MONEY AND MENTAL HEALTH POLICY INSTITUTE











WHEN TRANSACTIONS SPEAK LOUDER THAN WORDS

Exploring the potential of transaction data analysis to support people with mental health problems

Lewis White and Chris Lees

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"When you are struggling with mental illness, you need all the help you can get. Having the bank keeping an eye on your account in this way can be a real help when you are beyond being able to do the job yourself. I feel transactional data analysis is more guardian angel than big brother."

– Expert by experience

Executive summary

Common symptoms of mental health problems can affect how and when we spend money

- When we experience a mental health problem, it can change how and when we spend our money. For example, spending more than usual or during the night. A decade of research by Money and Mental Health has shown how these changes can sometimes damage our finances. This, in combination with wider, structural factors, can leave people trapped in a vicious cycle of debt and poor mental health.

- In a survey of our Research Community – a group of more than 5,000 people all with personal experience of having a mental health problem – nearly nine out of ten (88%) told us that their mental health problems had an impact on their money.

- Spending more than is usual or affordable, taking out new credit, using an overdraft or missing payments were some of the changes that Research Community members shared they had experienced in a period of poor mental health, all of which can have serious consequences for people's finances.

- The increased likelihood of financial difficulty, the challenges that people with mental health problems can face when trying to reach out for support and the unique ways that mental health problems can impact how we manage our finances make a strong case for banks to use transaction data analysis to support customers experiencing money and mental health problems.

- This should not involve identifying and diagnosing mental health problems themselves, but rather identifying customers at risk of struggling with their finances, which could be as a result of mental health problems, and using this to offer proactive support.

These changes in spending patterns present an opportunity for banks to support customers who are struggling, along with some important questions

- Almost two thirds (65%) of survey respondents felt that there could be signs of how their mental health problems impacted their financial wellbeing in their bank transactions.

- Spotting changes in transaction patterns offers banks a chance to help someone who may be experiencing difficulties. At the same time, it raises important questions about privacy, independence and how and when a bank should act if it identifies a significant change.

- To explore the potential of transaction data analysis, as well as concerns and pitfalls, we surveyed and ran a focus group with our Research Community. Respondents generally had positive attitudes towards transaction data analysis being used to spot and support when someone is struggling with their money and mental health.

People with mental health problems were broadly supportive of transaction data analysis to deliver support, but with caveats and concerns

- Over six in ten (63%) said that they would support banks doing transaction data analysis to some extent, compared to just under one in five (19%) who oppose banks doing it at all.
- The majority (73%) of Research Community respondents also said that it could be useful, noting that it could lead to greater support, in particular to those who would not have otherwise reached out, thus preventing foreseeable harm.
- Among the roughly one in five who were opposed, issues raised included worries about surveillance, fuelling paranoia, not leading to meaningful support, and wider concerns about data protection and privacy.
- For many respondents, their support was conditional on having certain things in place, including the ability to opt out, strong rules and regulations around what the bank can do with the insights generated, and the bank having genuine support ready to offer.

Key recommendations

To help move from transaction data analysis as a concept to a tool that can spot and support people struggling with their finances as a result of a mental health problem, banks should:

- Give customers the option to choose whether their data is analysed in a way that goes beyond existing preventions of harm, such as opting in or opting out depending on the level of analysis or the type of support offered. This choice should be clearly communicated to customers.
- Ensure that there is transparency about how data is used and develop clear complaint procedures.
- Develop a suite of meaningful, targeted interventions that are supported by people with mental health problems before they are put into action at scale.
- Directly involve customers with lived experience of financial difficulty and mental health problems in the design and evaluation of interventions.

To strengthen regulatory and sector support to help banks feel confident implementing this kind of analysis, the Financial Conduct Authority should:

- Clarify how the Consumer Duty applies when it comes to banks using transaction data analysis to support customers with money and mental health problems.
- Identify and encourage best practice for how banks can use transaction data to prevent foreseeable harm and deliver good outcomes for customers.
- Support innovation by encouraging banks to make use of their Regulatory Sandbox to test transaction data analysis.



"It helps me as it reduces the burden of sharing information. If I'm in a particularly bad patch I worry that it will show that I am in an episode and my finances are not great but it ensures accuracy whilst my head may not be that accurate."

- Expert by experience

Introduction

For most of us, our finances are private and confidential. Unless we choose to let people in our lives know, there may be little indication on the surface that we are in trouble until it is too late. There is, however, one place that has a particular insight into the financial harm an individual is facing, even when they haven't reached out for support: the individual's current account provider.

Banks have a privileged insight into their customers' finances. Through someone's transaction information they can spot changes in income, expenditure and behaviour that suggest a risk or likelihood of financial difficulty, such as if their income suddenly drops after losing a job. Banks are also able to track data on some of their customers' non-financial behaviour, for example visiting branches and making complaints.[1] This means that there is the potential for them to be able to spot signs of financial difficulty without the need for the customer to reach out.

The amount of data banks have is considerable and thus there are opportunities for banks to identify signs of financial difficulty – and the wider context that may be contributing to that difficulty – much earlier than was previously possible. Research also suggests that behavioural data held by banks could be used to recognise early signs of cognitive decline in older adults.[2] There are already strong precedents for using a customer's transaction history to spot signs of financial harm, for example in the detection of fraud. More recently, transaction data analysis has been flagged as a means of identifying gambling harms in order to address the gap between those experiencing problem gambling and those accessing specialist support.[3] There is potential for further expanding the use of transaction data analysis beyond existing use cases, chief among these is to better support people with mental health problems.

When someone with mental health problems is struggling with their finances, it can be incredibly hard to reach out for support. For many, ongoing stigma can lead to suffering in silence and attempting to tackle problems alone. People with mental health problems are also more likely to experience cognitive impairments, difficulty managing money, and physical health problems.[4]

All of this can contribute to increased spending and a loss of, or lower, income. Similarly, financial difficulties are a common cause of stress and anxiety, and the stigma around experiencing problem debt can make people become more isolated. The impact of this is particularly severe if someone has to cut back on essentials, such as heating and eating, or if they experience aggressive or insensitive debt collection practices. As a result, people in problem debt are twice as likely to have a common mental health problem than those not in problem debt.[5] That means people with mental health problems could stand to benefit from earlier and more targeted support from banks.

1 In this report we will refer to transaction data and data on when someone interacts with their bank. For simplicity, we will refer to the analysis of both of these, collectively, as transaction data analysis unless explicitly stated otherwise.

2 Trendl A et al. Early Behavioral Markers of Loss of Financial Capacity. JAMA Network Open 2025; 8(6).

3 Clifton L, Bond N. First line of defence. Money and Mental Health Policy Institute. 2025.

4 Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

5 National Health Service. Adult Psychiatric Morbidity Survey: Survey of Mental Health and Wellbeing, England, 2023/4. 2025.

The case for expanding the use of transaction data analysis

Greater use of transaction data analysis to identify financial harm would be in line with the direction of travel encouraged by the regulator of financial services. In 2021, the Financial Conduct Authority published guidance on the fair treatment of vulnerable customers, encouraging firms to understand and respond to customers' needs.[6] Following this, in 2023, the Consumer Duty was introduced, placing an onus on financial services providers to ensure good consumer outcomes and, importantly, to prevent foreseeable harm.[7] Banks are also now required to monitor customers for repeated overdraft use to prevent financial distress as part of the Consumer Credit Sourcebook.[8]

Beyond the need to meet regulatory objectives, the current economic context also puts more of a focus on the role of financial services providers. Across the economy, prices of goods and services have continued to rise, with energy bills in particular jumping again as a result of the Iran War. Some banks have already taken the initiative to use transaction data analysis to support customers who are struggling to pay their energy bills.[9] With more customers at risk of financial difficulty and the prevalence of mental health problems increasing,[10] there is a meaningful opportunity to offer more support to people who may be at particular risk of facing money worries.

However, using transaction data analysis to support people with mental health problems is relevant beyond the increased likelihood of being in financial difficulty. People with mental health problems are more likely to find it hard to ask for help when unwell and struggling with their finances. There may also be distinct financial behaviours that indicate that someone is struggling with their finances during a period of poor mental health, alongside the overall increased probability that someone who is struggling with their finances has a mental health problem. While banks could take a general approach to using transaction data analysis to spot and support customers at risk of financial difficulty, there is a risk that this support may not be considerate enough of people with mental health problems, which could lead to them missing out on crucial support.

This would not, however, amount to a bank attempting to diagnose mental health problems or infer any kind of special category data about its customers. Rather, a bank would look to detect signs of increased support needs that could be driven by a mental health problem. To take a related example, when banks use transaction data to support those experiencing gambling harm, they are not diagnosing someone with problem gambling. Instead, they are proactively identifying a heightened support need where problem gambling must be centrally considered in whatever intervention is made. Therefore, there is a strong case for developing tools that look to proactively offer support to people struggling with their finances during a period of mental health problems.

The need to understand people with mental health problems' views

Using more granular transaction data analysis to spot people struggling with their finances during a period of poor mental health could lead to earlier intervention, contributing to breaking the cycle of money and mental health problems. There are, however, important issues to grapple with before implementing this kind of analysis which can be, by its nature, quite intrusive and deals with two very sensitive topics – money and mental health.

6 Financial Conduct Authority. Guidance for firms on the fair treatment of vulnerable customers. 2021

7 Financial Conduct Authority. A New Consumer Duty. 2022.

8 Financial Conduct Authority. Consumer Credit Sourcebook. 2024.

9 De Miguel A. Major UK bank contacts 146,000 customers struggling with energy bills. The Independent. 2026.

10 Department of Health and Social Care. Independent review into mental health conditions, ADHD and autism: interim report. Gov.uk. 2026.

In our 2019 report *Data protecting*,[11] we found that some people with mental health problems have concerns about banks analysing their financial data. This included the privacy implications, worries about their bank treating them differently and the potential of this type of analysis to make their mental health worse. Since then, using transaction data analysis to support people with mental health problems has not become a common practice, but the fast pace of both technological and regulatory change makes it important to revisit this subject. Because of these concerns, it is important to consider the risks, as well as the benefits, in applying this kind of technology to proactively spot and respond to signs of financial harm for people with mental health problems.

> "Finances are overwhelmingly considered a private matter and so are not generally discussed openly, even among close friends and family. A person with mental health issues and or neurodevelopmental condition may therefore not realise that certain spending patterns and debt activities are abnormal, unless these are flagged as such by their bank."
>
> *– Expert by experience*

This report

In this report, we present new research that explores the ways in which people with mental health problems experiencing financial difficulty could benefit from transaction data analysis if followed up with the right response from their bank. We also explore their attitudes towards, and opinions of, this kind of analysis in more depth. We then use these findings to set out a responsible approach to assessing transactions that will balance the legitimate concerns that many people have with the genuine opportunity to help more people break out of, or avoid altogether, the vicious cycle of money and mental health problems.

The research for this report was conducted in collaboration with Lloyds Banking Group, but this publication and all its findings are independent.

To do this, we:

- carried out two online surveys of the Money and Mental Health Research Community, a group of over 5,000 people with lived experience of mental health problems, and who are at the heart of everything we do. A total of 352 people responded to the first survey between 9-23 January 2026, and 262 people responded to the second survey between 3-17 April 2026.
- conducted an online workshop with seven members of the Research Community on 17 March 2026.
- interviewed five policy experts with relevant interests in data protection, privacy, regulation and transaction data analysis.

More detail on our approach to the research is available in a methodology note.

11 Alpin K, Holkar M. Data protecting. Money and Mental Health Policy Institute. 2019.

This report is structured as follows:

- Section 1 explores why people with mental health problems could benefit from transaction data analysis, and how indicators of financial difficulty and potential support needs could be practically spotted in someone's transaction data.

- Section 2 looks at people with mental health problems' attitudes towards transaction data analysis in principle, as well as mitigations that could address these concerns.

- Section 3 investigates transaction data analysis in practice. It looks at people with mental health problems' views on behavioural triggers for interventions, the way the bank communicates when intervening, and what support options should be available.

- Section 4 makes recommendations to banks who are considering using transaction data analysis to support people with mental health problems at risk of financial difficulty and regulators who are overseeing this activity.



"It's, again, putting the onus on you to reach out and research and figure out how to do that, which, if you're in mental distress, you're gonna really struggle to do."

– Expert by experience

Section 1: How people with mental health problems could benefit from transaction data analysis

Our research has shown that people with mental health problems are more likely to be in financial difficulty.[12] This could be for various reasons, including life events related to their mental health, such as an inpatient hospital stay, or because of how their mental health problem affects their spending behaviour.[13] Indeed, nearly nine in ten (88%) Research Community survey respondents said that their mental health problems had an impact on how they spend and manage money, compared to just 6% who disagreed.[14]

As there is an increased likelihood of financial difficulty among people with mental health problems, transaction data analysis that aims to simply identify signs of financial difficulty and respond with support would likely benefit many customers with mental health problems. However, there is a risk that this support may not be considerate enough of people with mental health problems and how this could present in someone's transaction data, which could lead to them missing out on crucial support.

Therefore, alongside general markers of financial difficulty, the specific impact that mental health problems could have on transaction data should be considered. Almost two thirds (65%) of survey respondents felt that there could be signs of how their mental health problem impacted their financial wellbeing in their bank transactions.[15] In particular, respondents highlighted:

- Overspending
- Credit use and overdrafts
- Low account balance
- Missed and late payments
- Underspending
- Interaction data (like branch visits or app usage)

While some of these may be good indicators of financial difficulty for any customer, whether they have mental health problems or not, others are more specifically the result of poor mental health. This suggests that a more advanced and targeted approach to transaction data analysis would be needed to best support customers with mental health problems.

12 Holkar M and McKenzie P. Money on your Mind. Money and Mental Health Policy Institute. 2016.

13 Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

14 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 346.

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

1.1 Overspending

The biggest indicator of how a mental health problem can impact someone's finances that Research Community members thought could be seen in their bank transactions was overspending. Spending can increase when struggling with your mental health in a number of ways. Comfort spending is a common coping mechanism used by many with mental health problems. Poor mental health can also cause cognitive challenges, which can lead to not being on top of your finances, making it harder to keep track of spending.[16] People in a manic episode can also experience overspending as a result – the DSM 5, a diagnosis tool, gives overspending as an example symptom of mania for bipolar disorder.[17]

Most respondents talked generally about a period of higher-than-usual spending, or spending patterns that were abnormal for them, when struggling with their mental health.

> "I overspend when having a manic episode, so more transactions would appear, and could be unusual purchases with high costs."
>
> *Expert by experience*

Some survey responses also discussed specific types of overspending. For example, respondents talked about spending more than usual on non-essentials, such as cosmetics, clothes and hobbies. Additionally, respondents often stated that they spend more on specific items, shops or services, for example takeaways, when they are unwell. Others discussed specific retailers, particularly ones that can be accessed online and are designed to be convenient with fast delivery.

> "When I am feeling very low during certain bad times of year like winter and Christmas or when I feel alone I spend more online."
>
> *Expert by experience*

Other aspects of overspending Research Community members mentioned included higher frequency of purchases and frequent large purchases. Additionally, some respondents talked about impulsive spending and increased spending at night. A common symptom of mental health problems is increased impulsivity and a lack of sleep can make it harder to control spending, particularly when online shopping is always available 24/7.[18]

Another aspect of overspending that respondents noted could be visible to the bank was spending more on gambling. While problem gambling is a hugely important issue for banks seeking to support their customers, this report largely focuses on other elements of transaction data analysis due to the work that we have already done on the topic, as is discussed in Box 1 below.

16 Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

17 American Psychiatric Association. Diagnostic and statistical manual of mental disorders (5th ed.). American Psychiatric Publishing. 2013.

18 McKenzie P, Evans K. Night-time shopping. Money and Mental Health Policy Institute. 2016.

Box 1: Gambling

Gambling is an aspect of transaction data analysis that we have explored recently. Our report Shining a light looked at the scale of gambling harm, using the Gambling Commission's Gambling Survey for Great Britain (GSGB) 2023 to show that 2.5% of respondents were experiencing problem gambling, and a further 11.9% were at risk of problem gambling.[19] That report also found that almost six in ten (58%) people who had gambled in the last 12 months and were experiencing problem gambling had not accessed any support services at all.

The report highlighted the role of financial services in tackling gambling harms, as banks are in a privileged position to be able to spot gambling in real time. In a follow-up report, First line of defence, this was developed into a set of clear recommendations to financial services firms to utilise transaction data to spot problem gambling and intervene earlier to prevent further, foreseeable harm.[20]

1.2 Credit use and overdrafts

In our survey, another indicator that someone was struggling with their mental health was changes in credit use. This included unusual increases in spending using credit, including Buy Now, Pay Later products, as well as someone requesting to increase their credit limit spontaneously or during a period of high non-essential spending. Many respondents also reflected that they were more likely to enter their overdraft when struggling with their mental health, and would also be more likely to become stuck in their overdraft. This could be the result of struggling to manage finances when experiencing mental health problems, or feeling an increased desire to overspend on non-essentials as a result of mania.

1.3 Account balance

Many Research Community members told us that a sign in their banking information of them struggling with their mental health problems was if their account dropped to, or below, zero more regularly. Alongside this, several respondents also mentioned having periods of unusually low balance, having low or no income, low or diminishing savings or being in a negative budget. Respondents explained how this could be due to not being able to work because of symptoms of mental health problems, as well as inflexible or unsupportive employers. Having a low or negative account balance can take a huge psychological toll, and can lead to avoidance behaviours which leave someone trapped in a cycle of poor mental health and poor financial wellbeing.

1.4 Payments

A commonly noted sign among Research Community members was being unable to make payments, most often direct debits. This was mentioned both in terms of not having enough money to cover the payment, and also not having the organisational capabilities to actually complete the payment. This may be as a result of finding it hard to keep up with financial management as a result of common cognitive symptoms of mental health problems. Failing to make payments while having sufficient money available elsewhere could be another sign of executive dysfunction, which could

19 Clifton L, Bond N and Heffron J. Shining a light. Money and Mental Health Policy Institute. 2023.

20 Clifton L, Bond N. First line of defence. Money and Mental Health Policy Institute. 2025.

be a separate indicator of financial difficulty as a result of mental health problems.

> "If I haven't set up a direct debit to manage monthly repayments, I struggle to meet the payment deadline despite setting my own reminders."
>
> *– Expert by experience*

1.5 Underspending

Respondents mentioned that, when unwell, they might actually have a tendency to underspend as they withdraw and shut away from others. This might happen periodically during periods of depression, but could also be followed by increased spending during periods of mania, for example for those with bipolar disorder.

This is a non-exhaustive list composed solely of reflections from our Research Community. However, it demonstrates the breadth of transactional markers of someone struggling with their finances as a result of their mental health problem that could be analysed and picked up by a bank performing transaction data analysis. Banks can then offer interventions such as sending communications or signposting to support, which will be explored in Section 3.

1.6 Interaction data

Alongside a customer's transaction data, banks are also able to track interaction data. This includes things like branch visits, app logins and reporting lost cards. This kind of data has already been shown to be useful in spotting early signs of cognitive decline in older adults, where fewer online banking logins and higher rates of reporting fraud and lost cards all act as warning signs.[21]

Interaction data has not yet been fully explored for people with mental health problems. Based on our previous research, we can infer that common signs of mental health problems, such as withdrawing engagement from services (and thus making fewer logins and ignoring communications), struggling to remember passwords for online banking, and being more at risk of becoming the victim of online scams,[22] could be particularly present for those struggling financially. Together with the direct transaction data, this could paint a picture of when someone with a mental health problem is experiencing, or at risk of experiencing, financial harm.

Given the wealth of signs that could be spotted in a customer's transaction data, there is a strong case that adoption of transaction data analysis by banks could benefit customers struggling with their finances as a result of a mental health problem, provided wider factors such as regulations, data protection, evidential standards and operational feasibility have been considered. Through considering these data points, a bank would be able to intervene earlier in financial difficulty journeys, and thus help to avoid further harm to both someone's financial wellbeing and mental health. However, we need to first consider what people with mental health problems think about banks doing this.

21 Trendl A et al. Early Behavioral Markers of Loss of Financial Capacity. JAMA Network Open 2025; 8(6).

22 Holkar M, Lees C and D'Arcy C. Safety net. Money and Mental Health Policy Institute. 2021.

Summary

- Nearly nine in ten (88%) Research Community survey respondents said that their mental health problems had an impact on their finances, the impact of which could potentially be identifiable in their transaction history.
- Almost two thirds (65%) of survey respondents felt that there could be signs of how their mental health problems impacted their financial wellbeing in their bank transactions. In particular, respondents highlighted:
  - » Overspending
  - » Credit use and overdrafts
  - » Low account balance
  - » Missed and late payments
  - » Underspending
  - » Interaction data
- Given the wealth of signs that could be spotted in a customer's transaction data, there is a strong case for the adoption of transaction data analysis by banks to further safeguard customers struggling with their finances as a result of a mental health problem.

"I feel cautiously positive about the idea, as there is definite potential for it to help people earlier and prevent financial harm linked to mental health problems. At the same time, it raises important concerns about privacy and the risk of banks making assumptions about someone's mental health based solely on transaction data."

– Expert by experience



Section 2: People with mental health problems' attitudes towards transaction data analysis in principle

Although using transaction data analysis to support people with mental health problems in financial difficulty could be possible, it is essential to consider how people feel about a bank doing this first. This section looks at people with mental health problems' views towards transaction data analysis in principle, considering how they feel about it as a potential tool that banks could use, and some of the factors that could address these concerns.

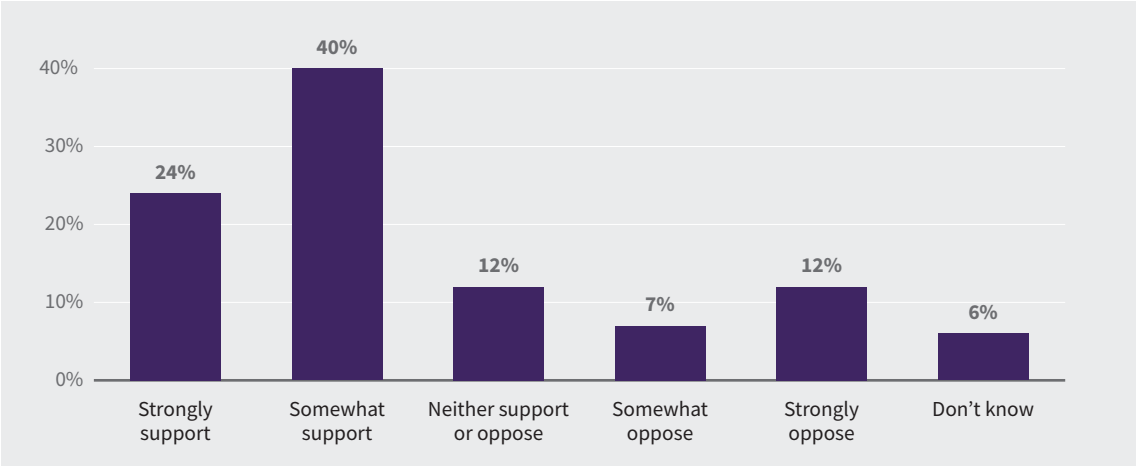
> "I think I would feel better knowing that my bank was checking for [signs of financial difficulty as a result of a mental health problem], in the same way I am glad they check for scams. In this technology run age, the more help we can get the better."
>
> *Expert by experience*

2.1 An overview of the attitudes of people with mental health problems

Generally, the Research Community had positive attitudes towards transaction data analysis being used to spot and support people with mental health problems. When given a high-level definition of what transaction data analysis is, a little over six in ten (63%) said that they would support banks doing this to some extent.[23] This was compared to just one in five (19%) who oppose banks doing it. As shown in Figure 1, almost a quarter (24%) of respondents said that they strongly support it.

Figure 1: Research Community members are generally supportive of banks doing transaction data analysis

To what extent would you support or oppose banks doing transaction data analysis?



Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 287 Research Community members.[24]

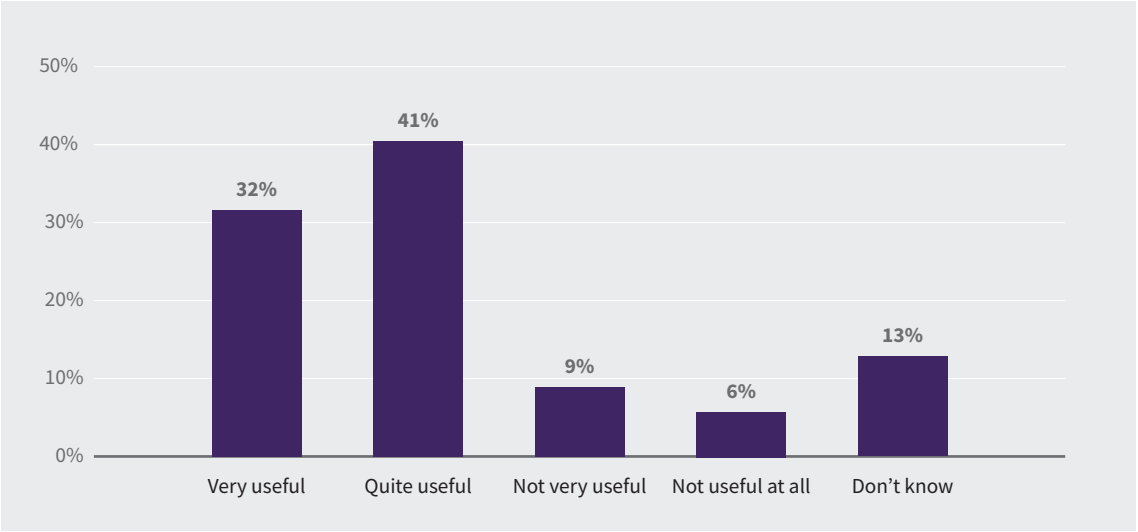
23 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 287.

24 The definition of transaction data analysis provided prior to this question was "Transaction data analysis provides an opportunity for banks to use a customer's transaction history to spot trends in how they are spending or managing their money. The bank can then use this data to identify customers who could be at a higher risk of financial difficulty, for example as a result of a mental health problem. The bank can then intervene to offer support with the financial issue in some way."

When asked about the value of this type of analysis for people with mental health problems, the majority (73%) of Research Community respondents said that it could be useful.[25] As shown by Figure 2, the most common response was "quite useful", with four in ten (41%) selecting that, while nearly a third (32%) said it could be very useful. Only 15% said that this type of analysis could not be useful.

Figure 2: Most Research Community members think transaction data analysis could be useful

How useful, if at all, do you think that transaction data analysis could be for people with mental health problems?



Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 303 Research Community members.

Alongside utility and favourability, we found that around four in ten (39%) respondents would opt into a transaction data analysis service if their bank offered it today, compared to a quarter (24%) who would not opt in.[26] This suggests that while there is support for banks using transaction data analysis, it is not unconditional.

2.2 Reasons for positive views of transaction data analysis

When asked about potential benefits, many respondents reflected on ways in which it could provide greater support to those struggling with their finances as a result of a mental health problem. Some thought that it could support those who would not have otherwise reached out, preventing harm from escalating.

> "I would wholeheartedly support this. I feel it is the banks' duty to support and guide customers where appropriate, rather than just look on in the knowledge that people are struggling. Sometimes people don't always ask for help but offering it proactively may prevent people getting into financial difficulties."
>
> *Expert by experience*

25 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 303.

26 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 277.

Several members also noted that banks already have access to the data being analysed, and track transactions for other reasons, saying that this should then be put to use to provide more cohesive support.

> "Banks already monitor how I spend my own money. If the data they already have can be put to better use to track trends or pick up on fraud this is a good thing."
>
> *Expert by experience*

Many respondents noted how it could help to provide customers with greater insight and information about their spending behaviour. Several felt that informing the individual of any changes to the way they spend and manage their money could help as it can sometimes be challenging to spot this yourself during periods of poor mental health. Some even said that this could serve as a regular financial check-in for customers.

> "I am more than happy for transaction data analysis to take place on my account. My money normally goes out to the same vendors so if there was an unusual purchase, or if I was taking cash out from a cashpoint regularly, this could be a sign that I was allowing someone to take advantage of my vulnerable state."
>
> *Expert by experience*

Others reflected that using it could avoid preventable harm as the bank would be able to spot problems early and offer relevant support. This could involve slowing worsening mental health when experiencing financial difficulty, and also avoiding further financial harm when mentally unwell, for example through helping limit overspending.

> "I live alone. Friends and family notice by my text messages when I'm heading manic, or depressed and can support in some ways, like making sure I eat. But they don't see how I'm spending, and couldn't help even if they did. My bank contacting me when patterns are spotted could make a massive difference."
>
> *Expert by experience*

2.3 Reasons for negative views of transaction data analysis

Many members of the Research Community did not like the idea of transaction data analysis, or were opposed to it being used for a number of different reasons. Some of our Research Community said that they didn't think the banks would do anything to actually support them. Some respondents reflected that this was an extension of banks not doing enough to currently support them and scepticism over whether this would happen with any future services. This was also highlighted by those who said that they don't have trust in their bank. This scepticism and lack of trust can come not just from a previous lack of support from banks, but also from support services in general, something that many people with mental health problems report.

> "I don't think it would make any difference. I get no support at the moment as it is."
>
> *Expert by experience*

Others reflected on transaction data analysis feeling controlling and like surveillance. There was a sense among respondents that a bank doing this would feel like they were being watched and judged. Paranoia is already associated with some mental health problems, and some respondents suggested this kind of analysis could aggravate that. Respondents also shared concerns that organisations beyond the bank, for example the Department for Work and Pensions, could access the information which would again fuel paranoia about this kind of analysis. This concern was in part driven by the recent Public Authorities (Fraud, Error and Recovery) Act.[27]

> "[S]ome of us have been controlled and watched and that's part of our mental health trauma! To then have your bank replacing your abusive ex and watching your spending is like replaying your old life."
>
> *Expert by experience*

Several respondents said that transaction data analysis simply wouldn't work, or be useful, for people with mental health problems. These respondents felt that the risk of misinterpretation in any individual case is too high, and that transaction data analysis would not be sophisticated enough to spot signs of difficulty because of how individual people's mental health problems present. The exception to this was gambling, which respondents viewed as easier to spot and support with, for example through the use of gambling blocks.

> "For me personally when my mental health causes problems managing my finances, I usually spend less as I am too unwell to go food shopping or leave the house or do anything. So it would look like I am managing my finances well & not spending recklessly. [...] The potential for data analysis to misinterpret patterns due to the multiple variables affecting mental health in humans is too great."
>
> *Expert by experience*

These concerns echoed much of what we found in our 2019 report, Data protecting. [28] In that report, the Research Community had concerns about privacy, alongside practical concerns like worries that it could lead to different treatment by the bank, which, while illegal for a bank to do, still remains a concern for some members of the Research Community. They also had emotional concerns such as the analysis making them feel worse about the problem they were experiencing.

2.4 Much of the Research Community's support is conditional on having certain things in place

Between those who are favourable towards transaction data analysis and those who are opposed, there was a group of Research Community members who were undecided or unsure. Many were open to the idea in principle, but needed certain things in place to feel confident in its application. Additionally, some of those who supported transaction data analysis still had concerns about how it could work in practice.

The biggest theme that emerged is whether or not the bank's use of transaction data analysis is optional. There was a clear desire across the breadth of the research for any support to be optional, even for those who were not in favour of it for themselves. Respondents believed that any kind

27 Public Authorities (Fraud, Error and Recovery) Act. 2025.

28 Alpin K, Holkar M. Data protecting. Money and Mental Health Policy Institute. 2019.

of consent needs to be fully informed and understood by the customer at the outset. There was greater preference for this being opt in from respondents, with just over two thirds (68%) saying this compared to just under one in five (19%) who said it should be opt out.

> "I don't like the idea of things being managed but if people who suffer with mental health have the option to say yes or no I think that would be good."
>
> *Expert by experience*

Many reflected more generally that transaction data analysis would be a good thing if done carefully and sensitively. A financial situation is already incredibly personal for most people, and adding insights related to someone's mental wellbeing only heightens that. For a bank to explore this kind of analysis, many respondents believed that sensitivity and care need to be at the forefront. Given the reservations many of the Research Community have with transaction data analysis, sensitive implementation should look to prioritise customer understanding and comfort where possible, clearly explaining each step in the process of identification and support.

> "I feel cautiously positive about the idea, as there is definite potential for it to help people earlier and prevent financial harm linked to mental health problems. At the same time, it raises important concerns about privacy and the risk of banks making assumptions about someone's mental health based solely on transaction data."
>
> *Expert by experience*

Many Research Community members said that they would feel more comfortable with transaction data analysis if there were strong rules and regulations around what the bank can do, and around how data is stored and shared. The concerns underpinning these feelings included banks using the aggregate data for commercial reasons, diagnosing customers and disclosing financial behaviours beyond that which could be directly supported by the bank.

> "A powerful code of conduct that ensures customers retain agency and are wholly protected from stigma."
>
> *Expert by experience*

Respondents also shared the need for banks to use the analysis for helpful purposes. They wanted to see the support empower the individual, and lead to clear benefits for the customer. Alongside this, respondents emphasised the need to avoid further harm, such as triggering paranoia or raising expectations without adequate support in place.

One aspect of transaction data analysis that sits across both the analysis itself and customer-facing support is artificial intelligence (AI). While AI was considered in this research, it remains a cross-cutting issue that is distinct from other aspects of transaction data analysis. Research Community respondents' views on AI are discussed below in box 2.

Box 2: Artificial intelligence

Artificial intelligence (AI), alongside transaction data analysis, is an emerging technology that continues to be used for new purposes. Banks are increasingly using AI throughout their products and services. In transaction data analysis, it could be used as part of the actual analysis or as a way to identify the best support option or even as a chatbot that the customers engage with after being identified as at risk through the analysis.

As Figure 3 shows, the Research Community had mixed views on AI being used in the analysis, with roughly even numbers opposing and supporting this (36% overall opposition and 34% overall support). This opposition becomes more pronounced when looking at AI suggesting support (51% overall opposition vs 24% overall support respectively). When it comes to using an AI chatbot for deeper, conversational support, the Research Community was much more against it, with half of respondents strongly opposing it.

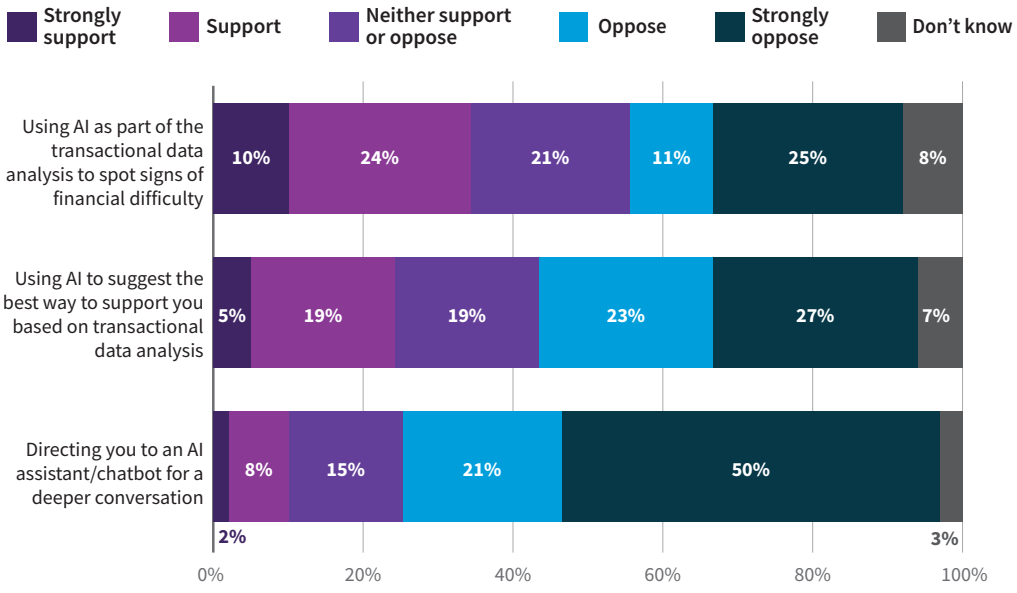
Many respondents recognised the potential for AI to be helpful in the analysis, although there was some concern with this being done without human involvement. However, the overwhelming sentiment was that it would not be appropriate to use AI as a conversational tool for discussing something so sensitive. Many members described wanting human support, and the need for oversight when it comes to receiving any advice. Some respondents also raised AI's tendency to hallucinate and give wrong answers, which might be more challenging to spot if you're struggling with your mental health.

"I use AI for support in real life so am pro AI. However, I am anti this approach for speaking to people about their financial difficulties. In the mental state I was in, this would not have been appropriate."

Expert by experience

Figure 3: Support for AI was especially low for customer-facing uses

How much would you support your bank using AI in the following ways?

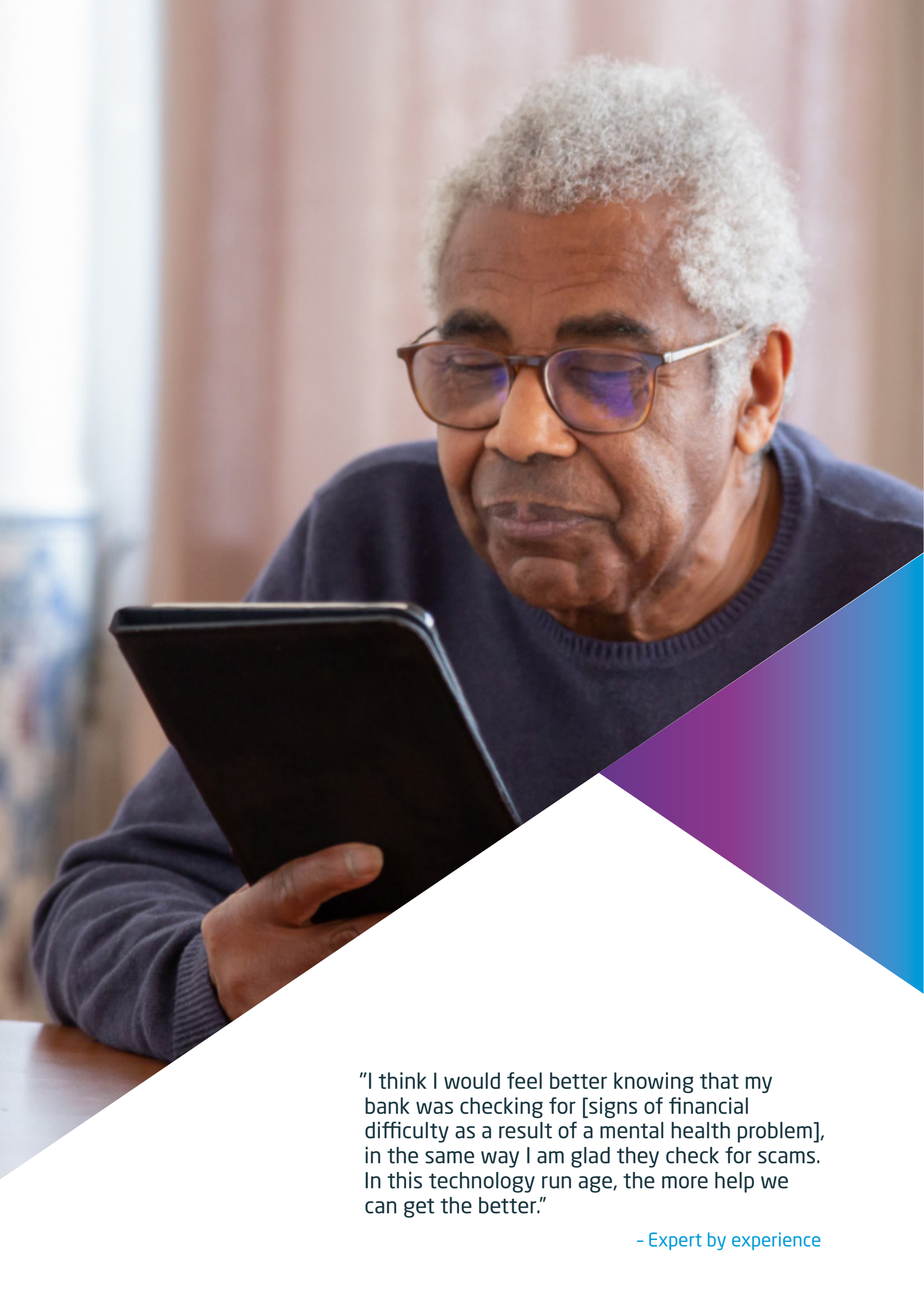


Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 188-192 Research Community members.

Overall, there is broad support from the Research Community for banks using transaction data analysis to support people struggling with their finances as a result of a mental health problem. While there's a sense of hesitancy for some, and outright dislike for others, the majority were supportive in general of its use. However, there are some key concerns that people have and some safeguards they would need to have in place before transactional data analysis would feel appropriate and acceptable.

Summary

- Generally, the Research Community had positive attitudes towards transaction data analysis being used to spot and support people with mental health problems.
- Over six in ten (63%) said that they would support banks doing this to some extent, compared to just one in five (19%) who oppose banks doing it. The majority (73%) of Research Community respondents also said that it could be useful.
- Respondents reflected that it could provide greater support, in particular to those who would not have otherwise reached out, thus preventing foreseeable harm.
- A sizeable minority of respondents had negative views, however. This was due to things like transaction data analysis feeling like surveillance, fuelling paranoia, being ineffective and wider concerns about data protection and privacy.
- For many people we heard from, their support is conditional on having certain protections in place, including the ability to opt out, strong rules and regulations around what the bank can do and the bank having genuine support ready to offer.



"I think I would feel better knowing that my bank was checking for [signs of financial difficulty as a result of a mental health problem], in the same way I am glad they check for scams. In this technology run age, the more help we can get the better."

– Expert by experience

Section 3: What needs to be in place if transaction data analysis is to be used to support people with mental health problems

Although there is support from many people with mental health problems for banks using transaction data analysis to support customers, there is still a lot to consider for how banks could and should do this in practice. This section examines the potential ways that banks could use transaction data analysis by considering:

- what people with mental health problems think about the possible behavioural triggers for intervention
- how banks could communicate with their customers
- what support banks should offer their customers.

3.1 Certain behavioural triggers were better received by the Research Community than others

An important aspect of using transaction data analysis to support people with mental health problems is what information is used by the bank to then intervene and provide support. We will refer to the specific combinations of data points that point to unusual changes to customer behaviour as behavioural triggers. Note that, while the number of customer data points a bank has access to is vast, we tested a selected set that felt most relevant to people with mental health problems.

With some use cases, such as gambling and fraud, financial markers to act on are quite specific and can be more easily identifiable in the data. When it comes to financial difficulty as a result of mental health problems, however, markers can be more subtle. As we detailed in Section 1, signs of this can often be more pronounced instances of normal behaviours, for example overspending or spending more in certain shops. These data points are going to be very sensitive in nature because they could suggest someone could be struggling with their finances during a period of poor mental health, thus there is a need to tread carefully.

There is support for existing behavioural triggers for transaction data analysis

When we tested a range of potential behavioural triggers with our Research Community, existing uses of transaction data analysis had the greatest amount of support. As Figure 4 shows, being a victim of fraud or a scam both had overwhelming support (94% and 96% respectively), with respondents saying that these are both clear red flags that banks need to intervene on.[29] Another existing use with slightly less support is entering an unarranged overdraft, which saw 56% of respondents choosing 'strongly support'.[30]

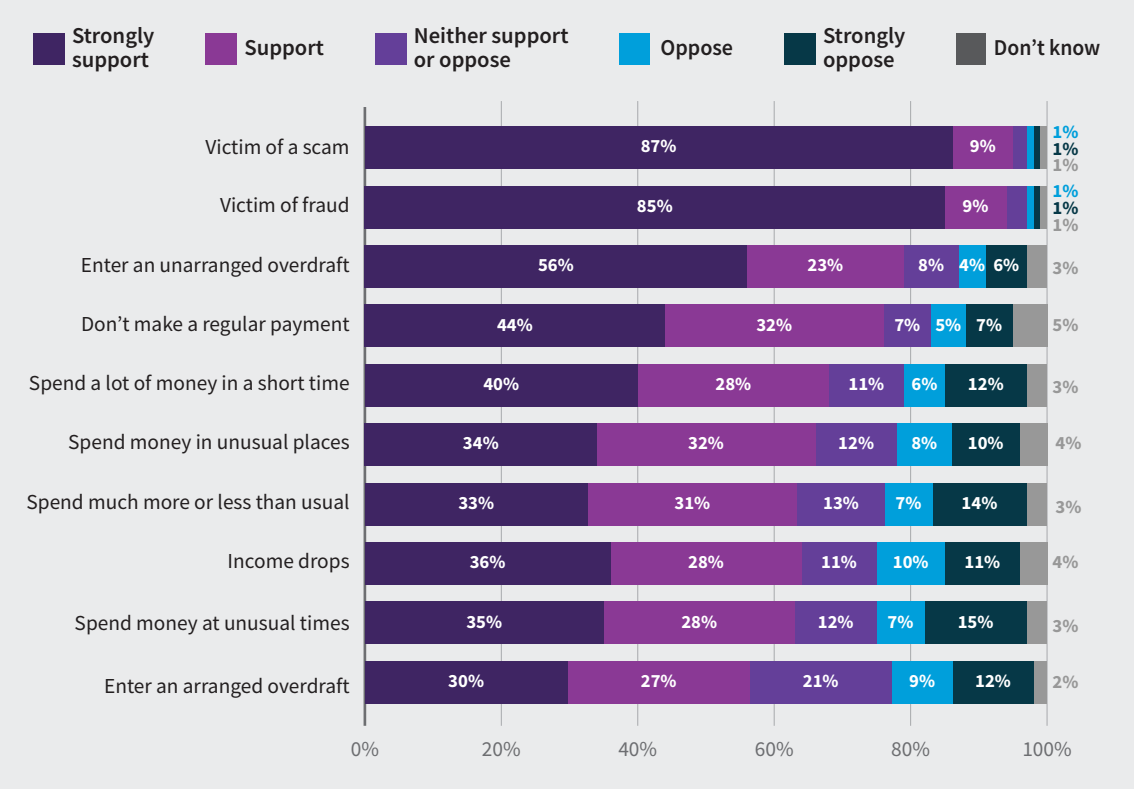
> "I think fraud and scams and the work banks do to prevent these are invaluable."
>
> *Expert by experience*

29 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 273-275.

30 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 248.

Figure 4: There was mixed support on banks intervening based on different behavioural triggers in financial data

To what extent would you support or oppose your bank acting to intervene if they spotted one of the following problems through your financial data?



Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 219-276 Research Community members.

There was more diversity of views for other potential behavioural triggers

Beyond the existing uses, there remains broad support for all the behavioural triggers that we tested, however with significantly more variation in views. Although there was support for the different behavioural triggers, respondents did raise concerns which followed a similar pattern to those outlined earlier in the report: concerns around privacy and surveillance; the need for it to be an optional support service; fears of the bank overstepping; and not being able to trust banks to do this. Many also noted the fact that there could be legitimate reasons for many of the examples, such as 'normal' overspending which could occur around Christmas. Several Research Community members also raised that it could be frustrating to have one-off instances flagged as at risk of financial difficulty.

> "Anybody can miss a payment through absentmindedness – usually the creditor will let you know. That shouldn't be immediately treated as an issue. Repeated missing payments might be a problem."
>
> *Expert by experience*

There were high levels of support for using missing payments as a behavioural trigger. The vast majority of respondents (95%) said that missing payments would sometimes, or always, be an appropriate indicator of financial difficulty for the bank to intervene on, as shown in Figure 5 below.

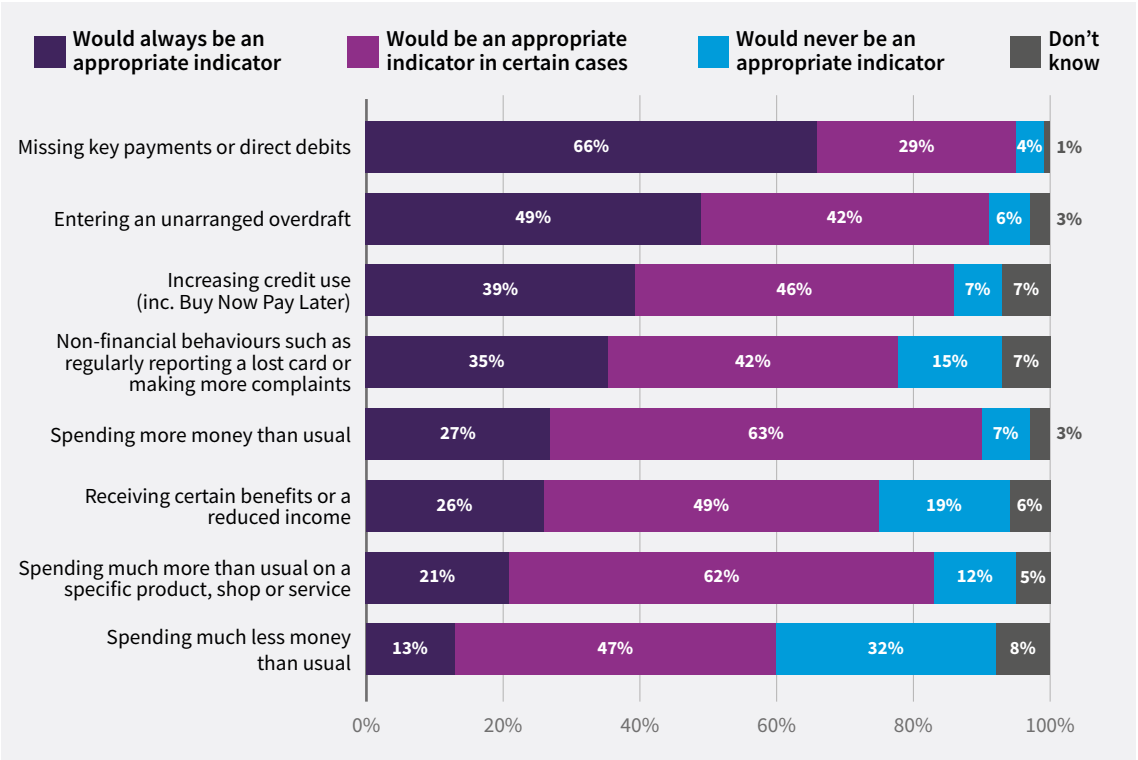
In particular, almost two thirds (63%) of respondents said it would always be an appropriate trigger to act on.[31] Of those who said it was sometimes appropriate, the individual's personal and financial history were important contextual factors, for example someone's record of making payments, suggesting the need for other data points to be taken into account before intervening.

> "[It would be appropriate for your bank to intervene as a result of changes in your spending] If this happened often and you were missing repayments. We don't want to target people who are going through a change in their circumstances but have everything under control as it could feel intrusive."
>
> *Expert by experience*

Other behaviours, such as increased credit use and spending much more or less than usual, were slightly more variable in how appropriate they would be as indicators. The majority of respondents still viewed them as appropriate in some cases, though. We also asked respondents about non-financial behaviours like reporting lost cards. This was still seen as an appropriate indicator, always or sometimes, by a majority (78%).[32] There were some concerns from Research Community members about how these behaviours could be used. For example, complaints being treated as a sign the individual is struggling with their mental health and finances rather than as a genuine expression of concern towards the bank.

Figure 5: There are mixed opinions on how appropriate certain behavioural triggers are to act on

To what extent do you think the following behaviours would be appropriate indicators for a bank to use to assess whether someone is at risk of financial difficulty?



Source: Money and Mental Health survey of people with lived experience of mental health problems.
Base for this question: 226-228 Research Community members.

31 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 227.

32 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 227.

There are potential triggers that have broad support from the Research Community, but there is a need to build up more of an understanding of customers' behaviour beyond these triggers, and in more sophisticated ways to avoid false positives.

3.2 Communications from the bank need to be sensitive and considered

Banks can communicate what transaction data analysis is to customers both when it is first introduced and again when actively reaching out to offer support. Given the concerns that people with mental health problems have around this technology, it's important that banks approach this carefully to avoid negatively impacting customers.

When first using transaction data analysis to support customers with mental health problems

If banks opt to expand their use of transaction data analysis to provide targeted support to people with mental health problems struggling with their finances, there is need for clarity on multiple fronts. Given that many people with mental health problems are sceptical of this use of technology, the wrong kind of communication and the wrong introduction to transaction data analysis could have a negative impact on the customer.

If a bank decided to do this, many respondents wanted to see a clear explanation of what transaction data analysis is, as well as how the bank is using it. Alongside this, respondents wanted the bank to explain why their data is being used in this way, including what the benefits of it could be as well as how the bank was keeping their information safe. Four in five (80%) Research Community respondents said that a clear explanation of what transaction data analysis is should be included in any message of support going out to customers.[33]

> "[It] should include [a] definition of transaction analysis. Why they have noted key points and bullet points in plain terminology [explaining] their findings along with what options may be available to support people in need."
>
> *Expert by experience*

Most Research Community respondents said they would want to see the bank communicate this via their preferred communications channel. There was support for a variety of channels, highlighting the need to follow individual customer preference. This is important because over half (54%) of people with mental health problems have significant difficulty using the telephone for calls with their essential service provider, and many have difficulty using other means such as letters and text messages.[34] Respondents also wanted a route to speak to a human about the bank's approach to transactional data analysis if needed.

> "Write me a letter [and] get a human to phone me to slowly explain it."
>
> *Expert by experience*

33 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 190.

34 Holkar M, Evans K and Langston K. Access essentials. Money and Mental Health Policy Institute. 2018.

When reaching out to support customers

When banks actually intervene to offer a customer support, there are several factors that Research Community members felt should be considered. Four in five (81%) respondents said that the bank should specify what behaviour or change the analysis spotted when reaching out, compared to only 6% who said that they shouldn't.[35] Respondents reflected that being more specific could help lessen some anxiety about what the bank has noticed which could be triggered by a vague message.

> "Show me my spending over a few months, how it's changed. Show me any missed payments [...] If you're depressed, and you are aware that maybe you're overspending you may not be aware of how much you're spending. Being depressed and feeling not just broken, but broke, financially – you probably don't even check the balance in your account"
>
> *Expert by experience*

Many Research Community members said that these messages of support should be clear and easy to understand, with no jargon, to help customers with mental health problems to understand what is being communicated; many people with mental health problems can struggle to process information because of their mental health condition, especially when the information is overcomplicated.[36] Respondents also would want to see transparency about the analysis and data use, for example what data has been used to inform the analysis.

> "Keeping the wording simple so as not to confuse with the option to find out more about what transaction data analysis means."
>
> *Expert by experience*

Many of our survey respondents also shared that they would like the bank to be reassuring about the supportive nature of transaction data analysis, highlighting that the customer is not in trouble. Many wanted to see the bank show empathy and understanding, while being non-judgemental in both tone and implementation,[37] which would help lessen some of the stigma around both having a mental health problem and being in financial difficulty.

> "Reassurance that you/ the customer have not done anything wrong/ need not be afraid that the bank is contacting them and emphasise that the bank is offering help."
>
> *Expert by experience*

The timing and mode of contact is also important. Nearly three quarters (73%) of the Research Community told us that messages of support should be sent as soon as possible after noticing a change.[38] A similar proportion (75%) of respondents said that messages should be repeated in case someone missed it, compared to just 7% who said the bank should not repeat it.[39]

35 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 189.

36 Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

37 An example of judgement in implementation could be if someone is overspending for personal enjoyment in a way that is not risky for their financial wellbeing, where a bank intervening could suggest that treating yourself is in some way wrong.

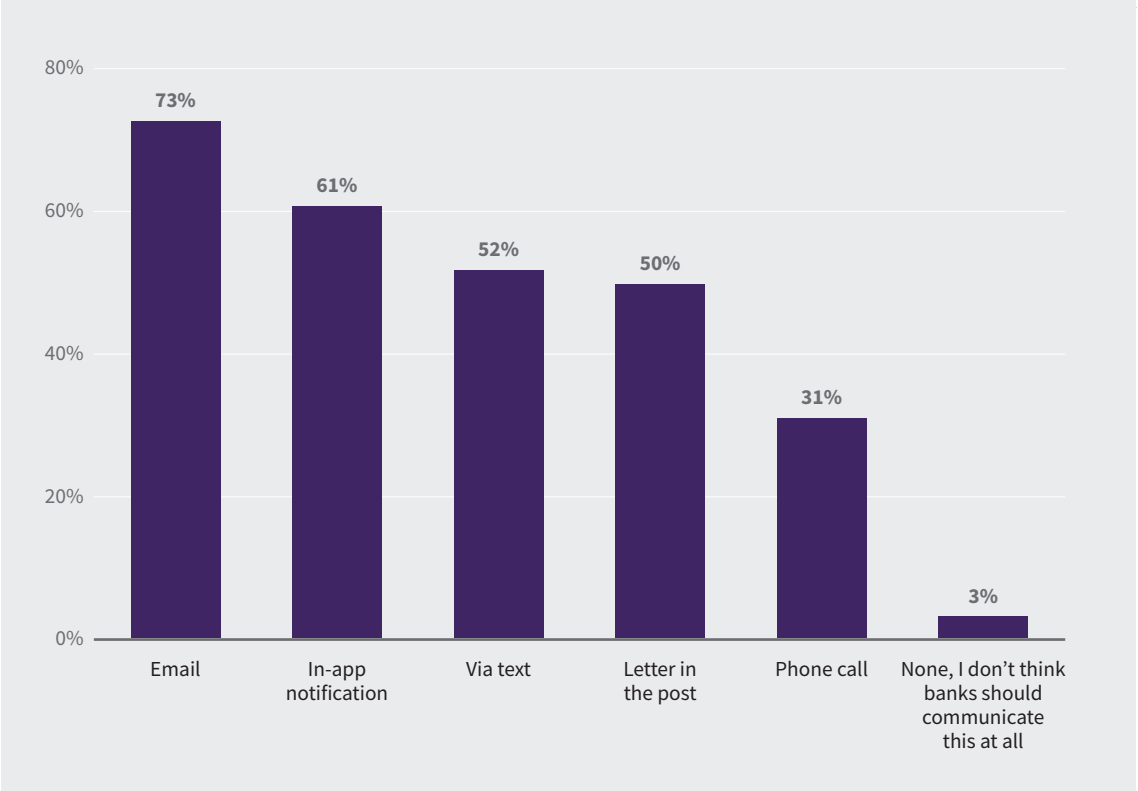
38 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 180.

39 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 188.

Someone with mental health problems may struggle 'in the moment' to act on a message due to low motivation,[40] so giving further prompts could help catch them at a better time. There is need for balance here, where too many messages could feel harassing, and therefore banks need to consider how best to avoid customers missing supportive messages without overwhelming them.

The Research Community generally favoured emails and in-app notifications for a bank reaching out for support after noticing a risk of financial harm (73% and 61% respectively), as shown in Figure 6.[41] There was slightly less support for banks using texts and letters, and the least support for contacting someone over the phone.

Figure 6: Research Community preferences on which communication channels banks should use to get in touch about support



Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 180 Research Community members.

3.3 There was broad support for many support options the bank could offer customers

A final component for banks to consider is what support they can actually offer customers after identifying them at risk of financial difficulty through transaction data analysis. There are a range of options from light-touch check-ins to signposting, both internal and external.

40 Holkar M. Seeing through the fog: How mental health problems affect financial capability. Money and Mental Health Policy Institute. 2017.

41 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 115-138.

General sentiment on support options

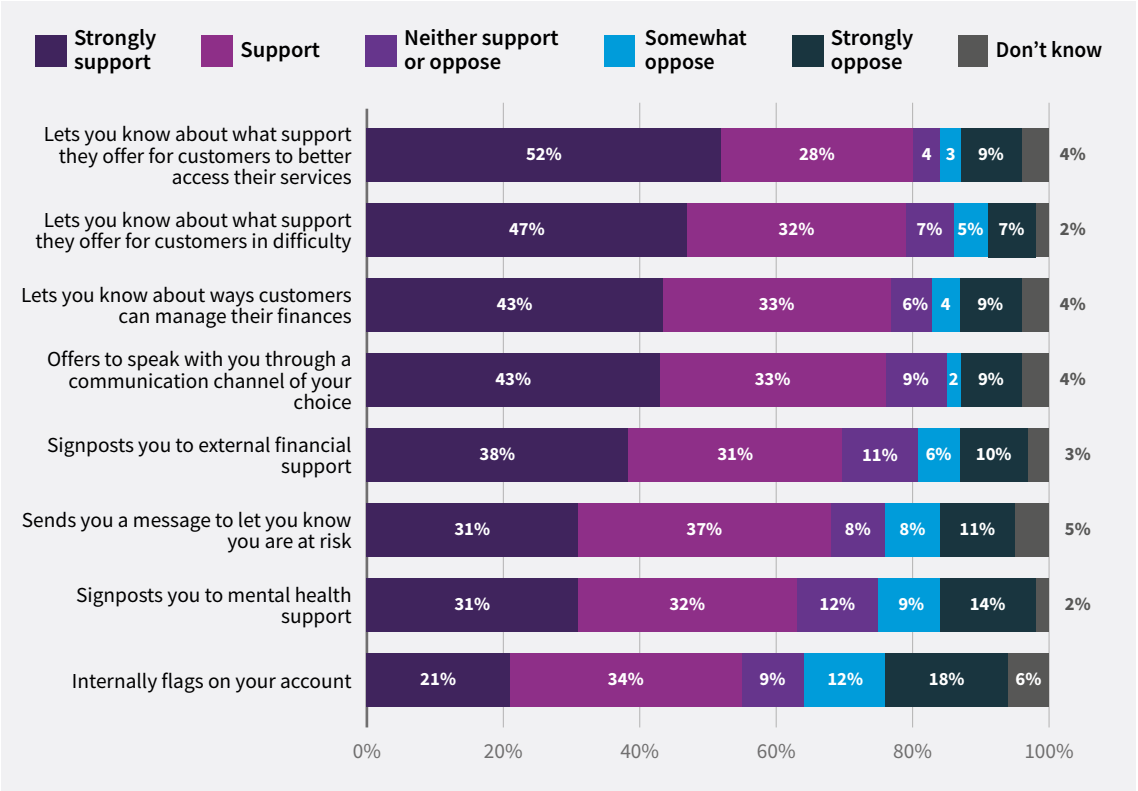
As shown by Figure 7, Research Community members were most favourable to supportive interventions offered directly by their bank. This included letting people know what support they offer for customers to better access their services (80% strongly or somewhat support), and for customers in financial difficulty (80% strongly or somewhat support).[42]

There was still considerable support for signposting externally to financial support (69% of respondents supported that approach in some way) and to mental health support (64% support). Over three quarters (77%) of respondents were supportive of a bank letting customers know about ways they can manage their finances. Almost the same proportion (76%) were also comfortable with the bank offering to speak to the customer through their preferred communications channel, reinforcing this as a key element for how banks communicate.

While still supported by over half of respondents (55%), having the bank internally flag financial difficulty on your account received much less backing than other interventions, with almost one in five strongly opposing it.[43]

Figure 7: Support varied for the interventions we presented to the Research Community

To what extent would you support or oppose the bank doing the following things as a result of this analysis?



Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 209-274 Research Community members.

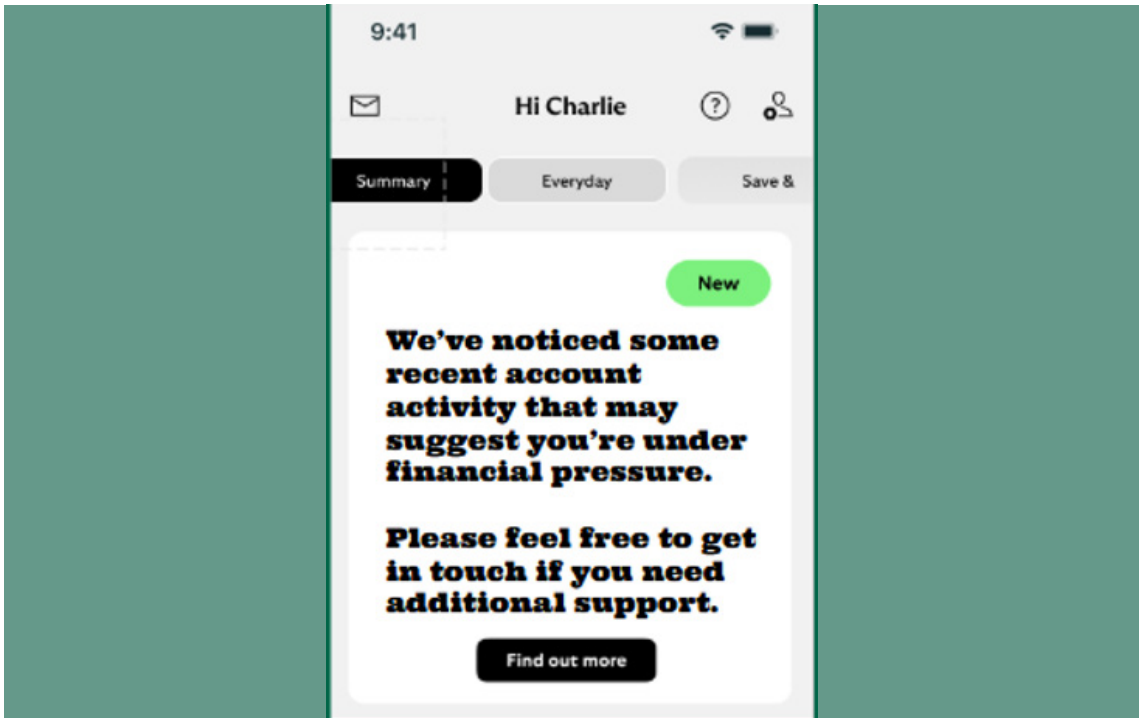
42 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 270.

43 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 274.

Light touch check-ins

Light touch check-ins are when a bank reaches out to a customer to see how they are doing after spotting signs of financial difficulty. These could offer general support, and act to raise awareness about a behaviour change and offer a chance for the customer to get in touch, an example of which is below.

Figure 8: Mock up of an in-app check-in from a bank



Source: Money and Mental Health illustrative example. This mock-up was used in an online focus group, where we asked Research Community members how they would feel if they received this message.

Asked about how banks could communicate, Research Community members wanted to see more specific detail in the check-in to help people understand the change in behaviour, for example that they had been spending more than usual. Some members did note that the information shouldn't be too specific, however, as it could feel like surveillance.

> "I think I do prefer more clarification on it, but not in massive, massive detail. [...] That would be quite useful to me, but not to the point that I feel like I'm being watched."
>
> *Expert by experience*

Some respondents said that it would be good to have further support options in the initial message from the bank. One member explained that once the bank spots something, the customer may already be experiencing financial difficulty and in need of support. People with mental health problems can often be unaware of the support that banks offer their customers,[44] making this especially important.

44 Holkar M. Time to act. Money and Mental Health Policy Institute. 2022.

"I'm thinking that by the time the bank has flagged this [...] I may already be in the throes of a sort of spending spiral, so then I would want to see some options. I'd want to see it go to the next stage within the message. [...] Maybe saying something additional like would you like our X team."

Expert by experience

Signposting

As outlined in Figure 7, the Research Community generally preferred banks letting them know about internal existing support compared to signposting to external support. Several members shared that external signposting can be more challenging as it shifts the burden to the customer. This can all be more challenging when someone is going through a period of poor mental health.[45]

"It's, again, putting the onus on you to reach out and research and figure out how to do that, which, if you're in mental distress, you're gonna really struggle to do."

Expert by experience

Some also shared that external signposting can feel generic, and that many are already aware of the support services available. However, our Research Community can be a more engaged group than the wider population, and many people with mental health problems who are less aware of support services may benefit from external signposting to organisations such as StepChange and Citizens Advice.

Signposting to internal support, on the other hand, was preferred by the Research Community. Some shared that it removes the need to reach out to the bank to ask for help. Other members reflected that the support has the potential to be much more tailored to the individual because the bank has more information about them, and hopefully has an idea of some of the difficulties the person is experiencing. Tailored support could include, for example, being able to set specific spending limits or third-party access tools.

"Definitely if it was more specific that would make all the difference to me because the issue is about my spending, my finances, and only banks or my bank really has an insight and again it goes back to my point about trends."

Expert by experience

Spending blocks imposed by the bank

Imposing spending limits or blocks on customers is a more intrusive type of intervention a bank can perform when there is serious risk of financial harm. Currently, this is used to prevent fraud, however, we are unaware of any banks currently using it outside of this purpose.

We found that almost half (47%) of the Research Community respondents were strongly opposed to a bank imposing a temporary spending limit on a customer after noticing signs of financial difficulty, with a further 17% somewhat opposed.[46] This was compared to just one in five (21%) who were in some way supportive. Many respondents simply viewed spending limits as an overstep by

45 Clarke T. From pillar to post: why signposting is not enough. Money and Mental Health Policy Institute. 2017.

46 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 209.

the bank. Others noted that it could have a serious impact on their mental health, and thus a knock-on effect on their financial wellbeing.

> "It's not up to a bank to dictate what can be spent outside normal fraud prevention/credit worthiness without prior request. Providing a service where you can choose interventions would be helpful."

Expert by experience

However, when asked about a more specific spending block that was optional (for example, having an option in-app to allow a bank to introduce spending limits under certain circumstances), there was more favourability as shown in Figure 9.

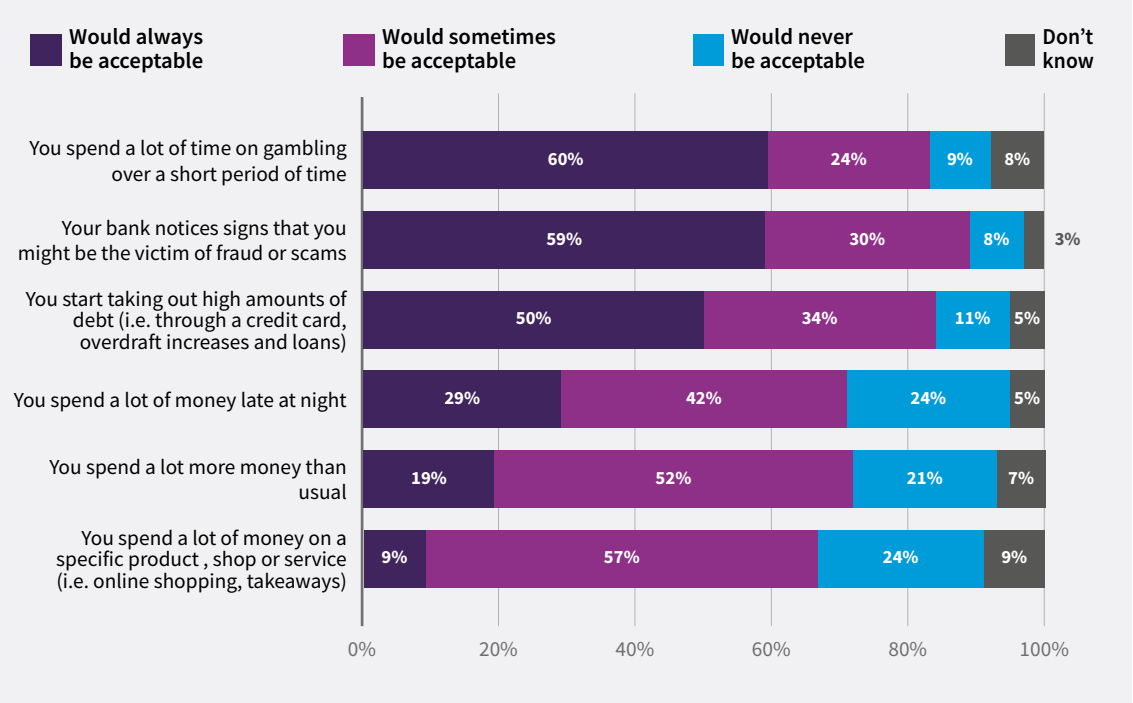
In this instance, many recognised the potential support that could come from imposed spending blocks when transaction data analysis is something that can be opted into. In fact, for every use case we presented, at least half of respondents thought spending blocks would either always or sometimes be acceptable.[47] Like the existing ways banks use spending blocks, it can prevent foreseeable harm if used sensitively and applied when faced with signs of serious financial harm.

> "It's another way for banks to help keep customers safe."

Expert by experience

Figure 9: Existing use cases for imposing spending limits were more favoured than speculative uses

Imagine your bank starts using transactional data analysis (this could be something you opt-into or opt-out of). How acceptable or unacceptable do you think it is to impose a temporary spending limit for the following situations?



Source: Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 199-202 Research Community members.

47 Money and Mental Health survey of people with lived experience of mental health problems. Base for this question: 199-202.

There are a range of views on how banks can and should do transaction data analysis to maximise benefit for people with mental health problems, as shown in this section. The next section outlines recommendations for banks so that they implement transaction data analysis in a way that works for people with mental health problems, while respecting their concerns.

Section 3 summary

- Although there is support for transaction data analysis from many people with mental health problems, there is still a lot for banks to consider before putting this into practice
- There is broad support for existing behavioural triggers for transaction data analysis, such as being a victim of fraud or a scam. Other triggers, such as missing payments and spending much more or less than usual, had more diverse views.
- Research Community members raised concerns around privacy and surveillance, the need for it to be optional, fears of the bank overstepping, false positives, legitimate reasons for behaviours and not trusting banks to do this.
- On how banks could communicate with their customers, when first introducing transaction data analysis support to customers, there is need for clarity on what this is, what data the bank is using and how, and what the potential benefits could be.
- Research Community respondents were positive about light-touch check-ins, but wanted to see specific detail included to help them understand the change in behaviour.
- Almost half (47%) of the Research Community were strongly opposed to temporary spending limits, however some did recognise the potential support that could come from this, especially if optional.



"I don't like the idea of things being managed but if people who suffer with mental health have the option to say yes or no I think that would be good."

- Expert by experience

Section 4: Recommendations

There is enormous potential for customers' transaction data to be used to proactively identify and support people struggling with their finances as a result of a mental health problem. We know that many people in that position would appreciate this kind of support, and could benefit greatly from its implementation. However, any bank considering this type of support needs to do so sensitively and with lived experience at its heart. The remainder of this report sets out a suite of recommendations for banks, the Financial Conduct Authority (FCA) and others to ensure that any bank considering using transaction data analysis to spot and support people with mental health problems struggling with their finances does so in the right way.

This section firstly considers how banks could take transaction data analysis for people with mental health problems from a concept into a reality. It then looks at how we can strengthen regulatory and sector support. Finally, we lay out what needs to be in place to avoid harm and maximise benefit for people with mental health problems in how banks use transaction data analysis.

> "When you are struggling with mental illness, you need all the help you can get. Having the bank keeping an eye on your account in this way can be a real help when you are beyond being able to do the job yourself. I feel transactional data analysis is more guardian angel than big brother."
>
> *Expert by experience*

4.1 Moving from concept to reality

Our research demonstrates that using transaction data analysis in this way has great potential to better support people with mental health problems. However, it is still an emerging technology that has not been adopted beyond a relatively narrow set of use cases such as fraud detection. That means the risks in its practical application are not fully understood yet, especially in relation to other vulnerable circumstances that co-occur with mental health problems and financial difficulty. However, there is a clear path for banks who wish to be first movers or leaders to begin introducing transaction data analysis to support people with mental health problems in a limited way, and scope to scale up operations in line with lessons learned.

Exploring potential

We recommend that banks should take key steps towards using the transaction data they already have access to in order to help break the cycle of money and mental health problems.

This should form part of their broader work under the FCA's Consumer Duty and vulnerability guidance to spot and support customers in vulnerable circumstances. This is not a proposal to change existing privacy and data protection regulations or laws, but rather a recommendation for banks to consider how to support customers whose transaction data could suggest a heightened risk of struggling with finances during a period of poor mental health, and to offer appropriate support as a result.

Our research highlighted that there are a range of views among people with mental health problems on using transaction data analysis in this way, in particular many Research Community members were clear that they would only support the use of transaction data analysis if it was optional. If transaction data analysis is to be a success and support customers in financial difficulty, these views need to be taken into account. Therefore, to help build trust and transparency around banks using transaction data analysis and to ease concerns some customers might have, **banks should give customers the option to opt in or opt out of their transaction data being used in this way, communicating this choice clearly to customers**. We outline how this choice could work in practice below.

As well as being optional, banks should:

- Consider how to minimise taking action on false positives through increased awareness of the wide variety of financial behaviours and patterns people with mental health problems struggling with their finances may display.
- Implement transaction data analysis incrementally, in partnership with vulnerable customers and engaging in ongoing feedback.
- Pay close consideration to boundaries around ethical use and privacy concerns, and seek to reassure wherever possible about these.

Data protection

There are a range of data protection and privacy implications around the use of transaction data analysis. These include: inferring mental health conditions, fairness, bias, transparency and the use of AI. It's therefore essential that data protection teams at banks should be heavily involved at the earliest stage of considering this kind of support, with strong internal safeguards for data use. Where transaction data analysis supported processes are implemented, **banks should ensure that there is transparency about the data use, and develop clear complaint procedures**.

Lived experience at the centre

Our research has highlighted the range of views among our Research Community on transaction data analysis and how it can be implemented. Banks' customer bases will differ in their views and comfort levels. **As part of their work to develop transaction data analysis-driven vulnerability interventions, banks should directly involve customers with lived experience of financial difficulty and mental health problems through testing interventions and communications**. This would ensure that discomfort among those who are supportive but have legitimate concerns is mitigated and real benefits are delivered to customers.

Developing interventions

There are a range of interventions that banks can take after identifying someone is struggling with their finances as a result of their mental health problems. Some were seen by the Research Community to be more appropriate than others or only appropriate at certain times. **Banks should ensure that before they put this analysis into practice they have developed a suite of meaningful, targeted interventions that are supported by people with mental health problems**.

While there are a number of less intrusive interventions banks can immediately consider adopting, there are also more interventionist support options such as temporary spending blocks. Putting a block on spending has the potential to stop harm, but is very invasive and could actually cause harm. Given that Research Community members' views on more intrusive interventions like these are varied, **more invasive interventions should only be considered after thorough testing, and on an opt-in basis**.

Overlapping vulnerabilities

Mental health problems often overlap with vulnerable circumstances such as housing instability and physical illness. This should be actively taken into account when banks decide how to use data in order for them to provide the most relevant support. **Banks should therefore consider other drivers of vulnerability that could be mistaken for mental health problems in customer transaction data, where there may be different support needs that the bank could provide or signpost to**.

A related vulnerability that banks should particularly consider is economic abuse. This could resemble financial difficulty as a result of mental health problems in someone's transaction data. However, it likely has distinct indicators,[48] and would require tailored help and a sensitive approach to minimise unintended consequences. For example, banks must be careful to avoid alerts that could reach perpetrators and endanger victims.

4.2 Strengthening regulatory and sector support for banks

Industry guidance

The Consumer Duty, as well as the FCA's vulnerability guidance, puts an emphasis on firms to deliver good outcomes and avoid foreseeable harm for customers.[49] [50] Using transaction data analysis could support banks in meeting these requirements. As outcomes-based regulation the Consumer Duty does not offer specific guidance relating to transaction data analysis. The FCA and the Information Commissioner's Office (ICO) recently produced a joint statement on regulatory expectations related to how firms use vulnerability related data[51] which referenced transaction data as a potential source for an indicator of vulnerability but did not provide more detail on how firms could approach this in practice.

Therefore, we recommend that **the FCA should clarify how the Consumer Duty applies when it comes to banks using transaction data analysis to support customers with money and mental health problems**.

The FCA should also emphasise and encourage best practice across the sector when it comes to how banks can use transaction data to work towards preventing foreseeable harm and ensuring good outcomes for customers. This should consider:

- including transaction data analysis in regular multi-firm reviews the FCA conducts as part of monitoring Consumer Duty implementation.
- how banks use AI as part of this and how this relates to Consumer Duty requirements.

48 Garrett L. Good practice guide for financial services: Support customers experiencing economic abuse. Surviving Economic Abuse. 2026.

49 Financial Conduct Authority. Final non-Handbook Guidance for firms on the Consumer Duty. 2022.

50 Financial Conduct Authority. Guidance for firms on the fair treatment of vulnerable customers. 2022.

51 Financial Conduct Authority. Joint FCA and ICO statement on regulatory expectations regarding firms' approaches to vulnerability related data. 2026.

The ICO should maintain dialogue with the sector and also monitor whether it receives more requests from banks following the joint statement asking for further clarity on how they can follow data protection rules when using transaction data analysis. If there is increased demand for clarity, they should update the joint statement accordingly.

The use of transaction data analysis beyond established use cases is still a new area and firms can be cautious about experimenting with this type of technology. **The FCA should therefore support innovation around using transaction data analysis to support customers through encouraging banks to make use of their Regulatory Sandbox**. This is a tool set up by the FCA to allow firms to test new products and services in a controlled environment. This would allow banks to explore potential support options while in development. The FCA could also consider setting up a Tech Sprint on transaction data analysis to help explore what could be possible and identify any barriers to further implementation, which we would welcome the opportunity to collaborate on.

Working together

Banks will likely be at different stages when it comes to considering using transaction data analysis to support customers in vulnerable circumstances. Some might be trialling different options while others will only just be considering the potential implications. To help understand and overcome the challenges involved in application, there needs to be a space for banks to come together to test and share findings around using transaction data analysis to support customers in vulnerable circumstances at risk of financial difficulty. **Given its convening powers, UK Finance could set up a working group which the FCA could support through our recommendations above**.

Box 3: Working together in practice – the Gambling Harms Action Lab

Money and Mental Health has been at the centre of banks sharing best practice for the past two years with our Gambling Harms Action Lab (GHAL).[52] The GHAL is a three-year project working directly with financial services providers to explore how firms can best support customers experiencing gambling harm. Together with firms, we have helped develop new ways of identifying, engaging and offering support to customers who may be at risk of or experiencing harm from their gambling.

As part of this, we brought together seven UK current account providers in an 18-month Action Learning Set series. This allowed banks to explore common challenges that they were facing in supporting their customers experiencing gambling harms, as well as share insights on how they overcame them. We were then able to feed into this through surveys with the Research Community to ensure any potential solutions were grounded in lived experience.

The Action Lab model sets out a vision of how banks can work together as a sector, to share insights and challenges related to using transaction data analysis to support people with mental health problems.

Building on the success of the GHAL, we have more recently set up our Suicide Prevention Action Lab (SPAL), which will bring together financial services providers to explore new approaches to suicide prevention.

52 Gambling Harms Action Lab. Money and Mental Health Policy Institute. [Accessed: 6/10/2026.]

4.3 Prerequisites to avoid harm and maximise benefit for people with mental health problems in how banks use transaction data analysis

In taking the above steps, banks must ensure the right safeguards are in place. Our research has highlighted some key steps banks should take as best practice if they opt to use transaction data analysis in this way to provide support. These include key principles, communications from the bank and the use of AI.

Key principles to ensure people with mental health problems feel safe

Making it optional

It is essential that banks give customers the option to opt in or opt out of their transaction data being analysed to provide support in this way. There are times when either way of giving customers choice is most appropriate. Given that it would come with greater risk of things going wrong, novel, innovative or intrusive uses of transaction data analysis should always be opt-in until they are thoroughly tested. Established or well tested uses of transaction data analysis could be either opt in or opt out so long as it is easy and clear how to meaningfully give or remove consent for their data to be analysed and exactly what people are agreeing to.

Being transparent from beginning to end

Our research has highlighted that people with mental health problems are very uncomfortable with analysis taking place out of their sight and control. It's essential that banks take these privacy concerns seriously and that they provide clarity to customers about:

- **What data they are analysing**
- **What it could tell them**
- **How the data is being used**
- **Who has access to the data**
- **Who the data is shared with. Banks should explicitly commit to not sharing inference data (i.e. the likelihood of mental health problems as a result of financial difficulty markers) externally, beyond clear cases where there is risk of harm**
- **How they can opt in or opt out, ensuring that customers know what they are actually engaging with**

A key concern that Research Community members had was that the information could be used unfairly to prevent them accessing products and services in the future. There are a range of legitimate reasons why a bank can decline an application for a product or services, such as not meeting creditworthiness levels, which could be assessed by monitoring someone's transactions. Under existing equalities legislation, denying access to a service solely on the basis of a mental health problem would be unlawful.[53] However, there is a risk that a customer who is denied

53 Equality Act 2010, c. 15. London: The Stationery Office.

access would nonetheless assume it was because of mental health information spotted in the transaction data analysis. **Therefore, it is crucial that the banks take steps to assure and demonstrate to customers who have been declined a product or service that it was not because of a mental health problem spotted in the analysis**. Instead, banks should clearly explain what data has been used to make the decision and what is not being used. For example, that someone has been rejected for a credit card because of their credit score or because of a consistent pattern of missed payments, not the fact that this could have been a result of a mental health problem.

Ensuring transaction data analysis is supportive

There were some concerns among Research Community members that the use of transaction data analysis by banks could reduce their agency. **Banks should frame transaction data analysis interventions around increasing agency through supporting customers to better manage their finances**, particularly during periods of poor mental health. In particular banks should commit to not using transaction data analysis to justify imposing prescriptive requirements on customers without consent.

Some Research Community respondents were concerned that banks might use information gleaned from transaction data analysis to target them with financial products that weren't suitable for them. Our past research has highlighted how people with mental health problems can take out credit they would otherwise not have taken out when unwell which can lead to them getting stuck in a cycle of poor credit.[54] However, a potential intervention that could benefit customers is to let them know about financial products that are genuinely beneficial for their situation, for example, a savings account with a high interest rate. **Banks should therefore commit to only using transaction data analysis for support purposes and reassure customers that it will not be used for solely commercial reasons**.

Communications

Transaction data analysis, mental health problems and financial difficulty are all very sensitive topics and it's crucial that banks get their communications with customers right. It's important that banks approach this with care, to avoid negatively impacting customers and generating complaints.

Clear communications

There were a range of views from Research Community members about what banks would do with their data, including negative actions which will not be considered by banks (for example, attempting to diagnose mental health conditions). **It's therefore essential that banks make sure that they describe transaction data analysis in a clear and jargon-free way so that customers can fully understand how it will, and won't, work**.

Our past research has highlighted how mental health problems can impact someone's ability to process and act on information. **Any communication a bank sends, both when introducing their use of transaction data analysis and when proactively reaching out with support, should be tested with people with lived experience of mental health problems to ensure understanding comes across**, even when people are unwell. Additionally, many

54 Murray T and Bond N. Debts and despair. Money and Mental Health Policy Institute. 2023.

Research Community members expressed a desire for banks to not be judgemental of their financial behaviour and to show understanding of their situation.

All communications from banks related to transaction data analysis should be supportive in tone, non-judgemental and clear. Working with customers with lived experience would help the bank understand how to best deliver this.

Developing the service

Some Research Community members were concerned about the risk of a false positive, where a behaviour is triggered as suggesting someone was struggling financially due to their mental health, when that wasn't the case. **Banks could, for example, develop a live feedback mechanism so people can easily say when a message prompted by transaction data analysis isn't accurate or relevant to them, or when a different form of support would be helpful (for example, if someone needed support with economic abuse, rather than general financial difficulty). Banks should also commit to continuous improvement by regularly reviewing the effectiveness of transaction data analysis models**. This would include refining algorithms based on best practice, lived experience insights, live feedback from customers and emerging evidence. Banks should be open to the analysis not always being right and learning from when this is the case.

Choice of communication

Our past research has highlighted that many people with mental health problems can struggle with communication channels such as the phone or webchat. Our Research Community felt that they would be more likely to act on any message from their bank if it was sent through their preferred communication channel. **Banks should offer customers a choice of communications method and use this where possible for messaging around transaction data analysis**. Additionally, there is a risk that people with mental health problems may miss any message from their bank while unwell. Banks should ensure messages are sufficiently prominent and provide an option for customers to tailor the frequency of these messages.

Artificial intelligence

AI could be a powerful tool to support customers. However, our research revealed that people with mental health problems have mixed views on how it could be used as part of transaction data analysis. The FCA and other regulators are still developing their approach to how firms can best use AI within existing rules and requirements.

Research Community members were particularly opposed to banks using AI as a chatbot that customers have to engage with after the bank identified them as at risk of financial difficulty and reached out. **Banks should ensure there will always be a route to a human when using any type of customer-facing AI support**. In particular, banks should ensure that customers suspected by an AI chatbot to be experiencing a mental health crisis or at risk of severe financial harm are routed immediately to a human advisor.

Banks should ensure that there is human oversight of AI's use throughout the transaction data analysis, from conducting the analysis to reaching out with support.

Alongside this, customers should be able to request human oversight to query an intervention. If the AI tool recommends a more restrictive or intrusive intervention, such as an enforced spending block, be put in place, this should have to be signed off by a staff member.

Finally, **banks should be transparent about the use of AI in any part of the transaction data journey, particularly any support that is customer facing**. Banks should communicate this clearly to customers to ensure those who are not comfortable can opt out.

If these recommendations are not possible to implement, banks should not use AI in customer-facing parts of the support journey.

Conclusion

With the cost of living crisis becoming the new normal for many people, and with mental health problems continuing to rise, banks have the opportunity to take action to support those who need it most. However, there are risks in applying transaction data analysis to support people with mental health problems. There is the risk of banks taking two extreme positions that don't benefit customers. Banks could become too concerned with data protection or privacy risks that they don't adopt a technology that could prevent significant harm. On the other hand, proponents of accelerated AI adoption may push ahead too quickly without proper consideration of lived experience and introduce something that causes more harm than good. Balance is needed. Key organisations like the FCA and ICO have crucial roles to play in getting this message across. The case for adoption is there, the technology is there, all that is needed now is action.





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