

The Fairbanking Mark Credit Card Specification



Fairbanking Foundation

The Fairbanking Foundation is a charity dedicated to encouraging and helping financial providers to improve the financial well-being of their customers and as a result the UK public.

We do this through;

Research and Ratings Reports

Industry wide, independent surveys of retail products in the market or along retail themes.

Advice and Training

A programme of services to help financial services providers capitalise on Fairbanking research, coupled with the latest thinking in behavioural economics, to create products and processes that better serve customers.

Fairbanking Marks

The Fairbanking Mark certification scheme is a market leading programme accredited by the UK Accreditation Service (UKAS) for financial products in the UK. Its certification procedure is similar to bodies such as the British Standards Institute (the "kitemark").

The methodology to analyse product features and their impact on financial well-being has been developed into 9 product specifications.

- ▶ Credit Card
- ▶ Current Account with overdraft
- ▶ Current Account without overdraft
- ▶ Personal Loan
- ▶ Personal Loan (High APR)
- ▶ Regular Savings
- ▶ Childrens' Savings Accounts
- ▶ Mortgages
- ▶ Student Current Accounts

Fairbanking research, combined with industry expert input, has identified drivers of financial well-being and identified money management practices that help customers positively change behaviour. These findings have generated benchmarks for products against which to measure the customer financial well-being that the product offers.



As part of a Fairbanking Mark assessment, we will work with you to identify, validate and confirm whether your products meet our functional standards and, if they do, the Fairbanking Mark will be granted in either a three, four or five star version. As part of our assessment process we survey, either via telephone or online, your customers' reactions to specific features.

In addition to the features outlined, we also consider a number of fairness factors to ensure that the product adheres to the Foundation's principle of fairness. These factors vary by product but will include a review of your product specific complaints, ensuring interest charges and fees are at an acceptable market level and that there are no restrictive practices relating to the product.

The product features outlined in this specification form the basis for our Credit Card Fairbanking Mark assessment. To evaluate the potential for a Fairbanking Mark on your product, please either specify your answer by selecting Yes or No to the questions adding any relevant comments and submit the form. To contact our team to see how we can support you, please email us at info@fairbanking.org.uk.

Product Specification: Credit Card

1. Keeping the customer informed and in control

This section looks at features that let the customer know exactly how much is available to spend at any given point in time and over the amount of credit limit accepted.

1.1 A message providing balance of account is available on request at any time.

Yes

No

Comments:

1.2 The product encourages the customer to set a customised account balance that triggers a reminder message when reached e.g. when a percentage of the limit is used or an amount remains.

Yes

No

Comments:

1.3 Customers are encouraged to adopt the opt-in method to accept credit limit increases during application.

Yes

No

Comments:

1.4 Notification of a credit limit increase is done in such a way as to encourage the customer to consider whether it is advisable, regardless of whether the customer has chosen to opt-in or opt-out of the increase.

Yes

No

Comments:

2. Enabling the customer to keep track of expenditure by category

This section looks at features that may help customers with being on top of their expenditure by providing an in-depth understanding of where they spend their money.

2.1 The product enables the customer to review expenditure by detailed category, e.g. dining out, petrol, groceries, entertainment and the customer can review expenditure by category through time in formats which lead to action.

Yes

No

Comments:

2.2 The expenditure category functionality provides a comparison with others e.g. an average for other customers (perhaps with similar incomes) of how much they spend in each of the categories.

Yes

No

Comments:

2.3 The product enables the customer to set a budget by different categories. e.g. dining out, petrol, groceries, entertainment and track actual expenditure against the set budget.

Yes

No

Comments:

3. Encouraging the customer to repay as much as they can afford

This section looks at features that encourage customers to repay more than the minimum amount if they can afford to do so.

3.1 The product gives alternatives to making the minimum payment that encourage the customer to consider what they can afford (de-emphasising the minimum as a default).

Yes

No

Comments:

3.2 Customers making the minimum payment are contacted in a way that encourages them to make a larger payment.

Yes

No

Comments:

3.3 It is possible to easily pay all or part of the balance, including with a debit card.

Yes

No

Comments:

3.4 It is straightforward to pay any amount including the full balance.

Yes

No

Comments:

3.5 The customer is encouraged to select a payment date that is soon after they receive monthly income.

Yes

No

Comments:

4. Enabling the customer to plan repayments to reduce debts

This section looks at features that help customers to take control of their debts and to take realistic actions to reduce those debts before getting into difficulty.

4.1 The product shows the customer how long different repayments will take to reduce the outstanding balance/debt.

Yes

No

Comments:

4.2 The product enables the customer to set up a payment plan to reduce debts at an early stage.

Yes

No

Comments:

4.3 The product has incentives to meet plan/reduce debt; (these could be seen by the provider as forbearance e.g. lower interest rate loan) designed to encourage the customer to repay.

Yes

No

Comments: