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Stable customer satisfaction levels 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 is stable, despite a new uncertain and unpredictable environment. 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.

In a world of uncertainty and rapid change, customers’ demands, needs, expectations and behaviours are volatile. The general customer satisfaction levels in the UK banking sector remain relatively high, despite political and economic instability caused by a new war in Europe. However, the established pattern, that smaller and niched providers have more satisfied customers, has been sustained, although it should be noted that high street banks receive elevated 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 and should be treated as a must-be quality aspect.

This trend is even more accentuated in the corporate banking segment. Within this segment, the customer feedback is slightly declining. Corporate customers demand more, both regarding product portfolios, digital functionality, and proactive personal service.

In both segments, Handelsbanken retained its top-rated position, with HSBC 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 local relationship banking model,

in which it can offer bespoke customer services. 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 key factor for small businesses.

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

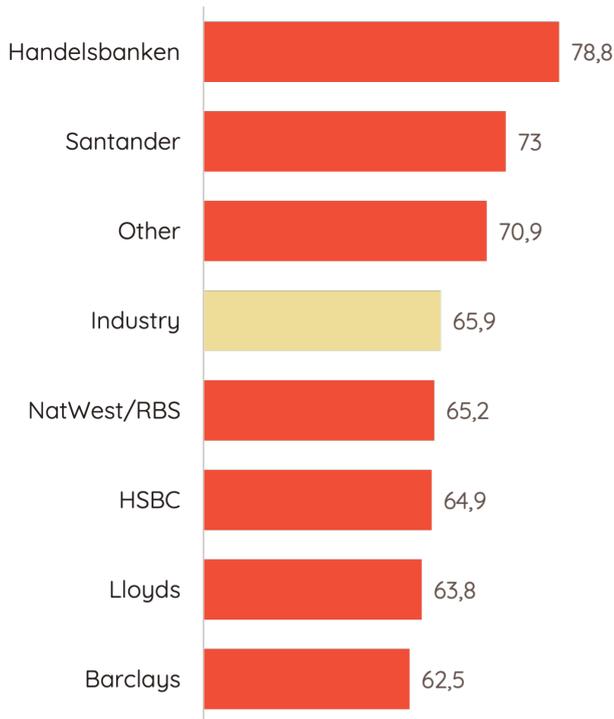
According to the EPSI index model, the satisfaction score ranges from 0 to 100. A score above 75 indicates a very strong customer relationship with very satisfied customer. A score below 60 indicates customer dissatisfaction.

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

For results, see next page. ----->

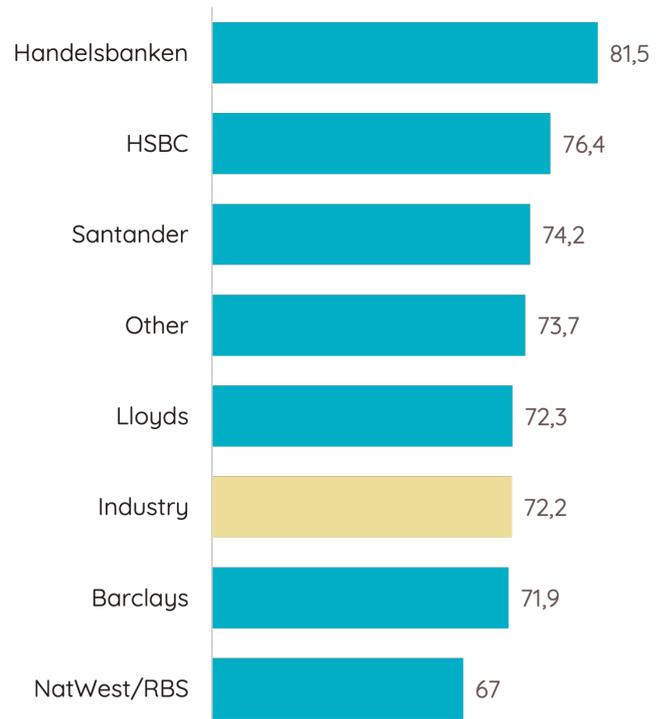
Results – EPSI Banking UK 2022

Corporate Banking EPSI Bank UK, 2022



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Personal Banking EPSI Bank UK, 2022



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The New Customer

Critical customer needs in this new business landscape can be summarised as follows:

”Convenience”

Digitalization is a must-be quality. Speed, simplicity, and convenience are key elements. Poor digital platforms cannot be compensated. Consumers and companies will expect a consistent banking experience across all channels and platforms, in real-time.

”Consolidation”

Product and service consolidation. Basic features and functionality important drivers again. ”Main bank” important in times of uncertainty. Customers with one single provider are more satisfied.

”Communication”

Sustainable banking is becoming a crucial part of trust building with key stakeholders, but communication about sustainability initiatives and green value propositions must improve. Still too much inside-out communication, driven by compliance issues.