

Monday, 2 September 2019.

## Satisfaction with New Zealand banks down from a year ago

New research from Roy Morgan shows that consumer satisfaction with banks in New Zealand has declined to 76.8% in the 12 months to June 2019, a drop of 2.4% points from 79.2% a year ago. The decrease was a result of six of the nine largest banks showing declines in satisfaction.

However there were three major banks to buck the trend and improve their customer satisfaction led by TSB Bank up 0.8% points, Rabobank up 4% points and SBS Bank (up 4% points).

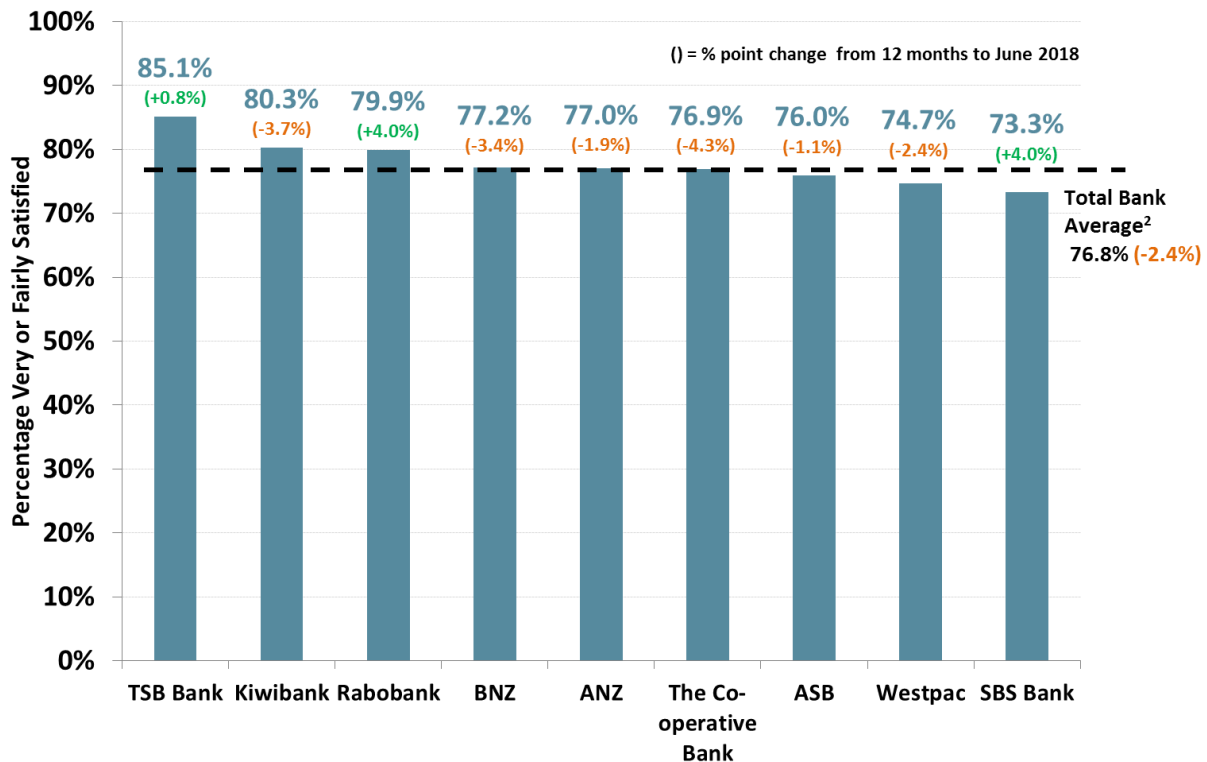
These new results are from Roy Morgan's Single Source (New Zealand) survey which includes interviews with over 6,000 banking and finance consumers per annum.

### TSB Bank increases lead as one of three banks to improve satisfaction

TSB Bank has the highest customer satisfaction of the nine largest New Zealand banks with 85.1%, followed by Kiwibank on 80.3% and Rabobank on 79.9%. These three are well ahead of several banks close to the bank average including BNZ (77.2%), ANZ (77%) and The Co-operative bank (76.9%).

The banks performing below the market average for satisfaction (76.8%) were ASB (76%), Westpac (74.7%) and SBS Bank (73.3%). The major bank to show the largest decline in satisfaction over the last year was The Co-Operative Bank which was down 4.3% points.

### NZ Consumer Banking Satisfaction - Largest Consumer Banks<sup>1</sup>



Source: Roy Morgan Single Source (New Zealand), 12 months to June 2018, n = 6,234; 12 months to June 2019, n = 6,563. Base: New Zealanders 14+. 1 Based on customer numbers. 2 Includes banks not shown.

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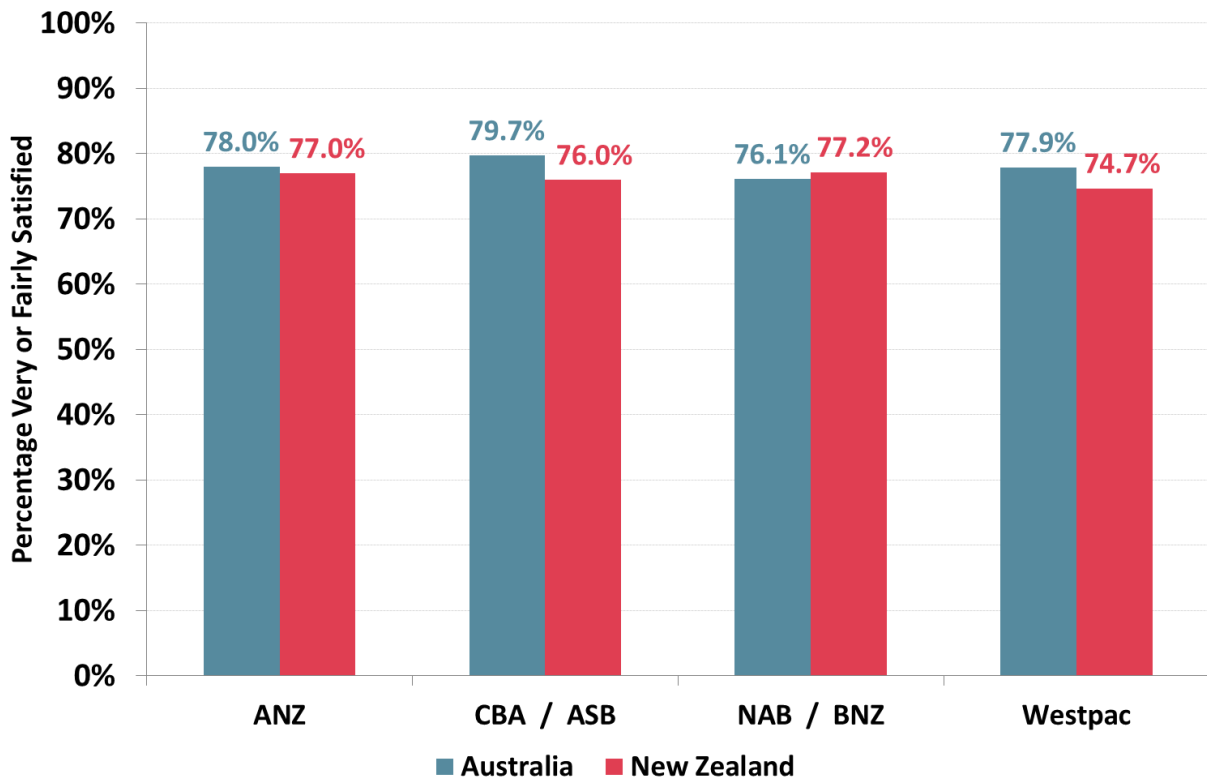
## Comparison of customer satisfaction with multi-national banks in Australia and NZ

Australia's big four banks have a substantial presence in New Zealand with ANZ and Westpac operating under the same name and the Commonwealth Bank (CBA) owning ASB Bank while the National Australian Bank (NAB) owns Bank of New Zealand (BNZ).

A comparison between the customer satisfaction of the banks in each country shows that only the BNZ has a higher customer satisfaction rating at 77.2% in New Zealand than its Australian parent bank the NAB. The NAB has a customer satisfaction rating of 76.1% in Australia.

The CBA has a customer satisfaction rating of 79.7% in Australia clearly higher than subsidiary ASB on 76% in New Zealand. The ANZ has the closest ratings in customer satisfaction: 78% in Australia compared to 77% in New Zealand.

While it is Westpac that lags its rivals in New Zealand with a customer satisfaction rating of only 74.7% compared to a significantly higher 77.9% in Australia.



**Source:** Roy Morgan Single Source (New Zealand), 12 months to June 2019, n = 6,563. **Base:** New Zealanders 14+ and Roy Morgan Single Source (Australia), 12 months to July 2019, n= 25,046. **Base:** Australians 14+.

### Michele Levine, CEO, Roy Morgan, says:

*"Bank customer satisfaction ratings in New Zealand have declined from a year ago down by 2.4% points to 76.8% for New Zealand's major banks. The decline has been broad-based with six out of nine of New Zealand's largest banks experiencing a drop in satisfaction compared to a year ago.*

*"TSB Bank is again the bank with the most satisfied customers and one of the few banks to increase its customer satisfaction compared to this time a year ago, up 0.8% points to 85.1%. TSB Bank is well ahead of second placed Kiwibank on 80.3% and Rabobank on 79.9%.*

*"One of the biggest challenges facing the New Zealand banking sector is the proposal by the Reserve Bank of New Zealand to double the capital ratio of banks operating in New Zealand to 16% of 'risk-weighted assets' from the present minimum requirement of 8.5%.*



*“This proposal to raise capital would require New Zealand’s big four banks to raise up to \$NZ20 billion over the next few years. All of New Zealand’s big four banks are owned by Australia’s big four banks. A final decision on whether to go ahead with this proposal is expected later this year.*

*“The impact of a substantial increase in minimum capital ratios would be a tightening in financial conditions and a likely increase in borrowing costs. This would in turn lead to a reduction in profitability for the banks and has raised questions about whether Australian banks might prefer to sell their New Zealand businesses rather than be subjected to a tighter regulatory regime than they’ve been accustomed to.*

*“Roy Morgan’s extensive consumer banking and financial data collected throughout Australia and New Zealand allows in-depth insights to be drawn from both of these two highly connected business and financial markets.*

*“Roy Morgan interviews over 50,000 Australian and over 6,000 New Zealand banking and finance consumers annually and the ability to combine these datasets to draw conclusions about the valuable banking customers all financial institutions are after is a valuable resource to draw upon particularly in times of regulator uncertainty as faced by the New Zealand banking sector in 2019.*

*“To learn more about how Roy Morgan’s data can provide the answers to the questions you have about banking and finance consumers in New Zealand, and Australia, contact Roy Morgan.”*

To learn more about Roy Morgan’s extensive banking and financial data, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).

Click to view the [Consumer Banking in New Zealand Customer Satisfaction Report](#).

Please click on this link to the [Roy Morgan Online Store](#) to view additional in-depth reports and profiles on consumer data in the banking and finance industries.

### About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 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
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

