

BANKING  
STANDARDS  
BOARD

An aerial photograph of a city, likely London, showing a river (the River Thames) winding through the urban landscape. The image is partially obscured by a large, semi-transparent blue diagonal overlay that covers the bottom right portion of the frame. The text 'WHAT DO GOOD BANKING OUTCOMES LOOK LIKE TO CONSUMERS?' is printed in white, uppercase letters on this blue overlay.

WHAT DO GOOD BANKING  
OUTCOMES LOOK LIKE TO CONSUMERS?

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## ABOUT THE BSB

The BSB was established in 2015 to help raise standards of behaviour and competence across UK banks and building societies.

We are a private sector body funded by membership subscription and open to all banks and building societies operating in the UK. We are neither a regulator nor a trade association; we have no statutory powers and do not speak or lobby for the industry. We provide challenge, support and scrutiny for banks and building societies committed to meeting and maintaining high standards of behaviour and competence and rebuilding the trustworthiness of the sector as a whole.

We do this through a variety of means, including producing statements of good practice and related guidance, and providing firms with objective assessments of their culture relative to other firms and over time. Every firm's culture will, of course, be different. Our assessment approach focuses on nine characteristics that encompass a range of ethical and professional aspects of behaviour, and that we would expect to be associated with any good culture in banking. These characteristics are competence, reliability, responsiveness, personal/organisational resilience, accountability, openness, respect, honesty and shared purpose. We currently base our assessment primarily on information drawn from the people who work at each firm. We are, however, interested in building on this to include additional data gathered both from within and outside the firm, and that would help us measure ever more effectively the extent to which banks and building societies are achieving good customer and societal outcomes. Find out more about our assessment work at <https://www.bankingstandardsboard.org.uk/annual-review-2016-2017/assessment>

In developing our work we aim to be innovative, challenging, impartial and collaborative, drawing on rather than duplicating what may be being done elsewhere. We work not only with firms but also with other organisations, including those representing consumers.

## ABOUT THIS CONSULTATION

**Deadline for responses: close of 26 January 2018.**

**The purpose of this consultation is to seek views, in particular from consumer and civil society organisations, about what the outcomes of a good banking culture look like to consumers. This will inform the BSB's work to identify good practice by helping us develop and refine the framework for this thinking.**

A successful, dynamic UK economy needs a strong, stable banking sector that serves the best interests of its customers. It needs a banking sector that is trustworthy and is trusted; not least, by consumers.

We use the term 'consumer' in this context to capture both personal customers and micro businesses, i.e. retail banking customers and building society members, both potential and actual.

To facilitate our thinking we have developed what we have called our Consumer Framework. The intention behind this framework is to:

- I. enable us to increase our understanding of consumer issues and concerns as they relate to aspects of the BSB's work;
- II. provide the basis for the creation of good practice guidelines for firms that serve consumers, along with a common language for both firms and consumer organisations; and
- III. enable consumer and civil society organisations to engage more readily with aspects of the BSB's work.

## WHO SHOULD RESPOND TO THIS CONSULTATION?

This consultation is open to all interested parties, but we would particularly welcome – at this early stage of the work – views from **consumer and civil society organisations**. We recognise that these organisations are often very constrained in terms of time and resources, but any such input as they are able to provide (and in any format) would be very welcome.

## HOW WE WOULD LIKE YOUR HELP

We would like your views to inform the development of our Consumer Framework. This framework is presented here at an early stage, following initial and informal discussions with a wide range of consumer and civil society organisations (for which we are very grateful) to generate discussion and to prompt ideas. We will develop and refine this framework in the light of responses received, and in consultation with consumer organisations, banks, building societies, and other interested parties. While we will consider potential indicators of good consumer outcomes and how these might be measured in the light of responses to this consultation, any initial thoughts on these would also be welcome.

The deadline for responses to this consultation is close of **26 January 2018**.

## BACKGROUND INFORMATION ON OUR CONSUMER FRAMEWORK

An illustration of the Consumer Framework we are creating with your help, is set out below (and in further detail on pages 10-16).

Consumer principle	Outcome	Illustrative 'real life' example
Access		
Choice		
Clarity and transparency		
Safety and security		
Redress and being listened to		
Value for money		
Fairness		

While the BSB's Consumer Framework is designed to go beyond the regulatory minimum, our starting point has of course been the UK's regulatory framework and the stated position of the regulators on any of the issues concerned. As well as engaging with and benefitting from the experience of a number of relevant organisations and firms, we have also reviewed relevant consumer research.

It is important to us that we create a framework that consumer and civil society organisations can readily relate to and that can potentially align, if wished, with some of their own work.

This framework therefore builds on the core consumer principles that many consumer organisations and regulatory consumer panels use as a tool for understanding consumers' needs and for analysing how a market is meeting those needs.

The framework is written from a consumer perspective. While it is being developed in the context of banks and building societies, it is arguably equally applicable to retail financial services more generally. Furthermore, consumers themselves may not always be clear as to the firm that is providing their financial product or service. Consumer and civil society organisations have told us about the importance of taking a realistic view of consumers' financial capability and confidence. This is especially the case where making a choice and judging value for money is often very difficult, and terms and conditions can seem impenetrable. An outcomes-focused Consumer Framework that starts from the perspective of the consumer's experience may, in this context, be helpful and effective for both consumers and firms.

The framework also provides some illustrative, 'real-life' examples of situations relevant to each principle that have been put to us in our informal engagement with consumer organisations or suggested in our research review.

## NEXT STEP AFTER CONSULTATION

Following this consultation, and once we have analysed all the responses received, we will publish a further and fuller version of the Consumer Framework. We will consult with member firms and others about whether and how the outcomes identified can help in the development of standards of good practice that have value to consumers and that are relevant and applicable to consumer-facing firms of all business models, sizes and structures, and in the context of ongoing changes in technology.

## HOW TO RESPOND TO THIS CONSULTATION

We welcome written responses from those interested in this consultation and have provided questions to guide responses.

The deadline for consultation responses is close of **26 January 2018**.

**Please submit responses via email to**  
[martin.coppack@bankingstandardsboard.org.uk](mailto:martin.coppack@bankingstandardsboard.org.uk)

We will publish an anonymised summary of consultation responses, but not the individual responses themselves. A template for responses is provided, but we are happy to accept responses in other formats. We would, however, appreciate it if you could be clear in your response, which question(s) you are addressing.

If you have any queries or requests for alternative ways to feed into our consultation, for example via a meeting, please contact us via the email address above or telephone Martin Coppack on 07718 580320.

# OUR QUESTIONS

We would welcome comments on any or all of the questions set out below. An editable template for response is included on pages 6 – 10 in case you would find this helpful. The Consumer Framework can be found on pages 11 – 18.

## **Consumer principles**

1. Do you agree with the consumer principles listed in the framework? (These are access, choice, clarity and transparency, safety and security, redress and being listened to, value for money, fairness.)
2. Do you think that focusing on consumer outcomes is a good approach to raising standards in the banking sector? If not, what are your concerns and possible alternatives?
3. Would you add or remove any principles? Do you think that there are any that are particularly important?

## **Outcomes-based approach**

4. Is an outcomes-based approach likely to be effective for this work?
5. Do you agree with the high-level outcomes listed?
6. Do you think a different approach should be taken?

## **Examples of what the outcomes mean to consumers**

7. We have included some 'real life' examples of what the outcomes might mean to consumers, provided by consumer and civil society organisations and drawn from existing consumer research. Do you think these are helpful in illustrating the outcomes identified in the Consumer Framework?
8. Would you add, amend or remove anything to reflect more accurately the needs of consumers?

## **How could the outcomes be measured?**

9. Are there any indicators that you think might be helpful for measuring consumer outcomes, and that we should consider in subsequent stages of this work?

## **Micro-businesses**

10. Do you think the framework is useful for articulating and understanding what matters to micro-businesses when it comes to banking?
11. Would you add or remove anything to reflect more accurately the needs of micro-businesses?

## **Aspirational benchmark and usefulness to consumer and civil society organisations**

12. Do you think the framework could be useful in the development of good practice guidelines and a common language?
13. Does the framework provide a way for consumer and civil society organisations to more readily engage with our work at the BSB (for example, advising on the development of good practice), and potentially align some of their own future work when working with the banking sector?

## **Any other comments**

14. Do you have any other comments you wish to add?

## WHAT DO GOOD BANKING OUTCOMES LOOK LIKE TO CONSUMERS?

Please send all responses and queries to [martin.coppack@bankingstandardsboard.org.uk](mailto:martin.coppack@bankingstandardsboard.org.uk). The closing date for responses is close on **26 January 2018**.

If you have Adobe Acrobat Reader you can type your responses directly into the template provided in this document. Alternatively, if you prefer you can write and post your response to us using this address:

Banking Standards Board  
Consumer Framework Consultation  
2nd Floor  
75 King William Street  
London EC4N 7BE

Respondent name:

Organisation (if applicable):

Contact email:

Contact telephone number:

### Consumer principles

Do you agree with the consumer principles listed in the framework? (These are: access; choice; clarity and transparency; safety and security; redress and being listened to; value for money; fairness.)

Do you think that focusing on consumer outcomes is a good approach to raising standards in the banking sector? If not, what are your concerns and possible alternatives?

Would you add or remove any principles? Do you think that there are any that are particularly important?

## OPTIONAL TEMPLATE FOR RESPONSE

### Outcomes-based approach

Is an outcomes-based approach the correct one for this work?

Do you agree with the high-level outcomes listed?

Do you think a different approach should be taken?

### Examples of what the outcomes mean to consumers

We have included some 'real life' examples of what the outcomes might mean to consumers, provided by consumer and civil society organisations and drawn from existing consumer research. Do you think these are helpful in illustrating the outcomes identified in the Consumer Framework?

Would you add, amend or remove anything to reflect more accurately the needs of consumers?

## OPTIONAL TEMPLATE FOR RESPONSE

### How could the outcomes be measured?

Are there any indicators that you think might be helpful for measuring consumer outcomes, and that we should consider in subsequent stages of this work? If you prefer you can add to or amend the indicators provided below each principle in the Consumer Framework later in this document.

Access

Choice

Clarity and transparency

Safety and security

Redress and being listened to

Value for money

Fairness

## OPTIONAL TEMPLATE FOR RESPONSE

### Micro-businesses

Do you think the framework is useful for articulating and understanding what matters to micro-businesses when it comes to banking?

Would you add or remove anything to reflect more accurately the needs of micro-businesses?

### Aspirational benchmark and usefulness to consumer and civil society organisations

Do you think the framework could be useful in the development of good practice guidelines and a common language?

Does the framework provide a way for consumer and civil society organisations to more readily engage with our work at the BSB (for example, advising on the development of good practice), and potentially align some of their own future work when working with the banking sector?

### Any other comments

Do you have any other comments you wish to add?

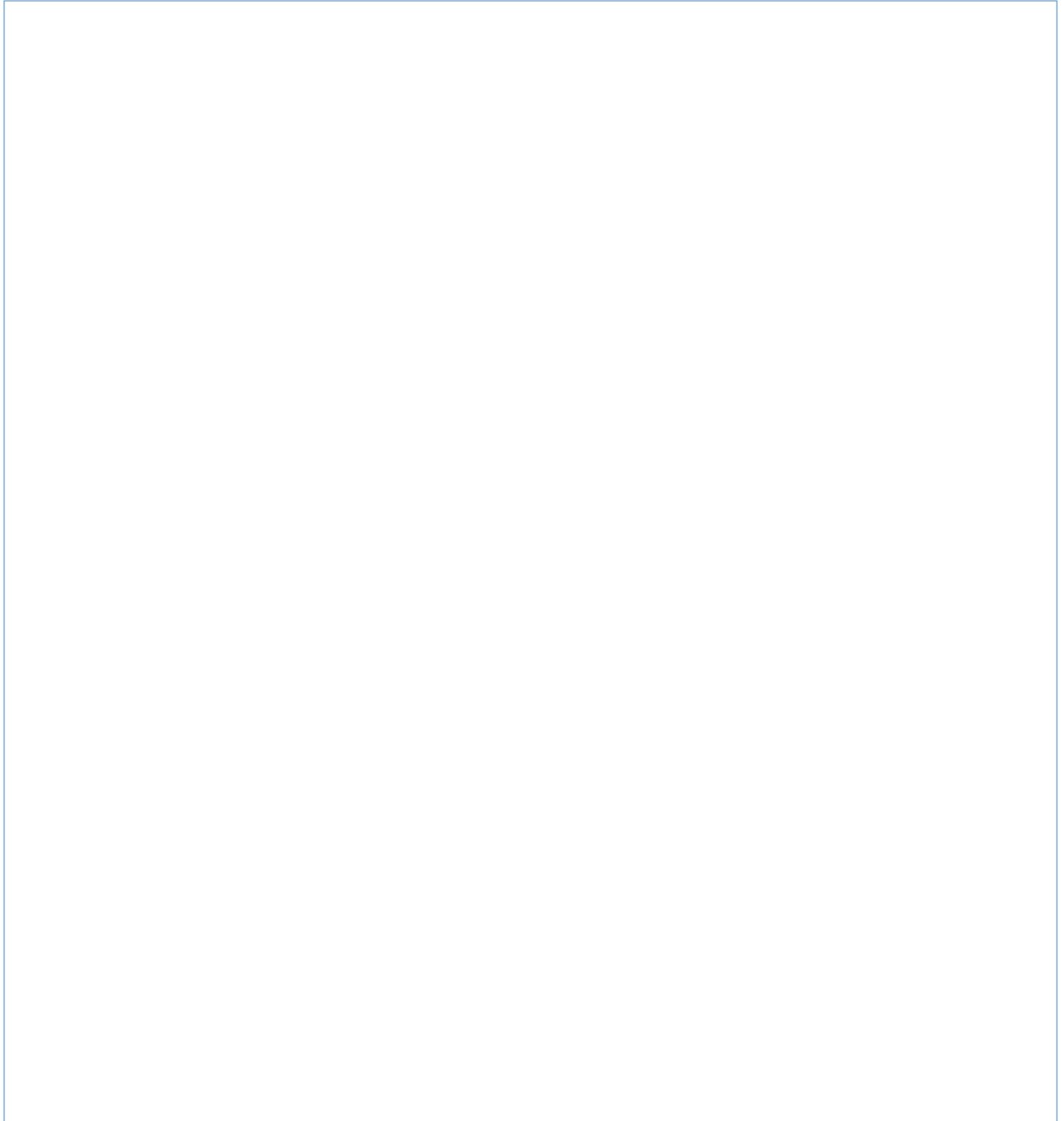
## CONSUMER FRAMEWORK

## CONSUMER PRINCIPLE 1: ACCESS

### OUTCOME:

CONSUMERS HAVE ACCESS TO PRODUCTS AND SERVICES THAT MEET THEIR NEEDS AND CAPABILITIES OVER THEIR LIFETIME AND IN DIFFERENT PERSONAL CIRCUMSTANCES.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Access. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.



## CONSUMER PRINCIPLE 2: CHOICE

### OUTCOME:

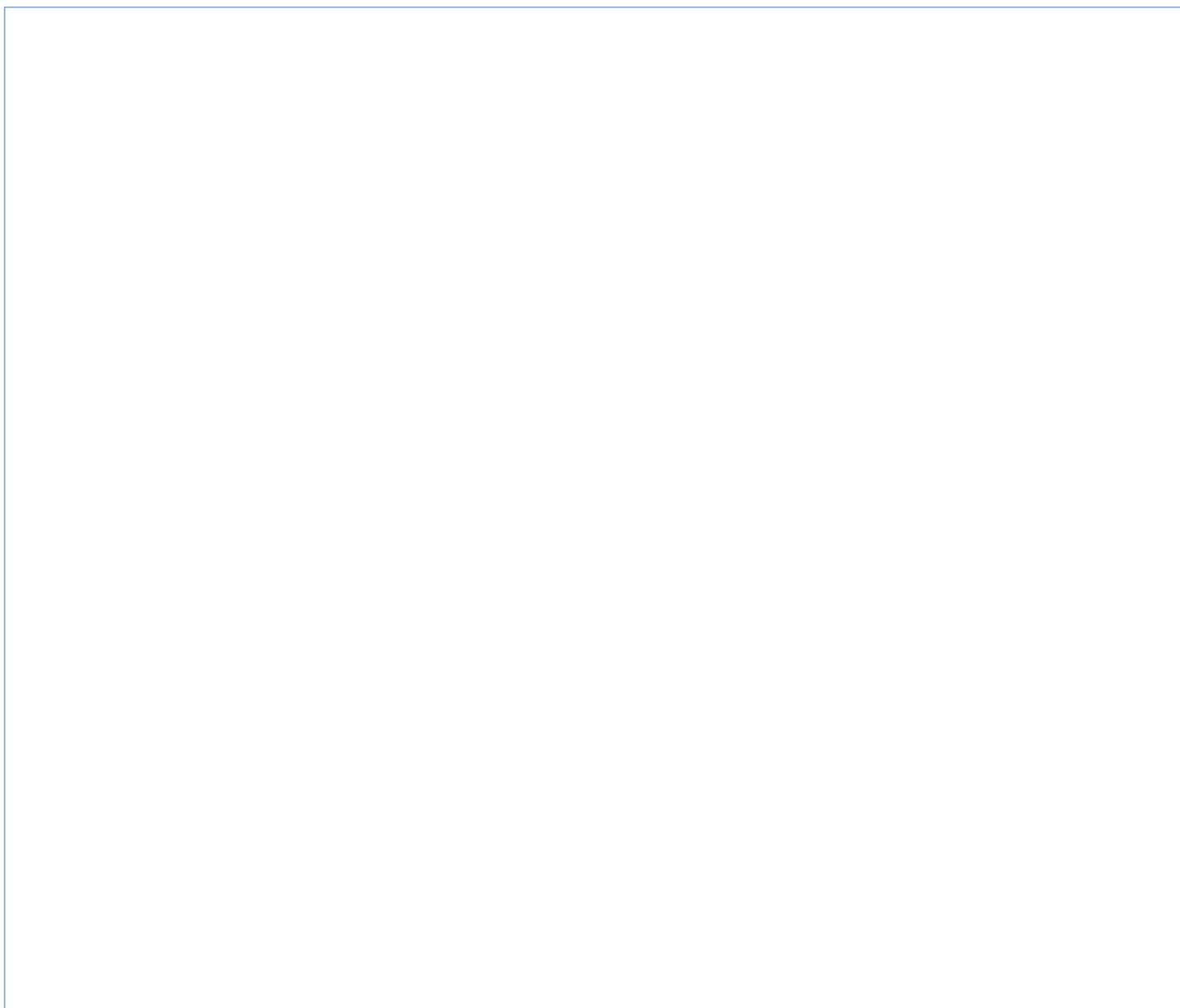
CONSUMERS HAVE EFFECTIVE CHOICE, WITHOUT HAVING TO TAKE UNREALISTIC AMOUNTS OF TIME TO REVIEW AND UNDERSTAND THE MARKET.

ACTIVE CHOICE IS REALISTIC AND THE MARKET DOES NOT EXPLOIT CONSUMER INERTIA. (THE INFORMATION AND PROCESSES OPEN TO THE CONSUMER ARE REALISTIC BEARING IN MIND CONSUMER TIME NEEDED AND ABILITY TO JUDGE VALUE FOR MONEY.)

CONSUMERS CAN EASILY MAKE A LINK BETWEEN THEIR NEEDS AND THE PRODUCTS AND SERVICES PROVIDED BY THEIR BANK/BUILDING SOCIETY.

CONSUMERS CAN READILY UNDERSTAND THE DIFFERENCES BETWEEN PRODUCTS AND SERVICES OFFERED.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Choice. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.



## CONSUMER PRINCIPLE 3: CLARITY AND TRANSPARENCY

### OUTCOME:

PRODUCTS AND SERVICES ARE DESCRIBED AND SOLD IN A WAY THAT CONSUMERS UNDERSTAND.

PRODUCTS AND SERVICES ARE PROVIDED WITH FAIR AND CLEAR TERMS.

THE FEATURES OF PRODUCTS AND SERVICES ARE WELL COMMUNICATED.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Clarity and Transparency. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.

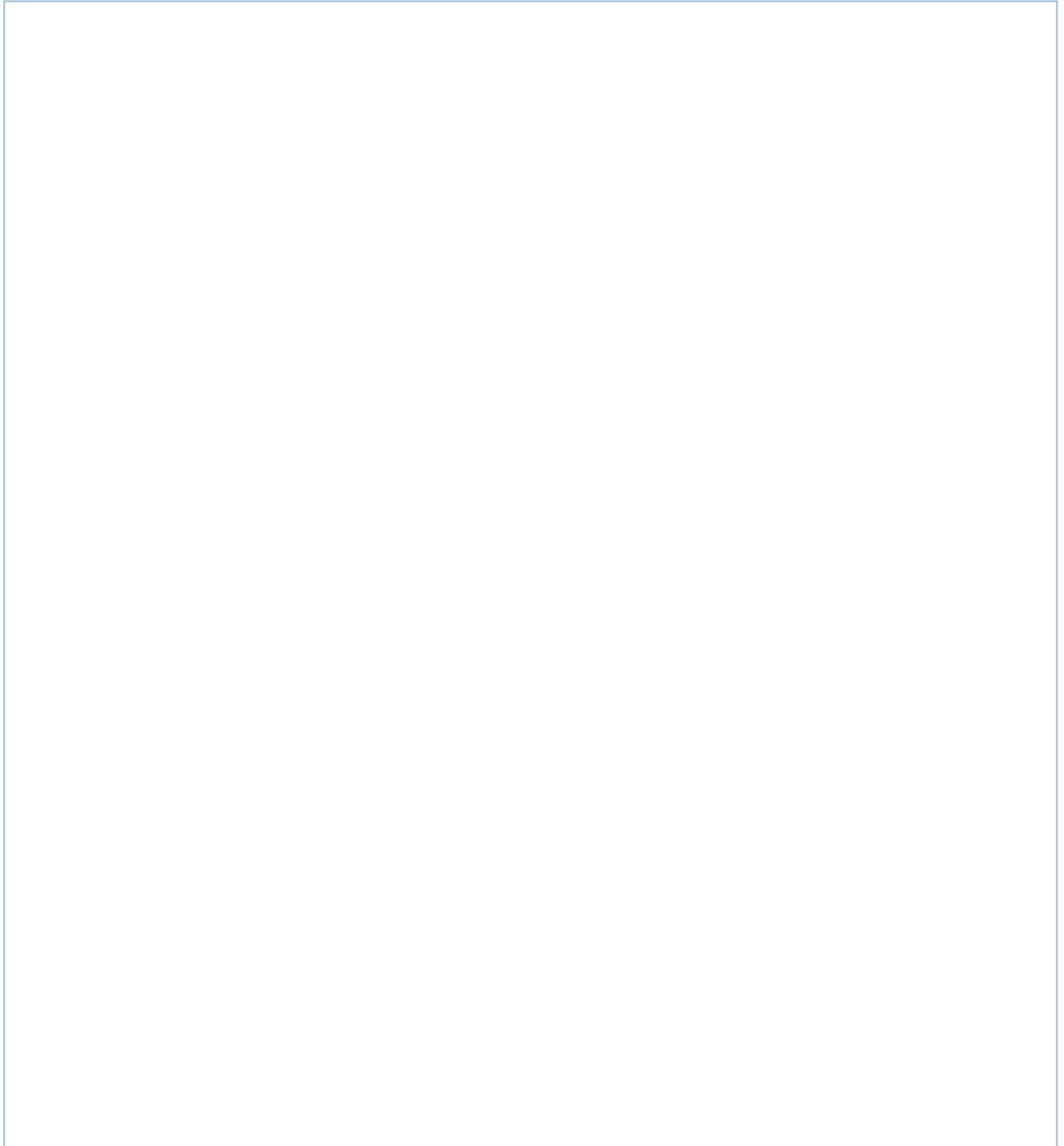


## CONSUMER PRINCIPLE 4: SAFETY AND SECURITY

### OUTCOME:

CONSUMERS' ASSETS AND DATA ARE SAFE AND SECURE AND PROTECTED FROM FRAUD.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Safety and Security. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.



## CONSUMER PRINCIPLE 5: REDRESS AND BEING LISTENED TO

### OUTCOME:

CONSUMERS HAVE ACCESS TO EASILY NAVIGABLE FORMS OF REDRESS WHEN THINGS GO WRONG.

CONSUMERS ARE APPROPRIATELY LISTENED TO WITHIN BANKS AND BUILDING SOCIETIES.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Redress and being listened to. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.

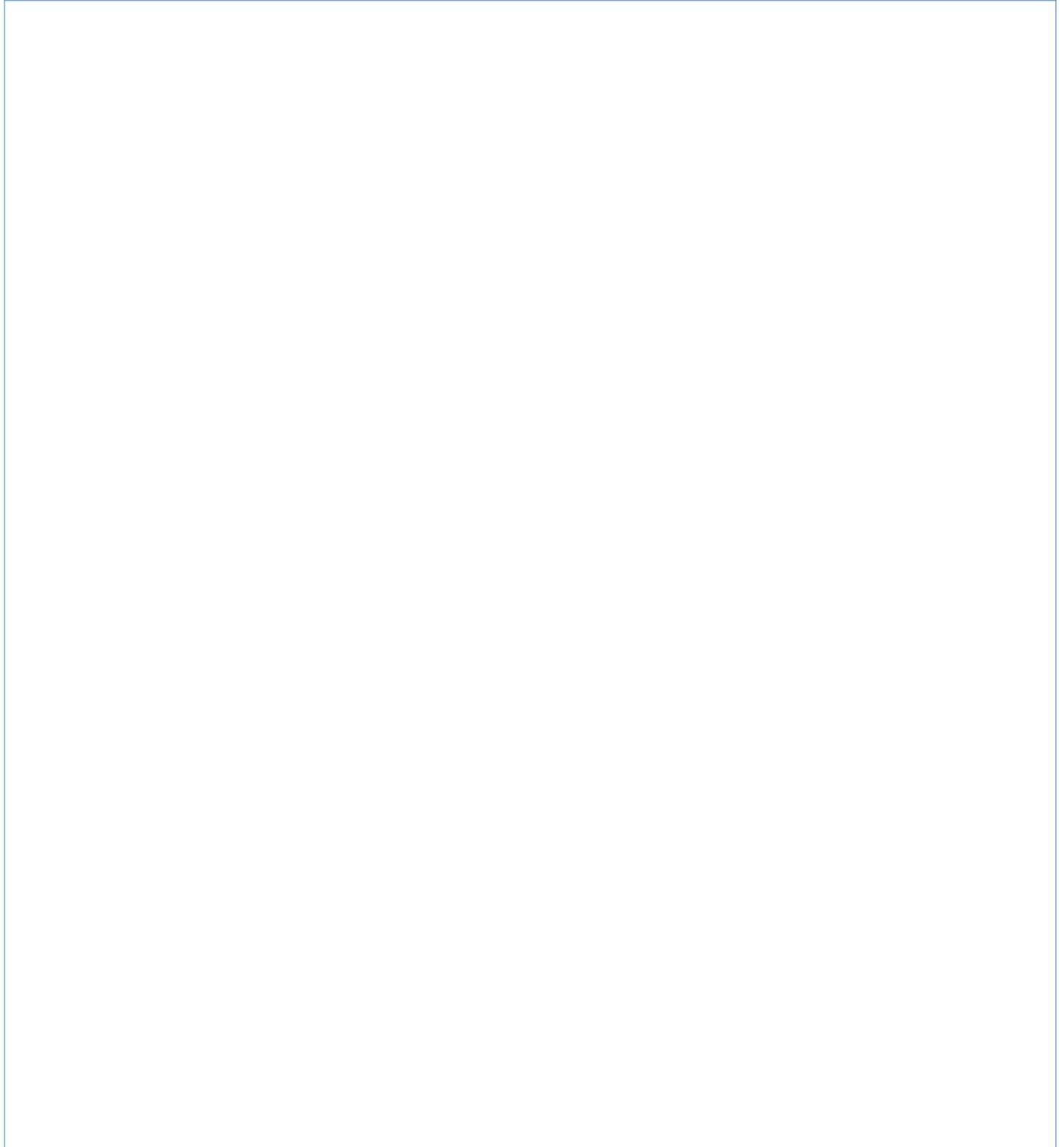


## CONSUMER PRINCIPLE 6: VALUE FOR MONEY

### OUTCOME:

CONSUMERS HAVE THE INFORMATION TO ENABLE THEM TO JUDGE VALUE FOR MONEY EASILY.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Value for Money. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.



## CONSUMER PRINCIPLE 7: FAIRNESS

### OUTCOME:

CONSUMERS EXPERIENCE BEING DEALT WITH FAIRLY – AS INDIVIDUALS OVER THE LIFETIME OF A PRODUCT AND NOT JUST AT THE POINT OF SALE.

CONSUMERS ARE DEALT WITH FAIRLY AND APPROPRIATELY IN TERMS OF BOTH PRODUCT AND SERVICE, E.G. DURING ILLNESS, BEREAVEMENT OR JOB LOSS.

Please feel free to add to or amend this list to reflect what you think best illustrates the needs of consumers with respect to Fairness. The examples below of what this principle might mean in practice to consumers, have been suggested to us by consumer and civil society organisations and/ or derived from a review of relevant research.

