

permanent tsb switching index



permanent tsb

executive summary

The new permanent tsb switching index shows that switching levels in general have remained constant across all industries, quarter on quarter.

This research, continues to highlight the lack of mobility in the banking sector relative to the previous research in November 2013. Only 1-in-10 (9%) banking decision makers have switched in the past 12 months well behind the switching leaders Car Insurance, where one third switched within the past year (36%).

Relative to the first wave of research, banking customers are still experiencing high levels of frustration, they are also conscious of increasing prices and negative media and news commentary, factors which typically lead to higher switching levels.

The permanent tsb Switching Index figures have remained relatively steady since November. While the banking score increased to 48 (from 47), this was counter-acted by a positive shift across Electricity and Broadband, meaning Banking still lags behind.

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.

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 and again in January 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

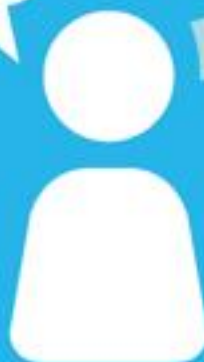
Appendix: Research Methodology



Section ①

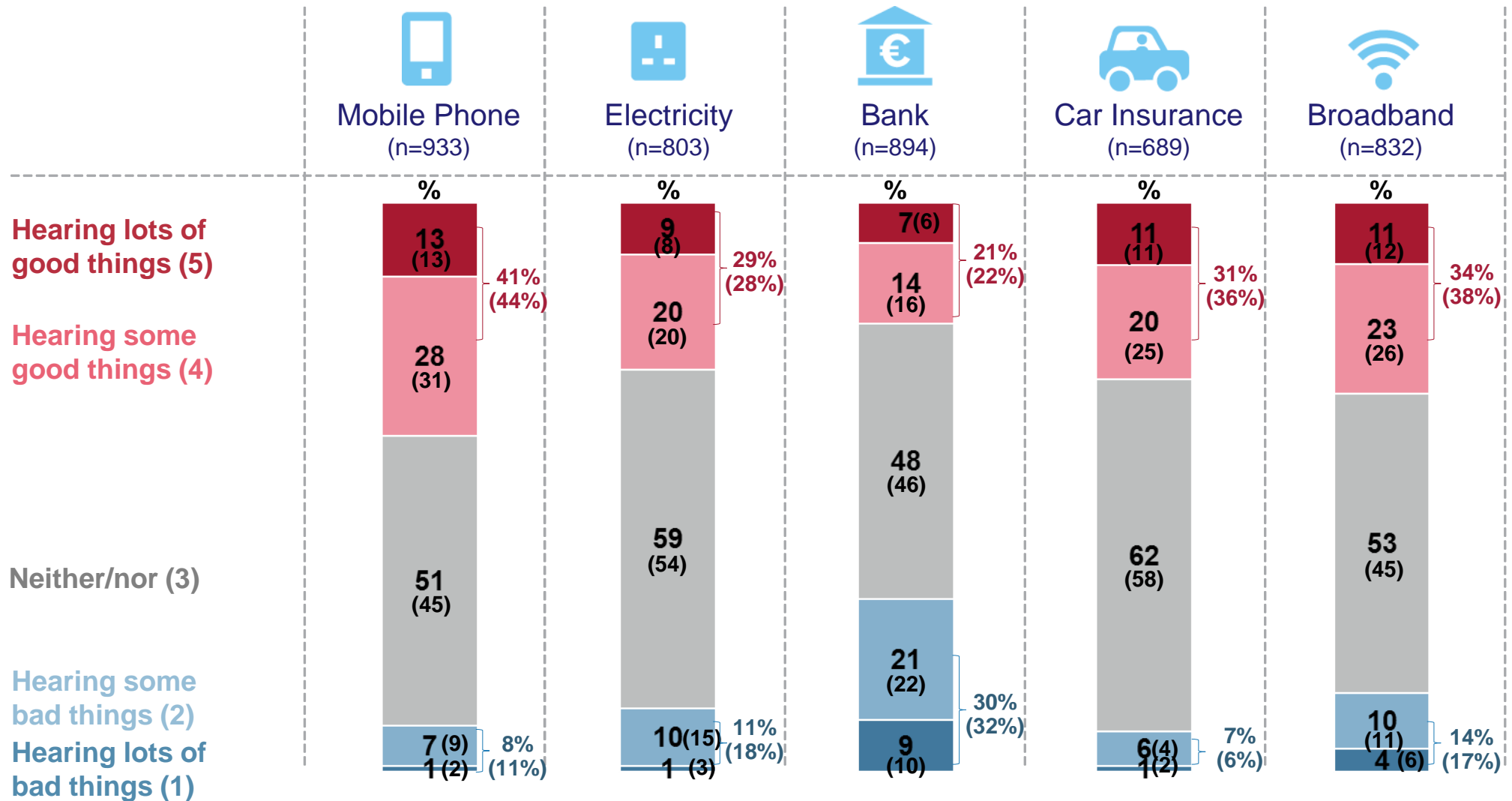
Attitudes Towards Providers –

What consumers really think



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

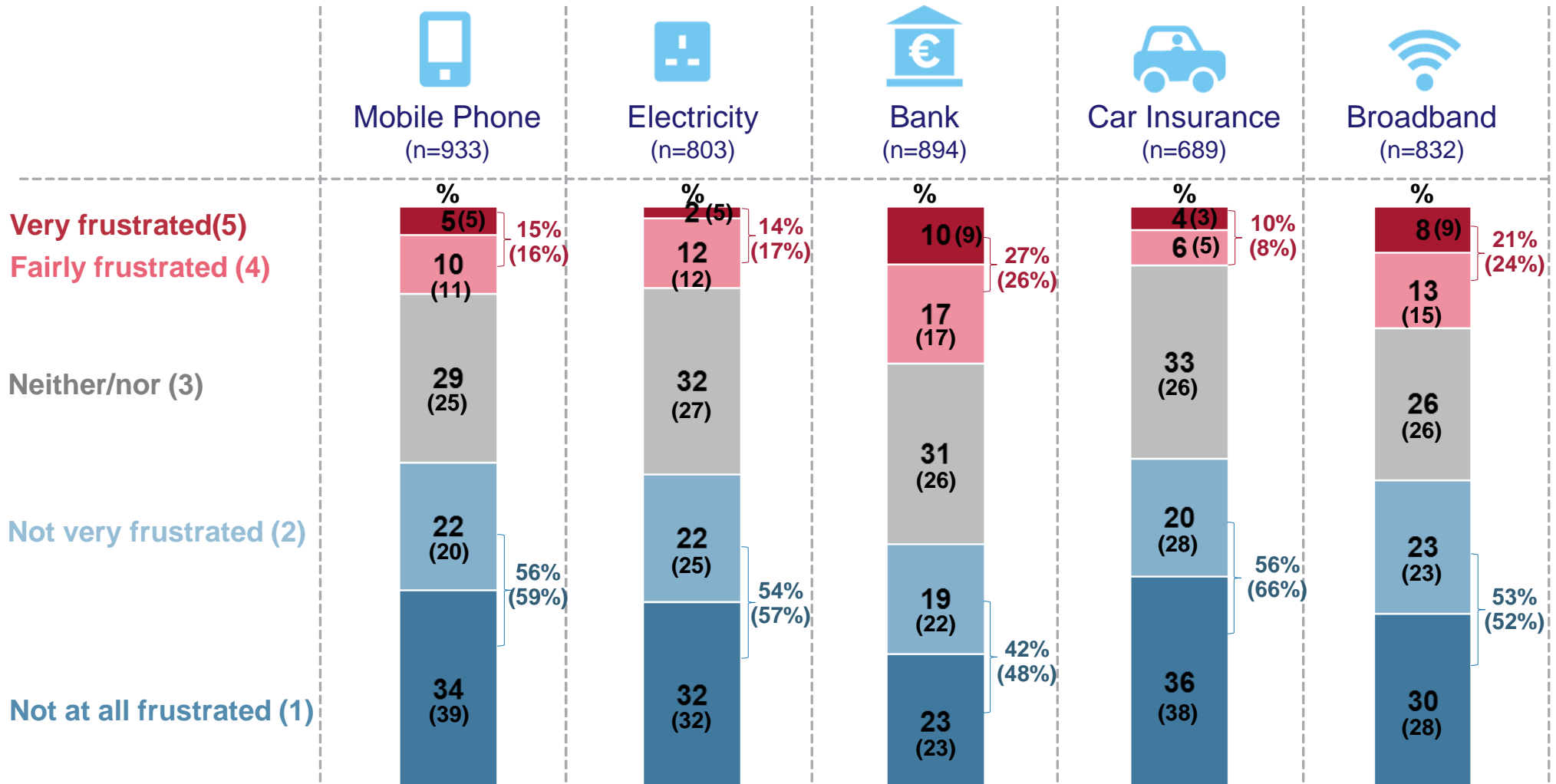
(Base: All with decision making responsibility)



The amount of people saying they are hearing good things has fallen across nearly every category since November 2013. The number of people hearing bad things about the banks remains highest at one in three, twice as high as broadband, the next poorest performer.

Level of Frustration with Current Providers

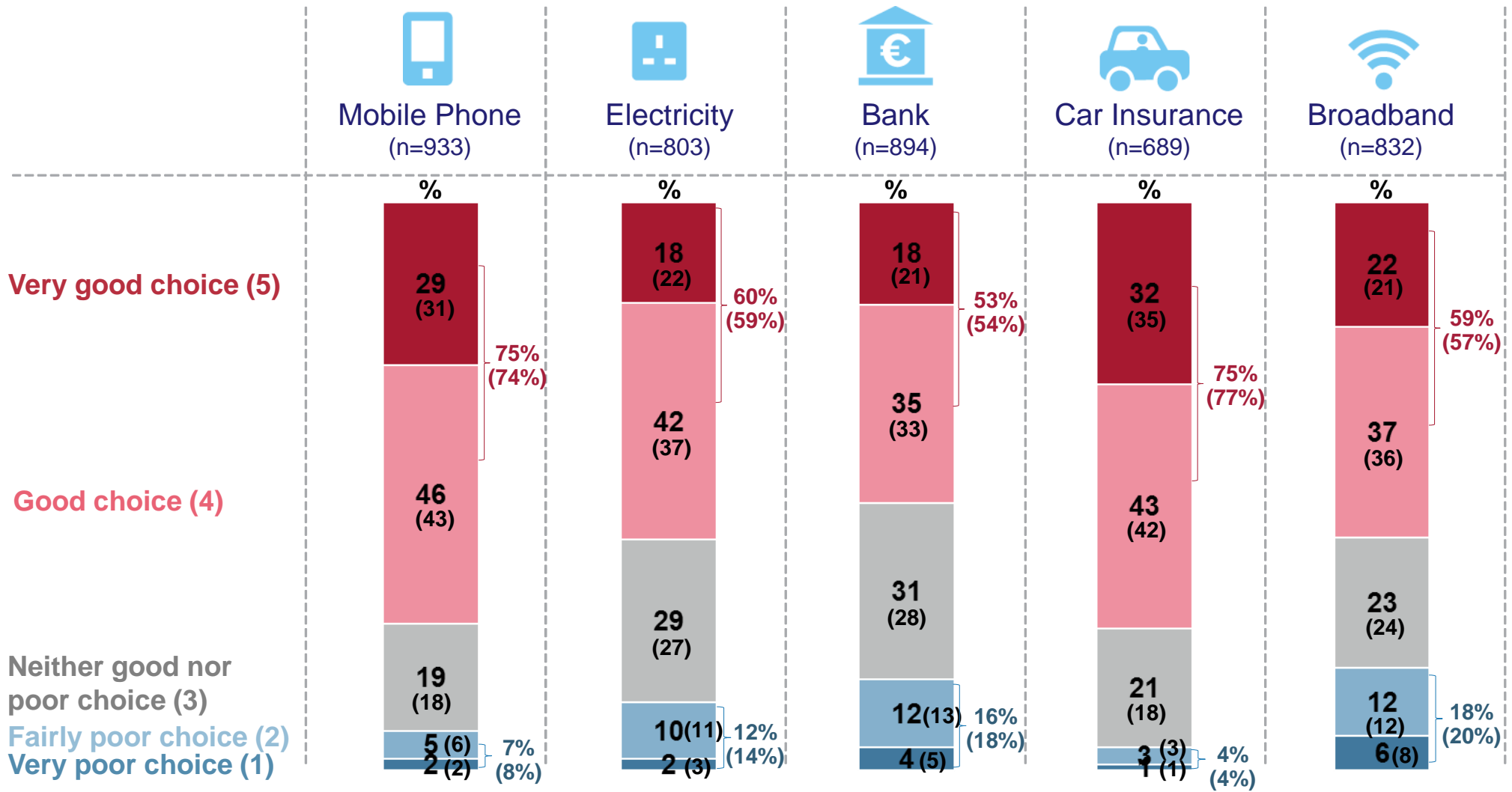
(Base: All with decision making responsibility)



Frustration levels across providers remain relatively constant in comparison to November 2013. The banking sector continues to deliver the most frustration as over a quarter are very or fairly frustrated.

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

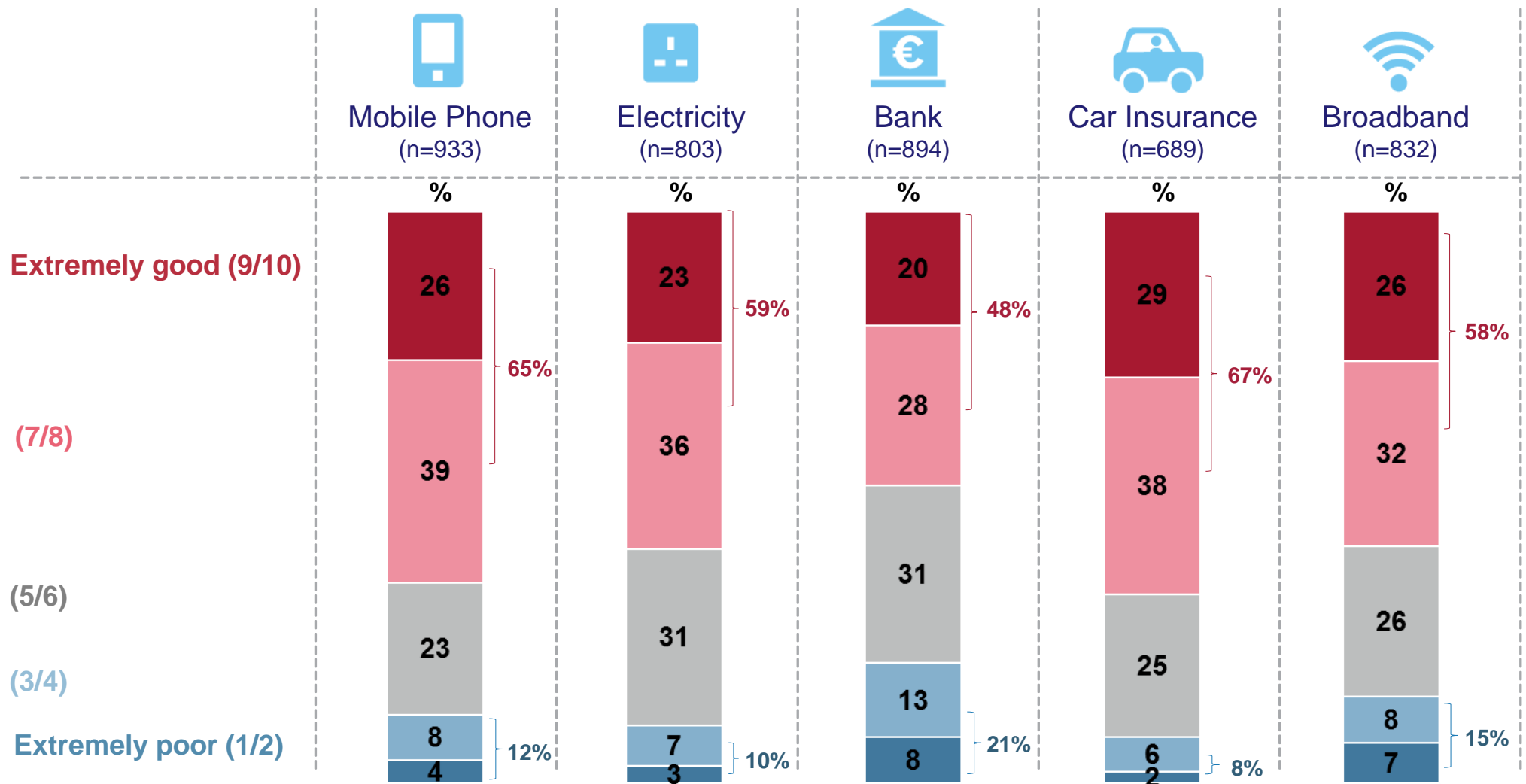
(Base: All with decision making responsibility)



Around three quarters of Irish adults continue to say that there is good choice in the mobile phone and car insurance sectors. Just over half feel this is the case for banking, while nearly a fifth feel there is poor choice in the broadband sector.

Relationships – how good or poor are our relationships with service providers? Section 1

(Base: All with decision making responsibility)



Mobile phone providers and car insurance providers have a good relationship with approximately two thirds of their customers. This falls to just below half for banks with one in five saying their banking relationship is poor.

Section ②

Switching & Prices –

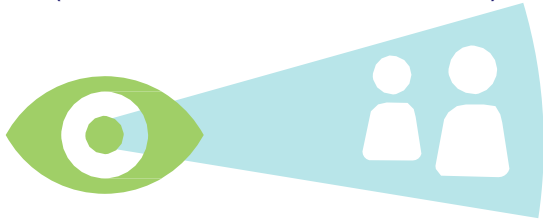
Perception versus reality



Attitudes to Switchers in General

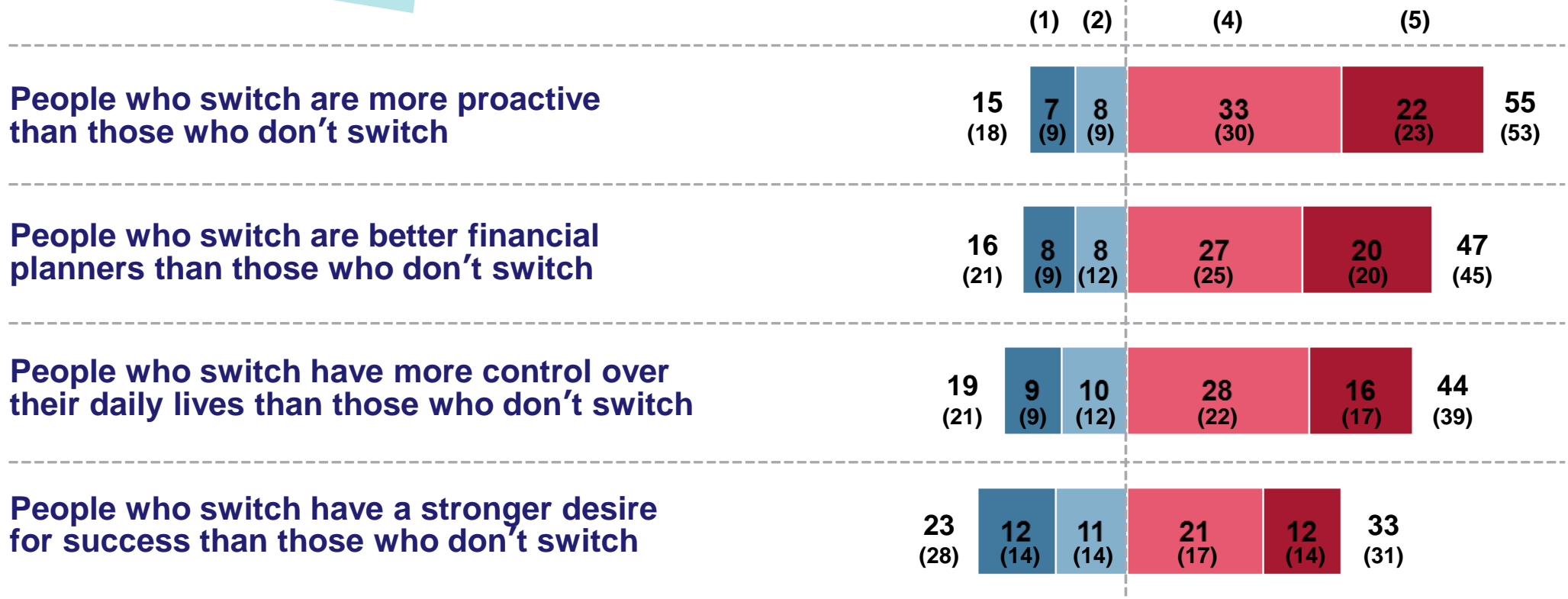
Section 2

(Base: All Irish adults – 1003)



Strongly Disagree %

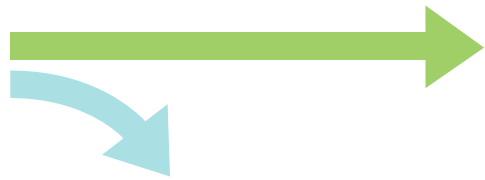
Strongly Agree %








Attitudes to switchers remain positive as over half feel they are more proactive, while just less than half say they are better financial planners than non switchers.

Switching Patterns – Past 12 Months and Ever

(Base: All with decision making responsibility)

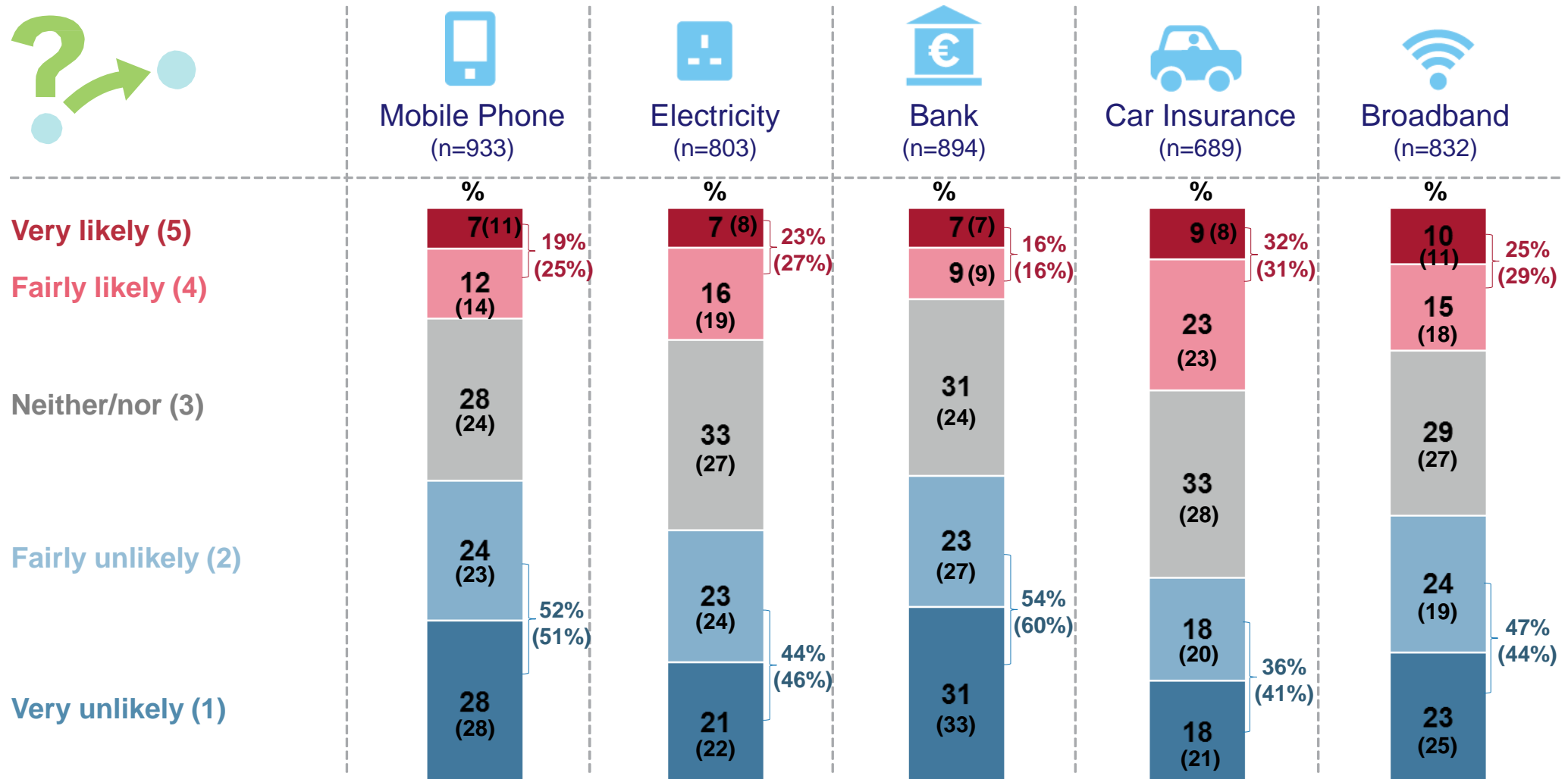
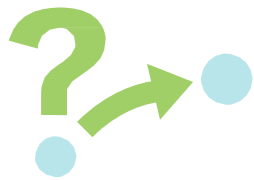


		12 Months %	Ever %
	Car Insurance	36 (34)	65 (60)
	Electricity	28 (26)	50 (49)
	Broadband	27 (26)	48 (47)
	Mobile Network	21 (21)	49 (46)
	Bank	9 (10)	27 (29)

Car insurance continues to be the most switched category as over 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.

Likelihood to Switch Provider in the Next 12 Months

(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. This is in stark contrast to the banking sector where only one in six say they are likely to switch within the next year.

Perceived Difficulty of Switching Banks

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

Switching banks is much harder than switching...



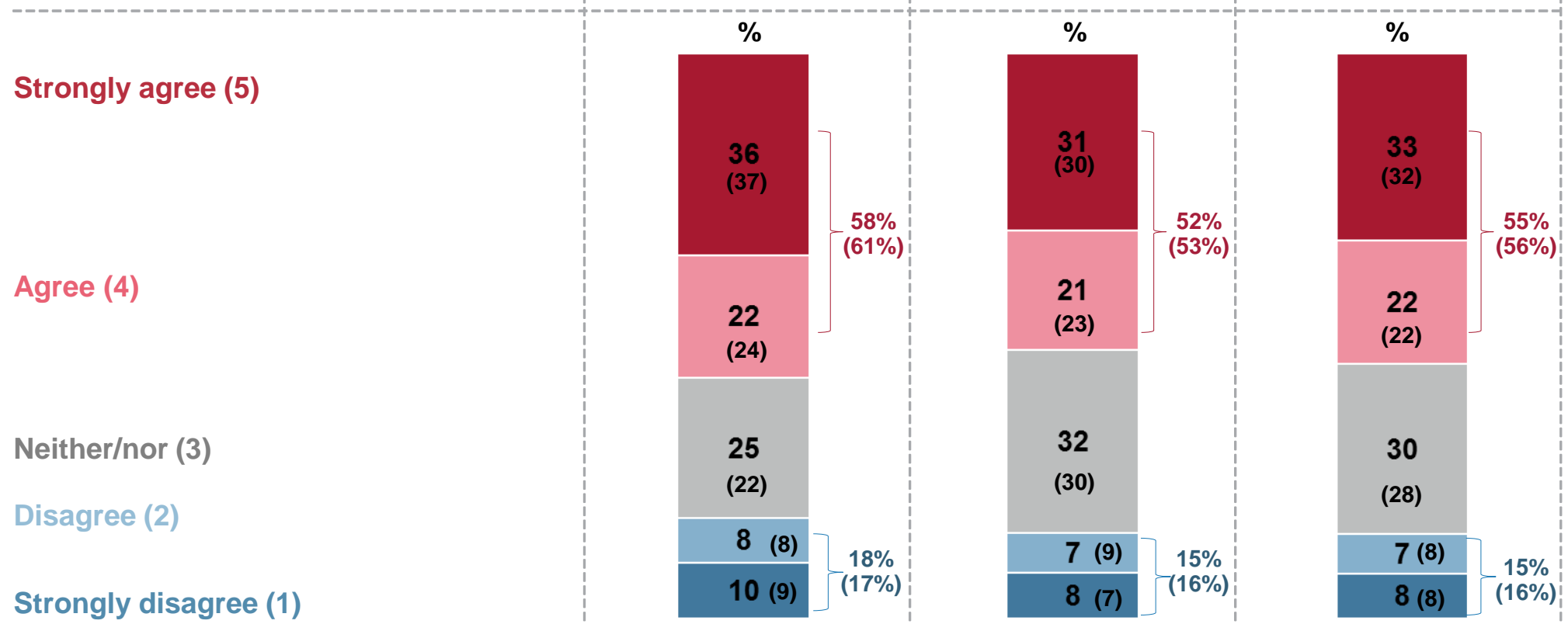
Mobile Phone



Electricity



Car Insurance



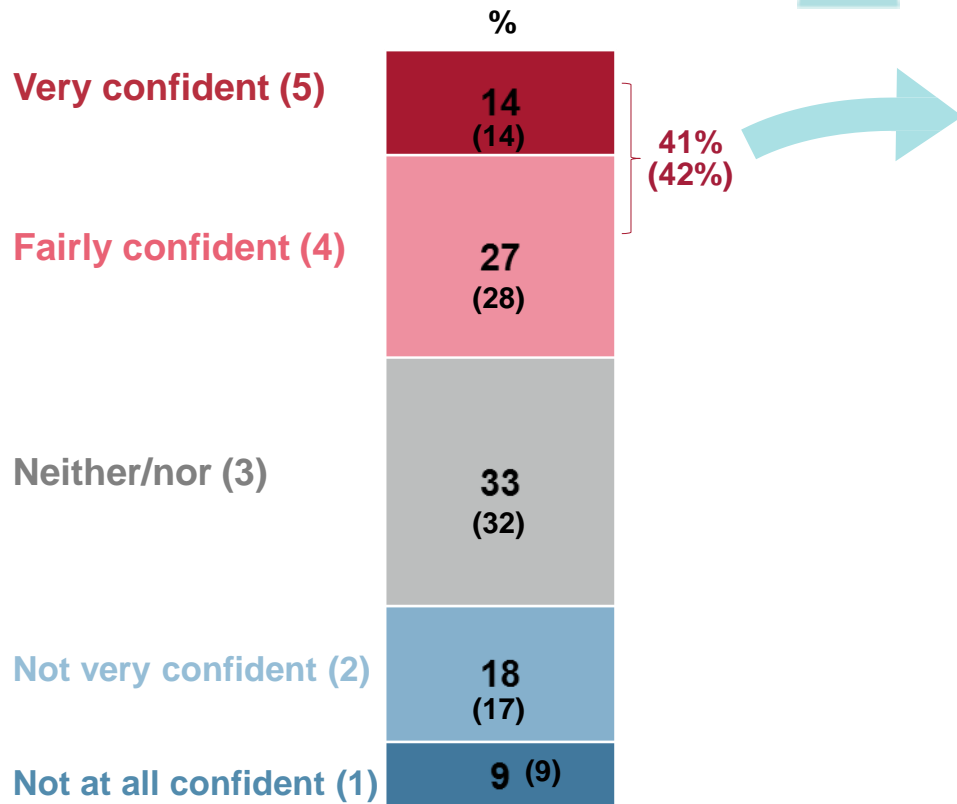
Switching banks is perceived to be more difficult than switching mobile phone, car insurance or electricity provider. This has not changed significantly since November 2013 showing the in-grained attitudes towards bank switching.

Confidence in Bank Switching

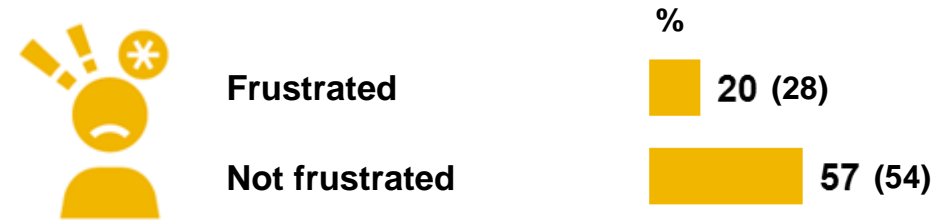
Section 2

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

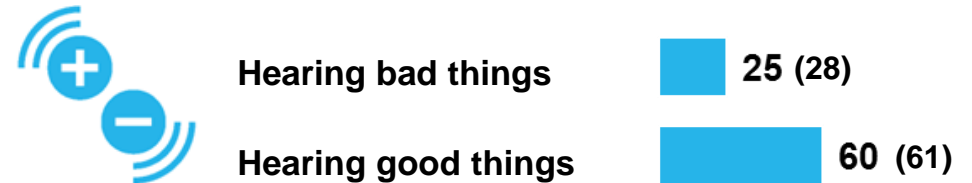
Confidence That Switch Would be Quick and Smooth



Frustration With Bank



Buzz About Bank



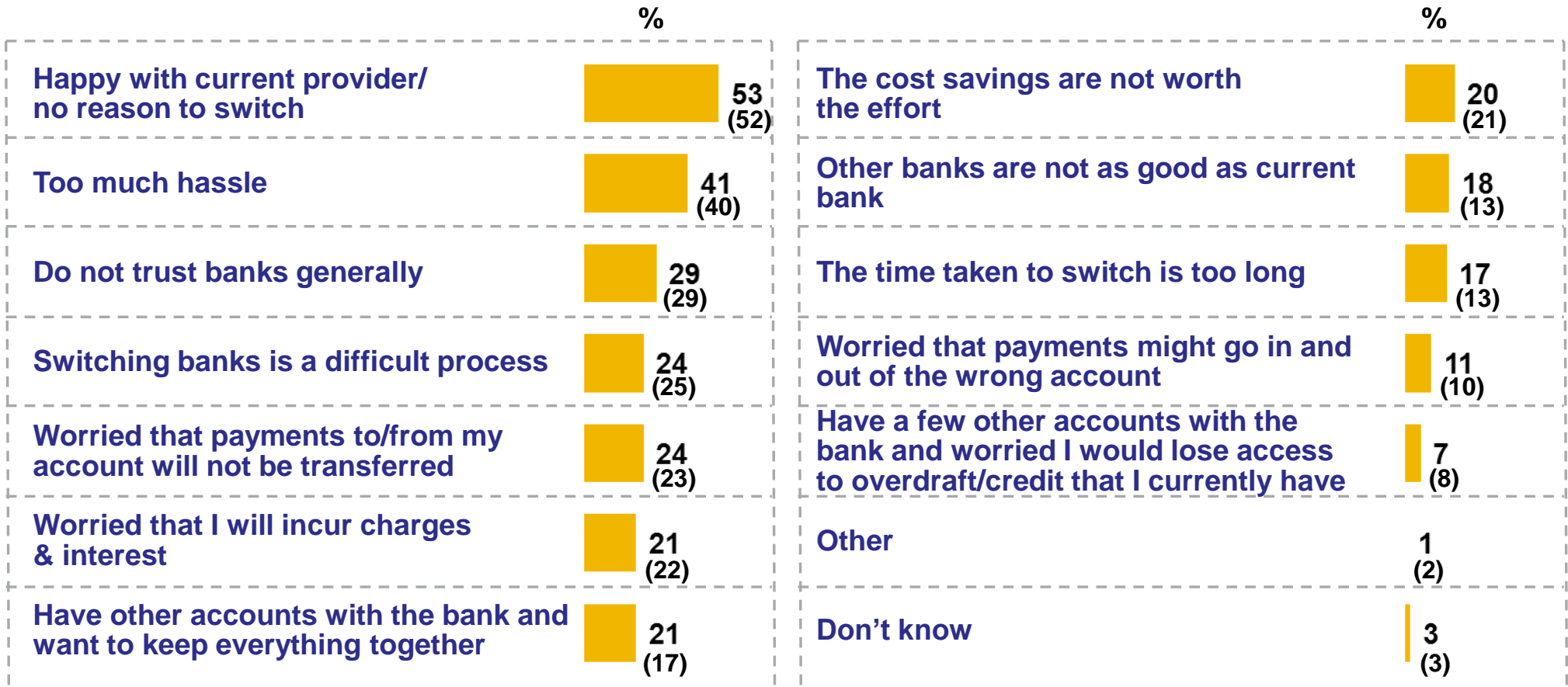
Switched Bank in Last 12 Months



Two fifths of current account holders are confident that the switching process would be quick and smooth. Those who are frustrated with their current bank are far less likely to agree, as are those who are hearing bad things about the banking sector.

Barriers to Switching Banks

(Base: All who have never switched banks – 590)



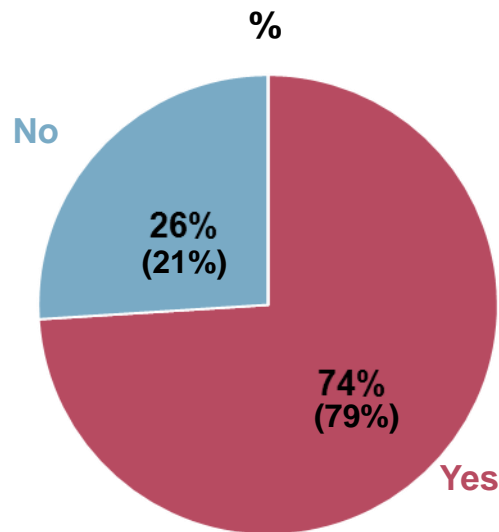
While over half of current account holders continue to say they are happy with their current provider, the feeling that switching is too much hassle, or fears surrounding the account transfer process continue to act as barriers for switching.

Awareness of Bank Charges

Section 2

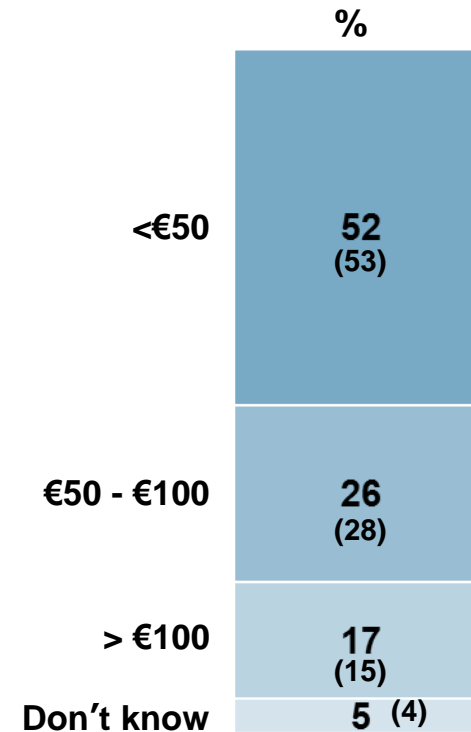
(Base: All with a main current account – 982)

Knowledge of Charges



(n=726)

Estimated Cost per Annum

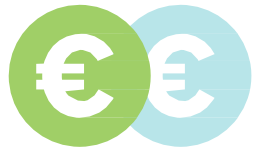


Three quarters say they are aware of their bank charges, a slight decrease since November 2013. This is a worrying trend as it indicates people are becoming accustomed to bank charges. Bank charge estimates are similar to November 2013 as the majority say they pay less than €50 per month.

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)

Prices are...

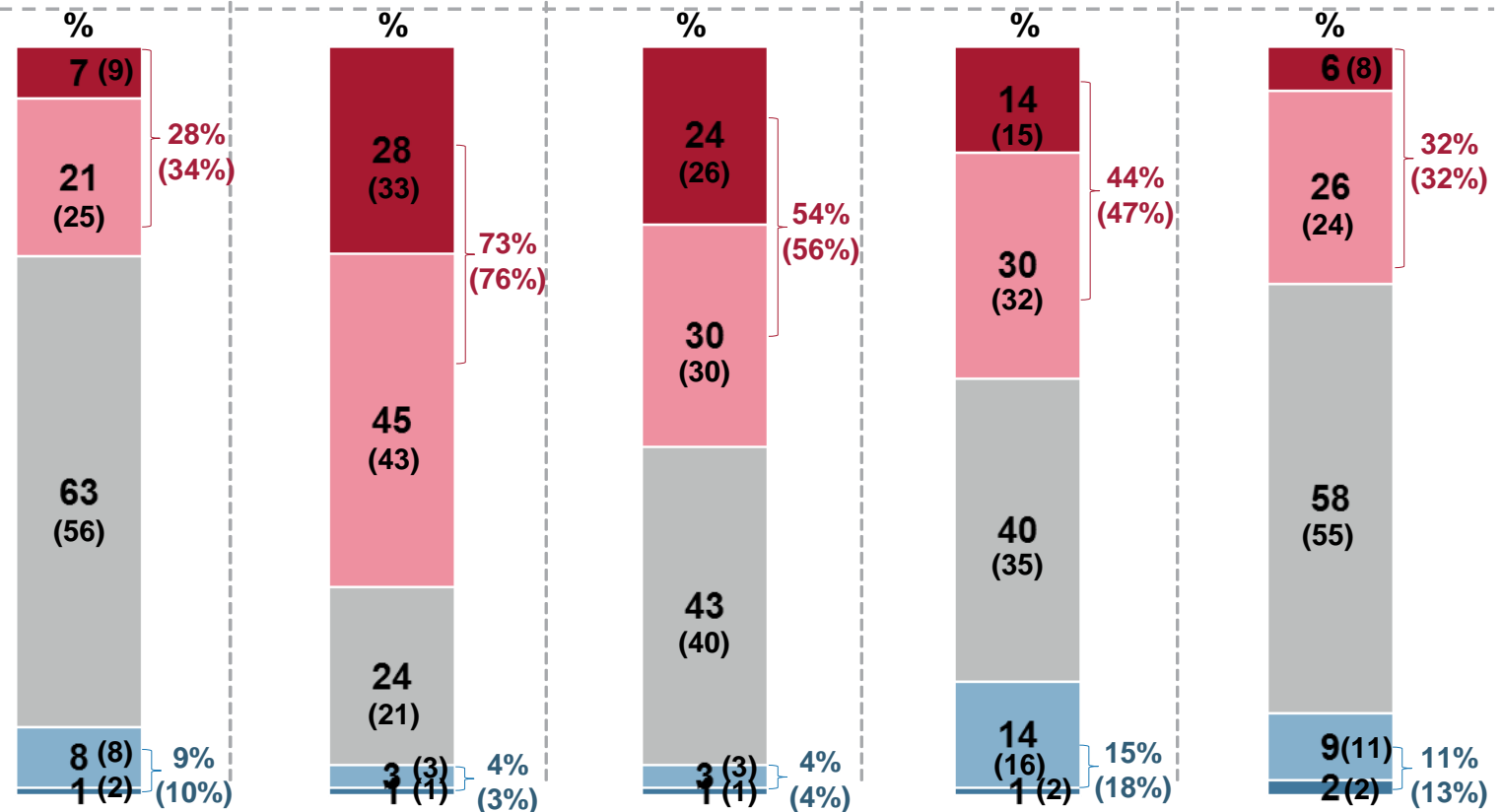
Going up a lot (5)

Going up a little (4)

Neither/nor (3)

Going down a lot (2)

Going down a little (1)



Electricity continues to be the worst performer regarding perceptions of price increases. The number who feel mobile phone charges are increasing has dropped the most from 34% to 28% since November 2013. Over half continue to say bank charges are increasing.

Section ③

The permanent tsb Switching Index:

Are we prepared to make the move?



The permanent tsb Switching Index

Section 3



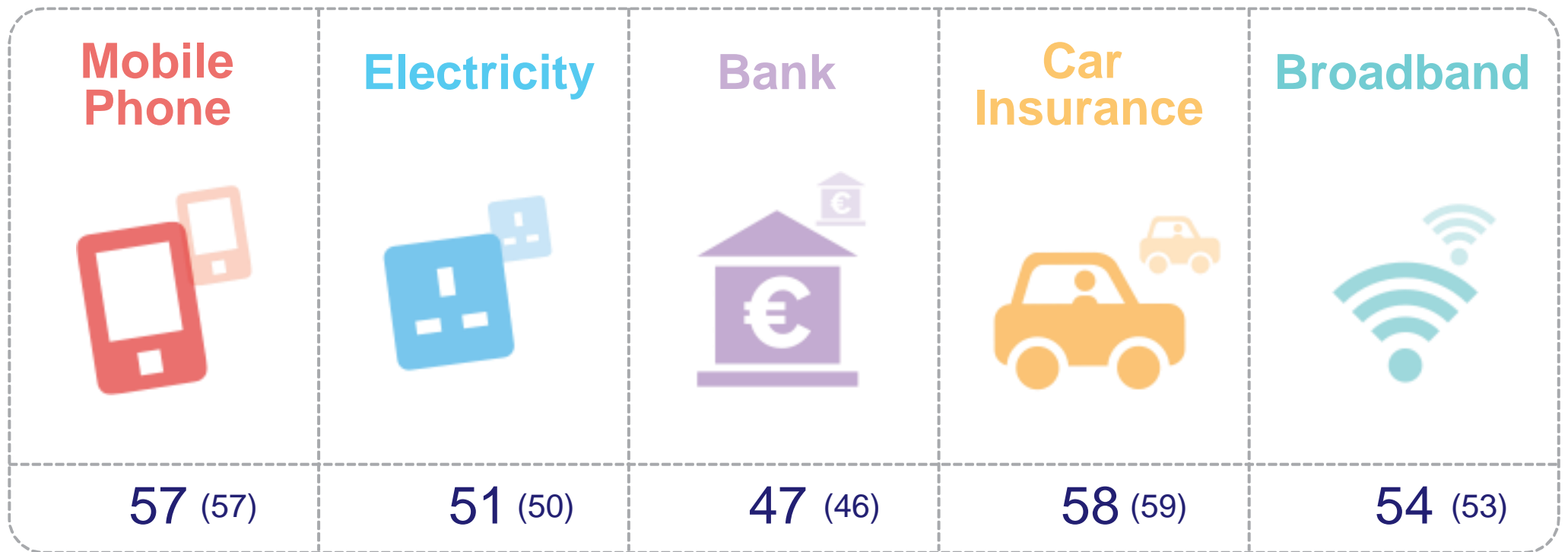
Index

**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



The banks' index score of 47 is below all other sectors and is well below the car insurance sector.

Section ④

Financial Switching –

The savvy customer



Push or Pull Factors in Bank Switching

(Base: All banking decision makers who have switched – 82*)

%



Appeal of New Bank

40
(37)

(n=33*)

60
(63)

(n=49*)

Dissatisfied with Previous Bank



“Cost savings
(Lower charges).”

“Better customer
service.”

“Poor customer
service.”

“Local branch
closed.”

“Better
opening hours.”

“Conveniently
located branch.”

“Too many
individual
charges.”

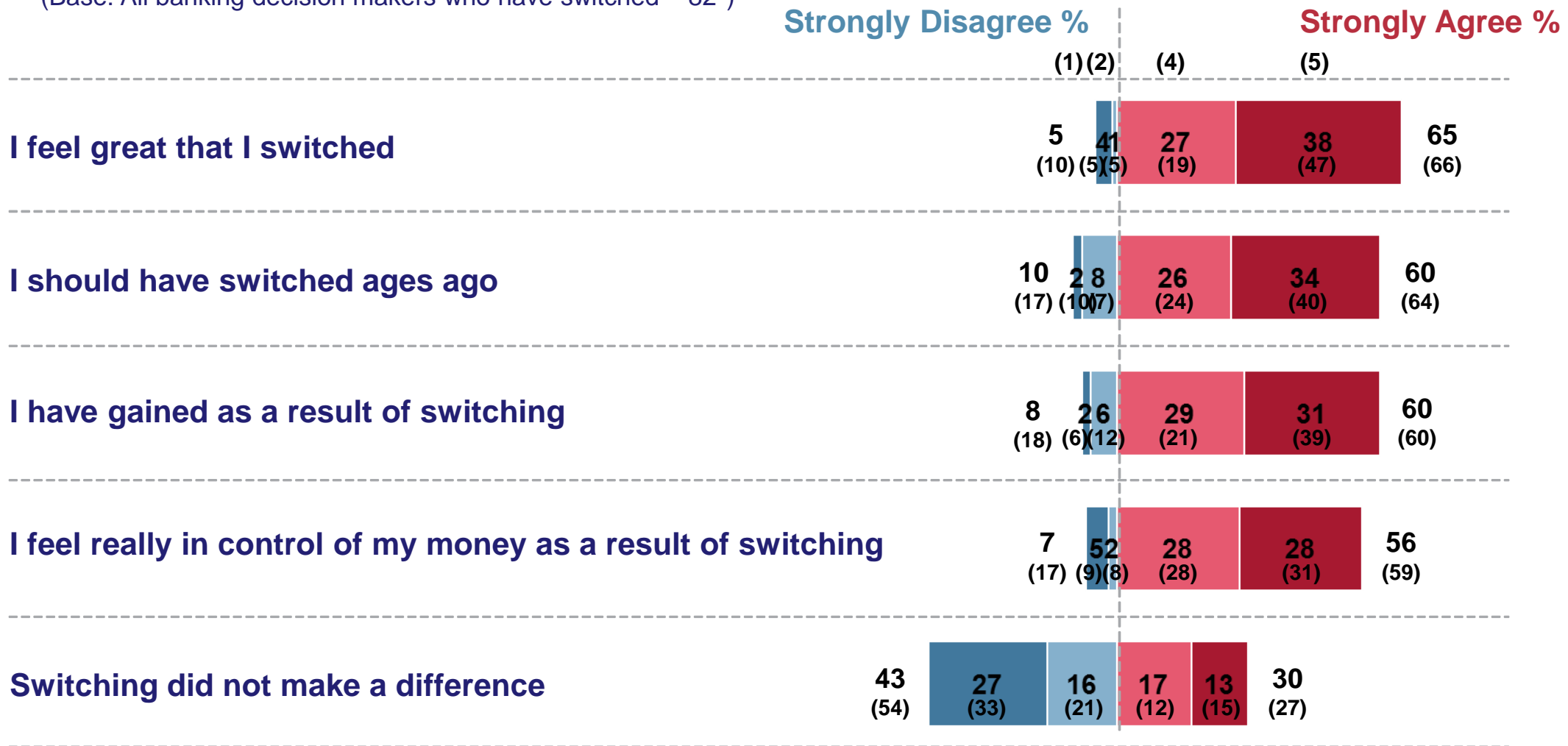
“New bank charges
introduced.”

The decision to switch banks continues to be driven by push rather than pull factors. Customers are leaving due to poor customer service, individual bank charges, local branch closure and the introduction of new charges.

*caution small base size

Attitudes to Switching Banks – I

(Base: All banking decision makers who have switched – 82*)

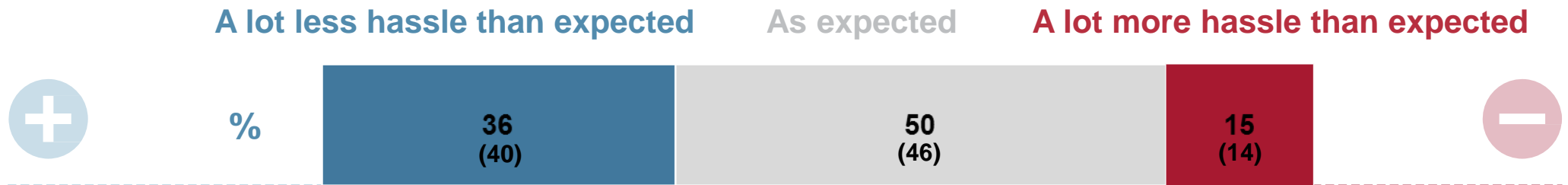


Attitudes remain very positive to the bank switching experience, as two thirds say they feel great about switching and three fifths think they should have done it ages ago. Another three fifths say they have gained as a result of switching while over half now have greater financial control.

*caution small base size

Attitudes to Switching Banks – II

(Base: All banking decision makers who have switched – 82*)



“I expected it to be a lot more strenuous.”

“My new bank did all the work for me.”

“Staff at new bank were very helpful.”

“Customer service was better from old bank.”

“There was a lot of paperwork involved.”

“Switching direct debits was laborious.”

Nearly two fifths say that switching banks was a lot less hassle than expected and half say that it was as expected. The level of support received at the new bank was central to this.

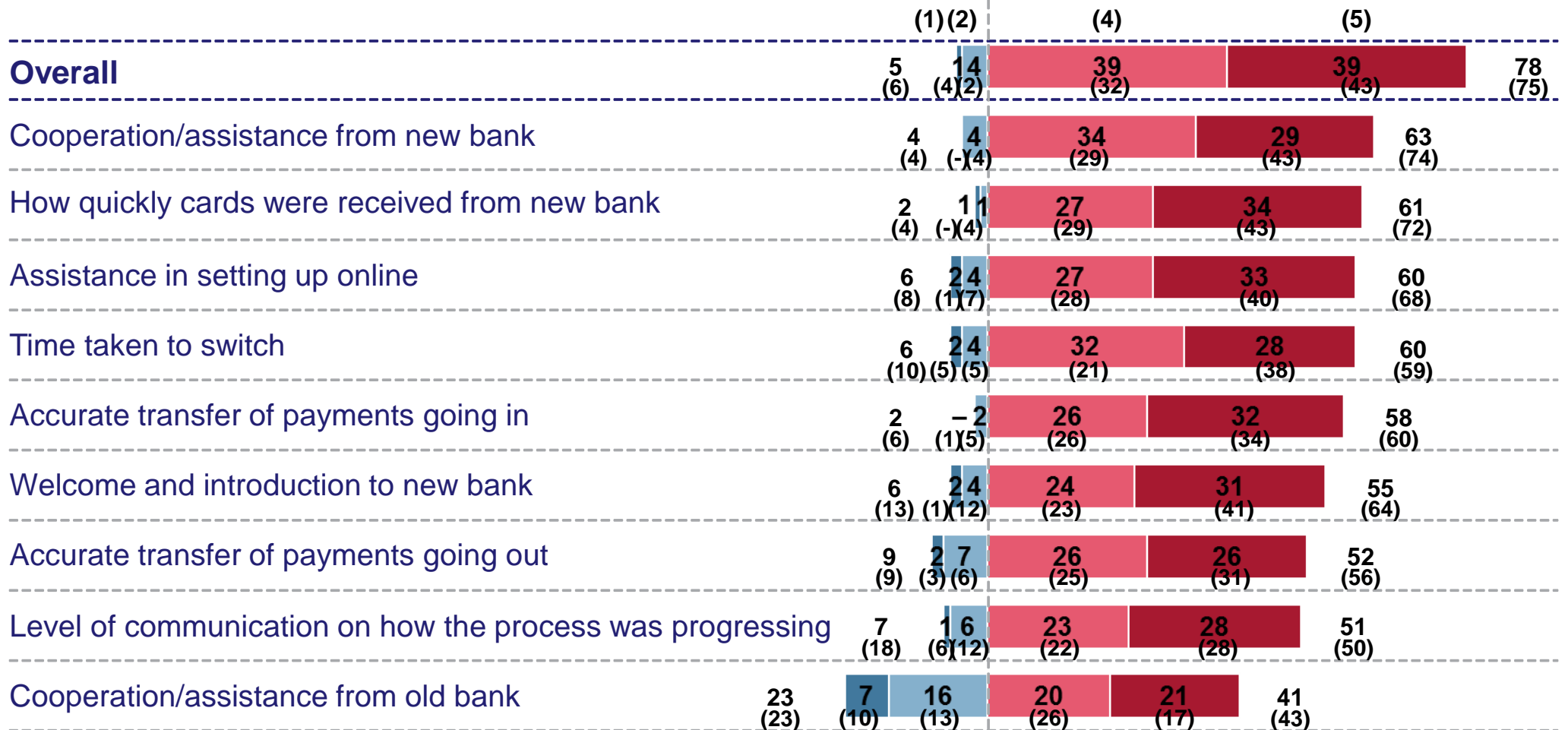
*caution small base size

Level of Satisfaction with Switching Process for Bank

(Base: All banking decision makers who have switched – 82*)

Very Dissatisfied %

Very satisfied %



Nearly eight in ten bank switchers said they were satisfied overall with the process. The majority were satisfied with the level of cooperation from the new bank and the receipt of credit/debit cards. The performance of their old bank continues to be a negative in the experience.

*caution small base size

Reasons for Being Satisfied/Dissatisfied/Neutral

(Base: All banking decision makers who have switched – 82*)



Satisfied

(n=64)

“Much easier to deal with new bank.”

“I’ve saved money.”

“New bank are very helpful.”

“Costs are more reasonable than previous bank.”

“Switching was easy.”



Neutral

(n=14)

“New bank is the same as previous bank.”

“Poor service in new bank.”



Dissatisfied

(n=4)

“They take too long to do anything.”

“Fees are a disgrace.”

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

*caution small base size

Savings Tactics 2013 & 2014

Section 4

(Base: All Irish adults– 1,003)



	2013 %	2014 %
Reduced spending on luxuries	31	31
Switched to discount retailers	26	12
Created personal/household budget	14	23
Switched providers	9	11
Bundled services	8	8
Switched to own brand	6	5
Switched product with providers	1	2
Start saving	*	1
Other	1	3

Looking beyond other savings tactics, individuals have been reducing spend on luxuries and switching to discount retailers to save more. This trend looks set to continue as many will reduce spend further and create a personal budget.

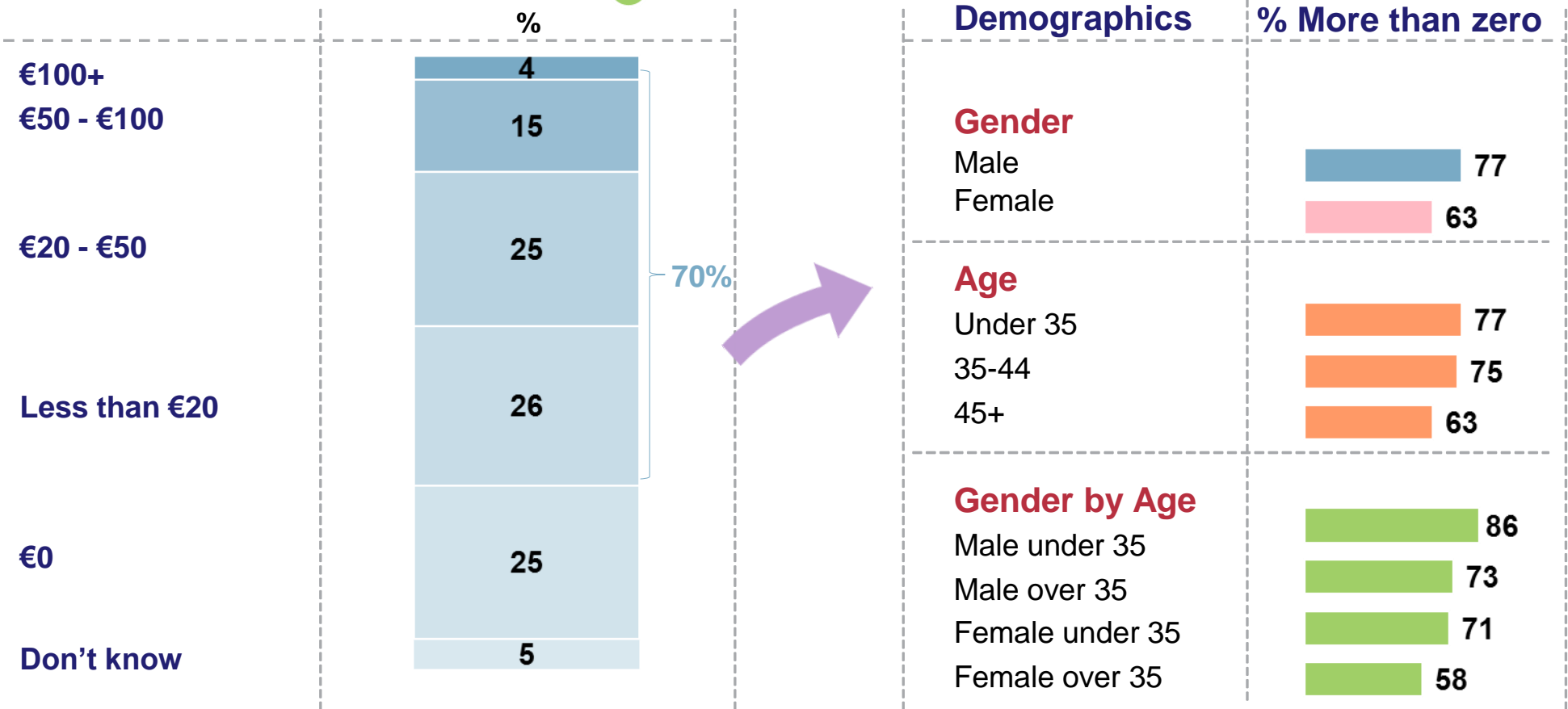
Section ⑤

Financial Management – Valentines Day



Predicted Valentines Day Spend

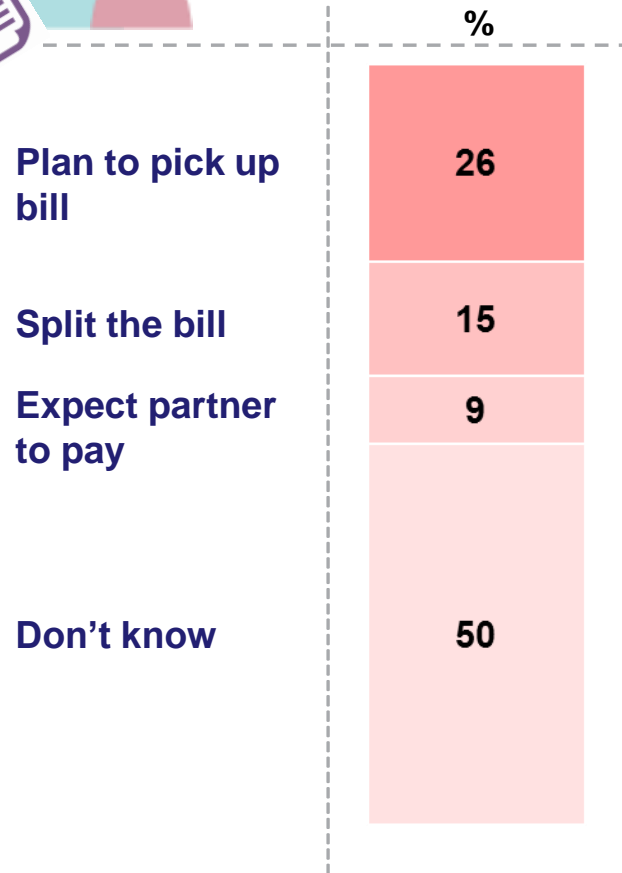
(Base: All married or living as married – 660)



Seven in ten adults who are married or living as married will spend this Valentine's day with one in five planning to spend €50 or more. Males under 35 are most likely to spend on gifts and meals this Valentine's day.

Valentines Day – Picking up the Bill

(Base: All married or living as married – 660)

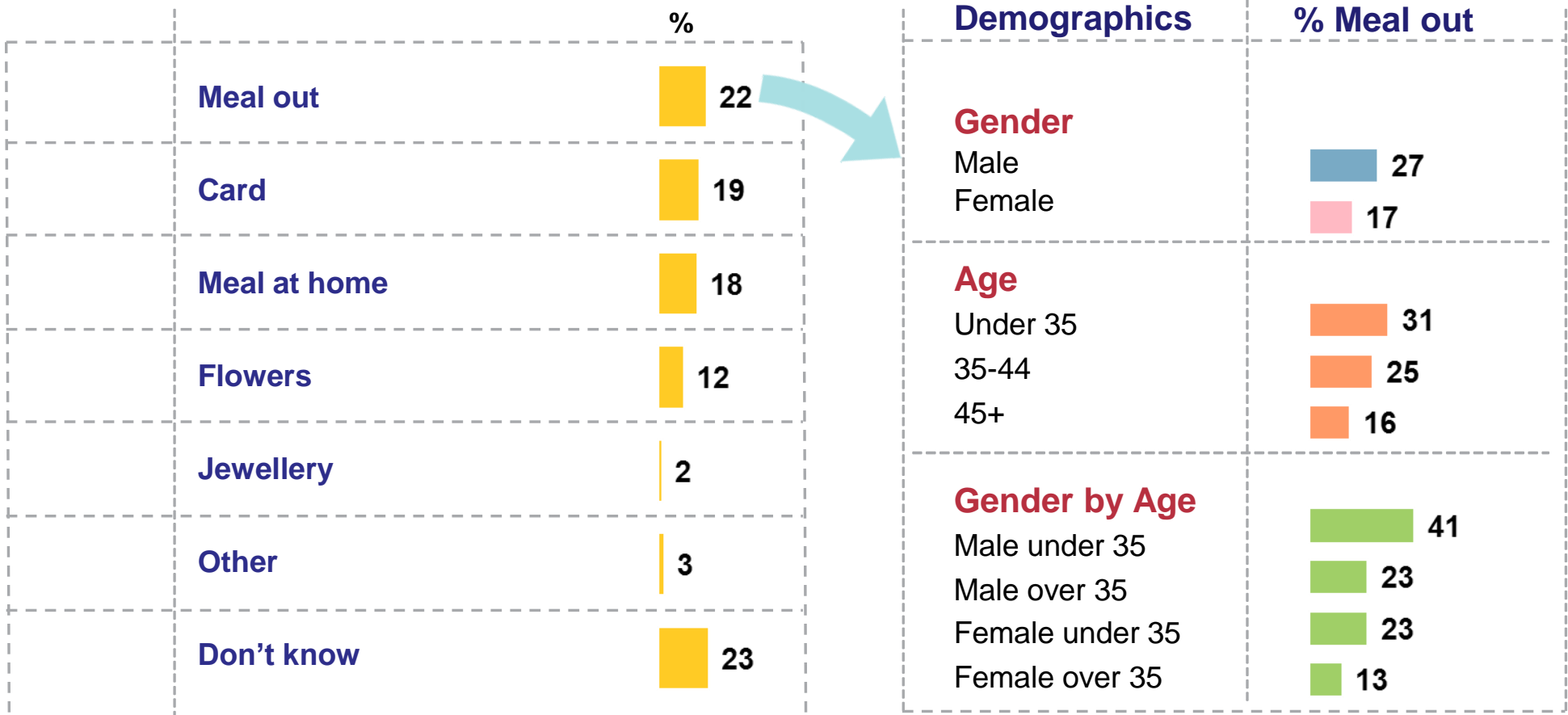


	Male	Female	Under 35	35-44	45+	Male Under 35	Male Over 35	Female Under 35	Female Over 35
Plan to pick up bill	45	4	23	28	16	53	43	5	4
Split the bill	11	20	28	13	8	21	8	31	12
Expect partner to pay	2	17	13	9	6	3	1	19	15
Don't know	42	59	36	50	59	22	48	45	69

A quarter of those who are married or living as married plan to pick up the bill for the Valentine's meal. Men are much more likely to say they will get the bill, particularly true for those under 35. Female's under 35 are most likely to say they expect their partner to pay.

Valentines Day – Items of Expenditure

(Base: All married or living as married – 660)



Over a fifth expect to spend money on a meal out this Valentine's day. This doubles among males under 35 who will drive much of the Valentine's day spend this year.

Appendix: Research Methodology



An online survey was conducted amongst 1003 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 January 14th – 21st 2014.

