



WARWICK BUSINESS SCHOOL
THE UNIVERSITY OF WARWICK

23 July 2019

Dear Sir or Madam,

This is an interim report for ESRC large grant “The Network for Integrated Behavioural Science—The Science of Consumer Behaviour” [ES/P008976/1]. The grant is headed by PI Prof. Chris Starmer, Nottingham. I am one of 12 CIs funded 15%. NIBS is a network of researchers in the fields of economics and psychology, based at the University of Nottingham, University of Warwick, and University of East Anglia. NIBS began in October 2017 and is currently in the first year. The project has funding of £2,038,443 running until September 2021.

We have just hired three postdocs, one at each host institution; Dr Ashley Luckman joined us earlier this year; and a set of NIBS-funded PhD students will join the project in October, 2019. The first annual 3-day project workshop will take place in Nottingham (17-19 Sept, 2019).

NIBS focusses on science of consumer behaviour, through three main themes:

1. the foundations of individual choice, with particular attention to decision processes and consumer responses to features of their environment.
2. how firms frame and structure environments for actual and potential customers in the light of behavioural characteristics of consumers of varying sophistication. This will also focus on how firms’ strategies affect and are in turn affected by competition between firms, and we will study the form of appropriate regulation directly, in collaboration with UK regulatory bodies.
3. lessons of behavioural science for personal and household financial decision making - an area of consumer behaviour that typifies the combination of choice between multiple, complex products; uncertainty; time; and potential for serious consumer detriment.

My contribution is in topics 1 and 3.

Published work by me acknowledging the grant includes:

Alempaki, D., Canic, C., Mullett, T. L., Skylark, W., Starmer, S., Stewart, N., & Tufano, F. (in press). Re-examining how utility and weighting functions get their shapes: A quasi-adversarial collaboration providing a new interpretation. *Management Science*.

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Gathergood, J., Mahoney, N., Stewart, N., & Weber, J. (2019). How do individuals repay their debt? The balance-matching heuristic. *American Economic Review*, 109, 844-875. doi: 10.1257/aer.20180288

Gathergood, J., Mahoney, N., Stewart, N., & Weber, J. (2019). How do Americans repay their debt? The balance-matching heuristic. *Economics Bulletin*, 39, 14581466. Available at <http://www.accessecon.com/Pubs/EB/2019/Volume39/EB-19-V39-I2-P138.pdf>

Quispe-Torreblanca, E., & Stewart, N. (2019). Causal peer effects in police misconduct. *Nature Human Behaviour*. doi: 10.1038/s41562-019-0612-8

Quispe-Torreblanca, E., Stewart, N., Gathergood, J., & Loewenstein, G. (2019). The red, the black, and the plastic: Paying down credit card debt for hotels not sofas. *Management Science*. doi: 10.1287/mnsc.2018.3195

On consumer detriment, I have published a series of NIBS funded occasional papers with the Financial Conduct Authority:

Adams, P., Guttman-Kenney, B., Hayes, L., Hunt, S., Laibson, D., & Stewart, N. (2018). The conflict between consumer intentions, beliefs and actions to pay down credit card debt. *Financial Conduct Authority Occasional Papers in Financial Regulation*, 44. <http://www.fca.org.uk/publication/occasional-papers/occasional-paper-44.pdf>

Adams, P., Guttman-Kenney, B., Hayes, L., Hunt, S., Laibson, D., & Stewart, N. (2018). The semblance of success in nudging consumers to pay down credit card debt. *Financial Conduct Authority Occasional Papers in Financial Regulation*, 45. <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-45.pdf>

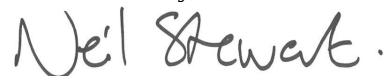
Adams, P., Guttman-Kenney, B., Hayes, L., Hunt, S., & Stewart, N. (2018). Increasing credit card payments using choice architecture: The case of anchors and prompts. *Financial Conduct Authority Occasional Papers in Financial Regulation*, 42. <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-42.pdf>

Guttman-Kenney, B., Leary, J. & Stewart, N. (2018). Weighing anchor on credit card debt. *Financial Conduct Authority Occasional Papers in Financial Regulation*, 43. <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-43.pdf>

Mullett, T. L., Smart, L., & Stewart, N. (2018). Blackbird's alarm call or nightingale's lullaby? The effect of tweet risk warnings on attractiveness, search, and understanding. *Financial Conduct Authority Occasional Papers in Financial Regulation*, 47. <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-47.pdf>

Full details of the progress including all NIBS publications and other outputs can be found at <https://www.behavioural-science.ac.uk>. Publicly posted working papers funded by NIBS which are under review are available at <https://www.stewart.warwick.ac.uk/publications/>.

Yours faithfully,



Prof. Neil Stewart