



# The FairLife Charity

Fair trading in finance



## Student current accounts

### The FairLife Pledge

The fair trading mark represents a pledge to price honestly and trade fairly with your customers. Any product or service displaying the FairLife Mark must be fairly traded and honestly priced in a way that is business practical:

- a) The provider must follow the spirit as well as the letter of any agreed regulator's rules and principles with an emphasis on treating customers fairly.
- b) The provider must 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 you agree to embrace good practice within the constraints of the market and to avoid poor practice which although legal is considered avoidable on a voluntary basis by your peers. Nothing in the FairLife initiative should put you at a commercial disadvantage.

### 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) Fees or charges, other than any monthly or upfront fee, must be designed only to cover additional costs and not to generate additional profits (this excludes charges for additional facilities).
- 2) 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.
- 3) The provider must be able to inform customers when they exceed a pre-agreed limit with an immediate email and/or text message notification.
- 4) 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.

If peer agreement can be secured in the future the charity will seek to introduce standardised terminology. This will build public trust and help FairLife Schools, colleges and universities to teach financial education.

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*