

Discover your *edge*

Friday, 24 November 2017

Satisfaction with banks remains high

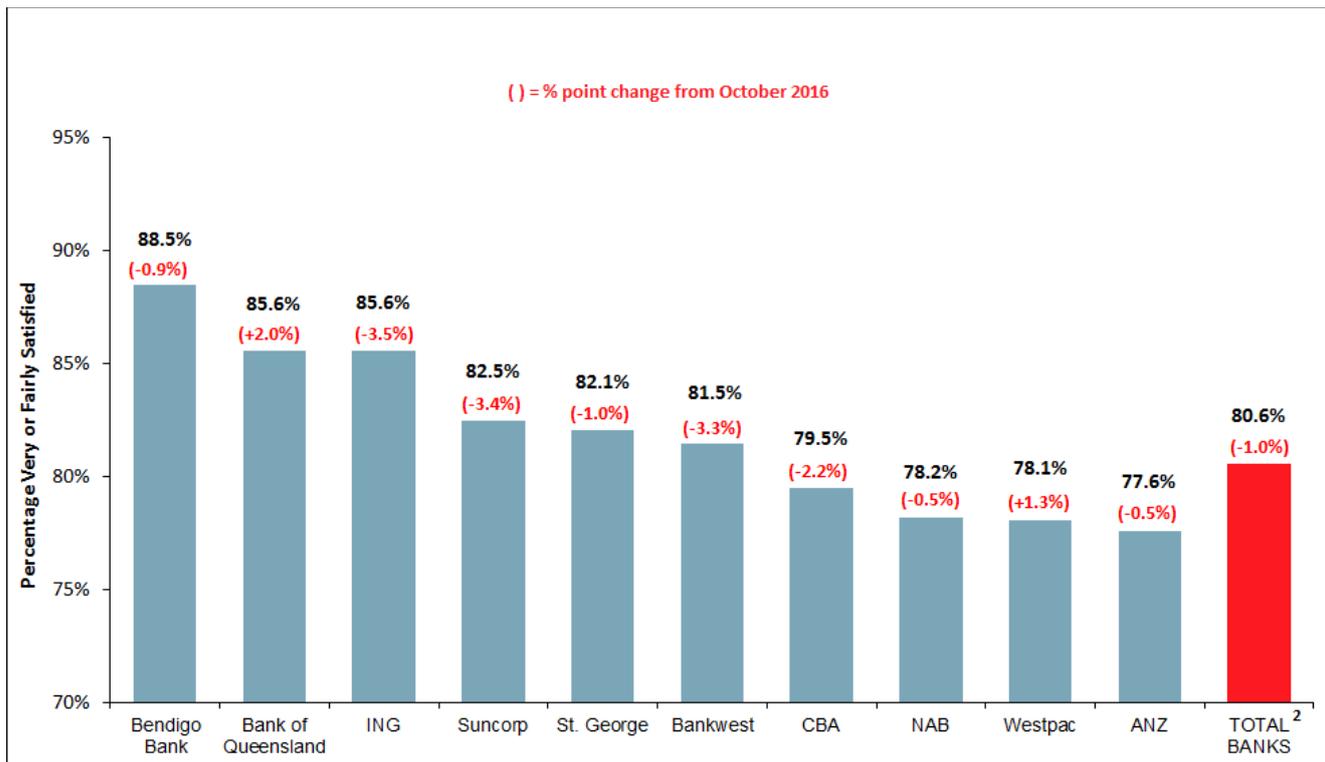
New research from Roy Morgan shows that customer satisfaction with banks in the six months to October 2017 was 80.6%. Although this was down marginally by 0.2% points from September, it was well ahead of the long term average of 73.9% established since 2001 and the low point of only 58.5% seen in that year.

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

Big four banks improving satisfaction but remain below smaller banks

Despite a generally upward long term trend in satisfaction by the big four, from 55.3% in 2001 to the current level of 78.6%, they still lag behind the levels of the smaller banks. Among the ten largest consumer banks, Bendigo Bank had the highest satisfaction in October with 88.5%, followed by Bank of Queensland and ING both on 85.6%. The CBA remained the best of the big four with 79.5%, followed by NAB (78.2%), Westpac (78.1%) and ANZ (77.6%). Only 1.9% points now separates the satisfaction rating among the big four banks.

Consumer Banking Satisfaction - 10 Largest Consumer Banks¹



1. Based on customer numbers 2. Includes banks not shown **Source:** Roy Morgan Single Source (Australia). 6 month to October 2016, n = 25,015; 6 months to October 2017, n = 25,012. **Base:** Australians 14+

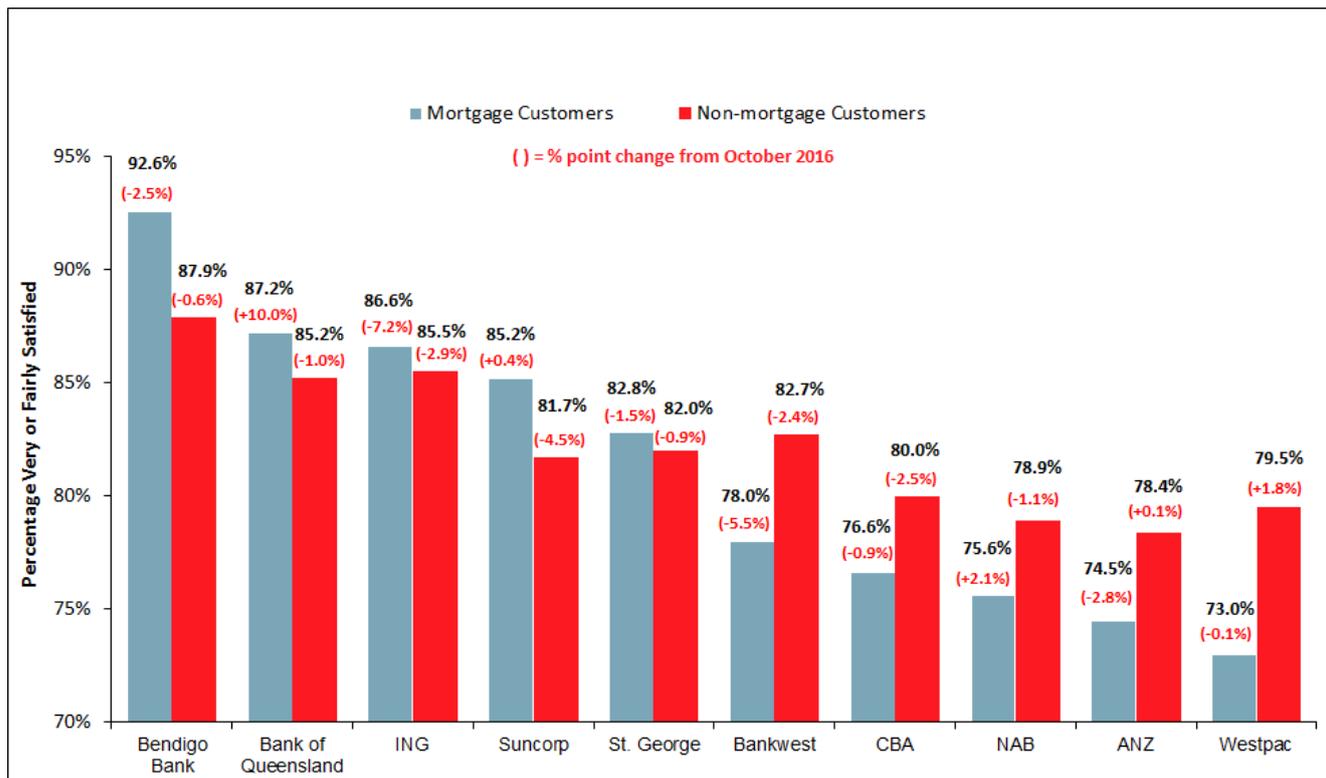
Although satisfaction for banks in total declined by 1.0% points over the last year, Bank of Queensland (up 2.0% points) and Westpac (up 1.3% points) went against this trend. Among the other big four banks, the CBA had the biggest decline (down 2.2% points), while NAB and ANZ both

declined by 0.5% points. The largest declines in satisfaction were from ING (down 3.5% points), Suncorp (down by 3.4%) and Bankwest (down 3.3% points).

Mortgage customers of the big four have lowest satisfaction

The mortgage customers of each of the big four banks continue to have lower satisfaction compared to their other customers and the home loan customers of the smaller banks, this is despite historically low home-loan rates. Over the last 12 months, satisfaction among the big four's home-loan customers has gained marginally on their other customers with a decline of 0.6% points to 75.2%, compared to a drop in satisfaction of 1.0% points for non home-loan customers (to 79.4%).

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



1. Based on customer numbers **Source:** Roy Morgan Single Source (Australia). 6 months to October 2016, n= 25,015; 6 months to October 2017, n= 25,012. **Base:** Australians 14+

Bendigo Bank continues to have the highest home-loan customer satisfaction (of the top 10) with 92.6%, followed by Bank of Queensland on 87.2% and ING 86.8%. The CBA has the highest home-loan customer satisfaction of the big four with 76.6% (down 0.9% points over the last year), followed by the NAB on 75.6% (up 2.1% points for the year).

Norman Morris, Industry Communications Director, Roy Morgan says:

"This research shows that although satisfaction with banks has declined marginally over the last 12 months by 1.0% points, it is important to understand this movement in the context of long term trends so as not to get side-tracked by short term issues and movements. This is illustrated by the fact that since 2001 when satisfaction with banks was only 58.5%, that despite many issues impacting on satisfaction since then, it has generally been on an upward trend to currently be on 80.6%. Over the last sixteen years most of the high visibility issues faced by major individual banks and the industry generally, have only had short term impact on customer satisfaction.

“In addition to focusing on overall satisfaction levels, we have looked at the satisfaction among the key home loan customer segment. The big four banks all have lower satisfaction in this segment not only compared to the home loan customers of the smaller banks but also to their own customers who do not have a home loan.

“A major challenge for the big four apart from closing the gap on their smaller competitors, is how to differentiate from each other in terms of customer satisfaction. Currently only 1.9% points separates the satisfaction ratings across the big four, making it difficult for any of them to gain a clear positioning in the market on this important attribute”.

For comments or more information about Roy Morgan’s banking and finance data, please contact:

Norman Morris, Industry Communications Director

Office: +61 (3) 9224 5172

norman.morris@roymorgan.com

Related research reports

View our banking and finance satisfaction reports, including the [Customer Satisfaction: Consumer Banking in Australia report](#) and the [Advocacy Report: Financial Institutions report](#) and the [Drivers of Satisfaction and Advocacy reports](#).

About Roy Morgan

Roy Morgan 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 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