

2007 Banking and Credit Card Survey



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 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 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
- To provide free identity theft prevention and identity theft restoration services

About this survey

Each year, 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. This year's prize was a luxury trip for two to Dubai.

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 customers don't pay over the odds.

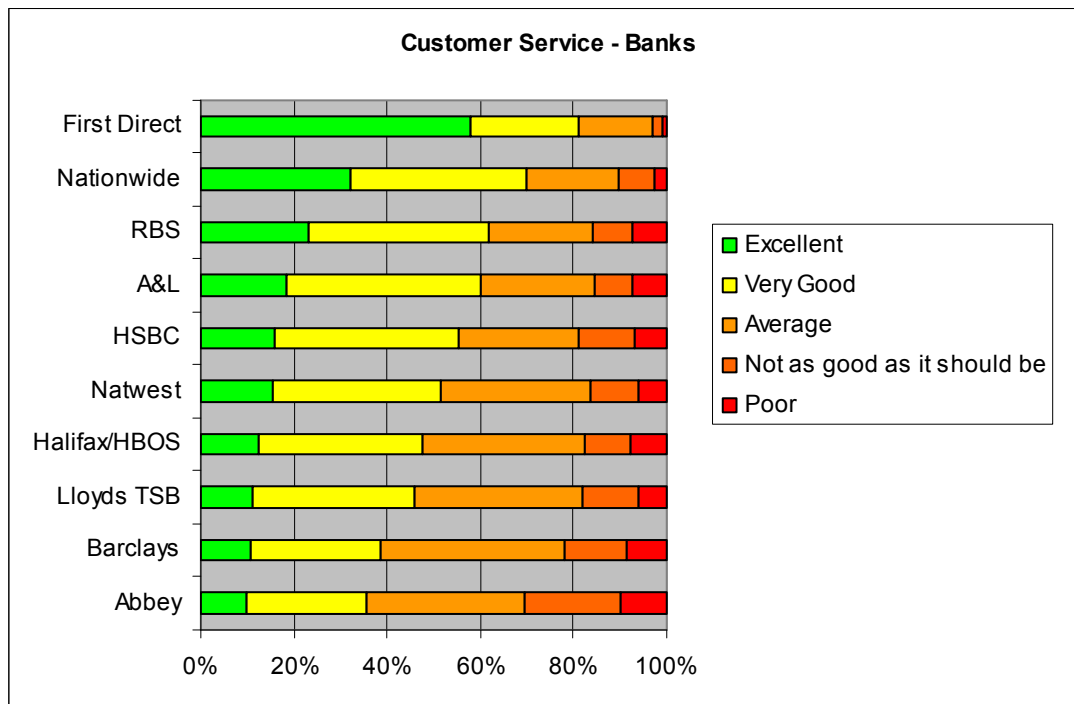
4,749 people took part in this survey. Responses were processed using surveymonkey.com and analysed by Credit Reporting Agency.

This analysis was published on 20 December 2007.

Summary of Survey Results

Customer service from banks has significantly improved since our last survey. 50.8% of respondents now describe the service received from their bank as “very good” or “excellent” - up from 36.3% in 2006.

First Direct leads the way once again, following the successful redesign of their current account earlier this year, with 57.6% of respondents describing the service as “excellent” and 81% as “very good” or “excellent”. Levels of customer satisfaction at **Barclays** fell further amongst those surveyed, leaving the Bank clinging onto their place in the top 10 with 38.7% voting its customer service as “very good” or “excellent”.



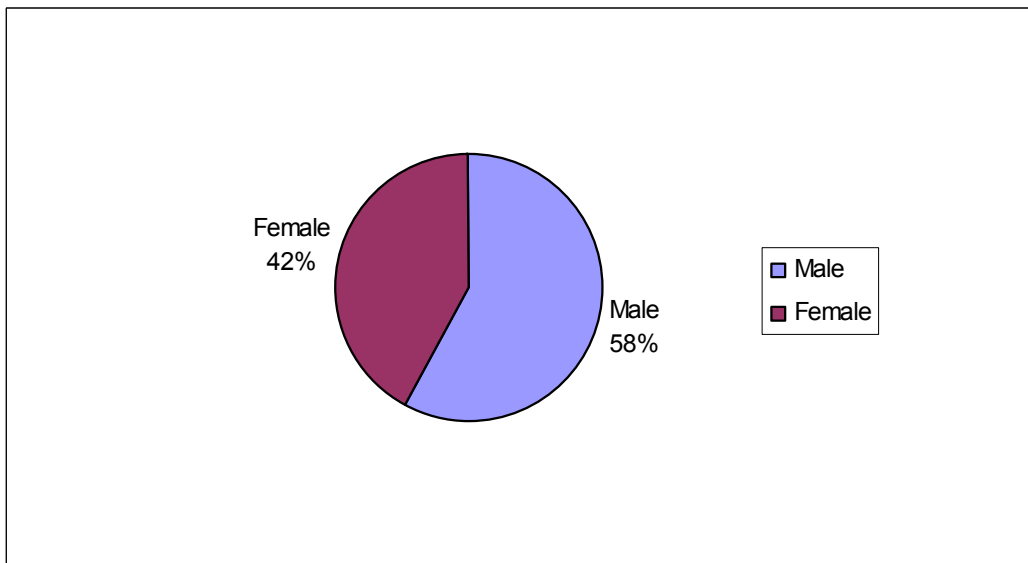
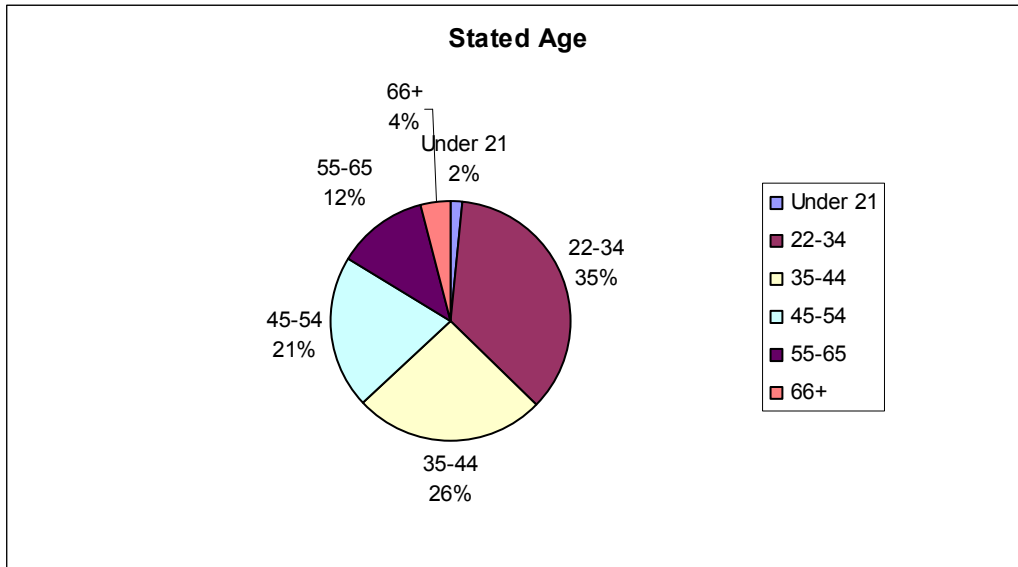
The proportion of people using online banking increased yet again, with 81.4% of respondents now using it to manage their accounts. **The past year has seen particularly large increase in use amongst the over 66 age group**, now 85.4% against 71.1% last year.

Customer service levels amongst credit card providers again varies dramatically from the best to the worst. Overall satisfaction followed the trend set by banks and increased on last year, with notable improvements by **Virgin, Tesco and Marks & Spencer**.

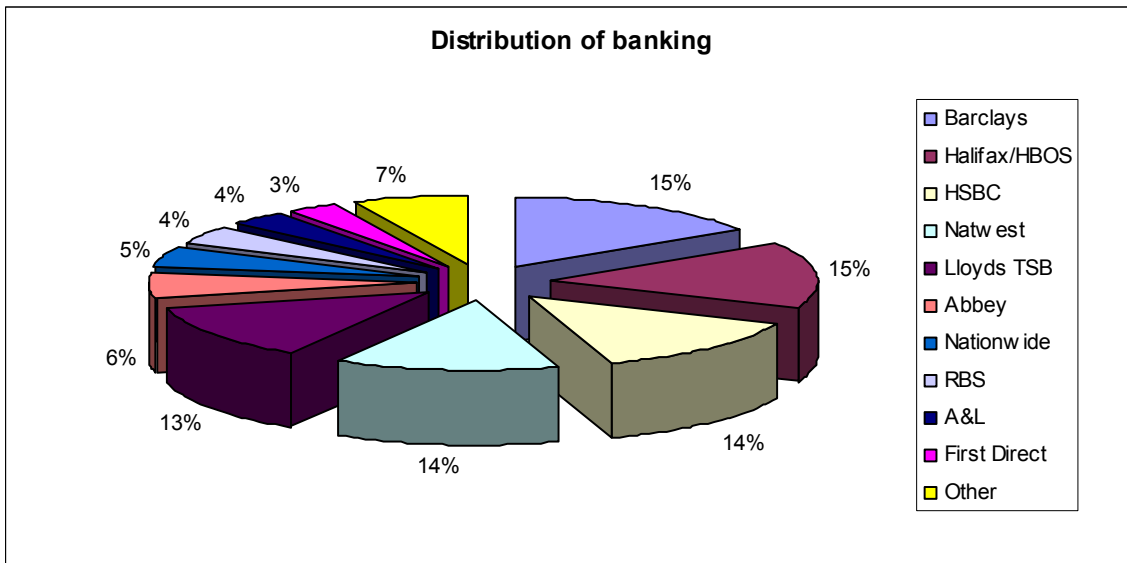
Despite the overall improvement in customer service levels, 45.4% of all respondents still had reason *never* to recommend a particular lender, many holding grudges over a considerable period.

Finally, when it comes to finding new credit, the majority of people – 63.4% - prefer to compare all offers available, rather than go straight to a single lender. **The most important factor for most respondents, when searching for credit, is having the best possible chance of being accepted.**

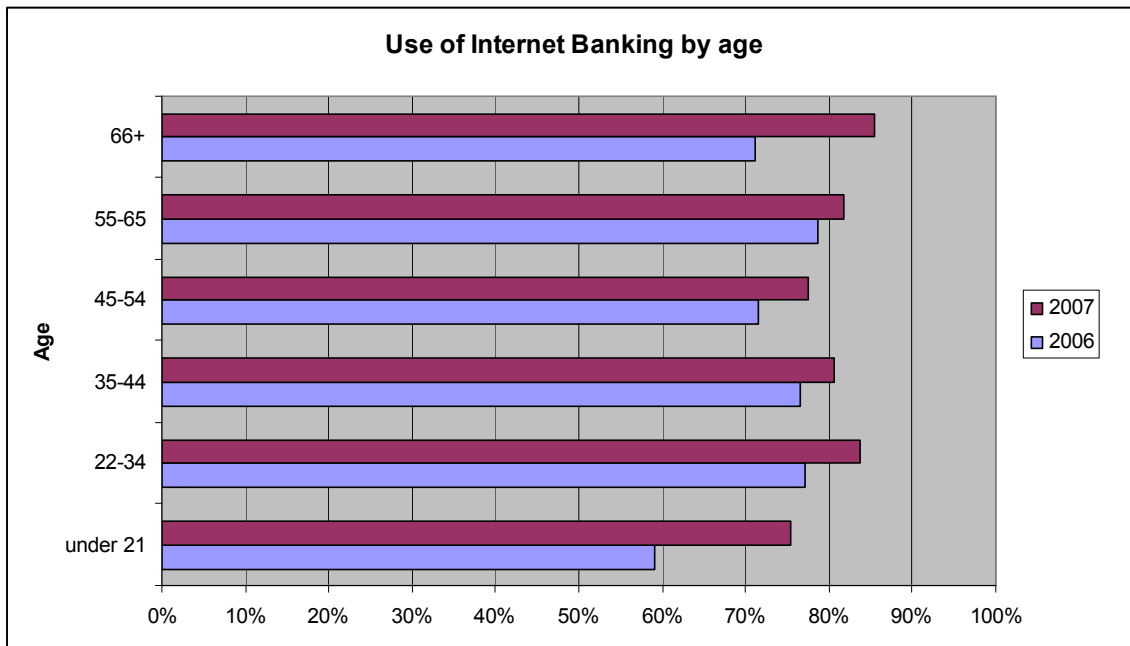
Age and gender distribution of sample



Distribution of banking relationship of sample

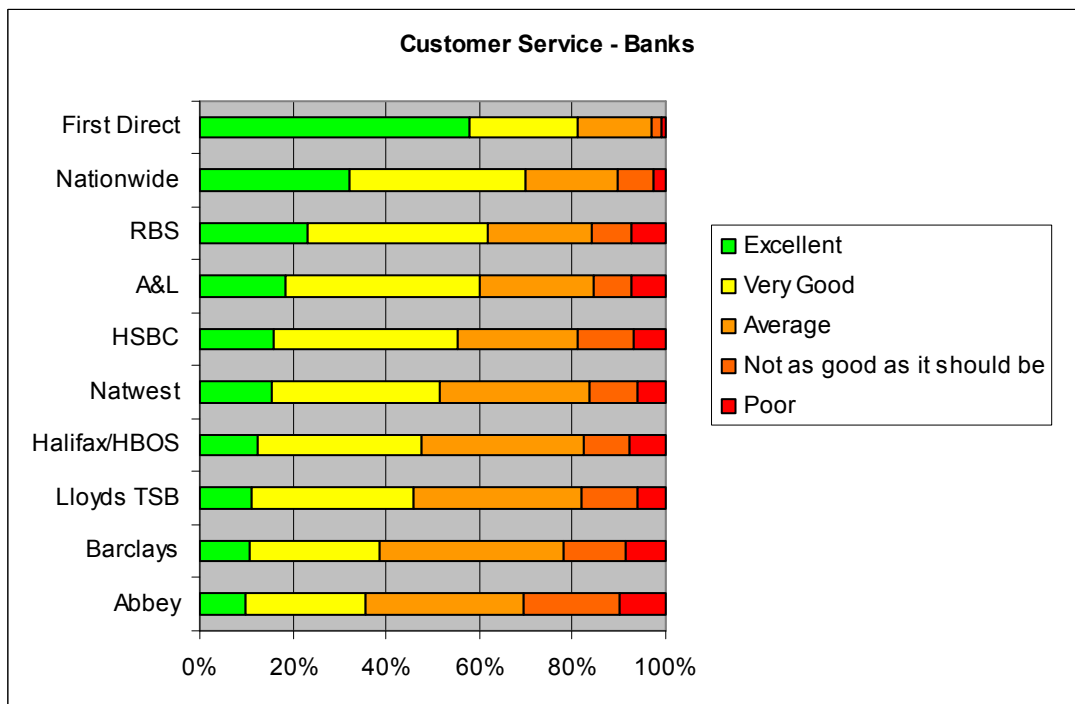
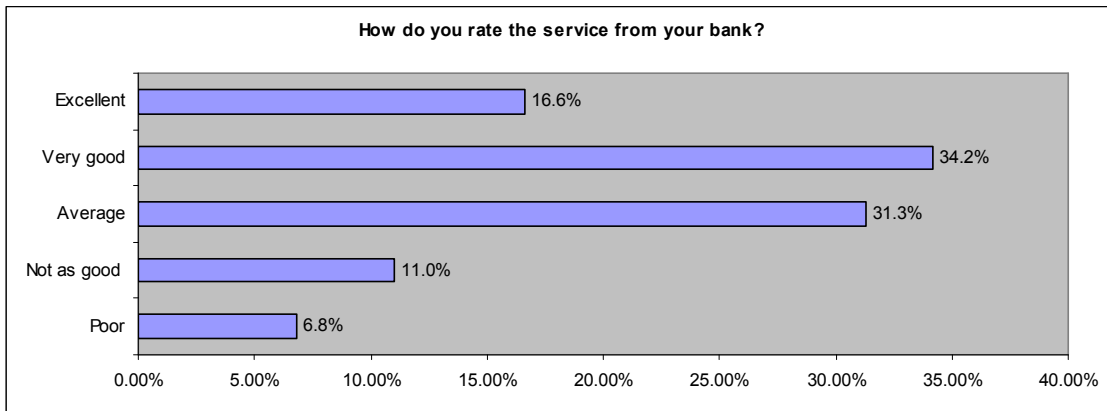


The 'Big Five' has increased overall market share very slightly (up 1%), with Barclays now taking the top spot from Halifax/HBOS – despite the relatively low levels of customer service reported by respondents this year.

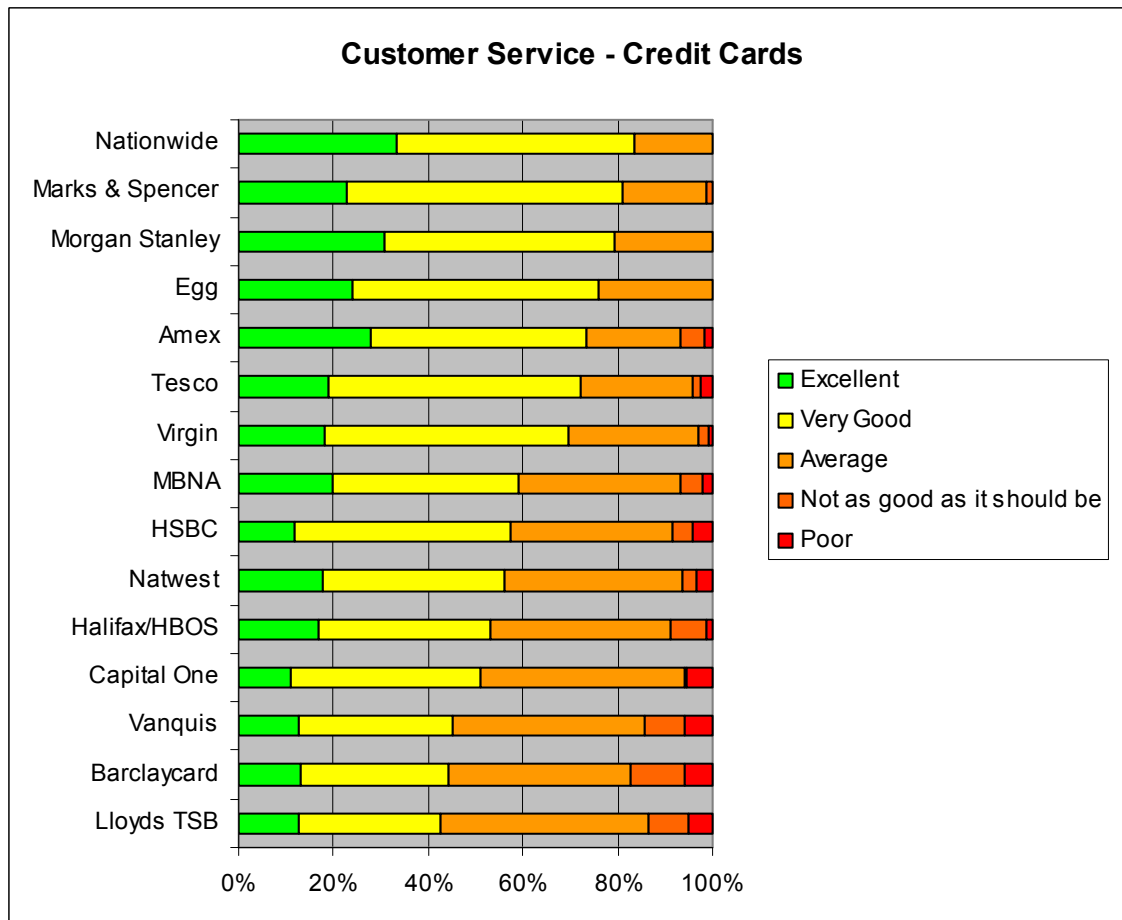
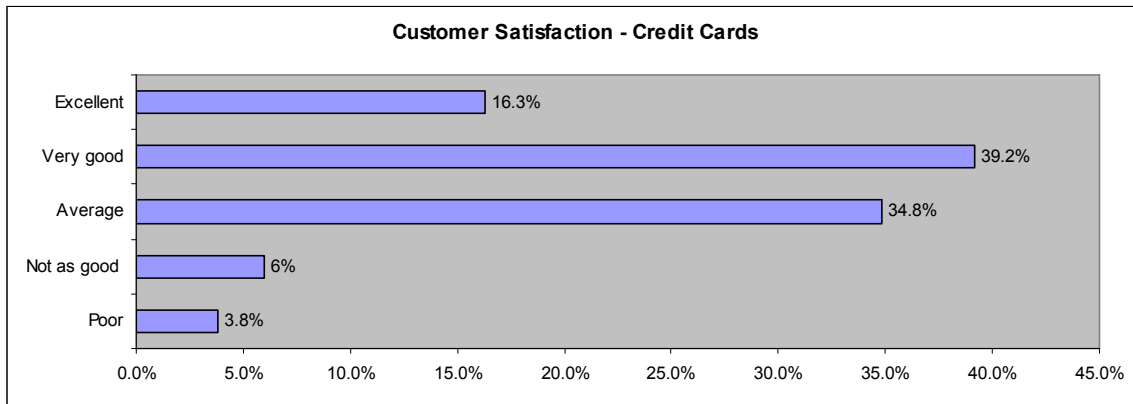


Online banking continues to grow, increasing across all age groups on 2006 levels, despite increased fears over identity theft. 'Silver Surfers' are now the biggest user group, with a significant year-on-year increase, up 14.3%. The largest year-on-year increase, of 16.2%, was amongst under 21's.

Customer service levels compared

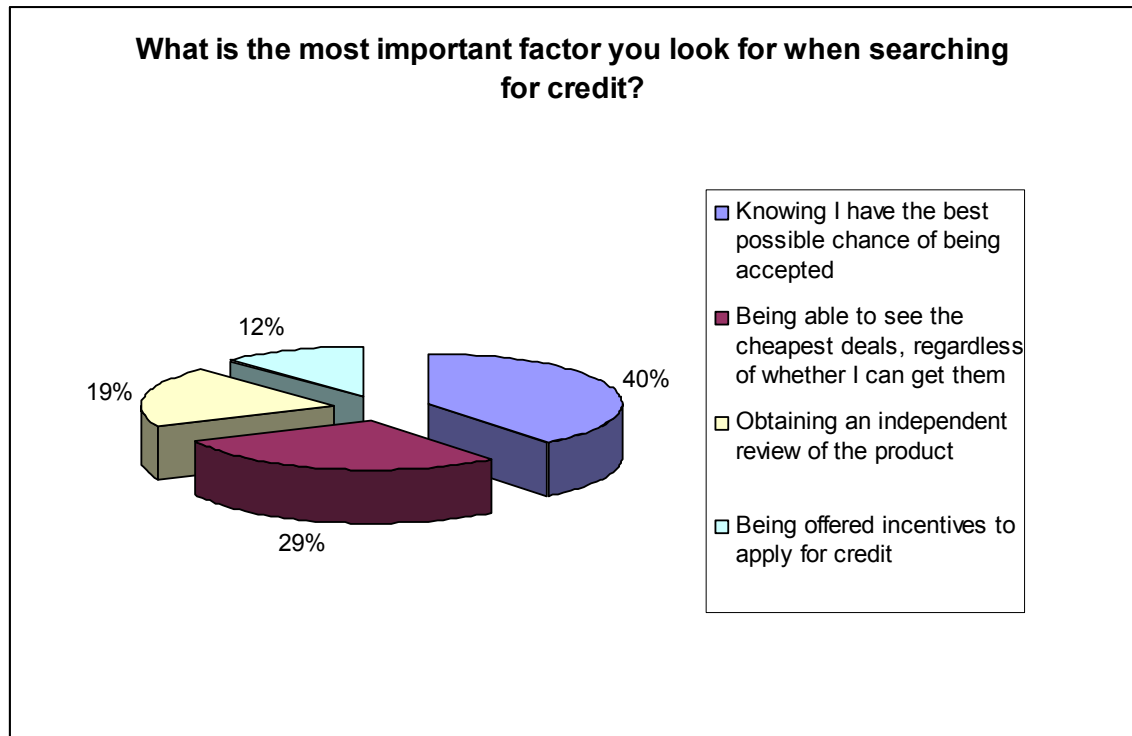
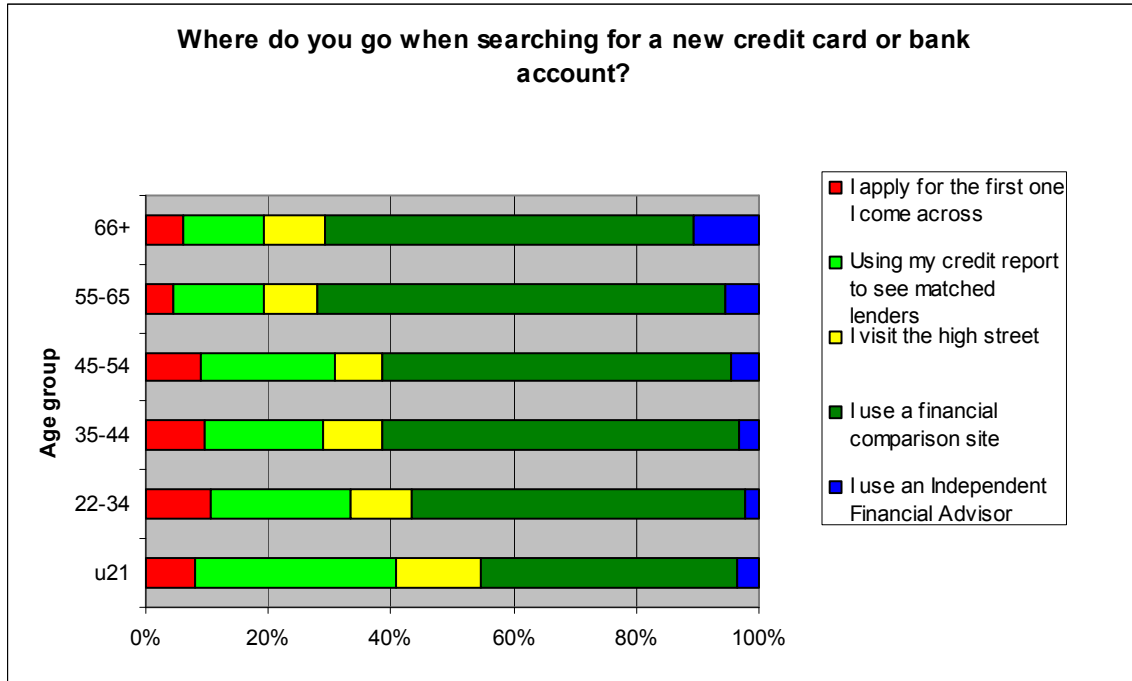


Only banks that received a significant market share are included, in order to maintain accuracy of results.



Despite remaining in a relatively low position in the top 15, HSBC has made the most progress amongst the big lenders, with almost 60% of customers now describing service as “very good” or “excellent”.

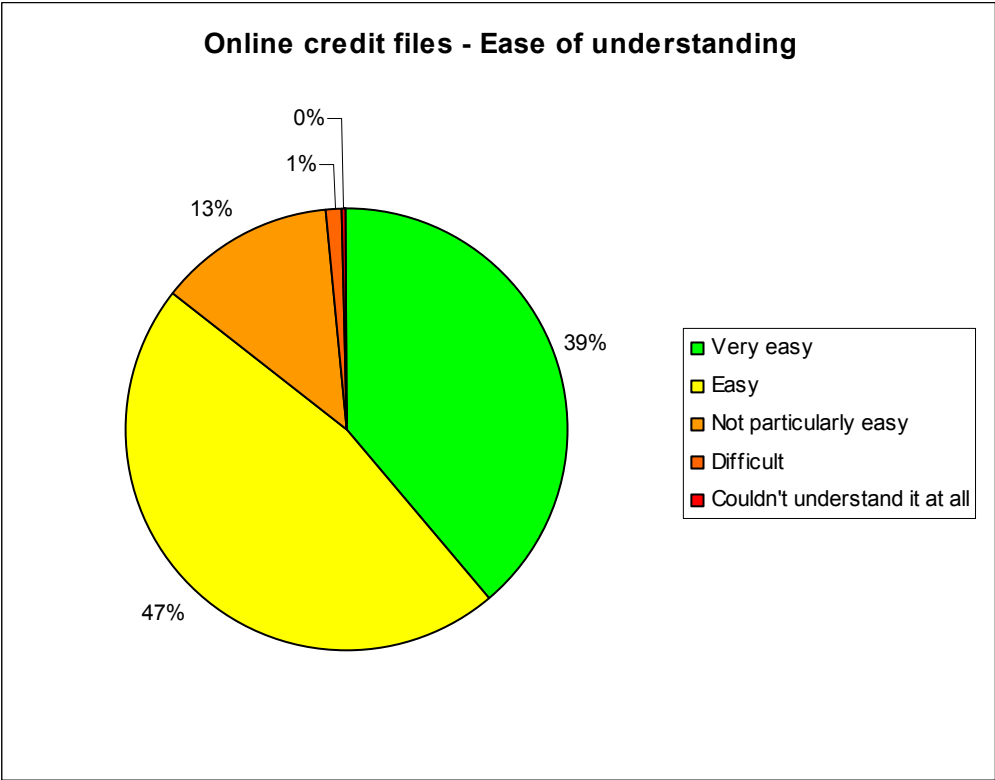
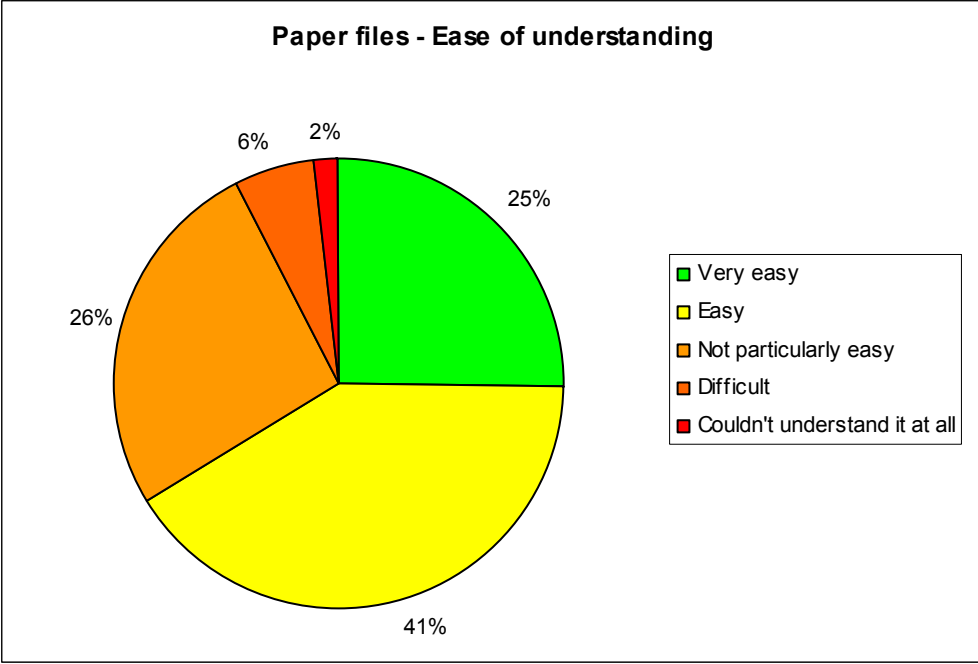
How do people find credit?



Young people are most likely to simply shop for credit in the high street, and least likely to use a financial comparison site. They are more inclined to use their credit report to find their next lender. 55-65's are most likely to use financial comparison sites to find credit. **Overall, the most important factor when looking for credit was an improved chance of being accepted.**

Interpreting the information on credit files

80% of those surveyed had seen a copy of their credit file at some point. Respondents reported a significant difference in the understanding of the information contained on credit files. According to the survey, online credit files are easier to interpret than paper versions.



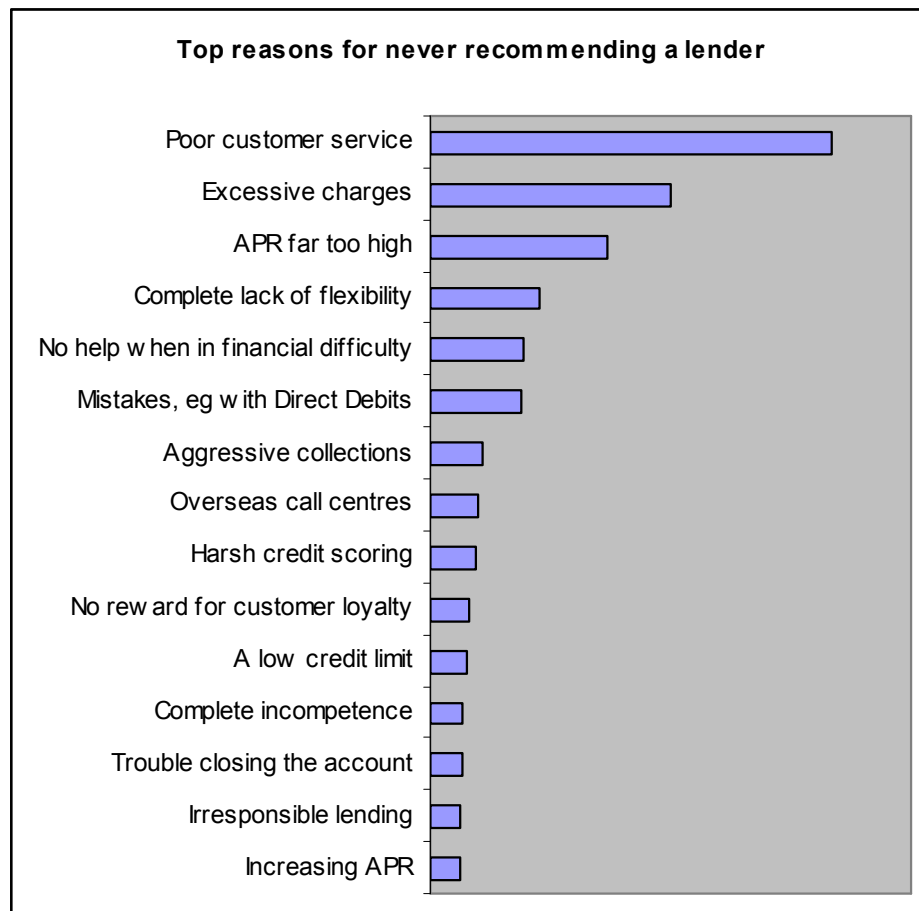
Is there a bank or credit card you would never recommend and why?

Once again, a high proportion – 45.4% of those surveyed - had reason *never* to recommend a particular lender.

Poor customer service takes over from the level of charges as the number one reason, followed by excessive charges and also high APR's.

The financial institutions cited within this section of the survey were broadly representative of market share.

Many respondents reported in detail a complete lack of flexibility, understanding and help when in financial difficulty. In many cases respondents said that this would stop them ever using a particular lender ever again. A significant number of respondents commented specifically that banks exacerbate the problem with the application of inappropriate charges and aggressive collection action.



Need more data?

If you would like any further information please don't hesitate to contact barry.stamp@creditreporting.co.uk or richard.catlin@creditreporting.co.uk