *High frequency of online purchases.* As the exercise is based on checking seller/provider websites, the focus is on markets in which online purchases of goods and services are relatively frequent;
2. *Large number of distinct seller/provider websites.* To safeguard a sufficient number of trials in the mystery shopping exercise, the focus is on markets with a large number of distinct seller/provider websites;
3. *High potential for consumer detriment.* The focus is on markets where consumers are likely to suffer the most personal detriment caused by unfair commercial practices and other relevant issues relating to contracts and sales;
4. *Diversity of markets.* To ensure that the exercise considers a diverse range of practices, the focus is on a mix of goods and services markets.

Selection of markets

Considering the first criterion listed above, we proposed clothing, footwear and bags as the goods market for the mystery shopping exercise. The market for *clothing, footwear and bags* is likely to be characterised by a higher number of people buying online than the market for *large household appliances*.⁷³

Based on the second criterion we suggested excluding the market for *train services* which often features a comparatively low number of distinct traders/providers per country. Of the three remaining services, in line with criterion 4 we considered that the market for mobile telephone services and the market for electricity services could be chosen.

Finally, we suggested selecting the market for loans, credit and credit cards. The potential for consumer detriment is very high in this financial services market due to the generally high amounts at stake; hence in line with criterion 3 this market was included in the exercise.

The markets selected for the mystery shopping exercise were thus the following:

- Clothing, footwear and bags;
- Mobile telephone services;
- Loans, credit and credit cards;
- Electricity services.

⁷³ The 2015 study on obstacles to the digital single market notes that 'clothing, shoes and accessories' is the most commonly purchased category of good or service online, based on *Provision of two online consumer surveys as support and evidence base to a EC study: "Identifying the main cross border obstacles to the Digital Single Market and where they matter most"*, September 2015.

Criteria for the selection of problem types

The problem types to be assessed in the mystery shopping exercise were selected based on the following criteria:

- *Correspondence with consumer survey.* As the role of the mystery shopping is to provide data for the triangulation of the incidence of specific problem types in the consumer survey, the problem types to focus on in each market need to correspond to those listed in the respective market modules of the consumer survey;
- *Identifiable on seller/provider websites.* In line with the approach, the nature of the problem types must be such that related issues can be identified on trader/provider websites in the selected markets;
- *Clear, objective criteria for identification.* Both problem types relating to commercial practices that are not compliant with EU consumer law and to other pre-contractual practices that can lead to consumer detriment (e.g. unclear or complex tariffs) can be considered, as long as clear, objective criteria for the identification of related issues on trader websites can be established.

Selection of problem types

Considering the above criteria, the problem types in the table below⁷⁴ were chosen as the focus of the mystery shopping exercise in the four selected markets. In total, four key problem types were assessed in each of the four selected markets.

⁷⁴ Corresponding to selected answer items for M6 of the respective market modules in the consumer survey

Table 14: Problem types assessed in the selected markets in the mystery shopping exercise

Clothing, footwear and bags	Mobile telephone services	Loans, credit and credit cards	Electricity services
Unclear or complex pricing	Unclear or complex tariffs	Unclear or complex pricing	Unclear or complex tariffs
Misleading or incorrect indication of price (e.g. hidden charges)	Misleading or incorrect indication of price (e.g. hidden charges)	Misleading or incorrect indication of the costs of credit (e.g. hidden charges)	Misleading or incorrect indication of price (e.g. hidden charges)
Advertising was misleading	Advertising was misleading	Advertising was misleading	Advertising was misleading
Missing or incomplete information in the contract (e.g. concerning right of withdrawal or identity of seller)*	Missing or incomplete information in the contract (e.g. duration, conditions for termination, identity of the provider, etc.)*	Missing or incomplete information in the contract (e.g. duration, conditions for termination, identity of the credit provider, etc.)*	Missing or incomplete information in the contract (e.g. duration, condition for termination, identity of the supplier, etc.)*

Note: * relates to information on contractual rights provided on the trader/provider website.

5.3.2.2. Questionnaire design and structure

Past impact assessments and market studies that included mystery shopping exercises and website reviews were reviewed and taken into account in the development of the methodology.⁷⁵

Furthermore, the following EU legislative acts informed the design of the questionnaire:

- Directive 2011/83/EU (Consumer Rights Directive);
- Directive 2009/72/EC (Electricity Directive);
- Directive 2008/48/EC (Consumer Credit Directive);
- Directive 2005/29/EC (Unfair Commercial Practices Directive);
- Directive 93/13/EEC (Unfair Contract Terms Directive).

Selected information requirements in the directives above were taken into account in the questionnaire design, for example with regard to information on the identity of the trader, the contract terms and conditions and whether information on product characteristics is omitted, hidden or unclear.

The questionnaire was structured according to a series of 'assessment items' that are specific to each market. These items mainly involve checking for specific types of information about the good or service presented on the website. Where relevant, comments boxes are provided for mystery shoppers to provide supporting evidence for their answers or additional qualitative assessments.

In the concluding section of the questionnaire, researchers were asked to provide summary assessments in relation to each of the key problem types assessed for the market (as outlined in the table above), to be substantiated with specific and detailed comments. Such assessments contribute substantially to reflecting the consumer experience when purchasing goods and services online, which is the core of the mystery shopping exercise, and allow the results of the other assessment items, which are more of a control nature, to be put into perspective. The combination of the results from the above-mentioned assessment items and summary assessments then served as a basis for the triangulation of the corresponding consumer survey data in the main fieldwork.

The questionnaire for the mystery shopping exercise includes three sections applying to all markets covered and four market-specific sections. The sections are designed as follows:

- Identification;
- Website being reviewed;
- Seller/provider identity and contact details;

⁷⁵ Support study for the impact assessment on the review of the CPC Regulation (2015); Consumer market study on the functioning of the market for vehicle fuels from a consumer perspective (2014); Consumer market study on the functioning of the market for Internet access and provision from a consumer perspective (2012); Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods (2011); Study on the functioning of the consumer credit market in Europe (2013); Study on the functioning of the retail electricity markets for consumers in the European Union (2009).

- Four market-specific sections, including assessment items relating to e.g.:
 - Product characteristics;
 - Product price;
 - Information on contractual aspects, and
 - Summary assessments.

The mystery shopping questionnaire is presented in Annex VI.

5.4. Final approach to triangulation of results on consumer detriment

The aim of the triangulation is to check the consistency of the results of the consumer survey with both of the tools described above from the perspective of the nature and frequency of the problems reported by consumers.

Specifically, the approach involves comparing:

- The frequency of problems reported by respondents in the consumer survey with the frequency of consumer complaints of the same type registered in the European Commission harmonised complaints database or identified in the survey of complaint handling bodies relevant for the sample markets.⁷⁶ The comparison is facilitated by the categorisation of problem types in the consumer survey questionnaire, which reflect the structure of the complaints categories in the complaints database (see Section 4.6.3. on problem types and mapping for more details);
- The frequency of problems reported by respondents in the consumer survey concerning issues related to selected unfair commercial practices and to the provision of pre-contractual information with the frequency at which the same issues can be observed on the websites of traders relevant for the sample markets, as evidenced by the mystery shopping exercise (website review).

The frequency data can either refer to a percentage of consumers reporting a specific problem type, a percentage of complaints relating to a problem category, or a percentage of websites on which potentially problematic practices could be observed. Hence, to compare frequencies, we converted the data from the various tools to a common scale. For this purpose we use a scale that differentiates the frequency of problems into six categories based on bands of percentages. This approach was confirmed in the second expert workshop. As suggested during the second workshop, all bands of percentages have the same width and are defined taking into account the distribution of results.

To allow for ease of comparison, we assigned a qualitative assessment of frequency to each percentage band. The scale used is as follows:

- Up to 5%: *Very rarely*;
- More than 5% and up to 10%: *Rarely*;
- More than 10% and up to 15%: *Occasionally*;
- More than 15% and up to 20%: *Frequently*;

⁷⁶ Following closure of the survey, the reported frequencies of problem categories reported by the complaint handling bodies in the survey were combined with the data from the corresponding complaints categories in the EC's database (2015 data).

- More than 20% and up to 25%: *Very frequently*;
- More than 25%: *Extremely frequently*.

As indicated above, the thresholds allow for discrimination of the frequencies obtained and ensure a balanced distribution of the frequencies obtained.⁷⁷ After assigning a frequency category to each consumer survey problem type, complaint type and specific issue in the mystery shopping exercise, for each market and country, we then compared the various data sources and drew conclusions in terms of consistency across the data sources.

For this comparison, the following decision rule was applied: if the qualitative frequency assessments for a given problem type/complaint type/mystery shopping issue of both of the data sources under consideration match (e.g. both the problem type in the consumer survey and the complaint type in the complaints data are considered to occur 'frequently'), or do not differ by more than one category (e.g. 'frequently' for one data source and 'occasionally' for the other), we consider the sources to be 'consistent'. Otherwise, they are considered as 'not consistent'.

Results of the triangulation are presented in Section 7.

⁷⁷ Using the frequency of problems reported by respondents in the consumer online survey, the upper threshold of 25% was deemed appropriate as, across markets and countries, only about one in ten of the problem categories have frequencies above 25%. We then divided the range into five bands of percentages of equal width.

6. Assessment of personal consumer detriment in six markets

6.1. Implementation of the main consumer surveys

This sub-section describes the methodology of the main consumer surveys implemented.⁷⁸ Results of the implementation and assessment based on the results are presented in the following sections.⁷⁹

6.1.1. Overview

Following the implementation of the pilot consumer survey and the refinements to the questionnaires, the main consumer survey was carried out in February and March 2016. The following points describe the set-up of the survey:

- *Aim*: Gather the data necessary for the assessment of personal consumer detriment in the six markets and four countries subject to analysis, and compare results obtained in the face-to-face and online surveys;
- *Mode*: Both face-to-face omnibus surveys and online panel surveys;
- *Country coverage*: France, Italy, Poland and the United Kingdom;
- *Market coverage*: Six markets: mobile telephone services; electricity services; loans, credit and credit cards; large household appliances; train services; and clothing, footwear and bags;
- *Questionnaire length*: One screener followed by one market module per respondent in the face-to-face survey and up to two market modules per respondent in the online survey (depending on whether the respondent had experienced problems in a relevant market). In both modes the screener consisted of three questions, in the face-to-face survey the market module consisted of 15 questions, and in the online survey the market module consisted of 19 questions;
- *Target group*: The general population across both modes.

Details on the methodology and the technical details of the implementation for each mode are provided in Annex XIV.

6.1.2. Comparison of online and face-to-face survey samples

Below we compare the socio-demographic composition of the two survey samples, as it may be sensitive to the choice of survey mode, either due to the recruitment procedure or the effects of the survey mode itself. We compare the two samples based on the socio-demographic variables that have been measured in the survey; however the samples might also differ on other unobserved variables. To determine whether the socio-demographic variables have significant effects on the level of consumer detriment, we conducted a regression analysis, presented below in Section 6.7.3.

⁷⁸ An overview of the structure of the consumer questionnaires is presented in Section 4.6.5.

⁷⁹ Differences in the results obtained that are commented on in this section were checked for statistical significance using a standard (2 tailed) t-test.

Age, gender and region

A target sample size of 2000 respondents was set for each country for both the online and face-to-face mode.

The sample for the face-to-face survey was based on a stratified random probability design. As for all well-executed stratified probability designs, the basic socio-demographic data such as gender, age and region are well balanced and replicate the national population figures. For this study the face-to-face samples collected in all four countries had a very close to ideal distribution of the main characteristics of the population most often used to weight the data – age, gender and region.

The online sample was a quota-type sample, based on quotas defined using the most up to date national data for the 18+ general population available at the time of the survey set-up. To achieve a well-balanced sample and bearing in mind the sample sizes to be achieved in each country, the fieldwork was extended to two weeks. At the end of fieldwork, the population characteristics in terms of age, gender and region in each of the surveyed countries matched the national representative figures almost ideally before the weighting.

Level of urbanisation

There are small differences in the level of urbanisation⁸⁰ between the face-to-face and online samples. Respondents in the face-to-face mode were more likely to report they live in rural areas and less likely to report they live in large towns or cities compared to their online counterparts.

More precisely, looking at the overall results, in the face-to-face mode, around three in ten respondents (29%) said they live in a rural area or village, while a smaller proportion of respondents reported the same in the online mode (23%, i.e. a difference of 6 percentage points). On the other hand, 28% of face-to-face respondents said they live in a large town or city compared to 35% of online respondents (a difference of 7 percentage points).

The proportion of respondents who reported living in a small or middle-sized town is the same in both the face-to-face and online mode, with around four in ten respondents giving this answer (42% and 43% respectively).

Looking at the country results, these differences are most pronounced in France and Poland where around four in ten face-to-face respondents reported living in rural areas or villages (41% and 39% respectively) while less than three in ten give the same answer in the online mode (29% and 17%, i.e. a difference of 12 and 22 percentage points respectively).

Education

There are significant differences in the level of education across both modes, with a more pronounced skew towards the highly educated respondents in the online samples.

Around a fifth of respondents (22%) reported having achieved a level of education which falls under the category of low education in the face-to-face mode, compared to 7% in the online mode (a difference of 15 percentage points). The differences are smallest (although still significant) when looking at the category of respondents who reported a medium level of education: 54% of respondents fall in this category compared to 47% of online respondents, i.e. a difference of 7 percentage points.

⁸⁰ Labelled "Locality" in Table 15.

Looking at the respondents who reported having achieved high education, the differences amount to 24 percentage points, with around five in ten (23%) falling in this category in the face-to-face mode compared to about half the sample in the online mode (47%).

As for the level of urbanisation, the differences in the reported levels of education are highest in France and Poland (more than 20 percentage points) with less than a third of respondents reporting having achieved high education in the face-to-face mode (31% and 17% respectively) and around a half of the sample reporting the same in the online mode (52% and 50% respectively).

Occupation

There are some differences in the occupation profile of the respondents coming from the face-to-face and online mode, with a skew towards employee respondents in the online sample.

The only category for which differences are non-existent or non-significant is the category of respondents who indicated they were self-employed. A quarter of respondents (25%) work as employees in the face-to-face mode, while more than three in ten said the same in the online mode (36%, a difference of 11 percentage points). There is also a significant difference between the proportion of respondents who describe their work engagement as manual workers, with 17% opting for this category in the face-to-face mode and 12% in the online mode (a difference of 5 percentage points). Lastly, respondents are more likely to report they are without a professional activity in the face-to-face sample (50%) compared to the 44% of respondents from the online panel (a difference of 6 percentage points).

Financial situation

There are some clear differences in financial situation between the respondents in the face-to-face and online modes. Online respondents were more likely than face-to-face respondents to say their financial situation was easy (i.e. to answer either 'fairly easy' or 'very easy') across all countries in the sample.

Nearly twice as many respondents in the face-to-face mode (13%) compared to the online mode (7%) indicated that their financial situation was 'very difficult'. This difference is most pronounced in Italy, where 20% of the face-to-face respondents characterised their financial situation as 'very difficult' compared to 10% of online respondents, a difference of 10 percentage points. The smallest difference (which is nonetheless still statistically significant) can be seen in Poland, where 9% of face-to-face respondents characterised their financial situation as 'very difficult' compared to 7% of the respondents in the online mode (a difference of 2 percentage points).

The table below presents these results in detail, overall and by country.

Table 15: Sample composition of the online and face-to-face surveys

Characteristic	Aspect	Total		UK		France		Italy		Poland	
		FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Gender	Male	48%	48%	49%	49%	48%	48%	48%	48%	47%	48%
	Female	52%	52%	51%	51%	52%	52%	52%	52%	53%	52%
Age	18-24	12%	12%	16%	16%	11%	11%	9%	9%	14%	14%
	25-39	25%	25%	24%	24%	25%	25%	24%	23%	27%	27%
	40-54	25%	25%	26%	26%	27%	27%	28%	28%	22%	22%
	55-64	15%	15%	14%	14%	16%	16%	15%	15%	17%	16%
	65+	22%	22%	20%	20%	22%	22%	25%	25%	20%	20%
Locality	Rural area or village	29%	23%	19%	23%	43%	29%	14%	21%	39%	17%
	Small or middle-sized town	41%	43%	41%	41%	44%	41%	45%	50%	36%	39%
	Large town or city	29%	35%	39%	36%	13%	30%	41%	29%	23%	43%
Education level achieved	Primary education	8%	1%	4%	1%	10%	2%	5%	1%	11%	1%
	Lower secondary education	14%	6%	12%	7%	8%	5%	28%	10%	8%	1%
	Upper secondary education	45%	33%	37%	28%	43%	29%	42%	43%	58%	32%
	Post-secondary education	9%	14%	13%	17%	9%	12%	9%	10%	4%	16%
	University	22%	43%	30%	44%	26%	44%	16%	33%	17%	49%
	PhD/advanced research qualification	1%	4%	1%	4%	3%	8%	1%	3%	0%	2%

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Occupation	Self-employed	8%	9%	9%	9%	4%	7%	12%	12%	6%	8%
	Manager	4%	7%	8%	16%	6%	3%	1%	3%	2%	7%
	Other white collar	21%	28%	17%	25%	26%	26%	25%	32%	16%	30%
	Blue collar	16%	12%	14%	10%	9%	20%	15%	5%	27%	12%
	Student	7%	7%	7%	7%	5%	6%	8%	7%	7%	8%
	House-person and other not in employment	10%	7%	12%	7%	9%	6%	11%	9%	9%	4%
	Seeking a job	8%	5%	6%	3%	13%	5%	6%	7%	6%	4%
	Retired	25%	25%	24%	23%	28%	28%	22%	24%	26%	26%
Financial situation	Very difficult	13%	7%	8%	5%	14%	7%	20%	10%	9%	7%
	Fairly difficult	41%	42%	30%	31%	40%	43%	48%	53%	47%	44%
	Fairly easy	37%	43%	48%	49%	40%	44%	23%	34%	35%	44%
	Very easy	5%	7%	9%	16%	4%	6%	3%	2%	2%	6%

Source: Consumer surveys. Note: as 'Don't know' responses are not shown here, percentages do not fully add up to 100% in some cases.

Internet use

Frequency of internet use was also explored in the face-to-face mode. All respondents who reported having experienced a problem and therefore qualified to access the questionnaire modules were asked about the frequency with which they use the Internet. The question on frequency of internet use was thus not asked to respondents who did not experience a problem in the markets subject to analysis.

Interestingly, there is a high degree of similarity between the respondents in the face-to-face mode and the online mode with regards to internet use. It can be assumed that respondents in the online panels use the internet frequently (the question on internet use was not asked to online respondents). Almost all respondents interviewed face-to-face who reported having experienced a problem and qualified to answer the questionnaire modules use the internet frequently (85%) or several times per month (4%), while one in ten respondents (10%) said they used the Internet less often or never. The table below presents the results for the face-to-face sample, overall and by country.

Table 16: Frequency of internet use in the face-to-face survey

Frequency	Total	UK	France	Italy	Poland
Every day or almost every day	79%	87%	89%	74%	63%
Once a week	7%	5%	2%	10%	9%
2 or 3 times a month	3%	1%	1%	3%	10%
Once a month	1%	1%	1%	1%	1%
A couple of times a year or less often	1%	0%	1%	1%	2%
Never	9%	6%	6%	11%	13%

Source: Face-to-face consumer survey. N=1811. Note: as 'Don't know' responses are not shown here, percentages do not fully add up to 100% in some cases. Face-to-face respondents who reported having experienced a problem in a relevant market were asked about the frequency with which they use the Internet, therefore the percentages for this characteristic relate to the subsample of face-to-face respondents who qualified to access the questionnaire modules.

These levels of frequency of internet use are above the levels of internet access of EU households based on the latest relevant Eurobarometer survey (conducted face-to-face).⁸¹ In 2014, 76% in the UK, 78% in France, 44% in Italy and 57% in Poland indicated they had an internet connection at home.

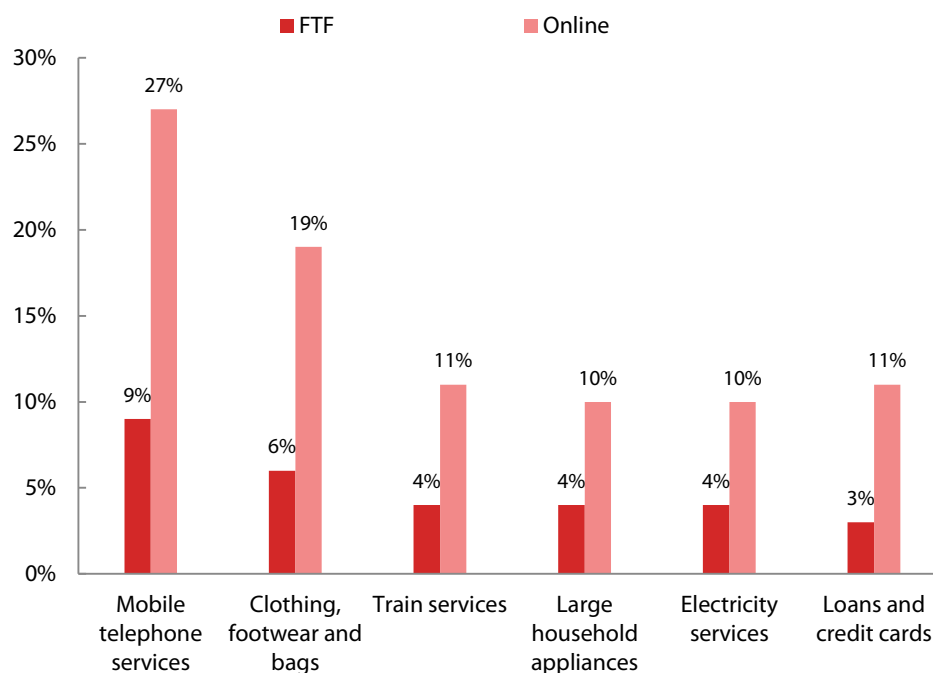
6.2. Incidence of personal consumer detriment overall and by country

In this section we present the incidence rates of problems in the six markets assessed in this study and compare the incidence rates obtained in the face-to-face and online surveys. As discussed in Section 4.9.2., incidence rates are calculated based on responses to the screener questions S2A/S2B, which are compatible between the two survey modes.

6.2.1. Overall incidence by market

The incidence rates for the total sample of the four countries that were obtained for the six markets in the face-to-face and online surveys are shown in the chart below.

⁸¹ Special Eurobarometer 414 E-Communications and Telecom Single Market Household Survey.

Figure 12: Incidence rates of problems per market

Source: Consumer survey screener question DS2T, face-to-face and online modes. Note: markets are sorted by incidence rate obtained in the face-to-face survey. From left to right N: 756; 2164; 457; 1545; 322; 849; 318; 800; 288; 832; 271; 863.

In both of the survey modes, the incidence of problems is highest for mobile telephone services (27% of respondents in the online survey, 9% in the face-to-face survey), followed by clothing, footwear and bags (19% in the online survey, 6% in the face-to-face survey). The incidence rates for the other four markets are similar: between 10% and 11% in the online survey, and between 3% and 4% in the face-to-face survey.

In general, the incidence rates are much higher in the online survey than in the face-to-face survey. The scale of difference is broadly consistent across the six markets: for each market, the incidence rate is around three times higher in the online survey than in the face-to-face survey.

Despite the large differences in the actual figures obtained from the online and face-to-face surveys, the pattern of responses across the six markets is broadly consistent between the two modes. This pattern is further analysed in Section 6.7.1 below on the comparison of incidence rates across modes.

To put these results in perspective the table below presents the market penetration rates for the markets under study.

Table 17: Market penetration rate by market (population-weighted average of sample countries)

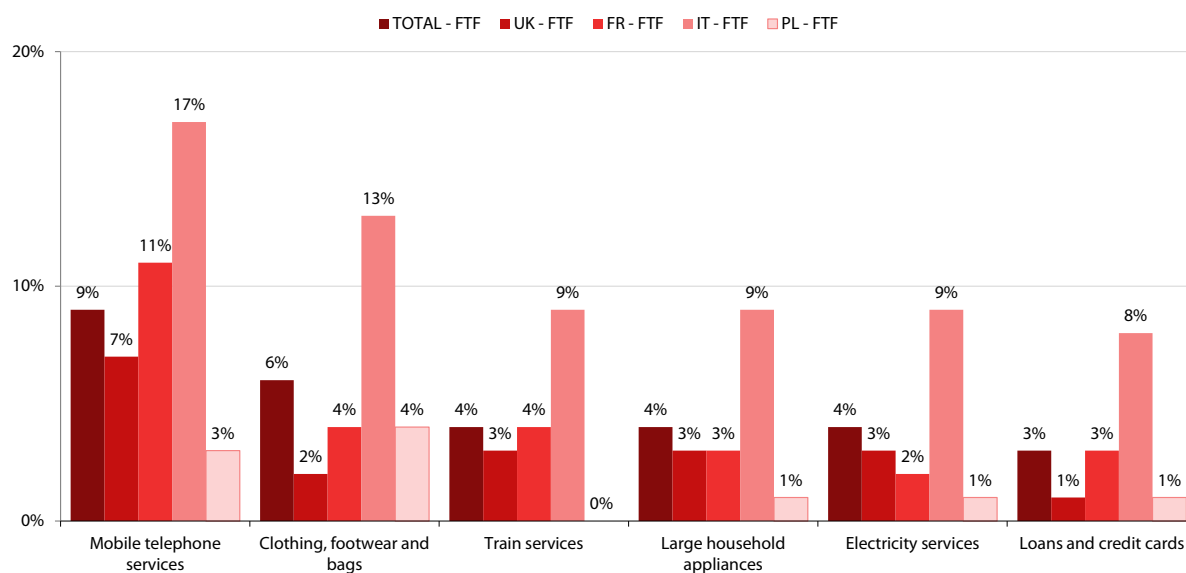
Market	Market penetration rate
Mobile telephone services	82.3%
Clothing, footwear and bags	84.2%
Train services	46.2%
Large household appliances	46.0%
Electricity services	78.5%
Loans, credit and credit cards	47.3%

Source: European Commission, Market Monitoring Survey 2015 (Percentage of respondents who bought goods/services in the market within the reference period as a proportion of those asked); Eurostat demo_pjan series.

Of the six selected markets, the markets for clothing, footwear and bags and mobile telephone services have the highest penetration rates and, as indicated in the figure above, the highest incidence rates as well. In line with this observation, the markets for large household appliances, train services and loans, credit and credits have both lower penetration rates and incidence rates. In the market for electricity services however, while the penetration rate is high, the incidence rates obtained in both modes were the lowest among the six selected markets.

6.2.2. Incidence by market at the country level

The chart below shows the incidence rates obtained in the face-to-face survey by market, broken down further by country.

Figure 13: Incidence rates of problems per market, face-to-face survey

Source: Consumer survey screener DS2T, face-to-face mode. Note that the actual incidence rate for train services in Poland is 0.3%, and hence is not visible on the graph.

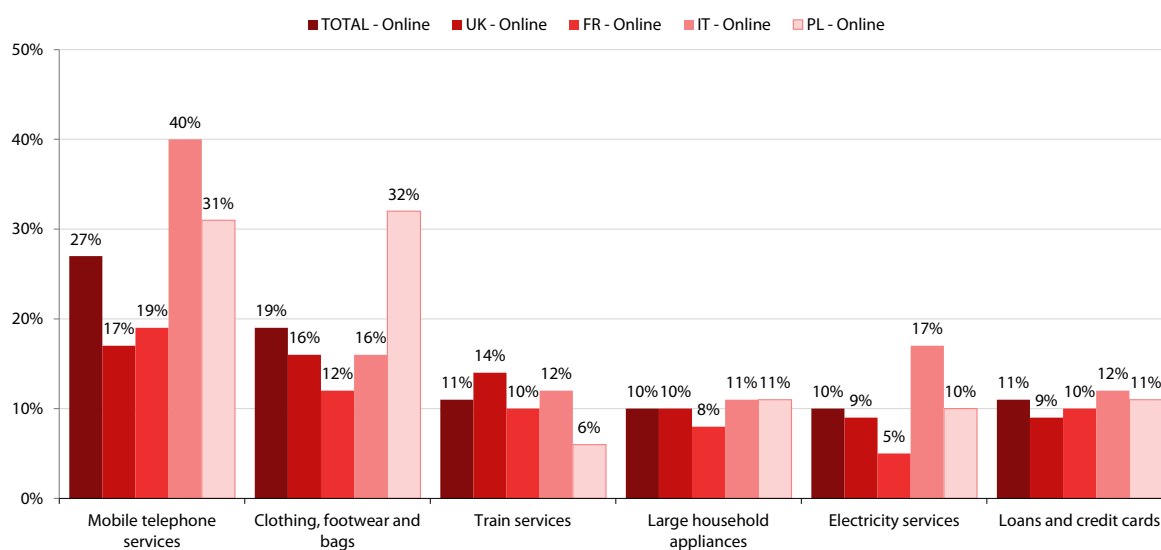
As indicated in the figure above, the incidence rates are much higher in Italy than in the other countries. For most of the markets, the incidence rates in Italy are more than double those for any other country: for example 13% in Italy for clothing, footwear and bags, compared with 2-6% in other countries. The samples for Italy have the same national representative characteristics as in the other countries and the reports from fieldwork did not indicate any problems with the implementation of the

survey. Furthermore, the fact that results are consistently higher in Italy across markets is an indication there is an overall trend observed in the face-to-face survey.

In contrast, incidence rates tend to be lowest in Poland (lowest or joint lowest for five of the six markets). However, the incidence rates for countries other than Italy are broadly similar, all falling below 5% in five of the markets. The market for mobile telephone services is an exception as the incidence rates in that market vary considerably between countries: 17% in Italy, 11% in France, 7% in the UK and 3% in Poland.

The chart below shows the incidence rates obtained in the online survey by market, further broken down by country.

Figure 14: Incidence rates of problems per market, online survey



Source: Consumer survey screener DS2T, online mode.

The country patterns for incidence rates are less distinct in the online survey than in the face-to-face survey. In the online survey, Italy shows the highest incidence rates for some markets, namely mobile telephone services and electricity services, but otherwise, incidence rates in Italy are not notably higher than in the other countries. Incidence rates are relatively high in Poland in the markets for mobile telephone services and clothing, footwear and bags, but otherwise similar to other countries, and lower than the other countries with regards to train services.

In general, the overall pattern of incidence rates across the six markets is also reflected at the country level, with the highest incidence rates obtained for mobile telephone services and for clothing, footwear and bags.

6.3. Magnitude of personal consumer detriment overall and by country

All the respondents recruited by the screener then completed a market module in relation to the most serious problem they experienced. In the online survey, respondents were also asked to identify their second most serious problem (if they had one), and where respondents indicated a relevant problem, they completed a second market module on this second problem.

In this section we present the results of the study concerning the magnitude of personal consumer detriment, assessed in each market on the basis of the consumer survey responses to the corresponding market module.

In order to ensure that results are unbiased from outliers due to e.g. input errors, we reviewed all cases with very high input amounts regarding price, costs incurred and redress obtained before conducting the assessment. On the basis of the contextual information reported in these cases, we identified inconsistencies and contradictions and excluded cases for which we had reasonable doubt as to the plausibility of the response from the assessment of the magnitude of consumer detriment. This affected 7 cases or less per market,⁸² and included for example cases where a respondent provided a very high price for the type of good or service that caused the problem, or indicated very high costs or high levels of monetary redress that did not match the description of the problem. On the basis of these criteria, for instance, a case where the respondent indicated a price of 5,395 EUR for a regional train was excluded. In cases where respondents provided high input values, but no inconsistencies or contradictions were found, the case was included in the assessment. Overall, however, the number of cases with very high values of detriment is limited, as indicated in the figures that appear in Annex XV, which present the distributions of pre- and post-redress detriment. A specific analysis of pre- and post-redress financial detriment only on those respondents who sought redress is presented in annex XXI.

6.3.1. Financial detriment

In this sub-section we first provide an overview of the price paid by respondents for the good or service with which they experienced a problem. We then present the pre-redress financial detriment, i.e. the financial detriment experienced by respondents before any redress provided by the seller or provider (such as repair, replacement or reimbursement) is taken into account. Finally, we present results in terms of financial detriment post-redress, i.e. taking into account any substantial redress provided by the seller or provider. All values were separately calculated for each respondent to our consumer survey who experienced a problem in the six markets considered (see approach for assessment of personal consumer detriment for details, Section 4.9.). To provide an indication of the distribution of the data, all results are provided with both the average (arithmetic mean) and the median.⁸³

6.3.1.1. Price paid for the good or service by country and market

The table below presents the average price paid for the good or service among the respondents who reported experiencing a problem in the related market (in Euro, by market by country and by mode).⁸⁴ The median price paid is provided in brackets.

⁸² Please refer to Annex XX on the quality control applied prior to the assessment of the magnitude of detriment for further information.

⁸³ The average of a set of numbers is the total of those numbers divided by the number of items in that set. In contrast, the median is that number where half the numbers are lower and half the numbers are higher. For example, if the set of numbers is 1,1,2,6,10, the resulting average is 5 and the median is 2. At the second expert workshop, experts agreed that, despite the skewed distributions of observed financial detriment, average values should be presented and complemented by median values.

⁸⁴ The exchange rates applied were 1.3 for British Pound to Euro, and 0.25 for Polish Zloty to Euro (based on rounded two year averages for the period 1.1.2014 to 1.1.2016).

Table 18: Price of good or service (average and median per respondent who experienced a problem, in Euro)

Market	Total		UK		France		Italy		Poland	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services*	29.9 (20.0)	27.5 (18.8)	43.2 (38.9)	40.2 (32.5)	37.5 (30.0)	42.0 (30.0)	21.8 (15.0)	22.7 (15.0)	13.5* (12.5)	17.8 (13.8)
Clothing, footwear and bags	79.7 (60.0)	57.7 (40.0)	:	62.9 (43.7)	68.5* (53.0)	70.0 (50.0)	102.9 (79.8)	80.9 (55.0)	35.6 (32.8)	42.8 (37.5)
Train services	71.2 (44.2)	67.2 (42.9)	99.4* (35.8)	69.5 (44.2)	84.1* (50.0)	85.5 (55.6)	52.6 (40.1)	62.3 (45.6)	:	34.2 (12.5)
Large household appliances	502.1 (399.0)	497.3 (390.0)	458.0* (390.0)	469.0 (390.0)	396.6* (399.0)	617.9 (450.0)	559.0 (400.0)	621.7 (500.0)	:	308.8 (275.0)
Electricity services*	87.4 (61.6)	82.7 (60.0)	72.2* (61.2)	69.6 (58.3)	:	87.7 (67.0)	69.8 (55.0)	62.8 (50.0)	:	133.0 (106.3)

Source: Consumer survey M3, face-to-face and online modes. Note: * In the markets for mobile telephone services and electricity services, the price indicated is the monthly price paid for the service. Median figures are reported in brackets. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). ':' indicates an insufficient base size, therefore no value can be provided.

As described in Section 4.6.2., data on the price/amount paid for the good or service by the respondent was collected in the survey as a benchmark for assessing the extent to which reported detriment can be considered reasonable. However, for the market for loans, credit and credit cards, the amount of the loan taken out or the spending limit on the credit card were instead considered the most appropriate reference measures of value to collect data on in M3.⁸⁵

Across the four countries assessed in this study, respondents in the face-to-face survey paid on average EUR 29.9 monthly for mobile telephone services, EUR 71.2 for a train service, EUR 79.7 for an item of clothing footwear and bags, EUR 87.4 per month for an electricity service, and EUR 502.1 for a large household appliance they experienced a problem with.

The average prices reported in the online survey are similar to those reported in the face-to-face survey, with the exception of items of clothing, footwear and bags for which the average prices reported are EUR 79.7 in the face-to-face survey and EUR 57.7 in the online survey. As indicated in the table above, the median values are also largely similar across modes.

6.3.1.2. Pre-redress financial detriment by country and market

The table below presents the average and median *pre-redress* financial detriment in Euro for each market and country, for those respondents who experienced a problem in that market.

⁸⁵ While the different approach for this market module does not allow a comparison of prices with other market modules, this does not limit the comparability of results across markets, as the methodology developed covers all the main ways in which financial detriment occurs, regardless of the market.

Table 19: Pre-redress financial detriment (average and median per respondent who experienced a problem, in Euro)

Market	Total		UK		France		Italy		Poland	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	56.4 (12.5)	64.8 (13.0)	91.2 (24.2)	100.0 (23.9)	86.7 (19.8)	84.5 (21.7)	24.4 (7.7)	60.7 (11.9)	22.2* (4.6)	38.0 (9.2)
Clothing, footwear and bags	69.2 (50.0)	49.9 (32.7)	:	59.0 (39.0)	37.2* (35.0)	59.4 (40.0)	92.2 (75.0)	64.7 (48.0)	34.3 (31.5)	37.6 (27.9)
Train services	67.4 (16.6)	64.5 (25.0)	94.7* (16.9)	51.5 (22.1)	115.7* (37.0)	94.0 (45.0)	36.0 (16.5)	64.8 (20.1)	:	47.7 (10.5)
Large household appliances	323.4 (238.1)	302.7 (190.3)	405.3* (289.4)	325.8 (219.3)	207.3* (99.9)	380.2 (200.0)	344.5 (264.0)	325.9 (234.6)	:	196.6 (125.0)
Electricity services	111.9 (30.0)	131.9 (22.7)	109.9* (42.8)	138.6 (39.2)	:	146.9 (20.0)	67.5 (20.7)	145.4 (31.9)	:	94.5 (7.5)
Loans, credit and credit cards	139.0 (0.0)	224.9 (10.0)	:	208.7 (15.6)	174.5* (1.0)	204.4 (11.5)	112.6 (0.0)	261.3 (9.0)	:	220.4 (5.0)

Source: Civic Consulting based on consumer survey, face-to-face and online modes. Median figures are reported in brackets. Figures where the base size was less than 50 respondents have to be interpreted with care and are indicated with an asterisk (*). ':' indicates an insufficient base size, therefore no value can be provided. Note: The difference between average and median is a consequence of the skewed distribution of observed financial detriment, as visualised in figures 1 to 24 in Annex XV.

Of the markets subject to analysis, the highest levels of pre-redress financial detriment were reported as a result of problems with large household appliances, with an average pre-redress financial detriment for the four countries of EUR 323.4 in the face-to-face survey and EUR 302.7 in the online survey. This is followed by problems with loans, credit and credit cards, with an average pre-redress financial detriment of EUR 139.0 in the face-to-face survey and EUR 224.9 in the online survey. On average, respondents reported the lowest levels of pre-redress financial detriment in the markets for mobile telephone services and clothing, footwear and bags, where lower prices were also reported in comparison with the other markets (as indicated in the previous table).

Overall pre-redress financial detriment is of the same order of magnitude in both modes, except in the market for clothing, footwear and bags. However there is significant variation between the assessed countries, for instance with pre-redress financial detriment in the market for mobile telephone services ranging from EUR 38.0 in Poland to EUR 100.0 in the UK in the online survey.

In the six markets assessed, the levels of pre-redress financial detriment in Poland are lower than the overall average in the online survey. This is also in line with the lower average prices reported in Poland in these markets.

6.3.1.3. Post-redress financial detriment by country and market

The table below presents the average and median *post-redress* financial detriment in Euro for each market and country, for those respondents who experienced a problem in that market.

Table 20: Post-redress financial detriment (average and median per respondent who experienced a problem, in Euro)

Market	Total		UK		France		Italy		Poland	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	48.6 (8.0)	55.8 (9.1)	72.9 (7.0)	79.2 (13.4)	77.3 (16.2)	73.7 (12.0)	21.5 (5.1)	54.1 (10.0)	21.0* (3.6)	33.5 (5.5)
Clothing, footwear and bags	26.7 (2.8)	25.1 (7.5)	:	21.7 (4.3)	16.6* (0.7)	33.8 (11.4)	29.9 (0.0)	33.6 (10.0)	18.1 (3.9)	21.1 (7.5)
Train services	55.2 (10.0)	46.9 (16.2)	78.5* (5.0)	31.3 (12.0)	109.9* (26.6)	82.2 (38.0)	21.3 (10.0)	46.7 (16.9)	:	27.8 (8.3)
Large household appliances	165.0 (10.0)	167.5 (50.0)	283.3* (102.3)	172.7 (19.0)	147.2* (25.0)	193.5 (50.0)	141.1 (0.0)	205.0 (90.0)	:	110.1 (30.0)
Electricity services	88.1 (20.0)	116.4 (13.0)	95.8* (26.0)	104.6 (13.0)	:	129.9 (16.7)	45.2 (10.6)	136.0 (28.8)	:	89.9 (7.3)
Loans, credit and credit cards	83.0 (0.0)	154.9 (2.2)	:	144.4 (6.5)	154.6* (4.0)	107.9 (0.0)	54.6 (0.0)	186.9 (0.0)	:	176.3 (2.5)

Source: Civic Consulting based on consumer survey, face-to-face and online modes. Median figures are reported in brackets. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated with an asterisk (*). ':' indicates an insufficient base size, therefore no value can be provided.

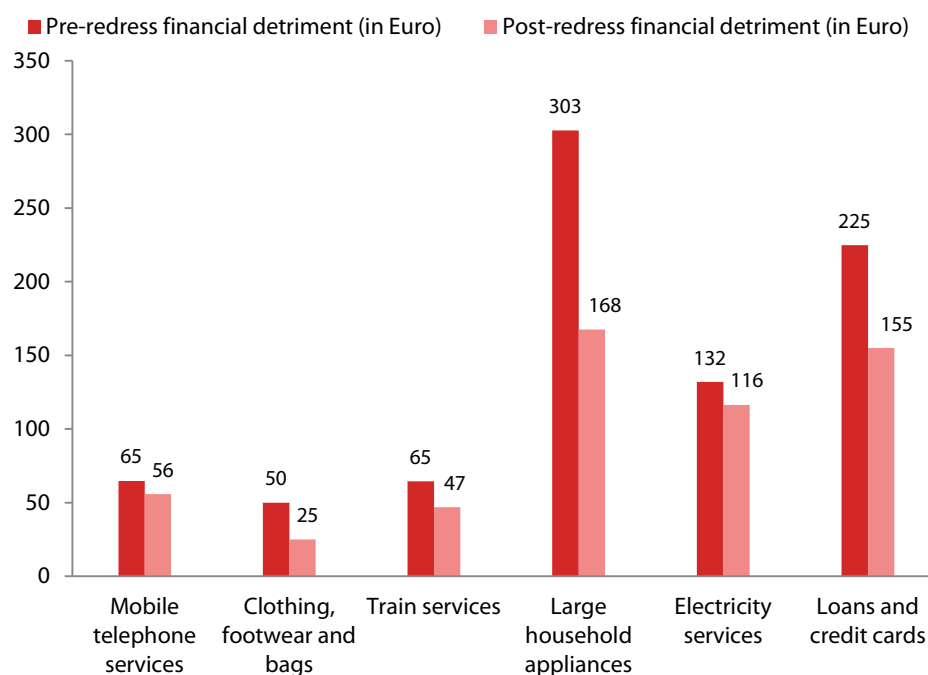
In the face-to-face survey, average post-redress financial detriment was EUR 165.0 for large household appliances, EUR 88.1 for electricity services, EUR 83.0 for loans, credit and credit cards, EUR 55.2 for train services, EUR 48.6 for mobile telephone services, and EUR 26.7 for items of clothing, footwear and bags. Post-redress financial detriment is of the same order of magnitude in both modes in all markets.

In line with the results presented above, in both modes, problems with large household appliances resulted in the highest levels of post-redress financial detriment overall, followed by problems with loans, credit and credit cards and problems with electricity services. Problems with clothing, footwear and bags resulted in the lowest levels of post-redress financial detriment overall. However, there is less variation in post-redress financial detriment between the countries than in pre-redress financial detriment.

While respondents reported the highest levels of post-redress financial detriment in the market for large household appliances, the difference between pre-redress financial detriment and post-redress financial detriment, which corresponds to the substantial redress received, is also the largest in this market in both modes.

The figure below shows the average pre- and post-redress financial detriment incurred by online respondents by market.

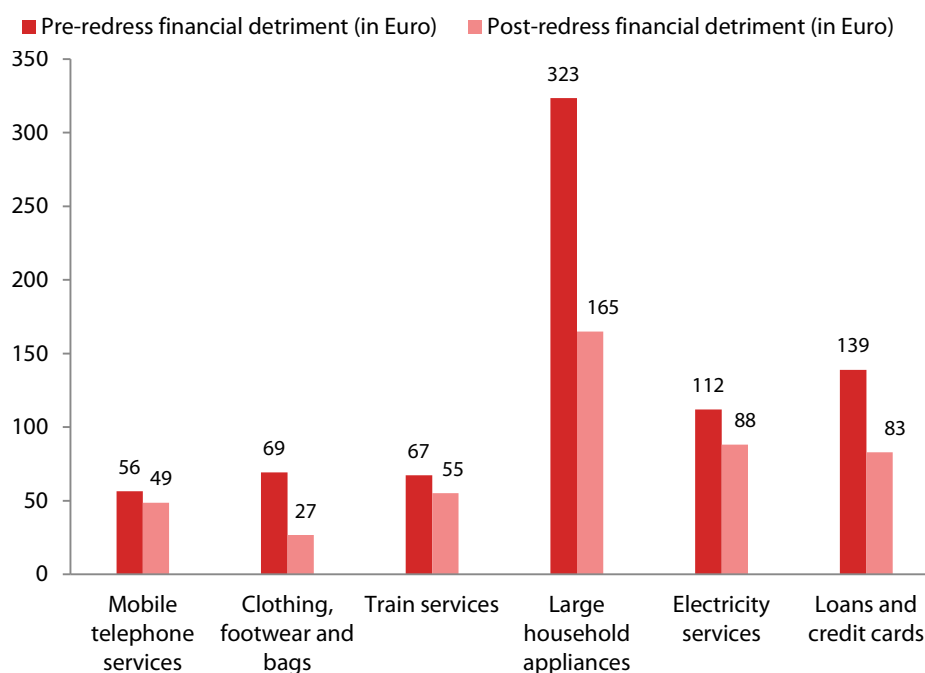
Figure 15: Pre- and post-redress financial detriment (average per respondent who experienced a problem, in Euro), online survey



Source: Civic Consulting based on consumer survey, online mode.

The figure below shows the average pre- and post-redress financial detriment incurred by face-to-face respondents by market.

Figure 16: Pre- and post-redress financial detriment (average per respondent who experienced a problem, in Euro), face-to-face survey



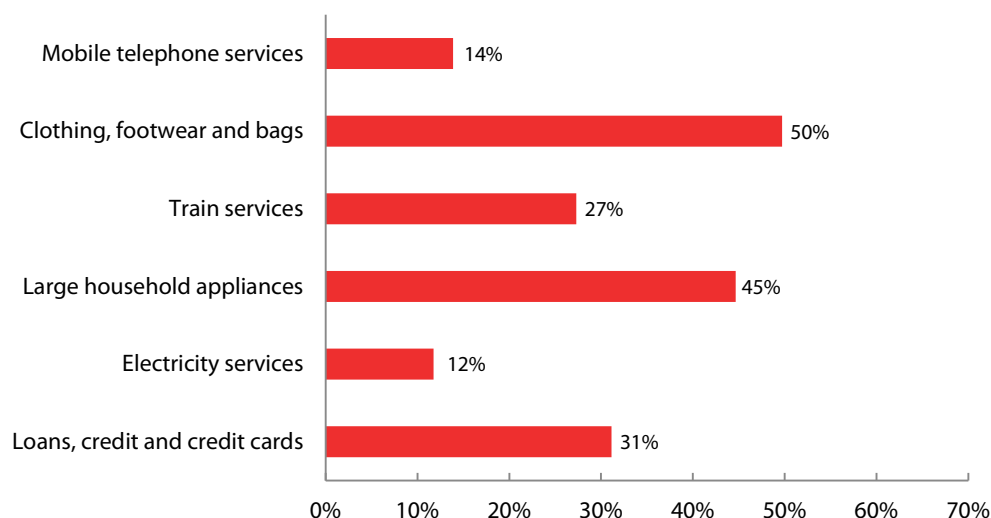
Source: Civic Consulting based on consumer survey, face-to-face mode.

As indicated in the two figures above, there is significant variation in levels of pre- and post-redress detriment across the markets, but also in levels of substantial redress, that is, the difference between pre- and post-redress detriment.

The figure below presents the difference in post- and pre-redress financial detriment as a percentage of the pre-redress financial detriment by market, i.e. the proportion of the original financial detriment that the redress accounted for, in the online survey. The differences are calculated on the basis of the average levels of pre- and post-redress financial detriment presented in figures 15 and 16 above, i.e. taking into account all respondents who reported on problems in the relevant markets, irrespective of whether they took action to sort out the problem and irrespective of the status of the problem resolution.⁸⁶

⁸⁶ The average difference in post- and pre-redress financial detriment for the subset of respondents who indicated that they sought redress (i.e. who made a complaint to the seller/provider or to a government body or consumer organisation, asked the seller/provider for repair, replacement or refund, asked the seller/provider for compensation for damages or losses, took the seller/provider to an out-of-court dispute settlement/alternative dispute resolution body (ADR), or took the seller/provider to court) is presented in Annex XXI.

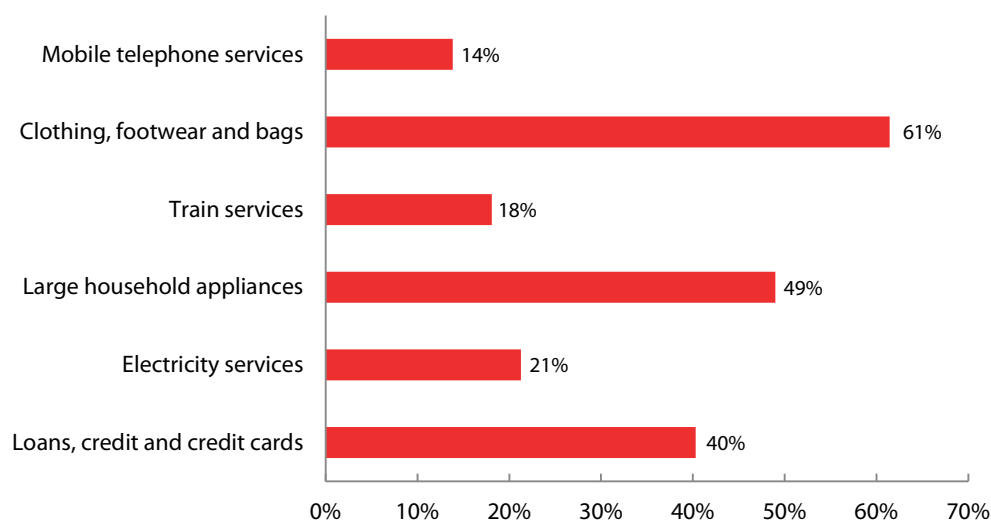
Figure 17: Average difference in post- and pre-redress financial detriment (percentage of the pre-redress financial detriment, in Euro), online survey



Source: Civic Consulting based on consumer survey, online mode.

The figure below presents the difference in post- and pre-redress financial detriment as a percentage of the pre-redress financial detriment by market in the face-to-face survey.

Figure 18: Average difference in post- and pre-redress financial detriment (percentage of the pre-redress financial detriment, in Euro), face-to-face survey



Source: Civic Consulting based on consumer survey, face-to-face mode.

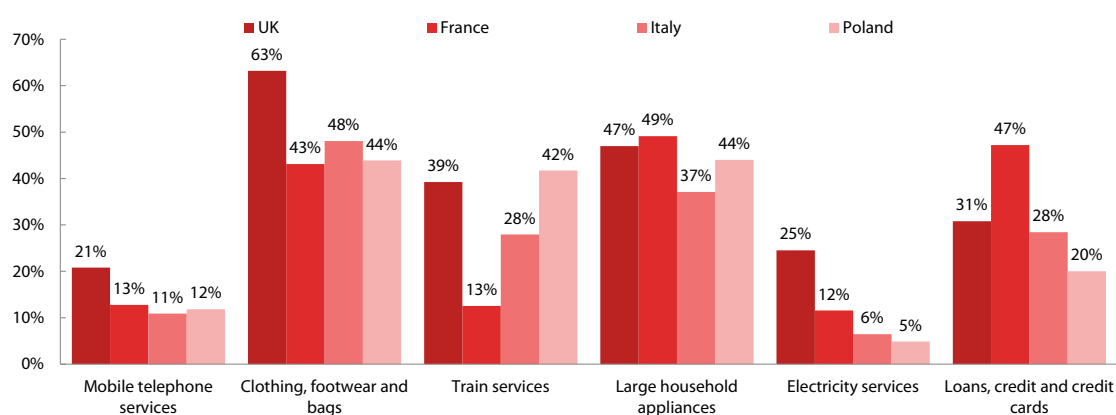
As indicated in the figures above, the two goods markets studied have the highest levels of redress in both modes in proportion to pre-redress financial detriment. On average, respondents who experienced problems with clothing, footwear and bags received substantial redress that amounted to at least half of the pre-redress financial detriment they incurred as a result of the problem. In the market for large household

appliances the average substantial redress received by respondents accounted for 45% of the pre-redress financial detriment they incurred in the online mode and 49% in the face-to-face mode.

In the markets for subscription services, in contrast, substantial redress accounted for the lowest proportions of pre-redress financial detriment (12% for electricity services and 14% for mobile telephone services in the online mode, 21% and 14% respectively in the face-to-face mode).

Differences in levels of redress can also be observed at country level, as shown in the figure below. Due to small sample sizes in the face-to-face mode, figures are reported for the online survey only.

Figure 19: Average difference in post- and pre-redress financial detriment (percentage of the pre-redress financial detriment, in Euro) by country, online survey



Source: Civic Consulting based on consumer survey, online mode.

As indicated above, the average amount of substantial redress in proportion to pre-redress financial detriment is lowest in the markets for electricity services and mobile telephone services. This finding applies to all countries.

Respondents in the UK received the highest or second highest level of redress in proportion to pre-redress financial detriment in all markets. The difference is most notable in the market for clothing footwear and bags, with redress accounting for 63% of the original financial detriment incurred in the UK compared with 43-48% in the other countries. In the market for electricity services, redress accounts for 25% of the original financial detriment incurred in the UK while it does not exceed 12% in the other countries.

Furthermore, in the market for train services, the proportion of redress is significantly lower in France than in the other countries, as redress in this country accounts for only 13% of the pre-redress financial detriment (compared to 28-42% in other countries). Conversely, in the market for loans, credit and credit cards, redress is higher in France than in the other countries, as redress accounts for 47% of the original financial detriment suffered (compared to 20-31% in other countries).

More detailed results on the average costs and losses by category, redress received, and the distribution of financial detriment by market are presented in Annex XV.

6.3.2. Loss of time

The average amount of time respondents lost as a result of the problem they experienced, e.g. by being delayed, discussing the problem, contacting the seller/provider, going to an alternative dispute resolution body or to court, replacing the good or service etc., is presented by market, by country and by mode in the table below.

Table 21: Loss of time (average in hours per respondent who experienced a problem)

Market	Total		UK		France		Italy		Poland	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	6.6	5.7	6.6	5.6	5.7	5.5	7.7	5.7	5.3*	5.8
Clothing, footwear and bags	4.1	3.6	2.7	1.9	2.3	3.5	5.3	3.4	3.0	4.4
Train services	3.0	3.3	3.5	2.4	3.2*	4.1	2.7	3.5	:	3.5
Large household appliances	7.4	6.9	6.6	5.7	5.7*	7.8	8.3	7.1	:	7.0
Electricity services	8.7	5.5	6.4	5.0	:	4.4	10.3	6.2	:	5.3
Loans, credit and credit cards	8.9	5.5	:	4.2	9.2*	5.8	9.3	5.8	:	6.0

Source: Based on consumer survey M10, face-to-face and online modes. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated with an asterisk (*). ':' indicates an insufficient base size, therefore no value can be provided.

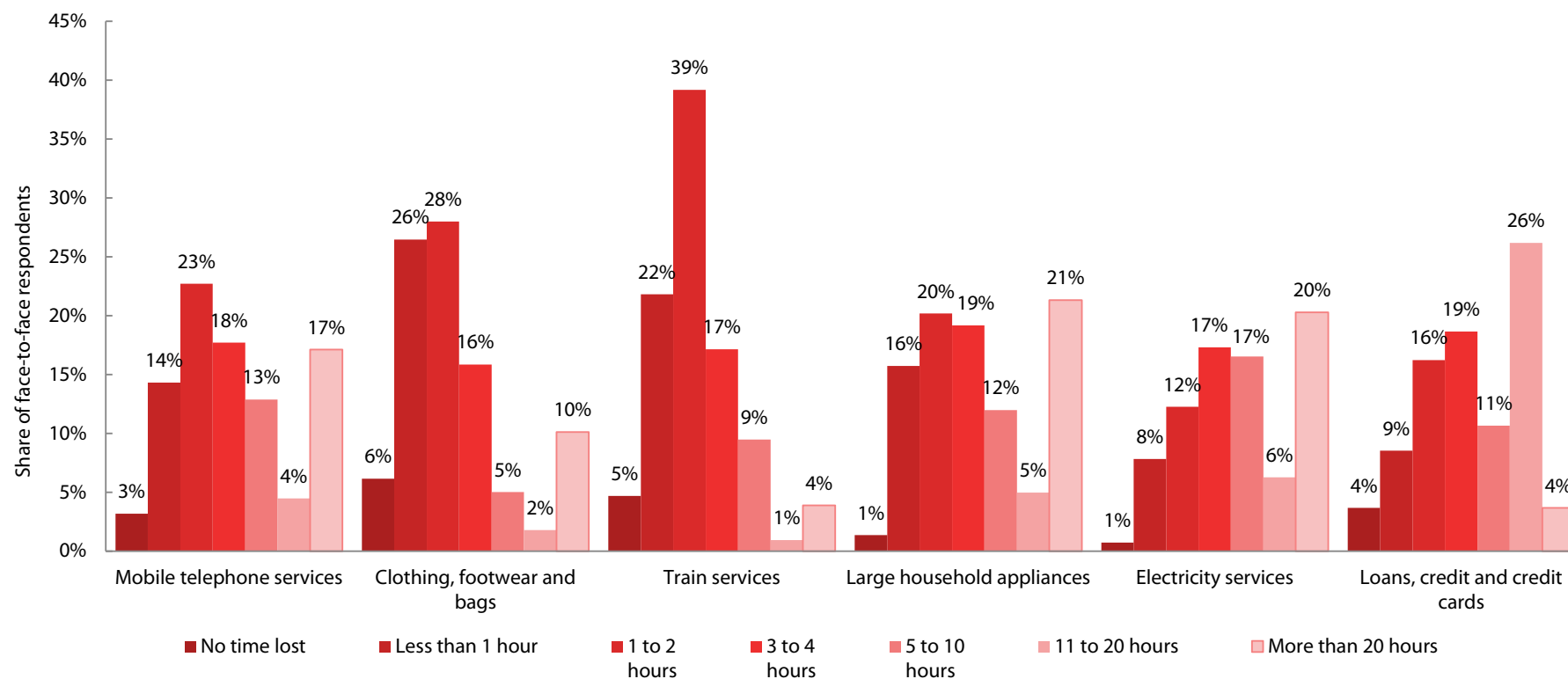
As indicated in the table above, face-to-face respondents reported they lost on average between 3 hours, as a result of problems with train services, and nearly 9 hours (8.9 hours), as a result of problems with loans, credit and credit cards. Online respondents reported they lost on average between 3.3 hours (as a result of problems with train services) and 6.9 hours (as a result of problems with large household appliances).

Across all countries, respondents in both survey modes lost less time as a result of problems with train services (3.0 hours in the face-to-face and 3.3 hours in the online), and with clothing, footwear and bags (4.1 hours in the face-to-face and 3.6 hours in the online). In comparison, respondents reported having lost significantly more time as a result of problems with loans, credit and credit cards (8.9 hours) and electricity services (8.7 hours) in the face-to-face sample and with large household appliances (6.9 hours) in the online sample.

In the total sample, face-to-face respondents generally reported they lost more time than online respondents as a result of the problem they experienced. This trend is also observed at country level, in markets in which sample sizes allow for meaningful comparisons.

The figure below shows the distribution of loss of time by market reported by face-to-face respondents who experienced problems.

Figure 20: Loss of time, face-to-face survey



Source: Consumer survey, M10 'What is the total amount of time you have personally lost as a result of the problem?', face-to-face mode. (N: 597; 297; 211; 269; 239; 196)

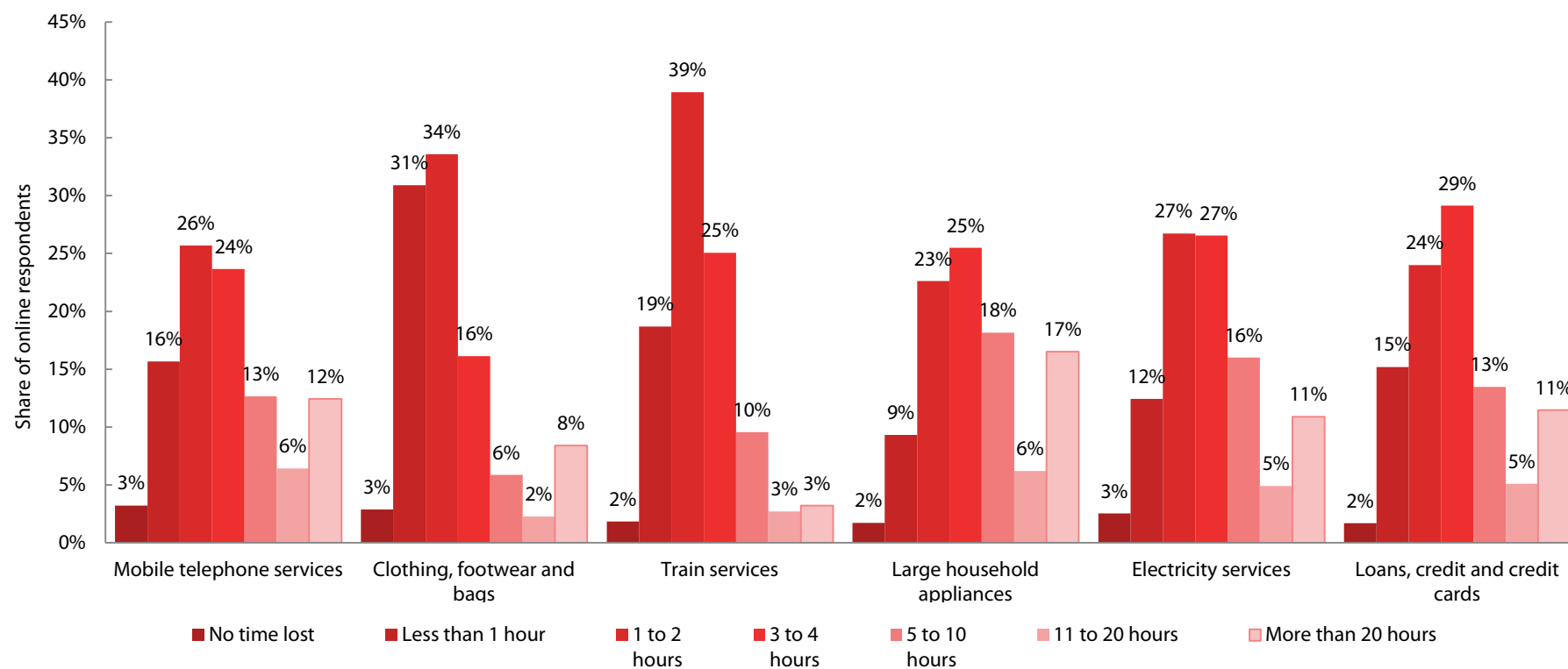
As indicated in the figure above, few face-to-face respondents reported having lost no time at all as a result of the problem they experienced. In all markets the share of respondents who reported no time lost varies between 1% and 6%.⁸⁷

The distribution of loss of time reported by face-to-face respondents reflects the averages presented in the table above. In the markets for clothing, footwear and bags and train services for instance, 60% and 66% respectively of the face-to-face respondents suffered time loss of 2 hours or less compared with 21% for electricity services and 29% for loans, credit and credit cards. In the two latter markets, in which the highest average loss of time were reported, the shares of respondents who suffered time loss of 5 hours or more are high, with 43% and 41% of the face-to-face respondents respectively.

The figure below shows the distribution of loss of time reported by online respondents who experienced problems by market.

⁸⁷ The option to select 'No time lost' in M10 was however only available to respondents who selected 'Have not taken any action' in M9.

Figure 21: Loss of time, online survey



Source: Consumer survey, M10 'What is the total amount of time you have personally lost as a result of the problem?', online mode. (N: 2109; 1330; 650; 739; 773; 892)

Similarly to the results of the face-to-face survey, only 2% to 3% of the online respondents in all market modules reported having lost no time at all as a result of the problem they experienced.

The distribution of the loss of time reported by online respondents also reflects the averages presented in the table above. In particular, 68% of online respondents who experienced problems with clothing, footwear and bags suffered little or no time loss (2 hours or less), which results in an average loss of time of 3.6 hours. 41% of online respondents who experienced problems with large household appliances suffered substantial time loss (5 hours or more), which contributes to the higher average loss of time of nearly 7 hours (6.9) in this market.

6.3.3. Psychological detriment

The share of respondents who felt 'quite a lot' or 'extremely' emotionally stressed, i.e. who felt highly angered, frustrated or worried as a result of the problem, are presented by market, country and mode in the table below.

Table 22: Respondents who felt 'quite a lot' or 'extremely' emotionally stressed (of those who experienced a problem)

Market	Total		UK		France		Italy		Poland	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	57%	56%	40%	43%	46%	52%	76%	63%	49%	58%
Clothing, footwear and bags	46%	40%	7%	13%	24%	33%	60%	51%	45%	51%
Train services	56%	56%	17%	34%	42%	63%	82%	78%	50%	67%
Large household appliances	57%	53%	31%	38%	34%	49%	74%	63%	49%	61%
Electricity services	74%	57%	43%	47%	49%	50%	90%	65%	57%	58%
Loans, credit and credit cards	77%	51%	52%	40%	52%	52%	95%	54%	67%	56%

Source: Consumer survey, M11 'To what extent have you felt emotionally stressed e.g. angered, frustrated or worried as a result of the problem?', face-to-face and online modes.

In both survey modes, the market with the lowest share of respondents who felt 'quite a lot' or 'extremely' emotionally stressed as a result of a problem is clothing, footwear and bags (46% in the face-to-face survey and 40% in the online survey) and the market with the highest share is loans, credit and credit cards in the face-to-face survey (77%) whereas it is electricity services in the online survey (57%). The variation across markets is therefore more substantial in the face-to-face survey than in the online survey.

Across the two modes, the results are similar except in the markets for electricity services and loans, credit and credit cards where the shares of face-to-face respondents who felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem are much higher than in the online survey.

Across all markets, the shares of respondents who felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem are higher in Italy (with shares between 60% and 95% across markets in the face-to-face survey) than in the other countries. The shares of respondents who felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem were lowest in the UK (with shares between only 7% and 52% across markets in the face-to-face survey).

Generally the ranking of the markets in terms of emotional stress is similar to the ranking of markets in terms of average loss of time reported by respondents who experienced problems in these markets.

6.3.4. Correlation analysis

The table below shows the results of a statistical correlation analysis between pre- and post-redress financial detriment and the other dimensions of consumer detriment, as well as the price of the good or service respondents had a problem with, using data at the market level (market averages) from the online survey for the four countries and six markets assessed.⁸⁸

⁸⁸ Online results only are presented as they are more robust due to the larger sample sizes. As shown in the tables presented in Sections 6.3.1.2. and 6.3.1.3., for the face-to-face survey, several market averages are not available due to insufficient base sizes (in the markets for clothing, footwear and bags for the UK, train services for Poland, large household appliances for Poland, electricity services for France and Poland, or loans, credit and credit cards for the UK and Poland).

Table 23: Correlation analysis between different types of consumer detriment, online survey

	Post-redress financial detriment	Loss of time	Psychological detriment	Price of good or service
Pre-redress financial detriment	0.94**	0.68**	0.01	0.95**
Post-redress financial detriment	-	0.71**	0.13	0.83**
Loss of time	-	-	0.41*	0.62**
Psychological detriment	-	-	-	0.01
Price	-	-	-	-

Source: Civic Consulting based on consumer survey, online mode, using market averages per country (N = 24 for financial detriment, loss of time and psychological detriment; N = 20 for price, as price information was not collected for the loan, credit and credit card markets). Pearson correlation coefficients are indicated. Results of the two-tailed test of significance are indicated by *p<0.05 **p<0.01.

The analysis shows a strong positive correlation between pre- and post-redress financial detriment with a correlation coefficient of 0.94. Both pre- and post-redress of financial detriment have a moderate-to-high degree of positive correlation with loss of time (with correlation coefficients of 0.68 for pre-redress financial detriment and 0.71 for post-redress financial detriment, both highly significant). The results do not show a significant correlation between financial detriment and psychological detriment; however, psychological detriment is moderately and significantly correlated with the loss of time.

Pre- and post-redress financial detriment also show a strong correlation with the price paid with correlation coefficients of 0.95 and 0.83 respectively, confirming that more expensive goods and services can be a source of large financial detriment when problems arise. Price is also moderately and significantly correlated with loss of time, suggesting either that problems with expensive goods or services take longer to resolve, or that consumers are willing to invest more time to resolve a problem that arises with an expensive good or service.

6.3.5. Comparison of results with personal consumer detriment measured in the Market Monitoring Survey

The latest European Commission Market Monitoring Survey (MMS) includes a question on personal consumer detriment. In the table below we present the results of the approach to measuring detriment employed in the MMS 2015 by country and by market. The market for clothing, footwear and bags was however not covered in the survey.

Respondents were first asked whether they experienced problems⁸⁹ with a given good or service within a reference period. Respondents who answered positively were then asked a follow-up question on detriment. They were asked to assess the extent to

⁸⁹ 'Within the <past period>, did you experience any problem with the <products/services> you purchased, either with the product/service or the <suppliers/retailers>, where you thought you had a legitimate cause for complaint?'

which they had suffered detriment as a result of the problem on a scale from 0 to 10. In this context detriment was defined as financial loss or other types of harm (e.g. loss of time, stress, adverse health effect, etc.).

Table 24: Consumer detriment measured in the Market Monitoring Survey

Market	Average	UK	France	Italy	Poland
Mobile telephone services	6.3	5.4	7.1	6.0	6.6
Train services	6.3	5.4	6.8	6.7	6.2
Large household appliances	5.7	4.8	6.4	6.2	5.5
Electricity services	6.4	5.6	7.1	7.1	5.9
Loans, credit and credit cards	5.8	5.3	6.9	4.9	5.9

Source: Market Monitoring Survey 2015 'On a scale from 0 to 10, within the <past period>, to what extent have you suffered detriment as a result of problems experienced either with the <products/services> or the <suppliers/retailers>? By detriment, we mean financial loss or other types of harm (e.g. loss of time, stress, adverse health effect, etc.).' Interviewer instruction: A 0 means "no or negligible detriment" and a 10 means "a very significant detriment" and any value in between could be chosen by respondents.'

Based on the average across countries, the market for large household appliances ranks lowest and the market for electricity services ranks highest in terms of reported detriment. However, there is not substantial variation in the levels across markets, ranging from 5.7 for large household appliances to 6.4 for electricity services.

Moreover, as shown above, this ranking does not correspond with the results for the various dimensions of personal consumer detriment calculated on the basis of the consumer survey conducted in this study. Additionally, the levels of consumer detriment reported in the MMS are higher in France than in other countries in all markets, which is not observed in the results of this study.

The results obtained through the MMS and this study should be compared with care as the survey modes used, the screening processes, the reference period,⁹⁰ and the questions to measure consumer detriment asked to respondents differ. Measuring the dimensions of consumer detriment separately allows for a more granular analysis and understanding of the relative weights of the different dimensions in the resulting detriment.

6.4. Personal consumer detriment by socio-demographic group and factor/driver of consumer vulnerability

The following sub-sections present results for incidence and magnitude of personal consumer detriment according to different socio-demographic groups, including the drivers of vulnerability presented in Section 4.6.4.

⁹⁰ In the MMS, the reference period of purchase is two years in the markets for large household appliances and loans, credit and credit cards, and one year in the other four markets.

6.4.1. Incidence of personal consumer detriment by socio-demographic group/driver of vulnerability

In the face-to-face sample, the following variations in incidence rates between socio-demographic groups can be observed (table to follow):

- Incidence rates are generally consistent across gender and age groups, although the incidence of problems is lower in the oldest age groups (55 or over) in relation to mobile telephone services (5-8% compared with 11-12% in younger age groups) and clothing, footwear and bags (3-4% compared with 7%), which may be linked to a lower frequency of purchase in the oldest age group, which was however not measured in our survey;
- Incidence rates are higher in all markets among respondents living in large towns or cities than in rural areas or villages, which may be partly linked to these respondents being more economically active;
- Incidence rates are slightly higher among more highly educated respondents, specifically in relation to mobile telephone services (12% among those with a high level of education, compared with 10% of those with a medium level of education and 7% of those with a low level of education) and train services (7% among those with a high level of education, compared with 3% of those with a medium or low level of education);
- Where respondents described their household's financial situation as difficult, incidence rates tend to be higher than when the financial situation was described as easy, specifically in relation to mobile telephone services (11% compared with 8%) and clothing, footwear and bags (7% compared with 4%). This is in line with the results of the Consumer Conditions Scoreboard 2015, in which financial situation was found to be the background factor having the highest impact on the consumer conditions considered in the study, including the experience of problems with goods or services, on average.

Table 25: Incidence rates of problems by market in the face-to-face survey: Socio-demographic analysis

Market	Gender		Age					Subjective urbanisation			Education			Financial situation		Total
	Male	Female	18-24	25-39	40-54	55-64	65+	Rural area or village	Small or middle-sized town	Large town or city	Low	Medium	High	Difficult	Easy	
Mobile telephone services	10%	9%	11%	11%	12%	8%	5%	7%	10%	11%	7%	10%	12%	11%	8%	9%
Clothing, footwear and bags	5%	7%	7%	7%	7%	4%	3%	3%	6%	6%	4%	6%	6%	7%	4%	6%
Train services	5%	3%	5%	5%	5%	4%	2%	3%	4%	5%	3%	3%	7%	5%	3%	4%
Large household appliances	4%	4%	1%	4%	6%	4%	3%	3%	4%	5%	4%	4%	4%	4%	4%	4%
Electricity services	4%	3%	1%	4%	4%	4%	3%	2%	4%	4%	4%	3%	4%	2%	5%	4%
Loans, credit and credit cards	3%	3%	2%	4%	5%	3%	2%	2%	3%	5%	2%	3%	4%	4%	3%	3%

Source: Consumer survey screener question DS2T, face-to-face mode.

The full data tables showing the incidence rates by socio-demographic groups are in Annex IV.

In the online sample, the following variations in incidence rates between socio-demographic groups can be observed (table on the following page):

- Incidence rates are similar between men and women, except for clothing, footwear and bags, where incidence rates were higher for women than for men (23% compared with 15%);
- Incidence rates are higher among younger age groups. The largest difference can be seen in relation to clothing, footwear and bags (ranging from 36% among 18-24 year olds to 7-12% among those aged 55 or over);
- Incidence rates are higher among respondents living in large towns or cities than in rural areas or villages. This applies most notably to clothing, footwear and bags (22% among respondents in large towns, falling to 15% among those living in a rural area or village);
- For some markets, incidence rates are higher among more highly educated respondents. The largest difference is for clothing, footwear and bags (22% among those with a high level of education, compared with 18% of those with a medium level of education and 11% of those with a low level of education);
- In terms of occupation, incidence rates tend to be higher among students, as well as among respondents who reported being employed or self-employed;
- Where respondents described their household's financial situation as difficult, incidence rates of problems with mobile telephone services are higher than where the financial situation was described as easy (30% compared with 24%). However, there is little difference between these two groups for the other markets.

Table 26: Incidence rates of problems by market in the online survey: Socio-demographic analysis

Market	Gender		Age					Subjective urbanisation			Education			Financial situation		Total
	Male	Female	18-24	25-39	40-54	55-64	65+	Rural area or village	Small or middle-sized town	Large town or city	Low	Medium	High	Difficult	Easy	
Mobile telephone services	28%	26%	37%	32%	28%	22%	18%	25%	27%	29%	24%	26%	28%	30%	24%	27%
Clothing, footwear and bags	15%	23%	36%	27%	17%	12%	7%	15%	19%	22%	11%	18%	22%	19%	19%	19%
Train services	10%	11%	20%	14%	10%	7%	5%	9%	10%	11%	7%	9%	13%	10%	11%	11%
Large household appliances	10%	10%	11%	14%	10%	8%	5%	9%	10%	11%	9%	10%	10%	10%	10%	10%
Electricity services	11%	10%	10%	12%	11%	10%	8%	8%	11%	11%	11%	10%	11%	12%	9%	10%
Loans, credit and credit cards	12%	10%	15%	14%	11%	8%	6%	10%	11%	12%	11%	10%	12%	12%	10%	11%

Source: Consumer survey screener question DS2T, online mode.

6.4.2. Magnitude of personal consumer detriment by socio-demographic group and by possible drivers of vulnerability

In the section below, we present the results of the assessment of pre- and post-redress financial detriment, loss of time and emotional stress per socio-demographic group and per consumer characteristics. For this analysis, only results of the online survey are presented as they are more robust due to the larger sample sizes. The results of the analysis using the results of the face-to-face survey are presented in Annex IX and the results for both modes of all questions cross-tabulated with socio-demographic characteristics are presented in Annex IV.

Pre-redress financial detriment

The table below shows the average and median pre-redress financial detriment incurred by respondents to the online survey per socio-demographic group and by market.

Table 27: Pre-redress financial detriment: Socio-demographic analysis (average and median per respondent who experienced a problem, in Euro), online survey

Market	Age					Education			Financial situation	
	18-24	25-39	40-54	55-64	65+	Low	Medium	High	Difficult	Easy
Mobile telephone services	70.2 (19.5)	77.3 (17.9)	54.6 (14.1)	70.5 (8.1)	49.1 (7.1)	84.3 (19.9)	59.0 (12.5)	67.8 (13.5)	70.3 (14.5)	58.1 (12.5)
Clothing, footwear and bags	39.6 (23.6)	49.7 (34.8)	55.7 (37.5)	60.7 (50.0)	48.7 (32.4)	54.1* (45.8)	50.6 (32.5)	49.1 (32.7)	46.3 (32.5)	52.9 (35.0)
Train services	56.3 (21.9)	82.6 (25.0)	71.0 (31.2)	50.6 (32.4)	35.8 (20.1)	:	57.4 (20.1)	70.7 (28.5)	64.9 (30.0)	64.2 (21.8)
Large household appliances	242.1 (175.8)	337.4 (240.2)	359.4 (200.0)	264.6 (153.1)	194.0 (124.4)	196.0* (123.7)	297.8 (201.1)	319.9 (181.4)	294.9 (167.5)	310.7 (203.1)
Electricity services	87.7 (30.5)	162.5 (50.3)	164.0 (25.0)	76.3 (10.0)	122.2 (10.5)	123.0* (39.9)	111.4 (20.0)	151.3 (25.0)	129.6 (20.5)	135.1 (24.2)
Loans, credit and credit cards	178.5 (12.5)	368.9 (20.5)	125.0 (10.0)	107.9 (0.0)	221.6 (0.0)	166.4 (27.3)	203.8 (10.0)	253.4 (6.5)	280.1 (17.4)	158.0 (5.0)

Source: Civic Consulting based on consumer survey, online mode. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). Median figures are reported in brackets. For each socio-demographic characteristic the highest average value in each market is in bold.

As indicated in the table above, differences in the levels of pre-redress financial detriment incurred can be observed between different socio-demographic groups in each market.

With regard to education, respondents with a low education level experienced higher pre-redress financial detriment than respondents with medium and high education levels in the markets for mobile telephone services and clothing, footwear and bags. In contrast, respondents with a high education level experienced higher pre-redress financial detriment in the markets for train services, large household appliances, electricity services, and loans, credit and credit cards.

With regards to age, results show that respondents aged 25 to 39 incurred more pre-redress financial detriment than other age groups in the market for loans, credit and credit cards. In contrast, there was no market in which respondents in either the youngest or oldest age range (18-24 and 65+) experienced the highest level of pre-redress financial detriment. The oldest age group in particular experienced average or below average pre-redress financial detriment in all markets.

Furthermore, although a situation characterised by having difficulty in making ends meet every month indicates vulnerability, a clear pattern across markets cannot be identified in levels of pre-redress financial detriment with regards to respondents' financial situation. In the market for loans, credit and credit cards, respondents in 'difficult' financial situations experienced higher pre-redress financial detriment than respondents in 'easy' financial situations. However, in the other five markets the levels of pre-redress financial detriment incurred by both groups are similar.

In addition to socio-demographic variables, aspects related to consumer characteristics were measured in the consumer survey. In particular, questions M9 and M9bis, which respectively ask whether the respondent took action when the problem occurred and, for those respondents who reported not taking action, the reasons that drove this decision, provide insights into the behavioural drivers of vulnerability highlighted above. Respondents were also asked a control question on *consumer expectations in general* based on statements regarding different aspects of the purchase of goods and services – quality, redress and customer service – and segmented into groups that correspond to different levels of expectations, based on their agreement with the statements (the more statements they disagree with the higher their expectations, as statements were worded in a negative form).⁹¹ The table below shows the average and median pre-redress financial detriment incurred by respondents to the online survey per consumer characteristics, and by market. Due to low base sizes in question M9bis, results broken down by answer item are not presented below however detailed results are presented in Annex IV.

⁹¹ See Section 4.6.2.3. for an explanation of the approach to segmentation by expectation level.

Table 28: Pre-redress financial detriment per consumer characteristics (average and median per respondent who experienced a problem, in Euro), online survey

Market	Action taken by consumer		Expectation level		
	No action taken	Action taken ¹	Low	Medium	High
Mobile telephone services	41.9 (1.8)	67.6 (15.1)	85.7 (26.4)	80.5 (15.4)	58.1 (11.2)
Clothing, footwear and bags	22.7 (13.0)	51.4 (35.0)	70.5 (46.1)	51.6 (30.6)	47.1 (32.5)
Train services	24.2 (9.9)	73.6 (31.7)	132.8 (46.5)	86.3 (32.3)	51.3 (21.7)
Large household appliances	156.3* (69.2)	311.4 (200.0)	266.5 (149.3)	306.2 (170.6)	308.1 (203.6)
Electricity services	40.3 (0.0)	141.7 (30.0)	106.1 (50.0)	121.8 (60.0)	139.4 (16.1)
Loans, credit and credit cards	91.2 (0.0)	241.2 (12.5)	296.9 (30.0)	224.7 (12.6)	192.8 (3.8)

Source: Civic Consulting based on consumer survey, online mode. Median figures are reported in brackets. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). For each consumer characteristic the highest average value in each market is in bold. 1) Any action as indicated in question M9.

As indicated in the table above, differences in the levels of pre-redress financial detriment incurred by respondents who took action and respondents who did not take action can be observed. Results show that respondents who took action to sort out the problem had incurred higher pre-redress financial detriment than respondents who did not take action in all markets. These results may be explained by the fact that respondents who experience problems with low levels of pre-redress financial detriment are less likely to take action to sort out the problem than consumers who experience high levels of pre-redress financial detriment.

On average respondents who were segmented into the category 'low levels of expectations', as measured in the survey, experienced higher levels of pre-redress financial detriment than respondents with medium and high levels of expectations in four out of the six markets considered. The most substantial differences between respondents with high and low levels of expectations can be observed in the markets for train services and loans, credit and credit cards. However, respondents with high expectations incurred the highest level of pre-redress financial detriment in the markets for large household appliances and electricity services. These results would tend to indicate that a positive correlation between level of expectations (as measured by this approach) and levels of pre-redress financial detriment cannot be identified for the markets assessed.

Post-redress financial detriment

The table below shows the average and median post-redress financial detriment incurred by respondents to the online survey per socio-demographic group and by market.

Table 29: Post-redress financial detriment: Socio-demographic analysis (average and median per respondent who experienced a problem, in Euro), online survey

Market	Age					Education			Financial situation	
	18-24	25-39	40-54	55-64	65+	Low	Medium	High	Difficult	Easy
Mobile telephone services	53.2 (10.9)	68.7 (12.5)	47.9 (10.0)	60.0 (3.0)	40.2 (3.38)	80.2 (15.5)	48.8 (9.3)	59.1 (8.1)	60.2 (10.2)	50.2 (6.4)
Clothing, footwear and bags	21.0 (6.7)	26.4 (7.3)	27.2 (10.0)	27.0 (6.5)	22.7 (9.0)	33.1 (13.3)	26.4 (9.9)	23.6 (7.0)	24.5 (10.0)	25.7 (7.2)
Train services	42.9 (13.4)	68.7 (16.2)	45.1 (19.4)	30.6 (13.8)	21.5 (15.1)	29.0 (8.3)	35.6 (13.0)	54.7 (19.3)	50.6 (20.0)	43.8 (13.1)
Large household appliances	146.1 (38.5)	172.1 (50.0)	207.6 (65.0)	163.7 (30.0)	97.3 (11.1)	146.8 (44.0)	153.8 (42.7)	182.9 (50.0)	164.7 (60.1)	170.4 (30.0)
Electricity services	76.8 (21.1)	145.4 (35.3)	148.8 (18.1)	63.3 (7.1)	103.4 (7.2)	119.2* (39.9)	97.4 (11.2)	132.9 (12.5)	116.7 (15.0)	117.4 (10.1)
Loans, credit and credit cards	112.3 (5.9)	324.4 (12.5)	21.9 (2.1)	21.5 (0.0)	160.5 (0.0)	159.6 (26.0)	101.3 (0.0)	201.3 (3.6)	205.6 (6.1)	93.4 (0.0)

Source: Civic Consulting based on consumer survey, online mode. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). Median figures are reported in brackets. For each socio-demographic characteristic the highest average value in each market is in bold.

As indicated in the table above, differences in the levels of post-redress financial detriment incurred can be observed in each market between different socio-demographic groups.

With regard to education, respondents with a low education level experienced higher post-redress financial detriment in the markets for mobile telephone services and clothing, footwear and bags than respondents with medium and high education levels. In contrast, respondents with a high education level experienced higher post-redress financial detriment in the markets for train services, large household appliances, electricity services, and loans, credit and credit cards.

With regards to age, results show that respondents aged 25 to 39 incurred more post-redress financial detriment than other age groups in the market for loans, credit and credit cards, and that respondents aged 40 to 54 incurred markedly more post-redress financial detriment than respondents aged 18 to 24 in the market for large household appliances. Respondents aged 65 and over did not experience a statistically significant difference in the average level of post-redress financial detriment compared to other age groups in any market except the market for large household appliances, where the 65 and over age group experienced a significantly lower average level of post-redress financial detriment compared to other age groups.

Again, a clear pattern across markets cannot be identified in levels of post-redress financial detriment with regards to respondents' financial situation. In the market for loans, credit and credit cards, respondents in 'difficult' financial situations experienced higher post-redress financial detriment than respondents in 'easy' financial situations. However, in the other five markets the levels of post-redress financial detriment incurred by both groups are similar. The relative detriment may however be higher for the respondents who are in 'difficult' financial situations.⁹²

The table below shows the average and median post-redress financial detriment incurred by respondents to the online survey per consumer characteristics, and by market.

⁹² Results presented below on emotional stress indeed suggest that respondents in 'difficult' financial situations experienced higher levels of emotional stress as a result of the problem than respondents in 'easy' financial situations.

Table 30: Post-redress financial detriment per consumer characteristics (average and median per respondent who experienced a problem, in Euro), online survey

Market	Action taken by consumer		Expectation level		
	No action taken	Action taken ¹	Low	Medium	High
Mobile telephone services	41.9 (1.8)	57.4 (10.0)	79.9 (23.6)	73.4 (10.5)	48.2 (6.9)
Clothing, footwear and bags	22.7 (13.0)	25.3 (7.5)	49.4 (20.0)	28.7 (5.0)	21.6 (7.4)
Train services	24.2 (9.9)	52.0 (20.0)	101.5 (39.6)	61.4 (18.3)	36.9 (15.0)
Large household appliances	156.3* (69.2)	168.1 (50.0)	219.2 (110.0)	160.7 (75.8)	160.3 (25.0)
Electricity services	40.3 (0.0)	124.6 (20.0)	85.0 (49.5)	109.2 (48.8)	124.5 (10.0)
Loans, credit and credit cards	91.2 (0.0)	162.7 (5.0)	177.1 (19.6)	176.3 (10.0)	135.2 (0.0)

Source: Civic Consulting based on consumer survey, online mode. Median figures are reported in brackets. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). For each consumer characteristic the highest average value in each market is in bold. 1) Any action as indicated in question M9.

As indicated in the table above, differences in the levels of post-redress financial detriment incurred by respondents who took action and respondents who did not take action can be observed. In each market, results show that respondents who took action to sort out the problem incurred higher post-redress financial detriment than respondents who did not take action, especially in the markets for mobile telephone services, train services, electricity services and loans, credit and credit cards. These results may be explained by the fact that respondents who experience problems with low levels of financial detriment are less likely to take action to sort out the problem than consumers who experience high levels of financial detriment. Also noteworthy are the differences between average and median financial detriment, which are a consequence of the skewed distribution of financial detriment, as visualised in figures 1 to 24 in Annex XV.

On average respondents who were segmented into the category 'low levels of expectations', as measured in the survey, experienced higher levels of post-redress financial detriment than respondents with medium and high levels of expectations in all markets but electricity services. The most significant difference can be observed in the market for train services between respondents with high and low levels of expectations. Additionally, in all markets but electricity services, respondents segmented into the category 'high expectations' incurred the lowest levels of post-redress financial detriment. These results would tend to indicate that a positive correlation between level of expectations (as measured by this approach) and levels of post-redress financial detriment cannot be identified for the markets assessed.

Loss of time

The table below shows the average amount of time respondents lost as a result of the problem they experienced per socio-demographic group and by market.

Table 31: Loss of time (average in hours per respondent who experienced a problem): Socio-demographic analysis, online survey

Market	Age					Education			Financial situation	
	18-24	25-39	40-54	55-64	65+	Low	Medium	High	Difficult	Easy
Mobile telephone services	5.9	5.7	6.3	5.1	4.6	4.9	5.7	5.7	6.0	5.3
Clothing, footwear and bags	3.4	3.8	3.7	3.1	3.2	3.5	3.3	3.8	4.1	3.1
Train services	2.8	3.8	3.5	3.2	2.3	2.9	3.1	3.4	3.1	3.4
Large household appliances	7.0	6.9	7.6	7.2	4.9	4.5	6.8	7.2	7.2	6.5
Electricity services	4.1	5.5	6.1	5.7	5.4	4.7	5.6	5.5	5.6	5.3
Loans, credit and credit cards	5.3	5.4	5.6	5.0	6.4	3.7	5.4	5.9	5.7	5.3

Source: Based on consumer survey M10, online mode. For each market the highest average value for each socio-demographic characteristic is in bold.

With regards to age, differences in average loss of time between the five groups are minor. Respondents aged 65 or more lost less time than respondents in other age groups as a result of problems with mobile telephone services, train services and large household services. Taking the average of the values at market level indicated in the table above, respondents aged 65 or more lost 4.5 hours per problem, while respondents in other age groups lost between 4.8 and 5.5 hours per problem.

With regards to education, respondents with a low education level reported the lowest loss of time in all markets but clothing, footwear and bags, while respondents with a high education level reported the highest loss of time in all markets but electricity services. Taking the average of the values at market level, respondents with a low education level lost 4.0 hours per problem, while respondents with a high education level lost 5.3 hours.

Results show that overall, although the household's reported financial situation does not have a significant effect on financial detriment, respondents in 'difficult' financial situations lost more time than respondents in 'easy' financial situations as a result of the problem they experienced, e.g. by being delayed, discussing the problem, contacting the seller/provider, going to an alternative dispute resolution body or to court, replacing the good or service etc. Taking the average of the values at market level, respondents in 'difficult' financial situations lost 5.4 hours per problem, while respondents in 'easy' financial situations lost 4.8 hours. This is complemented by respondents in 'difficult' financial situations reporting higher levels of stress on average, as presented in the following sub-section. Respondents in 'easy' financial situations appear to have been less emotionally affected than respondents in 'difficult' financial situations for similar problems, and may therefore have given up more easily on seeking redress, thus losing less time as result of the problem.

The table below shows the average amount of time respondents lost as a result of the problem they experienced per consumer characteristics and by market.

Table 32: Loss of time (average in hours per respondent who experienced a problem) per consumer characteristics, online survey

Market	Action taken by consumer		Expectation level		
	No action taken	Action taken	Low	Medium	High
Mobile telephone services	2.8	6.0	5.6	6.1	5.6
Clothing, footwear and bags	0.4	3.7	3.7	3.7	3.5
Train services	1.7	3.6	4.7	3.8	3.0
Large household appliances	2.7*	7.1	5.5	7.9	6.9
Electricity services	3.1	5.7	4.6	5.0	5.8
Loans, credit and credit cards	3.2	5.8	4.8	4.8	6.2

Source: Based on consumer survey, online mode. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). For each consumer characteristic the highest average value in each market is in bold.

While this dimension of consumer detriment is relevant also in cases where consumers do not take action to sort out the problem, as they might still lose time by being delayed or discussing the problem, results clearly show that respondents who took

action to sort out the problem lost more time as a result of the problem than respondents who did not take action in all markets. Among respondents who took action, loss of time was highest in the market for large household appliances and lowest in the markets for clothing, footwear and bags and train services.

Finally, with regards to levels of expectations, there is not a clear pattern with regards to loss of time.

Emotional stress

The table below shows the share of respondents who felt 'quite a lot' or 'extremely' emotionally stressed, i.e. who felt highly angered, frustrated or worried as a result of the problem per socio-demographic group and by market.

Table 33: Respondents who felt ‘quite a lot’ or ‘extremely’ emotionally stressed as a result of the problem (of those who experienced a problem): Socio-demographic analysis, online survey

Market	Age					Education			Financial situation	
	18-24	25-39	40-54	55-64	65+	Low	Medium	High	Difficult	Easy
Mobile telephone services	53%	57%	60%	56%	51%	49%	56%	57%	59%	52%
Clothing, footwear and bags	40%	40%	40%	41%	39%	39%	40%	40%	46%	35%
Train services	53%	58%	57%	58%	54%	55%	57%	56%	65%	49%
Large household appliances	49%	59%	54%	45%	47%	43%	50%	57%	54%	52%
Electricity services	54%	53%	62%	63%	57%	55%	55%	60%	62%	53%
Loans, credit and credit cards	48%	45%	56%	53%	59%	39%	49%	54%	54%	47%

Source: Consumer survey, M11 ‘To what extent have you felt emotionally stressed e.g. angered, frustrated or worried as a result of the problem?’, online mode. For each socio-demographic characteristic the highest share in each market is in bold.

Contrary to the conclusion drawn above on post-redress financial detriment, a clear pattern across markets can be identified in high levels of emotional stress with regards to the respondents' financial situation. As indicated in the table above, respondents in 'difficult' financial situations felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem more often in all markets than respondents in 'easy' financial situations.

With regards to education, the share of respondents who reported they felt 'quite a lot' or 'extremely' emotionally stressed is higher among respondents with a high education level than in other groups in all markets but train services, where the difference between the groups is however small. In all markets consumers with a low education level were least likely to report they felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem. These results are in line with the findings highlighted above on loss of time, wherein respondents with a low education level reported the lowest loss of time in five markets.

With regards to age, there is not a clear pattern in the table above. In general younger respondents are less likely to report that they felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem. Respondents aged 40 or more were most likely to report high emotional stress in the market for loans, credit and credit cards.

The table below shows the share of respondents who felt 'quite a lot' or 'extremely' emotionally stressed per socio-demographic group and by market.

Table 34: Respondents who felt 'quite a lot' or 'extremely' emotionally stressed as a result of the problem (of those who experienced a problem) per consumer characteristics, online survey

Market	Action taken by consumer		Expectation level		
	No action taken	Action taken	Low	Medium	High
Mobile telephone services	39%	58%	43%	54%	59%
Clothing, footwear and bags	26%	41%	40%	37%	41%
Train services	51%	58%	55%	51%	58%
Large household appliances	32%*	54%	46%	56%	54%
Electricity services	47%	59%	47%	47%	63%
Loans, credit and credit cards	41%	52%	37%	46%	61%

Source: Based on consumer survey, online mode. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated an asterisk (*). For each consumer characteristic the highest average value in each market is in bold.

In the markets for mobile telephone services and train services, respondents who took action were more likely to feel 'quite a lot' or 'extremely' emotionally stressed as a result of the problem. This may be explained by the fact that consumers are more likely to take action when they experience high levels of emotional stress as a result of a problem and/or by the fact that taking action creates additional emotional stress for consumers.

Finally, respondents who were segmented into the category 'high levels of expectations', as measured in the survey, were more likely than respondents in the other categories to report high emotional stress as a result of the problem. This applies to all markets but large household appliances, where the difference with the category 'medium levels of expectations' is however minor.

6.5. Magnitude of personal consumer detriment comparing purchases over the internet vs other sales channels and cross-border vs. domestic purchases

In addition to the socio-demographic analysis, the table below shows the average and median pre-redress financial detriment incurred by respondents who purchased goods or signed up to services online (as opposed to other sales channels) and cross-border (as opposed to domestically) by market, on the basis of results of the online survey in light of the higher base sizes of respondents who reported experiencing problems.

Table 35: Pre-redress financial detriment: focus on online and cross-border transactions (average and median per respondent who experienced a problem, in Euro), online survey

Market	Sales channel		Country of seller/provider	
	Over the internet	Other sales channels	Seller/provider based in my country of residence	Seller/provider based in another EU country
Mobile telephone services	57.6 (8.0)	64.2 (13.0)	64.1 (12.5)	81.1 (29.8)
Clothing, footwear and bags	49.8 (30.0)	50.0 (35.0)	49.5 (33.5)	56.4 (35.0)
Train services	75.6 (30.9)	51.7 (17.8)	n.a.	n.a.
Large household appliances	283.6 (189.2)	318.9 (200.7)	307.0 (197.3)	261.8 (167.5)
Electricity services	196.5 (54.9)	101.7 (15.0)	n.a.	n.a.
Loans, credit and credit cards	205.2 (15.7)	234.9 (5.0)	202.5 (6.5)	281.0 (46.3)

Source: Civic Consulting based on consumer survey, online mode. Note: the question on cross-border purchases was not asked in the market modules for train services and electricity services. Median figures are reported in brackets. For each dimension the highest average value in each market is in bold.

The average reported pre-redress financial detriment is significantly higher for purchases made online in the market for electricity services. In the other markets the average pre-redress financial detriment, as well as the median, are relatively similar for purchases made both online and through other sales channels. Therefore, a relationship between magnitude of detriment and sales channel that holds across markets cannot be established.

In the markets for mobile telephone services, clothing, footwear and bags, and loans, credit and credit cards, problems with purchases from a seller/provider based in another EU country led to higher levels of pre-redress financial detriment on average; however, these differences are not statistically significant and the opposite is true in

the market for large household appliances. Indeed, in the large household appliances market, domestic purchases led to higher average detriment, but this difference was also not statistically significant. A clear relationship between magnitude of detriment and whether the purchase was cross-border or domestic that holds across markets therefore cannot be established. The differences between average and median pre-redress financial detriment are worth noting, particularly in the market for loans, credit and credit cards where the distribution of pre-redress financial detriment is very much skewed to the right.⁹³

The table below shows the average and median post-redress financial detriment incurred by respondents who purchased goods or signed up to services online (as opposed to other sales channels) and cross-border (as opposed to domestically) by market, on the basis of results of the online survey in light of the higher base sizes of respondents who reported experiencing problems.

Table 36: Post-redress financial detriment: focus on online and cross-border transactions (average and median per respondent who experienced a problem, in Euro), online survey

Market	Sales channel		Country of seller/provider	
	Over the internet	Other sales channels	Seller/provider based in my country of residence	Seller/provider based in another EU country
Mobile telephone services	57.6 (8.0)	55.1 (9.9)	55.0 (8.6)	71.9 (21.0)
Clothing, footwear and bags	22.7 (6.1)	27.3 (10.0)	24.7 (7.2)	25.5 (8.6)
Train services	53.1 (19.4)	39.7 (13.0)	n.a.	n.a.
Large household appliances	154.9 (42.7)	175.0 (50.0)	168.3 (49.9)	156.1 (77.2)
Electricity services	169.6 (39.8)	91.5 (10.0)	n.a.	n.a.
Loans, credit and credit cards	166.3 (10.0)	149.0 (0.0)	139.8 (0.3)	191.7 (29.9)

Source: Civic Consulting based on consumer survey, online mode. Note: the question on cross-border purchases was not asked in the market modules for train services and electricity services. Median figures are reported in brackets. For each dimension the highest average value in each market is in bold.

The average reported post-redress financial detriment is significantly higher for purchases made online in the market for electricity services. In the other markets the average post-redress financial detriment, as well as the median, are relatively similar for purchases made both online and through other sales channels. Therefore, a relationship between magnitude of detriment and sales channel that holds across markets cannot be established. While it is possible that differences in the average price paid by consumers across sales channels may be a factor in the different levels

⁹³ See figures in Annex XV for an illustration of the distribution.

of reported post-redress financial detriment, a relationship between price and sales channel that holds across markets cannot be established.⁹⁴

In the markets for mobile telephone services and loans, credit and credit cards, problems with purchases from a seller/provider based in another EU country led to higher levels of post-redress financial detriment on average; however, these differences are not statistically significant. In addition, in the market for clothing, footwear and bags average levels were similar, and in the large household appliances market, domestic purchases led to higher average detriment. A clear relationship between magnitude of detriment and whether the purchase was cross-border or domestic that holds across markets therefore cannot be established. The results of the consumer survey however do not allow assessing nor comparing the incidence of problems with purchases from a seller/provider based in another EU and the incidence of problems with domestic purchases.

6.6. Estimation of magnitude of personal consumer detriment using the 'fair price' approach

As presented in Section 4.9.7., the 'fair price' approach was intended as a proxy to measure consumer detriment, by subtracting the 'fair price' (indicated by respondents in M13) from the price actually paid for the good or service. This approach was expected to provide conservative estimates of detriment, since respondents might in the worst case assess the fair price to be EUR 0. In other words, detriment estimated with this approach can never be higher than the price, although in reality this is possible (as shown in the previous sections). A descriptive analysis of the answers provided to question M13 is provided below and further breakdowns, e.g. by socio-demographic characteristics, can be found in Annex IV.

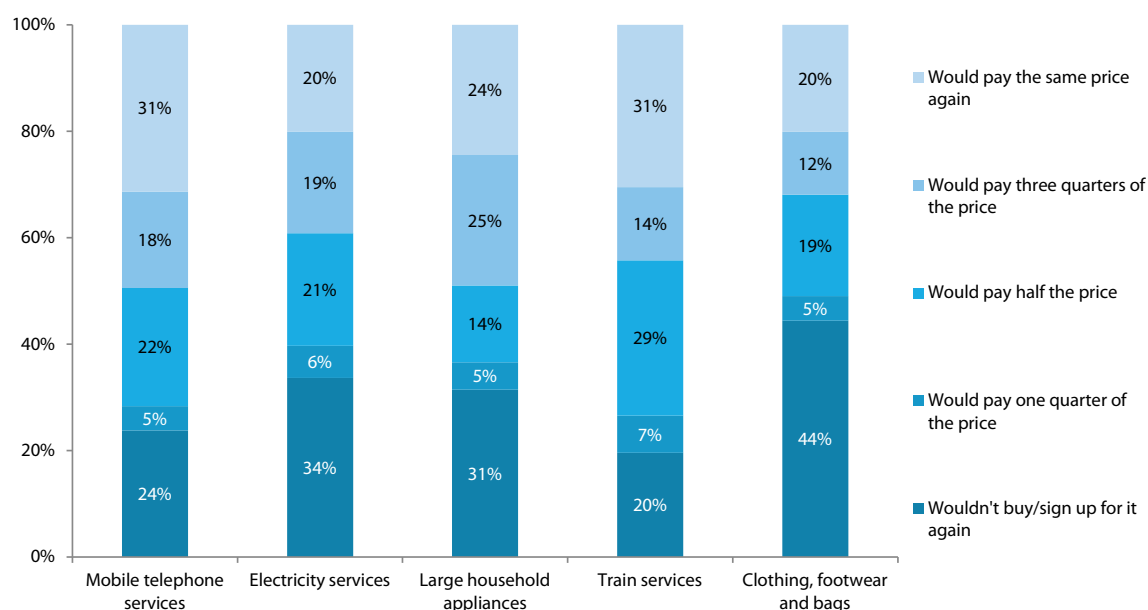
6.6.1. Results of the 'fair price' approach

The figure below shows the distribution of answers to the question on the 'fair price' estimation given by online respondents in relation to mobile telephone services, electricity services, large household appliances, train services and clothing, footwear and bags.⁹⁵

⁹⁴ Statistically significant differences in average price across sales channels were only found in two markets: mobile telephone services (significantly lower average price through other sales channels) and large household appliances (significantly lower average price over the internet).

⁹⁵ Online results only are presented as they are more robust due to the larger sample sizes. Similar figures showing the distribution of answers to the question on the 'fair price' estimation given by face-to-face respondents, which can also be considered as robust, are provided in Annex IX.

Figure 22: Fair price estimation – Mobile telephone services, electricity services, large household appliances, train services and clothing, footwear and bags, online survey



Source: Consumer survey, M13 'What is the most you would now pay for this [good or service] taking into account all the trouble you had as a result of the problem, including any financial loss, time loss, and emotional stress?', online mode. (N=2016, 698, 701, 640, 1300)

Train services and mobile telephone services are the two markets with the largest shares of respondents who would pay the same price again for the service taking into account all the trouble they had as a result of the problem (30% and 31% respectively). As indicated in the sub-sections above, these two markets registered medium levels of financial detriment, loss of time and emotional stress, compared with the other markets assessed, which is consistent with the fact that larger proportions of the respondents are willing to buy or sign up for a similar price again.

The share of online respondents who would not buy the item again considering the trouble resulting from their problem is highest in the market for clothing, footwear and bags, although this market ranks lowest in terms of financial detriment, loss of time and emotional stress, as indicated in the sub-sections above.

The 'fair price' estimation is used to calculate an estimation of consumer detriment. The average detriment calculated using the 'fair price' estimation is presented by market, by country and by mode in the following table.

Table 37: Financial detriment based on 'fair price' estimation (average in Euro of respondents who experienced a problem)

Market	Total		UK		France		Italy		Poland	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	53.1	39.8	106.9	37.7	62.6	62.3	26.7	39.0	19.7*	28.2
Clothing, footwear and bags	44.5	33.8	20.2	29.5	38.1	36.3	57.2	50.4	25.4	29.1
Train services	29.6	29.7	24.5*	21.7	49.9*	43.3	23.5	30.7	:	23.9
Large household appliances	225.5	227.9	150.7*	190.1	153.1*	274.2	276.4	317.0	:	145.5
Electricity services	196.5	152.0	:	168.4	:	96.2	100.9	129.3	:	212.2

Source: Civic Consulting based on consumer survey, face-to-face and online modes. Figures where the base size was less than 50 respondents have to be interpreted with care, and are indicated with an asterisk (*). ':' indicates an insufficient base size, therefore no value can be provided.

In all markets, the overall average detriment based on the 'fair price' approach is similar across modes except in the market for clothing, footwear and bags. At country level, the average detriment based on the 'fair price' approach differs across modes significantly in the UK in the market for mobile telephone services where high values are more represented than in the other countries and in France in the market for large household appliances; however, the sample size in the face-to-face survey in this latter market was under 50 respondents (48 respondents face-to-face vs. 165 respondents online). These results suggest that, overall, respondents in both modes had a similar understanding of the 'fair price' question (M13).

The results also indicate that consumer detriment based on the 'fair price' estimation averaged at market level is of the same order of magnitude as the reported financial detriment pre/post-redress. The comparison of the average detriment obtained based on the 'fair price' approach and the average financial detriment reported by online respondents at market-level is as follows:

- Mobile telephone services: the average detriment based on the 'fair price' approach is EUR 39.8, and the average pre-redress and post-redress financial detriment in that market are EUR 64.8 and EUR 55.8 respectively;
- Clothing, footwear and bags: the average detriment based on the 'fair price' approach is EUR 33.8, and the average pre-redress and post-redress financial detriment in that market are EUR 49.9 and EUR 25.1 respectively;
- Train services: the average detriment based on the 'fair price' approach is EUR 29.7, and the average pre-redress and post-redress financial detriment in that market are EUR 64.5 and EUR 46.9 respectively;
- The average detriment based on the 'fair price' approach is EUR 227.9 for online respondents who experienced a problem with large household appliances while the average pre-redress and post-redress financial detriment in that market are EUR 302.7 and EUR 167.5 respectively;
- Electricity services: the average detriment based on the 'fair price' approach is EUR 152.0, and the average pre-redress and post-redress financial detriment in that market are EUR 131.9 and EUR 116.4 respectively.

The same comparison for the face-to-face survey leads to similar conclusions. However, as the sample sizes are small in that mode results are less robust than in the online mode. Results for the face-to-face survey are presented in Annex IX.

While these results suggest a similar order of magnitude with financial detriment and a similar understanding of the 'fair price' question across modes, they do not in themselves allow concluding that the measure obtained is actually that of consumer detriment in the sense defined in this study. As a next step we therefore conducted a correlation analysis, in order to further study whether the fair price approach could be used as a proxy to measure consumer detriment, or at least some dimension(s) of consumer detriment, in particular financial detriment, although this approach does not differentiate between pre- and post-redress financial detriment. Further analysis on this alternative approach to measuring consumer detriment is provided below.

6.6.2. Correlation analysis

The table below presents the results of the correlation analysis between consumer detriment based on the 'fair price' estimations and the various dimensions of consumer detriment, pre-redress financial detriment, post-redress financial detriment, monetary redress and the price of the good or service, calculated using the total online sample. This correlation analysis is conducted using data at respondent level with the aim of checking whether the 'fair price' approach could be as a proxy to measure consumer detriment, or at least some dimension(s) of consumer detriment.

Table 38: Correlations between consumer detriment based on the 'fair price' estimation and other indicators of consumer detriment, online survey

Market	Price	Pre-redress financial detriment	Post-redress financial detriment	Loss of time	Psychological detriment	Monetary redress
Mobile telephone services	0.47**	0.46**	0.46**	0.18**	0.17**	0.02
Clothing, footwear and bags	0.80**	0.44**	0.24**	0.11**	0.14**	0.37**
Train services	0.70**	0.34**	0.28**	0.23**	0.14**	0.12**
Large household appliances	0.47**	0.44**	0.37**	0.20**	0.18**	0.20**
Electricity services	0.46**	0.21**	0.21**	0.15**	0.18**	0.0

Source: Civic Consulting based on consumer survey, online mode (N= 2109, 1299, 623, 700, 691). Pearson correlation coefficients are indicated. Results of the two-tailed test of significance are indicated by *p<0.05 **p<0.01.

The table below presents the results of the correlation analysis between consumer detriment based on the 'fair price' estimations and the various dimensions of consumer detriment, pre-redress financial detriment, post-redress financial detriment, monetary redress and the price of the good or service, calculated using the total face-to-face sample.

Table 39: Correlations between consumer detriment based on the 'fair price' estimation and other indicators of consumer detriment, face-to-face survey

Market	Price	Pre-redress financial detriment	Post-redress financial detriment	Loss of time	Psychological detriment	Monetary redress
Mobile telephone services	0.66**	0.43**	0.37**	0.14**	0.10*	0.17**
Clothing, footwear and bags	0.63**	0.47**	0.51**	0.30**	0.38**	0.36**
Train services	0.37**	0.32**	0.32**	0.36**	0.09	-0.02
Large household appliances	0.59**	0.73**	0.67**	0.19**	0.21**	-0.05
Electricity services	0.74**	0.47**	0.51**	-0.04	-0.11	-0.08

Source: Civic Consulting based on consumer survey, face-to-face mode (N= 501, 270, 182, 243, 175). Pearson correlation coefficients are indicated. Results of the two-tailed test of significance are indicated by *p<0.05 **p<0.01.

When analysing the relationship between consumer detriment based on the 'fair price' estimation and pre- and post-redress financial detriment (calculated on the basis of

the detailed questions discussed above) at the individual level, i.e. for all respondents in the online and face-to-face samples, the correlations calculated are positive but mostly weak to moderate. For mobile telephone services a stronger correlation can be observed between the 'fair price' estimation and pre-redress detriment in the online survey, which confirms the results of the pilot phase. In the face-to-face survey, results show that pre- and post-redress of financial detriment have a moderate degree of positive correlation with detriment based on the 'fair price' estimation in the two goods markets. In nearly all markets, the strongest correlation exists between the 'fair price' estimation of detriment and price, due to the fact that price is used to calculate detriment in the 'fair price' approach.

The results of the correlation analyses above do not show a significant correlation between detriment based on the 'fair price' estimation and psychological detriment and monetary redress; however, detriment based on the 'fair price' estimation is weakly and significantly correlated with loss of time in almost all markets.

In light of the analysis presented above, the second expert workshop concluded that the measure obtained via question M13 ('What is the most you would now pay for this [good or service] taking into account all the trouble you had as a result of the problem, including any financial loss, time loss, and emotional stress?') may be that of the effect of the problem experienced on the respondent's willingness to purchase similar goods and services again rather than an estimate of personal consumer detriment. Indeed, experts were of the view that answers to questions M13 could be influenced by market-related factors in the respondent's country. For example, in the situation of a monopoly, respondents might indicate that they would pay the same price again because they know that it is the only price offered to them on the market instead of indicating the price they think the good or service they experienced a problem with was worth paying for.

The table below presents the share of respondents who indicated that they *would not buy* the good / sign up for the service again by socio-demographic group and by market, as an indicator of the effect of the problem experienced on the respondent's willingness to purchase similar goods and services again.

Table 40: Fair price approach – proportion of consumers who would not buy the good/sign up for the service again by market, online survey: sociodemographic analysis

Expectation level	Total	Age					Subjective urbanisation			Education			Financial situation	
		18-24	25-39	40-54	55-64	65+	Rural area or village	Small or middle-sized town	Large town or city	Low	Medium	High	Difficult	Easy
Mobile telephone services	24%	21%	23%	25%	27%	24%	26%	25%	21%	17%	26%	23%	26%	21%
Clothing, footwear and bags	44%	41%	45%	45%	47%	47%	45%	45%	44%	41%	46%	43%	45%	43%
Train services	20%	16%	18%	22%	23%	22%	24%	15%	23%	29%	18%	20%	23%	17%
Large household appliances	31%	20%	24%	33%	49%	38%	30%	34%	29%	29%	33%	31%	33%	30%
Electricity services	33%	21%	25%	36%	43%	40%	26%	32%	39%	19%	35%	34%	34%	33%

Source: Consumer survey question Q13, online mode. 'What is the most you would now pay for this [good or service] taking into account all the trouble you had as a result of the problem, including any financial loss, time loss, and emotional stress?'

As shown in the table above, train services (20%) and mobile telephone services (24%) are the two markets with the lowest shares of respondents who would not buy or sign up again for the service taking into account all the trouble they had as a result of the problem. The share of online respondents who would not buy the item again considering the trouble resulting from their problem is highest in the market for clothing, footwear and bags (44%). These results may reflect the wider range of offers for clothing, footwear and bags, that such purchases are less of a necessity or are easier to make than for services such as mobile telephone services and train services. In the two latter markets, consumers may thus be more likely to be, or at least feel that they are, 'bound' to buy or sign up to the same/a similar service again for the same price. In these markets, the results are similar across groups.

In conclusion, experts participating in the workshop suggested that the concept of a 'fair price' estimation could be explored further in subsequent research, in particular by testing different wording. Furthermore, these experts suggested that the approach used in this study, or the refined approach that would be developed after further testing is conducted, could be used as a useful (additional) indicator of the consequences of experiencing problems.

6.7. Comparison of incidence and magnitude of financial detriment across modes

6.7.1. Comparison of incidence across modes by market at country level

The table below shows the variation in the reported incidence rates according to market, country and survey mode. For comparison purposes, the ex-ante expected incidence rates calculated based on MMS data for the four countries in 2015 have also been included.

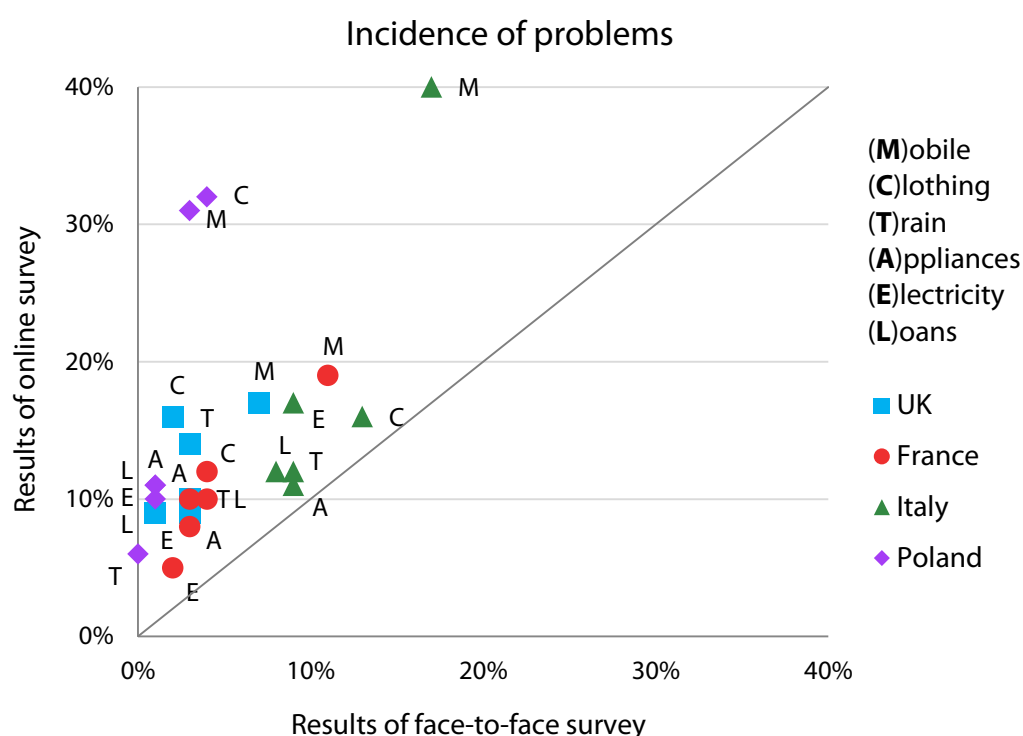
Table 41: Incidence rates by market and by country

Market	UK			France			Italy			Poland		
	FTF	Online	MMS	FTF	Online	MMS	FTF	Online	MMS	FTF	Online	MMS
Mobile telephone services	7%	17%	18%	11%	19%	5%	17%	40%	22%	3%	31%	22%
Clothing, footwear and bags	2%	16%	11%	4%	12%	5%	13%	16%	8%	4%	32%	20%
Train services	3%	14%	13%	3%	10%	3%	9%	12%	9%	0%	6%	4%
Large household appliances	3%	10%	6%	3%	8%	3%	9%	11%	3%	1%	11%	5%
Electricity services	3%	9%	9%	2%	5%	4%	9%	17%	10%	1%	10%	6%
Loans, credit and credit cards	1%	9%	3%	3%	10%	1%	8%	12%	3%	1%	11%	5%

Source: Consumer survey screener DS2T; European Commission, Market Monitoring Survey 2015. Note: the MMS incidence rates above are presented as means of comparison, and are later used to apply ratios in the extrapolation to the EU level.

For each of the markets and countries, the graph below plots the incidence of problems based on the face-to-face survey against the incidence of problems based on the online survey from the previous table. Each point on the graph represents a market, which is colour-coded according to the various countries. The diagonal line is at an angle of 45° (i.e. has an inclination of 1) – all points on this line indicate identical values on both axes; hence the closer a market is to the line, the more similar the results are between the face-to-face survey and the online survey.

Figure 23: Comparison of incidence rates across modes



Source: Civic Consulting. Results of online and face-to-face consumer surveys. Each point on the graph represents a market, which is colour-coded according to the various countries.

The graph and the table above show that across all markets and countries the incidence rate is higher in the online survey than in the face-to-face survey. As illustrated by the cluster in the bottom left corner in the figure above, in most cases the incidence rate for problems in the online survey is higher than the incidence rate in the face-to-face survey by a similar margin. However, there are visible outliers in three markets – two in Poland (mobile telephone services and clothing, footwear and bags) and one in Italy (mobile telephone services) – where the difference in incidence rates between the survey modes is much more substantial.

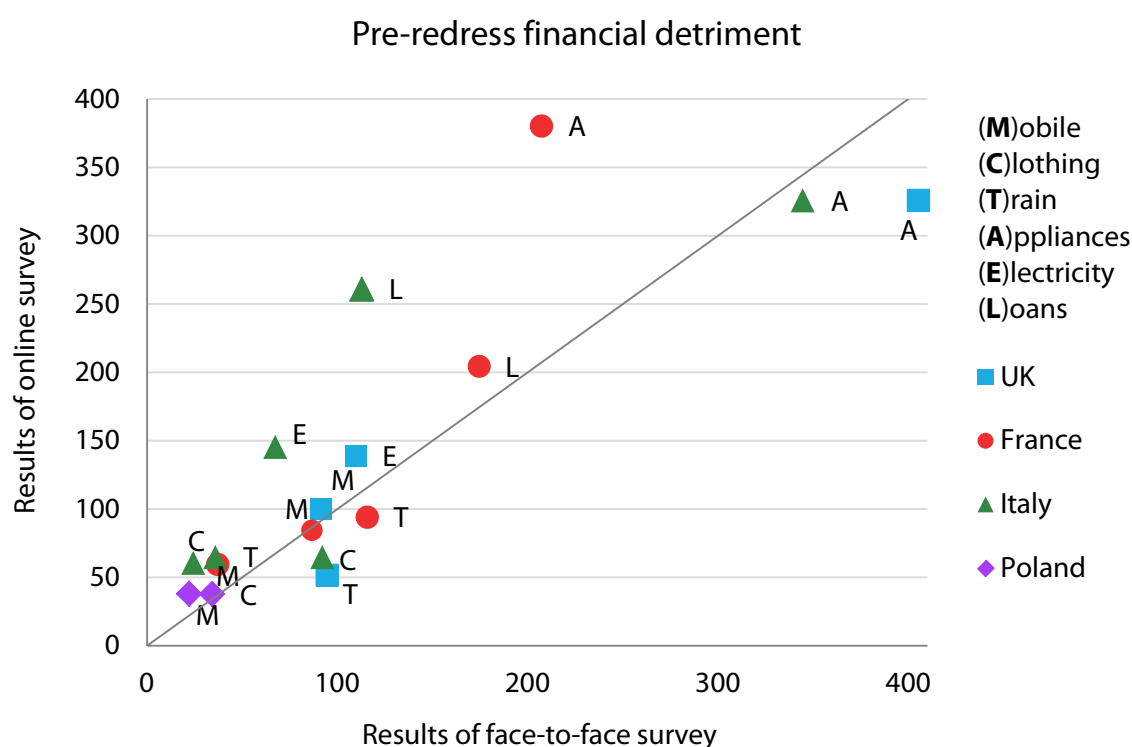
The fact that the incidence rates obtained in the online survey are consistently higher across all countries and all markets, despite an identical set of questions, suggests that this difference likely arises from a mode effect. A logit regression analysis was therefore carried out in order to test for this mode effect while controlling for the different socio-demographic composition of the two survey groups.⁹⁶ The detailed regression methodology and results are presented in Section 6.7.3.

⁹⁶ While both the (quota based) online sample and the (stratified probability sampling) face-to-face sample were largely similarly composed in terms of age, gender and region, and were also weighted to fully reflect the composition of the population with respect to these variables, slight differences between the two

6.7.2. Comparison of magnitude of pre- and post-redress financial detriment across modes by market at country level

The graph below plots average pre-redress financial detriment calculated from the responses to the face-to-face survey against average pre-redress financial detriment calculated from the responses to the online survey. The presentation follows the same procedure as for the incidence rates.

Figure 24: Comparison of pre-redress financial detriment across modes



Source: Civic Consulting. Results of online and face-to-face consumer surveys. Each point on the graph represents a market, which is colour-coded according to the various countries. Missing markets indicate an insufficient base size in the face-to-face survey mode.

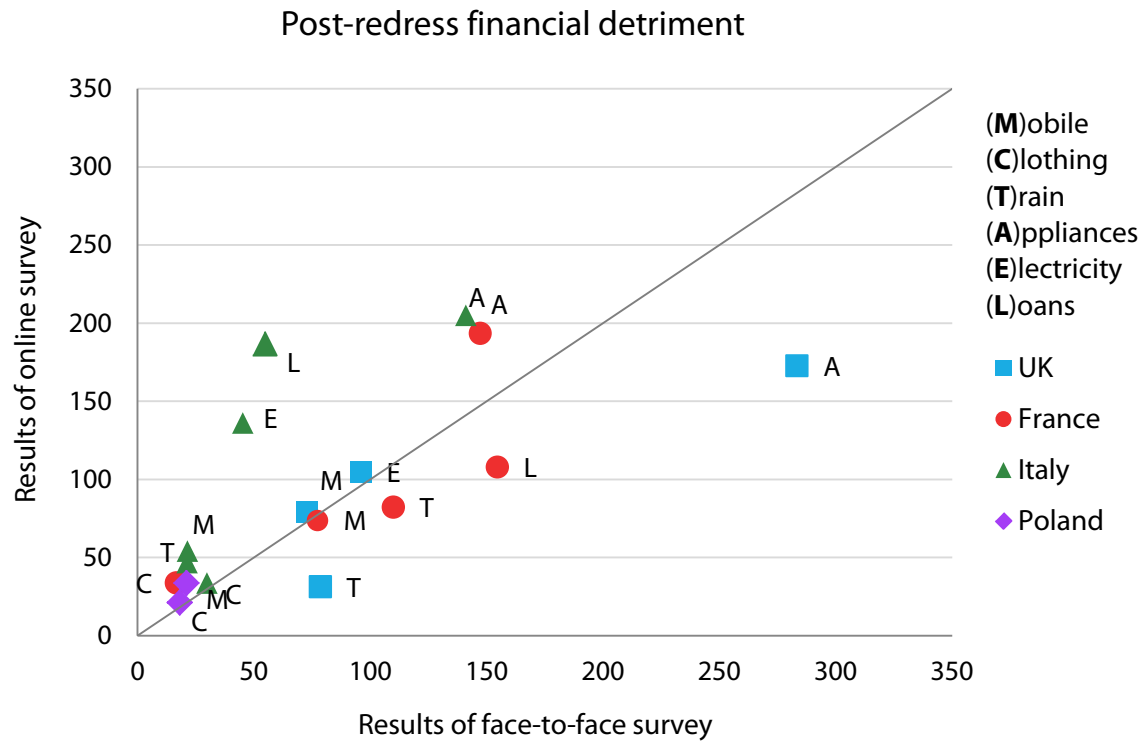
The graph shows first that a systematically higher or lower estimation of magnitude of pre-redress financial detriment of one mode over the other cannot be identified: for some markets and countries the face-to-face survey elicited a higher average level of pre-redress financial detriment than in the online survey, for others the converse is true. Second, most markets are located either on or close to the 45° line, indicating that results are broadly similar across modes for most markets. Moreover, it is noticeable that the markets with the greatest divergence between modes tend to also be those markets for which base sizes in the face-to-face survey were below 50 respondents, and hence where results are to be interpreted with caution.⁹⁷ Finally, the graph below plots average post-redress financial detriment based on the face-to-face

samples were observed regarding other socio-demographic variables, such as urbanisation and education levels.

⁹⁷ These markets are clothing, footwear and bags for France, train services for the UK and France, large household appliances for the UK and France, or loans, credit and credit cards for France (note that markets with base sizes below 30 respondents – only relevant in the face-to-face survey – are excluded from the graph, as this base size is insufficiently robust for analysis).

survey against average post-redress financial detriment based on the online survey, in the same way as for pre-redress financial detriment.

Figure 25: Comparison of post-redress financial detriment across modes



Source: Civic Consulting. Results of online and face-to-face consumer survey. Each point on the graph represents a market, which is colour-coded according to the various countries.

Similar conclusions can be drawn from this graph as for pre-redress financial detriment. First, no systematic differences in estimation of post-redress financial detriment between the two modes can be identified. Second, a large number of markets across countries are located either on or close to the 45° line, indicating broadly similar results between the two modes. Similarly, those markets for which the greatest divergence between the two modes can be identified again tend to be markets for which base sizes in the face-to-face survey were below 50 respondents.⁹⁸

A regression analysis was carried out to test for the mode effect and control for the socio-demographic composition of the survey modes. The results of the regression analyses are presented below.

6.7.3. Methodology and results of the regression analyses carried out to test for the mode effect

6.7.3.1. Introduction

As indicated above, descriptive statistics from the consumer detriment survey showed large differences in incidence rates between the online and face-to-face (FTF) survey. However, the reported magnitude of the associated financial detriment did not vary

⁹⁸ These markets are clothing, footwear and bags for France, train services for the UK and France, large household appliances for the UK and France, and loans, credit and credit cards for France.

considerably across survey modes. This observation that the survey mode is not decisive for the magnitude of financial detriment was further supported through a basic two-sample t-test for equal means, which suggested that one could not reject the hypothesis that there is no difference between the mean levels of financial detriment across survey modes.

In order to control for the different socio-demographic composition of the two survey modes and to determine whether and to what extent the assessment of consumer detriment may be sensitive to the choice of survey mode, we conducted a more sophisticated analysis. Three sets of regression analyses were carried out: one on the incidence of consumer detriment and two of the dimensions of detriment measured in this study: financial detriment and psychological detriment.

Regressions were also carried out on the loss of time. However, as respondents were asked to report their time loss by choosing from a set of categories that varied in size (e.g. "1-2 hours", "10-20 hours"), it was not possible to run an ordinary least squares (OLS) regression on nominal values of time loss. We tested several logistical regression models but found that the results were highly sensitive to the choice of threshold (e.g. any time loss, time loss above two hours, time loss above four hours). Therefore, the time loss regressions are not reported.

6.7.3.2. Data preparation, weighting and independent variables

The three regression sets relied on the raw data collected from the main consumer surveys. For the regressions, the online and face-to-face surveys were appended into one data set. Survey weights had already been determined for each survey mode based on the same set of country-level demographics (age, gender, and region) sourced from Eurostat. In order to combine the two data sets, these survey weights were re-weighted according to their proportions in the appended data set. For example, the calculation to re-weight the online survey data would take the following form:

$$\text{Revised Online Weight} = \text{Original Online Weight} \times \frac{\text{Online Sample Size}}{\text{Online Sample Size} + \text{F2F Sample Size}}$$

Within the appended data sets, a dummy variable was generated for the survey mode (Online = 1, FTF = 0). Additional categorical variables were then generated for the following socio-demographic characteristics, with the categories generated to match those used in the report:⁹⁹

⁹⁹ Internet use data was also collected in the consumer survey. However, as the questions on internet use were only asked in the face-to-face survey mode, this variable is not appropriate to include in a regression comparing the effect of the survey mode. Please refer to Section 6.1.2. and Annex IV for statistics on internet use among the face-to-face respondents.

<i>Variable</i>	<i>Categories/Recoding</i>
Gender	Dummy variable, where Female = 1
Age	Four categories: 18-24, 25-39, 40-54, 55 and older
Country	Four categories: UK, France, Italy, Poland
Education	Three categories: low, medium, high
Level of Urbanisation	Three categories: rural/village, small/medium town, large town/city
Occupation	Six categories: self-employed, employee, manual worker, seeking job, retired, other non-employed
Financial difficulty	Dummy variable, where self-reported "fairly difficult" or "very difficult" financial situations = 1, all other situations = 0
Expectations	Three categories: low, medium, high

6.7.3.3. Incidence rate of problems

Implementation

The incidence regressions were carried out individually for each market from the same data set using a survey-weighted logistical (logit) regression model to model the likelihood of a respondent reporting a problem in a given market.¹⁰⁰ For the dependent variable, the incidence responses were recoded into six dummy variables, one for each market, that take a value of 1 if a problem was reported in that market and zero otherwise. The logistical regression took the following general form for each market m :¹⁰¹

$$\text{logit}(INC_{mi}) = \beta_0 + \beta_1 \text{Online}_i + \beta_2 \text{Female}_i + \beta_3 \text{Age}_i + \beta_4 \text{Country}_i + \beta_5 \text{Education}_i + \beta_6 \text{Urbanisation}_i + \beta_7 \text{Occupation}_i + \beta_8 \text{FinancialDifficulty}_i + \varepsilon_i$$

Results

The full regression output can be found in Table 1 of Annex X. The regression coefficients have been reported as odds ratios compared to a base group.

The results from the logistic regression suggest that with key demographic features held constant, the survey mode itself has a statistically significant (at a 99.9% confidence level) effect on the likelihood of reporting a problem. Online survey respondents are between 2.5 and 3.7 times more likely than face-to-face respondents to report a problem in any of the six scrutinised markets.

In other words, the analysis suggests that there is a large and statistically significant difference in incidence rates between the two survey modes, and that this difference cannot be explained by the different demographic composition of the survey groups.

¹⁰⁰ A separate linear probability model was also tested in each market for comparison purposes and confirmed the key results of the logit model. However, only the logit results are reported here, as the logit model is considered to be the more appropriate choice for a binary dependent variable such as the one used here.

¹⁰¹ Note that Age, Country, Education, Urbanisation, and Occupation in the following model represent sets of categorical variables.

6.7.3.4. Financial detriment

Implementation

The regression analysis for the magnitude of post-redress financial detriment was carried out for each market in two stages:¹⁰²

1. A survey-weighted logistical regression to model the likelihood of reporting a positive (above 0) level of financial detriment; and
2. A survey-weighted log-linear form OLS regression to model the magnitude of financial detriment for respondents who reported a level of financial detriment above 0.

In addition to the variables used in the incidence regressions, a new categorical variable for consumer expectations was introduced, dividing respondents into one of three categories (low, medium, high) based on their levels of agreement with statements concerning quality, redress, and customer service. This set of questions was only asked to respondents that reported at least one problem in one of the six markets under study, making this variable inappropriate for inclusion in the incidence regressions; however, it may be of interest in explaining differences in post-redress financial detriment, and was therefore included in the magnitude regression models.

The two stages of the financial detriment regression in each market m take the following general form for the level of financial detriment (FD_i):

1.
$$\begin{aligned} \text{logit}(FD_Above0_{mi}) &= \beta_0 + \beta_1 \text{Online}_i + \beta_2 \text{Female}_i + \beta_3 \text{Age}_i + \beta_4 \text{Country}_i \\ &+ \beta_5 \text{Education}_i + \beta_6 \text{Urbanisation}_i + \beta_7 \text{Occupation}_i \\ &+ \beta_8 \text{FinancialDifficulty}_i + \beta_9 \text{Expectations}_i + \varepsilon_{mi} \end{aligned}$$
2.
$$\begin{aligned} \log(FD_{mi}) &= \beta_0 + \beta_1 \text{Online}_i + \beta_2 \text{Female}_i + \beta_3 \text{Age}_i + \beta_4 \text{Country}_i \\ &+ \beta_5 \text{Education}_i + \beta_6 \text{Urbanisation}_i + \beta_7 \text{Occupation}_i \\ &+ \beta_8 \text{FinancialDifficulty}_i + \beta_9 \text{Expectations}_i + \varepsilon_{mi} \end{aligned}$$

Results

The output is summarized in Tables 2 to 7 of Annex X, which report results for post-redress financial detriment in each market. Logit coefficients are again reported as odds ratios. The coefficients in the log-linear model, however, should be interpreted roughly as percentages. The percentage is obtained by multiplying the coefficient by 100. For example, a coefficient of -0.151 on the online survey mode dummy in the regression output for the large household appliances market (Table 5 in Annex X) would suggest that all else being equal, respondents taking the online survey tend to report levels of financial detriment that are on average 15.1% lower than in the face-to-face survey (however, this particular result is not statistically significant).

The coefficient of interest on the survey mode dummy is statistically insignificant in all except two markets. The coefficient in the logit model was significant at a 95% confidence level and higher than 1 in the large household appliances and clothing, footwear and bags markets, suggesting that for these markets, respondents in the online survey were on average more likely to report financial detriment greater than 0

¹⁰² A simple log-linear model with a small shift in the dependent variable was also tested for the magnitude regression but rejected, as the transformed data set did not meet the normality assumption to carry out an OLS regression.

compared to respondents in the face-to-face survey. The survey mode was not significant in any of the other financial detriment regressions.

Overall, few variables in the financial detriment regressions are significant at any conventional level. Post-regression tests also suggest that in most markets many of the categorical variables are jointly insignificant, except for country, expectation level, and in some markets, the age categories. This result suggests that the socio-demographic variables do not have significant explanatory power regarding the level of post-redress financial detriment, as expected.

6.7.3.5. Psychological detriment

Implementation

A further survey-weighted logistical regression was carried out for psychological detriment in each market to model the likelihood of a respondent reporting a high level of emotional stress as the result of a problem. The dependent variable was a dummy variable that took a value of 1 if the respondent reported feeling “quite a lot” or “extremely” emotionally stressed by a problem and 0 otherwise. The regression took the following form for each market m :

$$\begin{aligned}\text{logit}(\text{Stress}_{mi}) = & \beta_0 + \beta_1 \text{Online}_i + \beta_2 \text{Female}_i + \beta_3 \text{Age}_i + \beta_4 \text{Country}_i + \beta_5 \text{Education}_i \\ & + \beta_6 \text{Urbanisation}_i + \beta_7 \text{Occupation}_i + \beta_8 \text{FinancialDifficulty}_i \\ & + \beta_9 \text{Expectations}_i + \varepsilon_{mi}\end{aligned}$$

Results

The output of the psychological detriment regressions is summarised in Table 8 of Annex X. The survey mode dummy variable was found to have a statistically significant effect on the likelihood of reporting emotional stress in three out of the six markets: electricity services, loans, credit and credit cards and train services. However, the direction of the mode effect was not consistent. In the electricity services and loans, credit and credit cards markets, online survey respondents were respectively 47% and 58% less likely to report emotional stress than face-to-face respondents.¹⁰³ However, in the train services market, online respondents were 64% more likely than face-to-face respondents to report feeling emotionally stressed.¹⁰⁴

Women were significantly more likely to report feeling emotionally stressed than men in every market except train services, and financial difficulty also had a significant effect on the level of emotional stress in every market except large household appliances. Country was also found to be highly significant in all markets. In some markets, notably train services and clothing, large differences can be observed between countries; for example, respondents in Poland were 412% more likely than respondents in the UK to report feeling emotionally stressed by a problem with train services.¹⁰⁵

6.7.3.6. Summary of results of the regression analyses

After controlling for the different socio-demographic composition of the survey samples, the choice of survey mode (online vs. FTF) was found to have a highly statistically significant effect on *the likelihood of reporting problems* in the six markets

¹⁰³ Both statistically significant at a 99.9% confidence level.

¹⁰⁴ Statistically significant at a 95% confidence level.

¹⁰⁵ Statistically significant at a 99.9% confidence level.

under study. Online survey respondents are between 2.5 and 3.7 times more likely than face-to-face respondents to report a problem in any of the six scrutinised markets.

However, only in two cases did the mode have a significant effect on the *magnitude of the reported post-redress financial detriment*. Additionally, while the socio-demographic variables were found to have significant effects on the incidence rates (with the size of these effects being notably smaller than the mode effect), very few socio-demographic variables appeared to be uniquely or jointly significant in explaining the magnitude of post-redress financial detriment.

Statistically significant mode effects were found in three of the six markets with respect to *psychological detriment (emotional stress)*, but with no consistent pattern in the direction of the effect. Socio-demographic variables such as gender and financial difficulty were also found to have significant effects on the likelihood of experiencing psychological detriment.

6.7.4. Conclusions from the comparison of results across modes

All survey modes, including the online and face-to-face modes used for developing the methodology, but also the telephone mode used in the MMS, have certain advantages, but also potential sources of bias, which may differ between modes. For example, online surveys provide anonymity and each respondent can choose the appropriate time frame for responding, but these surveys are also more susceptible to self-selection bias, since respondents consciously choose whether or not to participate in an online panel. While the quota based sampling approach which is applied in the online mode and the subsequent weighting procedure serves to reduce the self-selection bias of online panels by matching the composition of the respondents from the panel with the composition of the population, the non-online population is by definition not represented in this type of panel. In contrast, both face-to-face and telephone surveys are based on a stratified probability sampling approach which is designed to be representative for the overall population, but they also place greater time and social pressure on respondents (due to the presence of an interviewer), which has been shown to produce less accurate or less detailed responses in some circumstances.¹⁰⁶ Also, in both face-to-face and phone surveys the number of targeted consumers not willing to participate in the survey may be substantial, introducing a certain level of self-selection bias as well.

While face-to face surveys with a probability sampling design are generally considered to be the most robust mode and therefore the gold standard in market research, the mentioned potential biases in all modes do not make it possible to state definitively and for all situations the degree to which results obtained in one mode are more accurate than results obtained in the other.¹⁰⁷ Therefore, taking note of the strength of the mode effect on the incidence of consumer detriment described above (which cannot be explained through socio-demographic differences in sample composition, according to the results of the regression analysis), it is more appropriate in the context of this study to report results regarding incidence of problems for both modes, and therefore provide *ranges of results* rather than relying on *point estimates* from a single mode.

¹⁰⁶ See for example Duffy et al (2005), "Comparing data from online and face-to-face surveys", available at <https://www.ipsos-mori.com/Assets/Docs/Archive/Publications/comparing-data.pdf>

¹⁰⁷ Further research into the relative accuracy of one survey mode over another could be conducted e.g. through experiments involving randomised controlled trials (RCTs) designed specifically to test the mode effect.

In contrast to the results for the incidence rate, results for the magnitude of pre-redress and post-redress financial detriment are broadly similar across the two modes applied in this study, a finding further supported by the t-tests and regression analysis. Both modes could therefore in principle be used for further calculations concerning the magnitude of financial detriment. For reasons of methodological consistency, the results for magnitude of detriment are based on the same survey mode as the results for incidence of detriment for the calculation of detriment at market and country level, as well as for the extrapolation of results to the EU. In line with the conclusions above, results of this extrapolation are presented separately for each mode and reported as ranges of estimates of market specific detriment (see Section 8). However, as shown above, for several markets and countries base sizes in the face-to-face survey were not sufficiently robust for analysis.

6.8. Contextual information and description of problems experienced by respondents

In this section we present detailed findings about the problems that respondents experienced based on the contextual information questions asked in the market modules.

6.8.1. M1 - Specific good or service with which the problem was experienced

The first question asked respondents to specify the type of service or product that their problem related to. The table below shows the top three answers for each market by country and by mode.

Table 42: Types of services or goods respondents had problems with most frequently

Market	Product type	Total		UK		FR		IT		PL	
		FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	Mobile telephone subscription	54%	58%	74%	69%	64%	70%	40%	50%	40%	53%
	including mobile Internet	24%	19%	6%	8%	4%	3%	52%	36%	12%	12%
	Prepaid SIM card or recharge card	10%	14%	6%	14%	16%	16%	2%	7%	34%	24%
Clothing, footwear and bags	Women's clothing	27%	29%	23%	41%	36%	34%	28%	34%	16%	20%
	Women's footwear	21%	20%	18%	10%	13%	11%	17%	13%	37%	31%
	Men's clothing	20%	15%	35%	19%	23%	22%	18%	17%	17%	11%
Train services	Travelling by train as passenger	91%	88%	97%	93%	86%	88%	93%	85%	22%	79%
	Luggage transport by train	4%	4%	5%	2%	0%	6%	6%	4%	0%	8%
	Transporting mobility equipment for disabled passengers	3%	2%	0%	1%	2%	2%	2%	2%	55%	5%
Large household appliances	Washing machine, dryer or ironing and pressing machine	26%	27%	41%	36%	24%	25%	22%	24%	24%	22%
	Refrigerators, freezer or fridge-freezer	20%	20%	22%	18%	12%	15%	23%	22%	0%	23%
	Electronic cooker, stove, oven or micro-wave oven	15%	12%	7%	13%	15%	11%	17%	9%	10%	14%
Electricity services	Electricity subscription (with regular payments)	68%	51%	31%	39%	42%	47%	87%	57%	58%	57%
	Prepaid electricity (with payment upfront)	11%	19%	24%	20%	24%	22%	3%	11%	17%	31%
	Electricity as part of a bundle with other services, e.g. gas, water, insurance etc. (subscription)	11%	18%	23%	27%	14%	17%	6%	19%	0%	7%
Loans and credit cards	Credit card	50%	65%	54%	78%	45%	67%	51%	63%	55%	52%
	Loan (e.g. personal loan or car loan)	34%	18%	33%	9%	34%	21%	36%	18%	19%	23%
	Store card with credit function	4%	11%	0%	10%	7%	9%	4%	11%	0%	13%

Source: Consumer survey M1 'What type of service did you have when you experienced the problem?/ With which of the following did you experience the problem?', face-to-face and online modes.
Note: answer items ranked based on results of the face-to-face survey. (*) The full wording includes '(e.g. car or a scooter)' (**) The full wording includes 'e.g. gas, water, insurance etc. (subscription)'.

In relation to train services, travelling by train as a passenger is by far the most frequent response in both the face-to-face and online surveys (chosen by 91% and 88% of respondents respectively). The most frequent services or products for the other markets selected in both modes are as follows:

- Mobile telephone services: mobile telephone subscription including mobile internet;
- Clothing, footwear and bags: women's clothing, followed by women's footwear and men's clothing;
- Large household appliances: washing machines, dryers or ironing and pressing machines; and refrigerators, freezers or fridge-freezers;
- Electricity: electricity subscription (with regular payments);
- Loans and credit cards: credit cards.

In general, figures are similar in the face-to-face and online surveys. The main differences observed relate to the following points:

- Electricity services: electricity subscription (with regular payments) tended to be chosen more frequently in the face-to-face survey than in the online survey (68% compared with 51% in the total samples, mostly due to the largest difference in Italy 87% vs. 57%, whereas in France and the UK it was chosen more frequently in the online mode), but online respondents were more likely than face-to-face respondents to say their problem related to prepaid electricity (19% compared with 11% in the total samples, while in France and the UK face-to-face respondents were more likely) and electricity as part of a bundle with other services (18% compared with 11%, with the largest differences in Italy and Poland);
- Loans and credit cards: With the exception of Poland, online respondents were more likely than face-to-face respondents to report problems related to a credit card (65% compared with 50% in the total samples) or a store card with credit function (11% compared with 4% in the total samples). Respondents in all surveyed countries were less likely to report problems related to a loan (18% compared with 34% in the total samples).

6.8.2. M2 - Time of purchase of the good or service

Respondents in the online survey were asked when they bought the good or signed up to the service they experienced a problem with. This question was not asked in the face-to-face survey.

Findings are shown in the figure below, with answers grouped into three categories: less than 6 months ago, 6 months to less than 24 months ago, and 24 months ago or longer. Results have been grouped to reflect the general trends across all markets; however, the scale presented to the respondents was more detailed and included the answer items '2 years to less than 5 years ago' and '5 years or more'. Additional results concerning purchases that have been made more than 5 years ago are also commented on below. The detailed breakdown of answers for each market module can be found in Annex IV.

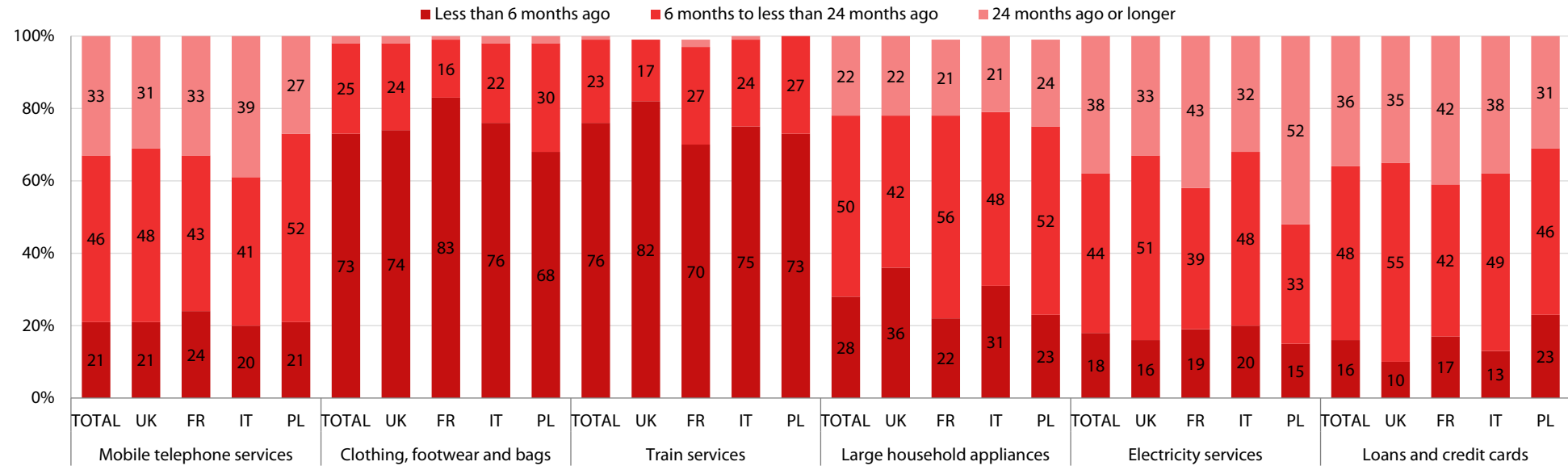
Figure 26: Time when respondents bought the good or signed up to the service (based on those who experienced a problem)



Source: Consumer survey M2 'When did you sign up to this mobile telephone / electricity / banking / train service/ When did you buy this appliances / item?'; online mode.

The date of purchase is generally most recent in the market for train services (76% of respondents said they bought the train service less than six months ago) and clothing, footwear and bags (73%). For other markets, the date of purchase is much less recent: one in three respondents or more said they bought the product or signed up for the service at least two years ago in the following markets: electricity services (38%), loans and credit cards (36%) and mobile telephone services (33%). In addition, around one in five respondents in these three market modules reported that they had signed up for the services at least 5 years ago, with the lowest proportion of the three in the mobile telephone service market (16%), followed by loans and credit cards (19%) and electricity services (22%).

Figure 27: Time when respondents bought the good or signed up to the service (based on those who experienced a problem), by country



Source: Consumer survey M2 'When did you sign up to this mobile telephone / electricity / banking / train service/ When did you buy this appliance/ item?'; online mode. .

Overall, the patterns described across the total sample above also apply to individual countries: in each country, purchase dates are most recent in relation to the markets for train services and for clothing, footwear and bags.

Looking at the markets where respondents are more likely to say they bought the product or signed up for the service at least 5 years ago, the cross-country results are similar to the overall average. In the market for mobile telephone services, results vary around the average of 16% by 3 percentage points across all the surveyed countries. In the market for electricity services, Poland stands out with a third of respondents (33%) reporting that they subscribed to the services at least 5 years ago, while Italy has the lowest share of respondents who indicated they subscribed to the services at least 5 years ago (15%). Lastly, in the market for loans and credit cards, respondents in France were most likely to say they had signed up for the banking service at least 5 years ago (27%), while respondents in Poland were least likely to report the same (13%).

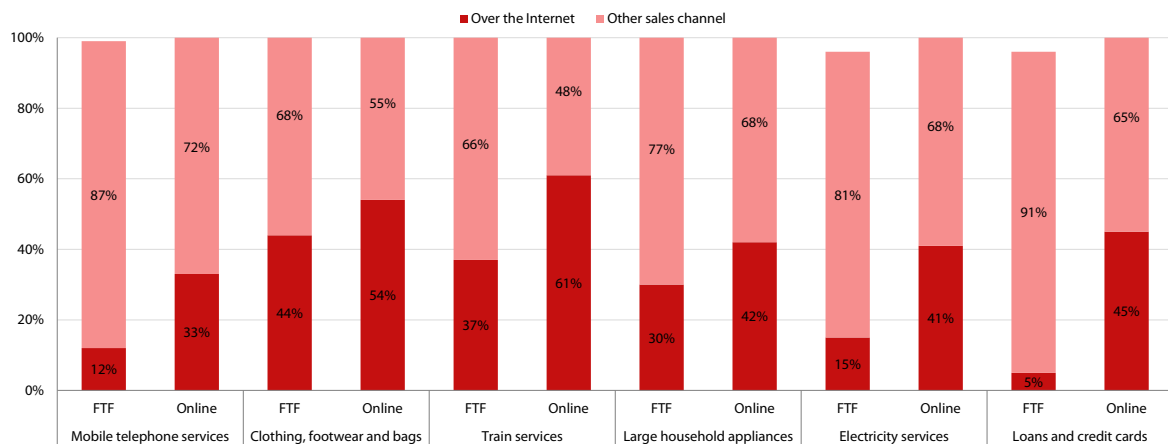
In terms of the percentage findings, there are no major differences between countries, and the differences that do exist are not consistent. For example, purchase dates are most recent in the UK for train services and large household appliances, but purchase dates for clothing, footwear and bags are most recent in France. Respondents in Poland are the most likely to have signed up for loans, credit or credit cards in the last six months.

6.8.3. M4 - Sales channel

Respondents were asked how they signed up to the service or purchased the product. The figure below shows the findings for the following sales channels: over the internet (either directly from the seller or provider or through an intermediary) or through another sales channel (such as in person at a shop or sales point, from a salesperson visiting the home, or by telephone).¹⁰⁸ In this section, the emphasis is on the comparison between reported problems with regard to purchases made through online and offline sales channels. Further results to this regard are presented in Section 6.5. comparing the magnitude of detriment for purchases over the internet vs other sales channels. Further breakdowns by sales channels can be found in Annex IV.

¹⁰⁸ The list of purchase modes included in the questionnaire varied by market (e.g. for train services there was an option for 'on the train'). However, all of the individual purchase modes are covered by the broad categorisation shown in the charts.

Figure 28: How respondents purchased the product or signed up to the service (based on those who experienced a problem)

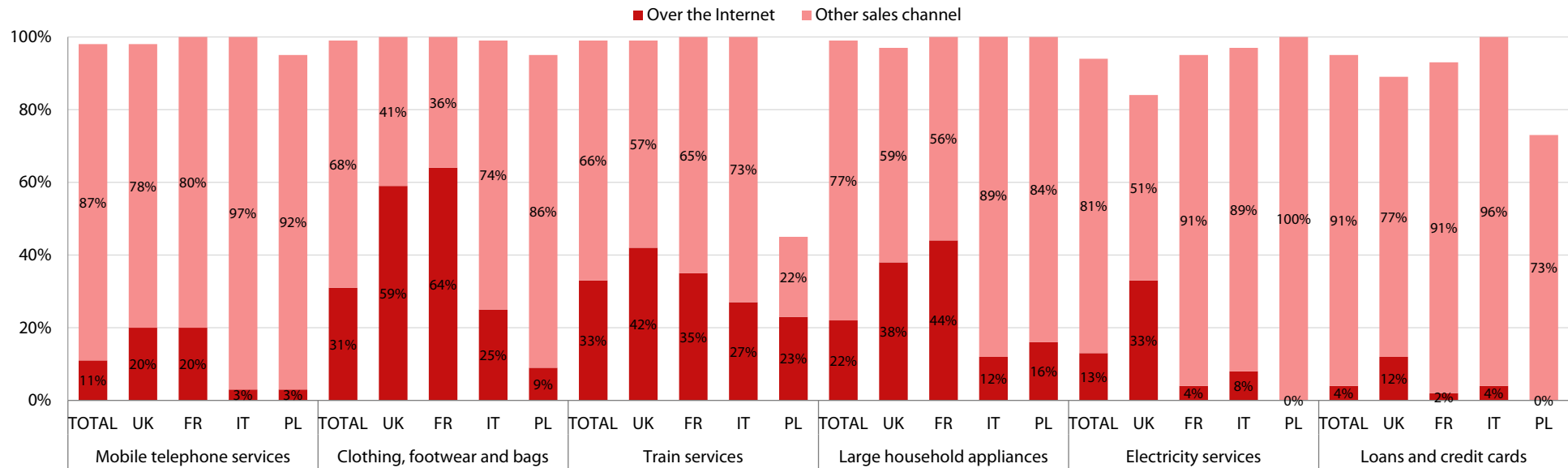


Source: Consumer survey M4 'How did you purchase this item/product/ How did you sign up to this service?', face-to-face and online modes.

In general, and in line with the mode effects analysed above (see Section 6.7.), problems related to purchases over the internet are more prevalent in the online survey than in the face-to-face survey. This pattern applies to all six markets, and is most pronounced in relation to loans, credit and credit cards: in the online survey, 35% of respondents reported signing up for the service they experienced a problem with over the internet (either directly from the provider or through an intermediary), whereas in the face-to-face survey the corresponding proportion is just 4%.

In both the face-to-face and online surveys, respondents were most likely to report problem following the purchase of train services over the internet, followed by the purchase of clothing, footwear and bags. In the online survey, figures for the other four markets are similar. However, in the face-to-face survey, the proportion of problems following online purchases of large household appliances is relatively high, while the proportion of problems following online purchases of loans and credit cards is very low. These results suggest that the survey mode plays a role in the proportions of respondents who experienced a problem and that make purchases over the internet in one of the six assessed markets.

Figure 29: How respondents purchased the product or signed up to the service, face-to-face survey (based on respondents who experienced a problem)

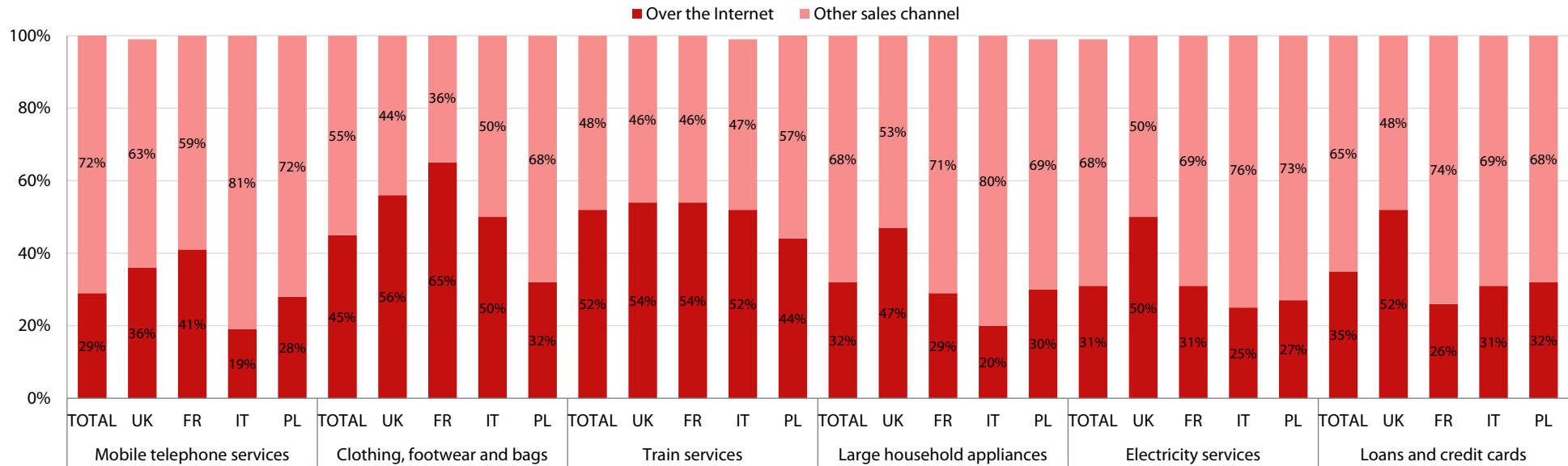


Source: Consumer survey M4 'How did you purchase this item/product/ How did you sign up to this service?', face-to-face mode. Note: for markets in some countries, figures do not add up to 100% due to respondents who answered 'Don't know'.

In the face-to-face survey, respondents in the UK and France were more likely than those in Italy or Poland to report problems after purchasing the service or product over the internet. The sample sizes for some markets are small, but this pattern is nevertheless clear. For example, in relation to the market for clothing, footwear and bags, 64% of respondents in France and 59% in the UK reported buying the product they experienced a problem with over the internet, compared with 25% in Italy and 9% in Poland.

There are two main socio-demographic patterns in the face-to-face survey. Respondents with a higher level of education were more likely than those with a lower level of education to have purchased the service or product they experienced a problem with over the internet. Secondly, respondents describing their household's financial situation as easy rather than difficult were more likely to have purchased the service or product they experienced a problem with over the internet. Both of these patterns are consistent across the different markets covered by the survey, however sample sizes were not sufficient and therefore these should only be taken as indications and tendencies.

Figure 30: How respondents purchased the product or signed up to the service (based on respondents who experienced a problem), online survey



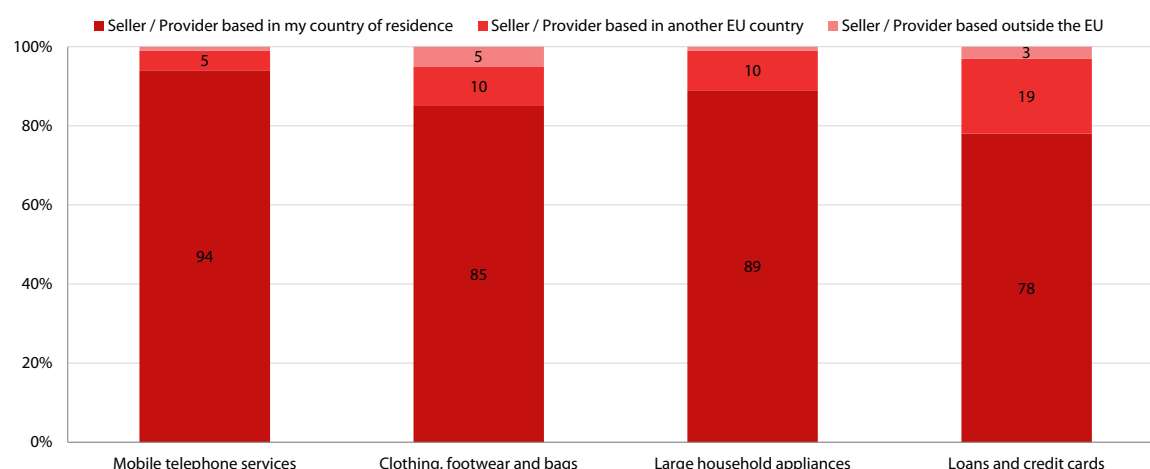
Source: Consumer survey M4 'How did you purchase this item/product/ How did you sign up to this service?', online mode.

The country patterns in the online survey are similar to those described above for the face-to-face survey, with respondents in France and the UK more likely than those in Italy or Poland to experience a problem when purchasing services or products over the internet. This pattern applies to clothing, footwear and bags (with 56% of respondents in the UK, 65% in France, 50% in Italy, and 32% in Poland indicating they bought the product online) and to mobile telephone services (with 36% of respondents in the UK, 41% in France, 19% in Italy, and 28% in Poland indicating they bought the service online). However, for three of the other markets, large household appliances, electricity services, and loans and credit cards, internet purchases are more prevalent in the UK than in the other countries, with the figures in France broadly similar to those in Italy and Poland. In relation to train services, respondents who experienced problems in Poland were less likely to report using the internet to make their purchase, but the figures in the other countries are similar.

6.8.4. M5 - Country of the seller/provider

Respondents in the online survey were asked where they signed up to the service or bought the product: from a seller or provider in their own country, from a seller or provider in another EU country, or from a seller or provider based outside the EU. This question was asked in four of the studied markets (as the question is less relevant to electricity and train services¹⁰⁹). The question was not asked in the face-to-face survey.

Figure 31: Country of the seller/provider (based on respondents who experienced a problem)



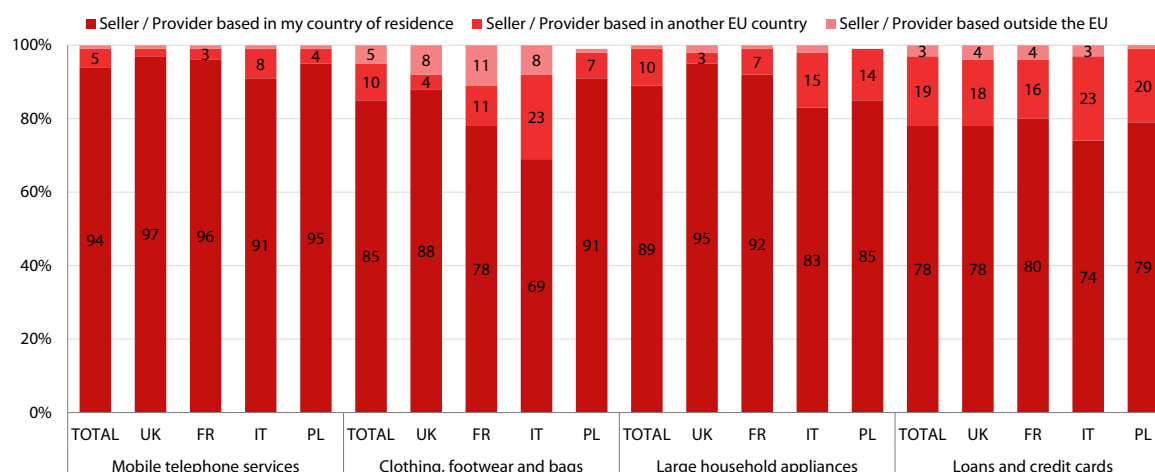
Source: Consumer survey M5 'Did you sign up to this service from a provider based in your country of residence, in another EU country, or outside the EU?/ Did you obtain this product/item from a seller based in your country of residence, in another EU country, or outside the EU?', online mode.

In all four markets, a large majority of respondents reported purchasing the service or product in their country of residence. The proportion is highest in the market for mobile telephone services (94%) and lowest for loans and credit cards (78%). Only a very small proportion of respondents reported making their purchase from a seller or provider based outside the EU (between 1% and 5% for the four markets).

¹⁰⁹ In the market for train services, the question asked of respondents was slightly different and was adapted to the market module. It asked respondents about the type of train service they had a problem with, i.e. whether it was an international, national, regional, urban or suburban train service. The detailed answers for each market module can be found in Annex IV.

In the market for train services, respondents were asked about the type of train service they had a problem with, i.e. whether it was an international, national, regional, urban or suburban train service. The majority of respondents reported having purchased a national train service (62%) and around three in ten respondents reported having purchased a regional train service (28%).

Figure 32: Country of the seller/provider, by country (based on respondents who experienced a problem)



Source: Consumer survey M5 'Did you sign up to this service from a provider based in your country of residence, in another EU country, or outside the EU?/ Did you obtain this product/item from a seller based in your country of residence, in another EU country, or outside the EU?', online mode.

There is limited variation by country in terms of the location of service providers. Large majorities of respondents reported signing up to the service or buying the product in their own country, ranging from 69% to 97% across the various countries and markets.

The proportion that reported purchasing the services or products they experienced a problem with in their own country is lower in Italy than in other countries. This pattern is most pronounced in relation to the market for clothing, footwear and bags: 69% of respondents in Italy reported purchasing the product in their own country, compared with at least 78% in the other countries.

Very small proportions of respondents reported purchasing the services or products they experienced a problem with from sellers or providers based outside the EU. The highest proportion is in France in relation to clothing, footwear and bags (11%).

There is also limited variation by country in terms of the type of train service respondents had purchased. The most often answer given by far (by a margin of at least 23 percentage points) across all countries is the national train service, followed by the regional train service. The respondents in the UK were more likely to say they used an urban or suburban train service compared to respondents in the other 3 countries (13% compared to 3%-5% in the other countries).

6.8.5. M6 - Description of the problem experienced

The table below shows the types of problem that respondents experienced. The table shows the top five answers for each market.

Table 43: Description of the top five problems experienced in each market

Market	Description of the problem	Total		UK		FR		IT		PL	
		FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	Mobile telephone connection of unsatisfactory quality (e.g. signal, coverage, etc.)	36%	37%	29%	44%	44%	32%	33%	40%	32%	31%
	Poor customer service or after-sales service	21%	20%	21%	24%	29%	23%	16%	16%	11%	22%
	Bill incorrect (e.g. I was overcharged, wrong tariff applied or credit not reimbursed)	19%	28%	25%	31%	17%	26%	17%	23%	18%	34%
	Unclear or complex tariffs	18%	28%	5%	16%	16%	21%	26%	33%	17%	32%
	Misleading or incorrect indication of price (e.g. hidden charges)	7%	12%	6%	10%	9%	6%	7%	12%	8%	16%
Clothing, footwear and bags	Item faulty (e.g. fell apart quickly)	51%	49%	33%	43%	22%	31%	57%	41%	66%	60%
	Item of unsatisfactory quality	30%	31%	30%	35%	35%	21%	35%	30%	17%	33%
	Wrong item delivered (e.g. wrong size or different item)	15%	8%	16%	7%	8%	15%	22%	11%	3%	6%
	Item delivered late	10%	10%	8%	7%	39%	19%	4%	10%	6%	8%
	Poor customer or after-sales service	9%	14%	25%	13%	9%	10%	8%	14%	3%	16%
Train services	Train delayed	74%	67%	66%	67%	80%	67%	76%	70%	32%	60%
	Train cancelled	26%	25%	38%	35%	49%	25%	10%	17%	22%	9%
	Train service not as described when purchased (e.g. on-board services and facilities not as described, or seat reservation did not work)	14%	15%	12%	13%	19%	9%	14%	18%	0%	28%
	Poor customer or after-sales service	9%	18%	14%	13%	8%	17%	7%	18%	0%	36%
	Lack of assistance/boarding denied for passenger with reduced mobility or disability	3%	3%	2%	2%	5%	2%	2%	3%	45%	10%

Large household appliances	Appliance faulty (e.g. fell apart quickly)	67%	64%	75%	63%	68%	57%	65%	64%	65%	74%
	Poor customer or after-sales service	12%	23%	13%	25%	9%	26%	12%	22%	19%	20%
	Appliance delivered late or only partially delivered	11%	12%	6%	13%	13%	13%	13%	13%	0%	10%
	Appliance of unsatisfactory quality or not as described	9%	11%	0%	10%	4%	9%	14%	14%	9%	10%
	Appliance not delivered	4%	5%	4%	5%	3%	6%	4%	3%	0%	4%
Electricity services	Unclear or complex tariffs	46%	37%	13%	23%	41%	30%	62%	47%	8%	36%
	Poor customer or after-sales service	36%	37%	44%	46%	13%	36%	37%	33%	37%	35%
	Bill incorrect (e.g. inaccurate estimates of my consumption, I was overcharged or credit not reimbursed)	36%	34%	43%	48%	42%	22%	34%	32%	19%	31%
	Was charged for services I didn't purchase (e.g. extra options or bundled services)	16%	13%	8%	12%	36%	12%	16%	14%	17%	15%
	Misleading or incorrect indication of price (e.g. hidden charges)	12%	14%	2%	7%	10%	5%	18%	20%	0%	17%
Loans and credit cards	Poor customer service (e.g. unsatisfactory assistance)	27%	34%	19%	36%	26%	34%	30%	34%	26%	33%
	Unclear or complex pricing (e.g. different types of interest rate)	19%	21%	14%	13%	13%	20%	21%	25%	26%	27%
	Payments charged incorrect (e.g. charges not applied correctly, or I was overcharged)	16%	20%	12%	21%	15%	15%	16%	23%	26%	23%
	Loan or credit card not at all provided or only partially provided (e.g. impossible to use credit card)	14%	17%	13%	18%	11%	12%	18%	22%	0%	17%
	Disproportionate fees applied for late payment	13%	13%	6%	13%	9%	12%	16%	12%	6%	15%

Source: Consumer survey M6 'Which of the items below describe the problem with the item/service or with the seller/provider/supplier you obtained it from?', face-to-face and online modes. Note: answer items are ranked based on the results of the face-to-face survey.

The findings are generally very similar between the face-to-face and online surveys, with few statistically significant differences at the total sample level.

The two modes differ the most in relation to mobile telephone services: respondents in the online survey were more likely to report multiple problems, and specifically to report a problem related to an incorrect bill (28% compared with 19% in the face-to-face survey), unclear or complex tariffs (28% compared with 18%) and misleading or incorrect indication of price (12% compared with 7%). However, the most common problem is the same in both modes: mobile telephone connection of unsatisfactory quality (36% in the face-to-face survey, 37% in the online survey).

The following differences between modes can be observed for the other markets:

- Clothing, footwear and bags: respondents in the face-to-face survey were more likely than those in the online survey to report that the wrong item was delivered (15% compared with 8%), but were less likely to report poor customer or after-sales service (9% compared with 14%). In both modes, the most common problem is a faulty item (51% in the face-to-face survey, 49% in the online survey);
- Train services and large household appliances: in both of these markets, problems with poor customer or after-sales service are again more common in the online than face-to-face survey (18% compared with 9% for train services; 23% compared with 12% for large household appliances). In relation to train services, delays are by far the most common type of problem in both modes (74% in the face-to-face survey, 67% in the online survey). With regards to large household appliances, the most common problem in both modes is a faulty appliance by far (67% in the face-to-face survey, 64% in the online survey);
- Electricity services: respondents in the face-to-face survey were more likely than those in the online survey to report a problem related to unclear or complex tariffs (46% compared with 37%). This is the most common problem in the face-to-face survey, but just one of three highest responses in the online survey (along with poor customer or after-sales service and incorrect bills);
- Loans and credit cards: there are no statistically significant differences between modes. The most common problem in both modes is poor customer service (27% in the face-to-face survey, 34% in the online survey).

In the face-to-face survey, it is only possible to examine differences between countries in relation to the market for mobile telephone services, as base sizes are too small to analyse findings for the other markets. For mobile telephone services, reported problems with unsatisfactory quality of the mobile telephone connection are more prevalent in France than in the other countries (44% compared with 29%-33%). Respondents in France were also the most likely to report problems with poor customer or after-sales service (29% compared with 11%-21%). By contrast, respondents in Italy were the most likely to report problems with unclear or complex tariffs (26% compared with 5%-17%).

Some differences between socio-demographic groups can be observed in the face-to-face survey relating to problems with unclear or complex tariffs. Respondents with a lower level of education were more likely to report this problem than those with a higher level of education; this pattern applies to mobile telephone services and electricity services. Respondents were also more likely to report this problem if they described their household's financial situation as difficult rather than easy; again, this pattern applies to the markets for mobile telephone services and electricity services. However, because sample sizes were just under the minimum required sizes to conduct a statistical analysis, these patterns and tendencies should be interpreted with care.

In the online survey, there is no clear pattern to the variations by country. The main differences between countries are described below:

- Mobile telephone services: reported problems with unsatisfactory quality of the mobile telephone connection are more prevalent in Italy and the UK than in France or Poland. Reported problems with unclear or complex tariffs are more common in Italy and Poland than in the UK or France;
- Clothing, footwear and bags: respondents in Poland were the most likely to report problems with faulty items (60% compared with 31%-43% in the other countries), while respondents in France were the least likely to report this problem, as well as problems with quality. However, problems with late delivery are more common in France than in other countries (19% compared with 7%-10%);
- Train services: reported problems with trains being cancelled are more prevalent in the UK than the other countries (35% compared with 9%-25%). Furthermore, respondents in Poland were most likely to report problems with poor customer or after-sales service than in other countries (36% compared with 13%-18%);
- Large household appliances: reported problems with faulty items are more common in Poland than in the other countries (74% compared with 57%-64%);
- Electricity services: problems with poor customer or after-sales service are more common in the UK than in the other countries (46% compared with 33%-36%), as are problems with incorrect bills (48% compared with 22%-32%). However, respondents in Italy were the most likely to report problems with unclear or complex tariffs (47% compared with 23%-36%);
- Loans and credit cards: findings are similar across the four countries.

In the online survey, the only discernible pattern in the socio-demographic analysis is that younger respondents were more likely than older respondents to say that their problem related to poor customer or after-sales service. This applies to the markets for train services and loans and credit cards.

While in this study answers to question M6 were used to set up filters for questions M7 on extra charges and M8 on usability, these questions could be posed to all respondents in future assessments, as removing such specific filters would make the implementation of the survey and the analysis of results simpler. However, this would make the questionnaire longer on average for respondents.

6.8.6. M9 - Action taken by consumer to sort out the problem

Respondents were next asked what they did to resolve the problem, choosing from a list of responses which varied according to the market concerned. The table below presents the findings, showing the top three answers for each market.

Table 44: Actions taken by respondents to sort out the problem

Market	Action taken by the consumer	Total		UK		FR		IT		PL	
		FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	Made a complaint to the provider	49%	51%	60%	61%	38%	43%	52%	44%	53%	60%
	Signed up to an alternative provider	22%	15%	10%	19%	19%	14%	33%	18%	8%	12%
	Terminated the mobile telephone service contract	19%	16%	13%	20%	21%	15%	20%	18%	15%	13%
Clothing, footwear and bags	Returned the item	49%	42%	38%	56%	34%	40%	54%	38%	50%	37%
	Asked the seller for repair, replacement or refund of the money I paid	33%	27%	27%	28%	17%	21%	43%	22%	21%	29%
	Made a complaint to the seller	32%	35%	29%	34%	34%	31%	33%	27%	27%	41%
Train services	Made a complaint to the seller/provider	35%	36%	42%	45%	19%	25%	40%	29%	22%	42%
	Asked the seller/provider to provide refund of the money I paid	20%	19%	25%	26%	7%	12%	22%	19%	32%	14%
	Paid for alternative transport (e.g. bus, taxi, plane, boat)	12%	14%	18%	15%	10%	9%	8%	19%	55%	15%
Large household appliances	Made a complaint to the seller	36%	35%	23%	41%	15%	27%	47%	33%	17%	37%
	Asked the seller for repair, replacement or refund of the money I paid	32%	31%	36%	41%	18%	27%	36%	28%	26%	26%
	Returned the appliance	26%	19%	8%	22%	10%	19%	36%	18%	40%	16%
Electricity services	Made a complaint to the supplier	56%	41%	54%	52%	75%	29%	55%	31%	36%	53%
	Signed up to an alternative supplier	35%	22%	19%	26%	10%	11%	46%	29%	25%	13%
	Asked the supplier for repair or refund of the money I paid	20%	15%	17%	19%	33%	26%	18%	12%	28%	11%
Loans and credit cards	Made a complaint to the credit provider	41%	36%	37%	44%	22%	32%	55%	35%	0%	33%
	Asked credit provider for refund of the money I paid	18%	21%	19%	27%	22%	17%	18%	23%	7%	14%
	Terminated the contract	15%	15%	26%	13%	15%	16%	16%	12%	0%	18%

Source: Consumer survey M9 'Which of these, if any, have you done to sort out the problem?', face-to-face and online modes. Note: answer items are ranked based on the results of the face-to-face survey.

In general, respondents in the face-to-face survey were more likely than those in the online survey to say they took more than one action to sort out the problem, and therefore were more likely to give multiple responses to the question. Overall, however, the findings are very similar between the face-to-face and online surveys, with only a small number of statistically significant differences.

In both modes, there is a consistent pattern of responses, as follows:

- Across the various markets, the most common action taken by respondents was to make a complaint to the seller or provider (with a share of respondents taking this action ranging from 32% to 56% in the face-to-face survey and from 35% to 51% in the online survey). As indicated in the table above, it is the top answer in five of the six markets in both modes, and is one of the top three answers in clothing, footwear and bags in both modes;
- In five markets, asking the seller or provider for repair, replacement or refund is one of the top three responses (with a share of respondents taking this action ranging from 18% to 33% in the face-to-face survey and from 15% to 31% in the online survey). The exception is the market for mobile telephone services, where this is ranked fourth;
- The other main actions taken by respondents were: paying for an alternative service/replacement product, terminating the contract, and returning the item.

The largest differences between the face-to-face and online surveys are in relation to the market for electricity services. Although the ranking of responses is the same for the two modes, respondents in the face-to-face survey were more likely than those in the online survey to report that they made a complaint to the supplier (56% compared with 41%) and signed up to an alternative provider (35% compared with 22%).

In addition, the following differences between the two modes can be observed:

- In the market for clothing, footwear and bags, respondents in the face-to-face survey were more likely than those in the online survey to report that they returned the item (49% compared with 42%) and that they asked the seller for repair, replacement or refund (33% compared with 27%);
- In the market for mobile telephone services, respondents in the face-to-face survey were more likely than those in the online survey to report that they signed up to an alternative provider (22% compared with 15%);
- In the market for large household appliances, the proportion that returned the appliance is higher in the face-to-face survey than those in the online survey (26% compared with 19%).

In the face-to-face survey, it is only possible to examine differences between countries in relation to the market for mobile telephone services, as base sizes are too small to analyse findings for the other markets. For mobile telephone services, respondents in Italy were more likely than those in other countries to say they signed up to an alternative provider (33% compared with 8%-19%), while respondents in France were less likely than those in other countries to say they made a complaint to the provider (38% compared with 52%-60%).

In terms of socio-demographic variations in the face-to-face survey, respondents with a higher level of education were more likely to make a complaint to the seller or provider in the markets for mobile telephone services and for clothing, footwear and bags. The same pattern was observed in the online survey. However, as base sizes in the face-to-face mode were just under the minimum required sample sizes to conduct a statistical analysis, these overall patterns and tendencies should be interpreted with care.

In the online survey, there are differences between countries, specifically in relation to the proportions of respondents that reported making a complaint. Across the various markets, respondents in the UK and Poland were more likely than those in France and Italy to report making a complaint to the seller or provider. For example, in the market for mobile telephone services, 61% of respondents in the UK and 60% in Poland reported making a complaint, compared with 44% in Italy and 43% in France.

In the online survey, the figures for respondents in the UK are also higher than those in other countries, in relation to:

- Clothing, footwear and bags: returning an item (56% compared with 37%-40%);
- Train services: asking the seller or provider for a refund (26% compared with 12%-19%);
- Large household appliances: asking the seller for repair, replacement or refund (41% compared with 26%-28%);
- Electricity services: signing up to an alternative supplier. This was higher in Italy and the UK (29% and 26% respectively) than in France (11%) or Poland (13%).

Also in relation to the online survey, respondents in France were more likely to report asking the supplier for repair or refund, in relation to the market for electricity services (26% compared with 11%-19% in the other countries). Otherwise, the figures for respondents in France were similar to or lower than those for other countries.

The main pattern among socio-demographic groups in the online survey is that older respondents and those with a higher level of education were more likely to make a complaint to the seller or provider. This pattern applies to the markets for mobile telephone services, for electricity services and for loans and credit cards. However, because base sizes were not sufficient and were just under the minimum required to conduct a statistical analysis these tendencies should be interpreted with care.

6.8.7. M14 - Action taken by the seller/provider in response to the problem

The next question examined the actions taken by the seller or provider in response to the problem. The top three answers are presented for each market.

Table 45: Actions taken by seller/provider in response to the problem

Market	Action taken by the trader	Total		UK		FR		IT		PL	
		FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	Acknowledged problem	29%	34%	39%	44%	35%	38%	18%	24%	34%	39%
	Gave an unsatisfactory explanation	26%	25%	13%	26%	15%	21%	41%	29%	15%	22%
	Investigating problem	21%	24%	24%	28%	9%	12%	27%	22%	24%	31%
Clothing, footwear and bags	Repaired or replaced the item	46%	24%	20%	27%	25%	16%	58%	23%	39%	26%
	Acknowledged problem	27%	41%	52%	47%	53%	46%	11%	32%	42%	40%
	Investigating problem	20%	16%	10%	14%	7%	4%	29%	15%	12%	20%
Train services	Acknowledged problem	35%	36%	34%	39%	38%	31%	36%	28%	0%	48%
	Gave a partial or full refund of the ticket fare	25%	23%	15%	30%	24%	18%	29%	20%	58%	20%
	Gave an unsatisfactory explanation	21%	24%	17%	15%	11%	27%	26%	27%	0%	37%
Large household appliances	Repaired or replaced the appliance	46%	31%	25%	36%	25%	25%	57%	29%	54%	34%
	Acknowledged problem	40%	34%	42%	43%	34%	34%	41%	27%	35%	33%
	Investigating problem	26%	18%	21%	24%	1%	6%	34%	23%	37%	19%
Electricity services	Gave an unsatisfactory explanation	34%	23%	18%	26%	43%	15%	39%	26%	0%	21%
	Investigating problem	21%	20%	24%	28%	10%	7%	21%	18%	41%	23%
	Acknowledged problem	20%	29%	44%	35%	40%	35%	8%	17%	38%	40%
Loans and credit cards	Acknowledged problem	27%	31%	40%	37%	35%	35%	25%	21%	0%	31%
	Investigating problem	21%	27%	30%	37%	9%	16%	26%	31%	23%	24%
	Gave an unsatisfactory explanation	20%	21%	8%	21%	18%	18%	24%	19%	10%	26%

Source: Consumer survey Q14 'Which of these, if any, has the seller/provider/supplier done so far in response to the problem?', face-to-face and online modes. Note: answer items are ranked based on the results of the face-to-face survey.

The main difference between the two survey modes is that respondents in the online survey were more likely than those in the face-to-face survey to report that the seller or provider acknowledged the problem. In the online survey, this is the most frequent response for all six markets; in the face-to-face survey, it is among the top three answers in all of the markets, but the top answer in only three markets. Specifically, online respondents were more likely than face-to-face respondents to give this answer in relation to mobile telephone services (34% compared with 29%), clothing, footwear and bags (41% compared with 27%) and electricity services (29% compared with 20%).

The other most frequent responses to this question were as follows:

- Investigating the problem: in both survey modes, this was one of the top three answers for five of the markets, the exception being train services (where it was the fifth highest answer in the face-to-face survey, and fourth highest in the online survey). The proportions giving this answer were generally similar between the face-to-face and online surveys, with the exception of the market for large household appliances (26% in the face-to-face survey compared with 18% in the online survey);
- Giving an unsatisfactory explanation: in both survey modes, this was one of the top three answers in four of the markets. Face-to-face respondents were more likely than online respondents to give this answer in relation to electricity services (34% compared with 23%); otherwise, the figures are similar between the two survey modes. In general, respondents were more likely to say that the seller or provider gave an unsatisfactory explanation than that they gave a satisfactory explanation, and this difference is greatest in relation to mobile telephone services and electricity services;
- Repairing or replacing the item: in the face-to-face survey this was the top answer in the market for clothing, footwear and bags, and for large household appliances. Face-to-face respondents were more likely to give this answer than online respondents (46% compared with 24% in relation to clothing, footwear and bags; 46% compared with 31% in relation to large household appliances).

In the face-to-face survey, it is only possible to examine differences between countries in relation to the market for mobile telephone services; base sizes are otherwise too small to analyse findings. For mobile telephone services, respondents in Italy were more likely than those in other countries to report that the seller or provider gave an unsatisfactory explanation (41% compared with 13%-15%). Additionally, respondents in Italy were less likely to report that the seller or provider acknowledged the problem (18% compared with 34%-39%), in line with the online survey. Respondents in France were less likely than those in other countries to report that the seller or provider was investigating the problem (9% compared with 24%-27%), again in line with the online survey.

There are no discernible socio-demographic patterns in the face-to-face survey.

In the online survey, there are differences between countries which cut across the various markets. Respondents in the UK were more likely than those in other countries to report that the seller or provider acknowledged the problem (in relation to mobile telephone services and large household appliances), whereas respondents in Italy were less likely to report this response in relation to four of the markets; the largest difference is in relation to electricity services, where 17% of respondents in Italy reported that the provider acknowledged the problem, compared with at least 35% in the other countries.

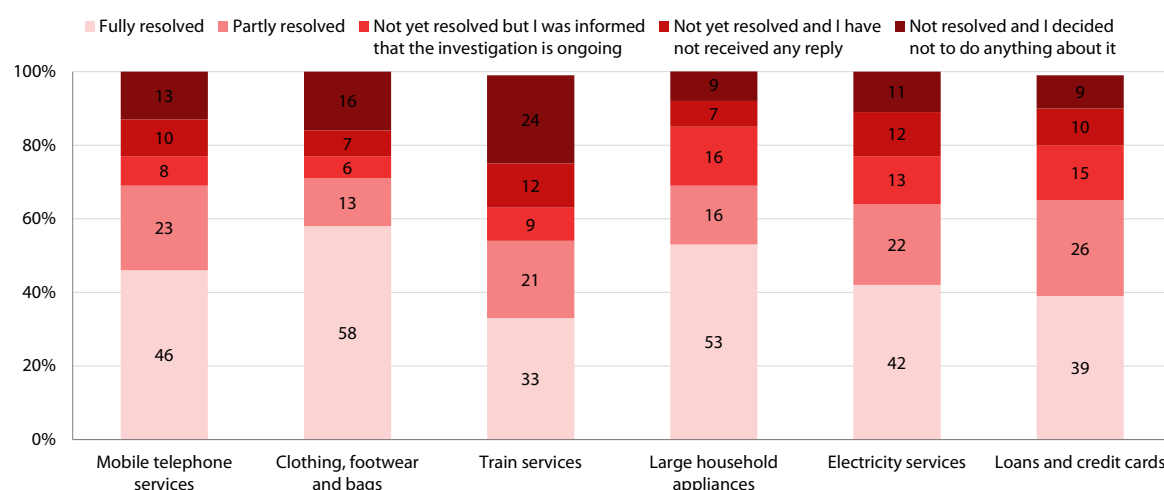
The other general pattern in the online survey is that respondents in France were less likely to report that the seller or provider was investigating the problem. This applied to all five markets where this was one of the top three answers. For example, in

relation to large household appliances, 6% of respondents in France reported that the provider was investigating the problem, compared with at least 19% in the other countries.

6.8.8. M16 - Extent to which the problem was resolved

Respondents in the online survey were asked to what extent their problem had been resolved. The figure below presents the findings for each of the six markets. This question was not asked in the face-to-face survey.

Figure 33: Extent to which problem was resolved (based on respondents who experienced a problem)

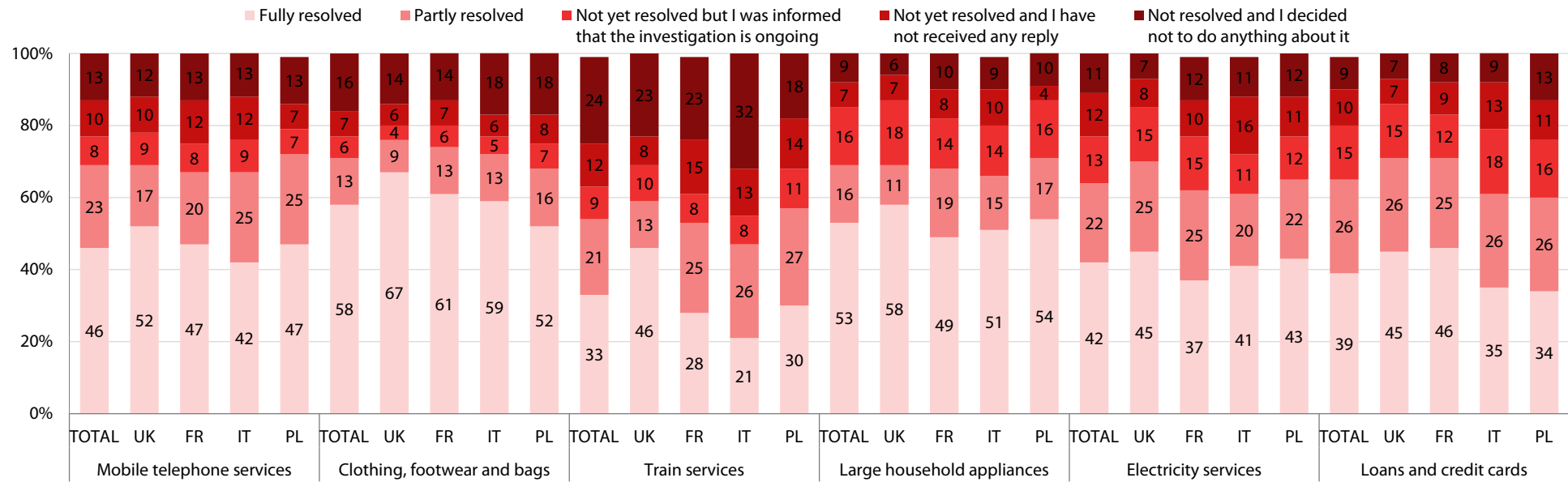


Source: Consumer survey M16 'To what extent has the problem been resolved?', online mode.

In all of the markets, more than half of the respondents reported that the problem had been fully or partly resolved. Respondents were most likely to report that the problem had been fully resolved in the market for clothing, footwear and bags (58%), and least likely in the market for train services (33%).

Where the problem had not been resolved, some respondents reported that they decided not to do anything about it, this proportion being highest in the market for train services (24%). Alternatively, respondents either reported being informed that an investigation was ongoing or reported that they had not received any reply.

The figure below presents the findings for each of the six markets by country.

Figure 34: Extent to which problem was resolved, by country (based on respondents who experienced a problem)

Source: Consumer survey M16 'To what extent has the problem been resolved?', online mode.

The percentage of respondents who reported that the problem is not yet resolved¹¹⁰ is highest in the train services market with a total of 36%, ranging from 31% (UK) to 45% (Italy), followed by the mobile telephone services market, the clothing, footwear and bags and the electricity services market, where 23% of respondents indicated that their problem had not been resolved.

There is rather limited variation by country in terms of the extent to which the problem was resolved. Respondents in the UK were the most likely to say that their problem had been fully resolved, and the difference is most pronounced in relation to train services (46% compared with 21%-30% in the other countries).

In general, however, the patterns noted above for the overall findings also apply to individual countries. In all four countries, the proportion that reported that their problem had been fully resolved is lowest in relation to train services, and it is highest in relation to clothing, footwear and bags, although in Poland the proportion is similar for large household appliances.

The main socio-demographic variation is that respondents with a high level of education were more likely than those with lower levels of education to report that their problem was fully resolved; this applies to the markets for electricity services, loans and credit cards and large household appliances. In addition:

- Respondents who described their household's financial situation as easy were more likely to report their problem as fully resolved, compared with those who described it as difficult. This applies to the markets for mobile telephone services and large household appliances;
- In the markets for electricity services and for loans and credit cards, older respondents were more likely than younger respondents to report that their problems were fully resolved.

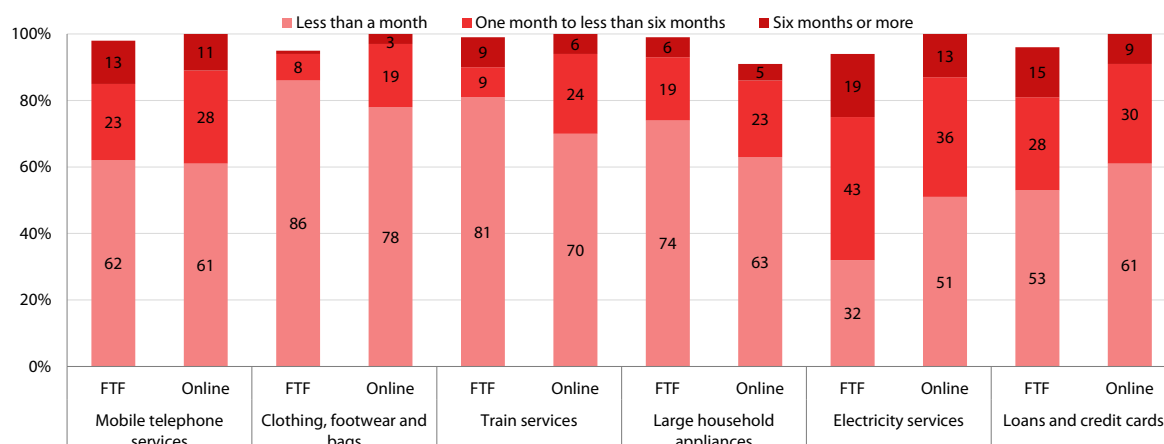
6.8.9. M17 - Duration of the problem

Respondents were asked how long the problem had lasted. The question wording was different for the two modes. In the online survey, the question wording depended on the answer to the previous question on the extent to which the problem had been resolved; for example, if the problem was unresolved, respondents were asked how long the problem had lasted 'so far'. In the face-to-face survey (where there was no question about the extent to which the problem had been resolved), there was a single question for all respondents, asking how long the problem lasted/had lasted.

Responses have been combined in the charts below, in order to present findings for all respondents in the face-to-face and online surveys.

¹¹⁰ Total of "Not yet resolved and I have not received any reply" and "Not resolved and I decided not to do anything about it".

Figure 35: How long it took for the problem to be resolved (based on respondents who experienced a problem)



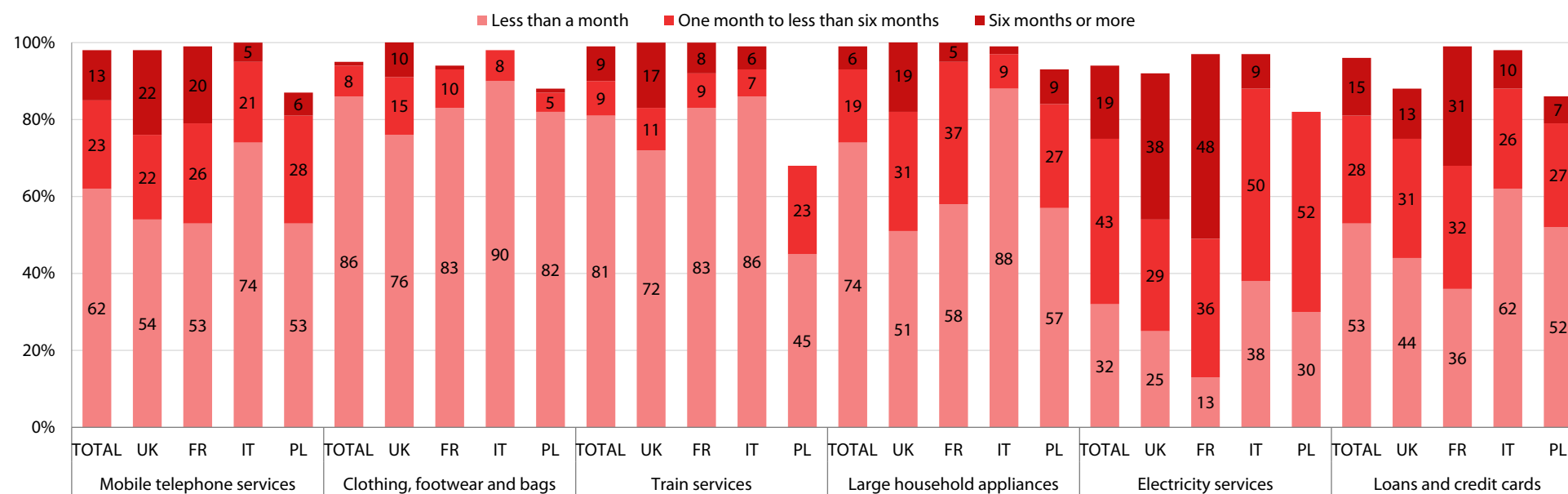
Source: Consumer survey M17 'How long did the problem last until it was fully/partly resolved?/ How long has the problem lasted so far?/ How long did the problem last until you decided not to do anything about it?', face-to-face and online modes.

The pattern of responses is similar in the face-to-face and online surveys. In both modes, problems with clothing, footwear and bags had a shorter duration than problems in other markets, while problems had the longest duration in the market for electricity services.

However, there are some differences between modes in the percentage findings. In three markets, respondents in the face-to-face survey reported shorter durations than those in the online survey: for clothing, footwear and bags (86% of face-to-face respondents reported that the problem lasted less than a month, compared with 78% in the online survey), train services (81% compared with 70%) and large household appliances (74% compared with 63%).

By contrast, online respondents reported shorter problem durations in the market for electricity services (51% reported that the problem lasted less than a month, compared with 32% in the face-to-face survey) and loans and credit cards (61% compared with 53%).

Figure 36: How long it took for the problem to be resolved (based on respondents who experienced a problem), face-to-face survey

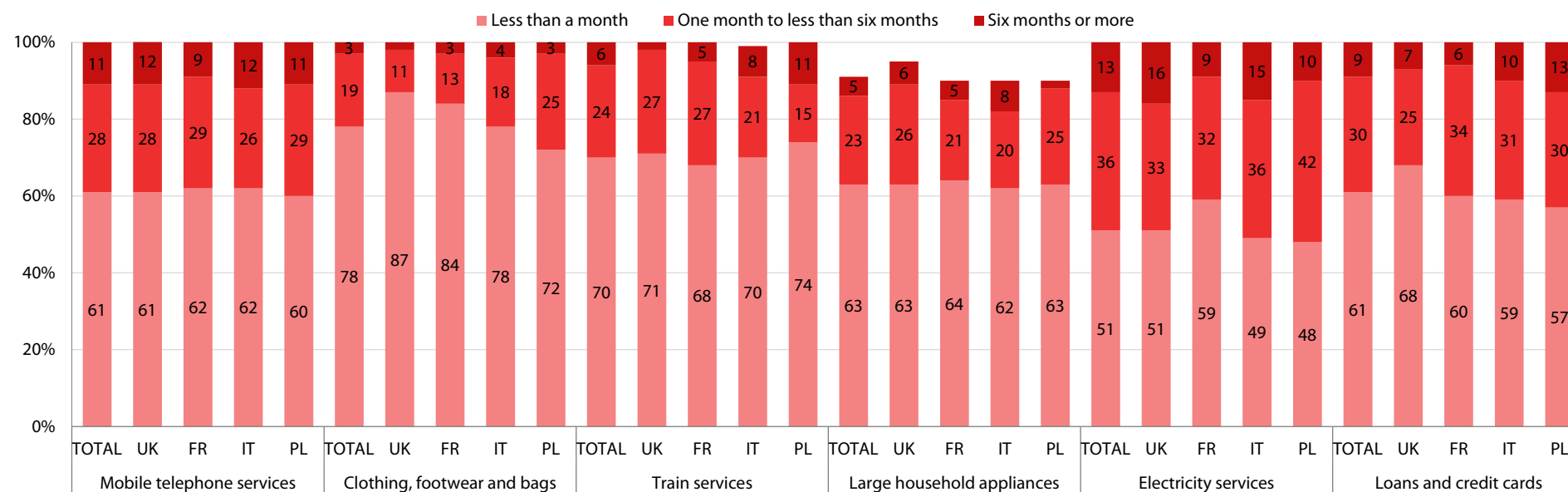


Source: Consumer survey M17 'How long did the problem last until it was fully resolved?', face-to-face mode.

In the face-to-face survey, the patterns by country reflect the overall findings. Problems with clothing, footwear and bags and with train services generally had shorter durations than problems in other markets, while the longest problem duration was in the market for electricity services.

Respondents in Italy were more likely than those in other countries to report short problem durations, of less than a month. The sample sizes for some markets are small, but this pattern is nevertheless clear. For example, in relation to the market for mobile telephone services, 74% of respondents in Italy reported that the problem lasted less than a month, compared with 53%-54% in the other countries.

No socio-demographic differences can be discerned in the face-to-face survey.

Figure 37: How long it took for the problem to be resolved (based on respondents who experienced a problem), online survey

Source: Consumer survey M17 'How long did the problem last until it was fully/partly resolved?/ How long has the problem lasted so far?/ How long did the problem last until you decided not to do anything about it?', online mode.

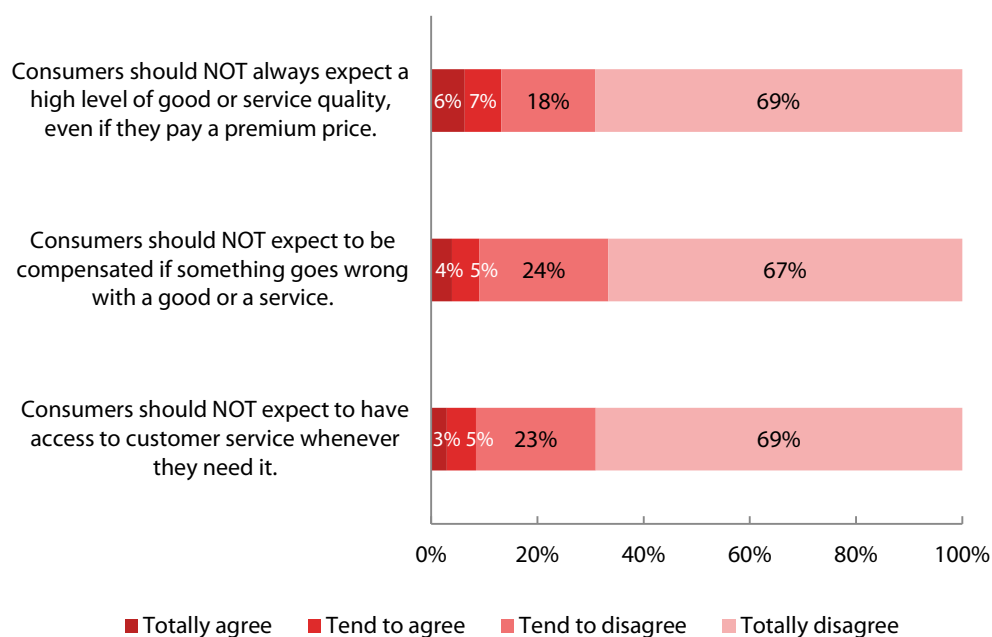
There is very little variation between countries in the online survey. In the market for loans and credit cards, respondents in the UK were more likely to report that the problem lasted less than a month (68% compared with 57%-60% in the other countries). In the market for clothing, footwear and bags there is variation in the proportion of respondents that report the problem lasted less than a month (from 87% in the UK to 72% in Poland). Otherwise, the findings are very consistent across the four countries.

The main socio-demographic variation in the online survey is that younger respondents were more likely than older respondents to report that the problem lasted less than a month. This pattern applies to the markets for mobile telephone services, electricity services, loans and credit cards, and large household appliances.

6.8.10.D4 - Control question on expectations

The figure below presents the break-down of responses to the question on expectations by item in the face-to-face survey. The first item relates to expectations concerning quality, the second item to expectations concerning redress, and the third item to expectations concerning customer service.¹¹¹

Figure 38: Agreement with statements concerning expectations (based on respondents who experienced a problem), face-to-face survey

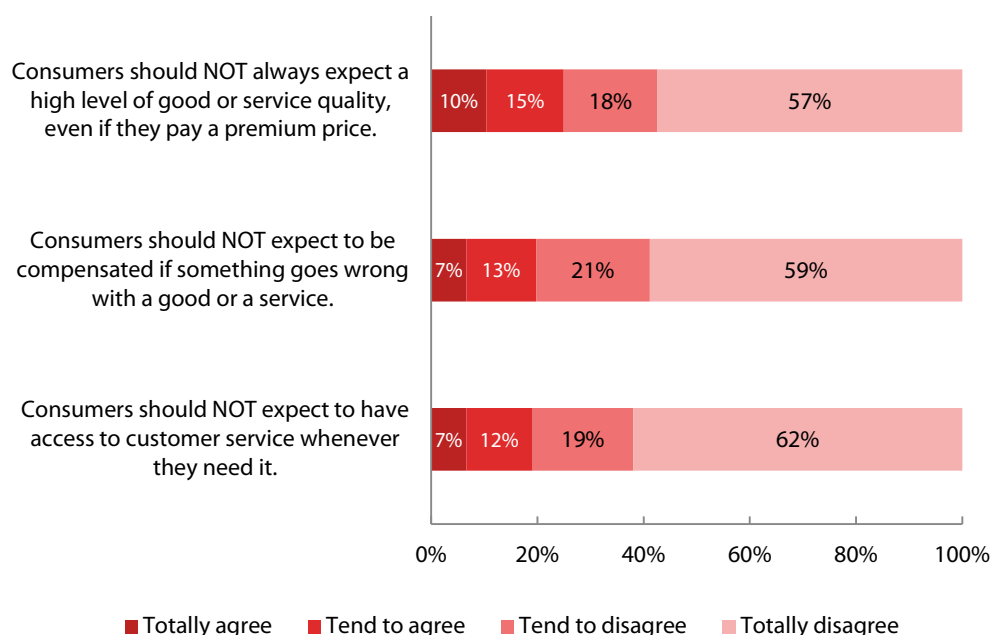


Source: Consumer survey D4.1, D4.2, D4.3; face-to-face mode.

The figure below presents the break-down of responses to the question on expectations by item in the online survey.

¹¹¹ The choice of dimensions is based on the aim to characterise expectations across a broad range of aspects that are important for consumers.

Figure 39: Agreement with statements concerning expectations (based on respondents who experienced a problem), online survey



Source: Consumer survey D4.1, D4.2, D4.3; online mode.

The proportions of answers across the three items aimed at measuring consumer expectations show a clear bias towards the right-hand side of the scale, which confirms the results of the pilot survey. A large share of respondents who totally disagree with the items (between 67% and 69% in the face-to-face survey and between 57% and 62% in the online survey) and a small share of respondents who either tend to agree or totally agree with the statements (between 8% and 13% agreement in the face-to-face survey and between 19% and 25% in the online survey). The results are similar across the two modes; however the proportion of agreement is higher for all items in the online survey.

Based on the results of this control question, three groupings that correspond to different levels of expectations were created. Because these statements are worded in a negative form, respondents with average or high expectations regarding the items were expected to disagree with the statements, i.e. select either 'tend to disagree' or 'totally disagree'. On the contrary, agreement with the statements, i.e. selecting either 'tend to agree' or 'totally agree', indicates lower expectations regarding these aspects. Respondents were assigned to one of the three groups listed below based on the following criteria:

- The 'High expectations' group: respondents who disagree with all three statements, indicating that they have average or high expectations regarding the items referred to in the statements.
- The 'Medium expectations' group: respondents who disagree with only one or two statements, which indicates that they have average or high expectations regarding some of the items referred to in the statements but not all;
- Low expectations: respondents who disagree with none of the statements i.e. for each statement they either selected 'totally agree', 'tend to agree' or

'don't know',¹¹² which indicates they have low expectations concerning the items referred to in the statements.

For an overview, the table below presents the distribution of expectation levels by socio-demographic group.

¹¹² Respondents who selected 'Don't know' for all three statements were excluded from all groupings.

Table 46: Total level of agreement with statements on consumers' expectations, online survey: Socio-demographic analysis

Expectation level	Total	Age					Subjective urbanisation			Education			Financial situation	
		18-24	25-39	40-54	55-64	65+	Rural area or village	Small or middle-sized town	Large town or city	Low	Medium	High	Difficult	Easy
Low expectations	14%	16%	19%	12%	8%	10%	16%	15%	12%	28%	16%	10%	16%	12%
Medium expectations	16%	20%	17%	15%	12%	18%	18%	17%	14%	23%	17%	15%	17%	16%
High expectations	70%	63%	65%	73%	79%	73%	66%	68%	74%	49%	68%	74%	67%	72%

Source: Consumer survey screener question D4T, online mode.

As indicated in the table above, 14% of the online respondents were segmented into the low expectation group, 16% were segmented into the medium expectation group and the remaining 70% were segmented into the high expectation group. The breakdown by socio-demographic characteristics does not show major differences within the groups. Online respondents with low levels of education were however more likely to be segmented into the low and medium expectation groups than respondents of other levels of education.

The control question on expectations was included to control for the effect of consumer expectations on the magnitude of the financial detriment experienced, therefore the levels of financial detriment across these groups are presented in Section 6.4.2. and further breakdowns are presented in Annex IV.

7. Triangulation of consumer survey results

In this section we present the implementation of the triangulation tools and results of the triangulation of consumer survey data with complaints data from the European Commission harmonised complaints database and the survey of complaint handling bodies, and the results of the triangulation of consumer survey data and mystery shopping exercise.

7.1. Triangulation based on data from the European Commission harmonised complaints database and the survey of complaint handling bodies

7.1.1. Collection of complaints data from the harmonised complaints database

Initial and updated extracts of the European Commission complaints database were received in July 2015 and March 2016 respectively. The extracts included data on complaints filed by consumers in relation to problems in the six selected markets and registered by organisations in the four selected countries in 2015.¹¹³ For each complaint, the extracts included information on the year the complaint was filed,¹¹⁴ the country of the organisation filing the complaint, the market, and the complaint classification.

7.1.2. Implementation of the survey of complaint handling bodies

A comprehensive list of complaint handling bodies was compiled in coordination with the European Commission. The list includes consumer authorities, regulatory authorities, complaints boards, alternative dispute resolution bodies, independent ombudsmen, and consumer organisations that collect complaints in the six markets under study at the national level. As mentioned above, bodies which already provide quantitative data to the European Commission complaints database were excluded from the list. In the table below, we present the number of complaint handling bodies that responded to the survey by country, by market and by type of organisation.

¹¹³ While data was available for the four selected countries in the EC's complaints database, in Poland only the ECC provides data to the EC. In total, the extract received in March 2016 included 8931 complaints filed in France, 2158 in Italy, 222 in Poland and 28162 in the UK for the year 2015 in the six selected markets.

¹¹⁴ In the harmonised database, two dates are collected: the date the complaint was filed, i.e. when a citizen contacted a complaint handling body and a case was open, and the date of submission to the EC harmonised database. As only cases that are closed are transferred to the database, the date of submission corresponds to the year when the case was resolved. Therefore the first is used as date of occurrence for triangulation.

Table 47: Number of complaint handling bodies by country, by market in which complaints are registered and by type of organisation

Market	UK	FR	IT	PL
Mobile telephone services	1 consumer authority or regulatory authority; and 1 ADR, independent ombudsman or complaints board	1 ADR, independent ombudsman or complaints board; 2 consumer organisations; and 2 other complaint bodies	5 consumer authorities or regulatory authorities	1 consumer authority or regulatory authority; and 2 ADR, independent ombudsman or complaints board
Clothing, footwear and bags	1 consumer authority or regulatory authority	1 consumer authority or regulatory authority; 1 consumer organisation; and 2 other complaint bodies	3 consumer authorities or regulatory authorities	1 ADR, independent ombudsman or complaints board
Train services	2 consumer authorities or regulatory authorities	3 consumer organisations	3 consumer authorities or regulatory authorities	1 consumer authority or regulatory authority
Large household appliances	1 consumer authority or regulatory authority	2 consumer organisations; and 1 other complaint body	3 consumer authorities or regulatory authorities	
Electricity services	1 consumer authority or regulatory authority	1 consumer authority or regulatory authority; 2 consumer organisations; and 1 other complaint body	4 consumer authorities or regulatory authorities	1 consumer authority or regulatory authority
Loans, credit and credit cards	1 consumer authority or regulatory authority	2 consumer organisations; and 1 other complaint body	3 consumer authorities or regulatory authorities; and 1 ADR, independent ombudsman or complaints board	1 consumer authority or regulatory authority; and 2 ADR, independent ombudsmen or complaints boards

Source: Survey of complaint handling bodies.

The questionnaire was translated into all official languages of the target countries. The questionnaire was then implemented in *Qualtrics*, a dedicated online survey platform. The survey was implemented over February-March 2016.

The complaint bodies identified prior to the implementation of the survey received an invitation to participate in the survey by email. The invitation email was also translated into the official languages of the target countries. Several follow-up emails were sent out to complaint handling bodies who had not participated in the survey. Furthermore, a number of follow-up phone calls were conducted to check whether the complaint handling bodies had received the invitation and whether they needed further assistance or time to complete the survey. At the request of some participants the deadline for the survey was extended several times. In total 28 organisations participated and 25 complete responses were received, out of a total of 81 complaint handling bodies contacted. Several organisations indicated that they did not collect complaints or that they could not provide data either within the timeline or in the harmonised form provided in the survey. Among the participants, many indicated that their organisation either does not count complaints by type or uses a different classification system, which made providing precise answers difficult. The data obtained through this exercise is presented in Annex XII.¹¹⁵

7.1.3. Quality control for the survey of complaint handling bodies

We applied quality control mechanisms at different stages of the survey implementation. First, we tested the online survey thoroughly to make sure that the questions were displayed correctly, that the survey flow and skip logic worked as intended, and that the different language versions of the survey were identical. Once the survey of complaint handling bodies was closed, we processed the data and cleaned the datasets. This involved excluding test answers and duplicates (one organisation indicated that they had completed the survey twice and that the second answer should be taken into account), and checking the consistency of answers (on this basis, no answer was excluded).

7.1.4. Results of triangulation of consumer survey data with complaints data

The tables in the following pages present the results of the triangulation of consumer survey data with consolidated complaints data from complaint handling bodies in the four countries and from the European Commission complaints database by country. As described in Section 5.2.2, the survey of complaint handling bodies was designed to fill gaps in the European Commission's database. In the Member States, not all complaint handling bodies provide data to the European Commission complaints database, and in particular in Poland only one organisation (ECC Poland) does. In addition, many of the organisations have yet to provide data in line with the harmonised methodology, and the different markets are heterogeneously covered. As indicated in Table 47, in each market and each country, at least one complaint handling body responded to the survey. In most markets and countries, the survey substantially contributed to filling in the gaps identified, in particular for Italy and Poland. In the UK, respondents' contributions were minor, with the exception of the market for mobile telephone services, however this country had the largest base (28162 complaints for the year 2015 in the six selected markets registered in the harmonised database). For each country, for each of the broader market-specific

¹¹⁵ Note that some responding organisations indicated they collected complaints in relevant market(s) (Question: 'Which of the following goods and services did the complaints your organisation received relate to?') but did not complete (all) the corresponding modules in the survey. Therefore in Annex XII we have indicated for each market the number of respondents who completed the survey section, which provides the base size for all questions in that section.

problem categories in the survey of complaint handling bodies the number of complaints reported by the complaint handling bodies in the survey was added to the number of complaints registered for the corresponding level 1 complaints category in the European Commission database, in line with the mapping developed (see Section 4.6.3.2.).

As described in Section 5.2.2., the approach to triangulation based on complaints data involves comparing the frequency of problems reported by respondents in the consumer survey¹¹⁶ with the frequency of consumer complaints of the same type. For this purpose we use a common scale that differentiates the frequency of problems into six categories based on bands of percentages. For each broader problem/complaint category in a given market, its frequency as a percentage of all broader problem/complaint categories relevant for the market is converted to a qualitative frequency assessment for both data sources using the following scale: up to 5%: *Very rarely*; more than 5% and up to 10%: *Rarely*; more than 10% and up to 15%: *Occasionally*; more than 15% and up to 20%: *Frequently*; more than 20% and up to 25%: *Very frequently*; more than 25%: *Extremely frequently*. If the qualitative assessments for both of the data sources under consideration match, or do not differ by more than one category, we consider the sources to be 'consistent'. Otherwise they are considered to be 'not consistent'

The table below presents the results of the triangulation of the consumer survey data and complaints data in the market for mobile telephone services.

¹¹⁶ For the triangulation, results of the online survey are used as they are more robust due to the larger sample sizes. Indeed, in the face-to-face survey, 86% of the base sizes corresponding to the broader problem categories reported by respondents in each country are insufficient (i.e. below 30). Furthermore the analysis presented in Section 6.8.5. indicates a large similarity in relative frequency of problem categories across the two survey modes.

Table 48: Triangulation of frequency of problems in consumer survey and complaints data - market for mobile telephone services

Problem/ complaint category	UK			France			Italy			Poland		
	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency
Misleading or aggressive commercial practices	Occasion- ally (11%)	Occasion- ally (14%)	<i>Consistent</i>	Occasion- ally (14%)	Frequently (20%)	<i>Consistent</i>	Frequently (19%)	Occasion- ally (11%)	<i>Consistent</i>	Frequently (19%)	Occasion- ally (14%)	<i>Consistent</i>
Billing and payments	Frequently (20%)	Extremely frequently (27%)	<i>Consistent</i>	Frequently (19%)	Frequently (18%)	<i>Consistent</i>	Occasion- ally (15%)	Frequently (19%)	<i>Consistent</i>	Frequently (19%)	Extremely frequently (27%)	<i>Consistent</i>
Tariffs	Rarely (9%)	Occasion- ally (15%)	<i>Consistent</i>	Occasion- ally (12%)	Rarely (6%)	<i>Consistent</i>	Frequently (16%)	Occasion- ally (13%)	<i>Consistent</i>	Occasion- ally (14%)	Occasion- ally (15%)	<i>Consistent</i>
Contractual issues	Occasion- ally (14%)	Occasion- ally (14%)	<i>Consistent</i>	Occasion- ally (13%)	Extremely frequently (27%)	<i>Not consistent</i>	Occasion- ally (14%)	Frequently (17%)	<i>Consistent</i>	Occasion- ally (14%)	Occasion- ally (14%)	<i>Consistent</i>
Switching provider	Very rarely (4%)	Very rarely (2%)	<i>Consistent</i>	Very rarely (4%)	Very rarely (4%)	<i>Consistent</i>	Very rarely (5%)	Occasion- ally (11%)	<i>Not consistent</i>	Very rarely (3%)	Occasion- ally (14%)	<i>Not consistent</i>
Quality and provision of service	Extremely frequently (38%)	Extremely frequently (28%)	<i>Consistent</i>	Extremely frequently (33%)	Occasion- ally (12%)	<i>Not consistent</i>	Extremely frequently (29%)	Extremely frequently (27%)	<i>Consistent</i>	Extremely frequently (28%)	Occasion- ally (14%)	<i>Not consistent</i>

Source: Online consumer survey; EC complaints database and survey of complaint handling bodies. Notes: Percentages regarding complaints data refer to the share in total complaints reported. As multiple problem categories can be selected by the respondent in the consumer survey to describe the problem, the frequencies of problem categories were proportionally rescaled such that the total equals 100%.

As indicated in the table above, the results of the online consumer survey are consistent with the complaints data collected with regard to the categories 'Misleading or aggressive commercial practices', 'Billing and payments', and 'Tariffs' in the market for mobile telephone services in all four countries. In particular, results show that 'Misleading or aggressive commercial practices' and 'Billing and payments' are important sources of problems and complaints in the market for mobile telephone services. Furthermore, the results of the online consumer survey are consistent with the complaints data collected with regard to the categories 'Contractual issues' in all countries but France.

While 'Quality and provision of service' is a notable source of problems with mobile telephone services for consumers in Poland, such problems led to consumers filing complaints only occasionally. In contrast, while consumers in Italy and Poland very rarely referred to 'Switching provider' when describing the problem they experienced with mobile telephone services, 11% and 14% of the complaints relate to this category in these countries respectively.

The table below presents the results of the triangulation of the consumer survey data and complaints data in the market for clothing, footwear and bags.

Table 49: Triangulation of frequency of problems in consumer survey and complaints data - clothing, footwear and bags

Problem/ complaint category	UK			France			Italy			Poland		
	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency
Delivery	Frequently (16%)	Frequently (17%)	<i>Consistent</i>	Extremely frequently (35%)	Very frequently (22%)	<i>Consistent</i>	Very frequently (23%)	Frequently (19%)	<i>Consistent</i>	Rarely (10%)	Occasion- ally (13%)	<i>Consistent</i>
Billing and payments	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (1%)	Very rarely (2%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (3%)	<i>Consistent</i>	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>
Pricing	Very rarely (2%)	Very rarely (1%)	<i>Consistent</i>	Very rarely (2%)	Rarely (7%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (3%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (1%)	<i>Consistent</i>
Injury	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (1%)	Very rarely (1%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (0%)	<i>Consistent</i>
Customer service	Rarely (10%)	Very rarely (0%)	<i>Consistent</i>	Rarely (8%)	Very rarely (0%)	<i>Consistent</i>	Rarely (10%)	Very rarely (3%)	<i>Consistent</i>	Rarely (10%)	Very rarely (0%)	<i>Consistent</i>
Guarantee/ warranty	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (4%)	<i>Consistent</i>	Very rarely (1%)	Frequently (19%)	<i>Not consistent</i>	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>
Quality	Extremely frequently (56%)	Extremely frequently (46%)	<i>Consistent</i>	Extremely frequently (42%)	Very rarely (4%)	<i>Not consistent</i>	Extremely frequently (49%)	Frequently (18%)	<i>Not consistent</i>	Extremely frequently (52%)	Extremely frequently (67%)	<i>Consistent</i>

Misleading or aggressive commercial practices	Rarely (6%)	Occasionally (14%)	<i>Consistent</i>	Very rarely (4%)	Frequently (17%)	<i>Not consistent</i>	Rarely (6%)	Frequently (16%)	<i>Not consistent</i>	Rarely (7%)	Very rarely (0%)	<i>Consistent</i>
Contractual issues	Very rarely (2%)	Frequently (18%)	<i>Not consistent</i>	Very rarely (3%)	Frequently (17%)	<i>Not consistent</i>	Very rarely (3%)	Frequently (17%)	<i>Not consistent</i>	Very rarely (5%)	Frequently (16%)	<i>Not consistent</i>

Source: Online consumer survey; EC complaints database and survey of complaint handling bodies. Notes: Percentages regarding complaints data refer to the share in total complaints reported. As multiple problem categories can be selected by the respondent in the consumer survey to describe the problem, the frequencies of problem categories were proportionally rescaled such that the total equals 100%.

As indicated in the table above, the results of the consumer survey are consistent with the complaints data collected with regard to the categories 'Delivery', 'Billing and payments', 'Pricing', 'Injury' and 'Customer service' in the market for clothing, footwear and bags in all four countries. Results show that 'Delivery' is an important source of problems and complaints in the market for clothing, footwear and bags in all countries. In this market, injury is a very minor source of problems and complaints, which suggests that products on the market are generally safe.

Conversely, the results are not consistent for the category 'Contractual issues'. In all countries, problems related to that problem category were very rarely reported by consumers in the consumer survey but frequently led to complaints as indicated by the frequencies for this complaint category.

While consumers reported they experienced problems with the quality of items of clothing, footwear and bags extremely frequently in all countries, this is only reflected in the complaints data for France and Poland.

The table below presents the results of the triangulation of the consumer survey data and complaints data in the market for train services.

Table 50: Triangulation of frequency of problems in consumer survey and complaints data - train services

Problem/ complaint category	UK			France			Italy			Poland		
	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency
Injury	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (5%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (4%)	Very rarely (1%)	<i>Consistent</i>
Luggage and bicycles	Very rarely (3%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (4%)	Very rarely (2%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (2%)	<i>Consistent</i>	Very rarely (5%)	Very rarely (2%)	<i>Consistent</i>
Billing	Very rarely (3%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (3%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (1%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (0%)	<i>Consistent</i>
Misleading or aggressive commercial practices	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (3%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (4%)	Very rarely (1%)	<i>Consistent</i>
Reduced mobility or disability	Very rarely (2%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (1%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (2%)	<i>Consistent</i>	Very rarely (5%)	Frequently (19%)	<i>Not consistent</i>
Compensation	Rarely (7%)	Occasion- ally (11%)	<i>Consistent</i>	Occasion- ally (15%)	Occasion- ally (11%)	<i>Consistent</i>	Occasion- ally (13%)	Extremely frequently (29%)	<i>Not consistent</i>	Rarely (6%)	Frequently (19)%	<i>Not consistent</i>

Quality of service	Frequently (17%)	Frequently (17%)	<i>Consistent</i>	Occasionally (13%)	Very rarely (5%)	<i>Not consistent</i>	Frequently (19%)	Occasionally (14%)	<i>Consistent</i>	Extremely frequently (29%)	Frequently (20%)	<i>Not consistent</i>
Pricing	Very rarely (3%)	Very frequently (22%)	<i>Not consistent</i>	Very rarely (4%)	Rarely (8%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (1%)	<i>Consistent</i>	Rarely (6%)	Frequently (19%)	<i>Not consistent</i>
Contractual issues	Very rarely (1%)	Occasionally (11%)	<i>Not consistent</i>	Very rarely (2%)	Occasionally (12%)	<i>Not consistent</i>	Very rarely (2%)	Rarely (6%)	<i>Consistent</i>	Very rarely (5%)	Very rarely (0%)	<i>Consistent</i>
Train delays and cancellation issues	Extremely frequently (61%)	Frequently (17%)	<i>Not consistent</i>	Extremely frequently (48%)	Rarely (9%)	<i>Not consistent</i>	Extremely frequently (47%)	Extremely frequently (31%)	<i>Consistent</i>	Extremely frequently (31%)	Frequently (19%)	<i>Not consistent</i>

Source: Online consumer survey; EC complaints database and survey of complaint handling bodies. Notes: Percentages regarding complaints data refer to the share in total complaints reported. As multiple problem categories can be selected by the respondent in the consumer survey to describe the problem, the frequencies of problem categories were proportionally rescaled such that the total equals 100%.

As indicated in the table above, the results of the consumer survey are consistent with the complaints data collected with regard to the categories 'Injury', 'Luggage and bicycles', 'Billing', and 'Misleading or aggressive commercial practices' in the market for train services in all four countries. Results show that these four problem categories are minor sources of problems and complaints in the market for train services. Similarly problems related to 'Reduced mobility or disability' were very rarely reported by respondents in the consumer survey and also very rarely led to consumer complaints, with the exception of Poland.

Problems with 'Train delays and cancellation issues' were reported extremely frequently by consumers in the four countries; however, this is not reflected in the complaints data in the UK, France and Poland. Problems related to the 'Quality of service' were also generally reported more frequently in the consumer survey than to complaint handling bodies. 'Compensation' issues were mentioned rarely or occasionally in the consumer survey, e.g. in France and Italy by 15% and 13% of online respondents respectively. However, in Poland and Italy complaints relating to 'compensation' were frequent (19%) or even extremely frequent (29%).

The table below presents the results of the triangulation of the consumer survey data and complaints data in the market for large household appliances.

Table 51: Triangulation of frequency of problems in consumer survey and complaints data - large household appliances

Problem/ complaint category	UK			France			Italy			Poland		
	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency
Pricing	Very rarely (1%)	Very rarely (1%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (4%)	<i>Consistent</i>	Very rarely (3%)	Rarely (7%)	<i>Consistent</i>	Very rarely (4%)	Very rarely (0%)	<i>Consistent</i>
Billing and payments	Very rarely (3%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (1%)	<i>Consistent</i>	Very rarely (3%)	Rarely (8%)	<i>Consistent</i>	Very rarely (3%)	Very rarely (0%)	<i>Consistent</i>
Misleading or aggressive commercial practices	Very rarely (5%)	Rarely (8%)	<i>Consistent</i>	Rarely (6%)	Occasion- ally (15%)	<i>Consistent</i>	Rarely (6%)	Rarely (8%)	<i>Consistent</i>	Rarely (7%)	Very rarely (0%)	<i>Consistent</i>
Damage or injury	Rarely (6%)	Very rarely (0%)	<i>Consistent</i>	Rarely (7%)	Very rarely (0%)	<i>Consistent</i>	Occasion- ally (11%)	Very rarely (1%)	<i>Not consistent</i>	Rarely (8%)	Very rarely (0%)	<i>Consistent</i>
Quality	Extremely frequently (46%)	Extremely frequently (68%)	<i>Consistent</i>	Extremely frequently (41%)	Rarely (7%)	<i>Not consistent</i>	Extremely frequently (43%)	Frequently (19%)	<i>Not consistent</i>	Extremely frequently (45%)	Very frequently (25%)	<i>Consistent</i>
Guarantee/ warranty	Very rarely (4%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (5%)	Very frequently (22%)	<i>Not consistent</i>	Very rarely (5%)	Very frequently (22%)	<i>Not consistent</i>	Very rarely (5%)	Very rarely (0%)	<i>Consistent</i>

Contractual issues	Very rarely (3%)	Rarely (8%)	<i>Consistent</i>	Very rarely (5%)	Frequently (16%)	<i>Not consistent</i>	Very rarely (5%)	Occasionally (12%)	<i>Not consistent</i>	Very rarely (5%)	Very rarely (0%)	<i>Consistent</i>
Poor Delivery service	Occasionally (11%)	Rarely (6%)	<i>Consistent</i>	Occasionally (11%)	Very frequently (23%)	<i>Not consistent</i>	Rarely (9%)	Frequently (18%)	<i>Not consistent</i>	Rarely (8%)	Extremely frequently (75%)	<i>Not consistent</i>
Customer service	Frequently (16%)	Very rarely (0%)	<i>Not consistent</i>	Frequently (16%)	Very rarely (0%)	<i>Not consistent</i>	Occasionally (12%)	Very rarely (3%)	<i>Not consistent</i>	Occasionally (11%)	Very rarely (0%)	<i>Not consistent</i>

Source: Online consumer survey, EC complaints database and survey of complaint handling bodies. Notes: Percentages regarding complaints data refer to the share in total complaints reported. As multiple problem categories can be selected by the respondent in the consumer survey to describe the problem, the frequencies of problem categories were proportionally rescaled such that the total equals 100%.

As indicated in the table above, the results of the consumer survey are consistent with the complaints data collected with regard to the categories 'Pricing', 'Billing and payments' and 'Misleading or aggressive commercial practices' in the market for large household appliances in all four countries. Results show that these problem categories are minor sources of problems and complaints in the market for large household appliances. The results of the consumer survey are also consistent with the complaints data collected with regard to the categories 'Damage or injury' in the UK, France and Poland. Although reported frequencies are higher than in the market for clothing, footwear and bags, problems related to 'damage or injury' are still a relatively minor source of problems or complaints in these countries. Online respondents described their problems with large household appliances related to damage or injury rarely to occasionally (6% to 11% of respondents in the selected countries), which may raise questions as to the safety of products sold on this market. However, there are close to no complaints in this regard in the four selected countries.

Conversely, the results are not consistent for the category 'Customer service'. In all countries, problems related to that problem category were occasionally or frequently reported by survey respondents but were very rarely the source of complaints, as indicated by the frequencies above.

While consumers reported they experienced problems with the quality of items of clothing, footwear and bags extremely frequently in all countries, this is only reflected in the complaints data for the UK and Poland.

Finally, consumers in France and Italy very rarely reported problems with large household appliances related to 'Guarantee/ warranty' or 'Contractual issues' in the consumer survey. However, these problem categories resulted in frequent complaints in both countries.

The table below presents the results of the triangulation of the consumer survey data and complaints data in the market for electricity services.

Table 52: Triangulation of frequency of problems in consumer survey and complaints data - electricity services

Problem/ complaint category	UK			France			Italy			Poland		
	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency
Contractual issues	Rarely (10%)	Very rarely (0%)	<i>Consistent</i>	Rarely (8%)	Rarely (7%)	<i>Consistent</i>	Occasion- ally (14%)	Occasion- ally (14%)	<i>Consistent</i>	Occasion- ally (13%)	Occasion- ally (14%)	<i>Consistent</i>
Switching supplier	Rarely (7%)	Very rarely (0%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (1%)	<i>Consistent</i>	Rarely (6%)	Rarely (9%)	<i>Consistent</i>	Very rarely (5%)	Occasion- ally (14%)	<i>Not consistent</i>
Tariffs	Occasion- ally (12%)	Extremely frequently (33%)	<i>Not consistent</i>	Frequently (19%)	Occasion- ally (14%)	<i>Consistent</i>	Very frequently (22%)	Occasion- ally (14%)	<i>Not consistent</i>	Frequently (17%)	Occasion- ally (14%)	<i>Consistent</i>
Billing and payments	Extremely frequently (34%)	Very rarely (0%)	<i>Not consistent</i>	Very frequently (25%)	Extremely frequently (27%)	<i>Consistent</i>	Very frequently (23%)	Very frequently (24%)	<i>Consistent</i>	Very frequently (25%)	Occasion- ally (14%)	<i>Not consistent</i>
Customer service	Very frequently (25%)	Very rarely (0%)	<i>Not consistent</i>	Very frequently (23%)	Occasion- ally (12%)	<i>Not consistent</i>	Frequently (16%)	Rarely (10%)	<i>Not consistent</i>	Frequently (16%)	Occasion- ally (14%)	<i>Consistent</i>
Misleading or aggressive commercial practices	Rarely (6%)	Extremely frequently (33%)	<i>Not consistent</i>	Rarely (9%)	Extremely frequently (28%)	<i>Not consistent</i>	Frequently (16%)	Rarely (9%)	<i>Not consistent</i>	Frequently (16%)	Occasion- ally (14%)	<i>Consistent</i>

Source: Online consumer survey, EC complaints database and survey of complaint handling bodies. Notes: Percentages regarding complaints data refer to the share in total complaints reported. As multiple problem categories can be selected by the respondent in the consumer survey to describe the problem, the frequencies of problem categories were proportionally rescaled such that the total equals 100%.

As indicated in the table above, the results of the consumer survey are consistent with the complaints data collected with regard to the categories 'Contractual issues' in the four countries, and 'Switching supplier' in all countries but Poland. Results show that consumers report problems related to these two categories rather rarely. In the UK there is disconnect between the problems reported by survey respondents and the complaints registered by complaint handling bodies, as the results are not consistent for the four other problem categories.

Consumers in the UK and France rarely reported problems with electricity services related to 'Misleading or aggressive commercial practices' in the consumer survey; however, this category is extremely frequent in complaints data in both countries. Furthermore, problems with electricity services related to 'Billing and payments' were reported very frequently or extremely frequently in the survey in all countries, but this is only reflected in complaints data in France and Italy.

The table below presents the results of the triangulation of the consumer survey data and complaints data in the market for loans, credit and credit cards.

Table 53: Triangulation of frequency of problems in consumer survey and complaints data - loans, credit and credit cards

Problem/ complaint category	UK			France			Italy			Poland		
	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency	Consumer survey	Complaints	Degree of consistency
Provision of loan/credit card	Occasion- ally (11%)	Occasion- ally (15%)	<i>Consistent</i>	Rarely (7%)	Very rarely (5%)	<i>Consistent</i>	Occasion- ally (11%)	Occasion- ally (12%)	<i>Consistent</i>	Rarely (8%)	Very rarely (1%)	<i>Consistent</i>
Pricing	Rarely (8%)	Very rarely (5%)	<i>Consistent</i>	Occasion- ally (12%)	Very rarely (3%)	<i>Not consistent</i>	Occasion- ally (13%)	Frequently (16%)	<i>Consistent</i>	Occasion- ally (13%)	Frequently (16%)	<i>Consistent</i>
Contractual issues	Occasion- ally (11%)	Frequently (17%)	<i>Consistent</i>	Occasion- ally (11%)	Extremely frequently (42%)	<i>Not consistent</i>	Occasion- ally (12%)	Occasion- ally (14%)	<i>Consistent</i>	Occasion- ally (14%)	Frequently (16%)	<i>Consistent</i>
Fraud	Rarely (7%)	Very rarely (0%)	<i>Consistent</i>	Rarely (9%)	Very rarely (0%)	<i>Consistent</i>	Rarely (6%)	Rarely (10%)	<i>Consistent</i>	Very rarely (3%)	Frequently (16%)	<i>Not consistent</i>
Misleading or aggressive commercial practices	Occasion- ally (14%)	Extremely frequently (35%)	<i>Not consistent</i>	Occasion- ally (12%)	Occasion- ally (15%)	<i>Consistent</i>	Occasion- ally (15%)	Occasion- ally (11%)	<i>Consistent</i>	Very frequently (21%)	Frequently (16%)	<i>Consistent</i>

Customer service	Very frequently (21%)	Very rarely (0%)	<i>Not consistent</i>	Very frequently (21%)	Very rarely (0%)	<i>Not consistent</i>	Frequently (17%)	Occasionally (14%)	<i>Consistent</i>	Frequently (16%)	Very rarely (2%)	<i>Not consistent</i>
Payments	Extremely frequently (26%)	Very rarely (0%)	<i>Not consistent</i>	Frequently (18%)	Occasionally (11%)	<i>Consistent</i>	Very frequently (21%)	Occasionally (14%)	<i>Not consistent</i>	Frequently (20%)	Frequently (16%)	<i>Consistent</i>

Source: Online consumer survey; EC complaints database and survey of complaint handling bodies. Notes: Percentages regarding complaints data refer to the share in total complaints reported. As multiple problem categories can be selected by the respondent in the consumer survey to describe the problem, the frequencies of problem categories were proportionally rescaled such that the total equals 100%.

As indicated in the table above, the results of the consumer survey are consistent with the complaints data collected with regard to the category 'Provision of loan/credit card' in the market for loans, credit and credit cards in the four countries. The frequencies of problems related to 'Pricing' and 'Contractual issues' are also consistent between the two data sources in the UK, Italy and Poland.

Although in the survey consumers rarely or very rarely reported problems or filed complaints about problems related to 'Fraud' in the UK, France and Italy, such problems resulted in frequent complaints in Poland. Furthermore, complaints related to 'Misleading or aggressive commercial practices' are extremely frequent in the UK while they are only occasional or frequent in the other four countries.

Finally, problems with loans, credit and credit cards related to customer service were frequently or very frequently reported by survey respondents in all assessed countries but very rarely led to complaints, except in Italy. The problem category 'Payments' also appears as an important source of problem for consumers in the four countries, however, this is only reflected in complaints data in France and Poland.

7.2. Triangulation based on mystery shopping data

7.2.1. Implementation of mystery shopping exercise

The assessment of websites was conducted in January 2016. The recruited mystery shoppers were native speakers of the language of the country they researched.

A total of 459 websites were reviewed. The table below presents the number of websites reviewed per market and per country.

Table 54: Number of websites reviewed per market in each country

Market	UK	FR	IT	PL	Total
Mobile telephone services	30	30	21	21	102
Clothing, footwear and bags	30	30	30	30	120
Electricity services	30	30	30	30	120
Loans, credit and credit cards	30	30	30	27	117
Total	120	120	111	108	459

Source: Mystery shopping exercise. Note: For mobile telephone services in Italy and Poland and for loans, credit and credit cards in Poland, the target number of 30 websites was not reached due to the lower number of providers with websites in these countries at the time of the review.

The mystery shopping questionnaire is presented in Annex VI and the data obtained through this exercise is presented in Annex XI.

7.2.2. Quality control for the mystery shopping exercise

All completed mystery shopping questionnaires were checked for completeness and consistency to make sure answers across and within questions are consistent and plausible. In addition, a random sample of mystery shopping questionnaires were checked by a member of the quality assurance team against the information available on the corresponding website. Where clarifications were needed, the researchers revised answers or provided further justification where necessary. In addition to this quality assurance process, and to minimise potential researcher bias and increase consistency of results across countries, the quality assurance team organised multiple 'question and answer' sessions with the research team and provided collective and individual feedback to team members whenever necessary.

7.2.3. Results of triangulation of consumer survey data with mystery shopping data

The tables in the following pages present the results of the triangulation of consumer survey data and mystery shopping, which consisted of a website review, by country.

As described in Section 5.3.2., the approach to triangulation based on mystery shopping results involves comparing the frequency of problems reported by respondents in the consumer survey¹¹⁷ with the frequency at which the issues that the problems relate to can be observed on the websites of traders, as evidenced by the mystery shopping exercise. For this purpose, we use a common scale that differentiates the frequency of problems into six categories based on bands of percentages.

The website review was used to identify indications of the potential for some of the problem types listed in the consumer survey. For each problem type, the share of websites reviewed for a given market which showed potential for the specific problem type to occur was converted using the following scale: up to 5% of websites: *Very rarely*; more than 5% and up to 10% of websites: *Rarely*; more than 10% and up to 15% of websites: *Occasionally*; more than 15% and up to 20% of websites: *Frequently*; more than 20% and up to 25% of websites: *Very frequently*; more than 25% of websites: *Extremely frequently*. This is compared with the frequency of the same problem type as reported by respondents to the consumer survey, converted using the same scale. If the qualitative assessments for both of the data sources under consideration match, or do not differ by more than one category, we consider the sources to be 'consistent'. Otherwise they are considered to be 'not consistent'.

Four of the markets subject to analysis in the study were covered by the mystery shopping exercise: mobile telephone services; clothing, footwear and bags; electricity services; and loans, credit and credit cards. In total, four key problem types were assessed in each of the four selected markets.

¹¹⁷ For the triangulation, results of the online survey are used as they are more robust due to the larger sample sizes.

In the market for mobile telephone services, the key problem types assessed are the following:

- Unclear or complex tariffs;
- Misleading or incorrect indication of price (e.g. hidden charges);
- Advertising was misleading;
- Missing or incomplete information in the contract (e.g. duration, conditions for termination, identity of the provider, etc.).

The table below presents the results of the triangulation between consumer survey data and mystery shopping data in the market for mobile telephone services.

Table 55: Triangulation of frequency of problems in consumer survey and mystery shopping results - mobile telephone services

Problem type	UK			France			Italy			Poland		
	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency
Advertising was misleading	Very rarely (4%)	Very rarely (5%)	<i>Consistent</i>	Frequently (20%)	Very rarely (5%)	<i>Not consistent</i>	Occasionally (13%)	Occasionally (12%)	<i>Consistent</i>	Occasionally (14%)	Occasionally (12%)	<i>Consistent</i>
Missing or incomplete information in the contract	Very rarely (3%)	Very rarely (4%)	<i>Consistent</i>	Frequently (17%)	Very rarely (5%)	<i>Not consistent</i>	Occasionally (15%)	Rarely (9%)	<i>Consistent</i>	Occasionally (14%)	Rarely (10%)	<i>Consistent</i>
Misleading or incorrect indication of price	Very rarely (3%)	Rarely (10%)	<i>Consistent</i>	Extremely frequently (36%)	Rarely (6%)	<i>Not consistent</i>	Extremely frequently (30%)	Occasionally (12%)	<i>Not consistent</i>	Occasionally (10%)	Frequently (16%)	<i>Consistent</i>
Unclear or complex tariffs	Very rarely (2%)	Frequently (16%)	<i>Not consistent</i>	Very frequently (25%)	Very frequently (21%)	<i>Consistent</i>	Occasionally (13%)	Extremely frequently (33%)	<i>Not consistent</i>	Occasionally (12%)	Extremely frequently (32%)	<i>Not consistent</i>

Source: Online consumer survey and mystery shopping exercise.

As indicated in the table above, the results of the website review are consistent with the consumer survey data with regard to the category 'Advertising was misleading' in the market for mobile telephone services in all countries but France.

While survey respondents in all countries reported frequent to extremely frequent problems related to unclear or complex tariffs, this is consistent with indications of a potential for such problems on websites in France only.

Finally, a large number of mobile telephone services websites reviewed in France and Italy indicated a potential for misleading or incorrect indication of price, however this is not reflected in the consumer survey data in these countries.

In the market for clothing, footwear and bags, the key problem types assessed are the following:

- Unclear or complex pricing;
- Misleading or incorrect indication of price (e.g. hidden charges);
- Advertising was misleading;
- Missing or incomplete information in the contract (e.g. concerning right of withdrawal or identity of seller).

The table below presents the results of the triangulation between consumer survey data and mystery shopping data in the market for clothing, footwear and bags.

Table 56: Triangulation of frequency of problems in consumer survey and mystery shopping results - clothing, footwear and bags

Problem type	UK			France			Italy			Poland		
	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency
Advertising was misleading	Rarely (6%)	Rarely (6%)	<i>Consistent</i>	Rarely (9%)	Very rarely (3%)	<i>Consistent</i>	Rarely (6%)	Very rarely (5%)	<i>Consistent</i>	Very rarely (0%)	Very rarely (4%)	<i>Consistent</i>
Unclear or complex pricing	Very rarely (2%)	Very rarely (3%)	<i>Consistent</i>	Occasionally (12%)	Very rarely (2%)	<i>Not consistent</i>	Very rarely (3%)	Very rarely (3%)	<i>Consistent</i>	Very rarely (2%)	Very rarely (4%)	<i>Consistent</i>
Misleading or incorrect indication of price	Very rarely (2%)	Very rarely (1%)	<i>Consistent</i>	Occasionally (10%)	Very rarely (0%)	<i>Not consistent</i>	Very rarely (3%)	Very rarely (2%)	<i>Consistent</i>	Rarely (6%)	Very rarely (3%)	<i>Consistent</i>
Missing or incomplete information in the contract	Occasionally (13%)	Very rarely (0%)	<i>Not consistent</i>	Occasionally (10%)	Very rarely (0%)	<i>Not consistent</i>	Rarely (7%)	Very rarely (2%)	<i>Consistent</i>	Occasionally (12%)	Very rarely (3%)	<i>Not consistent</i>

Source: Online consumer survey and mystery shopping exercise.

As indicated in the table above, the results of the mystery shopping and consumer survey are consistent in the four countries with regard to misleading advertising in the market for clothing, footwear and bags. Results show that this problem type is a minor source of problems in this market.

In France, the websites reviewed occasionally indicated unclear or complex pricing, misleading or incorrect indication of the price, and missing or incomplete information in the contract. However, survey results show that consumers reported only very rarely experiencing such problems with items of clothing, footwear and bags. While indications of a potential for missing or incomplete information in the contract were also occasionally found on websites in the UK and Poland, related problems were very rarely reported in the consumer survey.

Finally, in Italy indications of a potential for missing or incomplete information in the contract were only rarely found on websites reviewed, which is consistent with the results of the consumer survey in this country.

In the market for electricity services, the key problem types assessed are the following:

- Unclear or complex tariffs;
- Misleading or incorrect indication of price (e.g. hidden charges);
- Advertising was misleading;
- Missing or incomplete information in the contract (e.g. duration, condition for termination, identity of the supplier, etc.).

The table below presents the results of the triangulation between consumer survey data and mystery shopping data in the market for electricity services.

Table 57: Triangulation of frequency of problems in consumer survey and mystery shopping results - electricity services

Problem type	UK			France			Italy			Poland		
	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency
Misleading or incorrect indication of price	Very rarely (1%)	Rarely (7%)	<i>Consistent</i>	Very frequently (22%)	Very rarely (5%)	<i>Not consistent</i>	Very frequently (21%)	Frequently (20%)	<i>Consistent</i>	Extremely frequently (28%)	Frequently (17%)	<i>Consistent</i>
Unclear or complex tariffs	Very rarely (2%)	Very frequently (23%)	<i>Not consistent</i>	Extremely frequently (39%)	Extremely frequently (30%)	<i>Consistent</i>	Extremely frequently (35%)	Extremely frequently (47%)	<i>Consistent</i>	Extremely frequently (40%)	Extremely frequently (36%)	<i>Consistent</i>
Missing or incomplete information in the contract	Very rarely (4%)	Very rarely (2%)	<i>Consistent</i>	Very frequently (25%)	Very rarely (2%)	<i>Not consistent</i>	Very frequently (25%)	Rarely (8%)	<i>Not consistent</i>	Extremely frequently (38%)	Occasionally (12%)	<i>Not consistent</i>
Advertising was misleading	Occasionally (14%)	Very rarely (4%)	<i>Not consistent</i>	Frequently (18%)	Rarely (8%)	<i>Not consistent</i>	Extremely frequently (28%)	Occasionally (11%)	<i>Not consistent</i>	Very rarely (3%)	Frequently (17%)	<i>Not consistent</i>

Source: Online consumer survey and mystery shopping exercise.

As indicated in the table above, the results of the mystery shopping and consumer survey are not consistent in the four countries with regard to misleading advertising. Results show that the importance of these problem types differs between countries both in the mystery shopping and in the consumer survey.

In France, Italy and Poland, a large number of websites reviewed indicated a potential for missing or incomplete information in the contract; however, it did not result in an important source of reported problems for survey respondents in the electricity services market.

Finally, in the four countries, survey respondents reported problems with electricity services related to unclear or complex tariffs very or extremely frequently. This is reflected in the findings of the mystery shopping exercise in all countries but the UK, where only a small number of websites showed indications of a potential for such problems.

In the market for loans, credit and credit cards, the key problem types assessed are the following:

- Unclear or complex pricing;
- Misleading or incorrect indication of the costs of credit (e.g. hidden charges);
- Advertising was misleading;
- Missing or incomplete information in the contract (e.g. duration, conditions for termination, identity of the credit provider, etc.).

The tables below presents the results of the triangulation between consumer survey data and mystery shopping data in the market for loans, credit and credit cards.

Table 58: Triangulation of frequency of problems in consumer survey and mystery shopping results - loans, credit and credit cards

Problem type	UK			France			Italy			Poland		
	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency	Mystery shopping	Consumer survey	Degree of consistency
Advertising was misleading	Very rarely (1%)	Rarely (7%)	<i>Consistent</i>	Rarely (8%)	Very rarely (5%)	<i>Consistent</i>	Very rarely (5%)	Rarely (10%)	<i>Consistent</i>	Very rarely (4%)	Occasionally (13%)	<i>Not consistent</i>
Misleading or incorrect indication of the costs of credit	Very rarely (5%)	Rarely (7%)	<i>Consistent</i>	Very rarely (2%)	Rarely (7%)	<i>Consistent</i>	Very rarely (2%)	Rarely (6%)	<i>Consistent</i>	Very rarely (4%)	Occasionally (14%)	<i>Not consistent</i>
Missing or incomplete information in the contract	Rarely (8%)	Very rarely (5%)	<i>Consistent</i>	Extremely frequently (38%)	Rarely (6%)	<i>Not consistent</i>	Very frequently (22%)	Rarely (10%)	<i>Not consistent</i>	Frequently (16%)	Rarely (8%)	<i>Not consistent</i>
Unclear or complex pricing	Very rarely (4%)	Occasionally (13%)	<i>Not consistent</i>	Very rarely (3%)	Frequently (20%)	<i>Not consistent</i>	Very rarely (2%)	Very frequently (25%)	<i>Not consistent</i>	Very rarely (2%)	Extremely frequently (27%)	<i>Not consistent</i>

Source: Online consumer survey and mystery shopping exercise.

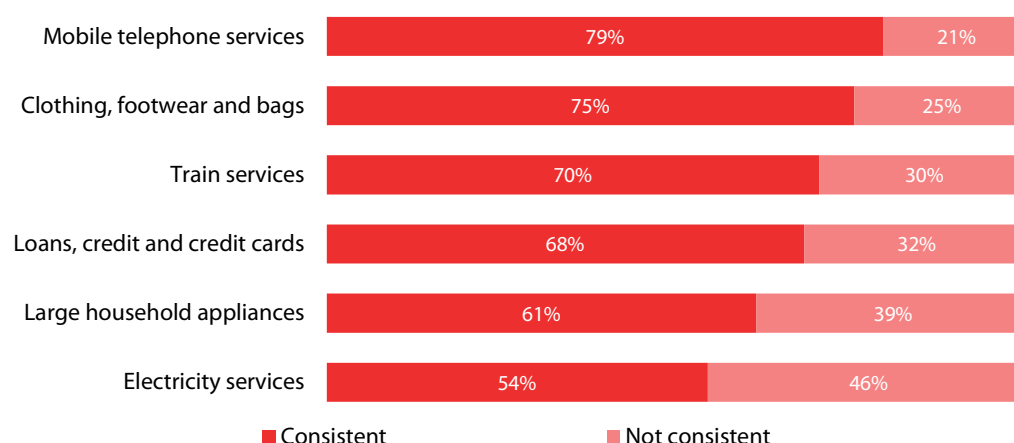
As indicated in the table above, the results of the mystery shopping and consumer survey are consistent with regard to misleading advertising and misleading or incorrect indication of the costs of credit in the market for loans, credit and credit cards in the UK, France and Italy.

In Poland, while very small numbers of websites reviewed indicated unclear or complex pricing, misleading advertising, or misleading or incorrect indication of the costs of credit, the occurrence of problems related to these categories reported by respondents in the consumer survey varied from extremely frequently to occasionally. This gap may relate to problems in other sales channels (as opposed to online purchases) which would not be reflected in the website review. In contrast, indications of the potential for missing or incomplete information in the contract were found on the websites reviewed in Poland, but not reflected in the problems reported by survey respondents.

7.3. Conclusions of the triangulation

The figure below presents the shares of consistent comparisons obtained across countries between consumer survey data and complaints data used in the triangulation.

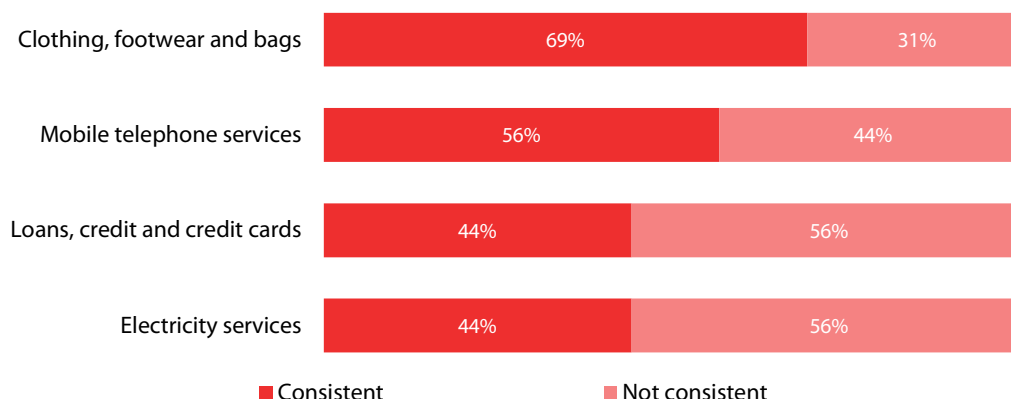
Figure 40: Overview of results of the triangulation based on complaints data



Source: Results of the triangulation based on data from the EC harmonised complaints database and the survey of complaint handling bodies

As indicated in the figure above, overall the results of the triangulation based on complaints data show a high level of consistency between the two data sources. The level of consistency varies from 79% for mobile telephone services to 54% for electricity services. Discrepancies may be explained by the fact that consumers may experience problems for which they have a legitimate cause for complaint and yet not complain to a complaint body in all cases. Additionally, consumers are more likely to complain to complaint handling bodies about problems that they have first complained about to the trader, and for which they did not receive satisfying redress. Such problems would thus be accounted for in the consumer survey data but not in the complaints data.

The figure below presents the shares of consistent comparisons obtained across countries between consumer survey data and mystery shopping data used in the triangulation.

Figure 41: Overview of results of the triangulation based on mystery shopping data

Source: Results of the triangulation based on mystery shopping data

The results of the triangulation based on mystery shopping data show lower levels of consistency between the two data sources, with the level of consistency varying from 44% for electricity services and loans, credit and credit cards to 69% for clothing, footwear and bags. Discrepancies may be explained by the fact that data collected through the mystery shopping exercise only reflect the frequency at which issues can be observed on the websites of traders, i.e. on one sales channel, and that these issues may not result in actual problems at the purchase and post-purchase stages. In addition, issues observed on websites related to the pre-contractual stage might result in hidden detriment if consumers either do not become aware of the problem following the purchase or use of the good or service or are not aware that the problem results from issues at the pre-contractual stage, which would by definition not be reported in the consumer survey.

8. Extrapolation of financial detriment and time loss detriment to country and EU level

In this section, we first describe the extrapolation of results to country level for each of the markets and subsequently present the extrapolation of results to the EU level.

8.1. Country-level extrapolation

As described in Section 4.9.9., having calculated the incidence of problems and the average (pre- and post-redress) financial detriment and time loss per problem in the survey sample for the six markets subject to analysis (see above), further steps are taken to arrive at an estimate of financial detriment or time loss at the level of a specific country or for the entire EU.

First, because not all survey respondents experience a problem in a given market, in order to arrive at the average financial detriment *per capita*, the average financial detriment per problem needs to be multiplied by the proportion of respondents who reported a problem (i.e. the incidence of problems) in the market. The same approach applies to time loss. Following this, as our consumer survey was targeted at the overall population with age 18 or above, the resulting average financial detriment per capita and the average time loss per capita is multiplied by the population aged 18 or above for the country in question in order to arrive at an estimate of total financial detriment and total time loss for the country.¹¹⁸ In line with the definition of personal consumer detriment used in this study, the **estimates provided in this section refer to the revealed personal consumer detriment** calculated per market and per country on the basis of consumer responses to a comprehensive, detailed and market-specific survey tool, developed in the framework of this study. This implies that hidden detriment, i.e. detriment that consumers experience but are unaware of (be it personal or structural), is not included in the estimates. The estimates provided are therefore **conservative** in nature, and hidden detriment such as inflated prices due to market malfunctioning has to be assessed separately – e.g. in the context of sector enquiries¹¹⁹ – to get a full picture of the consumer situation in a given market.¹²⁰

As detailed in Section 6.7.4., we use both survey modes separately for the extrapolation of results to country level and EU level and report the results as a range.

The table below presents results for the mobile telephone services market for the sample countries based on the results of the face-to-face survey. It first reiterates the results from the consumer survey for pre-redress and post-redress financial detriment as well as time loss. This data is then used in the manner described above to calculate average detriment per capita, and, using population data, to calculate total detriment at the country level.

¹¹⁸ In line with the coverage of the survey, the resulting figures estimate the financial detriment and time loss incurred by the population aged 18 or older for the country in question.

¹¹⁹ Sector inquiries are investigations that the European Commission carries out into sectors of the economy and into types of agreements across various sectors, when it believes that a market is not working as well as it should, and also believes that breaches of the competition rules might be a contributory factor.

¹²⁰ For a discussion of personal vs structural and revealed vs hidden detriment, see Section 3.1. above, where we also point out the importance of considering both the structural and hidden forms of detriment in a policy perspective in addition to revealed personal consumer detriment.

Table 59: Extrapolation of financial detriment and time loss to country level – mobile telephone services market, face-to-face survey

Country	Average financial detriment per problem (in Euro, FTF)		Average time loss per problem (in hours, FTF)	Incidence of problems (FTF)	Average financial detriment per capita (in Euro, FTF)		Average time loss per capita (in hours, FTF)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	91.2	72.9	6.6	7%	6.38	5.10	0.46	51.15	326.56	261.03	23.63
France	86.7	77.3	5.7	11%	9.54	8.50	0.63	51.63	492.35	438.97	32.37
Italy	24.4	21.5	7.7	17%	4.15	3.66	1.31	50.70	210.30	185.31	66.37
Poland	22.2	21.0	5.3	3%	0.67	0.63	0.16	31.12	20.73	19.61	4.95
<i>Sample countries</i>	56.4	48.6	6.6	9%	5.08	4.37	0.60	184.60	937.02	807.43	109.98

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan).

As shown above, both the highest pre-redress and post-redress financial detriment per capita based on face-to-face data in the mobile telephone services market of the sample countries is in France, at EUR 9.54 per capita and EUR 8.50 per capita respectively. The lowest levels are in Poland, at EUR 0.67 per capita and EUR 0.63 per capita respectively. The highest average time loss per capita is in Italy, at 1.31 hours per capita, while the lowest is in Poland, at 0.16 hours per capita.

Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is again France in the face-to-face mode, at roughly EUR 492 million and EUR 439 million respectively. Total time loss taking into account population size is at the highest at 66 million hours in Italy and lowest in Poland at 4.95 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of face-to-face survey results amount to roughly EUR 937 million and EUR 807 million respectively, with time loss amounting to 110 million hours.

The table below presents results for the mobile telephone services market for the sample countries based on the results of the online survey.

Table 60: Extrapolation of financial detriment and time loss to country level – mobile telephone services market, online survey

Country	Average financial detriment per problem (in Euro, online)		Average time loss per problem (in hours, online)	Incidence of problems (online)	Average financial detriment per capita (in Euro, online)		Average time loss per capita (in hours, online)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	100.0	79.2	5.6	17%	17.00	13.46	0.95	51.15	869.59	688.71	48.70
France	84.5	73.7	5.5	19%	16.06	14.00	1.05	51.63	828.85	722.91	53.95
Italy	60.7	54.1	5.7	40%	24.28	21.64	2.28	50.70	1,230.98	1,097.14	115.59
Poland	38.0	33.5	5.8	31%	11.78	10.39	1.80	31.12	366.60	323.19	55.96
<i>Sample countries</i>	64.8	55.8	5.70	27%	17.50	15.07	1.54	184.60	3,229.73	2,781.15	284.10

Source: Online consumer survey and Eurostat (data series demo_pjan).

As shown above, both the highest pre-redress and post-redress financial detriment per capita in the mobile telephone services market of the sample countries based on the online survey are in Italy, at EUR 24.28 per capita and EUR 21.64 per capita respectively. In the online mode, the lowest levels are in Poland, at EUR 11.78 per capita and EUR 10.39 per capita respectively. The highest average time loss per capita is in Italy, at 2.28 hours per capita, while the lowest is in the UK, at 0.95 hours per capita.

Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy in the online mode, at roughly EUR 1.2 billion and EUR 1.1 billion respectively, while the lowest is in Poland at EUR 367 million and EUR 323 million respectively. Total time loss taking into account population size is at the highest at 116 million hours in Italy and lowest again in the UK at 49 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of online survey results amount to roughly EUR 3.2 billion and EUR 2.8 billion respectively, with time loss amounting to 284 million hours.

The table below presents the results for the clothing, footwear and bags market based on the results of the face-to-face survey.

Table 61: Extrapolation of financial detriment and time loss to country level – clothing, footwear and bags market, face-to-face survey

Country	Average financial detriment per problem (in Euro, FTF)		Average time loss per problem (in hours, FTF)	Incidence of problems (FTF)	Average financial detriment per capita (in Euro, FTF)		Average time loss per capita (in hours, FTF)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	:	:	2.7	2%	:	:	0.05	51.15	:	:	2.76
France	37.2	16.6	2.3	4%	1.49	0.66	0.09	51.63	76.82	34.28	4.75
Italy	92.2	29.9	5.3	13%	11.99	3.89	0.69	50.70	607.68	197.07	34.93
Poland	34.3	18.1	3.0	4%	1.37	0.72	0.12	31.12	42.70	22.53	3.73
<i>Sample countries</i>	69.2	26.7	4.1	6%	4.15	1.60	0.24	184.60	766.45	295.73	44.86

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan). ‘:’ indicates that the base size to calculate the average financial detriment or time loss per problem was insufficient; therefore values cannot be provided at country level.

As shown in the table, again both the highest pre-redress and post-redress financial detriment per capita in the clothing, footwear and bags market of the sample countries are in Italy, at EUR 11.99 per capita and EUR 3.89 per capita respectively. The highest average time loss per capita is in Italy, at 0.69 hours per capita, while the lowest is in the UK, at 0.05 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy, at roughly EUR 608 million and EUR 197 million respectively. The lowest total pre- and post-redress financial detriment are in Poland at EUR 43 million and EUR 23 million respectively. Total time loss taking into account population size is at the highest at roughly 34 million hours in Italy and lowest in the UK at around 2.7 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of face-to-face survey results amount to roughly EUR 766 million and EUR 296 million respectively, with time loss amounting to 45 million hours.

The table below presents the results for the clothing, footwear and bags market based on the results of the online survey.

Table 62: Extrapolation of financial detriment and time loss to country level – clothing, footwear and bags market, online survey

Country	Average financial detriment per problem (in Euro, online)		Average time loss per problem (in hours, online)	Incidence of problems (online)	Average financial detriment per capita (in Euro, online)		Average time loss per capita (in hours, online)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	59.0	21.7	1.90	16%	9.44	3.47	0.30	51.15	482.88	177.60	15.55
France	59.4	33.8	3.50	12%	7.13	4.06	0.42	51.63	367.99	209.39	21.68
Italy	64.7	33.6	3.40	16%	10.35	5.38	0.54	50.70	524.84	272.56	27.58
Poland	37.6	21.1	4.40	32%	12.03	6.75	1.41	31.12	374.44	210.13	43.82
<i>Sample countries</i>	<i>49.9</i>	<i>25.1</i>	<i>3.60</i>	<i>19%</i>	<i>9.48</i>	<i>4.77</i>	<i>0.68</i>	<i>184.60</i>	<i>1,750.17</i>	<i>880.35</i>	<i>126.26</i>

Source: Online consumer survey and Eurostat (data series demo_pjan).

As shown in the table, again both the highest pre-redress and post-redress financial detriment per capita in the clothing, footwear and bags market of the sample countries based on the online survey are in Poland, at EUR 12.03 per capita and EUR 6.75 per capita respectively. The highest average time loss per capita is also in Poland, at 1.41 hours per capita, while the lowest is in the UK, at 0.30 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy, at roughly EUR 525 million and EUR 273 million respectively. The lowest total pre-redress financial detriment is in France at EUR 368 million and the lowest post-redress financial detriment is in the UK at roughly EUR 178 million. Total time loss taking into account population size is at the highest at roughly 44 million hours in Italy and lowest in the UK at around 16 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of online survey results amount to roughly EUR 1.8 billion and EUR 880 million respectively, with time loss amounting to 126 million hours.

The table below presents the face-to-face results for train services.

Table 63: Extrapolation of financial detriment and time loss to country level – train services market, face-to-face survey

Country	Average financial detriment per problem (in Euro, FTF)		Average time loss per problem (in hours, FTF)	Incidence of problems (FTF)	Average financial detriment per capita (in Euro, FTF)		Average time loss per capita (in hours, FTF)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	94.7	78.5	3.50	3%	2.84	2.36	0.11	51.15	145.32	120.46	5.37
France	115.7	109.9	3.20	4%	4.63	4.40	0.13	51.63	238.92	226.95	6.61
Italy	36.0	21.3	2.70	9%	3.24	1.92	0.24	50.70	164.27	97.19	12.32
Poland	:	:	:	0.3%	:	:	:	31.12	:	:	:
<i>Sample countries</i>	67.4	55.2	3.0	4%	2.70	2.21	0.12	184.60	497.68	407.59	22.30

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan). ‘:’ indicates that the base size to calculate the average financial detriment or time loss per problem was insufficient; therefore values cannot be provided at country level.

As shown in the table, both the highest pre-redress and post-redress financial detriment per capita in the train services market of the sample countries are in France, at EUR 4.63 per capita and EUR 4.40 per capita respectively. The highest average time loss per capita is in Italy, at 0.24 hours per capita, while the lowest is in the UK, at 0.11 hours per capita. Considering the very low incidence rate in Poland, estimates cannot be calculated. One factor contributing to a lower detriment level in Poland is the significantly lower number of passenger-kilometres per inhabitant in rail passenger transport compared to the other sample countries.¹²¹ Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is France, at roughly EUR 239 million and EUR 227 million respectively. The lowest total pre-redress financial detriment is in the UK at EUR 145 million. Total time loss taking into account population size is at the highest at roughly 12 million hours in Italy and lowest in the UK at around 5.4 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of face-to-face survey results amount to roughly EUR 498 million and EUR 408 million respectively, time loss amounting to around 22 million hours.

The table below presents the results for the train services market based on the results of the online survey.

¹²¹ Whereas in Poland, the number of passenger-km traveled by rail nationally amounted to 396.9 in 2014, in the UK, France and Italy, this number was substantially higher (972.8 passenger-km, 1192.6 passenger-km and 792.4 passenger-km respectively) in the same year. (Source: Eurostat, Rail passenger transport, 2012–14).

Table 64: Extrapolation of financial detriment and time loss to country level – train services market, online survey

Country	Average financial detriment per problem (in Euro, online)		Average time loss per problem (in hours, online)	Incidence of problems (online)	Average financial detriment per capita (in Euro, online)		Average time loss per capita (in hours, online)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	51.5	31.3	2.40	14%	7.21	4.38	0.34	51.15	368.81	224.15	17.19
France	94.0	82.2	4.10	10%	9.40	8.22	0.41	51.63	485.28	424.36	21.17
Italy	64.8	46.7	3.50	12%	7.78	5.60	0.42	50.70	394.24	284.12	21.29
Poland	47.7	27.8	3.50	6%	2.86	1.67	0.21	31.12	89.07	51.91	6.54
<i>Sample countries</i>	<i>64.5</i>	<i>46.9</i>	<i>3.30</i>	<i>11%</i>	<i>7.10</i>	<i>5.16</i>	<i>0.36</i>	<i>184.60</i>	<i>1,309.72</i>	<i>952.34</i>	<i>67.01</i>

Source: Online consumer survey and Eurostat (data series demo_pjan).

As shown above, again both the highest pre-redress and post-redress financial detriment per capita in the train services market of the sample countries based on the online survey are in France, at EUR 9.40 per capita and EUR 8.22 per capita respectively. Poland presents the lowest levels of average pre- and post-redress financial detriment and time loss per capita at EUR 2.86 and EUR 1.67 respectively. The highest average time loss per capita is in Italy, at 0.42 hours per capita, while the lowest is in Poland, at 0.21 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is France, at roughly EUR 485 million and EUR 424 million respectively. Total time loss taking into account population size is at the highest at roughly 21 million hours in Italy, closely followed by France, and lowest in Poland at around 6.5 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of online survey results amount to roughly EUR 1.3 billion and EUR 952 million respectively, with time loss amounting to 67 million hours.

The table below presents the results for large household appliances from the face-to-face survey.

Table 65: Extrapolation of financial detriment and time loss to country level – large household appliances market, face-to-face survey

Country	Average financial detriment per problem (in Euro, FTF)		Average time loss per problem (in hours, FTF)	Incidence of problems (FTF)	Average financial detriment per capita (in Euro, FTF)		Average time loss per capita (in hours, FTF)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	405.3	283.3	6.60	3%	12.16	8.50	0.20	51.15	621.96	434.74	10.13
France	207.3	147.2	5.70	3%	6.22	4.42	0.17	51.63	321.06	227.98	8.83
Italy	344.5	141.1	8.30	9%	31.01	12.70	0.75	50.70	1,571.94	643.83	37.87
Poland	:	:	:	1%	:	:	:	31.12	:	:	:
<i>Sample countries</i>	323.4	165.0	7.4	4%	12.94	6.60	0.30	184.60	2,387.96	1,218.35	54.49

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan). ‘:’ indicates that the base size to calculate the average financial detriment or time loss per problem was insufficient; therefore values cannot be provided at country level.

As shown in the table, due to the high incidence rate, both the highest pre-redress and post-redress financial detriment per capita in the large household appliances market of the sample countries are in Italy, at EUR 31.01 per capita and EUR 12.70 per capita respectively. The highest average time loss per capita is also in Italy, at 0.75 hours per capita, while the lowest is in France, at 0.17 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy, at roughly EUR 1.6 billion and EUR 644 million respectively. The lowest total pre- and post-redress financial detriment is in France at EUR 321 million and EUR 228 million respectively. Total time loss taking into account population size is at the highest at roughly 38 million hours in Italy and lowest in France at around 8.8 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of face-to-face survey results amount to roughly EUR 2.4 billion and EUR 1.2 billion respectively, with time loss amounting to around 54 million hours.

The table below presents the results for the large household appliances market based on the results of the online survey.

Table 66: Extrapolation of financial detriment and time loss to country level – large household appliances market, online survey

Country	Average financial detriment per problem (in Euro, online)		Average time loss per problem (in hours, online)	Incidence of problems (online)	Average financial detriment per capita (in Euro, online)		Average time loss per capita (in hours, online)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	325.8	172.7	5.70	10%	32.58	17.27	0.57	51.15	1,666.54	883.40	29.16
France	380.2	193.5	7.80	8%	30.42	15.48	0.62	51.63	1,570.24	799.16	32.21
Italy	325.9	205.0	7.10	11%	35.85	22.55	0.78	50.70	1,817.52	1,143.27	39.60
Poland	196.6	110.1	7.00	11%	21.63	12.11	0.77	31.12	673.02	376.90	23.96
<i>Sample countries</i>	<i>302.7</i>	<i>167.5</i>	<i>6.90</i>	<i>10%</i>	<i>30.27</i>	<i>16.75</i>	<i>0.69</i>	<i>184.60</i>	<i>5,587.78</i>	<i>3,092.02</i>	<i>127.37</i>

Source: Online consumer survey and Eurostat (data series demo_pjan).

As shown above, again both the highest pre-redress and post-redress financial detriment per capita in the large household appliances market of the sample countries based on the online survey are in Italy, at EUR 35.85 per capita and EUR 22.55 per capita respectively. The lowest levels are in Poland, at EUR 21.63 per capita and EUR 12.11 per capita respectively. The highest average time loss per capita is in Italy, at 0.78 hours per capita, closely followed by Poland, while the lowest is in the UK, at 0.57 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy, at roughly EUR 1.8 billion and EUR 1.1 billion respectively. The lowest total pre- and post-redress financial detriment is in Poland at EUR 673 million and EUR 377 million respectively. Total time loss taking into account population size is at the highest at roughly 40 million hours in Italy.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of online survey results amount to roughly EUR 5.6 billion and EUR 3.1 billion respectively, with time loss amounting to 127 million hours.

The table below presents the results for electricity services from the face-to-face survey.

Table 67: Extrapolation of financial detriment and time loss to country level – electricity services market, face-to-face survey

Country	Average financial detriment per problem (in Euro, FTF)		Average time loss per problem (in hours, FTF)	Incidence of problems (FTF)	Average financial detriment per capita (in Euro, FTF)		Average time loss per capita (in hours, FTF)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	109.9	95.8	6.40	3%	3.30	2.87	0.19	51.15	168.65	147.01	9.82
France	:	:	:	2%	:	:	:	51.63	:	:	:
Italy	67.5	45.2	10.30	9%	6.08	4.07	0.93	50.70	308.00	206.25	47.00
Poland	:	:	:	1%	:	:	:	31.12	:	:	:
<i>Sample countries</i>	<i>111.9</i>	<i>88.1</i>	<i>8.74</i>	<i>4%</i>	<i>4.48</i>	<i>3.52</i>	<i>0.35</i>	<i>184.60</i>	<i>826.26</i>	<i>650.52</i>	<i>64.54</i>

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan). ‘:’ indicates that the base size to calculate the average financial detriment or time loss per problem was insufficient; therefore values cannot be provided at country level.

As shown in the table, due to insufficient base sizes in the face-to-face survey, values cannot be presented in France and Poland. Estimates can however be provided for the total sample. Due to the higher incidence rate, both the highest pre-redress and post-redress financial detriment per capita in the electricity services market of the sample countries are in Italy, at EUR 6.08 per capita and EUR 4.07 per capita respectively. The highest average time loss per capita is also in Italy at 0.93 hours per capita.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of face-to-face survey results amount to roughly EUR 826 million and EUR 651 million respectively, with time loss amounting to around 65 million hours.

The table below presents the results for electricity services based on the results of the online survey.

Table 68: Extrapolation of financial detriment and time loss to country level – electricity services market, online survey

Country	Average financial detriment per problem (in Euro, online)		Average time loss per problem (in hours, online)	Incidence of problems (online)	Average financial detriment per capita (in Euro, online)		Average time loss per capita (in hours, online)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	138.6	104.6	5.00	9%	12.47	9.41	0.45	51.15	638.07	481.55	23.02
France	146.9	129.9	4.40	5%	7.35	6.50	0.22	51.63	379.19	335.31	11.36
Italy	145.4	136.0	6.20	17%	24.72	23.12	1.05	50.70	1,253.19	1,172.17	53.44
Poland	94.5	89.9	5.30	10%	9.45	8.99	0.53	31.12	294.09	279.78	16.49
<i>Sample countries</i>	<i>131.9</i>	<i>116.4</i>	<i>5.50</i>	<i>10%</i>	<i>13.19</i>	<i>11.64</i>	<i>0.55</i>	<i>184.60</i>	<i>2,434.85</i>	<i>2,148.72</i>	<i>101.53</i>

Source: Online consumer survey and Eurostat (data series demo_pjan).

As shown in the table, due to the high incidence rate, both the highest pre-redress and post-redress financial detriment per capita in the electricity services market of the sample countries are in Italy, at EUR 24.72 per capita and EUR 23.12 per capita respectively. The lowest levels are in France, at EUR 7.35 per capita and EUR 6.50 per capita respectively. Similarly, the highest average time loss per capita is in Italy, at 1.05 hours per capita, while the lowest is in France, at 0.22 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy, at roughly EUR 1.3 billion and EUR 1.2 billion respectively. The lowest total pre- and post-redress financial detriment is in Poland at EUR 294 million and EUR 280 million respectively. Total time loss taking into account population size is at the highest at roughly 53 million hours in Italy and lowest in France at around 11 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of online survey results amount to roughly EUR 2.4 billion and EUR 2.1 billion respectively, with time loss amounting to 102 million hours.

The table below presents the results for loans, credit and credit cards from the face-to-face survey.

Table 69: Extrapolation of financial detriment and time loss to country level – loans, credit and credit cards market, face-to-face survey

Country	Average financial detriment per problem (in Euro, FTF)		Average time loss per problem (in hours, FTF)	Incidence of problems (FTF)	Average financial detriment per capita (in Euro, FTF)		Average time loss per capita (in hours, FTF)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	:	:	:	1%	:	:	:	51.15	:	:	:
France	174.5	154.6	9.20	3%	5.24	4.64	0.28	51.63	270.26	239.44	14.25
Italy	112.6	54.6	9.30	8%	9.01	4.37	0.74	50.70	456.70	221.46	37.72
Poland	:	:	:	1%	:	:	:	31.12	:	:	:
<i>Sample countries</i>	139.0	83.0	8.86	3%	4.17	2.49	0.27	184.60	769.77	459.65	49.07

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan). ‘:’ indicates that the base size to calculate the average financial detriment or time loss per problem was insufficient; therefore values cannot be provided at country level.

As shown in the table, due to insufficient base sizes in the face-to-face survey, values cannot be presented for the UK and Poland. The highest pre-redress financial detriment per capita in the loans, credit and credit cards market of the sample countries is in Italy, at EUR 9.01 per capita and the highest post-redress financial detriment per capita is in France, at EUR 4.64 per capita. The highest average time loss per capita is also in Italy at 0.74 hours per capita.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of face-to-face survey results amount to roughly EUR 770 million and EUR 460 million respectively, with time loss amounting to around 49 million hours.

The table below presents the results for the loans, credit and credit cards market based on the results of the online survey.

Table 70: Extrapolation of financial detriment and time loss to country level – loans, credit and credit cards market, online survey

Country	Average financial detriment per problem (in Euro, online)		Average time loss per problem (in hours, online)	Incidence of problems (online)	Average financial detriment per capita (in Euro, online)		Average time loss per capita (in hours, online)	Population aged 18+ (in millions)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress			Pre-redress	Post-redress			Pre-redress	Post-redress	
UK	208.7	144.4	4.20	9%	18.78	13.00	0.38	51.15	960.79	664.78	19.34
France	204.4	107.9	5.80	10%	20.44	10.79	0.58	51.63	1,055.22	557.04	29.94
Italy	261.3	186.9	5.80	12%	31.36	22.43	0.70	50.70	1,589.73	1,137.09	35.29
Poland	220.4	176.3	6.00	11%	24.24	19.39	0.66	31.12	754.49	603.52	20.54
<i>Sample countries</i>	224.9	154.9	5.50	11%	24.74	17.04	0.61	184.60	4,566.77	3,145.36	111.68

Source: Online consumer survey and Eurostat (data series demo_pjan).

As shown in the table, again both the highest pre-redress and post-redress financial detriment per capita in the loans, credit and credit cards market of the sample countries are in Italy, at EUR 31.36 per capita and EUR 22.43 per capita respectively. The lowest levels are in the UK for pre-redress financial detriment, at EUR 18.78 per capita and in France for post-redress financial detriment, at EUR 10.79 per capita. The highest average time loss per capita is in Italy, at 0.70 hours per capita, while the lowest is in the UK, at 0.38 hours per capita. Using the population size to derive estimates at the country level, the country with the highest total pre- and post-redress financial detriment is Italy, at roughly EUR 1.6 billion and EUR 1.1 billion respectively. The lowest total pre- and post-redress financial detriment is in Poland at EUR 754 and EUR 604 million respectively. Total time loss taking into account population size is at the highest at roughly 35 million hours in Italy and lowest in the UK at around 19 million hours.

In the sample countries, the pre- and post-redress financial detriment estimated on the basis of online survey results amount to roughly EUR 4.6 billion and EUR 3.1 billion respectively, with time loss amounting to 112 million hours.

Finally, the tables below present a cross-cutting overview for the markets and countries subject to assessment for each survey mode.

Table 71: Extrapolation of financial detriment and time loss to country level – all markets, face-to-face survey

Market	UK			France			Italy			Poland		
	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress		Pre-redress	Post-redress		Pre-redress	Post-redress		Pre-redress	Post-redress	
Mobile telephone services	326.56	261.03	23.63	492.35	438.97	32.37	210.30	185.31	66.37	20.73	19.61	4.95
Clothing, footwear and bags	:	:	2.76	76.82	34.28	4.75	607.68	197.07	34.93	42.70	22.53	3.73
Train services	145.32	120.46	5.37	238.92	226.95	6.61	164.27	97.19	12.32	:	:	:
Large household appliances	621.96	434.74	10.13	321.06	227.98	8.83	1,571.94	643.83	37.87	:	:	:
Electricity services	168.65	147.01	9.82	:	:	:	308.00	206.25	47.00	:	:	:
Loans, credit and credit cards	:	:	:	270.26	239.44	14.25	456.70	221.46	37.72	:	:	:

Source: Face-to-face consumer survey and Eurostat (data series demo_pjan). ‘:’ indicates that the base size to calculate the average financial detriment or time loss per problem was insufficient; therefore values cannot be provided at country level.

Table 72: Extrapolation of financial detriment and time loss to country level – all markets, online survey

Market	UK			France			Italy			Poland		
	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)	Total financial detriment (in millions of Euro, online)		Total time loss (in millions of hours, online)
	Pre-redress	Post-redress		Pre-redress	Post-redress		Pre-redress	Post-redress		Pre-redress	Post-redress	
Mobile telephone services	869.59	688.71	48.70	828.85	722.91	53.95	1,230.98	1,097.14	115.59	366.60	323.19	55.96
Clothing, footwear and bags	482.88	177.60	15.55	367.99	209.39	21.68	524.84	272.56	27.58	374.44	210.13	43.82
Train services	368.81	224.15	17.19	485.28	424.36	21.17	394.24	284.12	21.29	89.07	51.91	6.54
Large household appliances	1,666.54	883.40	29.16	1,570.24	799.16	32.21	1,817.52	1,143.27	39.60	673.02	376.90	23.96
Electricity services	638.07	481.55	23.02	379.19	335.31	11.36	1,253.19	1,172.17	53.44	294.09	279.78	16.49
Loans, credit and credit cards	960.79	664.78	19.34	1,055.22	557.04	29.94	1,588.52	1,137.09	35.29	754.49	603.52	20.54

Source: Online consumer survey and Eurostat (data series demo_pjan).

As indicated in the tables above, in the UK, total pre- and post-redress financial detriment is highest in the large household appliances market, and lowest in the train services market. Time loss is highest in the mobile telephone services market, and lowest in the clothing, footwear and bags market. These results apply to both survey modes.

In France, similarly to the UK, total pre- and post-redress financial detriment based on results of the online survey is highest in the large household appliances market and time loss is highest in the mobile telephone services market. However based on results of the face-to-face survey, total pre- and post-redress financial detriment is highest in the mobile telephone services market, and so is time loss. In France, pre- and post-redress financial detriment is lowest in the clothing, footwear and bags market in both modes. Based on results of the online survey, total time loss is lowest in the electricity services market.

In Italy, pre-redress financial detriment is lowest in the train services market, and highest in the large household appliances market in both modes. Post-redress financial detriment is also highest in the large household appliances market in the face-to-face mode but is highest in the electricity market in the online mode. Time loss is lowest in the train services market and is highest in the mobile telephone services market, in both modes.

Finally, in Poland, both pre- and post-redress financial detriment as well as time loss based on the results of the online survey are lowest for train services. Both pre- and post-redress financial detriment are highest in the loans, credit and credit cards market, while time loss is highest for the mobile telephone services market.

Overall, patterns can be observed across countries and across modes. In both modes in all countries, the highest loss of time is in the market for mobile telephone services. In several countries in both modes, the total pre- and post-redress financial detriment are highest in the market for large household appliances. Furthermore, in several cases, levels of financial detriment and loss of time are lower in the markets for train services and clothing, footwear and bags.

To put these results in perspective, the levels of financial detriment for the selected countries can be compared to the overall level of private final consumption expenditure in these countries in 2015, which stood at EUR 1 202 billion in France, EUR 1 002 billion in Italy, EUR 251 billion in Poland, and EUR 1 675 billion in the UK.¹²²

8.2. Extrapolation to EU28

Subsequently, the results obtained for the four sample countries – which cover different geographical regions of the EU and approximately 45% of its population – are used to extrapolate results for the rest of the EU, in order to obtain an estimate of overall financial detriment and time loss in the EU for the six markets subject to analysis. For this purpose we estimate both incidence and magnitude of financial detriment and time loss in the rest of the EU, according to the following process (for more details on the methodology for extrapolation, refer to Section 4.9.10.).

For the incidence, we apply an indirect calculation of country-specific incidence rates using data on the rate of problems and market penetration rate from the European

¹²² According to the annual macro-economic database (AMECO) of the European Commission's Directorate General for Economic and Financial Affairs, available from http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm

Commission Market Monitoring Survey (MMS) of 2015. Multiplying these two variables then provides an estimate of the incidence rate for the market. We then calculate a population-weighted average of the sample countries' incidence rates as well as of the rest of the EU, and calculate the ratio of these figures for each market. The results of these calculations are presented in the table below for the markets subject to analysis.¹²³

Table 73: Population-weighted average incidence rates for the sample countries and rest of the EU

Market	Population-weighted incidence rates calculated based on MMS data		Ratio rest of the EU /sample countries
	Sample countries	Rest of the EU*	
Mobile telephone services	16.10%	15.89%	0.99
Clothing, footwear and bags**	9.87%	10.11%	1.02
Train services	7.53%	5.42%	0.72
Large household appliances	4.05%	3.72%	0.92
Electricity services	7.48%	9.12%	1.22
Loans, credit and credit cards	2.82%	3.85%	1.36

Source: European Commission Market Monitoring Survey 2015 (data for clothing and footwear is from 2013), Eurostat data series demo_pjan, 2015. (*) 'Rest of the EU' denotes the 24 EU Member States not covered by the research conducted for this study, i.e. all EU countries other than France, Italy, Poland and the UK ('Sample countries'). (**) Note that bags are not considered as part of this market in the MMS/CMS.

As shown in the table, incidence rates are estimated to be lower, on average, in the rest of the EU for the mobile telephone services, train services and large household appliances markets, but higher on average for clothing, footwear and bags, electricity services and loans, credit and credit cards. We then apply the ratio of the MMS incidence rates for the sample countries and the rest of the EU to the incidence rates calculated in this study in both modes for the total of the sample countries, as shown in the table below.

¹²³ Annex II provides the full MMS data on rate of problem, market penetration rate and incidence rate for the sample markets for each country.

Table 74: Extrapolation of incidence for the rest of the EU, based on MMS ratio

Market	Incidence of problems sample countries		Extrapolated incidence for rest of EU, based on ratio of MMS	
	FTF	Online	FTF	Online
Mobile telephone services	9%	27%	9%	27%
Clothing, footwear and bags	6%	19%	6%	19%
Train services	4%	11%	3%	8%
Large household appliances	4%	10%	4%	9%
Electricity services	4%	10%	5%	12%
Loans, credit and credit cards	3%	11%	4%	15%

Source: Face-to-face and online consumer surveys; MMS survey 2015. Note: MMS data for clothing and footwear is from 2013.

For financial detriment, we use the most relevant price index data for each market to compute population-weighted average price indices for the total of the sample countries and the rest of the EU. As with the incidence rate, we then calculate the ratio of these figures for each market. The table below shows results (the full Eurostat price index data is in Annex II).

Table 75: Population-weighted average price indices for the sample countries and rest of the EU

Market	Population-weighted price indices based on most relevant market index		Ratio rest of the EU* /sample countries
	Sample countries	Rest of the EU*	
Mobile telephone services	103	123	1.19
Clothing, footwear and bags	100	118	1.19
Train services	97	108	1.11
Large household appliances	102	118	1.16
Electricity services	97	127	1.30
Loans, credit and credit cards	104	111	1.07

Source: Eurostat data series prc_ppp_ind, 2014. Price indices applied for each market are as follows: for the mobile telephone services market: communication (A0108) price index; for the clothing, footwear and bags market: clothing and footwear (A0103) price index; for the train services market: transport services (A10703) price index; for the large household appliances market: household appliances (A10503) price index; for the electricity services market: electricity, gas and other fuels (A10405) price index; for the loans, credit and credit cards market: consumer services (P0201) price index. (*) 'Rest of the EU' denotes the 24 EU Member States not covered by the research conducted for this study, i.e. all EU countries other than France, Italy, Poland and the UK ('Sample countries').

As shown in the table, price levels are estimated to be higher in the rest of the EU in all markets. We then apply the ratio of the price indices for the sample countries and the rest of the EU to the average pre-redress and post-redress financial detriment calculated in this study in both modes for the total of the sample countries.

The table below shows results for pre-redress financial detriment.

Table 76: Extrapolation of average pre-redress financial detriment per problem for the rest of the EU

Market	Average pre-redress financial detriment per problem, sample countries (in Euro)		Extrapolated average pre-redress financial detriment per problem, rest of the EU (in Euro)	
	FTF	Online	FTF	Online
Mobile telephone services	56.4	64.8	67.1	77.1
Clothing, footwear and bags	69.2	49.9	82.3	59.3
Train services	67.4	64.5	74.9	71.7
Large household appliances	323.4	302.7	374.6	350.6
Electricity services	111.9	131.9	145.7	171.8
Loans, credit and credit cards	139.0	224.9	148.5	240.3

Source: Face-to-face and online consumer survey, and Eurostat data series prc_ppp_ind.

The table below shows the results for post-redress financial detriment.

Table 77: Extrapolation of average post-redress financial detriment per problem for the rest of the EU

Market	Average post-redress financial detriment per problem, sample countries (in Euro)		Extrapolated average post-redress financial detriment per problem, rest of the EU (in Euro)	
	FTF	Online	FTF	Online
Mobile telephone services	48.6	55.8	57.8	66.4
Clothing, footwear and bags	26.7	25.1	31.8	29.9
Train services	55.2	46.9	61.3	52.1
Large household appliances	165.0	167.5	191.1	194.0
Electricity services	88.1	116.4	114.7	151.6
Loans, credit and credit cards	83.0	154.9	88.7	165.5

Source: Face-to-face and online consumer survey, and Eurostat data series prc_ppp_ind.

As a next step, we multiply the extrapolated incidence rate for the rest of the EU by the average pre- and post-redress financial detriment per problem for the rest of the EU for each market, differentiating between modes. The resulting figures correspond to the *average pre- and post-redress financial detriment per capita* in the market in the rest of the EU. Finally, we multiply the average pre- and post-redress financial detriment per capita by the total number of people aged 18 or above in the rest of the EU.¹²⁴ The resulting figures correspond to the *total pre- and post-redress financial detriment* in the market for the rest of the EU.

In contrast to the approach for financial detriment, as discussed in Section 4.9., we use the average time loss per problem in the sample countries as a proxy for the average time loss per problem in the rest of the EU. Accordingly, we multiply the average time loss per problem in the sample countries by the extrapolated incidence of problems for the market in the rest of the EU. The resulting figure corresponds to the *average time loss per capita* in the market for the rest of the EU. Next, we multiply the average time loss per capita by the number of people aged 18 or older in the rest of the EU. The resulting figures correspond to the *total time loss* in the market for the rest of the EU.

The table below shows results for both financial detriment and time loss based on the face-to-face survey results.

¹²⁴ Population data for each country is provided in Annex II.

Table 78: Extrapolation of financial detriment and time loss for the rest of the EU, face-to-face survey

Market	Extrapolated incidence for rest of EU, based on ratio of MMS (FTF)	Extrapolated average financial detriment per capita for rest of the EU, based on market price indices (FTF)		Average time loss per person rest of the EU (in hours) (FTF)	Population rest of the EU, 18+ (in millions)	Total financial detriment rest of the EU (in millions of Euro, FTF)		Total time loss rest of the EU (in millions of hours, FTF)
		Pre-redress	Post-redress			Pre-redress	Post-redress	
Mobile telephone services	9%	5.96	5.14	0.59	228.42	1,361.38	1,173.10	134.32
Clothing, footwear and bags	6%	5.06	1.95	0.25		1,155.97	446.02	56.88
Train services	3%	2.16	1.77	0.09		492.92	403.70	19.87
Large household appliances	4%	13.76	7.02	0.27		3,143.90	1,604.03	61.94
Electricity services	5%	7.10	5.59	0.43		1,622.46	1,277.38	97.30
Loans, credit and credit cards	4%	6.08	3.63	0.36		1,388.59	829.16	82.83

Source: Face-to-face consumer survey, Eurostat (data series demo_pjan and prc_ppp_ind), and European Commission Market Monitoring Survey 2015.

The table below shows results for both financial detriment and time loss based on the online survey results.

Table 79: Extrapolation of financial detriment and time loss for the rest of the EU, online survey

Market	Extrapolated incidence for rest of EU, based on ratio of MMS (online)	Extrapolated average financial detriment per capita for rest of the EU, based on market price indices (online)		Average time loss per person rest of the EU (in hours) (online)	Population rest of the EU, 18+ (in millions)	Total financial detriment rest of the EU (in millions of Euro, online)		Total time loss rest of the EU (in millions of hours, online)
		Pre-redress	Post-redress			Pre-redress	Post-redress	
Mobile telephone services	27%	20.54	17.69	1.52	228.42	4,692.40	4,040.68	346.96
Clothing, footwear and bags	19%	11.56	5.81	0.70		2,639.62	1,327.75	160.12
Train services	8%	5.68	4.13	0.26		1,297.22	943.25	59.72
Large household appliances	9%	32.21	17.82	0.63		7,356.67	4,070.83	144.78
Electricity services	12%	20.93	18.47	0.67		4,781.12	4,219.28	153.08
Loans, credit and credit cards	15%	36.07	24.84	0.83		8,238.00	5,673.92	188.54

Source: Online consumer survey, Eurostat (data series demo_pjan and prc_ppp_ind), and European Commission Market Monitoring Survey 2015

Finally, the sum of results for the sample countries and the rest of the EU in each market gives the total financial detriment and total time loss in the EU28.

The table below shows results based on the face-to-face survey.

Table 80: Sum of sample countries and rest of the EU, based on face-to-face survey

Market	Sample countries			Rest of the EU			EU28		
	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)	Total financial detriment (in millions of Euro, FTF)		Total time loss (in millions of hours, FTF)
	Pre-redress	Post-redress		Pre-redress	Post-redress		Pre-redress	Post-redress	
Mobile telephone services	937.02	807.43	109.98	1,361.38	1,173.10	134.32	2,298.39	1,980.53	244.30
Clothing, footwear and bags	766.45	295.73	44.86	1,155.97	446.02	56.88	1,922.42	741.74	101.74
Train services	497.68	407.59	22.30	492.92	403.70	19.87	990.60	811.29	42.17
Large household appliances	2,387.96	1,218.35	54.49	3,143.90	1,604.03	61.94	5,531.86	2,822.38	116.44
Electricity services	826.26	650.52	64.54	1,622.46	1,277.38	97.30	2,448.72	1,927.91	161.84
Loans, credit and credit cards	769.77	459.65	49.07	1,388.59	829.16	82.83	2,158.37	1,288.81	131.90

Source: Face-to-face consumer survey, Eurostat (data series demo_pjan and prc_ppp_ind), and European Commission Market Monitoring Survey 2015.

The table shows that, based on the face-to-face survey results, the market with the highest pre-redress financial detriment at the EU level is large household appliances at roughly EUR 5.5 billion, whereas the market with the lowest pre-redress financial detriment is train services, at approximately EUR 991 million. Post-redress financial detriment is highest in the market for large household appliances, at around EUR 2.8 billion, and lowest in the market for clothing, footwear and bags at around EUR 742 million. Moreover, detriment from time loss is highest in the market for mobile telephone services at around 244 million hours, and lowest in the market for train services at around 42 million hours.

The table below shows results based on the online survey.

Table 81: Sum of sample countries and rest of the EU, based on online survey

Market	Sample countries			Rest of the EU			EU28		
	Total financial detriment (in millions of Euro)		Total time loss (in millions of hours)	Total financial detriment (in millions of Euro)		Total time loss (in millions of hours)	Total financial detriment (in millions of Euro)		Total time loss (in millions of hours)
	Pre-redress	Post-redress		Pre-redress	Post-redress		Pre-redress	Post-redress	
Mobile telephone services	3,229.73	2,781.15	284.10	4,692.40	4,040.68	346.96	7,922.13	6,821.83	631.05
Clothing, footwear and bags	1,750.17	880.35	126.26	2,639.62	1,327.75	160.12	4,389.80	2,208.09	286.38
Train services	1,309.72	952.34	67.01	1,297.22	943.25	59.72	2,606.94	1,895.59	126.73
Large household appliances	5,587.78	3,092.02	127.37	7,356.67	4,070.83	144.78	12,944.45	7,162.85	272.16
Electricity services	2,434.85	2,148.72	101.53	4,781.12	4,219.28	153.08	7,215.97	6,368.00	254.61
Loans, credit and credit cards	4,566.77	3,145.36	111.68	8,238.00	5,673.92	188.54	12,804.77	8,819.29	300.22

Source: Online consumer survey, Eurostat (data series demo_pjan and prc_ppp_ind), and European Commission Market Monitoring Survey 2015.

The table shows that, based on the online survey results, the market with the highest pre-redress financial detriment at EU level is the market for large household appliances at roughly EUR 12.9 billion, closely followed by the market for loans, credit and credit cards with 12.8 billion, whereas the market with the lowest pre-redress financial detriment is train services, at approximately EUR 2.6 billion. Post-redress financial detriment is highest in the market for loans, credit and credit cards, at around EUR 8.8 billion, and lowest in the market for train services at around EUR 1.9 billion. Moreover, detriment from time loss is highest in the market for mobile telephone services at around 631 million hours, and lowest in the market for train services at around 127 million hours.

To put detriment resulting from time loss into perspective, we assign a monetary value to each hour lost. To do this we derive a population-weighted mean hourly earnings rate for the EU using country-specific mean hourly earnings from Eurostat (country-specific data on mean hourly earnings is presented in Annex II). The calculation yields a population-weighted mean hourly earnings rate for the EU of EUR 13.40.

The table below presents results of the monetisation of time loss for the EU for each market, as well as the post-redress financial detriment for comparison purposes, and the sum of both figures, for both modes.

Table 82: Monetisation of time loss and sum of total financial detriment and monetised time loss, EU28

Market	Total time loss (in millions of hours)		Total monetised time loss (in millions of Euro)		Total post-redress financial detriment (in millions of Euro)		Sum of post-redress financial detriment and monetised time loss (in millions of Euro)	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	244.30	631.05	3,274.41	8,458.07	1,980.53	6,821.83	5,254.94	15,279.90
Clothing, footwear and bags	101.74	286.38	1,363.64	3,838.39	741.74	2,208.09	2,105.38	6,046.48
Train services	42.17	126.73	565.25	1,698.56	811.29	1,895.59	1,376.54	3,594.15
Large household appliances	116.44	272.16	1,560.59	3,647.73	2,822.38	7,162.85	4,382.97	10,810.58
Electricity services	161.84	254.61	2,169.13	3,412.53	1,927.91	6,368.00	4,097.03	9,780.52
Loans, credit and credit cards	131.90	300.22	1,767.83	4,023.84	1,288.81	8,819.29	3,056.64	12,843.13

Source: Face-to-face and online consumer survey, Eurostat (data series demo_pjan, prc_ppp_ind and earn_ses_hourly), and European Commission Market Monitoring Survey 2015.

Based on the face-to-face survey results, the mobile telephone services market presents the highest level of detriment from time loss in monetary terms, at around EUR 3.3 billion. This value is substantially higher than the level of post-redress financial detriment for this market of around EUR 2.0 billion. Detriment from time loss in monetary terms is also markedly higher than post-redress financial detriment in the market for clothing, footwear and bags at EUR 1.4 billion. On the other hand, post-redress financial detriment is substantially higher than the monetised value of time loss for the markets for large household appliances. Monetised time loss is lowest for the market for train services, at EUR 565 million, which is significantly lower than post-redress financial detriment.

Based on the online survey results, the mobile telephone services market also presents the highest level of detriment from time loss in monetary terms, at around EUR 8.5 billion. This market as well as the clothing, footwear and bags market also present higher total levels of detriment in terms of monetised time loss than post-redress financial detriment, whereas the opposite is true for the other markets. In contrast to the face-to-face survey results, however, in the market for train services the relative difference between the two amounts is markedly lower. Moreover, the difference between post-redress financial detriment and monetised time loss for loans, credit and credit cards is the highest, at EUR 8.8 billion and EUR 4.0 billion respectively.

Finally, considering the sum of total post-redress financial detriment and monetised time loss at the EU level indicates that of the six markets scrutinised, based on the face-to-face survey results, EU consumers on the whole appear to suffer the highest detriment in the mobile telephone services market, at EUR 5.3 billion, while they appear to suffer the least detriment in the train services market, at EUR 1.4 billion. This is also the case when using the online survey results, although the sums are significantly higher: total detriment in the mobile telephone services market is estimated to be around EUR 15.3 billion, and around EUR 3.6 billion for train services.¹²⁵ In conclusion, for the EU28, results based on the two survey modes applied in this study show that the estimated sum of total post-redress financial detriment and monetised time loss is within the following ranges:

- Mobile telephone services: between EUR 5.3 billion and EUR 15.3 billion;
- Large household appliances: between EUR 4.4 billion and EUR 10.8 billion;
- Loans, credit and credit cards: between EUR 3.1 billion and EUR 12.8 billion;
- Electricity services: between EUR 4.1 billion and EUR 9.8 billion;
- Clothing, footwear and bags: between EUR 2.1 billion and EUR 6.0 billion;
- Train services: between EUR 1.4 billion and EUR 3.6 billion.

To put the results in perspective, these ranges can be compared to the overall level of total private consumption in the EU28, which stood at EUR 8 285 billion in 2015, according to the annual macro-economic database (AMECO) of the European Commission's Directorate General for Economic and Financial Affairs.¹²⁶

¹²⁵ In line with the definition of personal consumer detriment used, the estimates provided above refer to the revealed personal consumer detriment calculated per market and per country. This implies that hidden detriment, i.e. detriment that consumers experience but are unaware of (be it personal or structural), is not included in the estimates. We have also not monetised all dimensions of personal detriment (e.g. psychological detriment), such that the estimates presented are conservative in nature.

¹²⁶ Private final consumption expenditure at current prices, available from http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm

9. Overall conclusions of the study

This section presents overall conclusions and recommendations of the study in light of its objectives, concerning the development of the methodology, and the application of the methodology, as well as the collection and analysis of data and consumer evidence at EU level in general.

9.1. Conclusions on the development of the methodology

The overarching objective of this study was to help improve the quality and consistency of consumer evidence by developing a simple, consistent state-of-the-art methodology to identify, measure and quantify the incidence and the magnitude of personal consumer detriment across a broad array of markets, and to test the data collection in order to prove its robustness. The results of the study indicate that the objectives set out for the methodology to be developed were realistic, well-conceived and attainable, although the inherent complexity of the issue did require collecting detailed information from consumers and the methodology developed is therefore more comprehensive than previous approaches.

The study built on the 2007 detriment study,¹²⁷ which established two distinct forms of consumer detriment: 'structural detriment' and 'personal detriment', the latter of which is the focus of this study. Results of the initial literature review and interviews with relevant experts in the inception and design phase of the study re-affirmed the need for a precise definition of personal consumer detriment as a basis for the scope of the methodology. The research conducted resulted in the decision to limit the scope to revealed personal consumer detriment, which is defined as negative outcomes for individual consumers that they become aware of following the purchase or use of a good or service, measured relative to what would reasonably have been expected given the type of transaction. While both the structural and hidden forms of detriment are important to consider in a policy perspective in addition to revealed personal consumer detriment, other methodological approaches are required to do so.¹²⁸ Furthermore, situations in which consumers tried to make a purchase but failed or were denied market access were excluded from the scope of this study, such as pre-purchase detriment suffered by vulnerable consumers when they are offered a limited number of offers only (or none at all) or, for example, when buying products online. We suggest that such problems are instead best dealt with using the concept of structural detriment.

For a comprehensive assessment of magnitude of detriment in most consumer markets, different dimensions of consumer detriment such as *financial detriment*, *time loss* and *psychological detriment* are included in the methodology.¹²⁹ The dimension of

¹²⁷ See footnote 5.

¹²⁸ For structural detriment, this could involve sector inquiries as well as specific methods relating to assessing market power such as modelling. For unrevealed detriment relating to welfare losses that result for example from not knowing about the possibility to switch to another provider offering a lower-priced tariff with the same properties, or from having to pay a higher price for goods purchased online due to websites' consumer profiling, this could involve market research on available tariffs/price variations according to different profiles, possibly complemented by behavioural research concerning switching behaviour of consumers.

¹²⁹ In addition, adverse health effects (e.g. injuries) could be considered in the context of markets for which this dimension would be specifically relevant. Social detriment, which is another form of non-financial detriment that may result from outcomes related to purchases or transactions that did not meet consumers' expectations such as a lack of trust in others that may result from fraudulent practices could also be considered. It was however excluded, due to concerns about the numbers of questions that would be

financial detriment was deconstructed into different components (such as loss of value as a result of the problem, costs to sort out the problem, etc.) to avoid double counting of detriment and ensure high quality estimates. The methodology was also designed to separately measure pre- and post-redress financial detriment, which is of great interest from a policy perspective, but requires collecting additional detailed information from consumers regarding compensation for the problem received from the seller/provider, and obtained through several possible procedures, including alternative dispute resolution or legal procedures.

Based on conclusions from earlier studies on consumer detriment it was decided that *the most effective way to estimate consumer detriment is through a suitably designed survey of consumers*. A survey-based approach entails that the precise information that is required for an estimation of consumer detriment can be identified. Results from a representative survey can also be extrapolated to country- and EU-level estimates allowing for the identification of the overall economic impact of personal consumer detriment.

For development of the survey questionnaires and the testing of the methodology, different methods for surveying, triangulating and validating the data were used. It was found that in total, the assessment of the magnitude of consumer detriment requires a minimum of ten survey questions (not including the screener of three questions, which is used to assess the incidence of detriment).

On the whole, this study has led to the development of a methodology that, *inter alia*:

- Builds on the experiences of previous methodologies and assessments;
- Benefits from extensive testing, refinement and validation, including cognitive interviews, a pilot survey, the implementation of different survey modes, and validation by two expert workshops;
- Can be applied consistently across a broad array of markets and adapted to specific markets;
- Robustly measures and quantifies incidence and magnitude of detriment, taking into account both pre- and post-redress financial detriment and non-financial detriment such as time loss or psychological detriment; and
- Incorporates sound, tested approaches to triangulating the results using different tools, and extrapolating them beyond the sample countries.

The approach developed and tested in the framework of this study is a viable and cost-efficient methodology for the assessment of revealed personal consumer detriment at EU and national level. To this end, we have developed a detailed step-by-step operational guidance document for application of the methodology, presented in the operational guidance document. It largely follows the approach developed and tested in this study, and points out, where relevant, minor suggested simplifications (e.g. regarding the wording of specific consumer survey questions) that could be applied in subsequent assessments, taking into account the lessons learned from this study.

needed to obtain data of high quality on this dimension of detriment and about the difficulty to phrase such questions.

9.2. Conclusions on the application of the methodology

As part of this study, the developed methodology was applied in six selected markets and four countries (France, Italy, Poland and the UK). Consumer detriment was measured through the two main consumer surveys, online and face-to-face. After controlling for the different socio-demographic composition of the survey samples, the choice of survey mode was found to have a highly statistically significant effect on the *likelihood of reporting problems* in the markets under study, with online survey respondents being roughly three times more likely than face-to-face respondents to report a problem in any of the scrutinised markets. In contrast, results for the *magnitude of financial detriment* are broadly similar across the two modes applied in the study, a finding further supported by t-tests and regression analysis. These results have implications for future assessments of consumer detriment in terms of survey modes used to measure the incidence of consumer detriment and in terms of sample sizes, as detailed below.

While face-to face surveys with a probability sampling design are generally considered to be the most robust mode and therefore the gold standard in market research, potential sources of bias specific to the different survey modes do not make it possible to state definitively and for all situations the degree to which results obtained in one mode are more accurate than results obtained in the other. Taking note of the strength of the mode effect on the incidence of consumer detriment, it is more appropriate in the context of this study to report results regarding incidence of problems for both modes, and therefore provide *ranges of results* rather than relying on point estimates from a single mode.

For future assessments, we recommend using two modes to assess the incidence of problems e.g. by combining the results of an online survey with the results of an omnibus face-to-face survey (as has been done for this study) or combining the results of an online survey with existing data from a Eurobarometer survey (often a face-to-face survey) or the telephone-based Market Monitoring Survey, which is regularly conducted by the European Commission. In the latter case, results will have to be interpreted with care, as the wording of questions regarding problems consumers have experienced with goods or services will likely differ from the wording developed in this methodology. In contrast, the broadly similar results for the magnitude of financial detriment across the two modes tested for the development of the methodology would imply that it is adequate to estimate magnitude of detriment based on results from only one survey mode (e.g. from the online survey).¹³⁰

The higher incidence rates in the online mode can affect the required sample size considerably. For example, assuming a targeted number of 50 respondents who experienced a problem per market and country, with a sample size of 2000, the face-to face-survey conducted for testing the methodology did not reach this target number of respondents (or base size) in more than a third of the market/country combinations (in total 24, based on the six markets and four countries surveyed). Where the base size in the face-to-face survey was not considered sufficient for an analysis of magnitude of detriment by country, estimates had to be based on the overall sample for the market in all four countries. In contrast, the online survey with an identical sample size reached the base size of 50 in all markets/countries. Even if the sample size for the online survey had been 1000, the survey would have obtained the base size of 50 or more in most market/country combinations.

¹³⁰ See Section 6.7.3. for further discussion of the results of the regression analyses conducted.

Key estimates and assessments resulting from the implementation of the methodology for the markets selected for analysis are presented in the table below, which are based on results from two survey modes (face-to-face and online) for the sample countries.

Table 83: Overview of key quantitative estimates and qualitative assessments, sample countries (UK, FR, IT, PL)

Market	Incidence of problems		Average pre-redress financial detriment per problem (in Euro)		Average post-redress financial detriment per problem (in Euro)		Value of redress as a share of pre-redress financial detriment		Average time loss per problem (in hours)		Share of respondents who were 'quite a lot' or 'extremely' stressed by problem	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	9%	27%	56.4	64.8	48.6	55.8	14%	14%	6.6	5.7	57%	56%
Clothing, footwear and bags	6%	19%	69.2	49.9	26.7	25.1	61%	50%	4.1	3.6	46%	40%
Train services	4%	11%	67.4	64.5	55.2	46.9	18%	27%	3.0	3.3	56%	56%
Large household appliances	4%	10%	323.4	302.7	165.0	167.5	49%	45%	7.4	6.9	57%	53%
Electricity services	4%	10%	111.9	131.9	88.1	116.4	21%	12%	8.7	5.5	74%	57%
Loans, credit and credit cards	3%	11%	139.0	224.9	83.0	154.9	40%	31%	8.9	5.5	77%	51%

Source: Civic Consulting, based on main consumer surveys.

As shown in the table above, some of the key estimates and assessments differ significantly between the two survey modes used in the study.

In the table above, the average time loss per problem is presented in hours, as measured via the consumer surveys. While monetising time loss allows for putting detriment resulting from time loss into perspective with financial detriment, it may impair the cross-country comparability of time loss as differences in average earnings between countries would entail potentially substantial differences in the value of time loss between countries. Furthermore, psychological detriment can also be a major factor contributing to the detriment felt by consumers. Due to the inherent complexity in assigning a monetary value to different levels of emotional stress, psychological detriment is not monetised. As an alternative, the magnitude of psychological detriment for a given market is indicated above by the percentage of respondents who felt either 'quite a lot' or 'extremely' emotionally stressed as a result of the problem they experienced.

Depending on the objectives of future assessment, additional tailored contextual questions could be added to allow for more specific and/or granular analysis. For instance, in other studies a disproportionally high number of problems with cross-border purchases was found compared to the number of problems with domestic purchases. However, based on the survey results in this study it is not possible to assess the proportion of purchases – of the total number of purchases made in the selected markets and countries – that led to a problem. In order to obtain the proportion of purchases made in another country that led to a consumer problem, additional questions are required. While this is not the focus of the present study, future studies on detriment focused on purchases made cross-border could include question(s) on the number of purchases made cross-border in order to calculate the proportion of cross-border purchases that led to a problem of all cross-border purchases.

Survey data were triangulated with complaints data, as registered in the European Commission harmonised complaints database and provided in a survey of complaint handling bodies, and with a check of seller/provider websites, assessing the prevalence of issues related to selected unfair commercial practices and to the provision of pre-contractual information that potentially could cause consumer detriment. However, other sources of information, such as literature and previous surveys and reports, can also be used to put results into perspective. These may include market-specific data on penetration rate or the frequency of use of goods and services, e.g. the number of passenger-kilometres per inhabitant in rail passenger transport for train services.

Finally, the results obtained for the four sample countries were used to extrapolate results to the rest of the EU, in order to obtain an estimate of overall financial detriment and time loss in the entire EU for the six markets subject to analysis. Key estimates resulting from the extrapolation of results to the EU28 are presented in the table below, which are again based on the results from the two survey modes applied (face-to-face and online).

Table 84: Monetisation of time loss and sum of total financial detriment and monetised time loss, EU28

Market	Total pre-redress financial detriment (in millions of Euro)		Total post-redress financial detriment (in millions of Euro)		Total time loss (in millions of hours)		Total monetised time loss (in millions of Euro)		Sum of post-redress financial detriment and monetised time loss (in millions of Euro)	
	FTF	Online	FTF	Online	FTF	Online	FTF	Online	FTF	Online
Mobile telephone services	2,298	7,922	1,981	6,821	244	631	3,274	8,458	5,255	15,280
Large household appliances	5,532	12,944	2,822	7,163	116	272	1,561	3,648	4,383	10,811
Electricity services	2,449	7,216	1,928	6,368	162	255	2,169	3,413	4,097	9,781
Loans, credit and credit cards	2,158	12,805	1,289	8,819	132	300	1,768	4,024	3,057	12,843
Clothing, footwear and bags	1,922	4,390	742	2,208	102	286	1,364	3,838	2,105	6,046
Train services	991	2,607	811	1,896	42	127	565	1,699	1,377	3,594

Source: Civic Consulting, based on face-to-face and online consumer survey, Eurostat (data series demo_pjan, prc_ppp_ind and earn_ses_hourly), and European Commission Market Monitoring Survey 2015.

Across all six markets covered by the study, **consumers suffered detriment of between EUR 20.3 billion and EUR 58.4 billion** over the last 12 months in the EU28. In line with the definition of personal consumer detriment used, these **estimates refer to the revealed personal consumer detriment** (sum of total post-redress financial detriment and monetised time loss). These values amount to between 0.2% and 0.7% of the overall level of total private consumption in the EU28 that stood at EUR 8 285 billion in 2015.¹³¹

As explained above, hidden detriment, i.e. detriment that consumers experience but are unaware of (be it personal or structural), is not included in the estimates. The same is true for the measured psychological detriment. Furthermore, situations in which consumers tried to make a purchase but failed or were denied market access are excluded from the scope of personal detriment as well as some other dimensions of personal detriment (e.g. social detriment). The estimates presented are therefore **conservative** in nature.

9.3. Recommendations on collection and analysis of data as well as consumer analysis at EU level

Finally, an objective of the study was to deliver recommendations in order to remedy detected shortcomings of existing data, such as the European Commission complaints database, as well as for possible further consumer evidence and analysis at EU level, with a view to increasing the robustness of the methodology and the reliability of the measurement results.

To this end, we have outlined a series of recommendations for collection and analysis of data as well as consumer analysis at EU level based on our experience in carrying out this study, detailed in Annex I of this report. These are summarised below:

Improving complaints data and the European Commission harmonised complaints database

- Continue to encourage Member States' complaint handling bodies to both adopt the classification and reporting methodology for consumer complaints outlined in the EC Recommendation on a harmonised classification and to provide their data to the harmonised complaints database on a regular basis;
- Provide additional guidance for specific markets as to the classification of some types of complaints relevant for those markets;
- Align the terminology for the markets and the definition of the products they comprise across the harmonised complaints database and the Consumer Markets Scoreboard.

Developing the Market Monitoring Survey

- Consider an increase in the reference period used in the MMS to estimate the rate of problems for those markets for which the current reference period might lead to a gap in the identification of relevant problems;
- As the MMS is an essential data source for incidence rates of problems experienced by consumers, consider improving its consistency with the

¹³¹ Private final consumption expenditure at current prices, annual macro-economic database (AMECO) of the European Commission's Directorate General for Economic and Financial Affairs, available from http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm

methodology developed to facilitate its use for estimates of consumer detriment;

- For those respondents who reported problems in a given market in the MMS, consider including a follow-up question concerning the type of problem, in order to provide cross-market information for policy purposes on the main problems experienced by consumers.

Applying the methodology developed in the framework of this study

- Periodically apply the methodology developed in this study at EU level, either for single-market or cross-market assessments;
- Raise awareness among Member States concerning the methodology for the purposes of national assessments of personal consumer detriment.

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