

Tuesday, 21 July 2020

Satisfaction of Australia's banks improves amid COVID-19

New data from Roy Morgan shows the customer satisfaction scores for Australia's banks improved in May as much of Australia was in lockdown in response to the COVID-19 pandemic.

In May, customer satisfaction with Australia's banks was at 79.5%, up 0.2% points on April, and up 1.1% points from a year ago in May 2019.

The biggest improvement in customer satisfaction over the last year was from Australia's four major banks, with satisfaction up 1.4% points to 77.2% in May. Commonwealth Bank has the highest satisfaction of the four majors in May closely followed by NAB, ANZ and Westpac in fourth.

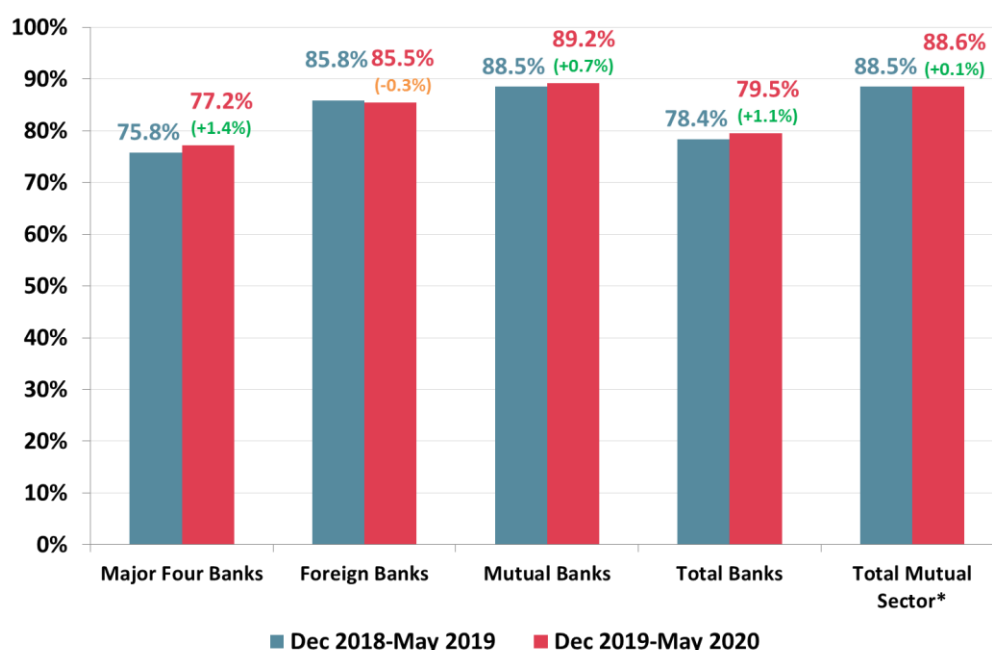
Mutual Banks continue to have the edge in customer satisfaction and are up 0.7% points from a year ago to 89.2%. The leading Mutual Bank for satisfaction is Bank Australia closely followed by Bank First, Beyond Bank Australia and Teachers Mutual Bank ahead of Heritage Bank, Greater Bank and RACQ Bank.

The foreign banks operating in Australia have a high customer satisfaction of 85.5% in May, but this is down slightly, by 0.3% points from a year ago. Of the foreign banks ING is a clear leader for satisfaction ahead of HSBC and Citibank.

Satisfaction with Australia's mutual sector including credit unions and building societies remains impressive at 88.6%, up 0.1% points on a year ago. Newcastle Permanent Building Society, People's Choice Credit Union and Credit Union Australia all maintain a high level of customer satisfaction in this sector.

These are some of the latest findings from Roy Morgan's '[Customer Satisfaction report on Consumer Banking in Australia](#)'. This report is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes. This large sample of bank customers over many years enables an accurate understanding of long-term trends rather than being distracted by what often turns out to be short-term events. The latest data in this release is for the six months ended May 2020.

Bank Customer Satisfaction



Source: Roy Morgan Single Source (Australia). Dec. 2018 – May 2019, n=23,199, Dec. 2019 – May 2020, n = 20,766.

Base: Australians 14+. *Total Mutual sector includes Mutual Banks, Building Societies and Credit Unions.

Michele Levine, CEO Roy Morgan, says:

"Australia's banks are responding swiftly to the COVID-19 pandemic and the supportive reaction of banks to the tough situations faced by many Australians is paying off with customer satisfaction in May at 79.5% up 1.1% points on a year ago.

"Satisfaction was up for Australia's four major banks, mutual banks, and the mutual sector as a whole including credit unions and building societies. The quick reaction of Australia's financial institutions to extend support for their customers during this period has been a big help for many who have been put into financial hardship through no fault of their own.

"In the last few weeks a renewed outbreak of COVID-19 in Victoria has prompted banks to announce they will extend mortgage loan deferrals through to as late as March 31, 2021 for customers heavily impacted by the pandemic.

"As well as mortgage loan deferrals other support measures include access to excess funds in redraw and offset facilities, reductions in repayment amounts, decreasing standard variable home loan rates and more. The suite of measures offered by banks depending on the financial situation of their customers is providing significant support to customers as well as the economy more broadly.

"The data used here is only a small part of the consumer finance data available from Roy Morgan. During a time of immense uncertainty about the immediate future it's more important than ever to have a truly complete and in-depth understanding of consumer's financial behaviour and trends gathered from 50,000 consumers per annum, across more than two decades.

"To find out more ask Roy Morgan."

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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

