



Press release: 5th October 2012

Fairbanking set to become UK's first financial product certification body as it grants four new Fairbanking Marks

The Fairbanking Foundation – the not-for-profit charity dedicated to encouraging banking institutions to improve the financial well-being of their customers – today confirms that it is well on its way to becoming the UK's first accredited product certification body in financial services, pending full approval by the UK Accreditation Service (UKAS) at the end of the year.

This news coincides with the Foundation announcing new Fairbanking Marks have been granted to four banking products offered by Lloyds TSB, Secure Trust Bank, thinkmoney and RBS/NatWest. These include the very first 4 star Marks and the first Mark for a current account with an overdraft.

Accreditation by UKAS - which is expected to be granted at the end of the year - means that the Fairbanking Foundation will have succeeded when assessed by UKAS against internationally recognised standards to demonstrate its competence, impartiality and performance capability as a product certification body. The Fairbanking Foundation will be the very first UKAS accredited certification body for financial products in the UK.

Antony Elliott, CEO of the Fairbanking Foundation said, *“To be formally accredited as the first certification body in UK financial services will clearly be a very significant step for the Foundation. It will also be great news for people in this country who want banking providers to do more to help them manage their money more effectively and improve their financial well-being. It is still early days, but with five banking products now formally tested and proven to improve customers’ financial well-being, competition should encourage more providers to improve their products and seek a Fairbanking Mark to prove it.”*

The Foundation's Fairbanking Mark initiative has been designed to encourage and facilitate the wider availability and higher public profile of core banking products that can make a significant improvement to the financial well-being of the customer.

Fairbanking Marks are granted to products that have been submitted by the provider to the Foundation for independent testing. The Foundation assesses whether they have met its 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. Fairbanking Marks are granted in 3, 4 or 5 star variants in four possible categories - credit card, savings account, current account with overdraft and current account without overdraft.

Today sees four new Marks granted:

- 4 Star - thinkmoney's Personal Account (a current account without overdraft)
- 4 Star - Secure Trust Bank's Current Account (a current account without overdraft)

- 4 Star – RBS/NatWest’s ‘Your Savings Goal’ product (a savings product)
- 3 Star – Lloyds TSB’s ‘Classic Account with Control’ (a current account with overdraft)

In addition to the above, the Saffron Building Society’s ‘Goal Saver’ product has also retained its previously granted 3 star Fairbanking Mark.

This is the first time a 4 star Fairbanking Mark has been granted to any product. Each of the recipient products had previously been granted a 3 star rating. Lloyds TSB’s Classic Account with Control is the very first current account with an overdraft to be granted a Fairbanking Mark.

Full details of why each product qualified for a Mark are provided in the product summaries attached to this press release.

Antony Elliott said, *“We are very encouraged by the developments that have led to these latest Marks being granted. To see three banking providers working this hard to improve how their product helps their customers shows Fairbanking is a force for positive change. To see the first current account with an overdraft earn a Mark is also significant given the prevalence of this product type. All of this is a sign that the Foundation’s efforts are already – even at this early stage – bringing about improvement in how well banking providers are serving their customers.”*

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

Notes for Editors

About The Fairbanking Foundation

The Fairbanking Foundation is a not-for-profit, research-based charity (number 1125769) 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.

How a Fairbanking Mark is granted

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 banking institution 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.)

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. However, if the pricing of the product were clearly unfair, it would not receive a Mark.

thinkmoney - 'Personal Account'

The Fairbanking Foundation has granted a 4 Star Fairbanking Mark to thinkmoney for their current account without overdraft, called the 'Personal Account'.

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 every 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.
- On the internet you will receive a message to show if your bills will get paid in the future or you need to take action (a smiley or sad face gives you your account status).

Ian Williams from thinkmoney said, *"What's great is people are noticing the green smiley face when everything is fine on their account, and the red frown when it is not. They are then taking action – either with or without our help – to get their finances back in balance."*

Secure Trust Bank – ‘Current Account’

The Fairbanking Foundation has granted a 4 Star Fairbanking Mark to Secure Trust Bank’s current account without overdraft, called the ‘Current Account’.

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 money to pay your regular bills separate from money you can spend on things of your choosing.
- You are shown how your spending breaks down into different categories; petrol, groceries, eating out, entertainment etc and how your spending across these categories changes over time.
- You can set a budget by individual category and track against it to see how you are doing through the month.
- You are shown your overall income and spending and how they change over time, potentially identifying opportunities to save money.

Jonathan Wilson from Secure Trust Bank said, *“The Foundation’s research was incredibly insightful. It showed us that the new track and plan tools included in the new internet banking service we launched recently are being used and that they are proving very helpful towards people’s financial well-being”.*

RBS/Nat West – ‘Your Savings Goals’

The Fairbanking Foundation has granted a 4 Star Fairbanking Mark to RBS/NatWest’s ‘Your Savings Goals’ – a tool available on a number of their savings accounts.

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

- You can budget how much you can afford to save and actions are suggested.
- You can set up one or more goals or savings ‘pots’, which can be personalised.
- You can set up a specific “rainy day” fund for emergencies.
- You can find out how much you will need to save and for how long.
- 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.

Sureena Santos from RBS/NatWest said, *“The analysis confirmed that customers who use the Savings Goal tool were much more likely to achieve their target and actually saved twice as much as those who didn’t use the tool.”*

Lloyds TSB – ‘Classic Account with Control’

The Fairbanking Foundation has granted a 3 Star Fairbanking Mark to Lloyds TSB’s current account with overdraft called the ‘Classic Account with Control’.

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

- You can stay informed about your balance with a range of text alerts, including weekly balance, account limit and high/low balance.
- You cannot incur the uncertainty of unauthorised overdraft charges.
- You are shown how your spending breaks down into different categories; travel, shopping, bills/utilities 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, potentially identifying opportunities to save money.

Petra Watkinson of Lloyds TSB said, *“The Foundation’s research was really useful in providing some great scores and comments from customers about the control facility, the text alerts and our Money Manager service. The research demonstrated that these features really are helping our customers to manage their money more effectively”*