

Canadian Bank Takes Plain-Language Approach with VISA Cards

By John Watkinson

Canada's Bank of Nova Scotia has been committed to using plain language in customer documents for some 20 years. But the bank has recognized that it must bring its materials up to date from time to time if it is to continue to meet its customers' expectations. With this in mind, it asked for help from Simplified Communications Group when it revised its VISA-card application forms and agreements.

Simplified Communications Group is a Toronto-based company that specializes in making complicated information easier to use and understand. This article describes the project.

Tight Deadlines and Space Constraints

When we started work on this project, the situation we faced was well-summarized by Gregg Friday, the bank's senior manager for card products and marketing. "The bank has done many things well in the past," he said, "but there's clearly an opportunity to create more 'customer friendly' application forms and agreements. We face tight deadlines and space constraints, however, and we need specialized help."

Gregg asked us to work on the application forms and agreements for two products, the ScotiaGold VISA card and the Scotiabank Classic VISA card. When we

started analyzing the cardmember agreements, some of the problems were easy to identify. For example, this was an excerpt from the introduction to the ScotiaGold VISA card agreement:

"A signature on or the retention or use of:

(A) your VISA/Chargex Card including any renewal or replacement VISA/Chargex Card (Card)

- *by you who requested the Bank to issue the Card with your name on it, or*
- *by another person, whose name is embossed at your request on a Card bearing the same account number (the "Account") as your account (the "alternate cardmember"), or*
- *by a person authorized by you to use the Card, by that person signing on the back of the Card in the space for signature.*

(B) any Charge-Cheque ("Cheque") by you or by an alternate Cardmember whose name is printed, at your request, on a Cheque bearing the same account number as your account

will confirm agreement between the main Cardmember, the alternate Cardmember(s) and the Bank as follows:"

The core of the agreement then followed.

In our view, this text was virtually incomprehensible to the ordinary reader. Too much information was crammed into what amounted to a run-on sentence, and the structure was far too complicated.

We decided to start from scratch rather than try to edit the agreements in a plain-language style. I worked on the project with Bob Dick (Robert C. Dick, Q.C.), a partner in the Toronto law firm of Rogers, Smith, Dick and Thomson, and with Michael Davenport, the bank solicitor responsible for the legal aspects of the project.

Two Sections

Our first decision was to write a brief introduction and then divide the rest of the agreement into two sections. One section would outline the customer's rights and re-

sponsibilities, the other would describe the bank's rights and responsibilities.

Scotiabank eventually adopted the following introduction for its Classic VISA cardholder agreement:

"In this agreement, you and your refer to the cardholder and include additional cardholders authorized by you to use your card, unless otherwise mentioned. We, our, us and the Bank refer to The Bank of Nova Scotia.

We have used the term card to refer to the Scotiabank Classic VISA/Chargex card or cards. If we provide you with a card and charge-cheques, and you keep or use either, it means that this agreement is in force between you and the Bank. It is also in force if we provide you with a renewal or replacement card.

Your credit card application forms part of this agreement."

We believe this approach is easier to understand because it:

- uses short sentences;
- has a cleaner look (it uses no parentheses, and uses italics rather than quotation marks to highlight specific words);
- uses words more accurately, such as the reference to *additional* rather than *alternate* cardholders; and
- takes a conversational approach to definitions so that they are incorporated into the flow of the text rather than interrupting it.

It's unfortunate that there is apparently a legal requirement to continue using the clumsy title *VISA/Chargex*. It must mystify consumers who have forgotten or never knew the origins of the VISA card in Canada.

The last sentence of the introduction, which notes that the application is part of the agreement, is important because certain key conditions of the agreement are contained on the application form. In the past they had been repeated on the cardmember agreement. This repetition contributed to the problem of too much copy and not enough space.

"Plain Language" is a regular feature of the **Michigan Bar Journal**, edited by Joseph Kimble for the State Bar's Plain English Committee. The assistant editor is George Hathaway, chair of the Committee. The Committee seeks to improve the clarity of legal writing and the public opinion of lawyers by eliminating legalese. Want to contribute a plain English article? Contact Prof. Kimble at Thomas Cooley Law School, P.O. Box 13038, Lansing, MI 48901.

Highlighting

We started work on the body of the agreement by going through it with a highlighter. Clauses relating to the customer were highlighted in one color, clauses relating to the bank in another. Using this approach, we were able to assign all of the information to the section defining either the customer's or the bank's rights and responsibilities. Then we rewrote the complete text.

During the process of rewriting, we referenced each clause in the new draft to the clause in the original agreement on which it was based. This was a simple step. But it made it much easier to compare the new wording to the original and to make sure that nothing was left out.

Within the two principal sections in the agreement, *Your Rights and Obligations* and *Our Rights and Obligations*, we gave each clause a descriptive subheading that would help customers find information quickly. If your card is stolen, you want to know what to do before the thief goes on a spending spree! In the original version of the Scotiabank Classic VISA cardholder agreement, information about theft did not appear until paragraph 14:

"Liability for authorized or unauthorized use—You are responsible for all Debt and interest on the Debt resulting from:

- *authorized use of the Card*
- *authorization by you in any other manner and*
- *authorized or unauthorized use of any Cheque until notice of loss, theft or unauthorized use has been received by us, and up to an aggregate maximum of \$50.00 for any loss, theft or unauthorized use of the Card until notice of loss, theft or unauthorized use has been received by us. However, if you fail to maintain the confidentiality of the PIN or fail to keep your card and PIN separate, or if you keep the card and PIN in such a manner as to make them available for use together, you are liable for all Debt and interest on the Debt arising from unauthorized use of the Card and PIN.*

If your Card is lost or stolen or if you suspect that your Card or PIN or both are being used by any unauthorized person, you agree to notify us by telephone or in writing of the loss, theft or unauthorized use."

In the new version, we tried to get to the heart of the matter from the customer's point of view:

Telling us about loss, theft or unauthorized use

"You will tell us immediately by telephone and in writing about the loss, theft or unauthorized use of your card, personal identification number or charge-cheques. If you even suspect unauthorized use, you will let us know immediately.

You will be liable for all debts incurred by unauthorized use of your charge-cheques, and for debts up to \$50 resulting from the unauthorized use of your card, until you have told us that they have been lost, stolen or used by someone unauthorized to do so."

Logical Organization

In a separate section we explained the need for the cardholder to keep his or her personal identification number confidential. This clause provides a good example of another problem we identified in the original agreement: inefficient organization, making the text too long and too confusing.

The original agreement said:

"You are responsible for the card and safety of the Card and PIN. You agree to keep the PIN confidential and separate from your card at all times."

That's clear and straightforward, but the problem was its location. This was paragraph 8, while the penalties for not keeping the card and the PIN separate were spelled out in paragraph 14, which is quoted above. We combined all the information in a single paragraph:

Keeping your personal identification number confidential

"You agree to keep your personal identification number (PIN) separate from your card at all times. If you don't keep your PIN confidential, or if you keep your card and your PIN in a way that would enable someone else to use them together, you will be liable for all debt, including interest, arising from their use."

The new text doesn't say anything new, and the language is no more simple. But putting all the information about a single topic in one place makes it easier for cardholders to understand their obligations.

Another problem with the original agreement was that it used terms such as *disclosure statement* that customers would not understand. To remedy this problem, we described the disclosure statement instead of using its name:

"We will send you a notice together with your card that will tell you about interest rates, service charges and our annual fee."

We also judged that terms such as *sales draft* could be confusing, since to the customer it's a purchase, not a sale. We solved this potential difficulty by defining the word *purchase* and using it throughout the agreement.

Clear Design

I have referred so far to how we organized the agreement and simplified the language in it. An equally important consideration was design.

We designed the agreement to make it as easy to read as possible within the space constraints we had been given. We also designed the application forms for both the ScotiaGold and Classic cards. Here, too, the challenge was to achieve order and clarity within very tight space constraints. At the same time, we had to meet the requirements of the bank's internal departments—marketing, legal, systems, consumer credit and operations.

By understanding all of their requirements in advance, we were able to keep design consistent in the creation of the application forms. Too often, forms are confusing because new requirements have been imposed on them that they were never designed to accommodate.

The forms were designed on our Macintosh system, using Quark XPress. The final products were judged to meet all of the bank's requirements as well as providing a substantially more friendly approach for the bank's customers.

Unfortunately, the production schedule did not allow time for testing. But we recommended that the bank carefully monitor the way customers complete the application forms, in order to identify any areas that cause difficulty. We have also urged the bank to allow time for consumer testing when the application forms and agreements are next revised. This step will enable it to identify areas where misunderstandings occur or further improvements can be made. ■

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