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# Overview

Our product ratings use a set of 'red line' criteria to calculate an underlying score for each product, which translates to a star rating.

Products can achieve between one and five stars. The more comprehensive the product, the more likely it is to be rated highly.

To achieve a five-star rating, products must meet all of our red line criteria. We focus on core product features and don't give extra marks for unnecessary features or optional extras.

Our current red line criteria are contained in the following pages.

## How we decide each category

**Current accounts:** These accounts require a credit check, have no fee or a small fee (up to £5/month), generally have overdrafts and cheque facilities, and don't offer insurance (though they may offer some perks such as cashback).

**Basic accounts:** These accounts have less stringent credit checks or no credit check and don't offer overdrafts or cheque facilities.

**Premium accounts:** These accounts require a credit cheque, charge a fee, and offer insurance and other perks.

**Premier accounts:** These accounts require a credit cheque, charge a higher fee than premium accounts and have more extensive perks, such as insurance or account managers.

**Student accounts:** These accounts are offered to university students or recent graduates only.

**Foreign use accounts:** These accounts can be used overseas to buy goods and/or take cash out of an ATM.

**Overdraft accounts:** These accounts offer an overdraft facility.

# Current Accounts

## Red line 1 – Top-Up fee

Most providers allow customers to add money into their account for free.

To pass this red line, the top-up fee must be £0. This is the mode for the sector and very few providers charge a fee.

## Red line 2 – Card issuing fee

Some providers charge a fee to send customers their first debit card.

To pass this red line, the card issuing fee must be £0. This is the mode for the sector and very few providers charge a fee.

## Red line 3 – Cancellation fee

The fee for closing the account must be £0. This is the mode for the sector.

## Red line 4 – CHAPS fee (receiving)

To pass this red line, the fee for receiving a CHAPS payment must be £0.

This is the mode for the sector.

## Red line 5 – Status enquiry (banker's reference) fee

To pass this red line, the fee for a status enquiry must be £10 or less.

This is the mode for the sector. We believe anything above this is excessive.

## Red line 6 – Cash withdrawal fee in UK

To pass this red line, the cash withdrawal fee must be £0.

This is the mode for the sector.

## Red line 7 – Card payment fee in UK

To pass this red line, the fee for paying by card must be £0.

This is the mode for the sector.

### Red line 8 - Paying into account with cheque fee

To pass this red line, the cost of depositing a cheque must be £0.

This is the mode for the sector.

### Red line 9 - Cheque returned unpaid fee

To pass this red line, the fee for returning a cheque unpaid must be £5 or less.

### Red line 10 - Cancelling cheque fee

To pass this red line, the fee for cancelling a cheque must be £5 or less.

This is double the mode for the sector.

### Red line 11 - Banker's draft fee

To pass this red line, if a banker's draft is available it must cost £20 or less.

This is double the median for the sector.

### Red line 12 - Maximum cash machine withdrawal per day

To pass this red line, the limit for daily cash withdrawals must be at least £300.

### Red line 13 - 24-hour helpline or ability to freeze or report a card lost via app

A 24-hour telephone helpline must be available for customers should they need it, for example, if their card is lost or stolen. If a 24-hour helpline is unavailable, customers must be able to freeze or report their cards lost via the provider's mobile app.

### Red line 14 - Joint account holders

To pass this red line, it must be possible to open a joint account.

## Red line 15 - Part of FSCS

To pass this red line, the customer's money must be protected by the Financial Service Compensation Scheme (FSCS).

## Red line 16 - E-wallet capability

To pass this red line, the account must support e-wallet capabilities, such as Google Pay.

## Red line 17 - App capability

To pass this red line, the account must have an app that customers can use to manage their money.

## Red line 18 - Cost Scenario

To pass this red line, the account must cost £14.74 or less based on our cost scenario. This represents the top 17.5% for current accounts.

This scenario includes the costs and financial rewards of using different features of the account.

We calculate it by combining the following:

- the annual fee
- the cost of withdrawing £172 while abroad (the average for a UK tourist)
- the cost of spending £306.70 on the card while abroad (the average for a UK tourist)
- the cost of making a single transfer of £1,000
- the cost of making a single transfer of £30,000 every ten years
- the cost of taking out a £500 overdraft for 14 days (we include this part twice, once with the representative EAR and once with the maximum EAR)
- the cost of two replacement cards within a year

From this total we then subtract the value of any rewards and benefits the account offers. This gives us the final value for the cost scenario.

### Red line 19 - Post Office or Branch Access

To pass this red line, the account must either have a branch network or let customers use the Post office to access and deposit their money in person.

# Foreign Use Bank Accounts

## Red line 1 – Top-Up fee

Most providers allow customers to add money into their account for free.

To pass this red line, the top-up fee must be £0. This is the mode for the sector and very few providers charge a fee.

## Red line 2 - Cost of purchasing abroad

To pass this red line, the cost of spending £306.70 on a card while abroad must be £0. £306.70 is the average amount spent by UK tourists while abroad.

## Red line 3 - Cost of taking out cash abroad

To pass this red line, the cost of taking out £172 in cash while abroad must be £0.

£172 is the average amount of cash UK tourists take out while abroad.

## Red line 4 - Estimated amount of money customers get back (minus annual fee)

To pass this red line, the estimated monetary value that the customer gets back minus the annual fee must be £0 or more.

This is the mode for the sector.

## Red line 5 - Maximum cash machine withdrawal per day

To pass this red line, the limit for daily cash withdrawals must be at least £300.

## Red line 6 - No limit on free cash withdrawals

To pass this red line, there must be no cost for withdrawing cash.



### Red line 7 - Part of FSCS

To pass this red line, the customer's money must be protected by the Financial Services Compensation Scheme (FSCS).

### Red line 8 - App capability

To pass this red line, the account must have an app that customers can use to manage their money.

### Red line 9 – 24-hour helpline

A 24-hour telephone helpline must be available for customers should they need it. For example, if their card is lost or stolen.

# Student accounts

## Red line 1 – CHAPS fee (receiving)

To pass this red line, the fee for receiving a CHAPS payment must be £0.

## Red line 2 – Status enquiry (banker's reference) fee

To pass this red line, the fee for a status enquiry must be £10 or less.

This is the median for the sector. We believe that anything above this is excessive.

## Red line 3 - Arranged overdraft limit

To pass this red line, the arranged overdraft limit must be at least £2,000.

## Red line 4 - Tiered repayment of overdraft

To pass this red line, the account must allow for tiered payback of an overdraft on graduation.

## Red line 5 - Arranged overdraft cost

To pass this red line, the account must not charge students for using the arranged overdraft.

## Red line 6 - 24-hour helpline or ability to freeze or report a card lost via app

A 24-hour telephone helpline must be available for customers should they need it, for example, if their card is lost or stolen. If a 24-hour helpline is unavailable, customers must be able to freeze or report their cards lost via the provider's mobile app.

## Red line 7 - Part of FSCS

To pass this red line, the customer's money must be protected by the Financial Services Compensation Scheme (FSCS).

## Red line 8 - E-wallet capability

To pass this red line, the account must support e-wallet capabilities, such as Google Pay.

## Red line 9 - App capability

To pass this red line, the account must have an app that customers can use to manage their money.

## Red line 10 - Unpaid transaction fee

To pass this red line, the account must not charge an unpaid transaction fee.

The majority of student bank account providers do not charge an unpaid transaction fee.

## Red line 11 - Unarranged overdraft fee

To pass this red line, the account must either not offer an unarranged overdraft or not charge for it.

The majority of student bank account providers meet this requirement.

## Red line 12 - Cost Scenario

To pass this red line, the account must cost £13.16 or less based on our scenario. This is the lower quartile for student bank accounts.

This scenario includes the costs and financial rewards of using different features of the account.

We calculate it by combining the following:

- the annual fee
- the cost of withdrawing £172 while abroad (the average for a UK tourist)
- the cost of spending £306.70 on the card while abroad (the average for a UK tourist)

- the cost of making a single transfer of £1,000
- the cost of making a single transfer of £10,000
- the cost of two replacement cards within a year

From this total we then subtract the value of any rewards and benefits the account offers. This gives us the final value for the scenario.

# Basic bank accounts

## Red line 1 – Top-Up fee

Most providers allow customers to add money into their account for free.

To pass this red line, the top-up fee must be £0. This is the mode for the sector – very few providers charge a fee.

## Red line 2 – Cancellation fee

The fee for closing the account must be £0. This is the mode for the sector.

## Red line 3 – CHAPS fee (receiving)

To pass this red line, the fee for receiving a CHAPS payment must be £0.

## Red line 4 – Status enquiry (banker’s reference) fee

To pass this red line, the fee for a status enquiry must be £10 or less.

This is the median for the sector. We believe that anything above this is excessive.

## Red line 5 - Paying into account with cheque fee

To pass this red line, the fee for depositing a cheque must be £0.

This is the mode for the sector.

## Red line 6 - Banker’s draft fee

To pass this red line, if offered the fee for a banker’s draft must be £20 or less.

This is the median for the sector. We believe that anything above this is excessive.

## Red line 7 - 24-hour helpline or ability to freeze or report a card lost via app

A 24-hour telephone helpline must be available for customers should they need it, for example, if their card is lost or stolen. If a 24-hour helpline is unavailable,

customers must be able to freeze or report their cards lost via the provider's mobile app.

### Red line 8 - Part of FSCS

To pass this red line, the customer's money must be protected by the Financial Services Compensation Scheme (FSCS).

### Red line 9 - App capability

To pass this red line, the account must have an app that customers can use to manage their money.

### Red line 10 - Cost Scenario

To pass this red line, the account must cost £13.16 or less based on our scenario. This is the top 15% for basic bank accounts.

This scenario includes the costs and financial rewards of using different features of the account.

We calculate it by combining the following:

- the annual fee
- the cost of withdrawing £172 while abroad (the average for a UK tourist)
- the cost of spending £306.70 on the card while abroad (the average for a UK tourist)
- the cost of making four fast transfers a year.
- the cost of four direct debits per month (each valued at £10)
- the cost of four standing orders per month (each valued at £10)
- the cost of four cash withdrawals per month (each valued at £30)
- the cost of one card payment per day (valued at £25)

- the cost of opening the account
- the cost of two replacement cards within a year

From this total we then subtract the value of any rewards and benefits the account offers. This gives us the final value for the scenario.

### Red line 11 - Can you use your card to pay for items overseas?

To pass this red line, the customer must be able to make payments with their bank card while they are overseas.

### Red line 12 - Post Office or Branch Access?

To pass this red line, the account must either have a branch network or let customers use the Post office to access and deposit their money in person.

## Premium accounts

### Red line 1 – Paying into account with cheque fee.

To pass this red line, the fee for depositing a cheque must be £0.

### Red line 2 - Cheque returned unpaid fee

To pass this red line, the fee for returning a cheque unpaid must be £16 or less.

This is double the median for premium bank accounts. We believe that anything above this is excessive.

### Red line 3 - Cancelling cheque fee

To pass this red line, the fee for cancelling a cheque must be £5 or less.

We believe that anything above this is excessive.

### Red line 4 - Banker's draft fee

To pass this red line, if a banker's draft is available it must cost £20 or less.

This is double the median for the sector. We believe that anything above this is excessive.

### Red line 5 – 24-hour helpline or ability to freeze or report a card lost via app

A 24-hour telephone helpline must be available for customers should they need it, for example, if their card is lost or stolen. If a 24-hour helpline is unavailable, customers must be able to freeze or report their cards lost via the provider's mobile app.



## Red line 6 – Maximum daily cash withdrawal

To pass this red line, the daily ATM limit must be at least £300.

## Red line 7 - Joint account holders

To pass this red line, it must be possible to open a joint account.

## Red line 8 - Part of FSCS

To pass this red line, the customer's money must be protected by the Financial Services Compensation Scheme (FSCS).

## Red line 9 - E-wallet capability

To pass this red line, the account must support e-wallet capabilities, such as Google Pay.

## Red line 10 - App capability

To pass this red line, the account must have an app that customers can use to manage their money.

## Red line 11 - Money back scenario

To pass this red line, the account must give customers back ££331.51 or more based on our scenario. This represents the top 15% for packaged bank accounts.

This scenario includes the costs and financial rewards of using different features of the account.

We calculate it by combining the following:

- the annual fee
- the cost of withdrawing £172 while abroad (the average for a UK tourist)
- the cost of spending £306.70 on the card while abroad (the average for a UK tourist)

- the cost of making a single transfer of £1000
- the cost of making a single transfer of £25,000
- the cost of taking out a £500 overdraft for 14 days (we include this part twice, once with the representative EAR and once with the maximum EAR)
- the cost of two replacement cards within a year.
- The worth of any interest from linked savings accounts.

From this we then add the financial value of any rewards and benefits that the account offers. This gives us the final value for the scenario.

## Premier bank accounts

### Red line 1 – Status enquiry (banker’s reference) fee

To pass this red line, the fee for a status enquiry must be £10 or less.

This is the median for the sector. We believe that anything above this is excessive.

### Red line 2 – Paying into account with cheque fee.

To pass this red line, the fee for depositing a cheque must be £0.

### Red line 3 - Cheque returned unpaid fee

To pass this red line, the fee for returning a cheque unpaid must be £10 or less.

We believe that anything above this is excessive.

### Red line 4 - Cancelling cheque fee

To pass this red line, the fee for cancelling a cheque must be £10 or less.

We believe that anything above this is excessive.

### Red line 5 - Banker’s draft fee

To pass this red line, if a banker’s draft is available it must cost £20 or less.

This is double the median for the sector. We believe that anything above this is excessive.

### Red line 6 – 24-hour helpline or ability to freeze or report a card lost via app

A 24-hour telephone helpline must be available for customers should they need it, for example, if their card is lost or stolen. If a 24-hour helpline is unavailable, customers must be able to freeze or report their cards lost via the provider’s mobile app.

## Red line 7 – Maximum daily cash withdrawal

To pass this red line, the daily ATM limit must be at least £750.

## Red line 8 - Joint account holders

To pass this red line, it must be possible to open a joint account.

## Red line 9 - Part of FSCS

To pass this red line, the customer's money must be protected by the Financial Services Compensation Scheme (FSCS).

## Red line 10 - E-wallet capability

To pass this red line, the account must support e-wallet capabilities, such as Google Pay.

## Red line 11 - App capability

To pass this red line, the account must have an app that customers can use to manage their money.

## Red line 12 - Money back scenario

To pass this red line, the account must give customers back ££282.90 or more based on our scenario. This is the top 15% for the sector.

This scenario includes the costs and financial rewards of using different features of the account.

We calculate it by combining the following:

- the annual fee
- the cost of withdrawing £172 while abroad (the average for a UK tourist)
- the cost of spending £306.70 on the card while abroad (the average for a UK tourist)

- the cost of making a single transfer of £1000
- the cost of making a single transfer of £25,000
- the cost of taking out a £500 overdraft for 14 days (we include this part twice, once with the representative EAR and once with the maximum EAR)
- the cost of two replacement cards within a year

From this we then add the financial value of any rewards and benefits that the account offers. This gives us the final value for the scenario.

# Overdrafts

## Red line 1 – Days notice if increase in arranged overdraft fee

To pass this red line, providers must give at least 30 days notice if they are going to change overdraft fees.

We believe this is a reasonable amount of time and gives customers the opportunity to change their provider if they are not happy with the increase.

## Red line 2 – Unpaid transaction fee

To pass this red line, providers must not charge an unpaid transaction fee.

The majority of providers no longer charge unpaid transaction fees.

## Red line 3 – Overdraft scenario 1 (representative EAR)

To pass this red line, the representative cost of borrowing £100 for 14 days on an arranged overdraft must be £0.00.

We believe that providers should not charge customers for small amounts of borrowing.

£0.00 is the modal cost for this scenario.

## Red line 4 – Overdraft scenario 1 (maximum EAR)

To pass this red line, the maximum cost of borrowing £100 for 14 days on an arranged overdraft must be £0.00.

We believe that providers should not charge customers for small amounts of borrowing.

£0.00 is the modal cost for this scenario.

## Red line 5 – Overdraft scenario 2 (representative EAR)

To pass this red line, the representative cost of borrowing £500 for 14 days on an arranged overdraft must be £5.80 or less.

£5.80 is the median cost for this scenario.

### Red line 6 – Overdraft scenario 2 (maximum EAR)

To pass this red line, the maximum cost of borrowing £500 for 14 days on an arranged overdraft must be £6.39 or less.

£6.39 is the median cost for this scenario.

### Red line 7 – Overdraft scenario 3 (representative EAR)

To pass this red line, the representative cost of borrowing £1000 for 14 days on an arranged overdraft must be £12.24 or less.

£11.84 is the median cost for this scenario.

### Red line 8 – Overdraft scenario 3 (maximum EAR)

To pass this red line, the maximum cost of borrowing £1000 for 14 days on an arranged overdraft must be £12.77 or less.

£12.77 is the median cost for this scenario.

# Contact Fairer Finance

**James Daley**

Managing Director

**Oliver Crawford**

Head of Research

[corporate@fairerfinance.com](mailto:corporate@fairerfinance.com)