

Discover your edge

Wednesday, 4 January 2017

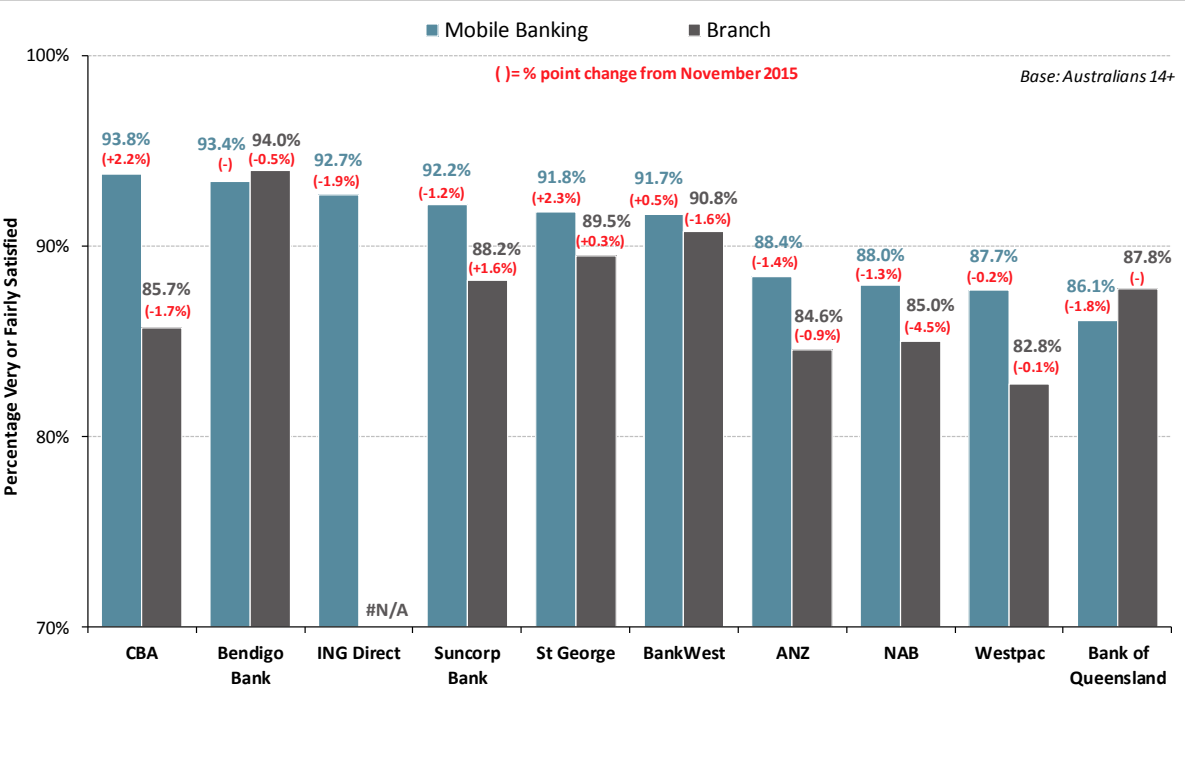
Mobile banking keeps customers happy but home loans are still dragging satisfaction levels down

Banking using an app on a mobile phone or tablet is now more popular than using branches, with 38.8% of Australians using it in an average four-week period, compared with only 28.2% for branches. Satisfaction is obviously a major driver of this trend with 90.7% satisfaction with mobile banking among the big four, compared to 84.8% satisfaction with branches. These are the latest findings from Roy Morgan’s Single Source survey of 50,000+ people pa.

CBA leads in satisfaction with mobile banking

With a 93.8% satisfaction rate among its mobile banking customers, the CBA has the highest satisfaction of the 10 major banks and has improved by 2.2% points over the last 12 months. Bendigo Bank is a close second with 93.4%, followed by ING Direct on 92.7%. The remainder of the big four banks were well below this top group with ANZ on 88.4%, NAB on 88.0% and Westpac on 87.7%.

Satisfaction¹ with mobile banking² vs branch banking - 10 Largest Consumer Banks³



1. Based on used in the last 4 weeks 2. Using an App on a mobile phone or tablet 3. Based on customer numbers. **Source:** Roy Morgan Research Single Source (Australia). 6 months ended November 2015, n= 25,410; 6 months ended November 2016, n=24,727

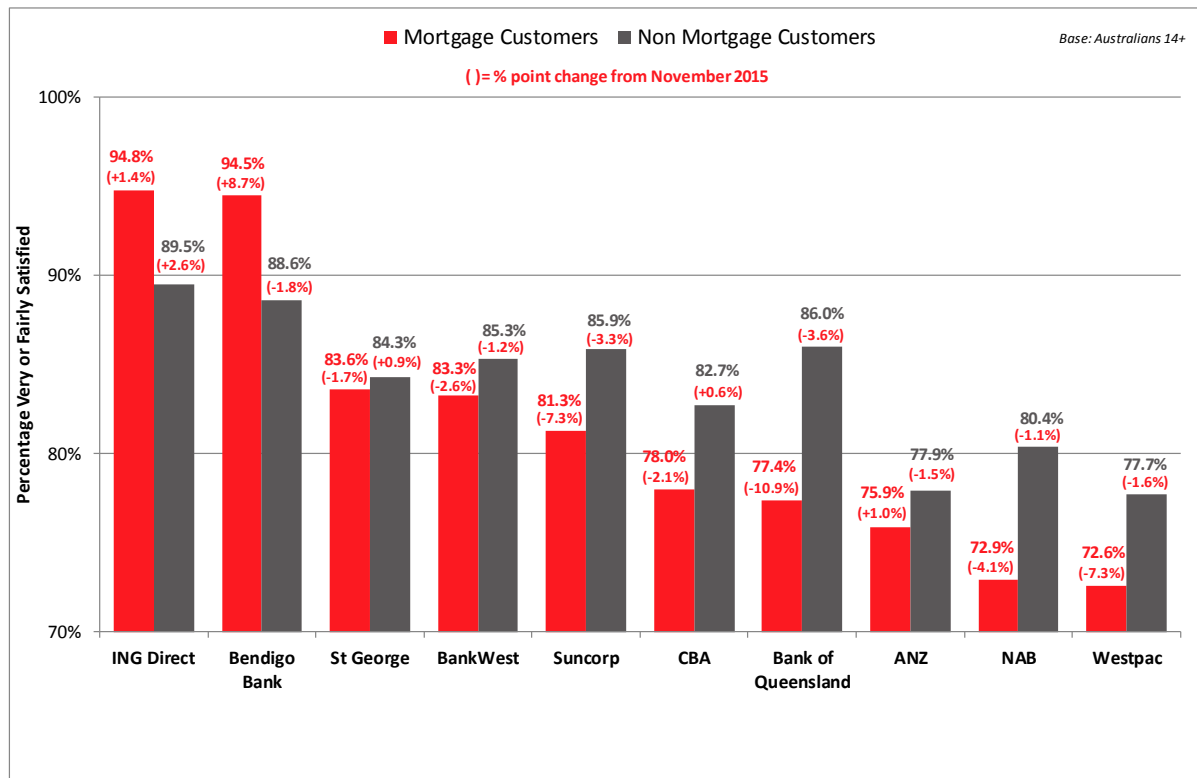
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Satisfaction with branch banking is highest for Bendigo Bank (94%), followed by Bankwest on 90.8% and St George (89.5%). The lowest were Westpac (82.8%) and NAB (85.0%). CBA branch satisfaction is at 85.7%, a long way behind that of its mobile users (93.8%) a gap that has widened over the last 12 months.

Mortgage customers of the big four remain a drag on satisfaction

The mortgage customers of each of the big four banks continue to be a drag on their overall satisfaction, despite historically low home-loan rates. Over the last 12 months, satisfaction among the big four’s home-loan customers has fallen further behind their other customers with a decline by 2.8% points to 75.4%, compared to a drop of only 0.4% points for non-home-loan customers (to 80.5%).

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



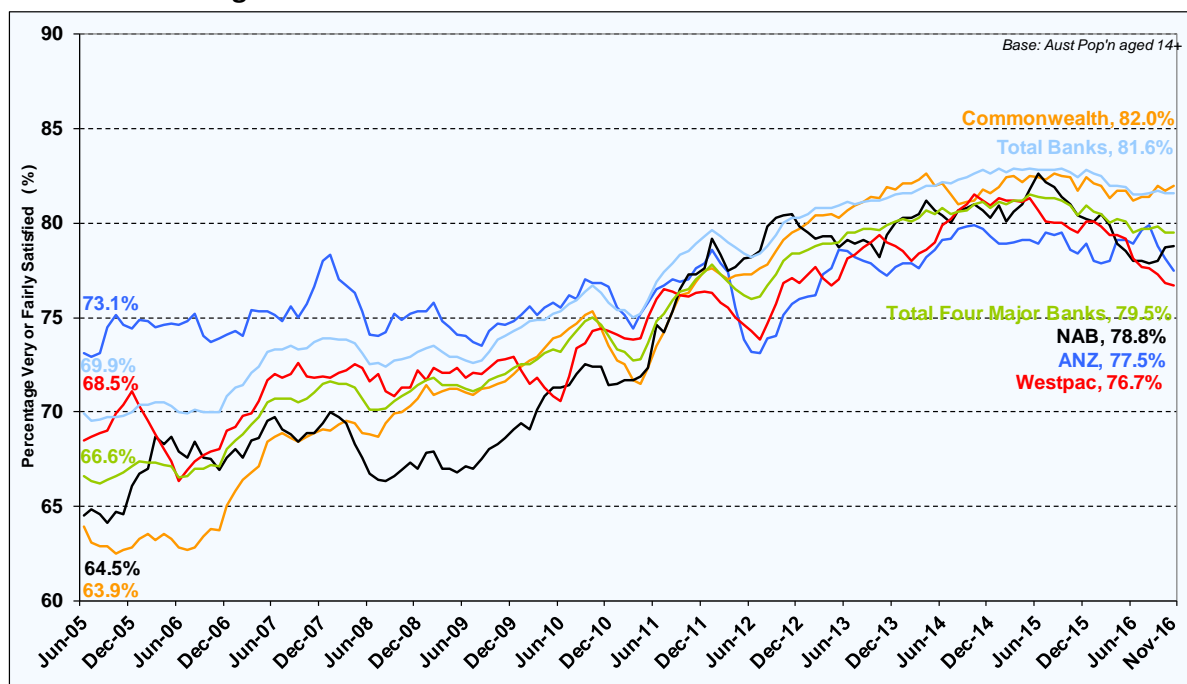
1. Based on customer numbers. Source: Roy Morgan Research Single Source (Australia. 6 months ended November 2015, n= 25,410; 6 months ended November 2016, n=24,727)

ING Direct has the highest home-loan customer satisfaction (of the top 10) with 94.8%, followed closely by 94.5% for Bendigo Bank. These two remain well clear of the field, with the next best being St George (83.6%) and Bankwest (83.3%). The CBA has the highest home-loan customer satisfaction of the big four with 78.0% and Westpac the lowest (72.6%).

The CBA and NAB the big four improvers in November

The CBA was most improved among the big four for the month of November (up 0.3% points to 82.0%), maintaining its top position. The NAB also improved satisfaction marginally (up 0.1% point to 78.8%) but ANZ (down 0.6% points to 77.5%) and Westpac (down 0.1% points to 76.7%) both declined.

Consumer Banking Satisfaction



Source: Roy Morgan Consumer Banking Satisfaction Report, November 2016, average 6-month sample n=25,015.

While the big four maintain a close eye on who is the satisfaction leader among them, the mutual banks remain well ahead of all four. The average satisfaction level for the big four in November was 79.5%, compared to the Mutual Bank's average of 90.1%. The best performers among the mutual banks were Greater Bank (94.5%), Bank Australia (93.9%) and Teachers Mutual Bank (92.3%), all well ahead of the top ranked big four, the CBA on 82.0%

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

"Although customers generally view their bank positively, we have identified two of the issues that need to be handled with greater sensitivity if satisfaction is to improve: how interest rates and channel changes are made and explained to customers."

"The high satisfaction levels and rapid increase in the use of mobile banking are likely to improve overall satisfaction. While this is a positive trend, the declining satisfaction of the big fours' branch banking customers is not so rosy. Over one in four bank customers still use branches in an average four-week period: and their satisfaction is also important."

"The end result is that satisfaction with branches is now further behind that of mobile banking. Banks need to pay attention on issues such as branch closures and changes to functionality so that they are better aligned with customer needs and expectations."

"Despite very low loan and deposit rates that favour borrowers, overall bank customer satisfaction is currently being adversely affected by the fact that only 75.4% of the big four banks' home-loan customers are satisfied. What's more, the satisfaction gap"

between them and other customers (80.5%) is widening. With banks recently announcing 'out of cycle' increases in loan rates, borrower satisfaction is expected to decline even further.

"Over the last three years, customer satisfaction with banks has plateaued at a level that is well above the long term average, but it is now showing signs of starting to decline.

"With over 50,000 interviews conducted annually for more than 20 years, Roy Morgan data has become the industry currency in retail financial services. Its size enables an in-depth understanding of financial behaviour and trends, providing unique and detailed insights for anyone involved in this market. Customer satisfaction with banking channels and key segments such as home loan customers are just some of the metrics that are capable of being analysed in much greater detail than in any other survey of the Australian retail financial services market."

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Related research findings

View our banking and finance satisfaction reports, including the [Customer Satisfaction: Consumer Banking in Australia report](#) and [Customer Satisfaction: Small Business Owners in Australia report](#).

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