



# Informing the development of communication tools designed to increase consideration of switching among PCA and SME customers

## RESEARCH REPORT

### Prepared for:

The Competition and Markets Authority

### Prepared by:

Optimisa Research

March 2016

[www.optimisaresearch.com](http://www.optimisaresearch.com)

# Contents

<b>1</b>	<b>EXECUTIVE SUMMARY.....</b>	<b>5</b>
1.1	Overall Findings.....	5
1.2	Remedy 1 Findings.....	6
1.3	Remedy 3 Findings .....	8
1.4	Remedy 5 findings.....	10
1.5	Remedy 7 findings.....	10
<b>2</b>	<b>INTRODUCTION .....</b>	<b>11</b>
2.1	Background .....	11
2.2	Research Objectives.....	12
2.2.1	Remedy 1 .....	13
2.2.2	Remedies, 3, 5 and 7 .....	13
2.3	Methodology.....	14
2.3.1	Overview .....	14
2.3.2	Remedy 1 .....	14
2.3.3	Remedies 3, 5 & 7 .....	16
2.3.4	Limitations of Research.....	16
<b>3</b>	<b>MAIN FINDINGS - REMEDY 1.....</b>	<b>17</b>
3.1	Overview .....	17
3.2	Reasons for considering switching account provider .....	17
3.3	Additional switching trigger considerations .....	19
3.4	Overview of all potential switching triggers .....	21
3.5	Overall attitudes towards idea of being prompted to consider switching.....	22
3.6	Validity of trigger points as opportunities for prompting.....	24
3.7	Exploring triggers in detail – ‘Forks in the road’ .....	26
3.7.1	SMEs - End of free banking period.....	27
3.7.2	Consumers - Graduate account ending .....	27
3.7.3	SMEs - Opening a BCA.....	29
3.7.4	Other life event triggers.....	29
3.8	Exploring triggers in detail – ‘Potholes’ .....	30
3.8.1	Branch closure .....	31

3.8.2	Significant changes to T&Cs .....	32
3.8.3	Heavy overdraft charges .....	34
3.8.4	Dispute with provider .....	36
3.8.5	Serious loss of service and data security issues.....	37
3.9	Reactions to the Idea of Periodic Prompts .....	38
3.10	Attitudes Towards Different Senders .....	40
3.10.1	Own bank emerged as the preferred sender for any communications .....	40
3.10.2	Third parties had different levels of credibility as a sender of communications ...	42
3.10.3	Reactions to opting in or out of receiving information from third parties.....	44
3.10.4	Potential role for third parties .....	46
3.11	Attitudes towards different communication channels.....	46
3.11.1	Overview .....	46
3.11.2	Phone .....	47
3.11.3	Text .....	48
3.11.4	Letters .....	48
3.11.5	Email.....	49
3.11.6	Online banking and Apps .....	49
3.11.7	Above the line and In-Branch Advertising .....	50
3.12	Key considerations for developing content for switching prompts.....	53
3.12.1	Overview .....	53
3.12.2	A messaging hierarchy for developing switching prompts.....	53
3.12.3	Examples of more and less impactful themes and messages.....	54
3.13	Key success drivers for switching prompts .....	55
3.13.1	Overview .....	55
3.13.2	Tangible benefits and clear consequences .....	55
3.13.3	Personalisation.....	57
3.13.4	Sense of urgency .....	57
3.13.5	Inclusion of comparison data or links to comparison tools / information .....	57
3.13.6	Reassurances.....	58
3.14	Developing switching prompts within communications .....	59
3.14.1	Overview .....	59
3.14.2	Headline .....	62

3.14.3	Impact .....	63
3.14.4	Reason to switch .....	64
3.14.5	Evidence .....	65
3.14.6	Reassurance .....	68
<b>4</b>	<b>MAIN FINDINGS - Remedy 3 .....</b>	<b>71</b>
4.1	Overview .....	71
4.2	Current usage of and attitudes towards online comparison tools .....	71
4.3	Reactions to the idea of a comparison site for current accounts.....	74
4.4	Expectations for a current account comparison site .....	75
4.4.1	Overview .....	75
4.4.2	Features customers would like to compare .....	75
4.4.3	Key desired features in a comparison site .....	78
4.4.4	Attitudes towards application via comparison sites.....	79
4.5	Reactions to current and proposed tools .....	80
4.5.1	Context.....	80
4.5.2	Data and security concerns.....	83
4.5.3	Reactions to Midata (shown to consumers only) .....	86
4.5.4	Reactions to the new prototype .....	87
4.5.5	Reactions to the dashboard concept .....	95
4.6	Overall implications for Remedy 3.....	97
<b>5</b>	<b>MAIN FINDINGS - Remedy 5 .....</b>	<b>99</b>
5.1	Overview .....	99
5.2	Overall response to service quality comparison tools.....	99
5.3	How should 'service quality' measures be presented? .....	101
5.4	Types of information about service quality sought by PCA and BCA customers..	101
<b>6</b>	<b>MAIN FINDINGS - Remedy 7 .....</b>	<b>104</b>
6.1	Attitudes towards concept of tools to check overdraft availability .....	104
6.2	Reaction to example tool and idea of a standalone overdraft checker tool .....	105

# 1 EXECUTIVE SUMMARY

## 1.1 Overall Findings

This research indicates there is value in proceeding with all of the remedies tested but that their overall effectiveness is also linked to wider contextual issues, as well as how well they work together.

- **Remedy 1** – Both consumers and SMEs agreed that there were potential trigger points at which they would be more open to receiving messages prompting them to consider switching their banking provider. They were also open to the idea of periodic prompts. A key challenge will be ensuring messages have cut-through and ultimately likelihood to take action will be down to whether ‘sufficient’ benefit can be both articulated and demonstrated.
- **Remedy 3** – Whilst, in principle, comparison tools in the Personal Current Account (PCA) and Business Current Account (BCA) markets are welcomed, there is concern about sharing transactional data that will need addressing. That said, there will also be a need to raise awareness of these tools. Remedy 1 and 3 could therefore work well as a package, with Remedy 1 raising awareness of the comparison tools, and Remedy 3 providing evidence that it could be worth switching.
- **Remedy 5 & 7** – The indications are that these additional tools are unlikely to work well in isolation but are felt to be useful if included within the Remedy 3 comparison tool.

Furthermore, this research highlighted the fact that low engagement per se means that even when triggered, it does not appear to take much to get in the way of prospective switchers ‘tipping out’ of the path to engagement (shown below). It is therefore important that when executing the Remedies, as much as possible is done to make it easy for prospective switchers to progress through the different stages.



Finally, if well executed, Remedy 1 also has the potential to raise awareness of both switching accounts and switching tools or initiatives (specifically of Remedy 3 and CASS) by making it more front of mind and ‘normal’ behaviour.

## 1.2 Remedy 1 Findings

### ***Validity of Trigger Points as Prompting Opportunities***

Both consumers and SMEs (regardless of size) were open to the idea of receiving switching prompts and it was recognised that customers would be more engaged with both communications and the concept at specified trigger points. However, some triggers were felt to be easier than others to prompt customers, in that they involved clear timelines and material changes being made to a customer's account. These were:

- *End of free banking period for SMEs*
- *Branch closure,*
- *Significant changes to T&Cs, and*
- *Graduate account transition* (when key benefits or features are removed, e.g. free overdraft).

Sending switching prompts to consumers who were *heavy overdraft users* was also felt to have more merit but was potentially a more complex area. In part, prompts to this audience could help to tackle the concern that some consumers had, that they would not be able to switch if they were regularly using an overdraft. The research also suggested that there was low awareness of the annual costs of overdrafts currently, and that addressing this would be key to maximising impact here.

### ***Reactions to Idea of Periodic Prompts***

Both consumers and SMEs recognised that there may also be a value in sending more regular, periodic switching prompts, which could help to raise awareness of the benefits of switching. The challenge in developing prompts of this nature would be identifying ways of making them engaging, as both consumers and SMEs felt that if they were embedded within existing periodic prompts e.g. annual statements, they may be easily missed.

### ***Preferred Sender***

A customer's *own bank* emerged as the most relevant, trusted and expected sender assuming switching prompts were appropriately phrased, and most felt that communications from this source were more likely to be viewed. In terms of potential *third party senders*, none of those under consideration had either universal familiarity or credibility. There were also fairly widespread concerns about banks sharing data with any other organisations, a danger of prompts from third parties being ignored, as well as concerns that third party involvement felt a little intrusive and at worst 'heavy handed'.

There were indications however that more trusted third parties could support switching prompts sent by customer's own bank by providing reassurance and / or credibility, for example:

- *Which?* was accepted as a neutral and trusted provider of comparative data
- FCA references helped to provide context and reassurance about the reason for the prompt
- '*Government backed Midata*' helped to convey the notion of impartiality and independence.

### ***Channel Preferences***

There was both an expectation and tolerance for a multi-channel approach to meet different needs and fit with customer preferences and it was felt that multiple prompts were likely to be necessary in order to maximise likelihood to respond:

- *Letter* and *emails* were typical of existing methods banks use to communicate triggers and could include more detailed prompts
- *Online or mobile app notifications* could play a role in terms of providing initial notifications or reminders.

Both phone and text were largely rejected as potential channels. Phone was felt to be too intrusive and whilst many appreciated providers using text for urgent reminders, they were felt to be less appropriate and too informal for this type of communication.

### ***Framework for Maximising Impact of Switching Prompts***

A *clear framework* emerged in terms of both content to maximise effectiveness of switching prompts and for how different communications should be structured. Critically there was felt to be a need to provide a clear rationale for considering switching, as well as guidance as to what to do next. As such, customers expressed the need for;

- A tangible and compelling *reason to switch*, which was typically expressed in terms of £x or the gain/loss of a valued benefit – this should be clearly highlighted and impact will be dependent on both value, and the extent which this message can be personalised
- *Evidence* to help them identify accounts which suit them better. Providing comparative data and references to comparison tools (Remedy 3) could play a role here, although links were thought to be more impactful in online channels
- In letters/emails some *reassurance* about the switching process was appreciated, to tackle perceived hassle involved and in some instances, reassurance about the bona fide nature of the communication.

## ***Embedding Switching Prompts in Communications***

When embedding switching prompts within own bank communications, there were also other considerations for maximising engagement. These were:

- The way the trigger itself was expressed and the clarity of its impact on the customer e.g. at the end of their free banking period SMEs liked the idea of being told what their account charges would be for the year ahead based on prior account usage
- Ensuring the prompt was given sufficient prominence e.g. use of visual cues for standout, ensuring it was not recessive in communications, providing a directive heading.

### **1.3 Remedy 3 Findings**

#### ***Context***

Despite familiarity with comparison sites, PCA and BCA customers were not used to comparing and contrasting bank accounts in this way and had given little thought to what features to meaningfully compare. For medium-larger SMEs, in particular, there were also concerns about the suitability of comparison tools for business needs:

- Ability to compare more complex banking arrangements, such as multiple accounts
- Switching bank accounts typically necessitated personal dialogue with providers which limited perceived usefulness of comparison sites.

#### ***Reactions to Example Comparison Tools***

##### ***Data and security concerns***

When online tools were explored (existing version of Midata and the new prototype version), concerns about security and safety of sharing transactional data emerged. Although the new prototype felt less onerous than Midata in terms of how customers' shared their data (the new prototype sharing options involved less steps and was positioned as more secure), there was still uncertainty and unfamiliarity with the process. Security concerns did not feel insurmountable, but there was a desire to understand what guarantees users had if they allowed access to their transactional data, and what measures of redress they had if things went wrong with handling their data. There was also a desire for banks and (universally unfamiliar) third party sites to show accountability. Reassurances were not regarded as especially visible on these sites, and were rarely noticed without drawing users' attention to them. In addition there was generally more comfort in sharing data with an unfamiliar site (Midata/Lovemoney<sup>1</sup>) if PCA or BCA customers had been

---

<sup>1</sup> Branding used on the prototype site.



directed to these sites from a trusted, reliable and established source; typically their own bank.

Overall, there was seemingly stronger resistance to sharing transactional data amongst SMEs than consumers. In particular, there were more concerns about personal responsibility and impact on others amongst those working for medium-larger SMEs, as the issues here were felt to be exacerbated given they were not the final decision maker for the business.

Consumers and SMEs also did not intuitively understand why transactional data was required to provide a comparison and needed clear explanation regarding the accuracy and reliability of the process. When explanations were signposted and noted, these were generally accepted as credible reasons for providing the data.

#### *Reactions to Current and Improved Version of Midata*

When asked to locate, download and use their *Midata* file via the GoCompare website, only one of five consumers successfully completed this task. Two key barriers emerged in executing this request:

- *Reticence due to security concerns and unfamiliarity with the process*: unsure about Midata's legitimacy, safety and authority to handle transactional data, or what would happen to their data (storage, disposal);
- *Inability to follow the required steps*: a greater willingness to share transactional data but they either failed to find the Midata file on their bank's website, or they didn't know where the file was saved if they had downloaded it.

Overall, the *improved version of Midata* was seen as more sophisticated, and elicited a more positive response, especially from consumers. Results were seen as meaningful, flexible, navigable and largely straightforward to compare and contrast results. The most consistent request was for greater ease of comparing results side-by-side; typically a shortlist of 2-4 providers' accounts plus their existing account.

#### *Reactions to alternative dashboard concept*

An alternative dashboard concept tested did overcome concerns about data security prevalent with the comparison sites. However, for many this solution was slightly compromised by perceived limitations of the comparison data used and the additional steps required to manually input the data into comparison sites. SMEs, in particular, were doubtful of the dashboards likely usefulness.

## 1.4 Remedy 5 findings

The ability to compare and contrast measures of service quality were seen as desirable, but appeared to differ considerably between consumers and SMEs:

- Consumers and sole trader/micro businesses were more likely to seek and use ‘at a glance’ information (such as star ratings/percentages) as a proxy for overall reputation of the bank; a ‘peace of mind’ measure
- Medium-larger SMEs were far less interested in the views of other business account holders and prioritised guarantees and details about the quality of the personal relationship management i.e. typical points of contact, channel and frequency.

Primarily, ‘quality of service’ measures were seen as useful information to compare as a feature on comparison sites and there was much less interest in engaging with a standalone tool. Customers did not see this as a key consideration for switching bank in isolation of other features and functions of an account.

## 1.5 Remedy 7 findings

For even occasional overdraft facility users, providers’ overdraft facilities and charges were important considerations when switching banks. At the very least it was ‘peace of mind’ to know the facility was there, if required.

However, most expected this feature and facility to be an option to compare and contrast overdrafts alongside a range of functions and features; not in addition to or prior to using a comparison site. As a standalone option, a checker was seen as too many steps and/or less useful if it only provided a provisional read on the likelihood of receiving an overdraft facility.

Ultimately, consumers and SMEs alike claimed they were likely to still contact providers directly to double-check what overdraft facility they would get (i.e. a more concrete offer) before application.

## 2 INTRODUCTION

### 2.1 Background

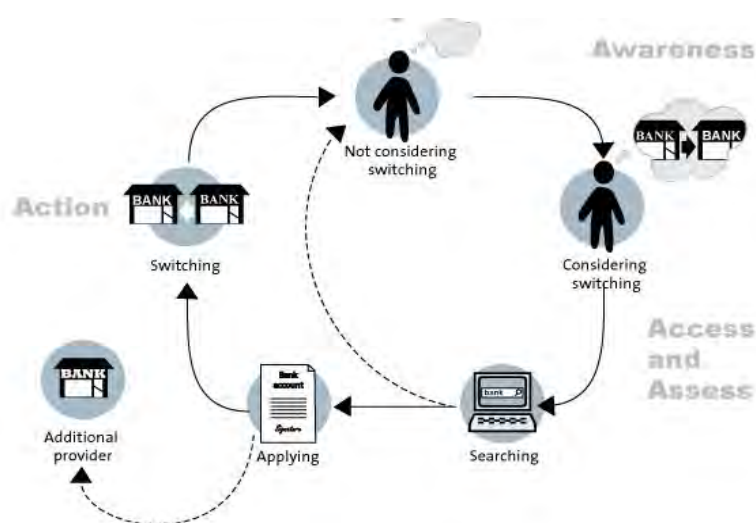
The CMA is conducting an investigation into the retail banking market covering both personal current accounts (PCAs) and banking services for small and medium enterprises (SMEs) including business current accounts (BCAs) and certain other products set out in its [terms of reference](#). The investigation was opened in November 2014 and in October 2015 the CMA published a report of Provisional Findings as well as a notice of possible remedies.

In the Provisional Findings, the investigation identified a number of competition problems in both the PCA, and SME services markets. These problems included low levels of switching, difficulties for innovative and challenger banks in attracting customers to switch to them, and the high incidence of SMEs automatically opening their BCAs at the same bank where they have their PCA, as well as choosing to use their own bank for their business finance.

The CMA also found that customers with current accounts were faced with complex overdraft charges and limited information on product and service quality, which, along with limited effective comparison tools, makes it very difficult for customers to know what they are paying for, and how to compare banks and products. In addition, the switching process itself can be perceived as complicated, time-consuming and risky.

The remedies proposed by the CMA aim to increase customer engagement and promote switching between current account providers. Switching was characterised not as an event but as a process or ‘journey’ comprising a number of steps. At its simplest, the journey would consist of the following steps, as illustrated below.

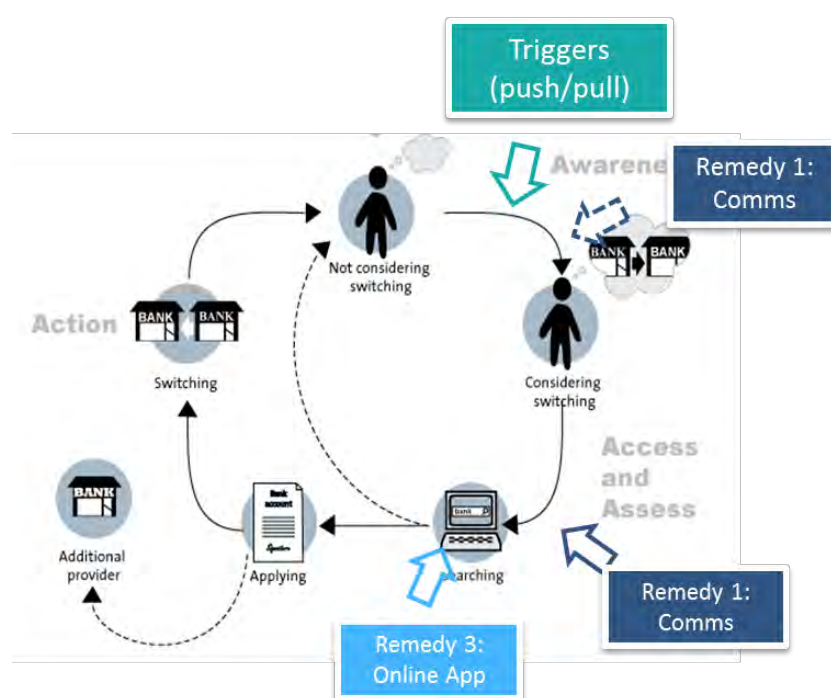
*Figure 1 – The Customer Journey – switching current account provider*



The overall purpose of this research was to obtain customer feedback on a specific set of remedies that aimed to increase customer engagement along the pathway described above, namely:

- *Remedy 1* – To prompt customers to review their PCA or BCA provider at times when they may have a higher propensity to consider a change
- *Remedy 3* – To facilitate price comparisons between providers by making customer transaction data more easily available and usable
- *Remedy 5* – To enable customers and SMEs to make comparisons between current account providers on the basis of their service quality
- *Remedy 7* – To make it easier for prospective customers to find out whether the overdraft facilities they require would be available to them

The primary focus of the research was on Remedy 1 and Remedy 3 whose potential impact at various stages of the customer journey is shown below:



## 2.2 Research Objectives

The study sought to inform the development of the remedies proposed by CMA to increase customer engagement within the retail banking market. The following detailed objectives were identified with regards to the individual Remedies.

### 2.2.1 Remedy 1

1. To find out to what extent customers are inclined to think about switching at **identified trigger points**
2. To identify any other **potential trigger points** that may exist
3. To explore and understand perceived impact of different aspects of the prompts including:
  - a. Channel
  - b. Content
  - c. Timing
  - d. Frequency
  - e. Source
4. To establish what type of communications customers currently receive from PCAs/BCAs and to explore how communications are typically treated

### 2.2.2 Remedies, 3, 5 and 7

1. To explore and understand in what circumstances customers are likely to use a comparison site/app as well as identifying any barriers to using the tool
2. To find out what content would be particularly valued, e.g.
  - a. Price comparison
  - b. Quality measures
  - c. User generated content and ratings
  - d. Net gain
3. To find out what type of functionality would be particularly valued, e.g.
  - a. In terms of making it easy to make clear comparisons
  - b. Ability to print, save and download
4. To explore impact of ability to use tool on different devices on willingness to use
5. Briefly, to explore attitudes towards both Remedy 5 and 7.

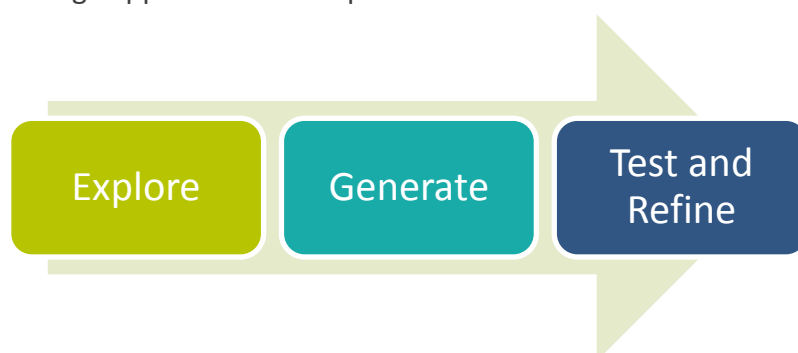
## 2.3 Methodology

### 2.3.1 Overview

A qualitative approach was adopted and specifically for Remedy 1 this involved an iterative process comprising 3 phases. A detailed explanation of each stage is described below.

### 2.3.2 Remedy 1

A 3 stage approach was adopted as shown below:



#### ***‘Explore’***

The initial **Explore** stage involved groups and depths amongst audiences who had experienced specific trigger points under consideration. This stage sought to:

- explore attitudes towards identified trigger points as appropriate times for being prompted to consider switching
- identify any other trigger points that may exist and also to obtain feedback to both the idea of being prompted to consider switching
- explore attitudes to the idea of being prompted as well as by whom, how often, by what channel
- gain feedback on high level ideas for content for switching prompts.

A combination of **6 focus groups** and **20 face to face depth interviews** were conducted as follows:

Focus groups	Total	Consumers	SMEs
Recent graduates	1	1	-
Heavy overdraft users	1	1	-
PCA holders, non-rejecters of switching, 21-44	1	1	-
PCA holders, non-rejecters of switching, 45+	1	1	-
SMEs, non-rejecters of switching, under £2m turnover	1	-	1
SMEs, non-rejecters of switching, £2-£6.5m turnover	1	-	1
<b>Total focus groups</b>	<b>6</b>	<b>4</b>	<b>2</b>

Depth Interviews	Total	Consumers	SMEs
Those who had made a formal complaint	8	4	4
Heavy overdraft users	2	2	-
Branch closure	4	2	2
End of free banking period	4	-	4
Currently using a PCA, but likely to open a BCA in the next 12 months	2	-	2
<b>Total depth interviews</b>	<b>20</b>	<b>8</b>	<b>12</b>

Focus groups lasted 90 minutes and depth interviews 60 minutes. Fieldwork took place between the **12<sup>th</sup>** and **19<sup>th</sup> November in** Bury, Leeds, Birmingham, London, Staines, Rural Cambridgeshire, Whitstable and Cardiff.

### ***‘Generate’***

This stage comprised a workshop with the CMA team to discuss and agree which trigger points were valid in terms of testing communications. This was followed by the generation of concept communications materials to test for each of the agreed trigger points. A range of potential prompts for the different triggers were developed across a variety of channels including email, letter, online banking notifications and mobile banking app notifications. For each trigger point, four different messaging approaches were developed.

### ***‘Test and Refine’***

The Test and Refine stage comprised a series of face to face depth interviews in which reactions to the communications materials developed in the Generate phase were tested. Interviews focused on the trigger points that emerged from the Explore stage as the more valid opportunities to communicate switching prompts.

A total of **24 depth interviews** amongst consumers and SMEs were conducted as detailed below:

Depth interviews	Total	Consumers	SMEs
Pending branch closure	7	3	4
Regular, heavy overdraft users	6	6	-
Recent graduates	3	3	-
End of free banking period	4	-	4
Significant change to Ts and Cs	4	-	4
<b>Total depth interviews</b>	<b>24</b>	<b>12</b>	<b>12</b>

Fieldwork was conducted between the **10<sup>th</sup> and 30<sup>th</sup> December** in Feltham, Staines, Leeds, London, Manchester, Birmingham and Cardiff.

### 2.3.3 Remedies 3, 5 & 7

The focus of this stream of research was to:

- Explore attitudes to and usage of comparison websites
- Gain reactions to a range of online comparison tool concepts
- Obtain additional feedback on Remedies 5 and 7

A series of **20 depth interviews** were conducted amongst both consumers and SMEs as below:

Depth interviews	Total	Consumers	SMEs
Regular credit balance	3	3	-
High credit balance	4	4	-
OD users	3	3	-
SME Customers, under 2m turnover	5	-	5
SME Customers, 2.5 – 6m turnover	5	-	5
<b>Total depth interviews</b>	<b>20</b>	<b>10</b>	<b>10</b>

Interviews lasted 75 minutes and fieldwork was conducted between the 1<sup>st</sup> and 9<sup>th</sup> December in Birmingham, Bury, Leeds, London, Twickenham and Whitstable.

Further detailed sample definitions and recruitment materials for all stages can be found in the **Technical Report**.

### 2.3.4 Limitations of Research

The CMA commissioned Optimisa Research to conduct qualitative research amongst both PCA and BCA holders to obtain customer feedback on a specific set of remedies that aimed to increase customer engagement. These interviews were with a limited number of people and the researchers tried to identify and understand as broad a range of experiences and views as possible. Because of the nature and size of the sub-samples, one cannot reliably assess how widely such views are held and the findings cannot be generalised to the whole of the individual target audience populations, or to all PCA and BCA holders.



## 3 MAIN FINDINGS - REMEDY 1

### 3.1 Overview

**Remedy 1:** Prompt customers to review their PCA or BCA provider at times when they may have a higher propensity to consider a change

This section explores possible trigger points where customers may have a higher propensity to consider switching their provider. The CMA identified a number of possible triggers, which could be relevant, as referenced in the ‘Retail banking market investigation – Notice of Possible Remedies’, as follows:

- A serious or widespread loss of service to a provider’s PCA or BCA customers arising from an IT breakdown
- A major dispute between a provider and an individual customer
- A material change in the bank’s terms and conditions pertaining to a BCA or PCA product used by the customer
- A PCA customer’s transition from a young person’s or student account to an adult account
- Closure of a customer’s branch
- The actual or imminent imposition of overdraft charges (arranged or unarranged)
- The opening of a BCA for the first time
- The expiry of a SME customer’s free banking period

These are explored alongside other potential trigger points identified by consumers and SMEs, and the appropriateness of sending ‘prompts’ at these potential trigger points is considered, alongside the concept of sending periodic non-trigger based prompts.

Finally, we reflect on the other factors which will impact on the effectiveness of sending prompts; the source, the channel, and the message itself.

### 3.2 Reasons for considering switching account provider

There is much prior research to support the notion that customers are more open to switching following certain ‘events’. Indeed this was highlighted in quantitative research conducted to feed into the CMA’s enquiry in April 2015<sup>2</sup>. This study listed, poor customer service (19%), branch closing/no local branch (15%), charges/fees too high (12%) and life

---

<sup>2</sup> Personal Current Account Investigation – A report for the Competition & Markets Authority by GfK NOP (April 2015)

events (partnership, moving, divorced, student) (9%), among the top six triggers for switching referenced by those who had switched in the last year.

Likewise in this study, when customers were asked spontaneously to identify the reasons why they would consider switching provider a number of potential triggers were identified. Broadly speaking the reasons to switch fit into two distinct categories:

- *Pull factors* – Reasons to move offered by other providers *e.g. a better product or service*
- *Push factors* – Reasons to move caused by changes to the banking relationship with existing provider *e.g. negative services experience*

The latter category are of particular interest here in suggesting that there are particular ‘triggers’, where customer are more open to consider switching. However, it’s also important to consider how these two categories work in tandem, with ‘pull factors’ reinforcing the need to switch.

These factors are demonstrated in *Figure 2* (consumers) and *Figure 3* (SMEs) below, which also demonstrate the differences in reasons to switch articulated by consumers vs. SMEs, which are now taken in turn.



Figure 2: Spontaneously mentioned reasons for consumers to consider switching providers

Among consumers, ‘pull factors’ were typically more top of mind as reasons to consider switching. These were generally related to the incentives offered by other accounts e.g. interest rates, cashback or rewards. However, charges and overdrafts were also considered by some, with service benefits attracting fewer mentions. In addition, a number of ‘push factors,’ which could act as triggers were referenced, including; *increased charges, poor service and branch closure.*



Figure 3 - Spontaneously mentioned reasons for SMEs to consider switching providers - n.b. this data represents thoughts of 2 focus groups (12 respondents)

Among SMEs top of mind reasons to consider switching were different. There were far fewer spontaneous references to ‘pull factors’, and those that were referenced were typically more service related e.g. *direct contact*, *24 hour access*, *advice*, *relationship*. Of the push factors, businesses appeared to be particularly sensitive to changes in their banking relationship with *increased charges* a higher level concern.

### 3.3 Additional switching trigger considerations

When prompted there was recognition that all of the triggers identified by the CMA could be times when customers may be more open to considering switching providers, albeit to differing degrees, something which we explore later in this section. In addition a number of other potential trigger points emerged, including;

- *Opening a joint account* – Moving in with a partner and/or getting married were identified as times when a couple may look to open a joint account, and therefore review their existing banking arrangements.

*“I live with my sister at the moment, but in the future I may look to switch when I move out with my partner and we get a joint account somewhere else to get the best deal” Consumer, Heavy Overdraft user, Leeds*

*“I was originally with Halifax then when I moved in with my partner we went to HSBC together for a fresh start” Consumer, Heavy Overdraft user, Leeds*

- *Moving home/ remortgage* - Some felt that they may consider switching their current account in order to get a better mortgage deal. In these instances the mortgage would be acting as a ‘pull factor’, providing an incentive to choose another provider.

*"I'd consider switching if when I look to get a mortgage you need to have a current account with them too or you get a better rate if you switch"*  
**Consumer, Heavy Overdraft User, Leeds**

*"Getting a mortgage you always see 'If you are one of our customers you get a preferred rate on a mortgage- that's a help"* **Consumer, Recent Graduate, London**

- *Changing lending needs* - For businesses, changing lending needs also emerged, as a possible reason to consider switching providers. This could be to support business growth (e.g. purchase new machinery, property or additional employees), or due to cashflow concerns.

*"If I wanted to open a new shop and the bank wouldn't lend me more money, that would prompt me to switch"-* **SME, End of Free Banking, Cardiff**

- *Data security issues* – Spontaneously both consumers and SMEs referenced data security issues as potential reasons to switch providers. Concerns around data security fell into two distinct categories;
  - *Fraud on an individual customer's account* – On an individual level, the failure of a bank to adequately deal with fraud on an account was seen as a potential reason for complaint, and as such could lead to switching consideration.

*I've left a bank in the past because of that issue-I lost money 25 years ago... I checked my balance £200 had come out but I didn't have that cash, they did not take ownership of the issue and treated me like I was a criminal."*  
**Consumer, Heavy Overdraft User, Birmingham**

- *Large scale security breaches which affect a number of customers* – A large scale security breach was also referenced as a reason to consider options. It should be noted that the initial stage of research took place at the height of the Talk Talk security breach, which potentially made this issue more top of mind.

*"Security problems, risk of your information or someone being able to get into your stuff might be a reason"* **Consumer, London**

*"If there was a serious banking error or a case of fraud I'd no longer trust them and would look to move"* **Consumer, Branch Closure, Cambridge**

### 3.4 Overview of all potential switching triggers

In exploring reactions to the potential switching triggers identified it is useful to categorise them, as follows;

- *Forks in the road* – Natural lifecycle driven events which alter the customers banking relationship (e.g. end of free banking period)
- *Potholes* – Unexpected/unpredictable events which impact on the customers banking relationship (e.g. heavy overdraft charges)

Spontaneously potholes were more widely referenced as reasons to switch because they could happen at any time in the customer journey and therefore have greater universal relevance, e.g. a negative service experience could happen at any time vs. end of free banking period only occurs at that specific 'lifestage'.

An overview of the potential switching triggers' identified for both consumers and SMEs is shown in the table below:

	Consumers	SMEs
<b>Forks in the road</b>	<ul style="list-style-type: none"> <li>• Graduate account ending</li> <li>• Moving in with partner/ marriage</li> <li>• Moving home/ remortgage</li> </ul>	<ul style="list-style-type: none"> <li>• End of free banking period</li> <li>• Choosing a BCA provider for the first time</li> <li>• Changing lending needs</li> </ul>
<b>Potholes</b>	<ul style="list-style-type: none"> <li>• Dispute with provider (e.g. poor service experience, major banking error, account fraud)</li> <li>• Significant changes to T&amp;Cs (e.g. Increases to charges)</li> <li>• Branch closure</li> <li>• Serious loss of service (e.g. Major IT system failures)</li> <li>• Heavy overdraft charges</li> <li>• Data security issues</li> </ul>	<ul style="list-style-type: none"> <li>• Dispute with provider (e.g. poor service experience, major banking error, account fraud)</li> <li>• Significant changes to T&amp;Cs (e.g. Increases to charges, changing lending terms, changes in Relationship manager)</li> <li>• Branch closure</li> <li>• Serious loss of service (e.g. Major IT system failures)</li> <li>• Data security issues</li> </ul>

Figure 4 – Table of switching triggers identified in research

### 3.5 Overall attitudes towards idea of being prompted to consider switching

When asked how they felt about being sent communications aimed at prompting switching at various trigger points, many customers initially struggled to understand what the purpose of this would be. This in part reflected a general lack of awareness and concern about the identified lack of competition in the retail banking market and what, if any impact it had on themselves. In relation to this, there were no spontaneous mentions of the current investigation being conducted by the CMA.

*"I've been with my bank since I was 12, I'm now 42. I've had information about switching my account but never my provider."* **Consumer, Regular Overdraft User, London**

Throughout the research a number of issues also emerged that appeared to reinforce the apparent lack of awareness and understanding of any need to engage and act, specifically, a lack of awareness of:

- Potential gains from switching account, specifically less front of mind features such as overdraft charges

*"I'm indifferent to the bank. I think they're all pretty much the same to be honest"* **Consumer, Sutton Coldfield**

*"I moan about my bank, I keep saying I should change but it takes effort to do it and the first thing I have got to do is go round all the banks to find out what the costs would actually be... and how they compare."* **SME, Significant Change of T &Cs, Staines**

- The total level of charges they paid over a period of time

*"Over a year? Ha I don't want to know because it's a pound here and a pound there that's ok but if you add it up over the year like that it's probably quite a lot and I don't want to think about that."* **Consumer, Heavy Overdraft User, Fleet**

- The need to consider a wide range of banking needs they may have rather than only those that were most front of mind

*"Personally, I can't think of other long-term factors other than interest rates that I [would] look at when I look at accounts"* **Recent Graduate, Consumer, London**

- The fact it was possible to move with an overdraft / lending facility.

*"I'm not sure if you can move until you've paid your overdraft off.. maybe it depends on your credit rating?"* **Consumer, Heavy Overdraft User, Birmingham**



There were also indications that banks played to the status quo of doing nothing at some potential trigger points by sending out communications indicating the customer did not need to take any action, for example, when students were migrated onto graduate or standard accounts. As such, the idea that their bank or another party might instead send communications encouraging to them to look around the marketplace was at odds with expectations and jarred.

*"I took out a student account and it automatically switched over to a graduate account, I didn't have to do anything." **Consumer, Recent Graduate, Bury***

The level of confusion that arose was also linked to the **nature of the trigger** being discussed and indeed who customers anticipated might send out any communications. Both SMEs and consumers more readily accepted the idea of being communicated with at trigger points that could be identified easily by their bank. However, the idea of being prompted by parties other than their bank at these times often prompted concerns about how a third party would be aware of the event and, it led to concerns that their data was being shared without their consent. Likewise communications at trigger points which customers felt only they would be aware of (e.g. recent graduate, first mortgage, etc.) also prompted a degree of confusion and concern.

*"It should be my own bank, if other banks contacted, I would be confused." **Recent Graduates, Bury***

*"If it's a business, then the bank has to come to you personally. If it came from anyone else I would worry where they got my details" **SME, London***

Once advised of the CMA investigation and the identified lack of competition, the notion of communications did have more purpose and logic and as such, many were at least open to the idea. There was also some acknowledgement that if prompts came from their own bank, it represented their provider being fair and transparent by highlighting the fact it might be worth their while to look around the market.

*"I think it's a good idea as people think it's too much of a hassle they're caught up in other things so there's no time." **SME, Formal Complaint, Bury***

Positively, it was recognised that people generally did not consider changing providers in this market and prompts of this nature could provide helpful reminders and information to show that it might be worth their while.

For a minority though, especially some SMEs the idea of being told what to do did not sit well with them and the idea of being prompted to switch came across as overly patronising and likened to living in a ‘nanny state’.

*“I wouldn’t need a prompt and those who need a prompt probably aren’t people who would act on it” **SME, End of Free Banking, Bury***

Other initial concerns that were raised by both SMEs and consumers included:

- Switching prompts being misinterpreted as their own bank wanting them to leave
- Clumsy / intrusive approaches or being bombarded by multiple parties (c.f. PPI claims calls, etc.)

*“If I got information sent to me from anyone else other than my bank, it would worry me.” **SME, Branch Closure, Cardiff***

*“It’s a good thing to do but not sure how other banks would target me. How would they know I’ve made a complaint unless they are constantly bombarding me?. I’d want to know how they’d got my details. I’d imagine it would be competitor banks trying to steal my business.” **Consumer, Made a Complaint, Cambridge***

In addition, whilst our sample was more weighted towards micro SMEs, given the nature of the triggers explored, there were some indications that it may be more difficult for switching prompts to have cut-through among medium – larger SMEs. This was due to the fact that with these organisations there were more likely to be multiple decision makers involved, and that those likely to receive communications including the prompts may work in more of an administrative role.

*“I’m not the final decision maker... For me I need a compelling reason to switch if I’m going to circulate this [message] to the partners in my practice.” **SME, Significant Changes to T&Cs, London***

### **3.6 Validity of trigger points as opportunities for prompting**

Whilst there was recognition that each trigger point could lead customers to consider switching providers, they were not all felt to be equally impactful i.e. it was felt that some were more likely to prompt switching consideration than others. An added complication to this was that it became apparent that the same trigger could have varying ‘relative impact’, on an individual customer, and this was true whether it is a fork in the road or a pothole. For example, the impact of the *end of free banking period* was felt to differ depending on the type of payments business received, and therefore the likely charges they would incur.

*“I’m eventually going to be at the end of free banking but it depends on the charges the bank offer.” **SME, End of Free Banking, Cardiff***



In addition, it was felt that not all triggers were equally appropriate as points for sending switching prompts. Triggers where it was felt there was greatest scope for these prompts to work tended to involve;

- A material change to the customer's account which can be clearly communicated
- A clear timeline, i.e. branch will close in 3 months, and this means that prompts can be sent before the change has happened

*"When it's coming at a time where they are changing your terms, I like the idea of being prompted. It's their duty to tell you something is changing, why and what your options are, but at other times I don't think it's necessary"* **Consumer, Recent Graduate, Leeds**

Reasons for triggers being less appropriate for prompts included;

- Changes being **customer driven** e.g. when choosing a BCA loan provider - This meant it was unclear how prompts could be sent until after a customer had already started the process of shopping around, or choosing to stay with the same provider

*"With something like this they'd have to catch you at the right time. How would they know I was looking to a loan?"* **SME, Significant Changes to T&Cs, London**

- Concerns about **receiving prompts following a negative experience** – There were some concerns about own banking providers not wanting your business if asking you to switch as well as concerns about how third parties would know that these had occurred

*"If I'd had a problem and it [the prompt] came from my own bank, I'd wonder why they wanted to get rid of me."* **SME, London**

- **Switching not a priority whilst disputes are still ongoing** – Customers reported being unlikely to switch in the middle of a dispute for fear that the issue wouldn't be resolved.

*"When my money went missing, they lost £50,000. It went on for days. It was always us calling them. But it got resolved. I didn't think about switching I was just wanting to get it sorted"* **SME, Bury**

- **Challenges pinpointing the right time to send prompts** – It was observed that many of these triggers do not have linear timelines, so it was not clear when the right time to prompt would be e.g. during a dispute they may be more open to switching, but

not until after the problem is resolved vs. once the issue is resolved any prompt may feel a little ‘after the fact’.

*“First thing I’d want to know is how do they know I’ve made an inquiry? I’d question how they knew when to contact me.” SME, Recent Complainant, Cardiff*

Whilst the research did not suggest that either category of trigger (fork vs. pothole) was likely to be more impactful, various factors emerged which are likely to determine the relative impact of sending prompts for each.

### 3.7 Exploring triggers in detail – ‘Forks in the road’

Within this category, the triggers which were felt to be most impactful as triggers, and appropriate points to prompt switching involved lifestage events, which were accompanied by a resulting material change to the banking relationship i.e. *end of free banking period* and *Graduate account ending*.

In contrast, the other ‘fork in the road’ triggers identified were primarily customer driven, and whilst customers did feel they may consider switching at this point, there was a tendency for them to consider what their own bank was offering in the first instance.

An overview of which triggers were more likely to prompt switching consideration and their relative appropriateness for sending switching prompts is shown in *Figure 5* below. This is best explained by taking each trigger in turn:

	Likelihood to consider switching	Appropriateness of sending switching prompts
End of free banking period	High	High
Graduate account ending	Medium	High
Opening a BCA	Medium	Low
Changing lending needs	Medium	Low
Moving home / remortgage	Low	Low
Opening a joint account	Low	Low

Key:  = High  = Medium  = Low

*Figure 5 – Relative impact of fork in the road switching triggers*

### 3.7.1 SMEs - End of free banking period

The end of a SME's free banking period emerged as a natural point for a business to re-consider their banking provider, and this can be attributed to a number of key factors;

- Businesses going through this change were recent start-ups, tended to be smaller, and were therefore more cost sensitive
- The existence of a free banking period meant that some SMEs recognised that they hadn't really considered their banks charging structure at the point of account opening. After a year's trading the business was likely to have a better understanding of the volume and types of payments it receives and could therefore better consider the potential impact of charges
- Similarly by this point they felt they had developed a better understanding of the service the bank provided for businesses and whether this was fit for purpose.

*"Only time I would consider is when I am coming to an end of my free banking period. Coming to an end of an old relationship and starting a new relationship- I might look around and see what's on offer."* **SME, End of Free Banking, Bury**

*"If I could save a lot of money on charges, my loyalty won't lie with HSBC, so it's good to have a little prompt and a link to information"* **SME, End of Free Banking, Leeds**

This was not to say that all businesses who reached this point would systematically consider their options. Indeed this was also felt to be dependent on other factors e.g. satisfaction with existing provider, types of payments received (and therefore likely impact on charges), and time available to shop around.

However, there was support among this audience for switching prompts to be sent at this point in their business lifestage, as a useful reminder that there may be better options out there, given the material change that was being made to the account. It was envisaged that it would be useful for these messages to be sent in the run-up to the end of the free banking period, potentially from as far back as 3 months out to allow time for the business to look at other offers available. It was felt that multiple prompts during this period would be beneficial to ensure cut-through.

### 3.7.2 Consumers - Graduate account ending

For recent graduates the end of the free overdraft period was generally felt to be a more natural point to consider switching account than graduation and the initial migration to a graduate account. Two key reasons for this emerged:

- Graduation was felt to be a busy period, often involving job seeking, travelling and/or house hunting, meaning that changing banks was not a particularly high priority at this stage.
- In addition graduates claimed many student account benefits were retained for an interim period (including free overdraft & sometimes other benefits e.g. railcard), meaning there was little to no material change in the banking relationship. There was also low awareness as to whether or not you could switch to another graduate account, and retain these sorts of benefits.

*“I wouldn’t want to be contacted just as I’ve graduated; I’m not going to want to think about it. I’m going to thinking about having fun, travelling enjoying myself. Maybe six months to a year after?” **Recent Graduate, Bury***

*“At the moment I’m enjoying my student account as I still have the 16-25 railcard so that’s one of the best perks that I’ve seen. I’m in no rush at the moment as I’m saving a huge amount of money.” **Recent Graduates, London***

*“When you’re leaving from being a student to not: you are moving house, changing loads of stuff, it’s such a hassle. At that time it didn’t seem like an option.” **Recent Graduate, Leeds***

In contrast, the end of the free overdraft period was seen as a time when some felt they would be more open to considering their options as it marked the loss of a key account benefit. However, it was not always currently seen to be a time to switch, as customers were automatically transferred on to a standard account so may not think to consider their options.

*“Since graduating I haven’t seen any change. I’m still going to have a big overdraft. I might start to look around when I get put onto a new account.” **Recent Graduate, Bury***

In addition, it is important to note that not all graduates felt they were reliant on their overdraft right up until the end of their free overdraft period, making this less of a trigger for some. Likewise there was some anecdotal evidence that some reverted to using their pre-university account as their main one following graduation.

*“Before the end of the year, I will look at changing. When you look at it the student account and its benefits it doesn’t actually offer you that much. You’ve got the overdraft but if you’re not going in to it it’s not really that important.” **Recent Graduates, London***

The removal of the free overdraft was felt to be an appropriate time to send prompts, as it was potentially a significant change to the customers banking relationship. Even among

those who were less affected, there was still often an openness to consider their options, and sometimes low awareness that ‘better’ deals may be available. This appetite for switching may be due to the fact that their banking relationship is still relatively new, meaning they did not feel particularly tied to their provider.

### 3.7.3 SMEs - Opening a BCA

SMEs were open to considering different providers at the point of opening a business account, although this wasn’t considered to be switching per se. This was due to the fact it was expected that the effort involved in opening a business account would be similar across banking providers. There were however seen to be some benefit to remaining with your personal account provider e.g. they knew your credit history, familiarity with banking preferences.

*“When I am switching to a business account, I might stay with Barclays if they offered me an incentive to stay and put my business account with them. It’s like a lot of companies, you stay with them and they play on that.” SME, Opening a BCA, Birmingham*

Among those who had recently opened a BCA, a further reason emerged for them to choose their personal account provider. This was due to the fact that the incentives to open a business account were seen to be very similar across providers, with the general lead offer being a period of free banking. This perceived lack of differentiation meant that there was seen to be no real advantage in not choosing a provider who they were already familiar with.

*“I did have a look around when I first opened the account, but I ended up going with my personal account provider, as I know them and feel like I have more leverage if I needed it” SME, End of free banking, Egham*

It was also felt to be unclear how switching prompts could be sent to this audience, as they themselves were still deciding when they would switch. This meant it was difficult to ascertain when would be the right time to send this audience prompts. In addition as research on business accounts may occur online, there wouldn’t necessarily be any obvious clues that the customer was involved in this process until they had already started shopping around and/or their decision as to who to open their business account with had been made.

### 3.7.4 Other life event triggers

Likelihood of considering switching for the other life event triggers identified, was somewhat dependent on the offers provided by existing banking providers i.e. consideration would only occur if own banks offer was not satisfactory. As such, they were subjective and felt to be less likely to act as switching triggers per se.

*“The thing that for me is on the horizon is the growth next year. I don’t want to get into that period and then start to look around. I want to go into*

*the bank, explain the situation and ask what they could do for me” SME,  
End of Free Banking, Bury*

The one slight variation was the mortgage purchase process, where some felt they may shop around for the mortgage and potentially change account to get a better deal, however this perception was far from universal.

As with opening a business account, it was felt to be unclear how switching prompts could be sent when customers were experiencing these events, given that they would be customer driven. As such, they weren't seen to have obvious timelines when prompts could be sent, and by the time a customer had chosen to contact their banking provider, their decision may already have been made.

### **3.8 Exploring triggers in detail – ‘Potholes’**

By their nature the relative impact of potholes was felt to be subjective, for example what constitutes *‘heavy’ overdraft charges* or a *poor service experience*, and this means that these triggers can dial up or down in terms of importance. With these triggers there was also felt to be a cumulative effect. For example, customers said that whilst a one-off negative service experience may not lead to switching, if the same issue happened again, then they would be more likely to consider their options. This makes pinpointing the right time to send switching prompts challenging for these triggers.

Likewise, the impact of changes to T&Cs and branch closure was dependent on how customers tended to use their account. However, given these both could involve a material change to the banking relationship there was felt to be a clear opportunity to send switching prompts at these times.

Finally, a *serious loss of service or data security issue* that affects numerous customers tended to be seen as less likely to lead to switching consideration, than potholes that have a more of an individual impact. This could in part be a research effect; indeed relatively few had experienced a severe loss of service or data security issue of this nature, however there was also a sense that these events are relatively rare and could happen to any provider i.e. customers questioned whether or not they would really be better off switching.

	Likelihood to consider switching	Appropriateness of sending switching prompts
Branch closure	Medium	High
Significant changes to T&Cs	Medium	High
Heavy overdraft charges	Medium	Medium
Dispute with a provider	Medium	Low
Data security issues	Low	Low
Severe loss of service	Low	Low

Key:  = High  = Medium  = Low

Figure 6 – Relative impact of ‘pothole’ switching triggers

### 3.8.1 Branch closure

The impact of branch closure was felt to be dependent on both frequency of use and convenience of the new nearest branch (in terms of proximity vs. other banks, and other factors such as ease of parking). As such, whilst some said that they would definitely consider switching when they’re branch closed, others felt it would have little or no impact.

*“I thought ‘shall I change banks?’ but then I only use it a little bit for branch access and I have been with them for such a long time, you have a little bit of allegiance with them.” Consumer, Branch Closure, Cardiff*

*“It would hurt me more if it closed near where I work. It wouldn’t make me switch but it would inconvenience me.”- Recent Graduates, London*

*“If I had another bank in the village of comparative closeness I might have switched, but otherwise it’s not a huge difference. I’ll just go online more to do my banking,” Consumer, Branch Closure, Cambridge*

Branch closure was felt to be a reason to consider switching among both businesses and consumers. SMES who typically accept cash or cheque payments (e.g. retail businesses) reported that branch closure could be particularly impactful, as they typically needed to visit the bank weekly (if not daily). Given the need to visit during daytime hours any additional time required to get to the bank was seen as taking time out of the business.

*“When the branch closed it was definitely a time when I thought about switching... I was one step closer to “firing Barclays”” SME, Branch Closure Egham*

*“We could move to another bank, with a branch closer, that’s another thing that we’re looking at but we don’t have any information on it yet” SME, Branch Closure, Birmingham*

Among consumers, even if only visiting c. once a month, some reported feeling more comfortable knowing that they at least have the option of going in to a branch to talk to someone, should they have any banking issues.

*"I used to go into the branch twice a week so I was disappointed when I heard it would be closing. It's much harder to get to the next closest one and my mum there who is disabled as it's on pedestrian areas so I can't park right outside. Once it's closed I'll be able to really see the impact and may consider it then"* **Consumer, Branch Closure, Leeds**

*"I don't do well with all the online stuff... I just like knowing I can go to the branch to speak to somebody if I have a problem, which fortunately I don't have at the moment!"* **Consumer, Branch Closure, South East**

There was an expectation for formal communications to inform customers that their branch was going to close, and this was felt to represent an opportunity for sending switching prompts. It was felt that the most appropriate time for sending these was before branch closure, as this was when the trigger was likely to be strongest. Customers reported receiving communications about branch closure up to 3 months before the closure occurred, and it was felt that prompts may also be sent on this basis. It was also felt that prompts sent after the branch had closed may be less effective as by this point those who hadn't switched had often got used to their new situation, and/or had found workarounds to help them.

*"I used to use the branch to get change for my shop. I now have to go to the branch that is nearer to my house rather than my shop which is doable but a huge inconvenience."* **SME, Branch Closure, London**

### 3.8.2 Significant changes to T&Cs

Where changes were felt to have a material impact, it was felt that this may be an appropriate time to receive switching prompts, as these could act as a reminder that there may be better options elsewhere. Across our sample businesses tended to be more able to identify changes to T&Cs that might prompt switching, suggesting this could be more of a trigger for this audience.

Consumers tended to struggle to identify examples of this occurring currently, although did cite increasing costs as a potential reason to switch. It was however felt that this would need to be sizeable to make a difference. For example, whilst a small number of Santander customers were included in the sample, reactions to charge increases on the 1.2.3 account



and the extent that this would prompt switching consideration were mixed. Whilst there was some annoyance, others felt the deal was still very much worth it.

*“They are going to increase the monthly charge on the account from £2 to £4 which is nothing, but it’s just the principle of it. How can you be doubling it? Do a whole thing in your head is it worth it? I’m not going to move because of it, but I think to myself it’s a bit cheeky”* **Consumer, Recent Graduate, London**

For businesses, there was greater reported potential for changes to have an impact, with the following changes to T&Cs being highlighted as potential triggers;

- Changing to lending terms or overdraft facilities being reduced/removed – claimed to be particularly impactful and showed a lack of understanding of the business
- Increases in banking charges – charges reported to be going up on an ongoing basis, caused annoyance, although the level of increases previously experienced weren’t felt to have been significant enough to prompt switching consideration. These were felt to be potentially more impactful for smaller, less established SMEs who were more cost sensitive.
- Changes to Relationship Manager – was identified as a potential trigger by some medium – larger SMEs, although this was felt to be dependent on who their new Relationship Manager was i.e. whether there was a perception that service levels had reduced.

*“[On increases to bank charges] If you’d stack them up against a competitor and suddenly realise how much they’ve been having you over, it might make you change”* **SME, Bury**

*“If they put overdraft charges right up, consistently, that would be big. It’s a major expenditure”* **SME, Bury**

*“I don’t have any allegiance to NatWest anymore; I’m actively looking to change. They went back on a business plan that was agreed and wouldn’t provide me the lending capital I needed which has cost me a lot of money”* **SME, Change to T&Cs, Manchester**

As with branch closure, there was an expectation for prompts to be sent ahead of the changes occurring, and that there be opportunities to send these alongside existing communications. However, some challenges were identified to ensuring that these messages have cut-through, in that it wasn’t always felt that changes to terms and conditions were well communicated by banks currently.

*“I got a load of blurb about them changing their terms and conditions and it is all junk. I read them to see if there is anything relevant to me and then I*

*bin it as it is just a waste of paper. There wasn't anything in there that affects me.”* **SME, Significant changes to Ts and CS, Staines**

### **3.8.3 Heavy overdraft charges**

The extent that heavy overdraft charges could act as a trigger to switch was linked to not just the relative cost, but also the perceived fairness of the charges, and/or how the bank deals with the customer. In addition as a broader issue, many customers reported being unaware of the annual cost of their overdraft, and had little knowledge of whether overdrafts differed much across banking providers. Indeed heavy use of arranged overdrafts was reported by some to have become habitual behaviour and was not always particularly considered.

*“I think it counts now when you can get overdraft deals- where you can get £500 no fee. There’s so much competition now, you might as well switch if you’re being charged for it. If you’re being charged for it then jump.”*  
**Consumer, Recent Graduate, London**

*“If they charge me on my overdraft that is not a big enough trigger-I’m too lazy.”- **Consumer, Heavy Overdraft User, Birmingham***

*“I do use the overdraft, but I don’t even know the interest rates to be fair. I’ve steered away from going over. Once they charged me £100 because I went over. From now onwards I always check”* **Consumer, Heavy Overdraft User, London**

There was greater awareness of charges when unauthorised fees were being incurred, but these were not always automatically identified as a reason to consider switching. For example, some heavy overdraft users remained quite warm to their bank, as they received text alerts to warn them when they were near their limits. This meant that even if they incurred charges at this point, they didn’t necessarily blame the bank for this. Likewise, others who incurred unauthorised overdraft charges claimed that their banks were sometimes lenient in waiving some of the fees, which again felt like fair treatment.

*“I’m not annoyed at HSBC because that is the norm and I think HSBC are quite good for that I know other people get charged quite a bit and I think I’m doing ok.”* **Consumer, Heavy overdraft user, Fleet**

*“Not long ago I got a charge on my account and I never go to the limit of my overdraft and I get a text, which is one good thing, telling me if I’m going to go over my limit so that I can get some money into it.”* **Consumer, Heavy overdraft user, Whitstable**

Even where the bank was not felt to be providing support when consumers incurred charges, some still felt that ultimately going over their overdraft limit was their own fault, or that it was a merely temporary situation i.e. they might be more likely to consider changing something if they were incurring charges all the time.

*“Charges? I do try and avoid them. If they were high on a monthly basis, that will get me thinking”* **Consumer, Heavy overdraft user, Sutton Coldfield**

Within this audience, there was also some who claimed to be unsure whether or not they could switch when they were in their overdraft, which is another barrier to consideration which may need to be addressed.

*“Not at that point [switching] because I had overdraft I didn’t think I had any options open to me”* **Consumer, Recent Graduate, Bury**

Sending prompts to heavy overdraft users was a more complex area, in that there is a need to consider whether prompts will be more effective if sent on an annual basis or as and when unauthorised charges are incurred. There are merits to either approach, although across our sample of *heavy overdraft users*, the annual approach tended to have greater appeal, in part because it was also felt to tackle low awareness of existing charges incurred across the year. The pros and cons of each approach are explained below;

- **Annual overdraft usage prompt** – It was felt that annual charges may amount to a more significant figure, which may be more likely to grab a customer’s attention. In addition, given reported low awareness of charges it was felt that there was a real opportunity to help customers consider the costs they’ve incurred. However, consumers did identify some challenges to ensuring prompts have cut-through at this point, e.g. existing annual statements not reportedly widely looked at, and in any case any prompts here may feel a little after the fact.

*“Probably more likely to take notice of the annual as monthly ones I get through on email and I delete them as I assume I know what they are going to say because I’ve been looking on my app.”* **Consumer, Heavy Overdraft User, Sutton Coldfield**

*“I think bank should do that really, over the year – show you that’s how much you’ve spent. If competitors had my information and compared it to them like that, that would be a much more powerful way. It’d make me think ‘I might give them a call’”* **Consumer, Heavy Overdraft User, London**

- **Unauthorised overdraft prompts** – It was recognised that unauthorised overdraft charges could be significant in the short-term so prompts at this stage may reach customers when they were more engaged with their banking arrangements. However, some felt that their priority would be to get their account back on track rather than switch provider, and others felt that prompts sent to confirm monthly charges may feel a bit after the fact and less likely to be engaged with. It's also important to note that this audience tended to be more sensitive to prompts being a sign that the bank no longer wanted them as a customer, so some additional reassurance may be required with this audience i.e. greater explanation of why the switching prompt is being sent.

*"They send me an email about free advice about any bank charges but on the email it doesn't tell you what they are it just tells you they are ready to view online ... I don't really check. I am terrible with my bank to be honest. I don't check my ins and outs to be honest."* **Consumer, Heavy Overdraft User, Feltham**

*"All I'd be bothered about is trying to stop myself getting charged instead of ringing them up trying to change my account"* **Consumer, Heavy Overdraft User, Leeds**

*"I kind of know what they (charges) are anyway so when a letter comes through I'm like 'yeah ok' because I've been looking at my app anyway so I don't really look it at for long"* **Consumer, Heavy Overdraft User, Sutton Coldfield**

#### 3.8.4 Dispute with provider

Disputes with a provider were reported for a variety of issues including; missed payments, changes to overdraft facilities, changes to branch opening hours. The likelihood of these events acting as a switching trigger was somewhat dependent on how the bank dealt with the situation, and the perceived severity of the issue. It was observed that recent complainants who reported numerous reasons for dissatisfaction appeared to be particularly open to considering switching. However, not all of these reasons were necessarily formally reported.

*"I've been with the bank for a while, so would need serious justification to switch. As long as everything is resolved, I don't see it as a problem."* **SME, Complaint, Cardiff**

*"It's the way that they deal with it. If it is dealt with well then that is fine. If something small turns into something big then that is when it becomes an issue."* **Consumer, Heavy Overdraft User, Birmingham**

*"We've had the odd blip but 'if it's not broke don't fix it'. We've never had a major need to jump ship. We've been with the bank for a while so would want to have a good justification why we're doing it (switching). If we switched we would have to notify all of our suppliers and clients which is a lot of extra admin ... So long as everything was resolved it's not a problem."*  
**SME, Made a complaint, Cardiff**

In addition, there was a feeling that when a customer was in dispute with their provider their focus was more on getting the problem resolved than on switching. And, indeed there were concerns that if you switched during this time, the issue you had would never be sorted. As such, there was some suggestion that switching prompts may not be effective during this time. There were also concerns around prompts being sent when the customer is in the midst of a negative experience; if sent by own bank there was a feeling that this could imply they were no longer wanted as a customer, and if sent by others there were concerns as to how they had found out about the issue.

### **3.8.5 Serious loss of service and data security issues**

There was less consensus around the extent that a *serious loss of service* or *data security issues* would act as a trigger to consider switching. If a one-off issue and felt to be handled well by the banking provider, many reported that they would give the bank the benefit of the doubt. However, if either of these issues became a more regular occurrence, it was recognised that they would force customers to seriously consider switching.

*"If they were making so many errors with my personal account, then yes that would be a trigger."* **Consumers, Recent Graduate, Bury**

*"It would have to be repetitive I don't think a single incident would be enough for me to switch"* **SME, Bury**

*"I've had drop-outs [of service] before. If it became regular it would sway me"* **Consumer, London**

*"This [security breaches] could become an increasing occurrence, so how do you know you'd be better off?"* **SME, London**

However it was felt to be somewhat dependent on the impact on the customer, particularly for businesses who were concerned about not being able to pay staff or employees.

*"It depends how they deal with it for example we've just had it with TalkTalk [data security issue], and we're not thinking of switching because they've kept us updated throughout"* **SME, London**

*"It's the knock- on effect of a loss of service- if the service goes down my drivers can't get paid. It can stop the working of our business"* **SME, Bury**

*"If there was a lack of communication throughout then yes that [serious loss of service] would be a trigger." **Consumers, Recent graduate, Bury***

As with *disputes with a provider* there were also question marks around how effective switching prompts would be when a serious loss of service was experienced, given the immediate priority would be getting these problems resolved. Likewise for data security issues, the primary concerns were felt to be understanding and dealing with the consequences of what had occurred.

*"I do have TalkTalk broadband, but they've kept me informed about how they're fixing it throughout so I haven't thought about switching." **SME, London***

### 3.9 Reactions to the Idea of Periodic Prompts

As well as specific trigger points the idea of being reminded periodically was also tested. In principle most were open to the idea of being reminded at various points throughout the year. Initially when asked about frequency of receiving communications, there was some spontaneous suggestion that it could be done on a periodic basis. SMEs also felt that quarterly communications could be potentially relevant, fitting in with VAT accounting periods.

*I wouldn't want it too often as it would become junk. Quarterly would be good." **SME, Significant Changes to Ts and Cs, Staines***

*"I would prefer it to be done like this (periodically). If it was done by event, they would be throwing too much information at you." **SME, Branch Closure, Manchester***

*"It's too regular. I don't think it's healthy to switch that much, or be reminded" **Consumer, Significant changes to T&Cs, Leeds***

Specifically it could be observed that periodic prompts may help to 'normalise' consideration of switching provider by making it more front of mind at regular intervals. However, some referenced the fact they played little attention to existing periodic communications such as annual reviews and Ts and Cs. This in part reflects the fact that many customers stated that they are monitoring their accounts 'on the go' via online banking and apps. Some customers also suggested that they would be less engaged with the idea of switching at these periodic points than at the specific trigger points identified. As such consideration should be given as to how to make any prompts developed for on this basis, both disruptive and engaging.

*"If it wasn't topical I wouldn't even read it. If it doesn't hit you at the right moment, it's not important." **SME, Significant changes to Ts and Cs, Manchester***



Respondents were shown two concepts illustrating how an annual statement could be adapted to include a switching prompt, as shown in *Figure 7* below:

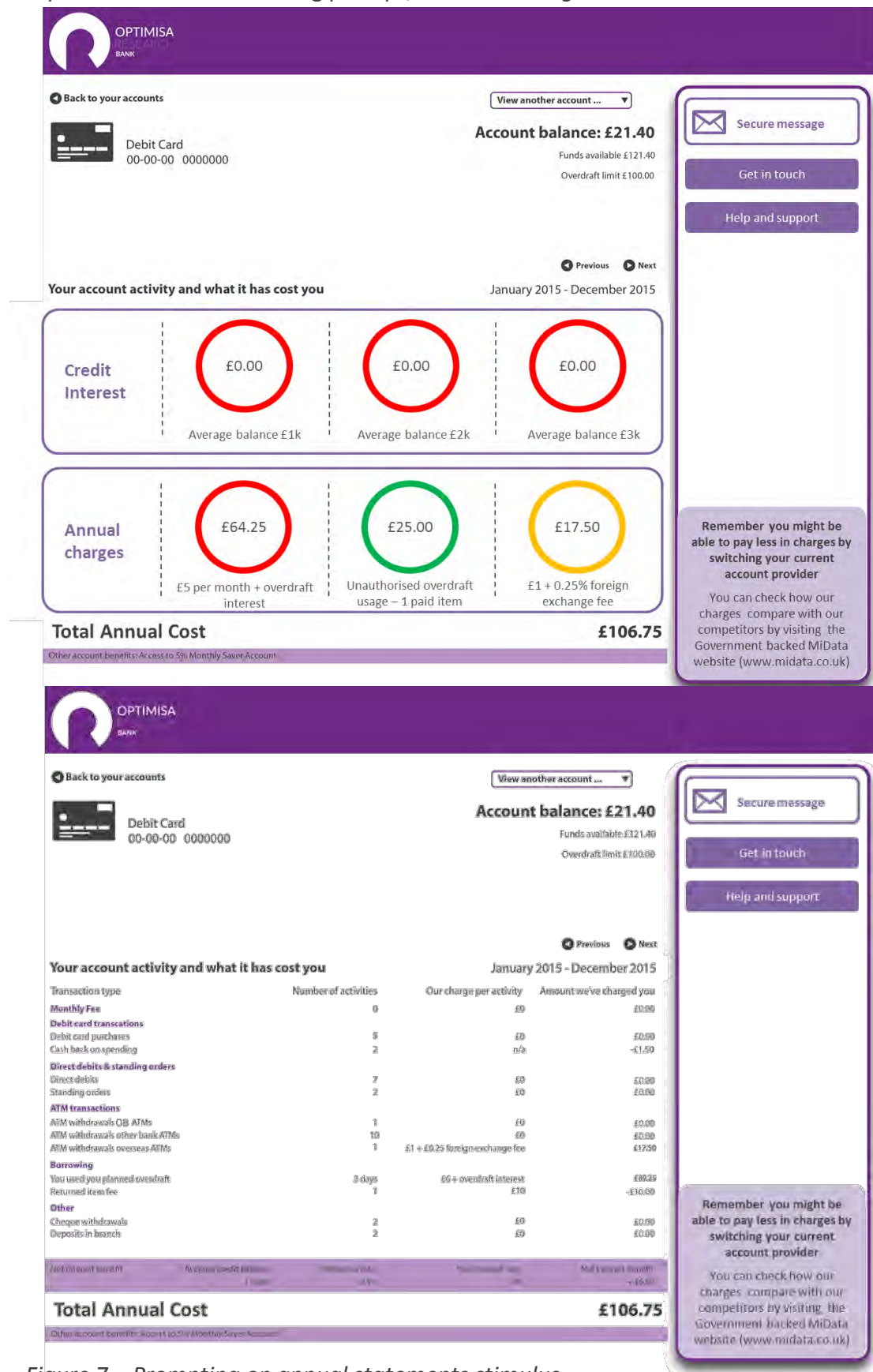


Figure 7 – Prompting on annual statements stimulus

There was a general preference for the graphic approach utilising ‘traffic light’ colour coding to indicate how their bank was performing against different competitors on different dimensions. The current execution however was not wholly intuitive and required further explanation and some SMEs felt that the traffic light system risked being an over-simplistic view of key account information. The alternative ‘statement like approach’ option, whilst giving detailed information was felt to be less immediately engaging.

*“I like the colour coding; it’s instantaneous, especially with the amber, green and red. You know if everything is green and amber you’re alright. If you have all red then you’re being taken for a bit of a ride.” **Consumer, Heavy Overdraft User, Seven Oaks***

*“That’ll be a snapshot on a particular day and the other bank you might go to might change, because they’re a commercial”- **SME, Change to Terms and Conditions, Egham***

*“For me it’s a little bit vague. It doesn’t immediately jump out what the colours mean. It’s not obvious, you need something explaining it. I really like the colour- coding as long as it’s explained properly.” **Consumer, Recent Graduate, Feltham***

### 3.10 Attitudes Towards Different Senders

#### 3.10.1 Own bank emerged as the preferred sender for any communications

When asked, most *expected* their **own bank** would be the sender of any communications including switching prompts. On a practical basis it was believed that only their own bank would be aware of the specific triggers when they happened, and in any case were likely to be communicating at that point anyway (e.g. branch closure, end of free banking periods, changes to Ts and Cs, etc.). In contrast there were concerns about how a third party would know that a trigger had occurred, particularly around the potential security risks if data was being shared. Positives associated with own bank being the sender included:

- Perceptions they were best placed to provide more tailored (and thus impactful) switching prompts as they had all the relevant data to hand
- Generally speaking own bank was seen as a credible and trusted source and most felt they were at least likely to acknowledge communications from their own bank. Their own bank being the sender also did not prompt concerns about validity of communication or data security issues
- If phrased correctly it was felt that switching prompts would be received positively and encourage customers to consider whether it might be worthwhile switching. It was also felt that they would reflect well on the bank in terms of showing them acting fairly and transparently and in the best interest of their customers.



*"I'd be suspicious of third parties being given my information, but I'm open to the concept of it coming from the bank" **SME, Branch Closure, Birmingham***

*"Anything that comes through with the bank's name I'll read no matter what form it comes in." **Consumer, Heavy Overdraft Users, Birmingham***

*From my own bank they are being honest and straightforward." **SME, End of Free Banking, Leeds***

However less positive associations with own bank being the sender also emerged and these would need to be addressed in further development of communications ideas and prompts:

- If prompts were sent without any **context**, there was a concern that messages from their own bank encouraging them to switch could confuse and therefore potentially lacked credibility
- This seemed to be particularly the case at **potentially more sensitive triggers** and when customers may be feeling vulnerable about their banking relationship, (e.g. following heavy, unauthorised overdraft charges). Some felt that switching prompts came across as their own bank encouraging them to leave. This highlighted a need to contextualise the switching message and provide some reassurance as to the reasons why they are being sent
- The perceived impact of switching prompts sent from own bank also depended on the **priority they were given** within the communication itself and how they are presented alongside other information. For example, if not given enough priority they sometimes failed to cut-through over and above other messages related to that trigger (e.g. in case of a branch closure communication, information about their next nearest branch might overwhelm the message to think about switching providers, etc.)

*"If it was your own bank it would seem like they don't want your business." **SMEs, 2-6.5m turnover, Bury***

*"I think it's a good thing that people are aware that they can switch but I don't know why they would tell their customers to go elsewhere." **SME Change to T&Cs, Staines***

### 3.10.2 Third parties had different levels of credibility as a sender of communications

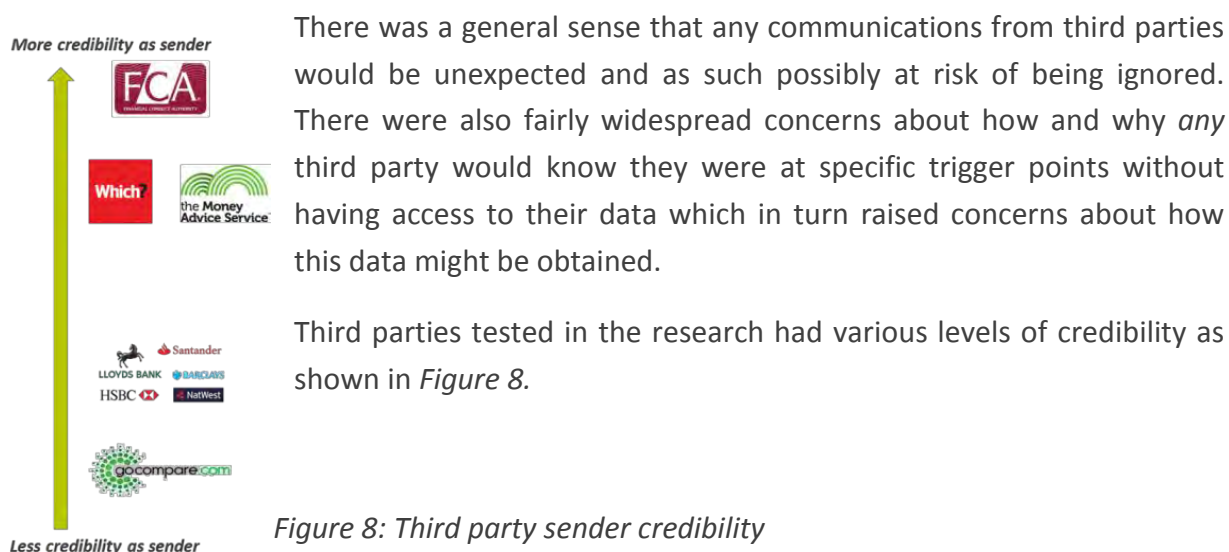


Figure 8: Third party sender credibility

Generally speaking, there was greater awareness of the **FCA** and their role amongst SMEs. In contrast, awareness and understanding amongst consumers was more mixed. However, once it was understood they were the regulator they were seen to be impartial and potentially most credible of the third parties under consideration.

*“Having an external body that are non-partial, not connected to banks can only be a good thing. You’d have more trust for them as they’re not trying to get any money or trying to make you switch.” **Consumer, London***

However, despite having gravitas there were some concerns raised:

- Low spontaneous awareness amongst consumers could mean that communications may not achieve sufficient cut-through
- There were questions around how the FCA (or any other third parties) would obtain their details in order to communicate with them
- In addition for some an approach from the FCA seemed a bit over the top and heavy handed, especially in the first instance.

*“[I] prefer for FCA to just regulate and get your bank to let you know rather than getting involved themselves. They should just stick to what they are doing I don’t need them to be doing this” **Consumer, Heavy Overdraft User, Sutton Coldfield***

*“No, don’t know who they are.” **Consumer, Heavy Overdraft Users, Birmingham***

**Which?** prompted mixed reactions as a potential messenger. Positively they were seen as a reliable, impartial body that provided useful, independent data. However, they were often

seen as more of a consumer body (and more readily associated with ‘white goods’) and seemed less relevant and appropriate for SMEs as a messenger. There were also some views expressed that Which? was an organisation they would expect to seek information from rather than one they would expect to be communicating with them directly. In this sense, there was support for Which? supporting switching prompts sent by other senders in the form of impartial and comparative data to back up and support the main message.

*“They have a good reputation so potentially [you’d take notice of prompts from them]”* **Consumer, Heavy Overdraft User, Birmingham**

*“Which? covers anything and I wouldn’t want to trust someone with that responsibility that has to cover the kettle and the microwave and mortgages and everything else. You’d want it to be on banking alone”*  
**Consumer, London**

*“Which is a recognised, trusted organisation that people know about”,*  
**SME, End of free banking period, Sutton Coldfield**

**Money Advice Service** was not spontaneously referenced as a possible sender of these sorts of communications, and awareness of their role was not well understood. However, once explained among consumers in particular they were felt to be a credible source of advice, due to being impartial and not being positioned as an ‘enforcer’ like the FCA.

There were many references to **Moneysavingexpert.com (Martin Lewis)** amongst consumers and the site was clearly positioned as a trusted, credible and reliable source of information and advice. It was however, less well known as a source of business advice and SMEs were generally more sceptical about the impartiality of these types of websites.

*“He’s on daytime TV so he’s got to get it right. I trust him.”*  
**Consumers, Sutton Coldfield**

*“I like Money Saving Expert- I go there for everything. I love Martin Lewis. And I love that site. If you go on there, it has advice about everything.”*  
**Consumers, London**

*“I think the thing about Money Expert and websites like that, I think about them dealing with more personal stuff than business stuff.”* **SME, Branch Closure, Bury**

There were mixed feelings about **competitor banks** getting in touch to prompt people to consider switching providers. In general SMEs seemed to be less sensitive about being approached, especially if there was a significant gain for them. Consumers on the other hand were more wary of motives and concerned about being bombarded with unsolicited,

generic sales orientated approaches. The idea of competitor banks getting in touch also prompted high levels of debate about data security and sharing.

*I would find it invasive if I got mail from a competitor bank that let me know I could switch. I would dismiss it as unsolicited mail, spam.” SME, Branch Closure, Egham*

*If competitor banks-“that’s just sales isn’t it?” SME Bury*

Whilst **Gocompare** was positioned as a trusted comparison website amongst consumers, it lacked credibility in terms of being behind a campaign to prompt consideration of changing banking providers. There were also some questions about its impartiality in terms of how it was funded and whether it always showed a ‘whole of market’ view. As with Which? and Money Saving Expert it was seen as a destination respondents sought out, rather than a sender of outbound communications prompting consideration of switching. There was also concern about differentiating these communications from the standard, sales orientated emails they already received from Gocompare and other comparison websites.

*““They don’t leave you alone, you get bombarded.” Consumers, Non-rejecters, Midlands*

*“Things like GoCompare and Money Supermarket- we don’t know if we can trust them. How do they make their money?” Consumers, London*

*“I think the thing about GoCompare and websites like that, I think about them dealing with more personal stuff than business stuff.” SME, Branch Closure, Bury*

### 3.10.3 Reactions to opting in or out of receiving information from third parties

In the Test and Refine stage of research respondents were shown concept letters (from the FCA) and online pop ups (from their bank) designed to illustrate potential opt out or opt in routes to receiving information from third parties, an example of which is shown in *Figure 9*.



*Figure 9: Example online opt-out messaging stimulus*

The opt-out letter route attracted very little support across the board. Having to opt-out of third party contact was seen as overly intrusive, required effort and led to fairly widespread concerns about data security. There were also related concerns about not feeling in control and questions about what would happen if they failed to notice the need to opt-out.

*"Don't like that at all. They are giving your bank details, would the FCA or whoever be able to see how much money you have in your account?"*  
**Consumer, Heavy Overdraft User, Sutton Coldfield**

*"I would think that messaging relating to third parties would be more of a case of opt-in than opt-out otherwise easily missed or forgotten and you'll be signed up to something you don't want."* **Consumer, Branch Closure, Shepperton**

*"I opt out of everything I don't want to be sent loads of information by people and even if I did sign up I might not even look at it to be fair it might get lost in all the other stuff you get sent"* **Consumer, Heavy Overdraft User, Leeds**

There was also a general feeling that 5 years did not feel like a particularly long time to have had an account. At worst some felt that the FCA was interfering in their banking practices and seeking to make people feel they were doing something 'wrong' by not switching accounts.

*"I wouldn't react to that. It's wordy, doesn't tell me anything that would affect me. It's what I would call 'motherhood statements'. 'If you change your bank you might get a cheaper rate', yeah OK. I've still got to do all the legwork and I would have concerns about my business data being circulated around."* **SME, Significant Change to Ts and Cs, Staines**

In contrast an **online opt-in route via their bank** felt far less intrusive and the customer was in control in terms of whether to opt in or not. Providing a choice of third parties to sign up to was also appreciated. There were concerns though about whether they would be motivated enough to sign up, especially if it was an offline approach. This potentially indicated a need for a stronger and more compelling switching prompt being included within the messaging (rather than simply referring to longevity of account).

*"I'd be unlikely to opt in unless I'm really considering switching so it's unlikely this pop up would hit me at the right time"* **Consumer, Heavy Overdraft User, Fleet**

*"I'd want it to cover the different banks, what benefits you get, interest charges. I'd want to know everything. If it pops up as a message and I'm looking to move I'd think that'll save me time and click to opt in."*  
**Consumer, Heavy Overdraft User, Sutton Coldfield**

*"I guess it's an ok idea but only if it's opt in. Then I wonder would I actually bother?"* **Consumer, Heavy Overdraft User, Surrey**

### 3.10.4 Potential role for third parties

Whilst third parties sending communications themselves did not appear to be the best route forward at this stage, there did appear to be scope to leverage third parties to add both credibility and reassurance to switching prompts.

- **Which?** – trusted and reliable body which could have a role in terms of providing comparison data and league tables
- **Midata** – Referring to Midata as a government backed initiative inferred that it is impartial and as such differentiated it from traditional comparison websites. It also helped to add credibility to Midata given that it is an as yet, unknown concept
- **FCA** – once understood to be the regulator, explaining that banks are 'required' to provide switching information provided reassurance and context for the switching prompts. This seemed to be particularly important for heavy overdraft users so that they did not feel their bank was seeking to push them away.

*"I think the most encouraging factor is the fact that it is backed by a government regulator. That trust is enough to know that the option is there, in the right format it could entice me"* **Consumer, Recent Graduate, Manchester**

*"I liked the idea of having a website, by saying its government-backed makes me think it's secure, where I can go and check."* **SME, Significant changes to T&Cs, London**

*"I'd want a regulator to tell me a comparison because they're impartial. I wouldn't trust my own bank."* **Consumer, Heavy Overdraft User, Birmingham**

*"I think they need to include the [reference to the] FCA, as it makes it clear that they are being honest and open"* **SME, End of Free Banking, Birmingham**

## 3.11 Attitudes towards different communication channels

### 3.11.1 Overview

In terms of channel preference, no one size fitted all and there was some anticipation that a combination of channels would need to be used in order to achieve cut-through. The channel/s perceived to be most relevant varied on a customer-by-customer basis depending on their communication preferences when interacting with their bank. It was also apparent

that different mediums also presented different opportunities in terms of switching prompts:

- Online/apps for short, sharp directive messages and link to take action
- Letters and emails which could incorporate more detail and provide more reassurances and context
- Advertising (above the line and in-branch) to raise more general awareness about switching providers, Midata and CASS, thereby providing a halo effect and reinforcing credibility of direct communication channels.

*"I would like them to do the app and the email. It wouldn't bother me to have multiple notifications."* **Consumer, Unauthorised Overdraft, Feltham**

*"I would prefer any information by email, notifying me that I would be receiving an important letter."* **Recent Graduate, Consumer, Manchester**

*"I would expect communication via letter, in the branch and app. Usually banks duplicate things that are important."* **Consumer, Branch Closure, Cardiff**

*"It would be nice to see some form of prompt when it is announced that the branch is closing. You would need to see multiple prompts to act on it. "Repeat it". 3 or 4 repeated prompts would be nice."* **SME, Bank Closure, Egham**

The **perceived impact of different direct channels** was also felt to be linked to the sender. For example, there was a perception that letters and emails from their own bank were more likely to be read than from a comparison website.

### 3.11.2 Phone

It was very clear that neither consumers nor SMEs want to be contacted by phone, regardless of who the providers were. SMEs in particular claimed they were inundated by sales calls, especially from service providers (phone, broadband, energy) seeking to get them to switch. Consumers were wary of any phone approach, especially in the light of unsolicited campaigns such as PPI claims activity.

*"I get way too many speculative calls from different suppliers already."* **SME, Recent Complainant, Cardiff**

*"I don't want it over the telephone. I'm constantly getting hassled by companies asking me about my telephone systems, energy suppliers, everything"* **SME, Recent Complainant, Bury**



### 3.11.3 Text

There were many positive references to banks (and other providers) using text as a way of alerting consumers about urgent action they might need to take or reminders of events (for example, going into unauthorised charges, reminders of a service visit, or delivery of parcels) and in principle texts were well received and appreciated. They made recipients feel like the bank was being responsible and fair by giving them the opportunity of rectifying the situation.

However, text was largely rejected as a means of communicating switching prompts. This was mainly because most felt that consideration of switching providers was not usually positioned as an urgent action. There were also some doubts about validating legitimacy of senders and whether sufficient information could be conveyed via this medium. SMEs also felt this was method was too informal for a communication of this nature.

*"You couldn't send it by text, you couldn't get enough information on it. It's unprofessional." **SMEs, Bury***

### 3.11.4 Letters

In principle, letters were seen as an acceptable format that potentially any sender could use. Positively, letters were regarded as a tangible and physical form of messaging that SMEs and consumers were equally open to receiving. It was noted that letters may have more stand out as migration to online communication methods meant that PCA and BCA customers received fewer hard copy communications than previously.

*"I'm more likely to read a letter as I don't get that many." **SME, Branch Closure, Cardiff***

*"With a letter there is no chance of fraud so I would trust that." **Consumer, Heavy Overdraft User, Birmingham***

*"For example, with the branch closure I wouldn't like it to pop up on your app as it's not very personal." **Consumer, Cardiff, Branch Closure***

With regard to their own bank, letters were seen as 'official' documents that they would at least open to assess relevance and the need to take action. However, in these instances, customers' were reticent to say that they would read the communications in detail. Both consumers and SMEs were less sure whether letters from unfamiliar senders would have the necessary standout to be read at all.

Positively, letters were able to provide more detailed and personalised trigger based prompts. However, there were indications that impact of letters varied according to how directional and impactful headings were and whether or not banks' other messages



overshadowed switching prompts. In addition, there were hints that effective signposting on envelopes could help letters of this nature to stand out and command attention. Letters were seen as allowing for the incorporation of graphic approaches and tables which did help to make information more digestible and easier to take on board.

### 3.11.5 Email

Amongst those more open to email as a channel for switching messages, the likelihood of opening and then reading emails was largely based on who the sender was. There was some concern emails could be ignored or dismissed as spam or phishing. This in part reflects an underlying distrust of the medium, specifically around validity of senders and credibility of any links included within emails. Another fairly widespread concern was the sheer volume of emails they claimed to receive. A few noted how they employed aggressive spam filtering to ensure only important and wanted communications were received. In that respect, there were concerns that emails regarding switching (unless from a known and trusted provider) could be easily ignored, especially unsolicited approaches from competitors, comparison websites or other third parties.

*"You've got something like 14000 emails so the header really has to stand out for you to look at it."* **Consumer, Unarranged Overdraft User, Sutton Coldfield**

*"In my business everything is done on email and electronically. I would want to keep it on there."* **SMEs, Bury**

Positively, as with letters, emails were felt to be able to incorporate more detailed and visual information and if from their own bank, were more likely to be opened in the first instance. Many noted that the subject heading was a key determining factor in whether or not they would open the email.

### 3.11.6 Online banking and Apps

It was frequently observed that day-to-day interactions with their bank was increasingly online (especially SMEs) or app based (more consumer focused) and as such there were opportunities to utilise these channels for **personalised reminders about switching**.

*"App notification is a good idea as it's in your face and I'm always on my phone. I use that more so than anything else."* **Consumer, Heavy overdraft users, Fleet**

*"Whenever I go on my phone it's usually to do something quick while I'm out, but if it kept coming up it'd be on my mind then"* **Consumer, Recent Graduate, Leeds**

*“Online is the way I would prefer them to do it [contact me]. I would much prefer that anything that is relevant is there when I log onto my banking.”*  
**SME, Significant changes to T&Cs, Staines**

This was especially evident amongst SMEs who regularly used their banking portals. This particular channel was seen as particularly relevant for events such as end of free banking periods, changes to Ts and Cs or account reviews. There was some belief they were more likely to be read and taken notice of if they were in the form of ‘pop ups’ and messages that **had to be read** when they logged on or opened the app. Some claimed they did not always prioritise reading ‘secure messages’ every time they logged on. Whilst customers understood that this medium provided the opportunity to prompt multiple times, there was some concern that it did not get in the way of the main purpose of why they went online in the first place.

Positively, messages received in this environment were felt to be more secure than email as they had to log on and pass through their normal security procedures. Likewise there was some evidence to suggest links to comparison sites were potentially more likely to be trusted via this channel (c.f. from an email). It was seen as potentially an effective channel to alert consumers and SMEs to the benefits rather than one which could provide more detailed evidence and reassurance. This reinforced the belief that a combination of channels would be required in order to ensure cut-through. As with other channels the more tailored and personalised the message, the more likely it was perceived to have impact.

*“With an app notification, you have to type in your details so I would trust it.”* **Consumer, Heavy Overdraft User, Birmingham**

*“If they put something specific to me that might catch my attention.”*  
**Consumer, Recent Graduate, Bury**

*“I think you’ve got to have something engaging enough for you to do something, but you don’t want something where you’ll then have to read two thousand words on a smartphone”* **SME, London**

### **3.11.7 Above the line and In-Branch Advertising**

There were indications that it was challenging to sufficiently explain both Midata and CASS within switching prompts themselves. In conjunction with the relatively low awareness and/or understanding of these initiatives, as well a number of other myths about switching, it was suggested that there were opportunities to supplement direct switching prompts with more general awareness raising about switching. It was felt to be particularly key to raise awareness of CASS amongst SMEs.

In this respect, above the line advertising emerged as a potentially important medium when it came to raising awareness and understanding of *why* it was important to consider switching providers and how to approach it.

Some also saw potential for more local advertising to be utilised around triggers such as branch closures. In branch communication was expected in relation to branch closure as a matter of course but some could see potential to incorporate other messages about how they compared to other banks, as well as more general awareness around switching and tools that could help.

Specifically, the idea of having league tables in branch was of interest, so customers could see how their bank compared on dimensions such as service quality and charges. Given the setting, the information was felt to be relevant and references to consumer watchdog Which? added credibility. There was also interest in having access to this data via other channels (e.g. comparison websites).

With the example tested (shown in *Figure 10* below) there was some belief that there may be rather too much information for a poster execution. It was however recognised that different aspects of the service would be relevant to different customer types depending on their communication preferences e.g. branch users vs. internet users. In addition, the concept of simplifying this (e.g. by just showing an overall customer satisfaction score), was felt to be too vague.

*"If you're already in branch, service is more likely to be important to you."*  
**SME, Branch Closure, Birmingham**

*"I like the idea of having a league table in branch- particularly the fact it's from Which? as that's a brand I know and trust. I used to subscribe to them"* **Consumer, Heavy Overdraft User, Sutton Coldfield**

*"Posters in branch might prompt you to think and offer a good deal of transparency. I don't think it'd make you switch though as it's all about your own personal experiences"* **SME, Significant Change to T&Cs, London**

*"I don't have a strong opinion on it. I assume it'd be more for Personal Current Account's than for business. Positively I wonder if it would have more of an impact on branches and get them to up there game a bit?"*  
**SME, Significant Change to T&Cs, Manchester**

Please see below for a Which? Comparison table which shows how we compare with competitors in terms of customer satisfaction;

Customer satisfaction for banking							
Provider	Customer service	Clarity of statements	Dealing with queries and complaints	Service in branch	Telephone service	Internet service	Customer Score
Optimisa Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	83%
Metro Bank	★★★★★	★★★★★	★★★★★	★★★★★	n/a	★★★★★	75%
Norwich & Peterborough BS	★★★★★	★★★★★	★★★★★	★★★★★	n/a	★★★★★	73%
Citibank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	69%
Santander	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	68%
Nationwide	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	68%
Marks and Spencer Bank	★★★★★	★★★★★	★★★★★	n/a	n/a	★★★★★	67%
Coventry Building Society	★★★★★	★★★★★	★★★★★	n/a	n/a	n/a	65%
Co-operative Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	64%
TSB Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	64%
Smile	★★★★★	★★★★★	★★★★★	n/a	★★★★★	★★★★★	64%
Tesco Bank	★★★★★	★★★★★	n/a	n/a	n/a	★★★★★	63%
Virgin Money	★★★★★	★★★★★	★★★★★	n/a	n/a	n/a	63%
Bank of Ireland	★★★★★	★★★★★	★★★★★	★★★★★	n/a	★★★★★	61%
Halifax	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	60%
Intelligent Finance	★★★★★	★★★★★	★★★★★	n/a	n/a	★★★★★	57%
Lloyds Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	57%
Danske Bank	★★★★★	★★★★★	★★★★★	★★★★★	n/a	n/a	57%
Clydesdale Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	57%
HSBC	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	57%
NatWest	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	56%
Yorkshire Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	56%
Post Office	★★★★★	★★★★★	★★★★★	★★★★★	n/a	n/a	55%
Barclays Bank	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	55%
Bank of Scotland	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	55%

Figure 10: Example in-branch poster showing service comparisons

### 3.12 Key considerations for developing content for switching prompts

#### 3.12.1 Overview

Inevitably, spontaneous ideas about what content should be included depended on the trigger point being discussed, but often focused on benefits or potential negative losses, monetary or otherwise. This reinforced respondents' need to have a very clear, tangible reason to switch in the first place. Even when there was a relatively clear trigger (e.g. branch closure), there was still a desire to include a more tangible reason to switch (i.e. not just information on competitor branches nearby) to enhance perceived impact of message.

#### 3.12.2 A messaging hierarchy for developing switching prompts

When prompted with themes, a fairly clear hierarchy emerged in terms of perceived likelihood to influence behaviour. The themes broadly reflected messages that would reassure or engage at different points on the path to engagement. Specifically, respondents noted that a clear, direct message helped them to establish whether or not it would be worthwhile reading on. There was also clear evidence that the more personalised the hook or the evidence, the more compelling the prompt was likely to be. In contrast, generic switching prompts lacked salience and largely failed to engage. This hierarchy is shown in Figure 11 below.

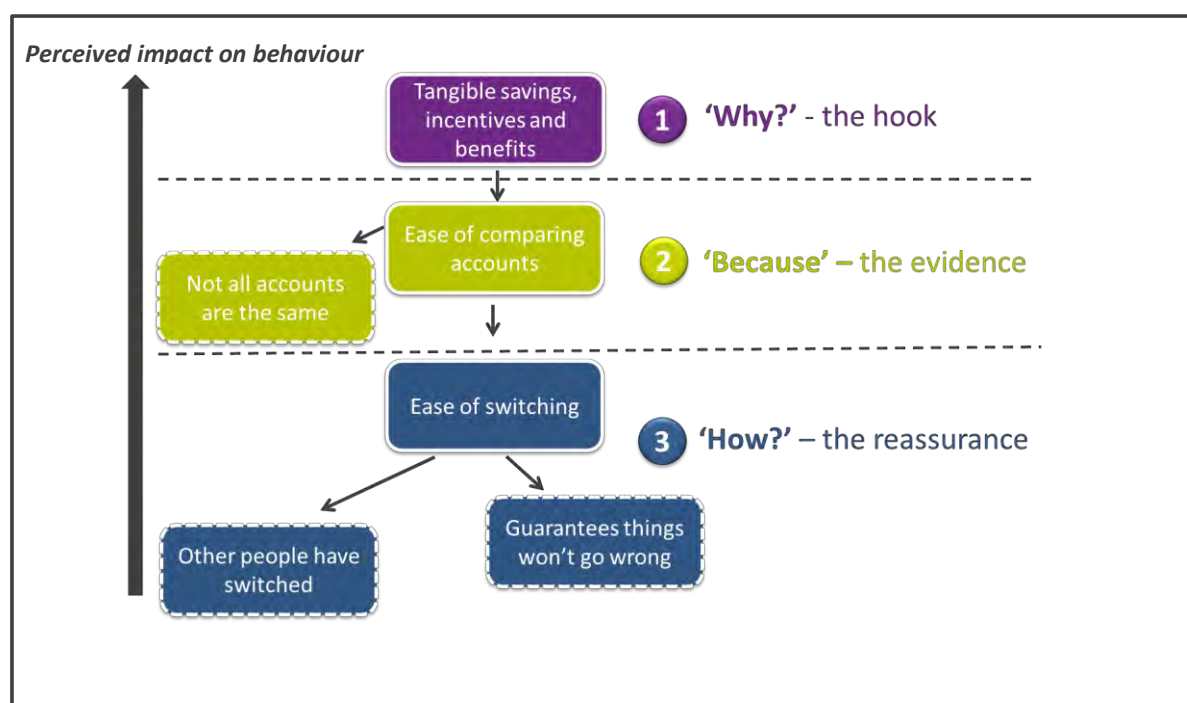


Figure 11 - Switching prompt messaging hierarchy

A series of more detailed messages were then tested to ascertain which were more or less impactful and an overview of reactions to these is shown in Figures 12 and 13 below:



### 3.12.3 Examples of more and less impactful themes and messages

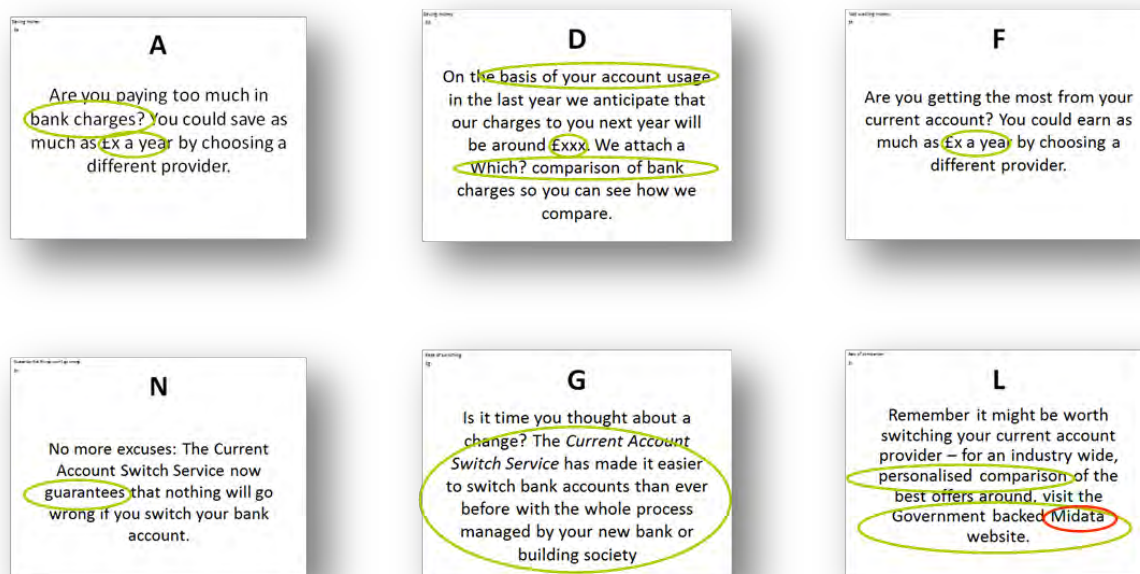


Figure 12 - Examples of more impactful messages

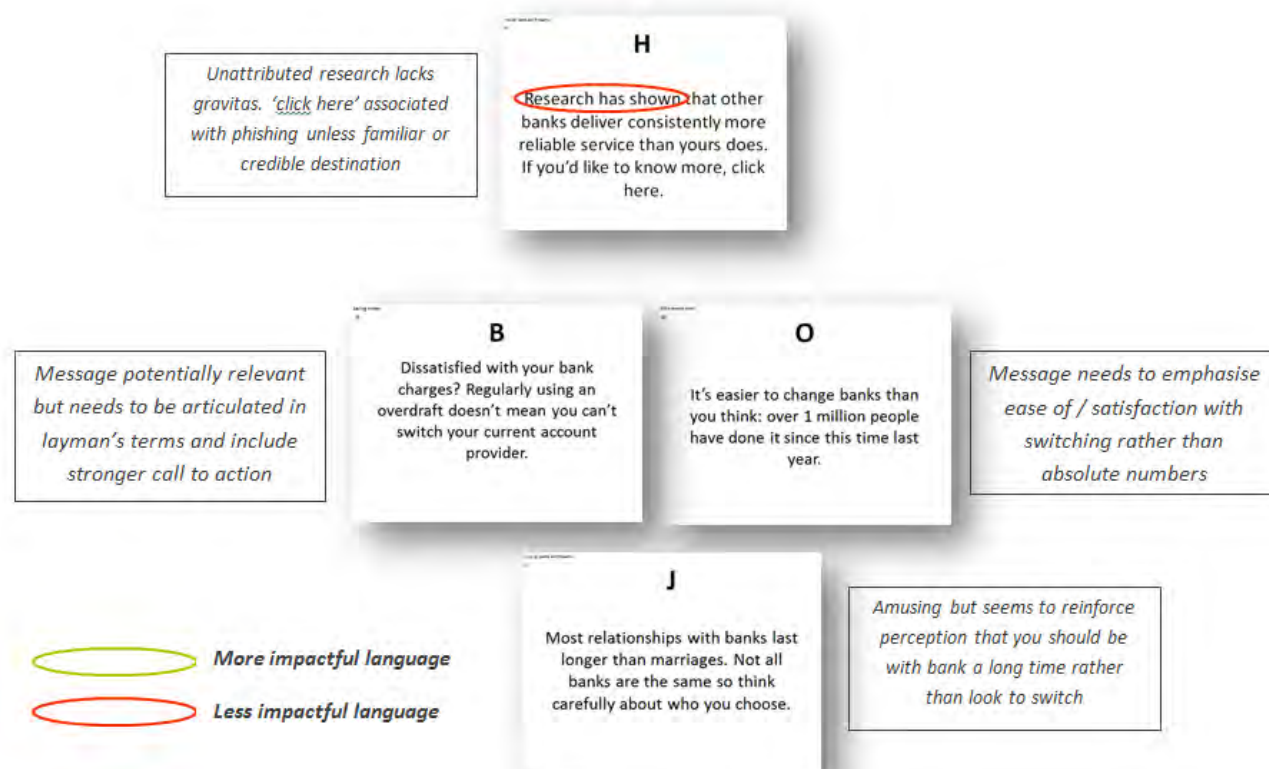


Figure 13 - Examples of less impactful messages

### 3.13 Key success drivers for switching prompts

#### 3.13.1 Overview

The Test and Refine stage of research further confirmed and enhanced this hierarchy and a framework of **key success drivers** was developed in terms of switching prompts that were perceived by respondents to have more likelihood of engaging attention. This framework is shown in *Figure 14*. However it should be noted that when looking at mocked up communications concepts it was evident that there was likely to be a degree of tension between appetite for information to be included and what they realistically were able to read and take on board. For example, when looking at concept letters we observed a real reluctance to read beyond the first page.

More successful messages were those which incorporated a number of the key success drivers identified as shown below:

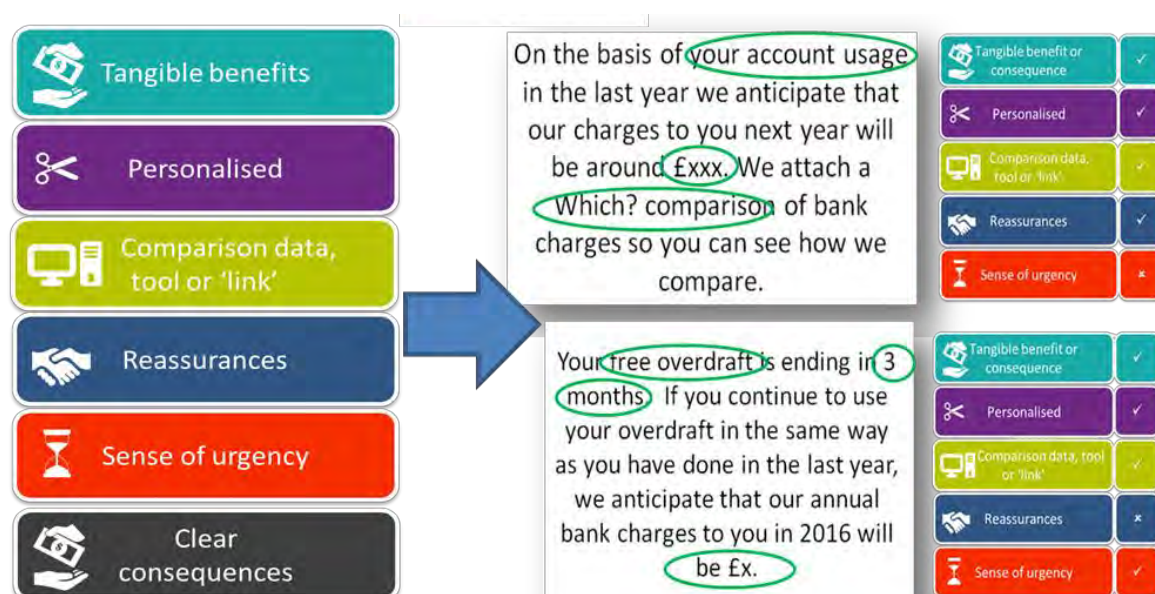


Figure 14 – Messaging key success driver framework

#### 3.13.2 Tangible benefits and clear consequences

It was clear that incentives, savings and benefits were important in terms of providing customers with a tangible reason to consider switching. Most respondents indicated they wanted to gain in some way, either by 'saving' or 'making' money in order to justify the perceived effort that was likely to be involved in switching accounts. There was a preference for messages relating to identifiable gains such as decreased charges, increased interest rates, incentives, or losses such as removal of free overdrafts or other benefits (insurances, etc.). There were also indications that savings or gains needed to be expressed in a tangible form (i.e. 'you will save £xxx, etc.') in order to spark more interest and to help customers work out whether or not it would be worth their while. It was important that any

potential benefit was seen to outweigh any perceived risk or effort of switching accounts in order to keep them on the 'path to engagement'. SMEs in particular felt there could be gains in terms of reduced charges, better lending rates, etc. but also often felt that any gain would need to be significant given the perceived effort involved in searching for and comparing business banking accounts.

*"I would change bank accounts as a result of this communication if I thought I was going to save money."* **Consumer, Heavy Overdraft User, Feltham**

*"If I was getting certain perks and they were taken away then if I can get them somewhere else and it's pretty easy to switch I might do."* **Consumer, Recent Graduates, London**

*"I like it when it mentions pounds and pence because I want to earn more money- [I want to know about] interest rates"* **Consumer, Birmingham**

*"How much could I save by actually switching and if that is a significant amount of money than that would attract my attention. That is key."* **SME, Sutton Coldfield**

The quality of service offered by banking providers was undoubtedly felt to be important by customers. This was evidenced by the fact that dissatisfaction with service was identified as a key reason to consider switching and, conversely, satisfaction with service was seen as a barrier to switching. However, switching prompts that focused on service quality were, on the whole, perceived to be less impactful, primarily because universal differences in service quality were less tangible and harder to evidence. Specifically, respondents did not respond well to generic negative messages about their own bank's service if their own personal experience was at odds with this. Rather than leveraging service quality in an initial switching prompt, this research indicated that messages relating to service quality potentially had more impact as a secondary 'pull' factor further down the consideration path (e.g. star ratings in league tables or on comparison sites).

There was also evidence to suggest that being **clear about the consequences** of not taking action by being explicit about the impact helped to strengthen the switching prompt. For example, specific examples of what they might lose or gain.

*"Everyone's interested in how much they're being charged for the service and how much they could save in a year."* **SME, End of free banking period, Sutton Coldfield**



### 3.13.3 Personalisation

Messages that were tailored to a customer's specific circumstances were perceived to be more effective at engaging attention than generic messages. The more personalised the headline message was, the more respondents felt they might engage their attention. For example, rather than stating 'average' or 'typical' savings/gains, a message that incorporated the actual impact it would have in monetary terms on that customer was felt to be much more credible and impactful.

*"I like the fact that it's telling you how much you're going to save."*  
**Consumer, Unauthorised Overdraft, Feltham**

*"[Other people have switched] I don't care what other people have done it should be about me"* **SME, End of Free Banking, South East**

### 3.13.4 Sense of urgency

Low engagement per se means that it did not take much for customers to become disengaged (again) even if interest was triggered by a headline message. There were some indications that messages which conveyed a sense of urgency and a need to act sooner rather than later were likely to be more effective. Specifically a deadline or time within which to act was thought to be helpful. For example, *'your overdraft is ending in 3 months'*.

*"I received end of free banking period notice about 10 weeks ahead of the change and also had online notifications which were helpful. I think multiple notices are likely to be more powerful maybe 3 months and 1 month before the change to count down the time"* **SME, End of free banking, Tamworth**

### 3.13.5 Inclusion of comparison data or links to comparison tools / information

Including comparison data within switching prompts was seen as helping to provide tangible, definitive evidence to support the reasons to switch identified in the headline message. For example, if customers were being notified that their interest rate was being reduced, it was felt to be helpful to include comparisons with the rates offered by other providers. This sort of information was felt to add credibility to any headline claim, and to mitigate any scepticism about whether or not it would be worthwhile.

In general, comparing bank accounts was a less familiar practice compared to, for example insurance, so any help or specific direction was generally appreciated. As such, providing comparison information, or links to where to find it, was felt to be useful in providing guidance as to what a customer should do next. For smaller SMEs in particular providing this information within the communications themselves, was valued as a potential time-saver in terms of providing them with an initial shortlist of alternatives.

In theory, respondents appreciated links to comparison websites or sources of potentially useful information and it was observed that this should help keep people engaged in the process. However, there were concerns about clicking through either to unknown destinations (for example, 'click here') or websites they had not heard of (e.g. Midata.). These concerns seemed to be exacerbated when clicking through from emails which sometimes prompted concerns about 'phishing'.

*"Knowing that it would be easy to compare would be amazing- I don't have lots of time"* **SME, Recent Complainant, South East**

*"Prove it [that I can save]. I'd want to see that backed up with evidence."*  
**SME, End of free banking, South East**

*"It's interesting to see if it's better elsewhere"* **Consumer, Birmingham**

### 3.13.6 Reassurances

Customers welcomed reassurances being provided as to both the reasons for switching prompts being sent, and in addressing any concerns they might have about the concept of switching. Taking each of these in turn;

As discussed previously, there were concerns that (unexpected) messages from their own bank urging them to consider switching could confuse and at worst prompt worry or resentment. Including references to the FCA helped to contextualise the communication and validate the bona fide nature of it.

*"I like the bit about the FCA because it reminds you that they are governed by somebody and that they do have to give you that information because you can be misled with a lot of these things."* **Consumer, Unauthorised Overdraft, Feltham**

In addition, whilst there was some awareness of the *Current Account Switch Service* (CASS) amongst consumers, detailed understanding of the process was low. Amongst SMEs, who were often particularly concerned about hassle and risk involved, there was almost no awareness that CASS applies to businesses as well as consumers. There were indications that this lack of awareness would need to be addressed in order to maximise effectiveness of messages about CASS to this audience. As such, messages referencing ease of switching were welcomed and highlighted the need for both consumers and business to be reassured that the process would be seamless and risk-free. In addition, messaging about CASS was felt to provide some instruction as to the next steps in the process.

*"I like how it says how easy it is to switch, that was on my mind when I wanted to move. It seemed like such a hassle"* **Consumer, Recent Graduate, Leeds**

*“I would want reassurance about how easy it is to move. Reassurance that it’s the right thing to do” **SME, Bury***

*“I would want to know how switching happens. What would happen to all of my direct debits?” **Consumer, Branch Closure, Manchester***

When tested, the fact that other people had switched seemed to have little perceived impact. In contrast, hearing about positive experiences of switching were felt to be potentially more compelling, especially from people they know and trust (word of mouth).

### **3.14 Developing switching prompts within communications**

#### **3.14.1 Overview**

If switching prompts are to be embedded within existing banking communications, such as notifications of branch closure, it is important to remember that they will not be seen in isolation. Whilst most customers claimed to always check communications if they were sent from their own provider, they did not claim to always read these in detail.

*“All I really want is statements and if there is anything absolutely vitally important to my account and the way I trade but I want to know it as briefly as possible” **Consumer, Branch Closure, Cardiff***

*“Letters or emails are easy to ignore especially if about charges as I know what I’ve been charged from my app” **Consumer, Heavy Overdraft User, Fleet***

*“I read the top few lines and assume the rest is a lot of advertising. It so easy to miss things in letters as most things don’t need you act on them” **Consumer, Recent Graduate, Manchester***

From this research it was clear that if the prompts are to be added to trigger-based communications, the primary message would still be to introduce the trigger itself: e.g. to explain that their current bank branch is closing. This means that the way the potential trigger itself is presented can have an impact on the likelihood of customers, engaging with the switching prompt. As shown in *Figure 15* below;

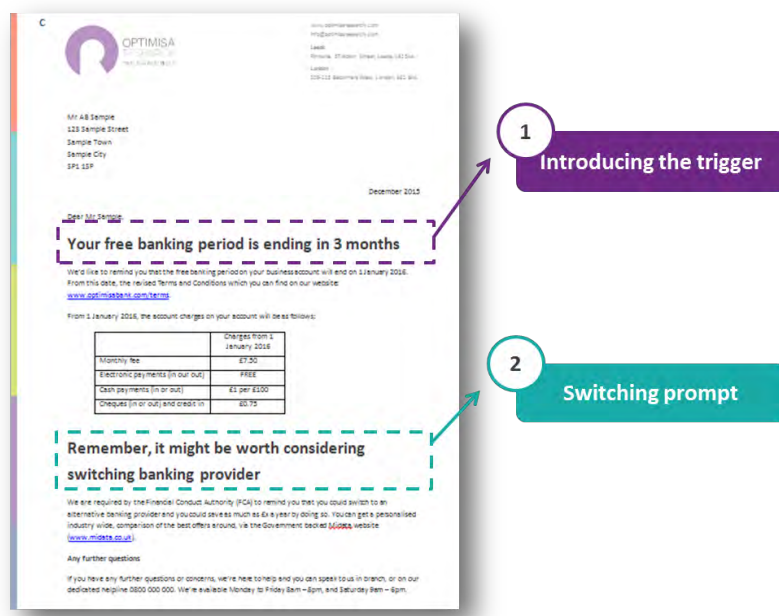


Figure 15 – Example of how prompts may be presented in a letter format

Within the study some evidence did emerge of existing triggers being downplayed, e.g. recent graduates being told they do not need to do anything when their account changes.

*“They just messaged about the overdraft ending so that just made me think I need to pay that off. Nothing about changing” **Consumer, Recent Graduate, Manchester***

*“I’m just quite lazy, I let it evolve into a graduate account it just seemed easy, but I’m going to change it in the next year.” **Consumer, Recent Graduate, London***

This sort of messaging has the potential to detract from any switching messaging by actively encouraging disengagement. The other watchout identified by customers was lengthy bank communications, which make it hard to pull out the key messages, and these were particularly referenced when talking about ‘changes to terms and conditions’. Again, it was felt that this could discourage readership.

*“This one about changes to my terms and conditions is about 4 pages. All I want to know is how it is going to affect me. I don’t need 4 pages of rubbish” **SME, Significant Change to T&Cs, Staines***

*“I like information but don’t want it to be overly complicated I need to be directed to the point. I don’t want 10 pages of it” **Consumer, Heavy Overdraft User, Sutton Coldfield***

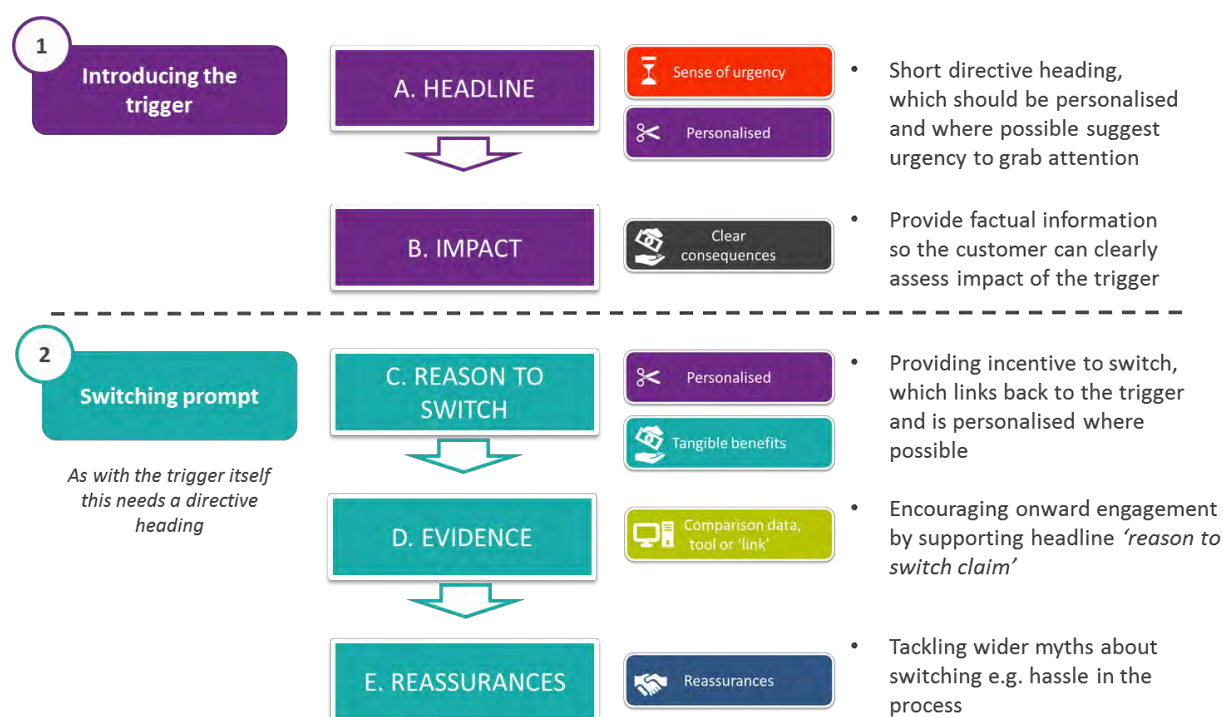
This links to a final key consideration for developing communications, which is ensuring that switching prompts are given sufficient prominence to encourage engagement. In this research customers suggested the following ways of doing this;

- Using more visual ways of presenting information. For example, mocked-up communications including tables tended to have greater standout than those which were just text
- Ensuring switching prompts are included on the first page of letters and not hidden at the bottom of emails
- Using shading or boxes so that switching prompts stand out from the rest of the communication
- Having a separate heading for switching prompts to ensure this message is easily identifiable

*“Where the message about switching is just text, it’s wallpaper – you don’t even look at it” Consumer, Heavy Overdraft User, Sutton Coldfield*

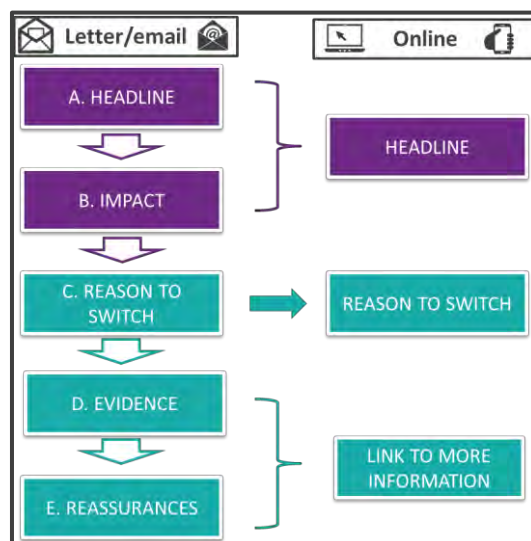
*“Giving you a run-down of what you’ve paid, telling you other providers out there and showing you the other providers, then telling you how to go about swapping all on the front page I think would be ideal” Consumer, Heavy Overdraft User, Sutton Coldfield*

With this in mind a clear framework emerged for developing communications, with the various success drivers previously identified, being more or less relevant at each stage, as specified below in *Figure 16*:



*Figure 16 – Framework for developing switching prompts within trigger based communications*

These same considerations emerged regardless of channel used for sending prompts, although it was recognised that online banking or app notifications would need to be more succinct, and so this framework would need to be condensed, with links provided to more detailed information as shown below in *Figure 17*:



*Figure 17 – Framework for developing switching prompts for letter/email vs. online*

Taking each of these areas in turn;

### 3.14.2 Headline

Within the research it was recognised that the way communications are headed can be key in terms of determining engagement. This was apparent among both SMEs and consumers, as some referenced that given the volume of communications they sift through, they may only skim to pick out the key content, and the heading is key to determining the value of reading in more detail.

Communications which were headed *‘Important changes to your bank account’*, were highlighted by some as being potentially ineffective, as they give little information on what the communication is about. Furthermore, some felt that this language has become relatively standard; overuse of the word *‘important’* means that this could encourage customers to turn off, partly because it does not feel like the communication has been particularly personalised.

*“Messages from the bank always say they are important, but they aren’t they just want to get you reading” SME, Significant Change to T&Cs, Manchester*

Some consideration may also be given as to how overdraft charges in particular are presented, and whether prompts should be included in this form of communication. For

example, some within this sample felt that presenting under headings such as ‘*your annual summary of charges*’ was also disengaging and created no sense of urgency.

*“Would you want to know that you’ve occurred additional charges after they’ve put them on or would you want to know before? That would feel too late for me I wouldn’t read it as it doesn’t sound important”* **Consumer, Heavy Overdraft User, Leeds**

It was suggested that to be more effective headings should explicitly state what the letter is about, be personalised, and where appropriate, provide a timeline. For example, ‘*Your local branch is closing in the next 3 months*’.

### 3.14.3 Impact

Where triggers related to a change to the account there was some perceived value in helping customers to recognise the impact that the change would have on them. This was particularly apparent among the sample of businesses who were coming to the end of their free banking period, who liked the idea of including statements such as; ‘*based on your account usage in the last year, your charges for 2016 would be £x*’. It was felt that this sort of personalised information would help customers to consider whether or not there was a value in considering switching. Similarly, this sort of information was seen to be useful where there was going to be a change in banking terms and conditions e.g. increased charges. Some business customers felt that these were particularly complex and so difficult to work out their effect on the business.

*“[My preferred message] doesn’t just say there is going to be a change, it quantifies it into the actual effect on me and I can make a judgement on whether that is significant or not.”* **SME, Significant changes to T&Cs, Staines**

*“The bank have recently increased their charges (they’re always going up) and I wasn’t impressed they weren’t very transparent in the comms they send and what impact it will have on the business”* **SME, Significant Change to T&Cs, London**

Finally, overdraft customers felt that annual charges should be more clearly communicated within communications, to help them better understand the impact of their overdraft usage. Among this audience some felt that there was a need to raise awareness of these costs first and foremost, for this to become a trigger.

*“I’m not really sure how much I spend on charges, but by the end of the month I would typically be around £500 overdrawn. I don’t think it’s too much, but would be interested to see how banks compare”* **Consumer, Heavy Overdraft User, Birmingham**



### 3.14.4 Reason to switch

As in the general introduction to the communications, the way in which the switching prompt itself is introduced was also felt to impact on likely engagement. This was a particular issue where headings were seen to be non-directive or impersonal, and therefore not relevant. For example, headings such as *‘Switching to an alternative provider’* provided clarity on what the message was about, but did not provide a rationale for why it was relevant to the customer. It was felt by some to be particularly important to be explicit about this, given that switching is not seen as common behaviour.

Similarly, where language was felt to be vague and uncertain some felt that there were question marks over the potential impact of the prompt. For example, the use of ‘might’ in the heading *‘Remember it might be worth considering switching to an alternative banking provider’*. Whilst this was felt to provide clarity as to the nature of the prompt it was felt by some to lack conviction, in that it seems to suggest that it might not be worthwhile to consider switching.

In contrast, the switching prompts which customers tended to feel would be most effective were those that were more explicit about the potential tangible benefits of switching. Of the prompts tested in the research the most appealing were;

- You could save as much as £x a year by switching to an alternative banking provider
- You could be missing out on £x a year by staying with the same banking provider.

These prompts were popular across the sample, regardless of the trigger which was tested. This was in part because they challenged the perception that all accounts are the same by explicitly presenting a potential tangible benefit for moving. Preferences for these two were mixed across the sample, suggesting there may be potential for further testing to explore which would be more effective in more detail, although business customers did tend to think more in terms of *‘savings’* given the charges they pay for their accounts.

*“You’ll be moving and you’ll be saving. If I got that I’d be thinking ‘what do I have to do?’ I’d have a look” Consumer, Heavy Overdraft User, Sutton Coldfield*

*“This one about how much you can save is impactful and I like this one that refers to [your charges] over the year, as it opens your eyes to think maybe I should be changing, maybe I should be watching [my charges]” Consumer, Heavy Overdraft User, Fleet*

*“The relevant information [is] this is what you’ve been charged, you might save money going to somewhere else.” Consumer, Heavy Overdraft User, Sutton Coldfield*



Whilst these prompts were felt to have the potential to be the most enticing, there was a recognition that their actual impact would be somewhat dependent on the value of £x in the heading. Given the qualitative nature of the study it is not possible to provide a definitive figure here, but a number of customers talked about c. £100+ being a figure which would make them really consider taking action. Amongst SMEs there was some thought that this figure would need to be larger given the greater perceived effort in switching. In part, it was felt that this depended on the size of the business i.e. the larger they were the greater desired savings for the prompt to have an impact. If possible there was a desire for this figure to be personalised, but this wasn't necessarily an expectation, as it was recognised it would depend on both account usage and the various accounts available.

*"If you are sat with an account and they are saying you could save money that stood out to me. Something like £100 would be interesting"* **Consumer, Heavy Overdraft User, Sutton Coldfield**

*"The money I was saving would have to be in the triple figures to really make a difference"* **Consumer, Heavy Overdraft User, Seven Oaks**

*"With how much I could save I feel like it would have to be quite high to make it worth her while, probably £300 plus"* **SME, Significant Changes to T&Cs, London**

For customers, who were recruited on the basis of their branch closing there was also a desire for any prompt to also provide information on other banks local branches i.e. not just provide information on their own bank's next nearest branch. This was felt to be useful in terms of helping the customer to understand their options if they had a need for branch access.

*"it's a good thing as it does remind people that if they are not pleased that they have closed the branch right near you and there might be another bank that is still operating then that gives people the opportunity to swap"* **Consumer, Branch Closure, Cardiff**

*"I would prefer a list of branches with their contact details, rather than a map, I would find that really helpful"* **SME, Branch Closure, Bury**

*"I like this... it gives you a list of branches and it gives you a lot more information about switching banks so I like that bit about it"* **Consumer, Branch Closure, Cardiff**

### 3.14.5 Evidence

After providing a headline reason to switch, customers referenced the need for evidence to support the claim. Within the research we tested different levels of information which could be included, and it was recognised that there was a balance between providing

sufficient information to do this versus not overloading with excessive detail, which could cause disengagement.

#### *Providing comparison table information*

On the face of it, customers liked the idea of embedding comparison table information within communications, as it was felt that this reduced effort for the customer, providing all the information they need to make an informed decision about whether or not to consider switching. Within the research, it was also evident that including this sort of information within communications had the potential to ensure the switching prompt had greater standout i.e. tabular information has greater visual standout than a paragraph of text.

However, some customers did acknowledge that there may be some practical barriers to including comparison table information within communications. It was felt by some to potentially be difficult to define how much information to include i.e. some customers may be more interested in charges whilst others might be more interested in interest rates. In part, customers were not sure what information should be included because comparing current accounts was not a familiar process. The trigger involved was felt to be a factor here e.g. if incurring heavy charges there was an expectation for comparisons to include information on charges. However, some triggers were less clear cut e.g. recent graduates may be interested in both charges and incentives.

*“It’s a big decision moving a bank, if you are switching you need to go into the marketplace and suss it out yourself so if a comparison of charges is a great help” **SME, Branch Closure, Birmingham***

It was also unclear how many providers should be included in the comparison. A comprehensive whole of market view would tell the whole story, but was felt to potentially be information overload. However, if fewer were included it was hard to know how these would be selected i.e. would it be the top 5 providers in terms of offering low charges or high interest rates?

*“I think the table should have 2 or 3 or a top 5 is useful. There are dozens of banks out there one you’ve not really heard of that is offering the best deal. Physically looking it and seeing it gives you a real prompt to think about it” **Consumer, Heavy Overdraft User, Sutton Coldfield***

*“I like the comparison but would only want it if it was tailored to me and gave me the info I wanted. It’s not so much use if it’s not detailed or accurate” **SME, Significant Change to T&Cs, Staines***

### *Providing a simple account rating system*

An alternative approach which may be worth further consideration would be a simple account rating system, which would provide an overview of how your account compares to others. The idea of a simple traffic system to show this was tested in the research (i.e. red = worse than other accounts, amber = average, green = better than other accounts), and this was of some interest to customers. It was felt that this had the potential to mean not too much information has to be shown, and it would be clear that your account is worse (or better) than others available. However, businesses questioned whether this approach would be too simplistic to provide meaningful information.

*"You are able to compare your account to another provider and if there wasn't much green you'd think maybe I'm not getting the best deal. They are comparing your account, it feels more personal"* **Consumer, Heavy Overdraft User, Fleet**

### *Providing a link to Midata*

A final alternative to consider was provision of links to comparison information; "You can get a personalised industry-wide, comparison of the best offers around via the Government backed Midata website ([www.midata.co.uk](http://www.midata.co.uk))". This was seen as potentially less impactful, requiring customer effort to check whether or not it is worth switching. However, it was still seen as potentially effective if accompanied by a strong reason to switch. In addition, it was felt to provide customers with a useful next step should they be interested in switching.

However, as a general rule links were felt to work better in online and/or app messaging as this allows the customer to simply click through to follow the link. Links in paper communications are one step away from this so were felt by some to be potentially less effective.

Another major challenge with including this type of information currently was that the research found that there was no awareness of Midata currently. This meant that there was no understanding of how this differs from a standard comparison site. Once it was understood that Midata bases comparisons on actual account usage it was felt to be an interesting concept, so potentially warrants further explanation within communications in order to maximise engagement.

*"I like the comparison but not the table. Unless it was tailored for me, it's not much use as it's not accurate. If the Midata website allows me to do that then that's the answer."* **SME, Significant changes to T&Cs, Staines**

*"I saw that (Midata) but I would probably have never have looked at it. That (the table) is staring you in the face and has more impact."* **Consumer, Branch Closure, Cardiff**

*“The most important bit is the impact on me and then giving me a website I can go to find out what it actually means and then very useful a charge comparison site because if that effect on me was significant it would be nice to see if I change banks ... they’re doing the legwork for me” SME, Significant Change to T&Cs, Staines*

### 3.14.6 Reassurance

A final consideration in developing switching prompts, is what level of reassurance about the switching process itself should be provided. Whilst this was seen as of less relative importance than providing a clear rationale for switching, the perceived effort of switching was felt to be a barrier to taking action. As a result, there was felt to be merit in addressing this within the prompts. However, there is a balance to be struck in terms of not overloading customers with too much information at this stage, as this could cause disengagement.

Within the research we explored the inclusion of differing levels of information as shown below. Preferences across the sample were mixed, suggesting this may be an area which also requires further exploration, potentially in randomised control trials.

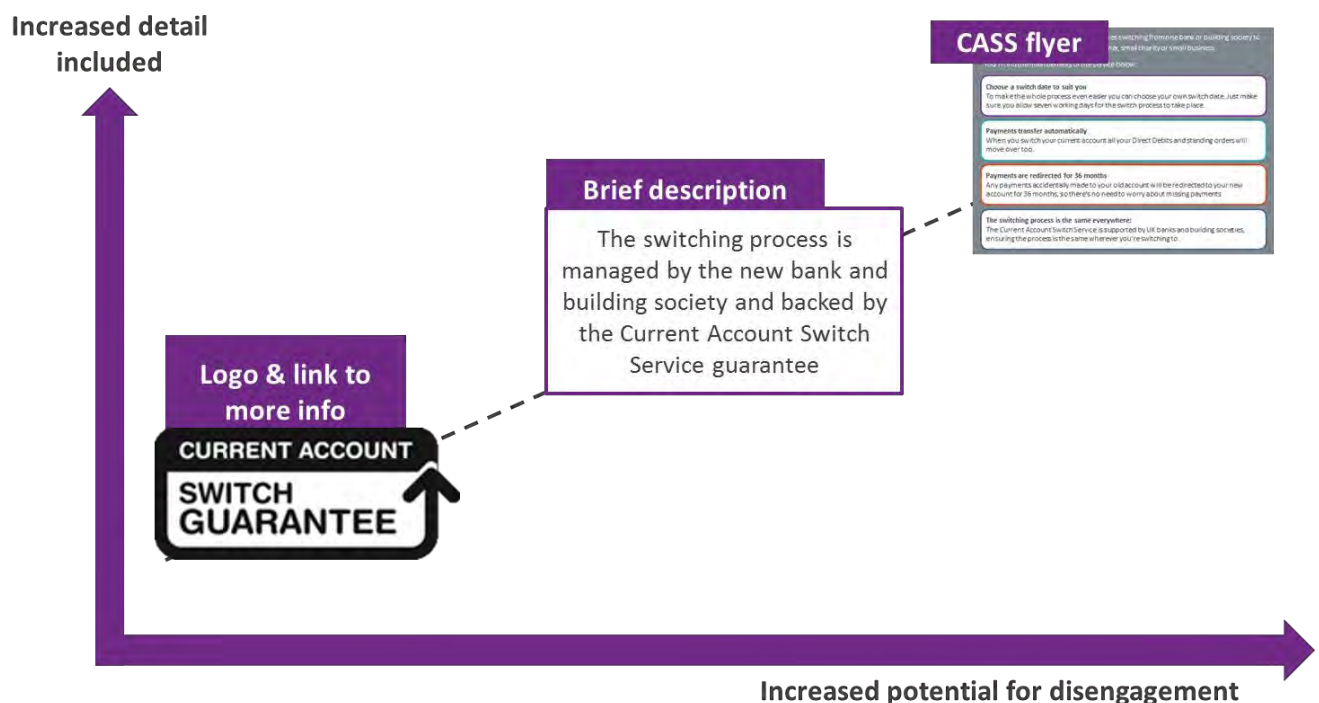


Figure 18 – Overview of possible CASS information which could be included in switching prompts

Taking each in turn, a number of considerations emerged;

#### *Logo and link to more information*

There was some recognition of the Current Account Switch Service logo, although this in itself was not felt to provide reassurance about the switch process. There was also less interest in following a link to find out about the process than in finding out more information about how accounts compare. As such, this was felt to be a less effective approach in providing reassurance, but did help to keep switching prompts short. However, there was potential for this to work better alongside other awareness-raising approaches e.g. advertising.

#### *Brief description*

Including a brief description of the Current Account Switch Service within prompts, was generally well liked. Whilst there was some awareness of the service, understanding was relatively limited. It was particularly helpful to include this information for business customers who were not always aware that the process also applied to them. Key information to convey here, in order to address perceived hassle and risk, was felt to be;

- The fact that the process is managed by the new bank or building society
- The fact that the service is backed by a guarantee.

*"I like the way that they're telling you that they're going to be doing the work for you." **Consumer, London***

*"I'm unlikely to follow the link but I think it's important to have this sort of information about how to switch" **Consumer, Branch Closure, Shepperton***

#### *Current Account Switch Service flyer*

Finally, we explored the idea of including a flyer, which included more detailed information about the Current Account Switch Service. This idea received a mixed response with some liking having the additional detail and feeling that keeping it separate from the core letter ensured it had standout. However, others felt the information to be excessive at this stage and that it had the potential to detract from the core message. As such, it is a concept that might work better for fulfilling the goal of raising awareness and understanding of the Current Account Switch Service, rather than something which would add to the effectiveness of switching prompts.

*"That's interesting about switching and how easy it is to do because I just think it would be a whole hassle and there's a leaflet included. It's giving you an alternative and saying how easy it would be to switch - the word 'easy' is good - and saying what is out there. I don't know what's out there*

*I'd have to go into all the different banks and get the information."*  
**Consumer, Heavy overdraft user, Fleet**

*"It's useful to know [about the switching process] but not essential. It's more the searching around for new account which is onerous."* **SME, Significant changes to T&Cs, Staines**

*"You need that extra information about the help, managing your account and switching - it's important"* **Consumer, Heavy Overdraft User, Seven Oaks**

## 4 MAIN FINDINGS - Remedy 3

Remedy 3: To facilitate price comparison between providers by making customer transaction data more easily available and usable

### 4.1 Overview

In this section we explore PCA and BCA customer perceptions of current comparison tools in the market (across sectors) and specifically in the retail banking market. We then explore perceived needs for a comparison tool for retail banking products before gauging reaction to a variety of possible tools. These were:

- **Live Midata tool** (hosted on GoCompare website, only explored with consumers, and only in depth with 5 PCA customers who were asked to locate, download and use their Midata file prior to interview). We sought to explore their willingness to share transactional data and their experience of the tool.
- New **prototype site** (a prototype of an improved version of Midata site offering the opportunity to log-in via customers' online banking). We explore this with all PCA and BCA customers – there were separate prototype sites for PCA and BCA customers. Again, the purpose was to understand how they felt about the experience (although we used dummy data for purposes of research) and the request to share data in this way.
- A **dashboard** idea in concept form. Tested with PCA and BCA customers, this tool was not developed for the research. As such, we explored reaction to the written concept and potential ways of displaying the dashboard information. This tool, theoretically, allowed customers to get a personalised comparison of current accounts without having to share detailed transactional data. This was important, to gauge interest in using this tool in comparison to the two other tools that required sharing transactional data.

### 4.2 Current usage of and attitudes towards online comparison tools

Nearly all PCA and BCA customers in our sample had used comparison sites in some capacity, but only in a consumer context. Most had used them to compare insurance products; home, car, and travel. This was regarded as a relatively straightforward process and decision, with products being compared primarily on price.

*"I used a comparison website for my car insurance and ended up with fantastic car insurance." SME, Female, London*

Those who used comparison sites for researching insurance products claimed they were comfortable purchasing through comparison websites with some stating they reviewed, compared and (potentially) purchased new products annually.

*“You only have to put your details in once and you get a list of personalised recommendations - you don’t even have to leave the house!”* **Consumer, Female, Bury**

However, behaviour was not always consistent. There were instances of consumers using comparison sites to do some ‘research’ only, and use the results to reduce their options down to a shortlist of potential providers (typically 2-3 options), before directly contacting these providers via the telephone. The reason for telephoning the providers tended to be based on the desire for ‘human contact’:

- They had spoken to someone about the product (felt reassured)
- They had had their questions answered; plus
- There was a belief held by some that the provider would be able to ‘better’ the offer given by the comparison site if you contacted them directly.

*“I would have to ring them for a verbal confirmation that it was legitimate.”*  
*Consumer, Female, Birmingham*

There were a few instances of consumers using comparison sites to find the best deals on other products such as credit cards, mortgages and energy products. Again, typically customers wanted to speak directly to providers to unpick the finer details of the product.

Consumers were quickly able to identify the benefits of comparison sites:

- They were seen as a quick, easy and efficient way of comparing products. They were seen as ‘doing the hard work for you’, even actively prompting consumers year on year to ensure they keep getting the best deals.
- They also provided an opportunity to see an overview of products from a host of providers, some of whom may not have been otherwise considered.
- They typically only required very standard personal information, which consumers were comfortable providing.

*“They just make it easier don’t they, it’s not so much of a faff because you get all the information so quickly.”* **Consumer, Female, Manchester**

*“Comparison sites save you a lot of work and it may well show you benefits of that account that you may never have known about.”* **SME, Male, Bury**

However, there were also some concerns about comparison sites which were quickly evident:



- There was some frustration over the belief that the final price was not the one quoted on the comparison site results table (add-ons/tweaks to the detail always seemed to impact on cost).
- There is some concern over the impartiality of ‘commercial’ comparison sites, and whether suggested options are really the best for the consumer or whether some providers pay commission.
- Some products were seen as requiring more in-depth personal information, e.g. credit cards and mortgages, which could be time consuming to input and therefore off-putting.
- Awareness (and reluctant acceptance) that their personal details were sold onto third party sites, who might in turn bombard them with junk email.

*“I’ve used comparison sites before, I find them really useful however I’m a little bit sceptical that they sell on your information to third parties.”*  
**Consumer, Female, Bury**

In contrast to consumers, SMEs reported no experience of using comparison sites in a business context. Whilst finding the best deal for their business was still seen as very important, there was little evidence of SMEs having considered using comparison sites for any of their business overheads. Although they were happy to use comparison sites in their personal life, SMEs were more hesitant about using them in a business context. Reasons for this appeared to be largely based on image and reputation; comparison sites tended to be associated with consumers and were seen as lacking a ‘business’ feel.

*“I don’t know. GoCompare is a bit tacky. I just think of it for more home insurance, that sort thing.”* **SME, Male, Kent**

There was also an assumption among larger SMEs that comparison sites were too basic, and would not be able to deal with their bespoke business needs. As such, larger SME businesses suggested they were more likely to go elsewhere for recommendations, including:

- **Brokers/ financial advisors** who they turn to for advice on these financial decisions based on the assumption that they will be better informed
- **Other businesses in the industry** – more likely to have in-depth knowledge and experience on what their requirements are, and which providers are best suited
- **Speak to providers directly** – happy drawing up a shortlist of providers based on previous experience or recommendation from business associates and speaking to the providers directly.

*“I use them personally but not for the business. For that I go through a broker and so I know I’m getting a good deal, I’m also a member of a*

*business club and so we go with [recommendations from] people from there because I know them.” SME, Female, Manchester*

*“I would potentially use this for my personal bank account but not my business account; for my business account I go through a broker so I know I'm getting a good deal.” SME, Male, Kent*

#### **4.3 Reactions to the idea of a comparison site for current accounts**

From a consumer viewpoint, familiarity with comparison sites and expectation that this would be a quick and easy way to compare accounts meant that the idea of using them had resonance for PCAs.

*“I’ve used comparison websites to look at credit card rates...they’re good for getting an overview so I can see potential.” Consumer, Female, Birmingham*

However, as previously indicated, SMEs had some concerns about the credibility of using a comparison tool in a business context.

*“If I went into the board meeting and said I went onto GoCompare and got us some fantastic deals they’d go ‘what the hell has she done?!’ It’s not credible as a business tool.” SME, Female, London*

SMEs in particular felt that switching bank accounts was a very big decision to make without personal ‘dialogue’ with the provider. Therefore, some questioned the value of using a comparison site; there was also an expectation that it would be too basic for business needs, especially more complex banking set-ups (e.g. multiple accounts). This was particularly a concern for larger SME businesses.

*“I’d be happy to switch online but I’d probably go into the branch itself and ask if they could give me a better deal - that’s what comparison sites are for, I compare and get a quote but then I’d always go direct.” SME, Male, Bury*

In contrast, sole traders and micro businesses tended to react more like consumers; they could imagine using a comparison tool if the need arose, and typically had less complex banking needs. As a result they tended to be more comfortable with the idea of a comparison site, which was seen to be a useful way of narrowing down potential providers.

*“I’d have a go, I don’t see why not. I already use them for the car insurance, so why not?” SME, Male, Kent*

## 4.4 Expectations for a current account comparison site

### 4.4.1 Overview

Importantly, neither consumers nor SMEs had previously considered comparison tools for retail banking current accounts. Both consumers and SMEs had limited experience of switching current accounts. This lack of familiarity with the switching process meant that they were not always clear about what features they could or should be comparing and contrasting.

*"I didn't realise comparison sites for current accounts existed." **Consumer, Female, Bury***

*"It's important for me to have someone that I can talk to whenever I need and answer any questions that I may have, but I don't know how I would compare these across providers" **Consumer, Female, London***

For many consumers, there was an underlying assumption that the functions and features of all banks and current accounts are broadly similar and therefore they offer the same service. As a result, the easiest comparison for consumers to make was based primarily on monetary and tangible benefits.

*"I assumed that all banks are on a par." **Consumer, Female, Birmingham***

*"I feel like all of the banks are the same so there's not much point changing. They're all soulless." **Consumer, Female, South East***

SMEs tended to be fairly engaged with their business accounts and therefore felt able to compare and contrast providers' banking costs, but had limited understanding of other potential elements to compare.

*"Money would be key, but it would depend what the long term was offering... I wouldn't be blinded by the short term." **SME, Male, Kent***

### 4.4.2 Features customers would like to compare

As shown in *Figure 19* below, when asked which features they would wish to compare, consumers tended to focus on monetary and tangible monetary benefits such as incentives and additional account benefits (e.g. travel insurance).

A small number of consumers with packaged accounts also prioritised bank fees/charges for their account. Again, this was perceived as a tangible point of difference that was easy to compare across market.

*"I would want to see the cash incentive at the top of the page because that is what would actually inspire me to move."* **Consumer, Female, Surrey**

*"The cashback is quite important to me."* **Consumer, Female, London**

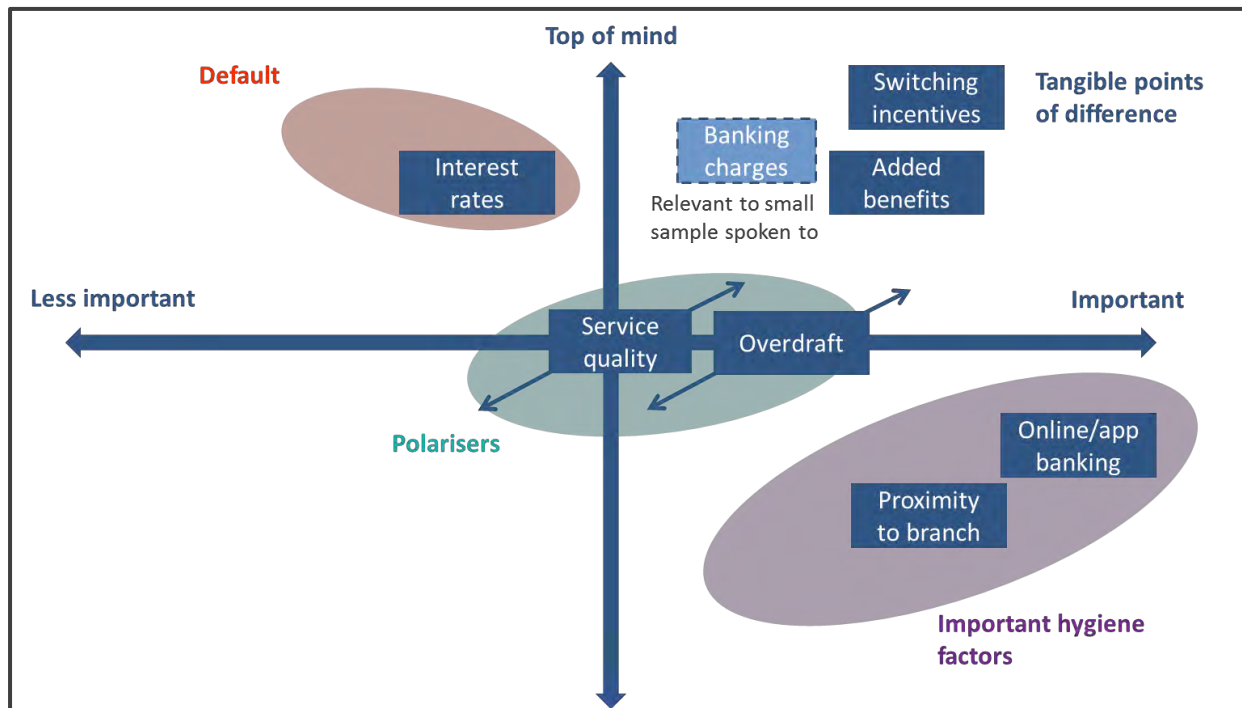


Figure 19: The relative importance of spontaneous (top of mind) and prompted features that could be compared on a comparison site by consumers

As Figure 19 shows, consumers would have also compared interest rates, but lack of positive press about any differentiation in the market meant that this felt less of a deciding factor in the current climate.

*"I don't really understand interest rates, they all seem rubbish at the moment, so they're not important to me."* **Consumer, Female, London**

Other factors that are somewhat taken for granted but nonetheless important were the facility for online banking (and the banking app) and the proximity to branch. These were considered important to 'tick off' – seen as essential elements – but unlikely to command a great deal of their time and attention. These tended not to be mentioned spontaneously as features they wanted to compare, but when prompted they were seen as important.

*"I like knowing that I can do anything that I could do in a bank online. ... You can contact people all the way around the clock with online which you could not do with the branch."* **Consumer, Female, Birmingham**

*“Online banking is a key one. The majority of our transactions are done online.” **SME, Male, Kent***

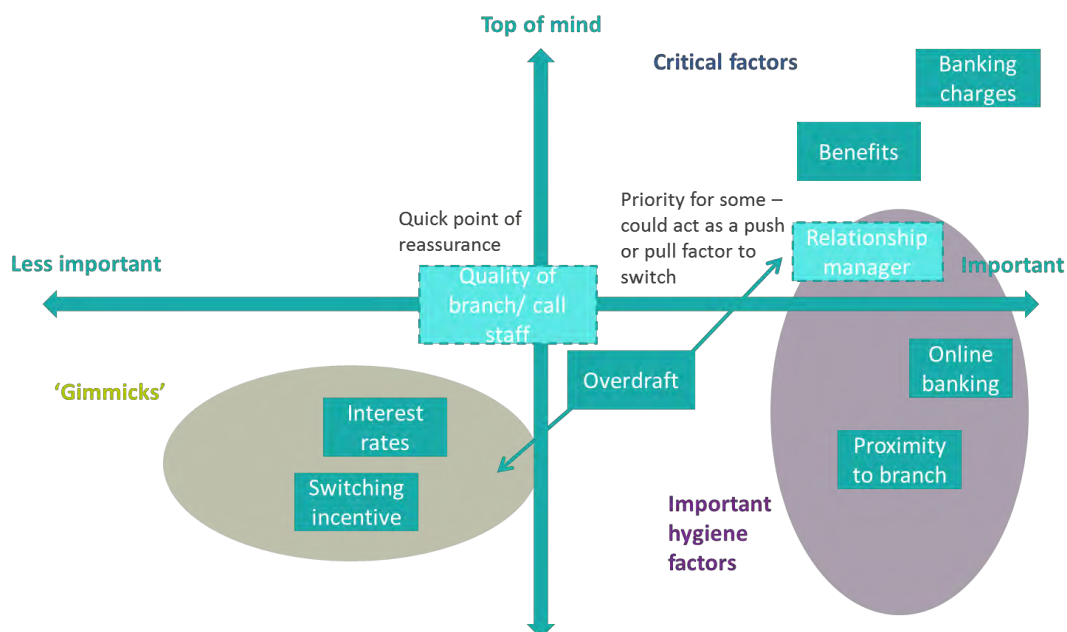
A couple of issues were more or less important dependent on individual circumstances. In this respect the perceived importance of overdraft facilities was largely based on whether they currently used their overdraft. Service quality was also broadly important, but mostly as a reassurance measure, and not something that needed to be delved into in any depth. However, for a few consumers there was interest in reading about service quality in more detail, i.e. the reviews and experiences of other consumers.

*“How much overdraft I would get free would be a key consideration. ... I would need to know for sure.” **Consumer, Female, London***

In contrast, spontaneously SMEs tended to focus on more objective, tangible points of difference between banks (i.e. banking charges and potential added benefits of the account), but also less tangible features such as banks’ personal relationship management set-up. *Figure 20* below highlights the range of more spontaneously suggested (top of mind) features and those that required more prompting (less top of mind) and broadly how important these features were to SMEs.

*“A named contact is a key thing...I know that if there’s a problem then I’ve got somebody that I can talk to” **SME, Female, London***

*“When I do need to speak to someone I want there to be good service.” **SME, Male, Kent***



*Figure 20: The relative importance of spontaneous (top of mind) and prompted features that could be compared on a comparison site by SMEs*

As with consumers, SMEs felt online banking and proximity to bank were important features but not the most top of mind. There was an expectation that all banks offered online banking facilities, and there was a need to just check the offer was credible and reassuring. Proximity to bank was also important, again just to check it the distance was not going to make their lives logistically challenging.

*"I like knowing that I can do anything that I could do in a bank online."*  
**Consumer, Female, West Midlands**

Importance of quality of branch/call-centre staff was more important to those who typically had more direct dealings with bank staff. Again, as with consumers, SMEs were not seeking details, just a quick reassurance that the bank was not failing or lagging behind its competitors in terms of customer service.

*"It depends, if real customers have given their rating and it's poor then perhaps I would sway away from it, but it wouldn't be one of my priorities when I'm looking at a current account."* **SME, Female, Bury**

The biggest contrast to consumers was the positioning of interest rates and switching incentives as largely 'gimmicks' in the BCA market; that currently these were not likely to be deal breakers. However, it was suggested that should interest rates change, the importance of these may also become more apparent.

*'I'd look at the cost, that's the important bit. The interest side of things doesn't really bother me because it's neither here nor there.'* **SME, Female, Bury**

The pattern displayed in the matrix of *Figure 20* above is more typical of medium to larger sized SMEs, who often had more complex account set-ups and were used to having a relationship management structure as part of their business banking. Generally, the smaller micro-businesses and sole traders were similar to consumers in terms of the relative importance of features to compare and how top of mind these were.

#### **4.4.3 Key desired features in a comparison site**

Ultimately, there were four key areas that consumers and SMEs agreed on that they wanted from a comparison site. A comparison site should be:

- **Accurate/Personalised** – Provide accurate recommendations that take into account personal circumstance to ensure relevance, and allow features to be adaptable and

flexible. This also included the ability to prioritise and deprioritise a variety of core features to better meet their needs

- **Easy to use** – The ability to quickly and easily compare a shortlist of current accounts with little hassle and stress. Providing the ability to compare potential accounts against their existing account to clearly see how they could benefit from switching. It was also suggested that options to save and print results was useful in order to refer to them at a later date.
- **Secure** – Enabling consumers and SMEs to feel comfortable and confident providing their details.
- **Reliable** – Ensuring the platform was clearly impartial and objective, and ideally government backed, so that it felt credible as a source and truly neutral in finding the best account possible for them.

*“The benefit here is rather than me having to go to different banks...its bringing the information to me and making it easy for me.” **Consumer, Female, London***

*“I like to give away as little personal details as possible, it needs to feel secure otherwise I’m not sure I’d use it – it wouldn’t be worth it.” **Consumer, Male, South East***

#### **4.4.4 Attitudes towards application via comparison sites**

As an unfamiliar tool in the context of current accounts, consumers and SMEs often expected they would use a comparison tool for research purposes only, at least initially.

*“I think I would use it but as my starting point.” **SME, Female, London***

All in our sample claimed that they would be unlikely to apply ‘on the spot’. Switching bank accounts was considered to be a big decision; many had rarely, if ever, switched banks and it was not something they were willing to do lightly.

*“I would have no objection on using them to compare...whether I would actually use them to purchase is a different thing.” **SME, Male, Kent***

Consumers said they expected to go directly to the provider to iron out the finer details of the account, such as overdraft limits and charges before applying. There was also some expectation from other markets, e.g. energy, that they may be able to get a better deal if they applied directly through the provider.

*“I think it’s a good concept but I would need face-to-face interaction to actually switch.” **Consumer, Female, Bury***

*"I'd be happy to switch online but I'd probably go into the branch itself and ask if they could give me a better deal - that's what comparison sites are for, I compare and get a quote but then I'd always go direct"* **Consumer, Female, Birmingham**

Overall, SMEs appeared to be even less likely than consumers to apply 'on the spot'. In particular, the medium to larger SMEs:

- Tended to have more complex banking needs and wanted these to be discussed with the provider.
- Placed high importance on relationship management and they doubted they would be able to meaningfully compare these details via a comparison site.
- Where there was more than one decision maker involved, applying on the spot did not feel like a practical solution.

*"I don't think any business would apply to have a bank account that way."*  
**SME, Female, London**

*"I wouldn't trust [a third party site], it needs to be through my bank. There's a lot at stake when it's a business. I feel unsure about [comparison sites] for a business."* **SME, Male, Birmingham**

## 4.5 Reactions to current and proposed tools

### 4.5.1 Context

Three potential tools were shown to consumers and/or SMEs.

#### **Midata (consumers only)**

*The Midata site required customers to locate and download a csv file from their bank website showing their transactional history, which was then uploaded into the Midata website to provide a tailored and personal comparison of current accounts (see below).*

*Shown only to consumers (and only in depth to 5 consumers who were asked to locate, download and use their Midata file prior to interview).*



Your current account results

**midata**

Based on the data you provided on your past current account use, we think you should consider these options:

Please note that the data you supplied covers up to 12 months of account use from the period before you contacted your bank for the information. Our comparison table is based on the assumption that you'll use your account in a similar way over the next 12 months. Remember your data isn't stored, nor is it used for any other purpose.

BASIC

STANDARD

PACKAGED

[More filters](#)







Current accounts results					
1 - 10 of 88 current accounts					
The interest rate is based on being £1,000 in credit, and overdraft rate results are based on being £500 in debit.					
Product & Provider	Interest rate (AER)	Authorised overdraft	Account extras	Switching incentive	Potential value to you 3 years
 <b>Club Lloyds Current Account</b> Standard	1% Variable	19.94% EAR Variable £5.00 Per Month	<ul style="list-style-type: none"> <li>Existing Customer Offers</li> <li>Exclusive Offers And Rewards</li> <li>Lifestyle Offers</li> </ul> and more...	No incentive	<b>£540.80</b> Estimated value <a href="#">More details</a>
Representative Example: Assumed borrowing of £1,200 for 3 months, 19.94% EAR (variable). Overdraft usage fee: £6.00 per month. Credit available subject to status. There are other rates for different credit and / or debit balances.					
 <b>Reward Current Account</b> Standard	0%	£1.00 Per Day	<ul style="list-style-type: none"> <li>Switching incentive: Cashback</li> </ul> and more...	£100.00 New customers only	<b>£270.00</b> Estimated value <a href="#">More details</a>
Representative Example: Assumed borrowing of £1,200 for 3 months, 0.0% EAR (fixed). Halifax do not charge interest on overdrafts, they charge a £1 daily fee instead. The first £50.00 will be fee free. Overdraft usage fee: £1.00 per day. Credit available subject to status. There are other fees for different overdraft balances.					
 <b>Current Account</b> Standard	3% Variable	18.9% EAR Variable	<ul style="list-style-type: none"> <li>Cashback</li> <li>Enhanced Customer Service</li> </ul>	No incentive	<b>£260.32</b> Estimated value <a href="#">More details</a>
Representative Example: Assumed borrowing of £1,200 for 3 months, 18.9% EAR (variable). Credit available subject to status. There are other rates for different credit and / or debit balances.					
 <b>Club Lloyds Silver Account</b> Packaged	1% Variable	19.94% EAR Variable £5.00 Per Month	<ul style="list-style-type: none"> <li>Mobile App, wallet, travel</li> <li>Breakdown Cover</li> <li>Travel Insurance</li> </ul> and more...	No incentive	<b>£180.65</b> Estimated value <a href="#">More details</a>
Representative Example: Assumed borrowing of £1,200 for 3 months, 19.94% EAR (variable). Overdraft usage fee: £6.00 per month. Credit available subject to status. There are other rates for different credit and / or debit balances.					
 <b>Bank Account with Blue Rewards</b> Standard	0%	0% EAR Variable £0.75 Per Day	<ul style="list-style-type: none"> <li>Cashback</li> <li>Exclusive Offers And Rewards</li> <li>Enhanced Customer Service</li> </ul> and more...	No incentive	<b>£130.00</b> Estimated value <a href="#">More details</a>
Representative Example: Assumed borrowing of £1,200 for 3 months, 0.0% EAR (variable). The first £15.00 will be fee free. Overdraft usage fee: £1.50 per day. Credit available subject to status. There are other rates for different credit and / or debit balances.					
 <b>Current Account</b> Standard	0%	0% EAR Variable	<ul style="list-style-type: none"> <li>Switching incentive: Cashback</li> </ul>	£100.00 New customers only	<b>£100.00</b> Estimated value

Figure 21: Example Midata screenshot

### ***New Prototype (consumers & SMEs)***

*There was a prototype of an improved version of Midata for PCA and BCA customers, available to walk through with interviewees in this research<sup>3</sup>. In comparison to the Midata site, the new prototype offered three ways to provide transactional data to get a tailored set of current accounts for the user to consider. As well as the option to upload their Midata file (as per the Midata site), there were options for the site to Access the user's bank account ('Access to your Account') and the route we walked users through, 'Connect to your Bank', which required provision of bank log-in details to give the site access to transactional history. Once the transactional history was uploaded, users were provided with the opportunity to consider their current account vs. other accounts from their own bank before then taking them through to compare their current account against other providers in the market.*



*Figure 22: Example New Prototype screenshot*

<sup>3</sup> The prototype had been developed by a FinTech company, Runpath, in conjunction with Lloyds Banking Group.

### Dashboard (paper-based concept only) – shown to consumers & SMEs

The Dashboard concept was shown on paper only. We showed a concept (below left) and example ways of displaying the data (below right).

The key difference to Midata and the new prototype was that Dashboard concept required no sharing of transactional data.

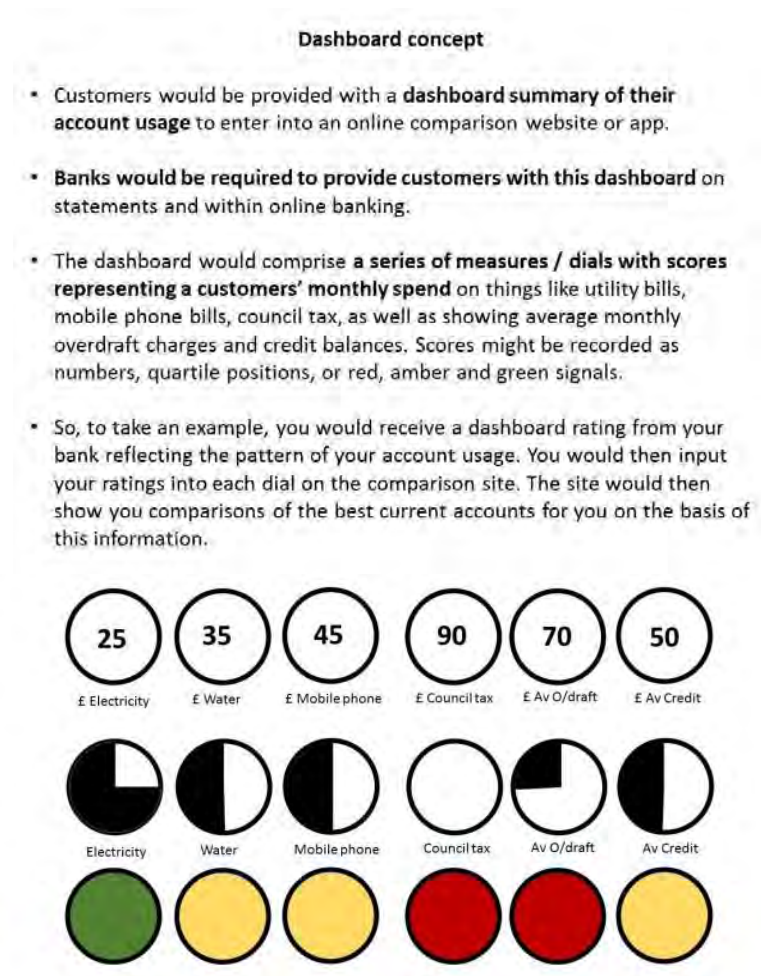


Figure 23: Dashboard concept overview

#### 4.5.2 Data and security concerns

It should be noted that the research took place shortly after the news story broke about the security breach of TalkTalk customer details, and this could have impacted on responses to issues of data security.

When shown potential comparison tools, first impressions were dominated by scepticism about the safety and security of sharing transactional data. PCA and BCA customers were

unfamiliar with the third party providers (Midata and Lovemoney<sup>4</sup>) customers were being asked to share transactional data with, which raised concerns about whether these unknown sites could be trusted to safely handle their private data.

*"I hate the idea. Who are they? What are they doing with that data? Where are they storing it?"* **Consumer, Male, Surrey**

*"A comparison website should not ask you to put your bank details in."* **SME, Male, Birmingham**

Although security concerns were not insurmountable, reassurances and guarantees needed to be robust and more visible. In particular, customers felt the banks and comparison sites needed to be seen to be taking full responsibility for handling transactional data and stating this clearly and confidently. They wanted to know it was not their personal or business risk to share transactional data.

*"I feel it needs to be more secure still. That there needs to be an additional password so that there is another level of security that junior members of the team would not be able to access."* **SME, Female, London**

*"I would trust it a bit more if it's a trusted site or approved by the bank because I trust them. If you're doing it through your bank it's got to be protected."* **Consumer, Female, Bury**

Consumers and SMEs also wanted to understand what measures of redress they had if anything went wrong with the handling of their data; they wanted to be reassured that they would not be held accountable if data was stolen, cloned or lost.

*"I would need confirmation that if anything goes wrong my bank will take responsibility for it".* **Male, 40-45, Consumer, South East**

*"They could give a guarantee that it's not saved or seen by anyone else and that it's totally secure, something in bold so I would feel more comfortable and that I wouldn't miss"* **SME, Female, Bury**

More broadly, consumers and SMEs are not used to providing transactional data when using comparison sites, and therefore the explanations for why they needed to provide this to get a tailored and meaningful comparison of accounts needed to stand out and reassure them more immediately.

---

<sup>4</sup> This was the branding used on the new prototype site.



*"I would like to see in bold that they won't associate any of my bank transactions with me. This needs to be really clear and upfront."* **Consumer, Male, South East**

*"I'm not sure how much or what information will be in my transaction history so I don't know what they'll be able to see."* **Consumer, Female, South East**

The starting point to their 'journey' to third party comparison sites appeared likely to impact on the level of confidence customers have in the safety and security of the process. The starting point needed to be seen as established, familiar and trusted. As such, most felt more comfortable sharing data with a site if they had been directed from their own bank's website (or online banking), or any established, familiar competitor banks' website.

*"The perfect way of doing it would be to go through my own bank to the Lovemoney website. Then you're in control."* **Consumer, Female, Kent**

*"I would not fill the [form] in because it's going to a third party. I only trust the banks themselves."* **SME, Male, Birmingham**

Consumers claimed they were comfortable clicking through to comparison sites from established, trusted independent sources such as Money Saving Expert, Which? or regulatory/government bodies such as the FCA. However, it was also widely acknowledged that these websites were very irregularly, if ever, used (especially in a business context).

*"I would feel more comfortable with Money Saving Expert as a starting point."* **Consumer, Female, London**

*"I would like the FCA to come on board and say 'we are making something that's in your interest as that would be independent and impartial then maybe I'd trust it'."* **Consumer, Male, South East**

Both SMEs and consumer audiences claimed to be less likely to click through to comparison sites from bank emails (either their own or competitor banks' emails). There were fairly widespread concerns about data security with emails, and the prominence of fake 'official' bank emails i.e. phishing.

*"It just looks like a fake email, it doesn't look professional... There is no way you would put your user ID and password in there; there's no security."* **SME, Male, Bury**

There were some differences in openness to sharing data amongst consumers and SMEs. Overall consumers were less likely to express concerns about sharing data, per se. In

particular, younger consumers were more comfortable with the idea, perceiving their account information to be low value and having an *expectation* that they would not be held accountable in the event of a security breach.

*"I felt absolutely fine about it ... I just freely give my data to anyone."*  
**Consumer, Female, Birmingham**

With SMEs, there were some differences in openness to sharing data based mostly on size of organisation and their level of personal responsibility for key decision making. Those who were not the final decision makers, typically in CFO or similar roles in larger SMEs, were more hesitant about sharing their data due to unease about carrying the burden of the potential impact on them and on their colleagues if anything went wrong. Business owners, and especially those in smaller SMEs (sole traders/micro businesses), were more comfortable with taking responsibility for the decision to share data; they were more used to having to take responsibility for their actions and living with any consequences.

*"I'd do it, I think, but it needs to be explained how they have worked with the bank and how the bank has authorised it."* **SME, Male, Kent**

*"Small decisions I would take on my own back...but I couldn't take ultimate decisions myself"* **SME, Female, London**

#### **4.5.3 Reactions to Midata (shown to consumers only)**

*Five of the ten consumers in our sample were asked to download and use their Midata file to get a comparison of their existing bank against competitors prior to the consumer interview. We provided instructions for how to do this.*

Midata was not a familiar tool, and no consumers were aware of it prior to the research. The request to use the Midata file prior to consumer interviews highlighted current shortcomings with the perceived ease of sharing and using transactional data. Only one in five of the consumers who were tasked with downloading their Midata file successfully completed the task. The person that did undertake the process found the results useful.

*"The results come back quickly and the information provided is accessible and easy to understand."* **Consumer, Female, Birmingham**

However, the reasons for others not completing the requested task appeared to be two-fold:

- **Some reticence due to security concerns.** Consumers had not heard of Midata which raised suspicions about its legitimacy, safety and authority to handle their transactional data. In addition, reassurances were not standing out or sufficiently

robust: they were unsure why transaction data was necessary, how transactional data would be stored and disposed of and whether their details would be sold on to third parties.

*“I’m fairly open to the idea, but it makes me nervous a little. I’d want to be assured many times about data protection” **Consumer, Male, London***

- **Inability to follow the steps required.** There was a willingness to share their transactional data but they could not complete the process, either because:
  - They failed to locate their Midata file on their bank’s website.
  - They downloaded their Midata file, but were not sure what to do next or where it was saved.
  - They tried to perform the task on a tablet device and were unsure where the csv file was saved or how it could be retrieved.

*“It’s difficult to find where I can download Midata from my online banking website. It’s not accessible.” **Consumer, Female, Birmingham***

The fact that the Midata site linked from Go Compare’s website also raised some suspicions around impartiality and whether the comparison would provide a fair and accurate picture of the ‘best’ account for them.

*“I found it conflicting that it was hosted by GoCompare when it is meant to be a government initiative.” **Consumer, Female, Surrey***

More positively, when interviewees were shown the results pages in more detail, they valued it as credible tool for providing meaningful, personalised results in a format and layout which was familiar. However, there were implications from consumers’ difficulties in downloading and using their file about the need to make the process more straightforward.

*“[It’s] unnecessarily long. I would like it to be easier and to see less text, less steps. More bullet points and headlines.” **Consumer, Female, Surrey***

#### **4.5.4 Reactions to the new prototype**

##### **Overview of reaction and comparison to existing Midata site**

In comparison to the existing execution of Midata, response to the new prototype comparison site was more positive, especially from consumers. The site was seen as providing results that were meaningful (tailored), flexible (provision of filter options to tailor further), largely straightforward to compare/contrast features and fairly easy to navigate.

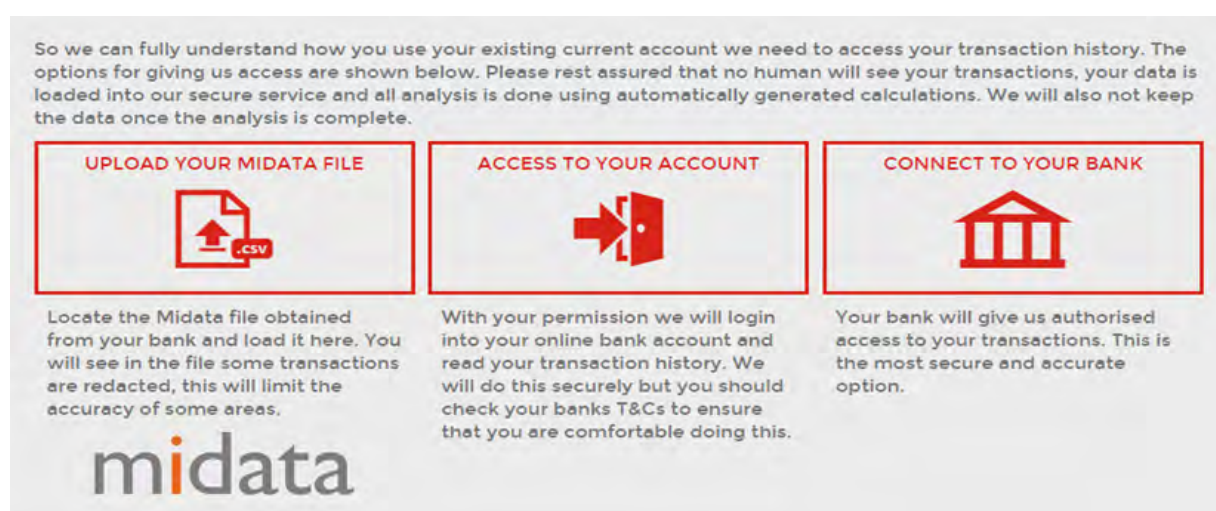
*“I like the fact that you can say what is important to you” **SME, Female, London***



*"I like the essential savings section-that's what you want to see."*  
**Consumer, Female, Birmingham**

In particular, compared to Midata, other positives were:

- There were fewer steps in the process and therefore less effort involved to get to a set of personalised results.
- There were different ways to provide transactional data (i.e. a choice) - see *Figure 24* below.
- The option of 'connecting to bank' appeared easy, quicker and more secure, which was valued (see *Figure 24* below).
- Option to compare their current account against other products within the same bank was a useful comparison and seen as more straightforward than switching bank provider.



*Figure 24: Options for sharing transactional data shown on the new Prototype*

*"If I've spoken to the bank and they've given it the all clear then I'd rather they connected automatically to my account because it just seems easier and less faff."* **SME, Male, Bury**

*"[Of the options] I would never use the Midata route to login because it seems insecure and I don't know what would happen internally...what are they going to do with my data?"* **SME, Male, Birmingham**

### **Initial Reactions (landing page and log in)**

There were however some concerns that emerged consistently when clicking on the landing page. Both consumers and SMEs commented on their lack of familiarity with Lovemoney. This raised suspicions about the legitimacy of the site and exacerbated concerns about sharing transactional data with an unknown source.

*"I'm just not sure I trust it, I wouldn't do it [from Lovemoney directly] because I don't know what's behind the website and what's attached to it."*  
**SME, Male, Bury**

*"Who's Lovemoney? I don't want to give access to my account straight away"* **Consumer, Female, London**

In addition, both consumers and SMEs mentioned the density of the explanatory text, and argued that any reassurances (e.g. security) and key explanations (e.g. why transactional data) were obfuscated and nothing particularly stood out.

*"The only thing that I would like to see is that my data is safe. It's a bit lost in all that wording."* **SME, Female, London**

Consumers and SMEs also noted that the **'Upload your Midata file'** and **'Access to your account'** connection options were somewhat undermined by explanatory text for the **'Connect to your bank'** option. The latter was positioned as the 'most secure' option and thus raised questions about why and in what ways the other options were, by implication, 'less' secure.

*"It doesn't make it sound the most secure! Also, I don't know if I'd personally know how to download that file. I think it sounds too much like hard work."* **SME, Male, Kent**

When prompted to log-in via their bank (see *Figure 25*, below), the lack of reassurances around security does result in hesitation and reticence to go any further in the process.

The screenshot shows the Lloyds Bank login interface for authorizing lovemoney.com access. At the top, the Lloyds Bank logo is displayed. Below it, the heading reads "Authorize lovemoney.com to access your account?". A red-bordered box contains a warning: "This Lloyds login is simulated, DO NOT enter real Lloyds credentials." The login form includes fields for "User ID:" (with a placeholder "User"), "Password:" (with a masked password "\*\*\*\*\*"), and "Memorable Information:" (with a prompt to enter characters 1, 4, and 7). Below this is a "Warning:" section stating that the user will never be asked to enter their full memorable information. Three dropdown menus are provided for "Character 1:", "Character 4:", and "Character 7:", each with a "Please enter..." prompt. At the bottom, there are two sections: "This application will be able to:" (listing "Read 12 months of your full transaction details now") and "This application will not be able to:" (listing "Read transaction details later"). The bottom right corner features two buttons: "Authorize App" and "Cancel".

*Figure 25: The bank log-in page from the prototype 'connect to your bank' log-in*

The key issues raised by consumers and SMEs were the lack of reassurances about who is responsible for this log-in process (the bank, Lovemoney or themselves?).

*"I would like for Lovemoney to include some information from the bank that only they know so that I know that it is genuine. Maybe like a secret password that I use with my bank."* **Consumer, Female, London**

In terms of improvements to the landing page/first impressions, both consumers and SMEs wanted to see streamlined explanations and introductory text that enabled stand-out for key reassurances:

- **Short, clear explanations for using transactional data** – when noted these help justify the requirement, but they are not always seen.
- **Safety of sharing transactional data** concerns are not insurmountable but dependent on robust reassurances about security, guarantees about banks/third party responsibility for handling transactional data and clear measures of redress if anything went wrong.
- **It is impartial** – that the scheme is government backed aids credibility and inclination to use the tool
- **Visible 'quick reassurances' about security** such as security padlocks visible in the URL.

*"I'm fairly open to the idea, but it makes me nervous a little. I'd want to be assured many times about data protection."* **Consumer, Male, London**

*"How do we know it doesn't go any further, it is one thing RBS knowing my details but it's another thing having someone else know them."* **Consumer, Female, Bury**

*"I would want more reassurances and also an indication of the time that it would take to complete."* **Consumer, Female, London**

### **Results Page**

When consumers got through to the results page (see *Figure 26* below), generally the layout was familiar and fitted with their expectations, with key information prominent at a glance.

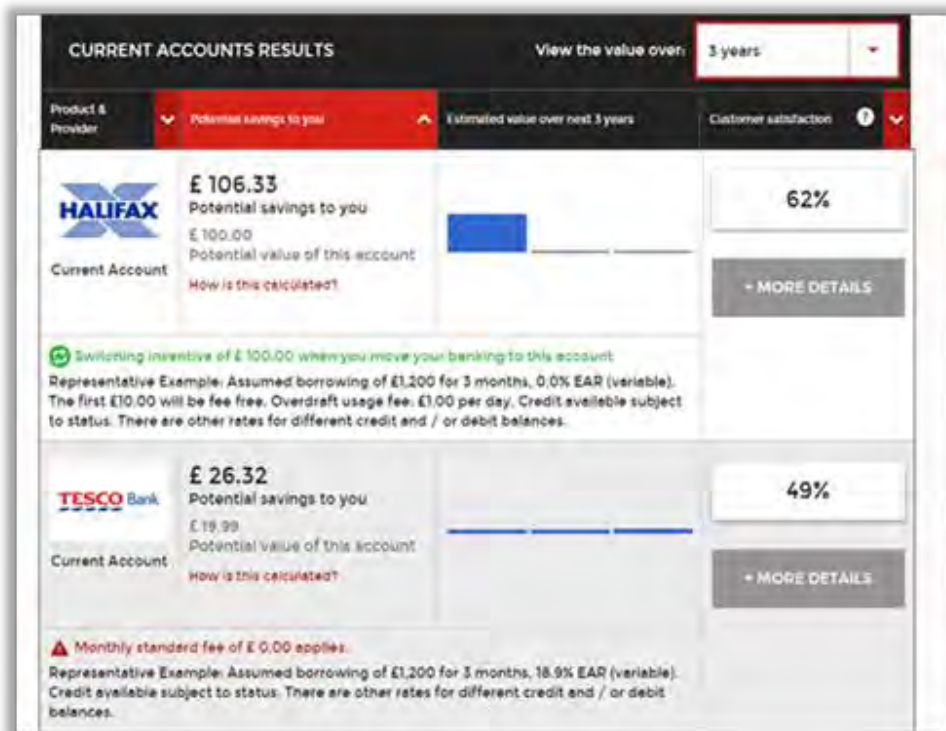


Figure 26: consumer account comparison results pages

The layout of the SME site results page (see below, Figure 27) also largely met expectations, and the ability to tailor results to specific business needs was seen as valuable in providing a more bespoke set of results.

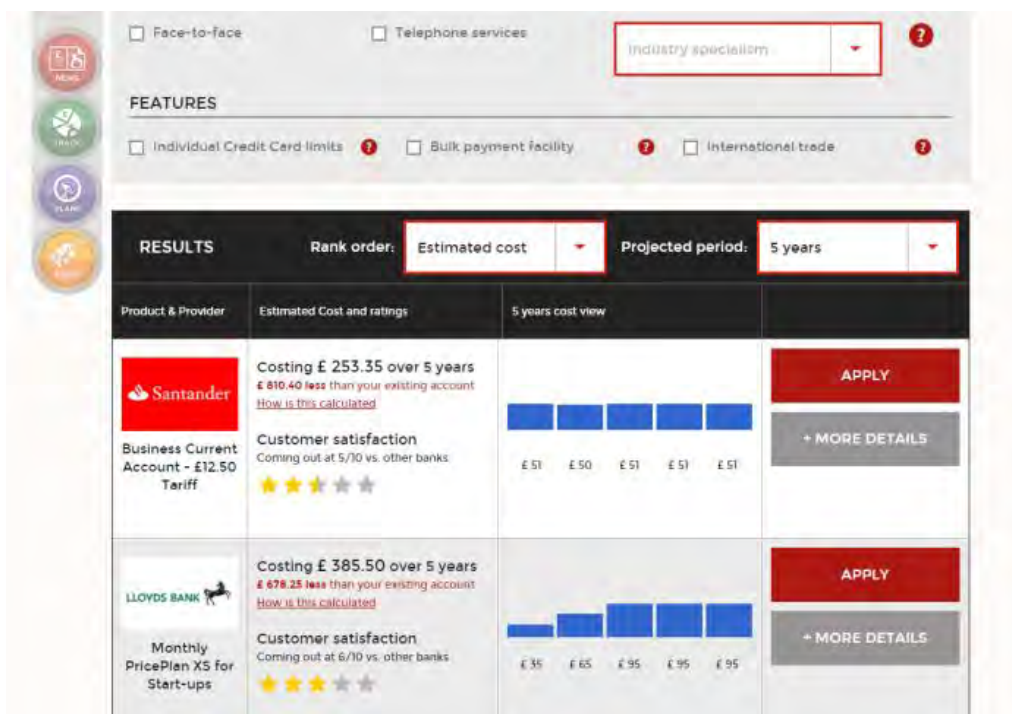


Figure 27: SME account comparison results page

Medium-larger SMEs also positively commented on the ability to filter findings by the provision of a relationship manager.

However, on deeper inspection, both consumers and SMEs found areas of confusion that needed more explanation or clarity. For **consumers**, this included:

- *Not understanding the difference between potential savings and value.* They were not clear how each measure was calculated; although there is a link to click through to more detail, this is often either not noted or seen as too much effort
- *The value graph does little to aid understanding* and with the absence of any labelling (unless the mouse rolls over), there is risk that this could be misconstrued.
- *Information about rates can be difficult to digest* and does not feel ‘personalised’

*“I would like to know the factors that it is based on. If it says that I save this amount, what would it be based on? I don’t actually know where I’m getting the savings from. I’d like to know exactly where I’m saving because at the moment it’s not clear”. Consumer, Female, West Midlands*

*“I’m not sure if I’m going to be saving £94 per year or a month – it’s not clear especially with these graphs”. Consumer, Female, London*

Consumers also stated that it was difficult to make a comparison between the new account and the existing account. They were seeking a simple comparison table where they could compare and contrast their ‘shortlisted’ options against their existing account side-by-side.

It was suggested that the existing comparison table (*Figure 28*, shown below) was difficult to use, with points of comparison not clearly aligned. Customers stated that they wanted this information set out as a table that would make comparisons quick and easy to understand at a glance.

EXISTING ACCOUNT		NEW ACCOUNT	
NET VALUE	£ -6.33	NET VALUE	£ -200.00
INTEREST AND BONUSES		INTEREST AND BONUSES	
Interest received	£ 4.02	Switching incentive	£ 100.00
Bonus payments	unknown	Interest earned	£ 0.00
COSTS		COSTS	
Overdraft interest	unknown	Account set up fee	£ 0.00
Charges	£ 0.00	Introductory annual fee	£ 0.00
ATM fees	unknown	Standard annual fee	£ -300.00
CHAPS fees	unknown	Overdraft arrangement fees	£ 0.00
Not all account transaction types are easy to identify. If we are unable to identify a value we will list it as unknown. This means you may have received / incurred this - but we cannot identify it.		Authorised overdraft interest	£ 0.00
OVERDRAFT INFORMATION		Authorised overdraft fees	£ 0.00
Days in overdraft	999	Unauthorised overdraft interest	£ 0.00
Days in unauthorised overdraft	unknown	Unauthorised overdraft fees	£ 0.00
Average overdraft amount	£ -6.33	ATM fees	£ 0.00
		CHAPS fees	£ 0.00
BACK		APPLY	

*Figure 28: the current design for the side-by side account comparison table*



For **SMEs** points of confusion in the results page included:

- **Comparison information about account charges were not seen as particularly accessible** – having to click through to ‘more details’ to get a truer breakdown. This additional effort was seen as time consuming.
- **The prominence of customer satisfaction scores was seen as disproportionate to its usefulness**, given most SMEs were less interested in the views and experiences of others given they felt that other businesses banking needs were likely to be very different to their own.
- **The dominance of the ‘apply’ button** – although SMEs understood why it was necessary to have the option, there was frequent reference to the need to speak/meet with banks prior to proceeding to the application stage. For a few SMEs this dominating presence on the page felt a bit pushy, and reinforced perceptions that comparison sites were typically targeted at consumers
- **The graph was not intuitive for some** – and difficult to accurately read at a glance (see Figure 29 below).

*“[The apply button] never in a million years ... I wouldn’t be able to do it that flippantly.” SME, Female, London*



Figure 29: The graph feature on the SME’s product results page

SMEs also commented that there was no easy way to compare prospective accounts against their existing account (Figure 30 below shows that a detailed breakdown of cost is provided for each account separately). They wanted the option of doing a detailed side-by-side comparison of a few prospective accounts based on their selected preferences against their existing BCA.

HOW WE CALCULATE THIS COST		X
Property	Value	
Switching incentive	No incentive	
Interest earned	£ 496.65	
Standard Fees	£ 20.00 Per Month	
Transaction Fees	£ 111.50	
		CLOSE

Figure 30: Information displayed for SMEs to compare costs of a prospective BCA provider

*“That’s not what I thought would happen when I clicked on ‘How is this calculated’, I want to know and would be looking at how much less they would be processing cheques for than what I’m currently being charged”.*  
**SME, Male, Bury**

On the results page, both consumers and SMEs wanted:

- To **easily compare and contrast a ‘shortlist’ of prospective products side-by-side** and compare against their existing account.
- **Greater clarity about how monetary benefits are calculated** i.e. for consumers, how potential savings are calculated and how this differed from the value of the account; for SMEs it meant more information on costs and charges to be more immediately available and comparable across accounts (not a click-through option).
- **Graphs to be labelled more clearly** allowing for clearer interpretation of data.
- **Ease of switching to be better promoted on the site** – to reinforce that it is a hassle free experience and encourage use of the tool for research AND application (although this was more likely to reassure consumers overall).

*“You should be able to compare with other companies that have a similar turnover to yours and the relationship that they have with the respective bank.”* **SME, Female, London**

*“I want the results to come back quickly with the information provided to be accessible and easy to understand”* **Consumer, Female, West Midlands**

*“For example, ‘estimated value over the next few years’ – what is this? I don’t get it”.* **Consumer, Female, West Midlands**

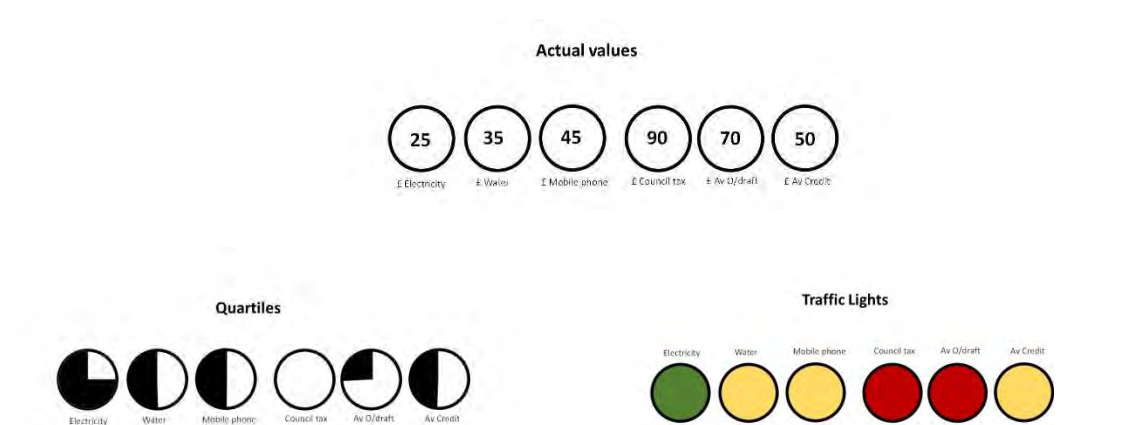
Other improvements sought related to consumer preferences for devices used to browse comparison sites. Given there was some interest in browsing on tablet/mobile (touch



screen) devices, improving usability of interfaces for these devices should be an important consideration. For example, there was uncertainty about where and how they could save and retrieve Midata files on tablets.

#### 4.5.5 Reactions to the dashboard concept

##### Consumer



##### Business

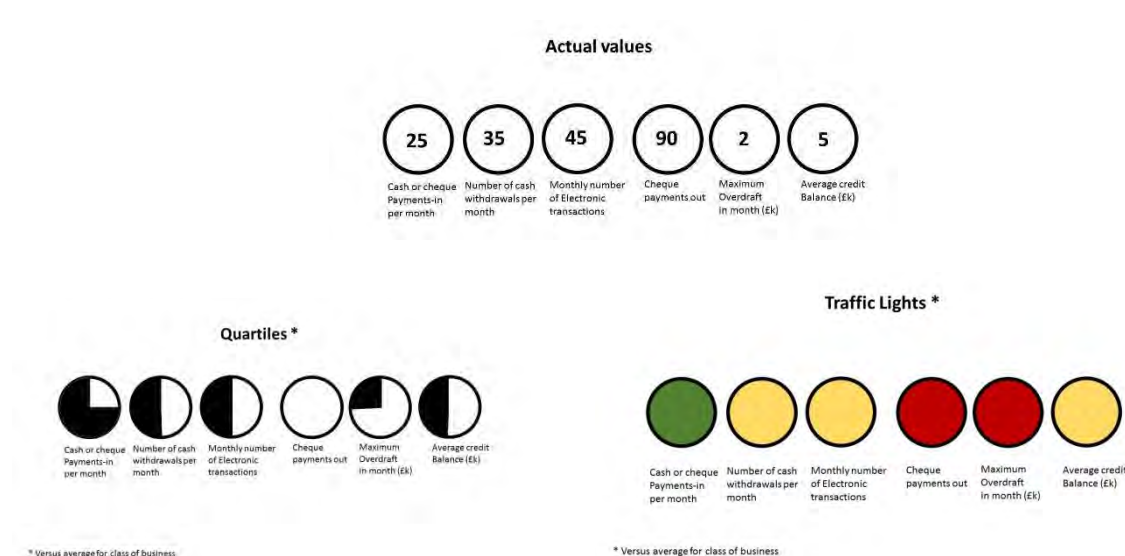


Figure 31: Overview of dashboard concept stimulus

Overall response to the dashboard concept was not negative, but somewhat muted. The concept had the potential to overcome concerns about privacy and data sharing apparent with the prototype and Midata, and this benefit was quickly referenced by consumers and SMEs.

*"I'm more inclined to use the dashboard because I'm not divulging our information." SME, Female, London*

*"I do like that it means I don't have to give away all my bank statements"*  
**Consumer, Female, Bury**

However, the overall potential of the dashboard concept was undermined by the perceived compromise in accuracy of the comparison data. It was widely seen as very basic and raised questions about how meaningful any comparison data would be. In this respect, the benefits of overcoming security concerns were largely outweighed by this perceived limitation in the accuracy of the results.

*"I like [the new Prototype] one because it's more factual, it's talked to my bank and it's 'proper'. ... This one is a bit vague. I don't know what it's really telling me."* **Consumer, Female, West Midlands**

In particular, medium to larger SMEs doubted its usefulness, with their account set-ups seen as too complex to provide any meaningful comparison data.

*"It's just a set of numbers which will mean nothing to anybody else."* **SME, Female, London**

*"I don't see what benefit it would necessarily have for a business account...perhaps I'm missing something."* **SME, Male, Kent**

Instead, it was more widely positioned as a potentially useful simple 'alternative' to comparison sites. There was some belief that there was potential for the dashboard to help raise awareness about the possibility of comparing and switching banks by simply being a 'presence' in online banking and on printed bank statements.

*"I think it's good that there are a few ways of looking at things then it's not a bad idea".* **Consumer, Female, Bury**

Positively, it was also seen as less intrusive allowing consumers and SMEs to feel more in control of the process of performing a product comparison.

*"This would be more manipulative. I could change this and put in my own figures, I would have a bit of a play around with the dials and could manipulate depending on the future"* **Consumer, Female, West Midlands**

Assuming the dashboard data was provided on bank statements or online-banking, the information was being provided by the bank and therefore coming from a trusted source. SMEs and consumers were more comfortable with the idea of the using actual values to input into the comparison site, as opposed to dials and traffic lights which felt to be too approximate, as shown in *Figure 32*.

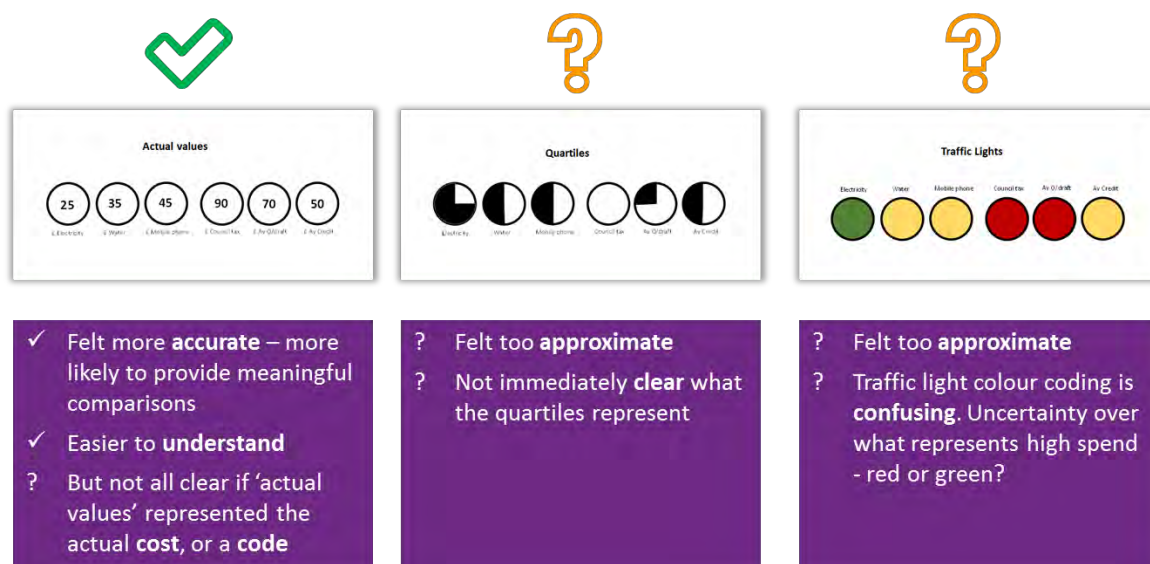


Figure 32: As shown, actual values were preferred to other options for the dashboard display

*“I’d prefer the numbers. I don’t like the colours [traffic lights]. Who decides whether it is good or bad? What does red and green even mean here?”*  
**SME, Female, London**

A few SMEs and consumers suggested the idea of having to manually input the data was an additional hurdle requiring effort and time.

*“I would prefer to use the website because all of the details are already there. It’s more user-friendly and you don’t have to manually input information.”* **Consumer, Female, Birmingham**

#### 4.6 Overall implications for Remedy 3

Having access to comparison tools for retail banking products resonates with PCA and SME customers, but ultimately the likely success of Remedy 3 will be dependent on tools being:

- **Accessible** i.e. easy to use, easy to locate, convenient and familiar
- **Accurate and reliable** i.e. tailored to users’ needs and providing meaningful comparison data
- **Safe** – overcoming caution/nervousness about sharing transactional data.

Concern over data security could still undermine Remedy 3. It appears to be the key barrier to using tools. Therefore, the need to reassure about security is paramount. The reaction to the tools suggests that three key ways to achieve this are:

- **Greater visibility of reassurance messages** – currently, whilst explanations and reassurances are provided they blend into the page and are not always noted. That said, there is a fine line between too little/obfuscated information and over-doing it;

if too overt the security messages could also raise doubts and suspicions about the safety of the tools.

- **More robust promises about security** – stating this clearly and confidently. Additionally, language needs to be careful not to undermine options by implying different processes are more or less secure than others.
- **More guarantees about process and redress** – consumers and SMEs are seeking clear information about who is taking responsibility for the sharing of data, who is culpable in the event of a problem and what happens to data post-process?

*“They could give a guarantee that it's not saved or seen by anyone else and that it's totally secure, something in bold so I would feel more comfortable and that I wouldn't miss.” SME, Female, Bury*

Although wording and language will need testing, as per *Figure 33* below, we believe that careful, clear promises and reassurances with sufficient standout should increase user confidence in the security of tools.

*“Please rest assured that the process of using your transactional history to give you a more accurate comparison of bank accounts is completely safe and secure. To reassure you:*



***Your bank will give us authorised access to your transactions and they will take full responsibility for the security of this process.***



***Your data is handled only by computers and not seen by any humans – it is loaded into our secure service and all analysis is done using automatically generated calculations***



***We guarantee data is not stored - we will securely delete data once the analysis is complete by [xxx]...”***



***Your details will not be passed onto third parties.***

*Figure 33: Re-worded reassurances based on customer feedback*

## 5 MAIN FINDINGS - Remedy 5

Remedy 5: Enable customers and SMEs to make comparisons between current account providers on the basis of their service quality

### 5.1 Overview

In this section we briefly explore reaction to Remedy 5, which was explored as part of the wider discussion about what PCA and BCA customers would like to be able to compare and contrast between providers within the retail banking market. This was prior to showing customers any of the comparison tools, and as such must be treated as their spontaneous and unprompted feelings about comparing service quality.

### 5.2 Overall response to service quality comparison tools

Both consumers and SMEs felt there was a role for comparing measures of service quality across the PCA and BCA markets. In principle, it was seen as good for competition, encouraging banks to perform better on fundamental aspects of customer service and provided a transparent measure to which all banks could be held accountable.

*“Banks need to realise that customers have a choice”* **Consumer, Male, South East**

Primarily, consumers and smaller SMEs could see a role for comparison of service quality as a feature on comparison sites. In this respect, they felt it was one of the measures they would like to explore and compare and contrast alongside other key features of products in the market.

*“I like to read them to see what other people think of that account, especially if it's a provider you haven't heard of before.”* **Consumer, Female, Bury**

There was less interest in service quality as a standalone comparison measure. PCA and BCA customers could not see themselves seeking this information in isolation. There was, however, acknowledgement that it could be displayed as comparison data on bank websites and statements as a way of raising awareness of how well their bank was performing and linking to information about CASS.

*“If [a comparison] was on my bank's website, I would look at the top ones and some of the worst [banks]...this would be good for new banks that you may know little about, and just making you aware how well your bank's doing. No bad thing.”* **Consumer, Male, Kent**

There were, however, clear differences between the needs of medium to larger SMEs and those of smaller SMEs and consumers about what and how they wanted to compare 'service quality'.

For consumers and the micro businesses/sole traders, there was a desire for 'at a glance' information that was easy to digest and compare as a proxy for overall reputation of the bank. In effect, they claimed they would use this as a 'peace of mind' measure; something to be checked for reassurance but not the key feature likely to be a deal breaker in deciding to switch.

*"A star rating is always good, they're visual and user friendly; you know straight away whether they're any good'."* **Consumer, Female, Bury**

*"I would take notice of the 4.5 and 5 star options"* **SME, Male, Birmingham**

Consumers were typically seeking quick, tangible 'scores' on service quality. This was a familiar proxy that they used in other comparison and/or review sites. They were also more interested in reading customer generated content and were familiar with seeking out reviews and exploring others' shared opinions online (e.g. Trip Advisor).

*"I would like to see the general public's reviews as well as a star rating. Something similar to Trip Advisor. A lot of people use it."* **Consumer, Female, Birmingham**

*"[When I use things] Like Trip Advisor, you hear all of the bad things but you don't hear the good things so [it's interesting, but] I wouldn't be swayed"* **SME, Female, London**

In contrast, the requirements of medium to larger SMEs for comparing service quality were more nuanced and intangible. SMEs claimed to be less interested in comparing and contrasting broad 'at a glance' proxy scores for customer service, per se. In particular, medium to larger SMEs felt their needs and experiences were likely to have no relation to businesses of a different size or turnover working in a different sector and located in a different area of the country.

*"Customer service is different for me than a little Grandma whinging that they've been sat in the queue for 2/3 minutes. If it's about what the account is like for businesses then yes, I'd be interested but not if it's just regular customer satisfaction."* **SME, Male, Bury**

Typically, the medium to larger SMEs wanted details about the 'quality' of the personal relationship management from different providers. This included guarantees of the provision of relationship manager per se and also the expected level of contact (channel and



frequency) with their relationship managers. They were interested in how needs that are specific to the nature of their business would be managed, e.g. being able to switch money between accounts without incurring charges. In this respect, there were concerns about how straightforward their more intangible and bespoke needs could be meaningfully and easily compared across the BCA market.

*“It would be helpful to know if you’re going to get an account manager, but the only way that you can tell is to run it, you can always move if you’re not happy with the bank manager. It’s the personable performance from them but you never really know what you’re going to get until you sign on the dotted line.” **SME, Male, West Midlands***

*“It’s the access of the account to be able to make instant transfers, set up new payments straight away, make these payments straight away, and doing that unlimited numbers of times. The key now is direct payments, finding out how much it costs for direct payments for banking. We probably send 300-400 direct payments straight away and we need someone who can handle that and isn’t going to charge us for it.” **SME, Male, Bury***

### 5.3 How should ‘service quality’ measures be presented?



Figure 34: Overview of ‘service quality’ measures presented

Customers’ preference for simple ‘at a glance’ measures were often star ratings and/or numerical data (e.g. percentage satisfaction scores; no. of complaints; distance from bank). These were seen as quick, easily comparable and easy to meaningfully sort information by.

There was interest in click through **details** and **customer generated content** (reviews / testimonials) to get more thorough comparisons. This could be to qualify star ratings, and frequently was not seen as first level detail, but as a click-through option if desired.

### 5.4 Types of information about service quality sought by PCA and BCA customers

When asked about what kinds of information regarding service quality PCA and BCA customers would like to compare and contrast, the **quality of staff** was a key element.



Figure 35 below shows that consumers and SMEs emphasised different channels/touch points when discussing staff 'quality'. Although branch staff 'quality' was a more universally requested measure, SMEs focused more on quality of the personal relationship management structure/set-up and consumers were keen to understand the quality of call centre staff.

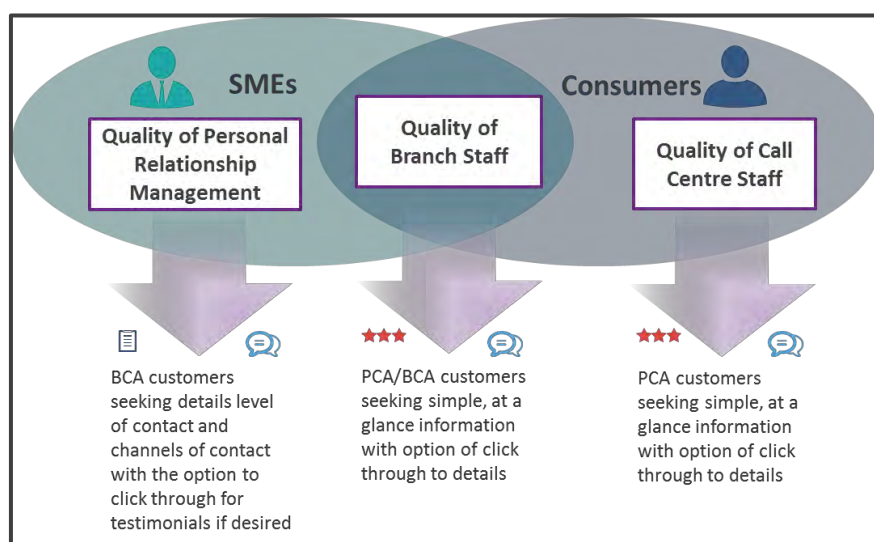


Figure 35: SMEs and consumers emphasise different touch points and ways of comparing information about staff when thinking about service quality measures

There was more consistency across PCA and BCA customers when exploring what 'quality' meant in the context of staff, and this was typically related to how friendly, helpful and professional staff were, regardless of channel.

*"I'd look at reviews and see what people are saying about them. Are they good? Are they polite? Are they nicely mannered? Do they offer you what you ask for? Do they resolve the problems? Things like that, I'd look at that see what stars they get."* **Consumer, Female, West Midlands**

Other than quality of staff, SMEs and consumers generally agreed on the relative importance of various potential factors that service quality could refer to (see Figure 36 below).

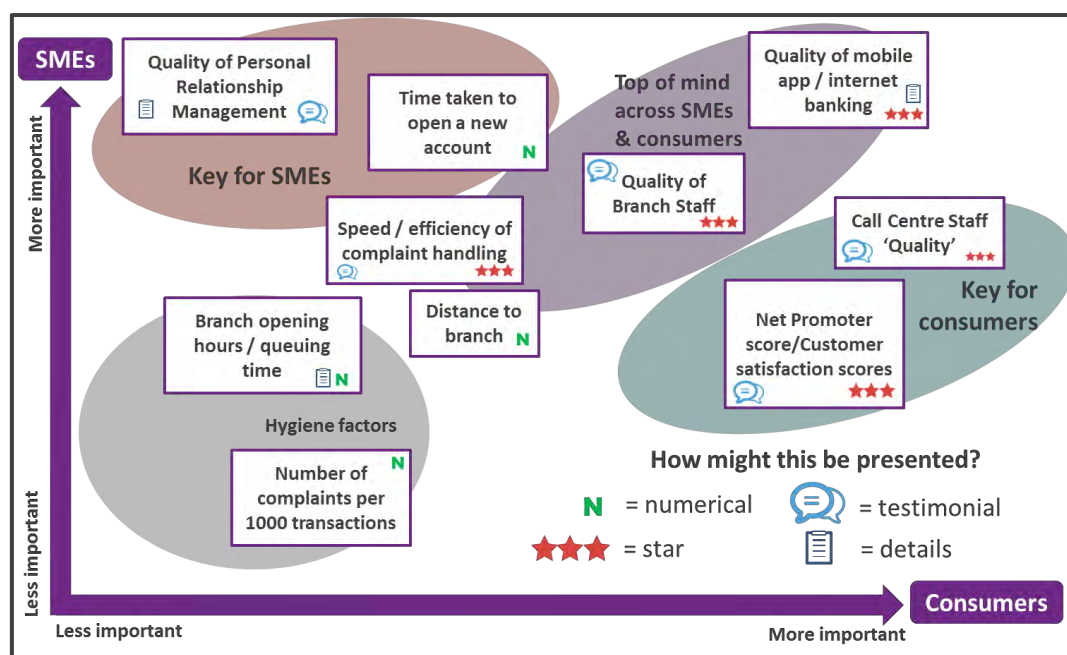


Figure 36: Matrix of more and less important potential features of service quality for SMEs and consumers

When probed, the **quality of mobile app and online banking** were universally important for PCA and BCA customers, but typically treated as hygiene factors. Often this amounted to a desire to quickly check what was offered and that people did not 'score' the services poorly, with the option to click through to more details or testimonials if desired.

*"I do everything online therefore the quality of the online app is the main thing. I don't know how you'd compare them but I would want to know if the bank had one." SME, Female, Bury*

As shown in Figure 36 above, another key factor for SMEs was the **time taken to open an account**. This was a key reassurance point given concerns about the ease of switching and logical headaches anticipated. SMEs also placed slightly more importance than consumers on **speed and efficiency of complaint handling** and details about the bank branch (**opening hours/queuing time**) which were seen as useful to check, but not anticipated to be points of difference.

*"The time taken to open account – yes that's definitely important. It can't disrupt the business so I guess it needs to be pretty speedy and straightforward." SME, Female, Leeds*

Consumers placed more emphasis than SMEs on **customer satisfaction ratings**. They typically wanted easy to refer to proxy scores for 'quality' with the option to click through for deeper testimonials if desired.

## 6 MAIN FINDINGS - Remedy 7

Remedy 7: Make it easier for prospective customers to find out whether the overdraft facilities they require would be available to them

In this section we briefly explore overall attitudes towards the relative importance of overdraft facilities as features of both PCA and BCA customers' current accounts and how key this facility would be in the decision to switch bank accounts. We also briefly explore reaction to an overdraft checker tool (in this instance, from Lloyds bank) that can be used to help explain the likelihood of customers getting an overdraft facility and which accounts these would apply to. The tool was demonstrated to interviewees on paper (not online), and we tended to focus attention on the few customers who claimed to more regularly use their overdraft facility. That said, we did ask all respondents to broadly discuss the importance of Remedy 7, per se.

### 6.1 Attitudes towards concept of tools to check overdraft availability

When thinking about switching, for consumers and SMEs who use their overdraft facility in any capacity the availability of this facility (and details about charges) was widely seen as important to check prior to application. This was usually about peace of mind and knowing it was available if needed, although a few PCA customers did use their overdraft heavily each month.

*"How much overdraft I would get free would be a key consideration...I would need to know for sure."* **Consumer, Female, London**

*"I don't use my overdraft but it is nice to have the option to use the overdraft just in case it became necessary. ... I would like to know at the very beginning of the switching process whether I am eligible to get an overdraft."* **Consumer, Female, Birmingham**

However, the PCA and BCA overdraft users in our sample expected this feature to be something they checked for when looking at the overall offer (the 'package'). As such, they believed there was far more likelihood that they would check for overdraft facilities when using a comparison site, and not as a separate endeavour.

*"I'd prefer to see it [overdraft eligibility] on the comparison site even if it was just a yes or a no and then I can always find out the actual value of the limit from the bank."* **Consumer, Female, Birmingham**

In this respect, the idea of a standalone overdraft facility checker tool available on bank websites was seen as unlikely to encourage usage, positioned as too many steps and not likely to save them too much time.

*"I think as part of a comparison site, for the process of looking around, it would be a good tool. But for actually switching I would need to speak to the bank."* **SME, Male, Kent**

There was some interest in the idea of a 'one stop shop' checker that allowed them to compare and contrast overdraft facilities across providers. However, the expectation was that this would be a platform *within* comparison sites to cross compare the overdraft offer of their top 3-5 options alongside with other key features, to aid decision making.

*"I'd like to know at the very beginning of using this site when I'm looking at the different providers whether I can get an overdraft."* **Consumer, Female, Birmingham**

Typically customers also suggested they would like to speak to the banks to check what they would get (ie a concrete offer) before applying. There was far less inclination to use a tool that only provided a provisional read on the likelihood of them getting an overdraft facility.

*"I would like to know 100% that I would be eligible for an overdraft before I would consider switching."* **Consumer, Female, Birmingham**

## 6.2 Reaction to example tool and idea of a standalone overdraft checker tool

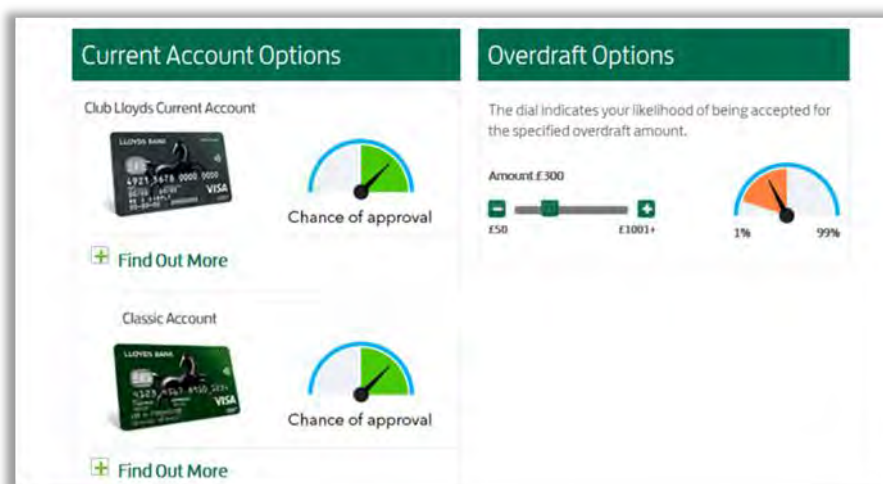


Figure 37: Example of results from using Lloyds Bank's overdraft eligibility checker tool

When shown screenshots of an overdraft eligibility checker tool (see Figure 37 above), reaction from overdraft users was relatively positive regarding the functionality and usability of the tool. It was seen as straightforward to use, interactive and result easy to understand.

*"It tells me what I would need to know...don't know what else I would need to know."* **Consumer, Female, Birmingham**

However, most seemed unsure whether they would use the tool because, theoretically, it required going to a number of different providers to compare and contrast offers. This was seen as a lot of additional effort.

*"I don't think it should be something that you have to put extra effort to find out about." **SME, Male, Leeds***

It was also suggested that the results – i.e percentage 'likelihood' of getting an overdraft approved – were not particularly revealing or compelling, and would require follow-up with the bank to understand offer they would definitely get.

*"We would need a firm confirmation of what we were able to get. I can't go forward with just this." **SME, Male, Kent***

Positively, the explanation for the soft credit check was sufficiently reassuring and meant most were comfortable with the idea of using the tool in the first place.

*"I would be happy with that because I wouldn't have to look through any of my history." **Consumer, Female, Birmingham***

Ultimately, PCA and BCA overdraft users seemed unlikely to visit a site to use this tool as a standalone offering; it was just one of the features they want to compare and contrast across providers.

*"I think it would be quite good if it could be a part of it...I don't think it would be on the front page but as long as you could get to something like that at some point sooner rather than later that would be good." **SME, Male, Bury***