

## Product Specification: Children's Savings

### 1 Enabling the child to set a savings goal or "pot"

*This section looks at features that are more likely to lead to savings action and to on-going commitment. The child is encouraged to differentiate between wants and needs.*

- 1.1 The product has the functionality to set up a savings goal or "pot" for the child.
- 1.2 Different goals or "pots" can be set for different purposes e.g. bike, phone, presents.
- 1.3 Goals or "pots" can be personalised e.g. not just a pre-set purpose but named by the child.
- 1.4 Tools are available to help the child identify in advance how savings will grow through time to reach the goal.
- 1.5 The child can produce or see different views of the savings goals e.g. pictorial, tabular display, video.
- 1.6 The child will have an appropriate goal setting approach dependant on their age.
- 1.7 Age appropriate incentives are provided for setting-up the account.

### 2 Providing the customer with balance feedback

*This sections looks at balance feedback that gives the child information on the progress She/he is making in a way that motivates.*

- 2.1 Feedback is provided on how savings are building to reach a goal.

### 3 Parental involvement with the product

*This section considers age appropriate features of the product that enables the parent to be involved in helping the child to develop financial understanding*

- 3.1 The parent/guardian is encouraged to be involved with help during set up of the account.
- 3.2 The parent/guardian is encouraged to have on-going involvement e.g. in relation to wants and needs for younger users, setting up a goal or encouraging discussion on budgeting with older users.
- 3.3 The product contain features to involve parents in the transition from the account being in the name of the parent/guardian to the child (particularly from ages 7 and 11 i.e. when the account can be transferred to the child and when the child can have a current account).

### 4 Setting up payments

*This section looks at how straightforward it is to set up a regular payment as a result of having set a goal.*

- 4.1 The child or parent/guardian is prompted to set up payments as a result of the goal-setting.
  - 4.2 There is an easy mechanism for setting up payments to the savings product.
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## **5 Providing motivation and incentives to continue with or re-align a goal**

*This section looks at features that provide children with messages that encourage them to continue with or re-align goals and at financial incentives to encourage customers to continue with saving.*

- 5.1 Encouragement is given to the child to keep on saving even if on-target.
- 5.2 Encouragement is given if the child falls behind to start again.
- 5.3 The child is encouraged to establish a new goal when a goal has been achieved.
- 5.4 Incentives are provided to the child, designed to provide commitment that is continuous.

## **6 Budgeting support**

*This section considers age appropriate budgeting in order to identify an amount that can be saved on a regular basis.*

- 6.1 There is a tool that enables the child to identify wants/needs in order to calculate savings potential.
- 6.2 The budget tool is child-friendly and designed to build engagement.
- 6.3 The child receives advice from the age group above e.g. 15 to 18 year olds learning from the experience of 20 to 25 year olds.

## **7 Transition from child to adult savings account**

*This considers whether the transition is done in such a way as to encourage saving behaviour in adulthood.*

- 7.1 On reaching adult age encouragements are giving to continue saving in an adult account.

## **8 Using age appropriate communication**

*This section considers how well through training and other expertise, age appropriate communication is delivered for age groups between 5 and 18 to support them in developing money management skills.*

- 8.1 There is encouraging communication with the child in an age appropriate way, regardless of method? (e.g. webchat, phone, text).
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