

Friday, 23 November 2018

Satisfaction with banks declines further in October

New results from Roy Morgan shows that in the six months to October 2018 satisfaction with banks has fallen further to 78.0%, from 78.5% in September. In the six months to January 2018, prior to the Finance Royal Commission, satisfaction with banks was 81.2%. This decline of 3.2% points since January has resulted in the lowest satisfaction with banks in seven years (August 2011 was 77.9%) but it still remains above the long term average and much higher than the 58.7% recorded in 2001.

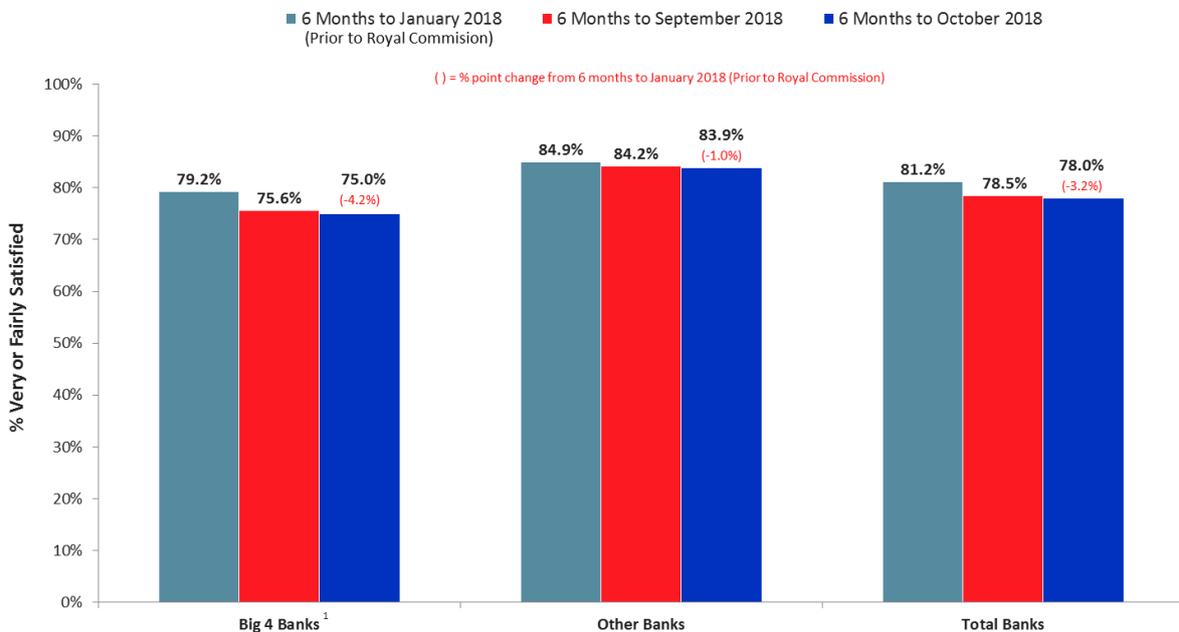
It is worth noting that despite the current high level of negative publicity and recent decline in satisfaction, it must be seen in the context that the clear majority of customers are still satisfied with their bank.

These are some of the latest findings from Roy Morgan's 'Customer Satisfaction-Consumer Banking in Australia October Report' which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes, across more than two decades.

Satisfaction with big four banks shows greatest decline

The following chart shows that satisfaction with the big four banks in the six months to January 2018, just prior to the Royal Commission, was 79.2%. The latest data covering the six months to October 2018 shows an overall decline in satisfaction for the big four of 4.2% points since January to 75.0%. The satisfaction among customers of banks, other than the big four, showed a decline of only 1% point over the same period, leaving them with an overall customer satisfaction rating of 83.9%, 8.9% points higher than the big four (75.0%).

Satisfaction with Big Four Banks vs Other Banks – January 2018 to October 2018



Source: Roy Morgan Single Source (Australia), 6 months to January 2018, n = 23,945, 6 months to September 2018, n = 26,457 and 6 months to October 2018, n = 25,304.

Base: Australians 14+. 1. ANZ, CBA, NAB and Westpac

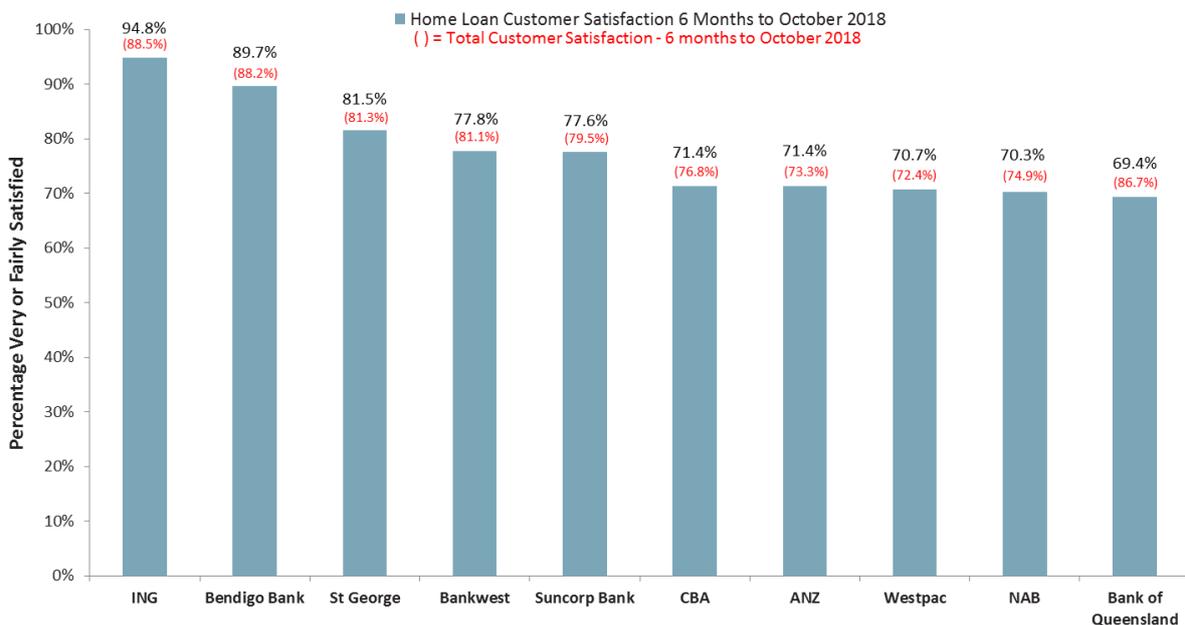
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ING and Bendigo Bank top home loan customer satisfaction

The mortgage customers of the smaller banks continue to have higher satisfaction ratings than the big four. ING is the highest home loan performer (among the ten largest banks) with 94.8% satisfaction, followed by Bendigo Bank on 89.7%. Both of these banks have higher satisfaction among their home loan customer than they have with their customers overall. They are followed by St George (81.5%), Bankwest (77.8%) and Suncorp Bank (77.6%).

The big four banks all have very similar satisfaction ratings among their home loan customers, with CBA and ANZ both on 71.4%, followed by Westpac (70.7%) and NAB (70.3%). The satisfaction of home loan customers of all four are not only much lower than their smaller rivals but are below their own overall customer average satisfaction ratings. In other words, their home loan customers are proving to be a drag on their overall satisfaction levels.

Satisfaction of Mortgage Customers Compared to Total Customers 10 Largest Consumer Banks¹



Source: Roy Morgan Single Source (Australia), 6 months to October 2018, n = 25,304.

Base: Australians 14+ Home Loan customers n = 6,256. 1. Based on total customer numbers.

Norman Morris, Industry Communications Director, Roy Morgan says:

“Given the high volume of negative publicity relating to the big four banks that continues to be generated by the Royal Commission, it is not surprising that customer satisfaction with them has shown greater declines than for other banks this year. This has resulted in satisfaction with banks overall currently being at their lowest level since 2011. What needs to be noted however, is that contrary to all the negative reporting on banks, the clear majority of their customers remain satisfied with them and only around 6% claim to be dissatisfied.”

“It is somewhat surprising to see that even with historically low interest rates, home loan customers of the big four banks are not only less satisfied than their other customers but are well behind the satisfaction of the home loan customers of the smaller banks. This remains a problem in the highly competitive home loan market as well as being a drag on their overall satisfaction and advocacy levels.”

“The data used here is only a small part of the consumer finance information available from Roy Morgan. The full database enables a truly holistic and unique understanding of consumers’ financial behaviour and trends gathered from over one million interviews across two decades. To understand more regarding what drives customer satisfaction and advocacy levels, simply ask Roy Morgan.”



To learn more about Roy Morgan's bank satisfaction data, 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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