

Monday, 12 July 2021

Customer satisfaction and NPS® of big four banks soar over the last year during the COVID-19 pandemic

New research from Roy Morgan shows the customer satisfaction and Net Promoter Score (NPS®) of the big four banks – ANZ, Commonwealth Bank (CBA), National Australia Bank (NAB) and Westpac – soaring during the COVID-19 pandemic.

The Net Promoter Score (NPS®) measures the willingness of customers to recommend a brand and since the COVID-19 pandemic hit Australia there have been significant increases for all big four banks with customers now far more likely to recommend their bank to others than they were a year ago. This is particularly so among customers with a mortgage.

Amongst mortgage customers ANZ has seen the biggest improvement from a year ago and has increased their NPS® by 29.7pts to a score of 15.4 in April 2021 – highest of the big four banks.

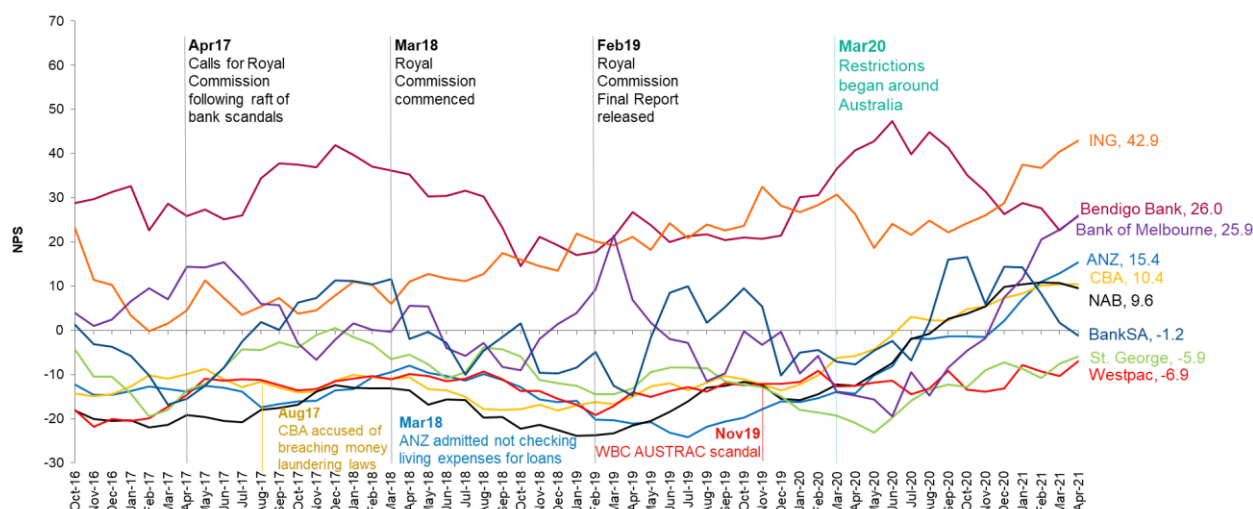
NAB has increased its NPS® amongst mortgage customers by 22.1pts to 9.6 and is now just behind CBA on 10.4, an increase of 16.3pts. Westpac has also seen a resurgence in NPS® to now be at -6.9, up 5.7pts on a year ago.

There are three banks in the top ten (by market share) that stand out with higher scores than their rivals led by ING with a score of 42.9, and an increase of 16.6pts on a year ago. In second place and well above the sector average is Bendigo Bank on 26.0 just ahead of Bank of Melbourne on 25.9.

The best performers remained well above the current bank average NPS® of 10.1.

The data for the report is gathered via in depth interviews Roy Morgan conducts with more than 50,000 consumers each year in a continuous, two-decade long survey, enabling an accurate understanding of long-term trends. It complements the Customer Satisfaction which Roy Morgan also measures.

Net Promoter Score (NPS®*) by mortgage customers (2016-2021)



Source: Roy Morgan Single Source (Australia). May 2016 – April 2021, Average interviews per 6 monthly period, n=6,152.

Base: Australians 14+ with a mortgage, 6 months moving average. *Net Promoter Score and NPS® are registered trademarks of Bain & Company, Inc., Mr. Frederick Reichheld and Satmetrix Systems, Inc. Based on score of 9 or 10 minus 1 to 6 on a ten point scale, where one is very unlikely to recommend to a friend or colleague and ten is very likely.

Satisfaction with major banks increased during pandemic while other banks produce mixed results

The big four banks all recorded increases in customer satisfaction for their main financial institution (MFI) customers over the year to April 2021 led by NAB which increased satisfaction by 3.3% points to 81.7% and ANZ which was up 2% points to 78.6%.

There were also increases for Commonwealth Bank, up 0.1% points to 80.9% and Westpac, up by 0.1% points to 76.2% from April 2020.

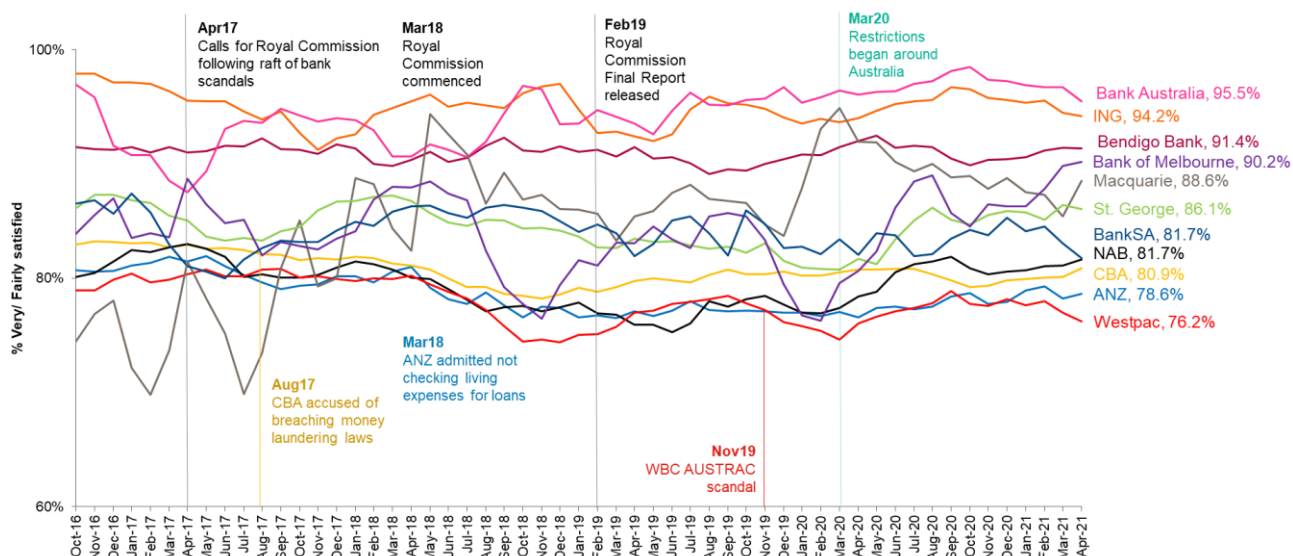
There were mixed results for other leading banks with large increases for Bank of Melbourne, up 9.6% points to 90.2% and St. George, up 4.4% points to 86.1% while Macquarie experienced the largest fall, down 3.3% points to 88.6%.

However, despite the movement amongst other banks the top three banks are unchanged from a year ago with Bank Australia in first place on 95.5%, down 0.5% points from a year ago just ahead of ING on 94.2%, an increase of 0.2% points.

Bendigo Bank is again in third position on 91.4%, down 0.6% points since April 2020.

Customer Satisfaction with banks overall increased from 81.3% in April 2020 to 82.8% in April 2021.

Consumer banking satisfaction – Main Financial Institution (MFI)



Source: Roy Morgan Single Source (Australia). May 2016- April 2021. Average interviews per 6 monthly period, n=23,972.
Base: Australians 14+ with a Main Financial Institution (MFI), 6 months moving average.

Roy Morgan’s latest consumer banking satisfaction and Net Promoter Score (NPS®) results underline the successful response of Australia’s largest banks to the threat posed by the COVID-19 pandemic says Roy Morgan CEO Michele Levine:

“Around 18 months ago word began to emerge of a ‘novel coronavirus’ in China that was highly infectious and potentially dangerous. Within a few months the new virus caused large parts of the world, including Australia, to go into unprecedented lockdowns causing significant societal upheaval and precipitating Australia’s first recession for nearly thirty years.

“The economic upheaval included throwing millions of Australians out of work and led to fears Australia’s banking system would be under huge stress as the newly unemployed would start to default on their loans in huge numbers. Thankfully none of this happened.

“The hundreds of billions of dollars of support provided by the Federal Government – especially in the form of the \$90 billion JobKeeper wage subsidy – kept those in precarious employment attached to their jobs and Australia’s banks responded to the crisis by allowing customers in financial distress to defer loans for at least six months, waiving charges on debt consolidation and loan restructuring.

“The response of the banks has been so effective that not only was the prospect of a devastating financial crash eliminated but against the predictions of many the perception of the banks improved during Australia’s first recession in nearly thirty years.

“All big four banks increased their Net Promoter Scores (NPS®) during the pandemic. The NPS® measures the willingness of customers to recommend a brand to others. Amongst mortgage customers the biggest increase in NPS® was for ANZ, up 29.7pts to 15.4 in April 2021. There were also massive increases for NAB – up 22.1pts to 9.6 and CBA, up 16.3pts to 10.4.

“At the same time customer satisfaction for the big four banks has also increased led by NAB, up 3.3% points from a year ago to 81.7% amongst their main financial institution (MFI) customers. NAB is now just ahead of CBA on 80.9% (up 0.1% points), ANZ on 78.6% (up 2% points) and Westpac on 76.2% (up 0.1% points).

*“While it is important to measure bank NPS® and satisfaction, it is critical for banks to understand what drives these results in order to apply resources to the areas that make the most difference. We cover these in detail in the **Roy Morgan ‘Drivers of Advocacy-Consumer Banking Market Report** and the **‘Drivers of Customer Satisfaction-Consumer Banking Market Report’**, but in summary they include ‘customer experience’, ‘reliability and security’, ‘interest rates, fees and charges’, ‘product offering’ and ‘internet banking’.*

“These reports also provide a detailed analysis for the factors driving advocacy and satisfaction for each of the major banks but even so they are only a small part of the consumer finance data available from Roy Morgan.

“The full database enables a truly holistic and unique understanding of consumers’ financial behaviour and trends, gathered from 50,000 interviews per annum across more than two decades, including the complete range of customer metrics such as customer penetration, market share, Share of Wallet (SOW), Product per customer (PPC), intention to switch, advocacy, satisfaction and NPS®.

“To find out more ask Roy Morgan.”

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To learn more about Roy Morgan’s Banking data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

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

About Roy Morgan

Roy Morgan is Australia’s largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years’ experience 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