



**FOR MORE INFORMATION**

Jacob Hallencreutz, Group CEO – EPSI Rating Group

► [jacob.hallencreutz@epsi-rating.com](mailto:jacob.hallencreutz@epsi-rating.com)

► +46- 70 880 27 13

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# Sustained “pandemic effect” in the UK banking industry

EPSI Rating Group has conducted market research in Europe since 1999. This year’s comprehensive banking industry study in the United Kingdom shows that the general level of customer satisfaction in the industry has declined, fuelled by changed customer needs, expectations, and behaviours in the wake of Covid-19. These demands call for sustained digitalisation efforts combined with close personal customer relations.

The EPSI survey covers the UK’s five main banking groups – Barclays, HSBC, Lloyds, NatWest/RBS and Santander. All other providers classified by their customers as their main bank are grouped into a separate category, “Other banks”. Handelsbanken is reported separately due to its customer sample size being large enough to qualify for standalone scores.

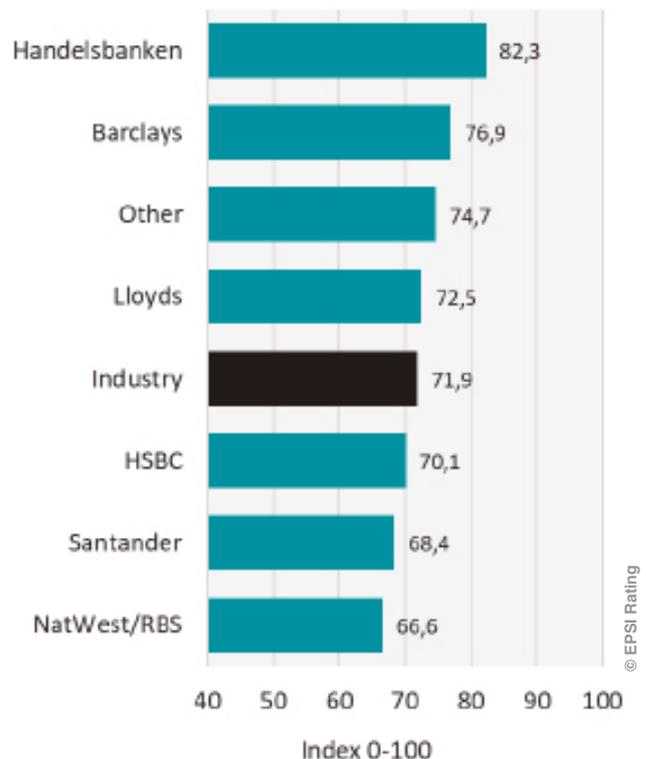
Although declining compared to last year, general customer satisfaction levels in the UK banking sector remain relatively high despite prolonged local, as well as national, lockdowns and other restrictions due to the pandemic. The established pattern, that smaller and niched providers have more satisfied customers, has been sustained, although it should be noted that this year high street banks, Barclays in particular, receive higher levels of positive customer feedback from their personal banking customers compared to previous years. Another general observation is that the demand for seamless digital services has increased because of prolonged restrictions and behavioural changes due to the pandemic.

This trend is even more accentuated in the corporate banking segment. Within this segment, the customer feedback is less positive than in previous years. Corporate customers demand more, both regarding digital platforms and proactive personal service.

In both segments, Handelsbanken retained its top-rated position, with Barclays as a runner up in the personal banking segment and Santander in the corporate banking segment. Embedded in the “Other banks” category, top

scoring niche contenders can also be found. Even so, Handelsbanken manages to defend its top ranking largely due to the bank’s distinct local relationship banking model, in which it can offer bespoke customer services in times of uncertainty and rapid change. Smaller and niche banks such as Handelsbanken in particular, have benefitted from being perceived as more local and closer to their customers, compared to high street banks. This is generally the case for both personal private and corporate banking customers, but an especially important factor for small businesses.

**Personal Banking  
EPSI Bank UK, 2021**



# The New Business Landscape

Overall, a sustained “Pandemic effect” can be seen in the UK banking industry. This new business landscape can be summarised as follows:

## ”Digital”

The Post Covid behavioral change is here to stay. Speed and simplicity are key elements in a positive customer experience. Poor digital platforms cannot be compensated. Growing difference between personal and corporate banking.

Keywords: “ultra-convenience”, “digital first”.

## ”Multiple”

Seamless omnichannel deliveries required. Consumers and companies expect a consistent banking experience across all channels and platforms, in real-time.

Keywords: “effortless customer journeys”.

## ”Personal”

Physical meetings are substituted with digital ones, but personal relations still matter. Corporate banking is still mainly personal – and the industry needs to step up.

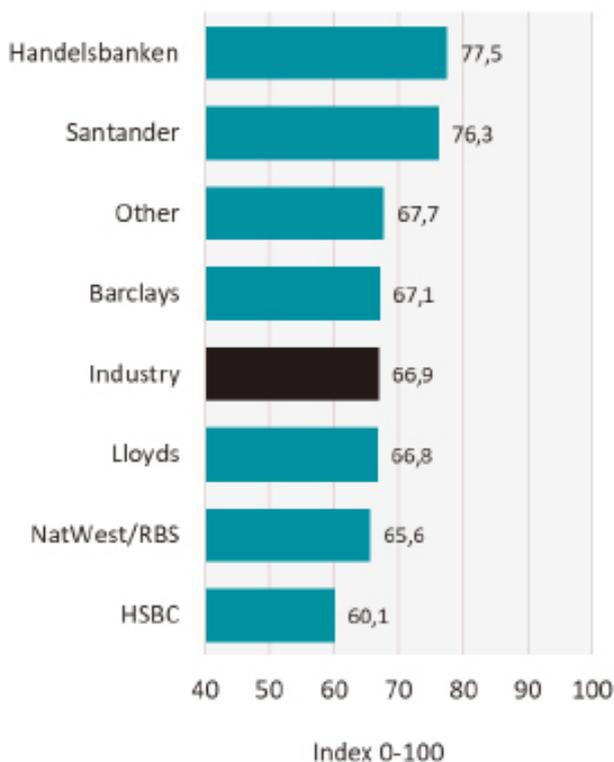
Keywords: “hyper personalization”, “proactive contacts”.

## ”Sustainable”

Sustainable development is becoming a crucial part of trust building with key stakeholders. Banks perceived as sustainable have more satisfied customers, but communication about sustainability initiatives must improve.

Keywords: “Trust and transparency”.

## Corporate Banking EPSI Bank UK, 2021



## About EPSI

EPSI Rating Group (Extended Performance Satisfaction Index) is a system to collect, analyse and disseminate information about image, preferences and perceived quality as well as loyalty of customers, employees and other stakeholders to commercial entities, NPOs, governmental bodies and other organisations. The EPSI approach focuses on causal analysis derived from structural model elaboration and thorough empirical studies in order to estimate numerical relationships.

## About the EPSI Model

According to the EPSI index model, the satisfaction score ranges from 0 to 100. A score above 75 indicates a very strong customer relationship with very satisfied customer. A score below 60 indicates customer dissatisfaction.

For more insights and information about the study, please contact EPSI Rating.