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Monday, 10 April 2017

Bank satisfaction in February still close to record high

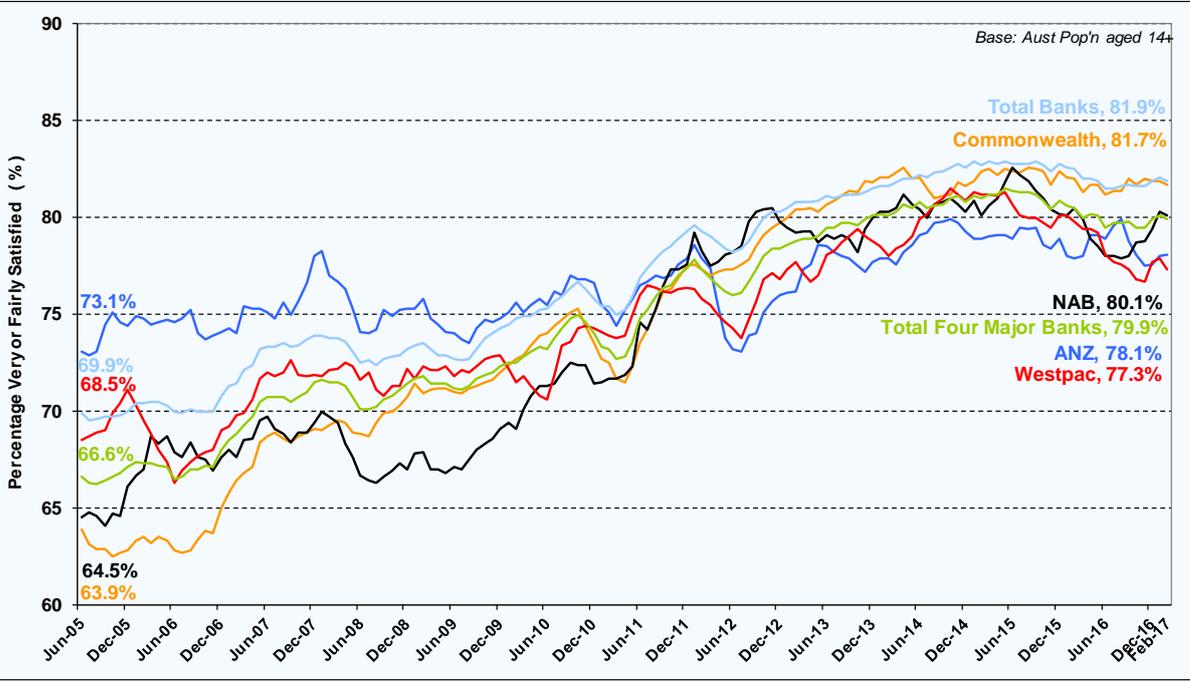
In the six months to February 2017, satisfaction with banks overall was 81.9%, only 1.0% point lower than the 20-year high of 82.9% recorded in 2015, the latest Roy Morgan data reveals. Although satisfaction in February was down just 0.2% points from January (when it was 82.1%), it has remained well above the long-term average of 76.9% recorded since 2005. Satisfaction among home-loan customers continues to be lower than other customers but is closing the gap. The small decline in overall satisfaction in February was due to a drop in satisfaction among non-mortgage customers.

CBA remains the clear satisfaction leader among the big four

With a satisfaction level of 81.7%, CBA remains the best performer among the big four, followed by NAB (80.1%), ANZ (78.1%) and Westpac (77.3%).

The ANZ was the only big four bank to show any improvement in satisfaction in February, a fractional increase of 0.1% points, which was due to improved satisfaction among their home-loan customers. Westpac showed the biggest drop in satisfaction for the month (down 0.6% points), followed by CBA and NAB, both declining by 0.2% points.

Consumer banking satisfaction



Source: Roy Morgan Consumer Satisfaction Report, February 2017, average 6-month sample n=25,010.

The big four continue to focus on their satisfaction ranking among their peers but mutual banks remain well ahead of all four. The average satisfaction level for the big four in February was 79.9% (down 0.2% points for the month), compared to the mutual banks' average of 90.3%

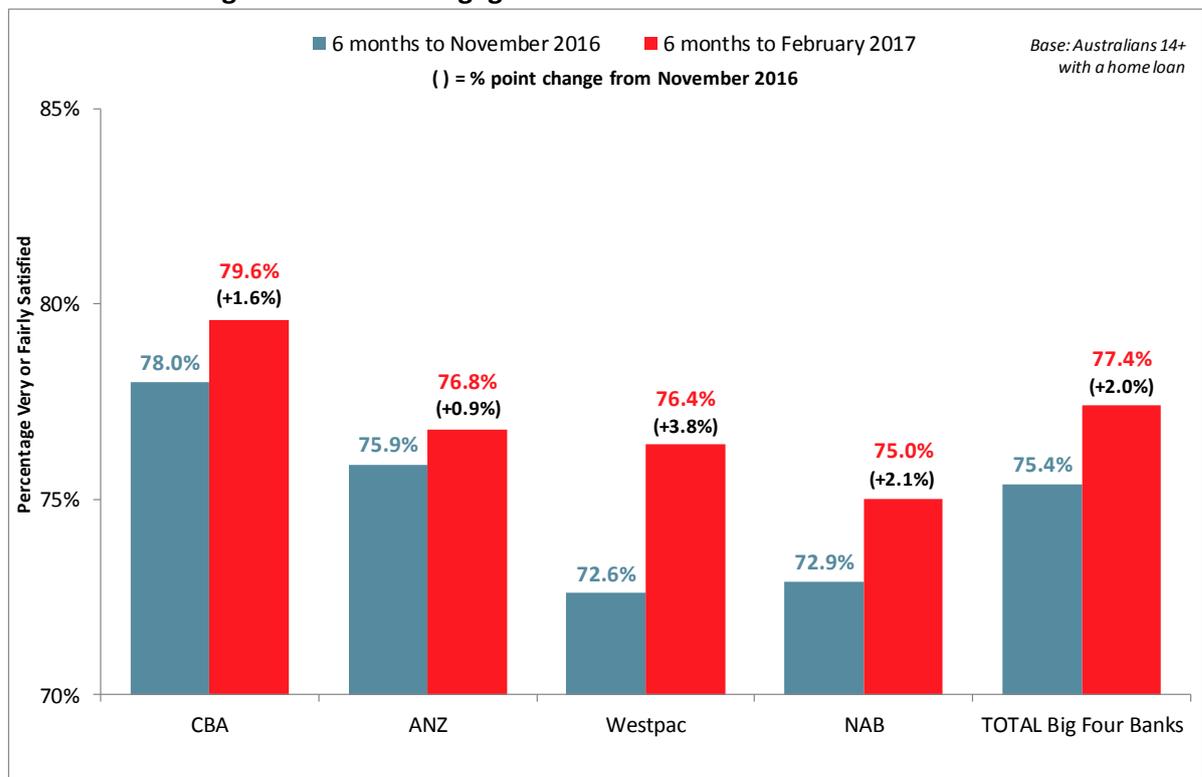
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(up 0.1% point). The best performers among the mutual banks were Greater Bank (95.7%), Teachers Mutual Bank (92.2%) and Heritage Bank (91.8%), all well ahead of the top-ranking big four bank, the CBA, on 81.7%.

Mortgage customers of the big four show improved satisfaction over the last three months

Satisfaction levels among the big four banks’ mortgage customers improved from 75.4% in the six months to November up to 77.4% in the six months to February. All four banks showed an improvement over this period. Although the satisfaction level of mortgage customers improved by 2.0% points, those without a mortgage showed a marginal decline of 0.1% point (to 80.4%) over the same period.

Satisfaction of big four banks’ mortgage customers



Source: Roy Morgan Single Source (Australia) 6 months ended February 2017, n = 5,955; 6 months ended November 2016, n = 6,636

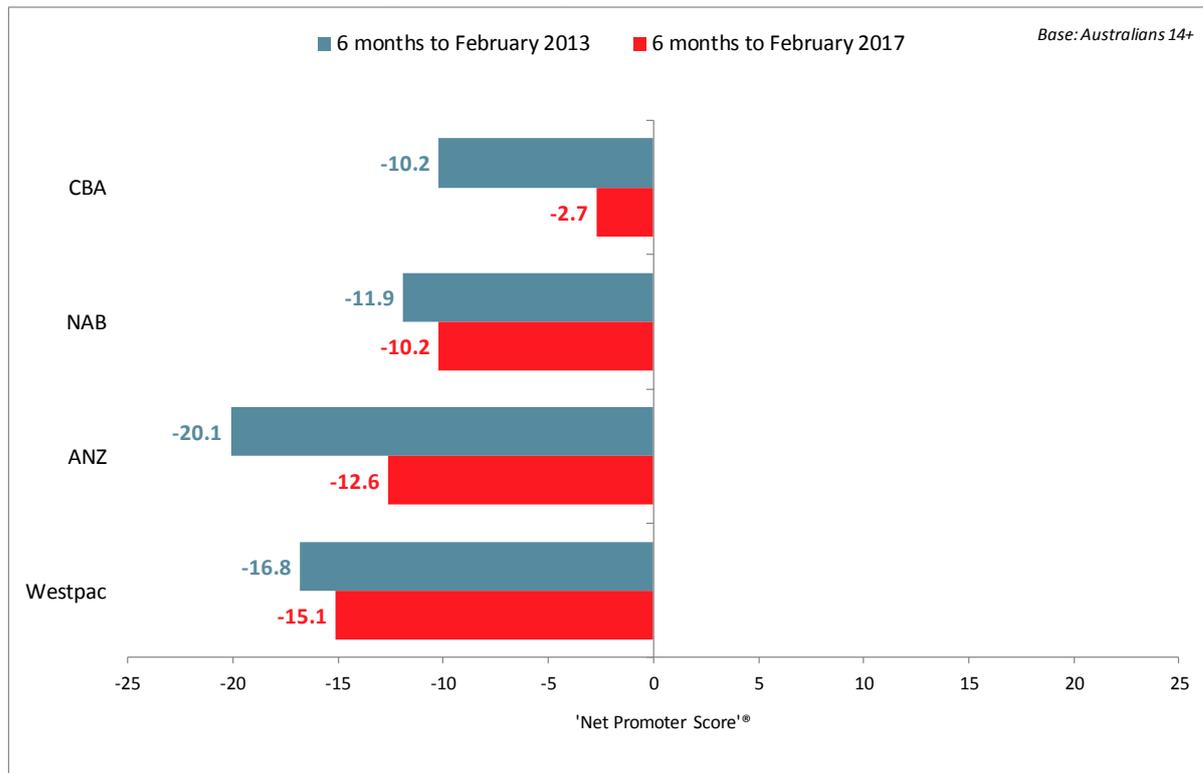
Satisfaction among the CBA’s mortgage customers is the highest of the big four at 79.6%, followed by the ANZ (76.8%), Westpac (76.4%) and the NAB (75.0%). The biggest improver over the last three months was Westpac, up 3.8% points.

The big four banks have been improving their advocacy ratings (NPS^R)

Over the last four years, all four of the major banks have been working to increase their chances of their customers recommending them, as shown by improvements in their NPS^R

scores. Overall, the big banks still remain marginally negative when it comes to their customers being advocates but a slow but improving trend is emerging.

Net Promoter Score^R of the big four banks: personal customers



Source: Roy Morgan Single Source (Australia) 6 months ended February 2017, n = 23,885; 6 months ended February 2013, n = 24,203. [®]Net Promoter Score (NPS) is a service mark of Bain and Company, Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld. Advocacy is measured on a scale of 1 to 10, with 1 being 'very unlikely' to recommend and 10 being 'very likely' to recommend. NPS is calculated by subtracting the percentage of 'Detractors' (score 1-6) from the percentage of 'Promoters' (score 9-10).

The best of the big four banks in terms of NPS^R was the CBA (-2.7), well ahead of the NAB (-10.2), ANZ (-12.6) and Westpac (-15.1). Over the last four years the ANZ and CBA showed the biggest improvement.

The historically high bank customer satisfaction levels seen over recent years appear to be impacting positively on NPS^R, with all four major banks showing a very similar ranking and improvement.

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

"Roy Morgan data shows that bank customers' satisfaction is close to record levels. Satisfaction with banks has been trending up strongly for more than a decade and over the last two years it has plateaued rather than showing any real signs of a decline.

"It is important to understand this long-term trend because it is easy to get side-tracked by the impact of short-term events, which happen regularly but generally have little lasting effect. Although NPS^R for the major banks is still negative and tends to lag behind satisfaction, it is showing a positive upward trend.

“Mortgage customers have been noticeably resilient to interest rate movements and uncertainties in recent months, with their satisfaction actually increasing in the three months to February. In the highly competitive home-loan market, the small banks have much higher satisfaction than the major banks. This remains a major challenge for the big four as they generally attract most of the publicity surrounding interest rate increases, particularly those that are out-of-cycle.

“Roy Morgan has been the industry currency in consumer financial services for over two decades, putting it in the unique position of being able to understand and identify long-term trends. We now offer additional insights regarding what drives improvements in customer satisfaction and advocacy through the ‘Drivers of Customer Satisfaction’ and ‘Drivers of Advocacy’ reports.”

For comments or more information about Roy Morgan Research’s banking and finance data, please contact:

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Related research findings

View our banking and finance satisfaction reports, including the [Customer Satisfaction: Consumer Banking in Australia report](#) and the [Advocacy Report: Financial Institutions 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