

2006 Banking and Credit Card Survey

 checkmyfile.com

 givemecredit™

annualcreditreport
.co.uk

About Credit Reporting Agency

Credit Reporting Agency is the UK's first Internet based credit reference agency, aimed firmly at serving consumers, rather than business users. It leads the UK market in the provision of online credit file based services and provides consumers with easy access to information on three websites:

checkmyfile.com was first in the UK:

- To provide consumers with online access to their credit files
- To offer consumers the ability to check their own credit score for free and to give plain English explanations of how credit scoring works

givemecredit.com was first in the UK:

- To match lenders to consumer credit ratings for free, using credit scores, to help consumers find the cheapest deals and to reduce the risks of being declined
- To publish fully independent reviews of credit card and loan lenders based on expert evaluation and consumer feedback of customer service experience

annualcreditreport.co.uk was first in the UK:

- To provide free annual credit reports to consumers to encourage more to check the quality of the information held about them, and to guard against the increasing threat of identity theft.

About this survey

Each May, Credit Reporting Agency asks its customers to rate their bank or credit card company. Respondents are incentivised by an invitation to enter a prize draw.

Credit Reporting Agency uses the results to ensure that when suggesting financial institutions to its customers on any of its websites, it can give an independent assessment of the service levels likely to be provided. It also ensures that applicants are matched to lenders who are most likely to say yes, so the risks of being declined are minimised. By matching lender appetite to the consumer requirement, Credit Reporting Agency also checks that the APRs on offer are in line with the creditworthiness of the customer, so its customers don't pay over the odds.

Survey responses were processed by surveymonkey.com and analysed by Credit Reporting Agency.

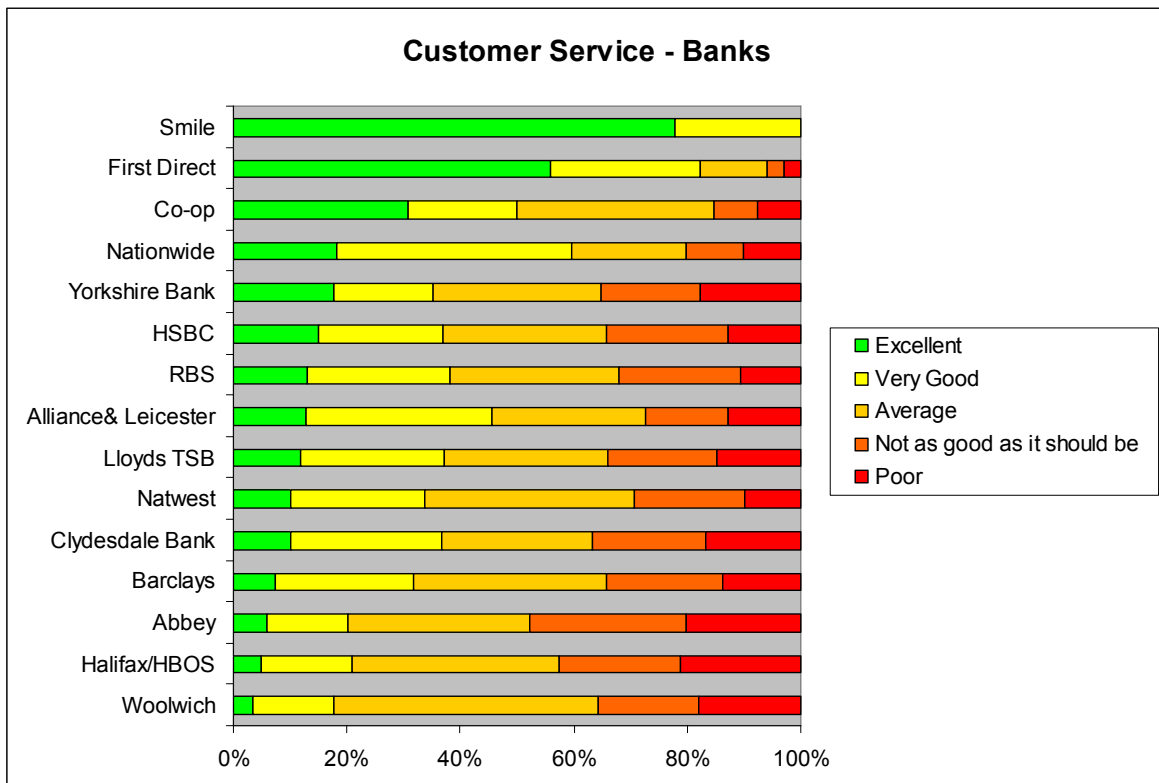
This analysis was published on 1 June 2006.

If you would like any further information about the survey results, or about Credit Reporting Agency, please email barry.stamp@creditreporting.co.uk.

Summary of survey results

Satisfaction levels with customer service appear to be declining. Whilst 52.9% of respondents in 2005 described the customer service provided by their bank as 'Very good or excellent', this figure has **dropped dramatically to just 36.3%** in 2006.

Some banks are rated significantly better than others. Once again, Smile and First Direct were rated as giving service that is good or excellent by the vast majority of their banking customers who responded. At the other end of the scale, only 31.7% of Barclays customers rated their bank as giving very good or excellent service, whilst less than 21% of Halifax customers responded in the same way.



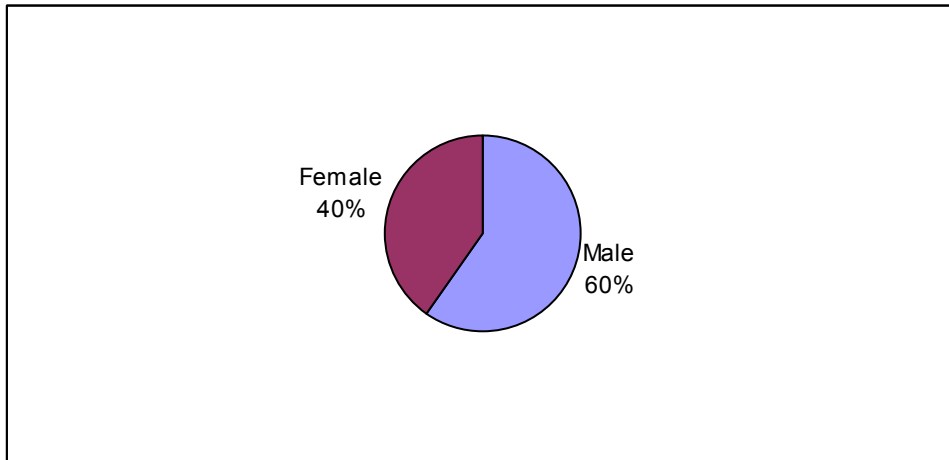
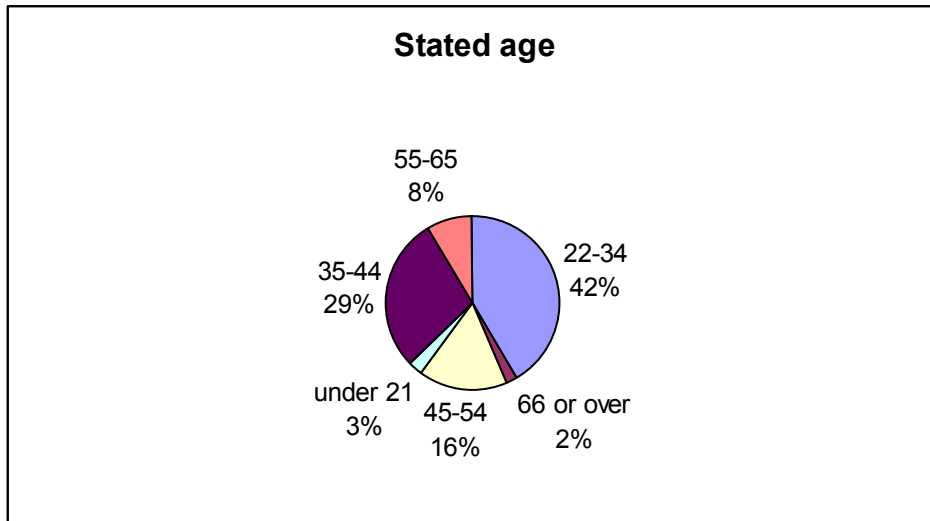
This year's results suggest that the loyalty of bank customers is also being tested. 49% of those polled in 2005 had been with their bank for 11 years or more, but this has dropped to 40.5% this time around. **The new generation of online banks such as Smile and First Direct seem to be encouraging more people to switch allegiance.**

The number of people with Internet access to their bank accounts continues to grow, with 75% of respondents now using it as the primary tool to manage their banking.

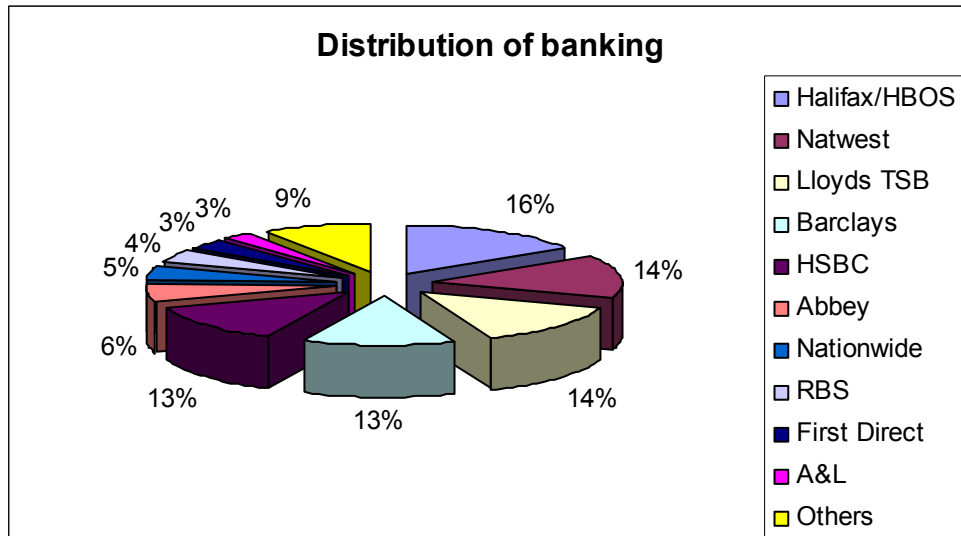
Amongst credit card customers, First Direct scored highly in terms of customer service, with 43% of people describing it as excellent. 34.8% of Nationwide customers described the customer service as excellent, but also had a significant 47.8% rating it as very good. In contrast, just 5% of Barclaycard customers described the service as excellent, with Natwest and RBS also rated poorly by survey respondents.

Half of those polled told us that they would never recommend a specific lender to a friend, even more than last year. Many gave full details of the underlying reasons. Very poor service, failure to help when in trouble, high interest rates and hidden 'stealth' charges were common complaints. Irresponsible lending was also prominent as a complaint.

Age and gender distribution of sample

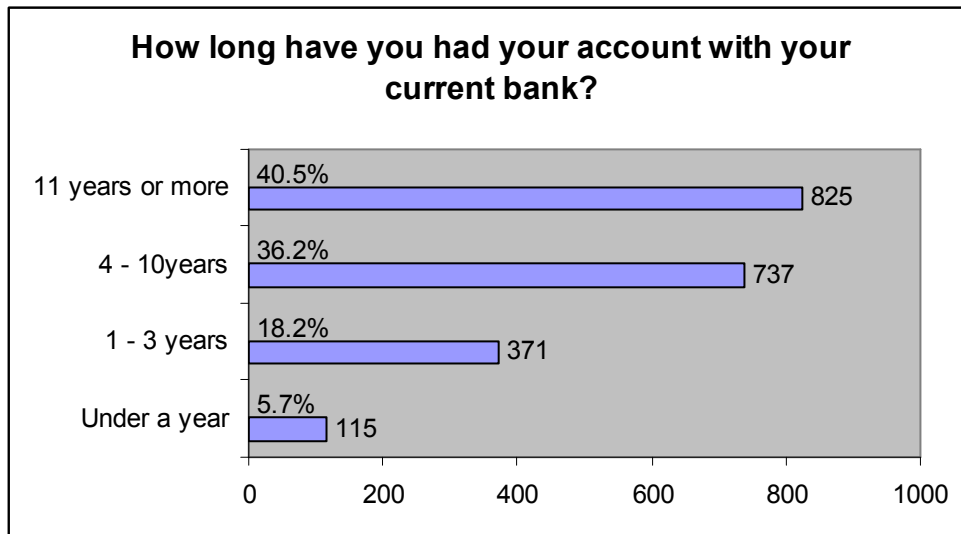


Distribution of banking relationship of sample

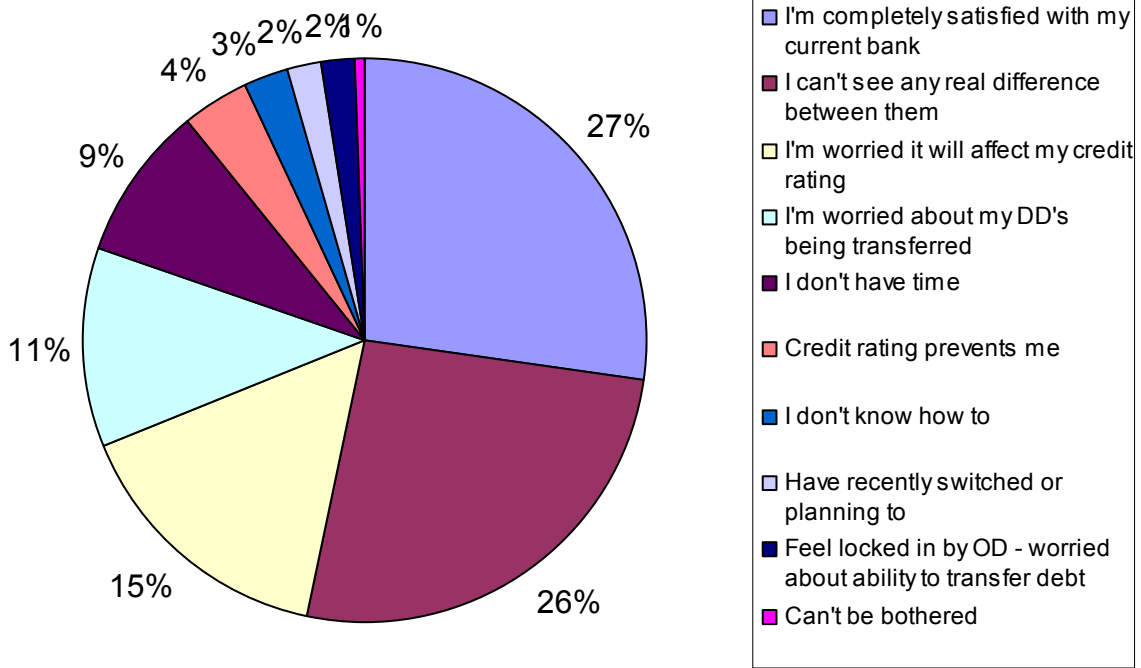


Just over half of the respondents bank with the traditional clearing banks, whilst Halifax have clearly turned the 'Big Four' into a 'Big Five'.

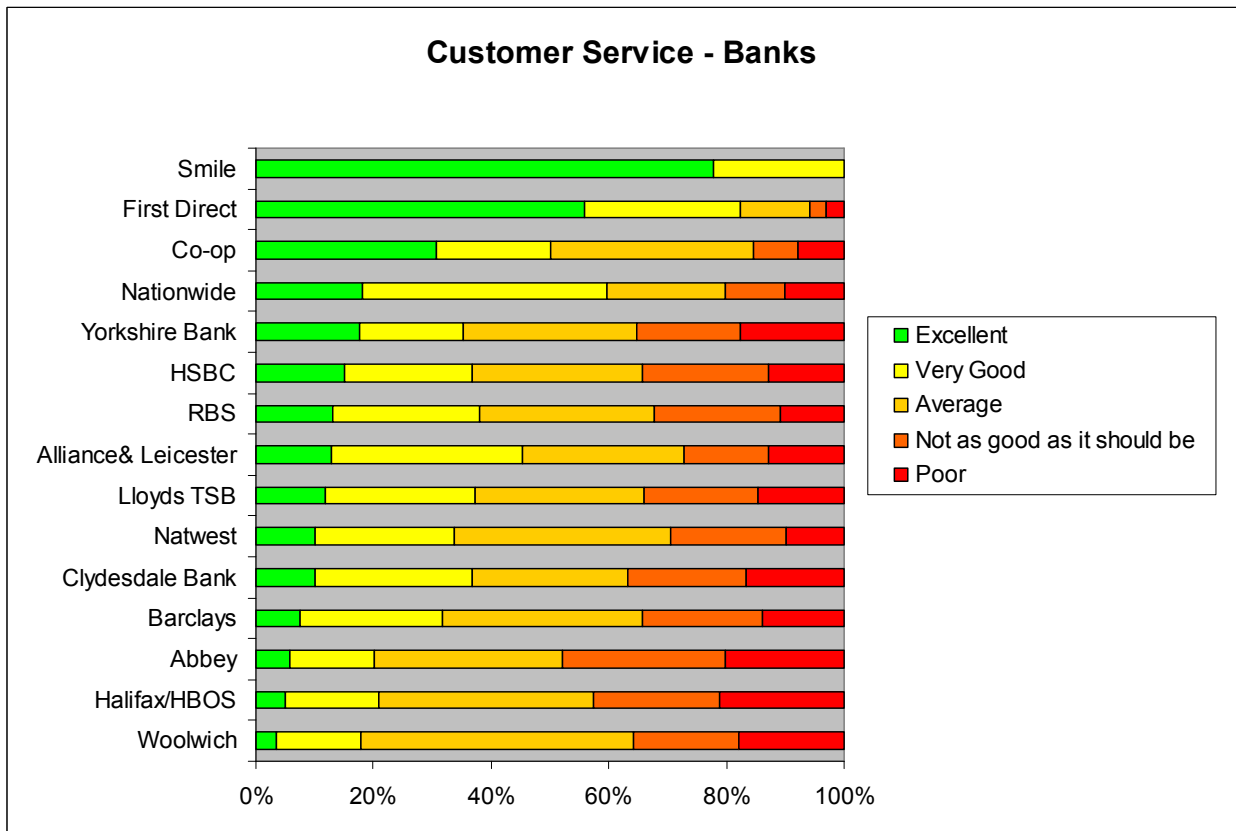
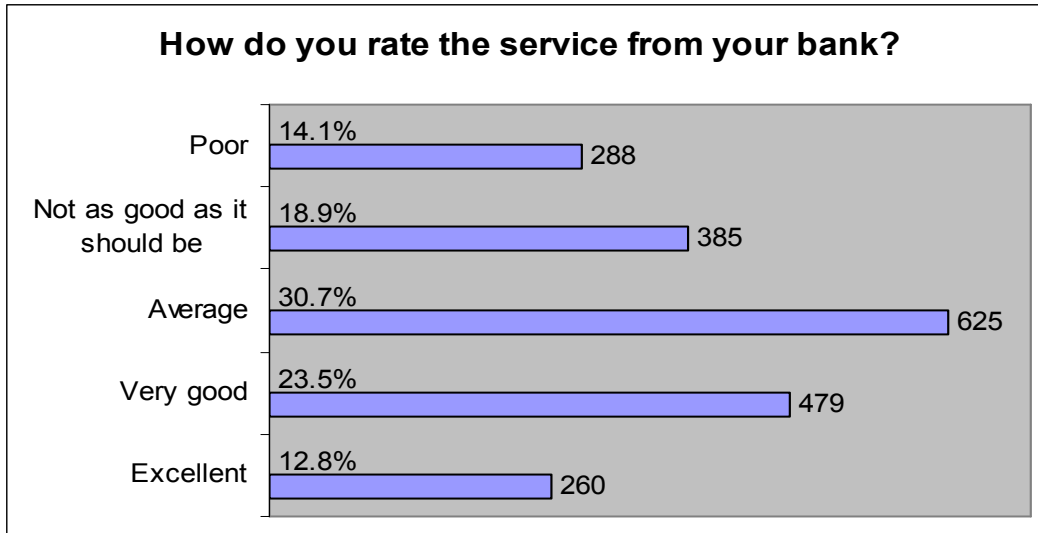
Time in account



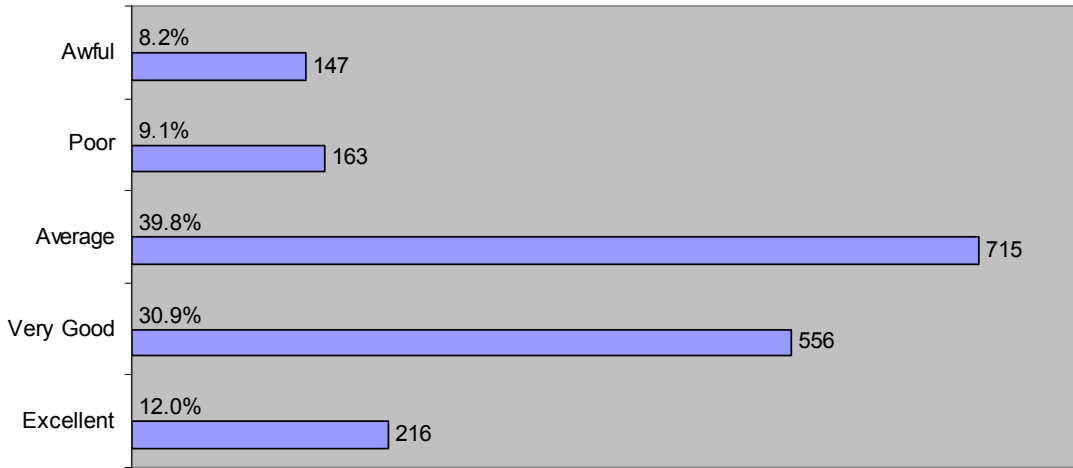
What stops you switching banks?



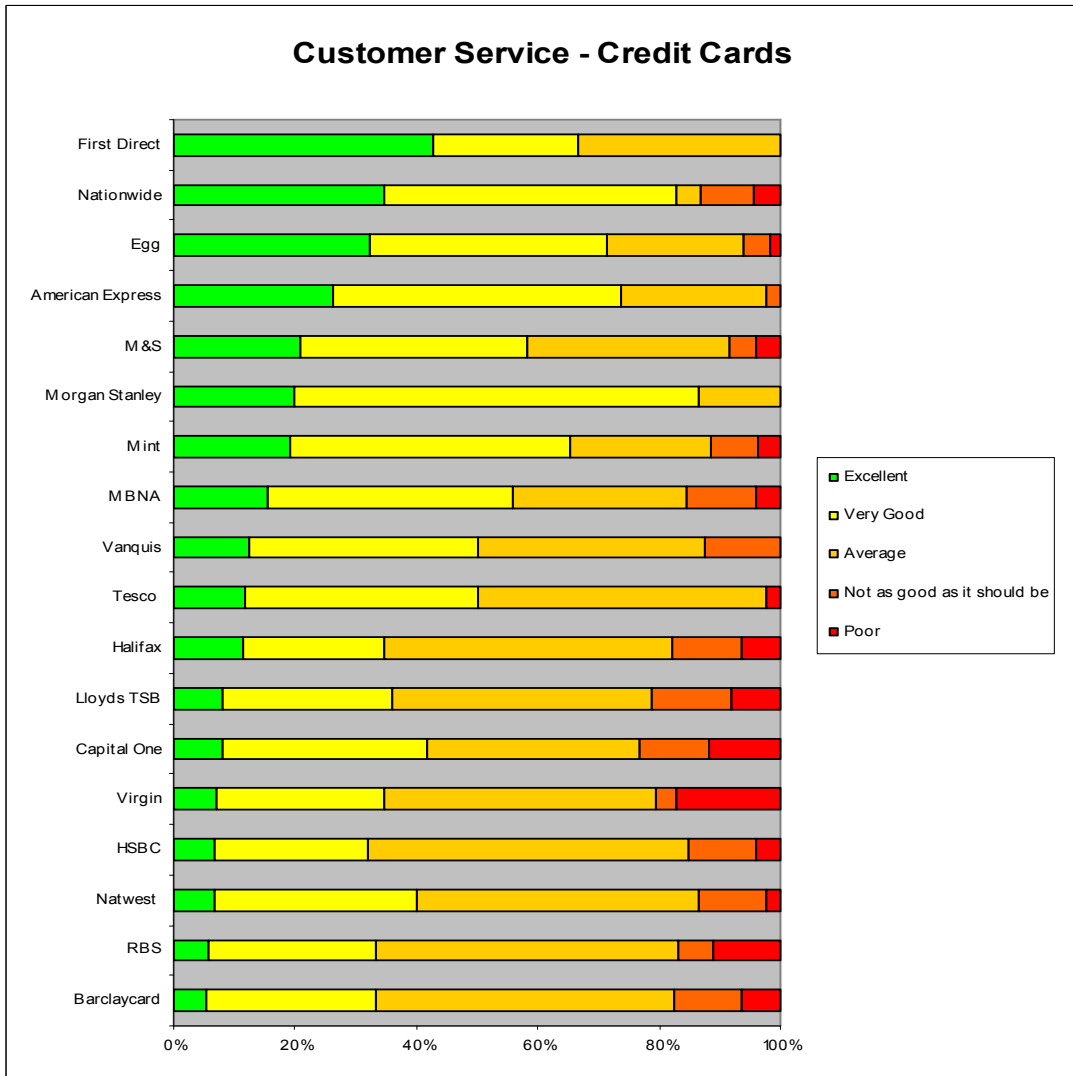
Customer service levels compared



How do you rate the service provided by your credit card company?



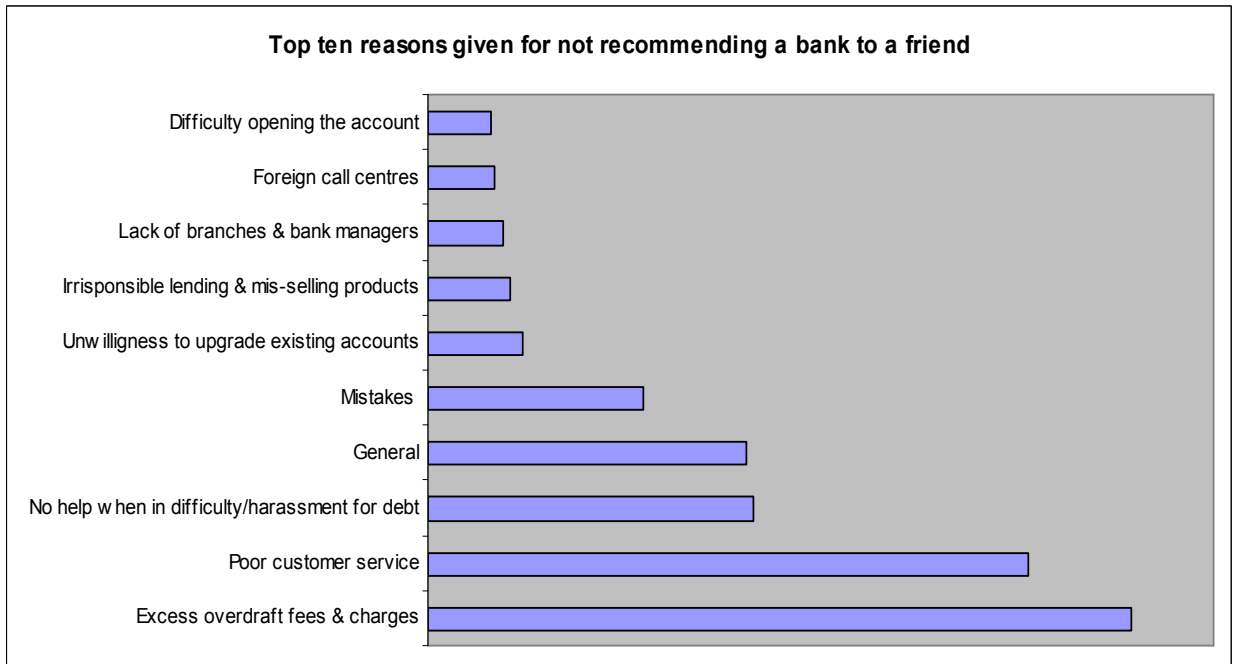
Customer Service - Credit Cards



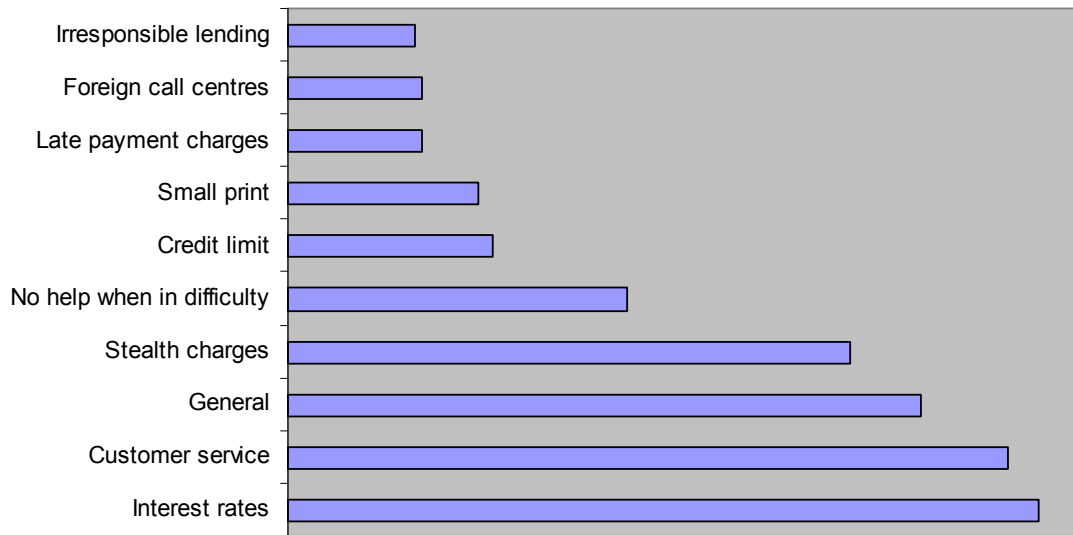
Is there a bank or credit card you would NEVER recommend to others because of your experience, and why?

52% of all respondents had a grudge to bear against a specific lender, up from 42% in 2005.

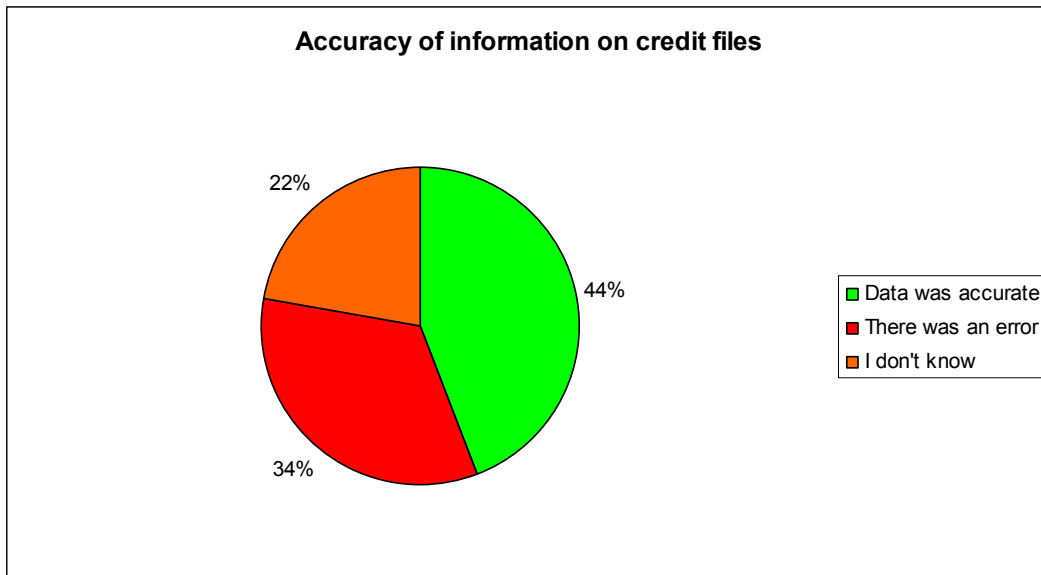
In accordance with the purpose of this survey, we no longer recommend lenders who feature prominently in this section and are preparing reports detailing the issues raised which will be sent to all financial institutions concerned.



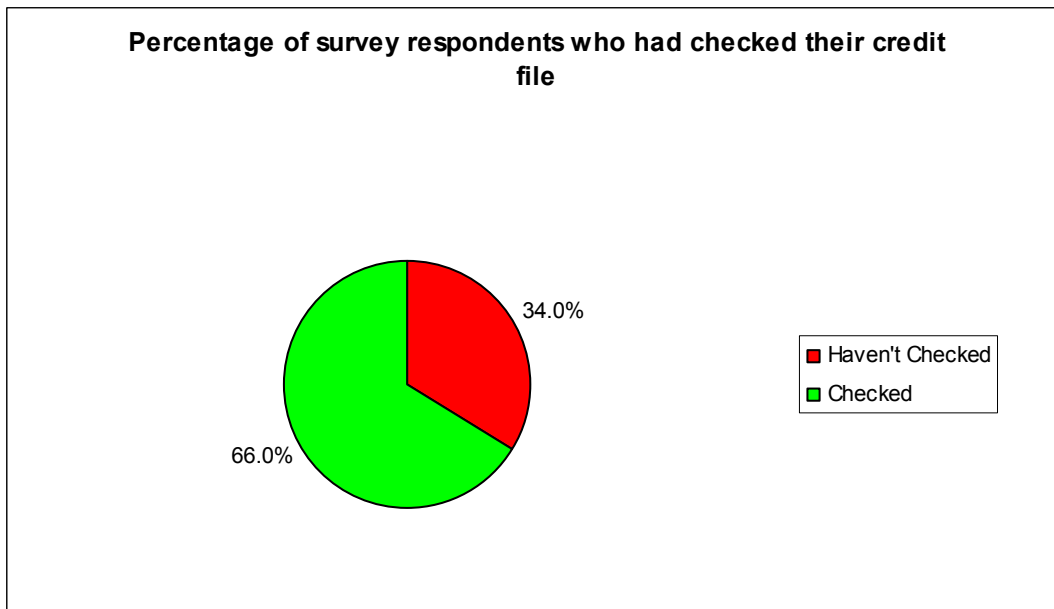
Top ten reasons given for not recommending a credit card to a friend



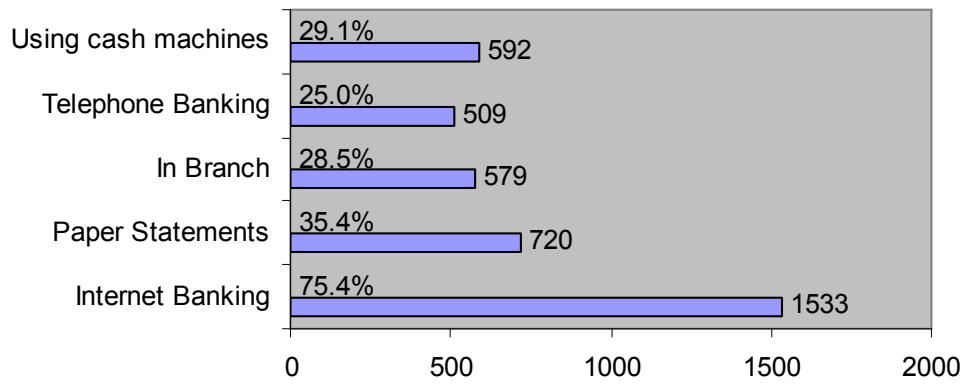
If you have checked your credit file, how accurate was the information lodged by your credit card provider?



Despite one in three credit files containing an error, one in three people have never checked their credit files.



Which methods do you use to manage your banking?



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