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Friday, 25 August 2017

Satisfaction with banks in July down marginally but still well ahead of the long term average

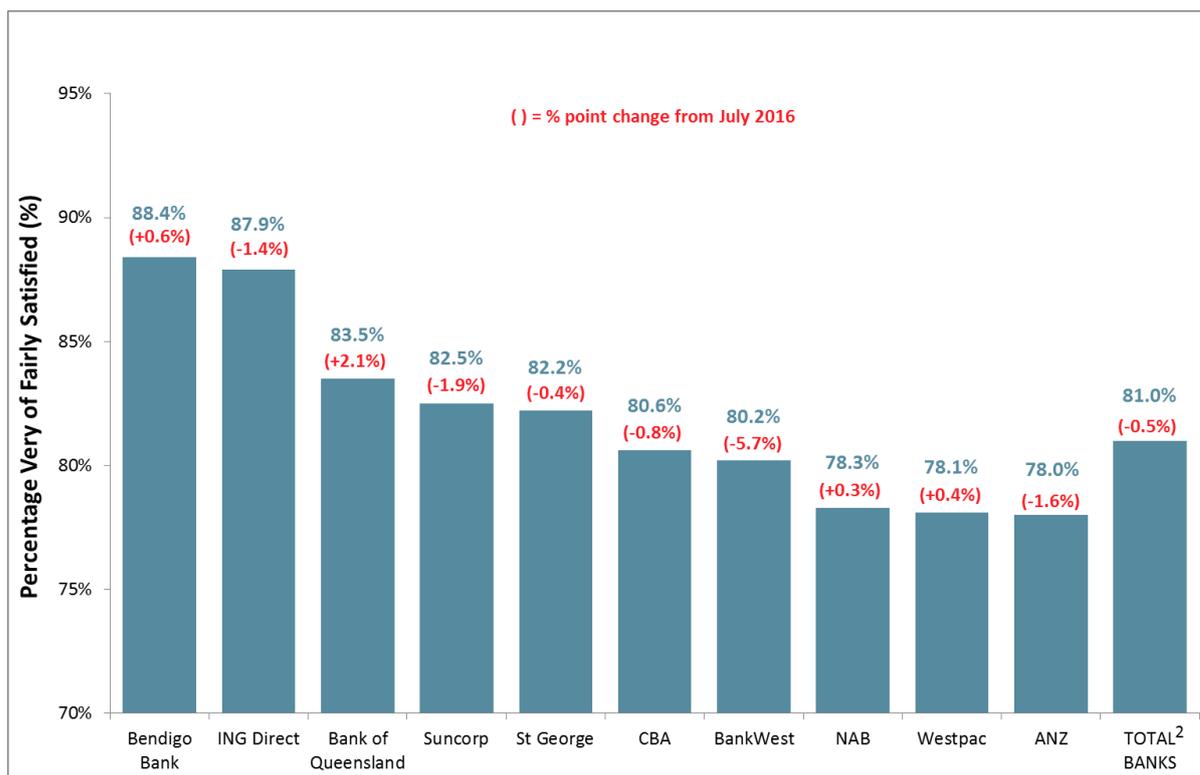
New research from Roy Morgan shows that customer satisfaction with banks in the six months to July 2017 was 81.0%, down by 0.4% points from June but remaining well ahead of the long term average of 73.9% established since 2001.

These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers pa.

Bendigo Bank and ING Direct lead satisfaction for the top ten banks

Among the largest ten consumer banks, Bendigo Bank had the highest satisfaction in July with 88.4%, closely followed by ING Direct (87.9%). The CBA remained the clear leader among the big four with 80.6%, while among the other three, the NAB was only narrowly ahead on 78.3%, followed by Westpac (78.1%) and ANZ (78.0%).

Consumer Banking Satisfaction - 10 Largest Consumer Banks¹



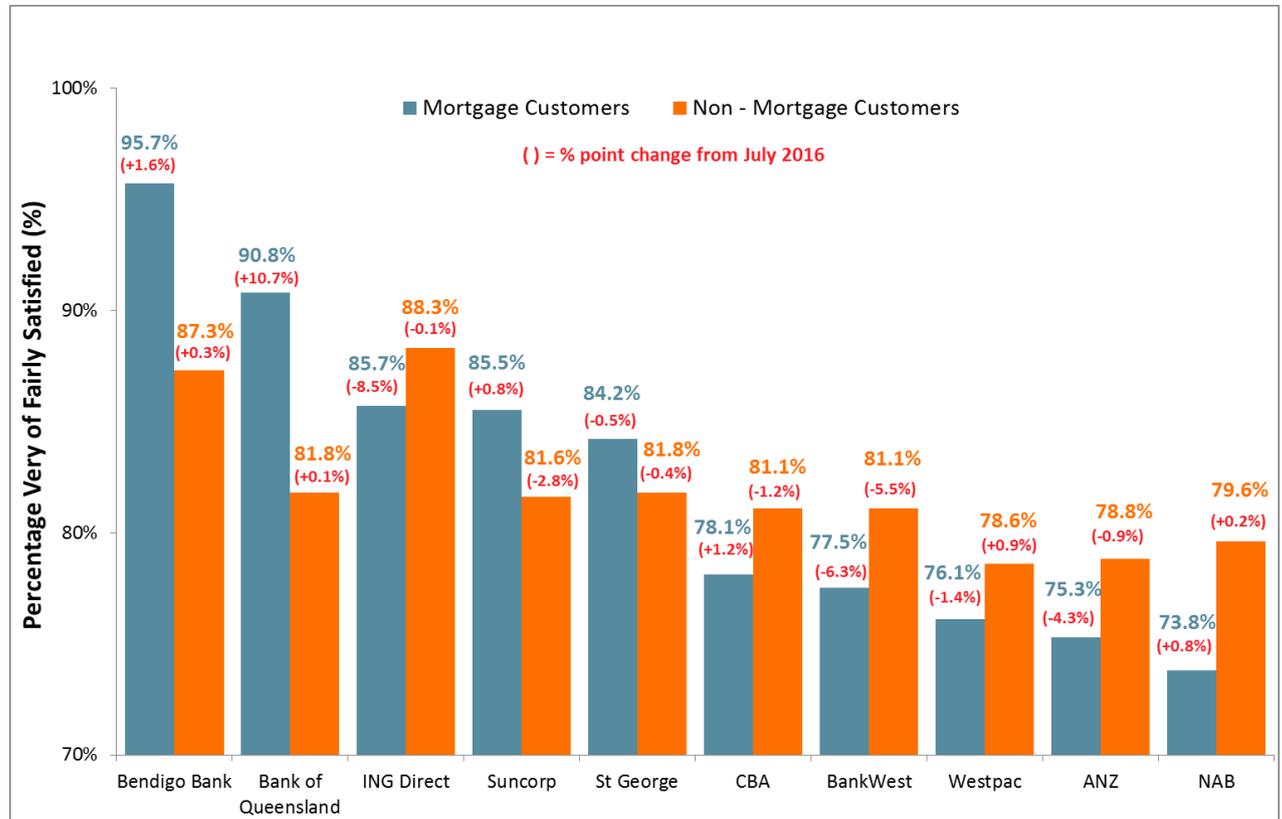
1. Based on customer numbers. 2. Includes banks not shown. **Source:** Roy Morgan Single Source (Australia) 6 months ended July 2017, n = 26,184, 6 months ended July 2016, n = 26,224. **Base:** Australians 14+.

Although in total, satisfaction with banks declined by 0.5% points over the last year, some of the major banks actually went against the trend and showed some improvement. Among the big four, Westpac satisfaction increased by 0.4% points and NAB was up 0.3% points. Others to improve were Bank of Queensland (up 2.1% points) and Bendigo Bank (up 0.6% points).

Big four banks mortgage customers a drag on their overall satisfaction

The mortgage customers of each of the big four banks continue to be a drag on their overall satisfaction, despite historically low home-loan rates. Over the last 12 months, satisfaction among the big four's home-loan customers has fallen marginally further behind their other customers with a decline of 0.7% points to 76.1%, compared to a drop of 0.5% points for non home-loan customers (to 79.9%).

Satisfaction of Mortgage and Non-Mortgage Customers- 10 Largest Consumer Banks¹



1. Based on customer numbers. **Source:** Roy Morgan Single Source (Australia) 6 months ended July 2017, n = 26,184, 6 months ended July 2016, n = 26,224. **Base:** Australians 14+.

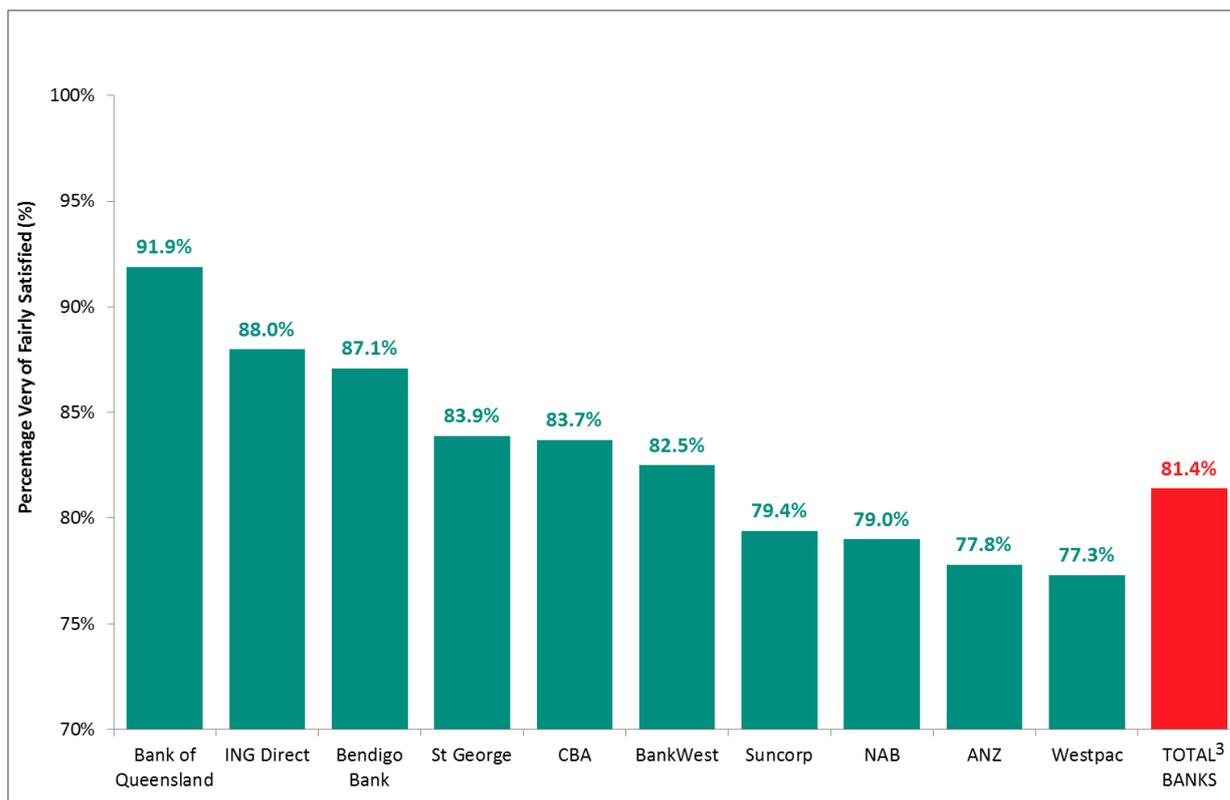
Bendigo Bank has the highest home-loan customer satisfaction (of the top 10) with 95.7%, followed 90.8% for Bank of Queensland. These two remain well clear of the field, with the next best being ING Direct (85.7%) and Suncorp (85.5%). The CBA has the highest home-loan customer satisfaction of the big four with 78.1% (up 1.2% points over the last year), followed by Westpac on 76.1%.

Millennials satisfaction with banks a key driver of growth

Millennials (born between 1976 and 1990), currently account for more than one in four (25.7%) bank customers and 28.7% of all banking dollars. Their dollar market share has been increasing significantly over recent years as they get older and as a result they now have a higher market share than baby boomers. Their increasing significance in this market and familiarity with the rapidly changing digital banking world, makes it strategically important to track how individual banks are servicing them by measuring satisfaction levels.

Of the ten largest banks, the millennials who are customers of Bank of Queensland have the highest satisfaction with 91.9%, followed by ING Direct (88.0%) and Bendigo Bank (87.1%).

Millennials² Banking Satisfaction - 10 Largest Consumer Banks¹



1. Based on customer numbers. 2. Millennials: Born 1976-1990. 3. Includes banks not shown. **Source:** Roy Morgan Single Source (Australia) 6 months ended July 2017, n = 4,993. **Base:** Australian Millennials.

The highest satisfaction among the millennial customers of the big four is for the CBA with 83.7%. The average satisfaction level for this generation across all banks is 81.4%, with NAB (79.0%), ANZ (77.8%) and Westpac (77.3%) all below average.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

“This research shows that it is important to understand the longer-term banking satisfaction trends because it is very easy to get side-tracked by the many short term issues that we have seen over the years that generally have not had lasting negative impact. This is best illustrated by the fact that in 2000, satisfaction with banks was below 60% and yet despite a considerable number of issues being faced by them over the last seventeen years, satisfaction is now over 80%.

“In addition to focusing on overall satisfaction levels, this analysis has shown that it is critical to look at segments that will have a major impact on business outcomes. We have looked here briefly at mortgage holders and millennials but there are many more possible segments using the long term trend data from Roy Morgan Single Source.

“In the final analysis it is how individual banks are ranked on satisfaction against all the major players in the critical segments that will determine the final marketing and business success.”

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2