

Press release: for immediate publication – 28th November 2010

## New quality standard launched for banking products to show which are best at improving the customer's financial well-being

The Fairbanking Foundation - a not-for-profit, research based charity – is launching a new accreditation scheme to help encourage banking organisations to improve the financial well-being delivered by their products. Called the 'Fairbanking Mark', this new initiative will award three, four or five stars for the financial well-being delivered by a product that meets the Foundation's standards. The five star version of the Mark appears below:



Like Michelin star restaurants, FairBanking Marks will not be commonplace, reflecting the stringent criteria and process used in the assessment.

In addition to looking at the key financial well-being characteristics and features of the product, the process of assessment will also involve Fairbanking's research partner - Ipsos MORI - conducting research amongst at least 250 customers of that product to ensure that theoretical financial well-being benefits have been delivered in practice. Fairbanking will also review the provider's complaints procedures and experience for the product being assessed.

Providers will be charged to put a product through the accreditation process, primarily to cover the costs of the research and assessment carried out with actual customers of that product.

**Antony Elliott, Director of the FairBanking Foundation, said:** *"This quality mark programme will be an important step in helping consumers to identify products that have been rigorously tested for the financial well-being they can deliver. Crucially, it will also provide a powerful incentive for banks to compete through continual improvement of their products in ways which will truly benefit their customers."*

A number of banking product providers are already in discussion with Fairbanking with a view to having their products assessed for a Mark.

The first Fairbanking Marks will be formally awarded at a ceremony taking place in London on June 14<sup>th</sup> 2011.

Any product provider interested in putting one or more of their products up for accreditation should make contact with The Fairbanking Foundation via its website at [www.fairbanking.org.uk](http://www.fairbanking.org.uk).

### **Updated financial well-being ratings**

Fairbanking is also working on a major update of the financial well-being ratings it issued earlier this year for all credit cards, savings accounts and current accounts offered in the UK. The first assessment was published in February 2010 and was based on publicly available information about the relevant products.

The updated assessment is being carried out through Fairbanking conducting the largest survey of banking products ever undertaken in the UK. This survey is now underway. It will include an additional product - 'non-debt current accounts' - current accounts with no overdraft facility, to mirror the range of products for which the more demanding 'Fairbanking Mark' is available.

The survey will involve Fairbanking making contact with each of the more than 50 banking groups marketing products in the UK to seek completion of an extensive survey.

Through its open engagement with providers, this survey will facilitate an even more thorough analysis of the relative strength of these products from a financial well-being point of view. Providers will be able to highlight any financial well-being features and benefits that may not be obvious to the outside world. They will also be able to share with Fairbanking any plans they may have for future enhancement or new product launches.

Once completed, the results of the survey will be analysed by the Fairbanking team and the results will be published in a full report in the spring of 2011.

This survey is being funded by the NESTA organisation.

### **ENDS**

For more information, please contact Martin Campbell on 07802 634 695 or email [martin.campbell@fairbanking.org.uk](mailto:martin.campbell@fairbanking.org.uk).

### **Notes for editors**

About The Fairbanking Foundation:

### **“Working to improve the financial well-being delivered by banking products”**

The Fairbanking Foundation is a not-for-profit, research-based charity 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 bail-out of some of the UK's biggest banks.

FairBanking's last two reports identified the drivers to financial well-being and assessed all UK current accounts, credit cards and savings accounts to measure the financial well-being they deliver.

Further information and contact details for The Fairbanking Foundation can be found at [www.fairbanking.org.uk](http://www.fairbanking.org.uk).