

PUTTING BEHAVIOURAL INSIGHTS INTO PRACTICE: FOUR BUILDING BLOCKS FOR CONDUCT OF BUSINESS SUPERVISION

Staff Paper

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HOW CAN BEHAVIOURAL INSIGHTS ENHANCE CONSUMER TRUST AND HELP IMPROVE FINANCIAL HEALTH

A realistic and evidence-based understanding of how consumers make financial decisions is fundamental to effective consumer protection and overall societal resilience. It can shed light on why many people remain underinsured against natural catastrophes in cases where insurance is available, why they fail to plan adequately for retirement, or why they end up with products that do not meet their needs. Such behavioural insights, together with an assessment of systemic and supply-side factors, can inform the design of policy and supervisory measures that promote better consumer outcomes. This is why EIOPA places consumer behavioural insights at the core of its consumer protection work.

Box 1: What do we mean by behavioural insights?

Behavioural insights refers to the application of knowledge from behavioural sciences to better understand how people think, judge, decide, and behave, and to inform more effective policy and supervisory measures. It draws on psychology, behavioural economics, and related fields.

While the focus here is on the behaviour of consumers, similar approaches can be applied to behaviour within organisations, including firms, supervisory authorities, and regulatory bodies.

This paper sets out EIOPA's approach to behavioural insights and provides concrete guidance on how to put it into practice. It introduces four building blocks that supervisors can apply across their work and illustrates how these can be put into practice through three cases drawn from EIOPA's own work: the insurance protection gap for natural catastrophes (NatCat), credit protection insurance sold via banks, and the IBIPs sales process.

Behavioural insights are not new to policymaking or financial consumer protection, and EIOPA builds on a strong foundation of prior work.¹ EIOPA itself has applied behavioural insights across

¹ For academic overviews of behavioural insights in household finance, see Beshears et al. (2018), [Behavioral household finance](#); Campbell (2006); [Household finance](#); Campbell & Ramadorai (2026), [Household finance in retrospect and prospect](#); Gomes et al. (2021), [Household finance](#); For frameworks, guidance and tools published by public institutions and other organisations, see for instance AFM (2021), [Consumer behaviour: Understanding, guiding and measuring](#); BIT (2022), [Target, explore, solution, trial, scale: An introduction to running simple behavioural insights projects](#); BIT (2024), [EAST Framework: Four simple ways to apply behavioural insights](#); Competence Centre on Behavioural Insights (2026), [Behavioural insights for policy](#); Dupoux et al. (2025), [Unlocking the full potential of behavioural insights for policy: From influencing the individual to shaping the system](#); FCA (2013), [Applying behavioural economics at the Financial Conduct Authority](#); OECD (2019), [Tools and ethics for applied behavioural insights: The BASIC toolkit](#).

its consumer protection work, covering topics including the NatCat protection gap, travel insurance, credit protection insurance products sold via banks, defined contribution pensions, and consumer testing of disclosure documents.² This work has been accompanied by a programme of knowledge-sharing with supervisory authorities, including a joint workshop with the three European Supervisory Authorities in 2024 and a subsequent report,³ and a second workshop in 2026 focused on integrating behavioural insights into supervision and policy.

Behavioural insights have their roots in behavioural economics and psychology. Behavioural economics emerged at the intersection of normative and descriptive approaches to human decision-making. Normative models specify how consumers ought to behave optimally, according to principles of rationality. Descriptive approaches document how people actually behave in a range of contexts. Some researchers have attempted to capture behavioural patterns in formal models. For instance, prospect theory captures how people value losses and gains relative to a reference point,⁴ and models of present bias and hyperbolic discounting formalise tendencies to disproportionately value immediate rewards over future outcomes.⁵ The core insight is that beliefs, preferences, and decisions are influenced by the immediate context.⁶

FOUR BUILDING BLOCKS FOR APPLYING BEHAVIOURAL INSIGHTS

Behavioural insights are most valuable when applied as a lens across the full cycle of supervisory and policy work.⁷ This means integrating behavioural considerations from the outset of problem analysis through to intervention design and evaluation, rather than using them only to refine already-selected solutions.⁸ The four building blocks set out in this section are designed to help supervisory authorities do exactly that. The first three building blocks provide a structure for

² European Commission (2015), [Consumer testing study – Key information documents for PRIIPs](#); EIOPA (2016), [IPID consumer testing and design work](#); EIOPA (2019), [Consumer protection issues in travel insurance](#); EIOPA (2020), [Report on consumer testing of PEPP information documents](#); EIOPA (2022), [Thematic Review on Credit Protection Insurance \(CPI\) sold via banks](#); EIOPA (2024), [Measures to address demand-side aspects of the NatCat protection gap](#); EIOPA (2025a), [Natural catastrophes, is your home covered?](#); EIOPA (2025b), [Call for evidence on DC pensions toolkit](#); EIOPA (2025c), [PROTECT – a risk and prevention awareness tool for natural catastrophe risks and prevention measures](#).

³ EIOPA (2024), [ESAs report on the use of behavioural insights in supervisory and policy work](#).

⁴ Kahneman & Tversky (1979), [Prospect theory: An analysis of decision under risk](#); Tversky & Kahneman (1992), [Advances in prospect theory: Cumulative representation of uncertainty](#).

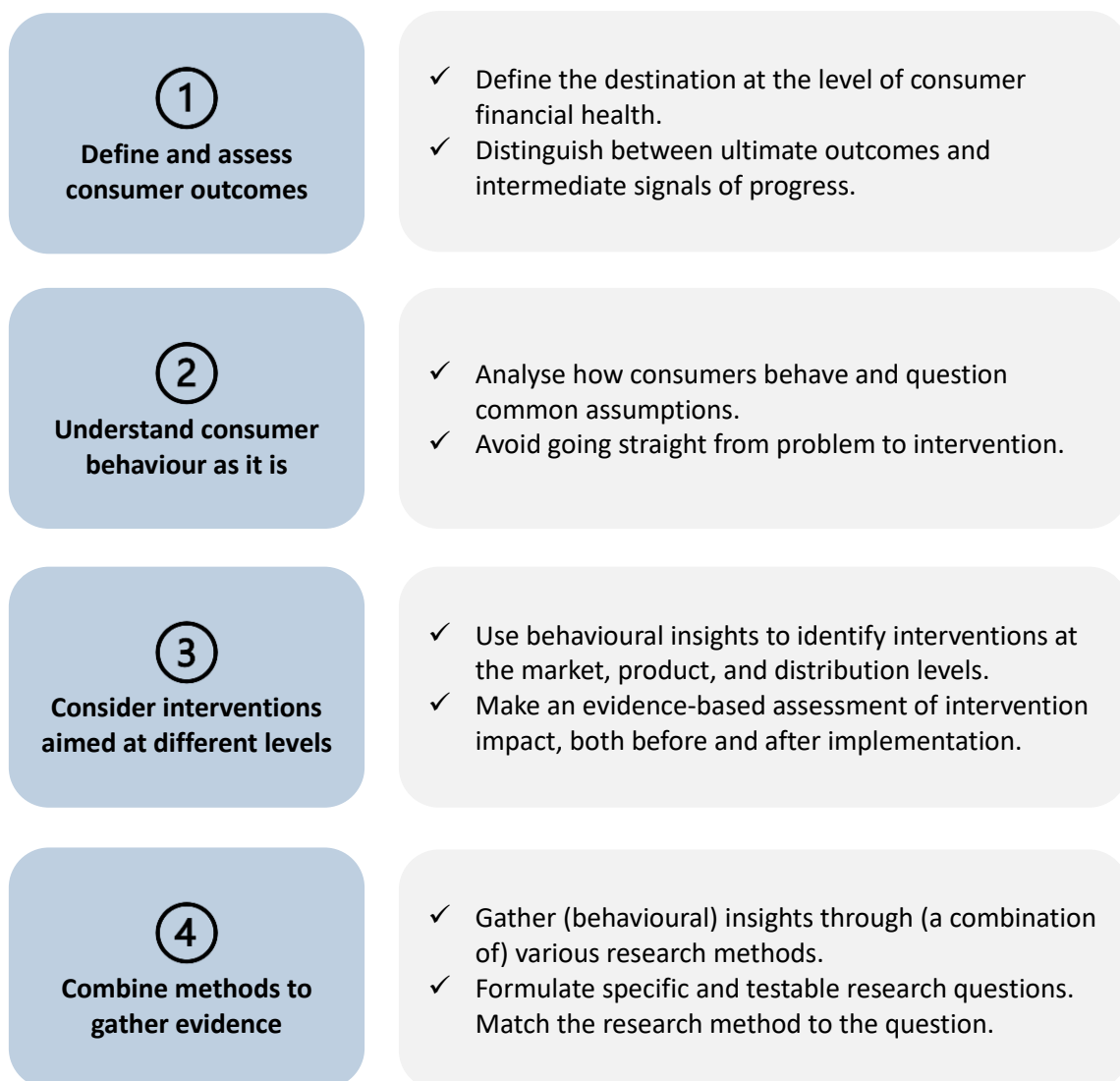
⁵ Laibson (1997), [Golden eggs and hyperbolic discounting](#); Loewenstein & Prelec (1992), [Anomalies in intertemporal choice: Evidence and an interpretation](#); O'Donoghue & Rabin (1999), [Doing it now or later](#).

⁶ This paper discusses consumers in general terms, but behavioural patterns vary considerably across individuals. This is a reminder that supervisors should consider how different consumers are affected rather than assuming uniform effects. For more on heterogeneity, see Bryan et al. (2021), [Behavioural science is unlikely to change the world without a heterogeneity revolution](#); Falk et al. (2018), [Global evidence on economic preferences](#); Gächter et al. (2022), [Individual-level loss aversion in riskless and risky choices](#); (Ruggeri et al. (2022), [The globalizability of temporal discounting](#); Ruggeri et al. (2023), [The persistence of cognitive biases in financial decisions across economic groups](#).

⁷ Hallsworth (2023), [A manifesto for applying behavioural science](#).

⁸ For more on applying behavioural insights across the different stages of the policy cycle, see: Competence Centre on Behavioural Insights (2026), [Behavioural insights for policy](#); European Commission (2025, p. 608), [Better regulation toolbox](#).

defining consumer outcomes, understanding behaviour, and considering interventions. The fourth building block, on evidence-gathering, is cross-cutting: it supports and informs each of the other building blocks throughout the process. The building blocks are therefore not intended as a strict linear sequence. In practice, supervisors may move back and forth between them as their understanding evolves. They are not an exhaustive guide but a practical starting point, offering a structured approach that can be adapted to different supervisory contexts and questions.



BUILDING BLOCK 1: DEFINE AND ASSESS CONSUMER OUTCOMES

Applying behavioural insights starts with ‘defining the destination’ at the level of the consumer.

In conduct of business supervision, the instinct is to define outcomes at the level of the firm: does a distributor comply with disclosure requirements, does a firm follow product governance rules?

While compliance-based supervision remains important, it should not be the sole measure of consumer outcomes. A behavioural approach requires supervisors to define success based on the actual effect on consumers, rather than treating firm compliance as a sufficient proxy for consumer outcomes. The desired consumer outcome does not necessarily need to be defined exhaustively at the outset. It can be refined as supervisors develop a better understanding of consumer needs, behaviours, and decision-making drivers, while recognising that some outcomes may only become apparent over the course of the product term.

The ultimate objective is consumer financial health. This encompasses outcomes such as adequate retirement income, appropriate insurance coverage, and resilience against financial shocks. EIOPA frames consumer outcomes around the entire lifecycle of the product, from product design and distribution to the consumer's ongoing experience and eventual claims or payout. Specifically, insurance and pension products and schemes should align with the needs, objectives, and characteristics of the consumers they are sold to, delivering fair value and remaining understandable throughout.⁹ Supervisors can complement this assessment by looking beyond product data such as costs, charges, and past performance. For example, while a policy might appear cost-effective on paper, consumer research can help assess the actual "peace of mind" or utility a consumer derives from specific features, ensuring the product offers real-world value.

It is useful to distinguish between ultimate consumer outcomes and intermediate signals of progress. Intermediate signals, when interpreted carefully, can reveal progress toward financial health. Examples include improved consumer understanding of key product features, a greater likelihood of selecting products that align with individual needs and preferences, and more realistic expectations about product risks and limitations. While easier to measure, these signals do not guarantee long-term financial health. Supervisors should therefore interpret them cautiously and focus on whether policy and supervisory measures truly improve long-term financial health.

BUILDING BLOCK 2: UNDERSTAND CONSUMER BEHAVIOUR AS IT IS

Once outcomes are defined, supervisors need to ensure that their analysis of consumer behaviour rests on realistic assumptions. In practice, this means understanding why consumers behave the way they do and honestly assessing whether a proposed measure is likely to have the intended effect on consumer behaviour and consumer outcomes. Without this step, there is a risk that policy and supervisory measures are built on a flawed understanding about how consumers will respond.

One common unrealistic assumption is that consumers will effectively navigate financial markets as long as information is available. This view holds that consumers will read disclosures, compare products, weigh costs and benefits, and make well-informed choices. It underpins much existing

⁹ EIOPA (2020), [EIOPA's approach to the supervision of product oversight and governance](#); EIOPA (2026), [Revised Methodology on value for money benchmarks](#)

regulation, particularly when it comes to transparency and disclosure. However, this does not reflect how consumers engage with financial products, especially when faced with complexity, long time horizons, and uncertainty.¹⁰

The opposite pitfall is to treat consumer behaviour as inherently flawed and irrational. This can lead to an overly narrow focus on nudges and debiasing techniques, and risks underestimating consumers' ability to reason effectively given their circumstances. Recent work in the behavioural sciences increasingly questions this view: rather than judging decisions against idealised benchmarks of rationality, it asks whether behaviour makes sense given the constraints people face, such as limited time, incomplete information, or competing priorities.¹¹ This view treats behaviour as adaptive rather than purely biased, and leads to a broader set of policy responses: not only correcting errors, but also reducing unnecessary complexity in the decision environment and supporting consumers in reasoning effectively under realistic conditions.

Understanding consumer behaviour also requires understanding the context in which decisions are made. Consumer choices are shaped not only by consumers' preferences and beliefs, but also by product design, distribution practices, market structures and the broader choice environment. Analysing these contextual factors helps identify the drivers of behaviour and provides a stronger basis for considering interventions at the appropriate level.

A careful behavioural analysis helps resist the temptation to jump straight from problem to intervention. Before selecting a course of action, supervisors should first analyse the underlying behaviour, consider the context in which it occurs, and assess the full range of intervention options. This approach reduces the risk of designing policy and supervisory measures based on assumptions that do not hold up in practice.

BUILDING BLOCK 3: CONSIDER INTERVENTIONS AIMED AT DIFFERENT LEVELS

A behavioural analysis should not automatically lead to the assumption that policy and supervisory measures must target individual behaviour change. While light-touch measures aimed at individual consumers – such as disclosure or subtle changes to the choice architecture – can be

¹⁰ ASIC/AFM (2019), [Disclosure: why it shouldn't be the default](#); Barr, Mullainathan, and Shafir (2012), [Behaviorally informed regulation](#); Lefevre and Chapman (2017), [Behavioural economics and financial consumer protection](#); Ben-Sahar & Schneider (2010), [The failure of mandated disclosure \(2011\)](#); Loewenstein, Sunstein, and Golman (2014), [Disclosure: psychology changes everything](#); Madrian (2014), [Applying insights from behavioral economics to policy design](#).

¹¹ Banerjee and John (2025), [Behavioural public policy: past, present, and future](#); Enke and Graeber (2023), [Cognitive uncertainty](#); Hertwig and Grüne-Yanoff (2017), [Nudging and boosting: steering or empowering good decisions](#); Herzog and Hertwig (2025), [Boosting: empowering citizens with behavioural science](#); Madsen et al. (2024), [Behavioral science should start by assuming people are reasonable](#); Oprea (2024), [Decisions under risk are decisions under complexity](#); Sher et al. (2022), [Rational choice in context](#).

cost-effective, evidence suggests that they are unlikely to produce large and lasting effects on their own.¹² The scope of behavioural insights extends well beyond such interventions.¹³

Supervisors use behavioural insights to identify and evaluate interventions at the market, product, and distribution levels. At the market level, interventions can address business models that profit from consumer inertia or confusion. At the product level, requirements for features and design can ensure that financial products serve the interests of consumers. Finally, at the distribution level, interventions can shape the choice environment by restructuring choices or improving how information is presented.

For each intervention option, supervisors make a realistic, evidence-based assessment of its likely impact on consumer behaviour and outcomes. This means going beyond intuition and drawing on the best available evidence of how consumers respond to different types of interventions. Often, the evidence will point toward a “policy mix” of measures operating at different levels simultaneously.¹⁴

Behavioural insights are also valuable for evaluating interventions once they are in place. Supervisors can use consumer research and outcome data to assess whether an intervention is working as intended in practice: whether consumers are responding as expected, whether firms have adapted in ways that weaken or circumvent the intervention’s intended effect, or whether the real-world context differs from the one assumed at design stage. If the evidence shows an intervention is falling short or producing unintended consequences, it provides a clear basis for supervisors to adjust their approach or take further action. The methods for gathering this kind of evidence are the focus of building block 4.

BUILDING BLOCK 4: COMBINE METHODS TO GATHER EVIDENCE

(Behavioural) insights can be gathered through various research methods. While consumer surveys are a common tool, supervisors can also rely on administrative data analysis, qualitative studies, and literature reviews to better understand consumer behaviour. The goal is to choose the method, or combination of methods, that best addresses the research question at hand.

Successful evidence-gathering depends on refining broad areas of investigation into specific and testable questions. A general question like “How do consumers use pension statements?” is a useful

¹² On the effect of disclosure, see footnote 9. On the effectiveness of choice architecture interventions, see Choi et al. (2024), [Smaller than we thought? The effect of automatic savings policies](#); DellaVigna & Linos (2022), [RCTs to scale: Comprehensive evidence from two nudge units](#); Jachimowicz et al. (2019), [When and why defaults influence decisions: A meta-analysis of default effects](#); Maier et al. (2022), [No evidence for nudging after adjusting for publication bias](#); Mertens et al. (2022), [The effectiveness of nudging: A meta-analysis of choice architecture interventions across behavioral domains](#); Szaszi et al. (2018), [A systematic scoping review of the choice architecture movement: Toward understanding when and why nudges work](#); Szaszi et al. (2022), [No reason to expect large and consistent effects of nudge interventions](#).

¹³ Connolly et al. (2025), [An s-frame agenda for behavioral public policy research](#); Dupoux et al. (2025), [Unlocking the full potential of behavioural insights for policy: From influencing the individual to shaping the system](#).

¹⁴ Joint Research Centre (2024), [Policy mixes more likely to succeed in fostering sustainable, climate-friendly behaviour](#).

starting point, but it must be narrowed down to focus on specific variables and testable relationships.¹⁵ Moving from broad to precise questions ensures that the data collected provides actionable evidence.

Selecting the right tool requires matching the method to the specific type of consumer insight required. For example, the tools needed to identify interventions at market, product or distribution levels may differ from those required to determine the likely impact on consumer behaviour and outcomes of a specific intervention. Each method has distinct advantages and inherent limitations that supervisors must balance. For more on this, see Box 2: Methods for gathering behavioural insights – Strengths and limitations.¹⁶

Using a mix of different methods helps supervisors verify their findings and increase confidence in the results. While the scale and scope of evidence-gathering will depend on supervisors' capacity and available resources, relying on a single method or data source is often insufficient for a full picture of consumer behaviour and outcomes. For example, a supervisor might use administrative data to identify a specific trend in insurance claims, use qualitative interviews to understand the underlying motivations that drive that behaviour, and then conduct an experiment to test possible interventions. Combining methods in this way strengthens the evidence base for policy and supervisory decisions.

Box 2: Methods for gathering behavioural insights – Strengths and limitations

1. Literature and desk research

- ▶ *Strength:* Provides a strong foundation by identifying established behavioural patterns and preventing the duplication of existing work.
- ▶ *Limitation:* Findings may lack market specificity and might not account for the unique regulatory or cultural context of a local market.

2. Qualitative research

- ▶ *Strength:* Offers a detailed look at the consumer's perspective and helps uncover the underlying reasons for their preferences or actions.

¹⁵ A good research question identifies specific variables, such as a consumer characteristic, a product feature, or a behaviour, and asks how they interact. For example, rather than “Why are consumers not buying insurance?”, a more researchable question would be “How does the presentation of premiums impact the likelihood of purchase among low-income groups?”

¹⁶ For an overview of methods for gathering behavioural insights, see for instance: Competence Centre on Behavioural Insights (2026), [Behavioural insights for policy](#); Dupoux et al. (2025), [Unlocking the full potential of behavioural insights for policy: From influencing the individual to shaping the system](#); Varazzani et al. (2023), [Seven routes to experimentation in policymaking: A guide to applied behavioural science methods](#).

- ▶ *Limitation:* Usually involves small groups, making it difficult to generalise findings or to quantify the results and analyse statistically.

3. Survey research

- ▶ *Strength:* Can be used to efficiently gather data from large, representative samples to identify broad trends, opinions, intentions and behaviours.
- ▶ *Limitation:* Relies on self-reported data, which can be unreliable for complex financial matters due to memory gaps, social desirability, or the gap between intentions and behaviour.

4. Administrative and digital trace data

- ▶ *Strength:* Provides high accuracy by offering direct, objective evidence of real-world behaviour or outcomes, such as tax data, transaction data, insurance claims or customer journey data.
- ▶ *Limitation:* Data sets can be technically complex and require expertise in data science or econometrics to analyse correctly.

5. Experiments (e.g., A/B testing, randomised controlled trials)

- ▶ *Strength:* Delivers the most rigorous evidence of cause and effect by measuring the actual impact of a specific change or intervention.
- ▶ *Limitation:* The process is design-intensive and requires careful controls to ensure results are truly caused by the intervention. Field experiments, which test interventions in real-world settings, additionally require cooperation from firms or platforms to implement.

BEHAVIOURAL INSIGHTS IN PRACTICE: THREE CASES

This section illustrates how the building blocks can be applied in practice, using three cases from EIOPA's own work. The first case shows how behavioural insights have played a role in EIOPA's work regarding the insurance gap for NatCat. The second case shows how a behavioural lens can help reveal the drivers of consumer detriment in the cross-selling of credit protection insurance via banks acting as insurance distributors. Similarly, the third case illustrates how behavioural evidence can provide insights into how consumer experience and respond to the sale process of investment-based products in practice. Together, the three cases illustrate how the building blocks apply across different supervisory contexts and offer starting points that supervisors can adapt to their own work.

CASE 1: NATURAL CATASTROPHE INSURANCE

The ultimate consumer outcome in the context NatCat insurance – which covers consumers against risks such as floods, wildfires, and storms – is adequate protection relative to the risks consumers actually face. With historically only around a quarter of NatCat losses in Europe insured,¹⁷ the protection gap itself provides a concrete and measurable outcome. EIOPA has placed this outcome at the centre of its work by developing and regularly updating a dashboard on the NatCat protection gap.¹⁸ Intermediate signals such as improved risk awareness and greater intention to purchase NatCat coverage can also be tracked. These should be interpreted cautiously, as progress on these indicators does not guarantee that consumers become adequately insured.

Analysing consumer behaviour as it is, rather than as one might assume it to be, reveals why low NatCat uptake may persist even where products are available at reasonable prices. EIOPA's research on demand-side factors identified several behavioural barriers that may be at play: consumers tend to underestimate the likelihood of a NatCat event, overestimate the likelihood of state compensation, and focus disproportionately on the premium rather than the value of coverage.¹⁹

Closing the NatCat protection gap requires a mix of interventions operating at different levels. At the product level, greater standardisation of coverage and exclusions makes it easier for consumers to compare products and understand what they are buying, reducing the risk that they end up with coverage that does not meet their needs. At the distribution level, reaching consumers at teachable moments such as when purchasing a home, providing accessible risk awareness tools, and ensuring that product information documents are clear and consistent, can all contribute to more accurate risk perceptions and promote adequate coverage. Working jointly with the ECB, EIOPA also proposed shared resilience frameworks at the market level, reflecting the insight that consumer-facing interventions alone are unlikely to close a protection gap of this scale.²⁰

The work on the NatCat protection gap draws on a combination of research methods, covering the scale of the risk, the behavioural barriers to coverage, and the effectiveness of potential solutions. Consumer surveys, qualitative studies, and a review of existing literature helped identify not only what consumers do but also why, distinguishing between barriers such as affordability constraints, misperceptions of risk, and low trust in insurers. Consumer testing was used to evaluate proposed solutions before recommending them. This demand-side evidence was complemented by supply-side and macroeconomic analysis drawing on administrative data and modelling, including

¹⁷ EIOPA (2024), [Measures to address demand-side aspects of the NatCat protection gap](#).

¹⁸ EIOPA (2025), [Dashboard on insurance protection gap for natural catastrophes](#).

¹⁹ EIOPA (2024), [Measures to address demand-side aspects of the NatCat protection gap](#).

²⁰ ECB/EIOPA (2023), [Policy options to reduce the climate insurance protection gap](#); ECB/EIOPA (2024), [Towards a European system for natural catastrophe risk management](#); EIOPA (2024), [Measures to address demand-side aspects of the NatCat protection gap](#); EIOPA (2025a), [Natural catastrophes, is your home covered?](#); EIOPA (2025b), [PROTECT – a risk and prevention awareness tool for natural catastrophe risks and prevention measures](#).

EIOPA's protection gap dashboard and joint work with the ECB on the systemic implications of underinsurance.

CASE 2: CREDIT PROTECTION INSURANCE SOLD VIA BANKS

The ultimate consumer outcome for credit protection insurance (CPI) is genuine coverage against the risk of being unable to repay a credit, at fair value. When properly designed and sold, CPI products protect consumers in the event of unemployment, illness, or death. In its thematic review of CPI products sold via banks, EIOPA focused on several consumer outcomes: whether consumers actually purchase coverage that meets their needs, whether the pricing and sales practices are fair, and whether products offer good value for money.²¹ The review highlights several challenges; most notably, high profitability and low claims ratios indicate that many products currently fail to deliver good value for money.

Analysing consumer behaviour as it is, reveals that the cross-selling context shapes how consumers engage with CPI products. Because the primary focus is on obtaining the loan, consumers often treat the insurance as a secondary hurdle and fail to scrutinise its complex terms or price. This leaves them particularly susceptible to poor outcomes, especially when banks package the insurance as part of a deal. The high diversity and lack of standardisation further limit the ability to compare offers. Even if shopping around is theoretically possible, the pressure to secure credit means consumers rarely do so, while barriers like bank approval requirements make it difficult to switch to a better alternative afterwards.

These vulnerabilities are in large part produced by the distribution structure itself, and interventions need to target that structure. At the market and product level, the thematic review identified high commissions, close ties between banks and insurers, and weaknesses in product design and target market identification. Enhanced product oversight and governance requirements can address these issues. At the distribution level, tackling tied selling and improving transparency about the optional nature of the product can give consumers a real opportunity to shop around. Notably, several Member States had already taken supervisory action on CPI before the thematic review. Yet significant detriment persisted, underscoring the importance of evaluating whether interventions are working as intended.²²

The thematic review combined multiple methods to build a picture of consumer outcomes and underlying causes. EIOPA collected industry data from insurers and banks through questionnaires. These documented commission structures, claims ratios, and the prevalence of tied selling and group policies. Structured consumer interviews gave insight into the point-of-sale experience and

²¹ EIOPA (2022), [Thematic Review on Credit Protection Insurance \(CPI\) sold via banks](#).

²² EIOPA acted on these findings by issuing a warning under Article 9(3) of the EIOPA Regulation, calling for compliance with POG rules, and sharing its findings with the European Commission in the context of the IDD review.

the factors shaping consumer decisions. An economic benchmarking exercise compared profitability across distribution channels and lines of business. A still fuller picture could be obtained by supplementing these methods with representative consumer surveys or administrative data on claims and switching behaviour.

CASE 3: IBIPS SALES PROCESS

The ultimate consumer outcome for insurance-based investment products (IBIPs) is a product that meets the needs and objectives of consumers, delivers fair value and provides the expected benefits relative to the risks, costs and services involved. When properly designed and sold, IBIPs play a vital role in ensuring consumers have adequate coverage to manage shocks and meet their financial objectives. In its first coordinated mystery shopping exercise on the sale process of IBIPs, EIOPA focused on many consumer outcomes such as whether consumers understand the costs and associated risks and whether consumers purchase products that are consistent with their needs and objectives.²³ The exercise highlighted many strengths but also some areas for improvement in terms of disclosure, transparency and advice with suboptimal consumer outcomes.

The findings of the exercise illustrate the value of considering consumer behaviour and perspective alongside compliance. The results showed that comprehensive information and formal compliance with disclosures and analysis requirements does not necessarily result in optimal consumer outcomes. While firms may meet regulatory requirements, this does not always translate into proper alignment between the product and consumer needs and objectives and does not automatically guarantee fair value.

The exercise signalled potential intervention at different levels. In particular, the follow-up to the exercise highlighted that KIDs and sustainability disclosures are not consistently treated as essential documents to be provided to consumers during the initial phase of the sales process. Improving document clarity, conciseness and comprehensibility could help address these issues. The follow up also confirmed that poor alignment between recommended products and consumer needs depends on several influencing factors, including inadequate advisors training, poor understanding of products and ineffective compliance checks.

The coordinated mystery shopping exercise employed a range of different methods. EIOPA collected data from supervisors through questionnaires to understand the topics that raised the greatest concerns in terms of consumer outcomes in the participating Member States. EIOPA's Consumer Trends Report and value for money work also gave insights into recurring areas of concern that warranted further attention.

²³ EIOPA (2025), [Uncovering the IBIP sales process – Results from EIOPA's First Coordinated Mystery Shopping Exercise on Insurance-Based Investment Products - European Insurance and Occupational Pensions Authority](#)

PUTTING THE BUILDING BLOCKS TO WORK

The building blocks set out in this paper offer a structured approach for supervisors to put behavioural insights into practice. In practice, the building blocks should be applied flexibly rather than as a fixed step-by-step procedure. Supervisors can start with the element most relevant to the issue at hand and draw on the others as their work develops. What matters are the core principles: define consumer outcomes, analyse how people behave, consider interventions at different levels, and build the evidence to support and evaluate those choices. EIOPA will continue to develop and share practical guidance to help supervisory authorities build on these foundations.

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