

Business Opinion Omnibus December 2015
CMA Commission: Retail Banking

Technical Overview

The CMA commissioned a suite of questions on Business Banking to be included on the December wave of BDRC Continental's Business Opinion Omnibus. This is a quarterly, CATI-based study, and the target respondent is the main financial decision maker within the organisation. In the smaller businesses this is usually the owner or Managing Director, in the larger ones the Financial Director or Controller. Fresh sample is drawn each wave ensuring that no one respondent can participate in the study more than once every 12 months. Sample is purchased from Dun & Bradstreet.

The questions submitted by CMA were reviewed by the Business Omnibus project team, suggestions were made for amendments, and the final questionnaire was signed off by CMA prior to the start of fieldwork. The questions were asked to all SMEs (defined as having up to 250 employees) so any business with more than 250 employees was excluded from the research.

Respondents who were not involved in banking decision making and any business not having a specific business bank account were screened out, so the final data tables are based on all those with a business bank account and weighted accordingly.

The Business Omnibus follows the same design each wave, with quotas set as follows:

Size of Business	SME	Turnover*	SME
1 employee (sole trader)	50	£50k-£250k	120
2-5 employees	75	£251k-£500k	65
6-10 employees	75	£501k-£1m	65
11-50 employees	150	£1m-£5m	100
51-250 employees	100	£5m-£20m+	100
251+ employees	0		
TOTAL	450	TOTAL	450

Sector*	SME	Region*	SME
Production/Agriculture/ Mining	60	Scotland/Northern Ireland	45
Construction	50	North East/Yorks	45
Wholesale	50	North West/North Wales/West Midlands	65
Retail	50	East Midlands/ East Anglia	80
Hotels & catering	40	South West/South Wales	60
Transport/Communication	30	London	75
Finance/Property/ Business Services	90	South East	80
Education/Health/ Public Admin	40		
Other services	40		
TOTAL	450	TOTAL	450

Businesses with an annual turnover of <£50,000 are excluded from the Omnibus research programme, as many of these are informal businesses. However, prior to the start of the study, it was agreed with CMA that they wished to include them. As a result, the lowest turnover quota (£50k-£250k) was opened up so respondents that would normally screen out (i.e. with a turnover of <£50k) could take part in the CMA research. CMA wished to start interviews with at least 50 businesses with a turnover of less than £50k (as some would screen out due to not having a Business Bank Account), so once fieldwork was complete, some ‘top up’ interviews were undertaken to complete this requirement.

There was some discussion between BDRC and CMA around the weights to be applied to the final data, as the CMA data set would not follow the standard Business Omnibus weighting matrix. CMA provided figures from Charterhouse Research, based on their profile of businesses holding a business bank account, with regards to turnover and region¹.

¹ These are weighting targets used to weight results of the Charterhouse Business Banking Survey. They are derived from 2 main sources:

- 1) ONS data based on PAYE and VAT information
- 2) Bank Search data on the number of start-up businesses

The data is adjusted to account for businesses below PAYE and VAT thresholds using BBA data on the number of businesses with a business current account.

The top turnover band in the Charterhouse statistics was £5m+. Since the research only covered SMEs, those with more than 250 employees or a turnover of £25m+ needed to be excluded from the weighting profile. IDBR figures were used to do so. While IDBR figures include all businesses not just the ones with a business bank account, it was agreed that it was unlikely that any business with more than 250 employees or a turnover of £25m+ would not hold one. IDBR does not provide a figure for the number of business with a turnover of £25m +, but it does for the number of businesses with more than 250 employees. The assumption was made that these would all have a turnover of £5m+ and the top turnover band was reduced by this number of businesses and the figures re-percentaged.

While it is possible there are some businesses with a turnover of more than £25m but fewer than 250 employees, it was agreed that there would not be enough such businesses to make the figures widely inaccurate.

Overall, this gave a revised total of 3,273,672 SMEs with a business bank account – around 65% of all SMEs - which is in line with other figures used by BDRC.

The sector weights were taken from the BIS business population data for 2015. This is based on all businesses (5.4m) and includes those with 250+ employees. The assumptions was made that the sector distribution of SMEs with a business current account is not substantially different from that of all businesses.

The weighting was applied and then grossed up to be representative of all SMEs who have a business bank account.

The weights applied are as follows, using an overall population of 3,273,672

Turnover ('000s)	%
0-249	80.7%
250-499	8.2%
500-999	5.0%
1,000-4,999	4.9%
5,000+	1.2%
Total	100%

Sector	%
Production/Agri/Mining	8.5%
Construction	17.7%
Wholesale	9.7%
Retail	
Hotels & catering	3.4%
Transport/Communication	11.4%
Finance/Prop/Bus services	26.4%
Ed/health/Public admin	11.9%
Other services	11.0%

Total	100%
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Region	%
North/NW/Yorks	19.0%
E Mids/W Mids/East	24.8%
London	17.3%
South East	15.6%
SW/Wales	13.6%
Scotland	6.8%
N Ireland	2.9%
Total	100%

There was no weighting for number of employees.

The final questionnaire and the data tabulations specification are attached to this note.

CMA 'BUSINESS BANKING' QUESTIONS

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ASK ALL SMEs (Up to and including 250 employees)

INTRO: I am now going to ask you questions about business banking

Q2 ASK ALL

Which bank do you have your main business account with?

PROMPT IF NECESSARY, SINGLE CODE

Bank of Scotland/Halifax/HBoS (CHECK NOT ROYAL BANK OF SCOTLAND)	1
Barclays Bank	2
Clydesdale Bank	3
Co-operative Bank/Co-op	4
HSBC (formerly Midland Bank)	5
Lloyds	6
NatWest	7
RBS/The Royal Bank of Scotland (CHECK NOT BANK OF SCOTLAND)	8
Santander Group (ANY MENTION OF SANTANDER BRAND. FORMERLY ABBEY/ALLIANCE & LEICESTER/ALLIANCE & LEICESTER COMMERCIAL/ BRADFORD & BINGLEY)	9
AIB/Allied Irish Bank	10
Anglo Irish Bank	11
Birmingham Midshires Building Society	12
Britannia Building Society	13
Chelsea Building Society	14
Coutts	15
First Direct	16
Girobank	17
Handelsbanken	18
ING Direct	19
Nationwide Building Society	20
Northern Bank	21
Northern Rock	22
Norwich & Peterborough Building Society	23
Sainsbury's Bank	24

Skipton Building Society.....	25
Standard Life Bank.....	26
Tesco Bank.....	27
Woolwich.....	28
Yorkshire Bank.....	29
Yorkshire Building Society.....	30
Other (specify)	31
Not sure	32

Q3 ASK ALL

Is the main bank account you use for your business an actual business account, or is it a personal account that you use for business purposes?

SINGLE CODE

Business	1
Personal.....	2
Other.....	3
Don't know	4
Refused	5

IF CODE 1 (BUSINESS) CONTINUE WITH THIS SECTION. IF CODES 2-5, GO TO NEXT SECTION

Just to let you know that throughout this interview I will be asking about your business CURRENT Account, but to speed things up I will use the phrase 'business account'

Q4 ASK ALL WITH BUSINESS ACCOUNT

In what form are business payments usually made into your business account? Would you say...

READ OUT. SINGLE CODE

Mostly cash and cheques.....	1
Mostly electronic payments	2
About the same volume of cash/cheques and electronic payments.....	3
Don't know	4

Q5 ASK ALL WITH BUSINESS ACCOUNT

Banks often offer a period of free current account banking when you open a business account with them. Which of the following statements best apply to your business? Would you say...

READ OUT. SINGLE CODE

Currently have free banking	1
Free banking is finished but bank have extended it so it's still free	2
Free banking is finished and we now pay for banking	3
Have never had free banking	4
Don't know	5

Q6 ASK ALL WITH BUSINESS ACCOUNT

Approximately how much did your business pay in current account charges over the last 12 months? Please do not include interest paid on loans

READ OUT RANGES IF NECESSARY. SINGLE CODE

IF RESPONDENT UNSURE, PROBE FOR BEST ESTIMATE

£0	1
£0-£100	2
£100-£200	3
£200-£500	4
£500-£1000	5
£1000-£1500	6
More than £1500	7
Don't know	8

Q7 ASK ALL WITH BUSINESS ACCOUNT

Have you ever changed your business account from one bank to another? INTERVIEWER NOTE: IF BUSINESS HAS MORE THAN ONE ACCOUNT, ASK ABOUT 'MAIN BUSINESS ACCOUNT'

DO NOT READ OUT. SINGLE CODE

Yes	1 ASK Q8
No	2 GO TO
Don't know	3 Q9
Refused	4

Q8 ASK ALL WHO HAVE CHANGED ACCOUNTS (Q7 CODE 1). OTHERS GOT TO Q9

When was the last time you changed your business account to another bank? Would you say....

PROMPT IF NECESSARY. SINGLE CODE

Less than a year ago.....	1
More than 1 but less than 2 years ago	2
More than 2 but less than 3 years ago	3
More than 3 but less than 5 years ago	4
More than 5 but less than 10 years ago	5
10 years or more ago	6
Don't know / can't remember.....	7

Q9 ASK ALL WHO HAVE NOT CHANGED ACCOUNTS (Q7 CODES 2-4)

Have you ever considered changing your business account to another bank?

DO NOT READ OUT. SINGLE CODE

Yes.....	1
No	2
Don't know	3
Refused	4

Q10 ASK ALL WITH BUSINESS ACCOUNT

How likely or unlikely are you to change your business account to another bank in the next year? Would you say....

READ OUT. SINGLE CODE

I will definitely change my business account	1
I will probably change.....	2
Not sure if I will change my account	3
Probably won't change.....	4
Definitely won't change	5
Don't know	6

Q11 ASK ALL WITH BUSINESS ACCOUNT

Have you heard of the Current Account Switching Service (also known as CASS), a way of switching your **business** current account from one bank to another?

DO NOT READ OUT. SINGLE CODE

Yes.....	1 ASK Q12
No	2
Don't know	3
Refused	4

Q12 ASK ALL WHO HAVE HEARD OF CASS (Q11 CODE 1). OTHERS GO TO Q13

Please tell me what you know about CASS? What are the main features of this switch service? INTERVIEWER PROBE IF NECESSARY: Anything else?

Q13 ASK ALL WITH BUSINESS ACCOUNT

Just to remind you, I'm now going to read out a paragraph about the switch service:

"The Current Account Switch Service (CASS) was introduced to make switching accounts simpler. The service is currently available to businesses with turnover of up to £6.5 million, as well as individuals. It transfers outgoing payments such as Direct Debits to the new account and re-directs incoming payments to the new account for a period of 36 months. The switch takes 7 working days and is backed by a guarantee that if anything goes wrong with the switch, any interest lost or charges incurred as a result of this failure are refunded. Your existing account needs to close to take advantage of this service"

Having just heard the description, can you confirm if you had heard of this current account switch service for businesses before?

INTERVIEWER NOTE: EVEN IF BUSINESS WITH TURNOVER >£6.5 MILLION, STILL ASK THE QUESTION

DO NOT READ OUT. SINGLE CODE

Yes.....1
No2
Don't know3

Q14 ASK ALL WITH BUSINESS ACCOUNT

Now that you are aware (IF Q13 CODES 2,3) / Having just been reminded of this service (IF Q13 CODE 1), does the availability of the Current Account Switch Service make you any more or less likely to consider changing your business account? Would you say....

READ OUT. SINGLE CODE

Much more likely	1
A little more likely	2
Makes no difference.....	3
A little less likely	4
Much less likely	5
Don't know	6

Q15 ASK ALL WITH BUSINESS ACCOUNT

I am going to read out some changes which might be made to the switching process. For each one I'd like you to tell me if it would make you any more or less likely to consider changing your business account?. Would it make you.... Much more likely / a little more likely / it would make no difference / a little less likely / much less likely?

ROTATE ORDER. READ OUT EACH IN TURN. SINGLE CODE

	Much more likely	A little more likely	Makes no difference	A little less likely	Much less likely	Don't know
Keeping your existing account open alongside opening the new account						
Re-direction of any payment made to your old account for longer than 36 months which is currently the case						
Keeping your existing account number and sort code when switching						
Receiving 5 years of bank statements from old bank so you have evidence of your transaction history, for example if you need to apply for a loan						

Q16 ASK IF MORE THAN ONE FRONT RUNNER AT Q15 (IE IF MORE THAN ONE CHANGE RECEIVES THE SAME TOP SCORE (CODES 1 OR 2))

Which **one** of these changes (INTERVIEWER READ OUT TOP SCORERS FROM Q15) are **MOST** likely to encourage you to change your business account?

SINGLE CODE

Keeping your existing account open alongside opening the new account 1

Re-direction of any payment made to your old account for longer than 36 months which is currently the case.....2
 Keeping your existing account number and sort code when switching 3
 Receiving 5 years of bank statements from old bank so you have evidence of your transaction history, for example if you need to apply for a loan4

Q17 ASK ALL WITH BUSINESS ACCOUNT

If all of the changes mentioned were made, would it make you any more or less likely to consider changing your account?

READ OUT. SINGLE CODE

Much more likely1
 A little more likely2
 It would make no difference3
 A little less likely4
 Much less likely5
 Don't know6

Q18 ASK IF 'LONGER DIRECTION' IS IMPORTANT (CODE 1 OR 2 AT Q15)

You said that a re-direction of payments made to your old account for longer than 36 months would make you more likely to switch. In your view, for how long should this re-direction happen?

INSERT _____ (MONTHS)
 INSERT _____ (YEARS)
 OR 'PERMANENTLY'

Q19 ASK ALL WITH BUSINESS ACCOUNT

The next question is about Continuous Payment Authorities, also known as CPAs. These are regular payments which, **unlike** direct debits, are linked to a business' credit or debit card. This means that to set them up, you only need to provide a supplier with your debit or credit card details and not your account number

Do you have any Continuous Payment Authorities linked to your business' **debit** card at the moment?

DO NOT READ OUT. SINGLE CODE

Yes..... 1 ASK Q20
 No2 GO TO Q23
 Don't know / can't remember.....3 GO TO Q23
 Refused4 GO TO Q23

Q20 ASK ALL WHO HAVE CPAS LINKED TO DEBIT CARD (Q19 CODE 1)

As far as you are aware, are Continuous Payment Authorities automatically transferred as part of the Current Account Switch Service?

DO NOT READ OUT. SINGLE CODE

Yes, they are transferred.....1 GO TO Q22
 No, they're not transferred.....2 ASK Q21
 Don't know3 GO TO Q22

Q21 ASK ALL WHO THINK CPAS ARE **NOT** TRANSFERRED (Q20 CODE 2)

Imagine that CPAs were automatically transferred as part of the Current Account Switch Service. Would it make you any more or less likely to consider changing your business account? Would you say...

READ OUT. SINGLE CODE

Much more likely1
 A little more likely2
 It would make no difference3
 A little less likely4
 Much less likely5
 Don't know6

Q22 ASK ALL WHO THINK CPAS **ARE** TRANSFERRED OR DOESN'T KNOW (Q20 CODES 1 OR 3)

In fact, CPAs are **not** automatically transferred as part of the Current Account Switch Service. Now that you know that this is the case, does it make you any more or less likely to consider changing your business account? Would you say...

READ OUT. SINGLE CODE

Much more likely1
 A little more likely2
 It would make no difference3

A little less likely	4
Much less likely	5
Don't know	6

Q23 ASK ALL WITH BUSINESS ACCOUNT

The Current Account Switch Service we have talked about so far is only available when you close your old account. There is also a Partial Switch Service which does not automatically close the existing account, meaning the customer ends up being able to use both – the old and the new. It transfers outgoing payments such as direct debits to the new account, but does not redirect incoming payments from the old to the new account, and does not offer a guarantee that the bank will refund any charges or interest lost if anything goes wrong with the switch. Have you heard of this 'partial' switch service?

DO NOT READ OUT. SINGLE CODE

Yes.....	1
No	2
Don't know	3

Q24 ASK ALL WITH BUSINESS ACCOUNT

Now that you are aware (IF Q23 CODES 2,3) / Having just been reminded of (IF Q23 CODE 1) the partial switching service, does the availability of the partial switch service make you any more or less likely to consider changing your business account, keeping the old account open? Would you say....

READ OUT. SINGLE CODE

Much more likely	1
A little more likely	2
It would make no difference	3
A little less likely	4
Much less likely	5
Don't know	6

Q25 ASK ALL WHO ARE MORE LIKELY TO SWITCH THAN BEFORE (Q24 CODES 1,2). REST GO TO Q27

I'm going to read out some of the changes which might be made to the 'partial' switch service. For each one I'd like you to tell me whether it would make you any more or less likely to consider changing your business account, keeping the old account open. Would it make you.... Much more likely / a little more likely / makes no difference / a little less likely / much less likely?

READ OUT EACH IN TURN. ROTATE ORDER. SINGLE CODE

	Much more likely	A little more likely	Makes no difference	A little less likely	Much less likely	Don't know
The ability to choose the switch date						
The switching process taking no longer than 7 working days						
Re-direction of any payments accidentally made to the old account						
Bank to automatically transfer the balance to the new account on the day of the switch						
Guarantee that the bank will refund any changes or interest lost if anything goes wrong with the switch						

Q26 ASK IF MORE THAN ONE FRONT RUNNER AT Q25 (IE IF MORE THAN ONE CHANGE RECEIVES THE SAME TOP SCORE (CODES 1 OR 2))

Which of these changes (INTERVIEWER READ OUT TOP SCORERS FROM Q22) are **MOST** likely to encourage you to change your business account?

SINGLE CODE

The ability to choose the switch date.....1
 The switching process taking no longer than 7 working days2
 Re-direction of any payments accidentally made to the old account....3

Bank to automatically transfer the balance to the new account on the day of the switch	4
Guarantee that the bank will refund any charges or interest lost if anything goes wrong with the switch	5

Q27 ASK ALL

Apart from changes to the switching process, a change to the **account opening** procedures for businesses is also considered. It would involve requiring all banks to use the same application form and standardise their requirements. Would this change make you any more or less likely to consider switching your business account?

READ OUT. SINGLE CODE

Much more likely	1
A little more likely	2
It would make no difference	3
A little less likely	4
Much less likely	5
Don't know	6

Data tabulations specification

Job No:	J22311	Please provide data in SPSS file
Job Title:	December Business Omnibus	
Exec:	Annette White	
Date:	24/11/15	
Section	CMA: Business Banking	
Table Titles	BDRC CONTINENTAL BUSINESS OPINION OMNIBUS – December 2015 - JB:22311 All SMEs (up to and including 250 employees) Fieldwork dates: 23 rd November-3 rd December 2015	

Question Number	Filter	Base Text	Extras
Q2	Rank order	All respondents	Code any 'others' specified Summary codes: Large : Barclays, HSBC, Lloyds, Nat West (England and Wales only) Bank of Scotland, Clydesdale, Royal Bank of Scotland (Scotland only) Bank of Ireland, Danske Bank, First Trust Bank, Ulster Bank (Northern Ireland only) Small : All other banks that do not fit in above
Q3	As is	All respondents	-
Q4	As is	All with a business account	-
Q5	As is	All with a business account	Summary codes: Not paying for banking Paying for banking
Q6	As is	All with a business account	Add mean using midpoints as factors
Q7	As is	All with a business account	-

Q8	As is	All who have changed business account from one bank to another	Add mean using midpoints as factors
Q9	As is	All who have not changed business account from one bank to another	-
Q10	As is	All with a business account	Add summary codes: Likely (codes 1,2) Unlikely (codes 4,5)
Q11	As is	All with a business account	-
Q12	As is	All who have heard of CASS	Provide code frames for answers given
Q13	As is	All with a business account	-
Q14	As is	All with a business account	Add summary codes: More likely (codes 1,2) Less likely (codes 4,5)
Q15	As is	All with a business account	Separate table for each statement including summary table at the end Add summary codes:
Q16	Rank order	All who rate equally positively more than one change	-
Q15/16	Rank order	All who rate any change positively	Exclude any respondents who gave a score of 'makes no difference'/'a little less likely'/'much less likely' or 'don't know' at Q15
Q15/16	Rank order	All with a business account	Combine top score given at Q15 with answers given at Q16. Where 'much more likely' or 'a little more likely' is not given at Q15, use 'a little less likely' and 'much less likely' responses. If 'makes no difference' or 'don't know' is top score at

			Q15, then code as 'Makes no difference/don't know'
Q17	As is	All with a business account	Add summary codes: More likely (codes 1,2) Less likely (codes 3,4)
Q18	As is	All who think 'longer direction' is important	Suggest appropriate bands based on answers given
Q19	As is	All with a business account	-
Q20	As is	All who have CPAS linked to debit card	-
Q21	As is	All who think CPAS are not transferred as part of CASS	Add summary codes: More likely (codes 1,2) Less likely (codes 3,4)
Q22	As is	All who think or do not know if CPAS are transferred as part of CASS	Add summary codes: More likely (codes 1,2) Less likely (codes 3,4)
Q23	As is	All with a business account	
Q24	As is	All with a business account	Add summary codes: More likely (codes 1,2) Less likely (codes 3,4)
Q25	As is	All who are more likely to switch when informed of partial switching	Separate table for each statement plus summary table at end Add summary codes: More likely (codes 1,2) Less likely (codes 3,4)
Q26	Rank order	All who rate equally more than one change	-
Q27	As is	All with a business account	Add summary codes: More likely (codes 1,2) Less likely (codes 3,4)

Amount of Banner points.	Title of banner	Banner point text	Question number and code(s)
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5	No. Employees	<ul style="list-style-type: none"> • 1 (Sole traders) • 2-5 • 6-10 • 11-50 • 51-250 	Screening questionnaire
7	Turnover	<ul style="list-style-type: none"> • Up to £250k • £250k-£500k • £500k-£1m • £1m-£5m • £5m+ 	Screening questionnaire
2	Turnover 2	<ul style="list-style-type: none"> • Up to £5m • £5m+ 	Screening questionnaire
3	Broad region	<ul style="list-style-type: none"> • North • Midlands • South 	Sample
3	Broad sector	<ul style="list-style-type: none"> • Manuf • Retail & Dist • Services 	Sample
5	Start Business	<ul style="list-style-type: none"> • Before 89 • 90-99 • 00-05 • After 06 	Classification questionnaire
2	Type of payments	<ul style="list-style-type: none"> • Mostly cash and cheques • Mostly electronic • About the same 	Q4 code 1 Q4 code 2 Q4 code 3
2	Bank type	<ul style="list-style-type: none"> • Large • Small 	Q2 Large : England and Wales must be one of the following in the database Barclays, HSBC, Lloyds, Nat West Scotland must be one of the following in the database: Bank of Scotland, Clydesdale, Royal Bank of Scotland Northern Ireland must be of one the following in the database: Bank of Ireland, Danske Bank, First Trust Bank, Ulster Bank Small :

			Any other bank that does not fit in above
2	Cost of banking	<ul style="list-style-type: none"> • Free • Paying for banking 	Q5 codes 1,2 Q5 codes 3,4
4	Current account charges	<ul style="list-style-type: none"> • £0 • Up to £500 • £500-£1000 • £1000+ 	Q6
2	Switched or considered switching	<ul style="list-style-type: none"> • Have switched or considered • Have not switched or considered 	Q7 code 1 OR Q9 code 1 Q7 code 2 AND Q9 code 2
3	Likelihood of switching in future	<ul style="list-style-type: none"> • Will definitely or probably change • Not sure if will change • Probably or definitely won't change 	Q10 code 1,2 Q10 code 3 Q10 code 4,5
3	Aware of CASS	<ul style="list-style-type: none"> • Spontaneous awareness • Aware when prompted • Not aware 	Q11 code 1 Q11 code 2 or 3 AND Q13 code 1 Q11 code 2 or 3 AND Q13 code 2 or 3
3	Keeping existing account open – impact on likelihood of switching	<ul style="list-style-type: none"> • More likely to switch • Makes no difference • Less likely to switch 	Q15 code 1,2 Q15 code 3 Q15 code 4, 5