

**RBS/NatWest 'Your Savings Goals' Cash ISA
Five Star Fairbanking Mark Research**

The Fairbanking Foundation awards marks to products which can demonstrate that they act in customers' best interests, and improve customers' financial wellbeing.

RBS/ NatWest's 'Your Savings Goals' Instant Access account has already achieved a five star status, and its 'Your Savings Goals' Cash ISA is now being tested for the same award. All features were tested in 2013 and given that the features are identical, not all were re-tested in this survey.

In order to qualify for this award, RBS/ NatWest must be able to demonstrate that customers have experienced a tangible positive impact on their financial wellbeing from using the 'Your Savings Goal' Cash ISA. To demonstrate this, a survey was conducted to gauge feedback from customers holding the product.

A representative sample of customers were sent a link to an online questionnaire, and asked to complete a set of pre-defined questions. The key features of 'Your Savings Goals' had already been tested as part of the award of a five star mark to the Instant Saver account, so most were not tested again as part of this research – although the most important features were included in the research, to ensure that they continued to have a positive impact on customers.

As well as testing the most important product features, the research was used to assess the reasons behind customers' decision to take out the regular savings Cash ISA product.

Namely:

- Why customers choose a regular savings Cash ISA for their goal?
- Whether they were aware the ISA allowance has gone up to £15,000?
- Whether the cash ISA was the best product for them to achieve their goal?

Finally, customers were asked about their awareness of the budget planning tool, as well as how they found using it.

This document summarises the outputs from the research.

Technical note

- 302 completed interviews (conducted between 11th and 24th November 2014.)
- The survey was conducted online and was approximately 10 minutes in length
- All respondents were holders of a Cash ISA with either RBS or NatWest. 254 respondents held the NatWest ISA and 48 held the RBS ISA.

SATISFACTION WITH 'YOUR SAVINGS GOALS'

Q5. Overall, to what extent are you satisfied or dissatisfied with the 'Your Savings Goal' product?

Very satisfied	111	37%
Fairly satisfied	121	40%
Neither satisfied nor dissatisfied	51	17%
Fairly dissatisfied	9	3%
Very dissatisfied	5	2%
Don't know	5	1%
Total	N=302	100%

77% Satisfied

Q5a. Please tell us why you are <insert answer from Q5> with the Your Savings Goal product?

Very satisfied;

"It is an excellent tool to keep me on track with my savings goals...It gives me something to focus on and allows me to have control over my money."

"It has kept the process of paying regularly into my savings really simple and shows me at a glance whether I will reach my goal and how changing the amounts affects these. It means I don't need to do any maths and can just worry about saving regularly to meet my goal. I would not have saved nearly as much without this tool as it prompts me to reduce savings within my means rather than saving more than I can afford and consequentially giving up and not saving anything for long periods."

"Clear indication of where you are at any given time. If you're ahead or behind (it) recalculates monthly amount (you need to save)."

"I set it up to help me budget for planned on-going future expenditure and it instils a discipline that has already helped at the right times; I would not have put the funds aside without it."

"The ability to change the goal is very useful, plus it also tells me how much I need to save each month"

"It enables me to set the overall amount as my target and then it breaks it down into monthly amounts for me. This helps when budgeting monthly so it is easy to allocate the right amount to achieve my goal."

“Relationships with banks have become distant, Fairbanking and NatWest have teamed up to make the bank have a more human face, and responsible air. The physical representation of setting a goal and the updates on how on track you are serve both as carrot and stick. Visual progress is a great incentive and the goal element means that you save for a purpose and ring fence the fund. Just putting it in a savings account does not stop one from using the money anyways. The stick is there actual gentle reminder that you are below the goal set, and the simple way in which the system is set up to let you know how much to save to reach your goal in the set time. It is more responsible, it reminds us to take responsibility and to defer immediate gratification and think more about budgeting generally. It is good to see a social and responsible element in the sector.”

Fairly satisfied;

“Does what it needs to do. Helps me maintain focus. Allows me to adjust figures and see outcomes.”

“I like being able to see how much I need to put away a month etc. It’s good that it's worked out for me. Makes saving easy.”

“It is fairly useful in planning, but could be improved with additional functionality, like factoring in interest, working out both how long it will take you to reach your goal at a given level of saving and how much you need to save a month to reach your goal by a given time.”

Neither satisfied nor dissatisfied;

“It felt like a game, a fun way of setting a goal, not too serious”

“It only allows me to save for one goal - one lump savings, whereas I save a certain amount for my house deposit, for my next holiday and for my new car. It would be nice to track multiple goals from the one account. I have to update an excel spreadsheet for that, but if I could use the NatWest app I could track how well I'm saving for each of them.”

Fairly dissatisfied;

“It doesn't really provide a sense of real-time adjustment (if I pay more or less in each month) nor does it help me model the occasional lump-sum deposit, provide direct access to adjust my standing order nor compare the growth against other market factors/indices (FTSE, inflation, Bank of England base rate) which would make it much much more useful as a motivator and help frame my investment against these other vehicles/strategies.”

“It is very rudimentary, offering no help towards calculating how much you are able to save, what is viable, or whether you are on target as the goal progresses. It is basically no more than a marked point on a bar chart.”

Very dissatisfied;

“Anyone can divide how much they want to save over a certain period of time. I don't see what special service this product claims to offer.”

“It's more my lack of ability to magic money from nowhere. That and it's there, telling me what a failure I am, every time I open my online account.”

Q6. Is this your first savings goal?

Yes	179	59%
No	115	38%
Don't know	8	3%
Total	N=302	100%

If this is not the first savings goal...

Q7. Have you ever finished a goal before?

Yes	87	76%
No	27	23%
Don't know	1	1%
Total	N=115	100%

Q8. Do you have active goals on another product?

Yes	26	23%
No	86	75%
Don't know	3	3%
Total	N=115	100%

If this is the first savings goal...

Q9. How likely are you to set up another goal when you complete this one?

Very likely	79	44%
Fairly likely	54	30%
Neither likely nor unlikely	21	12%
Fairly unlikely	7	4%
Very unlikely	5	3%
Don't know	13	7%
Total	N=179	100%

74% Likely to set up another goal

USAGE OF 'YOUR SAVINGS GOALS' FEATURES

Q10. How helpful have you found the following features of the Your Savings Goal product?

a) **Setting a purpose and giving your goal a name**

Very helpful	149	49%
Fairly helpful	106	35%
Not very helpful	27	9%
Not at all helpful	6	2%
Don't know	14	5%
Total	N=302	100%

84% Helpful

Q11. How helpful have you found the following features of the Your Savings Goal product?

b) **Showing possible combinations of monthly payments and time periods to meet your goal**

Very helpful	209	69%
Fairly helpful	80	26%
Not very helpful	4	1%
Not at all helpful	5	2%
Don't know	4	2%
Total	N=302	100%

95% Helpful

Q12. How helpful have you found the following features of the Your Savings Goal product?

a) **Setting up a monthly payment**

Very helpful	124	41%
Fairly helpful	73	24%
Not very helpful	27	9%
Not at all helpful	9	3%
Don't know	69	23%
Total	N=302	100%

65% Helpful

Q13. How helpful have you found the following features of the Your Savings Goal product?

a) **Receiving feedback on how much you have saved**

Very helpful	106	35%
Fairly helpful	75	25%
Not very helpful	26	9%
Not at all helpful	9	3%
Don't know	86	28%
Total	N=302	100%

60% Helpful

Q14. To what extent do you think you would be more or less likely to reach your savings goal using the 'Your Savings Goal' product than if you had not used this product?

Much more likely	79	26%
A little more likely	96	32%
Makes no difference	78	26%
A little less likely	27	9%
A lot less likely	13	4%
Don't know	9	3%
Total	N=302	100%

58% Likely

Q15. Please tell us why you are <insert answer from Q14> to reach your savings goal using the 'Your Savings Goal' product?

Much more likely;

"Each month when I get paid and log into my account to sort out my money for the month, it prompts and encourages me to save. I see it as almost another bill to pay."

"The savings goal seems much more achievable when set out with a timeframe and regular monthly payments. Without the tool I would not have the motivation to continue with regular savings."

A little more likely;

"Provides reminders and encouragement so less likely to use the money elsewhere."

"It keeps you motivated, and helps you make small changes; it's good to have a visual reminder of how close/far you are to achieving your goal. But ultimately, if you have a hard couple of months, there's not much you can do."

Makes no difference;

"Because if you are going to save money you will. If you don't have the funds available a little alert won't make a difference"

"I don't think it reminds you enough so is too easy to ignore. Plus i only see it in the website not in the app"

A little less likely;

"Because I wouldn't be able to see my progress of my savings as clearly, but I would like to think I would still reach my goal amount perhaps over a longer time."

"I probably wouldn't be able to see how accurately the money I was saving was reaching my goal so would become demotivated."

A lot less likely;

“Because it wouldn't be there as a reminder and when you see how much you could save if it's higher than that makes you want to save more.”

“There are too many things going on and too many demands upon cash. It would be difficult to keep track of the payments without some help from an automatic process.”

Q16. Is there anything else you would like to tell us about the ‘Your Savings Goal’ product?

“It should provide two calculations - one taking into account interest earnings on your your current ISA balance and one without. In general it would be nice to have a little interest calculator telling the customer how much will be earned on current balance from month to month.”

“Maybe adding the option to have text reminders/encouragements would be good? Setting the date you put money into it would be useful (so just after pay day for example for me) - sometimes if you had set up the goal at the wrong time, you get "you wont achieve your goal" for a few days before you put money into it which is upsetting!”

“It would be good to be able to combine two accounts into the "goal". I had a cash ISA which I connected to my goal, but it reached the max for the year so I couldn't add anything else to it and had to save for my goal in a different account - but the "your savings goal" thing couldn't recognise that.”

USAGE OF A CASH ISA

Q17. Did you open the Cash ISA / Instant Access ISA specifically to use the savings goal tool?

Yes	37	12%
No	260	86%
Don't know	5	2%
Total	N=302	100%

Q18. Have you ever had an ISA before?

Yes	146	48%
No	150	50%
Don't know	6	2%
Total	N=302	100%

Q18a. Do you have other savings with RBS / NatWest or other financial institutions?

Yes	151	50%
No	145	48%
Don't know	6	2%
Total	N=302	100%

Q19. Please can you tell us, what type of other savings accounts do you have?

This question is a multi-code question. Number of people mentioning each code is noted in the central column. The right hand column shows the percentage of people mentioning that code.

Instant Access	106	70%
Cash ISA	41	27%
Stocks and shares ISA	16	11%
Fixed Term ISA	4	3%
Fixed Term Bond	8	5%
Other	21	14%
Don't know	7	5%
Total	N=151	

All those with a goal over £10,000 and other savings which are not ISAs...

Q20. What led you to choose an ISA for your savings goal rather than a different kind of savings product?

The verbatim comments given at this question have been grouped into themes

Theme	Indicative verbatim comments relating to that theme
Tax efficiency	<i>"Tax free, better rate than my current instant access account"</i>
	<i>"I pay higher rate tax, so (the) ISA wrapper is critical for me"</i>
	<i>"Knowing that if I took money out, I would lose interest. This motivates me to keep the money in the ISA and restrain myself."</i>
Instant access	<i>"Knowing I could access the money if needed."</i>
Interest rate (at time arranged)	<i>"When I opened the ISA the interest was much higher, and as I am saving small sums of money the ISA seemed the best choice."</i>
	<i>"Better interest than regular savings accounts and I still have access if needed."</i>
	<i>"Originally 5% interest years ago, however it's been reduced to 0.5% so I will be thinking about moving the money."</i>
Value of savings	<i>"I don't earn enough to save enough to warrant a more specific savings account and a Cash ISA seemed the best way to go as its tax free. Especially since the £15k limit was introduced."</i>

Advice received	<i>"It was advised to me by NatWest when I first went into full time employment at the age of 18 and wanted to start saving."</i>
	<i>"Advice from NatWest when I received redundancy."</i>
	<i>"Because it was more re appropriate for a smaller savings as suggested by a (NatWest) rep."</i>
Ability to set a goal	<i>"I do a monthly transfer anyway, so it made sense to explore the (regular) savings idea once I had decided to save for a goal. It's been so easy! It's nice to see the ISA grow."</i>
Likelihood of achieving goal / less likely to access than a current account	<i>"The incentive to keep money in an ISA as its higher interest than in an instant access. It's more likely that I will actually stick to the savings and keep the money in the ISA until the goal has been reached."</i>
	<i>"It was more a case of having money in a different account, as opposed to in my current account, to remove the possibility of spending it."</i>
	<i>"I felt I would be better with an account where I couldn't touch my money."</i>
	<i>"Less temptation to transfer money out of it, except when it's needed."</i>
	<i>"So that it would be a bit more difficult to access than merely sitting in my current account."</i>
Online access	<i>"I can put money in and out with the use of my online banking."</i>
	<i>"It was easy to apply for online."</i>
Longer term savings	<i>"This is for a more long-term saving and for a higher amount."</i>
	<i>"I aim to put money away for the long term and get the best possible interest."</i>
Easy to use / access	<i>"It was offered to run alongside my current account, so transferring money was easier."</i>
	<i>"Ability to remove and input funds as desired."</i>
To build a cash fund	<i>"Building up a cash lump sum (again) after large purchase."</i>
	<i>"When I opened this account I only had a current account, but a steady income. I thought it would be better management of my money to put aside a small amount regularly into a higher interest account - even if I access this money rarely. I have little experience with bonds or shares and am not confident in investing in these so feel that the cash ISA is the best match for me."</i>
In case of emergencies	<i>"In case of an emergency with rent this year. It was comforting to know it was there for emergencies."</i>
Spreading the risk / having multiple providers	<i>"I keep money in other accounts to protect (me) in case something goes wrong with the banking industry, frauds etc."</i>
Consolidation of funds / having single provider	<i>"They are my current bank so I find it easier to have it all consolidated."</i>
Account set up by parents	<i>"I already had an ISA set up by my parents. When I turned 18, I added my own savings to that account."</i>

Q20a. You told us you have other savings that are not in an ISA. Please could you tell us, what is your reason for saving into this separate account that doesn't give you the ISA tax allowance?

The verbatim comments given at this question have been grouped into themes

Theme	Indicative verbatim comments relating to that theme
Ability to move money around	<i>"There's no annual cap, so I can move savings in and out of other accounts without using up my ISA allowance."</i>
	<i>"Ability to remove and input funds as desired."</i>
To be able to save for different reasons	<i>"I only opened multiple accounts so I could assign money to the specific things they will be spent on, e.g. house deposit, child savings."</i>
For an emergency fund	<i>"I use this for emergency fund."</i>
Instant access	<i>"I use it as a holding account before transferring it to my ISA, so that I do not leave myself short."</i>
Separating long and short term savings	<i>"I don't touch the money in my ISA. If I need to use savings, I use my instant access account. It's a good way to separate 'proper' savings from a buffer zone."</i>
	<i>"A rainy day/miscellaneous savings fund that I can access without dipping into ring-fenced money."</i>
	<i>"I used my ISA for long term (untouchable) savings and esave for (temporary) savings which I could use if I needed to transfer to my current account if the need arose, or transfer to ISA when above a certain level or when ISA allowance filled."</i>
Use of National Savings	<i>"The National Savings certificates are index linked and tax free. The premium bonds give regular small payouts which are tax free."</i>
Exceeding ISA limit	<i>"Because I exceeded the annual ISA allowance."</i>
To prevent expenditure	<i>"I 'skim' my wages from my current account into my First Reserve account so I don't spend it all at once. If I think I have a smaller amount of money in my account, I'll spend less! Then about halfway through the month, I top it up."</i>
	<i>"It's just an extra account to put my money into. My food and petrol money goes in there at the beginning of the month and gets transferred into my main account as needed. If there is any left at the end of the month, it goes into the ISA"</i>
Better interest rate	<i>"It is a bond and has a better interest rate."</i>
Spreading the risk / having multiple providers	<i>"I don't trust all my money with one bank."</i>

There was only one comment at Q20/Q20a which suggested that a customer may not have fully grasped the nature of the product. The comment was: "That was what my bank recommended. Turns out I would have got a much better interest rate by going with a different bank. RBS therefore won, as I haven't got around to changing." However this

comment is more about the interest rate than the product and we feel therefore that it shouldn't be of any great concern.

Q21. Were you aware that you can now save £15,000 a year into your ISA – this increase occurred in July 2014?

Yes	260	86%
No	39	13%
Don't know	3	1%
Total	N=302	100%

Those who were aware of increase...

Q22. Whereabouts did you hear of the increase?

This question is a multi-code question. Number of people mentioning each code is noted in the central column. The right hand column shows the percentage of people mentioning that code.

Received a letter/email/SMS from a financial provider	96	37%
Saw it on my financial provider's website	87	33%
Was told in a bank branch	29	11%
Television	79	30%
Radio	28	11%
Press	62	24%
Article online	50	19%
Other	12	5%
Total	N=260	

Q23. Have you transferred money out of this Cash ISA / Instant Access ISA?

Yes	246	81%
No	46	15%
Don't know	10	3%
Total	N=302	100%

All who have not transferred out of this ISA...

Q24. How likely is it that you will withdraw money from this Cash ISA / Instant Access ISA during the current tax year (ending April 2015)?

Very likely	4	9%
Fairly likely	4	9%
Neither likely nor unlikely	5	11%
Fairly unlikely	10	22%
Very unlikely	22	48%
Don't know	1	1%
Total	N=46	100%

18% Likely to withdraw money

Q25. Were you aware that if you withdraw money from your Cash ISA / Instant Access ISA you cannot reinvest it in the same tax year if your total deposits will exceed the £15,000 limit?

Yes	284	94%
No	14	5%
Don't know	4	1%
Total	N=302	100%

All who have not transferred out of this ISA...

Q26. How likely is it that this would influence your decision to transfer money out of the Cash ISA / Instant Access ISA?

Very likely	11	24%
Fairly likely	7	15%
Neither likely nor unlikely	8	17%
Fairly unlikely	3	7%
Very unlikely	16	35%
Don't know	1	2%
Total	N=46	100%

39% Likely to influence decision

All who have transferred money out of this ISA...

Q28. When you transferred money out of your RBS Instant Access ISA / NatWest Cash ISA did you see the following message?

Debit from ISA Account ✕

If you wish to withdraw money from your cash ISA, you cannot reinvest it in the same tax year if your total deposits will exceed your yearly allowance.

The current yearly allowance is £15,000.

For example, if £14,900 is paid in and then £1,000 is withdrawn, only £100 can be redeposited.

If you want to transfer from one ISA to another, you need to complete a cash ISA transfer form so funds moved across do not form part of your current year's allowance.

Important: Please do not transfer the funds yourself or you will lose your tax free status - you should use the cash ISA transfer form which you can get from the bank or building society you are transferring the funds to. If you are transferring to another RBS cash ISA you can find the form here.

Cancel ▶
Proceed ▶

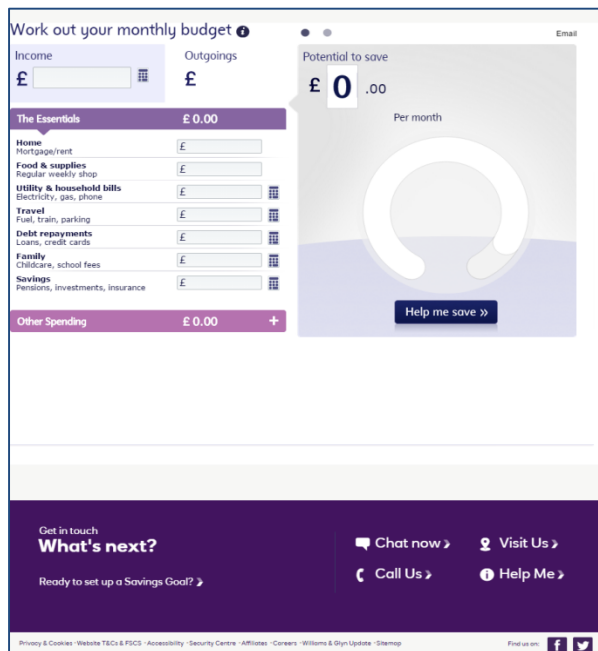
Yes	223	91%
No	11	4%
Don't know	12	5%
Total	N=246	100%

All those seeing the message...

Q29. When you saw the message did you decide to?

Remove money from the cash ISA	211	95%
Leave the money in the cash ISA	9	4%
Something else	3	1%
Total	N=223	100%

BUDGETING TOOL



Q30. Have you seen the RBS / NatWest website Budgeting tool before (shown below)?

Yes	87	29%
No	200	66%
Don't know	15	5%
Total	N=302	100%

All those aware of the tool...

Q31. And have you used the Budgeting tool?

Yes	32	37%
No	54	62%
Don't know	1	1%
Total	N=87	100%

Q31. Overall, how helpful have you found using the Budgeting tool? (All who have used)

Very helpful	8	25%
Fairly helpful	15	47%
Not very helpful	7	22%
Not at all helpful	-	-
Don't know	2	6%
Total	N=32	100%

72% Helpful

Q33. Is there anything that you feel could be improved with the Budgeting tool?

“If it somehow integrated with your account, and showed where money had gone previously, it would be HUGELY more beneficial. I know this is a large project, but it would be incredibly valuable. Something like BillGuard or Mint.com, but can be trusted as it's already NatWest.”

“Am not sure if it is possible, but it would be good if the budgeting tool could identify standing orders and regular payments (such as utility bills and subscriptions) and speculatively import these figures into the budgeting tool before asking you to confirm amount and enter your expenses. The tool could also quite easily identify income. I feel that this would limit the need to guess (possibly underestimate) or trawl through past transactions to determine these amounts and also decreases the chances of forgetting to include regular expenses you take for advantage such as medical prescriptions or long-term magazine subscriptions.”

“I found quite a few boxes didn't seem to apply to me would be better if you could make it more personalised.”

“If you could login first, then link the budgeting tool to your actual transactions, so you could see which transactions were budgeted and which are unplanned. Have it so the budget is saved liked a goal, and can be added to/changed as needed e.g. to reflect bill increases or a salary raise etc”

“It is a useful tool to put in your usual monthly outgoings, but there are too many one off events and things that need to be paid for to account for all of them with this tool. It is good as a basis but I couldn't live by this very much.”

ABOUT THE SAVINGS GOAL

Q1. When did you set up 'Your Savings Goal' on your RBS Instant Access ISA / NatWest Cash ISA?

In last month	9	3%
1 – 3 months ago	48	16%
Between 3 and 6 months ago	75	25%
6 months to a year ago	72	24%
Over a year ago	85	28%
Don't know	13	4%
Total	N=302	100%

Q2. What was the purpose for setting up 'Your Savings Goal' on your RBS Instant Access ISA / NatWest Cash ISA?

This question is a multi-code question. Number of people mentioning each code is noted in the central column. The right hand column shows the percentage of people mentioning that code.

Wedding	28	9%
Car	26	9%
Holiday	76	25%
Something special	29	10%
House deposit	113	37%
Home improvements	20	7%
Business	1	-
Education	16	5%
Baby / Childcare	12	4%
Rainy day	70	23%
Other	31	10%
Total	N=302	

Q3. Please tell us a little bit more about the goal itself. How long is the goal on your RBS Instant Access ISA / NatWest Cash ISA?

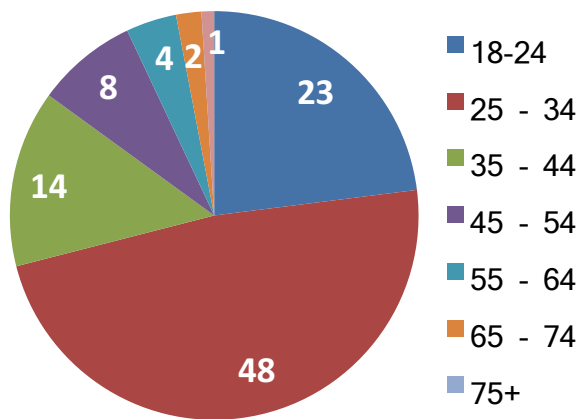
Less than 6 months	32	10%
6 – 12 months	96	32%
12 – 24 months	87	29%
Longer than 24 months	67	22%
Don't know	20	7%
Total	N=302	100%

Q4. And how much are you hoping to save?

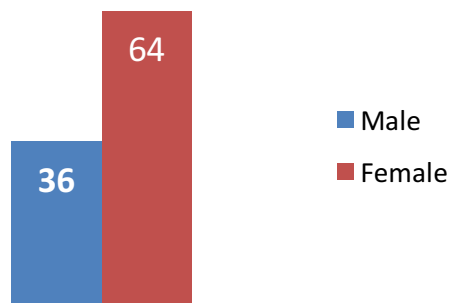
Less than £500	6	2%
£500 - £1,000	35	11%
£1,001 - £3,000	71	23%
£3,001 - £10,000	99	33%
£10,001 - £15,000	44	15%
More than £15,000	47	16%
Total	N=302	100%

DEMOGRAPHICS

Q34. Which age group applied to you?



Q35. Gender



Q36. Please can you record which, if any, of the following apply to you? I am the parent or legal guardian of

This question is a multi-code question. Number of people mentioning each code is noted in the central column. The right hand column shows the percentage of people mentioning that code.

a child / children under the age of 16 who does / do live with me	55	18%
a child /children aged under 16 who does not / do not live with me and to whose upbringing I contribute financially	3	1%
a child / children aged under 16 who does not / do not live with me and to whose upbringing I do not contribute financially	1	0%
a child / children aged 16 to 19 who is / are currently in full-time education	11	4%
None of the above	239	79%
Total	N=302	