

permanent tsb switching index

September 2014



permanent tsb

executive summary

The permanent tsb research continues to highlight the lack of mobility in the banking sector relative to previous research conducted in April, January, and last October. Only 1-in-10 (9%) banking customers have switched in the past 12 months, falling behind the Health Insurance category (16%) and well behind the car insurance sector (36%).

Relative to the previous waves of research, banking customers are still experiencing high levels of frustration, they are also conscious of increasing prices, negative media and news commentary. The same trend can also be seen in the Health Insurance sector as customers are generally dissatisfied.

The permanent tsb Switching Index figures have remained relatively steady since October 2013. While the banking score remained stable at 48, it is tied at the bottom as the lowest ranking score with Health Insurance (also at 48).

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 April 2014.

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 October 2013, January 2014, April 2014, and again in July 2014.



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What consumers really think

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Are we prepared to make the move

Section 4: Financial switching
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Section 5: Financial management
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Section 1

Attitudes Towards Providers –

What consumers really think

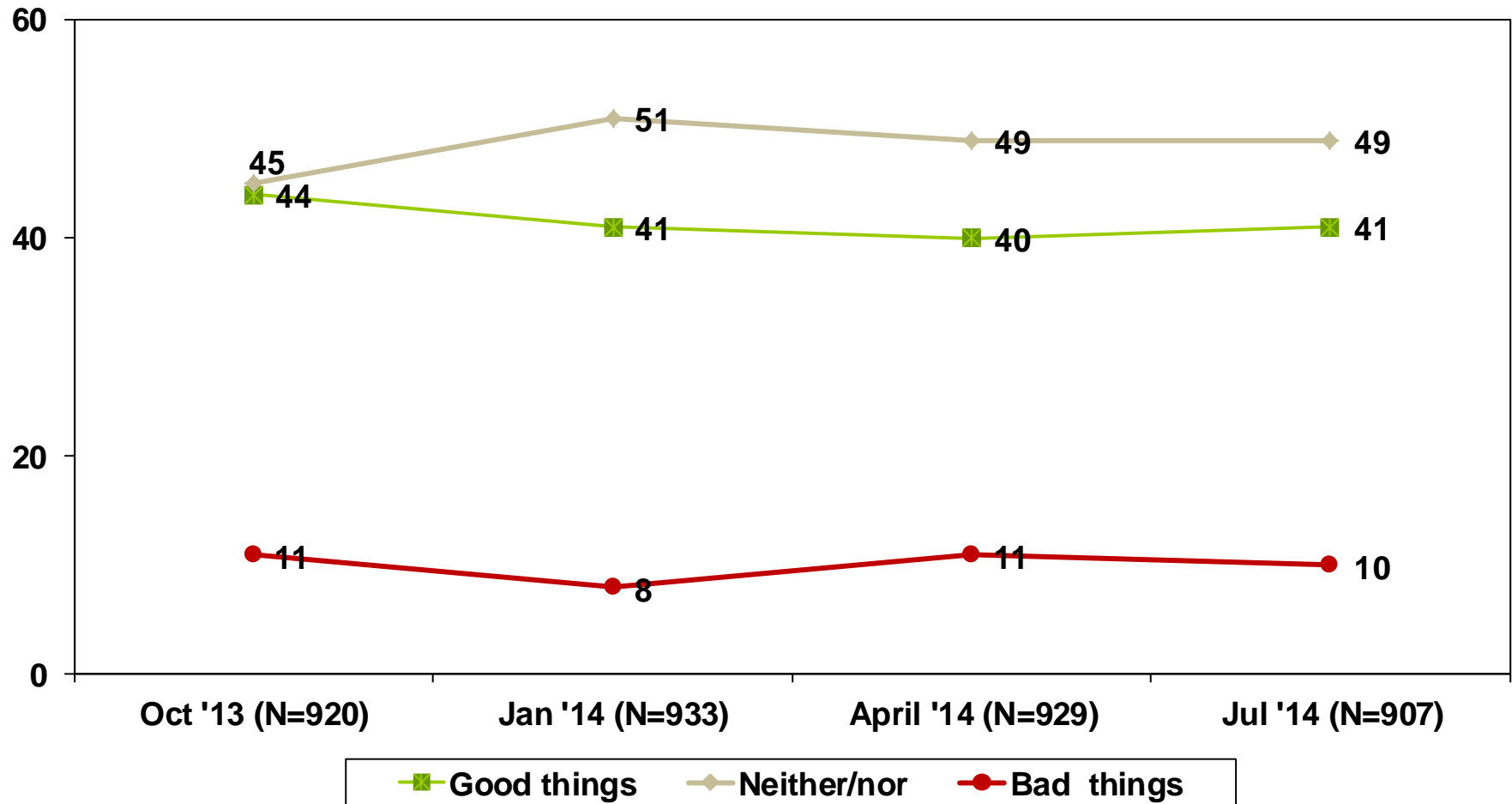


Buzz – are people hearing good things or bad things about providers?

Mobile Phone

Section 1

(Base: All with decision making responsibility)



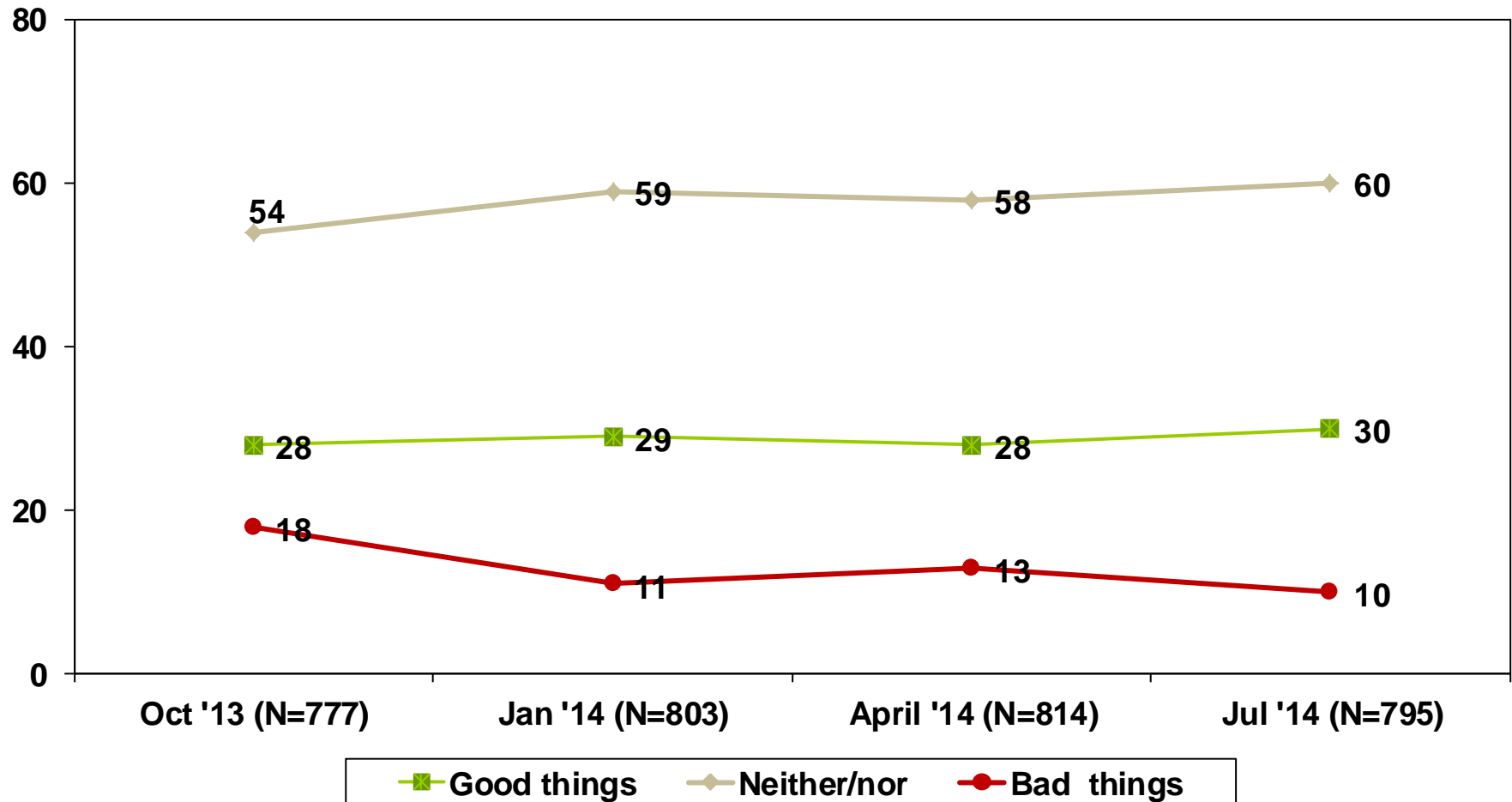
The number of people hearing bad things in the Mobile Phone sector has remained steady over the course of the year at 1-in-10.

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

Electricity

Section 1

(Base: All with decision making responsibility)



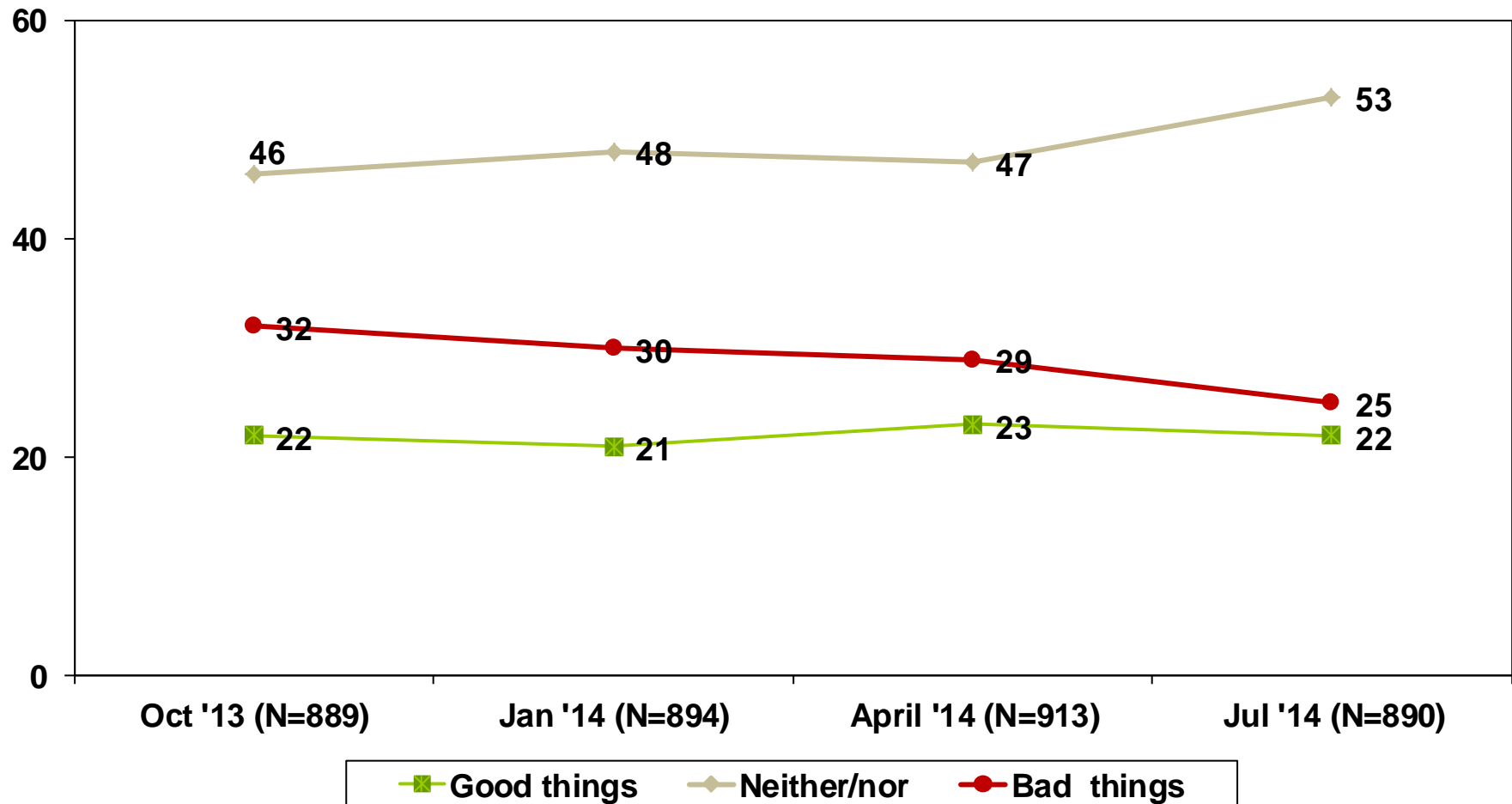
In Electricity, the number of people reporting bad things in media/news has fallen since October from 18% to 10% in July 2014 - although this could be related to time of year as electricity costs are particularly important later in the year.

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

Bank

Section 1

(Base: All with decision making responsibility)



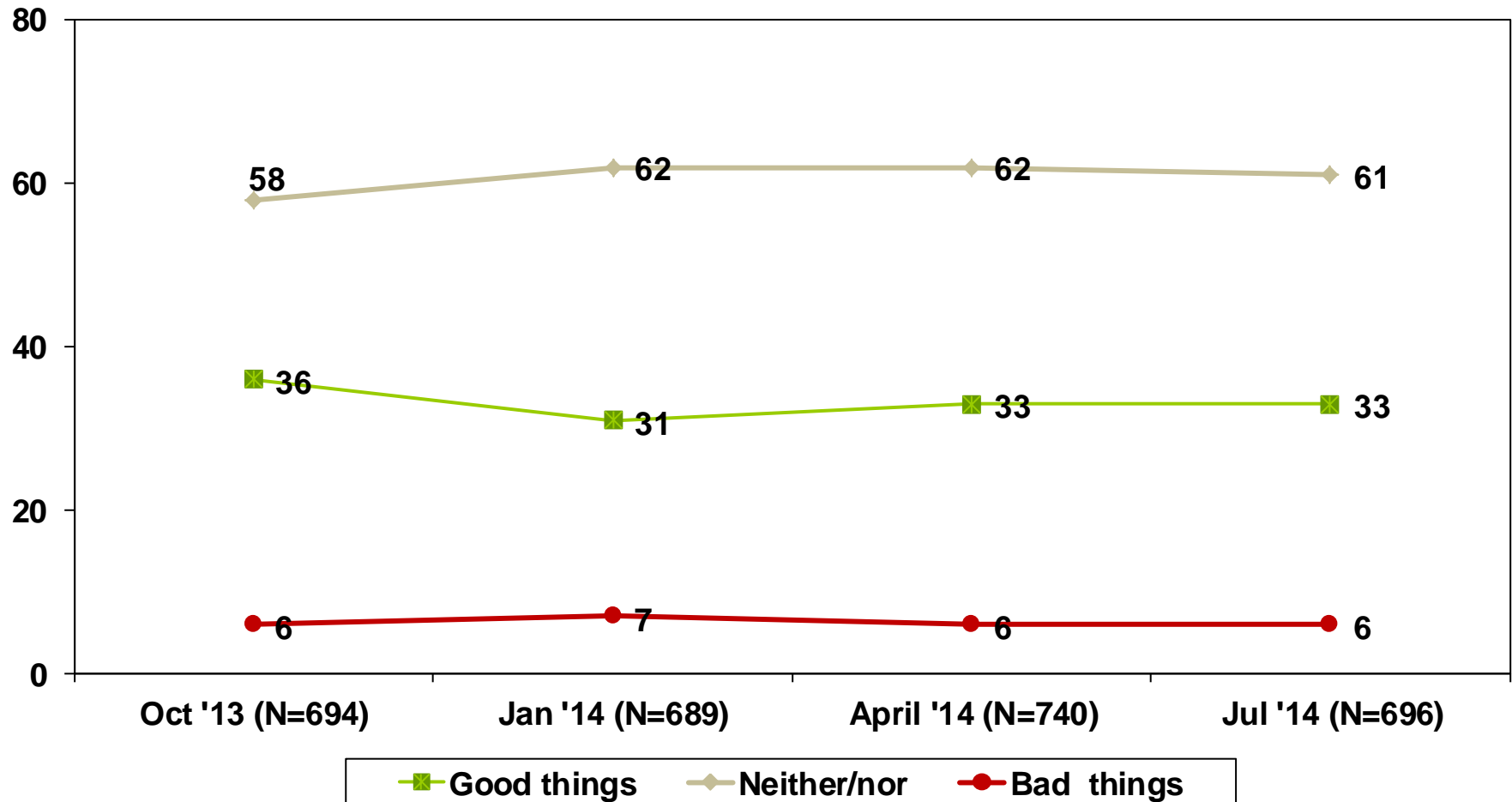
While negative 'buzz' is highest in the Banking sector this is gradually decreasing, down 7 percentage points from October 2013. However, the number of people hearing good things is still below the numbers hearing bad things.

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

Car Insurance

Section 1

(Base: All with decision making responsibility)



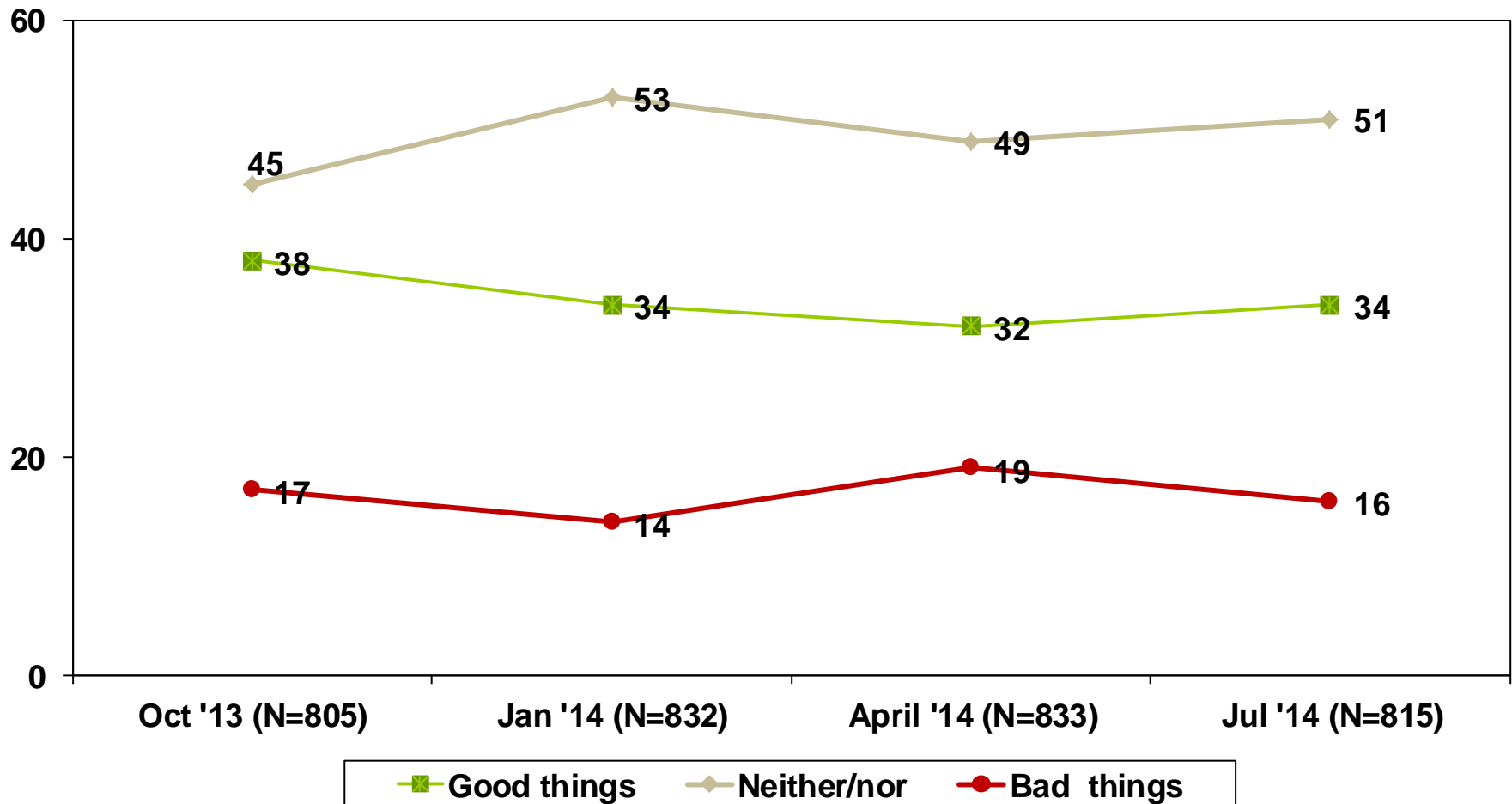
The number of people hearing bad things in the car insurance space is lower than for any other category at just 6% in July 2014.

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

Broadband

Section 1

(Base: All with decision making responsibility)



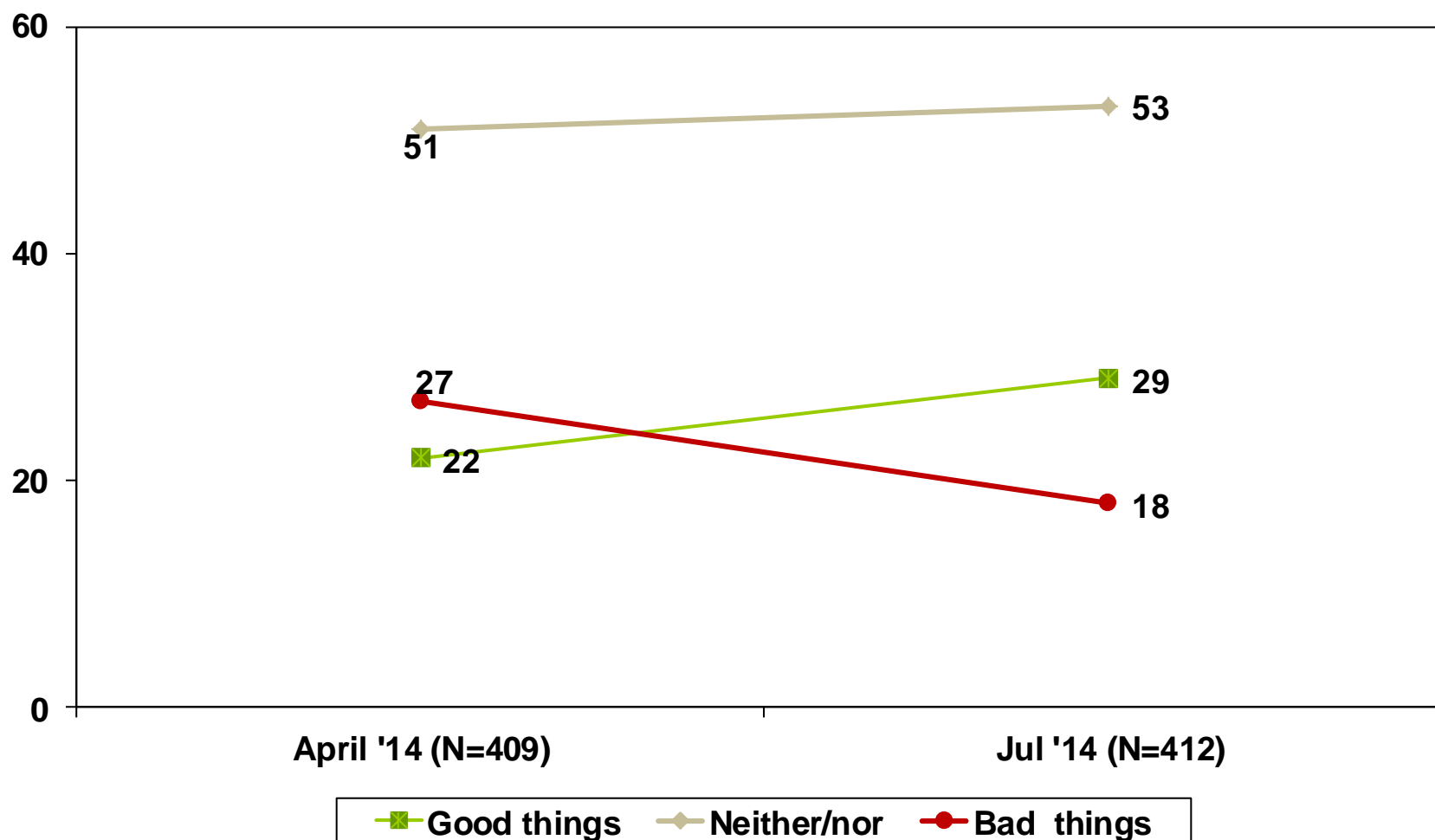
A high proportion of people are regularly hearing good things in the broadband sector, related to improvements in speed and plans to expand the infrastructure.

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

Health Insurance

Section 1

(Base: All with decision making responsibility)



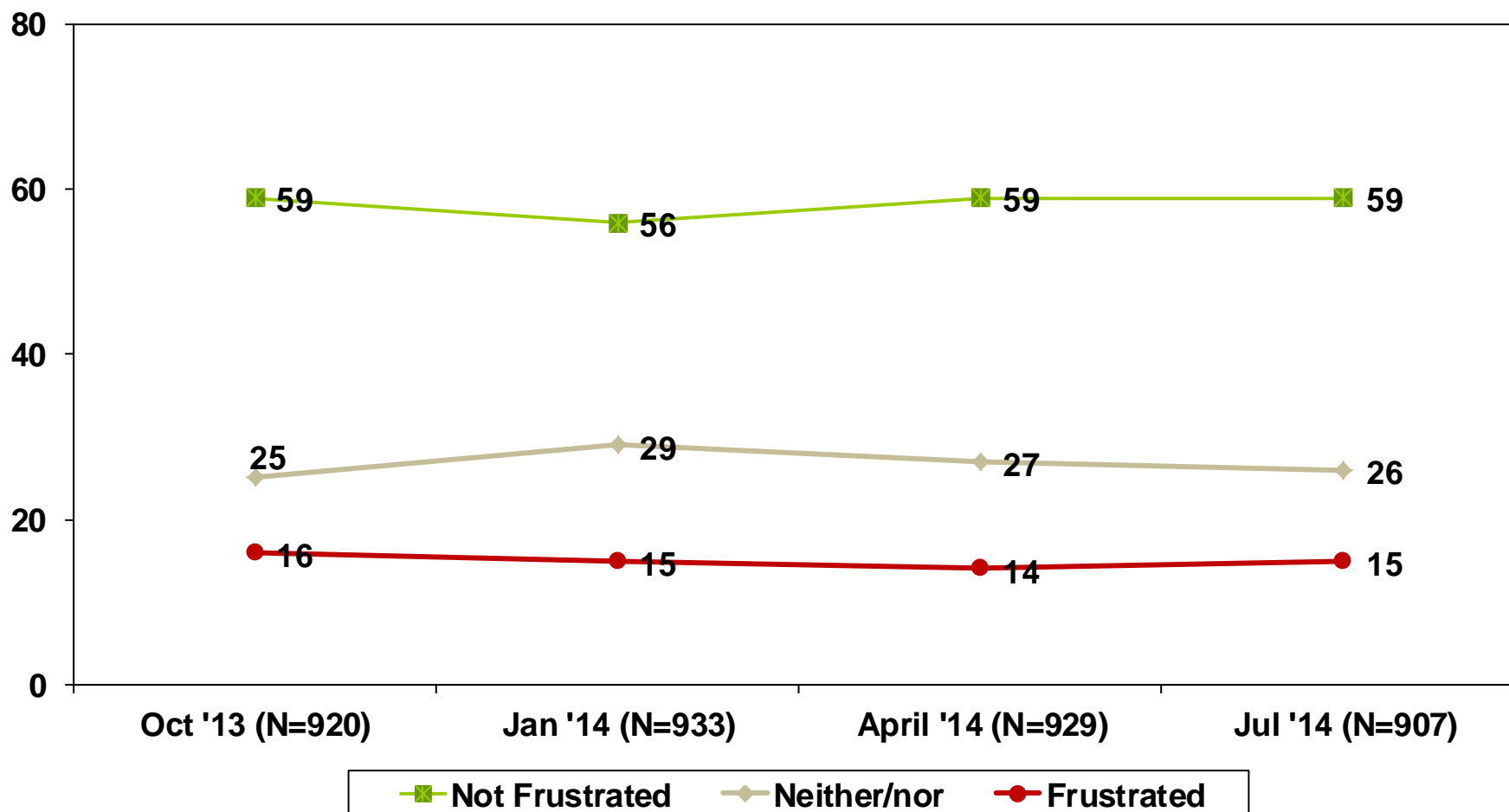
There has been a notable improvement in perceived news/media commentary in the health insurance sector as nearly 3-in-10 say they are hearing good things versus just 2-in-10 hearing bad things – a complete flip versus data from the previous wave in April 2014.

Level of Frustration with Current Providers

Mobile Phone

Section 1

(Base: All with decision making responsibility)



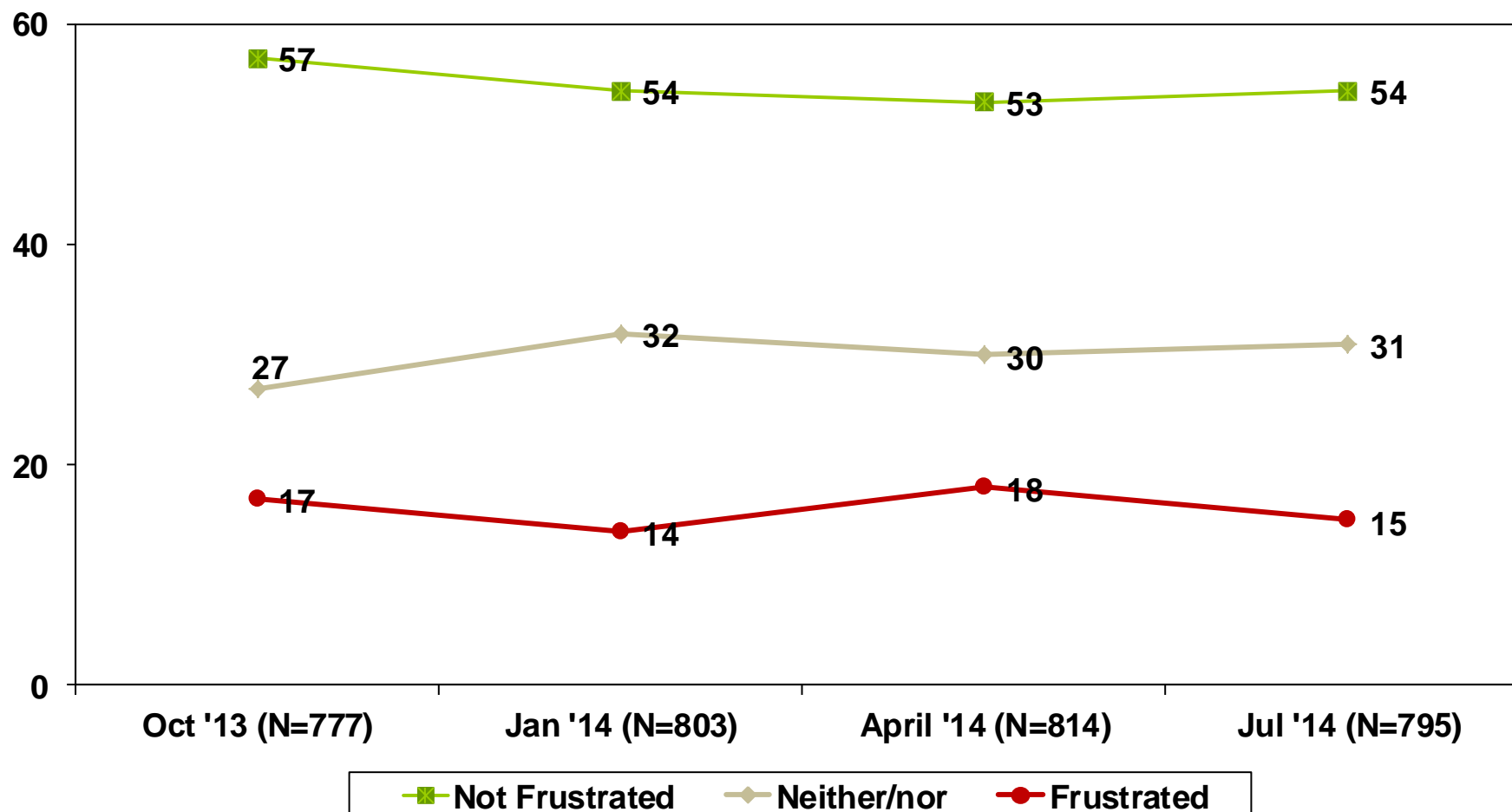
Just 1-in-6 mobile phone users are frustrated with their network provider while nearly 6-in-10 say they are not frustrated. Frustration levels are a key driver for switching intentions.

Level of Frustration with Current Providers

Electricity

Section 1

(Base: All with decision making responsibility)



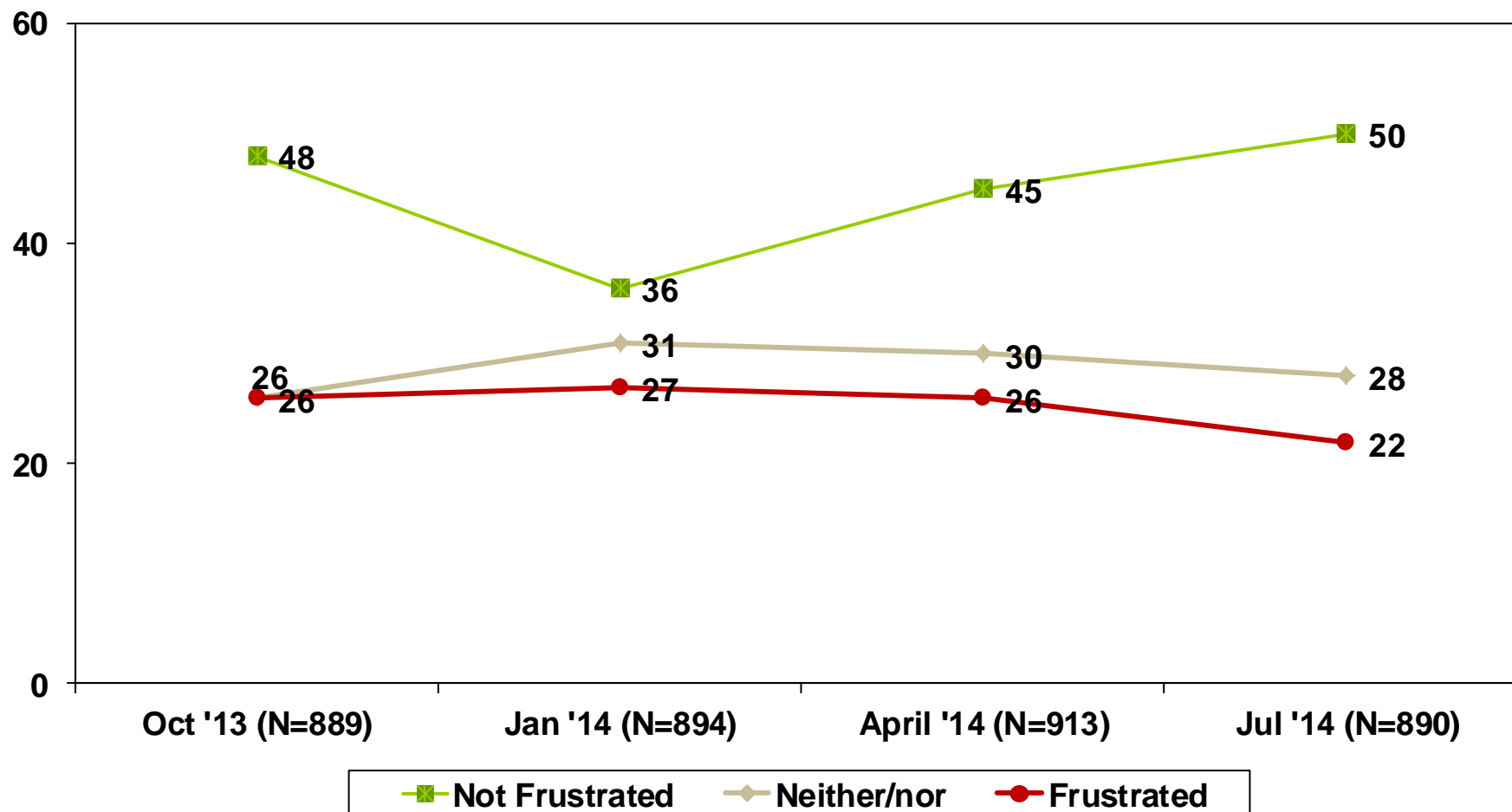
Over half of Electricity decision makers are not frustrated with their provider although similar to the mobile phone sector, this leaves approximately 1-in-6 who are frustrated by the level of service they receive.

Level of Frustration with Current Providers

Bank

Section 1

(Base: All with decision making responsibility)



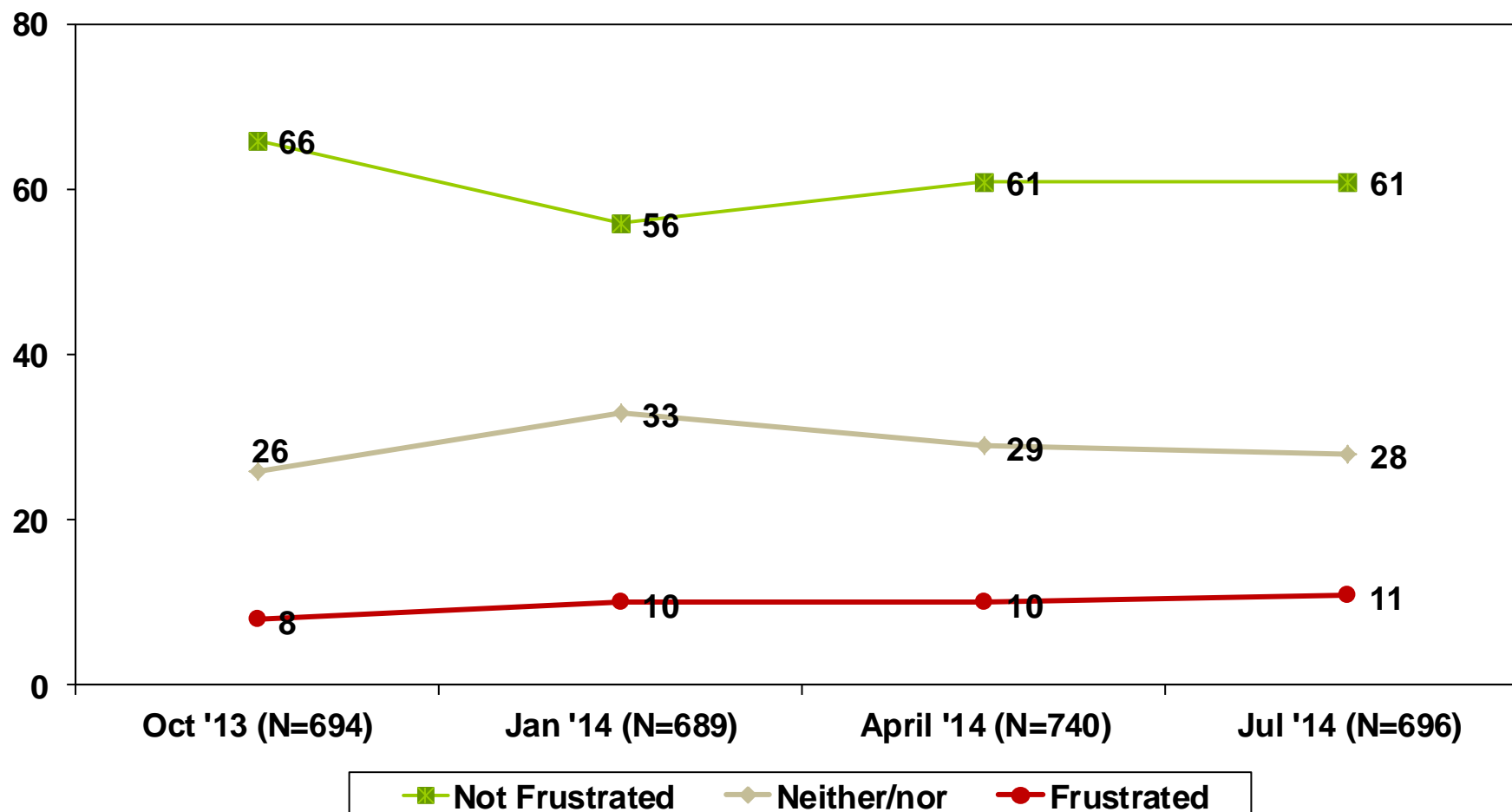
The highest levels of frustration can be seen in the banking sector, although this has reduced slightly since October 2013 to 22%. While this is related to higher levels of switching perceived barriers, mean people switch banks less often than any other category.

Level of Frustration with Current Providers

Car Insurance

Section 1

(Base: All with decision making responsibility)



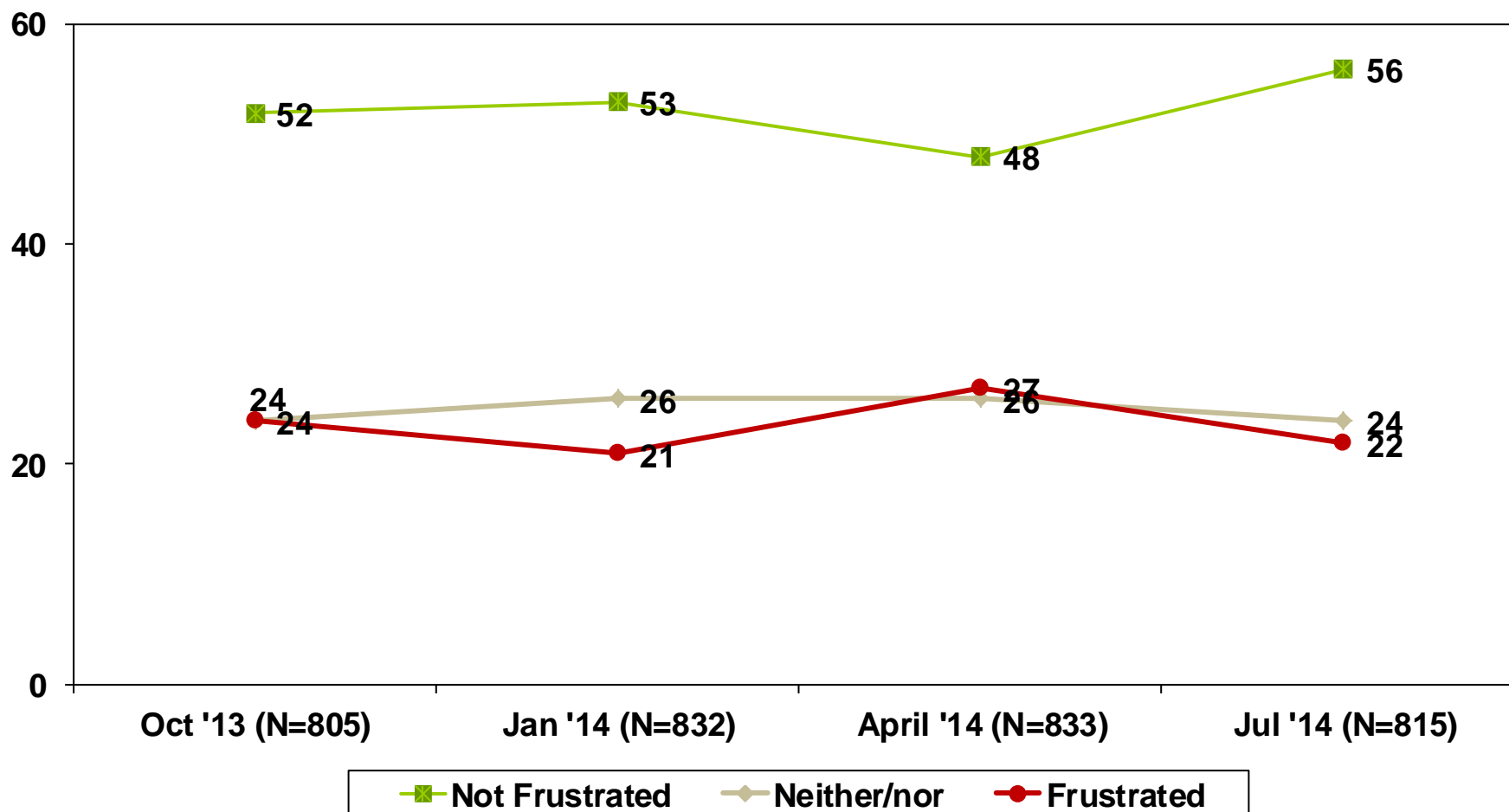
Frustration levels in the car insurance sector are lower than any other at 11%, although the number saying they are not frustrated has fallen by 5 percentage points since October 2013.

Level of Frustration with Current Providers

Broadband

Section 1

(Base: All with decision making responsibility)



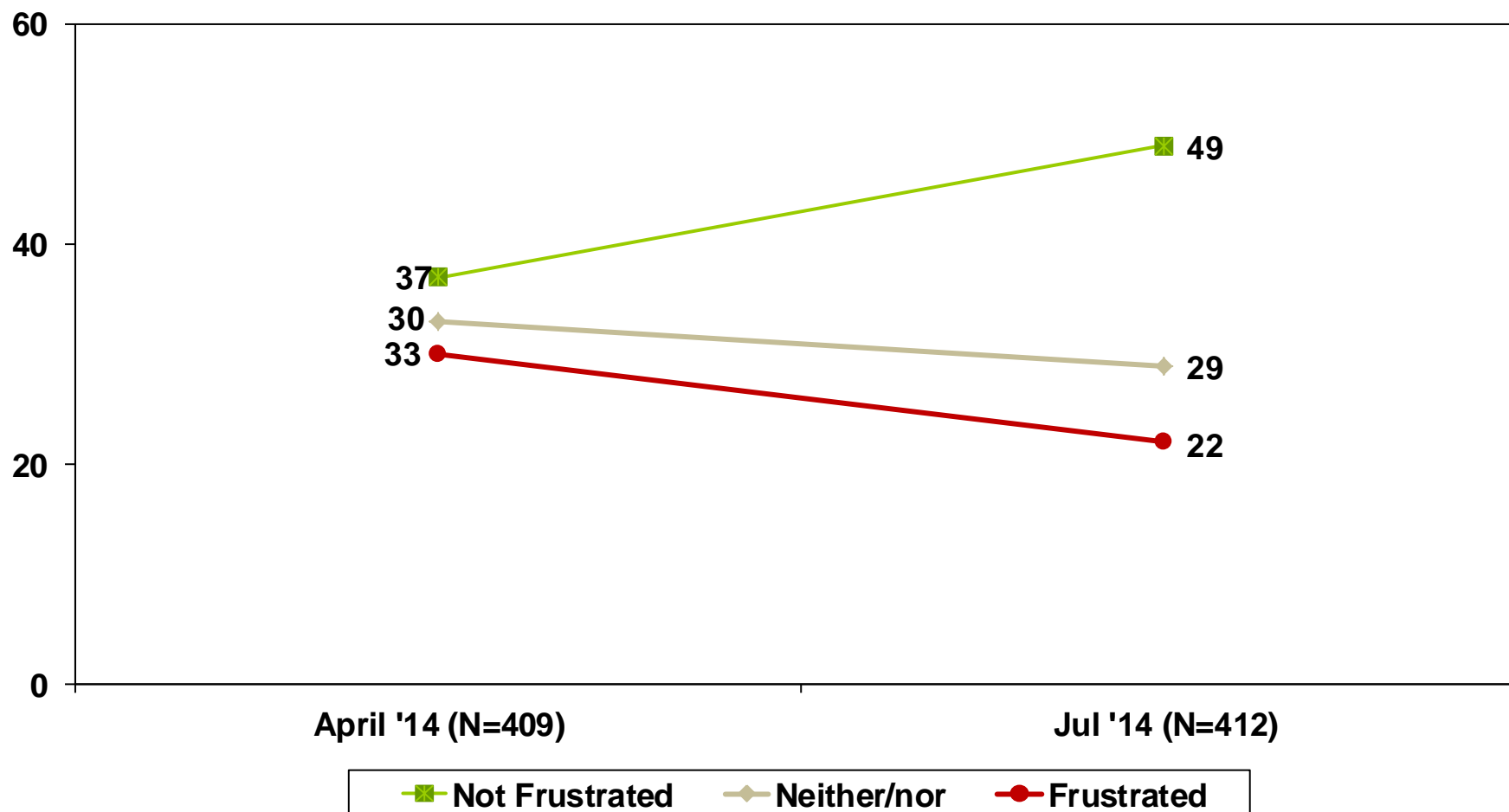
The number of those who are not frustrated with their broadband has peaked at 56% although the number of broadband users who are frustrated is relatively flat at just over 1-in-5.

Level of Frustration with Current Providers

Health Insurance

Section 1

(Base: All with decision making responsibility)



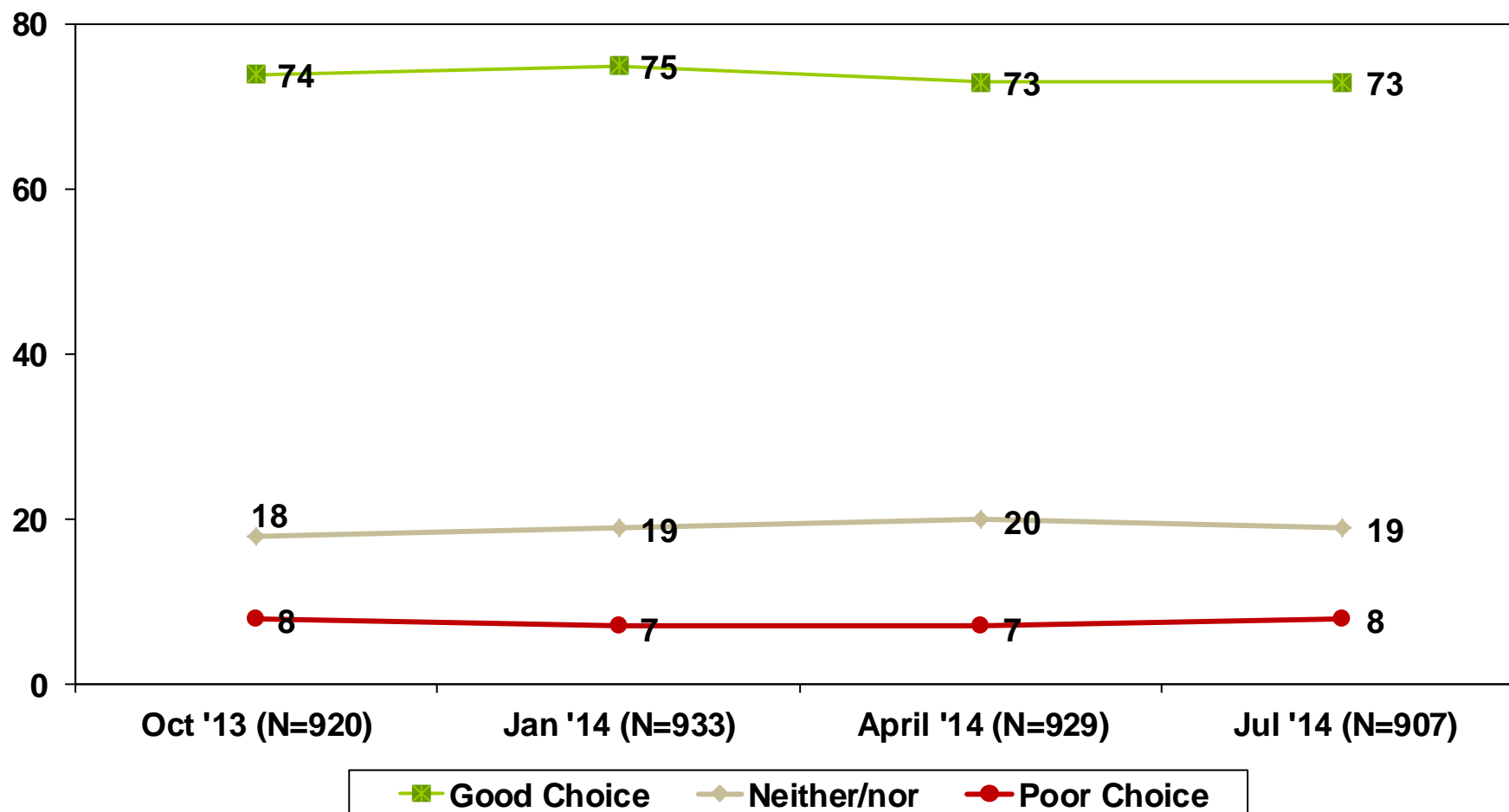
The number of people frustrated with their Health Insurance feel considerably since April 2014 from 33% down to 22%, this was matched by an equal improvement in those who were not frustrated.

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

Mobile Phone

Section 1

(Base: All with decision making responsibility)



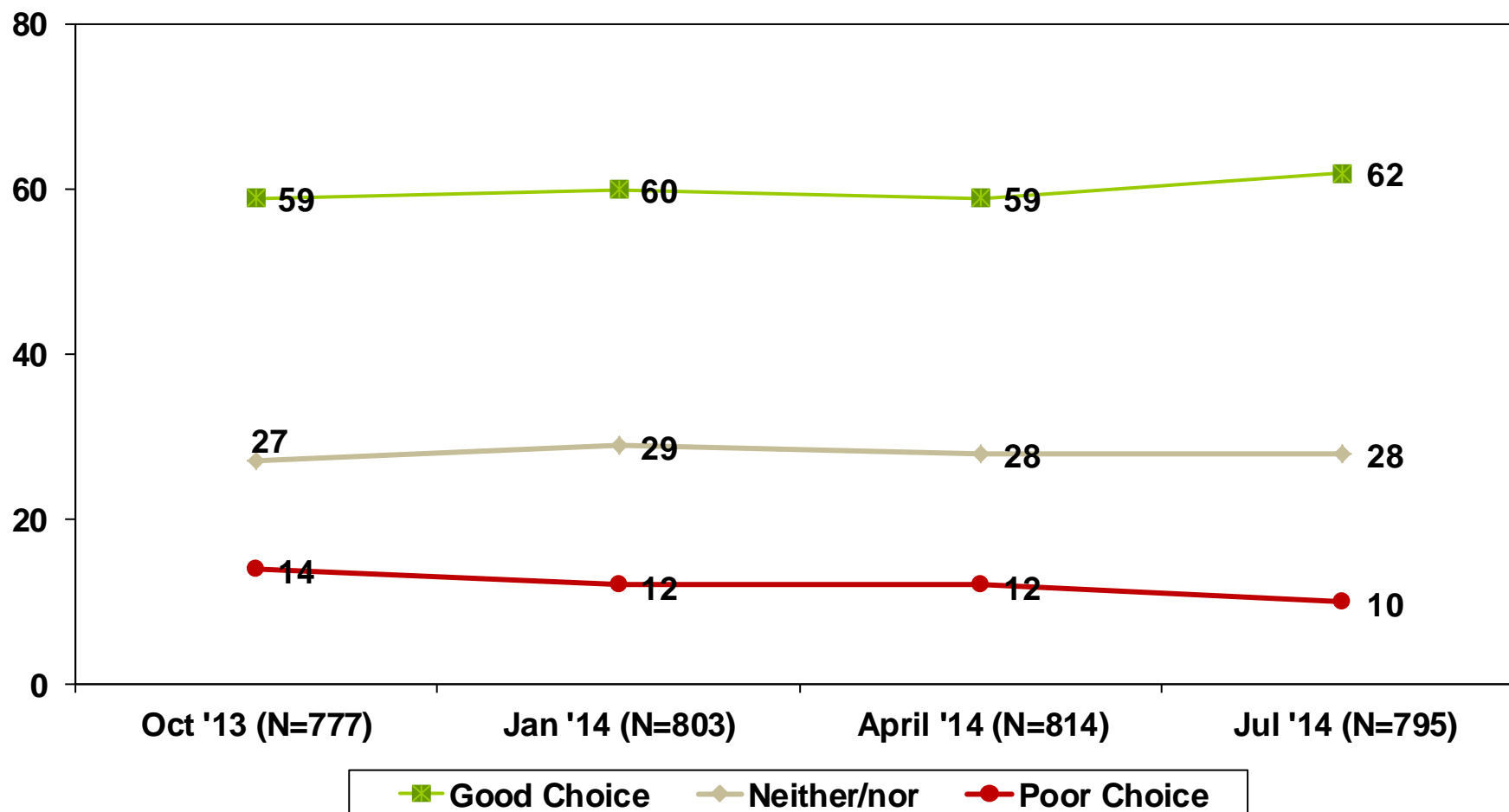
Nearly three quarters of mobile phone decision makers feel they have a good variety of network providers to choose from, versus just 8% who feel more competition is required.

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

Electricity

Section 1

(Base: All with decision making responsibility)



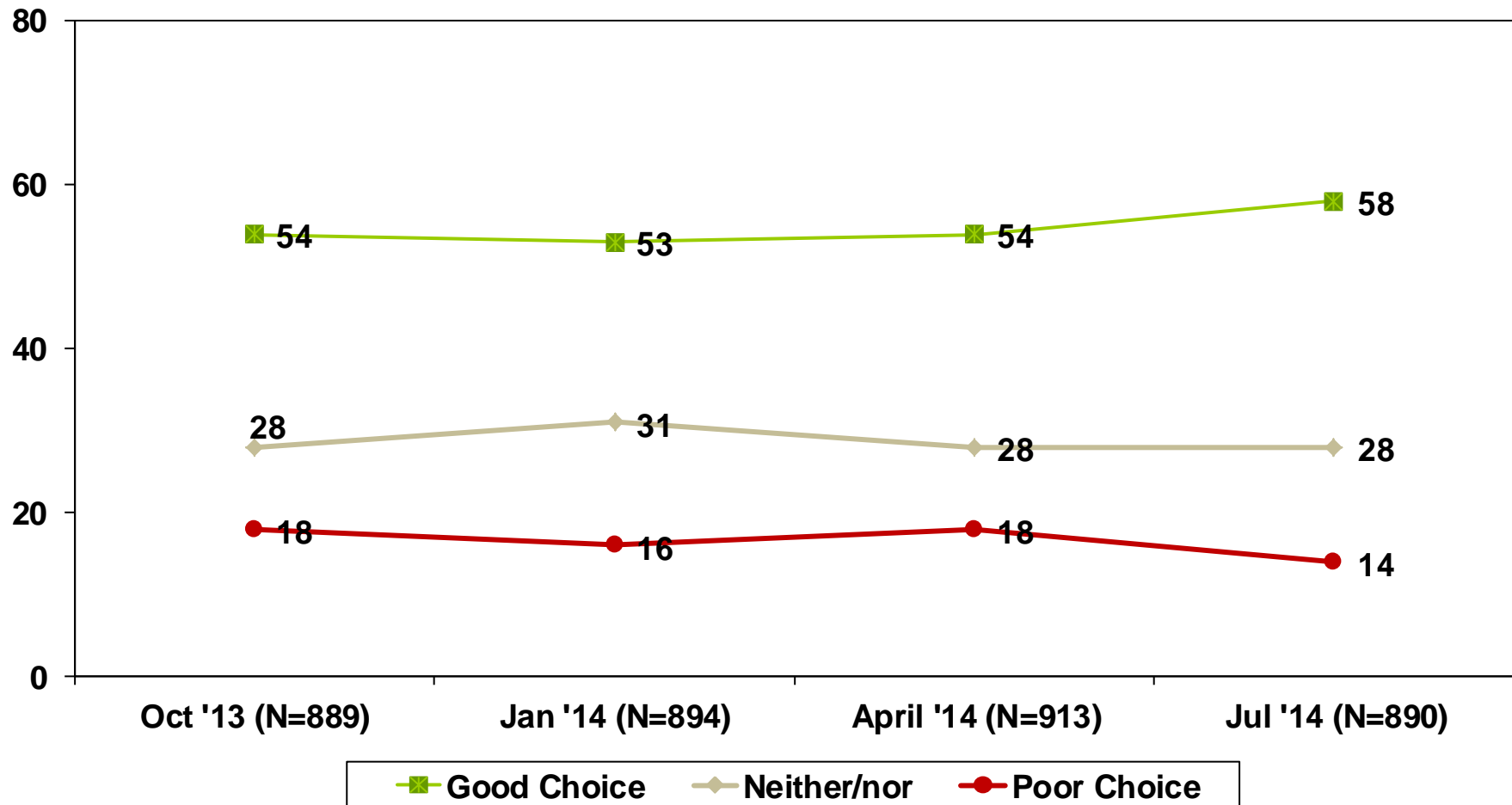
The majority of Electricity decision makers also feel that there is a sufficient number of providers to choose from with over 6-in-10 saying they have a good range of options.

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

Bank

Section 1

(Base: All with decision making responsibility)



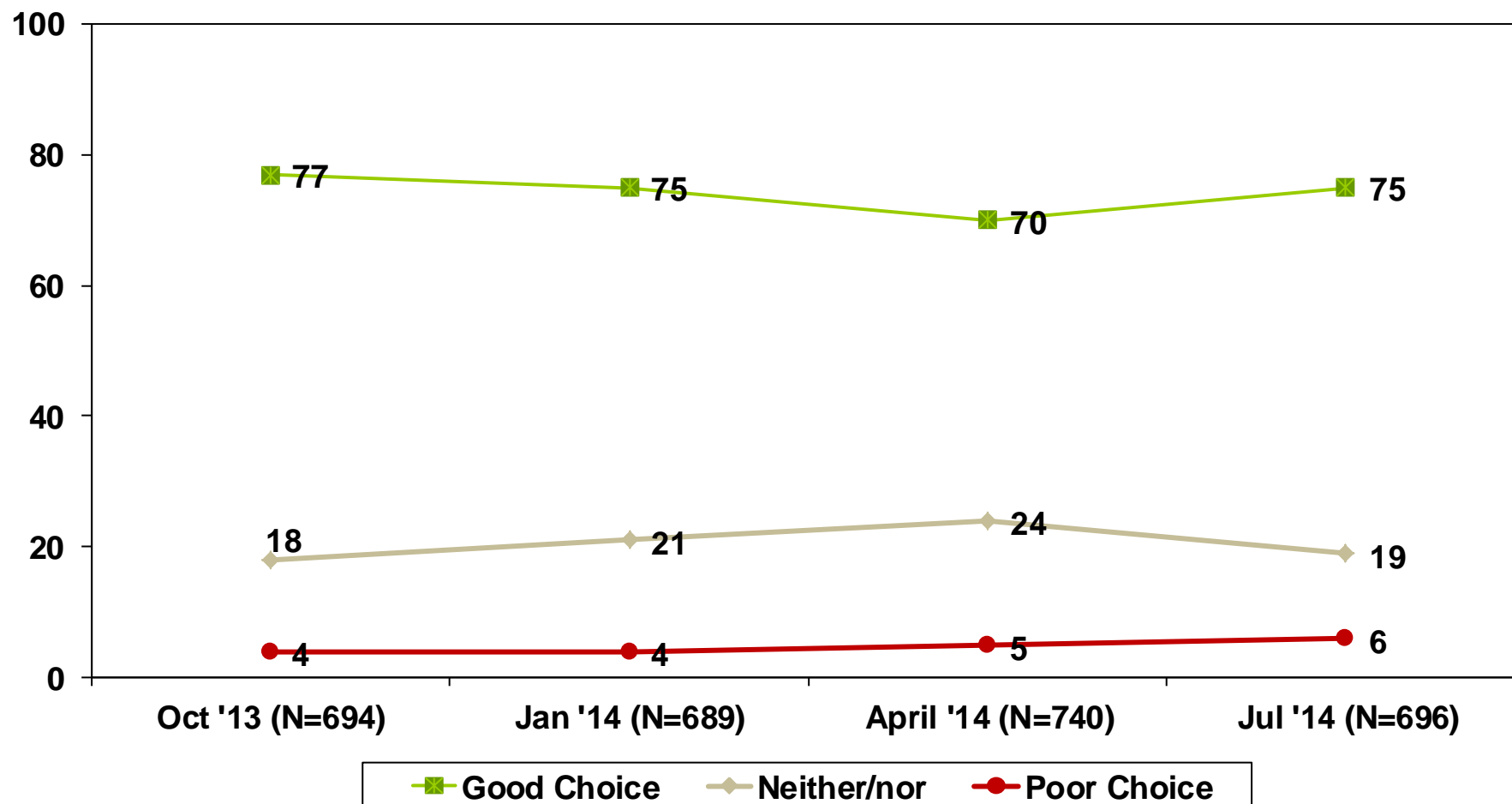
14% of banking decision makers feel they little or no choice when it comes to banking providers, although this is down from October 2013 – perhaps due to increased marketing and awareness.

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

Car Insurance

Section 1

(Base: All with decision making responsibility)



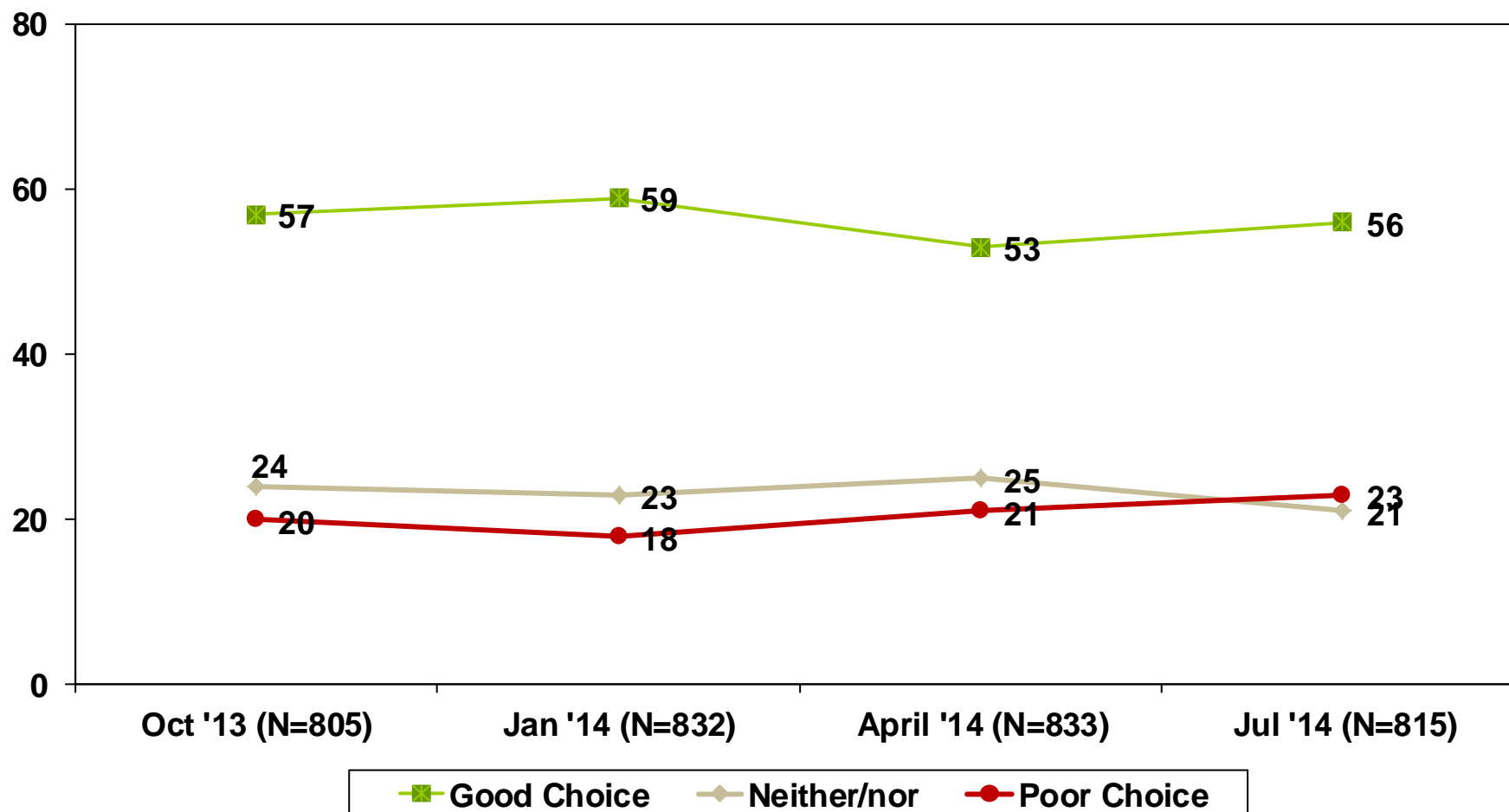
Car insurance is perceived to be the sector with the best variety and level of choice. Three quarters say there is a good range while just 6% feel they have little or no providers to choose from.

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

Broadband

Section 1

(Base: All with decision making responsibility)



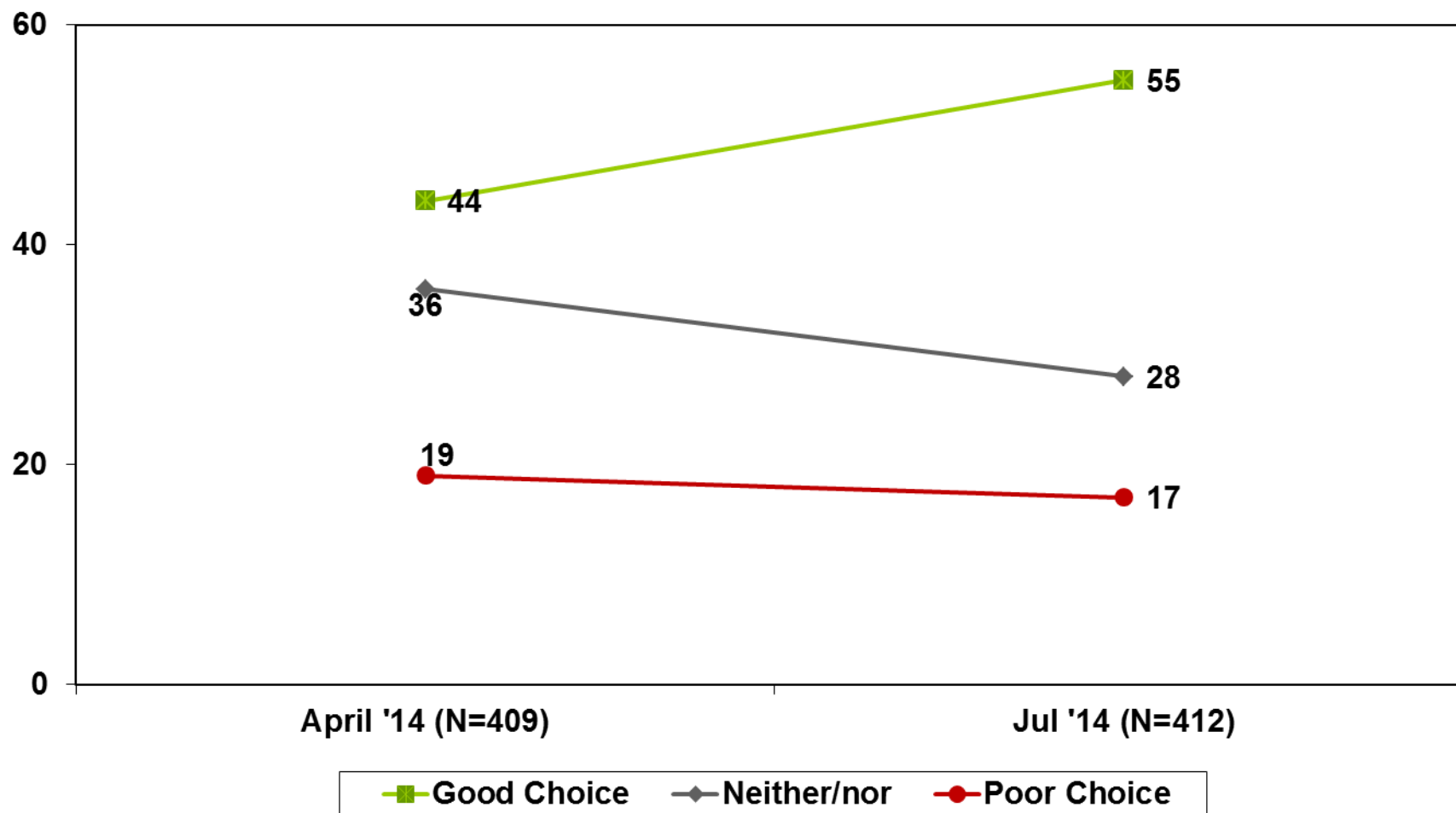
The broadband sector is seen as the least competitive with nearly a quarter saying they have little or no choice when it comes to picking a provider. Slightly more than half feel they have a good range of options.

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

Health Insurance

Section 1

(Base: All with decision making responsibility)



While approximately 1-in-6 Health Insurance decision makers feel they have little or no choice when it comes to providers, the numbers saying they have a good variety to choose from has increased to 55% since April 2014.

Section ②

Switching & Prices –

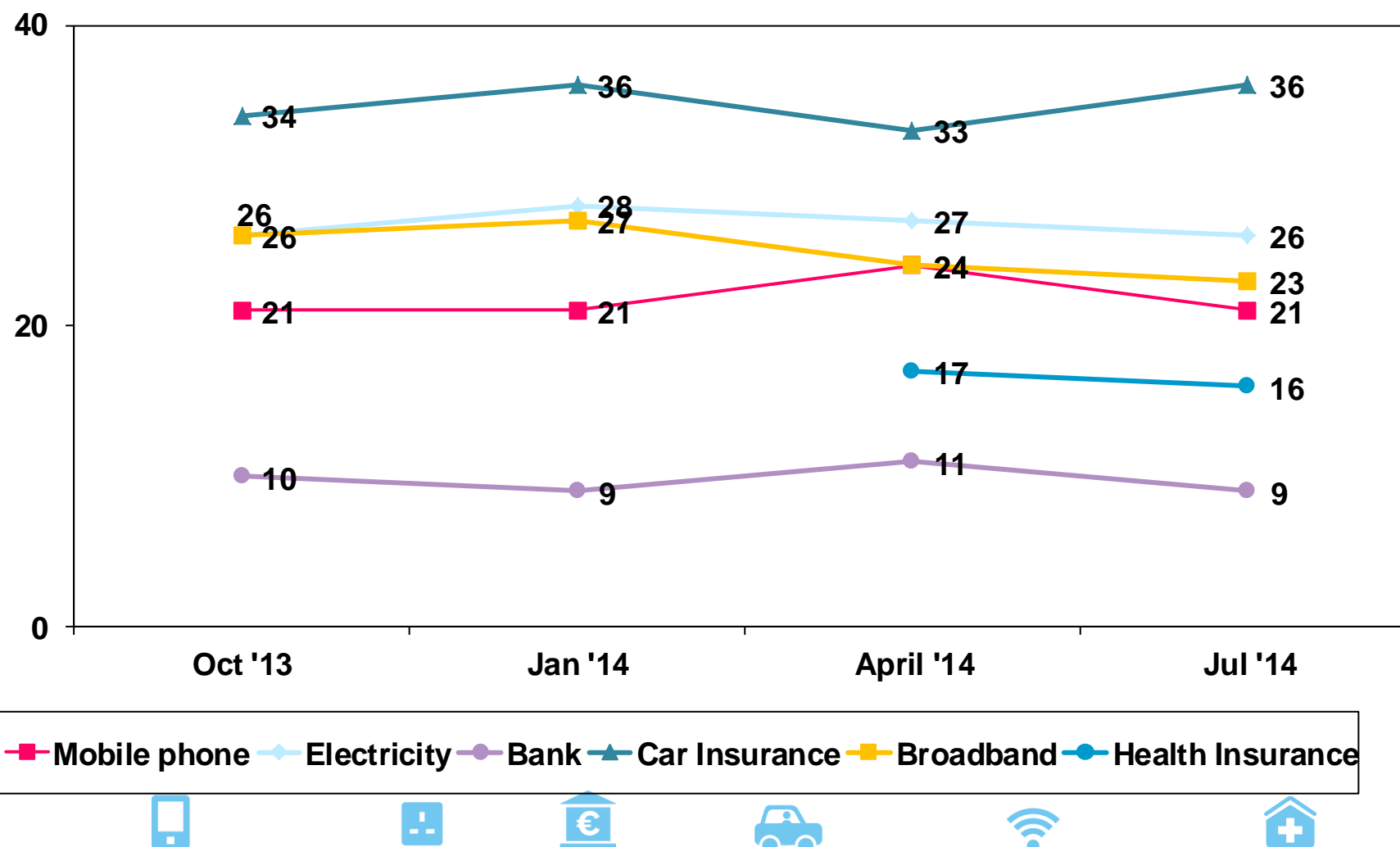
Perception versus reality



Switching Patterns – Past 12 Months and Ever

Section 2

(Base: All with decision making responsibility)



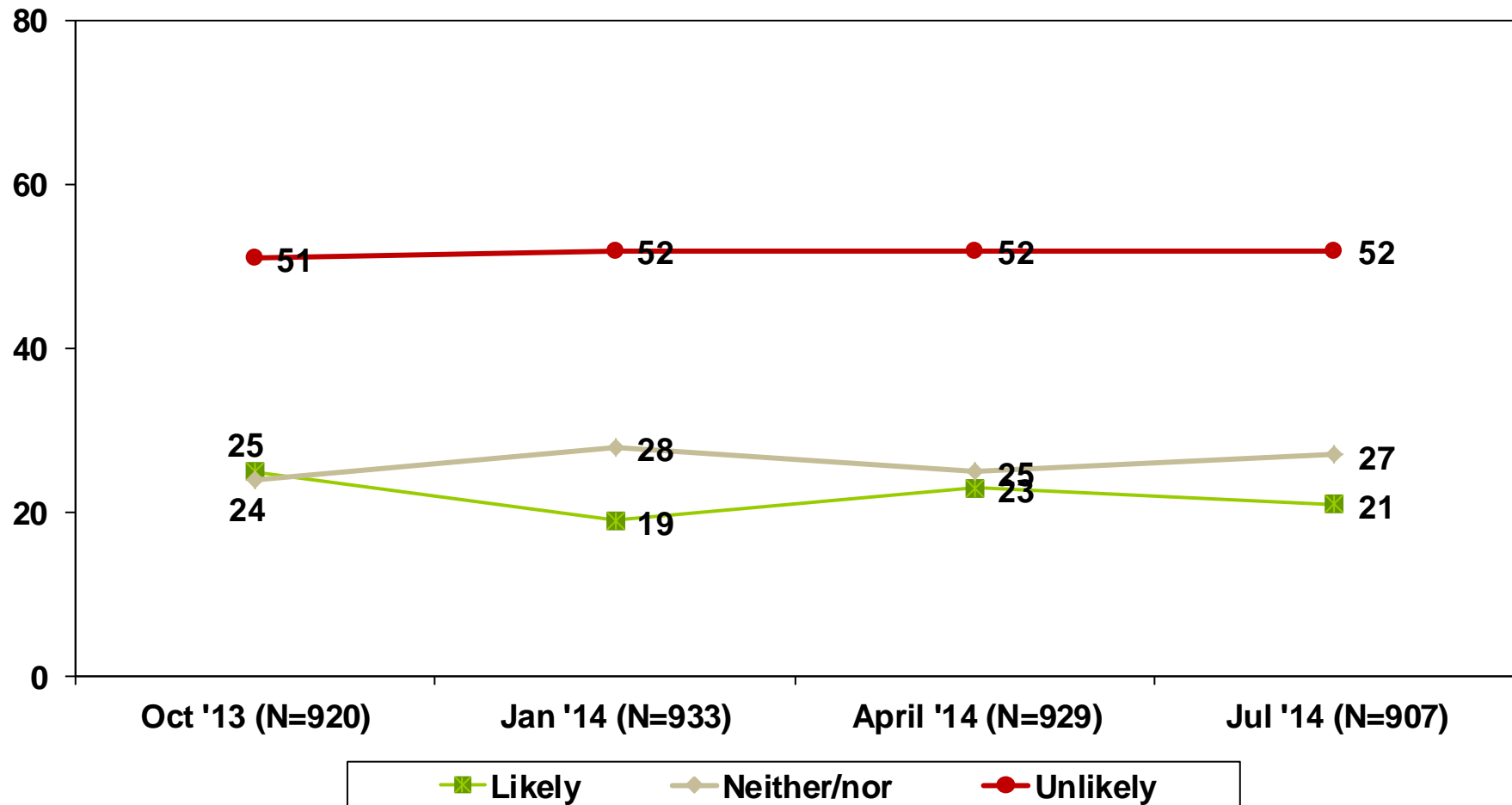
Switching trends have been consistent across the duration of the study with Car Insurance leading the way by a noticeable margin. People are least likely to switch banks even though it is a sector that frustrates many decision makers.

Likelihood to Switch Provider in the Next 12 Months

Mobile Phone

Section 2

(Base: All with decision making responsibility)



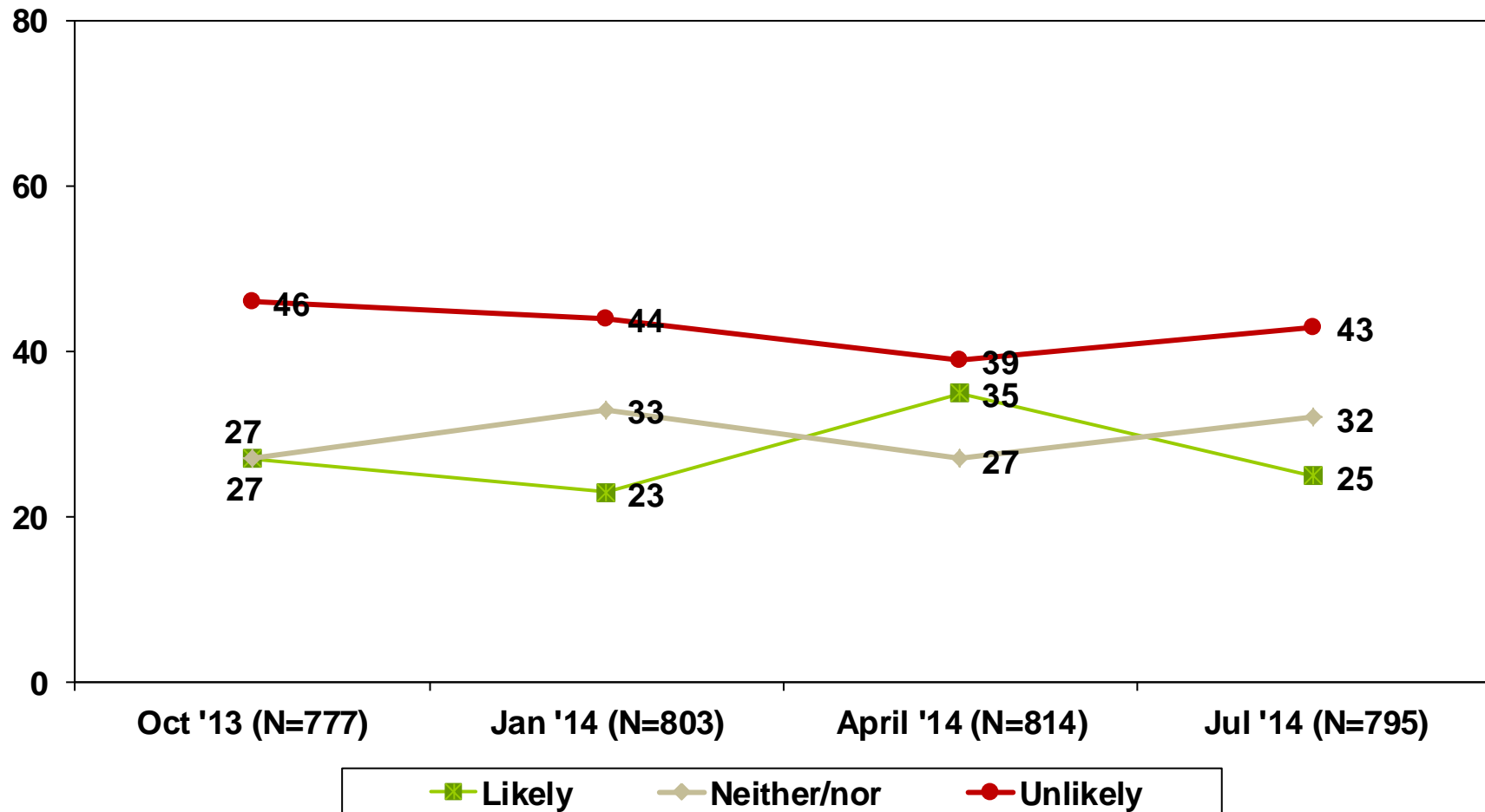
Intention to switch in the next 12 months is well behind the numbers for those who switched in the past 12 months. This either means switching rates for mobile network providers will fall over the next year or that switching phone providers do not take significant lead time or planning.

Likelihood to Switch Provider in the Next 12 Months

Electricity

Section 2

(Base: All with decision making responsibility)



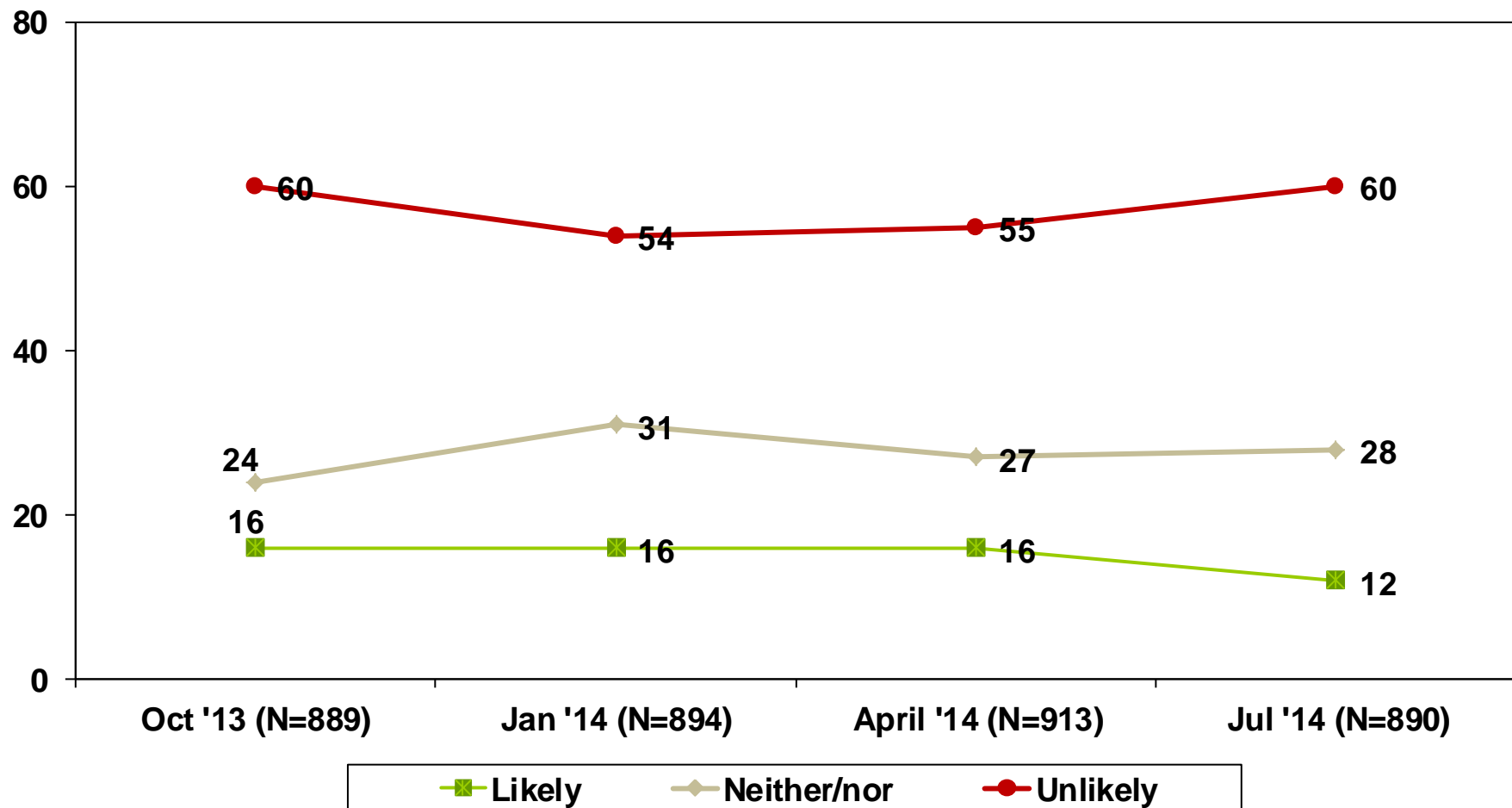
Having spiked in April 2014, the number of people planning to switch Electricity provider in the next 12 months has fallen back to standard levels (around a quarter).

Likelihood to Switch Provider in the Next 12 Months

Bank

Section 2

(Base: All with decision making responsibility)



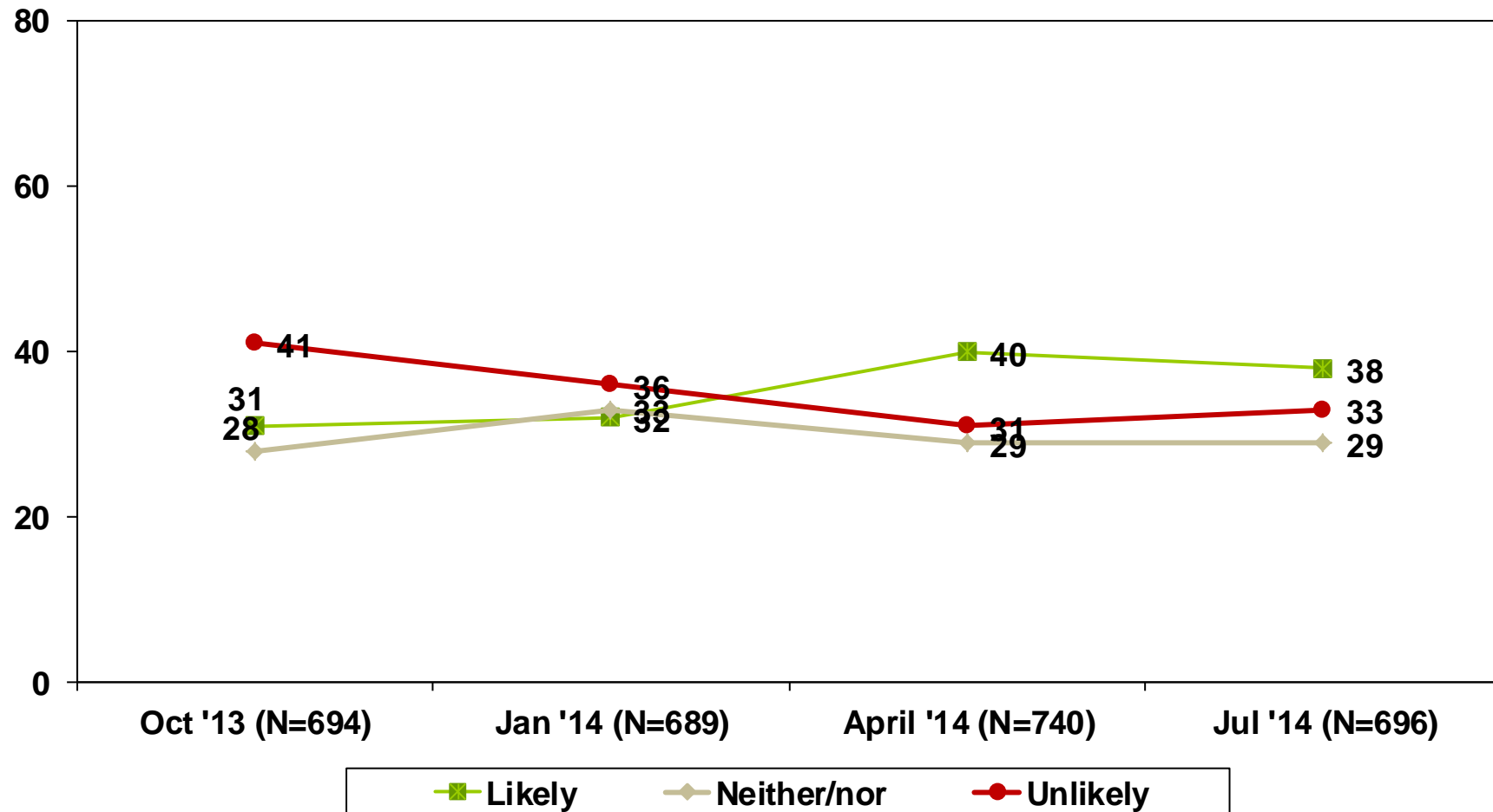
Likelihood to switch banks is at its lowest point, well behind all other sectors at just 12%. While bank frustration is high, it is clear that barriers to switching are putting people off the idea.

Likelihood to Switch Provider in the Next 12 Months

Car Insurance

Section 2

(Base: All with decision making responsibility)



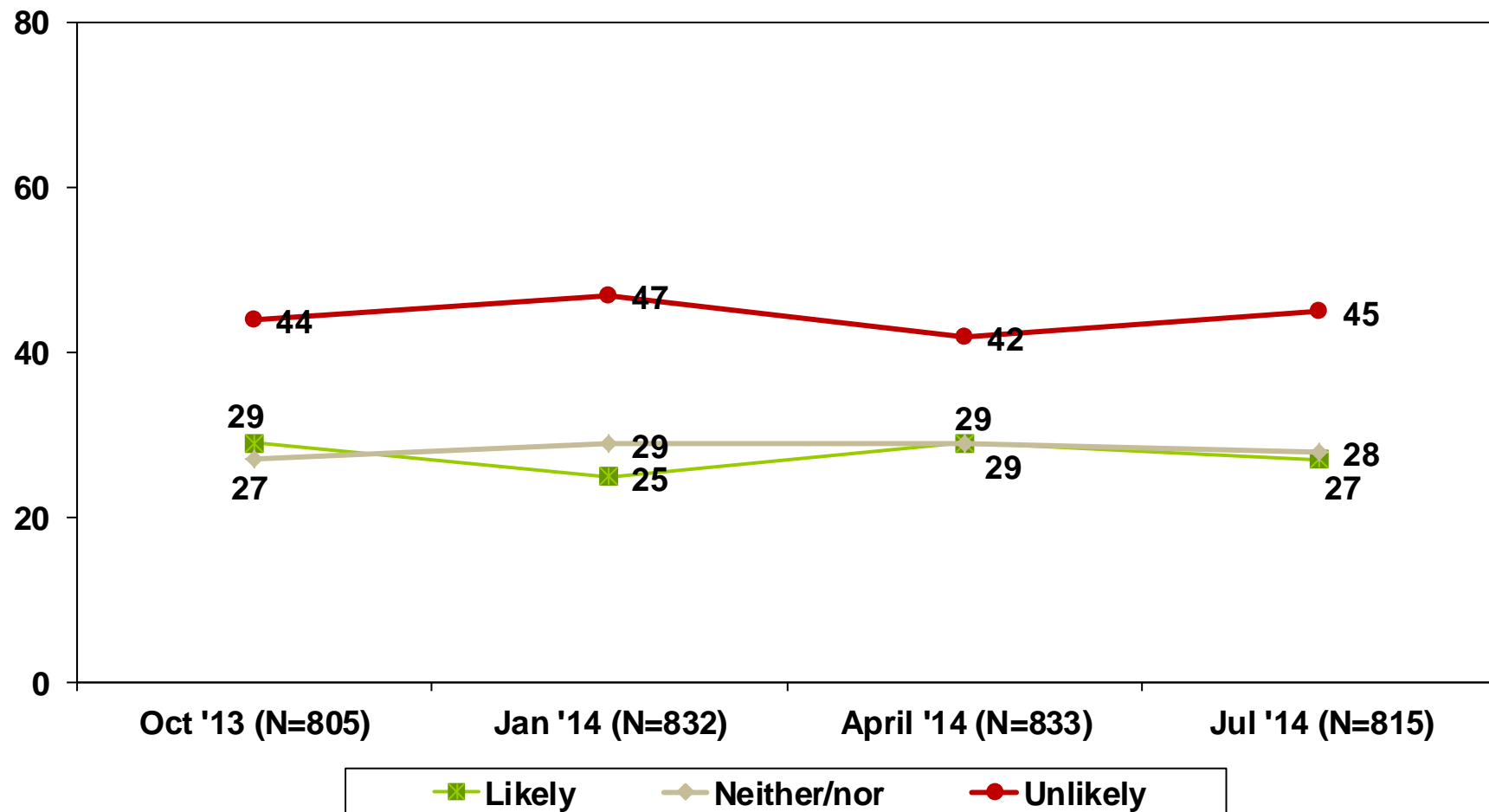
The number of people planning to switch car insurance provider in the next 12 months, actually exceeds those who do not think they will switch. Car Insurance is clearly a sector where high levels of competition and a straight-forward switching process have resulted in high switching levels.

Likelihood to Switch Provider in the Next 12 Months

Broadband

Section 2

(Base: All with decision making responsibility)



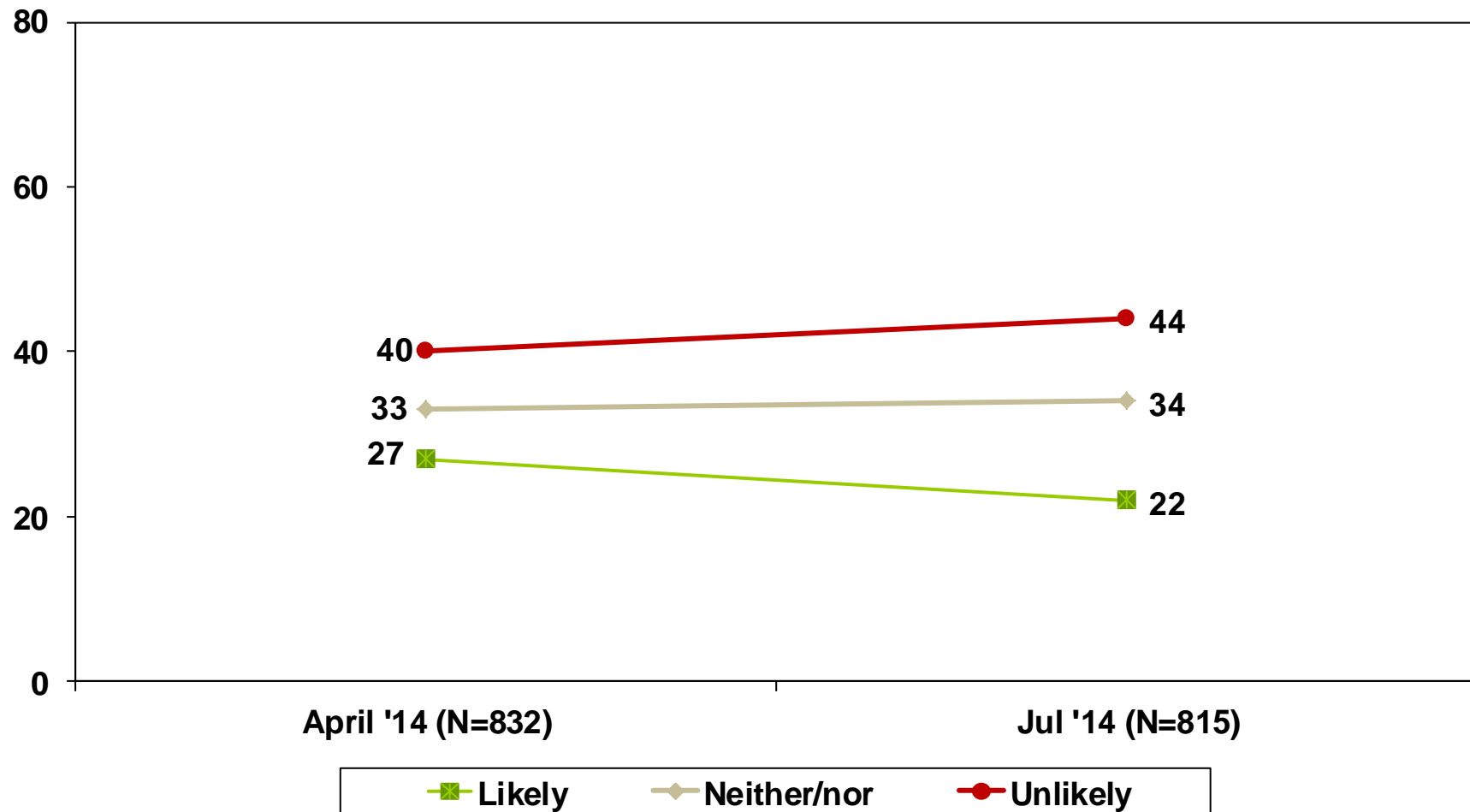
Even though the range of options available to broadband decision makers is seen as relatively poor, just over a quarter are still planning on switching within the next 12 months.

Likelihood to Switch Provider in the Next 12 Months

Health Insurance

Section 2

(Base: All with decision making responsibility)

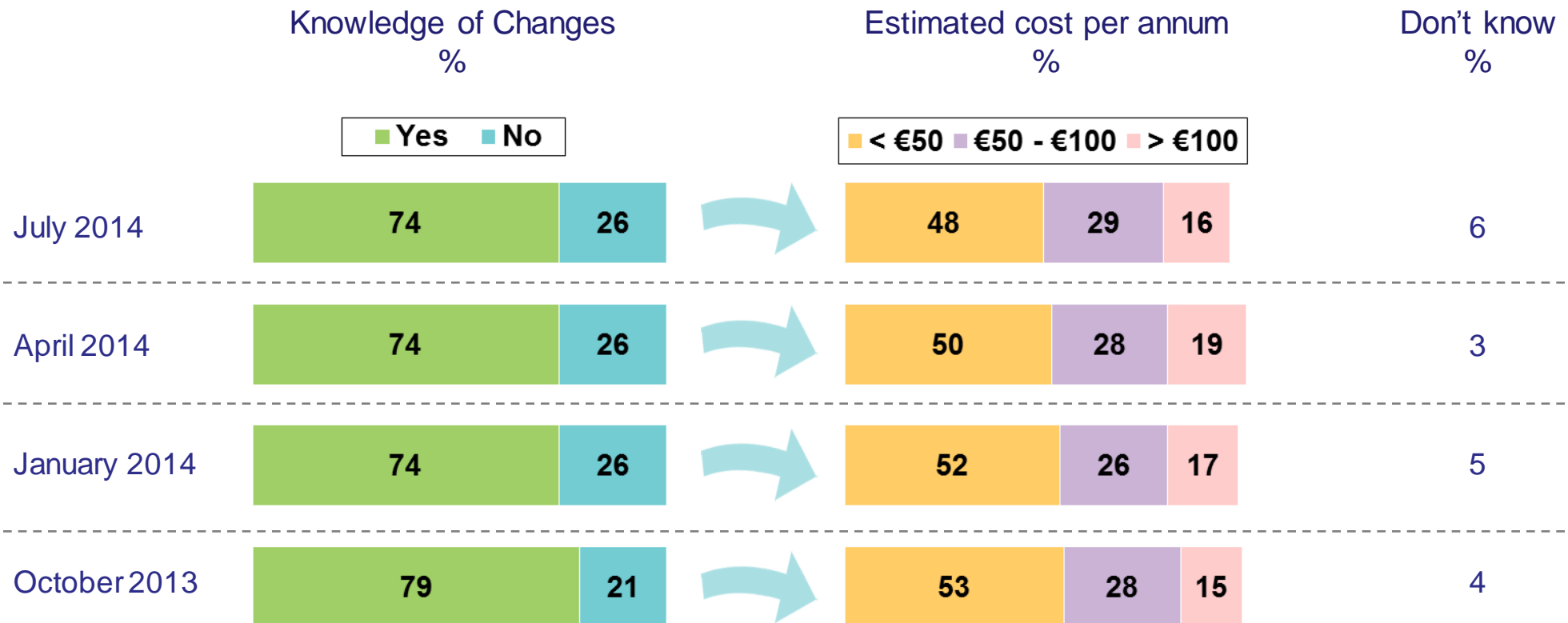


Similar to banking, health insurance is an area where frustration levels are relatively high, yet switching intentions remain low – although still not as low as banks.

Awareness of Bank Charges

Section 2

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



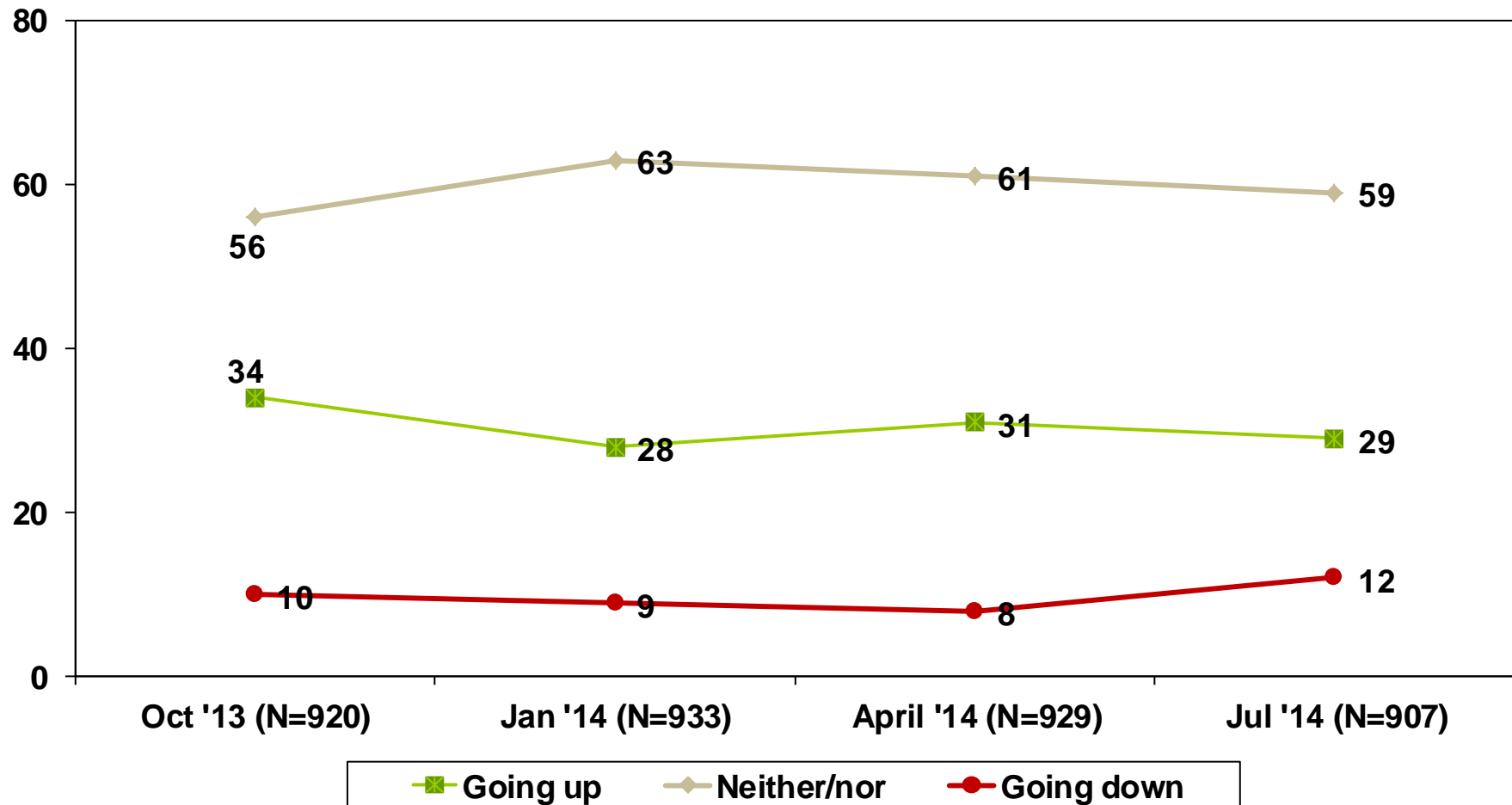
Three quarters of banking decision makers say they know how much they are being charged in fees – the majority of these feel it is less than €50 per year.

Perceptions About Changes in Prices

Mobile Phone

Section 2

(Base: All with decision making responsibility)



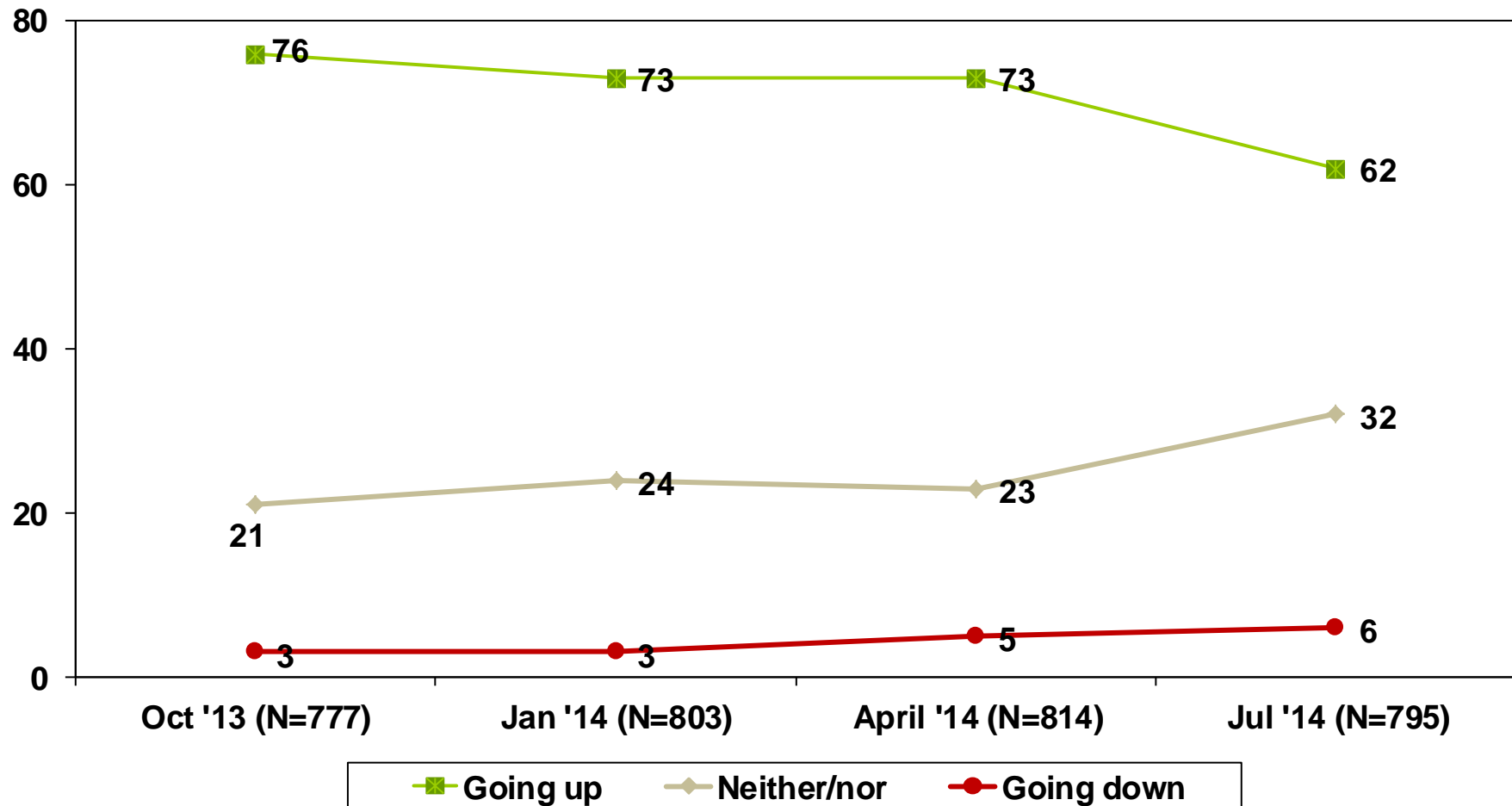
Nearly 3-in-10 Mobile phone decision makers feel prices are increasing – this is down since October 2013 and is the lowest scores across sectors.

Perceptions About Changes in Prices

Electricity

Section 2

(Base: All with decision making responsibility)



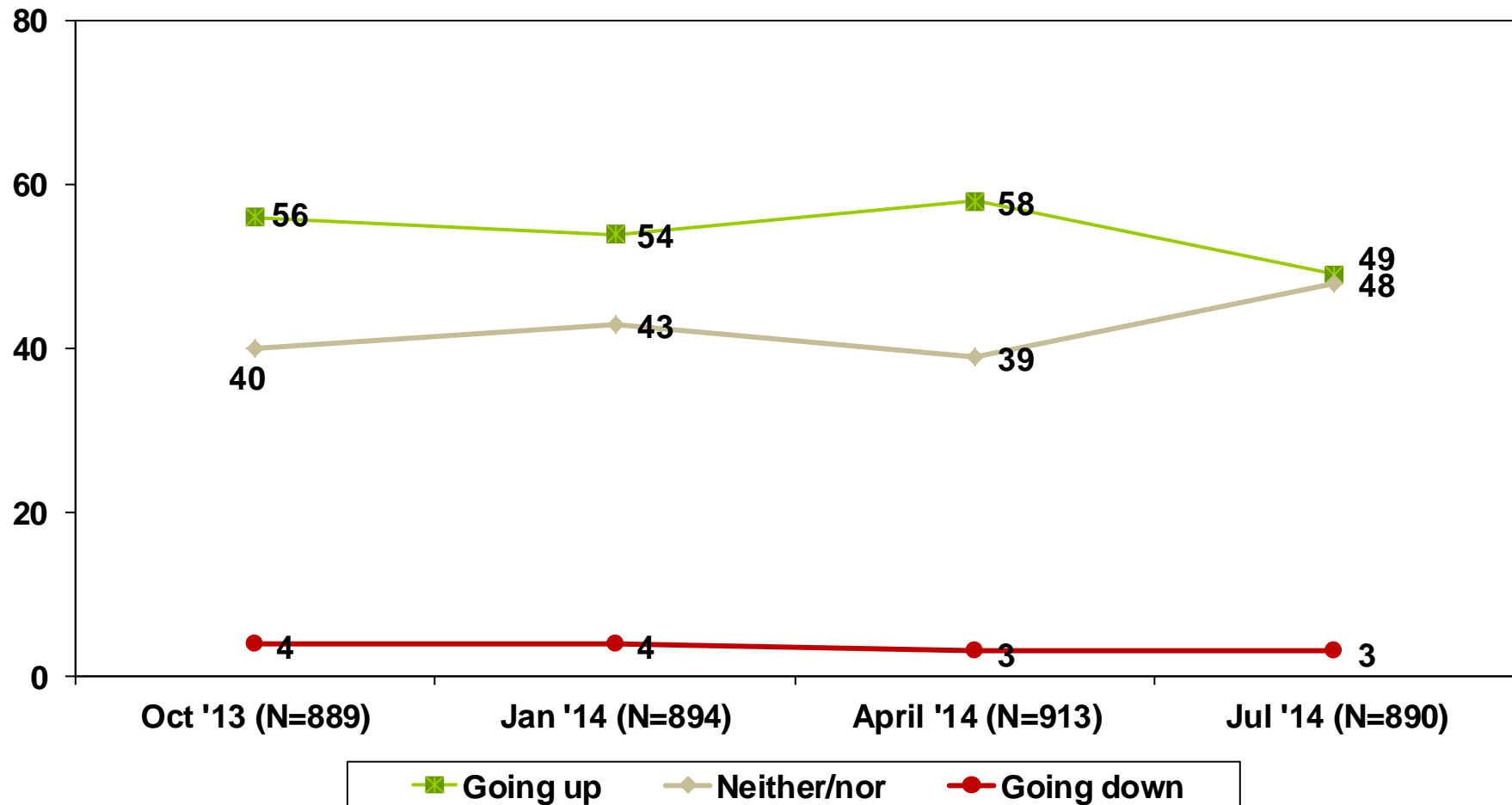
While price increases were very much top of mind for people between October 2013 and April 2014, this figure decreased in the most recent wave of research – although it is still higher than other sectors.

Perceptions About Changes in Prices

Bank

Section 2

(Base: All with decision making responsibility)



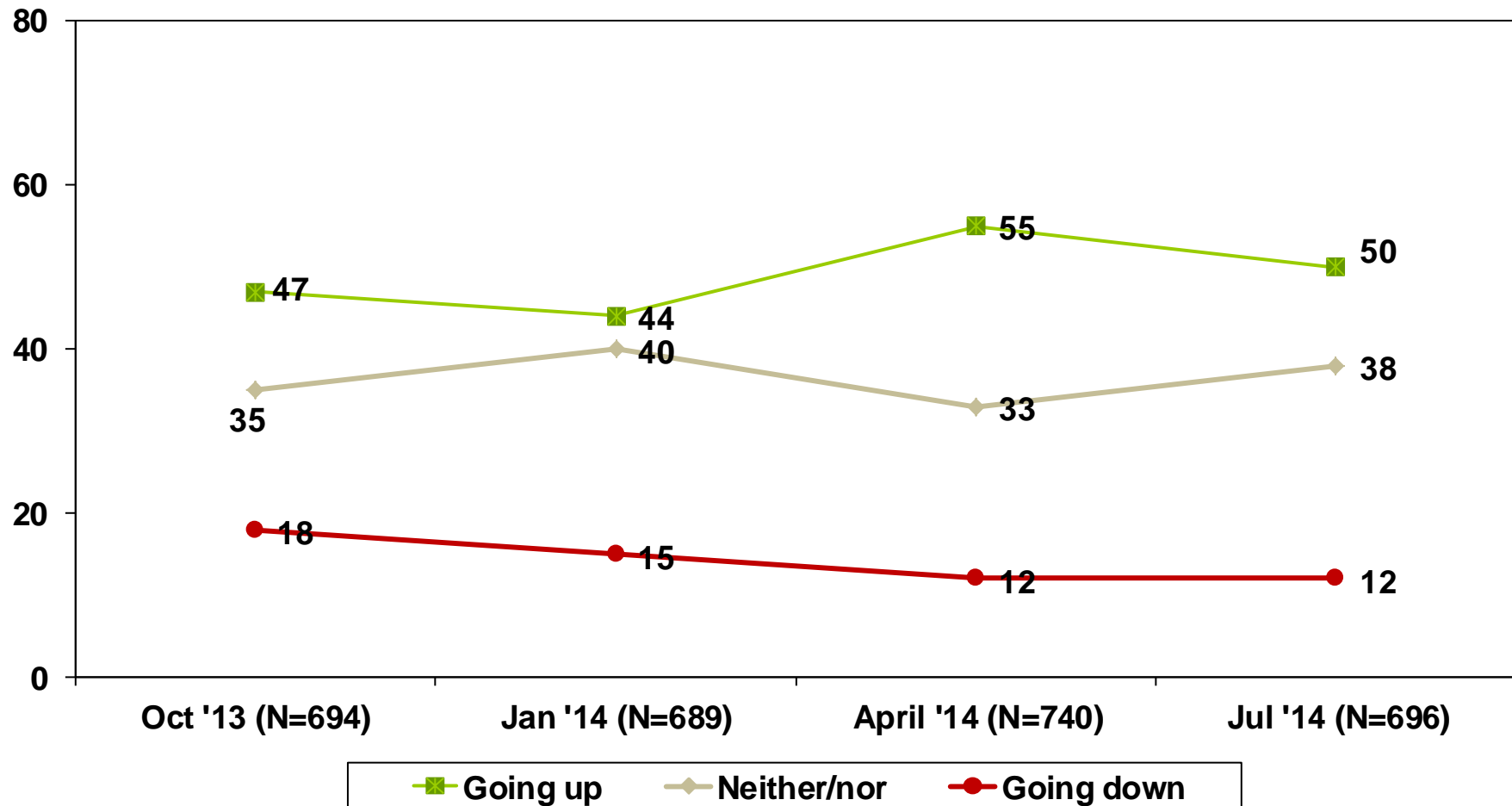
Half of banking decision makers feel bank charges continue to increase versus just 3% who think they are decreasing. Almost half feel are neither going up nor down.

Perceptions About Changes in Prices

Car Insurance

Section 2

(Base: All with decision making responsibility)



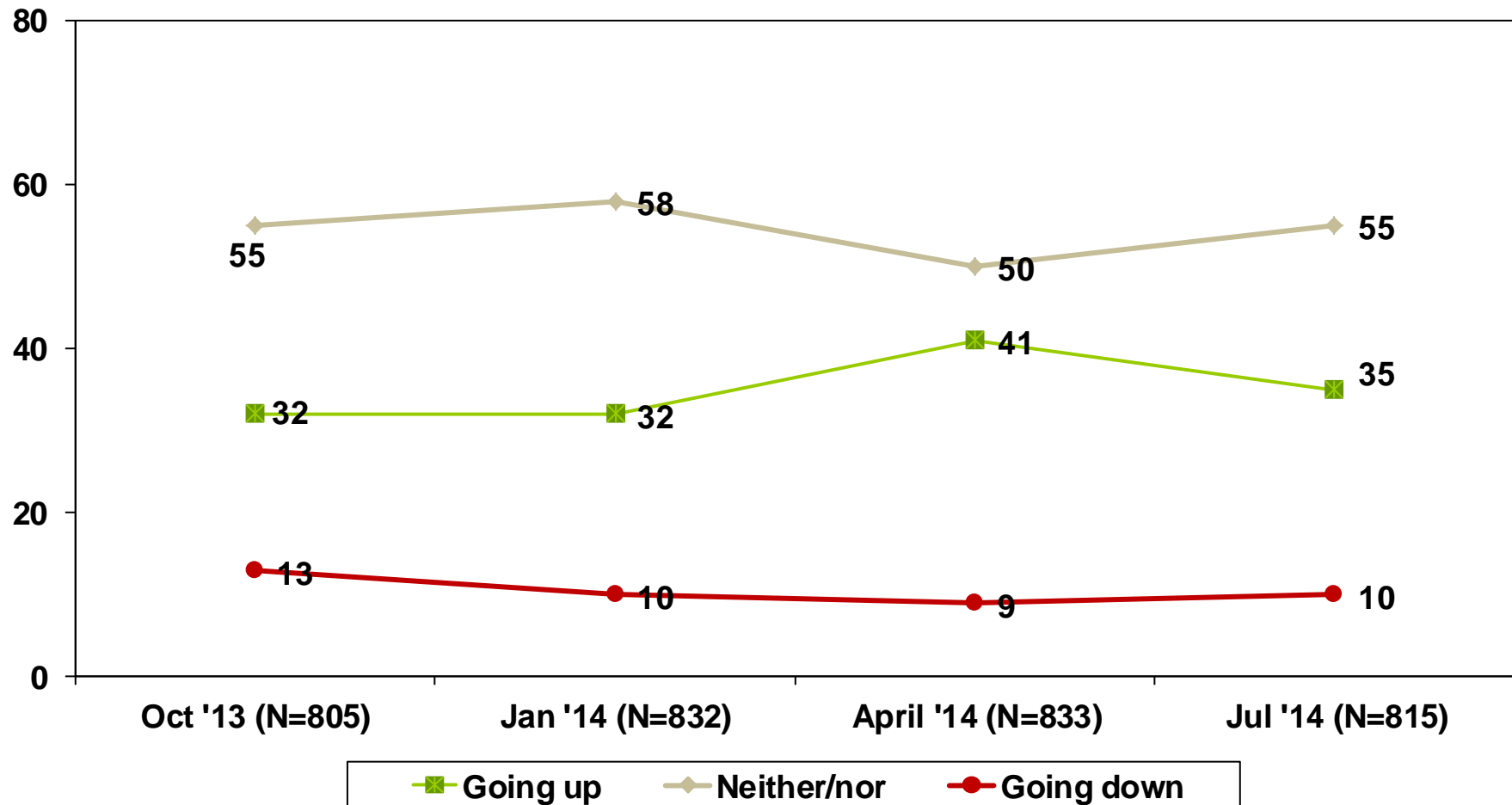
Half of car insurance decision makers feel prices are on the rise although 1-in-8 feel they are decreasing. Customers in this sector are most likely to react to price increases by switching provider.

Perceptions About Changes in Prices

Broadband

Section 2

(Base: All with decision making responsibility)



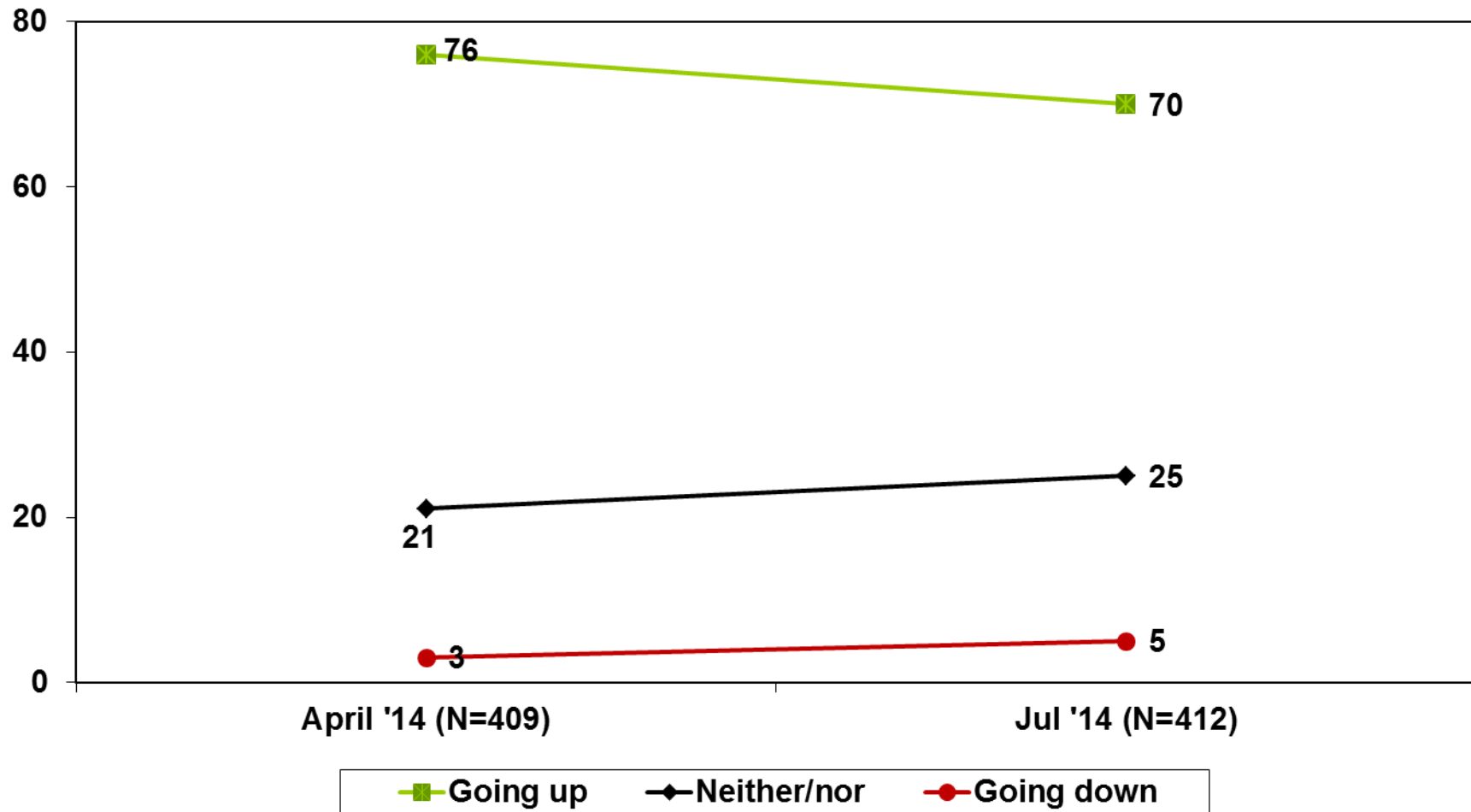
While broadband is an area where customers tend to be quite frustrated, only a third feel prices are increasing (almost as low as mobile phone charges). 1-in-10 say broadband is getting cheaper.

Perceptions About Changes in Prices

Health Insurance

Section 2

(Base: All with decision making responsibility)



7-in-10 Health Insurance decision makers feel prices continue to rise.

Section ③

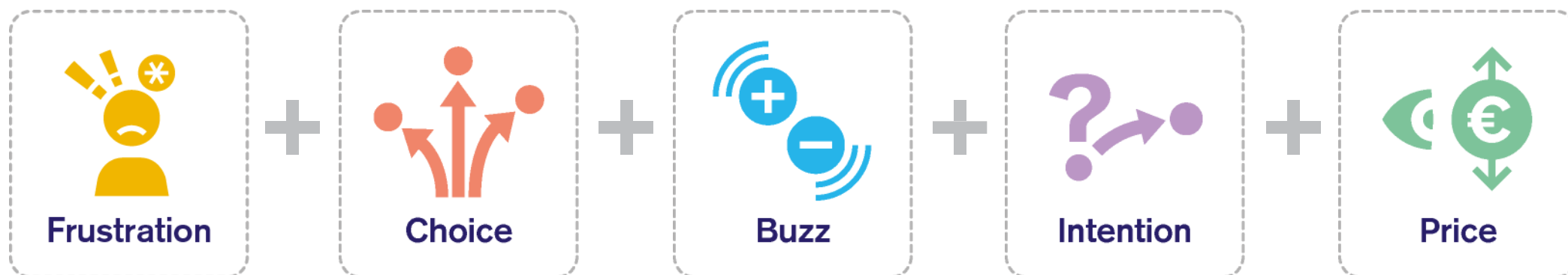
The permanent tsb Switching Index:

Are we prepared to make the move?



The Permanent tsb Switching Index

Section 3



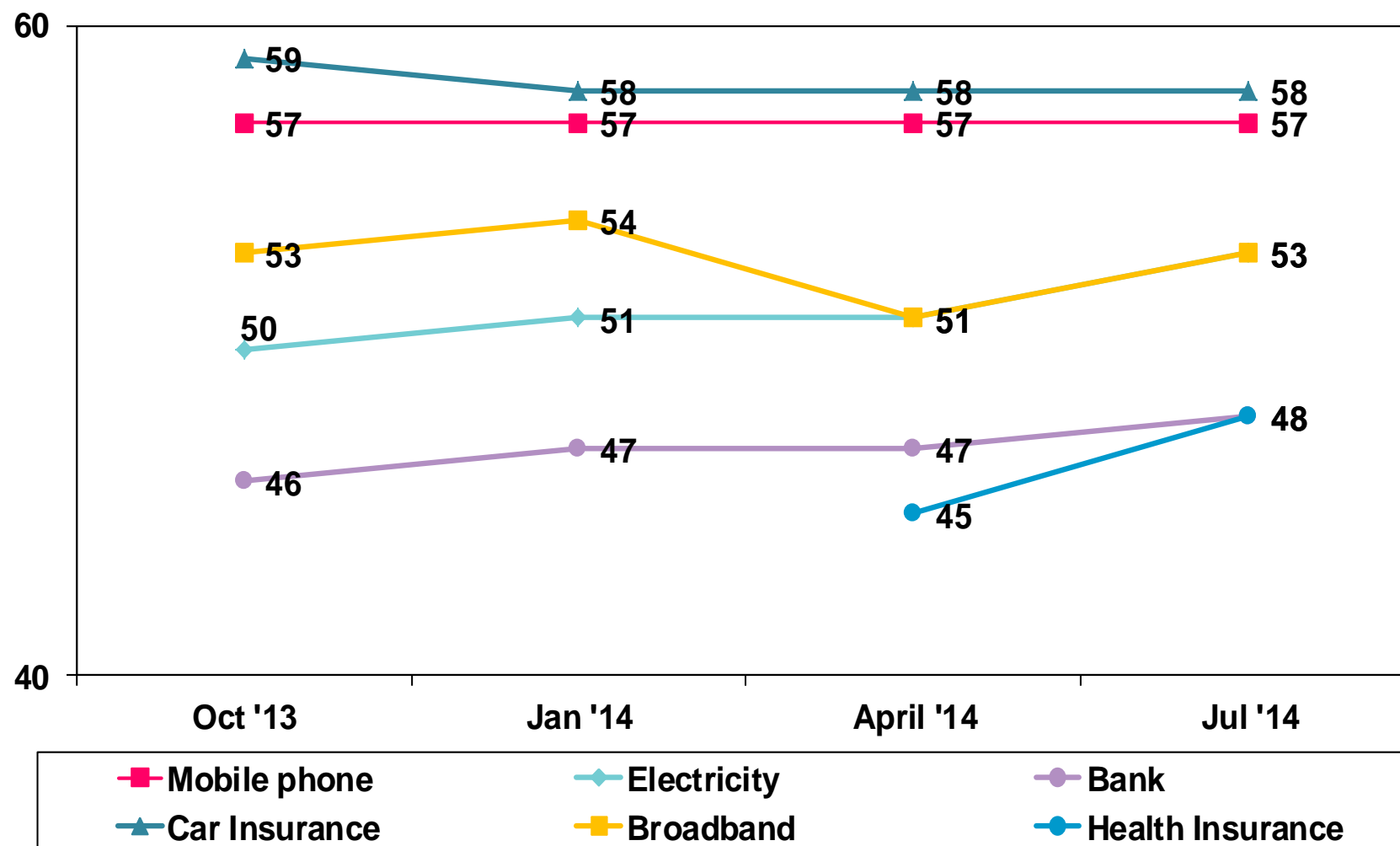
**The permanent tsb
Switching Index
Score between 0–100**

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

(Base: All with decision making responsibility)



The Permanent TSB Switching Index continues to show the poor switching attitudes in the banking sector – while people are feeling frustrated with the level of service they receive, this doesn't overcome the perceived barriers to switching.

Section 4

Financial Switching –

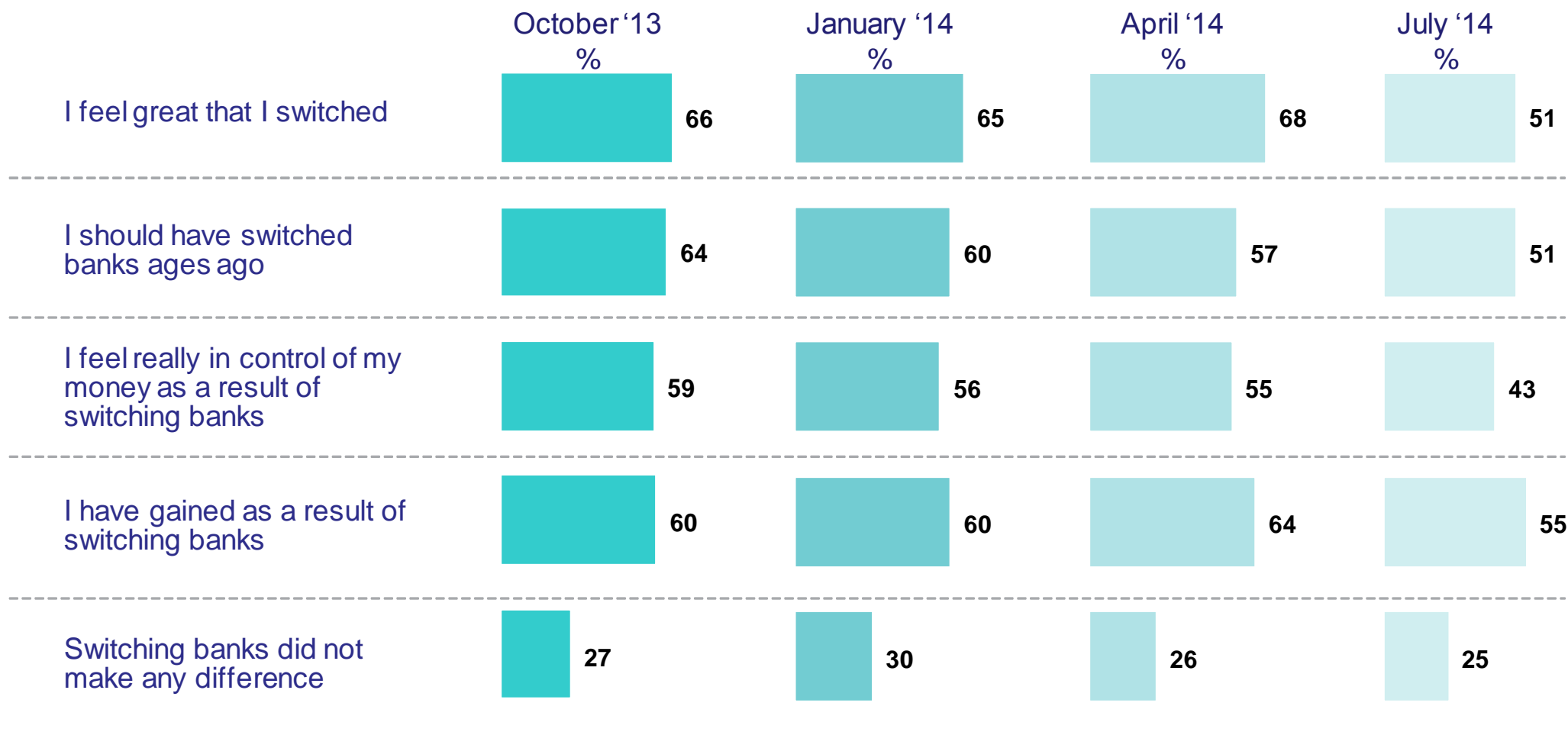
The savvy customer



Main Reason for Switching Bank – July 2014

Section 4

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



Attitudes to switching continue to be positive among bank decision makers who have switched. Over half feel great that they switched and feel they should have switched ages ago.

Attitudes to Switching Banks – II

Section 4

	A lot less hassle than expected	As expected	A lot more hassle than expected
July 2014 (n = 81)	31	55	14
April 2014 (n = 99)	20	62	18
January 2014 (n = 82)	36	50	15
October 2014 (n = 86)	40	46	14

3-in-10 say that switching banks was less hassle than expected with over half saying it was as expected. Only 1-in-7 say it was worse than expected.

Main Reason for Switching Bank – July 2014

Section 4

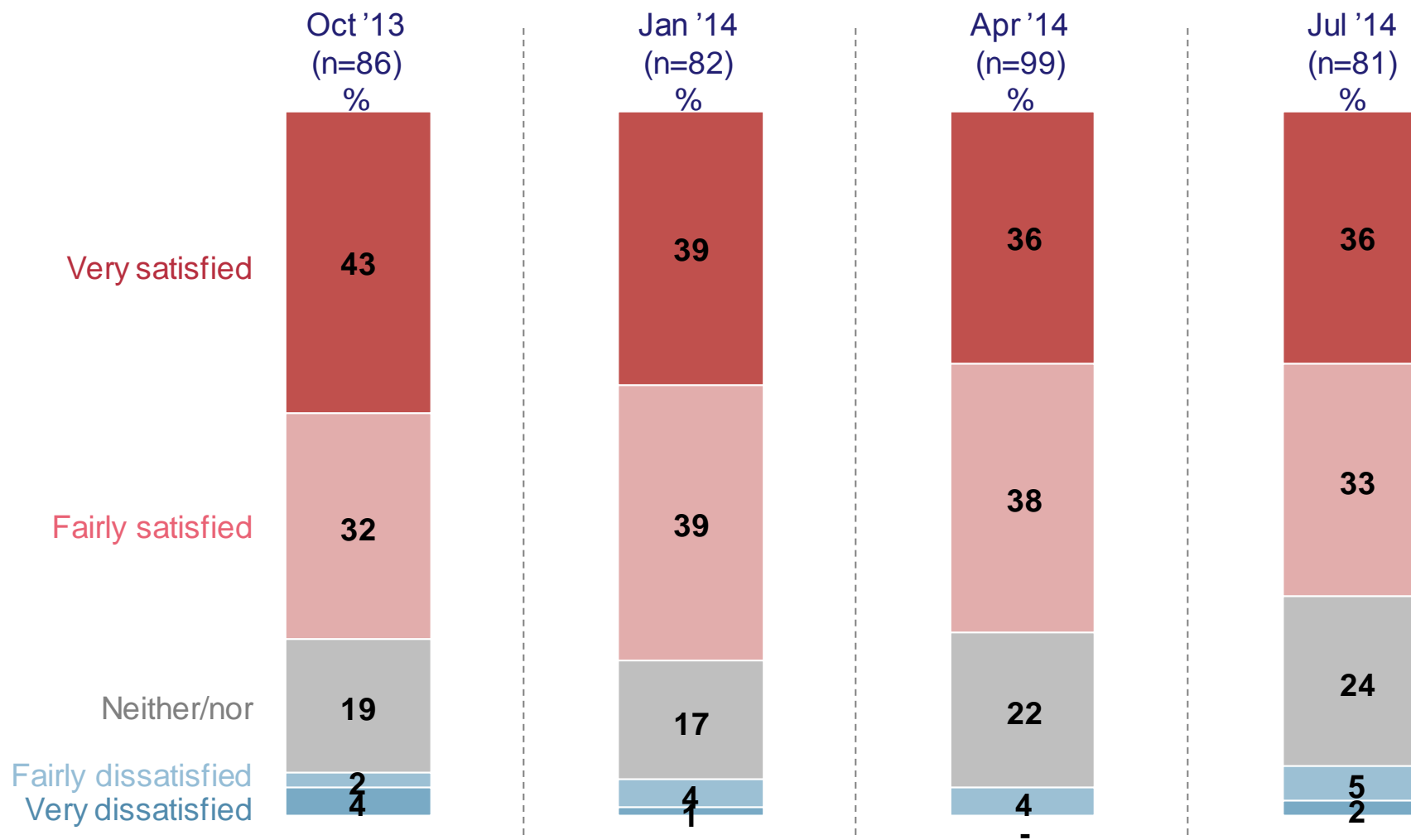
(Base: All banking decision makers who have switched – 81*)



People say they are switching banks in order to get a better deal because their previous bank was too expensive. Poor customer service is also a key driver for switching.

Bank Switching Satisfaction

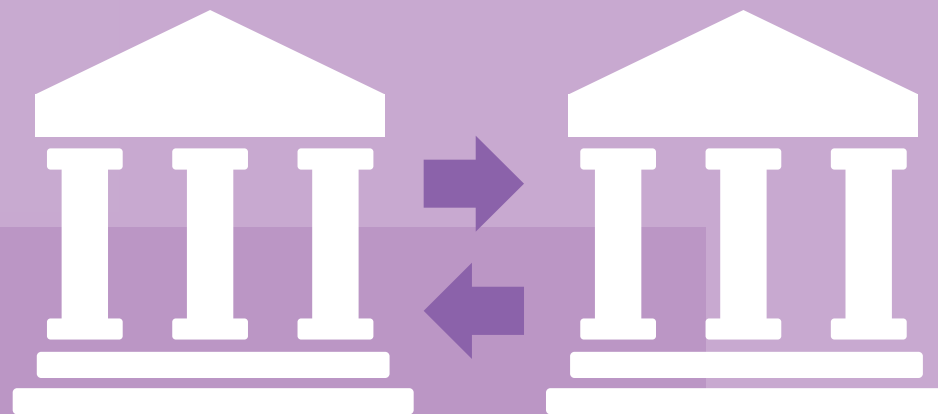
Section 4



Nearly three quarters of Irish bank switchers are satisfied with the move with just 7% saying they were dissatisfied.

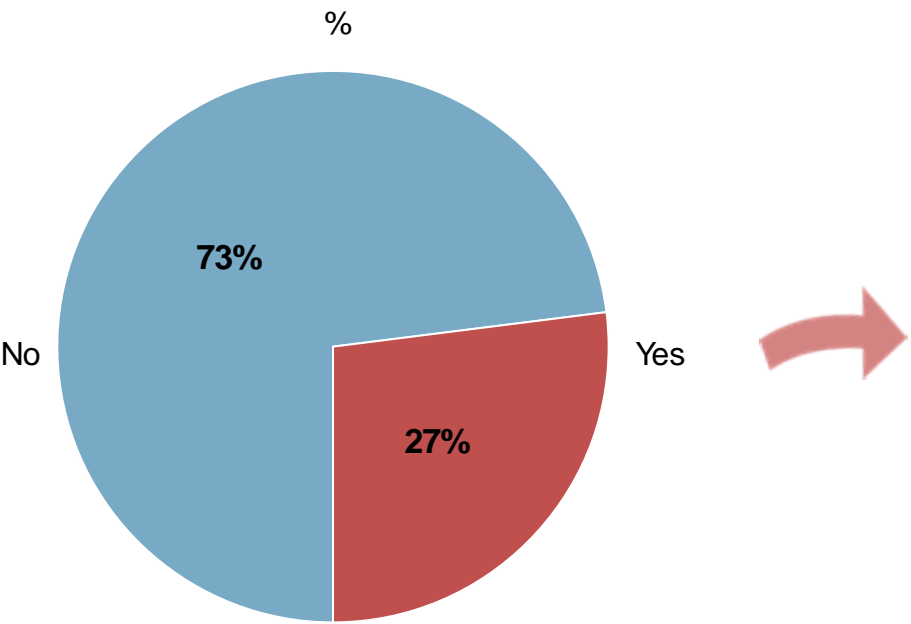
Section ⑤

Financial Management – Switching Code



Awareness of Ten Day Switch Over

(Base: All Irish adults – 1,000)



Demographics

Gender		%
Male		28
Female		26

Age		%
16-24		19
25-34		27
35-44		26
45-54		29
55+		31

Region		%
Dublin		27
Rest of Leinster		30
Munster		24
Connaught/Ulster		26

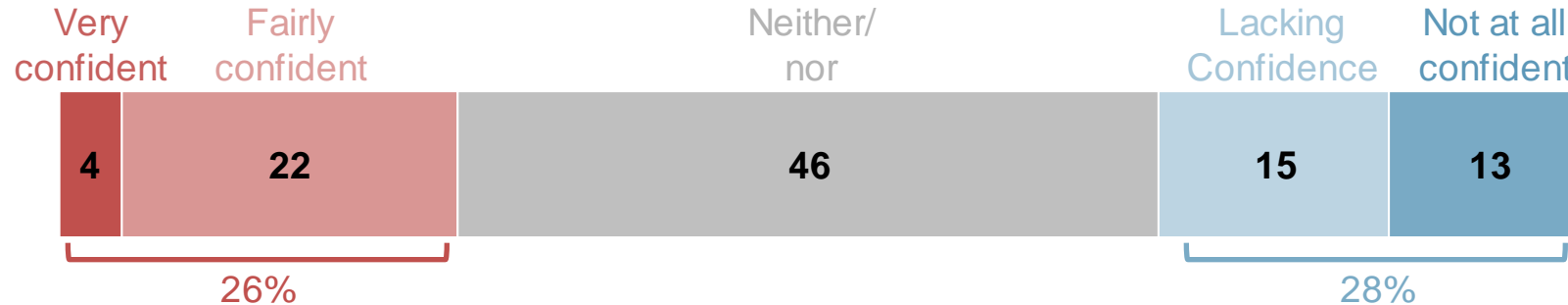
Bank		%
Switched		39
Didn't switch		26

Only a quarter of Irish adults were aware that a ten day switch over was in place for bank switching. Those who have switched are more likely to know this.

Confidence in Banks Complying with Ten Day Switch

Section 5

(Base: All Irish adults – 1,000)



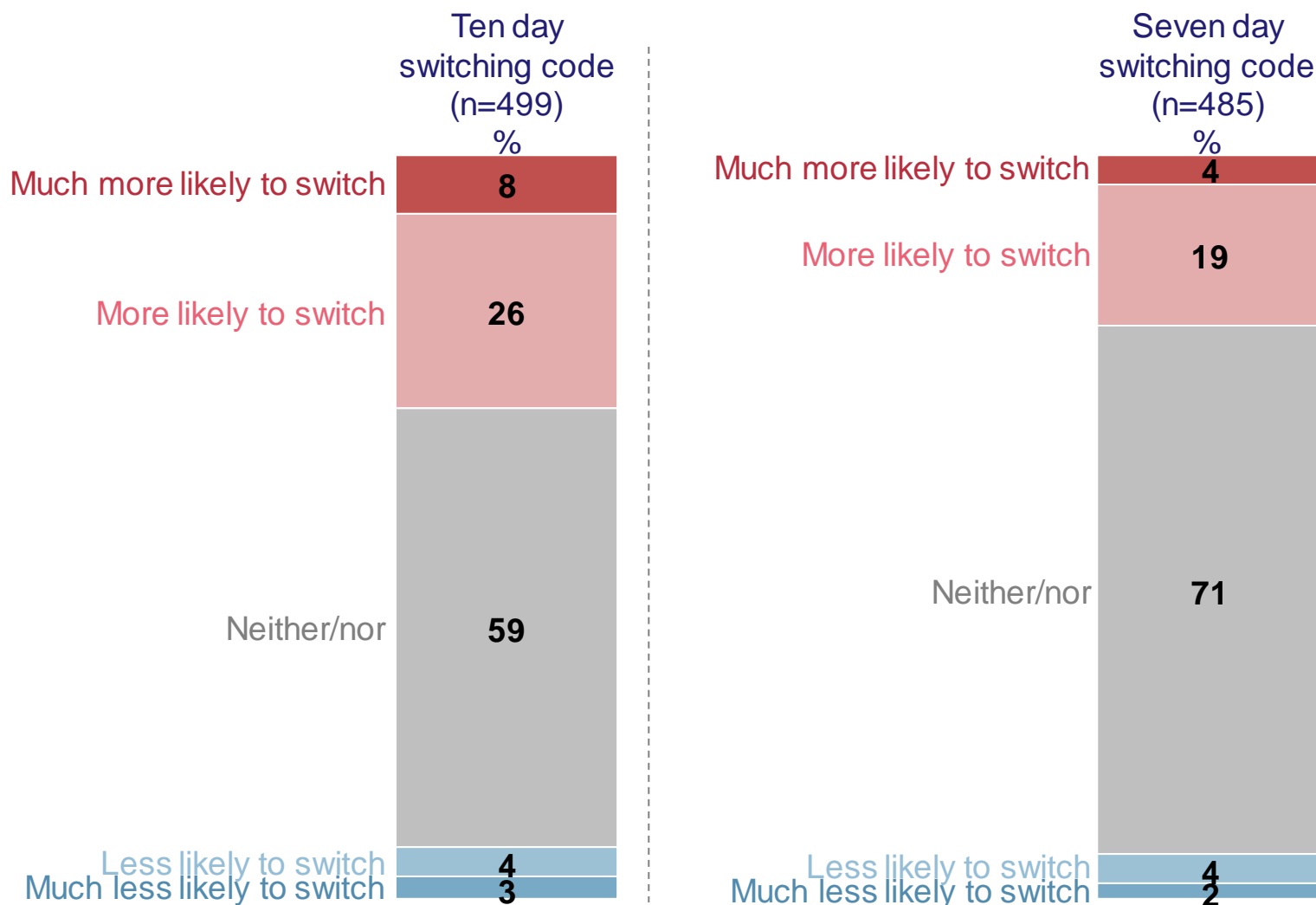
Reasons for lacking confidence



Nearly 3-in-10 lack confidence that the banks are upholding the 10 day switching code while a quarter are confident that they are. Those lacking confidence say it is too difficult a task to complete in 10 days or are negative towards banks in general.

Impact of 7/10 Switching Code on Likelihood to Switch

Section 5



34% said they would be more likely to switch if the 10 day switching code was enforced. Only 23% said they'd be more likely to switch if a 7 day switching code was introduced – perhaps as they feel this is not feasible.

Section 6

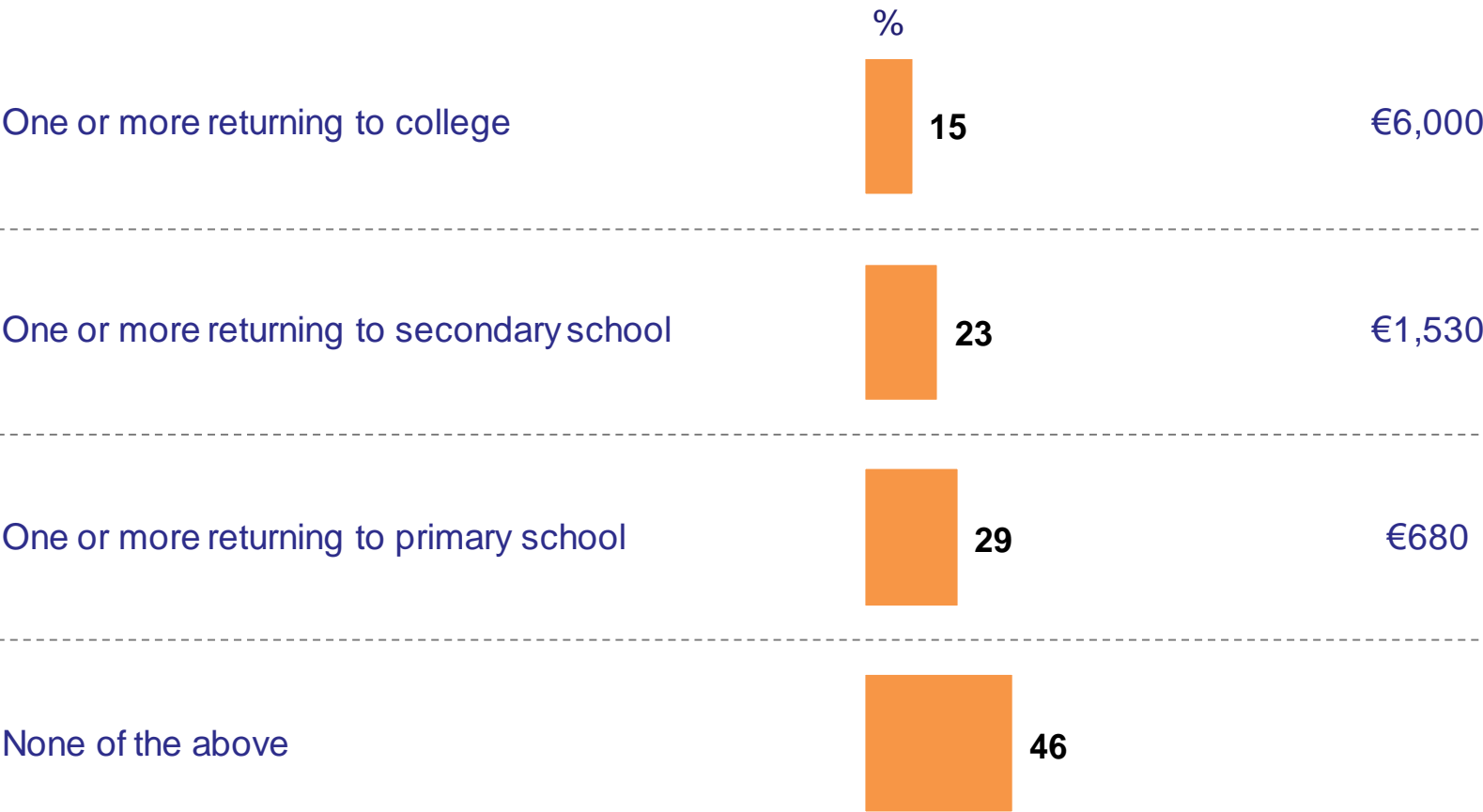
Financial Management – Children & Relationships



Cost of Children Going Back to School

(Base: All Irish adults – 1,000)

Average Cost

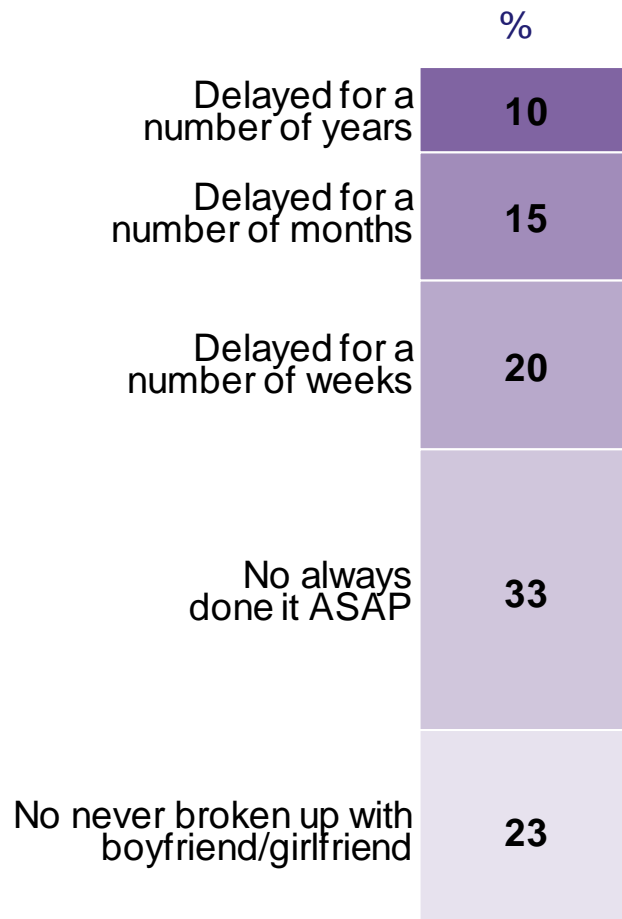


The cost of sending children back to school continues to increase with parents saying the cost of college child costs €6,000 on average between fees, accommodation, books/materials etc.

Delaying Breaking up with Boyfriend/Girlfriend

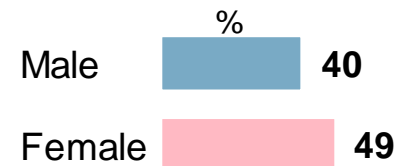
Section 6

(Base: All Irish adults – 1,000)

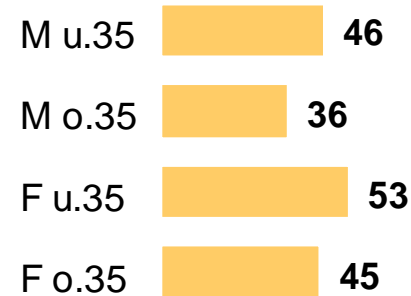


Demographics

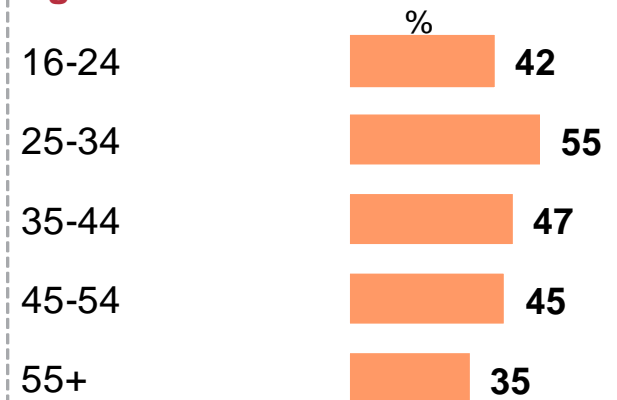
Gender



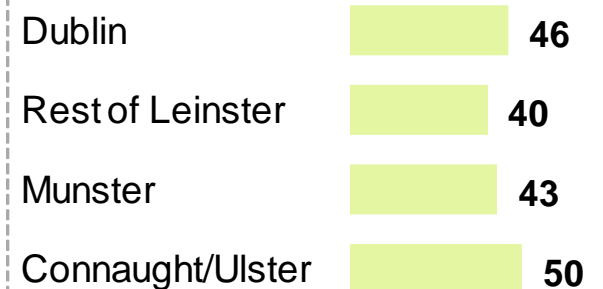
Gender by age



Age



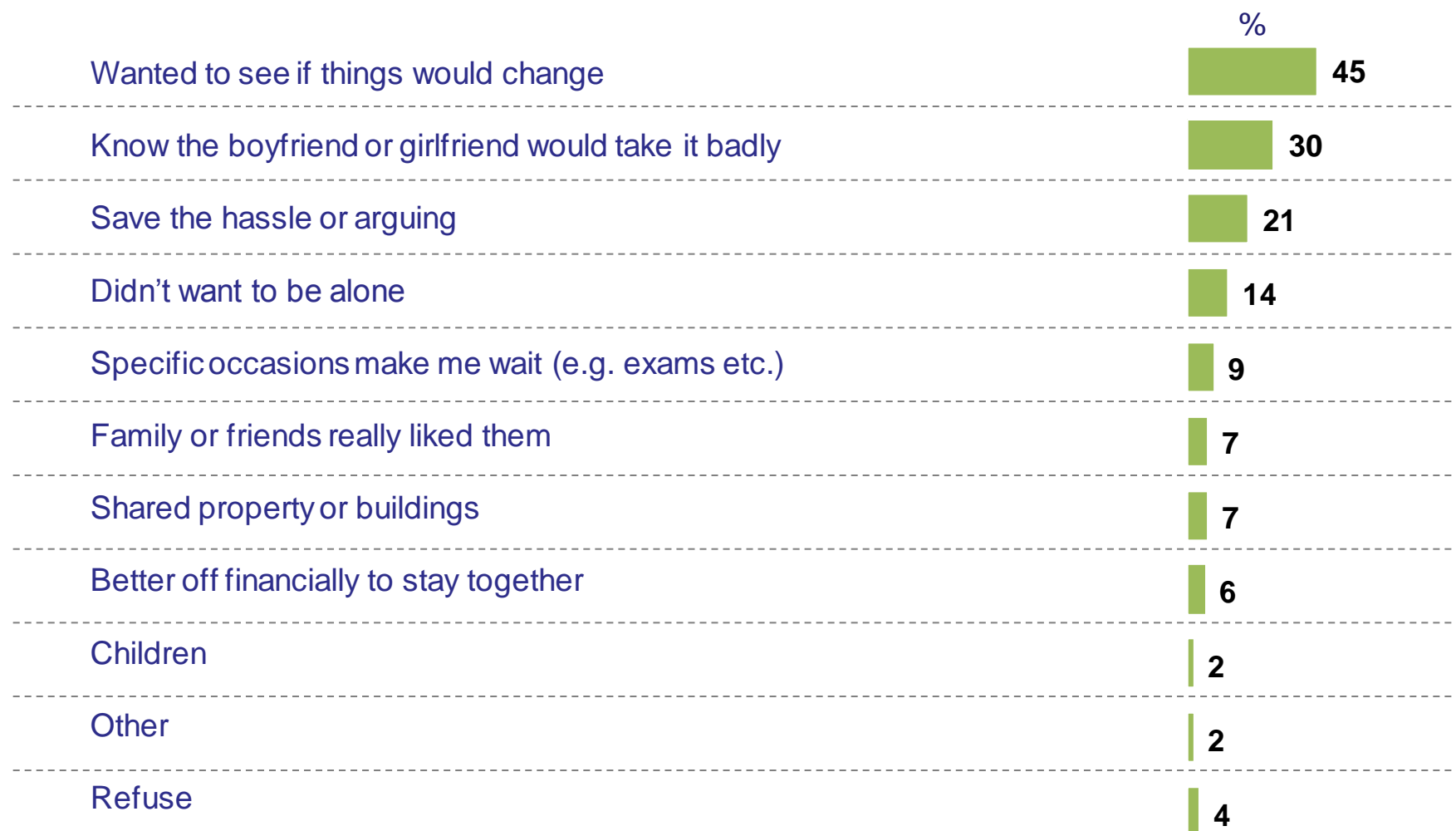
Region



45% of Irish adults have delayed breaking up with a boyfriend/girlfriend – this is most common among females aged under 35 and 25-34 year olds in general suggesting it is a more recent phenomenon.

Reason for Delaying Breaking up with Boyfriend/Girlfriend Section 6

(Base: All Irish adults – 1,000)



The main reason for delaying a break up is that people feel the situation may change while others (30%) knew their partner would get upset. A fifth (21%) say they just want to avoid the hassle or arguing.

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 July 21st – 28th 2014.

