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Fairbanking to certify UK bank accounts

By Lucy Warwick-Ching in London

A charity set up to judge whether bank accounts and credit cards contribute to customers' "wellbeing" is set to become the UK's first certification body for financial products.

The Fairbanking Foundation – a not-for-profit research organisation that assesses more than 250 current accounts, savings accounts and credit cards, and grants Fairbanking marks to these products – has said it is expected to come under the umbrella of the UK Accreditation Service in the next few months.



UKAS is the government-appointed body that approves organisations providing any kind of certification or testing service.

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Under a scheme similar to Fairtrade labelling for food, [Fairbanking rates banking products](#) as to how well they help customers control their day-to-day finances and then awards three, four or five-star "marks".

The certification is available for current accounts, regular savings products and credit cards and assesses products for whether they can help customers achieve good financial behaviours. The testing process includes a survey of existing customers and there must be evidence that customers are changing financial behaviour in a positive way as a result of the product's features, if the product is to receive a Fairbanking Mark.

New Fairbanking marks were awarded on Thursday to four banking products offered by Lloyds TSB, Secure Trust Bank, Thinkmoney and RBS/NatWest. Three of these products were upgraded from a three-star rating to a four, while the Lloyds TSB product earned a three star Mark for the first time.

Jatin Patel, director of current accounts, Lloyds TSB, said: "The Foundation's research was useful in providing some helpful feedback about the products and services we provide to our customers.

"It also demonstrates that these features really are helping our customers to manage their money more effectively, and to be the first bank to be awarded a Fairbanking accreditation for an account with an overdraft is a great achievement."

However, despite the new awards, only a fraction of products have received a Fairbanking mark – five of the 2,000-plus accounts and cards offered in the UK have been deemed worthy of accreditation so far.

Antony Elliott, director of the Fairbanking Foundation, said he was in talks with several banks about developing products that could become worthy of accreditation. "We recently signed non-disclosure agreements with two very major banks, so it will be interesting to see what happens next, although this needs a lot of patience," he added.

He argued that the labelling of product literature with Fairbanking marks should encourage other banks to seek better ratings. "Competition should encourage more providers to improve their products and seek a Fairbanking mark to prove it," he said.

Supporters of the scheme said that while only a few banks had signed up so far, their willingness to display Fairbanking marks prominently on their websites and in marketing material highlighted [the potential for a wider uptake](#).

"Coming at a time when banks have suffered severe reputation damage, the Fairbanking mark has the potential to re-establish consumer confidence in retail banking," said Paul Palmer, associated dean for ethics at the Cass Business School. "But it will need to have the support of the industry to work."

Andrew Hagger, an independent personal finance analyst, agreed: "A kitemark will always give a product that extra credibility but, unless more financial providers can see the benefit of the accreditation scheme and submit their own products for review, then it's not going to be something many people recognise or understand."

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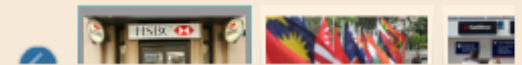
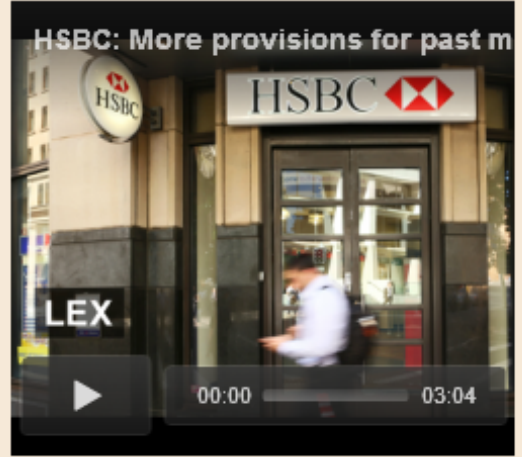
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