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ONE IN THREE NOW OWN FINANCIAL PRODUCT WITH FAIRBANKING MARK

- **Fairbanking Foundation grows Mark certification scheme encouraging organisations to improve financial well-being**
- **Eight new providers approved as scheme expands to cover loans and credit cards**
- **Research shows 25% of bank customers believe retail banking has improved its image in the past year**
- **But there is still work to be done as 38% of customers say the image of banks has deteriorated with a third blaming lack of transparency and failing to focus on customer needs**

The Fairbanking Foundation - the not-for-profit charity dedicated to encouraging banking institutions to improve the financial well-being of their customers – has expanded its Mark certification scheme to now cover products owned by one in three UK adults.

It has awarded Mark certifications to eight new institutions this year including Barclays, Halifax, Bank of Scotland and Capital One as well as four credit unions Enterprise, Central Liverpool, 1st Alliance Ayrshire and London Capital taking the total of financial products covered by the scheme to 25 and including loans and credit cards for the first time.

Success for the charity, which prior to 2015 had approved Marks for products from NatWest, RBS, Lloyds, Saffron Building Society, Secure Trust Bank and Thinkmoney, has been celebrated at a London event on October 20th.

Archbishop of Canterbury Justin Welby, a patron of the Foundation, welcomed the expansion in a message to the event which said: “This is a real opportunity for the financial services industry to demonstrate its commitment to the financial well-being of its customers, combining its power with responsibility to wider society. We are all acutely aware that we need a change of culture within the banking sector if we are to avoid some of the problems and excesses that led to the financial crash of 2008. As well as developing smart regulation, we also need financial institutions to do the right thing - not because of reward and sanction - but because it is the right thing to do – because it is good for customers and for the wider common good.”

Research* for the Foundation however shows the UK’s banking sector is still battling to improve its reputation with nearly two out of five customers (38%) believing the industry’s image has deteriorated over the past year. Its study found 13% believe the image of banks

has deteriorated significantly. The main issue for these negative customers identified by the research is a lack of focus on customer needs cited by 24%.

But there are signs that the mood of customers is shifting with 25% questioned saying they believe the image of retail banks has improved. Nearly one in five (18%) who believe banks' images have improved say companies have become more transparent while 38% believe banks are now more focused on customer needs.

Antony Elliott, Chief Executive of Fairbanking Foundation said: "Financial institutions are improving their products and behaviours and we may be reaching a tipping point where the reputation of the sector will recover although clearly there is some distance to travel.

"Increased transparency by banks and an improved focus on customer needs are helping to improve banks' reputations as our research demonstrates.

"Participation in the Fairbanking Mark scheme can enable institutions to help improve trust in the banking industry based on the proven benefits to customers. The expansion of our Fairbanking Mark scheme to cover products used by one in three UK adults highlights the progress being made."

"Our research shows that customers' views of banks are affected when they are helped to manage their money. The existing players need to improve and the new players need to prove they are really better."

The Foundation has published a report to mark its expansion "Helping to improve the nation's financial well-being" highlighting how financial institutions can engage with it and the products covered which include credit cards, loans, current accounts and savings products. The scheme will expand to include mortgages, student current accounts and children's savings accounts from the second quarter of 2016.

-Ends-

Marks awarded in 2015

- **Bank of Scotland** – Flexible Loan (5 stars)
- **Barclays** – Barclayloan (4 stars) and Barclays Bank Account (3 stars)
- **Capital One** – Classic Card and Balance Plus Card (4 stars)
- **Central Liverpool Credit Union** – Shares Based Loan and Helping Hand Loan (5 stars)
- **Enterprise Credit Union** – Loyalty loan (5 stars)
- **1st Alliance Ayrshire Credit Union** – Personal Loan (5 stars)

- **Halifax** - Clarity Loan (5 stars)
- **Lloyds** - Flexible Loan (5 stars)
- **London Capital Credit Union** – Instant Saver Loan and Saver Loan (5 stars)
- **NatWest** – Clear Rate and Reward credit cards (3 stars) Cash ISA with Savings Goal (5 stars)
- **RBS** - Clear Rate and Reward credit cards (3 stars) Instant Access ISA with Savings Goals (5 star)

Marks awarded before 2015

- **Lloyds** – Classic Account with control (3 stars)
- **NatWest** – Instant Saver with Savings Goals (5 stars)
- **RBS** – Instant Saver with Savings Goals (5 stars)
- **Saffron Building Society** – Goal Saver (4 stars)
- **Secure Trust Bank** – Current Account (4 stars)
- **Think Money** – Personal Account (4 stars)

About the Fairbanking Foundation Certification Scheme

The Foundation operates a certification scheme to encourage banking organisations to improve the financial well-being delivered by their products. The certification is called the 'Fairbanking Mark' and is granted in three, four or five star versions based on Fairbanking's assessment of the level of the financial well-being the product delivers. In addition to reviewing the financial well-being characteristics and features of the product, the process of assessment involves independent research carried out with a representative number of customers holding that product. This research is carried out to test the extent to which the theoretical benefits to financial well-being are delivered in practice.

Fairbanking's assessment also reviews the provider's complaints procedures and experience for the product in question.

Finally, The Fairbanking Mark Assessment Panel reviews the assessments that have been carried out and takes a look at wider factors, including the rates charged/offered by the product, before advising whether the Mark should be granted.

Fairbanking Marks are granted in 3, 4 or 5 star variants in five possible categories - credit card, savings account, current account with overdraft and current account without overdraft and personal loans.

For further information or interviews, please contact Phil Anderson/Kevan Reilly at Citigate Dewe Rogerson on 0207 282 1031/1096 or email phil.anderson@citigatedr.co.uk or Kevan.reilly@citigatedr.co.uk

About The Fairbanking Foundation

The Fairbanking Foundation is a not-for-profit, research-based charity (number 1125769) established in 2008 to encourage and assist providers of banking products to improve the financial well-being of their customers by enabling these customers to manage their money better. The Foundation does this through a combination of thorough consumer research to better understand what drives financial well-being, assessment of existing core banking products against this understanding, and the operation of the Fairbanking Mark certification scheme, now accredited by UKAS.

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

How a Fairbanking Mark is granted

Banking organisations seeking to gain a Fairbanking Mark for one of their products 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 - usually 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.