

Tuesday, 8 January 2019

## Satisfaction with banks remains positive and above the long term average

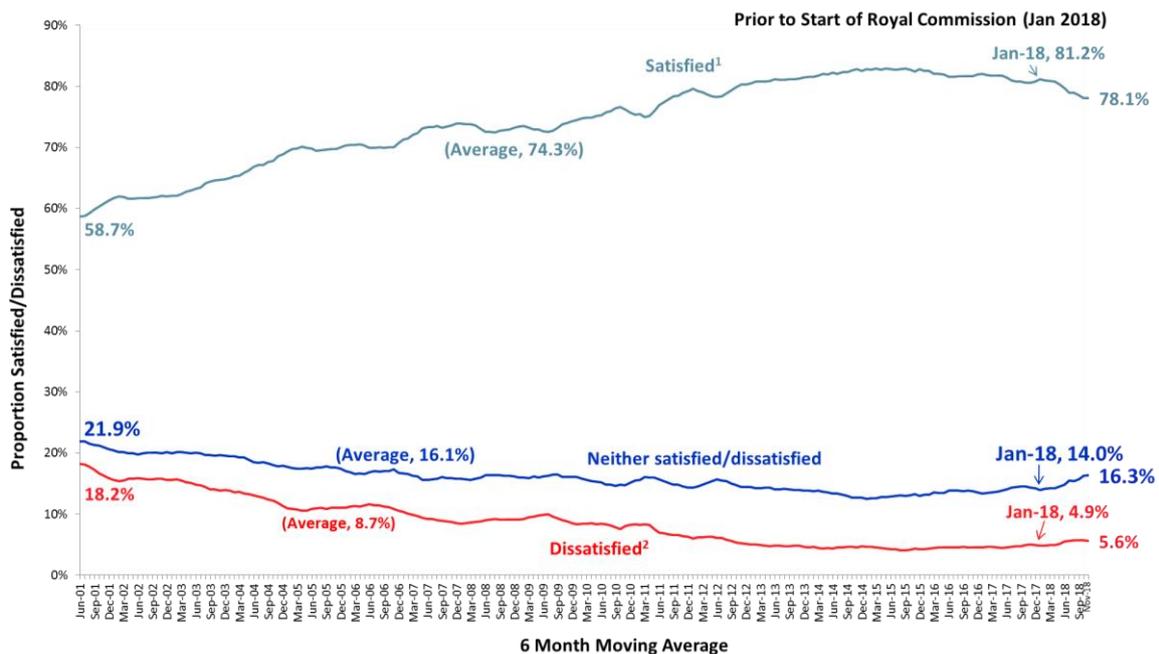
Bank customer satisfaction improved marginally in November to 78.1%, up from 78.0% in October. This represents the first positive monthly move in satisfaction since prior to the start of the Finance Royal Commission in January. Although the current satisfaction level of 78.1% is a decline of 3.1% points from January 2018, it remains above the long term average of 74.3% calculated since 2001 and well up on the 58.7% in January 2001. Despite a long period of negative publicity throughout 2018, the clear majority are still satisfied with their bank.

These are some of the latest findings from Roy Morgan's '[Customer Satisfaction-Consumer Banking in Australia November Report](#)' which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes, including over 4,000 bank customers per month. This large sample over many years enables an accurate understanding of long term trends rather than being distracted by what in hindsight can be seen as relatively short term events.

### Dissatisfaction with banks low but indifference a growing problem

Over the last two decades, satisfaction with banks has generally been on an upward trend but the level of dissatisfaction and indifference also needs to be monitored closely. The following chart shows that the level of dissatisfaction with banks remains low and has increased only marginally from 4.9% in January 2018, just prior to the Royal Commission and is now at 5.6%. The combination of the 16.3% of bank customers who are indifferent to their relationship with their bank (i.e. neither satisfied or dissatisfied) and those who are dissatisfied (5.6%), means that more than one in five (21.9%) bank customers pose a potential threat to customer retention, an increase from 18.9% in January 2018 but well below the 2001 level of 40.1%.

### Trended Bank Customer Satisfaction: 2001 to 2018



Source: Roy Morgan Single Source (Australia), average 6 month sample, n = 26,611.

Base: Australians 14+ with at least a deposit/transaction account with bank: average 6 months sample, n = 23,176.

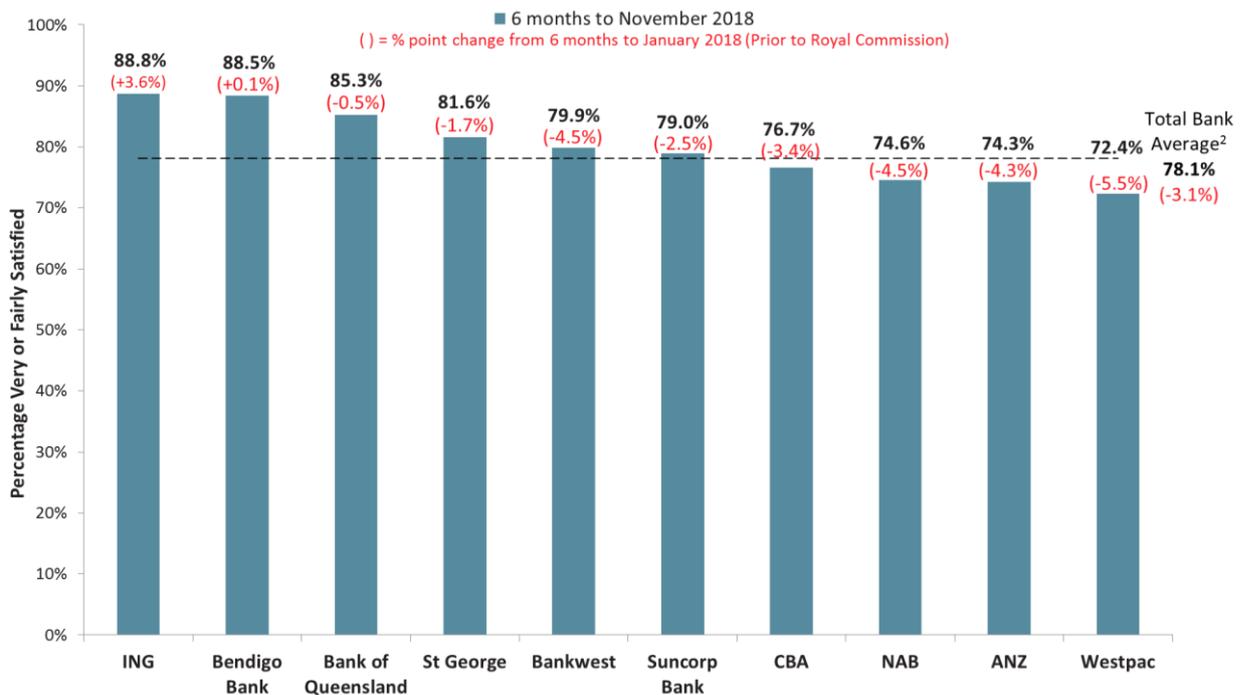
1. Very or fairly satisfied. 2. Very or fairly dissatisfied.

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## Satisfaction with larger banks declining during Royal Commission

Of the ten largest consumer banks shown in the following chart, the two best performers, ING with 88.8% satisfaction (up 3.6% points from January 2018) and Bendigo Bank on 88.5% (up 0.1% point), were the only ones to show improvements in satisfaction during the Royal Commission. In contrast, Westpac showed the biggest decline (down 5.5% points), followed by NAB and Bankwest (both down 4.5% points) and ANZ (down 4.3% points). The CBA retains its position of having the highest satisfaction among the big four with 76.7%, followed by the NAB (74.6%), ANZ (74.3%) and Westpac (72.4%).

### Consumer Banking Satisfaction - 10 Largest Consumer Banks<sup>1</sup>



Source: Roy Morgan Single Source (Australia), 6 months to November 2018, n = 23,945, 6 months to November 2018, n = 25,430.

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

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

*“Given the large volume of negative publicity generated by the Finance Royal Commission and other issues, it is not surprising that satisfaction with banks has declined this year. It is important to note, however, that contrary to all the negative reporting on banks, the clear majority of their customers are satisfied with them and that less than 6% claim to be dissatisfied.”*

*“Despite a small decline in bank satisfaction this year, current levels remain above the long term average over the period from 2001 and in fact are 19.4% points above the level recorded in that year.”*

*“The scheduled release of the final Finance Royal Commission report in February 2019 is likely to represent a major challenge to maintain satisfaction levels as it is anticipated that it will recap on a lot of problem areas and receive widespread publicity.”*

*“The data used here is only a small part of the consumer finance data available from Roy Morgan. The full database enables a truly holistic and unique understanding of consumer financial behaviour and trends gathered from over one million interviews across two decades. To find out more ask Roy Morgan.”*

To learn more about Roy Morgan’s bank satisfaction data, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).

Please click on this link to the [Roy Morgan Online Store](#).

**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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