



# The FairLife Charity

## Fair trading in finance



### Student current accounts

The FairLife Mark is a competitive advantage you can be proud of, boosting customer loyalty and trust by giving you higher standards than those required by law. The highly visible mark says that your firm has a positive attitude toward Consumer Duty, conveying this to your customers in language they understand.

#### The FairLife Mark Pledge

The mark represents a pledge to promote good customer outcomes by pricing honestly and trading fairly. Any products or services displaying the FairLife Mark must:

- a) Follow the spirit as well as the letter of any agreed regulator's rules and principles with an emphasis on treating people fairly and delivering good outcomes for customers.
- b) Adhere to agreed sources of profit as detailed in the PANA criteria below. Any extra fees or charges must be designed only to cover additional costs and not to generate additional profits.

In essence FairLife providers agree to act in good faith, embracing good practice within the constraints of the market and avoiding poor practice.

#### PANA criteria for student current accounts to display the FairLife Mark

PANA stands for Peer Agreed and Nationally Approved meaning that the criteria have been agreed by a peer group of providers and approved by the FairLife Charity. The resulting standards combine fairness to the public with business practicality. PANA criteria evidence that FairLife-marked products and services meet the FairLife Pledge.

1. The provider must act in good faith, helping customers to select and manage products and services that will help them achieve their financial goals and avoid foreseeable harm.
  - This is achieved by the provider acting consistently within the reasonable expectations of the FairLife Charity, the Financial Conduct Authority, retail customers and the Financial Ombudsman Service.

#### PRODUCT FEATURES

- 1) Negative footprints in the student's credit history must be limited. Both the account holder extending their overdraft beyond the pre-agreed limit and the account provider shutting-off the supply of credit must be considered part of the normal operation of the account. Students using these features must not have their credit histories marked in a manner which indicates negative behaviour. This criterion does not prevent the licensee from flagging other areas of concern to a Credit Reference Agency, such as where the account holder breaks the law or materially breaches the bank's terms and conditions.
- 2) The provider must be able to inform customers when they exceed a pre-agreed limit with an immediate email and/or text message notification.



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- 3) The terms of the account should be honoured for a minimum period of one year after the student's course has finished or a minimum of two years where the account holder is registered unemployed.
- 4) The member agrees to follow the spirit of the new consumer duty and to acknowledge interpretations agreed by FairLife panels from time to time, such as areas of foreseeable harm.

### PRICE AND VALUE

2. Fees and charges, other than any monthly or upfront fee, must be designed only to cover additional costs and not to generate additional profits. This requirement does not cover charges for additional products or services offered by the provider in connection with the account.
3. Any monthly or upfront fee must be deemed to represent fair value for the customer, as must any additional fees or charges for related services offered by the provider in connection with the account.

### CUSTOMER UNDERSTANDING

4. Communications and charging structures must be clear, fair and not misleading.
5. The provider must avoid terms likely to impede a customer's understanding and be willing over time adopt standardised terms for charging customers if peer agreed terms can be secured in the future. This will build public trust and help FairLife schools, colleges and universities to teach financial education.

### CUSTOMER SUPPORT

6. The provider must have policies for supporting vulnerable customers, which seek to give those customers similar good outcomes to other customers.

The FairLife Mark is a mark of integrity that can be awarded based on the provider's own declarations. The licensee may use the mark on any qualifying products and cancel at any time.

Student current accounts are generally well run by the financial services industry. The FairLife Mark will further improve these products and will help to protect students while they learn the principles of sound financial management.

*The FairLife Mark is on your side*