

Tuesday, 19 November 2019

Wealthier Australians are less satisfied with their bank

Satisfaction levels with the banking industry are related to an individual's level of wealth, new research from Roy Morgan shows – with the wealthiest 30% of Australians less likely to be satisfied with their banking relationships (75.4%) than the middle 40% (80.1%) or the bottom 30% (84.7%).

These insights come from Australia's most extensive, longest study of consumer financial behaviour. Running continuously for more than 20 years, it involves over 50,000 in-depth, face-to-face interviews in respondents' homes each year. The data in this release was gathered in the six months ended September 2019.

Wealthier Australians also choose different banks

The chart on the following page shows the proportions each of the big 4 banks' customers in terms of their relative wealth. Australians with the lowest Net Wealth are more likely to name the CBA as their Main Financial Institution, with 37.7% of CBA customers falling within the poorest 30% of Australians. Westpac has the largest proportion of high Net Wealth individuals, with 35.6% of its customers among the wealthiest 30% of Australians.

Roy Morgan CEO Michele Levine says:

"This data shows us Net Wealth has a clear relationship with banking satisfaction – and the relationship operates in reverse, meaning wealthier Australians are less likely to be satisfied with their banks."

"Roy Morgan collects data on all banks and financial institutions and we have done for many years. This allows us to show trends in Australians' relationship with banks and to bring a greater level of insight to Customer Satisfaction by looking at the experiences of different subgroups."

"That enables us see that the drop in Customer Satisfaction which coincided with the Banking Royal Commission was driven by the wealthiest 70% of Australians, with the poorest 30% showing relatively little change over this period."

The gap between wealthier and poorer Australians' banking satisfaction is growing

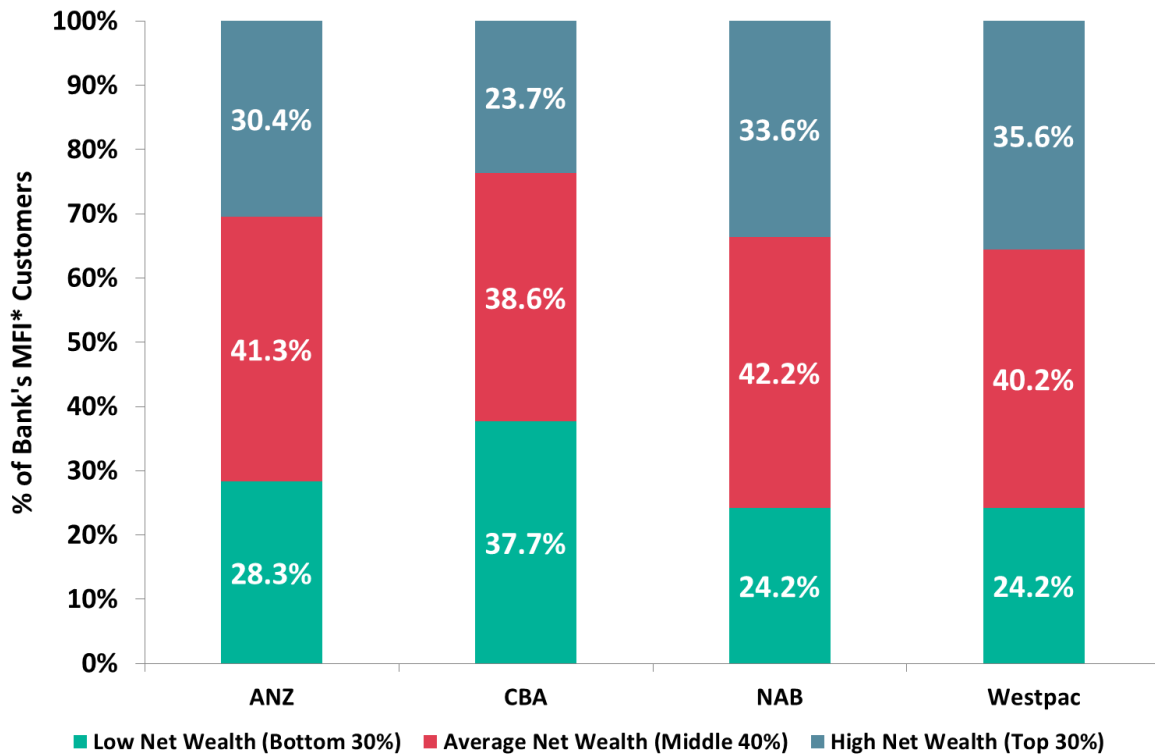
The wealth-linked difference in banking satisfaction levels has grown more extreme over time. In 2013 the satisfaction level of the wealthiest Australians was 80.8% and that of the poorest Australians was 82.8%, a gap of just 2%. This figure has more than quadrupled to 9.3%. Six years ago there was no significant difference between the satisfaction of the middle 40% and that of the wealthiest 30% but these levels have also grown steadily apart, opening up a gap of 4.6%.

Defining Net Wealth

Net Wealth is defined by calculating total personal assets and subtracting total personal debt. Learn more in the [Roy Morgan New Wealth Report](#) which offers the first fully detailed data on Australians' Net Wealth. This information matters because wealth, and the way it is distributed, is intrinsically linked to Australia's economic resilience and future.

- Wealthiest 30% = in the top 30% as defined by Net Wealth;
- Middle 40% = in the middle 40% as defined by Net Wealth;
- Poorest 30% = in the bottom 30% as defined by Net Wealth.

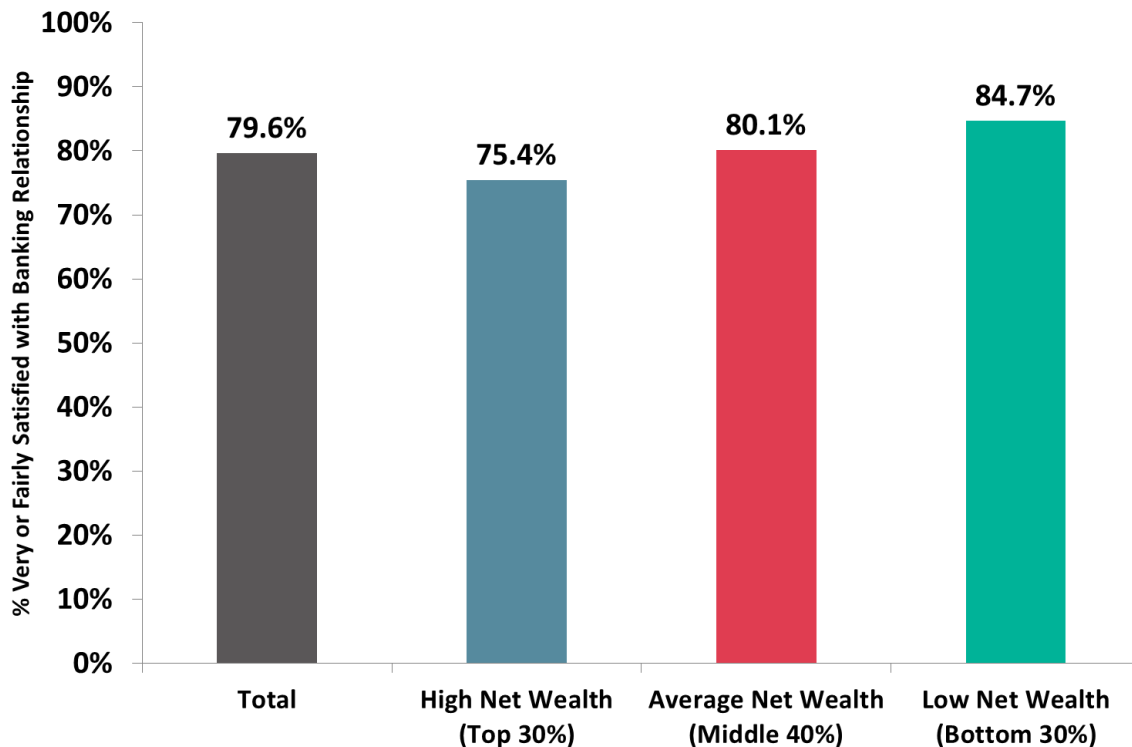
Big four 'MFI'* bank customers by Net Wealth



Source: Roy Morgan Single Source 6 months to September 2019, n=24,557. **Base:** Australians 14+. *MFI = Main Financial Institution.

Banking Satisfaction linked to Net Wealth

The following Chart shows the percentage of Australians who are satisfied with their banking relationships – broken down by level of wealth. This shows us that wealthier Australians are less likely to be satisfied than the less wealthy.

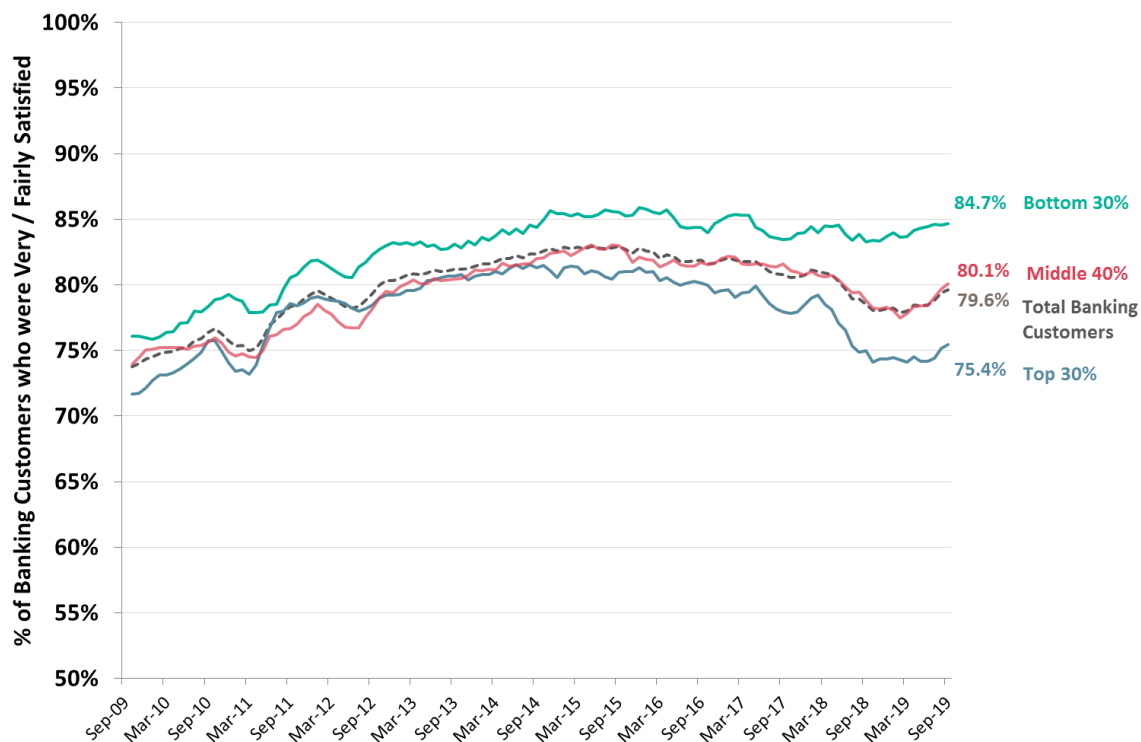


Source: Roy Morgan Single Source 6 months to September 2019, n=22,632. **Base:** Australians 14+ with a banking relationship.



Banking Satisfaction between wealth groups varying to a greater degree than before

Roy Morgan has found that the levels of satisfaction between wealth groups has diverged in recent years – with the gap growing between satisfaction levels of the affluent compared to the poor.



Source: Roy Morgan Single Source May 2009 – September 2019, average 6 month rolling sample: n=23,334.

Base: Australians 14+ with a banking relationship.

This is only a small part of the consumer finance data available. The full database enables a truly holistic and unique understanding of consumer financial behaviour, with trends across more than two decades. To find out more ask Roy Morgan.

To learn more about Roy Morgan's banking satisfaction data and NPS®, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

To purchase the latest Banking Customer Satisfaction report click [here](#).

To purchase the latest Roy Morgan Net Wealth Report click [here](#).

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 75 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%
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2



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