



Fresco: Segment Pen Portraits

Painting a picture of your customers and market

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“

...a deep understanding of your customers and the markets in which you operate.”



Financial consumers are now engaging with you in more ways, across more channels than ever before against a background of increasing competition, regulation and funding challenges. In such a difficult environment, a deep understanding of your customers and the markets in which you operate is widely recognised as critical to success.

We recognise that consumers' financial behaviour is driven by a range of dimensions. Lifestage and affluence remain fundamental.

However for effective planning you need a much richer understanding than lifestage and affluence alone can offer. You need to look at channel usage to plan both digital assets and your branch network, at attitudes for proposition development and at value to plan how to use your resources to best effect.

Fresco is CACI's most powerful financial services segmentation. It brings all of these dimensions together into a single segment code at individual level, which can be applied to your customers and to the market as a whole.

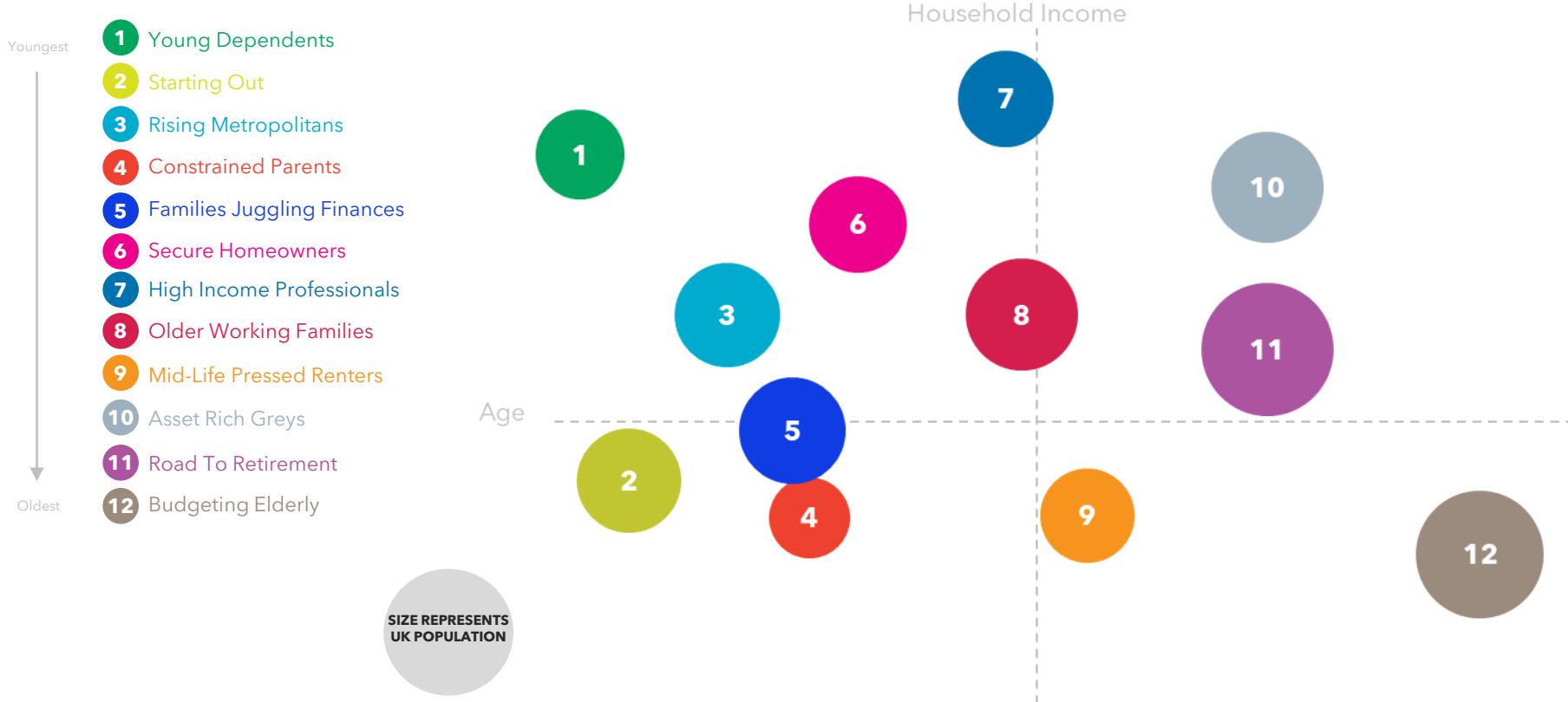
To address the more complex market place we are all operating in, we have now completely redeveloped Fresco, bringing in more data on channel usage, lifestage and lifestyle, and affluence.

The 12 Fresco segments



1. Young Dependents	2. Starting Out	3. Rising Metropolitans	4. Constrained Parents
5. Families Juggling Finances	6. Secure Homeowners	7. High Income Professionals	8. Older Working Families
9. Mid-Life Pressed Renters	10. Asset Rich Greys	11. Road To Retirement	12. Budgeting Elderly

Fresco segments clearly differentiate by age and income



Relatively well-off young adults still relying on their parents.



Demographics

Average Age



21

Children At Home



20%

UK average = 29%

Age of Children in the Home



House Tenure



Living with their parents
Most likely to be

Household Income



£59K

UK average = £40k

Net Disposable Income



47%

Financial Profile

Has a credit card

60

Has a loan

72

Only save for a specific purpose

95

Regular saver

126

Has investments

97

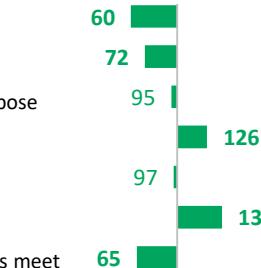
Uses overdraft

139

Just managing to make ends meet

65

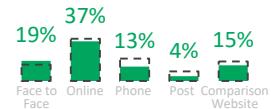
National average



Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

have a **current account with a neo-challenger bank**

Digital & Tech Behaviours

Online >20 hours a week



Pay for things using their mobile



Read reviews on social media



Segment Description

A good proportion of these relatively well-off young adults still live with their parents as they are often full time students and thus their own earnings are generally low. Those who have moved out of home will probably have had some monetary support from their parents to be able to do so. Their use of financial services is fairly narrow, typically only using current accounts and commoditised (unregulated) financial products, such as travel insurance.

They have grown up using the internet and will be mobile-first early adopters of digital platforms, reflected in their likelihood to have a current account with one of the neo-challenger banks. Most will have started to save and some will have been able to put aside a good level of savings. Their ease in using digital channels and platforms is reflected in above average levels involved in cryptocurrencies, being one of the most likely segments to invest using this method.

Young singles living in shared accommodation, learning to stand on their own feet.



Demographics

Average Age



24

Children At Home



22%

UK average = 29%

Age of Children in the Home

0-4

13%

5-10

15%

11-15

9%

House Tenure



Most likely to be
**Privately
renting**

Household Income



£31K

UK average = £40k

Net Disposable Income



31%

Financial Profile

Has a credit card

National average

64

95

121

Has a loan

Only save for a specific purpose

99

Regular saver

64

Has investments

152

Uses overdraft

Just managing to make ends meet

100

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

have a **Help to Buy or Lifetime ISA**

Digital & Tech Behaviours

Online >20 hours a week



Pay for things using their mobile



Read reviews on social media



Segment Description

Young, single sharers form the majority of this segment. Having left the family home, this segment are learning to stand on their own feet for the first time and therefore sometimes find themselves struggling to make ends meet financially. They tend to live in flats or terraced houses, often renting privately but sometimes from a housing association or local authority.

The personal income of people in this segment is often below the national average and few will have saved more than a few hundred pounds - although a small number might have a good level of savings. Like other young people, if they are not opening a financial product online they often look to arrange new products in branch, probably due to a combination of financial confidence and their limited financial history. Once they have accounts they are more likely to manage them online, often using their smartphone to do so.

Affluent, young professionals living in urban locations.



Demographics

Average Age



30

Children At Home



29%

UK average = 29%

Age of Children in the Home



House Tenure



**Most likely to be
Privately
renting**

Household Income



£47K

UK average = £40k

Net Disposable Income



24%

Financial Profile

Has a credit card

National average

107

Has a loan

125

Only save for a specific purpose

100

Regular saver

143

Has investments

123

Uses overdraft

133

Just managing to make ends meet

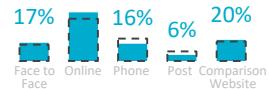
79

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products

45%



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

say they **hate having to go into the branch** of their bank or building society

Digital & Tech Behaviours

Online >20 hours a week



Pay for things using their mobile



Read reviews on social media



Segment Description

These singles and couples are mostly aged under 35 and live in London and other major conurbations, often in areas of high property prices. Most rent from a private landlord but will be looking to get a deposit together for a property, and some will have been able to get on the housing ladder and therefore have a mortgage. Mainly working as professionals and in white collar occupations, a high proportion of these people are graduates. Incomes are typically well above the national average even though these people are earlier in their careers. Their jobs will often offer private healthcare and a number will have begun contributing to a company pension, however with high outgoings from rent and aspirational lifestyles, this segment are also more likely than average to have loans.

As we might expect from the age group and affluence of this segment, they have smartphones and spend more time than most online. Being computer savvy and time poor, this segment both manage and arrange products online where possible. Their confidence in digital channels is reflected in the proportion investing in cryptocurrencies, or using peer to peer lending sites, being above the average.

Single parents struggling to make ends meet.



Demographics

Average Age



35

Children At Home



72%

UK average = 29%

Age of Children in the Home



House Tenure



Renting from local authority

Household Income



£29K

UK average = £40k

Net Disposable Income



33%

Financial Profile

Has a credit card

National average

62



96



134



Has a loan

Only save for a specific purpose

Regular saver

Has investments

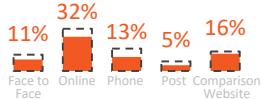
Uses overdraft

Just managing to make ends meet

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



UK average = 41%

Manage savings account in branch



UK average = 19%

Pay by cash or debit card (not contactless)



UK average = 28%

The segment most likely to...

have **no savings** and be receiving **income support**

Digital & Tech Behaviours

Online >20 hours a week



UK average = 29%

Pay for things using their mobile



UK average = 35%

Read reviews on social media



UK average = 28%

Segment Description

Many in this segment are single parents with children. As a result there are more women than men amongst these parents and they are likely to be just about making ends meet financially. They typically live in social housing which may be terraced, semi-detached houses or flats, in areas where the housing is generally of low to average value.

Incomes are well below average, with a significant minority working part time and use of a loan will likely be more through need rather than as a planned way to buy something. Less than a third will have a credit card (not perhaps because they don't want one, but because they can't pass credit scoring) and those that do are less likely to pay off the full balance regularly. They are less likely than average to have insurance, but for those who do buy insurance, they will be more likely to use online channels or a price comparison site. They will spend time online using auction sites such as eBay, researching where to get the best price and are happy to make purchases through their smartphone.

Average income families who have high levels of outgoings.



Demographics

Average Age
 34

Children At Home
 55%
UK average = 29%

Age of Children in the Home
0-4: 18%
5-10: 32%
11-15: 21%

House Tenure
 Mortgaged
Most likely to be

Household Income
 £36K
UK average = £40k

Net Disposable Income
 38%

Financial Profile

Has a credit card

Has a loan

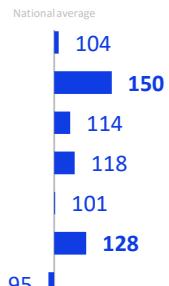
Only save for a specific purpose

Regular saver

Has investments

Uses overdraft

Just managing to make ends meet



Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products
48%



Manage current account on mobile
58%



Manage savings account in branch
16%



Pay by cash or debit card (not contactless)
15%



The segment most likely to...

have **gone over their current account overdraft limit** in the last three months

Digital & Tech Behaviours

Online >20 hours a week
35%



UK average = 29%

Pay for things using their mobile
53%



UK average = 35%

Read reviews on social media
43%



UK average = 28%

Segment Description

These individuals aged 25-44 will typically have a mortgage, but with a good proportion privately renting, and the houses they live in are typically of below average value. Any children in the household are more likely to be of primary or junior school-age. Income levels are around or just below the average and most are coping, but a change in their financial circumstances could see them start to struggle. Whilst a good number have some savings, these households typically have a lower level of disposable income, and so any purchases of significant value might see the use of a loan or credit card to help them manage the payments. They are also above users of their overdraft facilities. Levels of insurance are typically around or just above the average.

They are comfortable setting up simpler products, such as general insurance or credit cards, through digital channels, including price comparison sites, and will prefer to actively manage their current account online. For arranging more considered products, they may prefer to speak to someone over the phone or in branch.

Comfortable homeowners, planning for the future.



Demographics

Average Age
 38

Children At Home
 57%
UK average = 29%

Age of Children in the Home
0-4 15%
5-10 29%
11-15 22%

House Tenure
 Most likely to be Mortgaged

Household Income
 £55k
UK average = £40k

Net Disposable Income
 44%

Financial Profile

Has a credit card

National average

138

Has a loan

93

197

Only save for a specific purpose

Regular saver

150

Has investments

147

Uses overdraft

127

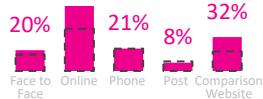
Just managing to make ends meet

72

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

be a **regular saver**, and also be the most likely to have **life insurance**

Digital & Tech Behaviours

Online >20 hours a week



Pay for things using their mobile



Read reviews on social media



Segment Description

These are typically couples aged 35-44, many of whom have children, who are generally buying their homes with a mortgage (although a good proportion will be close to paying this off in its entirety). Their incomes are generally well above the average. Many have a good level of savings and investments. Whilst they are earning a good salary, the proportion borrowing is above the average and this may reflect the outgoings associated with their children or to fund larger purchases such as home improvements or a new car. This segment has a high take up of life and income protection policies, and planning for retirement is also important to them, with many paying into a pension or thinking of using other investments to pay for their retirement, for example by investing in a buy to let property or property development.

They are more likely than most to arrange and manage finances online, but use of branches is higher than seen in other segments of similar age.

High earning executives living a comfortable lifestyle.



Demographics

Average Age



Children At Home



49%

UK average = 29%

Age of Children in the Home



House Tenure



Household Income



£68K

UK average = £40k

Net Disposable Income



43%

Financial Profile

Has a credit card

National average

151

Has a loan

75

157

Only save for a specific purpose

139

Regular saver

195

Has investments

113

Uses overdraft

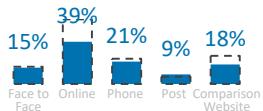
64

Just managing to make ends meet

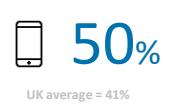
Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

have invested in **buy to let** or **property development**

Digital & Tech Behaviours

Online >20 hours a week



Pay for things using their mobile



Read reviews on social media



Segment Description

People in this segment have the highest incomes and live in houses with the highest house prices. Some of these families are well on their way to building up substantial savings and investments which will grow as they get older and approach or enter retirement. They are keen to protect what they have built up and so life protection and insurance on their home, car and travel are key products for this segment. Their investment portfolio is likely to be varied and could include buy to let or property developments.

A higher proportion than average will have healthy pensions and healthcare, either through their employer or arranged privately. They will use digital channels or IFAs to research, arrange or manage their finances. Their level of digital engagement and purchasing behaviours is generally around the average.

Couples typically aged 45-54 with an above average wage, and often with older children.



Demographics

Average Age



Children At Home



44%

UK average = 29%

Age of Children in the Home



House Tenure



Most likely to be
Mortgaged

Household Income



£47K

UK average = £40k

Net Disposable Income



47%

Financial Profile

Has a credit card

National average

125

Has a loan

92

148

Only save for a specific purpose

Regular saver

Has investments

Uses overdraft

Just managing to make ends meet

120

114

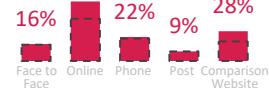
124

86

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products
56%



Manage current account on mobile
47%



UK average = 41%

Manage savings account in branch
19%



19%

UK average = 19%

Pay by cash or debit card (not contactless)
21%



21%

UK average = 28%

The segment most likely to...

have a **mortgage which is more than 10 years old**

Digital & Tech Behaviours

Online >20 hours a week



31%

Pay for things using their mobile



38%

Read reviews on social media



28%

UK average = 29%

UK average = 35%

UK average = 28%

Segment Description

These are mostly families with older children, although there will also be some couples and singles in this segment, some of whom may be divorced or separated. Income levels are typically above the national average and they typically see themselves as doing alright, rather than living particularly comfortably.

Generally these families are more likely to have modest savings and investments, with nearly 1 in 4 putting money aside on a regular basis. However some will borrow, possibly to make home improvements and occasionally have repayment difficulties. Typically levels of insurance are above average and they are more likely than most to have a life protection policy.

This segment are the most likely organise a considered financial product by visiting a branch or face to face, but are generally happy to manage their current and savings accounts online.

Struggling singles and couples, often living in social housing.



Demographics

Average Age



52

Children At Home



28%

UK average = 29%

Age of Children in the Home



3%



7%



11%

House Tenure



Most likely to be
**Renting from
local authority**

Household Income



£29K

UK average = £40k

Net Disposable Income



39%

Financial Profile

Has a credit card

National average

68

72

120

Has a loan

Only save for a specific purpose

60

Regular saver

36

Has investments

116

Uses overdraft

153

Just managing to make ends meet

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

describe themselves as **just about getting by or finding life difficult**

Digital & Tech Behaviours

Online >20 hours a week



23%

UK average = 29%

Pay for things using their mobile



27%

UK average = 35%

Read reviews on social media



25%

UK average = 28%

Segment Description

Typically aged 45 to 64 these are singles and couples, sometimes divorced, mainly living in low value properties which are often rented from the housing association or local authority. Incomes are typically below average and around 1 in 4 will be not working, with levels of income support being well above average.

Some have moderate savings and investments but many will have no savings to speak of. Relatively few will have insurance or pension provision. Most will not have a credit card, which is possibly from a difficulty with passing credit checks, and if they do have a credit card they are less likely to pay it off in full.

They are comparatively light users of the internet, and around 1 in 8 will have never used the internet. They will check emails and around three quarters of them will be using social media.

Financially sophisticated older couples, with high-value assets.



Demographics

Average Age



65

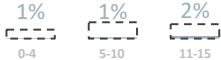
Children At Home



8%

UK average = 29%

Age of Children in the Home



House Tenure



Most likely to have
Paid off their
mortgage

Household Income



£61K
UK average = £40k

Net Disposable Income



56%

Financial Profile

Has a credit card

National average

156

91

Has a loan

58

Only save for a specific purpose

111

Regular saver

221

Has investments

50

Uses overdraft

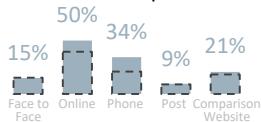
64

Just managing to make ends meet

Bold = significantly above or below the national average

Financial Channels

How they arrange
commoditised products



Manage current
account on mobile



Manage savings
account in branch



Pay by cash or debit
card (not contactless)



The segment most likely to...

have a **wealth value of £100K+** and be a **lump sum saver**

Digital & Tech Behaviours

Online >20
hours a week



Pay for things
using their mobile



Read reviews on
social media



Segment Description

Older couples aged 55-74 make up this segment. The majority will have paid off the mortgage on their home, which is likely to be an expensive detached house. Household incomes are high and most are in, or held, directorships, senior managerial or professional positions.

This segment has the largest proportion of people with very high levels of savings and investments and ownership of bonds, stocks and shares is significantly above the average. They are well covered with insurance across all areas including home, car, breakdown and travel. Many regularly read the financial pages to keep track of their investments and some will check their investments and research financial products online. They tend to spend freely on their credit cards, usually paying off the balance each month. Comfortable using the internet, they will also go online to buy commoditised products, such as insurance.

Older couples owning their houses outright, planning for retirement.



Demographics

Average Age



64

Children At Home



8%

UK average = 29%

Age of Children in the Home



House Tenure



Most likely to have
Paid off their mortgage

Household Income

**£44K**

UK average = £40k

Net Disposable Income

**59%**

Financial Profile

Has a credit card

National average

126

80

79

100

Has a loan

Only save for a specific purpose

Regular saver

Has investments

Uses overdraft

Just managing to make ends meet

58

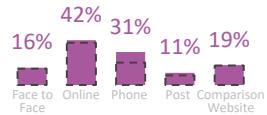
131

81

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



Manage savings account in branch



Pay by cash or debit card (not contactless)



The segment most likely to...

have not used their credit card in the last month

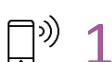
Digital & Tech Behaviours

Online >20 hours a week

**21%**

UK average = 29%

Pay for things using their mobile

**16%**

UK average = 35%

Read reviews on social media

**16%**

UK average = 28%

Segment Description

These individuals, aged 55-74, are mostly retired or near retirement and their children have usually left home. They own semi-detached, terraced or smaller detached houses of average value and have typically paid off their mortgage. Many will have held managerial occupations while others might be skilled tradesmen.

Most will have a good level of savings and investments and they are more likely than average to read the financial pages in the papers. Most have savings accounts, with cash ISAs or National Savings products being popular. Ownership of bonds, shares and unit trusts are all above average. Pension incomes are generally good and they insure themselves and their property. While most are online they are generally infrequent or light users of the internet, which they generally use to monitor their financial affairs and research products, but they will also like to use the branches to manage their accounts.

Elderly pensioners in down-sized accommodation using traditional methods to manage their finances.



Demographics

Average Age



76

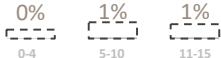
Children At Home



2%

UK average = 29%

Age of Children in the Home



House Tenure



Paid off their mortgage
Most likely to have

Household Income



£27K

UK average = £40k

Net Disposable Income



61%

Financial Profile

Has a credit card

National average

67

25

Has a loan

National average

96

Only save for a specific purpose

National average

55

Regular saver

National average

51

Has investments

National average

33

Uses overdraft

National average

126

Just managing to make ends meet

National average

126

Bold = significantly above or below the national average

Financial Channels

How they arrange commoditised products



Manage current account on mobile



7%

UK average = 41%

Manage savings account in branch



26%

UK average = 19%

Pay by cash or debit card (not contactless)



58%

UK average = 28%

The segment most likely to...

manage their **current account in branch or by post**

Digital & Tech Behaviours

Online >20 hours a week



6%

UK average = 29%

Pay for things using their mobile



5%

UK average = 35%

Read reviews on social media



8%

UK average = 28%

Segment Description

These are retired people, over the age of 65. Consequently, there is a bias towards singles and widows. They live in smaller terraces or semis, or in purpose built flats, and whilst many will own their modest home, around 1 in 4 will live in social housing.

Incomes are low and some will be living solely off the state pension. Some will have built up saving and investments, although perhaps to a lower value than average for the age group. National Savings and cash ISAs are more common. They tend to be more cautious with traditional views on finances, disliking borrowing, and insuring their home contents. They are the most likely segment to have a whole of life policy.

Digital channels, smartphones and the internet hold little attraction for these people who prefer to manage their account in branch or via post.



Targeting for financial services