Coimisiún um Iomaíocht agus Cosaint Tomhaltóirí | Competition and Consumer Protection Commission

Consumer Life Stages Survey

with Amárach Research, (December, 2017)

CCPC

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1. Overview / Background of Study

The most influential factor in financial decision making is your age

- When it comes to financial decision making, the most influential factors are your age, current financial situation and attitudes to risk. All these factors should in theory be the determining factors to financial decision making.
- The main financial needs throughout a person's life are savings, investments, protection needs, retirement funding and mortgages.
- This report explores how people's actual financial decisions reflect best practice through their life stages and the motivating factors behind these decisions.
- In your 20's and 30's financial needs are dominated by the future need to purchase a home. This will be funded through a combination of savings and borrowing. At this age, people tend to treat savings as a short-term asset. Money goes on daily life expenses and necessities with some savings, though there is little surplus income at this stage. In general people at this age focus on looking after themselves.
- In our 30's and 40's as careers advance, income may see a steady increase. However, lifestyle also changes, and new complex responsibilities become part of one's life, such as increased work load and raising a family. An increase in one's responsibilities encourages one to seek increased financial protection. People start preparing for retirement and savings and investments become steadier. There is an appetite for investment risk as people want to make the most out of their money and can afford to take risks at this age in the hope of a good financial outcome.

Continued

- In our 50’s to 60’s earned income comes to its maximum and may begin to see a decline. At this stage, people are becoming free of borrowing commitments and increase focus on planning for retirement. Surplus income is usually at its highest at this stage. Many people may inherit funds. Appetite for risk reduces as there is less income coming in to cushion any blows and less time to re-coup potential losses. Capital preservation begins to dominate financial planning and estate and succession planning may begin.
- At retirement, earned income ceases and pension kicks in, with a resulting reduction in income. Health will have more of an impact on financial decisions.
- Of course, not everyone will follow these life stages accurately. Though everyone ages, personal circumstances may veer individuals off this financial track.

Irish consumers' financial decision making has been radically affected by the recession

- Irish consumers have been impacted by a recession which has consumed most of the last decade in Ireland. Among the consequences are:
  - **The change in the nature of employment.** For many, contract work or the absence of permanent tenure results not just in the casualization of employment but also the casualization of housing tenure. The absence of an increase in real wages has been just one factor that has resulted in the upending of the traditional house purchase decision.
  - **The decline in the building and availability of housing** has been driven by:
    - Changed mortgage rules.
    - Lack of availability of credit.
    - The dominance of cash buyers in the market place.
    - The requirement to save a deposit of 10% for first-time buyers or 20% for second-time buyers and the income multiples.
    - The cost of renting.
  - **The decline in availability of housing** has had a knock-on impact on a variety of other purchase of financial services decisions such as pensions, life assurance etc.

Continued

- There is a requirement to understand changes in financial services availability and provision, coupled with the changed financial circumstances and aspirations of the purchasing cohort.
- **Similarly, the decline in the defined benefit pension scheme** has altered the requirement landscape for workers, whether they realise it or not. The pension decision is generally not one that is well informed or understood. The change in the ‘promise of pensions’ is not one that people understand and the reality has not yet been confronted.
- **Financial relationships.** Traditional financial relationships have been eroded. They have been replaced by commoditised products and product providers. The automation of delivery channels means that a relationship manager (or branch) available to pilot the customer through life has been effectively eliminated. So who do people lean on for advice?

We can still recognise patterns of decision making across life stages, as they relate to the complexity of the roles and responsibilities individuals are presented with.

- This is a Life Stages Survey to capture the main financial decisions made by consumers at different stages in life.
- There are clear life events that present challenges and opportunities for financial planning and decisions.
- Stereotypically these include:

Life Stage	Financial Planning Consequence
Early Stage	Money Institutions Savings First jobs Initial borrowing
Establishing a home	Mortgage Mortgage protection Home insurance
Children	Will Life assurance Savings plan for education Health insurance
Mid-stage career	Pension planning Moving home
Late-stage career	Pension planning Retirement planning Education costs for children
Post-retirement	Estate Planning

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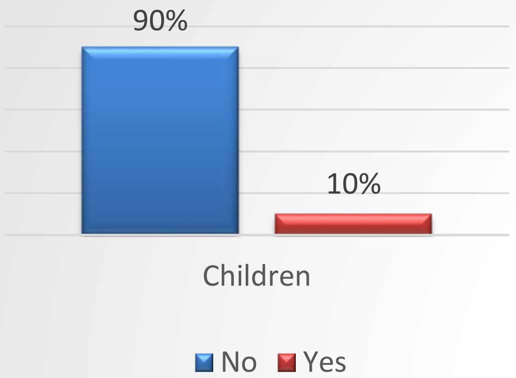
2. Profile of financial decision makers in Ireland - 2017

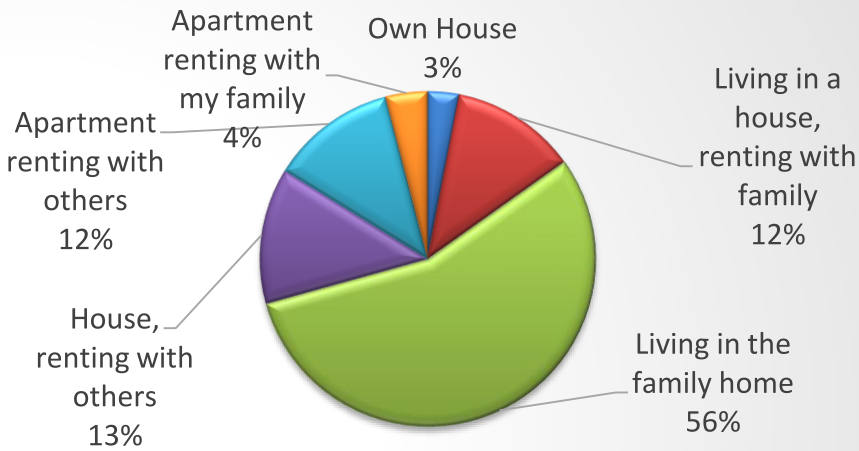
The findings of this study have divided the Irish financial consumers into 6 main profile types. Each of which are explored in detail in this study.

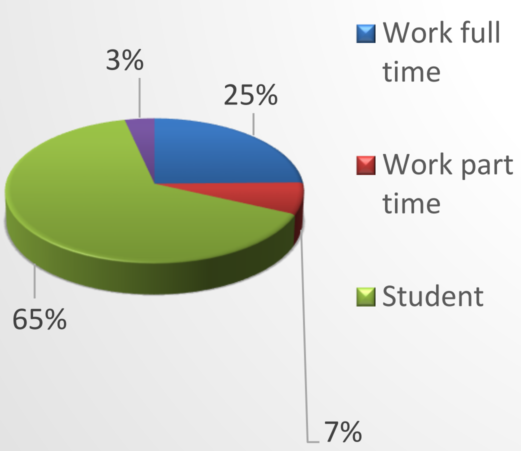
Life Stage / Profile
Profile 1: Early Decision Makers: 18 – 24
Profile 2: Defining the Path: 25 – 29
Profile 3: Redefining the Goals: 30 – 34
Profile 4: An Age of Growth: 35 - 44
Profile 5: Latter Career Stages / Planning for Retirement: 45 - 54
Profile 6: Moving Towards and Enjoying Retirement: 55 – 64 and 65+

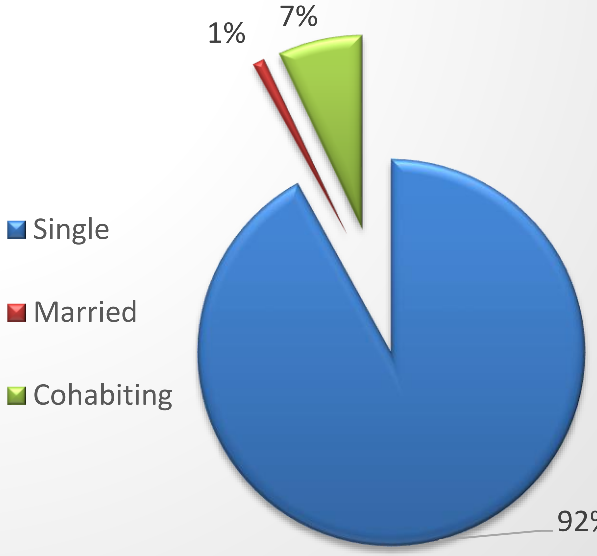
Profile 1: 18-24, Early Decision Makers

- **Early Decision Makers - Demographics**









This profile can (for the most part) be characterised as...

- Between 18 and 24.
- Students.
- Living at home, with some in the rental market.
- They access banking through internet enabled phones at least once a week to check bank balances, review transactions and pay bills.
- Have relatively few financial products: current accounts, motor insurance, credit union accounts and credit cards.
- The vast majority are not yet on the property ladder.
- They are heavily influenced by their family and are somewhat influenced by their existing financial institutions.
- They are heavily influenced by lower charges and incentives.
- The best medium for them to receive financial information would be online or through apps and peer-to-peer networks.

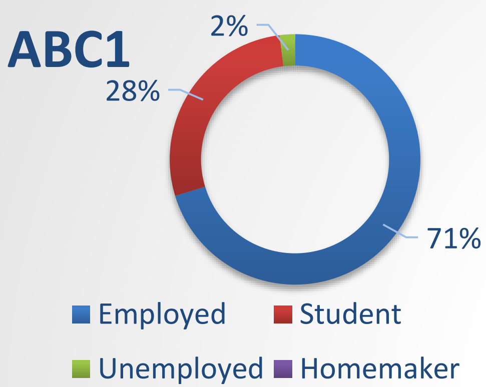
To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?

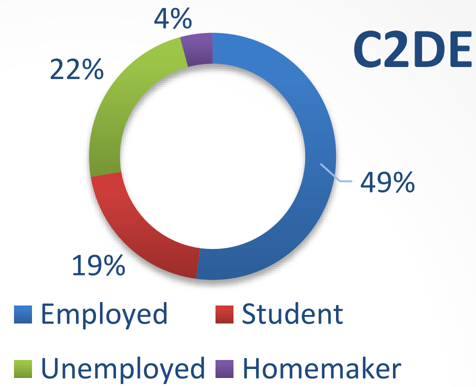
- Overall:
  - It is evident that they are not thinking long-term.
  - However, there are still important financial decisions being made; buying a car, starting current accounts, taking out credit cards, etc.
  - These purchases represent important life events that begin to influence decision making.
  - We can infer a strong halo effect as they place disproportionate value on families’ opinions compared to experts.
  - We can also infer a strong influence of social norms through family and friends’ activities and social expectations rather than what is a rational financial decision for them.
  - These life stages offer important markers for policy and communications when trying to engage with younger audiences.

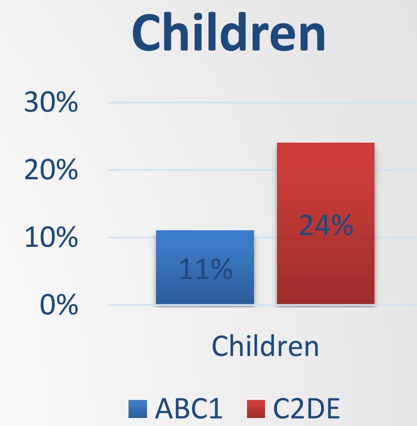
- This suggests:
  - The dissemination of key information about the range of financial products, comparisons and services through trusted communications sources (i.e. family and peer-to-peer communications) augmented by access through social media and apps would be a useful means of improving awareness of financial products and services, and enabling individuals to make better choices at a young age.

Profile 2: 25-29, Defining the Path

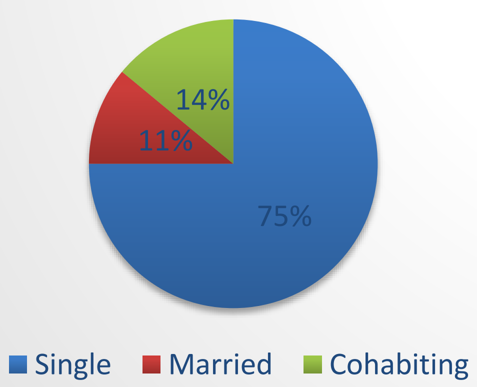
- **Defining the Path - Demographics**

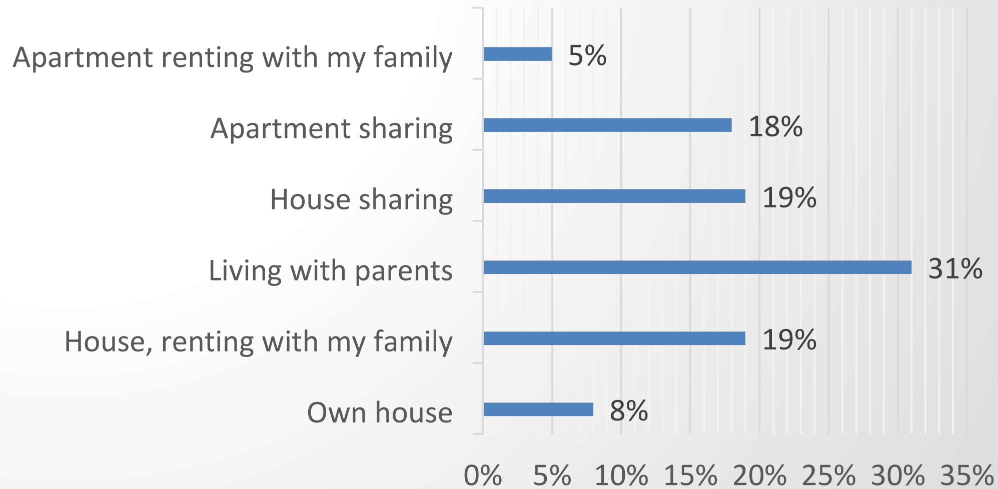






Relationship Status

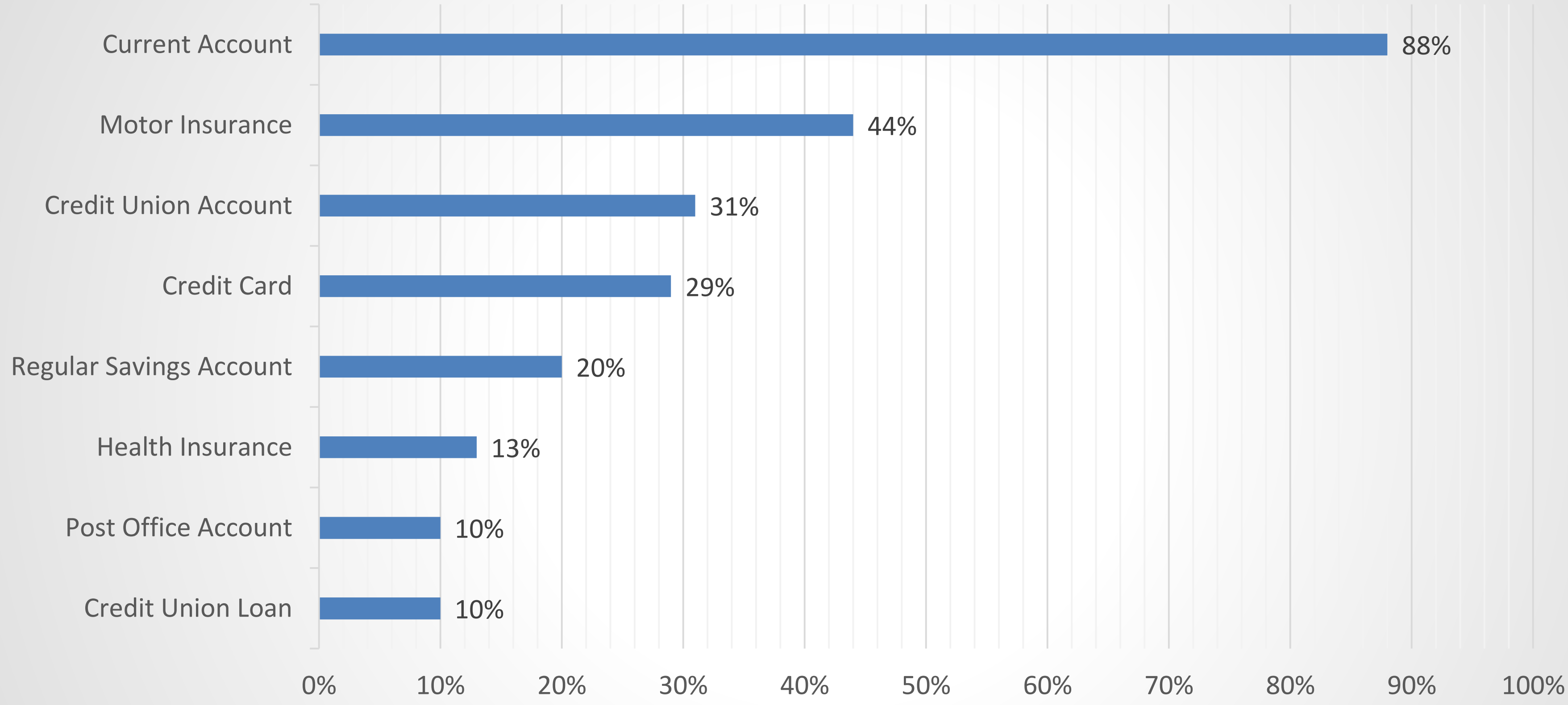




This profile can be characterised as:

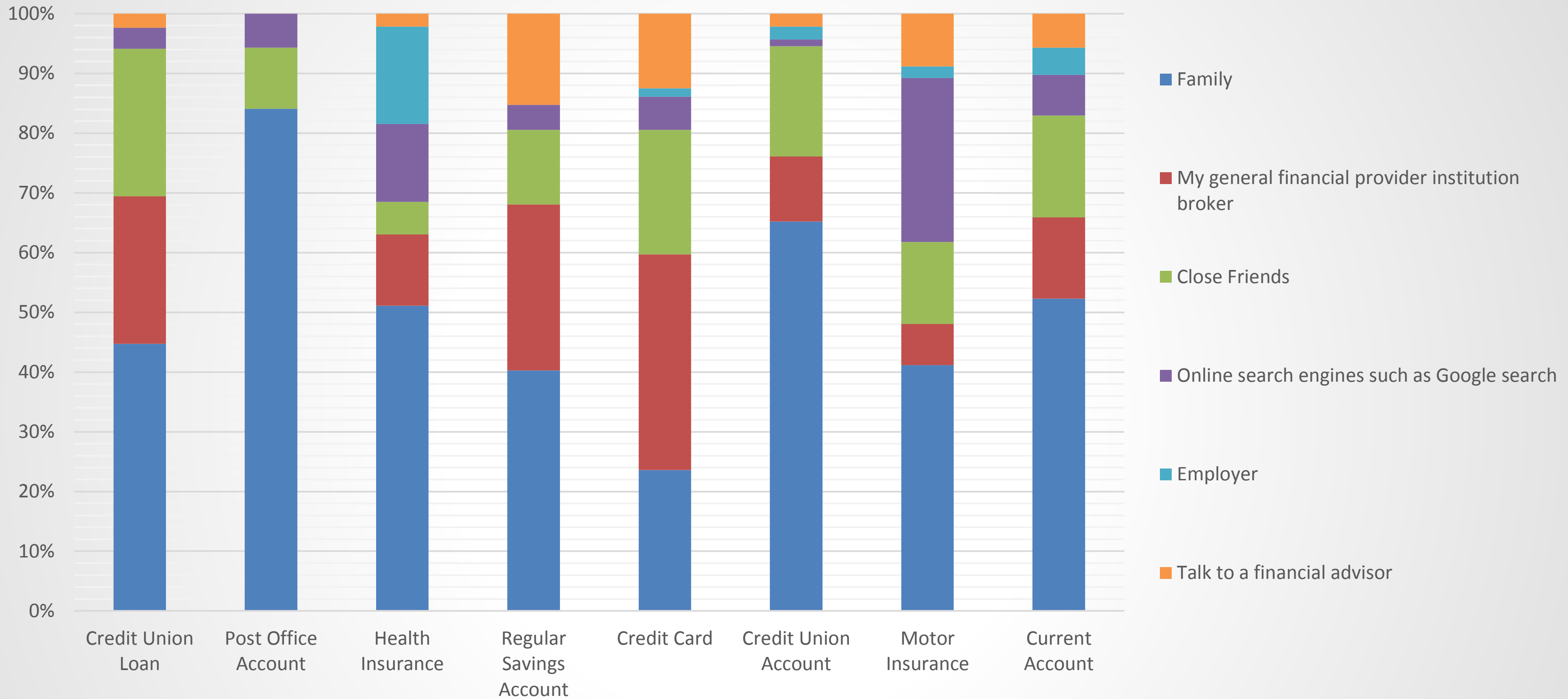
- They are between 25 to 29.
- They are in the early stages of their careers.
- 3 in 4 are single, with 14% cohabiting and only 11% married.
- 4 in 5 do not have children.
- 3 in 10 live at home with their parents, 2 in 10 rent with their family, and 4 in 10 rent a house or apartment with others.
- They have current accounts, motor insurance, credit union accounts, credit cards, regular savings accounts, health insurance, and credit union loans.
- They access banking through their mobile phones and laptops to check their balance, pay bills, and view recent transactions.
- They do not get professional financial advice when making important decisions.
- Access to comparison sites is their preferred medium of receiving financial information.
- They trust their family, friends and their financial institutions for financial advice.
- They are likely to switch motor insurance and possibly their current accounts, driven by financial incentives.

Those Defining the Path, have a broader range of products than Early Decision Makers, reflecting their increasingly complex life.



- As with Early Decision Makers, they remain highly reliant upon the advice of family and friends, and are likely to take out a product based on their recommendations.

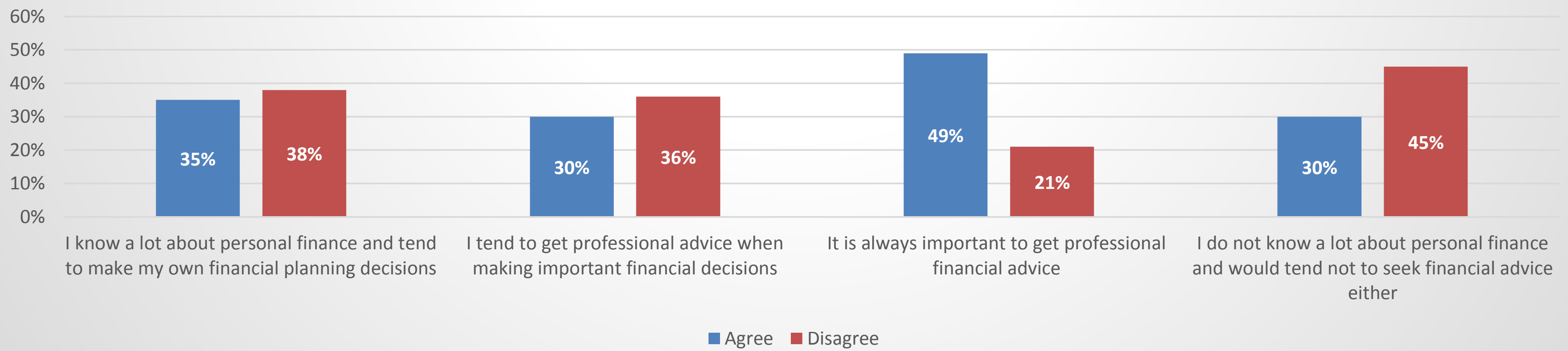
To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?



- The second most prominent source of information across all products were close friends (averaging 13%) and the individual's financial advisor (also averaging 13% across all products).
- 31% still live with parents, so there is still a heavy reliance upon family and friends, suggesting continuity of a halo effect.
- The reasons for their decision making, however, varies according to product type and their needs. Online search is very influential for motor insurance as people can search for the best deal online without professional help.
- This illustrates a more considered approach to their financial management than the previous profile.

Knowledge, education, switching and planning:

- The nearly 8 in 10 who do use mobile banking do so at least once a week. Almost all (94%) use these facilities at least once a month.
- Nearly two-thirds use an internet enabled mobile phone for online banking. 48% use a PC or laptop, 20% use a tablet, while only 8% use telephone banking.
- While they do not possess an abundance of financial knowledge and feel that it is important to have good financial advice, they are not particularly interested in receiving more information. If they do, it should be through an online portal.
- While relatively few sought professional advice, nearly half felt that it was important to get professional advice when making financial decisions.
- They remain over-reliant on family and friends for financial advice, indicating the retention of a halo effect.
- They are unlikely to switch. Those who would are heavily influenced by incentives.
- Tying back to the strong influence of short-term benefits and demonstrating a propensity for hyperbolic discounting.



To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?

- This indicates a number of behavioural biases:
  - First, we can infer a strong halo effect as they allot more value to families' opinions than their expertise would imply they should.
  - Second, the data suggests that they are prone to herd behaviour exemplified by their propensity to take out credits cards because their friends might.
  - Third, there is also a strong influence of social norms, they may make decisions based on family and friends' activities and social expectations rather than what is a rational financial decision for them.
  - A person's bank also has a strong influence on credit card decisions. At this life stage people are starting to become more financially independent with some surplus income and begin to think about larger purchases. It will be important for people to have the correct information about credit cards and potential debt available at the bank where they are making these decisions.

Profile 3: 30-34, Redefining the Goals

- **Those Redefining the Goals – Demographics**

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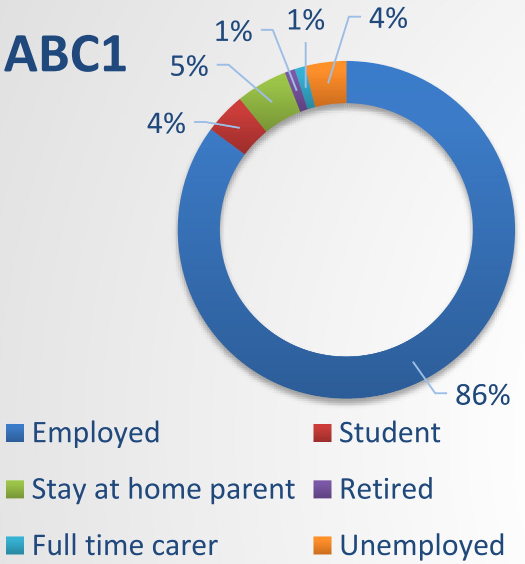

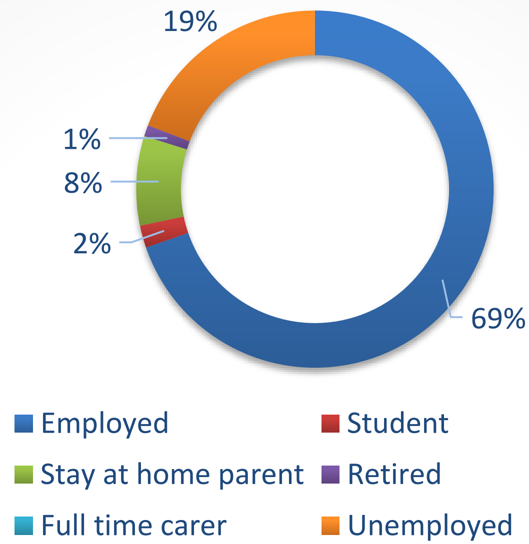

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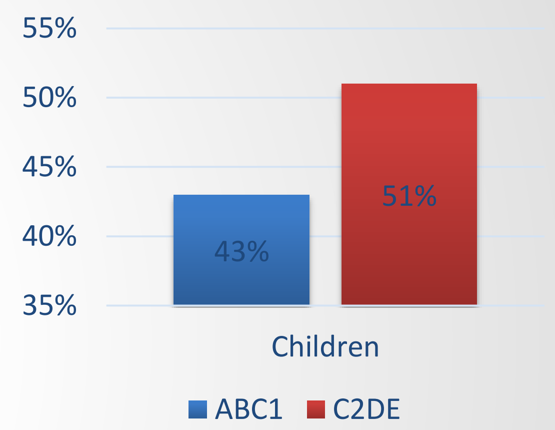
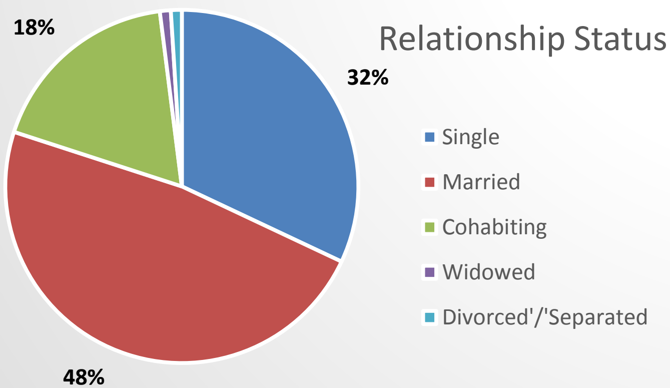
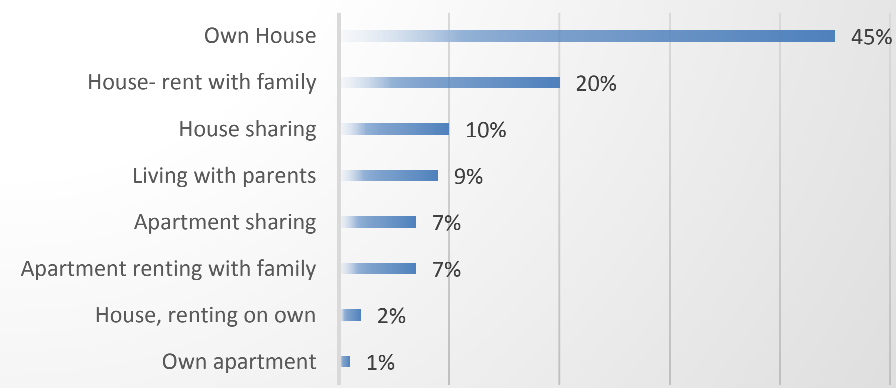


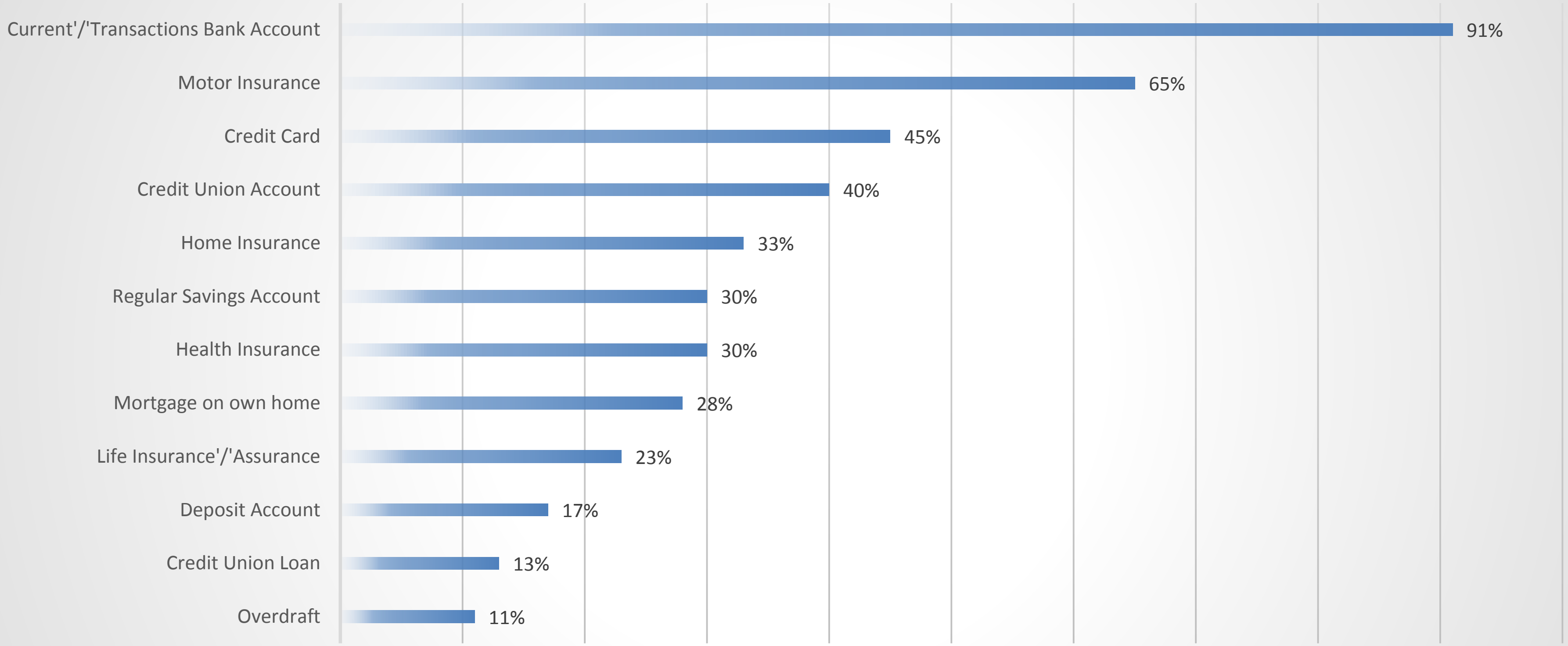




This profile can be characterised as:

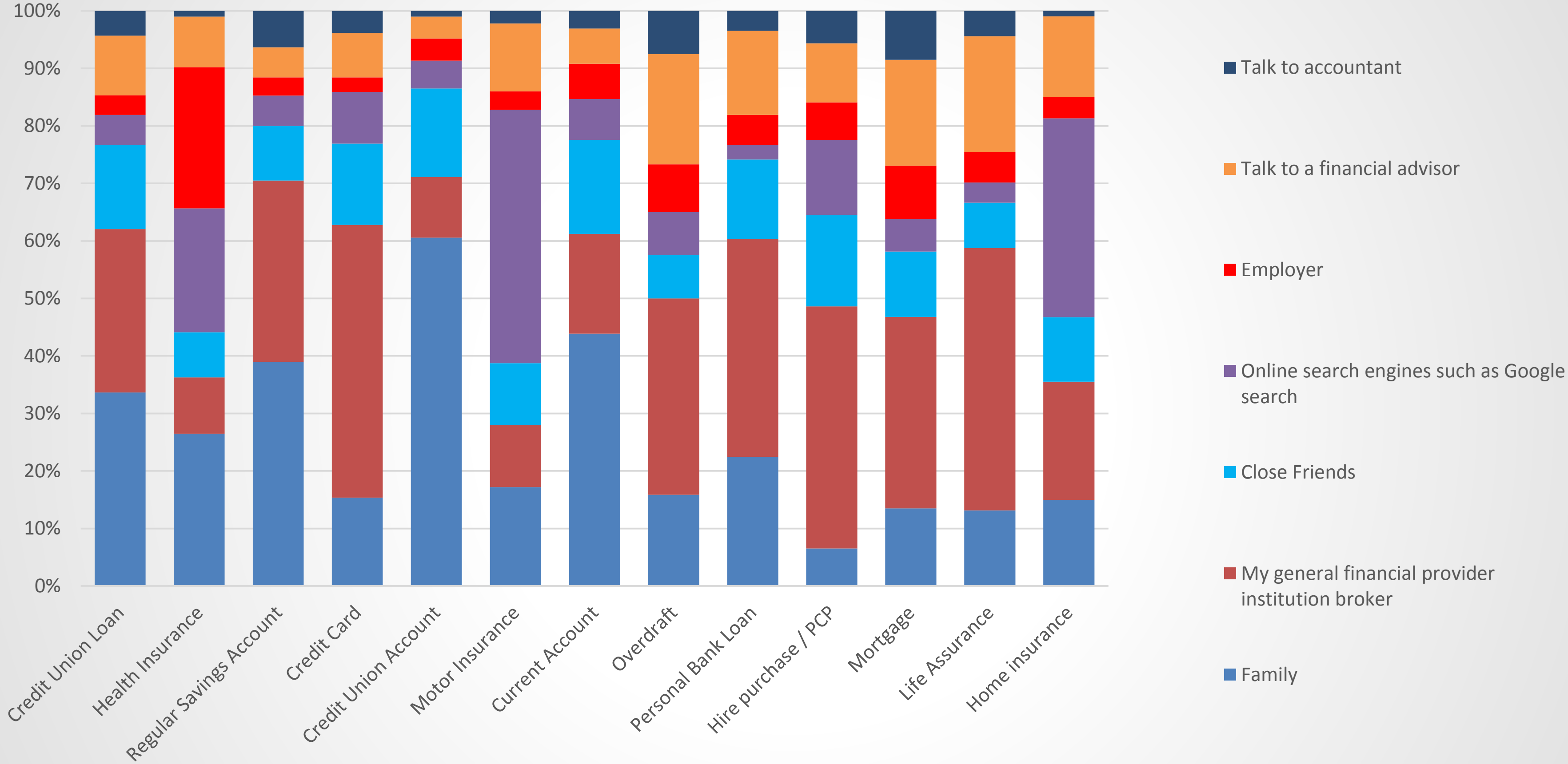
- They are aged between 30 and 34.
- They are employed and in their early / mid careers.
- Just under half own their own home and under half have children.
- They have a wide range of products reflecting the changing complexity of their financial circumstances.
- They remain influenced by their family and friends, yet there is an increasing influence of their financial provider in their decision-making processes.
- This profile feel that they know a lot about personal finances, tend to get professional advice, and feel it is important to seek this advice. They rate their financial knowledge as good.
- The main products they would be interested in switching would be motor insurance, home insurance and (possibly) a current account.
- Overall this group are far more confident and financially secure, they have a broader range of financial interests, and while they still rely on family and friends, they have a more professional approach to their personal finances.

As with the previous profile, this cohort have more products than the profile preceding them.



- While they remain important, especially when considering credit unions and regular savings, we can now see a movement away from the overreliance on the influence of family and friends on their financial decision making.

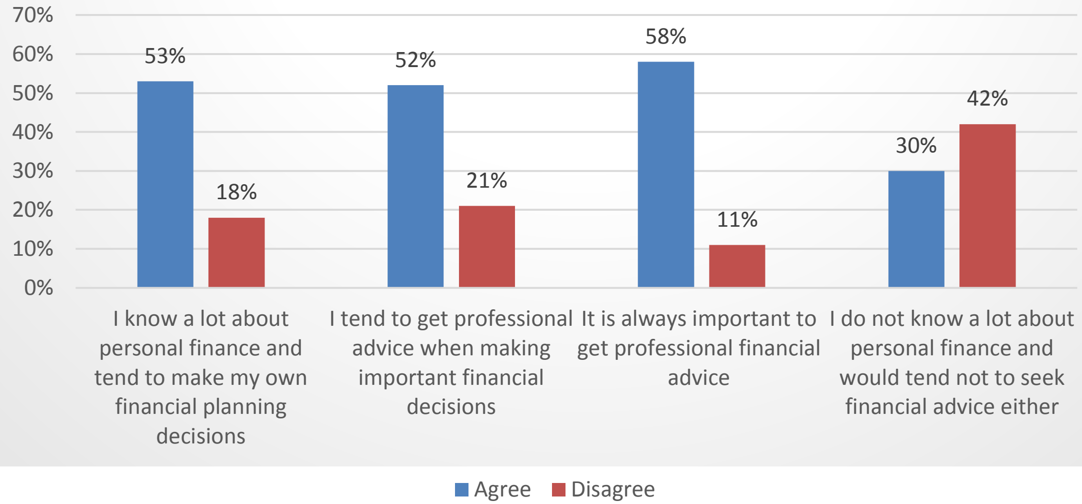
There is increasing complexity and growing interest in long-term savings. Why are they making these decisions?



- The reasons for their decision making vary according to product type and their needs.
- Financial providers and advice from financial advisors begin to play a more important role than in previous profiles.
- This illustrates a more professional approach to their financial management and the beginning of planning for the future.

They have little financial education, yet feel knowledgeable about financial planning and (overall) most have little intention to switch products.

- Of those Redefining their Goals, 15% do not use mobile banking. Slightly fewer than those Defining the Path use an internet enabled mobile phone for banking, dropping from 65% to 56%, and slightly more use a PC or laptop, up to 56% from 48% in the previous profile. Only 27% use a tablet, with 11% using telephone banking.
- If they were to receive information about financial products, online mediums come out as clearly the best means by which to engage with them: comparison sites were favoured with hidden costs, hidden fees and explanations in plain English the most useful information.
- While relatively few sought professional advice, over half felt that it was important to get professional advice when making financial decisions.
- Those Redefining the Path are defined by their increased professional approach to financial decision making.
- This suggests that while few might switch, those who would, would be heavy influenced by a better offer in the long term, and incentives.
- This further demonstrates the revision of their approach from previous profiles, and the beginning of long term planning.

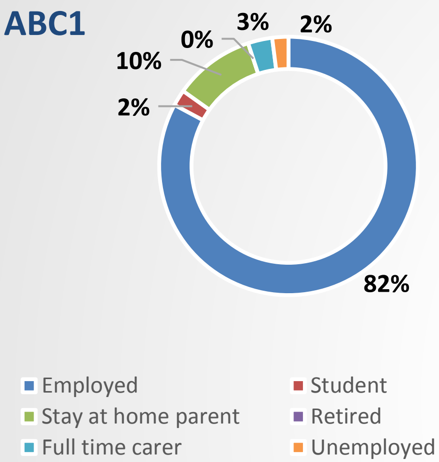


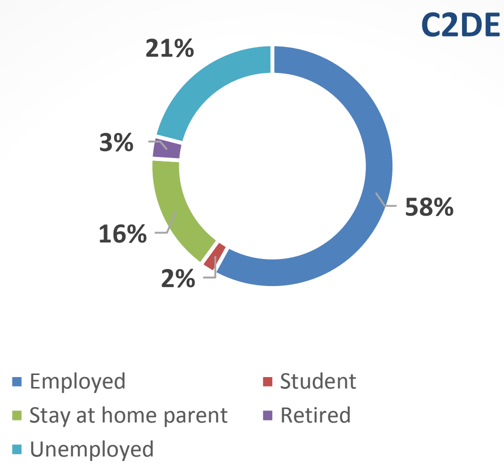
To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?

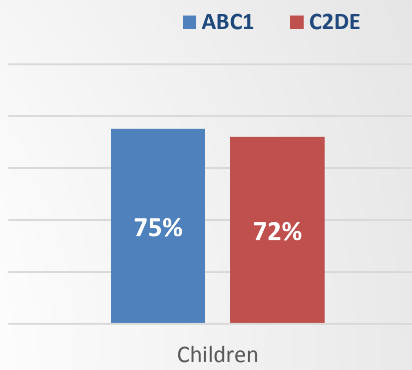
- Similar to the previous profiles, those Redefining their Goals still remain disproportionately influenced by their family and friends when compared to professional services. Yet we see an increasing influence of their financial provider in their decision making processes, indicating a further lessening of the halo effect through personal experience of managing one's finances and the prominence of extrinsic incentives.
- They are realising the need and value of professional advice as they begin to take out more long-term products. They also have an increased confidence in their financial knowledge and feel more comfortable making decisions.
- Their employer also becomes a key source of advice as they explore any potential work benefits.
- However, relatively few even at this stage of their career, have pensions, which demonstrates a perseverance of hyperbolic discounting throughout the life course.

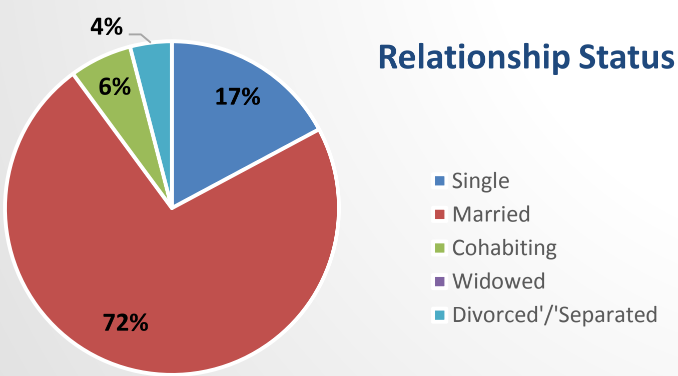
Profile 4: 35-44, An Age of Growth

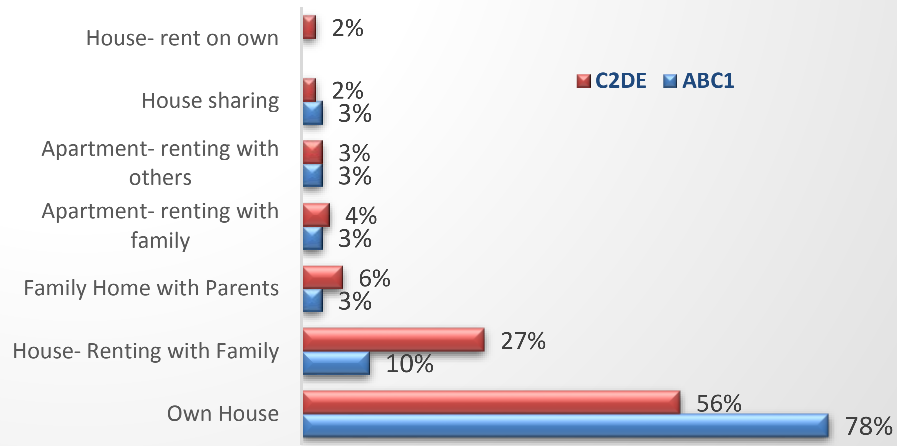
- ## An Age of Growth - Demographics







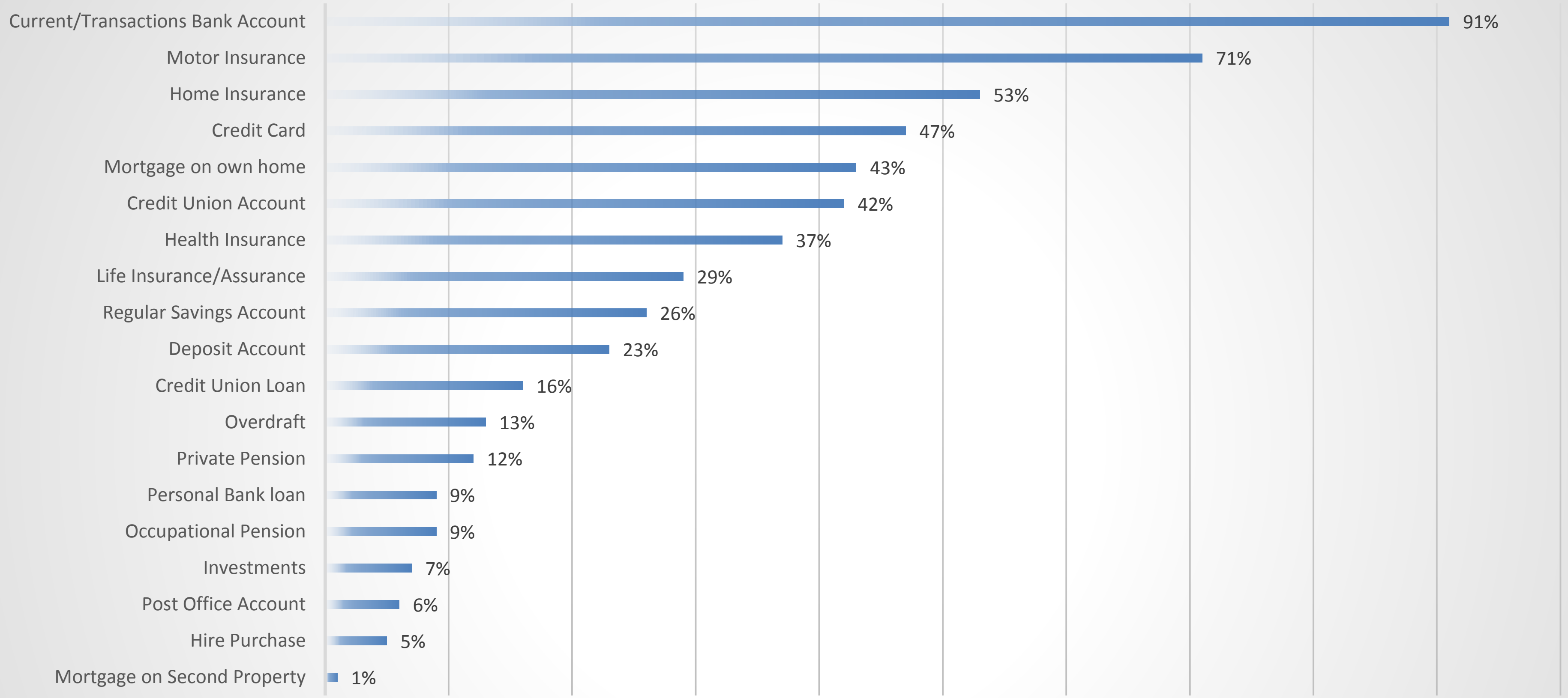




This profile can be characterised as:

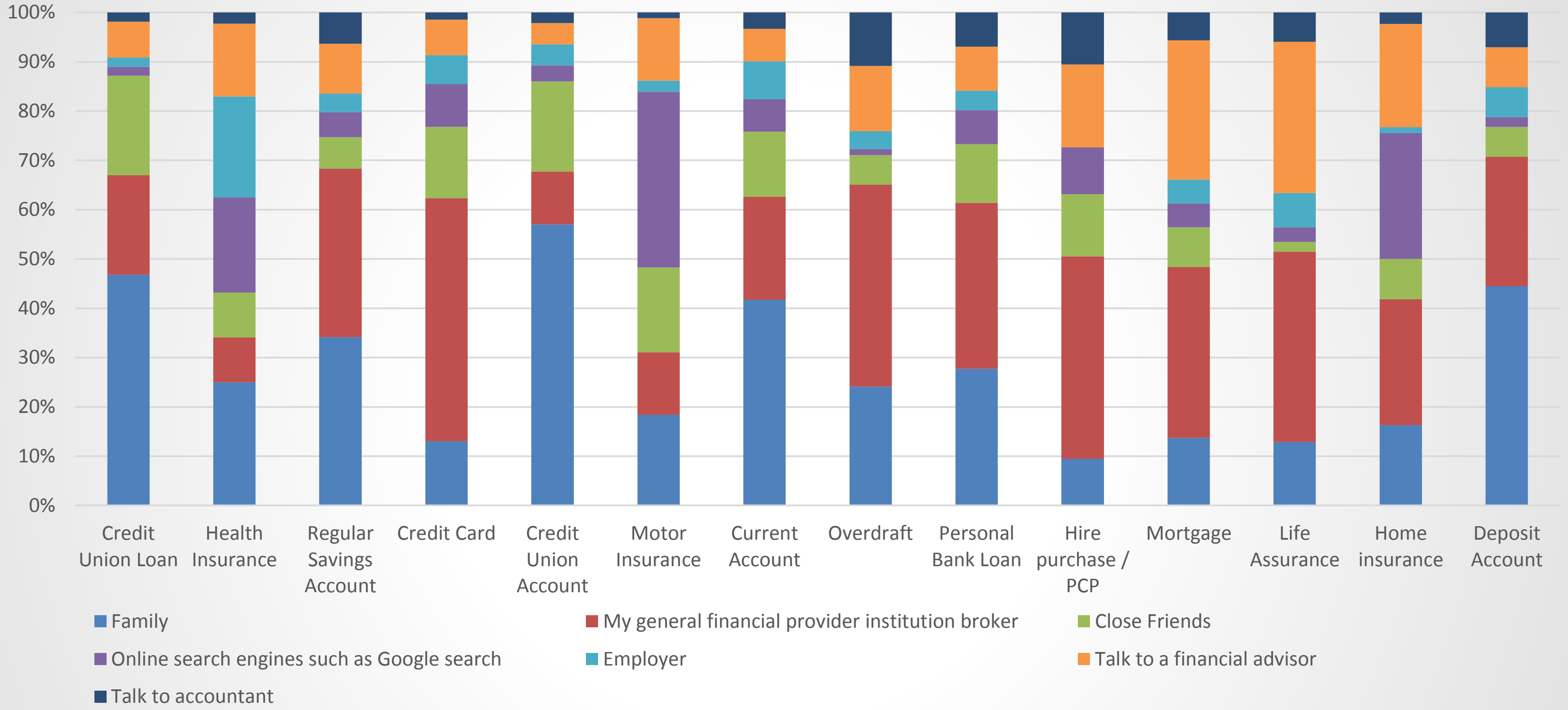
- They are aged between 35 and 44.
- Most are employed and in their mid or advanced careers.
- Two-thirds own their home, three in four have children.
- More have health insurance than profile 3, yet only 2 in 10 have pensions.
- Almost all use internet banking.
- Better interest rates, already having a product with the institution, long-term interests, and lower charges are the determining factors when choosing financial products.
- They took out loans to purchase cars, holidays, and make home improvements.
- They know a lot about personal finances, tend to get professional advice, and feel it is important to seek this advice.
- Just over one-third are interested in switching financial products; motor insurance, home insurance, and health insurance.

As with the previous profile, they have more products than the profile preceding them.



- This cohort has a broader range of products than those Redefining the Goals. Again, this may be because of their age, the additional requirements of their lifestyle and responsibilities, and access to employment.
- While the range of products suggests an increase capacity to use their income for different means, the incidence of health insurance demonstrates a view to the management of current and future risks.
- Also, while the number who have some form of pension remains relatively low, the increased prevalence of investments / savings, when compared to those Redefining the Goals, illustrates a decline in the prominence of hyperbolic discounting and the beginning of strategic planning for the future.

This reflects increasing complexity and growing interest in long terms savings. Again, we need to ask why are they making these decisions?



- Again, family and friends are important, though the financial institution features prominently across specific areas (overdraft 34%, credit card 34%, personal bank loan 34%, hire purchase / PCP 39%, mortgage 43%, and life assurance 39%).
- Online searches for motor insurance is a prominent source of information (31%) with some (22%) using online searches for home insurance (22%), and health insurance (21%).
- Some had received information from their employer regarding their health insurance (18%).
- Others had talked to a financial advisor regarding mortgages (35%), life assurance (31%), and home insurance (18%).

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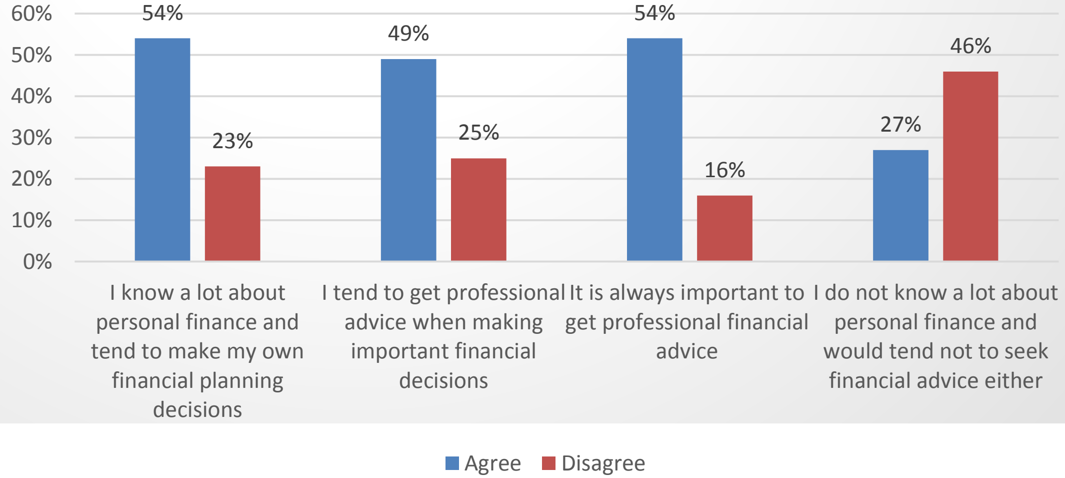
Knowledge, education, switching and planning.

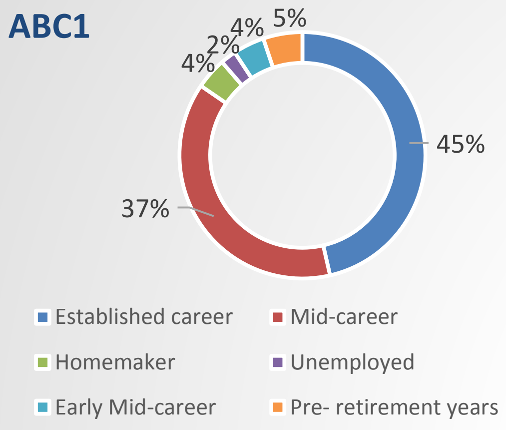
- Over half of this profile believe they know a lot about personal finance.
- Further, a significant number (just under half) sought professional advice when making important financial decisions, with over half feeling that it was important to do so.
- This suggests that most people at this life stage seek financial advice, and that they did not have sufficient knowledge about personal finances upon which to make well informed decisions themselves.
- As with those Redefining the Goals, few respondents would like to receive information across the products they have, with no product scoring above 9%.
- However, again, information that would be valued is; access to a comparison site which allows for the comparison of interest rates on accounts or products and, access to a comparison site which compares charges and fees associated with products or accounts.
- Online was, again, the best medium for receiving this information.
- Of the 405 respondents (33%) had switched one or more of these products in the past 3 years. 81 (20%) switched in the past 12 months. 121 (30%) are likely to switch in the next 12 months with 119 (29%) likely to switch in the next three years.

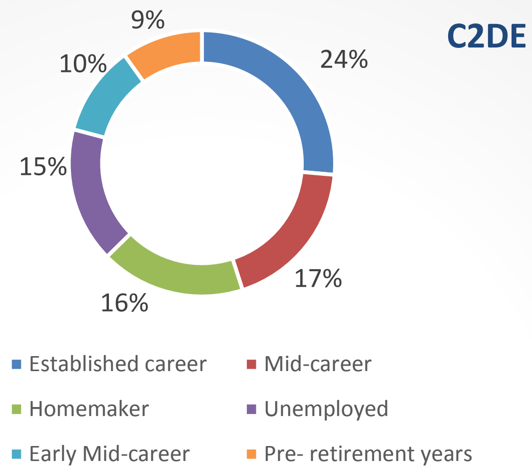


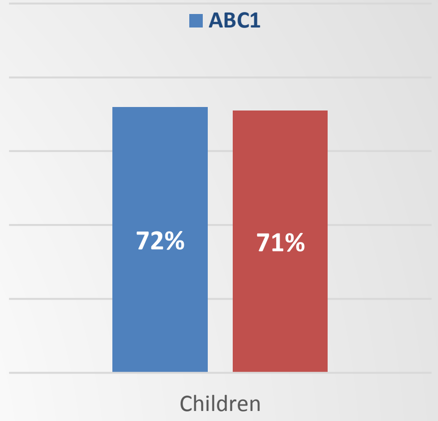
To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?

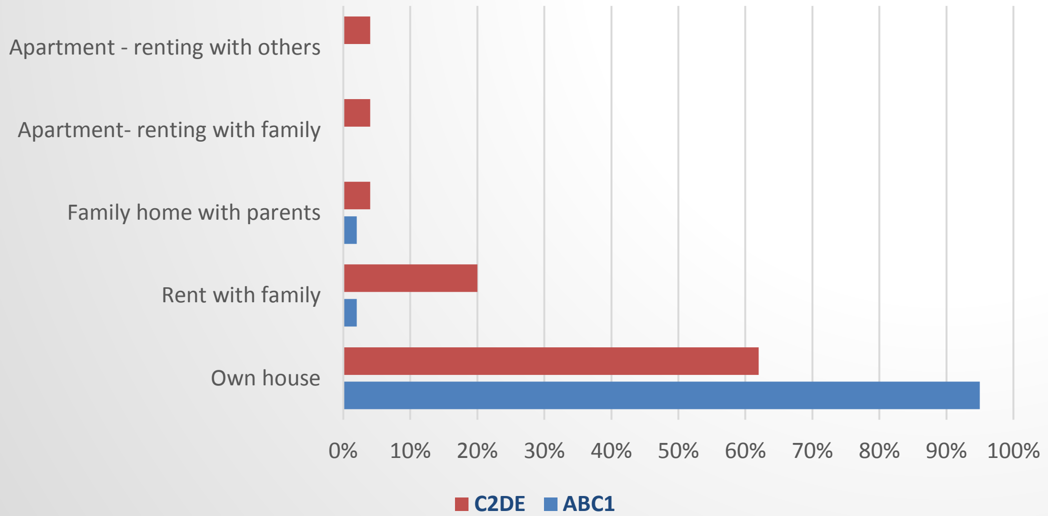
- Relatively few, even at this life stage, have pensions suggesting that hyperbolic discounting, though decreasing, remains a dominant bias.
- Their movement away from their overreliance on their family and friends for financial advice illustrates a recession of the influence of the halo effect.
- There may be an endowment effect and confirmation bias creeping in due to an increased reliance on their existing financial institution.

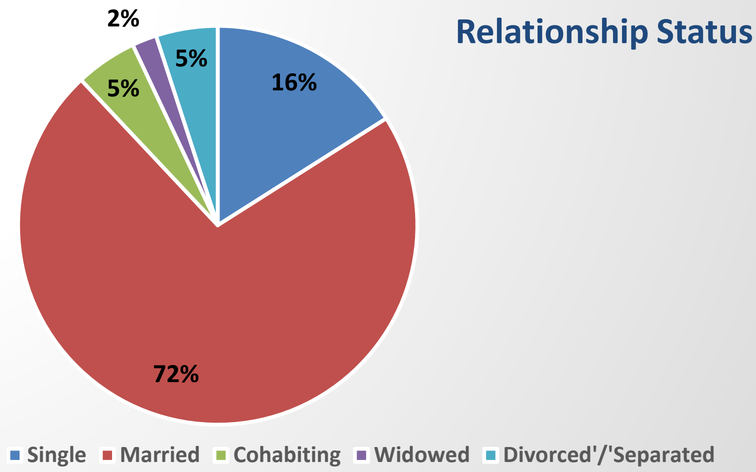
Profile 5: 45-54, Latter Career Stages







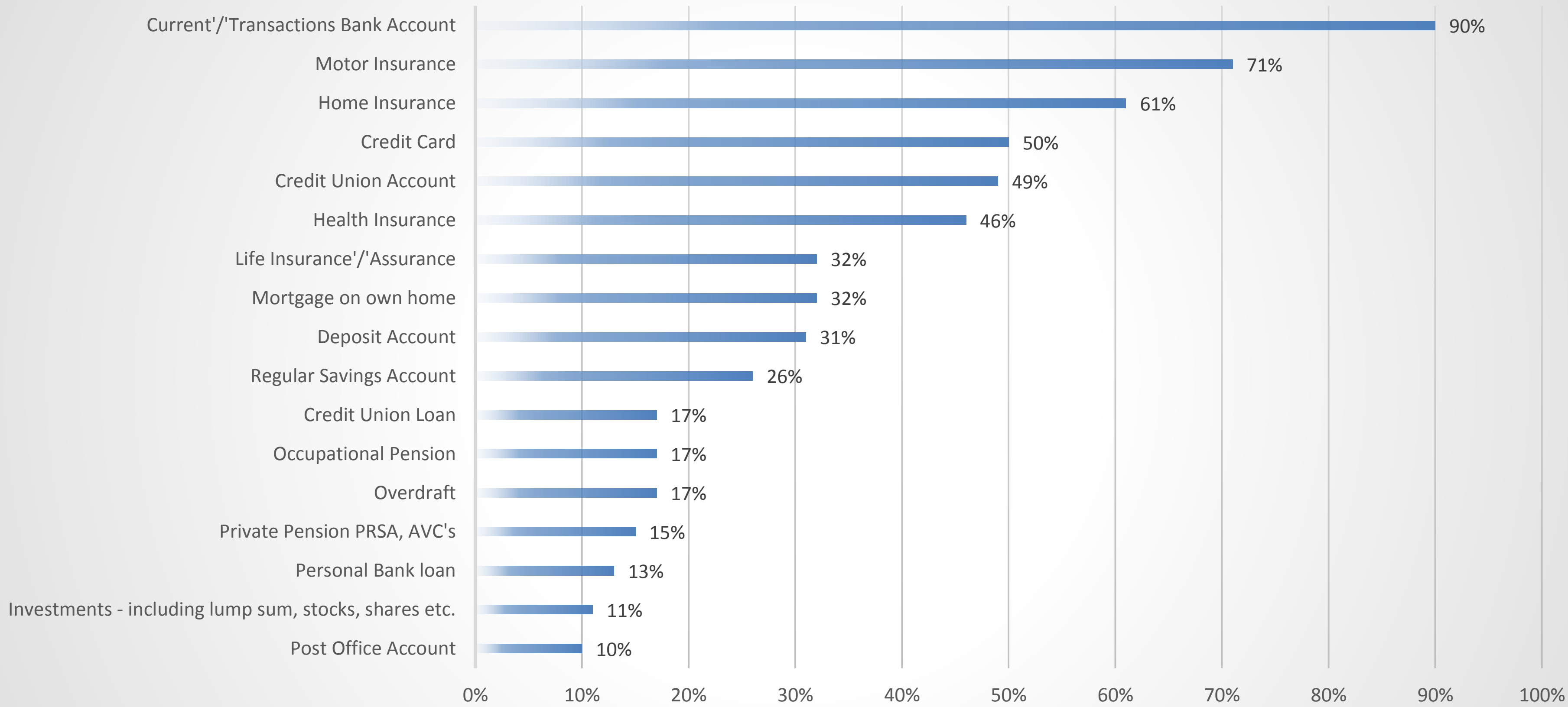




This profile can (for the most part) be characterised as:

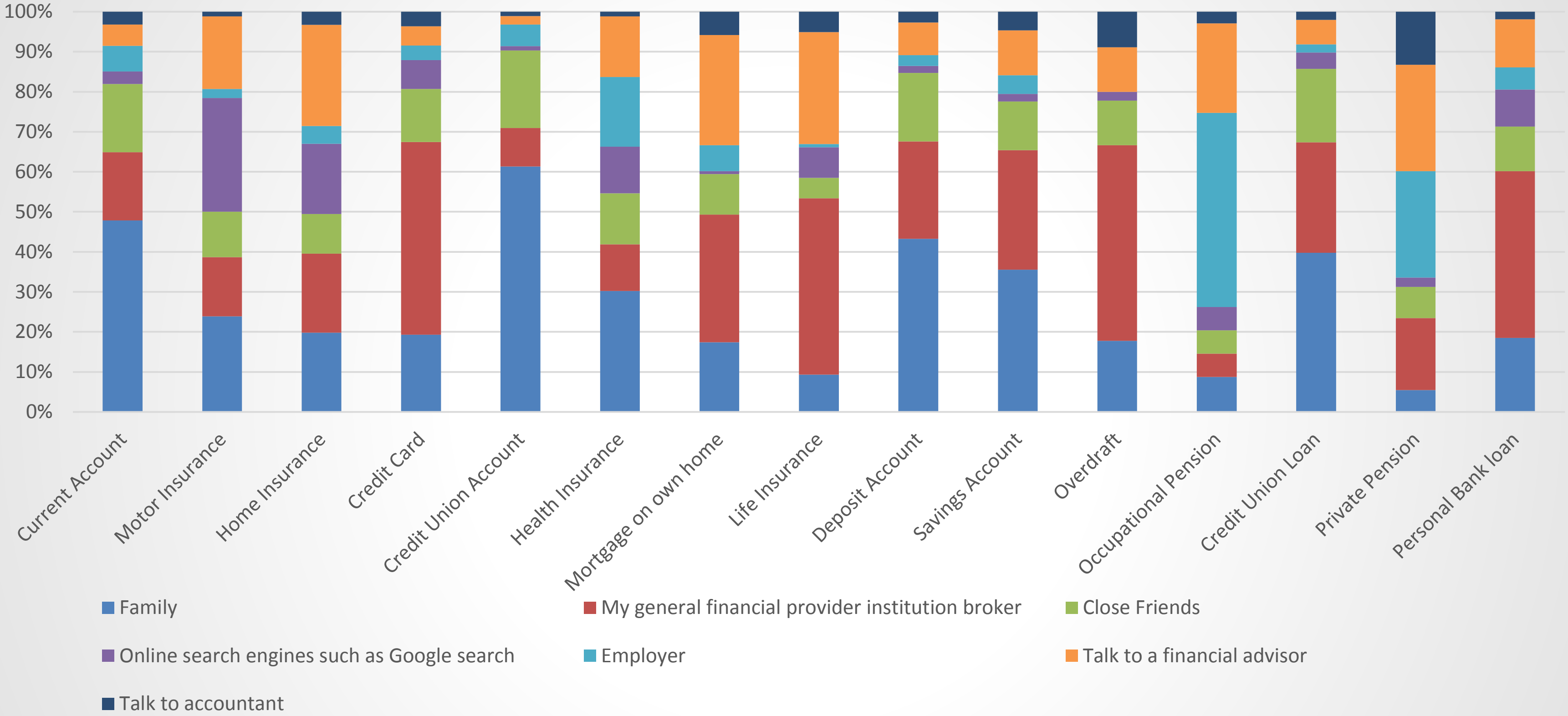
- They are between 45 and 54.
- Most have children, of whom a significant number still live with them, are in education, and about half of these are still dependent.
- Most are still in full time employment, they are in the latter stages of their careers, and own their own properties.
- They hold a wide range of financial products including a higher proportion of saving accounts than previous profiles and are less likely to borrow money.
- They still go to their family and friends for advice, yet make key financial decisions based on their existing financial provider; few have sought professional financial advice.
- Most rate their knowledge of personal finances as good or very good.
- About one third save regularly ranging between €50 - €249 per month.
- As with the previous profiles they are likely to switch motor and health insurance.

As with the previous profile, they have more products than the profile preceding them.



- The products they have are again slightly broader than previous profiles, with some differences appearing: relatively more have deposit accounts, health insurance, and a post office account, and fewer have a mortgage, with many having paid them off at this stage in life.
- This age range seem more risk averse and are beginning to consolidate and/or pay off debt.

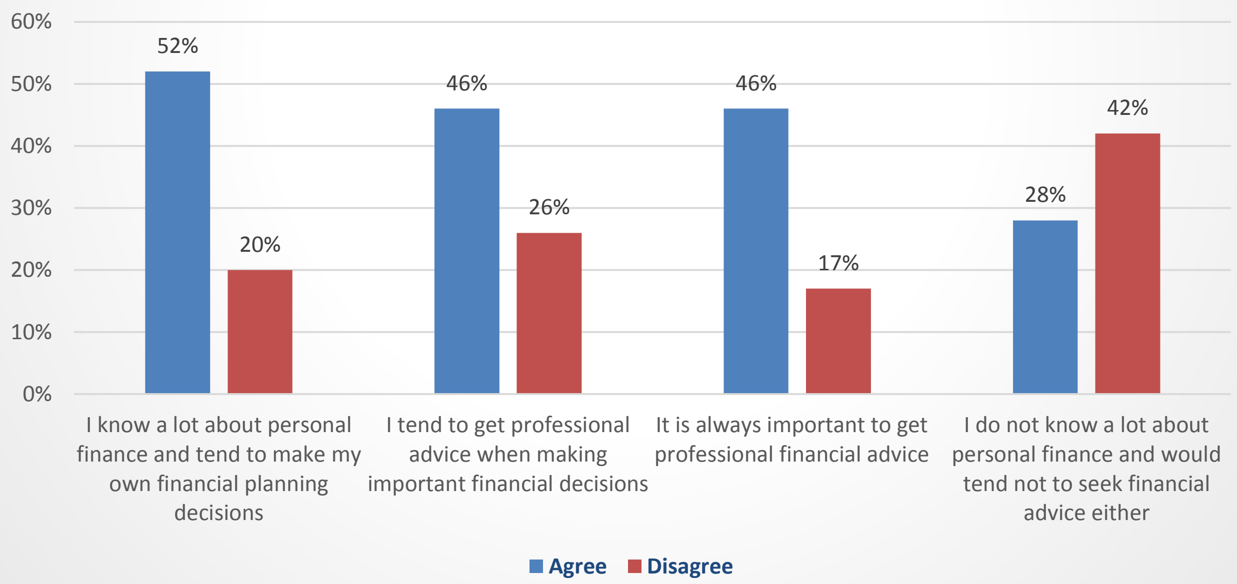
This reflects increasing complexity and growing interest in long terms savings. We need to ask why are they making these decisions?



- The general trend suggests that while they remain reliant on family and friends, their influence is lessened.
- They are increasingly influenced by financial institutions and financial advisers.
- Close friends were not as influential in their financial decision making as previous profiles; possibly with the exception of Credit Union Accounts, Current Accounts, and Deposit Accounts.

Knowledge, education, switching and planning.

- They feel that they know a lot about personal finances, tend to get professional advice, and feel it is important to seek this advice. The majority who sought financial advice felt that the financial advice they received was very useful. Few respondents would like to receive information.
- Though they would like to access information online, the booklet was rated more highly than previous profiles as a medium of communicating information.
- Of the 170 respondents overall, 59 (35%) had switched in the past 3 years and 42 (25%) in the last 12 months. 49 (29%) were likely to switch in the next 12 months, and 48 (28%) were likely to switch in the next 3 years.

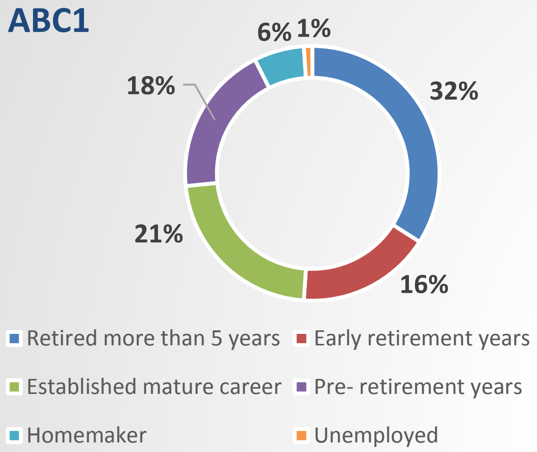


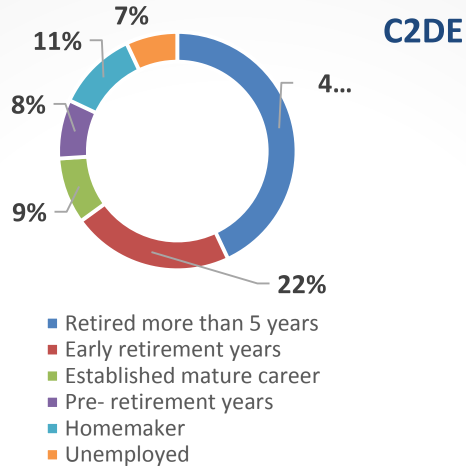
To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?

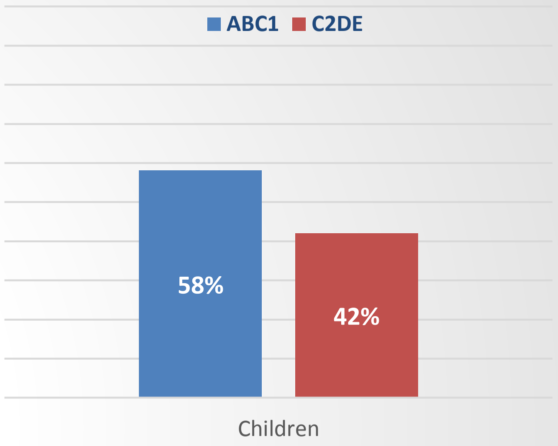
- They have roughly the same range of products as those in an Age of Growth.
- They continue to access banking through the internet mainly for checking balances, paying bills, transferring funds, and viewing recent transactions.
- While the influence of their family and friends is lower in terms of their decision making than the earlier profiles, they do rely on them for information. Better interest rates, having a product with the institution, considering it to be the best long-term product, and lower charges or fees are also determining factors.
- We see a significant reduction in social norms and the halo effect here, and a slight reduction in the endowment effect, again suggesting the increasing prominence of the extrinsic incentives bias.
- The status quo effect remains consistent, where certain products are not considered for switching and others are.

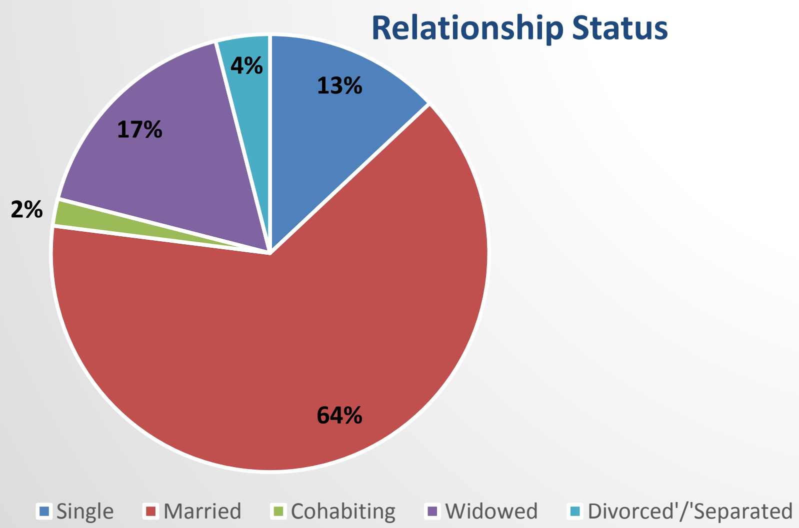
Profile 6: 55+, Moving towards and enjoying retirement

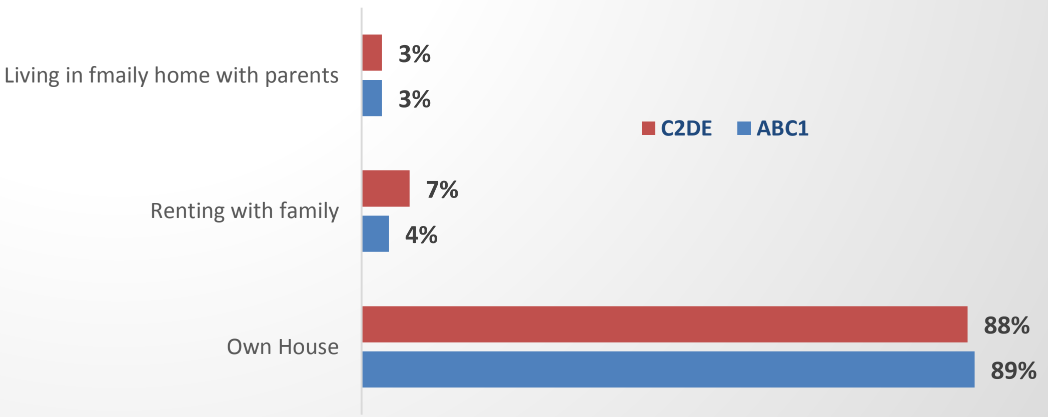
- ## Moving towards and enjoying retirement - Demographics







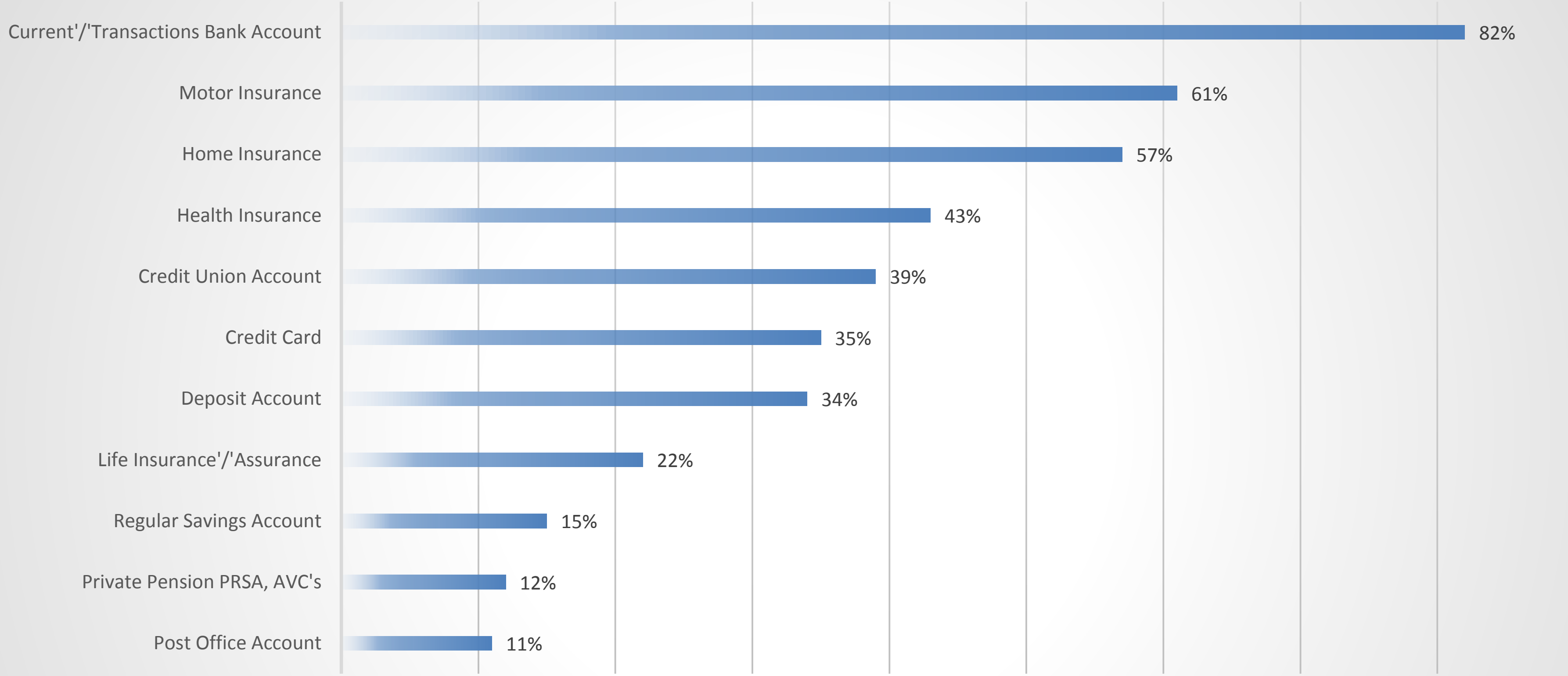




This profile can (for the most part) be characterised as:

- They are over 55, with the data divided between those aged 55 - 64 and those who are 65 and over, where significant differences can be identified.
- Just over 2 in 10 are employed with nearly 6 in 10 now retired.
- Nearly 9 in 10 own their home with many having already paid off their mortgages.
- 6 in 10 have children with most of these having children over 17 living with them, half of whom are at least partially dependent.
- Only half use online or mobile banking; they access it primarily through a PC or Laptop, for checking balances, paying bills, and transferring funds. Only 1 in 10 use telephone banking.
- The influence of their family and friends is low in their decision making around specific products, yet high in terms of their overall finances.
- Lower charges, better interest rates, having a product with the institution and best long-term product, are the main determining factors for choosing financial products.
- This profile feel that they know a lot about personal finances, tend to get professional advice, and feel it is important to seek this advice.
- They rate their financial knowledge as good.
- They have little interest in switching.

They now have fewer products than the profile preceding them.



- This profile now have fewer products than profiles 3 through 5.
- Most significantly, the majority have now paid their mortgages off with only 8% having one (16% of 55 to 64, and 2% on the 65+'s).
- Fewer have overdrafts, loans or hire purchase.
- Most still have current accounts, motor insurance, and still pay home insurance.

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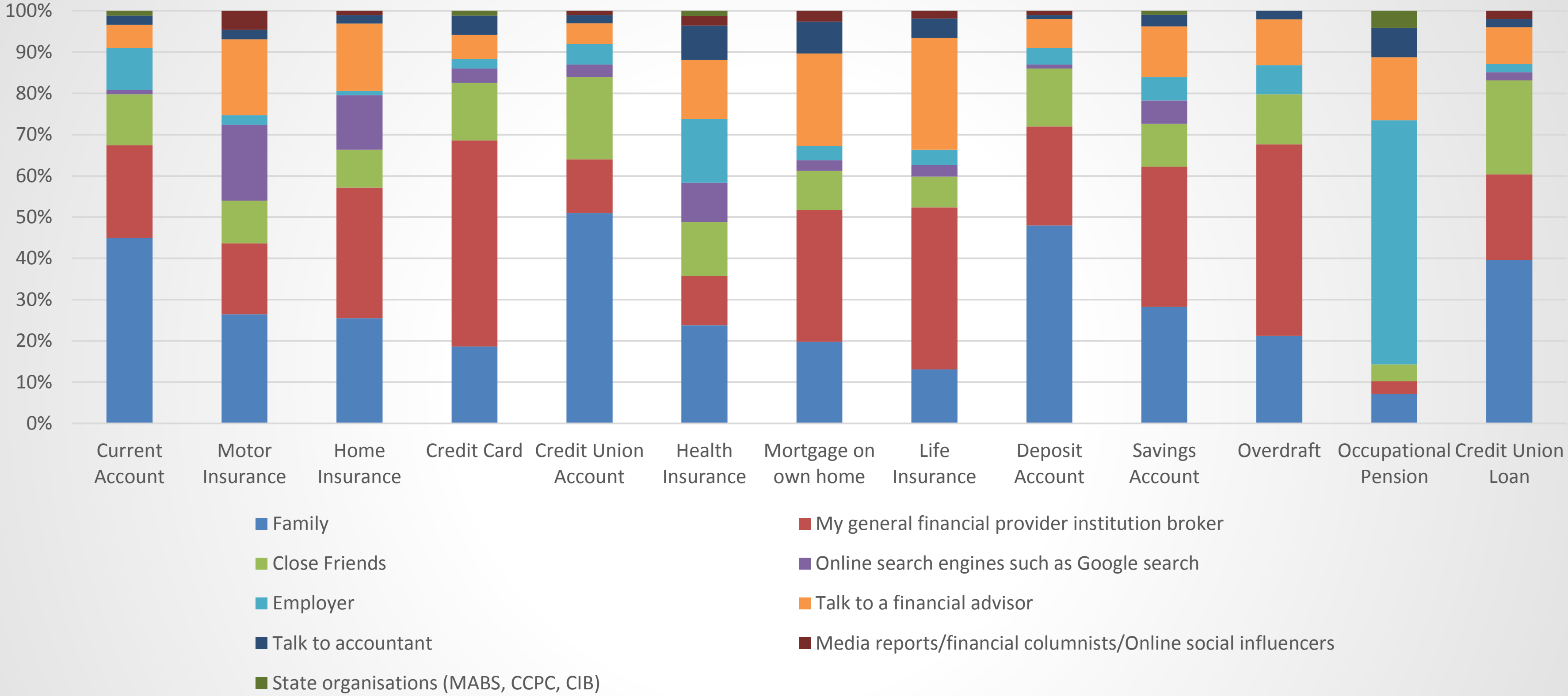
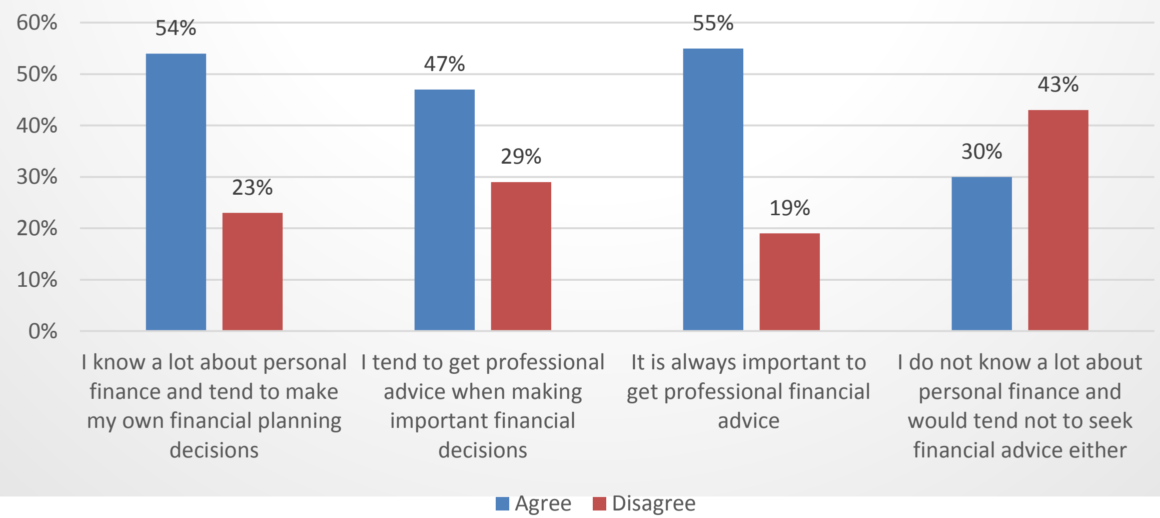
This reflects increasing complexity and growing interest in long terms savings. Why are they making these decisions?



- As regards their sources of information, the family remain a significant source people go to but now only for specific products.
- The financial institution features prominently (e.g. home insurance, mortgage, life insurance, savings, overdraft, credit card).
- At this stage some have now spoken with a financial advisor yet almost none have spoken with an accountant.

Knowledge, education, switching and planning

- Again, very few have had financial education.
- Over half (54%) would think that they know a lot about personal finance and tend to make their own financial planning decisions.
- Further, a significant 47% sought professional advice when making important financial decisions, and 55% felt it was important to do so.
- In contrast 43% felt that they knew a lot about personal finances and have sufficient knowledge about personal finances upon which to make informed decisions themselves.
- Fewer than 5% would like to receive information about financial products through any medium.
- This profile favours the booklet as the main source of information (58%) with traditional media being second (39%) and online being third (31%). Apps and social media were not favoured by this cohort.
- Of the 290 respondents in this profile, only 66 (23%) had switched in the last three years, with only 36 (12%) switching in the last 12 months.
- Further, only 14 people would be likely to switch in the next 12 months (5%), and 52 (18%) likely to switch in the next three years.
- The main reasons why they are likely to switch include a better offer in the long term from another institution, incentives from another institution, and better interest rates.



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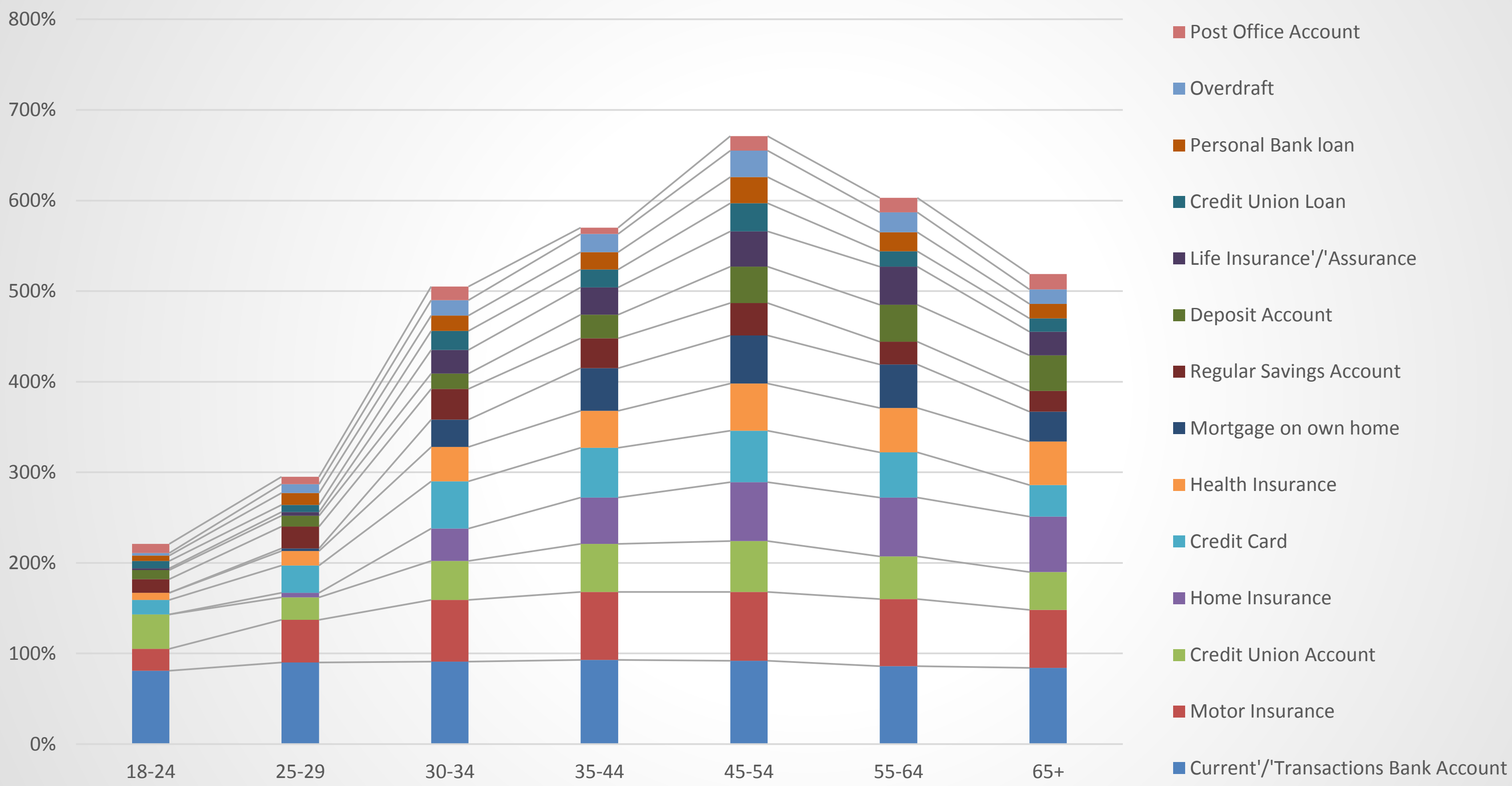
To understand this profile, and make suggestions for policy, we need to ask why are they making these decisions?

- Few are still employed with many retired. Nearly all own their home. Most have children, nearly all have children over 17 living with them, half of whom are at least partially dependent.
- They have fewer products as they reduce the complexity of their financial lives.
- The influence of their family and friends is low in their decision making around specific products, yet high in terms of their overall finances; again, seeing a reduction in the halo effect with age.
- Lower charges, better interest rates, having a product with the institution, and considering it to be the best long-term product, are the determining factors for products. There is, arguably, a stronger tendency to loss aversion built up over years of having a service or product.

3. Comparative analysis and summary insights

The pattern of products held changes with age

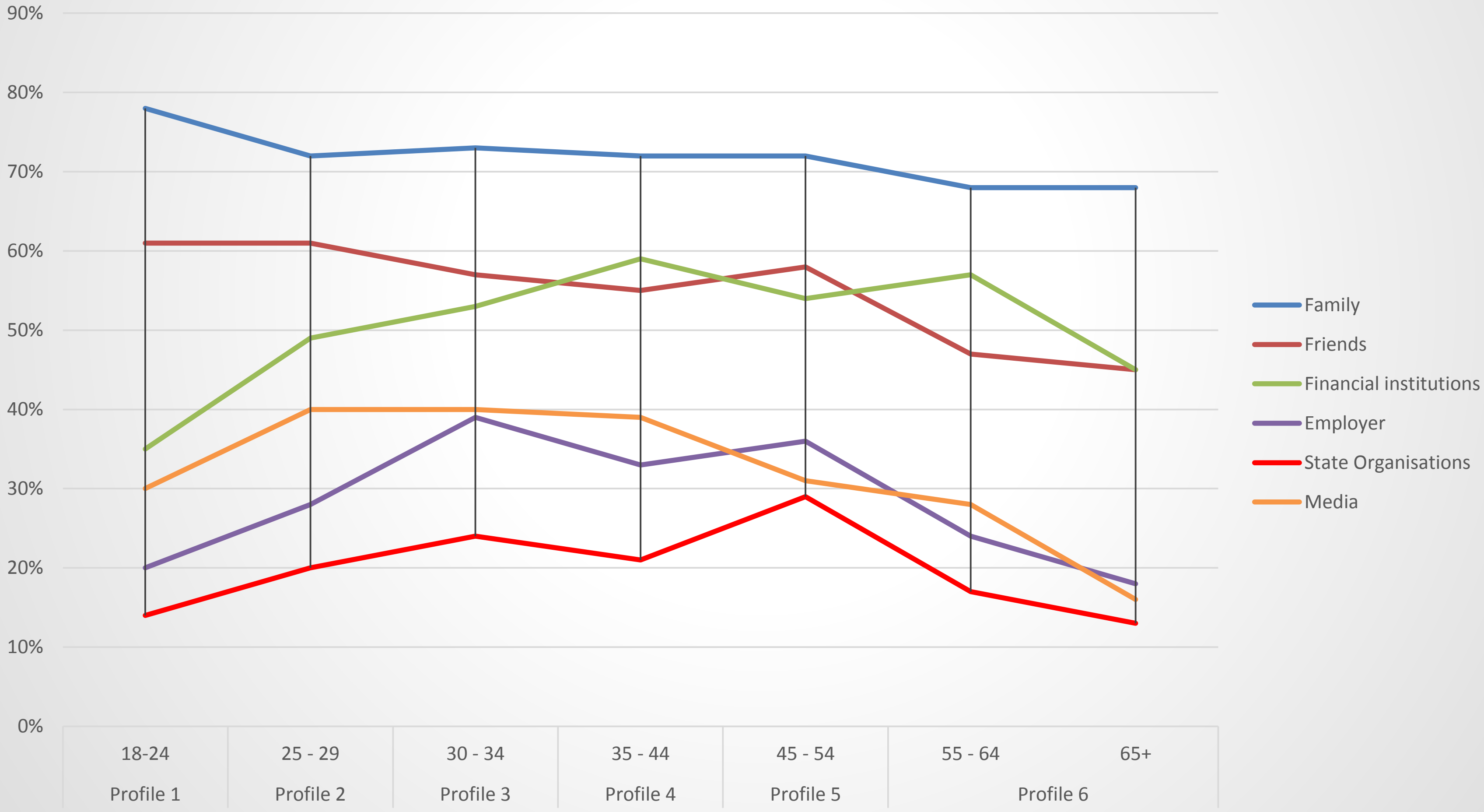


- The prevalence of the number of products rises sharply from the age of 30, peaking between 45 and 54, and then beginning to decline from 55.

Of the products they had, we see slight variation in the ages that the profiles took them out; again reflecting different availability and the macro financial infrastructure / demands on the individual at different times of their lives.

- **Current account:** overall nearly 9 in 10 have a Current account. Current accounts are largely similar across all age ranges.
- **Occupational pension:** a relatively low number of people, just under 10%, overall, have an occupational pension, this product is interesting to examine from the point of view of when it was taken out. The majority of those who had taken out an occupational pension had done so between the ages of 25 and 30.
- **Overdraft:** 1 in 10 reported having an overdraft. Of those who did have one, many took one out between 25 and 30 across all age profiles.
- **Home insurance:** the majority took out home insurance between the age of 25 and 30, and between the age of 31 and 35, reflecting house purchasing.
- **Credit union account:** many of the younger profile took out this product earlier than older respondents.
- **Credit card:** of the Early Decision Makers, 67% took out a credit card between 16 and 20, while most of the other cohorts took this out between 21 and 30.
- **Health insurance:** many people tend to take out health insurance between 25 and 30. A slightly higher proportion of those Redefining the Goals took this out earlier than those in An Age of Growth through to those Moving Towards and Enjoying Retirement. This could indicate the increased disposable income of 10 years ago.
- **Regular savings:** 21% had a regular savings account. We can see, overall, that most people take these out between the ages of 20 and 30.
- **Mortgage:** the most popular age for taking out mortgages is between 25 and 30. The figures imply that a slightly higher number of An Age of Growth and Latter Career Stages / Planning for Retirement took out their mortgages between 31 and 35 with those Moving Towards and Enjoying Retirement taking their mortgages out between 25 and 30.

Information and influences on decision making: recommendations from family or friends remains the most prominent reason many take out products; although this declines significantly with age. Most did not seek formal financial advice in their earlier life stages, though most did agree that it was important to get financial advice, they only sought this in their 30's onwards. We see other financial issues (lower charges, better interest rates, recommendations by financial service providers) emerging after the age of 30. In some cases, it is evident that there are limited options for those at the extremes of their age ranges (motor insurance, life assurance, health insurance).



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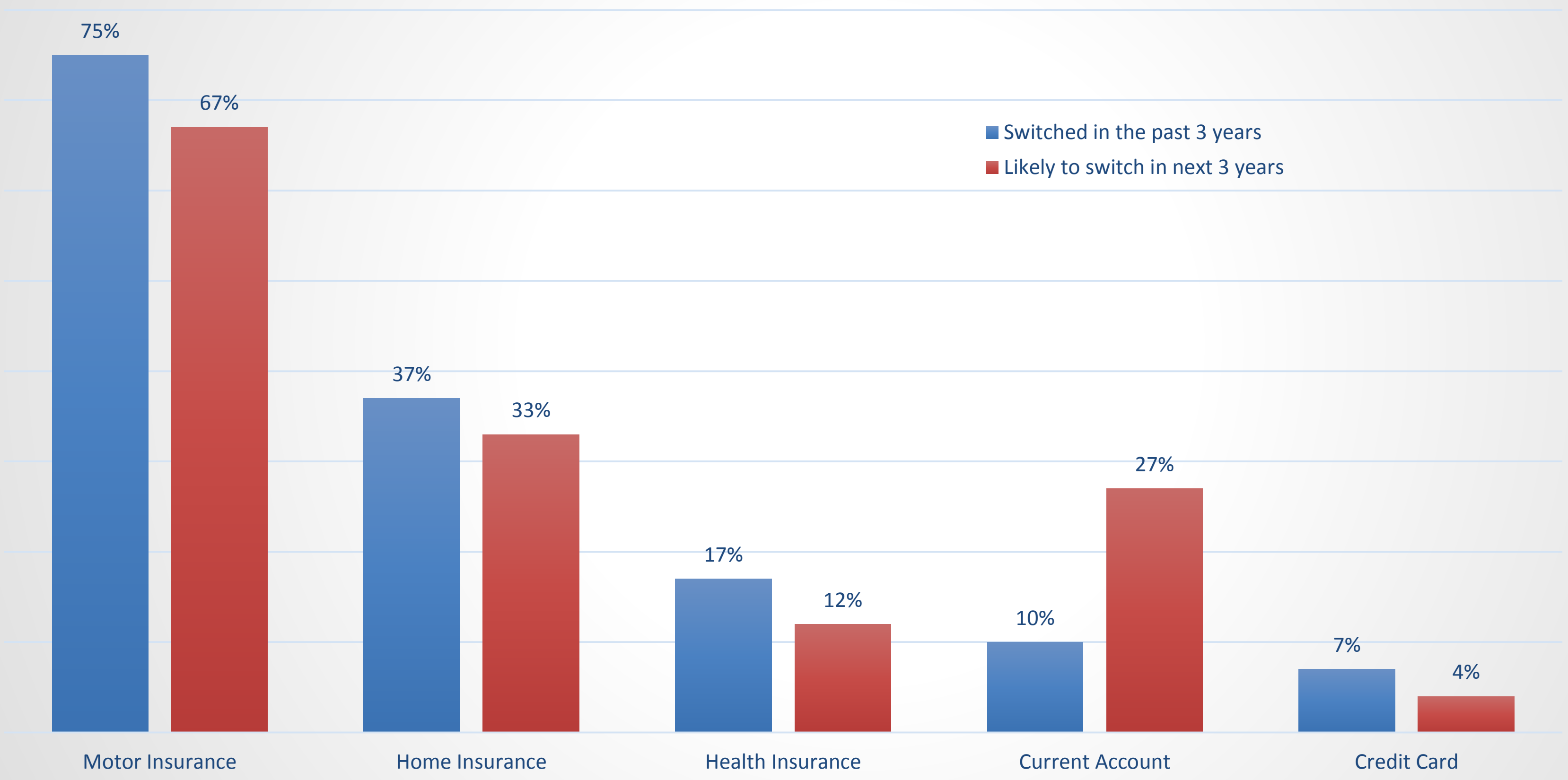
Switching: of those who had switched or are likely to switch in the future we found little difference across the ages and profiles in their likelihood of switching products. There were only really a small number of products people were likely to switch: motor insurance, home insurance, health insurance, and possibly their credit card. While they were also likely to switch their current account, they had not done so in the past.



Summary:

- Overall, the main influences on financial decision making are one's family, followed by friends. This indicates a strong halo effect, bandwagon effect and herd behaviour.
- The younger cohorts are defined by their overreliance on their family members for financial information, relatively low take up of financial products, thinking in the short term, a high proportion of mobile bank usage, and a low level of switching.
- This reliance on family and friends diminishes with time and is less prevalent in older profiles.
- The targeted provision of financial education/information – particularly aimed at Early Decision Makers - framed in a more effective way, might reduce this halo effect.
- Another approach would be to use this network to encourage peer-to-peer learning among the younger groups through informed discourses.
- This could be achieved through engaging the older profiles, who are more engaged in their financial institutions, in supporting financial education.

Coimisiún um Iomaíocht agus Cosaint Tomhaltóirí

Competition and Consumer Protection Commission

4. Methodology

The Research Methodology was robust and designed to maximise the representativeness of the sample.

- Nationally representative Face-to-face in the home,
- Sampling:
  - 1,000 nationally representative of the Irish public
  - 430 boost of those between the ages of 25 and 44 (representing a doubling of the number in these ranges ensuring we have adequate data to allow for analyses within these specific cohorts)
  - Total sample 1,430
- Regional segmentation
- This will provide two interrelated data sets; 1,000 national representative and 860 of a nationally distributed population of the 25 to 44 age ranges representative across the other requisite demographics.
- Further, this will allow for the analysis of customer segmentation across the national sample and the detailed exploration of the specific cohorts.
- This also allows for comparison at the regional NUTS II and NUTS III level, and nationally, maintaining diversity in terms of the geographic distribution.
- Quota controls were employed to ensure that the sample is representative in terms of gender, age and socioeconomic group.
- Fieldwork was carried out between April and June 2017 by Amárach's national CAPI field team.
- The data was collated and analysed in terms of each profile type with additional emphasis placed on the core ages of 25 through to 44.

The questionnaire was designed to examine a range of key factors which influence financial decision making.

Key Factors Examined

- Financial service provision.
- Sources of information employed when making decisions.
- Financial knowledge and decision making.
- Information sources.
- Switching.
- Financial education / literacy.
- Saving and investments.

Output

- The output of the analysis provides a detailed overview of each profile, a comparative analysis, and examines them in terms of behavioural economics along with some conclusive remarks.