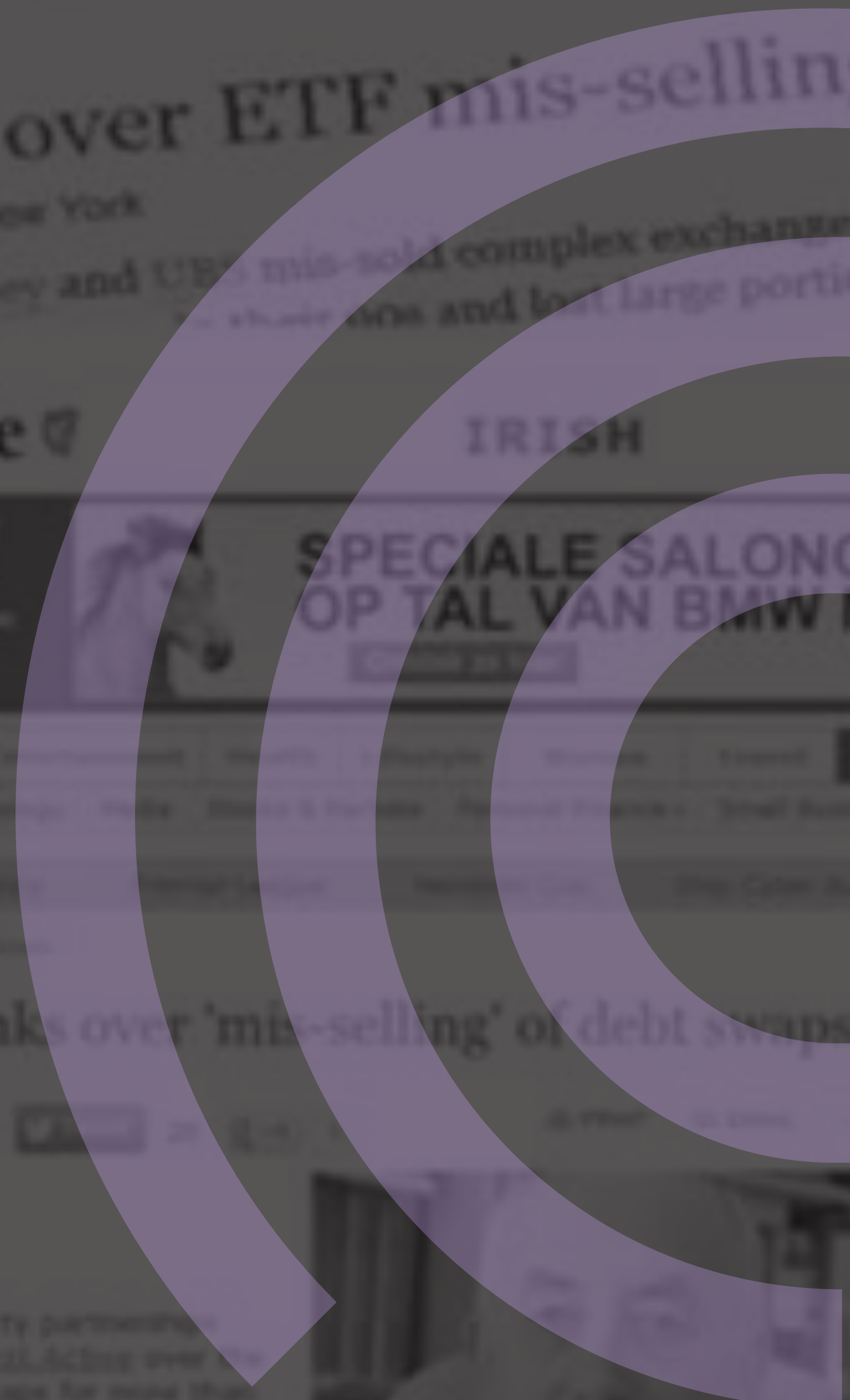




# amplified global

Intelligent audit trail for regulatory compliance



# My experience when I read and write

## Consumer Credit Card

### Terms & Conditions.

We add fees and default charges (and any interest incurred) to the most relevant balance type set out in A3. For example, we would add a cash transaction fee (including any associated non-sterling transaction fee payable) and any interest incurred on that fee to the cash transaction balance. We add annual fees, non-sterling transaction fees associated with purchases and any interest incurred on those fees to the purchase balance.

We may also charge you reasonable costs for enforcing the agreement, for example, court costs, tracing costs and third-party collection costs.

If you or we have given notice to close your account and end your agreement, we may still apply these fees and charges until you have repaid the full balance.

#### A6. Annual Percentage Rate (APR) and Total Amount Payable

The APR allows you to compare this agreement with those of other providers at the time you sign it. When we calculate the APR and Total Amount Payable, we ignore any promotional offers and assume that:

- we and you both keep to the terms of this agreement;
- we charge your annual fee (if any) immediately;
- the interest rates and amounts of any fees do not change; and
- your credit limit is £X,XXX.XX, you make a single purchase of this amount immediately and you repay this amount over one year by 12 equal monthly payments together with interest charges for each month.

Your APR at account opening is XX.X% (variable)

Your Total Amount Payable is £X,XXX.XX; this includes your annual fee, if any.

#### A7. Payments

You must make at least the minimum payment by the payment due date each month if you owe a balance on your statement. You must also pay immediately the amount of any missed payments and any amount you owe above the credit limit. You can always pay more than the minimum payment and you can pay off all or part of your balance at any time.

We do not treat payments as received until they reach us in cleared funds. You may need to allow extra time for clearance (for example, if you pay by cheque). Your statement tells you the minimum payment. We also include any missed payments in the amount we ask you for. We choose your payment due date and show it on your statement. Your payment due date is 18-30 days after the date we create your statement. For details of how to make payments, see B7 and your statement.

**! You will lose any promotional offers if we do not receive your minimum payment on time or you go over your credit limit.**

The minimum payment we ask for is charged on a monthly basis and is the higher of £5 or the total of:

- any interest charged as shown on your statement; plus
- any default charges payable as shown on your statement; plus
- X.XX% of the total balance you owe (including interest and charges), as shown on your statement.

If you owe less than £5, you must pay the full amount you owe.

Section B7 explains the order in which your balances and transactions are paid off.

**! We recommend you avoid only paying the minimum payment for long periods of time. If you only pay the minimum, repayment will take longer and cost you more in interest. If you need help with your payments, please contact us as soon as**

#### A6. Annual Percentage Rate (APR) and Total Amount Payable

The APR allows you to compare this agreement with those of other providers at the time you sign it. When we calculate the APR and Total Amount Payable, we ignore any promotional offers and assume that:

- we and you both keep to the terms of this agreement;
- we charge your annual fee (if any) immediately;
- the interest rates and amounts of any fees do not change; and
- your credit limit is £X,XXX.XX, you make a single purchase of this amount immediately and you repay this amount over one year by 12 equal monthly payments together with interest charges for each month.

Your APR at account opening is XX.X% (variable).

Your Total Amount Payable is £X,XXX.XX; this includes your annual fee, if any.

# Regulations

— UK Consumer Rights Act - legal requirement 

— A trader must ensure that a written term of a consumer contract, or a consumer notice in writing, is transparent. A consumer notice is transparent for the purposes of subsection (1) if it and is **expressed in plain and intelligible language** and is **legible**.

**Court of European Justice**

“being capable of being understood or comprehended by an average consumer”.

- readable
- grammatical sense
- position to evaluate
- intelligible criteria
- consequences (financial)



**Most firms rely on readability**

How easy or difficult something is to read, based on education level.

**Frameworks**

- Flesch Kincaid
- Coleman Liau
- Gunning fog
- SMOG Index

 **readable**

 **grammarly**

 **Hemingway**  
Editor

 **acrolinx**  
Better Content. Faster.

**Significant compliance risk**

# FCA Regulation

## — FCA Handbook

### 2A.5.3 R (1)

—

A firm must support retail **customer understanding** so that its communications:

- (a) meet the **information needs** of retail customers;
- (b) are likely to be **understood** by retail customers; and
- (c) equip retail customers to **make decisions** that are effective, timely and properly informed.”

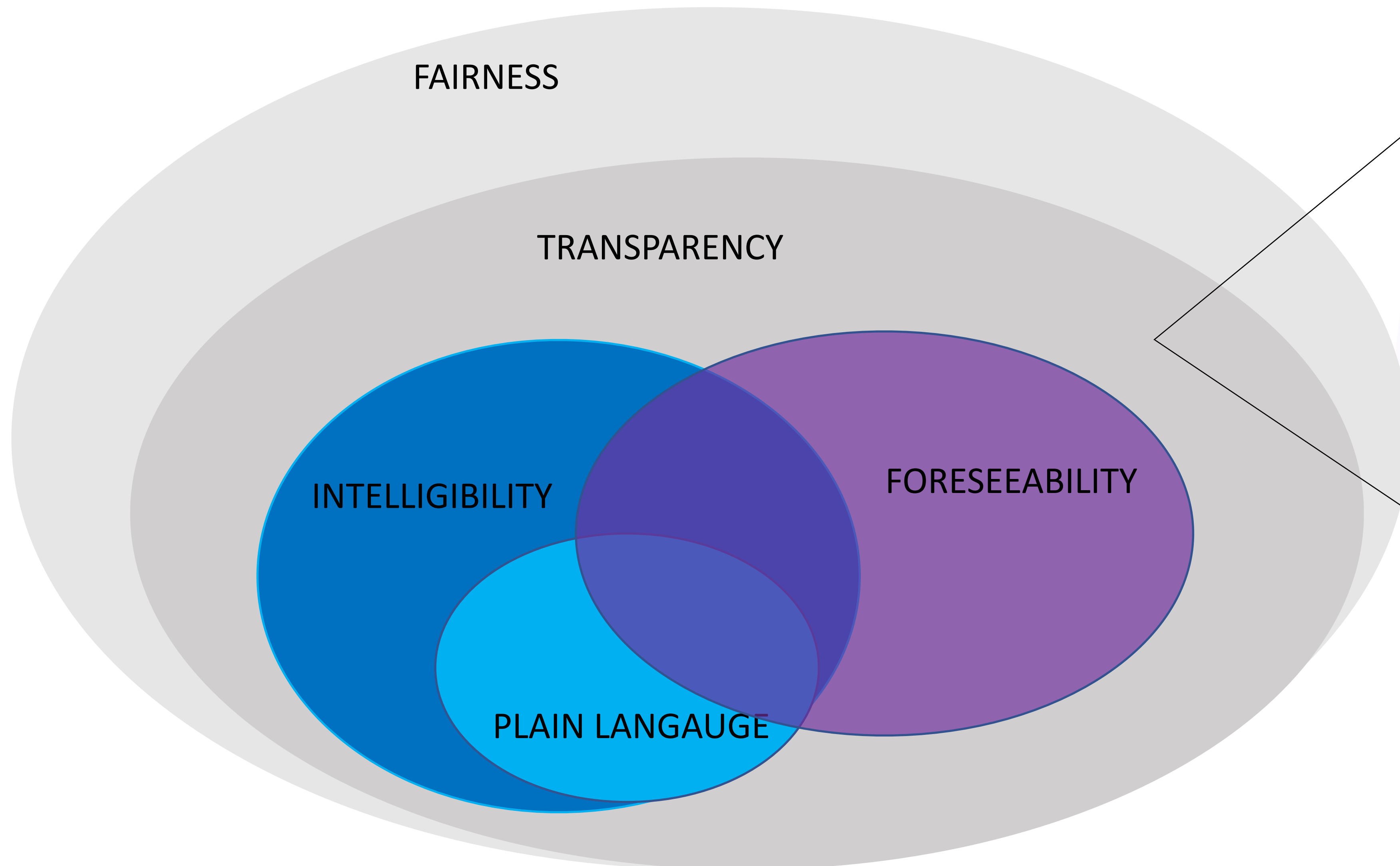
#### **FCA Handbook** CONC 3.3.2

A firm must ensure that a communication or a financial promotion:

- uses plain and intelligible language
- is easily legible

# Intelligibility Dynamics

— Presentation ( Legal) Vs... Outcome (FCA Consumer Duty)



## Formal Transparency:

- Availability of terms
- Accessibility
- Presentation and handing over to the consumer

## Material / Substantive Transparency:

- Content of the terms
- Drafting and intelligibility / comprehensibility (capable of being understood)
- Foreseeability = consequences (economic / legal)
- Context of 'average customer'

# Intelligibility analysis

## — Sentence complexity analysis comparison

Sentence heat risk map

● We will collect a **Monthly Management Fee** of \_\_\_\_\_ from your estimated monthly payment of \_\_\_\_\_ that you will pay into the Client Account, subject to Cleared Funds, commencing \_\_/\_\_/\_\_.

● We will collect a Monthly Management Fee of \_\_\_\_\_ from your estimated monthly payment of \_\_\_\_\_ that you will pay into the Client Account, subject to Cleared Funds, commencing \_\_/\_\_/\_\_.

Complex word - difficult concept to understand

**R** readable

GRADE	ISSUES	REACH	WORDS
<b>A</b>	<b>1</b>	<b>100%</b>	<b>27</b>

**Hemingway**  
*Editor*

**Readability**

Grade 9

Good.

**G** grammarly

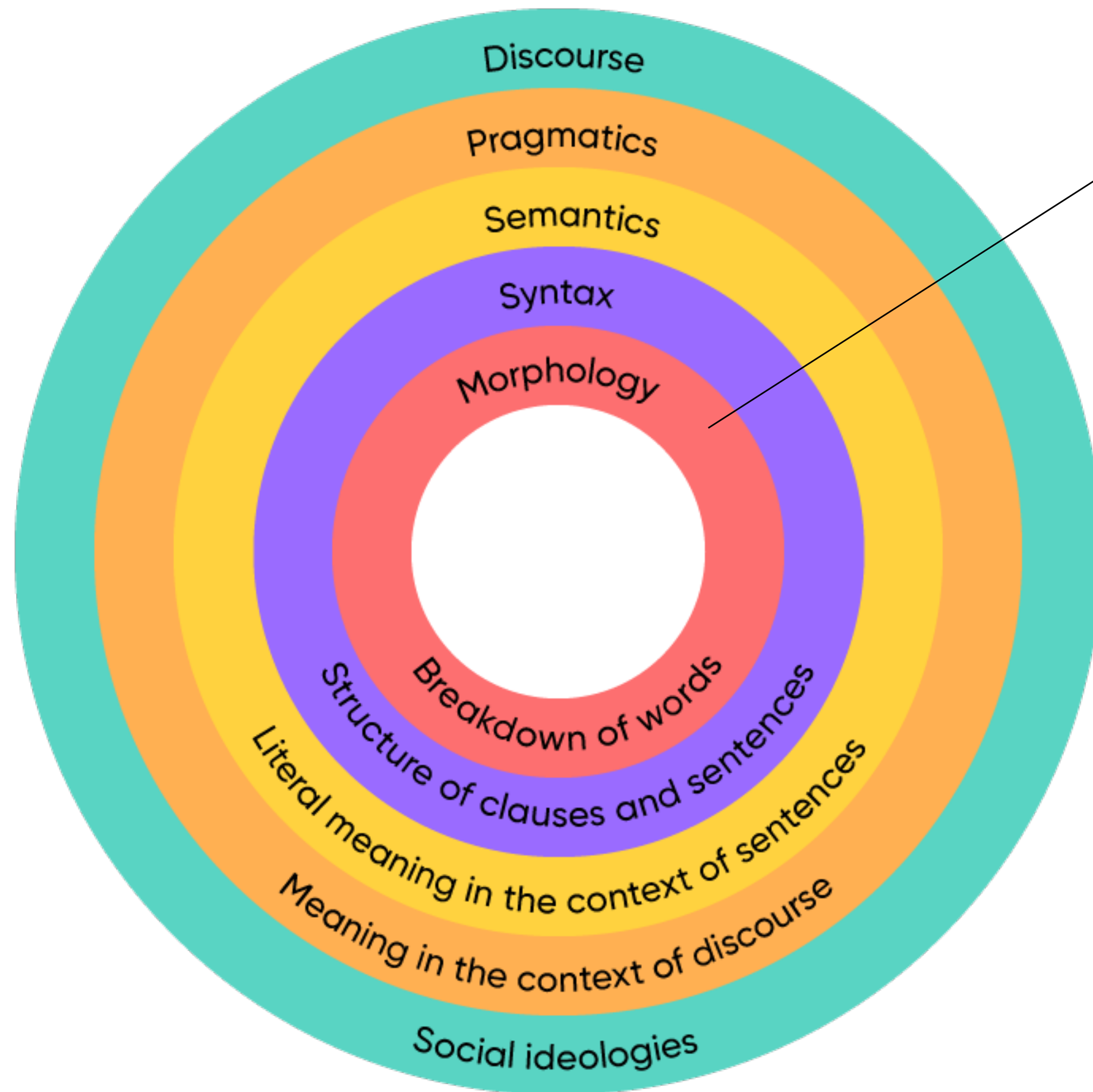
**Performance**

Great job! Your text scores 100 out of 100. This score represents the quality of writing in this document.



# Drivers of complexity

— What makes documents complex to understand? (Amplifi linguistic research)



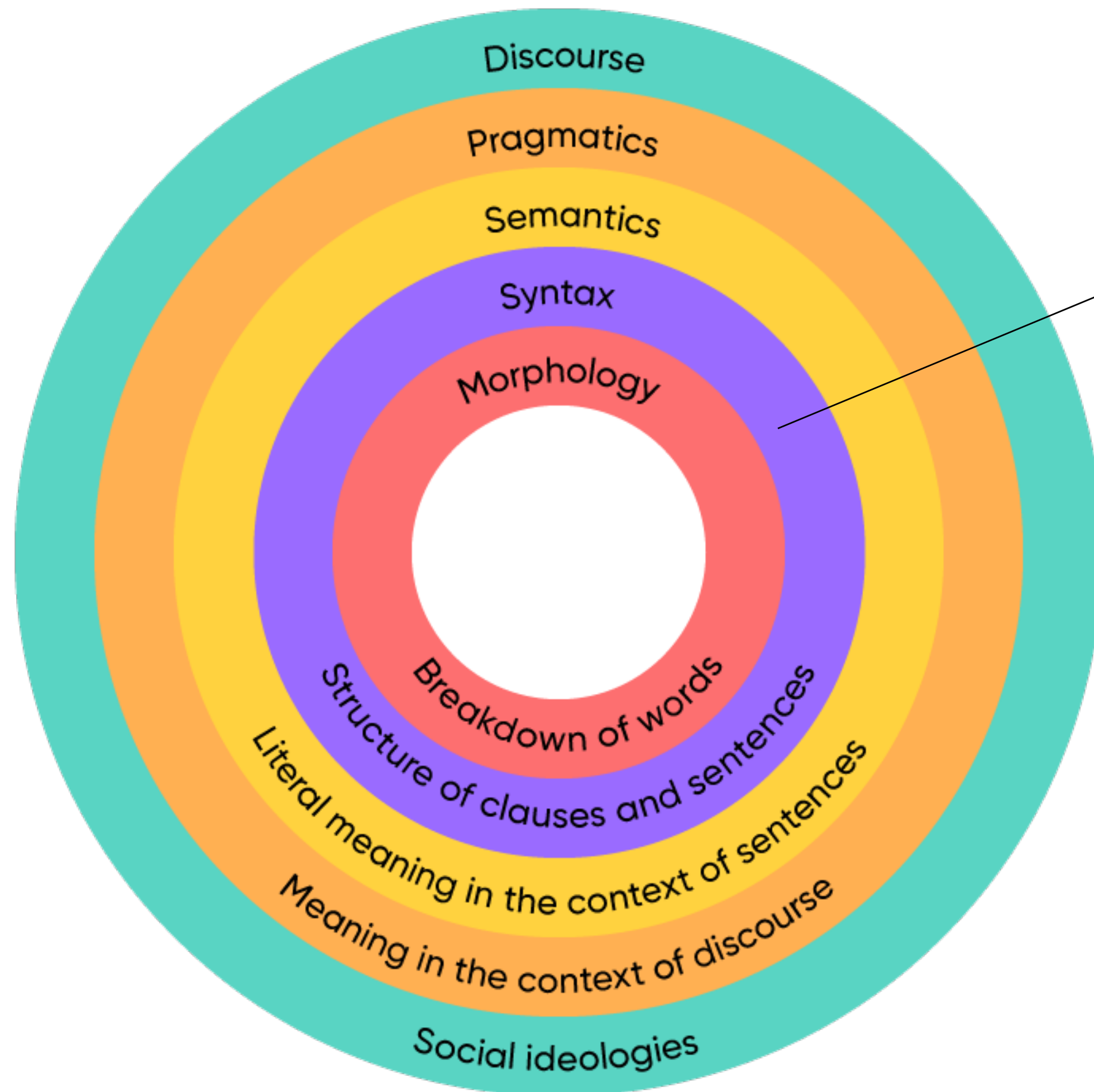
## Complex, long or unusual words

- Prescribed language
- Industry defined words
- Lack of clear definitions
- Abbreviations

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# Drivers of complexity

— What makes documents complex to understand? (Amplifi linguistic research)



## Format, structure, prominence

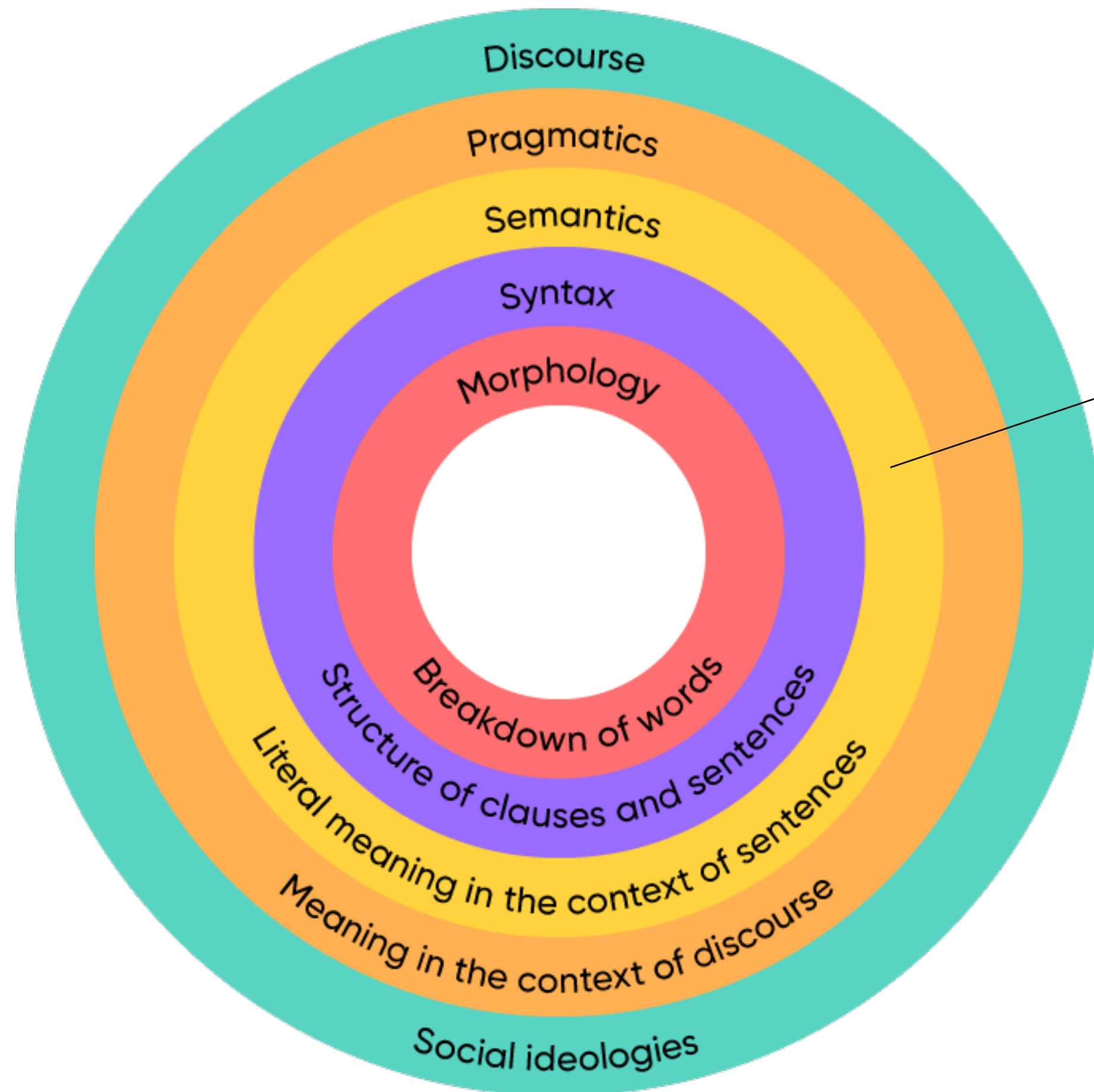
- Lack of clear headings or navigation
- Illogical or broken-up structure
- Overly long sentences
- Dependency Tree Depth

Academic Partners



# Drivers of complexity

— What makes documents complex to understand? (Amplifi linguistic research)



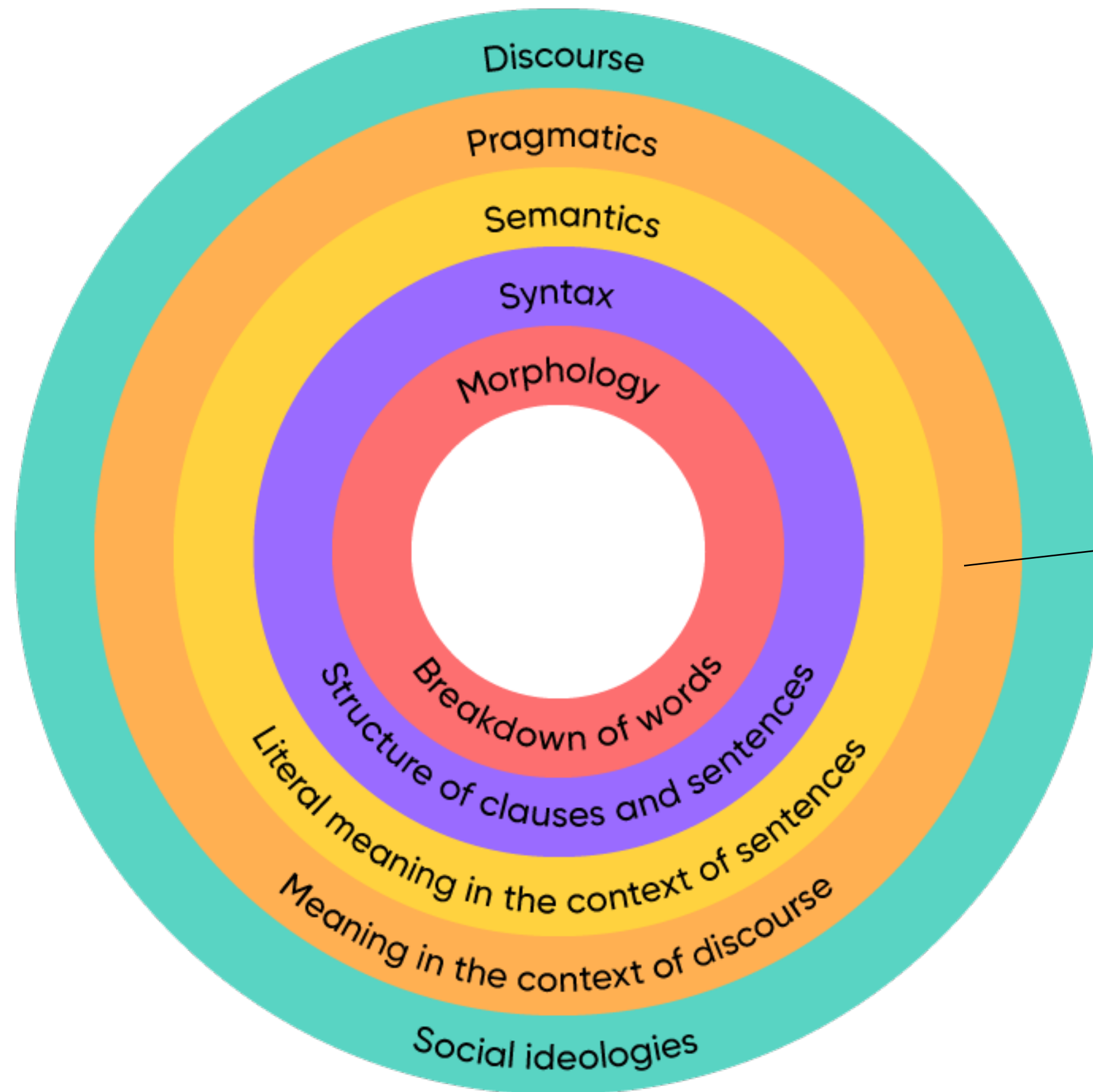
## Complex meaning or concepts

- Complex or unusual concepts
- The “curse of knowledge”
- Layered concepts

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# Drivers of complexity

— What makes documents complex to understand? (Amplifi linguistic research)



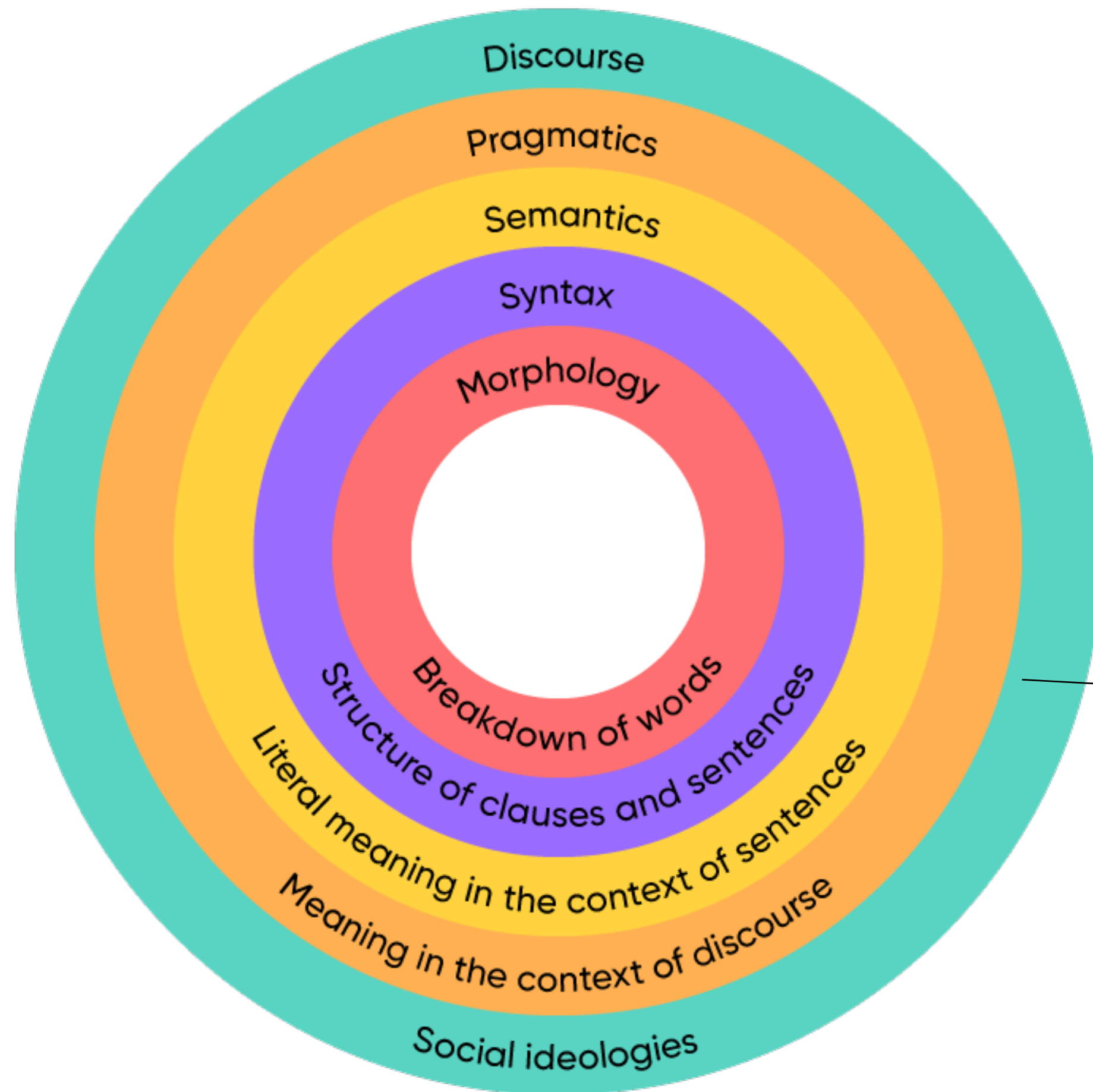
## The 'so what'?

- Unclear rights, responsibilities or obligations
- Are actions sufficiently clear?
- Are future risks made clear?

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# Drivers of complexity

— What makes documents complex to understand? (Amplifi linguistic research)



## An unequal relationship

- Impact of power discrepancy
- Consumer vs corporate giant
- Bias
- Social practices

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