

Monday, 8 November 2021

NAB & CBA lead business banking satisfaction but biggest increase over the last year is by ANZ

New research from Roy Morgan shows small business owner banking satisfaction for the four major banks was at 69.9% in 12 months to September 2021, down 0.4% points from a year ago.

The small decrease from a year ago has come after considerable upheaval in the Australian economy over the last 12 months as the country emerged from the initial impact of COVID-19 late in 2020 only to experience a resurgence of the virus this year with the highly contagious 'Delta variant'.

Throughout the first half of 2021 [Roy Morgan Business Confidence was at record levels, averaging 124.7 from January-June 2021](#), over 10pts above the long-term average of 113.9. The outbreak of COVID-19 in Sydney in mid-June soon spread to Melbourne and Canberra and all three cities were locked down for long stretches until the lockdowns finally ended during the most recent month of October.

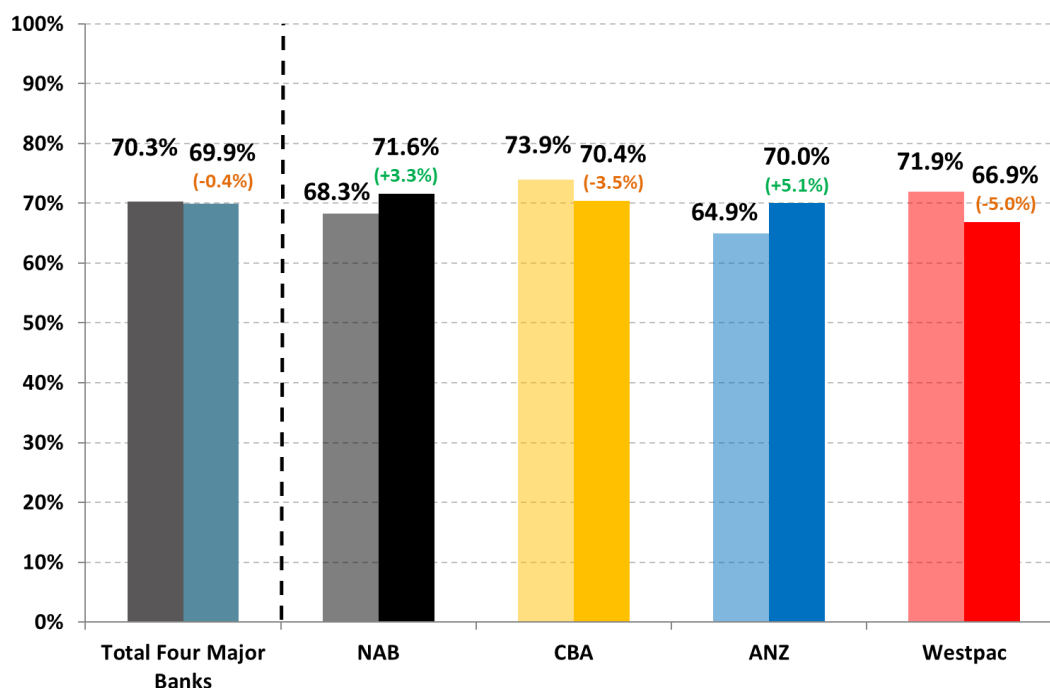
Although virtually unchanged on a year ago small business owner banking satisfaction for the four major banks is up 1.2% points from February 2020 (68.7%) prior to the onset of the COVID-19 pandemic.

Satisfaction increased for the National Australian Bank increased by 3.3% points from a year ago to 71.6% and the NAB now has the highest business owner banking satisfaction of any of the four major banks. Just behind the NAB is the Commonwealth Bank which a business owner banking satisfaction of 70.4%.

However, the largest increase in satisfaction was achieved by the ANZ, which increased 5.1% points to 70.0%. Westpac is in fourth position with business owner banking satisfaction of 66.9%.

These are the latest findings from interviews with 2,443 small businesses owners in the 12 months to September 2021 as part of the Roy Morgan Business Owner Satisfaction Monitor regarding their level of satisfaction with the financial institution they deal with.

Small Business Owner Satisfaction with the Big Four Banks: September 2020 cf. September 2021



Source: Roy Morgan Research Business Single Source, 12 months to September 2020, n=2,443, 12 months to September 2021, n=5,242. **Base:** Australian small business owners.

Roy Morgan CEO Michele Levine says small business owner bank satisfaction has been elevated during the COVID-19 pandemic as banks took action to look after customers in financial distress by deferring loan repayments and these actions are still paying off as we enter 'COVID-normal':

"Despite a challenging year dealing with the outbreak of the COVID-19 'Delta variant' which began in Sydney before spreading to Melbourne, Canberra and the regional areas of both States, business banking satisfaction has held up incredibly well during 2021.

"Small business owner bank satisfaction with the big four banks is at 69.9% in the 12 months to September 2021, down only 0.4% points from a year ago. Importantly, satisfaction is now 1.7% points higher than it was two years ago pre-pandemic in September 2019 (68.2%).

"The NAB is the best performer in the 12 months to September 2021, up 3.3% points to a business owner satisfaction rating of 71.6% to be just ahead of the CBA on 70.4%. Close behind in third place is the ANZ with a satisfaction rating of 70.0%, and an impressive increase of 5.1% points.

"All three banks have improved their satisfaction over the last two years as banks were still in the process of absorbing the lessons of the Royal Commission into the Financial Services Industry which was handed down earlier in 2019. The response of the major banks to the findings outlined by the Royal Commission have under-pinned a successful response to the once-in-a-century COVID-19 pandemic.

"However, as we head towards 2022 there are new challenges arising for businesses, and banks, that are set to dominate discussions over the weeks and months ahead. Foremost among these is the threat of rising inflation which could lead to higher interest rates if it looks like getting 'out of control'.

"Although inflationary pressures are building in the economy, for several reasons, the RBA has recently re-emphasised its belief that the increases we've seen so far are due to several transitory factors. These factors include the recovery from the lows of the COVID-19 pandemic and the supply issues this has caused in several key sectors including energy and semiconductors as well as the price of shipping.

"The RBA's confidence is strengthened by the lack of wage pressures in the Australian economy despite many businesses claiming they are struggling to find the workers they need. The RBA reiterated last week that they do not expect to be raising official interest rates next year with their first potential increase expected later on and no earlier than later in 2023.

"Rising interest rates are set to present a new challenge to banks as the Australian economy has now enjoyed a period of record low interest rates for over a decade since the Global Financial Crisis (GFC) in 2008-09.

"The last time the RBA raised interest rates significantly was from 2002-2008 when official interest rates were increased from 4.25% (May 2002) by 3% points to 7.25% (March 2008) – just before the GFC sent interest rates plunging to record lows where they have remained ever since."

Related research findings

View the Small Business Owner [Banking Satisfaction Monthly Report](#), [Consumer Banking Satisfaction Monthly Report](#) [Roy Morgan Business Confidence Report](#) as well as other [Banking & Finance Reports](#).

For comments and information about Roy Morgan's banking satisfaction data, please contact:

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About this Report

The Roy Morgan Business Owner Satisfaction Monitor has been tracking the satisfaction level of small business owners with their banks for over five years. Each year a sample of approximately 3,500 small business owners are interviewed regarding their level of satisfaction with the financial institutions they deal with. The report provides a rolling 12 month average satisfaction score for each institution.



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About Roy Morgan

Roy Morgan is Australia's largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 79 years' experience 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%
1,000	±3.0	±2.7	±1.9	±1.3
2,000	±2.1	±1.9	±1.3	±1.0
5,000	±1.4	±1.2	±0.8	±0.6