

Thursday, 18 October 2018

Satisfaction with banks declines during Finance Royal Commission – Big four hit hardest

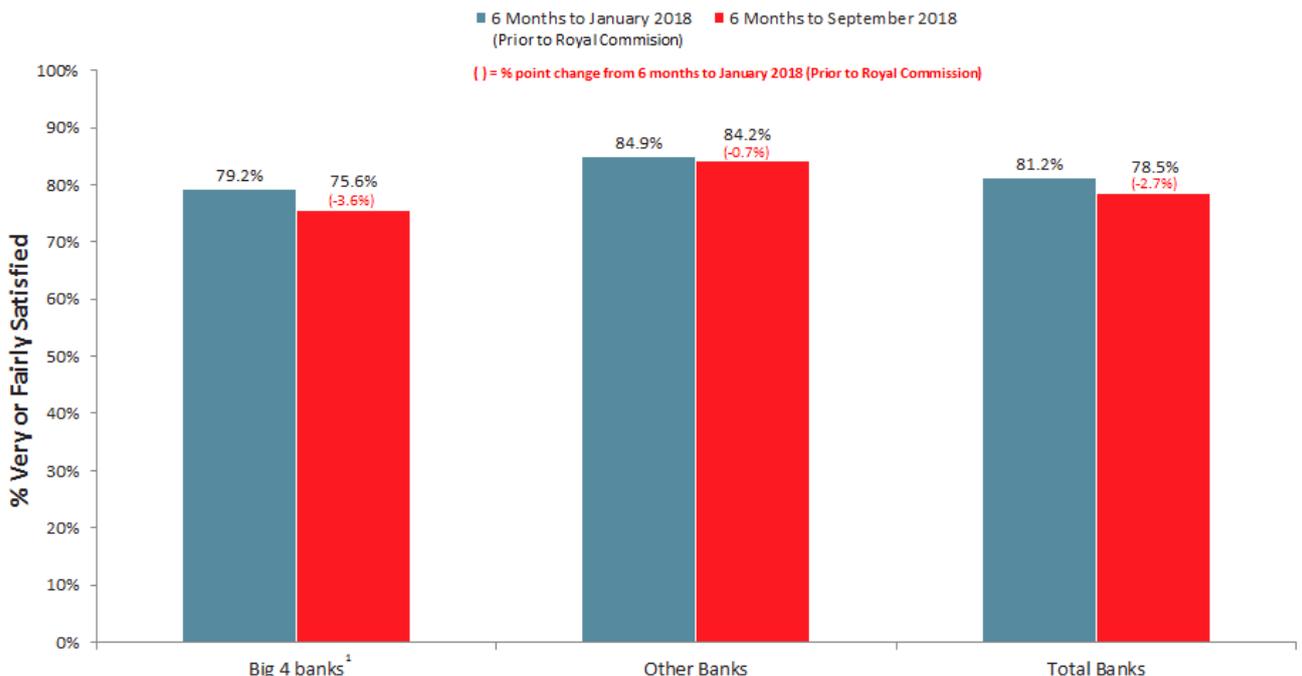
New results from Roy Morgan shows that bank customer satisfaction has declined from 81.2% in the six months to January 2018, prior to the Finance Royal Commission, down to 78.5% in the six months to September 2018. This decline of 2.7% points was mainly due to a drop in satisfaction of 3.6% points for the big four banks, compared to an overall decline of only 0.7% points for all other banks. Despite lower satisfaction with banks since the Royal Commission, it is worth noting that the clear majority of customers are still satisfied with their bank at levels well above the long term average and much higher than the 58.7% recorded in 2001, before the improving trend.

These are the latest findings from Roy Morgan's '[Customer Satisfaction-Consumer Banking in Australia September 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 of bank customers over many years enables an accurate understanding of long term trends, rather than being distracted by what in hindsight can often be seen as relatively short term events.

Satisfaction with big four banks declines the most

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 September 2018 shows an overall decline in satisfaction for the big four of 3.6% points since January to 75.6%. The satisfaction among customers of banks other than the big four, showed a decline of only 0.7% over the same period, leaving them with an overall customer satisfaction rating of 84.2%, leaving them 8.6% points higher than the big four (75.6%).

Satisfaction with Big Four Banks vs Other Banks - January 2018 to September 2018



¹ ANZ, CBA, NAB and Westpac. **Source:** Roy Morgan Single Source (Australia), 6 months to January 2018, n = 23,945 and 6 months to September 2018, n = 26,457. **Base:** Australians 14+.

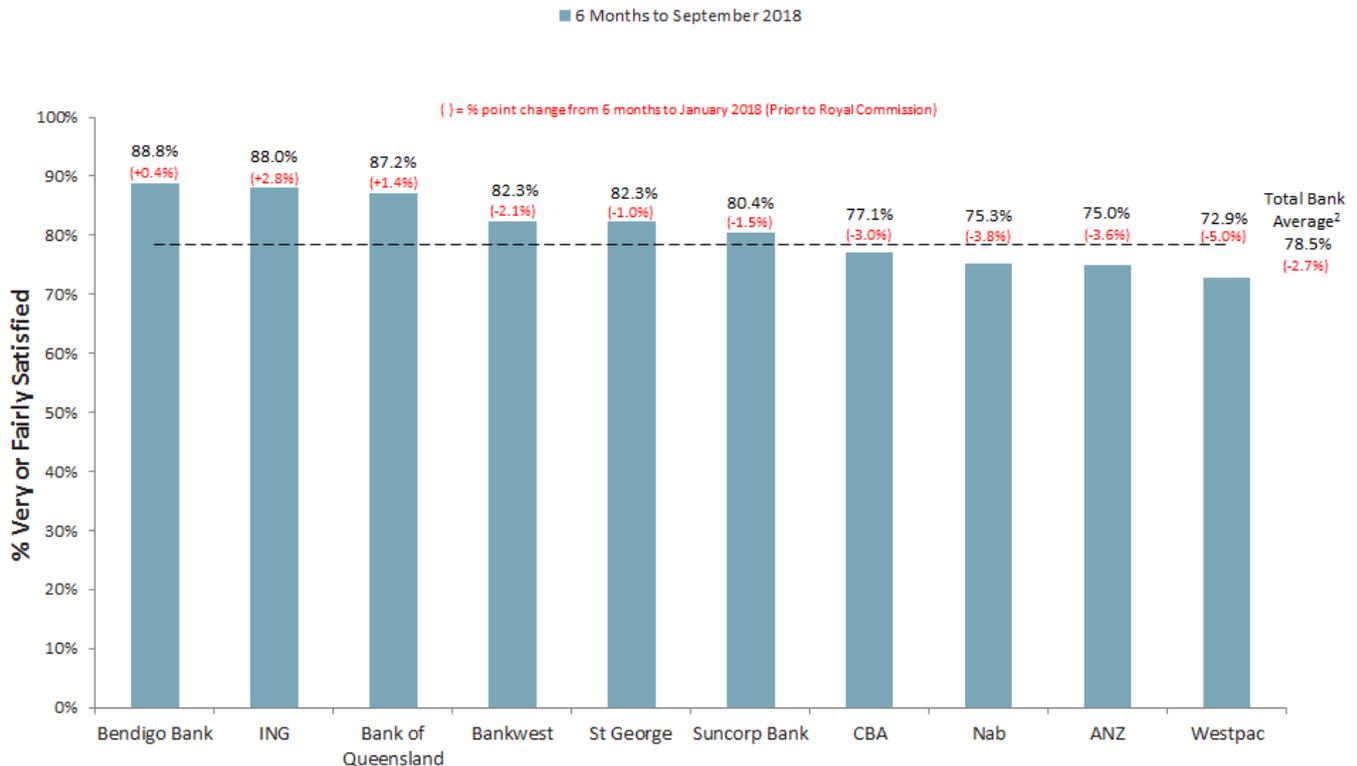
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Bendigo Bank leads top ten for customer satisfaction

Among the ten largest consumer banks, Bendigo Bank has the highest satisfaction with 88.8%, followed by ING (88.0%) and Bank of Queensland (87.2%). The best of the big four is the CBA on 77.1%, followed by NAB (75.3%), ANZ (75.0%) and Westpac (72.9%). Each of the big is now below the overall market average of 78.5%.

The most positive movers in satisfaction ratings since the Royal Commission are ING (up 2.8% points) and Bank of Queensland (up 1.4% points). All of the big four banks have shown declines in satisfaction over the period, with Westpac showing the greatest decline, down by 5.0% points to 72.9%.

Consumer Banking Satisfaction - 10 Largest Consumer Banks¹



¹ Based on customer numbers. ² Includes banks not shown. **Source:** Roy Morgan Single Source (Australia), 6 months to January 2018, n = 23,945; 6 months to September 2018, n = 26,457. **Base:** Australians 14+.

Norman Morris, Industry Communications Director, Roy Morgan says:

“Given the continuing barrage of negative publicity from the Royal Commission, mainly focused on the big four, it is not surprising that satisfaction with them has shown the greatest decline this year. What needs to be noted, however, is that contrary to all the negative reporting on banks, the clear majority of their customers are satisfied with them and that only around 6% claim to be dissatisfied.”

“Despite a decline in bank satisfaction this year that coincides with the Royal Commission and other negative publicity, current levels remain well above the long term average over the period from 2001 and in fact are twenty percentage points above the level in that year. The release of the Royal Commissions interim report represents a major challenge to retain bank satisfaction levels as it has recapped on a lot of problem areas.”

“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 consumers’ financial behaviour and trends gathered from over one million interviews across two decades.”

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 75 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

