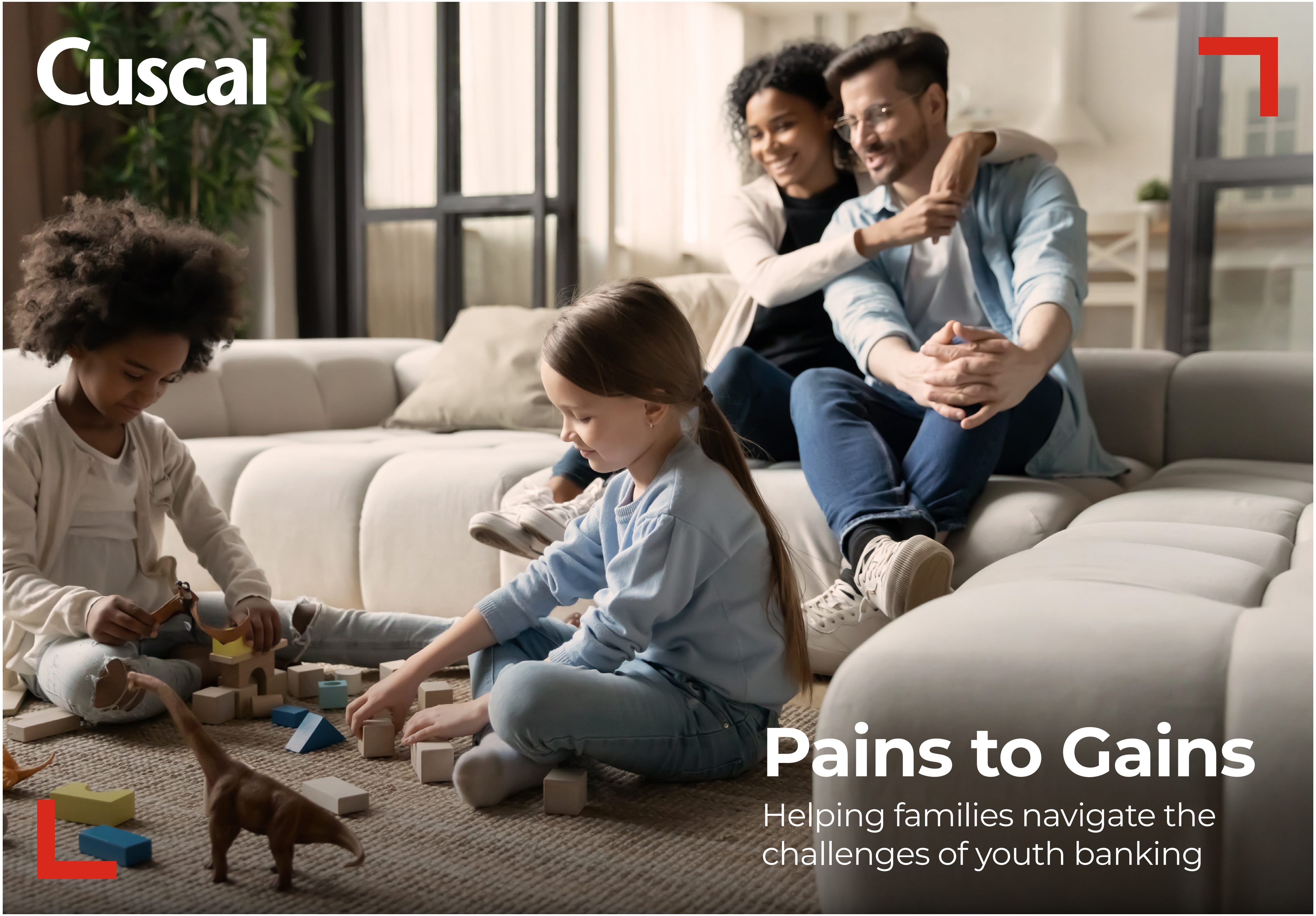


Cuscal

Pains to Gains

Helping families navigate the challenges of youth banking

Contents

Cuscal

1. Introduction

"The money habits you learn as a child, if you stick with them and develop them, will set you up for life."

Anthony
(parent, research participant)

Learning financial skills is fundamental to leading a fulfilling life. Yet at present when embarking on the financial literacy journey, both young people and their parents find it challenging to source relevant information or services that support them. While financial institutions are well-positioned to provide tools and support, they often fall short of the expectations of the youth segment.[1] This dissonance in the financial experience for parents and children creates opportunities to build solutions that are engaging, educational and accessible, which in turn will help financial institutions acquire valuable customers who stay for life throughout their ever-evolving banking needs.

For financial institutions, the core challenge lies in clearly defining key opportunities along the financial literacy journey and, most importantly, prioritising the creation of necessary, innovative solutions amongst competing priorities within the organisation. Acquiring and engaging youth customers for the long-term is imperative to ensure consumers consider your solutions first when their needs turn to more profitable lending products. Financial institutions who successfully deliver value that resonates with new-to-banking young customers can establish loyalty, develop valuable relationships and simultaneously drive strong customer portfolio management practices and long-term financial sustainability.

According to the United Nations (UN), **26% of the world population is below the age of 15 years (roughly 2 billion people worldwide), and 16% is between 15-24 years[2]. In its World Youth report, the UN projects that this youth segment, aged 15 to 24 years, is expected to grow 7% by 2030 and 11% by 2050[3].** It is undeniable that as a financial service provider, developing a strategy for the youth segment in line with your wider bank strategy should be a priority.

Youth aren't only the future of the world, they are also the future of your business. Hence evolving youth banking propositions to support kids and their parents on the journey from pocket money management to financial independence is vital.

1. Introduction

This paper outlines:

- **why the youth segment should be a focus for you**
- **the landscape of youth banking**
- **the challenges for parents and children**
- **key insights and identified opportunities from market research conducted**
- **the steps you could take to develop a strategy for the youth segment**
- **how Cuscal can support you as part of a comprehensive approach to youth banking.**

To identify the challenges and needs of the youth segment, in-depth research was conducted with 25 parent-child pairs about their financial learning journey.

The participants were diverse and represented a range of income levels, cultures, family structures, degrees of financial literacy and family dynamics. They also represented different attitudes to money and financial matters and were customers of different types of financial institutions.

The research approach combined video interviews, reflective activities and other qualitative research techniques to elicit rich insights from participants. Key customer insights from this research enabled deep understanding of the financial learning journey at each youth life stage, together with the pain points and opportunities for financial institutions, which have been captured in *Section 4: Bridging the gap*.

2. Eye on the future

What is the significance of the youth segment in your strategy?

Accounting for the 5.5 million Australians[4] between the ages of 6-22, this segment represents a total opportunity size of $825 billion.[5]

(a) Customer lifetime value

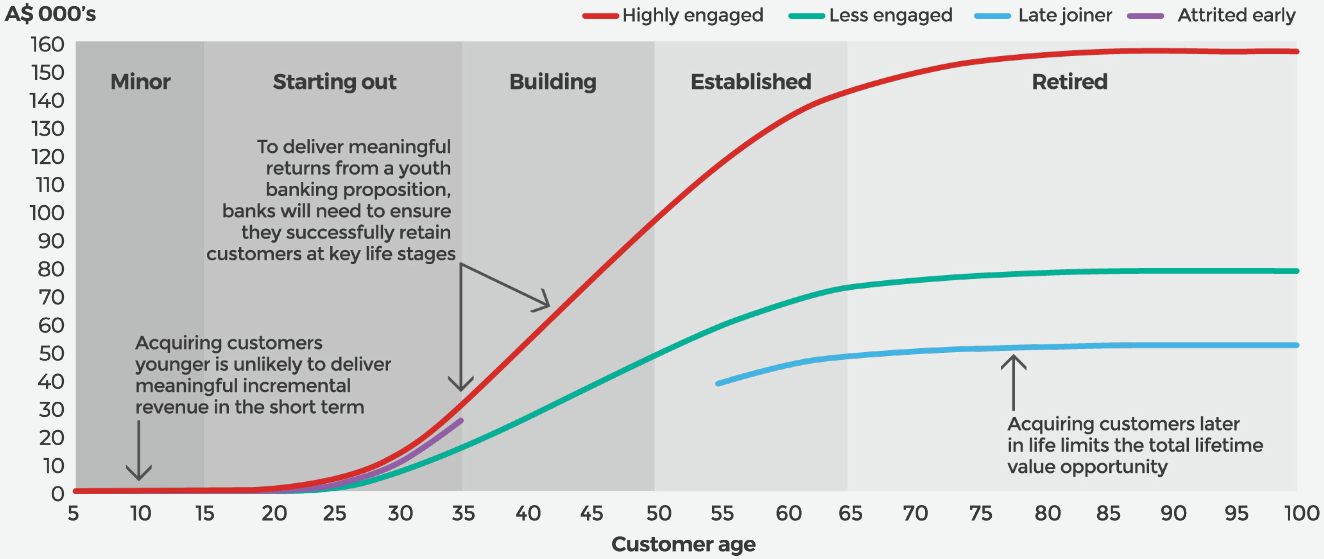
The value of the youth segment stretches well beyond the child, both within the overally family (e.g., creating parent stickiness), and the lifetime value of the child as they grow older. The present value of a customer acquired early in life and successfully retained up until adulthood is on average over $150,000[6] (Figure 1).

(b) Customer life cycle management

For those financial institutions with a customer portfolio concentrated in regional Australia or an older demographic, this youth segment is integral to the future sustainability and viability of the business.

Strong customer life cycle management practice is based on developing propositions that cater to this youth segment by acknowledging it is the inception phase of the life cycle and thereafter the youth segment will progress to more profitable life stages of the business.

Figure 1: **Cumulative lifetime value chart[7]**



2. Eye on the future

2

(c) Lower barriers to entry/exit

With technology, such as Open Banking, further reducing the barrier to entry for customers, the importance of delivering propositions and branding that resonate with customers increases. This presents both a risk and an opportunity for financial institutions – while younger customers may lose interest and leave, it should also be easy to encourage them to join if the product or service offers them more than what they currently receive.

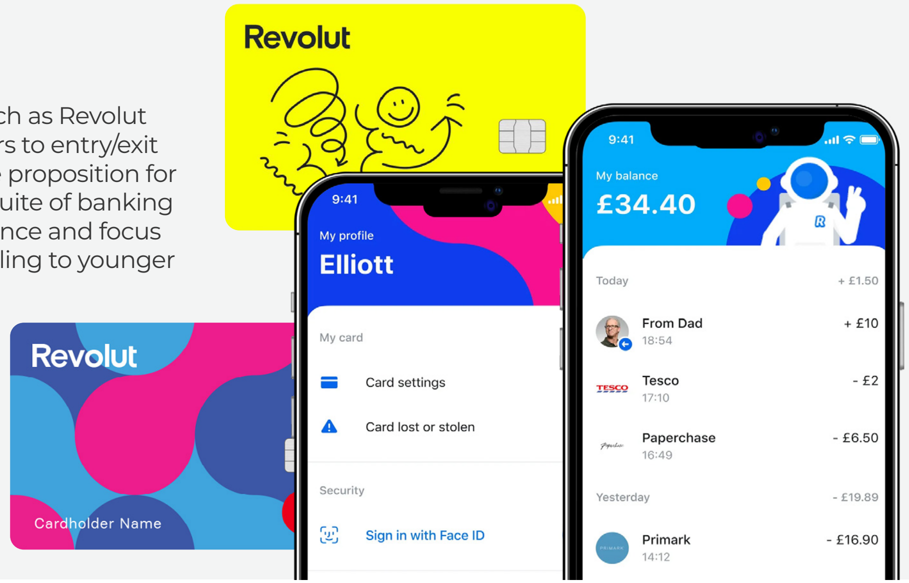
(d) Supports community health through financial health

Over 82% of children report that their understanding of financial concepts derives from conversations with parents and carers.[8] Supporting parents to advance their children's financial capabilities is a key opportunity to improve the livelihood of Australians and the local community, and also makes monetary sense for financial institutions. This has been identified as a priority by the Federal Treasury to strengthen the Australian economy.[9]

International Case Study:

Revolut UK

New financial technology services such as Revolut have taken advantage of lower barriers to entry/exit by delivering a strong customer value proposition for younger customers. Revolut offers a suite of banking products with a strong digital experience and focus on features and a tone of voice appealing to younger customers, and despite not existing prior to 2015, the bank now serves over 8 million customers globally. Revolut has also launched products for youth and children (Revolut Junior and Revolut <18).



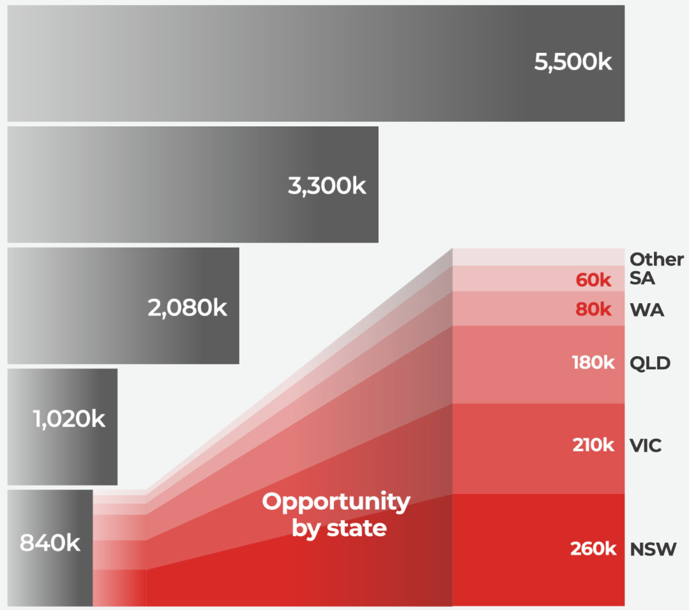
3. Picturing young finances

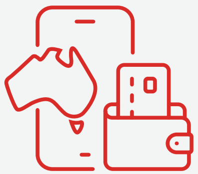
What does the youth banking landscape look like?

According to the World Bank, over 400 million young people around the world do not have a basic bank account at a formal financial institution.[10]

Bringing this closer to home, we expect there are ~840k children in Australia who might adopt a youth banking proposition.[10] The total addressable market for a youth banking product (Figure 2), represents a large potential revenue pool for financial institutions, noting the even greater potential as this youth segment advances to more profitable life stages with age. In addition, between migration and organic growth, there are over 450k children per year who become eligible for youth product accounts.[11]

Figure 2: **Total addressable market for a youth banking product**





3. Picturing young finances

Historically, youth banking propositions consisted of a generic bank account with basic branding differences to appeal to youth. The interface was personal with bank visits, forming a foundation for their financial future well before the evolution of digital banking.

Today, technology advancements and digital banking present various opportunities to lift engagement with the youth segment. Emergent youth banking propositions exhibit core banking features, while also including digital elements for children to manage money, engage in financial education games to teach fiscal responsibility as well as promoting saving habits.

Emerging digital banking applications are also gaining traction. **Over 200 thousand Australians have downloaded mobile apps dedicated to youth banking.**[12] With a large proportion of children experiencing digital-first banking propositions early in life, there are significant implications for financial institutions. Youth who have experienced digital banking solutions expect this type and quality of experience from their future financial services provider. As such, they may simply 'upgrade' their account once they require a standard banking experience.

Financial institutions now need to consider whether they should invest in a digital banking experience to compete in the youth customer segment and the potential risks if they don't.

4. Bridging the gap

How do growing pains transition into financial gains?

During the early years, parents and children are on a financial journey together. Parents want to prepare their children for financial independence, while their kids start to learn new skills, make early financial decisions and build a sense of their own identity, autonomy and achievement.

Depending on their attitude and aptitude around financial concepts and products, children face differing degrees of challenges with money. As they get older and gain financial and social independence, it's a given that their parents' roles will simultaneously evolve.

To identify the key pain points and needs of this segment, in-depth research was conducted with 25 parent-child pairs about their financial learning journey.

Key customer insights from this research enabled our understanding of the financial learning journey at each youth life stage, together with the pain points and opportunities for financial institutions outlined in Figure 3 on page 10.

The research placed a spotlight on a key underlying challenge – financial institutions are conspicuous by their absence from the youth banking space. They are seen to offer little more than a place to securely store money.

The current perceptions include:

- With few exceptions, financial institutions provide little support beyond account opening
- Limited products, features or tools designed specifically for children and young people
- There is limited educational content for children and young people
- And limited support for parents.

Although noting concerns, both parents and children see opportunities for financial institutions to do more. For financial institutions that currently offer products or services related to youth banking, there is clear opportunity to raise awareness of their availability to customers.

Key suggested improvements included:

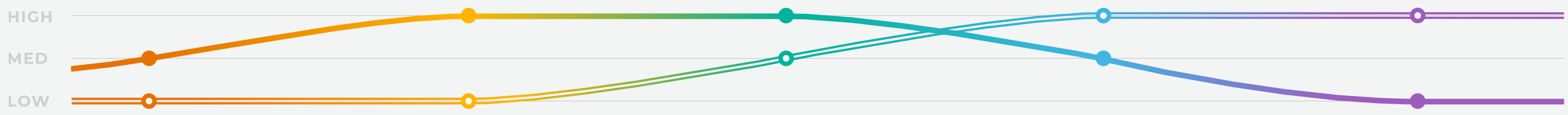
- Products designed specifically for children and young people
- App-based tools to help manage their money
- Behavioural interventions to encourage better financial decisions
- Educational tools and materials.

Figure 3: Financial Learning Journey Map Framework

	Children 6-9	Pre-teens 10-12	Early teens 13-15	Late teens 16-18	Young adults 19-22
Overall theme	**Learning basic concepts**	**Building skills**	**Making choices**	**Taking responsibility**	**Facing the future**
Stage summary	**Grounding** Parents are engaged and optimistic about their child's financial education, while children treat money as a mysterious game.	**Developing** Parents are starting to feel anxious about their child's financial education, and pre-teens are staring to push back against parental guidance.	**Transitioning** Parents are struggling to connect with their teens, while early teens are forging their own path.	**Empowering** Late teens are feeling the weight of responsibility, while parents are untying the apron strings.	**Reasuring** Young adults are stepping up and out as parents are stepping back as financial educators.
Opportunity to support parents	▪ Support to track and gamify chore completion ▪ Education and advice for the learning journey ▪ Savings account with ability to pay pocket money digitally	▪ Banking app designed to help actively engage children with finances (e.g., earning rewards) ▪ Payment card with controls	▪ Banking app with dynamic parental controls over finances ▪ Payment card with controls	▪ Financial education support for more complex topics (e.g., investments, tax)	
Opportunity to support youth	▪ Distinct app design to hold the attention of young children	▪ Ability to 'lock' savings in a dedicated account ▪ Ability to create and track savings goals	▪ Everyday transaction and savings account ▪ Ability to create basic spend budgets and savings goals ▪ Payment card with digital functionality	▪ Dynamic financial recommendations based on spend habits ▪ Integrate social elements into finances ▪ Approachable financial education	▪ Strong digital banking proposition ▪ Low-cost and high-interest earn products ▪ Plan to transition into adult banking relationship

Difficulty* levels

For parents
For kids



Rationale to target this segment

- ✔ Deepen engagement and loyalty of parents who are currently profitable
- ✔ Acquire younger customers who could be profitable in the long term (20+ years)
- ✔ Either could apply or a mix of both
- ✔ Acquire younger customers who could be profitable in the medium term (5-10 years)

* Difficulty reflects level of anxiety and effort required to grow the financial literacy of the child

Children
6-9 years

Persona:
Ryan (parent) and Caroline (6-year-old)

Ryan is starting to teach Caroline about the core concepts of money.

He's engaged and optimistic about Caroline's financial education, but he hardly uses cash anymore which makes it challenging to teach kids concepts as there are limited scenarios where Caroline can handle cash.

Caroline isn't really aware of what money is yet, or that it is earned through doing work. She receives a fixed weekly amount of pocket money linked to chores around the house. Caroline uses her pocket money to make small purchases, but Ryan encourages her to save a portion of it in a money box. Gifts from family and friends are spirited away by Ryan into a savings account which Caroline isn't aware of.

Ryan has encouraged Caroline to set a savings goal for their upcoming family holiday in six months. Every week, she proudly announces to the family how much she now has in her money box – the balance of which has sometimes gone down from the prior week!

Difficulty level

	LOW	MED	HIGH
Parents		●	
Children	●		

Pains

For parents

- Tracking chores
- Kids' limited attention span
- Digital money makes it hard to teach core concepts

Opportunities for financial institutions:

For financial institutions, the focus at this stage of the financial journey should be supporting parents with basic tools to help them to engage their kids with money, and teach them how earning, spending, saving and managing money works. Children at this age may not be directly interacting with banking products such as debit cards or saving accounts, so traditional banking products don't meet their (or their parents') needs.

Rather, experiences that are designed to hold the attention of children can help parents on the journey at this stage. This could be applications with a home screen that is appealing, the gamification of chores or saving, or debit cards with their favourite movie or show. In addition, any resources that can help parents learn how best to teach financial concepts can be beneficial.

Ideas include:

- Support to track and gamify chore completion
- Distinct app design to hold the attention of young children
- Education and advice for the learning journey.

Why you'd target this segment:

- Deepen engagement and loyalty of parents who are currently profitable
- Acquire younger customers who could be profitable in the long term (20+ years).

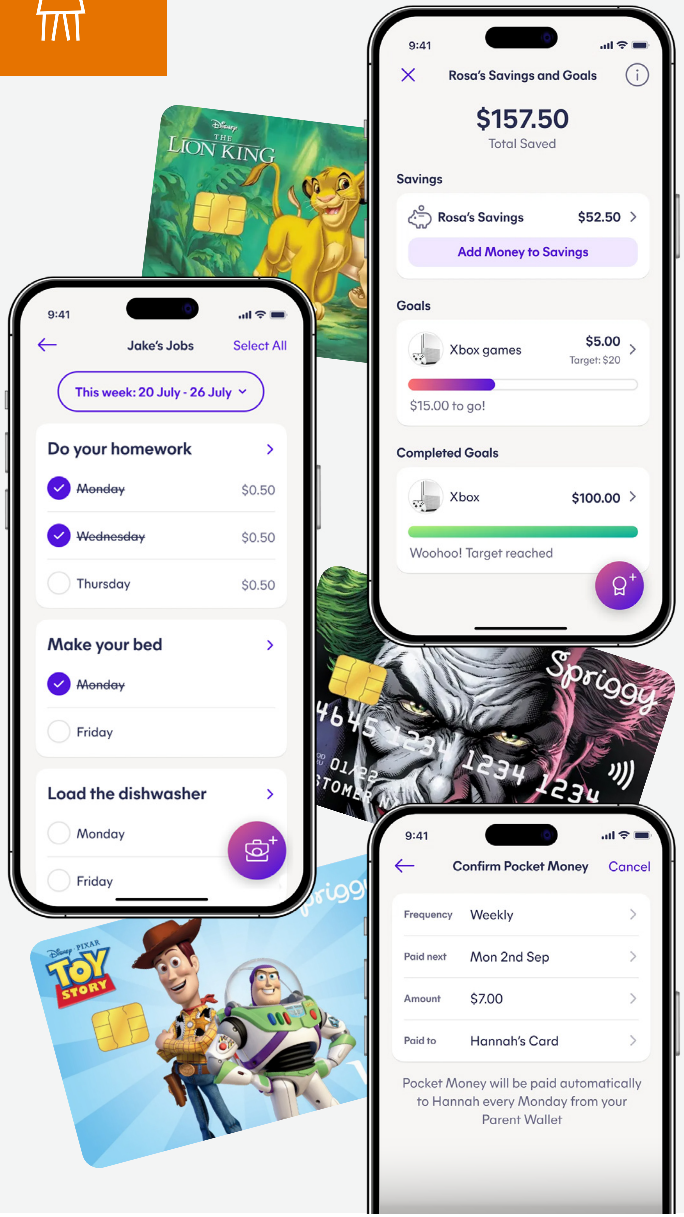
Children
6-9 years

Case Study:
Spriggy

Spriggy is a pocket money card and app designed to help parents teach their children about money.

Spriggy has two separate logins and experiences. For parents, the app allows them to create and track the completion of their children's chores, receive notifications when purchases are made and set emergency card block and restrictions on specific stores. When children login, they can set up their savings goals and view the chores set by their parents.

Spriggy's strong user experience has led to it becoming one of the most popular youth banking tools in Australia with **over 150,000 downloads in Australia.**[13]



Key quotes

> "99% of our purchases are paid by card, with tap and go. So the concept of money is hard for kids to grasp."
>
> **Chris** (parent)

> "When Oscar (7) gets money, he immediately wants to spend it. And that's usually on lollies."
>
> **Ashleigh** (parent)

Pre-teens
10-12 years

Persona:
Alicia (parent) and Hanyuan (10-year-old)

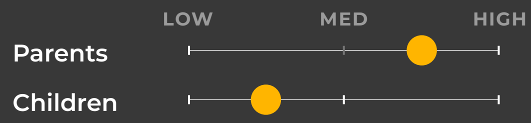
Alicia is beginning to feel very anxious about Hanyuan's financial education.

He has access to his own savings account, but he typically wants to spend all his savings on small, insignificant items on impulse.

Last week, he spent $100 (his entire savings) on outfits for his character in an online game he's playing with his friends from school. Most of his pocket money comes from his weekly allowance, but he's started to receive bigger jobs around the house, increasing his earning potential.

Alicia gave Hanyuan his own prepaid debit card last week, and so he is very excited to start spending money. He's started to make a few small purchases on his own (mostly at the school canteen). His friends all receive daily money from their parents to spend, so he spends his money to feel like he fits in. His mother gets upset when he spends too much, though, so he tries to save a little bit every week.

Difficulty level



Pains

For parents

- Banking apps aren't designed for children

For children

- Peer pressure to spend and make impulse purchases
- Building a goal-setting mindset
- Setting goals for saving

Opportunities for financial institutions:

At this stage of the financial journey, children are gaining basic access to financial products.

This presents an opportunity for financial institutions to provide products (e.g., basic accounts with debit or prepaid cards, savings accounts) which enable children to spend and save for various items with controls that can be determined by parents separately.

Ideas include:

- Banking app designed to help actively engage children with finances (e.g., earning rewards)
- Payment card with controls
- Ability to 'lock' savings in a dedicated account
- Ability to create and track savings goals.

Why you'd target this segment:

- Deepen engagement and loyalty of parents who are currently profitable
- Acquire younger customers who could be profitable in the long term (20+ years).

Pre-teens
10-12 years

Key insight:

Education support

In the research, parents consistently highlighted a struggle to determine which financial concepts to teach their children, and the most effective way to do that.

When children are young, parents struggle to teach them the core concepts of money (for example, how and why items have relative value). Traditionally, physical cash has helped to communicate these ideas, but the digitisation of currency has made it increasingly difficult for parents to give their children practical or 'hands-on' experience with saving, spending, earning and managing money.

Once they get older, the responsibility falls on young adults to deepen their financial knowledge and skillset, but considerations such as tax can be overwhelming when even the day-to-day challenges of managing a tight budget are a struggle. On top of this, modern and emerging financial products such as Cryptocurrencies are highly complex, and parents typically have limited expertise.

Financial institutions could be doing three things to support parents and children across the financial life cycle:

1. Educational content:

Parents are unsure if they are teaching their children the right thing, or if there is a better way to do it. Financial services can either develop or partner to offer educational content on how best to instil good financial knowledge and skills in children.

2. Products which facilitate education:

Some products targeted to parents of young children make the financial journey easier through digitising key elements such as tracking chores.

3. Products which proactively encourage good behaviour:

This could include benefits for preferable behaviour (e.g., saving), or proactive warnings to help parents or children intervene in a decision if it might impact savings goals.

Key quotes

"When Matthew (10) sees things, he wants them – now. We're trying to teach him that impulse purchases are a waste of money."

Tony (parent)

"At school, there's a tuck shop, and some girls buy food every day, and it's really hard not to."

Sophie (12)

"I don't let Elle's (10) savings account go under a certain amount. Once she hits $500, no more spending. That encourages her to save.

...there's no guidance for us as parents. I don't know if I'm teaching Elle the right things, or what to teach her as she gets older."

Amy (parent)

Early teens
13-15 years

Persona:
David (parent) and Stephanie (13-year-old)

At thirteen years of age, Stephanie is becoming more confident and independent, and as a result David is struggling to connect with her.

This is impacting how he's able to influence her decisions with money and importantly, coach good financial behaviours. David feels like Stephanie still has a lot to learn (she spends most of the money she earns), but he is having to determine different approaches to education as her attitudes towards him and money generally evolve.

Stephanie is feeling conflicted about the controls David puts over her finances. If she puts her mind to it, she can save for something using a combination of pocket money and her earnings from babysitting. But to keep up with her friends at school she feels she needs to spend on food, clothing, and other items. Although she struggles to balance spending and saving, Stephanie is starting to feel worried about earning and managing money in the future.

Difficulty level

	LOW	MED	HIGH
Parents			● (between MED and HIGH)
Children		●	

Pains

For parents

- Limited oversight over how kids are managing money
- Limited financial advice or products available

For children

- Limited understanding how to manage money
- Spending on things that are not needed
- Social pressure to spend

Opportunities for financial institutions:

At this stage, pre-teens are becoming increasingly independent from their parents, but parents still prefer to maintain some level of control over what their children can do with their money. This highlights the key opportunity for financial institutions in this youth segment – make it simple for parents to gradually transition control over financial products to their teenager. In order to effectively capture the value of acquiring customers at a young age (see figure 1), financial institutions must have a clear strategy to migrate young customers from 'parent-centric' to 'youth-centric' products.

Ideas include:

- Banking app with dynamic parental controls over finances
- Ability to create basic spend budgets and savings goals
- Payment card with digital functionality.

Why you'd target this segment:

- Deepen engagement and loyalty of parents who are currently profitable
- Acquire younger customers who could be profitable in the medium to long term (5-10 years and beyond).

Early teens
13-15 years

Key insight:

Supporting digital capabilities

A strategy to acquire and engage customers in this segment doesn't necessarily need to involve building a standalone product.

There are capabilities which can be leveraged across the business. In some cases, there is existing infrastructure which can be leveraged across the bank to improve the overall digital customer experience, while at the same time reducing operational costs such as call centre volume and fraud.

Basic card controls over the types of payments enabled can help parents gain a level of comfort and feeling of security as their child gains financial independence.

In-app notifications can help encourage children to develop positive financial behaviours through prompts regarding savings goals, budget tracking, and general tips.

User access controls can help parents 'co-manage' an account with their children in earlier years, but can also be used to support the more complex banking requirements of business clients in parallel (e.g., having multiple user access and permissions).

Key quotes

"I worry about debt, especially credit card debt. I'm worried that my children will be caught in a constant battle to pay it off."

Paula (parent)

"I usually spend money with friends. I might buy clothes or shoes. I just bought a phone. And I want to buy a car when I turn 18."

Anastasios (14)

"Sometimes, if I put my mind towards something, I can just save for it. But other times, I will see something, and I'll just go and buy it."

Harry (15)

Late teens

16-18 years

Persona:

Amitava (parent) and Leighton (16-year-old)

Leighton is becoming increasingly independent. He has a job at the local café meaning he can set more ambitious financial goals (such as saving up for a car), because he is earning more money.

His friends like to spend time together frequently and there is pressure for Leighton to own the latest clothing and technology. This results in Leighton feeling anxious about his financial future and the challenges ahead.

At this stage, Amitava has let Leighton 'spread his wings'. He has invested a lot of time and energy into trying to instil good financial habits and behaviours in the last 10 years, but at this point Leighton is at the age that all he can do is hope he's succeeded as a parent in setting Leighton up with a good foundation of skills for adulthood. Amitava is happy to provide advice when Leighton needs it, and the odd loan here and there, but largely he is becoming uninvolved in the day-to-day of his child's finances.

Difficulty level

LOW MED HIGH

Parents

Children

Pains

For parents

- Limited ability for parents to help their child with managing money

For children

- Struggle to balance spending and saving goals
- Cost of entertainment subscriptions adds up

Opportunities for financial institutions:

At this stage, late-teens have their financial destiny fully in their own hands. Alongside core banking functionality, they're looking for digital-first banking experiences and features that help them build good saving behaviours and educate them about finances.

Ideas include:

- Financial education support for more complex topics (e.g., investments, tax)
- Dynamic financial recommendations based on spend habits
- Integrate social elements into finances

Why you'd target this segment:

- Acquire younger customers who could be profitable in the medium term (5-10 years)

Late teens
16-18 years

Key insight:

Tone of voice

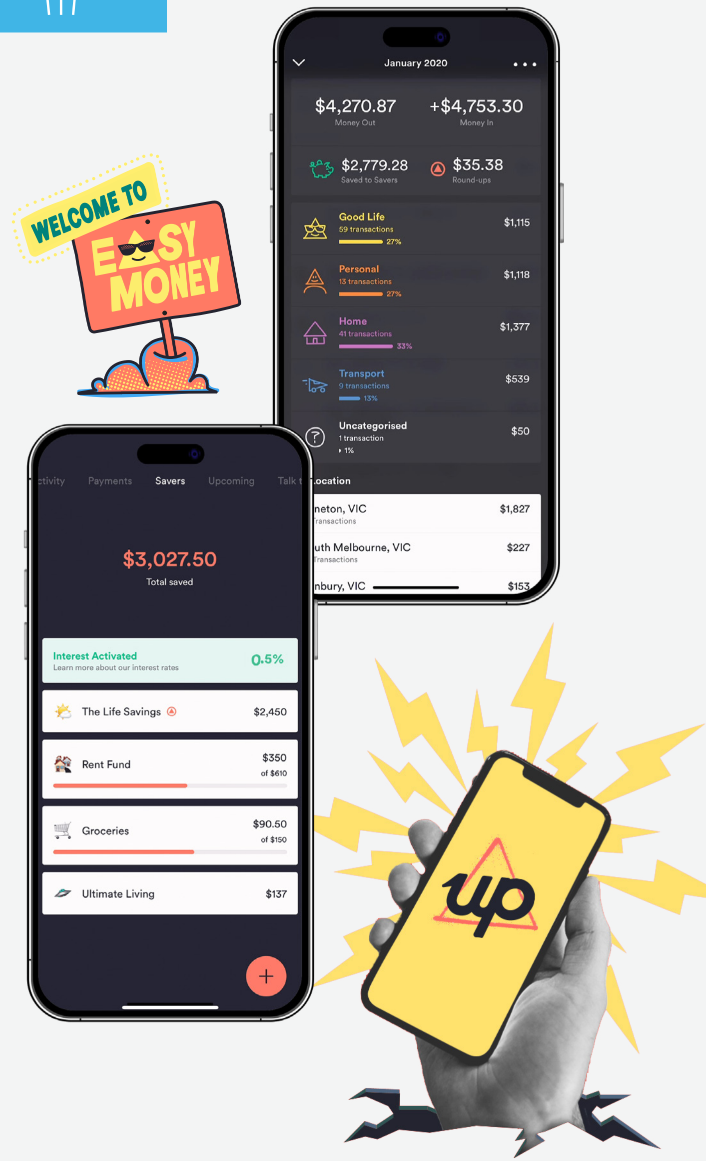
The sentiment of young people is that financial institutions aren't relevant to their financial life beyond being storage spaces for money.

To engage them in an 'account for life' proposition, financial institutions need to design products which are functional, but also have aesthetic appeal and emotional connection by speaking their language. Two key elements of this are brand and tone of voice.

A **brand strategy** that proves relevance to young segments through effective positioning will support consideration and acquisition.

Relatable tone of voice and messaging (both above and below the line) will help engage existing and prospective youth customers.

Up! Bank is a great example of a fintech that uses tone of voice to resonate with this youth segment. Alongside strong basic banking functionality, the bank provides a simple and effective way for customers to budget and track finances in a single app, while providing meaningful insight into financial health. They also use an approachable user experience design and colloquial terms for items, for example calling alcohol 'Booze', and music events 'Gigs'.



Key quotes

> "I'm just hoping that everything we've discussed with her about money management has made her more savvy and aware."

Katherine (parent)

> "I want to save for when I graduate. But I also want to see Taylor Swift. We may have to fly to Melbourne. But it'll be worth it."

Georgie (16)

> "I need to learn about investing and buying houses and how to deal with large scale expenses. And like, learning how to save."

Liam (16)

Young adults
19-22 years

Persona:
Amanda (parent) and Timothy (20-year-old)

Timothy is now fully independent and feeling the weight of his financial responsibilities.

He has just started his first year of university and wants to focus on his studies. He is relying on a part-time job to cover day-to-day expenses. Timothy allows for a little 'pocket money' per week to go out with friends but tries not to spend it as he is worried that he will erode too much of his savings. He is thinking about looking for a second part-time job but prefers to ask Amanda for small loans when he has particularly expensive months.

Before Tim left for university Amanda showed him a basic budgeting tool that he can use to manage his savings, but it is quite manual, and he only uses it inconsistently. Other than the occasional request for advice, Amanda is completely uninvolved with Tim's finances. In any case, his occasional questions about taxes or investments (lately, cryptocurrency), makes Amanda feel like she no longer has the knowledge to adequately answer the complex questions he has on his mind.

Difficulty level

	LOW	MED	HIGH
Parents	●		
Children			●

Pains

For young adults

- Lacking advice
- Effort involved in planning, tracking spending and saving
- Unexpected expenses
- Hard to stick to budget

Opportunities for financial institutions:

By age 19, young adults are generally independent of their parents. This highlights a key opportunity to acquire younger, more profitable customers as they are making decisions about the financial tools and services they use. Alongside strong basic banking and digital capabilities such as card controls, buy-now-pay-later, and digital payments, young adults are also looking for tools that help them manage their money such as budgeting tools and calculators.

Ideas include:

- Strong digital banking proposition
- Low-cost and high-interest earn products
- Plan to transition into adult banking relationship

Why you'd target this segment:

- Acquire younger customers who could be profitable in the medium term (5-10 years)

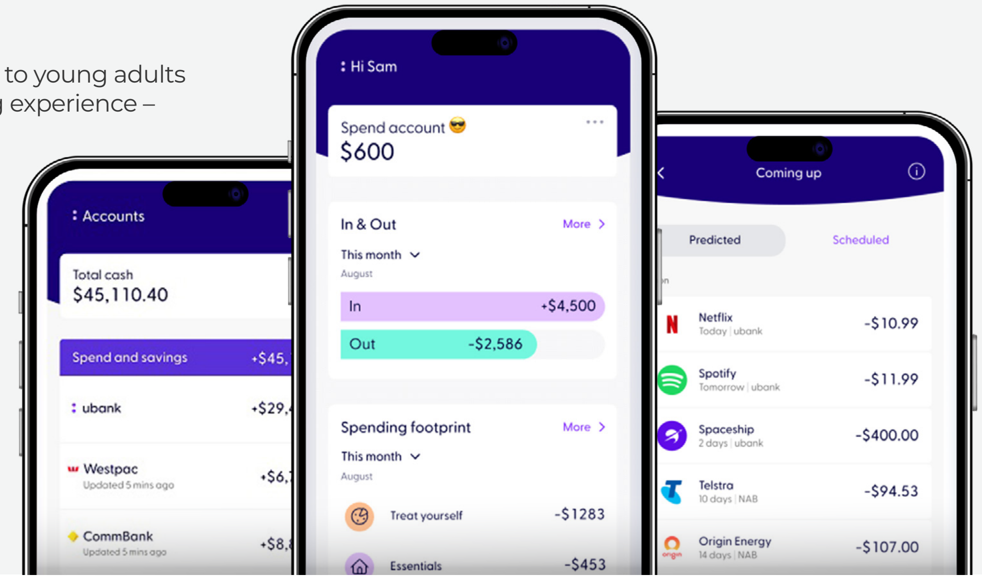
Young adults
19-22 years

Case study:
uBank

uBank (previously 86:400) has a strong focus on delivering features that help young adult customers manage their finances. This has led to strong growth since launch – the bank now has 700,000 customers and $17b in deposits.[14]

Digital-first capabilities appeal to young adults and augment the basic banking experience – instant onboarding and card issuance, plus the ability to aggregate accounts from other financial institutions all make it easier for customers to manage their finances.

Financial management functionality based on data such as spend tracking, predicted upcoming expenses, and identifying opportunities to save on utility bills based on data helps young adults identify opportunities to save.



Key quotes

"I found this YouTube creator who does financial audits of people. I've become more aware of how you can get in and out of a bad financial situation. It's been a good motivator for me."

"One of my goals is to have a mortgage and still enjoy life. I don't want to spend the next 40 years counting every dollar."

Jess (21)

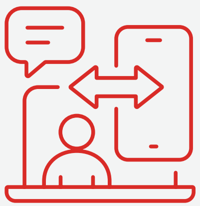
"My money comes into my bank account, but I do not save with my bank. I don't find the app efficient enough to do this."

Bronte (22)

5. Mapping success:

What goes into developing a strategy for the youth segment?

There are enough young people in Australia demanding a unique digital banking proposition to justify investing in products and digital capabilities to compete in the youth segment.



These young people have unique needs across the financial journey which currently may not be met by financial institutions. Although young people are not typically revenue-drivers (i.e. do not have lending needs), strong customer lifecycle management practices can ensure financial institutions capture the value of acquiring customers at a young age as they progress to more profitable life stages.

To address the opportunities identified through the research, financial services organisations should be focused on executing a well-considered youth banking strategy that involves building products and services to contribute to their financial learning journey.

Our research across 25 parents and youth identified five key areas financial services could be considering in a strategy to drive acquisition and retention in this segment:

Figure 3: **Five key elements of your youth strategy**

Relatable content and services – using a tone of voice that resonates with young people will enable financial services organisations to connect with a younger audience, making them feel understood and catered to.

Supportive products and features – research identified key opportunities for products to help alleviate pain points for parents such as tracking chores, managing spend, and creating budgets.

Educational resources – parents and kids worry about their financial future, highlighting an opportunity to provide financial literacy content to empower parents and youth to make informed decisions, positioning the bank as a reliable source of knowledge.

Digital-first banking experiences appeal to younger generations who prefer online and mobile channels, and will enhance retention.

Life-long customer journey design: By understanding and facilitating the financial journey of young customers, financial institutions can build long-term relationships and ensure customer retention and value capture.

5. Mapping success

Pursuing a youth banking strategy will create new value for your customers, give them something they haven't got or didn't know they needed and ultimately, make their lives better.

Cuscal is a partner who can help you deliver through the breadth and strength of our ecosystem that is specifically designed for the Australian market. We back this up with over 50 years of experience in payments – using our deep knowledge of the Australian financial market and regulatory experience to focus on how we'll meet your needs now and in the future.

With the help of our expert team, we can help your organisation bring to life a Youth Card Proposition and deliver card issuing solutions by enabling some of the key features that cardholders need in today's market.

Our **Digital Enabled Solutions** provide clients with the flexibility to launch products with the below range of features;

- **Digital Cards** supported by a physical card
- **Enabled with the Pays** (Apple, Google, Samsung, Fitbit and Garmin) – driving digital first adoption
- **Push to Wallet** functionality – allowing your cardholders to seamlessly push the digital card in your Mobile App to their Pays Wallet
- **Self-service in App functionality** – by enabling PIN Set and Change
- **Card Controls and Restrictions** – allowing you to design a product which is tailored towards your youth segment
    - Restrict eCommerce Transactions to better control unintended purchases
    - Merchant Category Blocking (eg. Liquor, Dating, Online gaming), to safeguard the use of the card on illegitimate transactions
    - Temporary card blocks and freezing
    - Digital Card or Physical Card only blocks.

Supported by our **Card Production Solutions** and vendors we can manage your Card Design and Manufacturing

- **Custom Card, Packs and Inserts** design to tailor your offering to your target demographic
- Sustainable Plastics and collateral to reduce the impact to the environment and align with cardholder expectations.

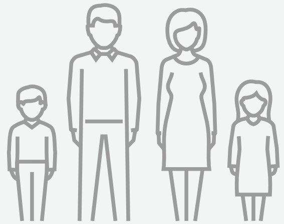
Cuscal provides an end to end service which includes the compliance, technical and operational support to bring to market a new product – our team can help minimise time and costs through our relationships with Card Schemes, Wallet providers and third party vendors, and meet the changing needs of our clients.

To find out how we can help you, speak to your Cuscal Account Manager or call 1300 650 501.

References

Pains to Gains

Helping families navigate the challenges of youth banking



[1] Throughout this paper, the youth segment refers to young people aged between ages 6 and 22, categorised as children (6-9), pre-teens (10-12), early teens (13-15), late teens (16-18) and young adults (19-22)

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