

CCPC

CURRENT ACCOUNT SWITCHING



INTRODUCTION

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OBJECTIVES & METHODOLOGY



201 interviews among existing or former (past 6 months) current account customers of Ulster Bank or KBC



Survey conducted through computer-assisted telephone (CATI) interviews, with fieldwork conducted between 13 and 22 June 2022



Data is presented as collected and has not been weighted.

Objectives

To understand attitudes towards switching and experiences of switching in advance of Ulster Bank and KBC exiting the Irish market, including:

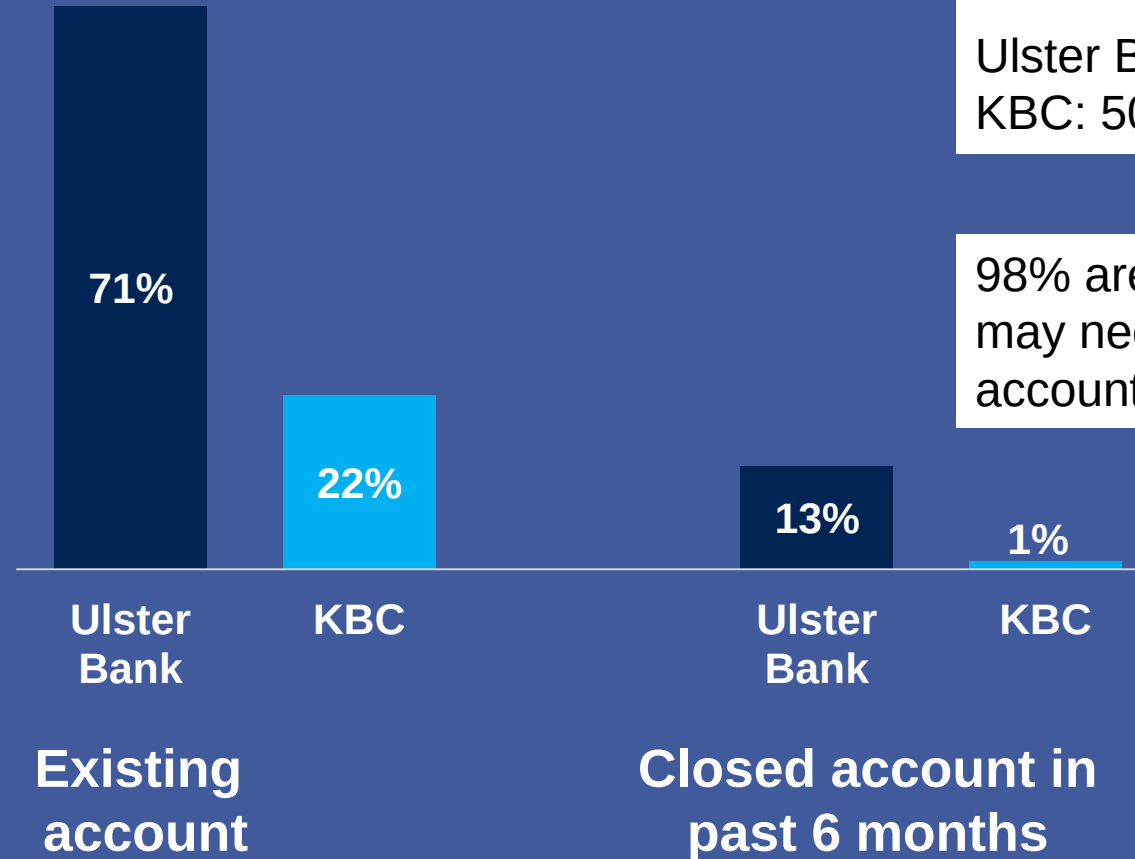
- Actions taken to prepare for account closures
- Likely timeframe to complete switching process
- Awareness of the Central Bank switching code and intention to use the switching code
- Challenges experienced in switching current account
- Likelihood to use online-only current account provider in the future

Questionnaire was designed in consultation with the Competition and Consumer Protection Commission

SAMPLE PROFILE

– NATURE OF BANK RELATIONSHIP

Respondents were eligible for the survey if they had an open current account with Ulster Bank or KBC, or had closed a current account with one of these banks during the previous 6 months



% with existing account that identify it as their main account:

Ulster Bank: 63%

KBC: 50% (Caution small sample n=44)

98% are aware that they may need to close their account

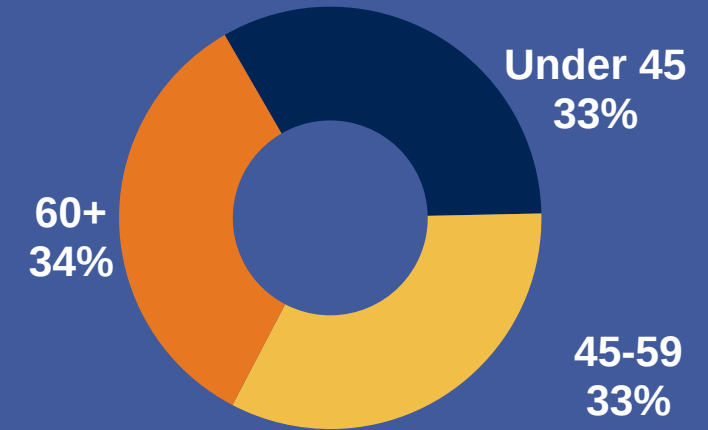
Base: All respondents (201)

SAMPLE PROFILE – DEMOGRAPHICS

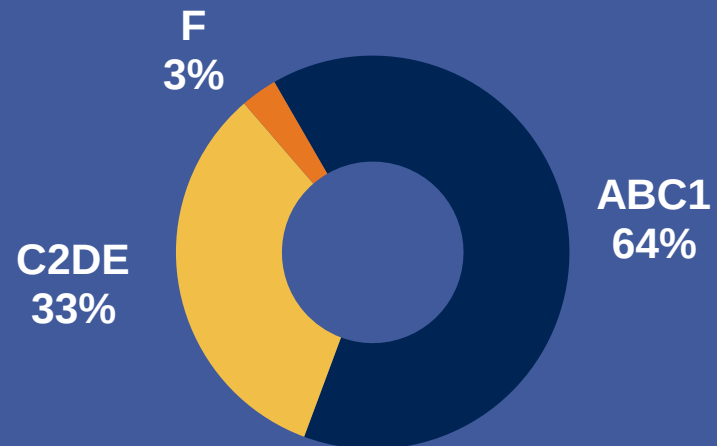
Gender



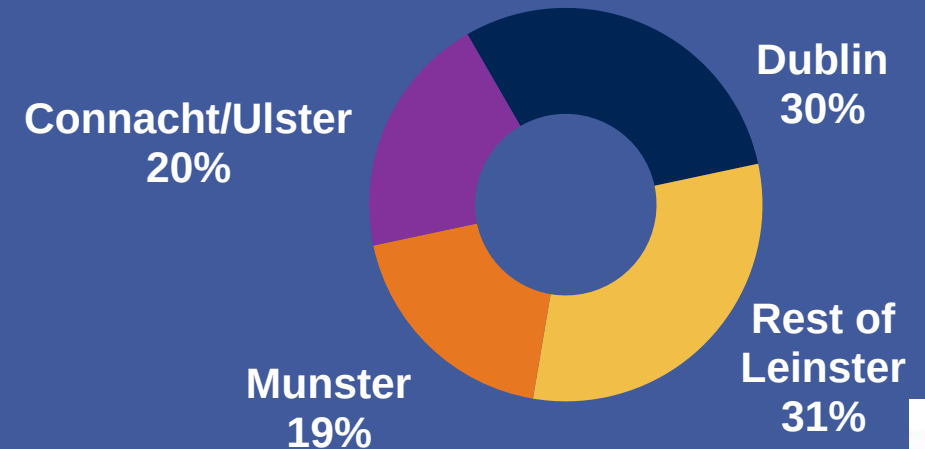
Age



Social Class



Region



Base: All respondents (201)

EXECUTIVE SUMMARY

- While most customers intend to switch their account (rather than just letting it close), roughly a third haven't yet decided on which bank they will switch to. Despite this, most expect to have completed the switch within the next 2 months.
- Awareness and intended usage of the Switching Code is quite low, with most expecting to conduct the switch themselves. Many are also reporting problems moving direct debits and other payments between banks which the Switching Code is intended to make easier.
- Further potential for issues exists through most having multiple products with their provider – particularly savings, credit cards and mortgages.
- Over a quarter would consider an online-only provider indicating the potential for these types of providers in the Irish market.

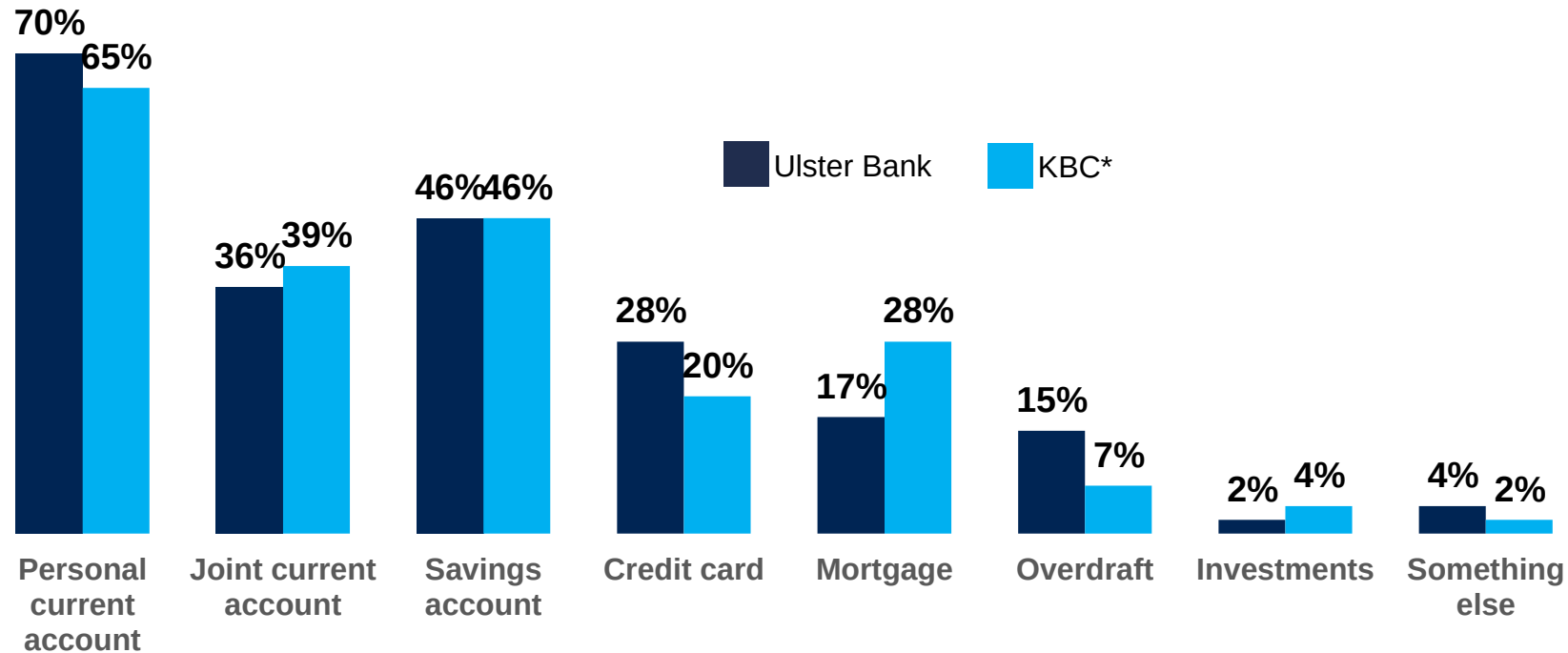
FINDINGS

2

MOST CUSTOMERS HAVE MULTIPLE PRODUCTS WITH THE BANK INCREASING THE POTENTIAL COMPLEXITY FOR THEM

Other products held with Ulster Bank/KBC

Thinking of all the accounts you have with Ulster Bank/KBC, how many of the following types of accounts do you have with that bank?
(% with at least 1 of that account type)



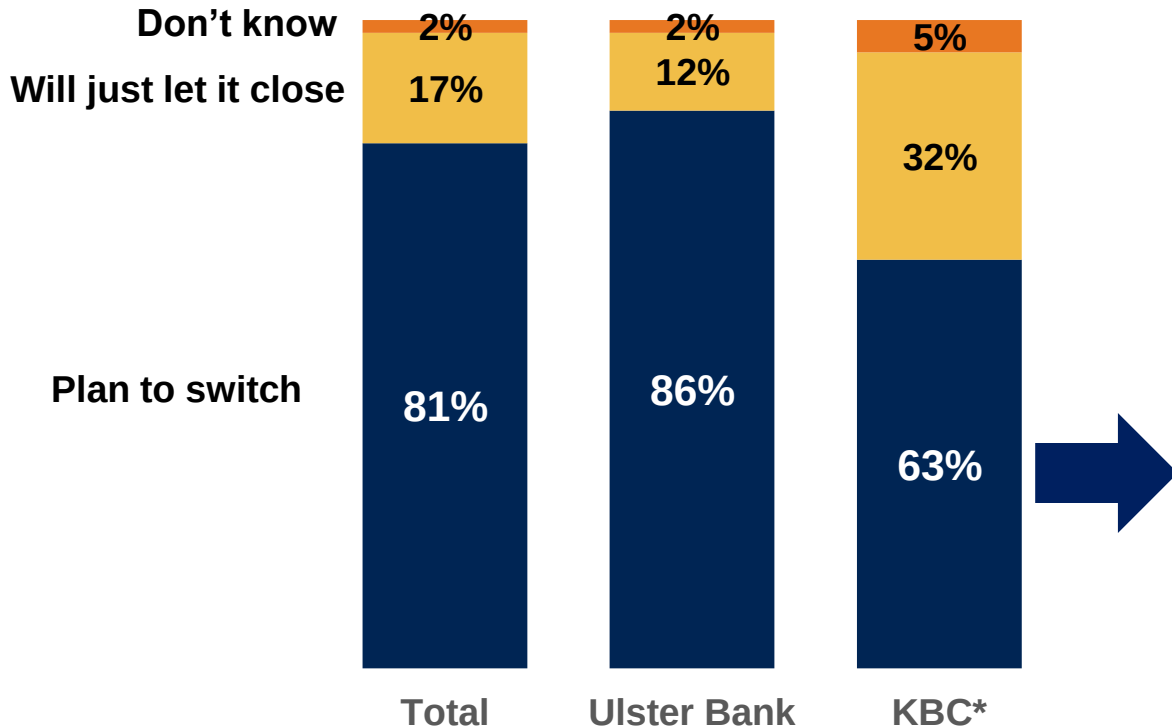
- Two-thirds of existing current account customers have at least one other product with the bank in addition to their current account (Ulster Bank: 67%, KBC: 66%*).
- Those in social class ABC1 are more likely than C2DEs to have at least one other product (66% and 42%** respectively).

Q.5/Q.6 Thinking of all the accounts you have with Ulster Bank/KBC, how many of the following types of accounts do you have with that bank?
Base: All respondents (201)

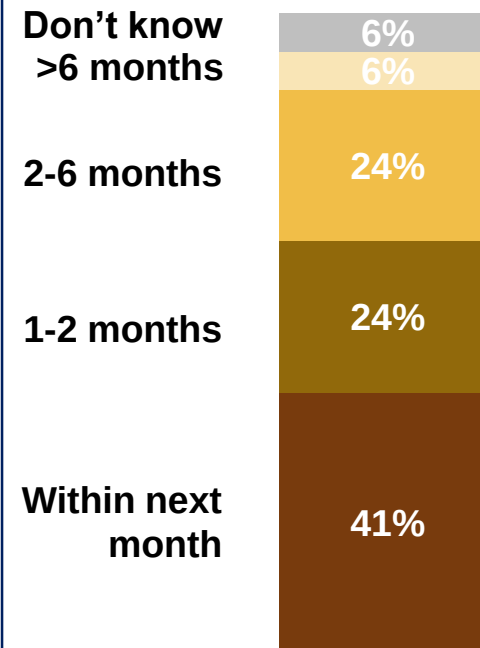
MOST INTEND TO SWITCH THE ACCOUNT WITH THE MAJORITY OF THESE EXPECT TO HAVE SWITCHED WITHIN TWO MONTHS

Expected switching actions

Do you plan on switching to another bank or just let them close?



When do you expect to complete the switch?



- Those who identify the account as their main account are more likely to be planning to switch, with 94% intending to do so compared with 61%** when it is not their main account.
- 86% of those with multiple products at the bank intend to switch the account, compared with 71%*** of those with no other products.
- Notable differences by gender with 79% of women expecting to have completed the switch within 2 months, compared to 54% of men.****
- No differences by main/secondary account or number of other products in terms of when switch will be completed.

Q.8 Do you plan on switching the current account(s) to another bank or will you just let them close?

Base: All with an open current account (175)

Q.8 When do you expect to complete the switch to another bank

Base: All intending to switch (142)

*Caution small sample, n=41

**Caution small sample, n=66

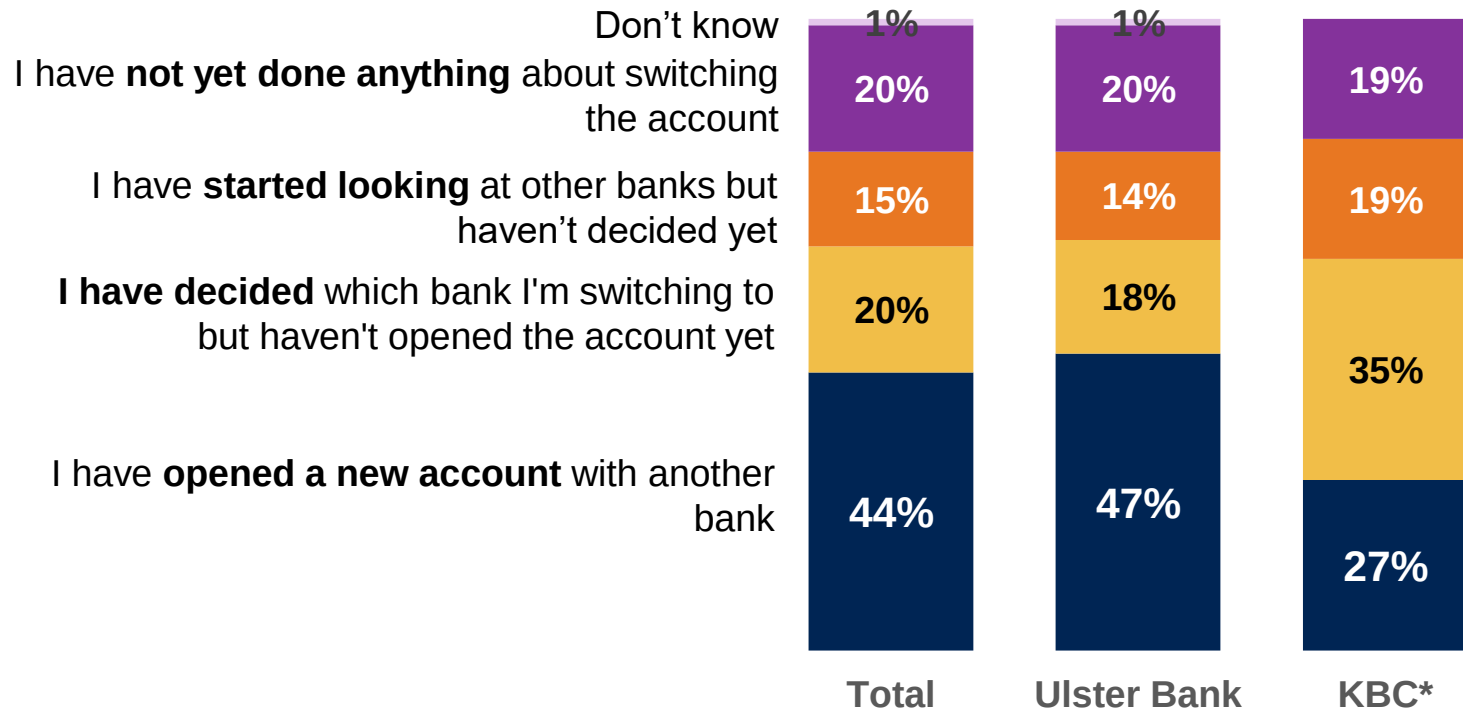
*** Caution small sample, n=59

****Caution small samples, women=62, men=80

DESPITE MOST INTENDING TO SWITCH VERY SOON, LESS THAN HALF HAVE OPENED AN ACCOUNT WITH ANOTHER BANK

Current status with switching

Which of the following best describes what stage you are at in relation to switching your current account?



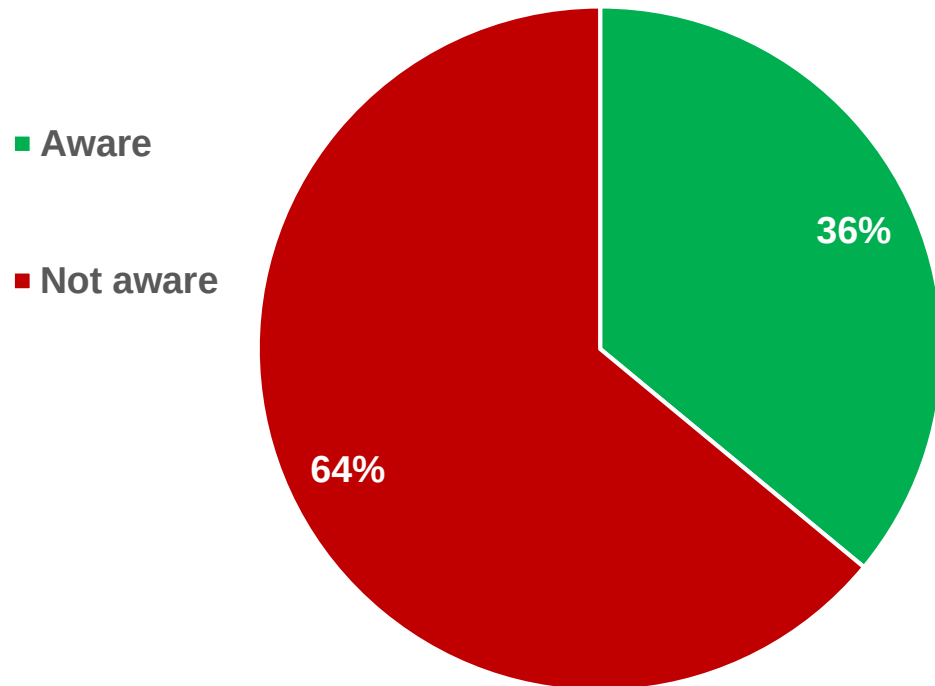
- Only 38% of those who have their main account with Ulster Bank or KBC have opened an account with another bank.
- 52% of those who plan to have the switch completed within the next two months have opened a new account. 13% have not yet done anything.**
- 18 of the 28 respondents that have closed an Ulster Bank/KBC account in the past 6 months switched to another bank.

Q.10 Which of the following best describes what stage you are at in relation to switching your current account?
Base: All intending to switch (142)

LOW LEVELS OF AWARENESS OF THE SWITCHING CODE WITH FEW EXPECTING TO USE THIS WHEN SWITCHING

Awareness/Use of the Switching Code

Are you aware or not aware of the Central Bank's Switching Code to help consumers switch their current accounts?



19%
of those aware of switching code and are planning to switch intend to use this approach.*

This equates to 7% of all intending switchers.

- Awareness of the switching code particularly low among under 45s** (21%), and there are no key groups where the majority are aware of the code
- 9% of those switching their main account are aware of the switching code and intend to use it.
- Of the 8 respondents who have already switched, 2 report using the switching code.

Q.11 Are you aware or not aware of the Central Bank's Switching Code to help consumers switch their current accounts?

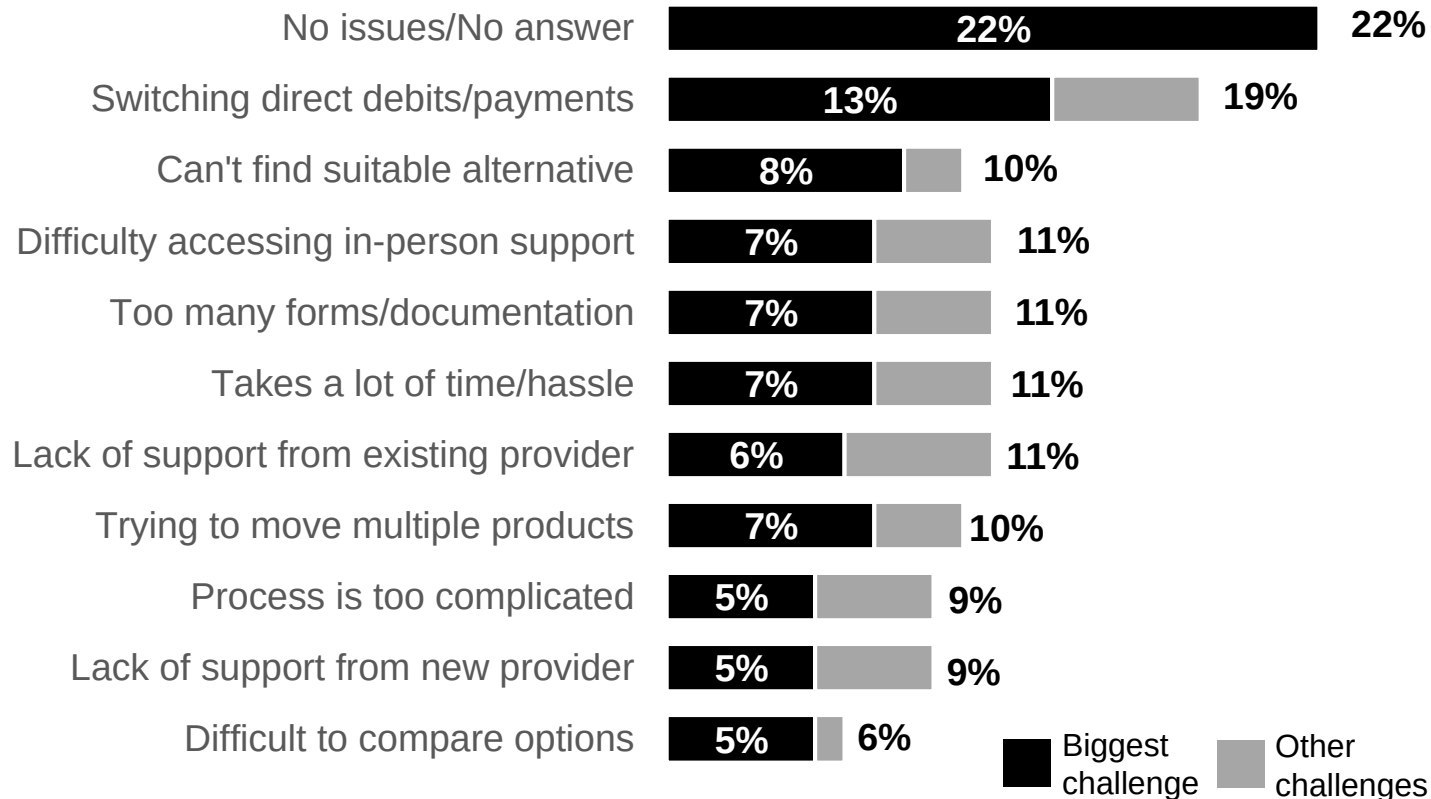
Base: All respondents (201)

Q.12 Do you intend to use the Switching Code to switch your Ulster Bank or KBC current account or will you switch everything by yourself?

Base: All who plan to switch and are aware of the switching code (53)

MOVING PAYMENTS BETWEEN BANKS IS THE MOST COMMONLY IDENTIFIED CHALLENGE WHEN SWITCHING BANKS

Challenges experienced so far



Others at less than 5%

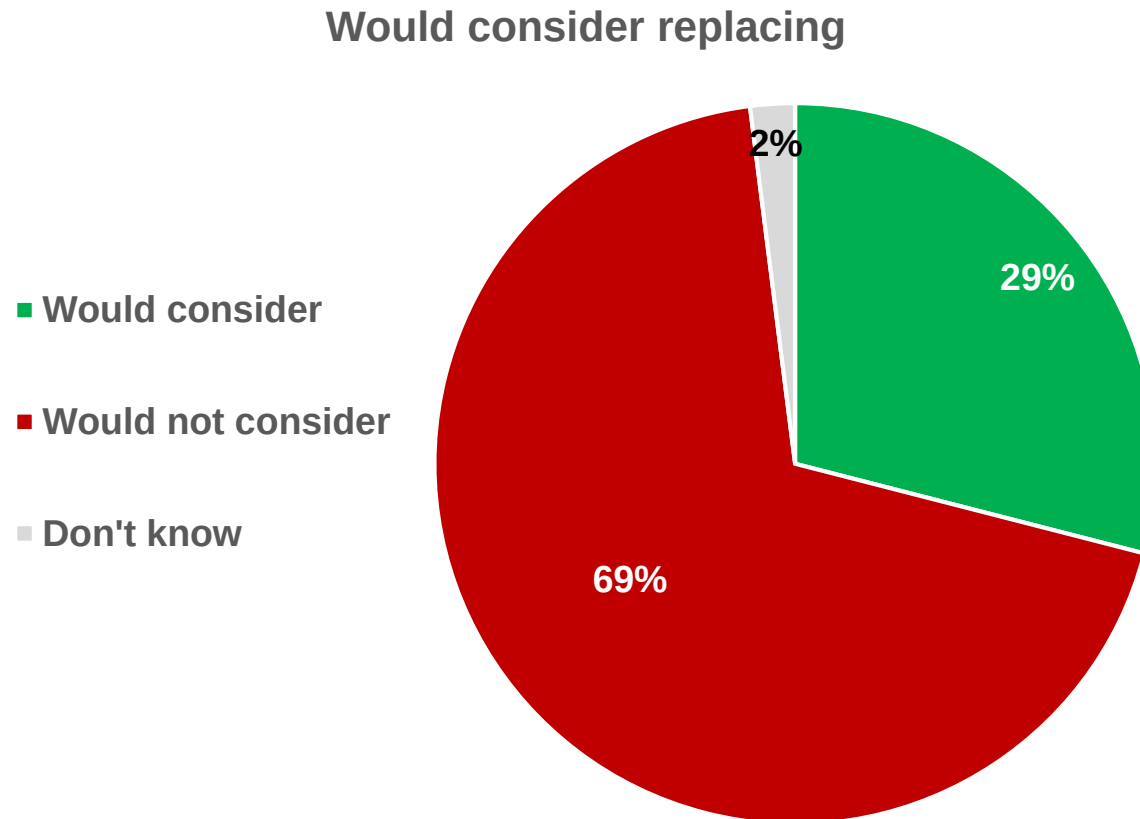
Q.15/Q.16 What would you say has been the biggest challenge you have experienced so far in switching your Ulster Bank or KBC current account? / And what would you say are the other challenges you have experienced so far?

Base: All who have switched / opened another account or have started looking at other banks (128)

- Ulster Bank customers more likely to note that it takes a lot of time/hassle (15%), as are those switching their main account (16%).*
- Older customers less likely to note difficulties in relation to moving multiple products with 2% of those aged 60+ identifying this as a challenge.**
- ABC1s more likely to report difficulties with forms/documentation (16%).***

OVER A QUARTER WOULD CONSIDER AN ONLINE-ONLY PROVIDER TO REPLACE THEIR MAIN CURRENT ACCOUNT

Consideration of an online-only provider



- Consideration of an online-only provider highest among under-45s (42%) and men (38%). This compares to 12% of over-60s and 17% of women.*
- 52%** of KBC customers would consider an online-only provider, but this drops to 24% among Ulster Bank customers.

Q.6 Would you consider replacing your main current account provider with one that only offers online banking services and does not have any branches in Ireland?

Base: All respondents (201)

*Caution small samples. Under-45s (n=66), Over-60s (n=69), Women (n=88)

**Caution small sample, n=44

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