

**The Fairbanking Mark**

Current Account without Overdraft Specification



# Fairbanking Foundation

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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.

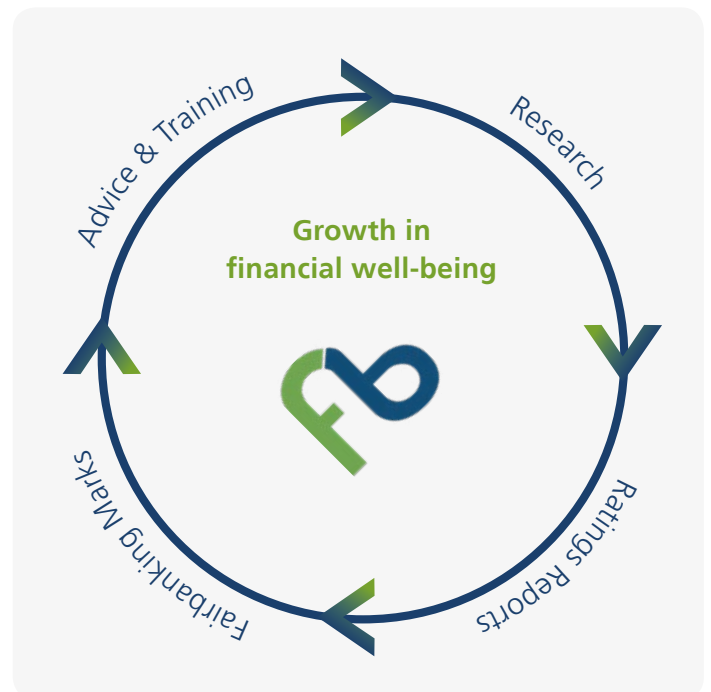
## Fairbanking Marks

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 Current Account without Overdraft 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](mailto:info@fairbanking.org.uk).

# Product Specification: Current Account without Overdraft

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## 1. Keeping the customer informed and in control - account balances and alerts

This section looks at features that let the customer know exactly how much is available to spend at any given point in time giving the customer a sense of control and the responsibility to manage their finances.

- 1.1** The product triggers a message or an alert if the balance has reached a certain level (set by the customer). The customer should not have to sign up for this alert.
- Yes
- No

Comments:

- 1.2** The product triggers a message if the account balance goes over a maximum level (set by the customer). The customer should not have to sign up for this alert.
- Yes
- No

Comments:

- 1.3** The product has other features designed to increase the visibility of the account balance (e.g. automatic balance on the mobile app when turned on or the account balance presented after last transaction).
- Yes
- No

Comments:

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## 2. Enabling the customer to keep track of income and expenditure

This section looks at features that let the customer track how much income they are receiving against how much they are spending, helping them to identify trends; i.e. whether expenditure is less than income, a key factor of financial well-being.

- 2.1** The product enables the customer to track their overall income and expenditure; i.e. the product provides a summary of the overall income received for a period and the overall expenditure spend during that period.
- Yes
- No

Comments:

- 2.2** The product enables the customer to produce or receive an income/expenditure time profile; i.e. the customer can look at the change in income and expenditure over different time periods.
- Yes
- No

Comments:

**2.3** The product enables the customer to produce different views of income and expenditure (e.g. pictures and numbers).

Yes

No

Comments:

**2.4** The product alerts the customer to opportunities for regular saving (e.g. for rainy day or other reasons)

Yes

No

Comments:

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### 3. Enabling the customer to keep track of expenditure by detailed 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.

**3.1** The product enables the customer to review expenditure by detailed category, (e.g. rent, utilities).

Yes

No

Comments:

**3.2** The product enables the customer to review how expenditure in categories change through time, i.e. the customer can look at how expenditure categories change over different time periods.

Yes

No

Comments:

**3.3** The product enables the customer to produce different views of the expenditure categories (e.g. pictures and numbers).

Yes

No

Comments:

**3.4** The expenditure category functionality allows for comparison with others (e.g. an average for other customers spending habits for each category, perhaps with similar income levels).

Yes

No

Comments:

## 4. Enabling the customer to set a budget

This section looks at features that help customers be realistic about the amount they receive and what they have available to spend and help them to stay within their budget.

**4.1** The product enables the customer to set an overall budget.

Yes

No

Comments:

**4.2** The product enables the customer to set a budget by different categories, (e.g. rent, utilities).

Yes

No

Comments:

**4.3** The product tracks the actual expenditure against the set budget.

Yes

No

Comments:

**4.4** The product provides alerts with helpful prompts to amend budget plan if circumstances change.

Yes

No

Comments:

**4.5** The product gives incentives for achieving plan (non-financial and/or financial).

Yes

No

Comments:

## 5. Forecasting to enable the customer to live within means

This section looks at features that help customers forecast whether they will run out of money to pay regular bills in a period, enabling customers to take action.

**5.1** The product enables forecasting of expenditure to identify possible shortfalls.

Yes

No

Comments:

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## 6. Ring-fencing of bill payments to give reassurance that these bills will be paid

The section looks at features that help customers ensure that regular bills are paid prior to money being made available for other purposes.

**6.1** The product supports ring fencing of expenditure (e.g. regular bills vs discretionary spend).

Yes

No

Comments: