



Clarity Report 2023

The Financial Industry

A Financial Services Industry Research Report from VisibleThread

VisibleThread.com



Executive Summary

In 2023, VisibleThread examined the readability of privacy policies from 50-plus financial services companies.

We examined how the world's largest financial services companies talk to their customers about privacy. We aimed to understand the readability of the privacy policies they publish on their websites. Could the average customer understand these documents? We'll get into our findings and why we think they matter below, but for now, consider this: The average US consumer reads at an 8th-grade level. If companies want their customers to understand them, they should aim to communicate at this level or below. And if financial services companies expect consumers to trust them with their data, they should focus on plain language.

What Defines Clarity in Business Communication?

We scored more than 50 privacy policies from leading financial services companies using VisibleThread's VT Writer software. We used only full policy documents in our analysis. Some organizations use short-form documents that attempt to summarize privacy policies. The short-form documents are attempts at simplified communication. We applaud that – but only if the full documents are also easy to read. We measured the clarity of documents using these five dimensions:

- **Grade Level Reading Score:** How easy is it to read the content? An 8th-grade level for writing is ideal, even for brands with highly educated customers. Content at an 8th-grade level can be read by most consumers.
- **Passive Language:** Active language communicates clearly. We recommend keeping passive voice at 4% or lower within one piece of content.
- **Long Sentences:** What proportion of all sentences are too long? We recommend achieving 5% or lower in business content.
- **Average sentence length:** The average length of sentences we scanned. A lower score indicates easier to read content.
- **Word Complexity Density:** How many complex words or jargon does the content contain? The lower the score, the better.



These five metrics tell us how easy it is for readers to access and understand information.

Our results show that:

None

None (0%) of the documents we reviewed met targets for grade-level reading – the average across all documents was 12.29. The scores imply readers need college-level comprehension to understand the content. At these levels, most customers will struggle to or will not understand what they read.

2 of 54

2 of 54 financial services companies met the target level of 4% for passive voice. The Index average was 11.1% - almost 3x recommended levels. The documents will sound ambiguous and be hard to understand.

1 of 54

1 of 54 privacy policies (congrats Citizens Financial Group) could boast a rate of less than 5% for long sentences. The average for all documents was 20.7% - more than 4x recommended levels.

100%

100% of the privacy policies exceeded recommended levels of complex language usage. The documents are riddled with jargon and words that have simpler alternatives.

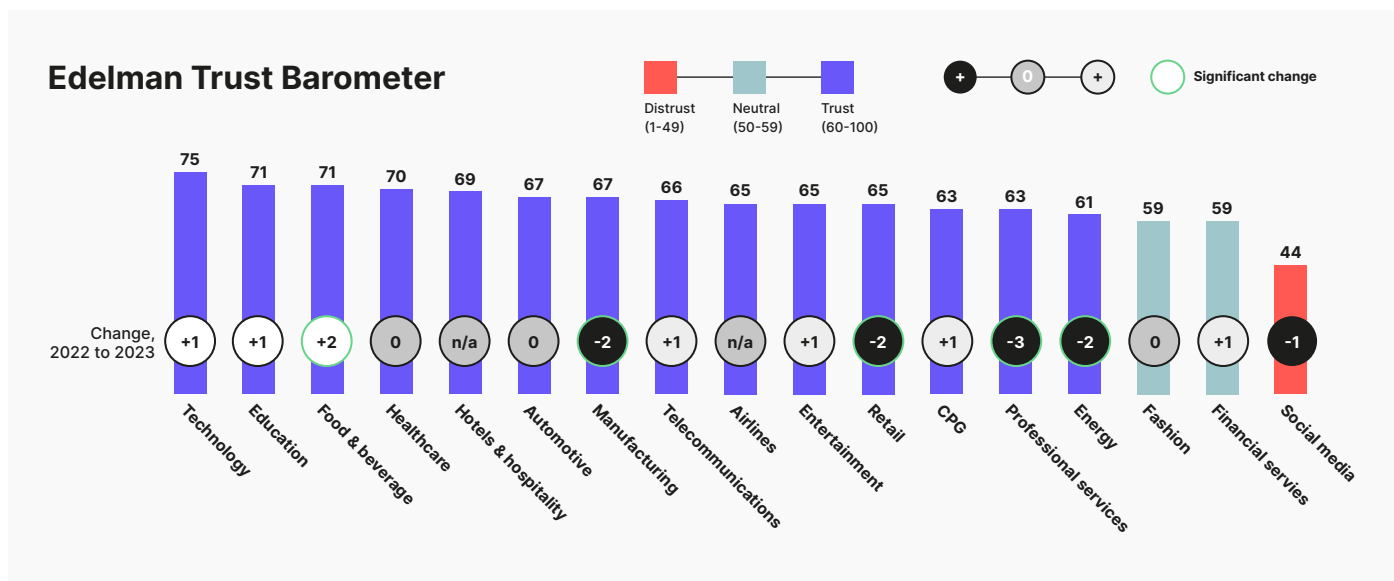


Industry Context

Whom do you trust?

There are few things that people guard more seriously than their money. Most people trust only a select few friends or relatives with the details of their wealth. Money may even be considered taboo dinner conversation with next of kin. It follows that trust is a critical part of any financial service provider’s brand. Content creators may think that using industry jargon and big words will impress potential customers. The opposite is true. Complex business communication is a recipe for eroding trust and damaging a brand.

When it comes to trust, financial services companies are in trouble. According to the 2023 Edelman Trust Barometer, business and industry is at high point for trust globally. But consumers rate their trust in the financial services industry as neutral at best. Consumers are usually pleased by convenience and innovation. Banking has been transformed as much as other industries by technology, so why is the sector ranking so low for trust?



With the internet, customers may be easier to reach, but it cuts both ways. Without as much in-person communication taking place at branches, customer loyalty and retention is more challenging. Poorly written privacy policies may seem harmless – “who reads those things anyway?” is the attitude – but they often sit between the consumer and a service, such as a smartphone app.

Companies view adoption of these services as key to customer experience and retention. But, with news articles frequently reporting major data breaches, consumers get skittish. A dense and poorly written privacy policy may just be enough to tip the scales in the wrong direction.



A New Era of Risk?

When it comes to privacy policies, there may be more at stake than just trust. Increased legal risk is on the horizon. In the past, the U.S. let businesses collect personal data without much consent. Privacy protections guard against misuse. Certain categories of personal information are off limits, but company compliance is inconsistent. Likewise, penalties were not severe and enforcement rare.

Now policy makers are catching up. Emerging regulation in the U.S. mimics the European Union's data protections. In the E.U., individuals own their personal information. Risk and liability increases as consumers gain more power over their data. Unreadable privacy policies may open the door to personal or class-action lawsuits soon.

We found adoption of plain language in business writing is a potential differentiator. Of the top 20% of companies in our rankings, not one finished first in more than one category for clear writing. Every policy document had serious deficiencies. Because so few companies produce clear content, the opportunity to delight customers has real potential. Those that do not improve will likely be left behind. More business communication moves online every day. Companies that continue to publish unreadable text will risk losing customers.



Rankings

Our analysis of 54 financial services organizations ranked Cadence Bank first with a tie between Ally Bank and Umpqua Bank for second place. While the privacy policy from Cadence ranked high across all measures, it did not rank first in any particular category. Ally and Umpqua’s documents tied for first in grade-level reading, but scores in passive voice and complex-word density cost them both top honors.

		Plain Writing Index	
		Score	Rank
Cadence	https://cadencebank.com/policies-and-disclosures	10.25	1
Ally	https://www.ally.com/privacy/	10.5	2
Umpqua	https://www.umpquabank.com/privacy/consumer-privacy-notice/	10.5	2
Discover	https://www.discover.com/privacy-statement/bank-privacy-policy.html	14.25	4
Comerica	https://www.comerica.com/site-tools/resources/privacy-notice.html	15.75	5
Towne Bank	https://www.townebank.com/privacy-and-security/privacy-policy/consumer-privacy-policy/	17.75	6
East West	https://www.eastwestbank.com/en/privacy-and-security/privacy-notice-for-consumers	18.5	7
Citizens Financial Group	https://www.citizensbank.com/account-safeguards/privacy.aspx	19.5	8
First Citizens	https://www.firstcitizens.com/privacy-security	20	9
First Merchants	https://www.firstmerchants.com/agreements-disclosures/privacy-policy	21.25	10
TD Bank	https://www.td.com/us/en/personal-banking/privacy	21.25	10
CitiBank	https://online.citi.com/US/JRS/portal/template.do?ID=Privacy	21.75	12
Fifth Third Bank	https://www.53.com/content/fifth-third/en/privacy-security.html	22	13
American Express	https://www.ally.com/content/dam/pdf/corporate/ally_privacy-notice.2014-01-01.v1.pdf	23.25	14
Truist Bank	https://www.truist.com/privacy	23.5	15
Pinnacle	https://www.pnfp.com/personal-finance/online-and-mobile-banking/pinnacle-digital-privacy-practices/	24	16
Zions Direct	https://www.zionsdirect.com/resources/security-privacy/	25.5	17
Santander	https://www.santanderbank.com/online-privacy-policy	26.5	18
Renasant Bank	https://www.renasantbank.com/resources/privacy-policy	27	19
South State	https://www.southstatebank.com/global/privacy-notice	27	19
PNC Bank	https://www.pnc.com/en/privacy-policy.html	28.5	21
Citizens Business Bank	https://www.cbbank.com/privacy/	30.25	22
Webster	https://www.websterbank.com/privacy/	30.25	22
Valley	https://www.valley.com/privacy	30.75	24
Morgan Stanley	https://www.morganstanley.com/disclaimers/us-privacy-policy-and-notice	31.5	25
Western Alliance Bank	https://www.westernalliancebancorporation.com/privacy-legal-home/privacy-policy	34.5	26
JP Morgan Chase Bank	https://www.jpmorgan.com/privacy	34.75	27
Bank of NY Mellon	https://www.bnymellon.com/us/en/privacy-policy.html	35.5	28
State Street	https://www.statestreet.com/disclosures-and-disclaimers/privacy	36.25	29
CITY National	https://www.cnb.com/privacy-security/privacy-statement.html	36.5	30
First Horizon	https://www.firsthorizon.com/First-Horizon-Corporation/Privacy-Policy	37.75	31
Mechanics Bank	https://www.mechanicsbank.com/resources/privacy-security/	38	32
BMO Harris	https://www.bmo.com/en-us/main/about-us/privacy/privacy-code/	38.25	33
Capitol One	https://www.capitalone.com/privacy/online-privacy-policy/	39.5	34
First Financial Bank	https://www.bankatfirst.com/privacy-notice.html	39.75	35
Independent Financial	https://www.independentbank.com/hubfs/Website_Files/PDF/SwiftPay_PrivacyPolicy.pdf	40	36
First Republic	https://www.firstrepublic.com/privacy/policy	41	37
Huntington Bank	https://www.huntington.com/Privacy-Security/privacy-policies/privacy-notice	42.25	38
Goldman Sachs	https://www.goldmansachs.com/privacy-and-cookies/docs/Ayco_Privacy_Policy_and_Notice.pdf	42.25	38



		Plain Writing Index	
		Score	Rank
Old National Bank	https://www.oldnational.com/privacy/online-privacy-policy/	42.5	40
KeyBank	https://www.key.com/about/misc/privacy-policy-keycorp.html	44.5	41
Bank of America	https://www.bankofamerica.com/security-center/consumer-privacy-notice/	46.5	42
BOK Financial	https://www.bokfinancial.com/legal-and-privacy/privacy-policy	46.5	42
CIBC	https://us.cibc.com/en/legal/privacy-notice.html	46.75	44
US Bank	https://www.usbank.com/about-us-bank/privacy/privacy-pledge.html	47	45
Wells Fargo	https://www.wellsfargo.com/privacy-security/	47	45
Pacific Western	https://www.pacwest.com/online-privacy-policy	48.25	47
Raymond James	https://www.raymondjames.com/privacy-security-and-account-protection/privacy-notice	48.25	47
HSBC	https://www.us.hsbc.com/online-privacy-statement/	50	49
Flagstar	https://www.flagstar.com/legal-disclaimers/privacy.html	50.5	50
Synovus	https://www.synovus.com/contact-us/privacy-policy/synovus-privacy-notice/	51.25	51
Frost	https://www.frostbank.com/agreements-disclosures/consumer-privacy-statement	57	52
Manufacturing & Traders (M&T)	https://www3.mtb.com/homepage/explore-the-m-and-t-bank-help-center/bank-policies/privacy	57.75	53
Regions	https://www.regions.com/about-regions/privacy-security/privacy-pledge	58.25	54

The worst performers were Regions Bank, M&T Bank Corporation and Frost Bank – 54th, 53rd and 52nd, respectively. Regions Bank privacy policy is written at a **grade level of 15.2** and was tied for last in this category with Raymond James. Writing at this level assumes a reader in her/his senior year of college. Remember that the average American reads at an 8th grade level. Consider the impact of some of the language used in their privacy policy:

This Notice supplements, but does not replace, the general **Website Terms of Use (/about-regions/privacy-security/terms-conditions)** for the use of this Site. In the event of a conflict between the terms of this Notice and the terms of the general **Website Terms of Use (/about-regions/privacy-security/terms-conditions)**, the terms of this Notice will govern and control with respect to the matters addressed in this Notice. Certain Sites may have separate privacy notices or terms and conditions that are specific to those Sites, and when you use or access those Sites those separate privacy notices or terms and conditions will apply and will control with respect to the matters addressed therein in the event of a conflict with the terms of this Notice.

Grade Level 19.7

This comes in at a whopping **19.7 grade level**. It contains a 57-word and 41-word sentence and is peppered with legalese. Legalese like “...will control with respect to the matters addressed therein.” This kind of stuff does nothing to de-risk the bank’s position and can easily be simplified.



Consumers resent this sort of communication. The only reason companies get away with it in these types of documents is that very few others are appreciably better. Both Regions and Raymond James could improve their communication by taking the following steps:

- **Reduce the number of sentences** written in passive voice – aim for 5% or less across the document.
- **Decrease sentence length** to 20 words or fewer.
- **Replace jargon and complex words** with simpler terms.

Consider this sample from the Raymond James privacy policy:

We may also engage third party analytics and advertising providers to track and analyze your usage of our website through the use of cookies. These providers collect and share with us usage information about visits to our website and, sometimes by correlating this information with other information (such as your IP address), help us track page usage, target our recommendations and advertising, and measure and research the effectiveness of our recommendations and advertisements.

Grade Level 14

The paragraph above has a **grade-level of 14**. The average consumer would find reading this very difficult. The second sentence in this paragraph is exhausting to read, at a length of 49 words.

Now, read our version of this paragraph. It scores a **grade-level of 7**. We did this by shortening sentences, simplifying word choice and avoiding use of passive voice.

We might also work with outside companies that provide analytics and advertising services. They use cookies to follow how you use our website and understand it better. These companies tell us about how people visit our website and use it. They can even combine this with other details, like your IP address, to help us see which pages are popular. This helps us suggest things you might like and show you ads that match your interests. We use this information to figure out how well our suggestions and ads are working.

Grade Level 7

You can achieve this level of radical clarity too through a commitment to plain language principles. Your customers will thank you with their business and continued loyalty.



Conclusions

Banks and financial institutions need to consider the customer experience first and foremost.

Sure, privacy policies have a role in risk mitigation. The financial services industry leans heavily on legalese and jargon to achieve compliance and protect themselves from liability. But at what cost? Failure to communicate in a manner friendly to customers is likely contributing to low trust levels across the sector. Not a single document came close to target readability levels. And let's be honest, it is highly likely this "defensive" communication is not limited to privacy documentation.

So, is there a silver lining in our analysis? We know that poor communication does not make customers happy. We know that when it comes to privacy policies, everyone in the market underperforms. These things being true, then opportunity exists for differentiation.

It is only a matter of time before a Chief Strategy Officer or similar change agent realizes that this industry is vulnerable to a clear communicator. Using plain language best practices and ruthless policy enforcement, they are likely to convert more customers, deepen existing relationships and generate positive word-of-mouth. The challenge to maintain consistency will be real, but they will know that satisfied customers have proven to be leading indicators of superior business performance. The market movers will be the ones that find the tools to meet this challenge and capitalize.



Full Rankings

Rank	Bank	Plain Writing	Readability		Grade Level		Passive		Long		Complex	
		Index	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
1	Cadence	10.25	41	3	10.5	4	7.1%	11	10.0%	4	2.61	19
2	Ally	10.5	41	3	9.9	1	9.7%	21	10.1%	5	2.44	12
2	Umpqua	10.5	39	8	9.9	1	7.0%	10	8.5%	3	2.63	20
4	Discover	14.25	42	2	11	8	10.4%	24	14.5%	13	2.40	10
5	Comerica	15.75	39	8	10.9	6	8.3%	16	18.1%	24	2.36	9
6	Towne Bank	17.75	41	3	10	3	14.0%	44	11.0%	6	2.55	15
7	East West	18.5	37	13	11.3	12	7.2%	13	15.7%	19	2.57	17
8	Citizens Financial Group	19.5	34	22	11.2	9	4.7%	4	4.3%	1	3.31	42
9	First Citizens	20	37	13	11.2	9	7.4%	14	12.3%	9	2.93	35
10	First Merchants	21.25	40	6	11.4	13	13.2%	40	17.5%	21	2.16	5
10	TD Bank	21.25	37	13	12	24	6.0%	7	25.9%	40	1.60	1
12	CitiBank	21.75	33	24	10.8	5	4.6%	3	11.3%	7	3.63	48
13	Fifth Third Bank	22	43	1	11.2	9	12.2%	34	19.2%	28	2.56	16
14	American Express	23.25	31	35	12.3	30	5.3%	6	15.3%	18	2.12	4
15	Truist Bank	23.5	36	19	11.4	13	11.5%	28	18.5%	26	2.33	8
16	Pinnacle	24	33	24	11.5	16	1.9%	1	12.2%	8	3.59	47
17	Zions Direct	25.5	40	6	10.9	6	11.5%	29	13.7%	11	3.68	50
18	Santander	26.5	37	13	11.6	17	11.8%	31	18.9%	27	2.57	18
19	Renasant Bank	27	31	35	11.8	20	10.0%	22	15.0%	17	2.53	14
19	South State	27	35	20	12.2	28	9.2%	18	21.4%	31	2.44	11
21	PNC Bank	28.5	38	11	11.4	13	13.2%	41	17.4%	20	2.80	29
22	Citizens Business Bank	30.25	33	24	11.6	17	11.4%	27	14.7%	14	3.20	39
22	Webster	30.25	34	22	11.9	21	8.5%	17	19.3%	29	2.83	32
24	Valley	30.75	29	41	11.9	21	6.2%	8	14.8%	15	3.13	38
25	Morgan Stanley	31.5	24	51	11.6	17	3.8%	2	5.2%	2	4.05	54
26	Western Alliance Bank	34.5	26	48	13	39	5.2%	5	14.9%	16	2.82	30
27	JP Morgan Chase Bank	34.75	39	8	11.9	21	14.5%	47	26.0%	42	2.64	21
28	Bank of NY Mellon	35.5	37	13	12.5	31	14.8%	48	25.0%	37	2.52	13
29	State Street	36.25	32	32	12.2	28	10.8%	26	18.3%	25	2.87	34
30	CITY National	36.5	26	48	12.5	31	7.1%	12	14.3%	12	3.38	43
31	First Horizon	37.75	37	13	12	24	25.0%	53	22.2%	33	2.78	28
32	Mechanics Bank	38	33	24	12.1	27	12.9%	37	17.7%	23	3.30	41
33	BMO Harris	38.25	38	11	12	24	14.9%	49	24.6%	36	2.85	33
34	Captial One	39.5	27	46	14.3	52	6.6%	9	35.0%	49	1.83	2
35	First Financial Bank	39.75	35	20	12.8	36	29.3%	54	26.8%	43	2.21	6
36	Independent Financial	40	33	24	12.5	31	15.0%	50	21.7%	32	2.66	23
37	First Republic	41	33	24	12.6	34	9.5%	20	25.0%	37	3.66	49
38	Huntington Bank	42.25	32	32	12.7	35	10.3%	23	23.4%	34	3.46	45
38	Goldman Sachs	42.25	26	48	13.7	45	10.7%	25	27.7%	44	2.29	7
40	Old National Bank	42.5	28	43	13	39	8.3%	15	17.6%	22	3.79	51
41	KeyBank	44.5	28	43	13.2	42	9.4%	19	19.7%	30	3.39	44



Full Rankings

Rank		Plain Writing	Readability		Grade Level		Passive		Long		Complex	
		Index	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
42	Bank of America	46.5	30	40	13.7	45	11.5%	30	29.5%	45	2.72	26
42	BOK Financial	46.5	29	41	14.1	51	13.1%	39	36.5%	52	1.88	3
44	CIBC	46.75	33	24	12.8	36	14.1%	46	23.4%	35	3.57	46
45	US Bank	47	31	35	12.9	38	12.6%	36	25.7%	39	3.26	40
45	Wells Fargo	47	33	24	13.8	47	12.9%	37	36.6%	53	2.76	27
47	Pacific Western	48.25	31	35	13	39	13.9%	43	25.9%	40	3.04	36
47	Raymond James	48.25	5	54	15.2	53	18.4%	51	13.3%	10	2.71	25
49	HSBC	50	31	35	13.3	43	20.9%	52	33.6%	48	2.64	22
50	Flagstar	50.5	32	32	13.5	44	12.5%	35	37.0%	54	3.06	37
51	Synovus	51.25	28	43	14	49	13.5%	42	32.2%	47	2.69	24
52	Frost	57	27	46	13.8	47	12.1%	33	35.4%	50	3.86	52
53	Manufacturing & Traders	57.75	24	51	14	49	12.0%	32	31.0%	46	3.88	53
54	Regions	58.25	21	53	15.2	53	14.0%	45	36.3%	51	2.83	31



Methodology

Overall Rank

This is the relative placement in the index based on score.

Metric

The average of all 5 Ranks. Each rank contributes equally to the final score.

Formula

$$((\text{Rank 1} + \text{Rank 2} + \text{Rank 3} + \text{Rank 4} + \text{Rank 5}) / 5)$$

Rank 1 - Readability

If communicating with citizens aim for at least 50.
This is based on the Flesch Reading Ease index.

Metric

Readability ranges from 0 to 100. 100 is the top mark.

Formula

$$(206.835 - (1.015 \times \text{Avg Sentence Length}) - (84.6 \times \text{Avg Syllables per Word}))$$

Rank 2 - Passive Language

Passive Language is where the subject is acted upon by the verb.

“Quality is monitored” (passive) vs. “We monitor quality (active)”

If you use active voice, you will increase clarity & strength. You will also flush out the ‘actor’, i.e. who did the action?

Metric

The % rating is the proportion of sentences with at least one passive construct.

Formula

$$(\text{Passive Sentences} / \text{Total Sentences} * 100)$$



Methodology

Rank 3 - Long Sentences

Long sentences are greater than 25 words.

Long sentences mask multiple concepts. Splitting them results in a clearer message.

Metric

The % rating is the proportion of sentences that are long.

Formula

$(\text{Long Sentences} / \text{Total Sentences} * 100)$

Rank 4 - Average Sentence Length

Lower average sentence length indicates easier to read content.

Metric

The average length of sentences scanned.

Formula

$(\text{Total Words} / \text{Total Sentences})$

Rank 5 - Complex Words

This scan looks for complex words/phrases based on Federal Guidelines.

<http://www.plainlanguage.gov/howto/wordsuggestions/simplewords.cfm>

Replacing complex words with simpler words lets your readers concentrate on your content.

Metric

The density rating is the proportion of complex words/phrases relative to the total word count.

Formula

$(\text{Complex Words} / \text{Total Words} * 100)$



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Why not trial [VTWriter](#) for free.

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Need help or have a question?



Mail us at info@VisibleThread.com to find out how we can help your communication strategy