



MONEY AND
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POLICY INSTITUTE



CONVENIENCE AT A COST

Online shopping and mental health

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Executive summary

Online harms

- The internet can be a valuable resource for people with mental health problems, but it can also expose them to significant risks due to the way common symptoms interact with the nature of many online spaces – always available, frictionless and less regulated.
- This paper is the second in a series exploring a range of harms people with mental health problems can face, with the aim of creating a safer online environment for everyone.

Online shopping can be invaluable for people with mental health problems, but it also exposes them to risks

- Online shopping allows people with mental health problems to buy essentials when too unwell to leave the house or unable to face large crowds.
- As people have spent more time at home because of the coronavirus pandemic more people have used online shopping sites.
- Online shopping, however, is available at any hour and people can be nudged by sites in ways they would not be in actual shops.

Online retail can negatively affect the health and finances of people with mental health problems

- Three in ten (29%) people who have recently experienced a mental health problem have spent more than they can afford when shopping online in the last twelve months, more than double the rate among people who have never experienced mental health problems (12%).
- People with recent experience of a mental health problem are nearly three times as likely to have felt stressed as a result of online shopping in the last year (31% compared to 11%).
- Many people have found it harder to control their spending since lockdown began – this includes one in four (26%) people who have recently experienced a mental health problem.

Interactions between common symptoms of mental health problems and key designed elements of online shopping sites can make it difficult to control spending

- Nearly half (47%) of people who have recently experienced a mental health problem had bought something they didn't need or use in the last year.
- Experiencing a low mood, increased impulsivity or reduced cognitive ability can all lead to problems controlling spending.

- Half (54%) of people who have recently experienced a mental health problem felt that online shopping sites make it too easy to spend more money than you can afford.
- The design of online shopping sites can drive difficulties controlling spending, when sites minimise friction, put customers under pressure to spend and personalise the customer experience. These can all be harder to deal with during periods of poor mental health.
- ‘Buy now pay later’ products have become a central part of the online shopping experience, but people with mental health problems report a range of problems when using them. More than half (56%) of ‘buy now pay later’ users agree that the products make it too easy to get into debt.
- People with mental health problems often find it difficult to return unwanted purchases, meaning that spending is not recouped and problems are compounded.
- Additional friction – giving customers more time to think through their purchases
- Spending limits – allowing customers to only spend what they can afford to
- Clear visibility of spending – helping customers keep track of their spending and make informed decisions
- Information and signposting – giving customers information on how to stay in control and letting them know where to turn to when at their most unwell.

Recommendations for policymakers

Recommendations for retailers

- Retailers should adopt best practice that empowers customers with mental health problems to stay in control of their spending and avoid harm. This includes:
 - Customer controls – giving customers the ability to turn off certain design elements and turn on support tools
- The government and regulators should look at compliance with current consumer protections and address gaps in current regulation:
 - The Competition and Markets Authority (CMA) should develop principles for how consumer protection law applies to online shopping sites.
 - The government should also task the CMA with reviewing existing consumer protection to ensure they are fit for the digital age.
 - The Financial Conduct Authority should consider bringing all ‘buy now pay later’ products into formal regulation as part of its upcoming review.

Introduction

Our work on online harms

The internet is a lifeline for many people with mental health problems. It can offer vital access to support networks and services when people are unwell or unable to leave the house. However, online spaces can expose people to risks that are not present offline, or are more acute when people access services in this way. The internet is available night and day, many online spaces are under-regulated and transacting online is usually quicker and easier than in the 'real world'. These characteristics can combine with common symptoms of mental health problems in challenging ways, leaving many of us exposed to significant but underexplored financial risks.

Online harms predate coronavirus, but the crisis adds urgency. The need for social distancing has accelerated the shift towards digital channels, forcing some people to access services like banking, shopping and healthcare online for the first time. Broadband providers report up to 60% increases in traffic since lockdown began.¹ Alongside increasing use of online services, the crisis has also had a negative impact on the nation's mental and financial health.² Many of us are now more reliant on the internet, yet more vulnerable to harm when using it.

To explore how to make online spaces safer, earlier this year Money and Mental Health launched a programme of work investigating the links between financial harms online and mental health problems. This paper is the second in that series.³ Here, we focus on online retail and the problems people experiencing poor mental health can encounter.

This paper explores people with mental health problems' experiences and views on online shopping, drawing on:

- A nationally representative poll of 2,000 people, conducted 2-6 October and carried out by Opinium. Our analysis focuses on the 95% of the population who have bought something online, comparing the views and experience of those in this group who have recently experienced mental health problems, in the last 24 months (23%), and those who have never experienced a mental health problem (53%).
- A survey and a focus group which was carried out during September 2020 with members of the Money and Mental Health Research Community, a group of nearly 5,000 people with lived experience of mental health problems, who are at the heart of everything we do. The survey covered 385 participants' experiences of and views about online shopping.

1. Ofcom. Broadband networks stand firm during pandemic. 2020. <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2020/broadband-networks-during-pandemic>. Accessed August 2020.

2. Banks J and Xu X. The mental health effects of the first two months of lockdown and social distancing during the Covid-19 pandemic in the UK. Institute for Fiscal Studies. 2020; and Bangham G and Leslie J. Rainy days: An audit of household wealth and the initial effects of the coronavirus crisis on saving and spending in Great Britain. Resolution Foundation. 2020.

3. Holkar M and Lees C. A safer bet? Money and Mental Health Policy Institute. 2020.

Online shopping and mental health

For those of us with mental health problems, the option to shop online can often be a lifeline. It enables people to buy food, clothes and other supplies even when in the pits of depression and unable to get out of bed, or when overwhelmed by anxiety about social interaction. In our Research Community survey, 61% of respondents said they preferred shopping online to going into shops,⁴ and 59% felt it was useful during periods of poor mental health.⁵

"It's a lifesaver sometimes because I find shopping in person incredibly detrimental to my mental wellbeing, therefore online shopping allows me to avoid that."

Expert by experience

For others with mental health problems, shopping online offers fewer opportunities for impulse buying at the till and gives them more time to look for items they need, including when shops are closed. Research Community members found it easier to compare prices and find the best deal when shopping online, which can be important when on a lower income, something people with mental health problems are more likely to experience.⁶ Three quarters (74%) of Research Community respondents felt it was easier to buy the things they need online than offline.⁷

"It's helped me search and spend time to find the best value for the products. Also I have the time to think whereas [in] shops you sometimes feel under pressure or rush spending."

Expert by experience

For those experiencing social anxiety or agoraphobia, shopping in person can be a difficult experience as they might find it stressful interacting with staff or being in an unfamiliar environment. Online shopping instead allows them to shop from the safety of their own home.

"On the positive side it means that I don't have to go outside and deal with other people (panic attacks)."

Expert by experience

However, the accessibility of online shopping also exposes people with mental health problems to risks, as online shopping sites are often designed to drive visitors to spend more and more. Compared to their bricks and mortar equivalent, online shopping sites can utilise highly personalised nudges and suggestions and can make it incredibly quick and easy to pay, for instance offering one-click purchasing or saving customers' card details.

4. Money and Mental Health Survey. Base for this question: 360 people with lived experience of mental health problems.

5. Money and Mental Health Survey. Base for this question: 361 people with lived experience of mental health problems.

6. N Bond and C D'Arcy. Mind the income gap. Money and Mental Health Policy Institute. 2020.

7. Money and Mental Health Survey. Base for this question: 360 people with lived experience of mental health problems.

People with mental health problems are particularly vulnerable to difficulties controlling spending when shopping online. Common symptoms of mental health problems, like increased impulsivity and memory problems, can make it harder to resist temptation online, to ignore pressure from retailers and to keep track of spending.⁸ Comfort spending – buying treats or gifts for themselves or loved ones – is a common psychological response to low mood and depression.⁹

The design of online shopping sites often effectively exploits these vulnerabilities, pressuring visitors to spend more and discouraging them from reflecting on their choices. Many people with mental health problems struggle to stay in control in this environment, leading to overspending, financial problems and further pressure on their mental health.

Consumer protections for shoppers have not kept pace with the explosion of online shopping. In physical shops, there are clear health and safety regulations, and rules designed to guard against pressure selling in face to face sales. In contrast, there is a lack of safeguards in digital spaces, where customers are exposed to a range of new sales and advertising techniques.

Now is the time to address these discrepancies. The pandemic has necessitated a shift towards more online shopping, and there is evidence that our shopping habits may permanently change, rather than returning to pre-crisis patterns.¹⁰

This report

- **Section one** discusses common problems that people with mental health problems can experience as a result of shopping online
- **Section two** explores the key drivers of compulsive online shopping for people with mental health problems
- **Section three** looks at ways to make online shopping safer for people with mental health problems.

8. Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

9. Holkar M and Mackenzie P. Money on your mind. Money and Mental Health Policy Institute. 2016.

10. Alvarez and Marsal. The shape of retail: consumers and the new normal. 2020.

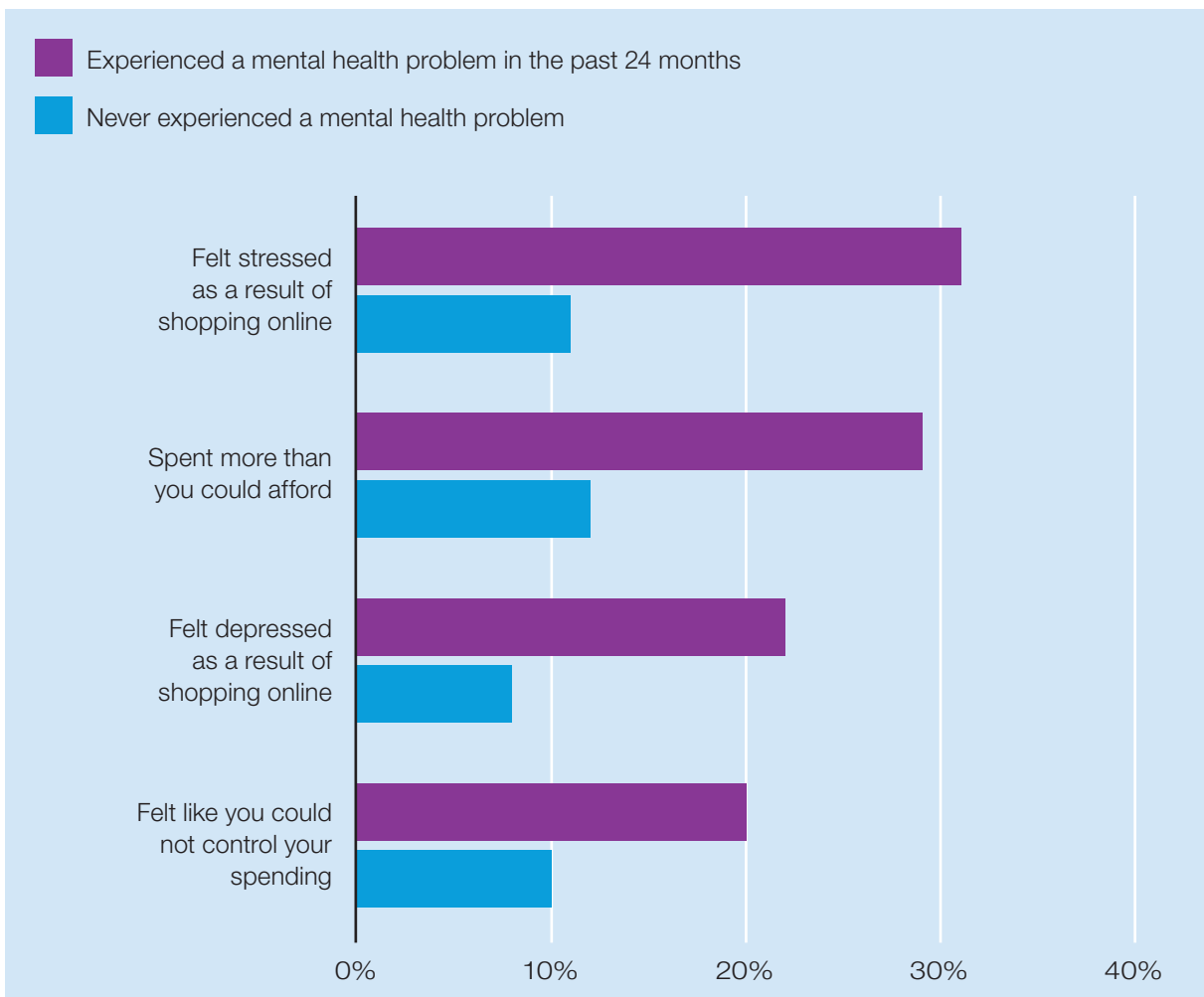


Section one: Problems with online retail

Online shopping is an essential utility for many people with mental health problems, but the accessibility and design of online shopping sites can often lead to problems for this group. Difficulties staying in control of online spending can lead to financial and psychological harm, such as people spending more than they can afford and feeling distressed. As Figure 1 highlights,

people who have recently experienced a mental health problem are more likely to experience a range of harms as a result of shopping online. It is likely that the coronavirus pandemic has exacerbated these problems, as people have become more reliant on online shopping at a time when many of us are isolated and vulnerable.

Figure 1. Harm experienced in the past year as a result of shopping online, by mental health experience



Source: Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

The impact on people's finances

Struggling to control spending on online sites can lead to financial harm. Three in ten (29%) people who have recently experienced a mental health problem have spent more than they can afford when shopping online in the last twelve months, over twice the rate among people who have never experienced mental health problems (12%).¹¹

Many Research Community respondents reported spending thousands while at their most unwell. This can also have a particularly devastating impact for people with mental health problems, as they have a significantly lower average income than the wider population.¹²

"I have been inclined to spend a lot more money by buying online. My finances have been hard to manage due to my online shopping."

Expert by experience

Spending more than you can afford online can often have a knock on effect – 63% of Research Community respondents had cut back on essentials and 56% had fallen seriously behind on payments for bills or debt repayments as a result of not being able to control their spending.¹³

"I have overspent online using money that I should have used paying off debt."

Expert by experience

The impact on people's mental health

Difficulties controlling spending can also negatively impact people's mental health. People who have recently experienced a mental health problem are nearly three times as likely as to report feeling stressed as a result of shopping online, and over two and a half times more likely to have felt depressed as a result of shopping online, compared to people who have never experienced a mental health problem.¹⁴

"Impulse buys cause guilt which builds up to depression."

Expert by experience

Some Research Community respondents told us that receiving an item purchased online could leave them feeling ashamed and guilty, and that this could aggravate mental health problems.

"It makes me feel guilty and bad about myself, even when I treat myself after working hard etc."

Expert by experience

11. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

12. N Bond and C D'Arcy. Mind the income gap. Money and Mental Health Policy Institute. 2020.

13. Money and Mental Health Survey. Base for this question: 131 people with lived experience of mental health problems who have felt that they can't control their spending when shopping online.

14. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

The impact of coronavirus

The world has changed in recent months and many of us have become more reliant on online shopping, as physical shops have shut and people are required to practice social distancing and to isolate in certain circumstances. Two thirds (67%) of Research Community respondents have spent more money online since lockdown began,¹⁵ and many have also become more exposed to the risks identified above.

Some people have been forced to use shopping sites for the first time, while others have spent more time than normal being isolated and alone. This can

mean that normal strategies for managing spending are harder to follow and can lead to feelings of not being in control. One in four (26%) people who have recently experienced a mental health problem have found it harder to stay in control of their online spending since lockdown.¹⁶

"I have spent a good deal more as lockdown progressed. I am becoming aware of quite how much I am spending but at the time I don't think about it at all."

Expert by experience

Summary

- Difficulties staying in control of spending online can lead to significant financial and psychological harm, and people with recent experience of a mental health problem are more likely to be affected.
- Three in ten (29%) people who have recently experienced a mental health problem have spent more than they can afford when shopping online in the last twelve months, more than double the rate among people who have never experienced mental health problems (12%).
- People who have recently experienced a mental health problem are nearly three times as likely as to report feeling stressed a result of shopping online, and over two and a half times more likely to have felt depressed as a result of shopping online, compared to people who have never experienced a mental health problem.
- People have spent more time shopping online as a result of the coronavirus pandemic and this has led to problems for some. One in four (26%) people who have recently experienced a mental health problem have found it harder to stay in control of their online spending since lockdown.

15. Money and Mental Health Survey. Base for this question: 341 people with lived experience of mental health problems.

16. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.



Section two: The drivers of harm for people with mental health problems

Given the harm that people can experience when shopping online, it is important to understand what drives those negative outcomes. In this section, we explore how common symptoms of mental health problems can affect how and why we shop online, and make it harder to stay in control of our spending. We also highlight how the design of online shopping can often exacerbate these problems. Finally we examine how mental health problems can make it difficult to return the items purchased when unwell and the problems this can cause.

The impact of mental health problems

People with mental health problems can find it difficult to control spending habits, particularly when they are at their most unwell. Three-quarters (76%) of our Research Community respondents felt that their mental health had made it harder to stay in control of their spending.¹⁷ Through analysis of our survey and focus group with Research Community members, along with our national polling, we have identified four main ways in which experiencing mental health problems can lead to problems when shopping online: low mood, increased impulsivity, reduced cognitive ability and compulsive shopping.

Low mood

Many people with mental health problems turn to online shopping when they are feeling low, sometimes to try and alleviate negative feelings about themselves, and this can often lead to difficulties controlling spending. Over half (54%) of people who have recently

experienced a mental health problem have shopped online to make themselves feel better in the past year, more than twice the proportion among those who have not experienced mental health problems (24%).¹⁸

“If I’m feeling low sometimes I feel like I deserve a treat to “cheer me up” so I will buy myself something that I really can’t afford on an impulse buy.”

Expert by experience

Over a third (37%) of people who have recently experienced a mental health problem have experienced a buzz or high as a result of shopping online in the past year, nearly twice the rate among people who have never experienced a mental health problem (19%).¹⁹ For some, this emotional response can lead to problems, such as becoming dependent on these positive feelings and making purchases just to experience them.²⁰ Research Community respondents explained that this feeling is not simply due to the process of spending, some also reported feeling a buzz when receiving the item in the post or when giving the item to someone else as a present.

“I am lonely and I feel like someone is being kind and sending gifts to me.”

Expert by experience

17. Money and Mental Health Survey. Base for this question: 307 people with lived experience of mental health problems.

18. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

19. Ibid.

20. Weinstein A. et al. A study investigating the association between compulsive buying with measures of anxiety and obsessive-compulsive behavior among internet shoppers. *Comprehensive Psychiatry* 2015. 57. 46-50; Dizik A. Shopping a sale gives you the same feeling as getting high. BBC. <https://www.bbc.com/worklife/article/20161123-shopping-a-sale-gives-you-the-same-feeling-as-getting-high>. (Accessed: 25/09/2020)

Although online shopping can provide a temporary relief from a low mood, it was clear that for many this feeling quickly disappears and can be replaced by feelings of guilt and depression. For some, this can lead to a vicious cycle of deepening depression and increasing spending.

"I tend to shop when really depressed as [I] think it will cheer me up etc but then when it comes I feel bad and my depression gets worse."

Expert by experience

Difficulties controlling spending when unwell can be a particular challenge for people experiencing bipolar disorder.²² During the manic phase of bipolar, impulses can be impossible to control and during the depressive phase, people may spend money to try and feel better.

"Once in a high mood, I spent £200 on clothes that, when I got them, I didn't really need."

Expert by experience

Increased impulsivity

Increased impulsivity is a common symptom of a number of mental health problems, that can make it difficult for people to control their spending, particularly when shopping online. Our national polling found that nearly half (48%) of those who have recently experienced a mental health problem agreed that they are more likely to make impulsive purchases online than offline, compared to 31% of those who haven't had a mental health problem.²¹

"When I'm feeling bad I don't care about consequences and become very impulsive."

Expert by experience

Research Community respondents told us that these problems can be worse when shopping online at night, at times when they couldn't sleep or wanted to hide their behaviour from loved ones. Problems with impulsivity are further compounded when people are lacking sleep,²³ and online shopping is accessible at any hour of the day or night.

21. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

22. Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

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

Reduced cognitive ability

Mental health problems often affect people's ability to process information, think about the long-term and make informed decisions. For some, this can lead to spending more than they can afford on purchases they don't need, straining people's finances and mental health. Nearly half (47%) of people who have recently experienced a mental health problem had bought something they didn't need or use in the last year.²⁴

"The rational bit of you disappears that would question why are you spending so much."

Expert by experience

Three in ten (28%) people who have recently experienced a mental health problem find it hard to keep track of spending when shopping online.²⁵ For some, such as those with borderline personality disorder, this can be because they dissociate when spending and so are unaware of or cannot remember what they have spent.

"Sometimes I don't even know why I've bought something and don't remember doing it."

Expert by experience

For others, mental health problems can make it difficult to monitor spending in general and control their finances when unwell.²⁶ Bank statements are often complex and hard to understand and some respondents report being confused about their balance, especially when money is spent but doesn't leave their account immediately. These difficulties can mean people spend more than they can afford when shopping online and can lead to significant financial problems.

"When my depression is bad I lose the ability to count. I can't keep track of anything. I can't remember things. So it's really hard to budget."

Expert by experience

²⁴. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

²⁵. Ibid.

²⁶. Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

Compulsive shopping

For some people with mental health problems, these issues can develop into an unhealthy cycle of increased spending and poor mental health that could be considered compulsive shopping – an irresistible urge and preoccupation with shopping.²⁷

Research has shown that compulsive shopping can be associated with common mental health conditions.²⁸ Our nationally representative polling found that three quarters (75%) of people who have recently experienced a mental health problem had experienced at least one indicator of compulsive online shopping in the last year.²⁹ This is significantly higher than the rate among people who have never experienced a mental health problem (43%).³⁰ People who struggle with compulsive shopping will often find it difficult to address this behaviour independently and may be particularly likely to experience harm.

“It can become very addictive and time consuming. It can become obsessive as you have so many choices and options presented to you.”

Expert by experience

The design of shopping sites

It can be difficult for people with mental health problems to control their spending while shopping online and the design of online shopping sites often aggravates these problems. Design techniques that heavily tilt the interaction to the benefit of the retailer have been described by some as ‘dark patterns’.³¹ In our national polling, half (54%) of people who have recently experienced a mental health problem felt that sites make it too easy to spend more money than you can afford.³² Our research has identified three key elements of design that can be particularly problematic for people when they are unwell: minimising friction, putting customers under pressure, and personalisation.

27. Muller A et al. Online shopping in treatment-seeking patients with buying-shopping disorder. *Comprehensive Psychiatry* 2019. 94; Achziger A et al. Debt out of control: The links between self-control, compulsive buying, and real debts. *Journal of Economic Psychology* 2015. 49. 141-149.
28. Lorrin M et al. Estimated Prevalence of Compulsive Buying Behavior in the United States. *American Journal of Psychiatry* 2006. 163/10. 1806-1812; Gallagher C et al. “I fear, therefore, I shop!” exploring anxiety sensitivity in relation to compulsive buying. *Personality and Individual Differences* 2017. 104. 37-42.
29. Indicators based on Faber and O’Guinn, and Edwards; Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.
30. Ibid.
31. Mathur A et al. Dark Patterns at Scale: Findings from a Crawl of 11K Shopping Websites. *Proc. ACM Hum.-Comput. Interact.* 81. 2019; Moser C, Schoenebeck S, and Resnick R. Impulse Buying: Design Practices and Consumer Needs. *CHI Conference on Human Factors in Computing Systems Proceedings*. 2019; Browne W and Swarbrick Jones M. What works in e-commerce - a meta-analysis of 6700 online experiments. Qubit Digital Ltd. 2017.
32. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

Minimising friction

Online retailers have found that they can increase sales by reducing the time between seeing an item and purchasing it.³³ Common examples of this include: encouraging customers to save their payment details, allowing them to buy an item in one click, or offering a 'buy now pay later' option (see Box 1). These techniques can encourage people to spend more than they can afford. Six in ten (58%) people who have recently experienced a mental health problem agree that it is easier to spend more money shopping online than offline, compared to 43% who have never experienced a mental health problem.³⁴

Focusing on specific design features, 41% of Research Community respondents reported that quick and easy purchasing makes it a lot harder for them to control their spending.³⁵ Severely limiting the time people have to think through purchases during the checkout process can facilitate impulsive buying and make it especially difficult for people with mental health problems to control spending when unwell.

"You can purchase items with one click of a button as your bank details are saved from previous purchases. This makes it so easy to buy items without thinking or realising how much you spend."

Expert by experience

Research Community respondents also felt that the ease with which items can be added into a basket can be problematic. Sites that do not show a running total or how many items have been added can cause particular difficulties. While a total is displayed before the purchase is completed, this can happen in a matter of seconds. This can lead to people who struggle with their short-term memory, as a result of a mental health problem, spending large sums without being fully aware of the cost.

"It's a lot easier to lose track of what you've spent online, constantly just clicking buttons and before you know if you've spent a few hundred pounds."

Expert by experience

Minimising friction can also result in transactions feeling less 'real', especially for people who are unwell. Four in ten (37%) of those who have recently experienced a mental health problem agreed that it didn't feel like spending real money when they were shopping online, compared to 25% of people without a mental health problem.³⁶

"When I'm not well it's just numbers I can't relate it back to money because I don't stand at a till and hand over money."

Expert by experience

33. KPMG. The truth about online consumers. 2017; Klarna. Being more in touch with shopper' feelings will pay dividends post-Covid says new research and insight from Klarna and BigCommerce. 2020. /www.klarna.com/international/press/being-more-in-touch-with-shopper-feelings-will-pay-dividends-post-covid-says-new-research-and-insight-from-klarna-and-bigcommerce/. (Accessed: 17/08/2020)

34. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

35. Money and Mental Health Survey. Base for this question: 328 people with lived experience of mental health problems.

36. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

Box 1: 'Buy now pay later'

'Buy now pay later' providers, such as Klarna and Clearpay, allow customers to spread the cost of items over several months, often without interest. They have grown in recent years to become key features of the online shopping environment. Customers are sometimes incentivised to pay this way with discounts, and they are offered as default payment methods on several sites. Many Research Community respondents find these products useful, but we found a number of specific problems.

'Buy now pay later' can form part of a streamlined purchasing journey on shopping sites, significantly reducing the 'pain of paying' and encouraging people to spend more. Four in ten (43%) users agree that the option to pay later encouraged them to spend more than they could afford,³⁷ while more than half (56%) agree that these services make it too easy to get into debt.³⁸ These figures suggest that there are affordability problems around these purchases.

"It is such an easy option and feels like the purchase doesn't cost anything but when the payments are due later it's unaffordable."

Expert by experience

Some Research Community respondents also highlighted a lack of clarity at the point of sale about what 'buy now pay later' products entail, which can lead to problems later on. In our polling, more than one in four (27%) users agreed that they did not understand the service's terms and conditions.³⁹

"I was never clear about the buy now pay later process. I found it difficult to keep track of how much I had paid/owed."

Expert by experience

Three in ten (28%) 'buy now pay later' users agreed that they found it difficult to keep up with repayments,⁴⁰ and some Research Community respondents directly attributed this to symptoms of their mental health problem, such as memory problems or difficulties with organisation.

"[Buy now pay later provider] charges you if you miss a payment which I did because I did not know when payment was due and I forgot all about it."

Expert by experience

Customers experiencing financial difficulty are particularly vulnerable to harm. Half of people in problem debt also have a mental health problem,⁴¹ and if providers respond aggressively or insensitively this can have a devastating impact.⁴² We found some evidence of 'buy now pay later' providers handling these critical interactions poorly.

"My experience wasn't good as I used the service during a period of poor mental health then couldn't afford to pay off the amount later on. The company were very unsympathetic towards my mental health problems."

Expert by experience

These products function similarly to credit products, and can lead to similar problems if payments are unaffordable or people have difficulty managing them. However, many 'buy now pay later' products are not currently regulated as credit, so there is no oversight of product design, treatment of vulnerable customers or how providers assess affordability. With four in ten (42%) people with recent experience of a mental health problem reporting that they have found 'buy now pay later' products harder to resist since lockdown,⁴³ these issues may be becoming more urgent.

37. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.
 38. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.
 39. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.
 40. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.
 41. Holkar M. Debt and mental health: a statistical update. Money and Mental Health Policy Institute. 2019.
 42. Holkar M and Bond N. A silent killer. Money and Mental Health Policy Institute. 2018.
 43. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

Putting customers under pressure

One of the most effective ways that sites can get customers to make a purchase is through so-called pressure tactics. Notifications about the end of a sale or limited stock play on our biases, such as viewing scarce goods as more valuable.⁴⁴ Online retailers can easily integrate these messages into the customer experience in ways that are not always possible in physical stores – such as showing how many people have looked at an item in the last hour. A third (32%) of Research Community respondents felt that information about limited stock⁴⁵ and timers indicating the end of a sale⁴⁶ made it a lot harder to control their spending.

“When you're told x number of people are looking at an item or there's only so many left, irrational panic sets in and I've made foolish purchases.”

Expert by experience

Several Research Community respondents described how time limited discounts can make it feel like they would miss out unless they made a purchase.

“Occasionally makes me feel guilty or gives me the fear of missing out.”

Expert by experience

While a lot of respondents were aware of pressure tactics and often did not trust them, many described how they instilled panic, drove impulse buys, and were difficult to resist when they were unwell. When people who can struggle to make an informed decision due to their mental health problems are put under pressure, it can often lead them to making unnecessary purchases.

“If a site flags that there's only one left in stock and three people (or whatever number) are looking at it, I MUST have it ... I fall for it every time when [I'm] unwell.”

Expert by experience

44. Mathur A et al. Dark Patterns at Scale: Findings from a Crawl of 11K Shopping Websites. Proc. ACM Hum.-Comput. Interact. 81. 2019; Moser C, Schoenebeck S, and Resnick R. Impulse Buying: Design Practices and Consumer Needs. CHI Conference on Human Factors in Computing Systems Proceedings. 2019; Browne W and Swarbrick Jones M. What works in e-commerce - a meta-analysis of 6700 online experiments. Qubit Digital Ltd. 2017; Mittone L and Savadori L. The Scarcity Bias. Applied Psychology. 58/3. 2009.

45. Money and Mental Health Survey. Base for this question: 327 people with lived experience of mental health problems.

46. Money and Mental Health Survey. Base for this question: 324 people with lived experience of mental health problems.

Personalisation

One element of online retail that distinguishes it from its offline equivalent is the ability to personalise the shopping experience for each individual shopper based on their past behaviour and reach out to them after they have left the site.⁴⁷

"You don't get the retailer saying at the till for the next week ooh you left that in your basket on an aisle, here's 20% off."

Expert by experience

Online shopping sites often personalise experiences by recommending products others have bought or suggesting additions for a 'bundle', which can play on our biases to go along with the crowd.⁴⁸ Three in ten (29%) Research Community respondents felt that recommended products⁴⁹ and bundles⁵⁰ made it much harder to stay in control of their spending. Personalisation often has a greater impact when people are most unwell, as suggestions appear during key points in the customer journey and can encourage impulse purchases.

"It's the 'you bought this, you might like this' that keeps me spending when I'm unwell."

Expert by experience

Personalisation also includes adverts for online shopping in other online environments such as social media. Four in five (80%) Research Community respondents felt it was impossible to avoid seeing shopping adverts online.⁵¹ Adverts are often personalised to remind customers of items they have looked at or to recommend similar products based on their past behaviour. Personalised adverts can affect everyone, but they are particularly hard to resist for those who struggle to control impulses, especially when the journey from seeing the advert to making a purchase is short. A quarter (26%) of people who have recently experienced a mental health problem agreed that seeing adverts online makes it harder to stay in control of their spending, compared to 14% of those who have never had a mental health problem.⁵²

"The personalisation of adverts and 'things we think you might like' sections just entice you in with things you wouldn't necessarily buy if you saw them in a shop."

Expert by experience

47. Ryan C. Digital Market Manipulation. *George Washington Law Review* 2014. 995. 2013-27.

48. Moser C, Schoenebeck S, and Resnick R. Impulse Buying: Design Practices and Consumer Needs. *CHI Conference on Human Factors in Computing Systems Proceedings*. 2019; Browne W and Swarbrick Jones M. What works in e-commerce - a meta-analysis of 6700 online experiments. Qubit Digital Ltd. 2017.

49. Money and Mental Health Survey. Base for this question: 322 people with lived experience of mental health problems.

50. Ibid.

51. Money and Mental Health Survey. Base for this question: 336 people with lived experience of mental health problems.

52. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

Difficulties with returns

Given the ease with which people with mental health problems can make unintended or unwanted purchases while unwell, it is important that items can be returned in a straightforward manner. However, only 8% of Research Community members report that they always return items that they regret buying or don't need, while over half (51%) do so rarely or never.⁵³ While there can be a variety of reasons for this, it is clear that poor mental health plays a big role.⁵⁴

One of the most common reasons given by Research Community members was shame and embarrassment over making the purchase in the first place and a fear that they would be judged by the retailer for making a return. In previous research, 40% of people with mental health problems reported not returning an item because they wanted to pretend it never happened.⁵⁵

"When I'm in low form I feel too embarrassed and also like I'm doing something wrong by returning it."

Expert by experience

Others described not returning unwanted items when the process was complicated or required several steps. Complex processes can be particularly difficult to navigate when people are experiencing low energy levels or are too unwell to leave the house, and this can often lead to missed deadlines and people being unable to use their statutory right to return items.

"I struggle to return items in the time limit when my mental health is bad."

Expert by experience

"I'll just keep whatever item it is, regardless of the fact I don't need/want it anymore, because the thought of having to go through the returns process is worse than the loss of money."

Expert by experience

⁵³. Money and Mental Health Survey. Base for this question: 298 people with lived experience of mental health problems.

⁵⁴. Evans K and Holkar M. No return: How people with mental health problems are paying the price for poor returns policies. Money and Mental Health Policy Institute. 2018.

⁵⁵. Evans K. Responsible Retail: How retailers can help vulnerable consumers to control 'crisis spending'. Money and Mental Health Policy Institute. 2017.

Summary

- Common symptoms of mental health problems and the design of online shopping sites can both contribute to difficulties controlling spending.
- Experiencing a low mood, increased impulsivity or reduced cognitive ability can lead to people shopping online to feel better, making snap purchases or struggling to keep track of spending.
- Over half (54%) of people who have recently experienced a mental health problem had shopped online to make themselves feel better in the last year.
- For some, these difficulties can lead to a compulsive shopping problem – 75% of people who have recently experienced a mental health problem have experienced at least one indicator of compulsive shopping online in the last year.
- The design of online shopping sites can drive difficulties controlling spending, when sites minimise friction, put customers under pressure to spend and personalise the experience.
- Half (54%) of people who have recently experienced a mental health problem felt that online shopping sites make it too easy to spend more money than you can afford.
- 'Buy now pay later' products have become a central part of the online shopping experience, but people with mental health problems report a range of problems when using them. More than half (56%) of 'buy now pay later' users agree that the products make it too easy to get into debt.
- People with mental health problems often find it difficult to return unwanted purchases, meaning that spending is not recouped and problems are compounded.



Section three: Reducing harm for people with mental health problems

Online shopping can be an important tool for people with mental health problems, especially when they are most unwell, but it can expose them to unique risks that are exacerbated by the design of the environment, resulting in financial and psychological harm.

Our work with the Research Community revealed a strong appetite for online shopping sites to do more to help customers stay in control of their spending. Eight in ten (80%) respondents felt that online shopping sites should be responsible for ensuring that customers with mental health problems can stay in control of their spending.⁵⁶ Ideas ranged from reducing, or even banning, problematic elements of design, such as notifications of how many people are viewing a product, to sites providing customers with opt-in tools to help them stay in control.

“Online retailers have a responsibility to their consumers to help [them] stay safe when shopping online!”

Expert by experience

Below we outline a range of practical steps that online shopping sites can take to help their customers with mental health problems to stay in control of their spending. We also set out steps that government and regulators should take to ensure sufficient consumer protection for online shoppers. These recommendations should help anybody who finds it hard to stay in control of online shopping, including people without mental health problems.

Best practice for online shopping sites

Shopping sites have the resources and expertise at their disposal to empower customers with mental health problems and enable them to shop in a healthy way. Below, we outline five key elements of best practice that sites should adopt in order to better support and protect their vulnerable customers:

- Customer controls
- Additional friction
- Spending limits
- Clear visibility of spending
- Information and signposting.

Retailers should work alongside representative organisations such as the British Retail Consortium and consumer organisations to implement this best practice, and should involve people with mental health problems in the design and testing of this support. In addition to providing vital support to customers with mental health problems, implementing these steps should reduce costly returns and complaints, and help retailers to demonstrate that they are socially responsible businesses.

⁵⁶. Money and Mental Health Survey. Base for this question: 307 people with lived experience of mental health problems.

Customer controls

Many of our Research Community respondents would like greater control over their accounts on online shopping sites, including the ability to disable elements of design that can make it difficult for them to stay in control of spending such as product recommendations or the option to 'buy now pay later'. Nine in ten (90%) Research Community respondents support the idea of allowing customers to turn off certain design elements used by sites to drive sales, such as showing the number of people looking at an item.⁵⁷ Several respondents felt that the shopping sites could take some inspiration from online gambling sites, which prominently offer greater control to users as part of a responsible offering.

"If gambling sites can promote "responsible gambling" I don't see why shopping sites can't do the same."

Expert by experience

Many Research Community respondents felt that any such controls should be offered as an opt-in option for customers, rather than being the default.

"I think it is so varied for people's needs to just flexibility of the services offered that people can activate or opt into according to their need."

Expert by experience

Additional friction

Low friction customer journeys are a key driver of overspending for people with mental health problems. Research Community respondents were enthusiastic about the idea of being able to build additional friction into these journeys, to give them more time to reflect on purchases and disrupt impulsive spending.

One of the most popular ideas was to add a cooling-off period to purchases. Almost all (95%) Research Community respondents supported the idea of adding a 'double check' to purchases, such as the option to confirm or cancel an order the next day.⁵⁸

"If I could click a button to delay everything by 24 hours ... that would be great"

Expert by experience

Many Research Community respondents suggested they would like to be shown a message just before they make a purchase to support reflective decision making, for instance asking if they are sure about the purchase and if they really need it. To make these messages as effective as possible, online shopping sites should allow customers to personalise them.⁵⁹ This would help people with mental health problems think through the purchases and remind them of their priorities.

"Perhaps just a reminder before placing an order – like are you sure you need these items?"

Expert by experience

⁵⁷. Money and Mental Health Survey. Base for this question: 309 people with lived experience of mental health problems.

⁵⁸. Money and Mental Health Survey. Base for this question: 315 people with lived experience of mental health problems.

⁵⁹. For a detailed exploration of best practice for design, see Murray N. The Shopper Stopper: An evaluation. Money and Mental Health Policy Institute. 2017.

Spending limits

While additional friction would help some people, others felt that they would need more definitive ways to protect themselves from overspending. Many respondents suggested that responsible shopping sites should allow customers to set spending limits, for instance on the amount of money they could spend on that site each day, week or month. Nearly half (46%) of polling respondents agreed that online shopping sites allow customers to set spending limits on their sites, while just 15% disagreed.⁶⁰ Retailers should leave a delay before removing or reducing customer spending limits, to prevent customers from removing this protection and instantly spending large amounts during a period of poor mental health.

“Option to set spending limit, even better if this also signposts to a decent budgeting tool so that the limit can be worked out realistically.”

Expert by experience

Clear visibility of spending

People with mental health problems can struggle to keep track of their spending on sites, but retailers can help by giving customers greater visibility of their spending. Customers should be given oversight of their spending while shopping, for instance by displaying current basket totals prominently and clearly on every page.

“A clear spending tally as you are putting things in baskets.”

Expert by experience

Research Community respondents also suggested that visibility of spending over extended time periods, for instance a running total of weekly or monthly spending, would be useful. This simple step could help customers to better understand their behaviour and avoid financial difficulties.

“It [should] keep a running total of how much you’ve spent in a certain period, e.g. a week. If there are multiple purchases you can lose sight of the total amount.”

Expert by experience

⁶⁰ Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

Information and signposting

Many people with mental health problems would value information about how to stay in control of online spending and where to find support if problems develop. Just 4% of Research Community respondents had ever been given information about how to control spending when shopping online,⁶¹ and many felt that retailers could play a positive role here.

“Links beside the checkout or pay button that are for information on how to stay in control, or how to spot overspending due to mental health problems.”

Expert by experience

Research Community respondents suggested a range of information that might help, including tips on budgeting, information about how mental health can affect spending and links to organisations that can help with money management, mental health and debt problems.

Improving consumer protection

While there are a range of consumer protections against harmful sales practices, the experiences of our Research Community members suggest they are not being sufficiently enforced in online retail. Given advances in online retail and marketing, existing protections may be inadequate to protect vulnerable people from harm. We also consider what appropriate consumer protection for ‘buy now pay later’ products might look like.

Compliance with existing consumer protection law

Under the Consumer Protection from Unfair Trading Regulations 2008, online shopping sites are banned from using misleading or aggressive tactics to make sales. Many people with mental health problems, however, told us how they felt pressured when shopping online.

“Even though you know you’re being manipulated it’s still really hard to ignore them! For example when websites, such as <online shopping site>, tell you there are only a few left in stock I find it harder to be rational about how much I need that item.”

Expert by experience

Compliance with consumer law is not actively monitored, but a recent Competition and Markets Authority (CMA) investigation into hotel booking sites found that many were breaking the law, for instance by pressuring customers into making bookings with misleading time-limited offers and nudges designed to create an artificial impression of scarcity.⁶² It is likely that unfair practice is not limited to hotel booking sites.

⁶¹. Money and Mental Health Survey. Base for this question: 312 people with lived experience of mental health problems.

⁶². Competition and Markets Authority. Consumer law protection compliance: principles for online accommodation booking platforms. 2019.

The CMA developed sector-wide principles for hotel booking sites to remedy the harm that it found, setting out how consumer protection law applies in this specific context, including information on how techniques like time-limited offers and messages about product scarcity can be used fairly, to help sites with compliance.⁶³

The CMA should develop similar principles for online shopping sites, to help retailers understand and comply with their consumer law responsibilities, and should encourage retailers to commit to them.

Enhancing consumer protection online

As our reliance on online shopping deepens, and online retailers continue to develop innovative new sales and marketing techniques, it will be necessary for consumer protections to evolve to keep pace.

Online shopping is not the same as in-person retail. While retailers have long shaped physical shops to influence buying behaviour, a whole range of additional tools are available online. Online shops are in many ways harder to avoid, as highly personalised adverts can follow potential customers across the internet, wherever they go, and online shops never shut. These developments tip the scales in favour of retailers and expose people with mental health problems, in particular, to significant risks.

“Online shopping is invaluable but overly invasive. We wouldn’t allow a sales assistant to follow us home and keep bombarding us with products and offers and the online experience should not facilitate this.”

Expert by experience

The government has recognised this rapidly changing landscape and introduced several initiatives to make online spaces safer. It plans to introduce new regulation of online harms, to protect people from harmful content and activity online,⁶⁴ and through the CMA it has developed a strategy for ensuring competition, innovation and consumer protection in digital markets.⁶⁵

However, these plans do not currently contain a specific focus on online shopping, an increasingly essential online service that almost all consumers use. The government should task the CMA with reviewing existing consumer protections for online shoppers, to ensure they are fit for the digital age. The review should consider:

- The role of “dark patterns”, elements of the design of online sites that can manipulate customers and result in harmful outcomes, for instance by putting undue pressure on consumers, exploiting behavioural biases or misleading people.
- Personalisation in online shopping sites and through advertising. This could be addressed as part of a wider regulatory response to online targeting, as suggested by the Centre for Data Ethics and Innovation.⁶⁶
- What is required for effective enforcement of consumer protection for online shoppers.
- The extent to which vulnerable consumers, including some people with mental health problems, are protected from harm.

⁶³. Competition and Markets Authority. Consumer law protection compliance: principles for online accommodation booking platforms. 2019.

⁶⁴. HM Government. Online Harms White Paper. 2019

⁶⁵. Competition and Markets Authority. The CMA’s Digital Markets Strategy. 2019.

⁶⁶. Centre for Data Ethics and Innovation. Online targeting: Final report and recommendations. 2020.

‘Buy now pay later’ products

The Financial Conduct Authority (FCA) has recognised that many ‘buy now pay later’ products sit at the perimeter of its regulatory remit and has announced a review of future regulation, to assess the risks these products pose to consumers and what protection is appropriate.⁶⁷ We recommend that these products are brought within the remit of formal regulation, to ensure appropriate oversight and that consumers are protected.

We have identified four potential drivers of harm that the FCA should consider as part of its upcoming review:

- **Affordability** – customers are highly likely to experience harm if they are lent more than they can afford to ‘pay later’, so it is essential that the FCA oversees lending practice in this growing sector.
- **Product information** – for any product that entails future commitments, it is essential that customers are clearly informed about key product terms as part of their sales journey. Seven in ten (71%) ‘buy now pay later’ users agree that these services should be required to provide customers with clear information about the risks associated with these products, with just one in twenty (5%) disagreeing.⁶⁸
- **Encouragement and inducement** – by offering discounted prices for customers who ‘pay later’ or setting ‘buy now pay later’ as the default payment option, retailers can significantly influence consumer choices. For this reason, discounts are not usually offered alongside sale of store cards.⁶⁹ The FCA should investigate whether this practice causes harm. 43% of ‘buy now pay later’ users supported banning sites from using it as a default at the checkout, with a quarter (25%) disagreeing.⁷⁰
- **Consumer vulnerability** – ‘buy now pay later’ services have grown in popularity in recent years, and providers serve consumers in a wide range of different vulnerable circumstances. To respond appropriately, the FCA should ensure that providers embed fair treatment of vulnerable consumers into their culture, practices, and processes throughout the consumer journey, from product design to customer service.

67. Financial Conduct Authority, Perimeter Report 2019/20. 2020.

68. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

69. See point 2C.3. Finance and Leasing Association. FLA Lending Code 2019. 2019.

70. Money and Mental Health analysis of Opinium online survey of 2,000 people, carried out 2-6 October 2020. Data is weighted to be nationally representative.

Conclusion and next steps

The internet has brought many benefits, especially for people with mental health problems, but it has also exposed people to new risks that they would not face in the 'real' world. Online shopping is an area that highlights this 'blessing and curse'. It has allowed people with mental health problems to shop when they are at their most unwell and can't go into physical shops, and has allowed people to buy essentials during the coronavirus pandemic. Common symptoms of mental health problems, however, have combined with certain design elements of online shopping sites to make it difficult to control spending and lead to financial and psychological harm. We have identified a need for retailers to step up and do more to protect their customers from harm, but also recognise that current consumer protection law must evolve to keep pace with technological innovation. People with mental health problems are facing harms in other areas of the internet where protection has also been slow to adapt and we will continue to explore these as part of our work on online harms.



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