

# Fairbanking Foundation grows Mark certification scheme encouraging organisations to improve financial well-being

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. **Douglas Blakey** examines

**E**ight new providers have been approved: Barclays, Halifax, Bank of Scotland and Capital One as well as four credit unions Enterprise, Central Liverpool, 1st Alliance Ayrshire and London Capital.

The total of financial products covered by the scheme is now 25 as the scheme expands to cover loans and credit cards for the first time.

Prior to 2015, the Foundation had approved Marks for products from NatWest, RBS, Lloyds, Saffron Building Society, Secure Trust Bank and Thinkmoney.

## Image improvement

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 that 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% that 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.

## Product coverage

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

## 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 pre 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)

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."

Archbishop of Canterbury Justin Welby, a patron of the Foundation, added: "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."

## How a Fairbanking Mark is granted

Banking organisations and financial institutions 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.

This is usually carried out by 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. ■