

Press release – for immediate publication - 14th June 2011

Four UK banking products gain very first ‘Fairbanking Mark’ accreditations

The Fairbanking Foundation – a not-for-profit, research-based charity dedicated to encouraging and helping banking institutions to improve the financial well-being of their customers – tonight granted the first four of its new ‘Fairbanking Mark’ accreditations at a ceremony held in London.

The Marks are granted to products that have been submitted by the provider to Fairbanking for thorough analysis and independent testing to assess whether they have met Fairbanking’s challenging standards for the extent to which they help the customer to control their money better and achieve their financial goals – key factors that drive an individual’s financial well-being. The Marks are granted in 3, 4 or 5 star variants.



The aim behind the Foundation’s Fairbanking Mark initiative is to encourage and facilitate the wider availability and higher public profile of products that can make a significant improvement to the financial well-being of the customer.

By granting a Mark to the so far small number of products that can make this positive difference to customers, Fairbanking is encouraging more banking product providers to improve their offerings to compete on this new basis, away from just price via the headline rate. As each of the four products that has gained a Mark so far has been granted a 3 star accreditation, there also remains motivation for these leaders to seek ways to make their already good products even better.

The four products that will be formally granted a 3 Star Fairbanking Mark on the 14th are:

- RBS/NatWest’s ‘Your Savings Goal’ (savings account category)
- Saffron Building Society’s Goal Saver (savings account category)
- Secure Trust Bank’s Current Account (current account without overdraft category)
- thinkbanking’s Current Account (current account without overdraft category)

A summary of the features that contributed to each product's accreditation is provided in the accompanying summary. Fairbanking Marks are available for credit cards, current accounts with overdrafts, current accounts without overdrafts and savings accounts.

Antony Elliott, Director of the Fairbanking Foundation said, *“Granting these first Fairbanking Marks is a major milestone in our efforts to encourage banking firms to improve the financial well-being of their customers through offering products better designed to do so. Like standards for car safety, Fairbanking Marks will serve to provide clarity as to which products are the most helpful and over time will drive up standards as these measures become an increasingly significant part of competition.*

*We know from our recent contact with banking institutions when researching our recent publication (**Fairbanking Ratings: Is UK retail banking showing signs of reform?***) that many firms have yet to ‘see the light’, but an increasing number have and these enlightened organisations are talking to us already about plans to improve their product offerings. They want to score better in Fairbanking’s assessments and in doing so they know they will be helping their customers in a bigger way.*

This is just the sort of positive catalyst the Foundation is aiming to be and we are excited about the extent to which the Fairbanking Marks programme is already encouraging the industry to move in a much more customer-oriented direction.”

Although it has not required their approval, Fairbanking’s work has been welcomed by key bodies and high profile people including Mark Hoban MP (Financial Secretary to the Treasury), Adam Phillips (Chairman of the Financial Services Consumer Panel) and Lord John McFall (former Chairman of the Treasury Select Committee).

Mark Hoban said, *“The Government is committed to helping people take responsibility for their finances and I am pleased to see voluntary initiatives, such as your own, developing to promote financial wellbeing”*

Adam Phillips said, *“We are very interested in the work and its capacity both to promote improvement in the industry and to drive the types of products and features that consumers want and can trust.”*

Banking organisations seeking to gain a Fairbanking Mark accreditation for a product must submit it for full analysis and testing by The Fairbanking Foundation. This includes research conducted with a representative number of customers by an independent research firm such as Ipsos MORI, the Foundation’s research partner. This research must confirm that a significant percentage of customers using the product found it useful in helping to improve their financial well-being, through factors like helping them to manage their money better and to achieve their savings goals.

Fairbanking also reviews complaints the bank has received about the product. Finally, Fairbanking’s independent Accreditation Panel reviews all of this analysis and research, and any other issues of relevance posed by the provider’s product. Assuming they find all is in

order, the Mark is granted, in a 3, 4 or 5 star variant as appropriate. (Full details of the accreditation process are available on request.)

- ENDS -

For more information, please contact Martin Campbell on 07802 634 695 or email martin.campbell@fairbanking.org.uk.

Notes for Editors

* This document, which provides Fairbanking Ratings for the vast majority of UK credit cards, current accounts with overdrafts, current accounts without overdrafts and savings accounts, is available as a free PDF download at:

http://www.fairbanking.org.uk/Current_Projects/Fairbanking_Ratings_2011.html

About The Fairbanking Foundation -

The Fairbanking Foundation is a not-for-profit, research-based charity created to encourage and assist providers of banking products to improve the financial well-being of their customers.

Banks and Building Societies are increasingly seen as having a duty to act in the common good of the country. As water companies are obliged to supply water that is good for their customers, so bank products should be good for theirs. The fundamental nature of this duty has been made clear by the recent banking crisis and the support given to many of the UK's biggest banks.

Further information and contact details for The Fairbanking Foundation can be found at www.fairbanking.org.uk.

What is a Fairbanking Mark?

It is a formal accreditation granted by The Fairbanking Foundation, which is an independent, research-based, not-for-profit (charity) organisation that encourages banking products that help people to improve their financial well-being through managing their money better. A product carrying the Mark has been rigorously tested by Fairbanking, including research amongst customers of that product, and has been rated 3, 4 or 5 stars for the financial well-being it can help achieve. To date, 3 out of 5 stars is the highest Mark achieved by any product.

Does a Fairbanking Mark mean the product offers best value?

The Fairbanking Foundation does not compare price factors like a price comparison site does eg – the interest rate charged on a credit card, or paid on a savings account. Instead it is mainly concerned with non-price factors about how well the product helps the customer to improve their financial well-being. As Fairbanking's research has shown, financial well-being is driven mainly by how 'in control' and 'on top of' their finances the customer feels – not by how much money they have. So a Fairbanking Mark does not say anything about how price competitive the product is, but rather it indicates how well a product helps the customer's financial well-being. If the pricing of the product were clearly unfair, it would not receive a Mark.

Products being granted the Fairbanking Mark on 14th June 2011-

RBS/NatWest's 'Your Savings Goal' (savings account category)

What does the 3 Star Fairbanking Mark granted to this product mean?

- The product contains multiple features to help customers manage their money better. In this case to increase the likelihood that a customer will save for a specific objective (e.g. car, holiday, wedding) or in order to have an emergency fund.

What are the key specific features that have helped this product gain a 3 star rating?

- You can set up one or more goals or savings 'pots', which can be personalised;
- You can find out how much you will need to save and for how long to reach your goal;
- You can easily set up a regular payment into your saving account;
- You can easily see how your savings are progressing towards your savings goals;
- You will find the product is presented both with graphics and numbers.

Saffron Building Society's Goal Saver (savings account category)

What does the 3 Star Fairbanking Mark granted to this product mean?

- The product contains multiple features to help customers manage their money better. In this case to increase the likelihood that a customer will save for a specific objective (e.g. car, holiday, wedding) or in order to have an emergency fund.

What are the key specific features that have helped this product gain a 3 star rating?

- You can set up one or more goals or savings 'pots', which can be personalised;
- You are encouraged to set up an emergency or "rainy day" fund;
- You can create a budget in order to work out what you can afford to save;
- You can find out how much you will need to save and for how long to reach your goal;
- You can easily set up a regular payment into your savings account;
- You will find the product is presented both with graphics and numbers.

Secure Trust Bank's Current Account (current acc. without overdraft category)

What does the 3 Star Fairbanking Mark granted to this product mean?

- The product contains multiple features to help customers manage their money better. In this case to increase the customer's control over income and spending.

What are the key specific features that have helped it gain this rating?

- You can stay informed about your balance and recent transactions through the 24/7 services provided by phone and internet.
- You can set an overall budget and keep your money to pay regular bills separate from day-to-day spending money.
- You are shown how your spending breaks down into different categories; petrol, groceries, dining out, entertainment etc and how your spending across these categories changes over time.
- You are shown your overall income and spending and how they change over time, helping you identify opportunities to save money.

ThinkBanking's Current Account (current account without overdraft category)

What does the 3 Star Fairbanking Mark granted to this product mean?

- The product contains multiple features to help customers manage their money better. In this case to increase the customer's control over income and spending.

What are the key specific features that have helped it gain this rating?

- You can see what money is in your account through regular messages.
- You can request a balance message or a mini statement of recent transactions to be sent to you at any time.
- You can set an overall budget and keep money to pay your regular bills separate from day-to-day spending money.
- You can see your overall income and spending and how they change over time, helping you identify opportunities to save money.
- If your account balance is insufficient to pay your next bills, you receive an alert from your Money Manager enabling you to take action.