



SAVE WHILE YOU SPEND!

HSBC SMARTSAVE APP PROVES A LITTLE RETAIL THERAPY CAN GO A LONG WAY

HSBC customers have squirrelled away an average of £126 in just two months through innovative micro-saving app trial

The old adage that by looking after the pennies, the pounds look after themselves is still true, according to the results of the trial of HSBC's innovative SmartSave app.

By applying simple and smart algorithms to save a little at a time, the app has helped regular customers who signed up for the trial to save on average £63.17¹ a month (or £126 over the two month trial), which is the equivalent of £758 a year. These savings are enough for a family holiday or the latest television you've had your eye on.

HSBC SmartSave allows customers to choose between four different rules that help them save without even noticing. The iOS Mobile app algorithmically identifies when it's "safe to save" and, through a combination of nudges and auto rules, helps customers set aside their spare change. For example:

- **Guilty pleasures** Customers can choose to be "penalised" every time they shop at a store they class as a "guilty pleasure" by putting a small amount into their savings account;
- **Automatic saving notifications** They can see just how much they have saved altogether since they started using the app and if the app thinks they can save more or need to save less, it will automatically notify them;
- **Rounding up** Every time money is spent, the app can round up the amount to the nearest pound, with the "change" moving to a savings account; and
- **Pre-determined savings** Regular savings can be set up with a pre-determined amount to be saved each day, week or month.

The most popular saving option during the trial was the rounding up to the nearest pound option.² By using this function alone, customers saw an average saving of £37.74 during the two months.

Another popular feature was the "guilty pleasure" function (used by nearly 1/3 of the trial customers)³ which helped customers save an average of £18.85 during the two month period. Customers saw the most savings benefit when shopping at retail stores, followed by transactions at takeaways and supermarkets.⁴

¹ Average saving over a 28 day period, HSBC SmartSave trial data (425 customers trialling the app over a two month from 12th Jan- 19th Mar)

² 92% of customers saved by using the 'Round-up' rule

³ Proportion of customers who used the 'Guilty Pleasures' function, HSBC SmartSave trial data (425 customers trialling the app over a two month period from 12th Jan- 9th Mar)

⁴ Guilty pleasure stores which helped customers save most money, HSBC SmartSave trial data (425 customers trialling the app over a two month from 12th Jan- 9th Mar)



The app also helped customers save more than they had previously. Those who used HSBC SmartSave app were able to save £110 more than they had the year before, a 30% increase.⁵ Similar customers who did not use the app saved only £13 more than the previous year, or a 4% increase.^{6,7}

Raman Bhatia, HSBC's Head of Digital UK and Europe, said: *"Customer insights show that people – particularly millennials – would like to save more, but can see savings as a sacrifice. We want to support our customers by offering them simple, smart solutions making it easy for customers to save, and less of a chore. The findings from the trial proved that putting away small amounts of money can truly lead to significant savings."*

Nathan Peace, an HSBC Customer trialing the app who saved £193.91 during the two month period commented: *"Before trialing HSBC SmartSave, I transferred money to my savings via fixed direct debits straight after pay day – and then just spent whatever was left over at the end of the month. My savings goal is to eventually buy a house, and instead of dipping into my deposit, the trial has helped me see that the little changes really do make a difference and can help contribute to something bigger."*

HSBC SmartSave app is the result of collaboration with FinTech start-up Pariti and launched as part of the Financial Conduct Authority's Regulatory Sandbox initiative, which aims to encourage organisations from all backgrounds, to test innovative financial products and services in a live environment.

HSBC SmartSave is just one of the pilots that HSBC is trialling amongst its customer base in order to generate real customer data to inform future products and services.

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HSBC UK

HSBC serves c17 million customers in the UK and employs approximately 43,000 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including bank accounts and mortgages. It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

⁵ Pilot customer comparison of savings from December 2015 vs December 2016

⁶ Results for December 2015 vs December 2016. Pilot Customers who made savings via app vs. the customer control group (Customers with same criteria and who opted in to the pilot but not invited).

⁷ Pilot customers who made savings via app vs. the customer control group (customers with the same selection criteria and who opted in to the pilot but were not invited to take part)



The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 4,000 offices in 70 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,375bn at 31 December 2016, HSBC is one of the world's largest banking and financial services organisations.

Pariti

Pariti was founded in 2014 and is located in London. The company is authorised and regulated by the Financial Conduct Authority, and entered on the Financial Services Register under firm registration number 705486. <https://pariti.com>