

# NatWest goes niche with acquisition of PFM app for children

## Article

**The news:** NatWest [acquired](#) London-based **RoosterMoney**, a PFM app for children ages 4-17.

The bank will integrate the app's functions into its product suite over the next several months, and pull in over 130,000 UK customers from the fintech.

**More on this:** RoosterMoney gradually introduces responsible financial habits to its younger users, and allows adults to monitor and control how their children are using the service.

- Its **Stars feature**—which is meant for children ages 3 and up—focuses on concepts related to rewards and earning, and incentivizes good behavior and habits by awarding stars to its users.
- Users ages 5 and up then graduate to real money through its **Virtual Money Tracker**, which **helps** instill good spending and saving practices.
- Parents can facilitate allowances through its **Chores feature**, which sets up and tracks progress on tasks assigned to their children.
- The app also provides parents with real-time spending updates, and enables them to freeze a card and restrict payments to specific businesses.

**The bigger picture:** UK High Street banks—including NatWest—have long offered time-bound benefits, hoping to persuade consumers to switch their primary bank. The incentives are nearly always monetary, and likely don't have long-term staying power or inspire continued allegiance:

- **Santander UK** is **offering** a **£130** (\$166.71) cash incentive to customers who apply for one of the bank's current accounts.
- **HSBC** is offering eligible customers a **£110** (\$141.06) cash payment, plus **£30** (\$38.47) for food, either through Uber Eats or The Dining Out Gift Card.
- **Lloyds Bank** **introduced** its own account-switch bonus last month—a **£100** (\$128.24) giveaway in exchange for one of its two current accounts.

**The big takeaway:** NatWest's acquisition and the offering it enables is more than just a flash in a pan, and could provide customers with real value that helps ensure long-term loyalty.

- **Younger age groups in the UK overwhelmingly prefer to bank with traditional institutions** like NatWest. RoosterMoney will allow it to better serve this growing cohort as they navigate through financial decisions.
- It's also something that its customers want: **88% of parents felt support to help their children practice new skills in a safe space would be helpful**, according to research conducted by NatWest.

Engaging with users on useful and important topics at a young age could engender lasting relationships, and potentially position NatWest as a child’s first—and last—bank.

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**Preferred Financial Institutions for Banking  
According to UK Gen Z\* Teens and Adults,  
Dec 2020**  
% of respondents

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Note: numbers may not add up to 100% due to rounding; \*born 1996-2010  
Source: Marqeta, "Generation Z: Their Payments Are Our Future," May 24, 2021  
267339 InsiderIntelligence.com