



# Junior and Youth Banking Awards

## What are CANSTAR's Junior and Youth Banking Awards?

The CANSTAR Junior and Youth Banking Awards uses a sophisticated and unique methodology and is awarded to financial institutions that provide the best combination of products and services for young Australians. The award aims to give recognition to both banks and customer-owned institutions offering quality deposit products as well as services to schools, parents and children alike for the purpose of promoting financial literacy.

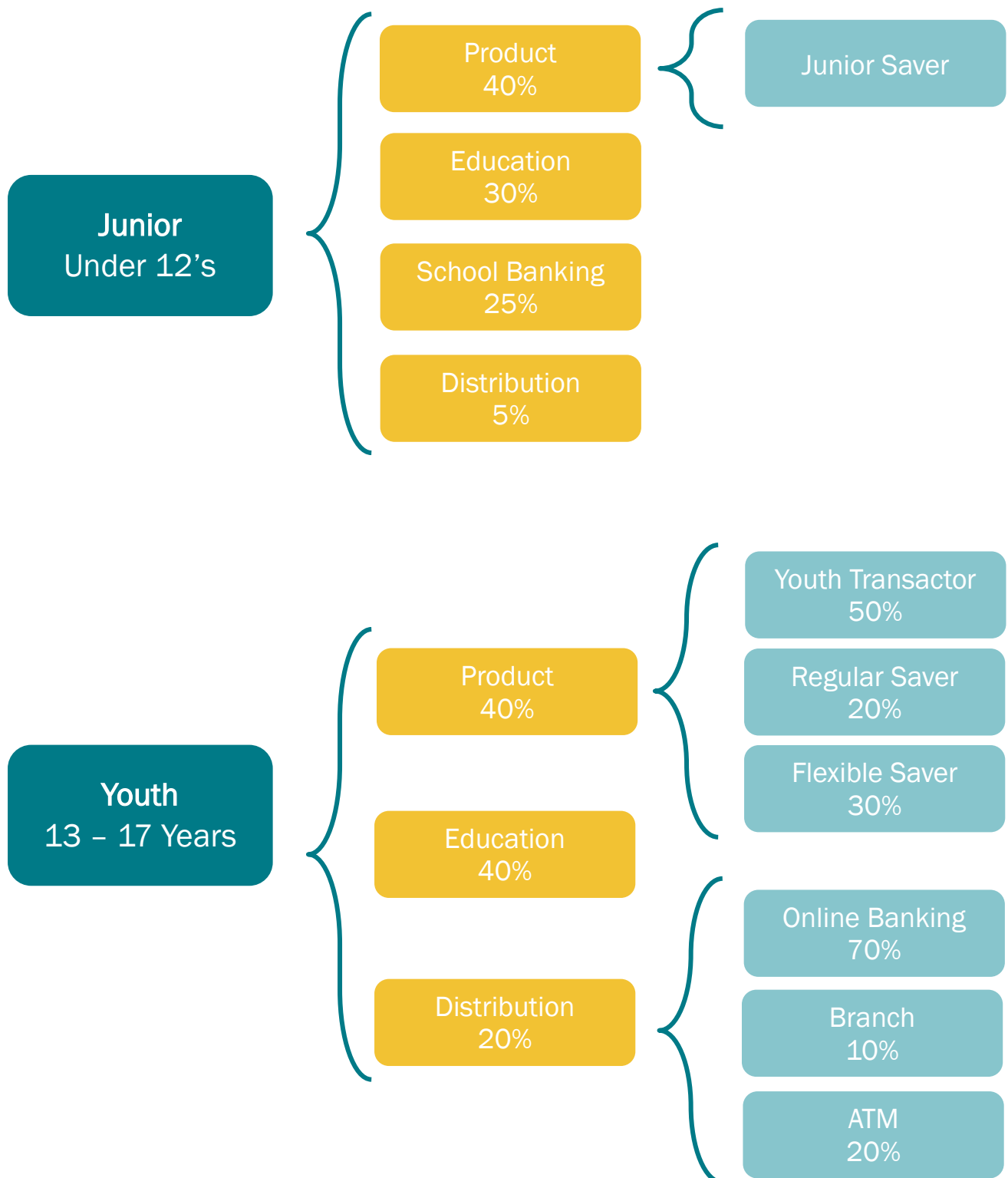
## How are CANSTAR's Junior and Youth Banking Award calculated?

To determine the best products available, CANSTAR considers two demographics: the Junior award for children aged 12 and under and the Youth award for teenagers between the ages of 12 and 17



## CANSTAR's Junior and Youth Banking Award methodology tree

While products are strongly considered, CANSTAR considers institutional investment in education, parental material, workshops and school banking. CANSTAR rewards institutions that spend time and energy on these aspects of junior and youth banking by assessing them against the following criteria;



## Product Score

To effectively compare the product offering in the market, children's accounts are assessed separately to that of accounts available for youth, this is to capture the change and differing needs of the child as they mature and start working. The table below illustrates how the product score is calculated.

As with all CANSTAR star ratings, the value of the product is determined by using a combination of price and feature scoring. The weights have been allocated to reflect the relative importance of each component which makes up the price and feature score for across the four profiles.

Profile	Pricing			Features
Junior Saver	80%			20%
Youth Transactor	65%			35%
Regular Saver	85%			15%
Flexible Saver	80%			20%
Profile	Interest Rate	Transaction Scenario	Savings Scenario	Features
Junior Saver	70%	10%	20%	100%
Youth Transactor	30%	70%	-	100%
Regular Saver	60%	10%	30%	100%
Flexible Saver	60%	10%	30%	100%

## Rates

The interest rate calculation considers the average interest rate paid across the three weighted balances below. The average interest rate is defined as the rate taken twice a month covering a period of six months. The account offering the highest average interest will receive the top Interest Rate Score.

	Balance 1	Balance 2	Balance 3
Balance Weights	50%	35%	15%
Junior Saver	\$250	\$500	\$1,000
Youth Transactor	\$50	\$125	\$250
Regular Saver	\$1000	\$2000	\$5000
Flexible Saver	\$1000	\$2000	\$5000

The table below outlines the weights allocated to rates considered:

Profile	Base Rate	Total Rate
Junior Saver	40%	60%
Youth Transactor	100%	-
Regular Saver	40%	60%
Flexible Saver	70%	30%
*The total rate considers the base rate plus conditional bonus rates.		

## Transaction Scenario

The transaction scenario analysis uses a transaction calculator which incorporates essential transaction fees and charges, rebates and free transactions. The calculator interlinks the transaction behaviour of 100 hypothetical deposits with the pricing structure of the accounts. The products with the lowest cost will receive the highest transaction scenario score.

	Junior Saver	Youth Transactor	Regular Saver	Flexible Saver
Average no. of Transactions	3	15	5	5
Average Balance	\$500	\$125	\$2000	\$2000
Average Deposit	\$20	\$100	\$100	\$100
ATM withdrawal own network	-	10%	-	-
Branch withdrawal	20%	5%	-	-
Branch Deposit	80%	-	-	-
Point of Sale	-	60%	-	-
Internet transaction	-	25%	100%	100%

## Savings Scenario

A simple interest calculation is used to capture and differentiate the offerings in the market for bonus rates. The description of the scenario placed for interest calculation is shown below:

Profile	Deposit Amount	Term (months)	Description
Junior Saver	\$20	12	Interest calculation is based on the interest earned on an initial deposit of \$20, \$20 monthly deposits on day one of each month, no deposit in month six, and a \$50 withdrawal on the last day of month twelve.
Regular Saver	\$0	12	Interest calculation is based on the interest earned on \$50 monthly deposits on day one of each month and no deposit in month six. A \$50 withdrawal will be made on the last day of month three, five, seven and nine (four withdrawals in the year).
Flexible Saver	\$1000	18	Interest calculation is based on the interest earned on an initial deposit of \$1,000 over 18 months, taking into account the promotional rate and its length plus the base interest rate.

## Feature Score

Each of the product features is allocated points that are awarded for positive deposit account traits such as greater flexibility or access to facilities. The table below outlines the weights allocated across each category.

Category	Junior Saver	Youth Transactor	Regular Saver	Flexible Saver	Description
Account Facilities	40%	50%	35%	35%	Branch facility, ATM facility, internet facility etc.
Specific Conditions	50%	20%	55%	55%	Rules relating to account operation i.e. min withdrawal or balance, interest calculated & paid
Exception Fees	-	15%	-	-	Fees such as overdrawn & dishonour fees
Exemptions From Fees & Charges	10%	5%	5%	5%	Exemption fees and charges i.e. relationship balance, demographics (concession, student)
Account Design Options	-	10%	5%	5%	Personalise accounts (name account), sub-accounts, savings plan

## Education

A key feature of providing a junior/youth banking program is the supporting tools and material available. For the award we looked at website resources as well as other resources for use by parents and teachers.

Category	Category Description	Junior Award	Youth Award
Tools	Junior Website, Youth Website, Savings Calculators, Budget Calculators, Games, Updated Games	30%	20%
Workshops	Community and School Workshops, Facilitators	30%	40%
Curriculum	Resources and Facilitators	30%	40%
Parents	Control and support for parents	10%	-

## School Banking

Branch access and school banking are excellent tools to help children learn to save. In school banking we look at the availability of the banking program being offered to schools.

Category	Category Description	Junior Award
Distribution	Operate Program, Frequency of Collection	40%
Services	Open Account, Deposits, Rewards	45%
Benefits	Commissions and Grants for financial literacy	15%

## Distribution

Branch access and school banking are excellent tools to help children learn about banking. Easy access to branches and ATMs are rewarded based on the CANSTAR distribution analysis.

Category	Category Description	Junior Award	Youth Award
Branch	Ratio of Branches to population	100%	10%
ATM	No. of ATMs	-	20%
Online Banking	Online Banking Functionality	-	70%

## Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## How often are products reviewed for award purposes?

This award is recalculated every 12 months, based on the latest submissions from each institution. CANSTAR also monitors changes on an ongoing basis.

## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



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|---------------------------|-------------------------|------------------------|
| • Account based pensions  | • Agribusiness          | • Business banking     |
| • Business life insurance | • Car insurance         | • Credit cards         |
| • Deposit accounts        | • Direct life insurance | • First home buyer     |
| • Health insurance        | • Home & contents       | • Home loans           |
| • Landlord insurance      | • Life insurance        | • Managed investments  |
| • Margin lending          | • Online banking        | • Online share trading |
| • Package banking         | • Personal loans        | • Pet insurance        |
| • Reward programs         | • Superannuation        | • Term deposits        |
| • Travel insurance        | • Travel money cards    | • Youth banking        |

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