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NPS[®] of banks (and big four banks) continues to improve after Finance Royal Commission

The NPS[®] levels of Australia's banks, including the big four banks, have increased significantly since the Finance Royal Commission was handed down in February.

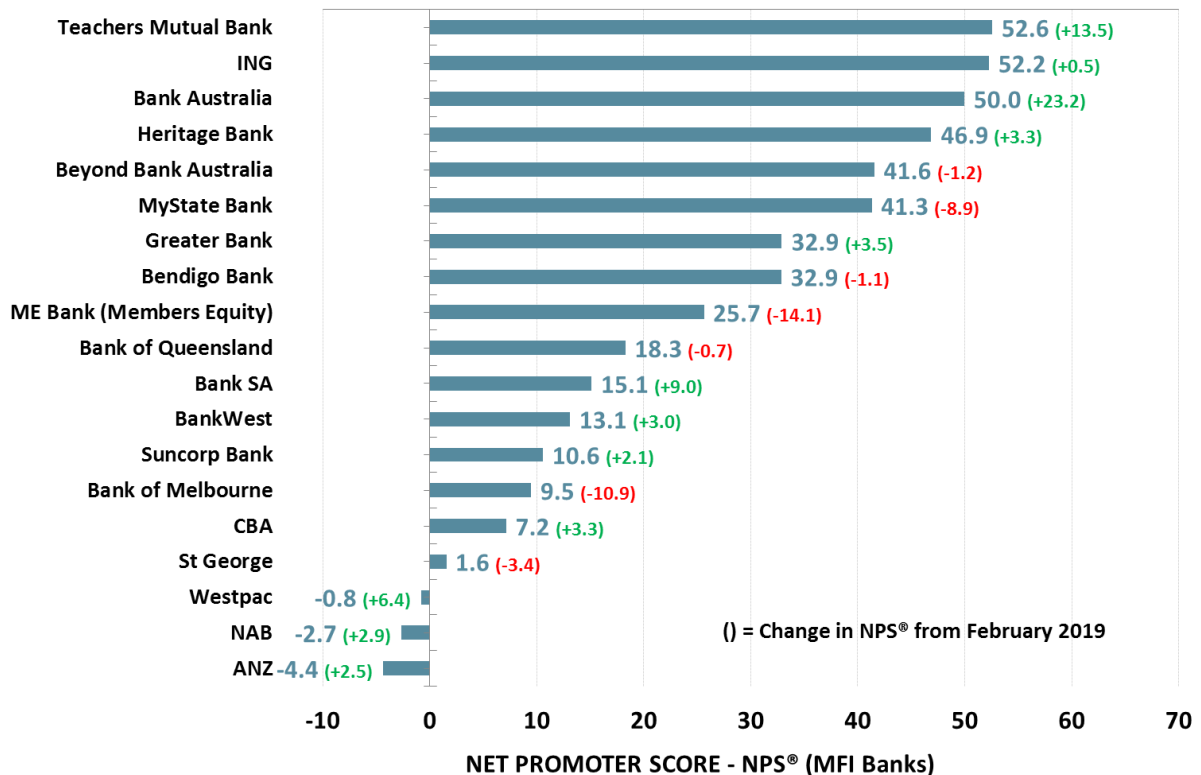
In July the NPS[®] of the big four banks was 2.1, up a significant 3.7pts since February 2019, and the NPS[®] of banks as a whole was 8.5, up 3.2pts over the last five months. The improvement in NPS[®] scores has returned the measure to a level comparable to that at the time the Finance Royal Commission was established in late 2017.

All of the big four banks have improved their NPS[®] since February. The leading big four bank by NPS[®] is the CBA now on 7.2 in July, up 3.3pts since February 2019. The other three although improved were still in negative territory. Westpac was up 6.4pts to minus 0.8, NAB was up 2.9pts to minus 2.7 and the ANZ was up 2.5pts to minus 4.4.

The banks included below were included based on at least 100 banking customers nominating each of these banks as their Main Financial Institution (MFI).

Teachers Mutual Bank now has the highest NPS[®] of 52.6 in July, up an impressive 13.5pts since February. Other banks to improve their NPS[®] since the end of the Royal Commission include ING on 52.2 (up 0.5pts), Bank Australia on 50 (up 23.2pts), Heritage Bank on 46.9 (up 3.3pts), Greater Bank on 32.9 (+3.5pts), Bank SA on 15.1 (up 9pts) and BankWest on 13.1 (up 3pts) and Suncorp Bank on 10.6 (+2.1pts).

NET PROMOTOR SCORE (NPS[®]) MFI¹ Banks July 2019



Source: Roy Morgan Single Source (Australia), February – July 2019, n = 25,046. Banks included in the chart are mentioned by a minimum of 100 bank customers as a Main Financial Institution (MFI). **Base:** Australians 14+. Net Promoter Score and NPS are registered trademarks of Bain & Company, Inc., Mr Frederick Reichheld and Satmetrix Systems, Inc. Based on score of 9 or 10 minus 1 to 6 on a ten point scale, where one is very unlikely to recommend to a friend or colleague and ten is very likely. 1. Main Financial Institution.

FOR IMMEDIATE RELEASE

In addition satisfaction with the big four reached 76.1% in July, up by 0.8% points since February, led by increases for the CBA (+1% point), ANZ (+0.9% points) and Westpac (+2.3% points).

These are some of the latest findings from Roy Morgan's '[Customer Satisfaction report on Consumer Banking in Australia](#)' and the '[Financial Institutions Advocacy Report](#)'. These reports are 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 a short term events. The latest data in this release is for the six months ended July 2019.

Michele Levine, CEO, Roy Morgan, says:

"The handing down of the Finance Royal Commission in early February this year marked a low point for Australia's banks and the latest NPS[®] of banks across the industry including the big four shows a steady improvement over the last five months.

"A majority of Australia's banks have improved their NPS[®] since February including all of the big four banks. Among the big four the CBA leads the way with an NPS[®] of 7.2, up 3.3pts since February, Westpac is up 6.4pts to minus 0.8, NAB up 2.9pts to minus 2.7 and ANZ is up 2.5pts to minus 4.4.

"However smaller banking institutions have a significant edge with higher NPS[®] led by Teachers Mutual Bank on 52.6, ING on 52.2, Bank Australia on 50 and Heritage Bank on 46.9. All four have improved their NPS[®] since February.

"The improving NPS[®] has been matched by improving customer satisfaction scores throughout the sector and satisfaction with the big four has increased to 76.1% in July, up 0.8% points since February.

"Although it might appear the worst of the Finance Royal Commission issues are now firmly in the rear-view mirror the news last week that ASIC will be taking the NAB to court for alleged breaches of the law in a program rewarding people with commissions for new lending suggests the banks are still not entirely out of the woods yet when it comes to substantially improving their public perception.

"To overcome the challenges thrown up by the Finance Royal Commission it is vital for the big four banks in particular to understand the many factors that drive the level of customer satisfaction and advocacy in banks, so as to prioritise improvements and close the gap on smaller rivals.

"These drivers are dealt with in detail in the Roy Morgan 'Drivers of Advocacy-Consumer Banking Market Report' and the 'Drivers of Customer Satisfaction-Consumer Banking Market Report'. Both of these reports also provide a detailed analysis of the factors that drive advocacy and satisfaction for each of the major banks.

"The data used here is only a small part of the consumer finance data available from Roy Morgan. The full database enables a truly holistic and unique 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."

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

Please click on this link to the [Roy Morgan Online Store](#).

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