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ETHICAL ASPECTS OF OFFERING BANK PRODUCTS AND SERVICES TO CHILDREN, YOUTHS AND YOUNG ADULTS

Abstract:

Children, youths and young adults are becoming a group of clients increasingly served by banks. Due to the lack of regular incomes and an unstable financial situation, these people are not the key customer segment for the banks. Nonetheless, they are treated as prospective clients that are expected to bring profits in the future. An offering of products and services to customers with low financial knowledge and poor experience in finance is a serious ethical concern. Such offerings may bring vital social, economic and financial benefits but also may generate substantial risks. The goal of this paper is to characterise and evaluate ethical aspects of the offering of bank products to young people. For the purpose of the work we reviewed literature and used SWOT analysis to identify the strengths, weaknesses, opportunities, and threats related to the offering of bank products and services to children, youths, and young adults and considered them in an ethical context. We also conducted a survey using CAWI technique on a group of 209 young people. Research shows that young people perceive banks and their offers as safe, and this positively affects their financial knowledge.

Keywords:

bank products and services, children, youths, young adult, knowledge

JEL Classification: D83, G21, M14

1 Introduction

Banks are special entities of the economy, which have a status of institutions of public trust. The banks' ability to receive deposits and use of clients' cash means that these institutions must act with particular caution and stability, while maintaining a high degree of safety. Because banks are entitled to keep people's savings, clear the transactions of individuals and companies, as well being responsible for the economic growth and creation of wealth in the countries, they are expected to keep high ethical standards, and in recent years, also to implement the principles of corporate social responsibility in every possible aspect of their functioning and development. The fundamental controversy associated with the activities of banks is that, in addition to being public institutions, banks are also economic entities that must generate profit. In the case of banks, the generation of profits is aimed at creating value for the owners and increasing dividend payments and also at increasing the level of capital and financial stability, which is required by law or by the recommendations of financial supervision authorities. The desire to achieve higher profits often leads to an increase in the intensity of sales of products and services, and thus the possibility of misselling or upselling, as well as increased exposure to various types of risks, including credit, market or operational risk. These actions result in a simultaneous weakening of their function of being institutions of public trust and change the perception toward being institutions guided by maximisation of profits rather than ethics. The requirement of achieving a given level of return on capital in terms of strong competition created both by the banks themselves and non-bank entities, such as fintech start-ups, as well as in terms of offering relatively homogeneous products and services, puts pressure on banks to implement innovations as well as to search for new customer groups. One of the groups of clients whose service requires a special approach and adjustment are young people, i.e. children, adolescents and young adults up to the age of about 25 years. These people, especially children and adolescents, are usually characterised by having a relatively low financial knowledge, low level of income or a lack of a stable life situation and limited legal capacity.

Offering products and services to people who do not have experience in finance and often are unable to make mature, thoughtful and rational decisions is a serious ethical dilemma. The dilemma becomes even more serious if one takes into account the fact, that the offerings are made by institutions that in the last two decades were suspected of making profits at the expense of the security and financial stability of their clients. The ultimate consequence of such an approach was the subprime financial crisis, which strongly affected the United States and Western Europe and caused long-term disturbances in economies, and public finance sectors.

The problem of offering banking services for young people is becoming more and more important in many highly developed and developing countries, as more and more banks

offer products and services to children, youths and young adults. The digital revolution of banks' operations reflected in replacing traditional sales channels with internet and smartphones enables cost reduction of servicing of customers. In effect banks become interested in servicing new low-income clients such as children and youth. These clients are treated as currently non-profit, but prospective and profitable for banks in the future.

The goal of this paper is to characterise and evaluate the ethical aspects of offering bank products and services to young people, including the reasons, needs of children, youths and young adults as well as the potential and real consequences of this process. In particular, the authors will focus on strengths and weaknesses, as well as the opportunities and threats of offering products to young people.

The work will present a review of the literature on the ethical aspects of banking operations, considerations regarding the ethics of servicing young people by banks, SWOT analysis of offering banking products and services from the perspective of children, adolescents and young adults, as well as the result of surveys conducted in 2017 by CAWI technique on a group of 209 young people (under 25 years).

The work is intended in particular to identify the benefits of offering products to young people in the aspects of social, financial, economic and technological inclusion of considered customers, as well as to point out those aspects of such offerings that generate the highest risk from the point of view of young people. By proper management of such areas of risk, banks may maintain an ethical character while servicing children, youths and young adults.

2 Young people, ethics and social responsibility of banks

When analysing the ethical aspects of banking services for young people, it should be pointed out that this concept is strictly linked in business practice with social responsibility. A growing body of literature has studied role of ethics in financial institutions. According to the research, ethics appears inextricably connected to financial and banking activities as it forms the basis for trust (Boatright, 2011; Cuomo et al, 2016). Business ethics can be considered as awareness or consciousness of doing things good and right according to moral standards and it is based on values and morals when creating internal and external relations and running the business. Business ethics can be implemented on three levels: macroeconomic level, enterprise and unit level (Chwistecka-Dudek, p. 23). The level of enterprises is particularly worth emphasizing due to their relationship with various stakeholder groups. Ethical principles should benefit the company and its employees as well as stakeholders, community and society. Young customers are a special group of stakeholders, for instance due to the asymmetry of information. The responsibility for young people and their personal, civil, social or economic development is one of the core areas in the scope of ethics. Ethical sphere of bank functioning is following the social well when

running operations and giving priority to moral rules when taking decisions. Bankers' role is one of stewardship based on trust (Green, 1989). Moral rules in business are commonly known and accepted practices of human's behavior, which can be used to assess the ethical or non-ethical business operations. Lentner, Szegedi, Tatay (2015) underlined that not only a bank's stable financial position, increasing economic performance, but also ethical and transparent activities and responsible financial services ensure its predictable and reliable operation, which also enables it to acknowledge and serve the interests of society to a larger degree. It must be noted, that the safe products are one of the minimal obligations toward customer in scope of ethics (Pratley, 1998).

On the background of ethics one can find that social responsibility is a concept, strategy or practical application of ethical behaviour in doing the business to meet the needs and expectations of the society as a whole. Social responsibility may be evaluated from the legal, sociologic, economic, ecologic perspectives, however all of them are derived from the ethical rules. In general, the commitment to ethics and social responsibility of organizations, including banks, is a complex issue and should be evaluated with various factors in mind (Singhapakdi et al., 1996). It can be considered as multidimensional concept related to organizational effectiveness (Zahra, LaTour 1987). The social responsibility can be explained through ethics theories that focus on ethical requirements that create relationship between business and society (Garriga, Mele, 2004). Within social responsibility, the managers of the business should take into account the good of the whole society and should not be just the organizers of the productivity of the capital but must take into account all factors determining the competences of the business and its market position. Business which is socially responsible is focused rather on intellectual capital, knowledge, learning, serving its environment as it is open for changes and reacting on internal as well external events (Żemigala 2007, p. 12). Such approach fits well to servicing of young customers by banks.

Banks as public trust organizations selling homogenous products and services are forced to build up their reputation and positive image, as well as to emphasize the dual character of banking activities, i.e. both commercial and social. That approach stimulates developing corporate social responsibility (CSR) by majority of banks. Research confirms that CSR can be considered as a tool to build and maintain the company's reputation, thus improving the quality of the information environment (Cui, Jo, Na, 2018). Dahlsrud emphasizes, that despite a lot of definitions of CSR, crucial is how CSR is socially constructed in a specific context and how to take this into account when business strategies are developed (Dahlsrud, 2008). Banking CSR means putting greater emphasis on actions supporting employees, small shareholders, clients and other stakeholders of the bank, or even the whole society. Banks' activities in the field of social responsibility may have pro-ecological character, may support the local community, cultural, educational or sports events. The social responsibility may consist of participation in charitable or other activities aimed at

youth development, increasing of cyber security, as well as supporting non-cash transactions. Support of young people, who in principle have little financial knowledge as well as low experience and competences in finance, is a good fundament for developing CSR concept. This part of business approach can be classified as an element of interactive strategy, which relies on harmonizing business goals with expectations of its environment (Adamczyk 2009, p. 112). Going further, it can be pointed out that ethical, environmental or social aspects make up a balanced business development (Dziawgo, 2010, p. 17).

Activities which support knowledge and financial awareness as well as create positive behaviour in form of gathering savings, developing financial planning, using non-cash transactions or understanding the time value of money are not only a manifestation of the ethical behaviour of banks, but also securing the interest of customers in the future. From the point of view of durability and quality of bank-client relations, banks may prefer to serve customers which are aware of financial decisions and behaving in a thoughtful way, than customer who does not have adequate knowledge and can be an object of misselling. The sale of products that are not necessary needed by customers or which are not suited to their profile allows banks to earn additional current profits. Nonetheless, this activity may lead in effect to disappointment of the customer and sense of abuse. The negative consequence of it may be writing negative comments in social media portals and internet that significantly deteriorate bank's reputation and its brand. The ethical approach to servicing young people within the corporate social responsibility of banks should consist of looking beyond current results and replacing the short-term acting with long-term effects (Blanchard, Peale, 2010). There should be then offering solely solutions that are safe and really needed by children or teenagers, and which are safe from the point of view of their personal and family finances. The solutions should also have educational function and utility. Banks then should present patience in generation of effects due to servicing young people. This approach will create the basis for building long-term relationships with the bank in a sense of trust and responsibility, will allow the bank to react to changes in the market along with changes of generations as well as will meet new needs emerging among young people altogether with technical and social changes. The responsible servicing of young customers will disperse various types of risk, e.g. related to the aging of societies or increasing competition of fintechs. The banks' tendency to increase the role of young people in the context of their social responsibility is reflected by the presence in social networks, which allows for active bilateral communication between banks and young people. Also, the increasing role of young people in banking operations can be expressed by their greater influence on designing, creating and customizing products and services as well as channels of distributions which will be ultimately offered to such customers. Another aspect of ethical or socially responsible operations of banks should be reflected in ethical marketing and advertisement of banking products or services, which should be simple,

clear, true and not causing manipulation. The advertisement should not incline young customers to buy products, which are risky or cost-generating.

3 Methodology and data

For the purposes of the work, the authors used the SWOT analysis, in which they identified in an ethical context strengths and weaknesses, as well as opportunities and threats of the offering bank products and services to children, young people and young adults. Identification of individual parameters took place on the basis of literature studies made above, as well as materials obtained from Polish Bank Association, National Bank of Poland, and Financial Supervision Authority. To determine the ethical aspects of offering banking products and services to young people, the authors also used the analysis of products and services available in commercial banks in Poland. The authors also included selected results of a survey conducted by the CAWI technique in January-February 2017. The survey was based on a questionnaire available online, and the respondents were people under 26 years of age. The invitation to the study was placed in the social media and on the blog's website. Participants in the study were additionally asked to invite their relatives and friends, if they were less than 26 years of age. The research questionnaire consisted of 25 questions structured in 3 parts: the first one directed to all respondents, the second one to people using banking products and services, and the third to young people not experienced in banking. During the three weeks of the study, 224 filled questionnaires were collected. 15 were rejected due to lack of sufficient data. After such correction, there were 209 people in the research sample, in which 45 were children and youths under 18, and 164 were young adults. Among children and youths just 14 people (about 31.1%) were bank products and services users. Among young adults there were 140 persons (85.4%) experienced in banking. This article covers only the answers to questions related to the ethical context of banking services for young people.

4 Analysis and findings

4.1. Why children, youths and young adults should be banked?

The young generation, represented by children, youths and young adults, plays a fundamental role in socio-economic development. Children are future consumers, economic and financial decision makers, and finally, future employees and managers, working inter alia in the sector of financial services. The higher level of knowledge and financial awareness they will have, they will be able to reduce the asymmetry of information as the recipient of banking products and thus make more rational and better-suited financial

decisions. In the case of employment in financial institutions, they will also be more aware of the impact of, for example, banks on their clients, and thus maintain clients' safety while satisfying needs as best as possible, creating at the same time long-term value for shareholders. The more financially educated children are and the longer they interact with model of ethical banking, which puts ethical principles on the first place in doing the business, the more responsible, social and environmental-friendly decisions they may take. Such decisions should lead to value creation of the business as the ultimate goal.

The problem related to raising the knowledge and competences of young people entering the market of banking products and services is undoubtedly offering them products and services tailored to their needs and age characteristics. Products for young people should be adjusted to their physical and psychological capabilities, should be offered through channels preferred by young customers, should be legal and should be adjusted to the financial situation of the children and youths, i.e. should be low-cost or free of charge. Only when they are found as young people-friendly they in turn will allow to increase knowledge, raise the interest in them and the need to use them. The young people are the customers, which have not previously been in touch with finance. They must then rely on knowledge, experience and skills of specialists, i.e. banks. Proper servicing of young clients will create safety, certainty, trust and finally a loyalty to banks. Such attitude will help in doing the business with banks in the future, when young people will become target customers of banks. Trust and safety in banking is a fundamental area of increasing deposits and developing non-cash economies.

The next aspect of banking the young generations is to support their financial, economic and social inclusion and to provide educational and utility function. Financial inclusion means that young people may get access to basic financial products as current accounts, debit cards and mobile payments which allow to make casual daily transactions, such as payment for shopping, public transportation, downloading the software, music, games or movies, etc. Economic inclusion means that young people may accumulate savings, they may be beneficiaries of public allowances transferred to the bank account. Economic inclusion means also possibility of obtaining salary onto bank account when young people get employment. Such type of inclusion also means possibility to organize personal finance, to plan rationally expenditures and cash inflows. Social inclusion means becoming the member of the group, that is able to send and receive the money in cashless way, to do the shopping in internet and mobile telecommunication. Educational and utility function of the process of banking children, youths and young adults means delivering practical knowledge and skills of using finance and bank applications. Delivering economic or financial knowledge at school or university will not cause that young people will be able to use products and financial services rationally and effectively in their lives. Practical skills obtained due to own experience in banking linked with knowledge from other sources

(parents, school, university, internet) allows to get acquainted with the functioning of finances in practice and to build appropriate skills and competences in this area.

Discussing the reasons of providing bank products and services for children, youths and young adults one has to take into account that nowadays, young people have much more to do with money and their use than previous generations. Functioning in the conditions of universal access to the Internet, mobile telephones and digitization of most areas of life, as well as immediate access to information makes their needs and expectations different than their peers a dozen or so years earlier. Moreover the needs and expectations are rapidly changing. For banks, meeting the requirements of young customers is undoubtedly a challenge, but also a chance to make banking modern, trustworthy, interactive and positively perceived.

Considering other reasons of banking the young people it is worth to mention that research indicates that people with savings accounts in childhood and adolescence are much more likely to maintain savings, hold credit cards or assets in adulthood than in the case of lack of an account. Having a bank account (savings) thus has a positive effect on income, assets, savings and financial education level in the future (Friedline, Elliott 2013). Children who have a small amount of savings designated for school are more likely to enroll in and graduate from college, than children with no account (Elliott 2013). The fundamental issue is that willingness of using bank products and services such as bank accounts and savings is dependent on the income level of young people. The people with higher incomes are more likely to use such products than with lower income (Friedline 2012). Therefore, the adoption of bank products and services and its effects are not homogenous among young people.

Offering bank products to children and youths should be aimed at increasing level of education and competences given to young people, instead of economic benefits of banks. This way it is possible to create social capital, i.e. social potential of the economy to generate future economic development. The social capital allows to overcome poverty (Young 2005, p. 66).

The discussion about offering bank solutions to young people should include the characteristics of young people, significantly differentiating them from other age groups. The feature, which distinguishes this type of customers, is their high diversity in terms of the level of financial knowledge and the ability to obtain it, risk tolerance, the ability to make rational decisions, the ability to understand the content of contracts and legal concepts, and the ability to performing legal actions. The group of young people therefore must include at least three subgroups, i.e. children up to about 13 years of age, adolescents from 13 to 17 years of age and young adults between 18 and 25 years of age. The above division is proposed by the authors based on the characteristics of psychophysical development of young people and the ability to perform legal acts. Support for the three

groups by banks must take into account the lack of the possibility of concluding contracts, e.g. bank account or deposit agreement, which concerns persons under 13 years of age (in Poland), the possibility of opening a bank account and performing basic banking activities without the possibility of taking loans what concerns people under 18 and finally, the possibility of offering services in the full range of products and services to persons over 18 if only they have credit score.

4.2. Ethical offering of products and services for children, youths and young adults

Ethical offering of banking products and services to young people should be considered in the context of areas as follows:

1. Security,
2. Adjustment to needs,
3. Availability,
4. Added value,
5. Competences (increase of knowledge, experience, social and financial competences),
5. Marketing and advertising,
6. Costs,
7. Communication.

The ethical activity of the banks in the process of servicing young people has to take into account the mentioned 7 areas. Within those areas banks may offer products and services which:

- keep both financial and cyber security of young people,
- are adjusted to the level of knowledge and the ability of young people to understand the principles of their functioning,
- are free of charge or generate low costs not affecting the safety of young people,
- are adjusted to the age of young people, what means they "grow" together with clients,
- do not require to bind the client with the bank to use in the future other and more advanced products and services,
- give a sense of stability and security to young people,
- provide constant access to funds at anytime and anywhere,
- are offered through communication channels preferred by young people,
- allow to use helpdesk or helpline in a form suitable for young people (chat, video call).

Banks that get involved in offering products and services for children and young people, under the condition that an appropriate level of safety and level of their difficulty is adjusted to the level of intellectual development of young people can affect achieving of financial, economic and social competences, which cannot be obtained in a different way than

through financial services. The using of banking products and services itself will not directly change the economic status of such people, will not result in direct exit from poverty, helplessness or living in families living on social benefits, but can create a basis for developing economic thinking, encourage to change of financial and property situation as well as stimulate more rational management of cash.

Banks offering financial products and services can undertake independent educational activities that facilitate the brokering but they can also undertake cooperation with educational institutions, such as schools and universities. Especially the latter approach may be indicated as optimal because it will ensure objectivity in the transfer of knowledge and will facilitate the delivery of knowledge tailored to the possibilities and level of development of young people. Involvement of schools or universities in cooperation with banks while offering banking products and services allows establishing two-way communication, enabling the support of the education process, as well as the competences of students or students, as well as creating new relations and the bank. An example of such a solution can be Santander Universidades program.

4.3. Institutional approach to ethics by Polish Banks Association

To stress the importance of ethics in functioning of banks in general in Poland Polish Banks Association¹ accepted the Code of Banking Ethics in which the Association states that market mechanisms are necessary but insufficient indicators of banks' operations. Therefore, it is necessary to take by banks into account ethical values in the process of making economic decisions. According to the Code, banks, as institutions of public trust, in their activities, are governed by the law, recommendations of the Polish Financial Supervision Authority, resolutions of the banking self-government, standards provided for in the Code and good merchant customs. Banks, through their activities, should contribute to the socio-economic development of the country and increase the wealth of the society through socially responsible business, introducing innovative solutions and supporting the development of society education. The fundamental principle on which banks and their employees should build their relations with the environment is social responsibility. When implementing a business strategy, banks should be guided not only by economic conditions

¹ Association established in 1989 and including banks established in Poland and functioning according to Polish law (including branches of foreign credit institutions).

but also by the legitimate interests of their clients, employees, shareholders, business partners and the local environment (ZBP, 2013).

4.4. Safety of bank products and services offered to young customers

One of the key areas of the banks' ethical approach to offering children, young people or young adults products and services is to provide financial, information, IT and legal security. Financial security means offering only necessary products that do not expose young people to the risk of unexpected costs, debt to the bank or promoting life on credit. This safety also means that it is not possible to use products contrary to their intended use. Information security means the transmission of information in a user-friendly, understandable and legible manner. IT security means protecting young people against the theft of money or data via electronic channels, i.e. providing high security standards for accounts, payment cards or mobile payments. Legal security is the uniqueness of the provisions of contracts concluded with customers and non-use of abusive clauses. This security also means the lack of the possibility of concluding certain types of contracts by young people.

In general, the security is conditioned by the type of protection that can be:

- parental (supervision of children's financial operations),
- legal (legal restriction of concluding certain types of contracts),
- educational (knowledge of "golden rules" how to use products safely),
- banking (narrowing the offer for children and youth to a specific product catalogue),
- institutional (supervising of bank activities by independent institutions).

Parental, legal and banking protection decreases with the age of young people, i.e. the older person is, the weaker level of protection. Educational protection, in turn, increases with the age and hence with the level of knowledge and banking experience. It can be assumed that the critical period of exposure to risk related to the use of banking products occurs in the first years of reaching adulthood (18 years in Poland). In this case, young people are not protected by law, just like younger ones, there is no parental control here, and bank control is reduced, which means the possibility of aggressive offering of standard banking products that will not be adapted to knowledge, experience and the needs. Institutional protection is stable over time as banks are supervised independently on the age of their customers. In Poland some institutions responsible for such protection are: Polish Financial Supervision Authority, Banking Guarantee Fund, Banking Arbiter,

Arbitration Court, Commission OF Banking Ethics, Bureau of Credit Information (Bogacka-Kisiel 2012, p.331-335).

4.5. SWOT analysis in the ethical context

Based on the previous conceptual framework the authors designed a SWOT matrix with major strengths, weaknesses, opportunities and threats of offering bank products to children, youths and young adults in the ethical context. Tab. 1 presents the SWOT matrix.

Table 1: SWOT matrix of offering bank products and services to young people

Strengths	Weaknesses
<ul style="list-style-type: none"> • Inclusion of people who have a bank account in the community, i.e. who can receive remuneration for work and other financial benefits, • Access to solutions, products and services related to the account (e.g. electronic banking or mobile banking, topping up the phone, insurance), meaning social and financial inclusion, • Available option of payment for products and services in e-commerce, as well as traditional stores accepting payment by card or mobile payments, • Acceptance and respect from peers due to use of financial services perceived as a feature of maturity. 	<ul style="list-style-type: none"> • Lack of possibility to use bank products anywhere and anytime (e.g. for shopping) especially in countries with a low level of development of internet and mobile technologies.
Opportunities	Threats
<ul style="list-style-type: none"> • Ability to improve financial knowledge through access to basic financial products and services, • Possibility to build proeconomic attitudes by accumulating funds on accounts, • Possibility of increasing financial safety of young people by learning how to save and plan expenses, • Possibility to acquire experience that will be effective when using more advanced and risky financial instruments, e.g. mortgage loans, • Ability to build long-term relationships with banks in the sense of trust and confidence of service, • Possibility of creating a bilateral active relationship between the young person and the bank, allowing to adapt the bank to the changing needs of young people, • Possibility to facilitate the start of professional career and running own business, • Ability to build an account score or credit history based on simple and secure products allowing future use of solutions such as car or housing loans. 	<ul style="list-style-type: none"> • Possibility of conflict between social/educational function of offering products and a commercial use. • Exposing young people to the risk of theft of money through the use of electronic, remote access channels, • Exposing young people to the risk of temporary lack of access to funds as a result of IT system failures, • Exposing young people to the risk of temporary lack of access to funds or loss of money as a result of the bank's bankruptcy, • Premature offering of loan products that are not adapted to financial knowledge or real assessment of the financial situation of young people, causing the possibility of falling into the debt trap, • Offering excessive amounts of credit, loans or credit card limits in relation to real repayment abilities of young people, • Offering products that are unmatched to the needs of young people (misselling) or with parameters inconsistent with the profile of young people (up-selling), • Offering products that are incomprehensible or generate costs/ losses unexpected by a young person, • Creating a sense of unrestricted access to money through the use of electronic payment instruments.

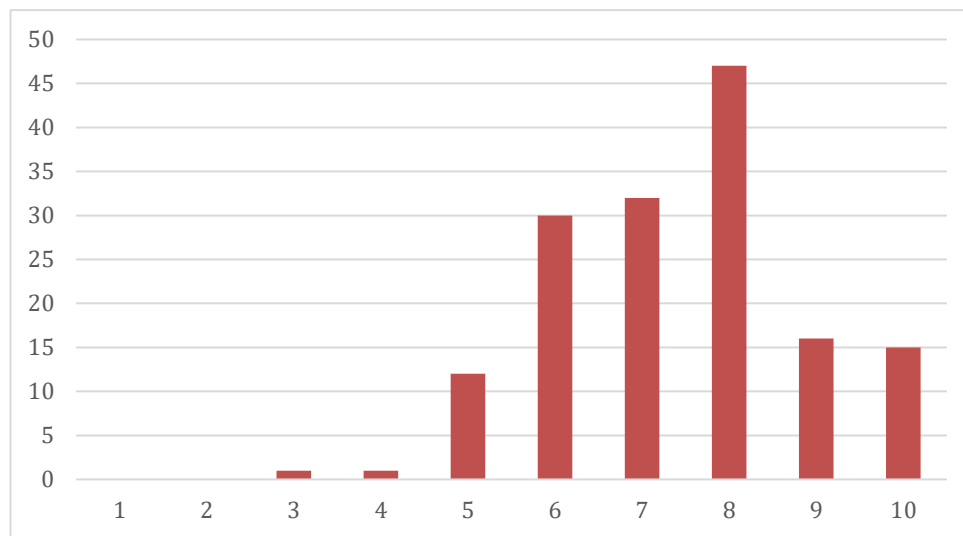
Source: own work

5 Results of empirical research

According to the survey research conducted on the group of 209 respondents with CAWI technics one can find the assessment of the operations of the banks made by the young people. The assessments are related to the ethical aspects of offering products and services and their influence onto children, youths and young adults opinion.

In scope of safety of products and services the total group of users of bank products and services assessed its level at 7,41 in the scale ranging from 1 to 10. Figure 1 Presents distribution of grading of safety of bank products and services by the respondents.

Figure 1: Distribution of grading of safety of bank products and services by young people



Source: own work based on survey research, N=154

The data presented above confirm relatively high level of safety of bank products and services in evaluation of young users. In the group of up to 17 years old the score was 7,93. In the group from 18 years to 21 it reached 7,19. The respondents in age from 22 to 25 pointed out 7,42. Such assessment may confirm the high level of safety (especially by the youngest users) and hence ethical approach of banks toward servicing of young customers.

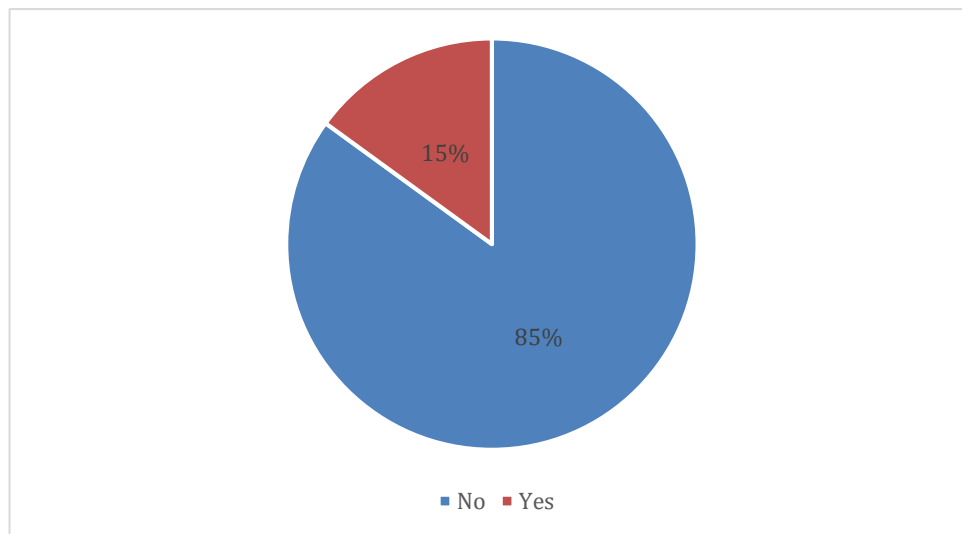
Taking into account the evaluation of safety of bank products by credit card users (21 respondents¹) the average score amounted to 7,10 and it was 0,31 lower than score of all

¹ There were 24 respondents indicating using of credit card, however 3 of them were age below 18 years old. i.e. they did not have full legal capacity. The indication of using credit card could be explained by finding debit card as a credit card or using credit card of parents.

bank products users. The users of credit products in general graded safety worse, however their general score remained relatively high (above 7).

Evaluation of banks in the aspect of ethical approach to young people can also be carried out from the point of view of the activity in the field of loan and loan sales to young people, i.e. young adults. In the survey, none of the respondents declared using a loan or credit, which may confirm low activity of young people in terms of debt. At the same time, a relatively small percentage of people over the age of 18 declared using credit cards (Figure 2).

Figure 2: Users and non-users of credit cards among young people (over 18 years)



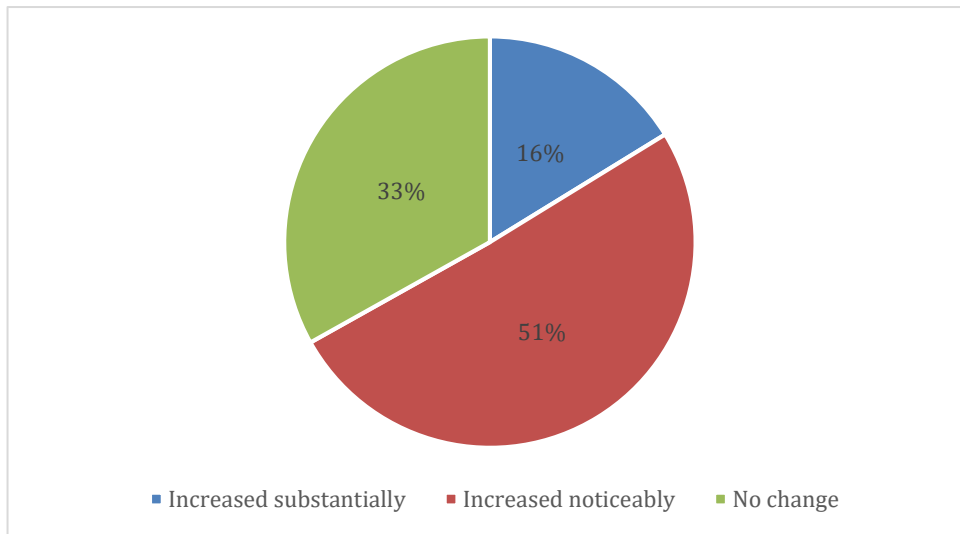
Source: own work based on survey research, N=151

The presented results indicate that banks are not tending to offer loans and other debt products to young adults, what could expose them onto financial risk including falling into trap of debt. Among those who use the credit cards 8 respondents belonged to the group of age 17-21 and 13 into 22-25. That may also signify that banks are not aggressively tend to sell debt product just when the client becomes an adult.

The ethical context of offering banking products and services can also be assessed in terms of the impact of banking on the level of knowledge of young people. Among the whole group of respondents the most indications were pointing a noticeable increase in the level

of knowledge. The second place took lack of change in the level of knowledge and the third a significant increase in the level of knowledge (Figure 3).

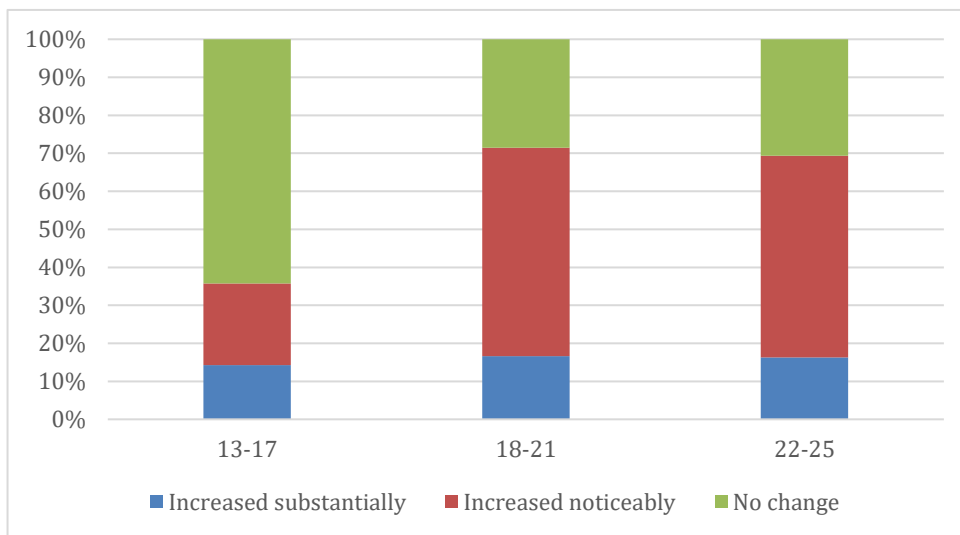
Figure 3: Change of level of financial knowledge due to using bank products and services



Source: own work based on survey research, N=154

Among individual age groups, the change in the level of knowledge is shown in the Figure 4.

Figure 4: Change of level of financial knowledge according to the age group



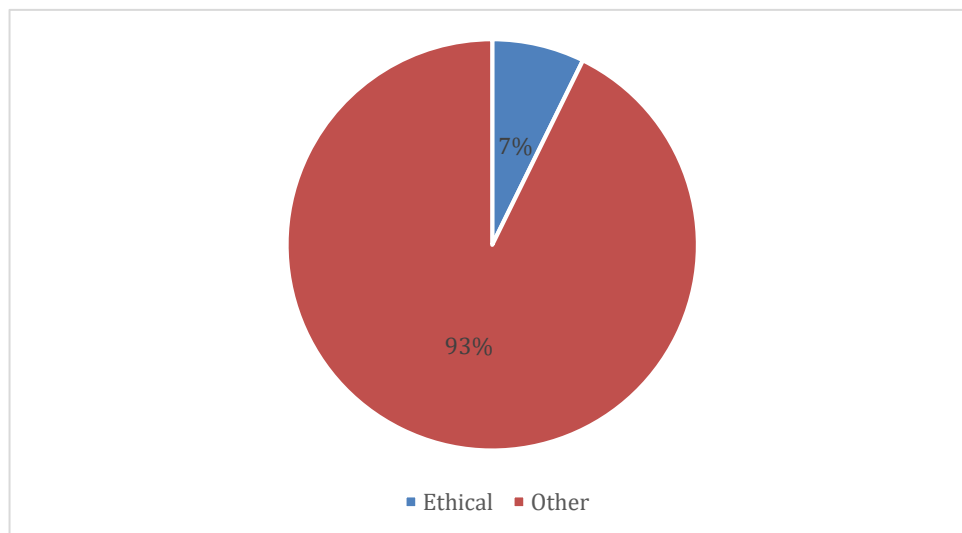
Source: own work based on survey research, N=154

The research indicates that among young people above 18 years of age, the change of knowledge is usually noticeable and in smaller part substantial. Approximately 70% of them

declared increase of knowledge in total. Lack of change of financial knowledge as the dominant answer was recorded in the group of people younger than 18 years. Their indication may be a result of limited access to banking products in which they may get increase of knowledge or other competences, the short time of using banks products and services or general lack of economic and financial knowledge¹.

The ethical aspects of youth service can also be assessed in terms of the attitude of people who do not use banking products and services. In this case, the idea was to investigate whether the lack of use of products and services is dictated by the unethical behaviour of banks. Out of 55 young people who took part in the survey and who did not use banking products and services (3 people under 13, 28 people aged 13-17, 18 people aged 18-21 and 6 people aged 22-25 years) only 4 pointed out the reasons related to ethical issues in banking, i.e. the bad opinion about banks (1 person aged 13-17) and the fear of costs (all persons above 18 years old). The contribution of factors related to bank ethics as barriers to the use of banking products and services is presented in the Figure 5.

Figure 5: Ethical vs. other factors counteracting using bank products and services by young people



Source: own work based on survey research, N=55, single choice

The share of ethical related factors determining decision of not using of bank products and services may confirm, that young people in general have positive attitude toward banks and their offerings. In general young people find reputation of banks as very good (especially pupils and students) as well as people in the age between 20 and 29 years

¹ The respondents from this group indicated the level of their financial knowledge from lack of knowledge to good level. None of them indicated very good knowledge in finance. 5 out of 9 started to use bank products and services below age of 13. 4 of them used School Savings Union in the childhood.

(ZBP 2016). That may confirm ethical approach of banks in Poland toward servicing children, youths and young adults.

6 Conclusion

Financial services for children, young people and young adults are now a necessity. Greater independence of young people, universal access to the internet and mobile technologies, change of lifestyle and daily presence in social media create new needs of young people as well as new expectations.

Offering products and banking services to people who have relatively low financial knowledge, lack of experience in finance or lack of legal capacity to conclude contracts is undoubtedly an action generating numerous ethical questions.

Generally, one can find that supporting young people in their financial inclusion and education, can be a good example of implementing ethical and CSR policy by banks, aimed at meeting social goals and, in a broader perspective, a general well-being of the community. It is also a good example of expressing the social responsibility of financial institutions. Children, youths and young adults, who are serviced by banks in a safe, reliable and responsible way gain experience and skills to take more rational and conscious financial decisions. They are also becoming less prone to various financial risks.

Findings and discussions carried out in the article allowed for making the SWOT analysis of offering products and services to children, youths and young adults from the ethical point of view.

As it results from the SWOT analysis, the major strengths of young people banking are financial inclusion, access to solutions, products and services needed in a daily life and the getting of peer's acceptance. Offering products to children, youth and young adults also creates some important opportunities. E.g. it allows the raising of the level of the financial knowledge and the acquisition of competences that are impossible to obtain outside the financial sector.

Based on the SWOT analysis, the authors find just one major weakness of offering banking products and services to young people. They indicate the limitations of free access to own money and savings by young people that do not have the possibility to use bank products anyway and anytime especially in countries with a low level of development of internet and mobile technologies.

Offering the banks products and services to young people is exposed to some particular types of risk, which can be considered as threats. Among them one can list the risk of theft of money through the use of electronic or mobile access channels or lack of access to own money due to the bad financial condition of a bank or I.T. system failures. Special attention

should be also paid to the risks of misselling, up-selling and excessive crediting. These types of risks may appear when banks concentrate on short-term profits instead of long-term relations. In the absence of adequate financial education there is a risk of creation of a sense of unrestricted access to money through the use of electronic payment instruments.

An important complement to the considerations contained in the article is the conclusions from the own survey research conducted on the group of young people. Children, adolescents and young adults positively assess the security of banking products and services and perceive banks as ethical. They benefit from banking services inter alia in the form of increased knowledge. Additionally, the research of the Polish Bank Association shows that banks in Poland have a very good reputation among young people. The experiences of young people in contact with banks as well as the observation of the policy of banks in Poland toward young people indicates that the group under consideration is served with a high level of safety and prudence.

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