

REVEALING REALITY

Understanding customer
views on current account
service indicators
Research report

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Financial Conduct Authority

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The FCA commissioned Revealing Reality, an independent research company, to conduct this research and write this report. All views represented in this report are those of Revealing Reality and participants recruited by them.

A film of views of some participants in this research is available at:
<http://www.revealingreality.co.uk/work/current-accounts/>.

2. Executive Summary

In its Retail Banking Market Investigation¹, the Competition and Markets Authority (CMA) found that it can be difficult for consumers to know if they can get better service from another provider. One of the CMA's remedies to drive consumer engagement in the current account market requires the largest personal and business current account providers to publish core indicators of service quality based on customers' willingness to recommend their bank's service – a 'Friends and Family test'.

The CMA also recommended that the FCA consider requiring banks to collect and publish a wider range of additional service indicators. The FCA published its response to the CMA last year setting out the action it would take². The FCA has gathered evidence, including from a stakeholder group made up of experts from consumer organisations, regulators and price comparison websites, and has developed a short-list of additional service indicators to test through this research. The research gathers evidence from a range of personal and small business current account holders as to what matters most to them in relation to services, and why.

The research included 10 focus groups with personal current account holders, 3 workshops and 37 tele-depth interviews with SME business current account holders. The research also included 8 face to face depth interviews with individuals deemed to have additional needs in regards to their current account. A total of 155 respondents were engaged.

General findings in relation to account choice

For both Personal Current Accounts (PCAs) and Business Current Accounts (BCAs), there was a strong perception that there was little differentiation between current account providers, with most respondents expecting the customer experience to be similar. This view fed inertia around opening or switching to a new account. ('Why bother? - they are all the same').

When prompted to think more about their experiences, customers recognised that there were areas of customer experience that could differ by provider which might be motivating for them. Examples given included security, customer service, call centre performance, branch opening times, the user experience of mobile and internet banking, and differences in offers and rates. However, few research participants had actually tried to find comparative data on any of these issues or knew how their own bank performed in relation to competitors. Some participants spontaneously mentioned that relative performance data for these areas could motivate them to try a different provider.

¹ Competitions & Markets Authority (August 2016). Retail banking market investigation - Final Report. [online] Available at:

<https://assets.publishing.service.gov.uk/media/57ac9667e5274a0f6c00007a/retail-banking-market-investigation-full-final-report.pdf>

² Financial Conduct Authority (November 2016). Our response to the CMA's final report on its investigation into competition in the retail banking market. [online] Available at: <https://www.fca.org.uk/publication/corporate/response-cma-final-report-competition-retail-banking-market.pdf>

When asked, customers found the CMA ‘Friends and Family test’ to be a useful starting point to understand which banks were performing well from a customer perspective. However, they were also aware of the limitations of ‘self-report’ data and needed reassurance about the quality of information.

In general, both PCA and BCA customers were very positive about the idea of more standardised service indicators being published, recognising that greater transparency could help to improve service and aid decision making (even if indicators published were not their favoured or most personally relevant ones).

Many expressed concerns about whether they would be able to trust the data provided by banks and also had concerns about mechanisms that might be introduced to ‘hit targets’ rather than genuinely putting customer needs first. Even with reassurance, many still felt that ‘the banks’ would find a way to manipulate the data in their favour. Customers lacked clarity on what would enable them to ‘trust’ the data, beyond it being ‘official’ and scrutinised in some way (e.g. by government or verified by consumer organisations).

There were also concerns about burdening customers with additional requests to fill in surveys and feedback forms, as participants did not want to be asked to do this themselves.

Almost all participants saw value in the idea of additional service indicators to help them better understand the customer service experiences they might be able to expect from different providers. Most saw greatest benefit in objective data, to sit alongside the customer recommendation scores soon to be required by the CMA. Many felt this would help paint a clearer picture of the ways in which the provider is customer-focussed (e.g. efficiency of contact, minimising administration time during account application, and out of hours opening and service). This data was particularly motivating in relation to considering opening or switching to a new account.

Most useful service indicators

When asked to reflect on their preferences for information about their current account, customers preferred those measures which related to their own day-to-day banking needs (e.g. if they regularly used a branch, they liked information relating to branch service provision). Bank branches continued to be relevant to almost all respondents, even for people who bank predominantly online. Customers were also interested in indicators that would encourage banks to compete in customer service, in particular in relation to the speed and quality of interactions. Customers who had experienced specific problems (e.g. fraud on their account or service failure) attached higher priority to indicators relating to these.

The most popular indicators for both PCA and BCA customers related to ‘**response times to resolve everyday issues**’ and ‘**the speed of issue resolution**’. The ideal for both metrics was that they cover a broad range of day-to-day issues – for example, receiving a replacement debit card when it has been lost or stolen, solving payment problems, agreeing overdrafts, or resolving third party access requests. It was important to customers that ‘issue resolution’ covered both day-to-day and more unusual requests, and specifically was not limited to ‘complaints’: they perceived ‘complaints’ to relate only to a subset of more unique and extreme issues which might be past the point of speedy resolution and less indicative of normal dealings with the bank. More generally, participants flagged concerns about perverse incentives and indicators straying into ‘niche’ territory that may not serve as a useful proxy for normal banking experiences.

‘**Ease of opening an account**’ was also an area of concern amongst holders of both BCAs and PCAs. Despite high awareness of the ‘current account switch guarantee’ many customers still thought that opening or switching to a new account would be

time-consuming and challenging (something that was especially true for SMEs, who were concerned about the amount of paperwork involved, the need for attendance in branch and signatures from multiple parties, and the need to inform their own customers and suppliers). In general, customers thought that opening an account would be a near identical process regardless of provider, requiring a similar amount of time and effort. This perception was regularly disputed by recent switchers who had experience of opening accounts with more than one bank. It was most strongly disputed by those who had moved to challenger banks which offered very quick account opening times.

Most customers were interested to know more about **out of hours' service accessibility** – in particular, branch opening times and the availability of service provision outside of normal working hours. This was felt to be particularly important in relation to closure of bank branches as this was requiring customers to travel further afield to access counter service, making it harder to slot this into their normal routines and increasing the need for out of hours' services (e.g. later into evenings, weekend opening etc.). Closure of bank branches was a concern for the majority.

Service reliability, particularly outages was also important to many customers, especially SME's. Some respondents had experienced the negative (and sometimes distressing) consequences of service shutdown and were highly motivated to know which current account providers had the best track record for IT system reliability. On the other hand, others who had no experience of such problems often found this information to have less relevance to them. For those concerned about this information, service reliability was felt to be a good proxy indicator for the level of investment that providers were making in the integrity and security of their internal systems and infrastructure.

SME customers were often motivated by similar indicators to PCA customers, with 'response times to day-to-day banking queries' a clear priority. SMEs when prompted, said that if they saw data for PCA indicators they would be happy to use them as a proxy for BCA performance. A number of indicators about relationship managers (RMs) were tested, but most SMEs were disappointed (in particular the sole traders, micro businesses and small businesses) with the experience they had with their RM, finding the service lacked value and was sometimes even counterproductive. Some SMEs did, however, have additional interest in '**speed of accessing credit**' which could be important to them in the event of needing to bridge cash flow issues. This was the indicator that, when tested, was the most appealing of the SME-specific indicators.

Customers in more vulnerable circumstances were particularly interested in problem resolution and the opportunity to speak with skilled staff who could handle complex requests.

Making data relevant and accessible

Few customers felt they would want to invest time in directly accessing detailed service indicators, perceiving that the data would need 'brokering' by third parties to be made more accessible. Customers were often unaware that information on current account performance was already available - highlighting the importance of dissemination as well as publication. Some customers had picked up information from newspapers and commentators about 'good current accounts' and they were also influenced by provider advertising.

Although most respondents expected the customer experience to be similar across different providers, data that demonstrates a significant variation in customer experience and is presented in an engaging manner could be a useful 'hook' to encourage people to seriously consider opening or switching to a new current account.

3. Background

The Competition and Markets Authority (CMA) published its final report on the effectiveness of competition in the retail banking market in August 2016. The report outlined a series of ‘remedies’ designed to increase competition in the retail banking market. One of the remedies requires the largest firms to publish core service quality indicators. Results will be published in branches, on websites and mobile banking apps and in leaflets. These core measures of quality are based on customers’ willingness to recommend their banks and services to friends, family or colleagues or other SMEs. The first set of results will be published in August 2018. The aim of this remedy is to increase customer awareness of the service available from different providers to inform customers’ choice of accounts.

The CMA recommended that the Financial Conduct Authority (FCA) carry out further research into additional service quality indicators that could increase engagement of customers in the current account market alongside the ‘core measures of quality’.



The FCA reviewed evidence of the effects of service information (including the CMA’s published research) with a stakeholder expert group comprising a range of public and private sector organisations with expertise in consumer service, including comparison and data services, and regulators of services used by consumers and SMEs. The stakeholder expert group provided views on a long-list of potential service indicators which could be of interest to customers and used by comparison and data services. The group’s views informed the shaping of a short-list of indicators which were brought forward to be tested with current account customers.

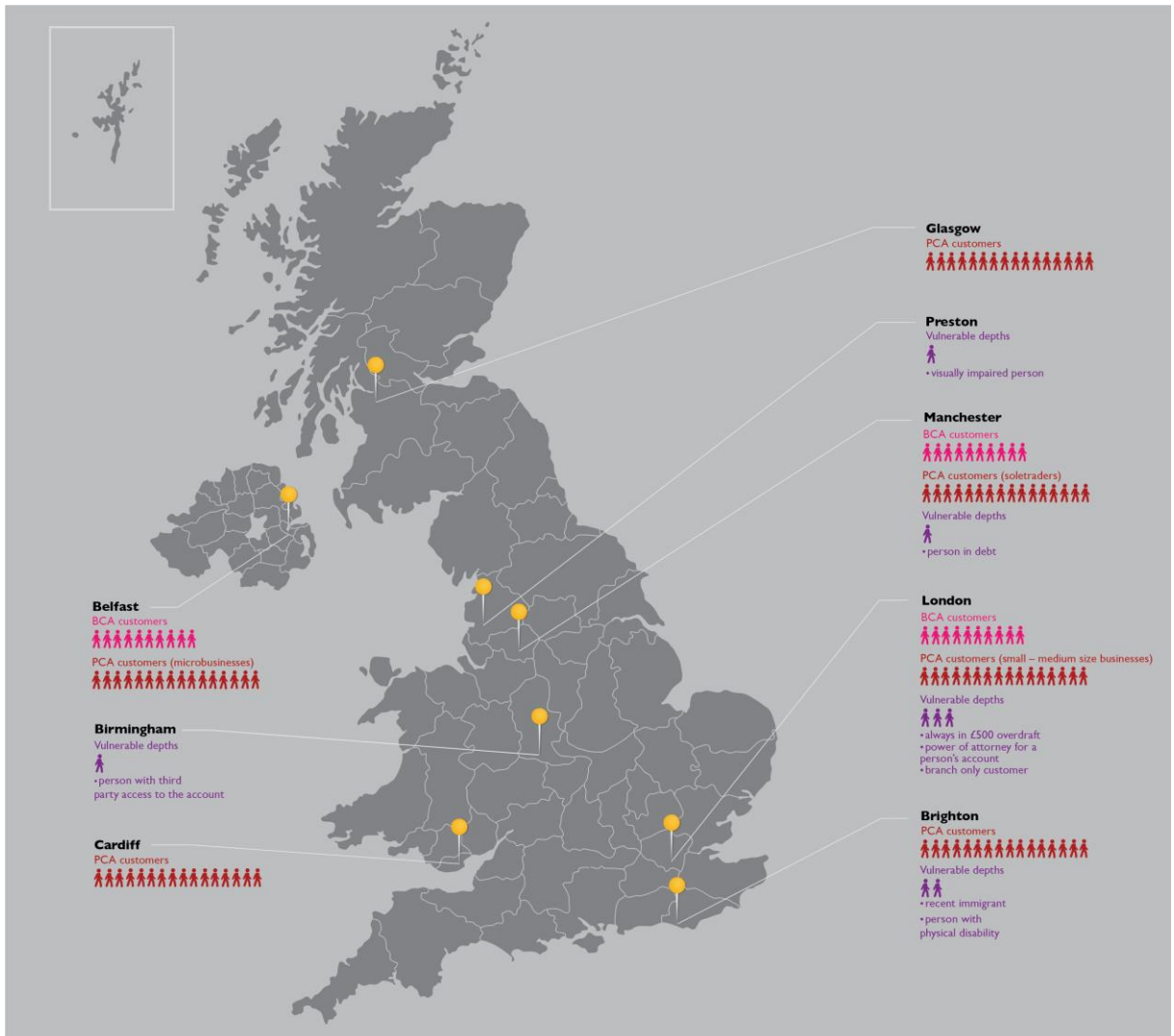
The main objectives of this research were to test understanding of, and interest in, potential service indicators with personal current account (PCA) customers and business current account (BCA) customers. We tested a short-list of service indicators and discussed the power of these indicators to motivate customers to consider opening a new current account.

Initial feedback from customers about their attitudes to their current account and their account usage was gathered to place findings in context. Aspects of current accounts beyond the short-listed indicators were also explained and included in the group discussions to gather evidence of the relative importance participants attached to the short-listed indicators in relation to other factors. A secondary objective was to test, by different area of service (e.g. service outage), customers’ preferences for different types of information (e.g., number of events versus duration of events; national averages versus local data, etc.).

METHODOLOGY³

The primary research methodology was qualitative, combining group discussion and individual depth interviews. The methodology varied across the two main sample groups (PCA customers and BCA customers) to account for the challenges in engaging SME customers in research (mainly finding an appropriate time and incentive to encourage participation amongst busy senior managers and business owners).

 Personal current account customers	 Business current account customers
10 x 2-hour focus groups with PCA customers	3 x workshops with BCA customers from SMEs
8 x 2-hour depth interviews with PCA customers who were in more vulnerable circumstances (such as indebted individuals, individuals with caring responsibilities and individuals with physical disabilities)	37 x 60-90-minute telephone interviews with BCA customers from SMEs
Total = 88 x PCA Customers	Total = 67 x SMEs using BCAs



³ More detail on the sampling and discussion guides can be found in Annex 2

SAMPLE

The sample of personal customers was designed to be representative of a range of 'typical' current account customers – including customers from a broad range of different providers, with at least one challenger bank customer in each group. Most of the sample had not recently switched current account, but two of the ten groups consisted solely of participants who had switched within the last 12 months. Fieldwork was conducted in a range of sites across the UK including Wales, Scotland and Northern Ireland. Respondents were broadly demographically reflective of current account customers – covering a spread of ages, gender, ethnicity and income levels.



PERSONAL CURRENT ACCOUNT HOLDERS

10 x Focus Groups				
Group no.	Current account status	Age	Income level	Location
1.	Recently switched their current account (within the last 12 months)	25–55	High (>£25k a year)	London
2.			Low (<£25k a year)	Glasgow
3.	Not switched their current account recently	18–40	High	Sheffield
4.				Cardiff
5.			Low	Belfast
6.	Cardiff			
7.	Not switched their current account recently	41–75	High	Belfast
8.				Glasgow
9.			Low	London
10.				Sheffield



BUSINESS CURRENT ACCOUNT HOLDERS

The sample of BCA customers comprised individuals who are primarily responsible for selecting and/or influencing decisions relating to the day-to-day banking of their business or SME employer. Furthermore, the sample was structured to cover a range of SME sizes (sole traders, micro businesses, small and medium businesses), with a slight weighting towards micro businesses, based on the FCA's remit. A range of business sectors were also included (such as construction, property, creative industries etc.). Workshops took place in three UK locations and tele-depths were conducted with individuals based across the UK.

3 x workshops			
Group no.	Business size	Break down of group by employee no's	Location
1.	Sole trader	n/a	Manchester
2.	Micro business (2-9 employees)	5 x respondents from business with 2-5 employees 5 x respondents from business with 6-9 employees	Belfast
3.	Small & Medium size business (10-249 employees)	5 x respondents from business with 10-50 employees 5 x respondents from business with 50-249 employees	London

37 x Tele-depths	
Business size	No. of respondents
Sole trader	6
Small micro (1-4 employees)	8
Larger micro (5-9)	8
Small (10-50 employees)	8
Medium (50-249 employees)	7

RESEARCH DESIGN

Within each phase of fieldwork, the research tested 34 indicators categorised into 5 groups: Communicating with the Bank, Technical Service Reliability, Ease of Opening an Account, Resolution of Issues and Complaints, and Local Branch Offering (see Annex 1 for more detail). Among these 34 indicators, 8 were specific to SME audiences and only tested during workshops and tele-depths with BCA customers.

Respondents were first asked what was important to them in regards to their current account and they were also asked to reflect on the new CMA measures to be introduced, so they had context to changes already taking place. After giving spontaneous responses to these questions, respondents were then asked to consider potential additional service indicators. These were presented to them one by one. Respondents were asked how valuable the information might be to them when reflecting on satisfaction with their own provider or when considering opening a new current account. Respondents were asked to consider which indicators best matched their banking needs and interests, what other indicators might capture their core interests and what would be an 'ideal' indicator for them when comparing different current accounts.

Given the number of indicators to be tested with respondents, stimulus was kept simple but distinct. Each indicator was presented with a headline description using 'customer friendly' language, on prompt cards. Moderators answered any questions if respondents were unclear about the meaning of the indicator. (A full list of the indicators tested can be found in Annex 1).

Across the groups and wider fieldwork, the order in which indicators were presented to respondents was varied to mitigate against order effects (such as the primacy and recency bias).

4. Customer perceptions of current accounts and choosing an account

General findings

- Many consumers felt that the current account service indicators would be valuable and potentially motivating for opening or switching to a new account.
- SMEs need more persuasive messaging about the benefits of opening a new account, as they often perceived the task to be more challenging and laborious than PCA customers.
- Information about branches continues to be relevant – even for people who predominantly bank online - as almost everyone continued to access their services and valued the service experience.
- Indicators and data that demonstrate a wide variation in customer experience could be a useful ‘hook’ into comparing providers and trying a new account– as most expect it to be standard across the board.
- Any additional information about service experience would need to be presented in a format and channel where people are already accessing financial information – as few said they were proactively searching for current account information.

Prior to discussing possible service indicators, customers were first asked about their current account usage and what was important to them in regards to their current account and about their attitudes towards trying or switching to a new account. This helped gauge current engagement and attitudes towards current accounts and providers across a broad range of customers.

The research sought to understand the differences and similarities between PCA and BCA customers in the following areas:

- Their attitudes towards opening or switching to a new account
- Their motivations to open a new account
- How they sought information about opening a new account

These areas are key contributing factors to what service indicators would be the most useful for PCA and BCA customers. They also provided insight as to how customers might expect to engage with the service indicators and at what points they could prove useful to them.

CUSTOMERS' CURRENT ACCOUNT USAGE

Most personal current account customers were using a range of different services – with an increasing reliance on mobile, internet and in some cases telephone banking. Almost everyone in the sample had some reason to use their local branch and placed some value on easy branch access: most often this was to complete actions they couldn't do online or over the phone – such as paying in a cheque, resolving a problem in person, or asking questions about new products.

The PCA customers who are more reliant on branch access, which included customers in more vulnerable circumstances, often felt unconfident or uncomfortable using online banking services. For these people, the service in branches is critical.

SMEs, particularly, felt branch access to be crucial, and a number had chosen their accounts based specifically on the proximity of branches to their place of work and/or

daily routine. Branches are used to deposit and withdraw cash or cheques, either over the counter or through self-service machines. For certain sectors, such as retail, branch access is particularly critical as they need to deposit large amounts of cash, some on a regular basis.

"I go into branch quite often because almost every day someone is paying me in cash or cheque - so I go into a branch somewhere and put it in the bank straight away."

BCA customer, Micro business, Construction

Many respondents had been impacted by local branch closures and there was frustration at the inconvenience this caused. Whilst it could cause inconvenience, many understood that branch closures were, at least in part, caused by changes in customer behaviour which resulted in a lack of demand for branch services. However, customers still felt that banks could be doing more to help resolve issues caused by branch closures.

"I mostly bank online but I do go into branches, I will go in to pay in some money or take some out."

PCA Customer, Cardiff, Younger, High Income

"I like the online app that's connected to the accounts, it makes it easy to check without even touching a button, it's a finger print. I'm in control all the time, I don't need to make any phone calls"

PCA Customer, Glasgow, Younger, Switchers

Telephone banking is an important mechanism for customers to address issues seen as more challenging to resolve via mobile or online banking. When attempting to resolve issues customers valued speaking to a person, feeling that more could be done, efficiently and quickly, this way.

Telephone banking was also used by some of the customers in more vulnerable circumstances within the sample to check their account balance and overdraft limits. They described feeling uncomfortable using online services in general or felt that telephone services were more up to date than online services (for example, one respondent on a very tight budget did not trust that all transactions would show in his 'pending transactions' online so preferred to call to check his balance.)

"I like using their telephone service to check account details, to check what's coming in and out, to check any anomalies. I will call them about once a week."

Customer in more vulnerable circumstances, always in overdraft, London

ATTITUDES TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

The table below highlights some of the core differences (and similarities) between the PCA and BCA customers in terms of their attitudes towards opening a new account.

Attitudes towards opening or switching to a new account



Across the sample, PCA customers perceived there to be similarity between different current accounts in terms of both service and product offering. Current accounts were perceived to be a very simple product with customers' requirements of their account being similarly straightforward. As a result there was an assumption that providers are limited with how much they can innovate or deliver anything different in this space. With product and service differences perceived as inconsequential, many customers felt there was little reason to switch if they were happy with their current provider.

"Why would I switch? You tell me what's in it for me. What do they do that's any different from my bank?"

PCA Customer, 55, Glasgow

A small number of recent switchers and individuals thinking about trying a new account were included in the sample. Their motivation for trying a new account was often specific product offers or rates they had encountered at an alternative provider, or a specific (or cumulative) problem(s) or service frustration(s) the individual experienced with their previous provider (or current provider in the case of those still considering opening a new account).

"I recently switched from [my previous provider] to [my current provider] for the cash back for switching and the mortgage offer. I felt I could get more."

PCA London, Switchers

Of those who had switched to 'challenger banks', many were energised by the differentiation in service they received and were keen to share their experiences with others. Examples of motivating service offers included ability to bank in branch on Sundays, availability of toilets and free drinks in branch, 'immediate' pick-up of calls through telephone banking, noticeably more helpful staff etc.

"Everything about it [the switch] has been so good. My brother moved and was raving about it and I just didn't think it could be that good, but it really has been. They gave me my card on the same day. It was unbelievable really"

PCA London Switchers

Despite fairly high awareness of the 'switch guarantee', many customers still had concerns about the ease of opening a new account and potential problems that it might cause.

"I know now they do the 7-day switching service but I don't think people like it really because people are scared about it – if you miss a mortgage payment you will have a black mark and people are worried about it."

PCA Cardiff, Older, Low Income



SMEs had similar reservations to PCA customers about opening to a new account, with scepticism about differentiation between providers and a fear that things might go wrong with the switching process.

However, SMEs also felt that they had significantly more to lose if there were problems in the switching process – citing the risk of missing payments, or how having any banking downtime could create a significant disruption to their business or problems in accessing or replicating any of the current account features or set-up (e.g. multiple accounts, user access, usability of online or telephone banking, direct dials to specific departments, specific debit cards).

"I am always conscious about switching but with a business account I assume it's going to be difficult to switch. With my PCA I would be quite happy to switch but with my business account it could be a hassle"

Small business, Recruitment

Many SMEs also raised significant concerns about the administrative costs of changing stationery and updating all the banking details held by customers and suppliers – some highlighting that it could be highly costly and amount to days of work.

"A huge factor when switching for me is the ability to keep my records. If I switched I would be worried that I wouldn't be able to keep them or it would take ages for me to be able to access them."

Sole trader, Housing

For those who had opened a new account or were considering opening a new account, the cost of banking services was often a significant motivator and some had switched because of 'free banking periods' or reductions in rates.



When respondents who had recently switched reflected on what drove them to change their current account, there were a wide range of features that attracted them to a new provider. Many recognised that better interest rates, packaged account ‘extras’ (such as travel insurance) or reduced overdraft fees could be appealing in searching for a new account.

“Everyone likes a benefit – something for nothing. Accounts that reward loyalty and improve quality of life. For example, with [my provider] you got a reward scheme there which gives you cashback and good interest rates”

PCA London, Younger, Switchers

Many also recognised that rewards and cash incentives for opening a new account could be appealing – in particular for PCA customers. Many of the people who had recently switched had been pleased with the cash reward to go alongside the other benefits they saw in their new current account.

“I was thinking about switching because they were offering 150 quid!”

PCA Sheffield, Younger, Higher Income

However, customer service was also very important to most people – and some of the switchers had been pushed to switch because of poor service, or impressed by the service features on offer. It was particularly important for those who had had problems with their current account provider – such as challenges setting up third party access, direct debits not being paid, or rude customer service staff.

“When I applied for stuff with my past bank, it was a straight no. I have been in full time employment since I was 16. You’ve seen my wages going in, what is it? I changed bank and it was just so much easier”

PCA Glasgow, Switchers

PCA respondents suggested that good customer service could also motivate people to switch to a new provider. Respondents spontaneously discussed the appeal of good customer service, although products features were often a decisive factor in choosing a new current account. For many, a key part of good customer service is having better branch access – including, for example, better weekend availability (in fact many respondents explained they had chosen their current account provider because they had a local branch). Respondents spontaneously shared personal examples of good customer experience which they had highly valued: banks being supportive and efficient in dealing with fraud, quickly replacing stolen cards and flexibility with fees associated with overdrafts.

“I switched years ago. I think because the branch closed across the road so I moved to [my current provider] because it was easier. But they have now closed that branch”

PCA Sheffield, Older, Low Income

Those who would consider opening a new account were motivated by alternative accounts that could keep banking costs low – such as through reduced fees for cash, international transfer fees and other charges. Few felt motivated to switch by the offer of a cash incentive – feeling that it was difficult to put a price on the perceived time and effort required to open a new account. The amount of cash which would motivate businesses to switch varied with the size and sector of the SME. For the most part an amount below £1000 was not seen as enough – many struggled to place an amount on what would be ‘enough’, and others seemed reluctant to share this information in a group setting. It is also worth noting that even a large cash incentive was not sufficient to allay concerns about the switching process, with SMEs generally placing higher importance on service quality information and product features than cash incentives.

“I would love to know about other providers. I want to know how they work. Do they charge fees, what are the other facilities they have? Do they have overdraft fees or interest rates? It needs to benefit my business”

Micro business, Wholesale

“When we changed PCA there was a cash incentive. For a business account it would have to be more than I got paid last time. Probably nearer a grand considering how much goes into changing accounts”

Sole trader, Web Design

BCA customers also valued good customer service for their current account – and some were considering trying a new account because of the poor service they had received. Many recognised that good customer service can be valuable in terms of business efficiency – and were looking for support from their local bank and relationship manager.

“The only thing that would prompt me would be the actual service they provide for your company. Are they accessible? How can they improve that over time?”

Medium business, Motor Trade

Some of the finance teams among the medium-sized businesses also had annual reviews of their account provider to explore alternative options and see if they would benefit elsewhere in relation to fees, charges and customer service.

“I would say we are fairly satisfied with [our current provider] but review our bank on an annual basis regarding customer service and charges. The finance team have input - there are about six of them”

Medium business, Construction

A small number also cited interoperability with accounting software packages as a reason to switch providers (and the cost savings of moving to more digitally automated accounting systems) – and currently not all banks provided the functionality for third parties to access bank account via APIs.

“My accountant recommended I move to [my current provider], so we could align our new accountancy software [provider name] with the current account and have live cash flow updates. The savings in accountancy fees were worth it alone, although the switching process was not easy and quite inconvenient at times”

Medium business, Consultancy



Most people were picking up information about current accounts and their features from advertising or the media. The people who had switched had often heard about the benefits of an account from an advert in the press or a newsletter.

“When I was switching I searched for what the best current accounts were and compared the features on Compare The Market or something”

PCA Belfast, Younger, Lower Income

Most people were, however, looking for a personal endorsement of a current account, to trust that the benefits would outweigh the perceived hassle of opening the account. Most people in the groups who had recently switched or were seriously considering the switch had done so to a provider that had been recommended or supported by a friend. Trusted expert opinions – such as MoneySavingExpert – were also valued.

“I switched a few years ago off the recommendation of a family member. I can’t remember the reason why apart from that”

PCA Cardiff, Younger, Higher Income

The other source of information that some people consulted when considering trying a new account was price comparison websites. Most PCA customers used these to explore other financial products, such as savings accounts, loans and insurance products. Those who hadn’t looked specifically for current accounts on these sites assumed they would be able to. One of the barriers to using these sites, however, is the perception that there would be very little to compare across different current accounts – particularly in relation to customer service. There was a perception that customer service was less likely to differ across providers than cost/financial benefits.

“I have a few current accounts. I collect bank accounts. They are all the same. I don’t have a favourite; I treat them all fairly.”

PCA London, Older, Lower Income

Often the means through which SMEs were gathering information about current accounts were similar to those used by PCAs (e.g. recommendations from trusted friends, marketing from the bank, consumer money websites etc.). However, most SMEs described doing more research online prior to opening an account than PCA customers, particularly in relation to fees and charges. SMEs with particular needs from their account often described their frustration at not being able to discuss beforehand these business and banking needs with someone at the bank. Instead SMEs described instances where they were told these could be discussed after the account was set-up.

Recently established businesses were more likely to find information about current accounts through a recommendation of a friend/family member. Many of these businesses (particularly those with fewest employees/sole traders) had little knowledge of BCAs and were thus more likely to open an account based on a recommendation from a trusted source (such as a friend or family member)

“I found out about the account from an ex-colleague and they recommended it. I looked it up and read about it and I opened it in under a week”

Sole trader, Human Resources

More established businesses were conducting substantial research online as to how to make the most of their money when considering opening a new account. These kinds of SMEs, often with greater contact and stronger relationships with other businesses with BCAs were likely to be more sceptical about information online, and provider produced materials. Instead, they valued information and recommendations from sources with understanding of how their organisation operated

“If switching I would go online and do some research to find the differences. The first thing I would do is go on the bank’s website and compare it to her [the director’s] business current account with [her provider].”

Small business, Insurance

5. General attitudes towards the publication of service quality information

General Findings

- Indicators which reflect day-to-day banking experiences could be most powerful – as these were the ones to which the widest range of respondents reacted well.
- Consumers were interested in indicators that would encourage banks to compete in customer service – in particular in relation to the speed and quality of interactions.
- Consumers need some reassurance about the validity of the data – in particular that accuracy is being monitored and banks can't manipulate or subvert the numbers.
- Indicators could be positioned and framed to ensure they appear relevant to both PCA and BCA

When asked to think about where they might go to find information relating to the service performance of current accounts, customers assumed that price comparison, review sites, provider websites, provider advertising and the media outlets would be their preference. Across the board, customers had limited awareness about where they might access more formally published information about current account service performance or even if it existed already. Few had proactively sought this data, although when prompted this information was of interest to many people. After discussion, many customers were curious to know how well their bank was doing in relation to other providers, even if they couldn't imagine the information as sufficiently motivating to consider opening a new account.

REACTIONS TO CMA RECOMMENDATION SCORES

The new CMA recommendation scores were included in discussion with participants, to provide context and inform them of changes already being implemented across the industry. Reactions were broadly positive, with consumers from a range of backgrounds seeing benefit in knowing how their bank was rated by customers, especially when shown in comparison to other providers in the sector.

Some participants immediately raised questions about the data collection methodology, as they had concerns about the accuracy of survey research in general (some citing recent high profile issues with the inaccuracy of polling as a technique to understand voting preferences). For example, some participants questioned who would be running the survey and how customers would be invited to respond. Concerns about inaccurate data and data collection methods were echoed in discussions about the collection of data for the additional service indicators.

"I am not bothered about that information. I am bothered about how my bank treats ME. I wonder who answers a survey like that"

PCA, Sheffield, Older, Lower Income

However, the large majority felt that the CMA remedies were a positive step for the industry. They recognised that more transparency would be beneficial for customers in general, encouraging banks to work harder for customers by prompting greater

competition across the industry. Additional information was also seen as helpful and potentially motivating to consider opening or switching to a new current account.

“No bank wants to come [last]. It would raise the standard all round. The banks are trying to align with different industries”

PCA customer, Sheffield, Young, High Income

“If you went to open an account and you saw that the stats were horrendous, it might make you change your mind”

PCA customer, Glasgow, Recently Switched

GENERAL REACTIONS TO ADDITIONAL SERVICE INDICATORS

Customers often cited product features as the reasons why they chose their current account, or why they chose to stay with their current provider – such as online banking user experience, account rewards and package features. Despite this, customer service issues including effective complaints procedures, quality of telephone banking services and branch opening times were spontaneously mentioned as important when thinking about current accounts.

Customers reacted positively to the potential publication of standardised service information from banks. For many, this type of information would give them greater clarity on how provider/s are treating their customers in comparison to competitors and could provide invaluable information if considering opening a new account.

Although many respondents were not personally motivated by indicators to consider trying a new account, they saw wider benefits in encouraging banks to start competing to offer a better service. The publication of indicators was felt to be a powerful means of highlighting areas of poor performance, and to potentially embarrass banks who were performing poorly in comparison to others.

“I think the banks need to gain our trust back and this is a step on the way.”

PCA Sheffield, Younger, High Income

Few said that they would actively search out this information, acknowledging that it would need to be displayed in places where they could easily come across it without too much additional time or effort. Most expected to find this kind of information on third party comparison websites, in the press or on banks’ websites or online banking pages (along with clear labelling showing which body was overseeing the publication of the data).

“If I was going to switch then I would definitely look at this information, if it was easily accessible.”

PCA Cardiff, Older, Lower Income

There were some concerns about the quality of the data – with wariness about the banks collecting and publishing their own information. Some felt that the banks might find a way to manipulate some of the data for some of the indicators. They expressed some concern that some indicators could encourage ‘perverse incentives’ or ‘tick box’ behaviours which in reality don’t improve the customer experience, but suggest the bank provides a good service in that area.

“I don’t want them to start putting me through really quickly, on to some rubbish automated service! I want to get through to a person who’s useful still.”

PCA Glasgow, Older, Higher income

Perhaps unsurprisingly, the most relevant indicators for most audiences were those that related to day to day banking needs. This meant that indicators concerning the

ease and efficiency of contact through different channels, service reliability and support resolving issues were most appealing and useful across the board.

There were also some additional indicators that felt more relevant to SMEs and to audiences with additional needs – often reflecting their more nuanced banking behaviours and needs (versus mainstream PCA customers). For example, SMEs placed more emphasis on lending decisions and efficiency of contact and problem solving, especially if they had experienced frustrations in their dealings with the bank. Many of the SMEs interviewed felt that they had similar needs to PCA customers and therefore would be happy to use the PCA indicators as a proxy for business account performance. Larger SMEs and those with more specific banking needs felt that there were quite big differences between PCA and BCA service, and could see the value in separate indicator scores – however, they still felt that PCA indicators have some value as a gauge of provider performance.

“If you open an account, you want it open straight away. Six weeks versus two weeks makes a huge difference.”

Belfast, Micro business, Consultancy

Consumers in vulnerable circumstances also placed emphasis on good customer service and the empathy they received from staff. They often perceived themselves to have more complex needs and valued proactivity and speedy problem solving. Some individuals also cited diminished capacity for dealing with problems and the ability to get help from staff when they needed it was important (and perhaps a reason why they placed an emphasis on branch-based and telephone support services).

“I need friendly tellers at my branch. Customer service is highly important. I don’t want someone with a stiff upper lip, I want staff to be responsive and supportive.”

PCA, Customer with additional banking needs, Branch-only user, London

6. Customer Preferences for Service Information

General Findings

- Indicators which focus on providing some objective data relating to ‘day-to-day’ banking needs were the most appealing across the board.
- Data which can help customers get a clear sense of how customer-focussed the provider is (e.g. efficiency of contact, minimising administration time during account application, out of hours opening) were particularly motivating.
- More vulnerable customers were particularly interested in problem resolution and the ability to speak with skilled staff who could handle complex requests.
- A range of concerns were flagged about perverse incentives, or indicators straying into ‘niche’ territory that may not serve as a useful proxy for normal banking experiences.
- SMEs had a range of similar concerns to personal current account customers and to some degree were willing to use PCA indicators as a rough proxy for the provider’s performance overall (based on the assumption that there would be some cross-over in general approach, systems and standards between the two types of account).

MOST VALUABLE INFORMATION

The following sections report on the areas of service which were of most interest to customers within each of the five to six sub-groups of thirty-four indicators short-listed for testing by the FCA, following discussion with stakeholders and Revealing Reality.

For each sub-group of indicators, the initial paragraphs report overall views of customers generally and any particular views of SME or more vulnerable customers. This is followed by “ideal data” outlining which information in that sub-group best aligns with the needs and interests expressed by customers; then “potential indicators tested” which picks out promising indicators to meet the FCA objectives; and finally “concerns about potential indicators”, which reports any concerns expressed by participants about the potential indicators picked out in that sub-group of indicators.

Annex 3 provides more detailed feedback on each of the thirty-four indicators presented to participants.

RESPONSE TIMES TO RESOLVE EVERYDAY ISSUES

Most PCA and BCA customers were interested in their current account provider’s speed in dealing with issues and resolving problems – with a focus on telephone banking and in-branch service. Some also raised the importance of digital communication response times (e.g. webchat and secure messaging), although fewer people relied on these forms of communication with their bank and so they were less popular overall.

When thinking about ‘response times’, customers wanted to know how quickly they’d be able to get their issues resolved with the banks. The issues they wanted to be resolved could relate to a very broad range of different types of queries, transactions

and problems – for example, dealing with fraudulent transactions, lost/stolen cards, third party access to accounts, difficulty using mobile/online banking services, or making large or unusual payments. For customers, data relating to these day-to-day issues was perceived to be more important than information relating to ‘complaints’, as complaints were felt to be less relevant to day-to-day banking and therefore more likely to be unusual situations that most people would not experience.

“That’s important - I want to know that I won’t be on the phone for hours and hours.”

PCA Customer, Cardiff, Young, Low Income

In addition to general response times, BCA and PCA customers were both concerned about the banks’ response time and speed of communicating any fraud or suspicious activity on their accounts. In relation to this, customer interest was specifically in both the speed of being alerted to a problem and ease of restoring full service after an alert.

Customers in more vulnerable circumstances were also interested in problem resolution because many were experiencing what they perceived to be more frequent issues and atypical problems than more mainstream customers. This often meant they prioritised the speed of being able to speak directly with provider staff (either face to face or by phone) and their efficiency in finding solutions to problems in a personal, efficient or flexible way. Specific issues cited included going into debt or unarranged overdrafts and needing flexibility on charges. For those with power of attorney or third party access to the account, flexibility might be needed in what are considered to be acceptable documents in branch.

Ideal data:

- Customers had preferences for information that shows how quickly a range of day-to-day issues are fully resolved through various channels (including telephone, in branch, web chat and secure messaging).
- This would refer to the total time needed to get in touch about and deal with the request or issue.
- Some greater nuance around the different types of request or issue was also welcomed.

Potential indicators tested:

- The most powerful indicator was ‘response times through different channels’. Alternatives could include:
 - ‘Response times / average time taken to resolve issues’ – which many felt was very similar and reflected the reason why they contacted the bank
 - ‘Customer satisfaction after communicating with the bank’ – worked best for more vulnerable groups, who assumed there would be some problems
 - ‘Number of customer facing staff in branch, by position’ and ‘average number of self-service terminals’ – which customers used as a proxy for how busy a branch would be

Concerns about these potential indicators:

- Most wanted to ensure that ‘response time’ would capture everything from quickly accessing a member of staff to the resolution of the issue. There were some concerns that it could be misconstrued as relating to the length of time it takes to be seen/processed, which whilst also appealing, was less motivating than full issue resolution.
- There were concerns about letting the banks define ‘case closure’ in relation to resolving problems – fears that providers might have a different perception of whether an issue had been fully resolved (for example, a customer who was struggling with a tricky request might be signposted to another department –

although from the bank's perspective this might count as a successful handling of the request, from the customer perspective this isn't issue resolution).

- Few were spontaneously interested in information relating to the resolution of 'severe' problems that led to complaints, likely because the majority felt they had not experienced 'severe' problems themselves and/or these kinds of issues occurred too infrequently to be a meaningful indication of service quality. Instead participants, were more interested in knowing about resolution of smaller, more everyday issues with which they were more familiar

ACCOUNT OPENING

Despite high awareness of the 'switch guarantee', most customers believed that opening a new account would be challenging and take time, so information that could help challenge these assumptions was beneficial. There was interest in knowing more about the ease with which PCA and BCA customers could open a new account. However, information relating to ease of opening an account was not independently motivating but became more relevant when combined with other information: information about the ease of opening a new account helped to overcome inertia, and other information, such as product features or customer service ratings provided more of a 'draw'.

SMEs were particularly interested in the ease with which they could open a business account. The ease of opening a BCA should be helped by the CMA remedy led by the British Bankers Association (BBA) to standardise BCA opening procedures. But some who had switched previously shared experiences of long and drawn out account opening processes that had taken significantly more time than they had factored in (sometimes including multiple, lengthy visits to branch and numerous forms to fill in). For them, the time required to open an account could be the determining factor in whether it was worthwhile to switch or not – so this information could help overcome barriers to opening a new account (or hinder it if application processes are perceived to be inefficient).

"It is the most important piece of information to know. Opening an account can be time consuming, it requires me and the director."

Small business, Property investment

Customers with additional needs were also interested in indicators relating to the ease of opening an account. These customer groups were more likely to have experienced rejection in applying for an account or had stronger perceptions that they might be rejected – and therefore may have put off trying to open accounts to avoid wasting their time. Customers in more vulnerable circumstances were also more likely to be interested in the amount of support available to help them open accounts – for example, in-branch account opening services or telephone support.

Ideal data:

- Data which demonstrated the ease and flexibility of the application process. Indication of the bank's information needs – the simpler the better. Data which reflects opportunities for negotiation in requirements for consumers in more vulnerable circumstances e.g. third party mandates, those in debt etc.
- Additional information about average time taken to complete an application would also be beneficial.

Potential indicators tested:

- The most relevant indicator was felt to be 'time taken for account to be fully functional' – which was widely popular across the sample and especially with SMEs. Potential alternatives included:

- ‘Clear information on where to open an account’ – highlighting whether it could be done online, which was felt to be a proxy for the ‘ease’ of the process.
- ‘Type and number of documents required to open an account’ – which was often cited as challenging for more vulnerable groups who were therefore looking for those places where there they felt more confident they would be accepted.

Concern about these potential indicators:

- Most wanted some clarity that ‘time taken to be fully functional’ would include the customer time it would take to complete the application, as well as the minimum period between beginning an application and the account becoming fully functional
- Most assumed the type of documents needed would be very similar across the banks, i.e. those that are commonly used as evidence of address and identity.
- Few felt that the *number* of documents would provide useful detail on what the process may look and feel like.

OUT OF HOURS SERVICE ACCESSIBILITY

Most PCA and BCA customers were interested to learn more about flexible access arrangements for banking services, particularly the branches and telephone banking opening times. Most respondents had an ongoing need for branch access and felt that with branch closures, accessing branches was becoming less easy to slot into their normal schedule – resulting in increased need for out of hours’ services (e.g. later into evenings, weekend opening etc.).

“I have been on the phone and it goes past 5 then suddenly there’s no one there. It would be good to know if someone is there or not!”

PCA Belfast, Young, Low Income

Some respondents were aware that there could be significant diversity in opening times across providers. For example, the customers of [one provider bank] (and a surprising number of non-customers) were aware that [this bank] could be accessed on Sundays and later into the evenings – something they found both interesting and motivating.

SMEs also cited a need to access branch services more often and therefore were interested in understanding more about opening times and out of hours’ access.

Ideal data:

- Communication about the extent of different service availability through different channels, such as the opening hours of branches and phone lines as well as the prevalence of weekend and evening opening hours was motivating.
- Potential indicators tested: ‘Out of hours’ service accessibility’ was the most widely useful information – with many hoping that it would also encourage the banks to compete and be open / available over wider timespans. Alternatives included:
 - ‘Range of services available at most branches’ – which provided some indication on the level of service that could be expected across the provider.
 - ‘Response times through different channels’ – which again gave an indication of how available the staff in different parts of the bank were to customers.

Concerns about these potential indicators:

- Most customers were looking for indicators to be specifically broken down by channel so that it was clear when branches and telephone lines differed. This stemmed from a concern that providers might only provide data on the most available channel – even if others were more limited (e.g. longer telephone lines, but branches close early).
- All respondents were aware that branches were being closed and therefore some of the information about ‘average’ opening times would not necessarily be useful

to them – and often had a strong preference for local information. However, information that showed relative provider tendency to run out of hours' services was a useful indicator of flexibility and willingness to adapt to customer need.

- Customers were also aware that a lot of banks offer 'limited services' during specific times and sometimes have reduced working hours – which may also need to be reflected in the data (for example, it's interesting to know both the availability of out of hours services AND the prevalence of reduced or shortened opening hours).

SERVICE STABILITY (OUTAGES)

Across all the groups – but particularly the SME groups – service stability was an important measure. Most customers accepted that any technology-dependent company may experience some technical problems from time to time – and many respondents could make a clear distinction between planned upgrades (could be disruptive, but necessary and important) and unplanned outages (perhaps a sign of poor maintenance or low investment).

Overall, the most motivating information related to the frequency and duration of unplanned service outages by channel, which was perceived to be a marker of poor infrastructure or inadequate systems maintenance.

"The products that they provide need to work when I need them."

Sole trader, Housing

A small number of PCA and BCA customers in our research sample had direct experience of service outage. For customers who had experienced any kind of significant service outage ('significant' for them could be anything over an hour or so) the service stability indicators were particularly motivating.

SME customers were also highly interested in service stability, as the inability to access their business banking could have serious consequences for their business (e.g. losing deals, not being able to pay staff, being fined or losing early payment discounts).

Ideal data:

- Data that provides an overview of how regularly banks experience unplanned, lengthy or short service outages, by channel (telephone, online, branch, app).
- Most felt there would be value in highlighting the most stable and unstable channels.

Potential indicators tested:

- The 'frequency of severe service outages' was seen as the most useful indicator, as customers were concerned about the regularity of disruptions. Potential alternatives included:
- 'Number of instances when customers could not log-in to mobile or internet banking services' – which again implied the regularity of frequency of challenges within their everyday banking.
- 'Reason for service outage' – which most customers felt could give them a sense of the security and stability of the provider's service.

Concerns about these potential indicators:

- Most were unsure about what a bank might class as a 'severe' outage, looking for a definition and hoping it would be similar to their own expectations.
- While frequency is useful, some wanted to know the frequency of outages for different lengths of time (e.g. for 15 minutes vs. 1 hour vs. 1 day). Customers were more forgiving of very short access problems (e.g. seconds or minutes), but

anything that strayed into hours could be very disruptive and have more serious implications.

- Most assumed the reasons for service outages may be quite technical and difficult to understand so were less spontaneously interested in the detail. From their perspective, it didn't matter a great deal what the reason was if the impact on them was the same.

SME SPECIFIC INDICATORS

SPEED OF ACCESSING CREDIT

A range of SMEs said that cash flow was an issue for them and they had a need to access overdrafts and other lines of credit (e.g. loans), for example, to help provide a buffer for late payments or as a temporary source of capital to invest in products/materials for the business. Delays accessing this kind of lending were felt to have potentially significant impacts on businesses – and therefore knowing which current account providers would provide quick access to credit could be a significant motivator to switch.

“That’s useful to know, so you know the process times and when it all comes through, you can plan ahead”

Micro business, Travel

Ideal data:

- Summary of how long the process of making an application and getting credit granted (either a loan or overdraft), supported by an overview of likely eligibility.
- Most were also looking for some additional information about the ease of the process.

Potential indicators tested::

- The most beneficial current indicator was the ‘time taken to get an overdraft granted’, as many different types of SMEs were using overdrafts as a mechanism to manage cash-flow. Potential alternatives could include:
- ‘Time taken to get a loan granted’ – which was seen as valuable, but accessed by a smaller range of SMEs.
- ‘Documents needed to apply for an overdraft / loan’ – which many used to get a sense of how easy or challenging the process might be.

Concerns about these potential indicators:

- Most were hoping that the ‘time taken’ measures would include any time needed to make the application – reflecting that different businesses, with different structures, could take longer to get together the appropriate documents and signatures.
- Some felt that the ‘documents needed’ was not particularly helpful information, as many assumed documents required by providers would be the same or very similar.

QUALITY OF RELATIONSHIP MANAGERS

Many SMEs reported that their current experience with their Relationship Manager (RM) was poor or even non-existent. Some even saw their RM as an impediment to effective transactions with the bank and sought ways to bypass them and deal with other departments directly.

“The most useful thing my RM ever did was provide me with the direct dial numbers of the other departments”

Medium business, Finance

In particular, sole traders felt they were ‘the bottom of the pile’ in terms of getting a good RM – with most perceiving that the needs of bigger businesses were more likely to be prioritised. Some small businesses were not sure if they even had an RM, and those who did often said they struggled to get hold of them and found they didn’t return calls or messages.

“There is a couple of people who can give you specialist help but I don’t think I trust it, it seems quite sketchy. I would probably go to the Holborn (branch) one rather than the one close to my house because I am not sure about the level of the expertise”

Small business, Lifestyle

Some did have or previously had good relationships with their RM and had found them useful in solving problems and providing advice. However, some felt that this was atypical, as often these benefits hadn’t endured when the individual changed roles.

When reflecting on the potential indicators relating to RMs, most SME businesses preferred the general ‘response times to issues’ metrics, rather than more detailed information about Relationship Managers (their priority being to get their problems solved rather than relying on a potentially unpredictable RM). However, they were interested in knowing how responsive RMs were across current account providers and the ability of RMs to provide more tailored or sector-specific knowledge.

Ideal data:

- Summary of relevant expertise that local RMs can provide to different SMEs, including an overview of the sectors that they specialise in.
- Most were hoping this would be supported with a sense of the ease of getting in touch with their RM and potential response times.

Potential indicators tested:

- The most relevant indicator was felt to be ‘average number of sectors covered by RM by branch’, which most hoped would give a summary of what expertise they could bring to their business. Potential alternatives included:
 - ‘Average number of SMEs per RM’ – which many were hoping would give a sense of likely eligibility (based on how many SMEs were getting access to an RM).
 - ‘Criteria to have an RM’ – which SMEs felt would provide greater clarity on their chances of getting access to an RM.

7. Conclusion

The research has shown that there is significant customer interest in the publication of service information about current accounts. Customers had a strong desire for more transparency in the banking industry – helping them to have a better way of comparing providers and changing their perceptions of how much variation there is between current account providers. For some customers, this data would also be beneficial in motivating them to switch or try a new account. Many felt there would be additional benefits to the wider public by encouraging providers to compete around the customer service they deliver, so that standards might be improved.

Information which was felt to be most valuable related to customers' day to day banking needs. Although no particular indicators spoke comprehensively to all customers' needs, some kinds of information were felt generally to be useful by the majority. This included information about response times for issues to be resolved (through different channels) and access to service out of normal hours. Some customers were also interested in information that related to more one-off issues such as service stability (outages) and the effort and time required for customers to open an account.

Both PCA and BCA customers expected to find out about service information through a price comparison website or through public commentators.

To make the indicators as useful as possible for PCA and BCA customers, there are some implications for the design of indicators:

- Look for opportunities to prioritise **objective data** from banks that could be supported by and not duplicate the CMA remedies
- For SMEs, powerful communication of the **potential benefits of trying** a new provider, prioritising the indicators that might draw them towards a provider to overcome concerns about process difficulty
- Framing indicators so that they feel appropriate to both **PCA and BCA audiences** simultaneously (e.g. by using neutral headings)
- Consumers are looking for some degree of **detail without being overwhelmed**
- Using indicators to **demonstrate the variation** in customer service experience to overcome assumptions that “all banks are the same” and encourage opening or trying a new account
- Ensuring indicators reflect **everyday banking practices**, rather than focusing on more unusual needs, in order to capture the widest audience
- Indicators which were most valuable often related to **efficiency of contact**, either in regards to speed or ease
- Retaining information on **branch service**, despite the ongoing growth of online banking, as most customers are still using their local branches
- Ensuring language about problems and issue resolution doesn't stray into **complaints**, which can be off-putting
- Finding markers or cues of **reliability of data** to ensure customers trust the accuracy of information (such as regulatory approval or highlighting independent oversight).

8. Thank You

Annex 1: Full List of Service Indicators

BACKGROUND

The CMA made recommendations to the FCA to publish a wider range of additional service information to which the FCA published a response outlining the actions it would take. The FCA gathered evidence as to what matters most to customers and why and developed a short list of indicators to test. The list was developed with input from a stakeholder group made up of experts from consumer organisations, regulators and price comparison websites.

TESTING THE INDICATORS

The short-list of indicators were discussed and developed with the FCA and Revealing Reality at a workshop at their offices. At this meeting the short-list was discussed alongside the original long-list to ensure that the service information to be tested covered the key areas of interest to the FCA.

Before testing the indicators with customers in focus groups/ workshops, the respondents were asked to discuss and explain their banking behaviour, current satisfaction with their provider and attitudes to opening or trying a new account. This was to develop an understanding of how engaged customers were with their PCA/BCA and to further inform our understanding of service information that they were or were not interested in.

We also introduced the CMA remedies to the group to give context to the publication of the additional service indicators and inform the groups of changes affecting banking in the near future.

The CMA recommendation scores, the CASS switch guarantee and potential new customer prompts were discussed and shared with respondents, gaining feedback on their initial reaction to these changes to banking. Initially this included the introduction of 'Open Banking' but this was removed from the focus groups as it led to off topic conversations regarding banking security rather than the stimulus that was to be discussed.

For SMEs, we also discussed additional measures being implemented by the CMA specifically for business banking, including to allow SMEs to compare and shop around for other BCAs without adversely affecting their credit profile.

We 'parked' other banking issues that were already being addressed, such as fees, interest rates, overdrafts, package features and rewards, in order to focus the attention of the group on 'service' as opposed to other banking features.

Throughout the research we adapted and removed indicators in collaboration with the FCA. For example, the indicators relating to branch service were originally framed under the heading 'What's on offer locally'. However, from testing these indicators in the initial groups it became apparent that respondents were confused as to whether information under this heading would relate to branch or community activities a bank

is involved in. This prompted a change in the heading to 'Local branch offering', which was clearer to respondents.

The indicators were presented to the groups in a different order to ensure a mixture of responses. Indicators were also presented with priority placed on areas of interest that had come up previously within the particular group though this was not at the expense of testing the other additional service indicators.

FULL LIST OF INDICATORS

Below is the final list of service indicators, by heading, tested in the PCA focus groups and the SME workshops.

Technical Service Reliability

- Frequency of severe service outages
(through different channels: telephone, online, app, ATMs, in branch systems)
- Length of time the bank's core services are down
- Time of day most major incidents have occurred
- Reason for service outages
(e.g. technical error, human error, external factors, etc.)
- Customer satisfaction with log-in process
- Number / Time of planned interruptions during working hours
- Number of instances when customers could not log-in to mobile or internet banking services

Resolution of Issues and Complainants

- Time taken for bank to contact you in regards to suspicious activity
- Customer satisfaction with treatment when there is fraud/suspicious activity on their account)
- Customer satisfaction with complaints
- Response times / average time taken to resolve issues
- Number of customer complaints that the bank rejects but the ombudsman supports

Ease of Opening and Account

- Type and number of documents required to open account
- Time taken for account to become fully functional
- % of applicants rejected for a current account
- Time taken to get an appointment in branch to open an account
- Clear information on where to open an account (e.g. online or in branch)
SME specific
- Time taken to receive overdraft
- Time taken to receive SME lending (business loan)
- Documents needed to apply for Loan/Overdraft
- Number of staff required to open the account

Communicating with the Bank

- Customer satisfaction after communicating with the bank (e.g. information requests)
- Response time through different channels (in branch, via email, telephone banking etc.)
- Service satisfaction of customers in vulnerable circumstances
- Access outside normal business hours (by channel: in branch, telephone, online)
SME specific
- Number of SMEs per Relationship Manager
- Criteria to have a dedicated Relationship Manager

- Proportion of SME Customers with Relationship Manager
- Number of sectors covered by Relationship Manager by branch

What's on offer Locally



- Number of customer facing staff in each branch, by positions (e.g. teller, personal banker etc.)
- Range of services available at most branches
- Average waiting time for an appointment with an advisor
- Average number of self-service terminals

Annex 2: Detailed Methodology

OVERARCHING METHODOLOGY

The primary research methodology was qualitative in nature, combining group discussion and individual depth interviews. The methodology varied across the two main sample groups (PCA customers and BCA customers) to account for the challenges in engaging SME customers in research.

To ensure a broad range of experiences was captured the research had a geographical spread across the UK with focus groups and individual depth interviews taking place in England, Scotland, Northern Ireland and Wales. We also ensured a range of incomes and a representative spread of ethnicities.

 Personal Current Account Customers	 Business Current Account Customers
10 x 2-hour focus groups with PCA customers	3 x workshops with BCA customers from SMEs
8 x 2-hour depth interviews with PCA customers who were in more vulnerable circumstances (such as indebted individuals, individuals with caring responsibilities and individuals with physical disabilities)	37 x 60-90-minute telephone interviews with BCA customers from SMEs
Total = 88 x PCA Customers	Total = 67 x SMEs using BCAs

PCA CUSTOMERS

The sample was designed to be representative of a range of 'typical' current account customers – including customers from a broad range of different providers, including challenger banks. Most of the sample had not recently switched current account, but in each group, at least one respondent had switched within the last 12 months.

The research team conducted ten focus groups with PCA customers with high income earners in one set of groups and low income earners in another. Despite the similarity of age and income in the groups we sampled in order to avoid having respondents with very similar banking experiences.

10 x FOCUS GROUPS				
Group no.	Current account status	Age	Income level	Location
1.	Recently switched their current account (within the last 12 months)	25-55	High (>£25k a year)	London
2.			Low (<£25k a year)	Glasgow
3.	Not switched their current account recently	18-40	High	Sheffield
4.				Cardiff
5.			Low	Belfast
6.				Cardiff
7.		41-75	High	Belfast
8.				Glasgow
9.			Low	London
10.				Sheffield

To ensure this we recruited with ‘additional quotas’ around banking services, personal circumstance, lifestyle and technical proficiency. These quotas ensured that the sample contained a spread of customers in different circumstances who preferred different channels of banking or would have different banking behaviours.

	Consideration	Number of respondents
Banking services	Use an overdraft occasionally and pay it off in full most times they use it	2 per group
	Use an overdraft and always or regularly fail to pay off the full overdraft amount each month	1 per group
	Primarily go in to a bank branch for their banking	10 x respondents (across groups)
	Primarily do their banking over the telephone	10 x respondents across groups)
	Customers of ‘challenger’ banks	5 x respondents. (across groups) Banks could include Aldermore, Metro, OneSavings, Shawbrook (see screener for longer list)
	Have more than one product with the same bank	10 x respondents (across groups)
Personal circumstance	Has a disability which affects their ability to access a bank branch	5 x respondents (across groups)
	Have significant care responsibilities (i.e. for an elderly or ill relative/friend)	5 x respondents (across groups)
	Are appointed Power of Attorney for someone	2 x respondents (across groups)
Lifestyle	Regularly travel abroad	2 x respondents (across groups)
	Regularly travel abroad for extended periods (at least a month) and need to use their current account	2 x respondents (across groups)
	Regularly work long hours (50+)	2 x respondents (across groups)
	Self-employed and use personal current account for their business.	10 x respondents (across groups)
Technical proficiency	Only use online banking/banking app	10 x respondents (across groups)

The sample of BCA customers was comprised of those who are primarily responsible for influencing or deciding day to day banking decisions of their business or of their SME employer. The research included three workshops with SMEs of different sizes and thirty-seven tele-depths to give a greater understanding of business banking behaviour and the data interests of businesses across a wide range of sectors and sizes.

The workshops took place across three locations, London, Belfast and Manchester and each workshop focused on different sizes of SMEs those being sole traders, micro businesses, small and medium sized businesses. Each workshop followed a similar structure to that of the PCA groups but focused on gaining a greater understanding of the various banking behaviours of businesses and the effect this had on their attitudes to trying a new account and indicators of interest.

We sought to speak to businesses with different structures and that are currently in different circumstances. This would include, amongst other criteria, those experiencing growth, those receiving payment in cash and a range between those that are transaction heavy to transaction light.

Group No.	Business Size	Break down of group by employee no's	Location
1.	Sole trader	n/a	Manchester
2.	Micro business (2-9 employees)	5 x respondents from business with 2-5 employees 5 x respondents from business with 6-9 employees	Belfast
3.	Small & Medium size business (10-249 employees)	5 x respondents from business with 10-50 employees 5 x respondents from business with 50-249 employees	London

The tele-depths with BCA customers were sixty minutes to ninety minutes in length and conducted across a broad geographic spread with a range of business sizes. The same additional banking behaviour quotas used for the workshops was applied when recruiting but we also set out which sectors were to be represented across the interviews.

Business size	No. of respondents
Sole trader	6
Small micro (1-4 employees)	8
Larger micro (5-9)	8
Small (10-50 employees)	8
Medium (50-249 employees)	7

Sector	Number of respondents
Construction	4
Professional, Scientific and Technical Activities (includes management consultancy, Advertising, Architectural, engineering, technical testing and analysis services, Legal and accounting services)	4
Wholesale and Retail Trade/ Repair of Motor Vehicles and Motorcycles	4
Administrative & Support Service Activities	3
Human Health & Social Work Activities	3
Information & Communication	2
Transportation and Storage	2
Manufacturing	2
Arts & Entertainment and Recreation	2
Education	2
Agriculture, Forestry and Fishing	1
Real Estate Activities	1

CUSTOMERS IN VULNERABLE CIRCUMSTANCES

Much like the PCA and BCA sample for this strand of the research we recruited for a representative spread of ethnicities, a spread of ages, a mix of genders and a geographical spread across the UK. This section of the research was targeted at talking to those with specific banking needs reflected by their income, living situation or banking preference. We conducted eight two hour interviews with the respondents.

Across all the respondents there was a mix of banking providers alongside the following specific needs:

Additional need	Number of respondents
Access issues: Only use branch (f2f only) and don't use online banking nor self-service machines within banks	At least one respondent
Caring responsibilities	One respondent with legal power of attorney One respondent with third party access (i.e. an informal arrangement)
Over-indebted: Defined as either fallen behind with their bills in at least three of the last six months or feel that their debts are a heavy burden	In addition to being indebted to include: One respondent who is always & heavily in to their overdraft (over £500) One respondent with no direct debits and with a household income of less than £24k
Disability	At least one respondent with a physical disability & mobility issues (i.e. in a wheelchair, use a walking stick, struggle walking or standing for long) At least one respondent with a significant hearing or visual impairment Where possible, at least one respondent with dyslexia, dyspraxia and/or dyscalculia (NB. This is 'nice to have' rather than essential)
Recently migrated	At least one respondent that moved to the UK within the last 2 years

Annex 3: Detailed feedback on specific indicators presented

This Annex outlines more detailed feedback from all groups (PCA customers, SMEs and from respondents in more vulnerable circumstances) on each of the specific indicators presented to them. Within each section, the indicators are listed from most to least relevant across the groups.

The service quality indicators were grouped under five headings listed below.

- Communicating with the Bank
- Resolution of Issues and Complaints
- Technical Service Reliability
- Ease of Opening an Account
- Local Branch Offering

Further detail on the process of framing indicators for respondents, and how a small number of indicators were altered through the research process to aid understanding, is included in Annex 1.

COMMUNICATING WITH THE BANK

Communicating with the Bank was the most favoured group of indicators across the board. These indicators seemed to reflect respondents' everyday banking behaviours, concerns and needs the most – and therefore they could best relate to this information. Some of these indicators could be particularly beneficial when thinking about motivations for opening of trying a new account.

Indicator	Understanding	Appeal/Benefits	Risks/Concerns
Response times through different channels (e.g. through branch, phone, RM)	<ul style="list-style-type: none"> ■ Customers perceived this to include 'dealing with most issues' ■ Mostly associated with telephone lines and branch queues ■ Time taken to speak to a member of bank staff 	<ul style="list-style-type: none"> ■ One of the most popular metrics across all groups ■ All respondents keen to know their interactions with the bank will be efficient ■ Were looking for providers who were offering fast service 	<ul style="list-style-type: none"> ■ Worried that banks will simply put them through to an automated service or have a 'triage' service to put you back on hold, or find other loopholes to 'respond quickly' but not actually provide a solution quickly. ■ Want to know that the whole issue will be dealt with quickly
<p><i>"If you were guaranteed a fast response time through any channel that would be an incentive to move"</i> PCA, Belfast, Older, High Income</p>			
Access outside normal business hours	<ul style="list-style-type: none"> ■ Ability to get access to bank staff in the evenings and during weekends ■ Particularly pertinent in relation to branch access – with some additional interest in telephone lines 	<ul style="list-style-type: none"> ■ Most assumed this would encourage competition and innovation in opening times/in person banking ■ Interested in considering banks that offer greater flexibility in regards to branch access, as many struggled with fitting branch visits into working life ■ Most appealing to SME customers who often needed counter service regularly (e.g. retailers) 	<ul style="list-style-type: none"> ■ Scepticism that there won't be much variation between banks ■ Those banking online had the sense that they had a lot of flexibility already ■ Concerns were also raised about limited opening hours (as well as extended opening hours)

	<p><i>“Important - I want to know I can do banking on particular days that are more convenient”</i></p> <p>PCA, Cardiff, Young, High Income</p>		
<p>Customer satisfaction after communicating with the bank</p>	<ul style="list-style-type: none"> ■ Summary of how well most customers feel that their issues have been resolved / handled ■ Strongly relates to how a bank will try to resolve their issue (no matter how small) 	<ul style="list-style-type: none"> ■ Additional data from customers might mean banks can't solely prioritise speed at the expense of delivering poor customer experience. ■ Clear opportunity for those who have had a poor experience to share with others 	<ul style="list-style-type: none"> ■ Mostly felt unnecessary when evaluated in relationship to the CMA data on customer recommendations ■ Some scepticism of customer satisfaction data – how it will be collected and from whom. ■ General wariness about being asked to fill in 'annoying' customer satisfaction surveys after routine contact with the bank
	<p><i>“I need to feel satisfied they are doing what I request. Every time I ask them I want it to be done”</i></p> <p>PCA, Sheffield, Younger, High Income</p>		
<p>Service satisfaction of customers in vulnerable circumstances</p>	<ul style="list-style-type: none"> ■ Review of the experience of those customers who might struggle in some way ■ Associated with people who have more complex interactions with the bank, such as those with disabilities and those with lower capability. 	<ul style="list-style-type: none"> ■ Widely seen as a positive benefit for society – to ensure some banks are ethical and moral ■ Most were motivated by examples of good customer experiences in this respect. 	<ul style="list-style-type: none"> ■ Confusion and some concern about who would be classified as 'vulnerable' ■ Not particularly motivating when considering switching – especially if not seen to be relevant to them specifically ■ The customers in more vulnerable circumstances didn't place themselves within this group, so few customers may self-identify as within the target audience
	<p><i>“I would like this and to know that [the bank] are looking after these customers. It's important that they do. It's important that the information is available.”</i></p> <p>Micro business, Wholesale</p>		

SME SPECIFIC METRICS

For the BCA customers, there were a range of indicators associated with communication with a Relationship Manager (RM) / Business Manager. A lot of the SME feedback on indicators relating to RMs was influenced by their reported experience of widespread poor service from RM's, with feedback typically being that it is not useful to know detailed information about a service that doesn't perform well. As such, SMEs often preferred 'general response time' indicators over those specifically relating to RMs, as these better reflected their actual priorities (e.g. fast and efficient service, which may or may not be provided through an RM).

Indicator	Understanding	Appeal/Benefits	Risks/Concerns
Criteria to have a dedicated Relationship Manager	<ul style="list-style-type: none"> Setting out clear eligibility standards for who is able or likely to have an RM to support their business Likely to include criteria related to staff size and turnover 	<ul style="list-style-type: none"> Benefit of more clarity around how banks make decisions about RMs Many felt they had been misled by being told they'd have an RM and then not hearing from them 	<ul style="list-style-type: none"> Many SMEs, in particular the smaller ones, assumed they wouldn't meet the criteria Those who had an RM were often not happy with the service, so being 'eligible' for an RM was not additionally motivating
<p><i>"If you don't have an RM you might feel a bit aggrieved reading this - some banks don't have as many RMs as others. It doesn't mean you might get less of a service"</i></p> <p>Medium business, Financial Consultant</p>			
Proportion of SME customers with RM	<ul style="list-style-type: none"> Percentage or other means of showing the number of SMEs, out of the total number with BCAs Expect it to relate to those who have an active relationship with their RM 	<ul style="list-style-type: none"> Helps businesses get a better sense of their 'chances' of getting an RM 	<ul style="list-style-type: none"> Most expected few SMEs to have an RM and active contact with them – and so would find it motivating if it was a significant proportion Again, not interesting if the RM isn't effective, available or skilled
<p><i>"It's very subjective you could say. Everyone has access but getting through to them is something else"</i></p> <p>Sole trader, Project Manager</p>			
Number of sectors covered by RM by branch	<ul style="list-style-type: none"> Would simply list the number of sectors each RM covered in each branch Expect limited detail from this indicator on what these sectors would be 	<ul style="list-style-type: none"> SMEs were interested in their RM having specific knowledge and skills in relation to their business needs – and a useful proxy for this was by business sector or type Access to specialist RM was felt to be motivating, if they did have specialist knowledge and understanding Most interest in sectors specifically covered 'my local branch' over and above a national average Some ability to use this data as a proxy for how busy their RM might be 	<ul style="list-style-type: none"> Unclear what benefit this data would bring them in assessing good service Simply knowing the 'number of sectors' covered if not necessarily an indicator of knowledge or expertise Limited appeal for SMEs who were more interested in knowing if they could access an RM's who covered <i>their sector</i> – rather than the 'average number of sectors covered by RMs across the board'
<p><i>"That doesn't make any sense, there are thousands of sectors. Which sectors? The other way is to say what speciality does the RM have? And what areas of business has that RM been in? I would like that, it's more helpful"</i></p> <p>Medium business, Pharmaceutical Sales</p>			

<p>Number of SMEs per RM</p>	<ul style="list-style-type: none"> ■ Summary of how many SMEs an RM would be supporting ■ Most assumed this would be on a local level – based out of a local branch or an RM associated with their business 	<ul style="list-style-type: none"> ■ Some felt they could use this as a proxy for how busy the average RM might be and how straightforward it would be to contact them ■ Gives some demonstration of the extent to which the RM is supportive of SMEs 	<ul style="list-style-type: none"> ■ Would prefer a local understanding rather than national average ■ Still lacks detail on the RM's workload – in particular, if they're supporting bigger businesses too, or if some of these SMEs are demanding of their time.
<p><i>“How personal is the service? If I need a business manager I expect him not to have 100 million businesses at the same time. I would expect a personal relationship.”</i></p> <p>Sole trader, Property</p>			

RESOLUTION OF ISSUES AND COMPLAINTS

For many, there was some crossover between the indicators below and those in ‘communication with the bank’ – often because having ‘problems’ or ‘issues’ was the reason for most of their more significant contact with the bank. These indicators were generally seen as important for transparency and encouraging competition between providers.

Indicator	Understanding	Appeal/Benefits	Risks/Concerns
Time taken for bank to contact you in regards to suspicious activity	<ul style="list-style-type: none"> ■ The time it will take the provider to notice and notify a customer of potential fraud on their account ■ Assumed to cover the time from the first instance suspicious activity starts to the point of contact about it 	<ul style="list-style-type: none"> ■ Widespread appeal across a range of consumer groups – seen as important, as many people had experienced suspicious activity/fraud occurring on their account or had heard of others experiencing this. ■ Security of account was an emotive topic – many were worried about losing money in this respect 	<ul style="list-style-type: none"> ■ Common perception that anything other than ‘immediately’ would be considered poor ■ Potential to raise concerns about safety of accounts if it’s deemed to be too long ■ Customers were also keen to know ‘time taken to restore account to full functionality’ after a suspicious activity alert
	<p><i>“It’s so annoying when you’re travelling abroad and they lock you out of your account. They could do more to make it easy to get things back up and running.”</i> PCA, London, Younger, High Income</p> <p><i>“I think time to respond would affect customer satisfaction”</i> PCA, Belfast, Younger, Low Income</p>		
Response times / average time taken to resolve issues	<ul style="list-style-type: none"> ■ A lot of overlap with ‘response times’ generally ■ The time it takes for a bank to satisfactorily resolve a problem – from first contact to the end 	<ul style="list-style-type: none"> ■ Most appealing for those in more vulnerable circumstances – especially as their issues tended to be more significant and require some negotiation 	<ul style="list-style-type: none"> ■ Anxiety about the providers making a decision about when an issue was considered ‘resolved’ ■ Interested in balancing this data with something that ensured customers were satisfied with the resolution ■ Some felt they would get more benefit from more granularity about the types of issue – as they felt they rarely had an issue and therefore it didn’t feel as relevant
	<p><i>“For me it’s response to questions. If I need information I don’t want to have to wait three days for a response”</i> PCA London, Older, Low Income</p>		

<p>Customer satisfaction with complaints</p>	<ul style="list-style-type: none"> Customer rating or score which outlines how satisfied customers have been with how their bank has handled significant problems and complaints Reflection on complaint resolution overall, including the tone and empathy as well as the process efficiency 	<ul style="list-style-type: none"> Complaints data was perceived to be an indicator of customer service quality All customers wanted to know that if they had a serious issue with their bank it would be handled well – and the bank would do their best to support them Most relevant to those in more vulnerable circumstances as they had often had more significant challenges – but also pertinent with PCA & BCA customers who had previously made a complaint 	<ul style="list-style-type: none"> For most PCA and BCA customers, this was felt to be quite niche information – as few had had reason to make a complaint (and complaints were perceived to be a fairly extreme type of customer interaction) Most people felt this would be covered by the CMA recommendation data generally
<p><i>“On every internet banking site I would expect this to pop up on their sites”</i> PCA, Sheffield, Older, Low Income</p>			
<p>Customer satisfaction with treatment when there is fraud/suspicious activity on their account</p>	<ul style="list-style-type: none"> Customer rating or score which outlines how satisfied people have been with the process of dealing with fraud Most assume this includes an element of investigation into the activity and refund processes 	<ul style="list-style-type: none"> Some were keen to know that banks were offering a positive customer experience around something like suspicious activity, which could be stressful. 	<ul style="list-style-type: none"> Most were more concerned that any suspicious activity was resolved efficiently rather than in good service around this Most felt this would be a relatively simple process and weren't concerned by banks' handling of it. Most had had a positive experience Not a particularly motivating indicator – even if negative
<p><i>“I want to be treated well. A lot of things can go wrong - my mum has had issues and they didn't help her very well”</i> Medium business, Healthcare</p>			
<p>Number of customer complaints that the bank rejects but the ombudsman supports</p>	<ul style="list-style-type: none"> Few had considered that the Ombudsman would support people that the banks had turned down – assuming instead people made 'new' complaints to them 	<ul style="list-style-type: none"> Seen as an interesting set of data that most respondents wanted to know how their own bank compared to others Indicator of how well the bank helps people to resolve their problems Some felt they would be motivated to look elsewhere if their bank had a particularly negative score 	<ul style="list-style-type: none"> Understood that it might be quite complicated information – and a lot of people might make complaints that are simply incorrect (it's not all the bank's fault) Most recognised that they were curious, rather than feeling the data would add significant value
<p><i>“If that's high you would be worried wouldn't you, the bank doesn't care. I'd like to see the banks made to collect that. That would be good for them.”</i> PCA, London, Older, Low Income</p>			

EASE OF ACCOUNT OPENING

While there was awareness of the Current Account Switch Guarantee, there remained a lot of scepticism about how easy the process of applying for a new account could be in reality. Most assumed that it would be frustrating and somewhat laborious – and so information about how different providers compare could be beneficial.

Customers who felt information on opening an account to be more relevant were:

- People actively considering opening or switching to a new account – who were often most primed to consider which provider might offer the best experience
- People who had previously had a bad experience – who were looking for a more straightforward and reliable process to persuade them to consider a new provider
- SMEs – who found it stressful to consider the volume of elements they might need to organise with a new account
- People in more vulnerable circumstances – who often assumed they might struggle to access an account in the first place or to negotiate a more ‘complex’ access arrangement (e.g. third party access) for their current account.

Indicator	Understanding	Appeal/benefits	Risks/Concerns
Time taken for the account to become fully functional	<ul style="list-style-type: none"> ■ Time it takes for a current account to function as expected ■ Some lack of clarity about how this relates to switching vs. opening a new account – such as whether it includes all the direct debits being transferred across ■ Many included the time it takes for the application to be made – as well as for the bank to set it up 	<ul style="list-style-type: none"> ■ Most were interested in hearing about the speed of an account working ■ Fast processes were appealing, as most assumed it would be a lengthy process ■ Supports the notion that trying a new wouldn't be arduous 	<ul style="list-style-type: none"> ■ Most assumed that there would be little variation between providers ■ Needs to take into consideration the amount of customer time required to open the account (not just minimum elapsed time between initial application and account activation)
<p><i>“That's important - I wouldn't want it to be much longer than a month. If it was I would look elsewhere for somewhere quicker”</i></p> <p>Micro business, Construction</p>			
Clear information on where to open an account (e.g. online or in branch)	<ul style="list-style-type: none"> ■ Simple summary of where you can make an application ■ Assumed to cover the main channels – online, in branch or over the telephone 	<ul style="list-style-type: none"> ■ Most were interested in learning about whether applications can be made online – as many assumed you would need to go into branch ■ Provides a further proxy for how easy and simple it should be to make an application 	<ul style="list-style-type: none"> ■ Many people assumed there would be limited variation – but might be put off by ones you can't make online ■ Some felt that this was already quite accessible – but recognised that it's more difficult to compare across providers
<p><i>“Very important. I wouldn't like to have to search online or have to go all over to open an account with a particular bank”</i></p> <p>Small business, Insurance</p>			
Type and number of documents required to open an account	<ul style="list-style-type: none"> ■ Overview of the main documents that are needed for a new application ■ Key paperwork that will be needed when opening an account 	<ul style="list-style-type: none"> ■ Most interesting and useful to some of the respondents in more vulnerable circumstances – some of whom were interested in knowing the range of acceptable documents 	<ul style="list-style-type: none"> ■ Most felt this would be standard documentation and little variation between providers
<p><i>“Yes, specifically ‘type’ as I struggled with proof of address. It was very confusing. A lot of customers go to [a particular bank] because it's easier for recently migrated people”</i></p> <p>Customer in Vulnerable Circumstances, Recently Migrated</p>			

<p>Percentage of applicants rejected for a current account</p>	<ul style="list-style-type: none"> ■ Key statistic that shows how many people who have applied for a current account have been rejected 	<ul style="list-style-type: none"> ■ Most interesting for consumers in vulnerable circumstances– who were looking for cues which might indicate whether they could struggle to get an account ■ A minority felt this statistic would help them know whether their bank was trying to accommodate everyone – in particular this appealed to customers in debt and/or with poor credit ratings. 	<ul style="list-style-type: none"> ■ Some concerns about potential nuances in this data – as many felt the reason for rejection might relate to the applicant more than the bank ■ May have an impact on the account people choose to go to – but not particularly motivating for switching among mainstream groups
<p><i>“I would take notice of that. I have got bad credit if the bank is rejecting a lot of people like me I wouldn’t even bother going for that account”</i></p> <p>Customer in Vulnerable Circumstance, Indebted</p>			
<p>Time taken to get an appointment in branch to open an account</p>	<ul style="list-style-type: none"> ■ Number of days / weeks that you might have to wait to get an appointment about opening an account ■ Assumes the application needs to be done in branch 	<ul style="list-style-type: none"> ■ Respondents who were heavy branch users found delays to open an account frustrating – and would be interested to know more about efficient branches 	<ul style="list-style-type: none"> ■ Limited interest across most groups, who were hoping they could open an account online rather than in branch ■ Few recognised the need to see an advisor in relation to their current account – more strongly linked to other products
<p><i>“For other things it can be frustrating, maybe not current accounts though”</i></p> <p>PCA, Belfast, Older, High Income</p>			

SME SPECIFIC METRICS

An additional set of indicators for BCA customers explored the requirements around lending for SMEs. Most SMEs were interested in accessing some credit and again sought efficient processes around this.

Indicator	Understanding	Appeal/benefits	Risks/Concerns
Time taken to get an overdraft granted	<ul style="list-style-type: none"> ■ Average number of hours / days it might take to have an overdraft added to a current account ■ Many assumed this included the time taken to make the application – and paperwork associated with this ■ Some incorporated the idea of extending their overdraft into this framing 	<ul style="list-style-type: none"> ■ The most appealing indicator for most SMEs – as overdrafts were a popular means of managing cash flow ■ A short period was most appealing to SMEs – who might consider moving to a provider who could do so quickly ■ Particularly relevant to sole traders and microbusinesses, who were generally slightly more likely to rely on overdrafts 	<ul style="list-style-type: none"> ■ Some SMEs felt they already had a suitable overdraft facility in place and wouldn't be looking to change or extend it ■ For many, product features such as fees and interest rates were seen as more motivating to switch than the speed of being able to access an overdraft.
<p><i>"I like this one. I would assume it would be a pain to start a new account. It's a cushion, it's a bit more important than a loan."</i></p> <p>Small business, Recruitment</p>			
Time taken to get a loan granted	<ul style="list-style-type: none"> ■ Average number of hours / days it might take to have a loan approved ■ Many assumed this included the time taken to make the application – and paperwork associated with this 	<ul style="list-style-type: none"> ■ Slightly more appealing for larger businesses (small and medium) – and those working in industries with significant out-costs ■ Some people needed to access credit quickly (e.g. in association with a new project) and so this indicator would be useful 	<ul style="list-style-type: none"> ■ Some reflection that the time taken to grant a loan might reflect the complexity of the SME's financial set-up (e.g. getting paperwork signed where there are more stakeholders)
<p><i>"Important. Sometimes it can take weeks. That information would make us think about if we could remain with our current bank. Important to have."</i></p> <p>Medium business, Construction</p>			
Number of staff required to open the account	<ul style="list-style-type: none"> ■ Some confusion about what this indicator could look like ■ Assumed it would tell you the average number of staff needed to open the account ■ Some were unsure if it was number of bank staff rather than employees 	<ul style="list-style-type: none"> ■ Most relevant and appealing to the larger SMEs (small and medium) who have separate finance teams 	<ul style="list-style-type: none"> ■ Feels less useful and relevant than more detail on what type of people will need to be involved – what positions within the company ■ If the number of people was too high, many SMEs admitted this would be a barrier to choosing a specific provider
<p><i>"Definitely need to know that. Thinking back to when I tried to switch they kept asking different things and it wasn't clear from the start what was needed. First, we needed just the owners who live abroad so it was impossible."</i></p> <p>Medium business, Tourism</p>			
Documents needed to apply for an overdraft/loan	<ul style="list-style-type: none"> ■ Overview of the range of documents required to apply for an overdraft of loan 	<ul style="list-style-type: none"> ■ Some SMEs felt this would be beneficial to know because they recognised it can cause delays in getting an application approved 	<ul style="list-style-type: none"> ■ Most felt this was less appealing than the efficiency of the process of accessing credit ■ Often assumed to be relatively standard across providers ■ Not felt to be a decisive factor when reflecting on a current account provider
<p><i>"It would be very important for me - because of all the documents I need. It would save me time."</i></p> <p>Micro business, Retail/Creative</p>			

TECHNICAL SERVICE RELIABILITY

Responses to this theme was quite polarised across all the respondents (both PCA and BCA): for some it was one of the most important categories, while others found it mostly irrelevant. Most of the SMEs however, felt more strongly than others in relation to this category – based on concerns that service outages could have significant impact on business efficiency.

Most associated this theme with their overall sense of the security of their banking – closely linked with any indicators associated with fraud or suspicious activity.

Indicator	Understanding	Appeal/Benefits	Risks/Concerns
Frequency of Severe Service outages (through different channels)	<ul style="list-style-type: none"> ■ A statistic which presents an overview of the regularity of service outages by channel. ■ Assumed to be unplanned outages – rather than system upgrades ■ Would it expect it to cover online banking, branch IT systems and ATMs 	<ul style="list-style-type: none"> ■ One of the most important indicators for most respondents, as many used it as a proxy for overall reliability and security. ■ Any significant frequency would cause a concern – and potentially motivate respondents to consider other banks ■ Particularly relevant to SMEs – who would not want to deal with regular problems 	<ul style="list-style-type: none"> ■ Some concern about how the banks would classify severity, assuming they would try to massage the numbers ■ A minority of consumers were less interested in this indicator – as they did not feel it would impact their banking
<p><i>“Frequency is more important than length of time – if it’s constantly down that’s more important when you are choosing who to bank with”</i></p> <p>PCA, London Older, Lower Income</p>			
Number of instances when customers could not log-in to mobile or internet banking services	<ul style="list-style-type: none"> ■ Assumed to be the regularity with which people struggle with mobile or online banking – presented as an average or proportion over time. ■ Associated with unplanned challenges with logging on, rather than system upgrades 	<ul style="list-style-type: none"> ■ Particularly pertinent for PCA customers – and those who regularly use online banking systems ■ Most digital bankers were using their online / app banking regularly – so any bank with a high number could be somewhat motivating to look into other providers 	<ul style="list-style-type: none"> ■ Some respondents were also hoping for a sense of how long any problems lasted alongside this data. ■ Most people assumed this would be a low number – and were flexible to recognising that IT problems happen ■ More were more interested in the banks’ approach and efficiency in resolving problems
<p><i>“That could be the customers own fault. I would be interested in the average time it takes to get the service back on”</i></p> <p>Medium business, Retail</p>			
Length of time the bank’s core services are down	<ul style="list-style-type: none"> ■ Period of time that a specific part of the bank infrastructure is inaccessible (e.g. ATMs, online banking, in branch services) ■ Often assumed to be shorter periods of time (under 1 day) ■ Mostly seen as unplanned service outages 	<ul style="list-style-type: none"> ■ For most, felt to be less valuable than data on frequency of outage ■ Most appealing if you could break it down by channel – and give a sense of local problems (where possible) 	<ul style="list-style-type: none"> ■ Not always clear what was meant by ‘core’ services ■ Few expected there to be any significant variability between banks ■ Some SME respondents would be concerned if they saw significantly high numbers in this respect
<p><i>“This factors highly - if you can’t use your bank. I need to know if I have the resources to go for business and if their services are down we are in limbo.”</i></p> <p>Medium business, Construction</p>			
Reason for service outages	<ul style="list-style-type: none"> ■ Providing a clear set of reasons why a bank’s system has gone down (unplanned) 	<ul style="list-style-type: none"> ■ Useful for some to get a better understanding of whether the bank could be better at managing / mitigating challenges 	<ul style="list-style-type: none"> ■ Worried that description used wouldn’t be understandable to general public / meaningless

	<ul style="list-style-type: none"> ■ Most assumed this would be a list of the most common or associated with specific outages ■ Most made some association with security of the account – e.g. fraud breaches 	<ul style="list-style-type: none"> ■ Reasons that the customers feel the bank could mitigate would be seen as a reason to consider other banks 	
<p><i>"It's evolving all the time so I'm not that interested in knowing why."</i> PCA, Sheffield, Older, Low income</p>			
Customer satisfaction with log-in process	<ul style="list-style-type: none"> ■ Most related this to the customer satisfaction with how quick and easy it was to log in ■ Often associated with the 'number of steps' it takes to get online, and the need for additional 'kit' (e.g. card reader) 	<ul style="list-style-type: none"> ■ Many were keen to know that the log-in process was simple, and didn't involve too many steps ■ Mobile and online banking was seen as hard to compare between providers – any additional clarity would be useful ■ Most useful alongside frequency of service outage 	<ul style="list-style-type: none"> ■ Most wouldn't want the process to be too simple – worrying it wouldn't give them a sense of security ■ Some felt that this should be paired with details about how the log-in process works
<p><i>"I heard of a bank that made you change your passwords every now and then and that would drive me mad."</i> PCA, Belfast, Younger, Low Income</p>			
Number/time of planned interruptions during working hours	<ul style="list-style-type: none"> ■ Number which tells them how often a bank has a planned interruption during working hours ■ Some lack of clarity about what kinds of interruptions it might include – as some were seen as beneficial and acceptable to customers (e.g. online banking upgrades) 	<ul style="list-style-type: none"> ■ Length of the time the interruption would take made a difference on how relevant this felt ■ Positive to see that the banks are making changes to their systems – planned interruptions are not all negative. 	<ul style="list-style-type: none"> ■ Generally assumed not to happen during working hours for most providers ■ Most people were not concerned about this indicator – planned interruptions can be acceptable as they normally have some communication about when they're happening
<p><i>"If they notify you it shouldn't be too big of a deal."</i> PCA, Glasgow, Older High Income</p>			
Time of day most major incidents have occurred	<ul style="list-style-type: none"> ■ Clear detail on the times of day when most of the major incidents have occurred – likely to be an average ■ Lack of clarity about what is considered a 'major' incident – but assumed it meant systems would be down for a relatively long period 	<ul style="list-style-type: none"> ■ Would be most useful when coupled with frequency ■ Some SMEs were interested – and wouldn't choose a provider if they had regularly had problems during working hours 	<ul style="list-style-type: none"> ■ Very little interest in the actual time of day – most felt it would be worrying at any point when they're trying to access their account ■ Felt to crossover with 'length of time the systems are down'
<p><i>"I don't take issue or interest in it if it happens to me personally, to be honest"</i> PCA, Cardiff, Young, High Income</p>			

LOCAL BRANCH OFFERING

The respondents who were more reliant on branches to do their banking were concerned about the type of service they are now receiving and the lack of branches in and around their area. Although the metrics below held some significance for them, they didn't quite respond to their needs of wanting more branches and more face to face services available.

Indicator	Understanding	Appeal/Benefits	Risks/Concerns
Average number of self-service terminals in branch	<ul style="list-style-type: none"> ■ Average number across all branches nationally ■ Self-service terminals that allow customers to pay in and take cash out – some banks are just ATMs so would need some clarity 	<ul style="list-style-type: none"> ■ Many respondents felt they could use this as a proxy for how big or busy branches could be ■ Most relevant for customers who have regular but quite simple tasks to complete – e.g. SMEs paying in cheques 	<ul style="list-style-type: none"> ■ Most were more interested in the average number locally – or more specific details on their own local branch ■ Low numbers of terminals would be off-putting for most – but some were more interested in staff than terminals
<p><i>"I use these but I wouldn't care about it. It's more than actual existence of them."</i> PCA, Belfast, Older, High Income</p>			
Number of customer facing staff in each branch, by position	<ul style="list-style-type: none"> ■ Average number of staff per branch who might be able to resolve queries ■ Expected it to be a national average – although would prefer a local area average ■ A list of what positions are included in each branch 	<ul style="list-style-type: none"> ■ Quite appealing to respondents who had more complex banking needs but also struggled to use self-service terminals ■ Many saw a significant number being a positive – and attractive in selecting a banking provider ■ Many also thought this could also help them work out how busy branches might be – and how quickly they could be served 	<ul style="list-style-type: none"> ■ Few were interested in knowing staff by specific position when thinking about their current account ■ The customers in more vulnerable circumstances were simply looking for overall staff numbers – and wanted a range of people to be able to help them
<p><i>"Yeah I think that's important because if someone is having a problem using the self-serve and they need help that's useful"</i> PCA, Belfast, Younger, Low Income</p>			
Average waiting time for an appointment with an advisor	<ul style="list-style-type: none"> ■ Length of time, on average, you would have to wait in branch to see an advisor ■ Expected to be in minutes or hours 	<ul style="list-style-type: none"> ■ Some felt this could be a useful indicator of how efficiently the branches work – and generally how much queuing there is to do ■ Some SMEs felt this would be a useful indicator in relation to accessing an RM at branch 	<ul style="list-style-type: none"> ■ A small minority felt they needed to see an advisor about their current account – although those handling the accounts of others (e.g. carers) could see some benefit in expert advice
<p><i>"Not too worried now. I used the branch a lot in the past. I worked for a charity and went to the branch all the time so I was endlessly queuing at the bank - so it depends on your cash flow and your business."</i> Small business, Recruitment</p>			

<p>Range of services available at most branches</p>	<ul style="list-style-type: none"> ■ Setting out the main services customers can access in branch – from tellers to ATMs to credit applications 	<ul style="list-style-type: none"> ■ Many wanted reassurance that their bank branch would have capacity and services in store to enable them to do their banking ■ Any banks that couldn't support basic tasks would be off-putting 	<ul style="list-style-type: none"> ■ Most were hoping that this data could be applied at a local level – as 'most branches' still felt a bit unpredictable ■ The majority felt they had a good sense of what is available locally – and didn't feel this would be particularly variable ■ Some felt they could get this information quite easily elsewhere (e.g. Googling local bank branches)
<p><i>"I think all services should be available at all branches."</i> PCA, Cardiff Older, Low Income</p>			

Annex 4: Additional information on SMEs

BACKGROUND

This research sought to understand SMEs reactions to the potential publication of additional service indicators, as well as gather insight into their business banking behaviours in general – pulling out differences by size and sector. Alongside the service indicators tested with PCA respondents, additional SME specific indicators were tested with SMEs of different sizes through workshops and tele-depth interviews.

Taking account of the challenges involved in recruiting busy senior management and owners of businesses, workshops were conducted in three locations in the UK at a convenient time: in Manchester with sole traders, in Belfast with micro businesses and in London with small and medium businesses. In addition, 37 telephone interviews were conducted with businesses across the SME spectrum, with organisations from a range of sectors taking part.

TOP LINE FINDINGS

Across the BCA customers the general preferences in terms of service quality indicators was like that of PCA customer preferences. This was true of SMEs across different sizes and sectors.

The most marked contrast between PCA and BCA was BCA customers' concern with the long-term suitability of an account - they were less swayed by the offer of short term rewards such as cash incentives than PCA customers generally were. SMEs felt the 'stakes to be higher' when choosing a new account – even business critical.

Key differences by size include many sole traders using their BCA very similarly to their PCA, and small and medium sized businesses having finance and accounting staff or teams, as well as having longer term and effective contact with relationship managers.

Overall, BCA customers were interested in the provision of service information and saw it as an important step towards greater transparency in the banking industry. However, few would be motivated to switch based on this information alone without accompanying information about the fees, interest rates and product features of an account as well.

KEY DIFFERENCES BETWEEN ORGANISATIONS BY SIZE

SOLE TRADERS

- Sole traders generally had simple needs for their account and in many ways treated their account like their PCA, often making/receiving ad hoc payments. They often wanted their account to require 'low maintenance', so they could focus energy in running the business itself.
- They were likely to have opened a BCA with their PCA provider or to have opened a BCA on the back of a recommendation from a friend/family member.
- Most were predominantly using online services to manage their account, but some sole traders, depending on the sector they were working in, took cash and cheque payments and needed to deposit these.
- Many sole traders worked on a contract basis. This impacted their cash flow at different times of year and thus their use of credit.

MICRO BUSINESSES

- In general, micro businesses seemed more aware than sole traders of the impact of fees and charges on their banking activity – and looked to minimise these costs.
- A significant number of micro businesses were looking to grow (increasing turnover and/or taking on new staff). As such some were open to support/advice from their bank in doing this effectively.

Size of business	Who tends to have the access?	Who makes the decisions about the account?	How is the information about banking shared?
Sole trader	<ul style="list-style-type: none"> ■ The owner ■ A partner/friend who may occasionally access account ■ An accountant if the business is expanding 	<ul style="list-style-type: none"> ■ The owner of the business ■ Some support from the accountant 	<ul style="list-style-type: none"> ■ Generally, no need to share? ■ May have face to face, email and phone contact with accountant
Micro	<ul style="list-style-type: none"> ■ The owner of the business and account ■ A business partner / senior Director ■ Maybe a single finance member 	<ul style="list-style-type: none"> ■ The owner of the business ■ Some engagement with business partners / Directors ■ Finance staff might have permission to authorise regular payments 	<ul style="list-style-type: none"> ■ Generally face-to-face ■ Talking about businesses financial standing, need for any lending, any problems ■ Daily, regular
Small	<ul style="list-style-type: none"> ■ Either: ■ Finance director ■ Operations manager ■ A finance team (2-3 people average) ■ Owner/Director 	<ul style="list-style-type: none"> ■ More likely to have a Finance Manager / team ■ Finance Director/Operations manager will do day to day banking – able to authorise regular / agreed payments ■ Owner / Directors still making major financial decisions 	<ul style="list-style-type: none"> ■ Owner/director will liaise with staff on daily/weekly basis on finances ■ Hands on management of finances still ■ Sharing key points and concerns about future needs
Medium	<ul style="list-style-type: none"> ■ Finance Director ■ Finance team - most likely to have a larger finance team (approx. 6 people) ■ Owner / Director too – but more rarely used 	<ul style="list-style-type: none"> ■ Finance Director / Manager given more authority over payments ■ Owners approval needed to make significant requests / changes 	<ul style="list-style-type: none"> ■ Briefing the owner / Director on financial overview ■ Moving towards having annual reviews of financial situation ■ Owners requesting key information

- Barriers to opening or switching to a new BCA were lower than for larger businesses, as often micro businesses had less established relationships with their provider and/or were underwhelmed by the service their relationship manager provided.
- The business owner or managing director was likely to be hands on with the finances of the business and aware of the quality of service they were receiving from their provider.

SMALL BUSINESSES

- Generally, small businesses were more established and had been in operation for longer than many microbusinesses. Many were steadily growing their business; others were experiencing stable turnover.
- They were interested in how they could 'make the most' of their money in their BCA particularly regarding interest rates and fees/charges on their account.
- Some had reached the point where they could have a staff member or two taking responsibility for the day to day finances of the company, and the owners were less 'hands on' although remained key decision makers.
- They were more likely to see opening or switching to a new account as a hassle, requiring significant time and effort to set up. They were worried about transferring direct debits and steps needed to inform clients/customers about banking changes.

MEDIUM BUSINESSES

- Many medium sized businesses had established banking procedures and finance staff or teams to manage company finances – with multiple people able to access the accounts (sometimes with varying degrees of access rights and authority)
- There were examples of strong and effective relationships with Relationship Managers (or relationship teams in some cases) at their bank.
- They were highly unlikely to switch, in many cases regardless of their level of satisfaction with the account. Those with access to the account were interested in ensuring money was in the 'safest hands' possible. Many had long standing relationship with their account provider. It would take several significant factors (push and pull) to convince them to switch.
- The owners/directors were more likely to engage with BCA activity through conversations with staff members but still had primary access and control over the account.

ACCESS TO BUSINESS CURRENT ACCOUNTS

The degree to which directors/owners of SMEs have direct access to their BCA impacts their awareness of account activity and awareness of the suitability of their account. Often in larger SMEs, directors received information about their BCA through their finance staff/team and were dependent on them relaying information regularly and effectively. Those accessing the BCA most frequently had the greatest understanding of the companies banking needs, and had developed processes which ensured these finances run smoothly.

QUOTES ON ACCESS TO BUSINESS CURRENT ACCOUNTS

Sole traders

"On a daily basis I just check to see what's come in and what's come out. That way I have control of my account."

Tele-depth, Arts

"I am confusing myself with all my accounts, with all the things I have to keep up on, so I had to get an accountant to help out with that."

Tele-depth, Social work

Micro businesses

"We use the account for paying staff. That's it really, none of the staff have access to it."

Belfast workshop, Recruitment

"It's mostly me accessing the business current account for administration purposes. There is one other staff member who handles some of the banking."

Tele-depth, Wholesale

Small businesses

"The director of the company keeps on top of all the money coming in and out. I am the finance manager but he oversees how invoices are being paid in and the cash flow of the account."

London Workshop, Property

"I have access to the account as operations manager as well as two directors of the company. Two employees have limited access and I oversee and handle the bulk of the finance."

Tele-depth, Tourism

Medium businesses

"I oversee the account from day to day. There is a team that deals with the account. We have four people involved in invoicing and costing and I become involved when invoicing and paperwork has not been clarified."

Tele-depth, Medical Sales

"We review the account annually. I would say the finance team have an input on the review of the account, there are six of them currently."

Tele-depth, Construction

ATTITUDES TO OPENING OR SWITCHING TO A NEW ACCOUNT

BCA customers were generally far more cautious when thinking about opening or switching to a new account than PCA customers. This was generally due to a sense of more being 'at stake' for SMEs in terms of potential disruption to current banking procedures, and perceived staff time required to e.g. find the right account and provider, go into branch, sign paperwork, move direct debits across etc.

Though some were aware of the Customer Switch Guarantee Service, businesses were unsure as to whether this would apply to trying a new business account. Reassurance that opening or switching to a new account would not necessarily be an arduous process was a motivating factor for businesses to try a new provider if already thinking about it - although few were.

Few businesses were motivated by financial incentives to switch, and struggled to place a figure on what could be a motivating amount. For those who could, it was over £1000. Over a cash reward, SMEs were interested in reduced fees and charges on their BCA or 'free banking' for a period. For the most part SMEs were unlikely to move to a provider for short-term gain if it did not suit their banking requirements well.

SOLE TRADERS

- Generally, they were not as interested in opening or switching to a new account as other SMEs. Many described being ‘pretty content’ with their current provider – having low expectations of what their BCA should do for them beyond regular simple banking procedures.
- However, when prompted some considered trying a new account for greater value for money in terms of fees, although overall they seemed less engaged in finding out what offers they might be able to access.
- From the SME sample, they were most like PCA holders in terms of their demands from their current account. If everything functioned efficiently and problems were resolved they were satisfied.

“I was looking at different providers but the high-street banks seemed like a long-winded process. I would have lost a contract if I didn’t have a BCA quick.”

Sole trader, HR Recruitment

MICRO BUSINESSES

- They were keen to make sure they were getting good value for money with their BCA and were open to trying a new account if it reduced their expenditure.
- Some of these businesses were growing and saw moving BCA provider as a potential step in the process of expanding their business if dissatisfied.
- They often felt as though they could be getting better customer service elsewhere, particularly from RMs, and that would be a factor when looking for other BCAs.

“I am quite satisfied with my provider but I would be interested in knowing about savings and financial incentives elsewhere. I would like to search the options at other banks.”

Micro business, Retail

SMALL BUSINESSES

- Generally, they had a few banking procedures in place to handle day to day banking and were reluctant to switch as they were worried it could have adverse effect on these procedures.
- They did engage with the BCA market and were aware that accounts elsewhere could charge less in fees or have better systems that suit their needs.
- They were more likely to have been with their provider for some time, and though they could see benefits in opening or switching to a new account were reluctant to do so due to being comfortable.

“I mean it would be a big ask to change over if they couldn’t give us something crucial to our business. If they could then we would give it some serious thoughts.”

Small Business, Financial Consultancy

MEDIUM BUSINESSES

- The decision makers on the account would review their BCA with the staff they had in place to run day to day banking.
- Due to this distance, they were open to trying a new account but wouldn’t do so unless they had several negative issues with their provider or they could save substantial money elsewhere.

- They were more likely to have been with their provider for some time and were generally satisfied with their provider.

"I would say they [his provider] are okay, they give adequate service. I would like to know if another provider has an RM with a specialism in my sector - that could be interesting."

Medium business, Health Care

CURRENT ACCOUNT 'NEED' TYPOLOGIES

Below are typologies of SMEs, based on their needs from their BCA. Much like PCA customers, SMEs prioritised data and indicators that related to their own banking experiences and preferences. However, some of the typologies below could fluctuate between a temporary or permanent need for their current account. For example, needs due to an 'unstable cash flow' could be due to the business struggling temporarily with their finances or because of the more permanent nature of their incoming/outgoing payments.

Across all typologies, a core need for every SME was that their BCA run efficiently and effectively and without disruption or delay.

SIMPLE DIGITAL BANKING

Key Priorities

- Most incoming and outgoing payments organised online (e.g. BACS)
- Regular payments from clients and to suppliers.
- A simple banking set-up.
- Did not want any issues or complications with their provider.
- More likely to be sole traders/micro businesses or those who have recently set up a BCA for the first time.

Banking Needs

- They require efficient online banking services and efficient telephone access for when problems arise.
- Their BCA needs to be low maintenance and they don't tend to require a lot of contact with the bank.

Banking Concerns

- Interest in what other offers/value for money/services they could receive from the bank.
- Perception the banks don't do much/anything for their business.
- Online access concerns, such as logging in.
- Problems with issue resolution and satisfaction with service were concerns for them.

Areas of data interest

Were interested in data that gave a reflection on how easy to use and accessible the online services of the bank were. For example, knowledge of satisfaction with the log in process was beneficial as it provided indication that their day to day online banking could be better. As these businesses wanted minimal contact/communication with the bank, there was value in data around issue resolution as they wanted errors fixed efficiently and quickly without having to go in branch or make multiple phone calls.

CASE STUDY

- Micro
- Sector: Alternative therapy/Lifestyle
- No. of employees: 4
- Attitude to current provider: positive
- RM: no

Owns a micro business with her daughter, and they rent their space to three other therapists to use as well. She has a very simple banking set up and uses online banking as her primary channel of use. She will go into branch or use the phone if she has any issues/problems that require resolution.

Most of the transactions in/out of the account are done monthly, with the salaries going out every week. This is all done online. She has no lending products with her provider and does not need them due to the regularity of her payments and how her simple banking set up works for her.

Although satisfied with her provider she is frustrated with log-in process for online banking as she thinks the process is time consuming. She was particularly interested in data that related to satisfaction with online services and complaint handling. As her banking processes are quite simple she did not have experience of many issues but would want reassurance that her provider would provide efficient service if a problem did arise.

"With [my current provider] I have to use a card reader to log on, it's a nightmare. I would like that to change!"

GROWING AND EXPANDING

Key Priorities

- Sole traders, micro businesses, small and medium sized businesses could fit in this typology and across all of them they had similar priorities which was looking for a form of support from their provider.
- To expand their business without risk of losing money and making sensible financial decisions.

Banking Needs

- Access to lending streams to cover investment.
- RM to discuss changing business shape (e.g. needing more staff to be able to access the account).

Banking Concerns

- They were concerned by the lack of engagement/presence of RM for advice/support (particularly for sole traders).
- Unsure about access to lending products and how long it would take them to come into effect.

Areas of data interest

There was interest in data around the speed in which they could access lending products and how flexible the banks are with these. Although speed was a key interest, because they did not want any obstacles to growth, customer service information to resolve any unforeseen issues was also seen as beneficial as they wanted to know their bank would offer support and be helpful during their expansion.

CASE STUDY

- Medium sized business
- Sector: Pharmaceutical supply
- No. of employees: 50
- Attitude to current provider: Unsatisfied
- RM: Yes, a RM team

He is one of two directors of the company and his main role is to oversee the business and develop strategies around growing and expanding. He is currently unsure of when the best time to expand is due to the current economic and political climate but is in the process of negotiating the purchase of two warehouses for the company and is aiming for the company to expand to Ireland and different parts of Europe in the next ten years.

He is currently unsatisfied with his current provider in terms of the advice and support they are offering in regards to his business expansion. He is looking for data relating to how quickly he can access a loan for the purchase of the warehouses (he has accessed them in the past) and overdraft extension to help with this investment. He also wants the bank to proactively engage and help with the expansion of his business and feels that his current RM team does not understand his business.

"I am not happy with my overdraft, there are un-transparent charges on that. I want to understand what they can offer. I got my eye on a warehouse - we are negotiating with the landlord for the lease and I need to speak to the bank if it's a good idea."

UNUSUAL REQUESTS

Key Priorities

- Flexible service to support their specific business needs.
- Effective communication from the bank
- Excellent customer service from their bank

Banking Needs

- RM to help navigate banking processes.
- Staff to answer quickly and effectively to requests.
- Provider to have good customer service so they begin to understand these 'unusual requests'.

Banking Concerns

- Concerns with poor service and staff.
- That their day to day banking will face delays.
- A lack of support from RM

Areas of data interest

Were interested in information around how effective the banks communication was. Some of their needs could be urgent requests and the response time in which the bank answers them was crucial, so interesting to know across different providers.

CASE STUDY

- Small sized business
- Sector: Supplier – restricted goods
- No of employees: 5-12
- Attitude to current provider: Satisfied
- RM: RM team

He has to travel and do a lot of business in the Middle East and requires his bank to allow him to withdraw and deposit cash abroad. He will occasionally be paid in cash while banking abroad so requires branch access to deposit his money while he is there. He generally finds this a difficult process but is generally satisfied with how quickly his provider moves his money around.

He has to contact his bank when he is about to negotiate a deal as the money he receives will come in through a letter of credit which he needs the bank to process quickly. He is pleased with how efficient his current provider is with processing these payments however this is not through his RM but general members of staff. His RM team he is less satisfied with and would want an RM who has the ability to act as financial adviser.

"I would recommend [my provider]. They have sped up the process of moving money around and they are very good with the letters of credit. Usually if I am doing a deal I get paid in 3 lumps and the first is up front and they can process it very quickly."

BIG LOANS AND BORROWING

Key Priorities

- Usually sectors and business with large out costs for work to cover
- Fast and efficient access to lending products

Current Needs

- Access to potentially large loan sums
- Access to a flexible overdraft
- Quick access to lending products

Banking Concerns

- The bank not being flexible around extensions of overdrafts
- Delays in accessing lending products
- High interest rates for loans and going into overdrafts

Areas of data interest

Interest around what lending products the bank offers and the rates of these. Data around the time taken to access overdrafts and loans was valuable as any delay could cause serious cash flow issues for the business. Knowledge of how flexible the banks are with overdrafts and loans and who is applicable to them was also useful when looking at their own provider and others.

CASE STUDY

- Medium sized business
- Sector: Construction
- No. of employees: 110 (does vary, has several contractors)
- Attitude to current provider: Fairly satisfied
- RM: RM team

His company do mainly groundwork and demolition for larger contractors. Due to the nature of working on contracts he may need to access lending products from his bank to support this. He will go into his overdraft on a regular basis due to the cost of sourcing material and lapses in upfront fees from clients to cover these costs. He has a good relationship with his provider and they are flexible and understanding as to when this happens, and do not charge immediate fees for overdraft usage.

Loans he receives from the bank require a lot of paperwork, which can be a hassle, as they usually go into five figure sums. When accessing loan products he needs them to come into place quickly as it will either be for leasing out construction equipment and late payments from clients at particular stages of a contract. He is fairly satisfied with his provider in this regard but if opening a new account he would seriously consider the ease of the process of obtaining lending products particularly in terms of speed and the number of documents required.

“[Loans] do require a lot of paper work because our loans go into five figure sums, so we may call upon a loan for the same reason as an overdraft. When we start work on contracts they are paid in stages and if they haven't been paid by a particular stage we need to apply for a loan.”

UNSTABLE CASH FLOW

Key Priorities

- May have irregular clients and out costs.
- Potentially could be a struggling business and are trying to regulate their cash flow.
- To manage their ad hoc cash flow.

Banking Needs

- Quick access to overdraft facilities.
- Need their provider to be efficient and reactive to banking requests
- An RM for problem solving
- Supportive customer service
- Flexibility with lending products

Banking Concerns

- Documentation could be a 'hassle' to get together for lending products
- Any delays to getting lending products
- Their RM/Provider is not understanding of business needs

- If they are struggling and not receiving support and flexibility from their provider

Areas of data interest

Interest around data on overdraft facilities in particular the size of overdrafts they can obtain and the speed in which they can obtain/extend them. They were also interested in response times to queries as they would need a fast response if going into an unarranged overdraft or needing an extension.

CASE STUDY

- Micro business
- Sector: Wholesale
- No of employees: 6
- Attitude to current provider: Very satisfied
- RM: Yes

Every week he has money coming in and out of his account from supplying gifts and souvenirs to various outlets in central London and parts of the UK. The money coming out is to pay staff and suppliers and this can be on quite an ad hoc basis depending on customer needs. The money coming in from invoices is also quite ad hoc as he supplies a variety of different outlets who are paying him back at various times.

One of the reasons he is satisfied with his provider is the speed with which he can contact staff and/or his RM. He will contact his RM for queries on invoicing and he will get a response on the same day from them, which is essential as he needs to clear the invoice quickly. He is also pleased with his overdraft which he will go into quite often due to irregularity of his outcoming/incoming costs. He managed to have his overdraft extended within a day of asking and he says they remain flexible for an increase in this in the future.

CASH AND CHEQUE BANKING

Key Priorities

- The ability to make regular payments by cash & cheque
- Access to several branches not just one

Banking Needs

- Need easy and efficient access to branch / paying in services
- Reduced fees for cash payments
- Access to branch outside of hours
- A provider with branches in multiple locations.

Banking Concerns

- Poor branch service
- Long queues at the bank
- Branch closure
- Delays in cheques clearing

Areas of data interest

They were interested in data relating to branch access and in particular the times in which they could access branch. Most of these businesses appreciated that it could be

difficult to find time to go to branch to deposit cash or a cheque and were interested in alternative access hours that banks could have.

CASE STUDY

- Sole trader
- Sector: Lifestyle/Dog behaviourist
- Attitude to current provider: Satisfied
- RM: Yes (never spoken to them though)

She has a regular client base, as she works with people's pets and will go to client's homes to work. Although she does receive payment via BACS she also deals with cash and cheque for regular clients and as an option for new customers. One of the reasons she asks for cash/cheque payments is that she does not trust roaming card machines and their connection to the internet. This is because she is out of the house for the working day and is uncertain whether cash would successfully transfer if receiving on the spot card payments.

She finds her bank branch easy and convenient to use for depositing cash and cheques into her business account though she prefers to use tellers rather than the self-service machines if possible.

"I ask for cash and cheque because I don't know if I can rely on the internet connection for a card machine, because I am always out and about."

DATA NEEDS AND INDICATORS

Below general feedback from SMEs about 'SME specific' service indicators is outlined.

COMMUNICATING WITH THE BANK

Criteria to have a dedicated relationship manager

- As mentioned in the report, although many of the SMEs we spoke to had had a poor experience with their RM, there was still interest in being able to access one.
- Sole traders and smaller businesses were interested in this indicator in relation to potential accounts and their current one. More established businesses, however, were interested in this in relation to opening an account.

"This is really good because I remember when I was researching different banks to open my BCA - it was difficult to find specific info about what the features of the account would be."

Sole trader, Lifestyle

- Many felt that data on contact time with an RM or on what service they provide would be beneficial alongside this indicator.
- However, some small to medium sized businesses felt that this was a measure of little importance particularly when thinking about opening or switching to a new account. This was in part due to the fact they expected the bank to give them an RM automatically when opening a BCA and valued contact time/response times of the RM and the services they could provide over this.

"It is not a measure of importance I should have one anyway! There shouldn't be criteria for it. I don't think it should exist. It annoys me that one."

Medium Business, Motor Trade

Proportion of SME customers with a relationship manager

- Across all sectors and sizes there was little interest in this indicator and few would seek to find this information
- This was due, in part, to SMEs not seeing this as giving them information affecting them personally. Many were not interested in what other businesses could or could not access, and only wanted to know what they could access
- However, some saw that this indicator could be used as a proxy to understand how effective the bank was in general with its BCA customers. Seeing this indicator could help businesses understand how much that bank provides for its business customers.

“Can see it being helpful, but more on a wider scale. But not as much on a personal scale in the sense that maybe it's a good indicator of business in general. Maybe if you could see it spread out geographically, it might be helpful.”

Micro business, Construction

Number of sectors covered by RM by branch

- Though there was interest in the type of sectors covered by an RM, as many businesses were unsatisfied with their RMs knowledge of their sector. The number of sectors covered was not as valuable to BCA customers
- Businesses did say that if looking for a new BCA they would be interested to know if the RM covered their sector but would not be interested in sectors covered by anyone else.
- However, some SMEs would be interested in the number of sectors to see how many specialisms their RM covers out of curiosity.

“That would be interesting in the sense that I would like to see how many creative businesses bank with my bank”

Sole trader, Arts

Number of SMEs per RM

- Businesses felt that this could be used as a proxy to understand how busy their RM might be and therefore how much time they might have for their business
- However, businesses also wanted to know what size the SMEs were that the RM were managing. For sole traders and micro businesses this was important as they did not want to have an RM who was managing large sized businesses as they felt they would be a low priority.
- Businesses would want the data in relation to their current RM but would need this data to be accompanied by other information such as response times of RM to be valuable.

EASE OF ACCOUNT OPENING

Time taken to get an overdraft

- This was particularly important for businesses with unstable cash flows, those looking to expand and those looking to borrow. All businesses emphasised the importance of speed when accessing these products as delays could lead to problems with their clients or their finances.
- Some were also interested in having data around the size of the lending products they could access.
- For those businesses that did not use overdrafts they still appreciated the indicator, as if they were ever in poor financial situation they knew they could rely on their bank to give them support quickly.

“The quicker you get it the better. Just having that ease of having the funds available. I would look at this across banks, it would be motivating.”

Micro business, Wholesale

Time taken to get a loan granted

- This indicator was important for those needing loans to help invest in their growing business or supplies for a work contract. The speed was important for both these factors as any delays could cause problems for the business moving forward.
- Those businesses that had never accessed these services before were less interested although they did appreciate it was nice to know they could get a loan quickly they doubted that they would ever need one.
- This indicator was more appealing for smaller to medium sized businesses who were more likely to be making investments.

“This information [time taken to get a loan] would make us think about whether we could remain with our current bank”

Medium business, construction

Number of staff required to open the account

- This indicator was interesting in relation to perceptions on how arduous the switching process might be. Many SMEs acknowledged it would be difficult to get senior people into the bank to sign off on a new account and it could be a barrier to opening or switching to a new account.
- However, some assumed that this would not be to variable across all the banks. Sole traders and Micro Businesses were less concerned with this indicator as they had lower numbers of staff
- In general, this was useful information to know but not seen as an essential indicator when comparing BCAs.

“Time is precious to people especially senior people. You don't want to have to go backwards and forwards.”

Medium business, Tourism

Documents needed to apply for a loan/overdraft

- Those that accessed loan and overdraft products acknowledged that it could be difficult and cause delays if they did not have the correct paperwork when getting a loan or an overdraft.
- However, those that already used loans and overdrafts with their current provider were familiar with the documents they needed for lending products and assumed that this would not be variable across different providers.
- Businesses would be interested in data around the efficiency of the process of accessing lending products not just this one specific step of it.

“Yeab I mean it's good to know but I would assume that would be fairly standard”

Micro business, Recruitment

Annex 5: Additional information on customers in more vulnerable circumstances

BACKGROUND

Eight depth interviews were conducted with **PCA holders who had additional needs for their accounts**. The sample included people who had access to accounts that weren't their own, low income respondents who were over-indebted, branch-only customers, those with disabilities and some who had caring responsibilities. These interviews were conducted to complement the findings from 10 focus groups with PCA holders across the country to ensure that the interests and preferences of individuals with potentially different banking experiences were captured.

GENERAL FINDINGS

Like the PCA and BCA holders in our focus groups, the more vulnerable PCA holders we interviewed considered customer service in regards to their current account important, and valued good customer service highly. However, they appreciated empathy, understanding and flexibility from their bank more highly than the focus group sample.

The more vulnerable PCA holders described additional barriers to opening or switching current account. Like other PCA holders and SMEs they were concerned with the time and effort required to switch, but in addition, many faced real barriers to access.

For those who were 'happy enough' with their current provider, the perception that most current accounts offer a similar product and service, as well as the perceived hassle of opening or switching account, meant they were unlikely to try a new account unless they became much less satisfied with their current provider. Some respondents in this cohort only used in-branch services and liked their current local branch. Others with caring responsibilities felt they didn't have the time to think about trying a new account and setting up access arrangements with a new provider. One disabled respondent in the sample worried about having to go into branch to switch, whilst a visually impaired respondent worried about having to spend time online to do it, as this aggravated their sight condition.

Customers with additional needs had similar preferences for service quality information to other PCA holders and BCA holders but placed greater emphasis on the ease with which they could access account services and on problem resolution.

Ease of access to an account was important for all groups in this research but particularly for customers in more vulnerable circumstances. They valued an account being as simple and as easy as possible to access, from first opening an account to day to day usage, and they required their bank's app, online, branch and telephone services to be accessible to their needs. Examples included people with disabilities being able to access a branch and people who were indebted being able to obtain current account

services, for example those in debt were worried they would be rejected for a current account due to adverse credit ratings. Many of these customers required banks to be more accommodating concerning access arrangements, such as obtaining third party access to an account.

Problem resolution also emerged as particularly useful information to customers in more vulnerable circumstances. Problems that had arisen for this cohort were more particular to their own circumstances than those experienced by other customers in our research. Overall they were less concerned about the speed of resolution, and instead they were looking for a response which took account of their personal circumstances and responsibilities, and which was thorough and fair. For example, a customer who frequently entered an unarranged overdraft was interested in knowing what kind of response he would receive from his bank and how lenient they might be to his circumstances.

Below are eight case studies showing the customers interviewed. Case studies outline their individual banking behaviours, lifestyles and data interests in regards to the service quality indicators. Each case study is accompanied with an 'Interest in service information' table. This shows the individual's preferences in regards to indicator headings (yellow) in comparison to the average interest levels across other PCA customers sampled (grey). Below is the average across PCA customers, with 1 being little/no interest and 5 being very interested.

INTEREST IN SERVICE INFORMATION	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					

ANNA, 25, RECENT MIGRANT

- Lives in Brighton in a flat with two housemates
- Moved to UK from Germany 18 months ago to study
- Now finished her degree, she works in customer services for an energy provider and really enjoys her job.

BANKING BEHAVIOUR

Anna predominantly uses the mobile app to do her day to day banking. She rarely visits a local branch, but would do so if she encountered a problem which she could not resolve through the app or online. She used to have an overdraft facility with her current account when living in Germany but would not want to access one now as she would be concerned she would use it too frequently.

"I don't want an overdraft; it is too tempting. I imagine it would just be bad for my credit rating."

ISSUES FACED

Upon arriving in the UK, Anna struggled to open a current account. She went to five different banks but did not have the right documentation to open an account with any of them. This process took 6 months – which was hugely frustrating. At this point a friend, also a migrant, told her about a provider who required less documentation. Anna finally opened an account with them.

"I was confused that I had to go into the bank to register a change in my address. It is completely different in Germany."

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

Anna switched current accounts eight months ago owing to the bank's reputation for 'green' practices. She found the process arduous and once again she struggled to gather the required documentation. However, now that her account is set up she is generally satisfied with her provider and likes the app – although she would be open to trying a new account again in the future.

VALUABLE SERVICE INFORMATION

Anna is most interested in understanding how easy the process of opening an account is and the type of documentation required, describing this kind of information as "invaluable". She is also interested in the time it would take to get through to a bank via email. She also expressed interest in data about the treatment of customers in vulnerable circumstances, including satisfaction levels of customers by different situation e.g. migrant, student, elderly, disabled etc.

Favoured Indicators

1. Type/Number of documents required to open an account
2. Frequency of severe service outages
3. Time taken for the bank to contact you in regards to suspicious activity

INTEREST IN SERVICE INFORMATION	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					

DENISE, 73, PHYSICAL DISABILITY, RETIRED

- Lives alone in Brighton.
- She is a wheelchair user and has post-polio syndrome which means her muscles are very weak.
- Her husband passed away a few years ago but has family close by who visit her regularly
- She is an advocate for people with disabilities and has been on the local radio petitioning for the improvement of pavement access for wheelchair users.

BANKING BEHAVIOUR

Denise has two current accounts now - one of them she has had since 1977 which she uses to buy things online, and another which she opened five years ago. She predominantly accesses her accounts online using her tablet, mostly to check her balance and direct debits, but she does go into branch approximately once a month if she has specific questions about her account.

ISSUES FACED

Being a wheelchair user, Denise struggles with access issues and relies heavily on her car to get about. She chose her latest current account due to the accessibility of the local branch. She also likes that she can do her food shopping at the shop attached to branch and sometimes meets friends there for coffee. Getting into her branch (usually when she has a specific issue she wants help to resolve) used to be a problem at her old bank, as wheelchair access was restricted - but with her newer account she can park in their car park and can always find a space. Another issue she has encountered was having to make payments from the driver's seat of her car e.g. when paying for petrol. She's found that her new contactless card has helped speed this up and means she doesn't need to leave her car or give her PIN to someone else to type in.

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

At present, Denise wouldn't consider changing her account as she is happy with her local branch's wheelchair access, which is the highest priority for her. She's also satisfied with their online banking service. One of her accounts she uses much less anyway, so would be more likely to close than switch. She is attracted by cash back rewards for trying a new account but finds the prospect of having to find out about a potential new provider's wheelchair accessibility off-putting.

"I am really happy with my account. If the shop is open I can go in and get cash out. It's really easy for me."

VALUABLE SERVICE INFORMATION

Denise would find information useful about accessibility for online services and queries, as well as in branch. She felt empathetic towards others customers with disabilities and access needs and hoped that they could be well supported. She was also concerned with provider's telephone opening hours as she would like to get through to someone whatever time she needed.

"I need my bank to be accessible for me and to be able to respond to me when I need them!"

Favoured indicators

1. Range of services available at most branches
2. Time taken for the bank to contact you in regards to suspicious activity
3. Response time/ Average time taken to resolve issues

INTEREST IN SERVICE INFORMATION RELATIVE TO THE WIDER SAMPLE	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					

LOUISE, 39, HAS THIRD PARTY ACCESS TO AN ACCOUNT

- Lives and works in Birmingham with her husband, her 16-year old daughter and two-year-old son
- She runs her own business with her husband.

BANKING BEHAVIOUR

Louise exclusively banks in branch. Even though she has recently moved she returns to the same branch she has been going to for years as she like the face to face service there. She doesn't use online banking, describing herself as a 'technophobe', and even dislikes it when she is encouraged to use a self-service machine when in branch. Louise has a formal arrangement with the bank to access her parents' joint current account without them being present. This was set up by her parents as they were concerned about growing older and needed extra assistance to manage their finances.

"I go to the branch that's a bit further away because I like the fact that the staff remember me and my parents."

ISSUES FACED

Uncomfortable using a debit card, Louise's parents sometimes rely on her to withdraw money for them to spend. Louise's job requires her to travel around the region so it is sometimes more convenient to go into different branches of her bank. On a couple of occasions the cashier at the counter has refused her access to her parents' account and she has not been able to withdraw money for them. As a result, she now only uses her regular branch where they know her to access her parents' account.

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

Louise has opened other current accounts with different providers in the past but valuing branch access and the 'personal' service as she does, she has stuck with the same provider she's had since she was 16. As a result she was hesitant to explore other options. Louise would expect branch staff to inform her of current accounts they offer which could be more suited to her banking needs.

"I closed an account with [her previous provider] because I just didn't really feel like they cared. Customer service is important to me."

VALUABLE SERVICE INFORMATION

Though she would value information and recommendations from friends and family over published service data from banks, she was most interested in data showing customer satisfaction and information relating to branches' access and facilities. She was particularly concerned with the average number of staff in branch, and saw provision of self-service machines as a reflection of attempts to reduce staff numbers. She would expect banks to provide her with service information (their own and other providers) through leaflets and interaction with staff, as she does not use comparison websites, finding them too confusing.

Favoured indicators

1. Number of complaints that the bank rejects but the ombudsman supports
2. Percentage of applicants rejected for a current account
3. Time taken to get an appointment in branch

INTEREST IN SERVICE INFORMATION	1	2	3	4	5
Technical Service Reliability	■	■			
Ease of Account Opening	■	■	■		
Resolution of Issues and Complaints	■	■	■	■	
Communicating with the Bank	■	■	■	■	■
Local Branch Offering	■	■	■	■	■

CHELSEA, 37, IN DEBT, INCOME UNDER £24K, NO DIRECT DEBITS

- Lives in Manchester with her two children who are 20 and 6 years old.
- Currently unemployed, she has been suffering with depression after the death of her eldest son four years ago
- Soon to move house, she hopes to start looking for work after the move.

BANKING BEHAVIOUR

Chelsea has been over-indebted for 4 years since her son's death. She has debt with multiple creditors and has accessed debt advice. She was set up on a Debt Management Plan which she has since abandoned paying. She has two accounts currently. One is used to pay bills, debts, and petrol on an ad-hoc basis, as she has a debit card which she can spend on. She mostly uses the mobile app for day to day banking as she finds it easy to use, and she doesn't have access to a laptop. She also has a small overdraft facility on this account, but is scared to use it in case she goes over the limit.

Her other account only allows her to withdraw cash from ATMs and into this her benefits are deposited. She likes the simplicity of it. She withdraws cash from this account for day to day spending such as food. As her benefits are her only source of income, she transfers some of this across to her other account.

ISSUES FACED

Despite being on a debt management plan, Chelsea is finding her debts burdensome and is considering other debt solutions. She understands that she has a poor credit rating and would probably be rejected for a standard bank account if she were to apply at this stage.

"I'm seriously thinking about going bankrupt, or something like that. Just so I can get back on the straight and narrow. Every month is a struggle if I'm honest. There's always another bill to pay."

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

In the past Chelsea had 'abandoned' a current account to avoid paying her overdraft and associated fees off. She was open to trying a new account in the future, she felt familiar with the process and did not think it would be too time consuming considering she doesn't have any direct debits to transfer across. She also felt that she would like more than the 'basic' product and service she receives now. However, she is unlikely to apply right now in case she is rejected and her credit rating is further affected. She has no sense of which other banks have lower criteria for a standard account so wouldn't know who to go to. The prospect of rejection is scary for her.

"I would look to switch if I had serious debt owed to my bank, along with the other debt. I would just want to forget about it."

VALUABLE SERVICE INFORMATION

Chelsea wasn't hugely interested in additional service information being published and wouldn't proactively seek it out. However, when prompted she described information about criteria for new account applicants and acceptance rates as being potentially useful.

Favoured indicators

1. Percentage of applicants rejected for a current account
2. Customer satisfaction after communicating with the bank
3. Type and number of documents required to open an account

INTEREST IN SERVICE INFORMATION RELATIVE TO THE WIDER SAMPLE	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					

ROGER, 35, ALWAYS OVER £500 IN OVERDRAFT

- Recently moved to Enfield, North London and lives with his partner and their 10-year-old daughter.
- He is a full-time carer for his partner who suffers from depression and anxiety and is registered disabled.

BANKING BEHAVIOUR

Roger has been with his current account provider since he was 16. As a family they live on a tight income - both rely on benefits for income. Roger uses his overdraft every month to cover living costs but tries not to go into an unplanned overdraft as he has been burnt by hefty charges in the past. He checks his account a couple of times a day as he worries about spending more than he has and incurring charges. He also receives text alerts if he is close to going over his overdraft limit, which he finds helpful.

"My finances are not great. I permanently live in my overdraft and I am living from week to week. Every week we have to ask ourselves what can't we afford not to buy."

ISSUES FACED

Roger is having to manage on a reduced budget, recently quitting his job and taking on caring responsibilities full time. He was regularly going into unarranged overdrafts with his contactless card, finding it difficult to manage his account with the delayed withdrawals. When he raised this with his bank, they sent him a card without the contactless facility and they also set him up with an overdraft limit alert which he now finds invaluable.

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

Although not currently thinking about opening or switching to a new account, if he received consistently bad customer service he would be open to doing so. He placed emphasis on shopping around based on lower overdraft fees. If opening or switching to a new account, he would prefer to go into branch to speak to an advisor, feeling that he would have greater understanding of the process if discussed face to face.

"I saw some adverts on switching and didn't see the advantages. The perks didn't seem to apply to people like me"

VALUABLE SERVICE INFORMATION

Roger was generally interested in the publication of service information and said it would be something he would look up. He was interested in data that reflects how satisfied customers were with issue resolution. Information which suggests banks are working hard for their customers was appealing, and any indication of banks accommodating customers or showing leniency to customers struggling to make ends meet.

Favoured indicators:

1. % of applicants rejected for a current account
2. Customer satisfaction with complaints
3. Number/Time of planned interruptions during working hours

INTEREST IN SERVICE INFORMATION	1	2	3	4	5
Technical Service Reliability	■	■			
Ease of Account Opening	■	■	■		
Resolution of Issues and Complaints	■	■	■	■	■
Communicating with the Bank	■	■	■	■	■
Local Branch Offering	■	■	■	■	■

ALAN, 53, POWER OF ATTORNEY

- Living in Edgware, North London with his wife. He has four grown up children.
- Owns his own sales training company.

BANKING BEHAVIOUR

Alan has two current accounts; one he uses for all his incomings and outgoings and the other is there 'just in case he needs it'. He has had his main current account for over thirty years. He has POA (power of attorney) for his father who has dementia. He receives his father's bills and pays them via his own account. His father does still have capacity to manage some of his finances. The staff at his local branch recognise his father and know of his condition. Alan does his own banking and oversees his father's account predominantly through online services.

"My dad has late onset dementia. He is fine but I am starting to worry about him more and more. He realised he better put something in place before it's too late"

ISSUES FACED

Although the process of alerting the bank to his POA status was fairly simple, he did experience some difficulties with staff allowing him access to his father's account on the rare occasion he has gone into branch, despite providing ID. However, over time, at least in his local branch, they have now become aware of his situation and he no longer experiences any access issues nor has to provide ID.

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

At present, Alan wouldn't consider trying a new current account for his father. If he were to change providers, he would worry that his father would lose the ability to go into his local branch where the staff are familiar with him and his condition. Although he doesn't imagine there being major issues with opening or switching to a new account and setting up access for himself to his father's account elsewhere, he felt the disruption to his father's routine and the process of providing relevant paperwork to be unnecessary. Personally, at the moment, he also doesn't believe there to be much variability in customer service across banks.

"I wouldn't envisage any problems with switching account but there might be unnecessary procedures. If everything stays the same now there is no paperwork etc. If he changed, we would have to go through the entire process all over again. Like statement dates, or direct debits etc."

VALUABLE SERVICE INFORMATION

Alan was generally sceptical as to how the service quality information would be collected by banks – concerned with their accuracy and that banks trying to 'fudge figures'. Despite this, if he were considering trying a new account he would value this information, as "doing your own research is essential". He was particularly interested in satisfaction with the log-in process as this related to his day to day account access needs. In terms of his father's account Alan would want data relating to product features above measures related to service as he felt responsible that he was "making the most" of his father's money.

Favoured indicators:

1. Number of instances when customers could not log-in to mobile or internet banking services
2. Customer satisfaction with log-in process
3. Customer satisfaction with complaints

INTEREST IN SERVICE INFORMATION	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					

AZIZ, 50, VISUAL IMPAIRMENT

- He was born and lives in Preston with his wife and his two adult children.
- Diagnosed with a visual impairment in his teens.
- He is a full-time carer to his wife, who has Fibromyalgia along with other health conditions and has been for seven years.
- A devout Muslim, he attends mosque five times a day.
- He also lives very close to wider family, with his brother and nephew living on the same street.

BANKING BEHAVIOUR

Aziz has been with his current account provider all his life and likes to keep his banking relatively simple, feeling he has “lots of other things on my plate”. He has longstanding direct debits set up and his income goes directly into his account. Aziz uses his phone app to check his balance but does not like doing too many online transactions as he perceives it to be a hassle and is uncomfortable for his eyes. When he does go to branch, he accesses the self-service terminals to get statements of his balance and to deposit and withdraw cash/cheques.

“I try not to make too many transactions online. I want to keep things simple and hassle free.”

ISSUES FACED

Due to his visual impairment, his eyes tire rapidly looking at screens and he must wear special lenses to do so – which he can only wear for a couple of hours a day. Aziz doesn’t like to spend too much time looking at his online banking. His sight is also impacted by daylight so he is limited with how much time he can spend outside – this limits his ability to go to branch which is his preferred channel for banking. He also oversees his wife’s account which is an extra responsibility, although he describes her financial affairs as “very simple”.

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

Aziz has been with his bank for a very long time and perceives no need or value in opening or switching to a new current account as he is sufficiently satisfied with his account and feels he “doesn’t need the added hassle”. A large reward for opening a new account could tempt him – he suggested £1000.

VALUABLE SERVICE INFORMATION

He valued data around access time to services particularly in relation to branch access. Aziz emphasised that he had little time to spend doing banking, considering his caring responsibilities, so didn’t want to be queuing for a long time. He placed high importance on accessing services in a fast and efficient manner. Branch opening hours were of particular interest to him and comparing banks in this respect, when prompted, could motivate him to move account (if they had a local branch and had hours that suited his schedule). He thought the service quality indicators could be useful in creating more transparency in the banking industry, although admitted he trusted recommendations from family over information published by banks.

“I would rather go on word of mouth from friends or family. I trust them more than this information.”

Favoured indicators:

1. Response times/average time taken to resolve issues
2. Access outside of normal business hours
3. Average number of self-service terminals

INTEREST IN SERVICE INFORMATION	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					

YASMIN, 65, BRANCH ONLY USER

- Lives with her partner in South London and works for a homeless charity. She has two adult children who no longer live at home.
- She is looking forward to retiring, which she hopes to do in the next couple of years.

BANKING BEHAVIOUR

Yasmin switched her main current account in the last 18 months and chose the account due to better interest rates and the proximity of the local branch. She's currently satisfied with the service she receives. She does not use any online or telephone services, valuing face to face service above all else. She tends to go into branch once a month to do her banking – paying bills, printing out statements and using self-service machines. She places great value on friendly and personable bank staff.

"I need facilities in branch that allow me to do everything, like paying my bills or credit card. Whenever I research other banks I look at the local branch"

ISSUES FACED

Previously Yasmin had an account that was exclusively phone and online banking which, over time, she found difficult to use. She felt that too often her requests were misunderstood. She preferred the face to face service in branches and placed high value on talking to someone who is "not a robot"

ATTITUDE TOWARDS OPENING OR SWITCHING TO A NEW ACCOUNT

Her biggest motivations for choosing her current provider were the interest rates, proximity of branch and quality of customer service. When choosing, she accessed data about their customer service and the account via Which? magazine - she believes their data to be reliable. If her local branch were to close she would think about trying a new provider once again, as this is key to the way she banks. Furthermore, if she felt that the standards of customer services were dropping at her branch this would be another motivating factor to consider opening or switching to a new account.

"I don't like it when banks have things hidden away. Like when they make changes without telling you."

VALUABLE SERVICE INFORMATION

Yasmin felt that information about communicating with the bank was important as she saw this as a proxy to inform her about general standards of customer service at the bank. As she does her banking exclusively in branch, the way branch staff communicate and handle her needs is essential to her satisfaction. She placed particular importance on customer satisfaction scores and would see this data as a must when searching for a new provider. In addition, information about branch offerings was useful as she wants a provider who has all facilities available in every branch. Specifically, in this category of indicators, she was interested in the number of senior staff in branch as she saw them as the primary route for resolving any problems/issues she has with her banking.

Favoured indicators:

1. Time taken for the bank to contact you in regards to suspicious activity
2. Response time/average time taken to resolve issues
3. Customer satisfaction after communicating with the bank

INTEREST IN SERVICE INFORMATION RELATIVE TO THE WIDER SAMPLE	1	2	3	4	5
Technical Service Reliability					
Ease of Account Opening					
Resolution of Issues and Complaints					
Communicating with the Bank					
Local Branch Offering					