

Tuesday, 29 September 2020

NAB is the big improver for bank satisfaction during the COVID-19 pandemic

New data from Roy Morgan shows the customer satisfaction scores for Australia's big four banks improved in August 2020 as most of Australia began to relax restrictions although Victoria entered a second lockdown early in the month.

In August 2020, customer satisfaction with Australia's banks was at 80.3%, unchanged on July 2020, and up an impressive 0.9% points from a year ago in August 2019. Customer satisfaction for the big four banks was at 77.2% in August, up 0.5% points on a year ago.

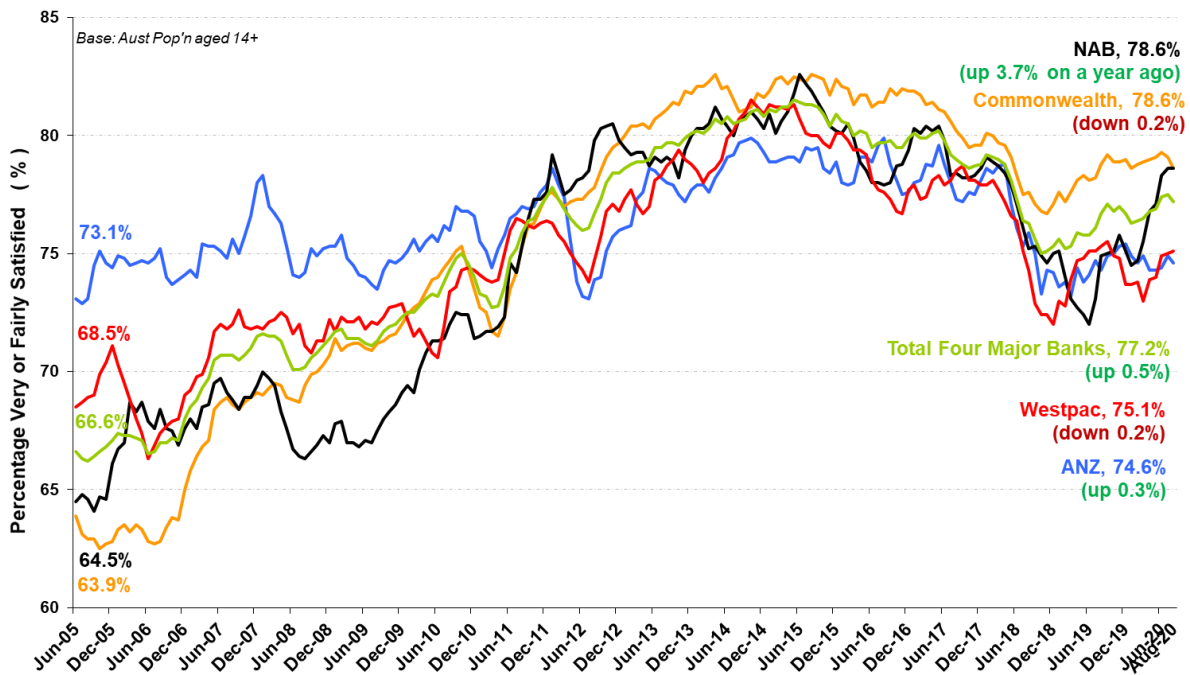
Of the big four banks it is the NAB which has had a standout year in terms of satisfying its customers and has improved satisfaction by 3.7% points to 78.6% in August – the equal highest in two years.

The NAB has now drawn level with the Commonwealth Bank which has a customer satisfaction rating of 78.6%, virtually unchanged from a year ago. Westpac is in third position on 75.1%, down 0.2% points on a year ago, just ahead of an improving ANZ on 74.6%, up 0.3% points.

Australia's banks have performed far more impressively during the unprecedented challenges of the last few months than many would have expected only two years ago. The increase in bank satisfaction compared to a year ago across the industry shows the big steps taken by the industry following the 14-month long Finance Royal Commission which reported its findings in February 2019.

These are some of the latest findings from Roy Morgan's '[Customer Satisfaction report on Consumer Banking in Australia](#)'. This report is based on in-depth interviews conducted with over 50,000 consumers per annum. This large sample of bank customers over many years enables an accurate understanding of long-term trends rather than being distracted by what often turns out to be short-term events. The latest data in this release is for the six months ended August 2020.

Bank Customer Satisfaction (2005-2020)



Source: Roy Morgan Single Source (Australia). January 2005 – August 2020, n = 24,853. Base: Australians 14+.

FOR IMMEDIATE RELEASE

Michele Levine, CEO Roy Morgan, says:

“The COVID-19 pandemic has posed a clear health threat to many Australians this year, but it has also presented huge economic and financial challenges to the country which place a direct burden on Australia’s banking system.

“To the surprise of some there has been resounding praise for the extensive support provided by Australia’s banking and finance institutions to the challenges facing those in financial difficulty through no fault of their own.

“Combined with billions of dollars of Federal Government support for the economy the mortgage loan deferrals, access to excess funds in redraw and offset facilities, reductions in repayment amounts, decreasing standard variable home loan rates and more provided by banks has averted the economic and financial disaster some had feared early in the pandemic.

“Given the measures taken it is not as surprising that customer satisfaction with Australia’s banks has increased 0.9% from a year ago to 80.3% in August 2020. Of the big four banks the two standouts are the NAB which increased its customer satisfaction a significant 3.7% points to 78.6% and has drawn level with the Commonwealth Bank, also on 78.6%.

“However, the biggest challenges for the banks are probably in the next few months as emergency measures taken to support the Australian economy progressively roll off and banks are forced to reassess borrowers in financial hardship that may not have the capacity to pay off their loans.

“In a weak global and local economic environment banks will have to carefully manage the competing forces in order to retain the hard won increases in customer satisfaction gained over the last eighteen months since the end of the Finance Royal Commission in February 2019.

“The data used here is only a small part of the consumer finance data available from Roy Morgan. As Australia emerges from the second wave of COVID-19 and internal barriers to travel and economic activity are progressively reduced it’s more important than ever to have a truly complete and in-depth understanding of consumer’s financial behaviour and trends gathered from 50,000 consumers per annum, across more than two decades.

“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 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

