

Prepaid Financial Product Disclosures: Moderator Guide for Focus Groups

Introduction (2 minutes)

My name is _____ and I work for a company called ICF International. We are a research company that conducts interviews and focus groups on behalf of different organizations across the country. For this specific project, we are working on behalf of the Consumer Financial Protection Bureau. The Bureau is an agency in the Federal government whose role is to make markets for consumer financial products and services work better for Americans. Above all, this means ensuring that consumers get the information they need to make financial decisions — that prices are clear up front, that risks are visible, and that nothing is buried in fine print. Today, we are going to be talking about several topics related to prepaid financial products. I want to be clear that I am not an expert in this topic—you can ask me questions, but I may not be able to answer them. This focus group will take about 90 minutes, and you may take a break and step out at any time.

Before we begin, has everyone had an opportunity to read and sign the informed consent document? Does anyone have any questions about it?

I'd like to remind you of a few things that were on that document.

- We will be videotaping this discussion, to make sure we don't miss anything that you say.
- Behind the glass, there are people observing this focus group from both the Consumer Financial Protection Bureau and my company, ICF International.
- Everything that you say in this discussion will be private. Your name will never be used in any of our reports.

Do you have any questions before we begin?

Section I: Introduction (10 minutes)

Today we are going to spend a lot of time discussing “prepaid cards.” I want to start by defining what I mean by a prepaid card, to make sure we are all on the same page. What I mean by a prepaid card is a card that you can store money on, that you can use to make purchases and get cash from ATMs, and that you can reload with money. To be clear, a prepaid card is not the same as a traditional debit card linked to a bank checking account. A bank account debit card is linked to your checking account; a prepaid card is not. Instead, you pay in advance to load funds onto a prepaid card, and then use the money you have loaded onto the card. Is there anyone who doesn't understand what I mean by “prepaid card?” Great.

1. I would like everyone to think about a prepaid card that they have used in the past six months. Then I would like to go around the room and have each of you say

- a. Your first name;
 - b. How you mainly use that card—for example, to make purchases at stores or online or to get cash from ATMs;
 - c. How you obtained the card, either by purchasing it online or in a store, or by receiving it from an employer.
2. Why do you use your prepaid card? What do you like or not like about it?
3. Some of you indicated that you purchased your prepaid cards in a store. Can someone describe the process that you used? Did you just walk into the store and buy the card, or was there anything else you chose to do?
- a. *[If necessary]* Is there anything you had to do with the card after you left the store? *If necessary, discuss whether participants register their cards.*
 - b. Did you *have* to register your card? Were you able to use it without registering it?
 - c. What are the advantages and disadvantages of registering your card?
 - i. What, if anything, changes when you register your card?
 - ii. What would happen if you did not register your card?

Section II: Comparison Shopping for GPR Cards (15 minutes)

4. Think about your decision to use a prepaid card. How did you decide which prepaid card to purchase?
- a. Have you always used the same brand of prepaid card, or have you switched between cards?
 - b. Why?
5. Think about the prepaid card that you purchased most recently.
- a. How did you go about choosing the card?
 - b. Why did you select that particular card?
 - c. What factors or features did you consider when choosing a card? *(Make list on flipchart of all features that participants used to compare cards)*
 - d. Are there any other factors that you think people use when choosing a card? *(Add to list on flipchart)*

- e. Which of these factors would be most important to you when choosing a card? (*Ask participants to vote for the 3 factors on the list they consider to be the most important*)
- 6. When you shop for a prepaid card, how do you find information about different cards? *Prompt for product packaging, online, advertising, word of mouth (family and friends), etc.*
- 7. When purchasing a new card, do you do any research in advance, for example by learning more about card options online?
 - a. Do you look at and consider cards in more than one store?
 - b. Do you generally make the decision of which prepaid card to purchase while you are inside a store, or before you go to the store?

Section III: Fees (10 minutes)

- 8. One important factor that was mentioned earlier was fees. Let's talk more about fees.
 - a. In your experience, what kinds of fees do prepaid cards have? (*Moderator should make list on flipchart*)
 - b. Which fees are important to you when choosing a prepaid card? (*Ask participants to vote for the 3 fees on the list they consider to be the most important*)
 - c. Why are these specific fees most important to you?
- 9. Now let's talk about the fees that prepaid card companies charge. How do you know what fees a company charges for using a prepaid card?
 - a. Do you know what fees are charged on a card before you purchase it, or do you find out after?
 - b. If you wanted to know right now about the fees that your prepaid card charges, what would you do or where would you go to find out?
- 10. Now let's discuss the information companies give you about these fees.
 - a. Do you think you knew enough about the fees on your prepaid card before you bought it, or do you wish you had known more?
 - i. If you wish you had known more, what specifically do you wish you had known?
 - ii. How should the company tell you that information? When?
 - b. Have you ever been charged a fee you were not expecting? If so, tell me more about that.
 - i. How did you discover the fee that you were not expecting?

Section IV: Review of Sample Fee Disclosures (15 minutes)

Show participants *Sample Disclosure #1*. Now I would like you to look at what is shown on this piece of paper. Imagine that you were purchasing a new prepaid card in a store, and you saw this information on the package that the card came in. I will give you a few minutes to review this, and then I'd like to discuss it. Give participants about 2 minutes to review the disclosure.

11. Is there anything here that you find confusing?
12. What questions do you have after reading this?
13. Are there any words or phrases you aren't sure you understand?
14. How might the information be presented differently to make it easier for you to understand?
15. Is there anything here that would surprise you if you read this on the box of a prepaid card you were thinking of buying?
16. Is there anything here that would make you any more or less likely to purchase this particular card?
17. This lists several different fees that a user of this card might be charged—for example, (*provide an example from the form*).
 - a. If you read this on the outside of the package, would you think that this was the full list of the fees that you could be charged?
 - b. Do you think you could be charged other fees that aren't listed here?

After participants have finished answering questions in relation to *Sample Disclosure #1*, take that disclosure away and give them *Sample Disclosure #2*. Repeat the questions in this section.

Section V: Consumers' Understanding of GPR Cards (10 minutes)

18. Do you have any other accounts that you can make payments from? (*If necessary, prompt specifically about bank accounts or credit card accounts*)
 - a. *If applicable*: In what situations do you use your prepaid card instead of your bank account?
 - i. Why do you have both a prepaid card and a bank account?
 - ii. Why don't you just use your bank account? Why don't you use just your prepaid card?
 - b. *If applicable*: In what situations do you use your prepaid card instead of a credit card?
 - i. Why don't you just use your credit card?

ii. Why don't you use just your prepaid card?

19. Have any of you ever used a card that your employer or another organization provided to you and loaded money onto? For example, some employers make payroll cards available to employees, and some people have cards that allow them to access student loans or insurance funds.

- a. *If yes:* Did receiving a payroll card cause you to change your use of a prepaid card that you already had? If you already had a prepaid card, why did you take a payroll card?
- b. In what situations do you use your prepaid card instead of the card that your employer or this other organization provided to you?

i. Why do you have both a prepaid card and this other account?

ii. Why don't you just use the other account? Why don't you just use your prepaid card?

Section VI: Account Monitoring (10 minutes)

20. Now let's discuss how you monitor your prepaid card account. How do you find out how much money is in your account? *Probe for access by telephone, online, text message/text alert, etc.*

- a. How often do you check how much money is in your account?
- b. Have you ever paid a fee for getting your account balance?
 - i. If so, when?
 - ii. How much is the fee?

21. How do you get transaction history for your prepaid card? *Probe for access by telephone, online, text message/text alert, etc.*

- a. Do you check your transaction history? If so, how often?

22. Do you check any other information about your account, other than your balance or transaction history?

- a. If so, how often?

23. Do you feel that you have enough access to information about your account?

- a. Why or why not?

24. Have you ever paid a fee to get any information about your account?

- a. If so, when and for what?

25. Do you get regular statements for your prepaid card accounts—that is, statements that show your balance at the end of a month and all the transactions that were made in the month?
- If so, do you get them electronically or in the mail?
 - Do you want to receive regular statements for your account? If you already receive them, how important are they to you?
 - If not, Why don't you want regular statements?*
 - If so, Would you want to receive the statements in paper form through the mail, or in electronic form?*
 - Would you be willing to pay a fee to receive statements in paper form?
26. Imagine that you did have a way of seeing your up-to-date transaction history any time you wanted.
- Would you still want to receive regular statements?
 - If you could see your transaction history at any time, would the regular statements still be important to you?

Section VII: Liability and Protection (10 minutes)

27. Imagine that you lost your prepaid card or that it was stolen.
- Would that mean that you lost the money in your prepaid account? Why or why not?
 - Would it make any difference whether you had registered your prepaid card?
28. Imagine that you did **not** lose your card, but that a purchase you did not make was charged to your prepaid card account nonetheless.
- Would you have any way of getting that money back? Why or why not?
 - Would it make any difference whether or not you had registered your prepaid card?
29. Have you heard of FDIC insurance? Do you know what it does? Do you know how it relates to your prepaid card, if at all?
- Based on what you know about FDIC insurance, would it be important to you to have FDIC insurance for the funds stored on your prepaid card account?
30. Imagine that you tried to make a payment from your prepaid card and there was not enough money in your account to cover the payment.
- What would happen?

- b. Would it make any difference whether or not you had registered your prepaid card?

False Close and Conclusion (8 minutes)

Moderator will excuse him or herself and tell the participants that he or she is going to speak with the observers to see whether they have any follow-up questions. If observers have follow-up questions or topics to revisit, the remainder of the focus group will be spent addressing those questions or topics. At the conclusion of the focus group, the moderator will thank the participants for their assistance and lead them to the front desk.