



Crisis spending, consumers and the shops that never close

- The growing challenge of night-time shopping by vulnerable consumers

Introduction

This report shines a light on the growing problem of night-time shopping by vulnerable consumers. Overnight shoppers find themselves repeatedly making unaffordable purchases they later regret, often causing themselves significant financial self-harm.

Compulsive shopping has long been recognised as a problem, in particular among those with mental health problems. But in the online environment, where the shops never close, consumers who struggle to control their spending find themselves at greater risk than ever before.

Research by Money and Mental Health shows that consumers with mental health problems report night-time shopping as particularly damaging. Shoppers often feel they are unfairly targeted with email marketing and TV shopping at night when their defences are down. The hours of midnight to 5am are when they are most vulnerable because of lack of sleep and because they are alone - with family members in bed.

“With my depression, I don't sleep very well, long lonely nights, plenty of time to browse the web... the ability to buy online has added to my debt.”

Shops that never close

The UK has the most developed online retail industry in Europe. With nearly £1bn spent online every week, these sales now represent about 15% of all retail in the UK¹. The rise of online retail has

many benefits for both consumers and retailers, but it also poses a variety of risks. A key challenge is that the online retail environment means the shops now never close, and consumers are never far from the temptation to spend. For people with mental health problems, or those in financial difficulty, this can be a serious problem, putting them at risk of harm.

Most retailers use email marketing to attract customers and encourage purchases. For the larger retailers, these emails are usually personalised, built for customers on the basis of their previous shopping behaviour, or encouraging them to complete the purchase of items they have left in their basket. Other key tactics used by retailers and email marketers include discounts, or promotions, that are short-lived, encouraging people to buy immediately rather than consider.

Our research has identified that, while most retailers target the morning (6am-9am), or early evening (5pm-10pm), a few seem to frequently send emails at night (midnight-5am). These include:

- Amazon
- Lastminute
- Asos
- Quidco (cashback site promoting purchases at other retailers)
- Easyjet

TV shopping is also available at night. Freeview programming includes fourteen dedicated

¹ Retail sales in Great Britain: Sept 2016, Office of National Statistics

shopping channels, such as QVC, Gems TV and Ideal World. In addition, ITV2 shows teleshopping after 2:30am, other ITV channels make the switch later. Comedy Central, Really, Yesterday, Dave, Drama, More4, Film4 and 4Music all switch to teleshopping late at night.

“I spend money online at night due to insomnia and depression. I also mainly buy for others as opposed to myself because I want to make up for how my illness affects them and to make people like me. When I do buy for myself I always think it will 'cheer me up' but it never does and I'm left with debt which further fuels my depression.”

Scale of the problem

Consumer survey research carried out for Barclays found that while online purchasing and browsing peaks between 10pm and midnight, one in ten consumers is still purchasing between midnight and 3am². And with more people now shopping on mobile devices than laptops and desktops³, smartphones have made it even easier to shop late at night. Seven in ten late night online shoppers said it was because they couldn't sleep⁴.

Money and Mental Health conducted a survey of nearly 5,500 people with mental health problems in spring 2016, which analysed in depth for the first time the problem of “crisis spending” during periods of poor mental health. 93% of respondents told us they spend more when they are unwell, and our analysis showed the majority is “crisis spending”: spending which occurs during a period of poor mental health and is motivated by emotional or psychological needs and processes rather than material need. Crisis spending often causes financial harm - such as spending all of your savings or accruing unpayable debts.

We conducted further research to analyse the most common kinds of crisis spending, which identified the night as the most dangerous time of day. **Four in ten respondents to our survey told us they spent more late at night while unwell.**

We conducted a focus group in summer 2016 with people who had struggled to control their spending in the past, who told us:

- Staying up late shopping online was a way of hiding their behaviour from their partners or family.
- Late night shopping was often a source of comfort when they couldn't sleep.
- Online shopping is a common way of making crisis purchases, with targeted email marketing and personalised advertisements making it more difficult to escape temptation.

Some people experiencing mental health problems find it difficult to return online purchases. They often feel too ashamed or guilty about their behaviour, or may face practical barriers such as social phobia preventing them from going to the post office.

“Due to disability I don't sleep at night time. I very rarely get to the shops so I do internet shopping. I forget what I've ordered for people and end up buying the same person 3 or 4 different birthday presents, I order things for myself and I don't even look at the prices. My mind is foggy and confusing.”

Understanding changes in behaviour at night

Academic research provides some insight into the reasons consumers struggle to control their behaviour at night, or when unable to sleep.

Elevated levels of impulsivity are a clinical feature of bipolar disorder⁵, borderline personality disorder⁶ and schizophrenia⁷. General

²Barclays. The Last Mile: Exploring the online purchasing and delivery journey, 2014.

³Ofcom. The Communications Market Report: UK, 2016.

⁴Survey of 2,032 people for Give as You Live, reported in ecommerce week, 7 October 2014 <http://www.ecommerceweek.co.uk/news/346/late-night-shopping:-a-third-of-brits-shop-online-between-midnight-and-4am/>

⁵American Psychiatric Association. Diagnostic and statistical manual of mental disorders (DSM-5). American Psychiatric Publishing, 2013.

⁶Lieb K, Zanarini M, Schmahl C, Linehan M, Bohus M. Borderline personality disorder. The Lancet 2004; 364; 453-461.

⁷Heerey E, Robinson B, McMahon R, Gold J. Delay discounting in schizophrenia. Cognitive Neuropsychiatry 2007; 12; 213-221.

psychological distress - associated with more common mental health problems like depression and anxiety - is also linked to increased impulsivity⁸. And everyone, whether they have a mental health condition or not, is more impulsive when sleep deprived⁹. Lack of sleep changes our ability to process emotional cues¹⁰: when we're very tired, the bits of our brain that needed to make complex judgements and decisions become blunted, and more primal brain structures which control motivation play a bigger role¹¹, meaning when you want something, you're more likely to just go for it.

All of these factors make us more vulnerable to online advertising, email marketing or teleshopping in the middle of the night. Common mental health problems like depression and anxiety are associated with a significantly higher incidence of insomnia¹², meaning for some people with mental health problems, night time spending is a real issue.

"I don't sleep well at night and found myself just buying things on the internet during the night, which passed the long dark hours."

Protecting consumers: a way forward

The 24/7 retail environment can be deeply problematic to some people with mental health problems. But any solution must be proportionate to the harm - the retail industry makes an important and valuable contribution to the UK economy, and many consumers enjoy the flexibility provided by online shopping. Equally, many consumers find teleshopping enjoyable and convenient.

Creating flexible settings, allowing consumers to restrict access to online retail or teleshopping in the way that works for them, would help many

people with mental health problems, or in financial difficulty, to control their spending and reduce financial harm. The practical steps set out below have all been put forward by participants in our research as tools that would help them protect themselves from night-time financial self-harm.

Consumers should be able to:

- **Set the opening times of online shops in their account**, so that anyone who struggles to resist online shopping at night can restrict their own access. These times should be set by the consumer, in a supportive fashion, to provide the level of protection they desire.
- **Change the preferences in their online account to delay processing and despatch of items ordered at night** until the purchase has been re-confirmed in the morning.
- **Opt-out of email marketing at night**; email clients could be configured to provide this service if retailers are unable or unwilling to do so.
- **Turn off shopping channels**, including blocking shopping content on Freeview channels which show non-shopping programming during the day. All Freeview equipment can be set to block adult content, by regulation - a similar block should be mandated for teleshopping to allow people who find this content problematic to avoid it.

⁸ Mantzios M. Exploring the Relationship Between Worry and Impulsivity in Military Recruits: The role of Mindfulness and self-compassion as Potential Mediators. *Stress Health* 2014; 30; 397-404.

⁹ Drummond S, Paulus M, Tapert S. Effects of two nights sleep deprivation and two nights recovery sleep on response inhibition, *Journal of Sleep Research* 2006; 15:3, 261-265.

¹⁰ Killgore W. Effects of sleep deprivation on cognition, in Kerkhof, G and Van Dongen, H (eds.) *Progress in Brain Research* 2010; 185, 105- 129.

¹¹ Greer S, Goldstein A, Walker, M. The impact of sleep deprivation on food desire in the human brain. *Nature Communications* 2013; 4, 2259.

¹² Morphy H, Dunn K, Lewis M, Boardman H, Croft P. *Epidemiology of Insomnia: a Longitudinal Study in a UK Population.* *Sleep* 2007; 30:3, 274-280.