

Friday, 17 May 2019

Satisfaction with New Zealand banks declines

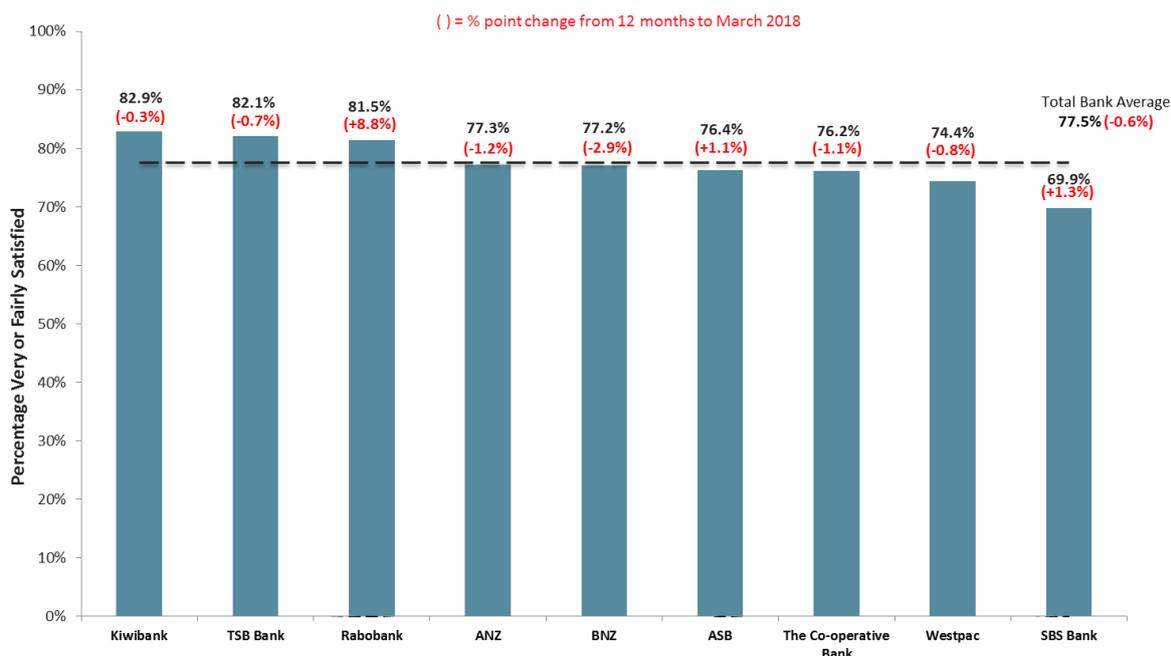
A new report from Roy Morgan (['Customer Satisfaction – Consumer Banking in New Zealand'](#)) shows that customer satisfaction with banks in New Zealand in the 12 months to March 2019 was 77.5%, a decline from 78.1% in the 12 months to March 2018. This decline was as a result of six of the nine largest banks showing drops in satisfaction, with BNZ showing the biggest decline, down 2.9% points, followed by ANZ, down 1.2% points and The Co-operative Bank (down 1.1% points). The three banks showing improved satisfaction were Rabobank (up 8.8% points), SBS Bank (up 1.3% points) and ASB up 1.1% points.

These latest results are from Roy Morgan's Single Source New Zealand survey which includes interviews with over 6,000 banking and finance consumers per annum. This large sample of bank customers collected over many years enables an understanding of long term trends rather than being distracted by what in hindsight can often turn out to be just a short term disruption. The latest data in this release is for the 12 months ended March 2019.

Kiwibank leads satisfaction

Kiwibank has the highest customer satisfaction of the nine largest New Zealand banks with 82.9%, followed by TSB Bank (82.1%) and Rabobank (81.5%). These three banks are well ahead of the other major players with the ANZ on 77.3%, BNZ (77.2%), ASB (76.4%) and Westpac (74.4%). The lowest rating was for SBS Bank with 69.9%, well below the average of 77.5%.

NZ Consumer Banking Satisfaction - Largest Consumer Banks¹



Source: Roy Morgan Single Source (New Zealand), 12 months to December 2018, n = 6,418; 12 months to March 2019, n = 6, 531

TSB Bank has highest NPS[®]

Among the seven largest New Zealand MFI banks, TSB Bank has the highest customer advocacy with an NPS[®] score of 66.6, ahead of The Co-operative Bank (58.9) and Kiwibank (42.2). These three are

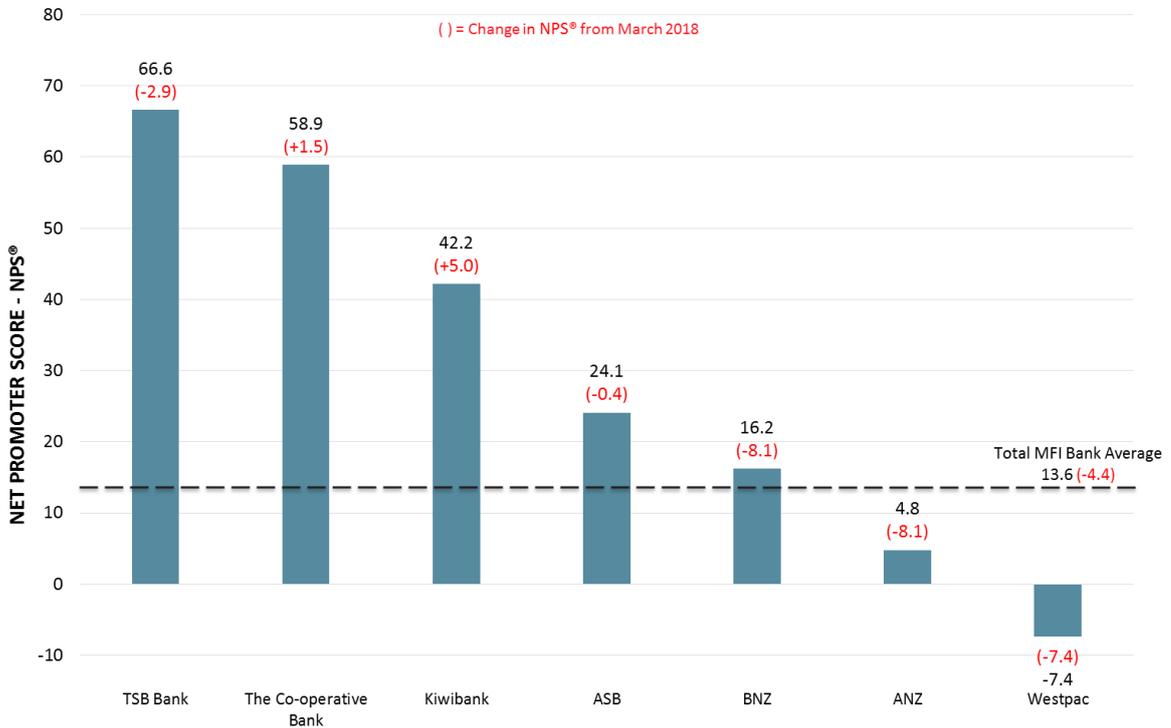
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well ahead of the current MFI bank average NPS® of 13.6. The best of the other major banks is ASB with an NPS® of 24.1 and the lowest score was for Westpac on -7.4.

The only two banks among the top seven to show improved NPS® scores over the last year were Kiwibank (up 5.0) and The Co-operative Bank (up 1.5). The largest declines in NPS® were BNZ and ANZ which were both down by 8.1 and Westpac (down 7.4).

Base: New Zealanders 14+. ¹ Based on customer numbers.

NZ NET PROMOTER SCORE (NPS®) MFI¹ Banks - 7 Largest Consumer Banks²



Source: Roy Morgan Single Source (New Zealand). 12 months to March 2018, n = 6,418; 12 months to March 2019, n = 6,531. Base: New Zealanders 14+. ©Net Promoter Score and NPS are registered trademarks of Bain & Company, Inc., Mr Frederick Reichheld and Satmetrix Systems, Inc. Based on score of 9 or 10 minus 1 to 6 on a ten point scale, where one is very unlikely to recommend to a friend or colleague and ten is very likely.

¹ Main Financial Institution. ² Based on MFI customer numbers.

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

“Satisfaction with New Zealand banks is generally positive but over the last year there has been a decline due to the fact that six of the nine largest banks showed declining satisfaction. The end result was an overall drop in satisfaction of 0.6% points to 77.5%. These averages hide the fact that the performance across these major banks varies considerably, ranging from the best performer, Kiwibank with 82.9%, down to 69.9% for SBS Bank.

“In terms of customers being highly likely to recommend their bank to others (i.e. high NPS®), there are also very significant differences in bank performance from 66.6 for TSB Bank down to minus 7.4 for Westpac. This is an important customer focused metric that needs to be measured in conjunction with satisfaction due to their interdependence. With this in mind, banks need to understand their position on both of these metrics relative to their major competitors and learn from the best performers.

“The data shown here covers only a small part of the New Zealand consumer finance data available from Roy Morgan. The full database enables a truly holistic and unique understanding of consumers’ financial behaviour and trends gathered from over 6,000 interviews per annum. To find out more ask Roy Morgan.”

To learn more about Roy Morgan’s banking satisfaction data and NPS®, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

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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 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
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

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