

THE EBA METHODOLOGICAL GUIDE TO MYSTERY SHOPPING

EBA/Rep/2021/21



EBA

EUROPEAN
BANKING
AUTHORITY

Contents

List of abbreviations	3
List of figures	4
Background and purpose of the guide	5
Key steps in designing and implementing a mystery shopping activity	7
STEP 1: Define the goals	9
STEP 2: Select products/services and distribution channels	9
STEP 3: Select financial institutions	10
STEP 4: Select mystery shoppers and consumer profiles	11
STEP 5: Design mystery shoppers' scenarios	12
STEP 6: Design mystery shoppers' assessment questionnaire and data gathering	17
STEP 7: Assess the findings and follow-up	21

List of abbreviations

EBA	European Banking Authority
ESAs	European supervisory authorities
EU	European Union
FI	Financial institution
MS	Mystery shopping
NCAs	National Competent Authorities

List of figures

Figure 1: Key steps in designing and implementing a mystery shopping activity	8
Figure 2: Scenario briefing note specimen	15
Figure 3: Assessment questionnaire specimen	19

Background and purpose of the guide

1. Following the review of the three European Supervisory Authorities founding regulations¹, the EBA received a number of additional consumer protection mandates in Article 9(1) of its Founding Regulation, which includes the mandate to ‘coordinate mystery shopping activities of competent authorities, if applicable’. The mandate has been applicable since 1 January 2020.
2. As a first step towards fulfilling this mandate, the EBA collated mystery shopping (MS) activities that have been carried out by national competent authorities (NCAs). The activities were summarised and assessed in a report² with a view to sharing experiences, learning valuable lessons, and identifying good practices for the benefit of the EBA and NCAs that use or intend to use MS in the future. The EBA report on MS activities of NCAs covers initiatives in respect of products that fall within the scope of action of the EBA’s consumer protection mandate (i.e. mortgage credit, consumer credit, deposits, payment accounts, payment services and electronic money). As mentioned in the EBA report, at this stage, only a limited number of NCAs carried out such MS activities in their jurisdiction. Moreover, some NCAs reported that discussions are currently taking place at a national level regarding the possibility of adding such powers to their respective mandates, for some of them as part of the implementation of the Consumer Protection Cooperation Regulation³.
3. The EBA methodological guide to MS (hereafter ‘the guide’) has been developed based on the findings and good practices identified in the EBA report on MS activities of NCAs and aims to support NCAs in the design and implementation of MS activities.
4. The guide presents how MS activities can usually be conceived and carried out and recommends how NCAs can use the guide as a complement to other existing supervisory tools, if needed. It sets out seven steps NCAs could usefully follow and adequately adapt to the particular circumstances, goals and national possibilities when carrying out, either directly or by outsourcing to an external provider, MS activities for retail banking products and services.
5. The guide applies to both on-line and on-site MS activities but voluntarily focuses on situations relating to on-site MS, based on the knowledge and experiences of NCAs to date. The growing reflections and experiences surrounding on-line MS will be reflected in the subsequent releases of the guide.

¹ For the EBA Regulation, see Regulation (EU) No 1093/2010.

² EBA report on mystery shopping activities of NCAs EBA/REP/2021/08: published on 3 May 2021: https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2021/1000492/EBA%20Report%20on%20the%20mystery%20shopping%20activities%20of%20National%20Competent%20Authorities.pdf?retry=1

³ Regulation (EU) 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection law.

6. The guide is not mandatory and does not aim to harmonise the MS practices of NCAs or imply that all NCAs would need to adopt it as supervisory tool. Rather, the guide aims to support those NCAs that are, under their respective national legal framework, in a position to carry out MS activities in designing and implementing MS activities, thus facilitating the coordination of NCAs' MS activities and enhancing NCAs' ability to assess the retail conduct of financial institutions (FIs) in their jurisdictions.
7. For the purpose of the guide, 'mystery shopping' is understood as an undercover research approach used by NCAs, or by the market research companies that they may have hired, to measure the quality of customer service and/or gather information about financial products and services and the conduct of FIs towards consumers. MS may include the use of individuals who may act as potential or actual customers and who are trained and briefed to experience and measure key phases of a product's lifecycle and compliance with particular requirements. They report back their experiences in a detailed and objective way. They perform specific tasks, for example reviewing how staff perform against pre-determined standards during an interaction with a customer. That interaction may occur at the pre-contractual, contractual or post-contractual phase and may involve purchasing a product/service, asking questions, or registering complaints. MS enables supervisors to carry out an assessment, in concrete situations, rather than relying on documents kept by firms, on-site interviews, or surveys.
8. MS activity is a useful component and a complementary tool to fulfil NCAs supervisory and/or subsequent enforcement objectives, even if not every on-site supervision includes MS. Some NCAs use MS when they deem it necessary and in cases in which they cannot otherwise provide evidence via on-site inspections. MS represents a useful tool to gather information about financial products and services and/or the conduct of FIs towards consumers. MS techniques may involve mystery observations, visits, telephone calls, mailing, e-mailing and website visits, but they are distinct from any on-site inspection tools used by NCAs in their jurisdictions. For example, MS gives NCAs the opportunity to collect information that cannot usually be obtained by NCAs through their on-site inspections and allows them to assess the extent to which FIs comply with regulatory requirements, such as the disclosure of required pre-contractual and/or contractual information to consumers.
9. According to NCAs that conducted MS activities, MS represents a way to efficiently and effectively monitor certain market practices, in particular for the pre-contractual phase as MS activity allows, for example NCAs to check whether the required information was provided voluntarily by the FI, or upon request by the mystery shopper, or not at all, etc. In many jurisdictions, legal constraints (mandatory identification of the consumer, prohibition to sign contracts, personal financial records impacted, etc.) limit MS activities to the pre-contractual phase, which means that much of the content of this guide is primarily relevant to this pre-contractual phase.
10. It should be noted that the above understanding of MS used for the purposes of the guide may differ from MS definitions or MS mandates used elsewhere.

Key steps in designing and implementing a mystery shopping activity

11. The guide sets out seven steps that NCAs can take into account when building a MS activity: (1) define the goals of the MS activity; (2) select the products/services and their distribution channels; (3) select the FIs to be mystery-shopped; (4) select the mystery shoppers and consumer profiles; (5) design scenarios for mystery shoppers⁴; (6) design the assessment questionnaire for mystery shoppers and data gathering; and (7) assess the findings and follow up.
12. Depending on the local context and applicable law, not every NCA may follow each of these steps with the same intensity and can adapt them according to their national needs. These steps can either be conducted by NCA staff or outsourced to an external provider.
13. Steps 4 to 6 concerning the selection of mystery shoppers, the design of the scenarios for mystery shoppers, and the design of the assessment questionnaire and data gathering can potentially be outsourced to an external provider if NCAs consider it useful. The eventual decisions concerning core supervisory tasks, like the definition of the MS goal, selection of the products and services and the FIs subject to MS (steps 1 to 3), as well as the assessment of the findings and the follow-up actions to MS activity (step 7) should, in principle rest with NCAs. The infographic below (figure 1) illustrates the various steps that can be followed, using two distinct colours. The colour blue is used for the steps where ultimate decisions rest with NCAs as part of their core supervisory function, while grey is used for the steps that can be outsourced to an external provider.

⁴ In some cases, e.g. in the case of outsourcing activities requiring very specific competencies, it might be useful to have the scenarios for mystery shoppers already at hand when mystery shoppers are to be selected on the basis of those scenarios.

Figure 1: Key steps in designing and implementing a mystery shopping activity



STEP 1: Define the goals

14. The most common conduct and consumer protection goals that could be feasibly pursued through MS activities include:

- **Assessing compliance with regulatory requirements:** this includes NCAs evaluating compliance by the FIs with the regulatory requirements of banking products and services, for example on the adequacy of information disclosure concerning the product/service, in particular pre-contractual information duties, selling practices, fair treatment and an assessment of the suitability of a product or service for consumers' needs and profiles.
- **Evaluating whether the FI's staff have an adequate level of knowledge and competences:** this includes NCAs assessing whether the relevant staff of FIs and appointed representatives possess and maintain an adequate and up-to date level of knowledge and competence in relation to the manufacturing, offering, and/or selling of particular products and services in order to achieve a high level of professionalism. MS also provides indications as to the extent to which sales staff have received training relevant to the particular product/service. This also requires mystery shoppers to have the skills to evaluate the knowledge and competence of FI's staff. The MS assessment questionnaire provided to mystery shoppers can, for instance include a ranking to evaluate the skills of FI's staff (see steps 4 and 6 for details).
- **Measuring compliance with and the effects of new regulatory changes:** this could also be done through a MS exercise carried out before and then shortly after a regulatory change has been implemented.

15. The goals as well as other technical specifications of the MS activity, such as timescales or a calendar planning the duration of the MS activity, the team which will run the MS activity on-site or online, the approach, scope, and methodology used (scenario, length of assessment, frequency of visits/calls, etc.) and the topics or issues to be assessed, benefit from being defined early in the process.

STEP 2: Select products/services and distribution channels

16. The EBA's scope of action on consumer protection extends across a number of different products and services, such as consumer credits, mortgage credits, payment accounts, payment services, electronic money and deposits. The channels through which these products are sold and distributed, and which could therefore be the focus of an MS activity, also vary and include, for example, branches of financial institutions and intermediaries and, if needed, their websites, call centres and digital platforms etc.

17. In order to define which conduct by FIs to assess, the products and/or services can be listed and then ranked based on risk criteria such as the existing gaps in supervisory knowledge, intelligence gathered from consumer complaints, the need to obtain evidence as to whether or not existing requirements for specific products and services ought to be amended (e.g. in the case of consumer complaints or issues identified on the market) and the emergence in the market of new products/services, new actors, and/or new distribution channels.
18. An in-depth assessment of the relevant regulations and legislative provisions applicable to the products and services would be necessary as well as an evaluation of the key characteristics of the products and services and associated information (e.g. fee information documents, statement of fees, European standard information sheet, standard European consumer credit information etc.).

STEP 3: Select financial institutions

19. MS activities can be designed to meet the specific needs of an NCA. The number of FIs that could be covered by a particular MS activity depends on the goal of the MS and the size of the market and must be sufficient to draw grounded conclusions.
20. In most cases, it is desirable for a MS activity to include as many different types of FIs and/or distribution channels as possible that provide a particular product/service so as to fully capture the diversity of the conduct of FIs in the market and to allow the conclusions of the MS activity to be robust. Different distribution channels (e.g. intermediaries, platforms) might have a major impact on consumer protection objectives, e.g. a product's suitability or its price/costs.
21. A MS activity benefits if the selection of FIs in terms of geography is reflective of the aim of the activity. For example, a particular investigation into the conduct of FIs may benefit from a geographical scope that explicitly covers rural and/or urban areas; small and/or large branches; and/or only parts of the geographical area of the respective jurisdiction, whereas another investigation might not require any such differentiation (e.g. investigation of a single FI but at different points of sale). To help ensure that a diverse range of FIs in a market is included in the MS activity, NCAs can select one or more restricted geographic location(s) that would match the MS objectives.
22. The selection of FIs can also be based on other elements, for example on the results of a comprehensive risk-based analysis taking into account the relative importance of the FI and its impact on customers or complaints received by NCAs about FIs. This also means that a particular MS activity can be carried out in respect of a specific FI to complement other supervisory tools.

STEP 4: Select mystery shoppers and consumer profiles

23. As already mentioned, when carrying out MS, NCAs staff may either carry out MS directly or decide to outsource it to an external provider, which would require hiring mystery shoppers who are not NCA staff.
24. It is advisable to select mystery shoppers based on the goal of the MS activity defined by NCAs and to ensure that the personal characteristics and personal financial situations are aligned with the NCAs' goals and scenarios.
25. In order to reduce mistakes, false results and/or unnecessary costs, specific requirements can be defined to select mystery shoppers. The characteristics of the consumer profiles that mystery shoppers should portray can be defined by NCAs according to the type of consumers that are meant to be the subjects in the MS activity or that would fall within the target market of the products and services designed by the FIs.
26. Consumer profiles may vary from one MS activity to another and according to the products and services and the distribution channels targeted. A consumer profile describes the characteristics of the individual that the mystery shopper will portray during the exercise, for example in terms of the degree of financial literacy, degree of aversion to financial risk, gender, ethnicity, age and/or other characteristics relevant to effectively achieving the goal of the MS activity. In certain situations where, for example, FIs may need to verify the credit history information of consumers, certain features of a mystery shopper's personal financial situation may make certain mystery shoppers unsuitable for MS. There can also be circumstances in which certain types of consumers are identified by NCAs as being treated differently because of their recognisable affiliations or physical traits. In such situations, the selection of the mystery shoppers can make use of additional criteria, if appropriate, such as race/ethnicity, gender, etc. with a view to detecting unfair treatments of consumers.
27. The requirements for selecting the mystery shoppers will also depend on the approach and resources of the supervisory authority. Whether a MS activity is carried out directly by NCAs' staff or outsourced to an external provider, it is important when recruiting mystery shoppers to take into account to the extent feasible the personal background or characteristics that match the consumer profile to be portrayed.
28. For mystery shoppers to be able to fulfil the stated goal of the MS activity, they usually require soft skills such as observation, recording, reporting, team working, ability to play a role, memorise a script and interactions and create questions 'on the go' while interacting with FI's staff, as well as IT and in certain cases foreign languages skills, if applicable. Mystery shoppers should also have sufficient skills to evaluate the knowledge and competence of FIs staff which should also be acquired via the provision of training (see Step 5 for details). If they are selected from among NCAs' staff, a supervisory, consumer protection and/or inspection background can be considered an asset. Legal, banking and financial competencies may also play a role in the selection of mystery shoppers.

29. More specifically, for MS activity outsourced to an external provider, it is advisable to recruit mystery shoppers that are already familiar with the products and services and already have some formal financial experience, in order for them to better embody their profiles, to effectively report the information provided by the FI's staff during the visit, and to fill-in the MS questionnaire more reliably. Financially experienced mystery shoppers can also be instructed to ask several follow-up questions (to measure how well FIs' sales staff explain certain product terms and features) that less experienced consumer may not ask.

STEP 5: Design mystery shoppers' scenarios

30. One of the key steps towards a successful MS activity is to design an appropriate scenario and a scenario briefing note.

31. For the purpose of this guide, 'scenarios' are the different situations in which mystery shoppers carry out their work and test the conduct of FI's staff. For example, a scenario could instruct mystery shoppers to ask several follow-up questions with the intention of measuring how well FIs' sales staff explain certain product terms and features or they could be explicitly instructed to let the FI's sales staff lead the conversation and not ask any questions until the FI's sale staff have had time to provide this information voluntarily. In order to make the MS scenario more reliable, mystery shoppers may also be asked to adapt their dress code, for example to dress more formally or dress casually depending of profile of the mystery shoppers need to portray. The training of selected mystery shoppers will help also in this regard. The scenario briefing note would give the mystery shopper information about the background and rationale for each scenario and focus on how to handle follow-up questions, thus providing convincing insights to the role. A specimen for how such a scenario briefing note could be designed is provided in figure 2 below, which can be further adapted/expanded by NCAs to meet particular needs.

32. The design of the appropriate scenario should usefully apply one or more of the following criteria:

- **Targeted:** the scenario must be designed to test the specific sales, service or operational behaviour targeted in the defined MS goal.
- **Credible:** the scenario must be realistic in that it should replicate consumer behaviour in the market concerned based on the goal set by the NCA and can be provided convincingly by the mystery shopper. However, while mystery shoppers must be thoroughly briefed, the findings will need to be collected by the mystery shopper under real circumstances like those experienced by usual or potential customers, which means that FI's sales staff cannot guess from the mystery shopper's behaviour and attitudes that he/she is not a real customer. Otherwise this could compromise the value of the MS exercise.

- **Straightforward, simple and brief:** the scenario itself can be simple and straightforward, so the mystery shopper can easily understand and apply it. Ideally, a scenario briefing note should be more detailed. The simplicity, brevity, and appropriateness of the assignment ensures that experiences are correctly reported.
 - **Ethical:** mystery shoppers must not be asked to do anything that exposes them to any kind of risk (e.g. locality, disability, gender or ethnicity) or puts them in situations which could be in conflict with existing national law (e.g. more specifically, mystery shoppers hired in the context of a MS outsourced activity must not encourage any FIs to commit infractions or mis-behave, and they must not record the MS activity if this is not allowed by law). Mystery shoppers shall act as customers or potential customer during a normal banking transaction. They shall assume a neutral rather than an aggressive or defensive approach when exercising their tasks. Consequently, they should not provoke or trick the FI's staff into making a mistake. When obtaining information, the mystery shoppers should not be unduly intrusive and should not do anything out of the ordinary. Rather, they should act like an average consumer and ask what 'anyone' with the chosen consumer profile would be in a position to ask. Given the specificity of banking products and services it is of particular importance to prevent any adverse implications of carrying out an evaluation (e.g. personal safety, effect on credit references).
33. Given the consumer profile that mystery shoppers may portray, it is important that the selected mystery shoppers have a deep knowledge and/or receive adequate training on MS methodologies and banking product and services, but also regarding the specific situation and context of the FI where the MS activity will take place. This training on MS methodologies could entail an outsourced, recorded video session.
34. Training and briefing materials serve to train the mystery shoppers on how the interaction should play out. This is critical to ensure consistency, quality, and the overall success of the MS activity, no matter the size or scale. Deploying video training and briefing materials via short, engaging multimedia clips could be seen as an effective way for mystery shoppers to understand better the scenario and adapt to various situations.
35. As part of the training, pilot phases could also be planned for mystery shoppers to test the scenario and to ensure that it makes sense in a real-life situation as well as to check that briefing notes and assessment questionnaires - which should be designed at the same time as the MS scenario is defined (see step 6 for details) - adequately cover all the issues to be reported by the mystery shopper. Because, the mystery shoppers can use their own personal experiences during the activity, in order for them to make their story consistent and limit as much as possible the amount of specific information they have to remember, the pilot phase will also allow for fine-tuning of the scenario, if necessary. Reference by the mystery shopper to his/her personal experience should however always remain part of the final agreed scenario in order to prevent any procedural mistakes.

36. Additional elements can be considered with a view to designing and implementing a successful scenario and in order to ensure that the MS activity is useful for the NCAs. These additional elements include the following:

- The scenario should produce a reliable picture of the FI's conduct. This means that there cannot be a warning or other announcement from the mystery shopper or from the NCA regarding the location or timing of the MS activity;
- Ideally, MS activity can be conducted multiple times by mystery shoppers over a period of time and at different working hours, different times of the day and/or week, to ensure coverage of different environments in which the conduct is assessed. This will reduce the effect of special situations and will also provide a way of measuring the effects of improvement that have been made after the results obtained on the mystery shopper's first visit;
- If MS is performed by the NCA or outsourced to an external provider, it is good to plan for the MS activity to be performed in teams of at least two people, with one experienced member of staff;
- The scenario and the briefing note may include words to use and to avoid;
- The frequency of assessment could also be considered. This may depend on the length of the assessment which needs to be carried-out. The length of visit may vary and depend on the nature of a product or service, on the consumer's needs and on the contractual phase to be examined (pre-contractual, contractual or post-contractual stage). In any case, the mystery shopper should not take up any more time than a normal customer.

Figure 2: Scenario briefing note specimen

SCENARIO BRIEFING NOTE

CONSUMER PROFILE

- Low knowledge**
- High knowledge**

PROFILE:

Low degree of knowledge, uses banking services at a basic level. has higher education, but does not have specific knowledge about financial characteristics of banking products

EXPRESSIONS:

- **Should use** expressions such as ‘loans to buy a house’, ‘how much it costs’, ‘I want to know the conditions’, ‘How much will I pay per month?’;
- **do not use** technical terms like ‘mortgage credit’, ‘commissions’, ‘effective interest rate (APR)’

SCENARIO:

- Wants to buy a house at a cost of 190,000 euros. Asks for loan of 150,000 euros (80% LTV). Term of 30 years
- You are employed. You have an annual income of 25,000 euros. You do not want to provide your ID/fiscal number (unless absolutely necessary)

INITIAL APPROACH:

- Start the process: you want to know the conditions for a loan to buy a house. Say that you are requesting proposals from different banks, having already started with the bank with whom you work.

DURING THE MYSTERY SHOPPING INSPECTION:

- Let the employee present and explain the product
- Analyse the documentation that is provided by the employee. After the employee provides the standardised information sheet (SIS), if he/she does not explain it, ask ‘What do I have to read?’ or ‘What is important?’
- Explore and confront the employee with various issues if he/she does not refer to them on their own initiative. If the employee mentions the Annual Percentage Rate (APR), ask him/her to explain what it is. If the APR is not mentioned, try to introduce this question in the course of the explanation after the employee has talked about the costs of the loan. For example, based on SIS asking: ‘What does this [APR] mean?’ Or mention that you see the APR in advertising and do not know the meaning.

END OF THE MYSTERY INSPECTION:

Request the employee’s contact card.

QUESTIONS

Questions 1:

[initial approach] **I want to apply for a loan to buy a house. What are your terms?**

Goal: assess delivery of SIS and employee's initial explanation

Browse: Standardised Information Sheet (SIS)

Question 2:

[After the employee hands over the SIS, if the employee does not explain properly, ask:]

What do I have to read? or What is important?

[If necessary, ask specifically] **What is the APR?** [see APR with sales of other products and without sales, if applicable]

[If necessary] **What fees will I pay on the loan?**

[If necessary, in the case of variable rate loans] **Questions about the scenarios of rate variations/instalment amount/repayment plans**

Goal: assess whether the employee mentions/explains the APR, fees, rates variation scenarios and the main financial characteristic of the loan

Question 3:

Do I have to take out life insurance contract with you? Can I purchase this insurance from someone I know who sells insurance products, who may have better conditions?

[If necessary, state that you do not want any products. If the set of products includes, for example, a credit card, say that you do not want it. Assess whether the institution presents the SIS without sales] **I do not want any other products. What are the conditions?**

Goal: assess if there is tying

Browse: SIS and check information about other products, whether they are mandatory or not

STEP 6: Design mystery shoppers' assessment questionnaire and data gathering

37. In parallel to the design of the MS scenarios and scenario briefing materials, an assessment questionnaire for mystery shoppers can be prepared. The assessment questionnaire, which could involve a checklist, represents a set of questions the mystery shopper will answer after interacting with the FI. This assessment questionnaire would aim to help the mystery shopper to gather the necessary information in a precise way during the MS activity in order to report back to the NCA after the MS ended. The data gathering via the assessment questionnaire has to be linked to the specific situation and to the strategy of the NCA. It would also cover the key performance indicators defined by the NCA in relation to the goal defined by the NCA. A specimen of how such an assessment questionnaire could be designed is provided in figure 3 below, which can be further adapted/expanded by NCAs to meet particular needs.
38. In order to prevent any difficulties which may arise in the event of poor quality data collected by mystery shoppers (e.g. imprecise wording, insufficient information to explain the behaviour of a particular FIs sales staff etc.) the assessment questionnaire would benefit from meeting the following criteria:
- **developed in an organised and systematic manner:** the assessment questionnaire is an important part of the MS activity and would need to be defined early in the process. Its design will depend on the goal of the MS activity defined by the NCA, also taking into account the nature of the banking product or service. The approach can conceivably be common to all the products/service of the same kind. This will facilitate its completion by mystery shoppers and subsequent analysis conducted by NCAs;
 - **objective:** the assessment questionnaire must be kept objective with the aim of gathering factual information and opt for discrete, binary questions instead of subjective and/or perception-based questions, which would lead to a description of how the mystery shopper feels. However, some subjective ratings/ranking, such as the perceived confidence of the FI's sales staff and the mystery shoppers overall satisfaction with the way their enquiry was handled, may be included and can be useful when interpreting the results. It is recommended, however, that any subjective questions remain limited in number and be clearly categorised, for example by specifying or ticking boxes in the questionnaire:
 - Whether information was provided voluntarily by the FI's staff (e.g. any pre-contractual information about a product or a service offered) or on request of the mystery shopper (e.g. pre-contractual information that the FI's staff were supposed to provide or any relevant information such as fees and charges, etc.), or not at all;
 - Whether information was provided verbally, in writing, or both;
 - Whether information was explained to the mystery shopper or merely presented to the mystery shopper without explanations.

- **short and linked to the MS goal:** the assessment questionnaire can be as short as possible (ideally less than 30 questions) and always tied to the MS activity goals developed by the NCA. It will allow the mystery shopper to recall and report properly the responses provided by the FI's sales staff. If necessary, the questionnaire may contain additional open-ended comments to be filled in on a voluntary basis.
39. Ideally, mystery shoppers can be trained in how to complete the assessment questionnaire. A training course helping mystery shoppers to acquire data-collection skills might also be organised. Such training would focus on identifying the elements of the service to be assessed as well as the retention and recording of the information to be gathered.
40. Given the exhaustive coverage of possible product information, the categorisation of types of information, and how this information is provided, especially in cases where MS is outsourced, mystery shoppers can be monitored or assisted by a field supervisor, who has experience conducting surveys and verifying data collected from field experiments, or staff from a market research firm, who will sit with the mystery shopper after the MS visit to complete the questionnaire together, if needed. Subsequently, the assessment questionnaire on the MS activity can be transmitted to the NCA. In any case, feedback can be provided to the NCA as soon as possible for NCAs to proceed further with the assessment.
41. In addition to MS activities, with the aim of complementing the data gathering process, the entire range of products offered by FIs that corresponds to the consumer segment targeted would need to be listed. It would help to properly assess how suitable a product offered is compared to the other products a consumer could obtain/purchase, provide useful information about the quality of the advice provided by the FIs sales staff when choosing among multiple products, and the relative FI's sales staff biases toward certain products over others.
42. Finally, where legally possible under national law, NCAs can consider recording the exchanges with the FIs possibly as part of a quality assurance process (e.g. to provide clarity on what a mystery shopper would refer to in the assessment questionnaire) and provide clear evidence for supervision purposes for any follow-up actions. For example, retention and recording of information may prove useful in certain cases where the mystery shopper cannot complete an assessment form during their activities. In certain situations, they may not be in a position to take notes about a financial product/service and the information collected must be memorised until the MS activities are complete and the mystery shopper has left the financial institution. In some cases, this can result in a large amount of information to be remembered, and a structured data collection method or at least a two-person mystery shopper team may prove useful. In addition, NCAs could collect and register all supporting evidence that may be useful to support their findings, via screenshots of websites and other useful tools (e.g. advertising brochures, etc.).

Figure 3: Assessment questionnaire specimen

ASSESSMENT QUESTIONNAIRE

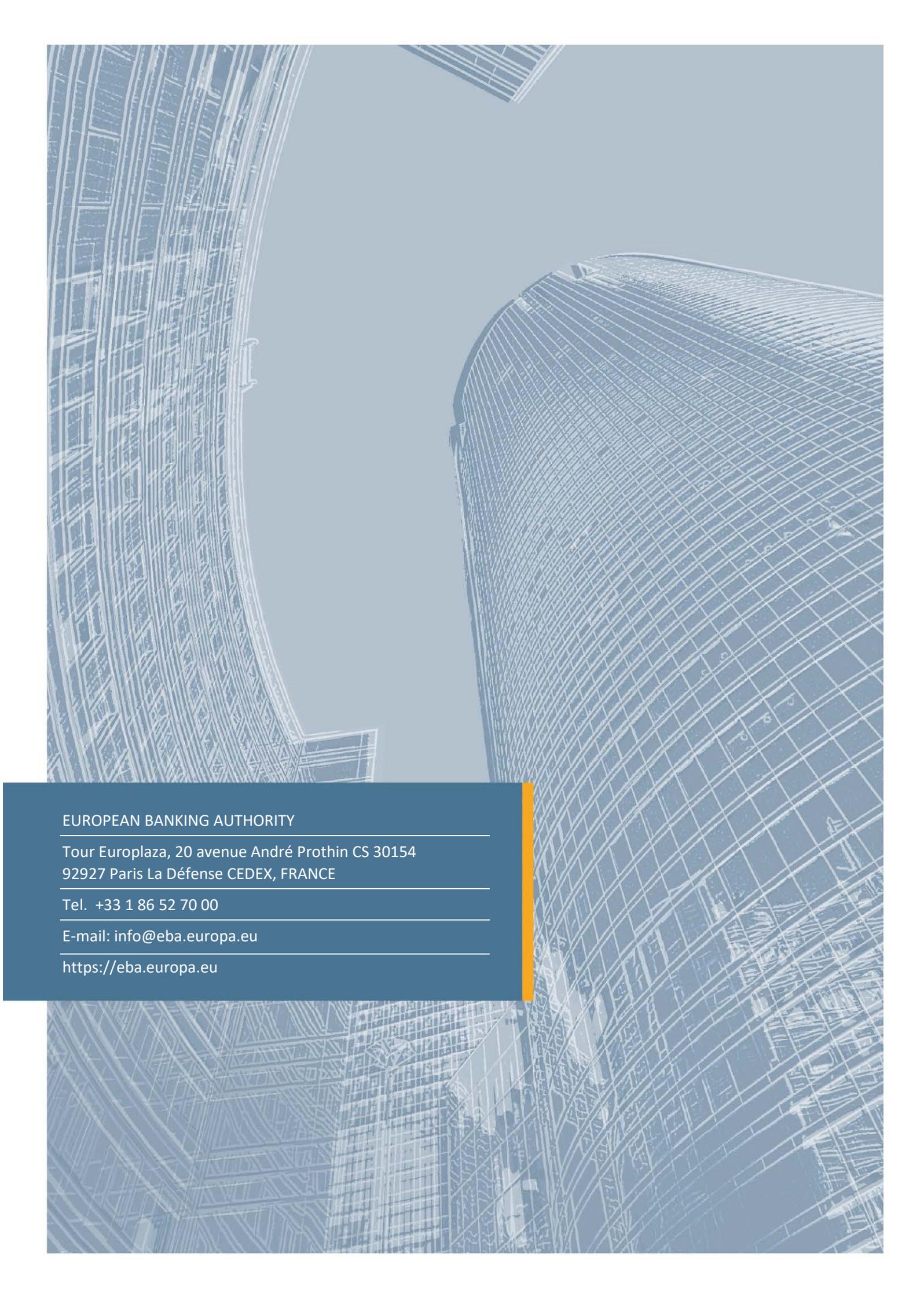
BANK:
BRANCH:
MYSTERY SHOPPING INSPECTION TEAM:
DATE:

ITEM	LEGAL BACKGROUND	DESCRIPTION	FACTS
Provision of pre-contractual information to the consumer	Article – decree/law	Lenders provide the Standardised Information Sheet (SIS)	<input type="checkbox"/> OK <input type="checkbox"/> IRREGULAR <input type="checkbox"/> SIS has not been made available <input type="checkbox"/> The information provided does not follow the SIS format <input type="checkbox"/> SIS was only supplied upon request <input type="checkbox"/> INSUFFICIENT <input type="checkbox"/> N/A
Tying	Article – decree/law	The lender is prohibited from making the conclusion of the contract dependent on the purchase of other financial products	<input type="checkbox"/> OK <input type="checkbox"/> IRREGULAR <input type="checkbox"/> The 'mystery shopper' was required to subscribe to the following products: <input type="checkbox"/> Life/property insurance/ _____ with the institution <input type="checkbox"/> Payroll domiciliation _____ <input type="checkbox"/> INSUFFICIENT <input type="checkbox"/> N/A

ITEM	THEME	LEGAL BACKGROUND	DESCRIPTION	ASSESSMENT	FACTS
1.	Provision of pre-contractual information to the consumer	Article – decree/law	Lenders provide the Standardised Information Sheet (SIS)	<input type="checkbox"/> OK <input type="checkbox"/> IRREGULAR <input type="checkbox"/> INSUFFICIENT <input type="checkbox"/> N/A	
2.	Tying	Article – decree/law	The lender is prohibited from making the conclusion of the contract dependent on the purchase of other financial products	<input type="checkbox"/> OK <input type="checkbox"/> IRREGULAR <input type="checkbox"/> INSUFFICIENT <input type="checkbox"/> N/A	
3.	Duty of assistance	Article – decree/law	The consumer must be adequately informed about the content of the SIS	<input type="checkbox"/> OK <input type="checkbox"/> IRREGULAR <input type="checkbox"/> INSUFFICIENT <input type="checkbox"/> N/A	

STEP 7: Assess the findings and follow-up

43. Based on the analytical plan defined at the beginning of the MS activity, the NCA can decide to validate or refute the findings and learnings obtained. A categorisation of the information under specific sub-groups of information that the analysis seeks to understand would also prove useful.
44. Once the MS exercises have been concluded, NCAs can compile and analyse the results and findings. Based on this, NCAs are in an informed position to decide what, if any, actions to take vis-à-vis the FI. These may involve, for instance: the issuance of guidelines or good practices, which can be published and provide guidance to market participants; issuance of recommendations or specific orders requiring FIs to correct their practices or information; meetings with FI; administrative proceedings.
45. NCAs should consider performing follow-up actions, asking FIs to report information on the measures taken and performing new MS exercises to assess effectively if the shortcomings findings were corrected.



EUROPEAN BANKING AUTHORITY

Tour Europlaza, 20 avenue André Prothin CS 30154
92927 Paris La Défense CEDEX, FRANCE

Tel. +33 1 86 52 70 00

E-mail: info@eba.europa.eu

<https://eba.europa.eu>