

Improving the letter:

USING BEHAVIOURAL INSIGHTS TO INCREASE OVERDUE FINE PAYMENTS



In 2017/18, the Ministry of Justice collected, or set up arrangements to collect, 79% of overdue fines within four months, just short of it's 84% target. Behavioural Science Aotearoa provided support to increase fines collections, by trialling three behaviourally informed alternative letters, and comparing payment behaviour to those who received the routine reminder letter. We found a letter applying social norms increased the number of people paying any amount by 3 percentage points. During the trial, people who received the social norm letter paid an additional \$26,517. Including arrangements to pay, this increases to \$132,583.



Simplified letter

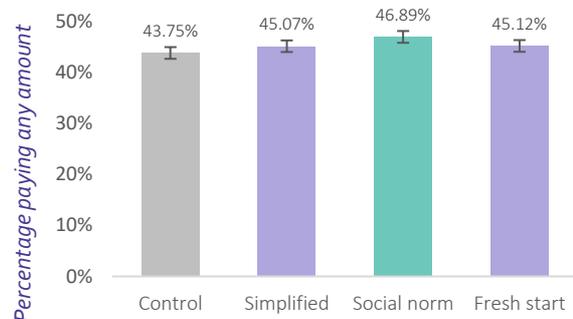
Why behavioural insights?

Letters which aim to change behaviour can benefit from consideration of the barriers people face to making the behaviour change. For example, there is evidence that simplifying the process, or making the key information more salient, can be effective at improving tax compliance and debt collection. Further, there is international evidence that messages describing the behaviour of others, or offering a 'fresh start', can increase fine payments.

The trial

We randomly assigned 29,163 people with an overdue fine to receive the existing letter, or one of three new letter designs, and compared payment behaviour after 28 days across the groups. The new letter designs were:

- Simplified: modified the layout, and adds clear call to action
- Social norm: the same as the simplified letter, plus "The vast majority of people pay their fines. You are in the small minority that still has to pay"
- Fresh start: the same as the simplified letter, plus "So far we have treated this as a simple mistake, but if you fail to pay now we will treat it as an active choice"



Results

The social norm letter significantly increased the number of people paying any amount (paid in full, partially, or set up an arrangement) by 3 percentage points, a relative increase of 7%. The simplified and fresh start letters did not significantly increase payment rates. During the trial, those who received the social norm letter paid an additional \$26,517. Including arrangements to pay, this increased to \$132,583. If used for all letters over a year (approximately 90,000), this is equivalent to paying an additional \$300,000, or \$1.7 million more including arrangements.