Brits Get More Honest With Age

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As TSB launches the next in a series of animations designed to 'lift the bonnet' on how the bank operates, new research reveals that the vast majority (95 per cent) of brits still believe in the old adage that honesty is the best policy, while it would seem greater honesty is something that comes with age.

The research1 conducted on behalf of TSB reveals that people over the age of 65 are nearly twice as honest as their counterparts more than 40 years their junior, with 69 per cent saying they tell a lie less than once per month, compared with 36 per cent of 18-24 year-olds.

When looking at why people might feel the need to lie, over four fifths (83 per cent) said it is due to 'white lies for the greater good', with just seven per cent of people claiming they lie to get ahead in life.

Notably, the research also found that people are more likely to be honest with their GP than their dentist or sibling. When asked who people would feel comfortable lying to, they said:

- Dentist – 25 per cent.
- Sibling – 19 per cent.
- GPs – 17 per cent.
- Best friend – 16 per cent.
- Mum – 16 per cent.
- Dad – 14 per cent.
- Own children – 14 per cent.

Encouragingly, half (50 per cent) of respondents said they would not be comfortable lying to any of the above.

When looking at how customers view companies' honesty, the study reveals that 85 per cent of people have greater trust in businesses if they are open and transparent about the way they operate. It is therefore unsurprising that 82 per cent of people would like big businesses to provide more clarity over how they operate, including how and where they make money.

Transparency drive at TSB Bank In contrast to the research showing greater honesty comes with age, TSB – Britain's newest high street bank – is once again committing to a transparent and honest approach with customers by releasing a new two-minute animation showing exactly how it makes money from bank accounts. The animation forms part of the recently-launched *Truth and Banking* hub – a new portal designed to help people understand exactly how TSB works, and how it uses its customers' money.

Titled *How TSB Makes Money from Current Accounts*, the animation explains the four key areas where it makes money:

1. Earning interest by using money from the balances of its bank accounts to lend to other customers and small businesses across Britain.

2. Fees and interest from overdrafts.

3. Monthly fees from 'Added Value Accounts'.

4. 'Interchange' fees from retailers that offer debit card payments in their shops.

Furthermore, it explains how these sources of income contribute to the running of the bank, such as the provision of secure internet and mobile banking services, running a national cash machine network and the supply of millions of debit cards.

Pester, TSB Bank plc's CEO, said: “We believe honesty and transparency is important, and our research reinforces this, showing that honesty plays an important role in society and the way people like to be treated as customers.

“Not all big businesses – including banks – think the same. TSB is different from other banks. Being open and transparent is really important to us and we want our customers to understand how TSB works and how we use customers' money. We appreciate it's not always easy to understand how a bank works or how it makes money, so we've created a short and simple-to-understand animation to unravel that

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mystery. We want to lift the bonnet on our bank and demonstrate to people that we are different."

The new animation is a sequel to TSB's first film *How We Make Money*. A third – *How Saving With TSB is Different* – will be revealed soon.

Features of *Truth and Banking* As well as the *How We Make Money* animation suite, *Truth and Banking* features the TSB blogand Twitter widgets for @PaulPester (TSB's CEO) and @TSB. This transparent approach ensures customers will have access to everything they need to know about TSB in one place.

Pester continues: "Truth and Banking is our way of showing people how – even though we are a bank – we don't need to be a mystery. We will make TSB as transparent as possible and the hub helps customers see this."

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For more information, please contact:

Roy Beale

TSB Bank plc

E:Roy.beale@tsb.co.uk

T: 07867 349319

Anthony Hua

TSB Bank plc

E: anthony.hua@tsb.co.uk

T: 07741 291505

@TSB_News

Notes to Editors:

- The *How TSB Makes Money from Current Accounts* animation can be viewed at http://youtu.be/jxGYOcq3omk .
- Transcript:

  It's not always clear how banks make money from current accounts.

  Well TSB isn't like other big banks. And they're happy to explain exactly how they do.

  TSB makes money from current accounts in four key ways:

  1. *On average a typical TSB customer keeps over £1,000 in their account. TSB uses this money to lend to other customers and small businesses across Britain. The bank earns income from the interest those people pay for borrowing that money.*
  2. *Just over a third of TSB's customers use an overdraft every year. Some of them pay fees and interest when they do so.*
  3. *Around 15% of customers have what's known as an 'Added Value Account', for which they pay a monthly fee in return for additional benefits and preferential services on top of the basic banking service.*
  4. *And lastly, when customers use their debit card in retailers to buy goods and services, the retailer pays a small fee (called an interchange), for the security and convenience of accepting payment by card.*

  These sources of income contribute to TSB's total income, from which they run the bank.

  That includes some costs that are specific to current accounts.

  Things like paying interest to people who have an interest-bearing account, providing secure internet and mobile banking services, running a national cash machine network and supplying millions of debit cards. Not to mention employing the thousands of people in their branches and

call centres who help their current account customers on a daily basis.

Any profit the bank makes after these costs are taken into consideration are either retained for future investment or returned to shareholders. The bank's board decides which.

So, for TSB, current accounts are a key part of making sure they're in the best possible position to be an economic force for good in the local communities their customers live and work in. Which, after all, is what Local Banking for Britain is all about.

[1] Research conducted on 1,000 respondents on 16 April 2014 by Vision Critical.

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