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Big four banks improve satisfaction while smaller banks decline

New research from Roy Morgan shows that the big four banks improved customer satisfaction over the last year from 79.5% in the six months to June 2016, up by 0.3% points (to 79.8%) in the six months to June 2017. Over this same period, the combined satisfaction of all other banks declined by 0.9% points to 84.8% in June 2017, from 85.7% in June 2016.

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

Smaller banks still lead in satisfaction but big four closing the gap

For more than a decade the big four banks have been gradually closing the gap on the lead held by the other banks. In 2005, the overall satisfaction level of the smaller banks was 77.7%, a lead of 11.1% points over the big four (66.6%). The result for June 2017, shows that smaller or other banks still hold the lead (84.8%) but it is now reduced to only 5.0% points, with the big four on 79.8%.

Consumer banking satisfaction



Source: Roy Morgan Consumer Satisfaction Report, June 2017, average 6-month sample n=25,040.

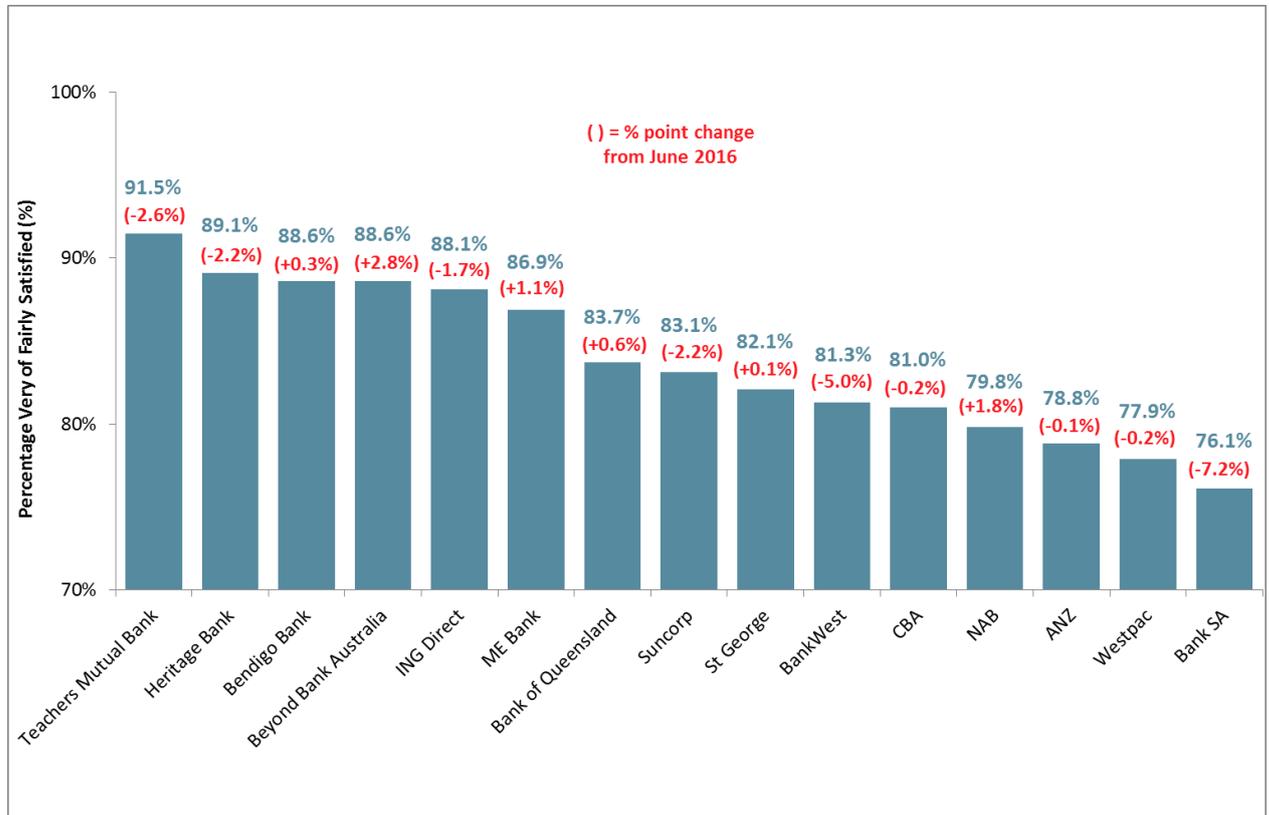
The improvement in satisfaction for banks overall in the decade up to 2015 appears to have largely plateaued, showing only a marginal decline.

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The CBA remains the best performer among the big four

In June 2017, the CBA with a satisfaction level of 81.0% retains its lead over NAB (79.8%), ANZ (78.8%) and Westpac (77.9%). The NAB showed the biggest improvement over the last twelve months, up 1.8% points (to 79.8%).

Consumer Banking Satisfaction – 15 Largest Consumer Banks¹



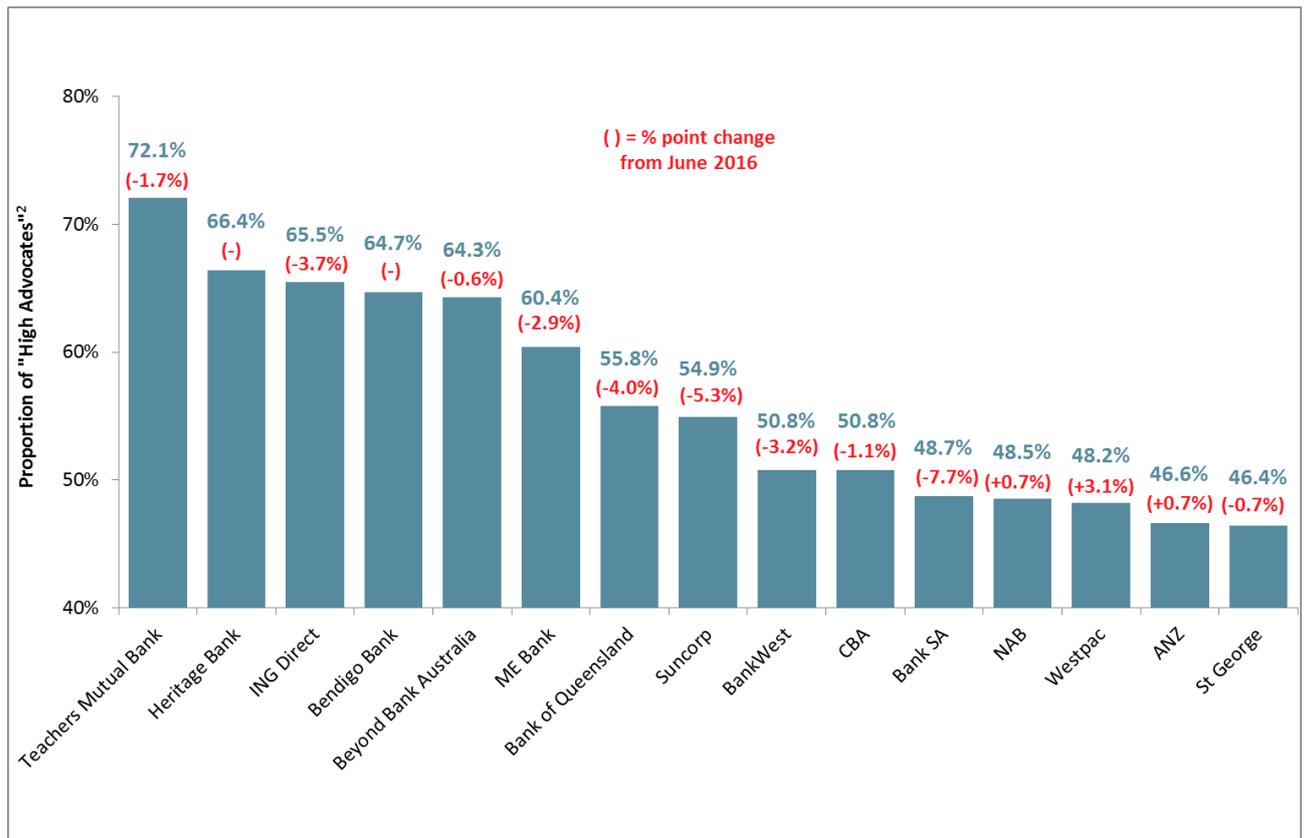
Source: Roy Morgan Single Source (Australia) 6 months to June 2017, n = 25,155, 6 months to June 2016, n = 25,291. **Base:** Australians 14+. 1. Based on customer numbers.

Among the fifteen largest consumer banks, Teachers Mutual Bank has the highest satisfaction with 91.5% (down 2.6% points over the last year), followed by Heritage Bank 89.1% (down 2.2% points). The biggest improver over the year was Beyond Bank Australia up 2.8% points (to 88.6%).

Smaller banks customers more likely to recommend their bank

Nearly three quarters (72.1%) of Teachers Mutual Bank customers indicate that they would be 'highly likely' (with a score of 8 to 10 on a ten point scale) to recommend them to friends or colleagues. They are the clear market leader for advocacy, well above second placed Heritage Bank on 66.4%.

Consumer "Highly Likely" to Recommend Their Bank² – 15 Largest Consumer Banks¹



Source: Roy Morgan Single Source (Australia) 6 months to June 2017, n = 25,155, 6 months to June 2016, n = 25,291. **Base:** Australians 14+. 1. Based on customer numbers. 2. "High Advocates" = a score of 8, 9 or 10 on a ten point scale regarding "How likely would you be to recommend (bank dealt with) to a friend or colleague?"

Among the big four banks, just over half of CBA customers (50.8%) are 'highly likely' to recommend them, the highest of this group, followed by NAB (48.5%), Westpac (48.2%) and ANZ (46.6%).

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

"A major focus among the big four banks over more than a decade has been to improve their customer satisfaction and be ranked number one among their peers on this metric. This strategy appears to be paying dividends as not only are the big four showing improvements in satisfaction but are closing the gap to the smaller banks who have been the pacesetters in satisfaction for a long time. Following this improvement in satisfaction we have seen a new focus on advocacy over recent years, which we have shown tends to follow satisfaction changes, particularly the level of "very satisfied" customers.

"In order to determine what drives improvements in satisfaction and advocacy, Roy Morgan has developed reports based on regression models that show the contribution made by each of a large list of variables. These variables cover in detail major components in area such as 'customer experience', 'interest rates, fees and charges' and 'reliability and security'.

"These drivers reports are updated quarterly and are based on over 50,000 interviews per annum and cover all the major banks. They are indispensable for those in the banking industry who want to understand the priority areas that will have the biggest impact on satisfaction and advocacy."

For comments or more information about Roy Morgan Research'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 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