

permanent tsb switching index



permanent tsb

executive summary

The permanent tsb research continues to highlight the lack of mobility in the banking sector relative to the previous research in January 2014. Only 1-in-10 (11%) banking customers have switched in the past 12 months, falling behind the newly included Health Insurance category where 17% claim to have switched in the past 12 months.

Relative to the first and second waves of research, banking customers are still experiencing high levels of frustration, they are also conscious of increasing prices, negative media and news commentary. We can now see a similar trend in the Health Insurance sector as customers are generally dissatisfied.

The permanent tsb Switching Index figures have remained relatively steady since November. While the banking score remained stable at 47, it has been usurped as the lowest ranking score by Health Insurance at 45.

While bank switchers' attitudes continue to be positive, removing perceived barriers and increasing options in the sector will be key to generating movement.



permanent tsb switching index

The permanent tsb Switching Index compares and contrasts consumer loyalty across a range of household necessities and explores the reasons why consumers switch in each area, as well as their overall attitudes to spending and saving. The sectors covered are electricity, broadband, car insurance, mobile phone providers and banking. Health insurance was added as a new sector in this wave of research.

Consumers were asked questions about their satisfaction or frustration with their current provider, the range of choice available in each category, positive and negative sentiment about a provider or a sector, whether charges are rising or falling and the likelihood of them changing provider in the next 12 months.

Research was conducted in November 2013, January 2014 and again in April 2014.



Section 1: Attitudes towards providers
What consumers really think

Section 2: Switching and prices
Perception versus reality

Section 3: Switching Index
Are we prepared to make the move

Section 4: Financial switching
The savvy consumer

Section 5: Financial management
The day to day

Appendix: Research Methodology



Section ①

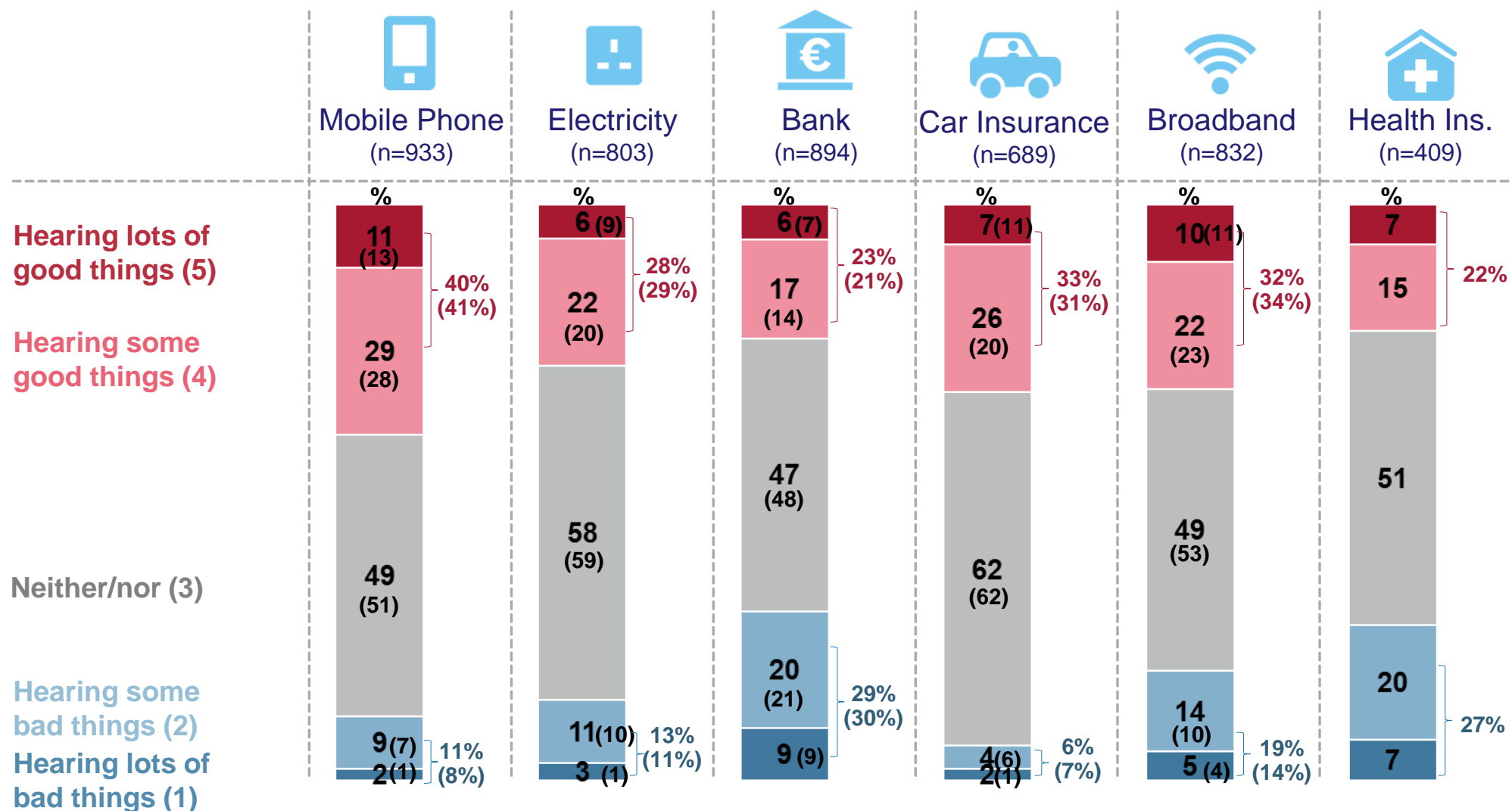
Attitudes Towards Providers –

What consumers really think



Buzz – are people hearing good things or bad things about providers? Section 1

(Base: All with decision making responsibility)

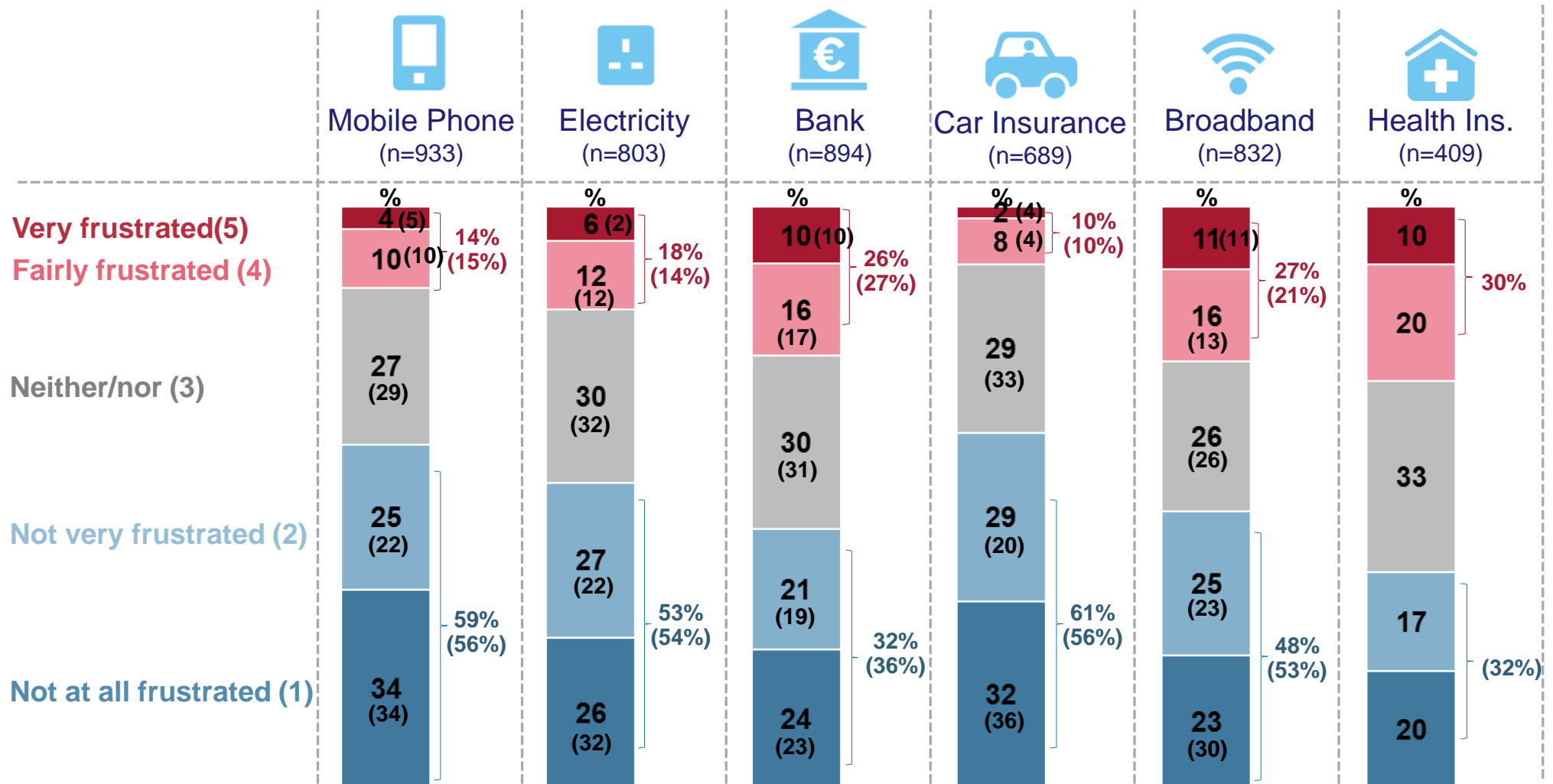


The number of people hearing bad things about the banks remains highest at three in ten, nearly five times that of car insurance. However, Health Insurance is not far behind with over a quarter saying they are hearing bad things at the moment.

Level of Frustration with Current Providers

Section 1

(Base: All with decision making responsibility)

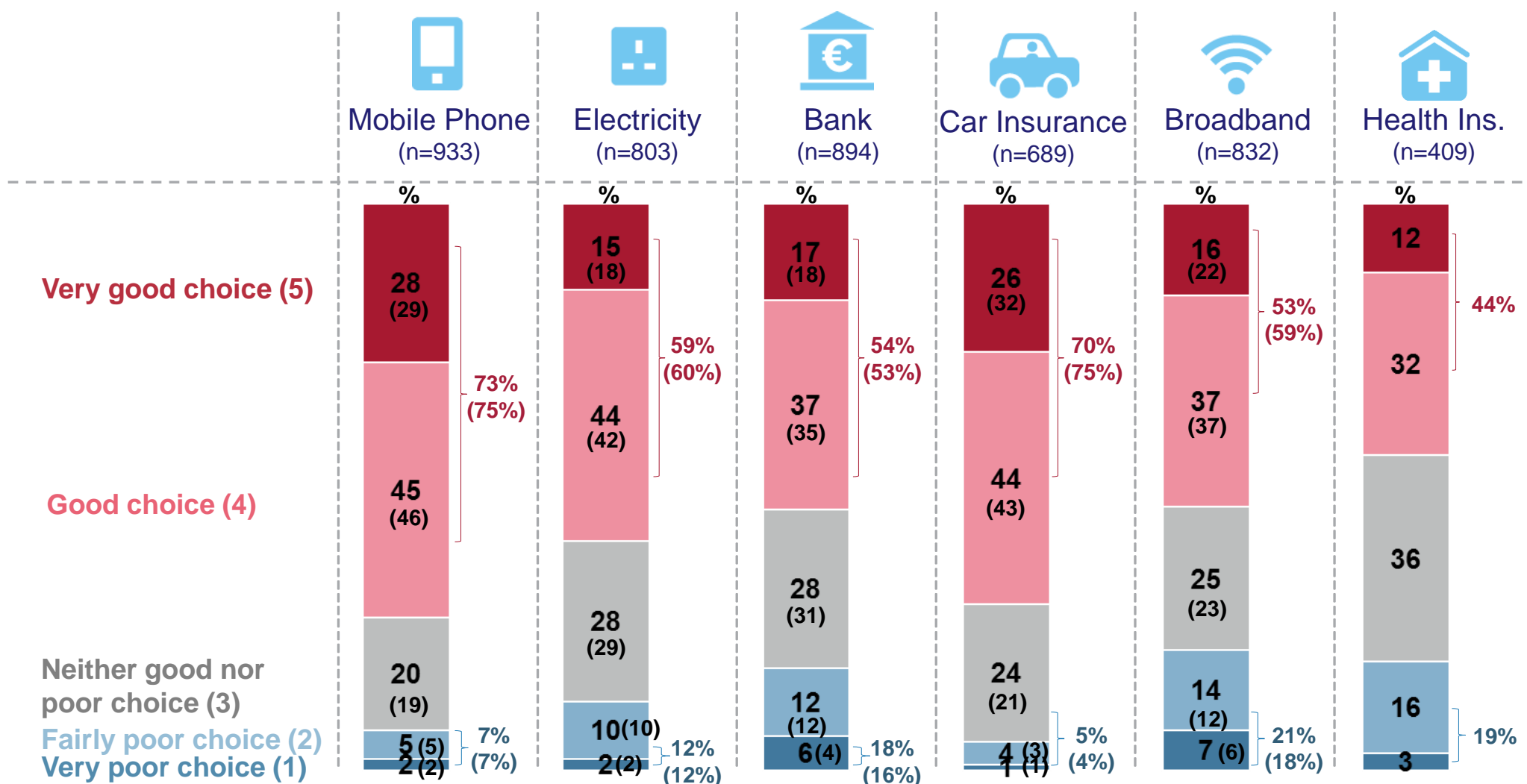


Frustration levels have increased for Electricity and Broadband relative to January 2014. Customers in the Health Insurance sector are most likely to be frustrated with their providers.

Options – do people have a good or poor choice of provider?

Section 1

(Base: All with decision making responsibility)



Over 70% of Irish adults continue to say that there is good choice in the mobile phone and car insurance sectors. However, less than half feel the same about health insurance sector where 19% feel the choice is poor or very poor.

Section ②

Switching & Prices –

Perception versus reality





















Switching Patterns – Past 12 Months and Ever

Section 2

(Base: All with decision making responsibility)



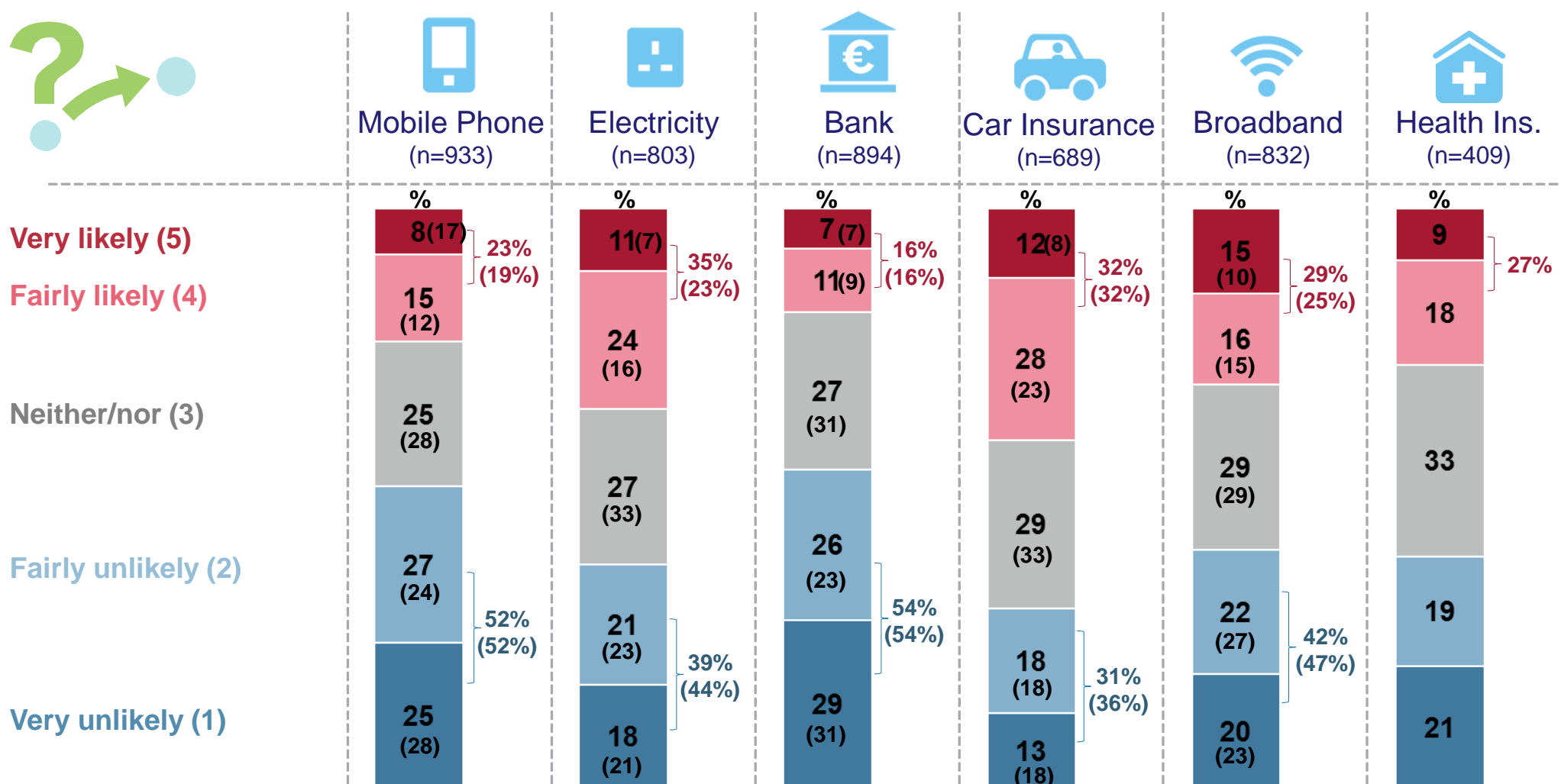
		12 Months %	Ever %
	Car Insurance	 33 (36)	 64 (65)
	Electricity	 27 (28)	 47 (50)
	Broadband	 24 (26)	 48 (48)
	Mobile Network	 24 (21)	 51 (49)
	Health Insurance	 17	 34
	Bank	 11 (9)	 28 (29)

Car insurance continues to be the most switched category as a third say they have switched provider in the past 12 months. Nearly two thirds have ever switched car insurance provider. Just one in ten have switched bank account in this period while one in six have switched Health Insurance.

Likelihood to Switch Provider in the Next 12 Months

Section 2

(Base: All with decision making responsibility)



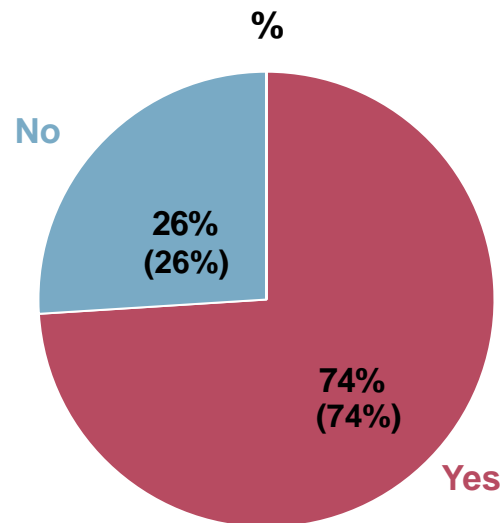
Switching in the car insurance sector shows no sign of slowing as a third plan to switch in the next 12 months while Electricity switching is set to increase considerably, up to 35% from just 23%. Mobile phone and broadband switching also look set to increase while there has been no change for banking.

Awareness of Bank Charges

Section 2

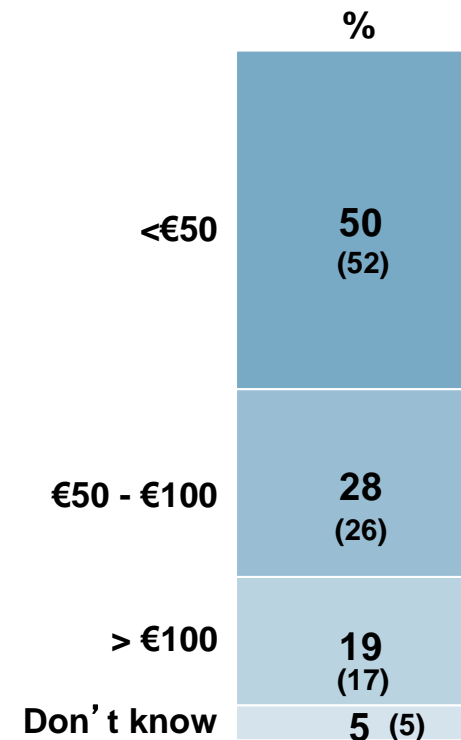
(Base: All with a main current account – 982)

Knowledge of Charges



(n=989)

Estimated Cost per Annum



Three quarters say they are aware of their bank charges, remaining steady since January 2014. Bank charge estimates are similar to November 2013 and January 2014 as the majority say they pay less than €50 per month.

Perceptions about Changes in Prices

Section 2

(Base: All with decision making responsibility)




Mobile Phone
(n=933)


Electricity
(n=803)


Bank
(n=894)


Car Insurance
(n=689)


Broadband
(n=832)


Health Ins.
(n=409)

Prices are...

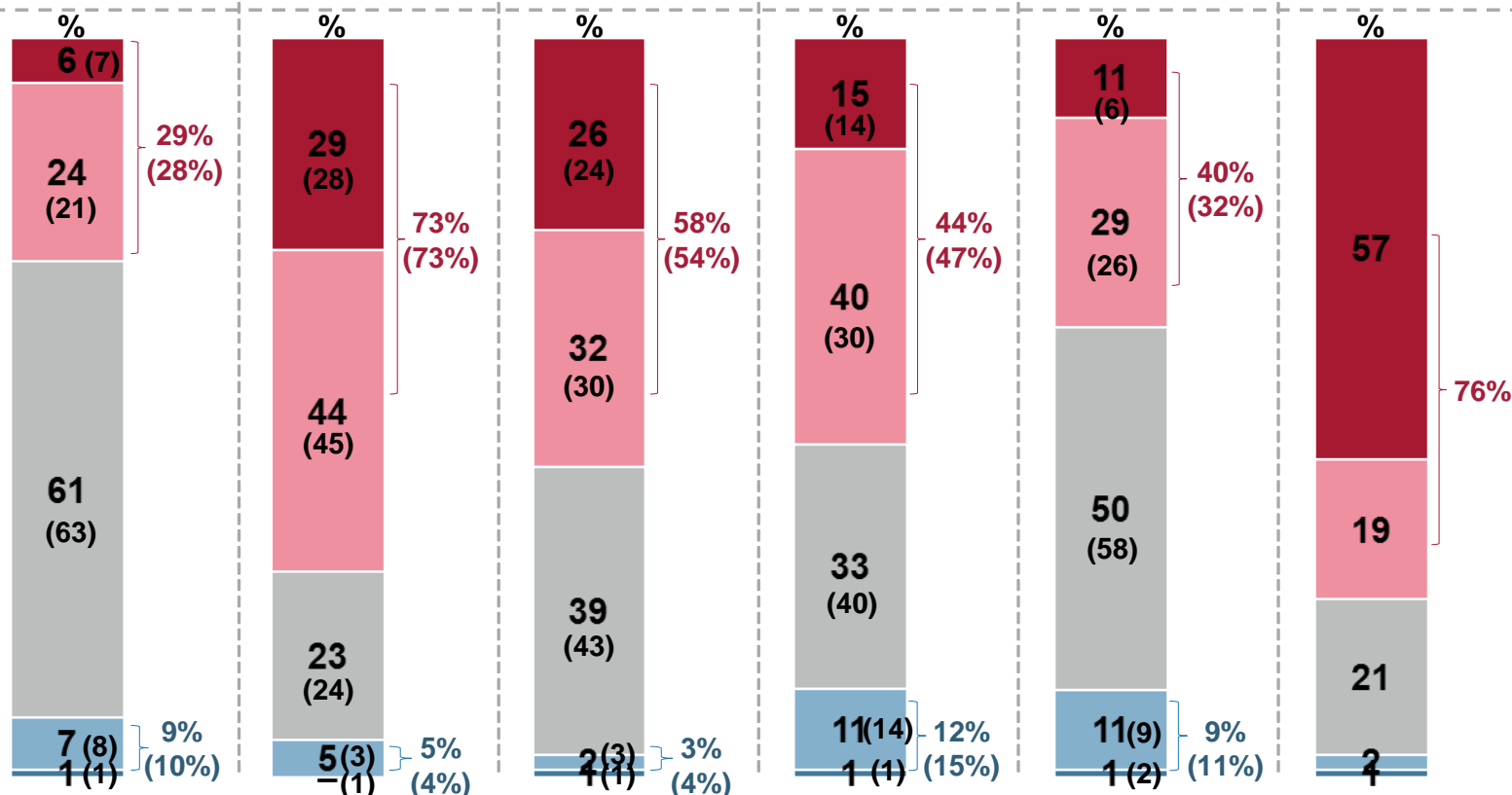
Going up a lot (5)

Going up a little (4)

Neither/nor (3)

Going down a lot (2)

Going down a little (1)



Over three quarters of Health Insurance holders feel prices are going up with 57% saying they are going up a lot. Electricity continues to be another area where prices are perceived to be increasing while nearly six in ten say bank charges are going up.

Section ③

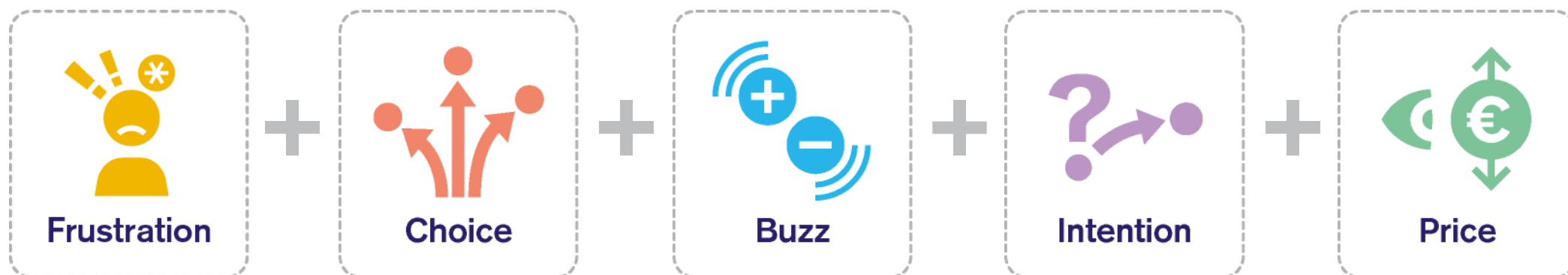
The permanent tsb Switching Index:

Are we prepared to make the move?



The permanent tsb Switching Index

Section 3









Index

**The permanent tsb
Switching Index
Score between 0–100**

Index scores range between 0-100 and reflect an individual's power and freedom to move between providers.

The permanent tsb Switching Index

Section 3

Mobile Phone	Electricity	Bank	Car Insurance	Broadband	Health Insurance
					
57 (57)	51 (51)	47 (47)	58 (58)	51 (54)	45*

The banks' index score of 47 is steady relative to January 2014 but has been beaten by Health Insurance at 45.

Section 4

Financial Switching –

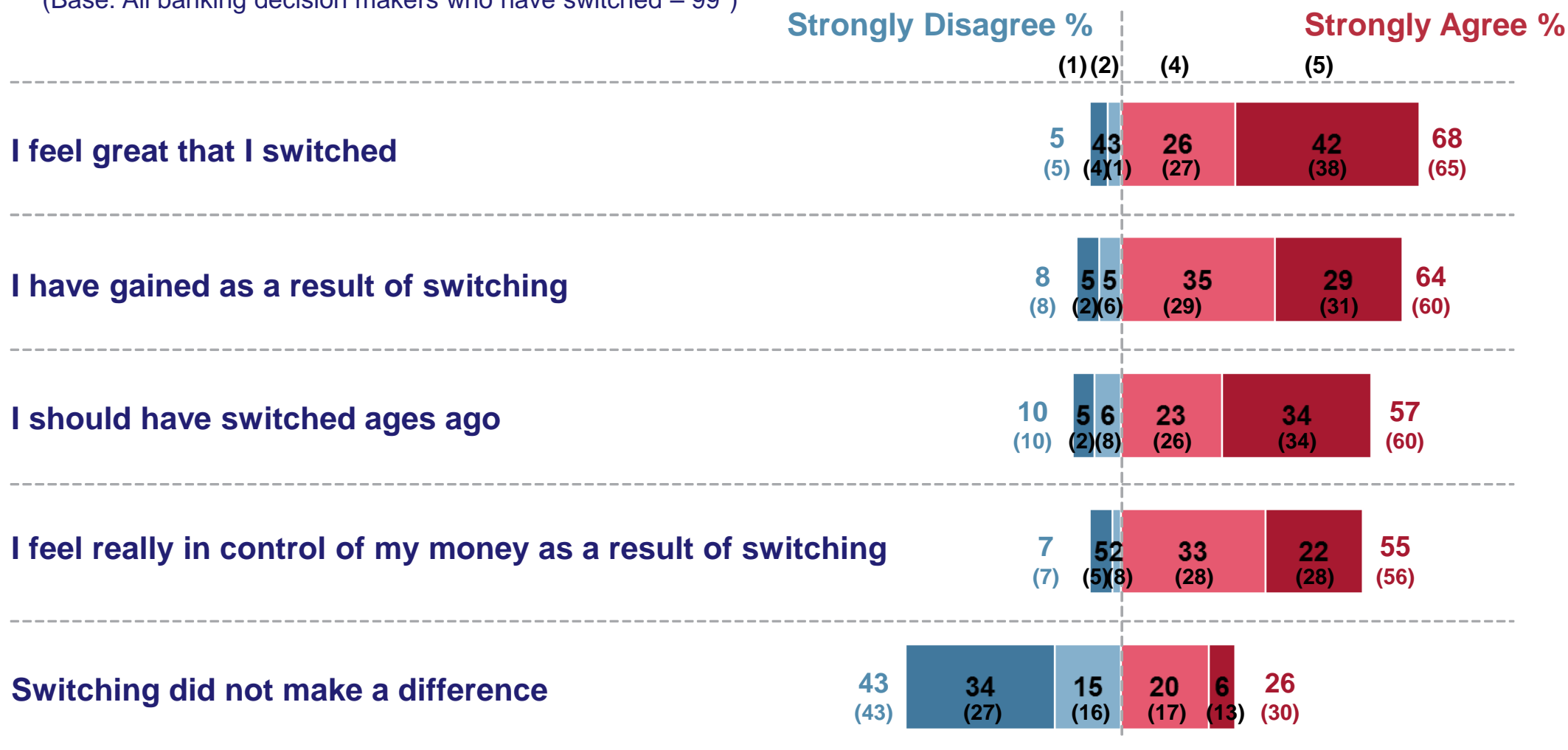
The savvy customer



Attitudes to Switching Banks – I

Section 4

(Base: All banking decision makers who have switched – 99*)



Attitudes remain very positive to the bank switching experience, as two thirds say they feel great about switching and that they have gained as a result of switching. Three fifths also think they should have done it ages ago while over half say it has given them greater control of their finances.

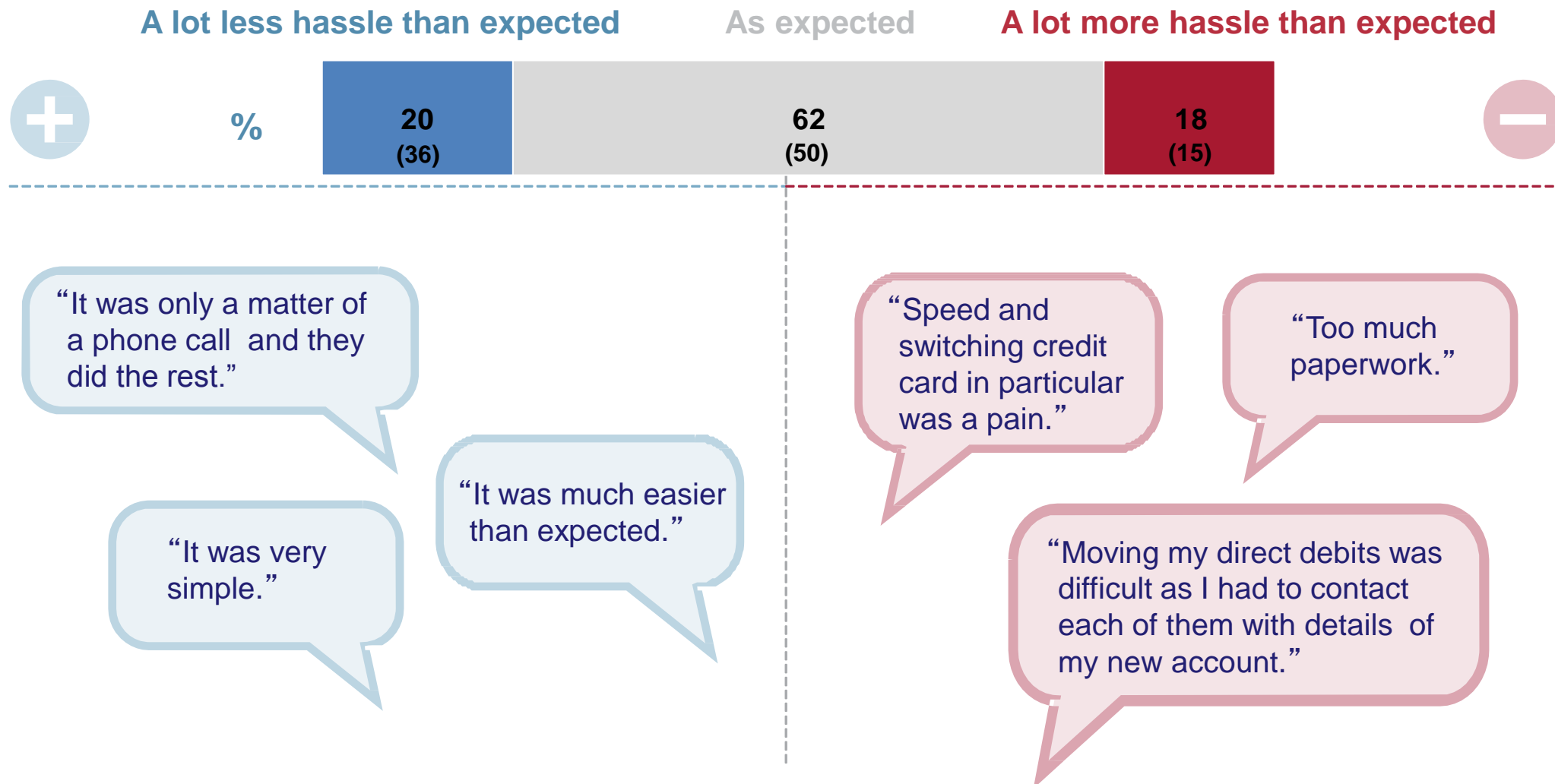
*caution small base size

() January 2014

Attitudes to Switching Banks – II

Section 4

(Base: All banking decision makers who have switched – 99*)



A fifth of bank switchers say they experienced less hassle than expected. While this is down since January 2014, this may have occurred as expectations are improving for the switching experience. Over six in ten say it was as expected.

*caution small base size

() January 2014

Reasons for Being Satisfied/Dissatisfied/Neutral

Section 4

(Base: All banking decision makers who have switched – 99)



Satisfied

(n=73)

“Easier to deal with new bank.”

“Saving money on bank charges.”

“Staff at new bank are very helpful.”

“The services rendered are very good with fewer bank charges.”



Neutral

(n=22)

“They are not great but they are not bad.”

“Better customer service but local branch was closed recently.”



Dissatisfied

(n=4)

“Had the switch process been done correctly, I would say very satisfied.”

“The process took longer than expected.”

People are mainly satisfied because of the ease of switching, dealing with the new bank as well as cost/money savings.

3 best things about your bank

Section 5

(Base: All who have bank account – 989)



	1 st	2 nd	3 rd		1 st	2 nd	3 rd		
Good online banking service	35	15	9	59	It's easy to get appointment or someone to speak to	34	7	14	
Local branch is nearby	23	22	13	58	Good interest rate	22	3	7	
Good customer service in local branch	8	10	12	30	Easy to get loan/overdraft	13	3	7	
Good banking app	6	8	6	20	Quick to make decisions or keep you updated	12	4	7	
Good customer service on telephone	3	6	8	17	Local branch opens on weekend	1	2	4	
Local branch has good opening hours	3	7	6	16	Low bank charges/Fees	2	* 1	3	
Good customer service online	4	5	6	15	Other/specify	1	* *	1	
Problem solved quickly	2	6	7	15	Don't know	4	4	5	13

Nearly six in ten said the best thing about their current bank is a good online banking service, the main positive for a third of banking customers. Having a local branch nearby is a close second at 58%.

3 worst things about your bank

Section 5

(Base: All who have bank account – 989)



	1 st	2 nd	3 rd			1 st	2 nd	3 rd	
Local branch doesn't open at weekends	22	14	10	46	It is difficult to get appointment or someone to speak to	34	5	12	
Poor interest rate	17	14	7	40	They closed local branch	6	3	11	
Difficult to get loan/overdraft	11	8	9	26	Poor customer service online	13	3	7	
Local branch has poor opening hours	8	11	7	23	Account charges/fees	3	1	5	
Poor customer service in local branch	8	5	6	19	Poor or no online banking service	1	1	4	
Slow to make decisions or don't keep you updated	5	6	8	19	Poor or no banking app	1	1	3	
Had a problem previously	5	6	6	17	Other (specify)	1	1	3	
Poor customer service on telephone	4	4	5	12	Don't know	10	9	6	25

Local branch opening times tops the list for worst thing about banks with nearly half putting this in their top three, following this was a poor interest rate. A quarter of people couldn't think of any negatives.

Reasons to Switching Banks

Section 4

(Base: All banking decision makers who have switched – 99*)

“It is worth pricing around as there are big savings to be made by switching banks”
- **Male, 35-44, Dublin**

“It is an easy process with the switching facility available for all banks”
- **Female, 55+, Munster**

“Find a bank that listens to you, that informs you if something is wrong, make sure there is a branch near you”
- **Male, 35-44, Rest of Leinster**

“Free banking with achievable criteria - easy to switch banks without disruption to direct debits etc.”
- **Female, 25-34, Connacht**

“Why pay charges to use your own money? When you switch the bank does all the work.”
- **Male, 55+, Dublin**

“Check monthly charges. But for me it's more about customer support.”
- **Female, 35-44, Rest of Leinster**

“Do it! Far less hassle than you think and beat the banks at their own game.”
- **Male, 55+, Dublin**

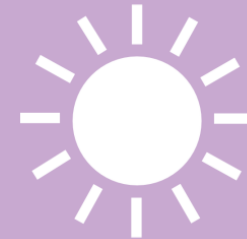
“It's not as hard as you think”
- **Female, 25-34, Munster**

“It's easier than you think”
- **Male, 25-34, Dublin**

Section 5

Financial Management –

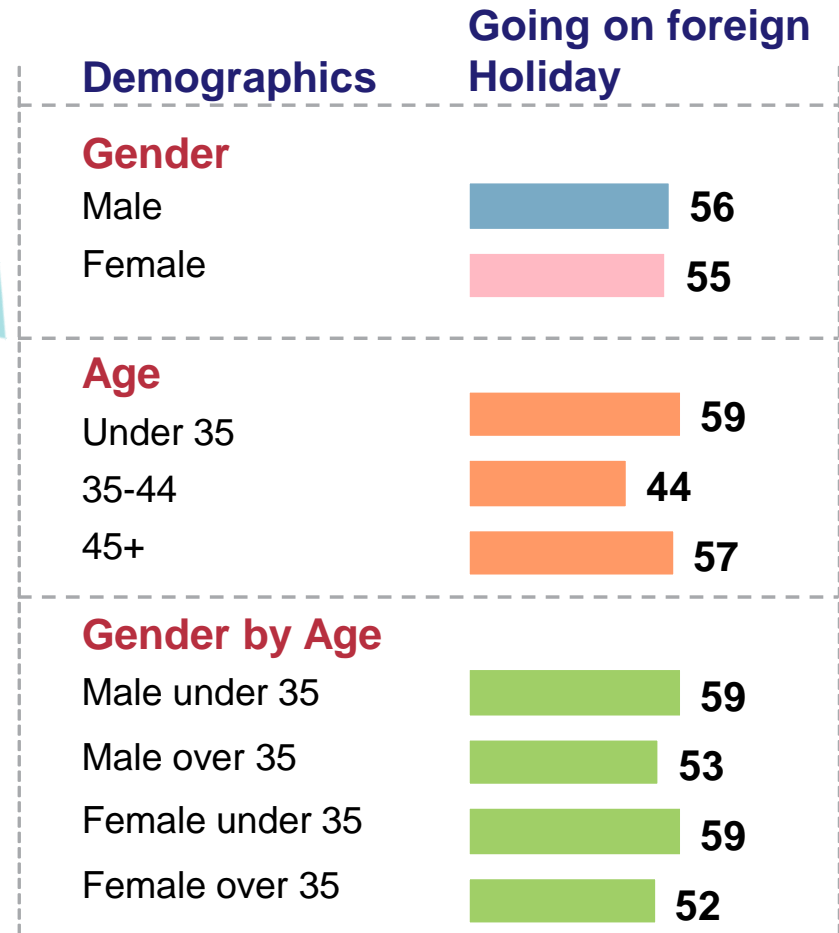
Holidays & World Cup



Holiday Plans

Section 5

(Base: All Irish adults – 1,000)



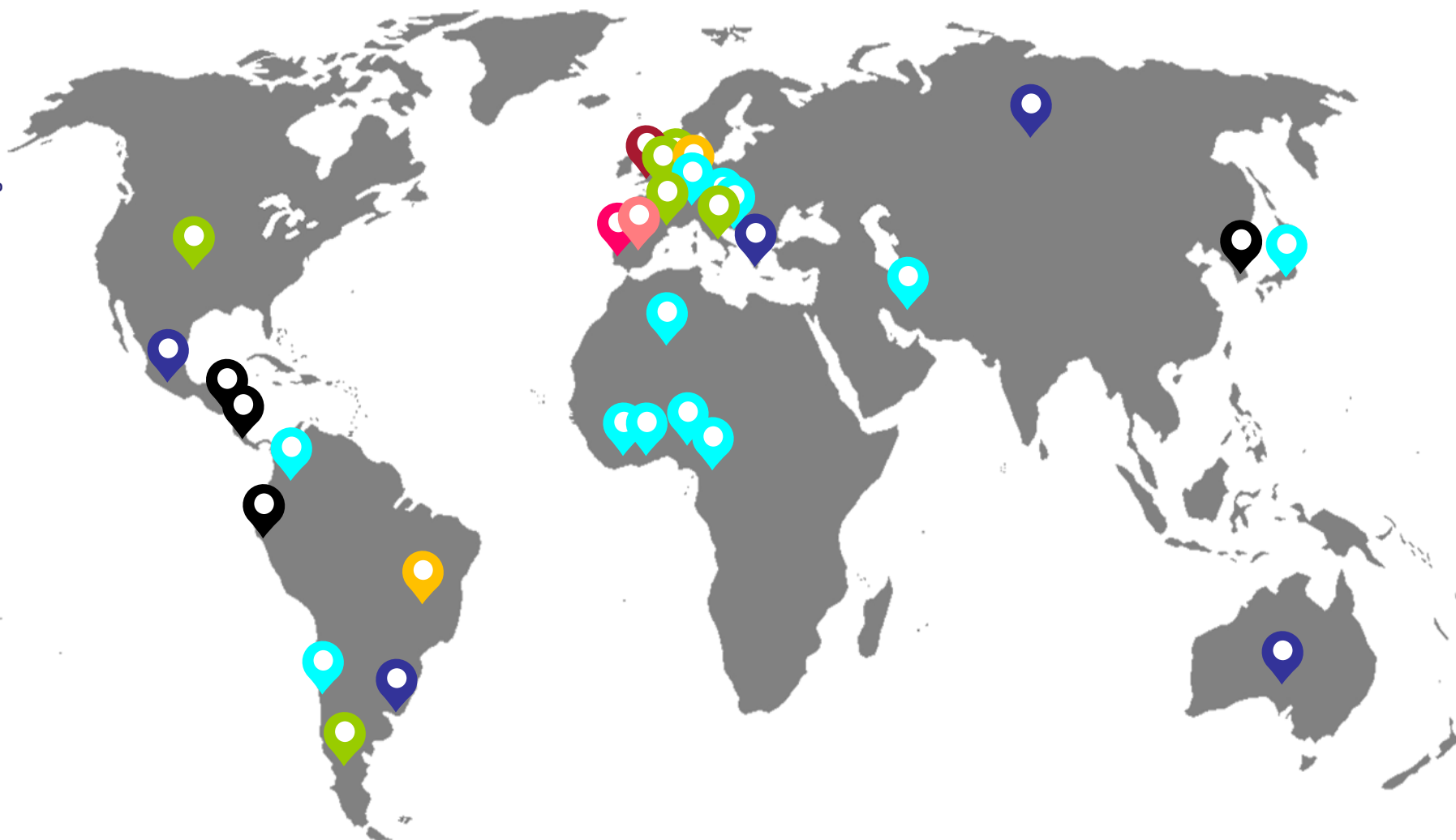
Over half of Irish adults will go on a foreign holiday between now and the end of the year (highest among those aged under 35) while a fifth have already been away. Over a third will go on a 'staycation'.

World Cup Supporters

Section 5

(Base: All Irish adults excluding Don't knows – 589)

- England – 28%
- Spain – 16%
- Germany – 9%
- Brazil – 9%
- Portugal – 4%
- France – 4%
- United States – 4%
- Argentina – 4%
- Belgium – 3%
- Netherlands – 3%
- Italy – 3%
- Russia – 2%
- Australia – 2%
- Mexico – 1%
- Uruguay – 1%
- Greece – 1%
- Ivory Coast – <1%
- Chile – <1%
- Colombia – <1%
- Iran – <1%
- Nigeria – <1%
- Japan – <1%
- Bosnia – <1%
- Cameroon – <1%
- Ghana – <1%
- Croatia – <1%
- Switzerland – <1%
- Algeria – <1%
- Costa Rica – 0%
- Honduras – 0%
- Ecuador – 0%
- South Korea – 0%



Having not qualified for the World Cup, nearly three in ten Irish supporters will be lending their fandom to England, followed by Spain at 16%, with 9% supporting Brazil the World Cup host country.

Appendix: Research Methodology



An online survey was conducted amongst 1000 adults aged 15+.

Quotas were set on gender, age, social class and region to achieve a sample aligned with the national population.

Interviewing fieldwork was conducted between April 2nd – 9th 2014.

