

Thursday, 14 February 2019

Satisfaction with New Zealand banks remains high

Consumer satisfaction with banks in New Zealand in the 12 months to December was 79.1%, an increase from 78.2% in the 12 months to December 2017. The increase was a result of eight of the nine largest banks showing improved satisfaction, with TSB the biggest improver up 6.1% points, followed by SBS Bank up 5.0% points, Rabobank up 4.2% points and The Co-operative Bank (up 3.9% points).

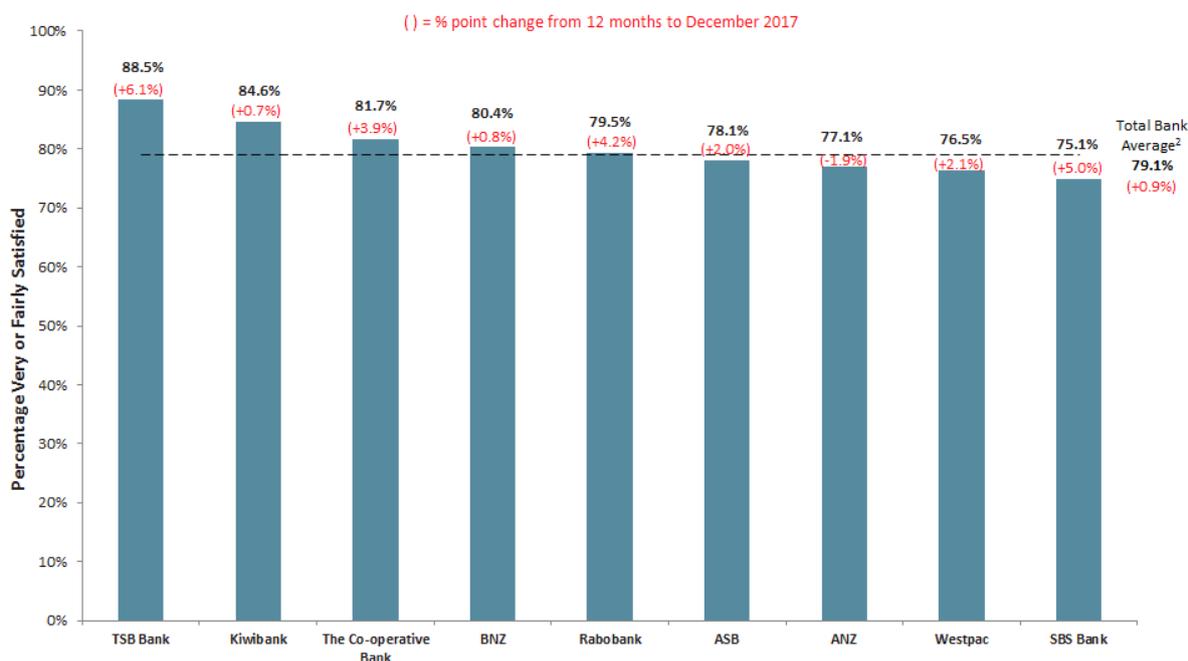
These new results are from Roy Morgan's Single Source (New Zealand) survey which includes interviews with over 6,000 banking and finance consumers per annum.

TSB Bank increases satisfaction lead

TSB Bank has the highest customer satisfaction of the nine largest New Zealand banks with 88.5%, followed by Kiwibank on 84.6%. These two are well ahead of third placed The Co-operative bank (81.7%), BNZ (80.4%) and Rabobank (79.5%).

The banks performing below the market average for satisfaction (79.1%) were ASB (78.1%), ANZ (77.1%), Westpac (76.5%) and SBS Bank (75.1%). The only major bank to show a decline in satisfaction over the last year was the ANZ, which was down marginally by 1.9% points.

NZ Consumer Banking Satisfaction - Largest Consumer Banks¹



Source: Roy Morgan Single Source (New Zealand), 12 months to December 2017, n = 6,409; 12 months to December 2018, n = 6,385.

Base: New Zealanders 14+. 1 Based on customer numbers. 2 Includes banks not shown.

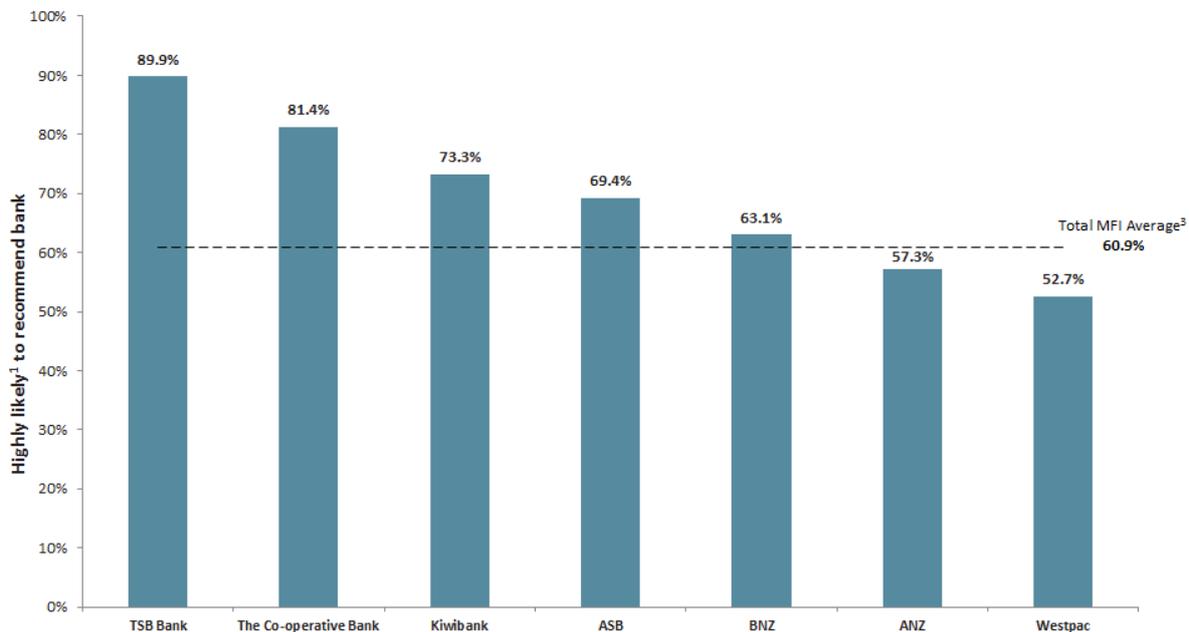
TSB Bank and The Co-operative Bank top advocacy ratings

Of the TSB customers who consider them to be their MFI (main financial institution), 89.9% say that they would be very likely to recommend TSB to a friend or colleague (based on a rating of 8, 9 or 10 on a 10 point scale). Their nearest competitor for advocacy rating is The Co-operative bank on 81.4%, with both being well ahead of third placed Kiwibank (73.3%).

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The market average for high advocacy across all MFIs is currently 60.9%, which is relatively steady from 60.8% 12 months ago. The ANZ on 57.3% and Westpac (52.7%) are the only banks below the average. This analysis is based on fewer banks due to some having a low number of MFI customers.

High Likelihood¹ of Recommending MFI Bank - Largest MFI Banks²



Source: Roy Morgan Single Source (New Zealand), 12months to December 2018, n = 6,385.

Base: New Zealanders 14+ with MFI. 1 Highly likely to recommend bank based on a score of 8, 9, or 10 on a scale where 1 = very unlikely or 10 = very likely. 2 Based on MFI customer numbers. 3 Includes MFIs not shown.

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

“While the Finance Royal Commission in Australia has had a negative impact on bank customer satisfaction in Australia, particularly the big four, it appears that this has not generally been felt by the Australian banks operating in New Zealand. The ANZ was the only one of the big four to show a decline in satisfaction in both countries over the last year.

“Satisfaction with New Zealand banks is generally positive and improving, as evidenced by the fact that over the last year, eight of the nine largest banks showed increased satisfaction. The end result was to lift overall satisfaction by 0.9% points to 79.1%. However, not all banks are rating well, as evidenced by the wide disparity between the highest and lowest performers and the fact that three of the biggest banks (i.e. ASB, ANZ and Westpac) are performing below average.

“In terms of customer being highly likely to recommend their bank to others (i.e. high advocates), there are also very significant differences in bank performance from just over 50% to around 90%. 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. Other data covers over ninety financial institutions and includes all types of banking products, insurance and superannuation. 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, 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