

THE 'NUDGE UNIT' WANTS BANKS TO TRACK YOUR CARBON FOOTPRINT

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When using their bank or credit cards, test subjects received messages at the point of purchase that informed them on how much carbon they had either saved or emitted.

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The ‘carbon footprint management’ company [Cogo](#) and the Behavioural Insights Team recently conducted a [study](#) on “how banks should go about nudging their customers to go green,” [another example](#) of top-down social control related to the financial sector.

The Behavioural Insights Team, also known as the ‘Nudge Unit,’ explained the study and the results in a recent blog post.

“Given the wealth of data they hold, banks are very well placed to provide timely and personalised advice on the sustainability of our purchases,” the group explained. “The question is how will customers react and what more, beyond the provision of information, could banks do in this space? How could banks nudge their customers towards sustainable behaviour?”

The study consisted of an online survey of 2,007 customers in the UK that tested customer attitudes to offers the bank could use “to encourage pro-environmental behaviour change.”

When using their bank or credit cards, test subjects received messages at the point of purchase that informed them of how much carbon they had either saved or emitted.

“You could save up to 138 kg by taking public transport,” one sample message read following a purchase of gasoline.

After buying a train ticket, the message read, “You have saved 181 kg by taking the train.”

The list of rewards that banks could give customers includes an exclusive bank card “if the carbon footprint of your transactions is below a certain threshold.” The card would entitle the holder to discounts and other perks in certain stores. Other incentives were ‘train miles’ to purchase train tickets, extended electric car trials, loans for ‘eco purchases’ such as heat pumps and other housing upgrades, and warranties and other protections when purchasing second-hand goods.

The study found that 60% of participants were in favour of the system but 40% were sceptical, many citing concerns about data privacy. Some participants said they already had such support elsewhere. The biggest reason participants noted for withholding support from the banking feature was that “it’s not banks’ responsibility (33%).”

The Nudge concluded the results “serve as a strong indication that banks have a licence to operate when it comes to introducing carbon feedback on transactions.”

Some [banks](#) have already been working with Cogo to include behavioural nudging in banking.

“We've teamed up with carbon footprint experts, [Cogo](#), to show you an estimate of your carbon footprint in our app, plus share ideas on how you could [reduce it](#),” NatWest bank explains its carbon footprint tracker feature.

Australia’s Commonwealth Bank is [another](#) customer of Cogo that includes carbon footprint tracking among its mobile banking services, according to the website [reclaimthenet.org](#).

The World Economic Forum has also [proposed](#) using similar features for smartphones to track and inform people of their individual carbon footprints as part of implementing successful “personal carbon allowance programs” within the ‘My Carbon’ initiative.

The Behavioural Insights Team started in 2010 as a small team “at the heart of the UK government.” Today, it’s a private company with offices all over the world that “works in partnership with national, regional, and local governments, businesses, foundations, and charities, to tackle major policy problems,” according to the company’s website.

According to reclaimthenet.org, the board of The Behavioural Insights Team also includes several former UK government employees.