

The Fairbanking Mark
Student Current Account 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 Student Current Account 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: Student Current Account

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

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

1.1 The balance can be obtained at any time by the student with a mobile app.

Yes

No

Comments:

1.2 The product provides the student with the ability to trigger a message if the balance has reached a certain level and/or automatically sends a message on a low balance.

Yes

No

Comments:

1.3 The product provides the customer with the ability to set a message if the account balance has reached a maximum level in addition to 1.2.

Yes

No

Comments:

2. Enabling the student to keep track of income and expenditure

This section looks at features that let the customer track how much income, including student loans 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 student to track their overall income, including student loans and expenditure, i.e. the product provides a summary of the overall income received for a period and the overall expenditure during that period.

Yes

No

Comments:

2.2 The product enables the student to produce or receive an income/expenditure time profile; i.e. the customer can look at the change in income and expenditure over time using a monthly average to smooth for a term.

Yes

No

Comments:

2.3 The product enables the student to produce different views of income and expenditure (e.g. graphs and tables).

Yes

No

Comments:

2.4 The product highlights to the customer opportunities for regular savings.

Yes

No

Comments:

3. Enabling the student to keep track of expenditure by detailed category

This section looks at features that may help students to be on top of their expenditure by providing an in-depth understanding of where they spend their money. These would be provided by mobile app or online.

3.1 The product enables the student to review expenditure by category (e.g. eating out, petrol, groceries, entertainment).

Yes

No

Comments:

3.2 The product enables the student to review expenditure by category through time; i.e. can the customer look at how expenditure categories change over time.

Yes

No

Comments:

3.3 The product enables the student to produce different views of the expenditure categories (e.g. graphs and tables).

Yes

No

Comments:

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

Yes

No

Comments:

4. Enabling the student to set a budget

This section looks at features that help students to be realistic about the amount they receive and what they have to spend and helps 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. dining out, petrol, groceries, entertainment.

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 budget; these can be financial or non-financial.

Yes

No

Comments:

5. Encouraging parental involvement

This section looks at features that help students to get support from parents when agreed.

- 5.1** The product encourages parents to provide advice on budgeting e.g. optional e-mail to parents to check budget is complete or pack encouraging a discussion with parents.

Yes
No

Comments:

6. Providing short term deterrents to reduce expenditure

This section looks at features that are designed to help students to control their spending in a straightforward way.

- 6.1** The product enables the student to deactivate the debit card for a period of time (e.g. when going out for the evening to reduce the likelihood of overspending).

Yes
No

Comments:

- 6.2** The product can send a message if expenditure in a period (e.g. week) reaches a certain level determined by the student.

Yes
No

Comments:

- 6.3** The product enables the student to restrict the maximum spend in a day/week without having to take action; i.e. creates a deterrent for large expenditure.

Yes
No

Comments:

7. Enabling the student to manage their debts

This section looks at features that help students to be in control of their debts and not to acquire greater debt than is necessary.

- 7.1** There is a check to ensure the student only has one product with an interest free overdraft limit.

Yes
No

Comments:

7.2 The product enables students to set a plan to reduce debt, for example with income from temporary or part-time work.

Yes

No

Comments:

7.3 The product gives incentives to meet plan.

Yes

No

Comments:

7.4 The product notifies the customer with a message if the balance is near the authorised credit limit.

Yes

No

Comments:

7.5 The product notifies the customer with a message if a debit transaction/s will take the balance over the authorised credit limit that day enabling the customer to take remedial action.

Yes

No

Comments:

7.6 The product provides students with the opportunity for a temporary overdraft increase (maximum of 3 months) to cope with unforeseen expenses; the overdraft limit would be reduced following receipt of monies into the account.

Yes

No

Comments:

7.7 The product will suggest the student takes independent advice from suitable agencies if he/she is experiencing financial difficulties and check to see that the advice is being sought (e.g. individual colleges and NASMA).

Yes

No

Comments:

8. Transition from student to mainstream account

This section looks at how the transition to a mainstream account occurs and how the student is prepared for this together with features to assist with the transition into work.

8.1 The product makes the student aware of the different terms of the new account, especially the overdraft arrangements, early enough to enable the student to make adjustments (e.g. reduce the overdraft).

Yes

No

Comments:

8.2 The product has flexibility for students that have not been able to find employment (e.g. by postponing the charging of full interest, it could include suggestions to seek the benefits to which they are entitled).

Yes

No

Comments:

8.3 The product provides features for graduates to provide financial management as they enter the workforce (e.g. tailored budgeting, awareness of bills, how to reduce overdrafts and credit card balances and obtaining a good credit rating).

Yes

No

Comments: