LLOYDS BANK

PRESS RELEASE

Lloyds Bank offers Smart Start account for 11-15 year olds as parents tell kids: "If you want it, you pay for it"

- **Children should start paying for things by the age of 12, say half of parents**
- **Pressure from children's schoolmates to spend on popular items is the money challenge on most parents' minds**
- **Lloyds Bank Smart Start gives kids financial freedoms while retaining parental oversight**

Lloyds Bank now offers Smart Start - a unique combined spending and saving account, designed to give 11 to 15 year olds freedom to independently manage their money, while providing parents with oversight of the account, displaying it alongside parents' own in their online banking.

Smart Start gives children the opportunity to begin budgeting and managing finances themselves by being split into two parts; one for spending and one for saving.

The spending account works just like a current account, with a contactless Visa debit card to use in shops, online and at cash machines. The saving account gives instant access savings, helping kids to get into the habit of saving regularly towards long term goals and items they want.

The account also benefits from features such as Lloyds Bank's Save the Change®. This is a great way to top up savings as, every time money is spent from the spending account, the bank rounds it up to the nearest pound and puts the 'change' in the savings account.

To help kids with a Smart Start account, the bank has also created a number of Smart Start Guides, which help children get the most out of the account, while also covering key areas of good money management such as card controls, staying safe on social media and making payments.

Emma Abrahams, Head of Savings at Lloyds Bank, said: *"We know it's a real balance for parents whose kids are ready for more financial independence to not feel like they're taking the stabilisers off too soon. Smart Start gives children the ability to manage their money and prioritise how they spend and what they save for, while giving parents the visibility and oversight to help them if needed.*

"With so much focus on the value of money and how far it will go, many of the financial life lessons parents' want to teach their children can really be put into practise. While there will always be external factors influencing what children want, giving them more opportunity to decide how they use their money means that they can make some of the everyday financial decisions adults have, first hand."

Financial life lessons

Parents want - and trust - their children to manage their own money, and expect them to do it from an early age, according to new research from Lloyds Bank.

In a survey of UK parents*, over 80% said that 'money needs to be earned and doesn't just grow on trees' (87%) and 'you can't always have what you want' (81%) were important money lessons children needed to learn.

Parents also said that they believe children should contribute towards, or pay for, some of the things that they want, with half (50%) saying they should be doing this before they turn 12.

Where parents expected children to use their own money, such as from pocket money, gifts, savings, and wages from part-time jobs, 'items that they want such as video games and toys' was the most common response. Almost nine out of 10 (87%) parents believed children should have to shoulder at least part of the cost of these items and over half (57%) also thought their kids should contribute towards non-essential luxuries like jewellery and designer clothes or shoes.

Parental guidance necessary

Parents see an important role for themselves in helping their children spend and save wisely. More than eight out of 10 parents (85%) said they influence what their children spend their money on, and, of those surveyed, a huge majority (92%) indicated that they feel it is important to know what their offspring are spending their money on.

While oversight was important to parents, they still respect youngsters' ability to make good financial choices, with 80% saying they trust them to manage their money.

'Must haves' pressure

Being able to get on the housing ladder in future may be a money worry parents have for their children, but it is not their biggest concern. The more immediate pressure exerted by schoolmates on spending habits is the money challenge most parents worry children face.

Almost two thirds (61%) of respondents to the survey said the pressure from peers at school to have certain possessions was a financial challenge for children. A similar proportion (64%) said that this peer pressure on their children is greater than when they were a child. Parents are not immune to this either, with 40% stating they had spent money on their children due the pressure they felt from their own peers and family.

Schoolfriends were also most frequently named by parents as influencing children's spending and savings habits, with three quarters (74%) believing kids' pals were driving financial habits, ahead of 'parents' (56%) and 'social media influencers' (54%).

Ends

Notes to editors

About the research

*All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 535 adults with at least one child aged 10 -16 years old. Fieldwork was undertaken between 29th March - 5th April 2022. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

About Lloyds Bank Smart Start

Full details available at [Smart Start - A Kids Savings & Bank Account | Lloyds Bank]

Who can apply:

You can apply for Smart Start with your child if you:

- have a Club Lloyds Current Account
- have an existing Child Saver or Young Saver for the child or their proof of identity
- are 18 or over and your child is between 11 and 15 years old
- are registered for Internet Banking
- live at the same address as your child
- are resident in the UK. If you or the child live outside the UK, you will not be able to open an account.

Benefits for the child

They get their own Spending Account and Savings Account.

- They can use their contactless Visa debit card online, in shops and at cash machines.
- If they have a smartphone, they can add their debit card to Apple Pay or Google Pay (age restrictions apply).
- They can check their balance with our Mobile Banking app* or Internet Banking.
- Their Savings Account will earn 1.00% AER/gross variable interest on balances of £1 to £1,000. And 0.40% AER/gross variable interest on any money above £1,000.
- Smart Start guides and tips.

Benefits for parents

- No monthly fees or charges.
- They can keep an eye on their child's account through the parent's own Mobile Banking app or Internet Banking.
- Easily pay pocket money into your child's Spending Account.
- No arranged overdraft – the child can only spend what is in their account.
- Freeze or cancel their debit card in an instant if it gets lost or stolen.
- Help the child set up their own contactless payment limit.
- Spending not allowed in over-18 outlets (for example, in off licenses).

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