

# ChildFinance Financial Products and Regulations Survey Results Analysis – Initial Findings

# Survey objectives

## ***Objective of the Survey***

- Gain a greater understanding of which child-friendly products are currently being offered throughout the financial service sector
- Review the regulatory and legal landscapes surrounding this survey to a sample of the market. understand the barriers and opportunities
- Explore product features, additional initiatives by the financial institutions to promote these products and ensure that they are “child-friendly”
- The result of the survey will be used as a guide to understanding the general trends and patterns within the market for children’s financial products and will be used to advise the strategic direction of the Inclusion workstream of ChildFinance.

## ***Structure***

- Questions structured round the ideal product prototype template and minimum standards for child-friendly banking, which were developed by the access and regulation working groups.

# Distribution and Limitations

## *Distribution of the survey*

- The survey was sent out to approximately 700 organizations directly and an approximately 200 institutions via networks
- Assistance from networks: ACCU, CEMLA, SEEP, WOCCU, WSBI, UAB and the Houthoff/Lex mundi network.
- Headquarter offices of large international retail banks were requested to distribute the survey to their local branches
- ChildFinance made the survey available on its website

## *Important note*

- Not an academic study and is being, simply a guiding tool for the consideration of the inclusion working group
- ***The 5% response rate points to an important factor – there is a self- selection bias as, for the most part, only those banks who are currently offering products were inclined to answer. It therefore became difficult to do a mapping of the entire market. Rather, the survey is an indication of current offerings which can serve as best practices.***

# Survey responses

## Survey responses

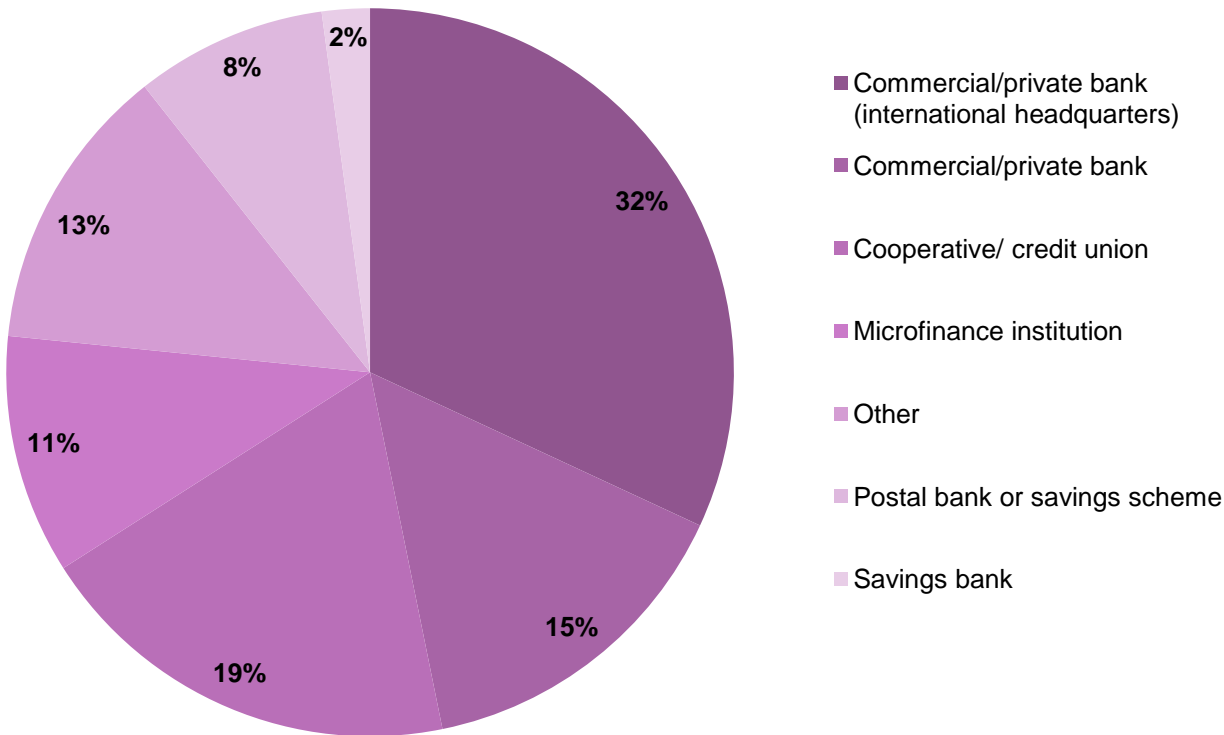
- 96 responses to the survey,
- 50 were related to specific products and services
- 46 to regulation and legal aspects
- 67 countries represented

## Countries

Countries							
Argentina	Cambodia	Estonia	Kenya	Malaysia	Nigeria	Samoa	Taiwan
Armenia	Canada	Finland	Korea	Mali	Norway	Senegal	Thailand
Australia	Chile	France	Kyrgyzstan	Malta	Pakistan	Serbia and Montenegro	Turkey
Austria	Country	Hong Kong SAR	Laos	Mongolia	Paraguay	Slovakia	Uganda
Azerbaijan	Cyprus	Iceland	Lebanon	Netherlands	Peru	South Africa	United Kingdom
Bangladesh	Denmark	Indonesia	Lesotho	Netherlands Antilles	Philippines	Spain	United States
Brazil	Egypt	Ireland	Liechtenstein	New Zealand	Portugal	Sweden	Vietnam
Bulgaria	Ecuador El Salvador	Japan	Lithuania Luxembourg	Nicaragua	Romania	Switzerland	Virgin Islands

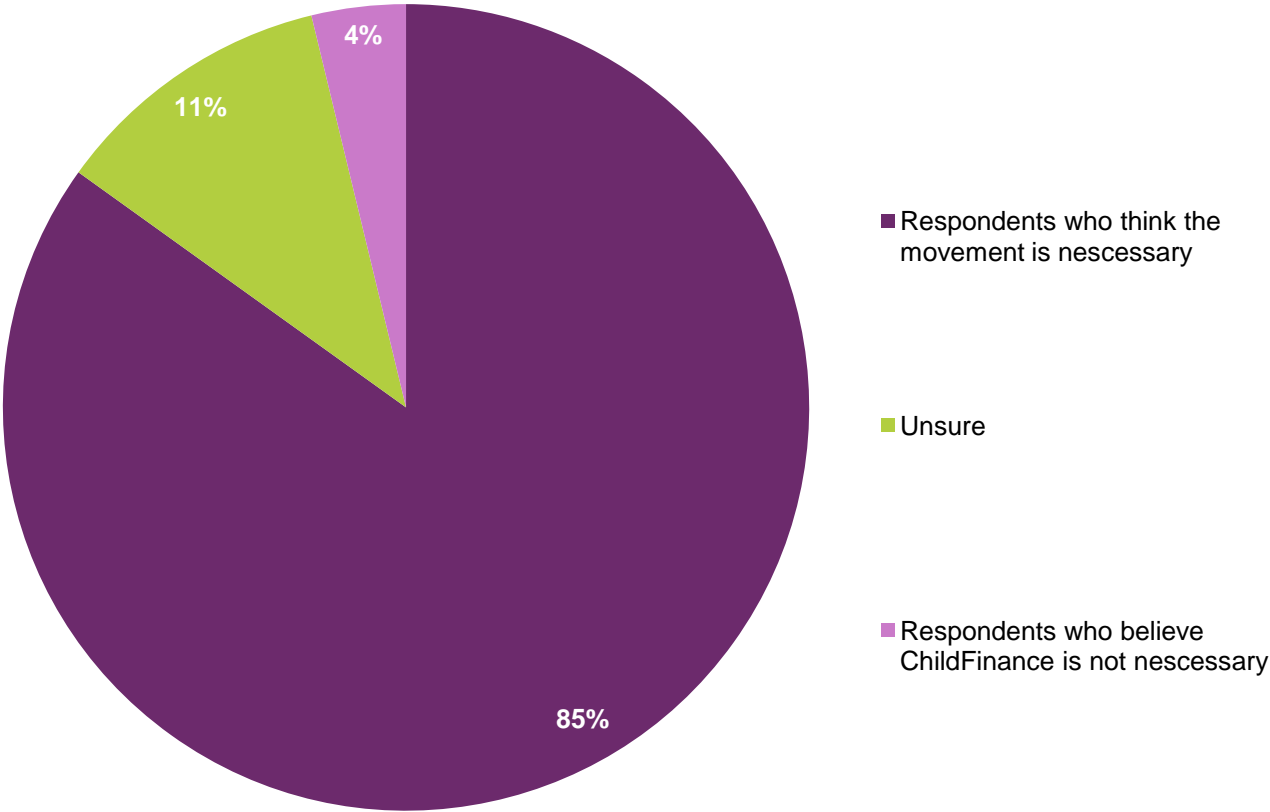
# Survey Respondents: Types of financial institutions

Sample size: 50



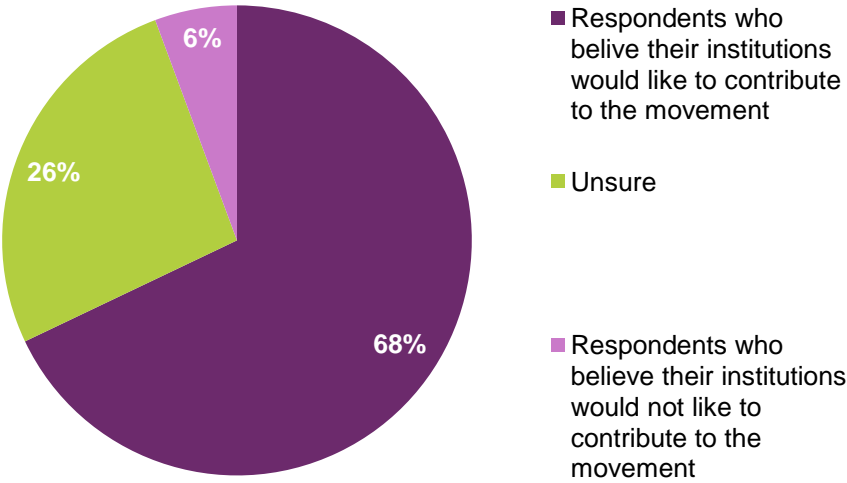
Additional financial institutions included a commercial local sustainable bank, a development financial Institution, a public bank, a regulator of Credit Unions a United Nations Agency and a Non-Profit Trust.

# Views on ChildFinance: The necessity of a ChildFinance movement

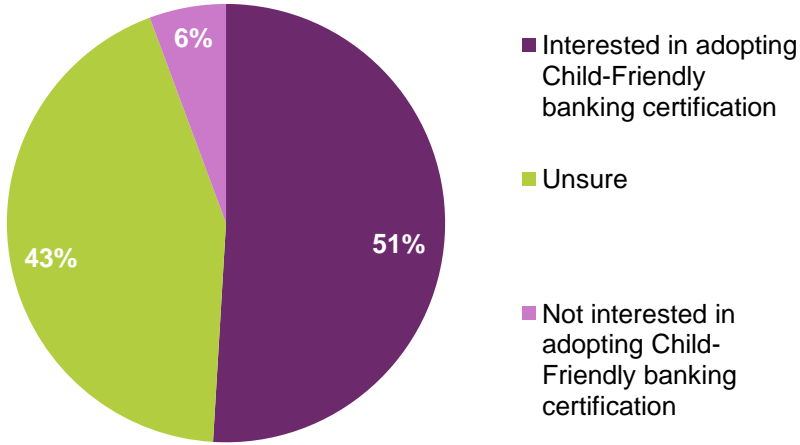


# Views on ChildFinance

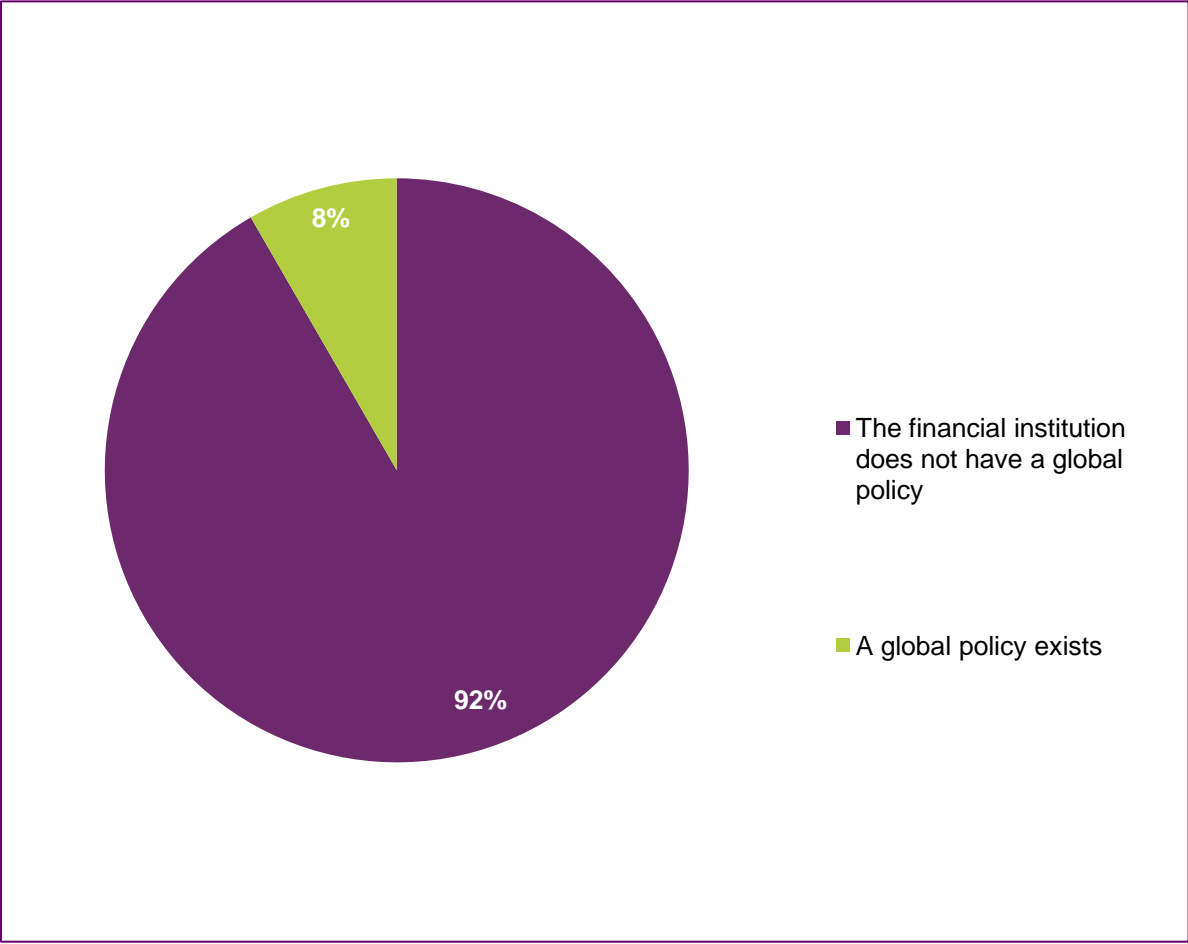
## Willingness to contribute to the movement



## Adopting Child-Friendly Banking Certification

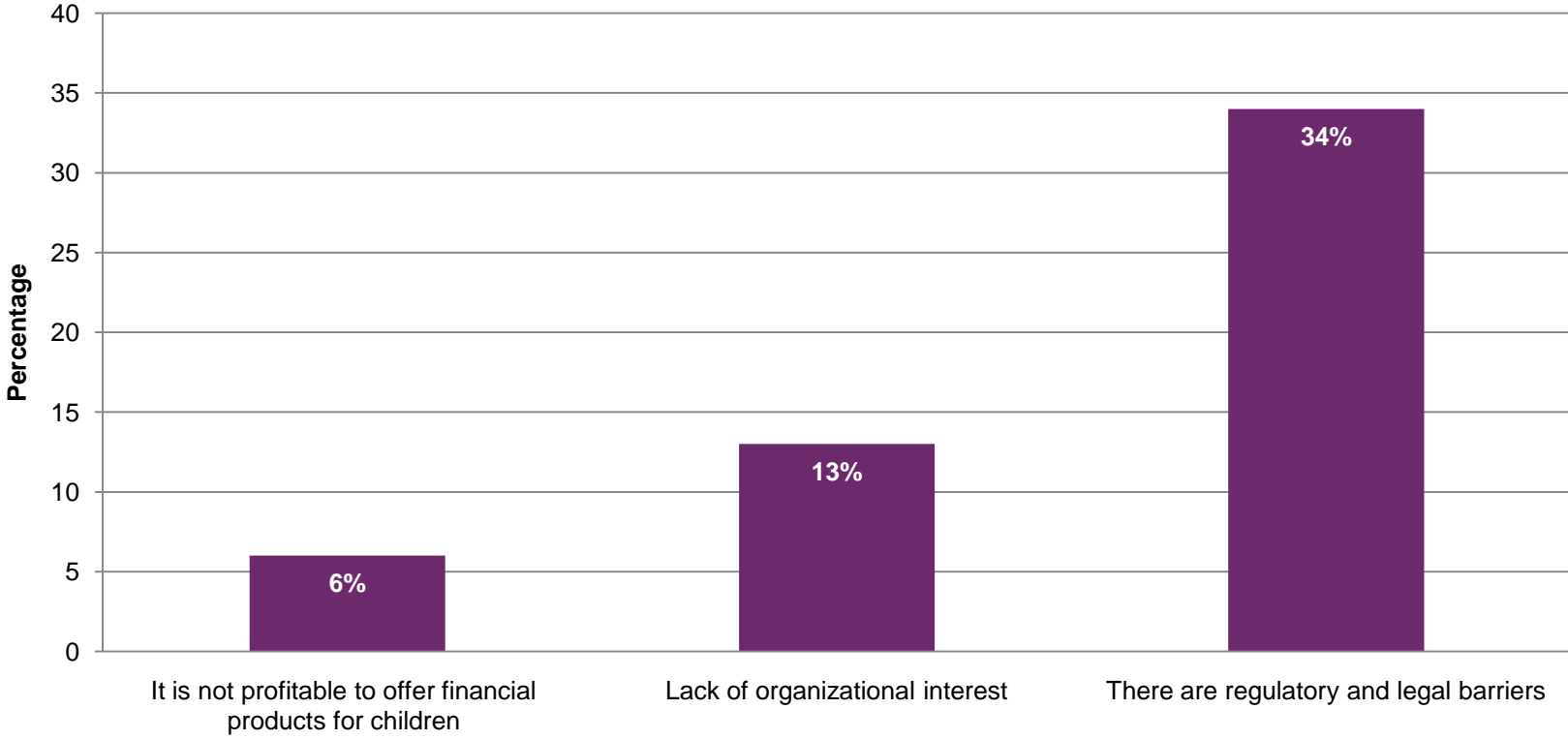


# And yet...

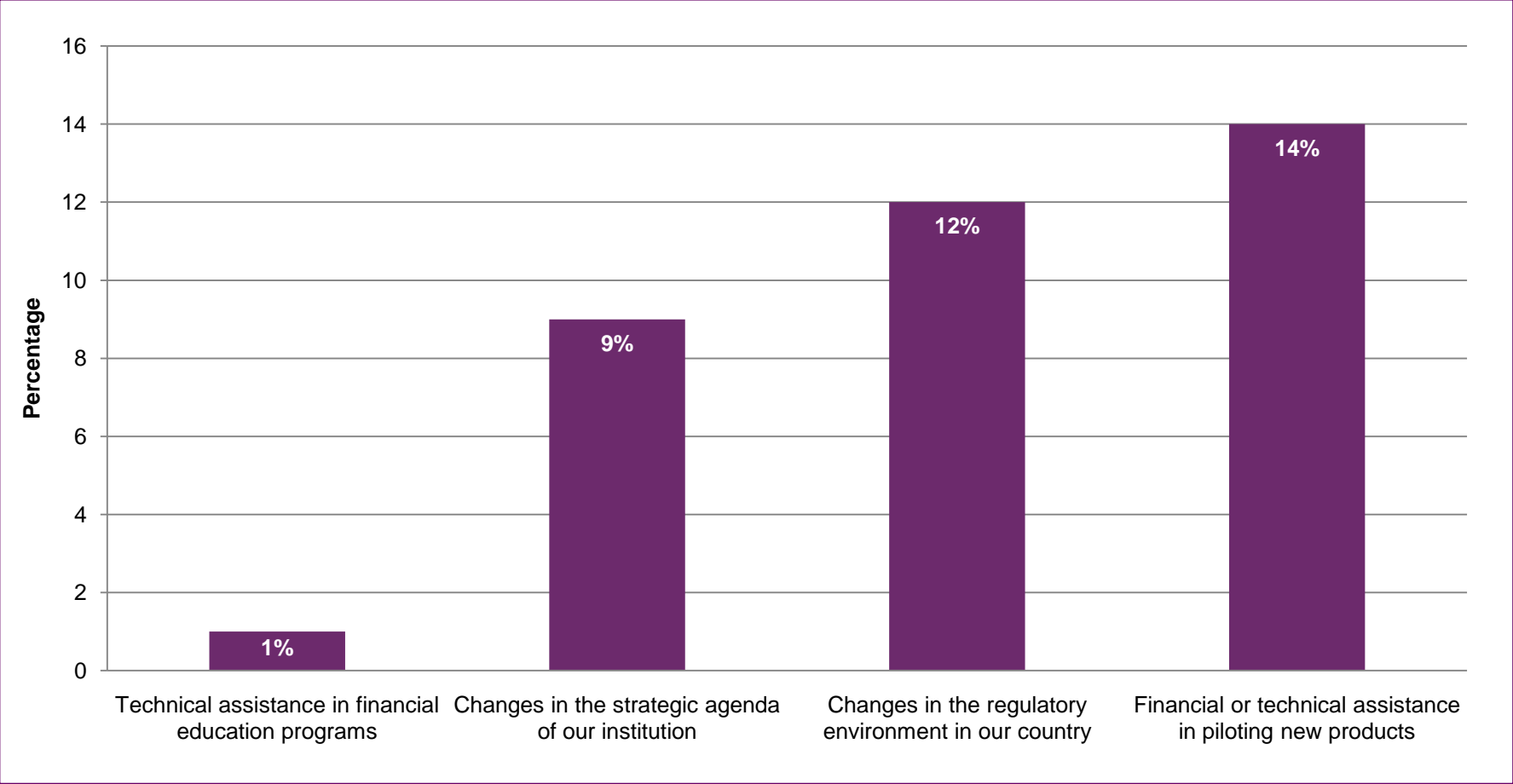


- **Lack of institutional awareness** around the issue (86%)
- **Differing country regulations** (14%)

# Barriers to offering financial products and services to minors

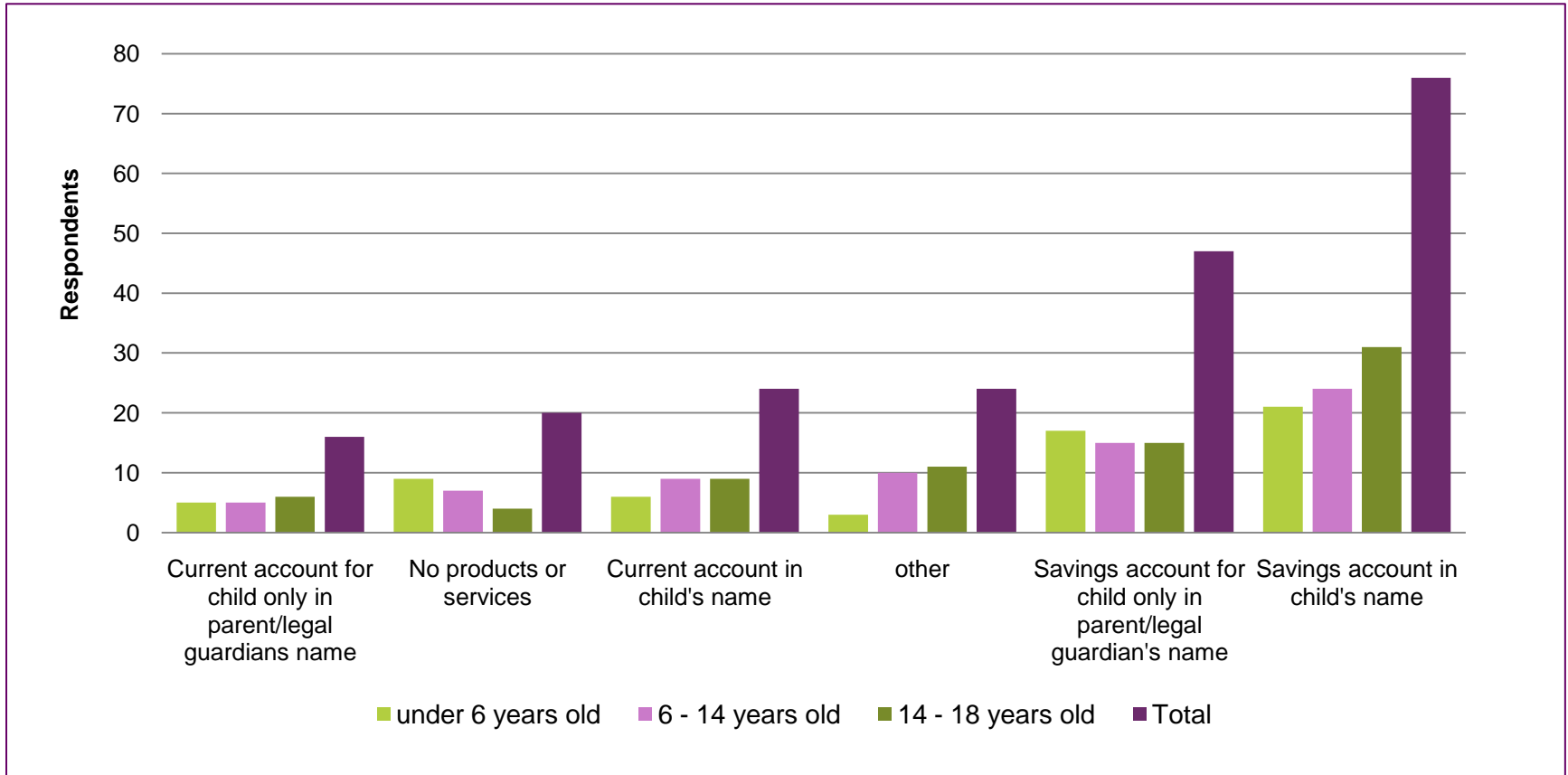


# What is needed to overcome barriers?



The two major callings are for regulatory reform and the creation of product prototypes. Access and Regulation are key concepts to removing most of these challenges

# Products offered to children under the age of 18 globally



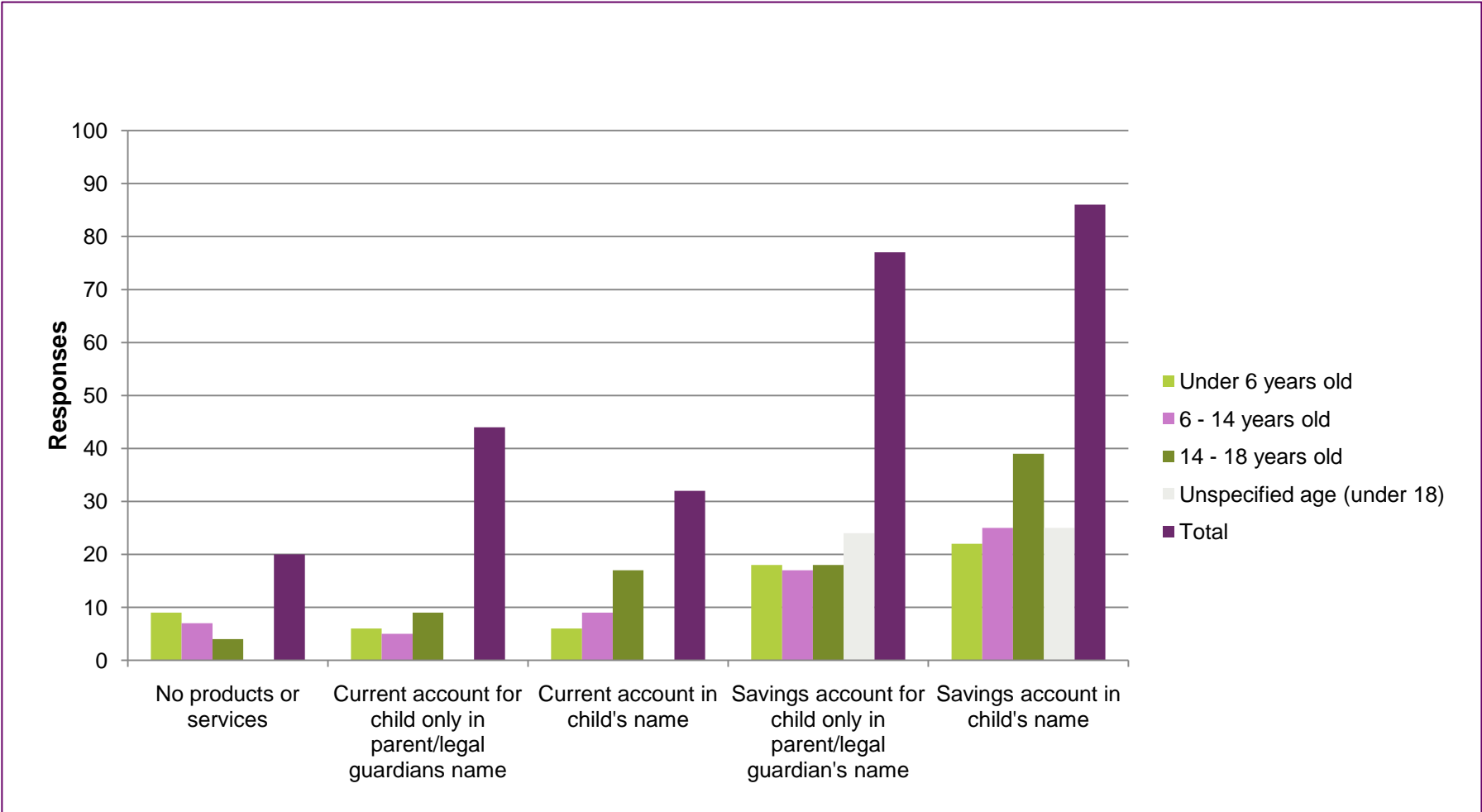
- Other products include insurances, building society saving, pension provisioning, term deposits and insurance products

- Next questions:

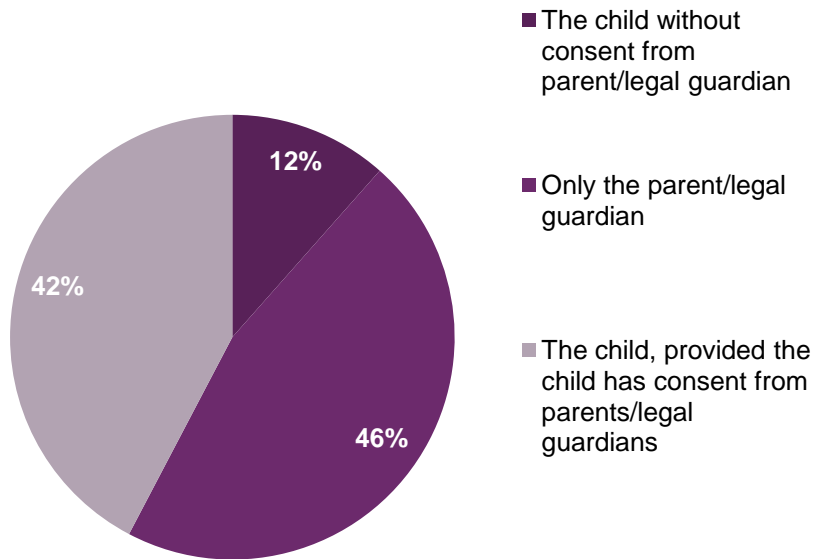
- How scalable?

- How to convince others?

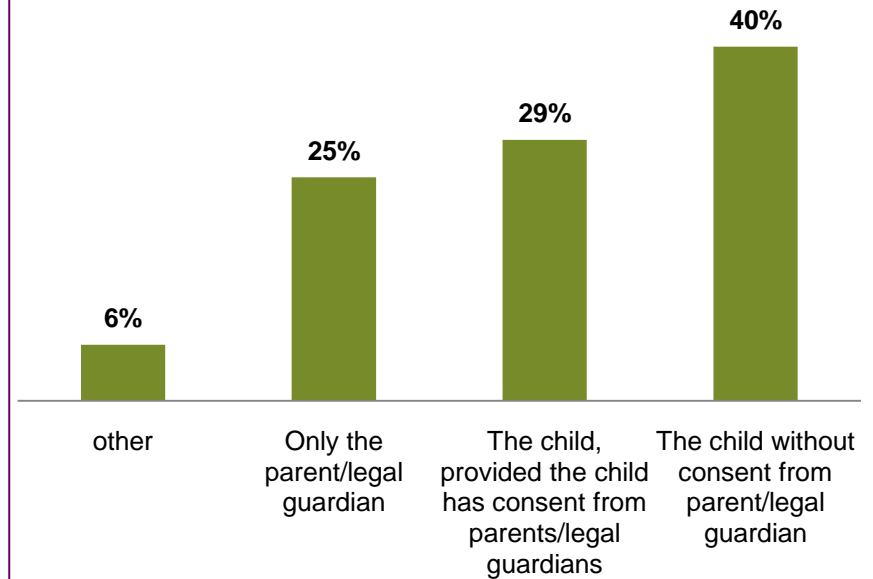
# Products allowed by law



## Account in the parents name: Who can perform transactions?

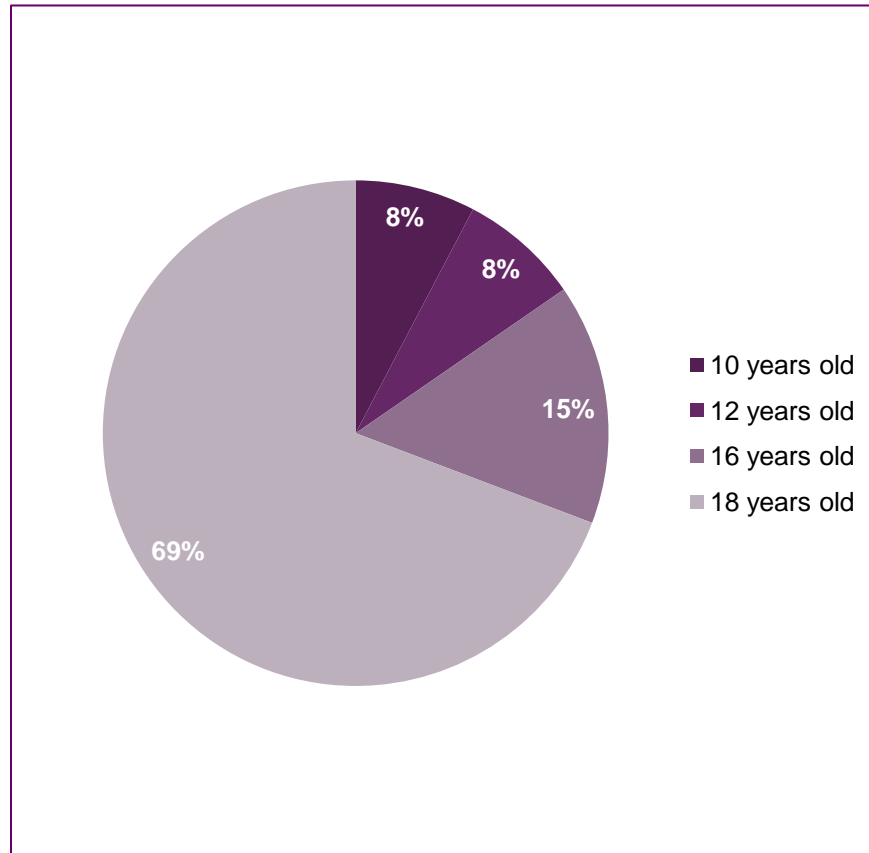


## Account in the Child's name: Who is able to perform transactions?



Current regulation does not facilitate children's ability to conduct their own transactions

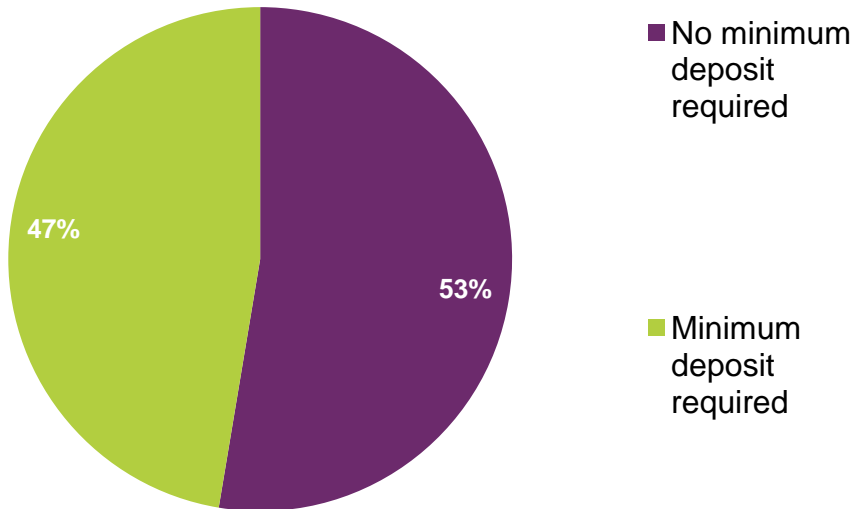
# What is the minimum age for withdrawals from savings account without permission of parents/legal guardians?



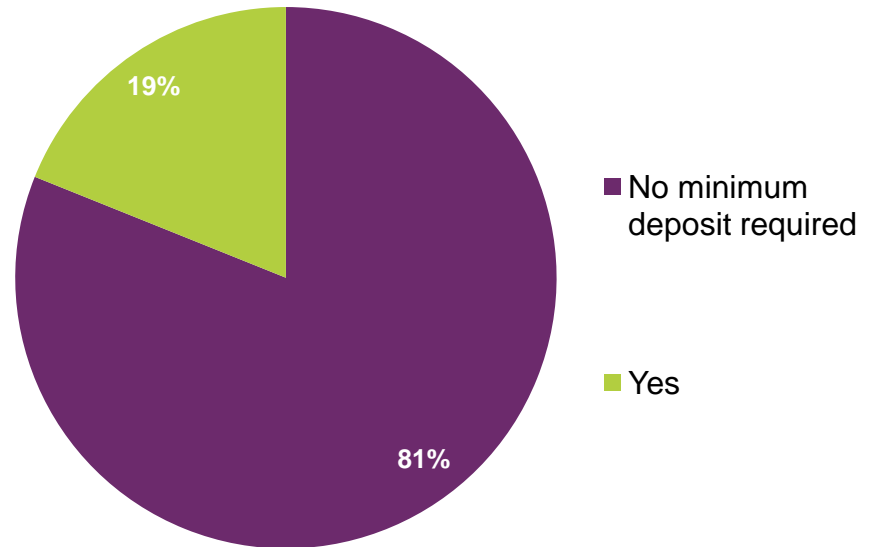
In most countries, children are unable to open account legally in their own name until they have reached the age of 18. In contrast, some Asian countries allow children from the ages of 10 (Korea) and 11 (the philippines) to open their own accounts independently

How do we balance children's safety with children's participation and inclusion?

## Is a minimum deposit required on savings accounts?



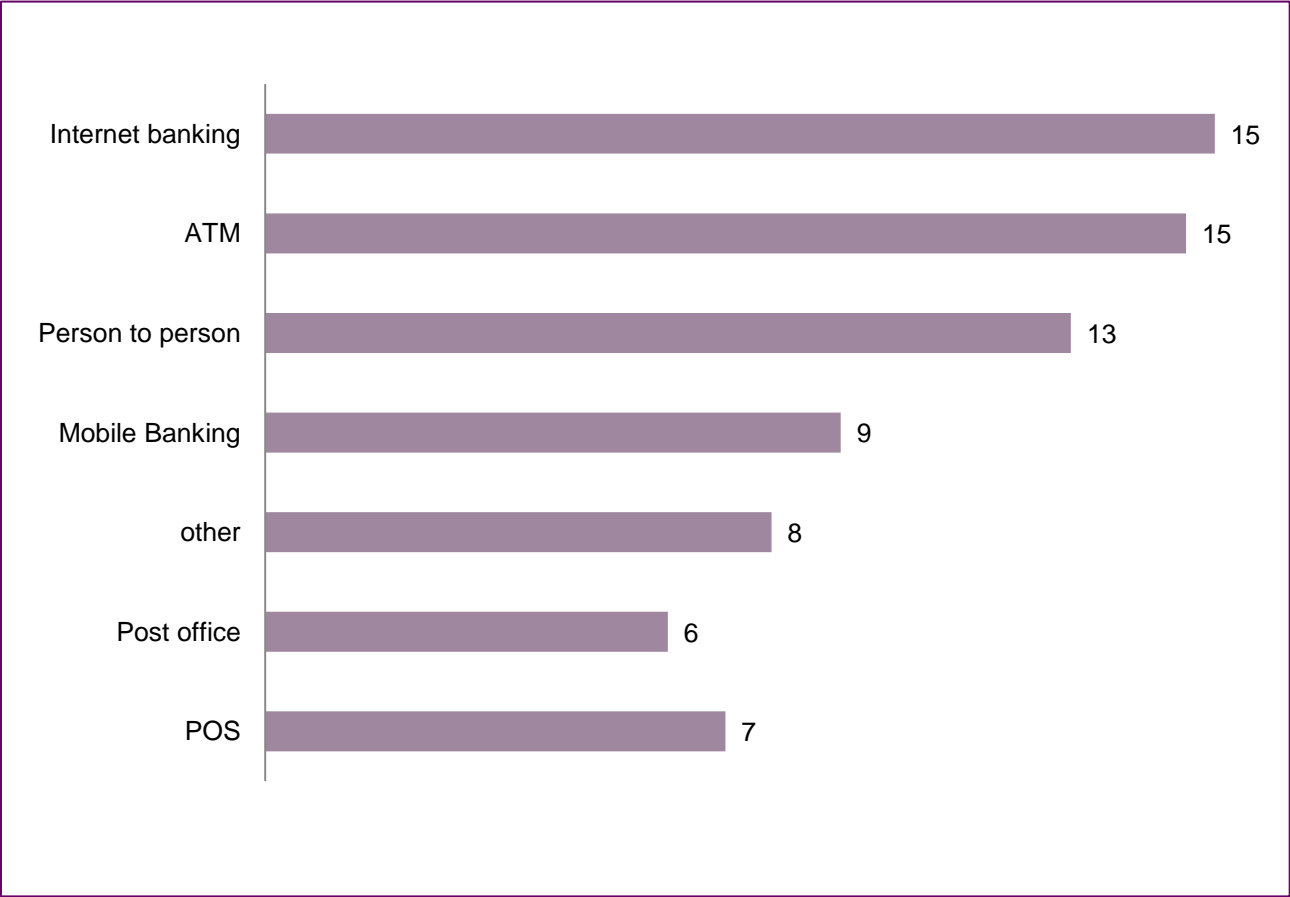
## Is a minimum deposit required on current accounts?



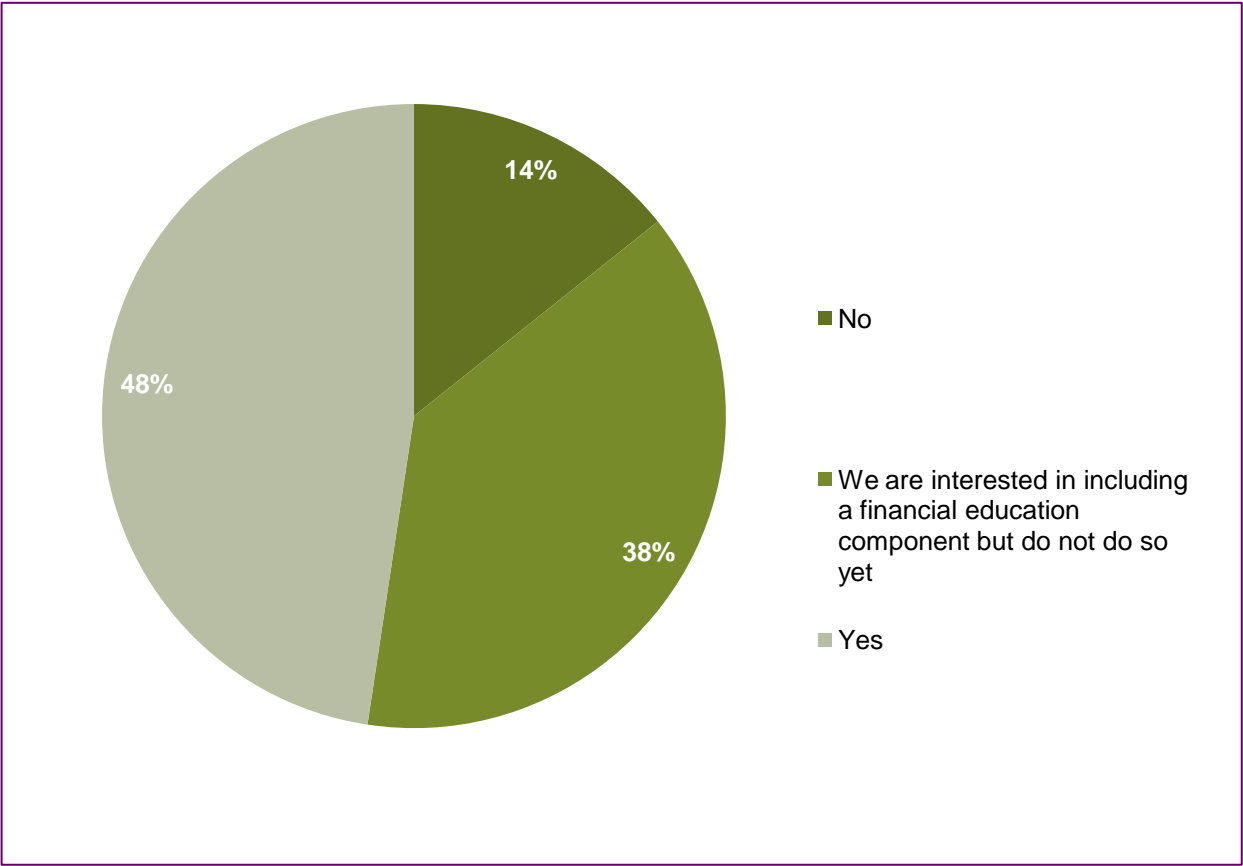
**Minimum standard: FSPs should provide child-friendly communication that is addressed to the child and the guardian on the topics of transparency and disclosure. Ongoing communication should always be addressed to the parent regardless of whether permission to interact with the child directly was given.**

- A piggy bank
- Discounted language trips
- Discounted tickets
- Financial education
- Free job application coaching
- Free school bags
- Free sms/month
- Higher interest rate
- Individual passbook
- Insurance coverage
- Mascot and gifts
- Mortuary benefit
- No fees
- School Banking program: schools are paid a commission based on numbers of students participating.
- Student reward programs kids' saving clubs and mascots for individuals.
- Toll free line available for queries.

# Distribution channels for children's financial products

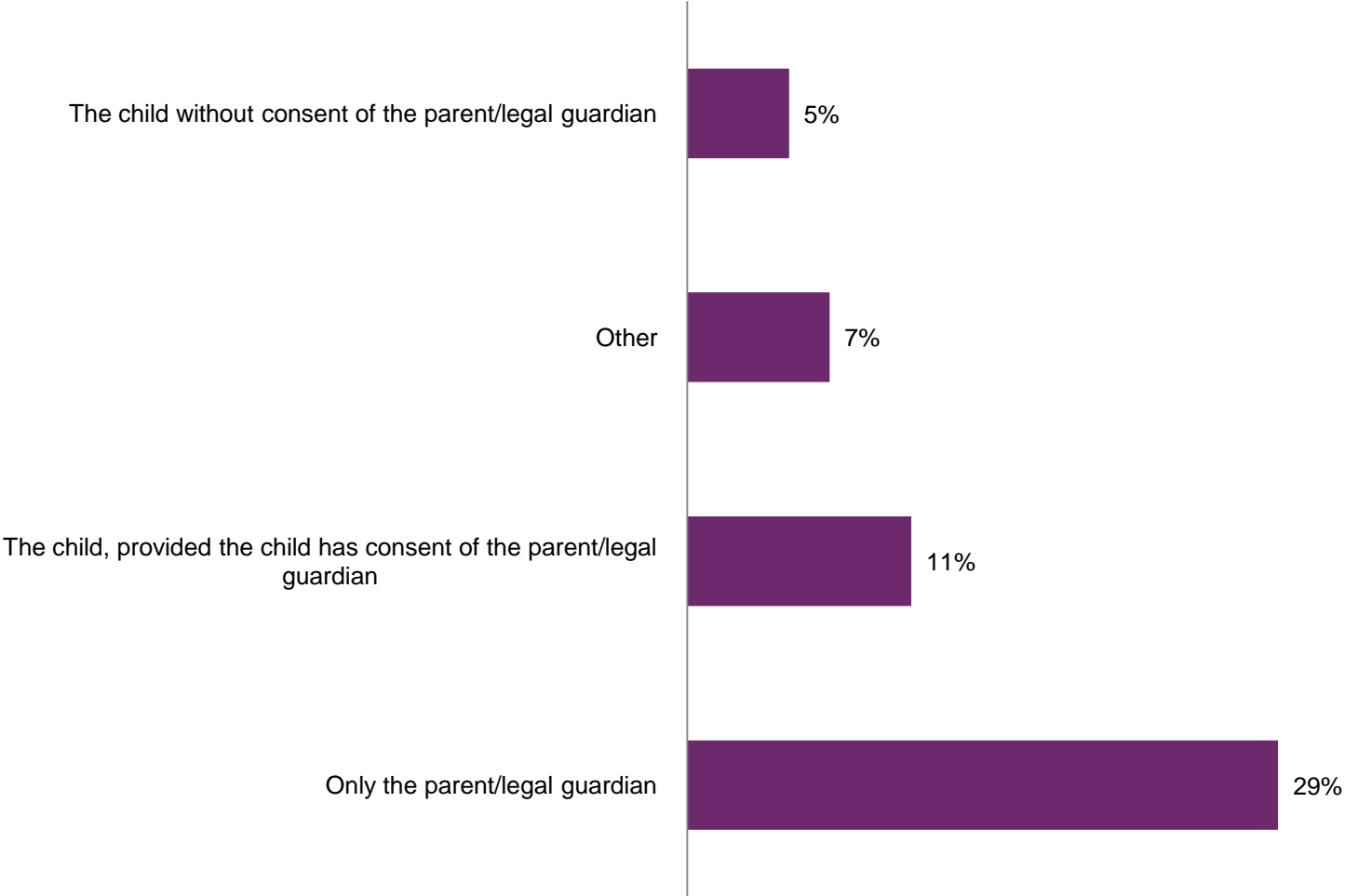


# Is there a financial education component linked to the products?

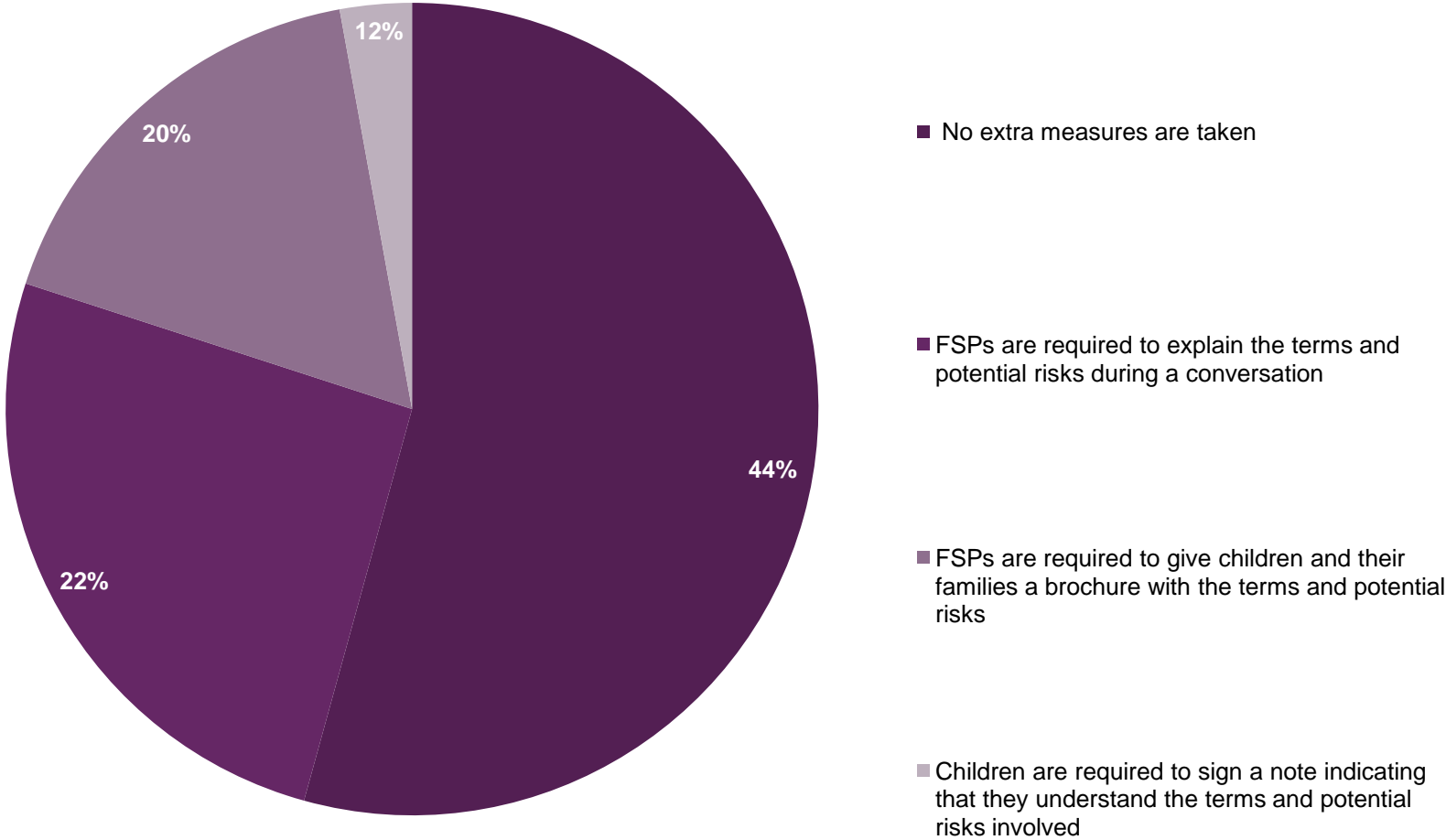


Many FSPs have understood financial education to mean financial awareness and marketing. There is a need to coordinate with the work of the education working group and awareness campaigns like the money weeks

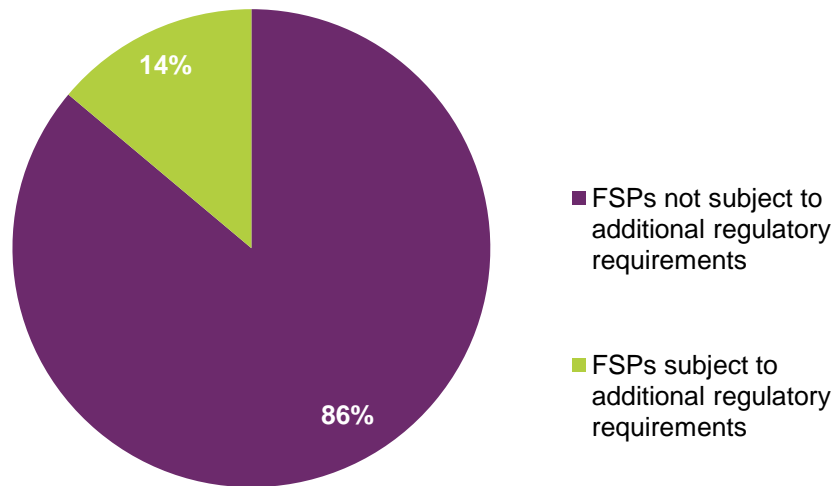
# Who is able to conduct transactions within the account?



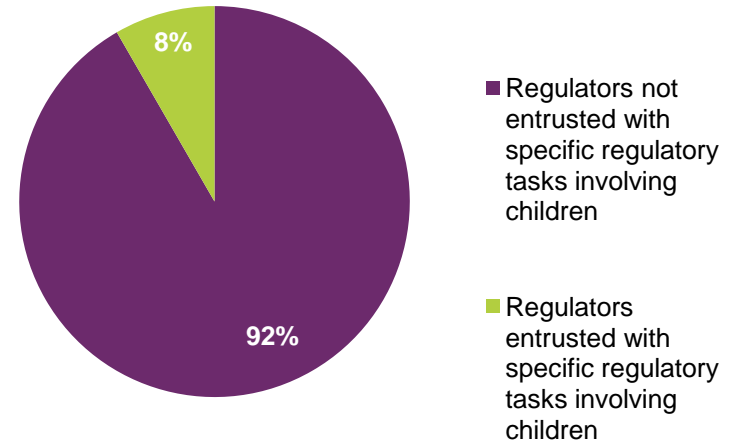
# Extra measures taken to explain potential risks



## Additional regulatory requirements

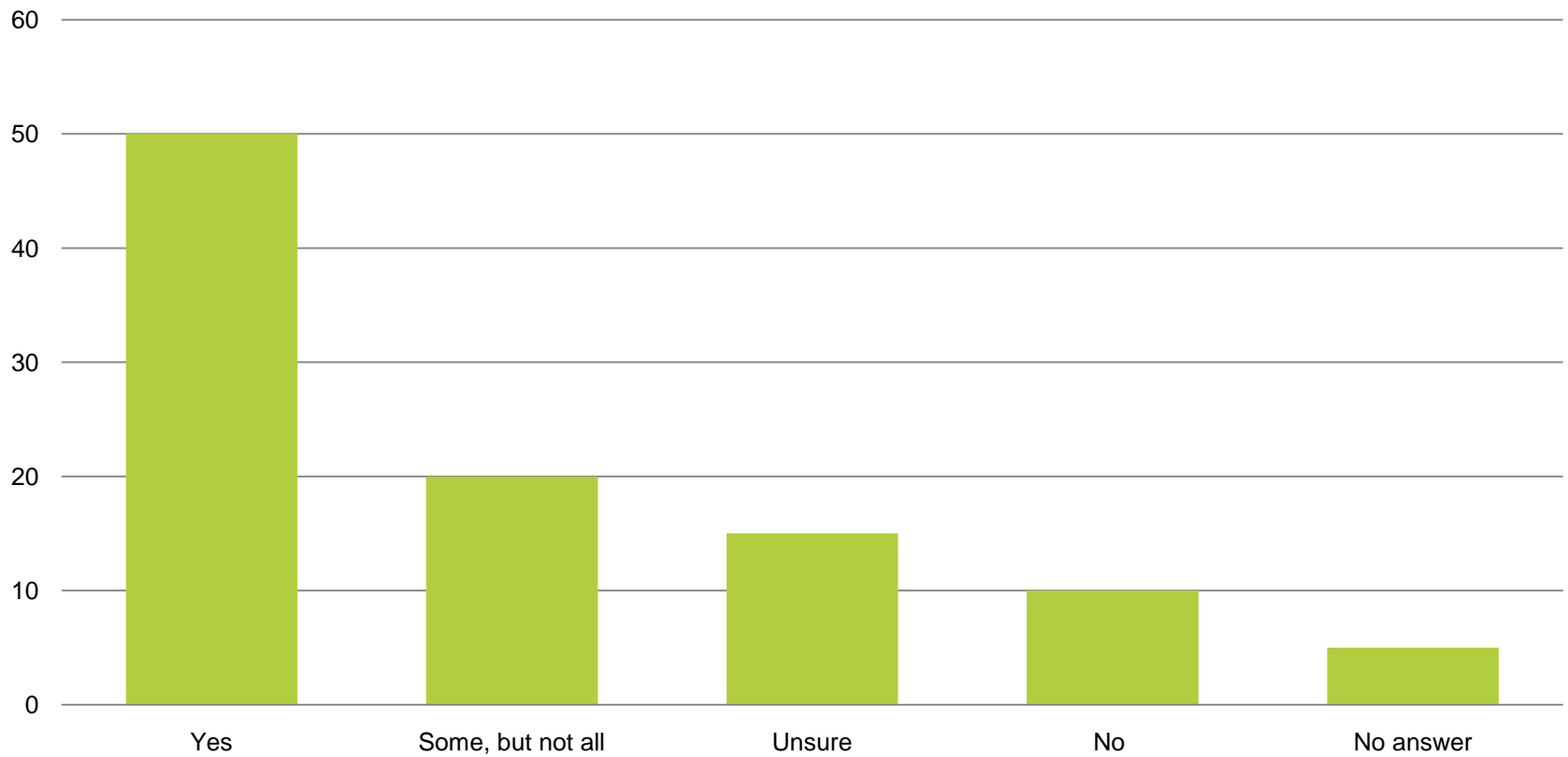


## Involvement of Regulators



Thank you

## Children's products insured by a deposit guarantee scheme



# Survey Respondents

