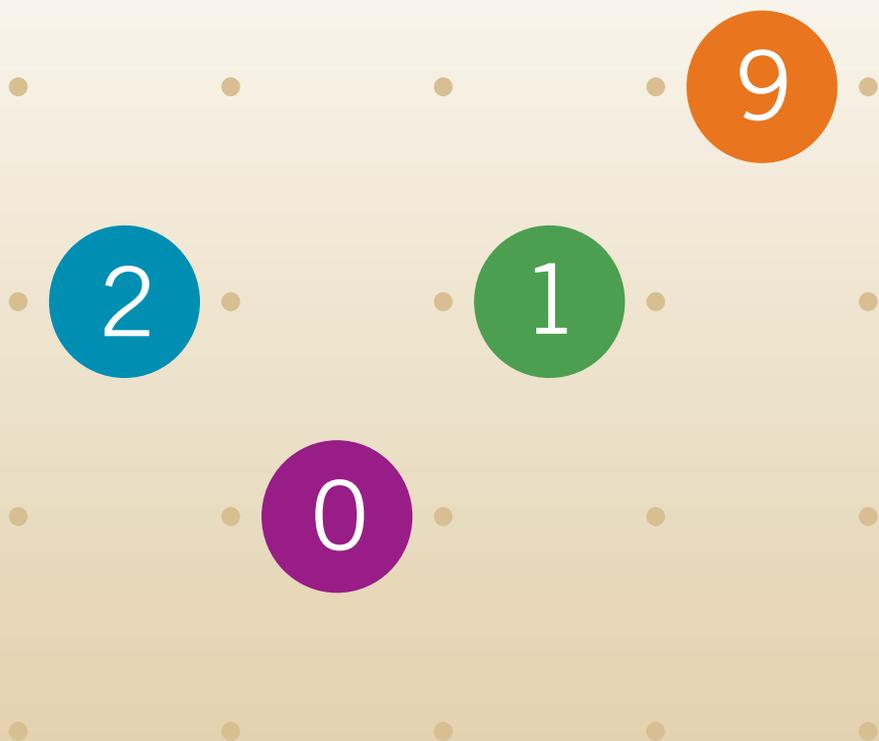
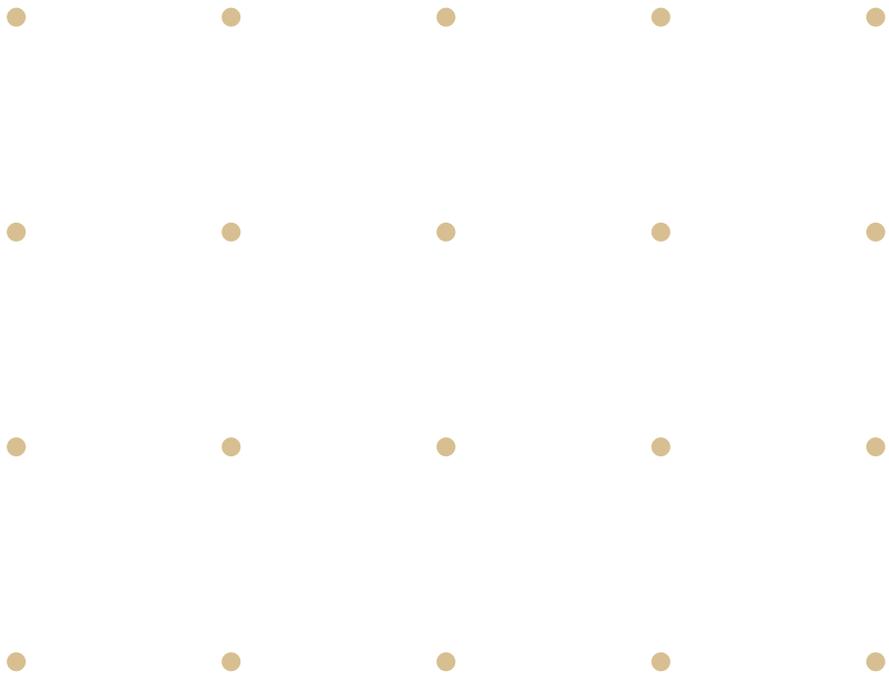




banking  
confidence monitor





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## Preface



Consumer confidence in the banking sector remained stable in 2019. In the five years that banks have been measuring confidence, there has been a (slight) increase in confidence in the sector. The sector is sincerely pleased with this. But we are not there yet. It is true that consumer confidence in 2019 was the same as in 2018: 3.0 on a scale of 1 to 5. At the same time, we are seeing declines in continuously measured consumer confidence at times when the banks make negative headlines. An important signal.

We not only want to score high for expertise and online services, but above all for confidence. The feedback that banks receive from consumers helps with this. Confidence does not depend only on doing the day-to-day work as well as possible, however. Banks – like any organisation – must show how they can contribute to a better world. Consumers also show us the way in that respect. The in-depth study 'Open and honest' (2017) encouraged the sector to seek the stage more often and to speak out. Banks show that they have an eye for the needs of our society. Last summer, for example, banks committed themselves to the government's ambitious climate targets; banks will be measuring and reporting on the CO<sub>2</sub> impact of their investments and financing from the 2020 financial year. This makes them international front-runners. The autumn of 2019 also saw the launch of the Dutch Schuldhulproute (Debt Assistance Route), whereby banks employ their early warning power to prevent problematic debt – another spearhead of the government. The public campaign 'Word ook Aflossingsblij' (Happy with your Repayments) again made its way into Dutch living rooms in 2019 as well.

On the other hand, the sector is working hard to keep out 'unwanted customers': criminals who abuse the financial system to launder criminal money. As gatekeepers of the financial system, banks are increasingly seeking to cooperate in that area, both amongst themselves and with public partners. The first steps for a joint transaction monitoring system were taken in 2019. Money laundering is top of mind at banks and will continue to be so.

The sector continues to dedicate itself to putting the interests of consumers first. The assessment of the Netherlands Authority for the Financial Markets (AFM) also helps banks in this respect. The AFM expects banks to make extra efforts in providing investment services and is calling on banks to continue to effectively approach and encourage action from all customers with interest-only mortgages. The regulator is critical and provides the sector with recommendations on which to work.

The sector feels that ensuring secure, innovative and efficient payment transactions is an important social task. It also lays an important foundation for confidence in banks. That is why this Confidence Monitor contains an explanation of how the sector has managed to anchor the customer's interest in the organisation, facilitation and renewal of the payment system. This anchoring is partly due to legal measures that banks are required to implement. But to a large extent, these are agreements that banks make together, on their own initiative.

People are able to take care of much of their banking digitally, without even going to the bank. There has been a great deal of progress in this area – take contactless payment, for instance. Banks are aware that there are people who are less able to participate in the digital society. It is our ambition to enable as many people as possible to participate and confidently use digital financial resources. Banks are developing all kinds of initiatives to this end. With the exploratory study into 'Financial digital inclusion' in this Confidence Monitor, banks demonstrate that this topic is high on the agenda and that they will continue to work on it in the coming years. Because access to financial services is essential.

Finally, banks believe it is important that consumer complaints are dealt with properly because this strengthens confidence. The lower score for complaint handling means that from now on, we will be asking consumers how we can do better in this area. With the results, every bank can look at how it can help customers with complaints even better. We will also continue to put full efforts into the areas for which we scored well and are appreciated.

*Chris Buijink*  
*President of the Dutch Banking Association*

# About the Banking Confidence Monitor

## Design of the survey

The general section of the Banking Confidence Monitor consists of three elements:

### 1 Confidence & Perception

- The confidence of consumers in their own banks and in the sector;
- how consumers experience the customer focus, transparency and expertise of their own bank.

### 2 Product & Advice

- the extent to which banks give central priority to customers' interests, as investigated in 2019 by the Netherlands Authority for the Financial Markets (AFM) in relation to:
  - cost transparency requirements under MiFID II <sup>1)</sup>;
  - product governance requirements under MiFID II;
  - situation concerning interest-only mortgages;
  - revolving credit;
  - lending criteria.

### 3 Service & Use

- Satisfaction of consumers with online services;
- How consumers experience customer contact;
- How consumers experience complaint handling;
- The availability of online banking, mobile banking and iDEAL.

## Customer interests are the priority in payment products and services

Banks conducted a self-assessment dashboard module for Payments in the 2015 and 2016 Banking Confidence Monitor. The assessment framework for this was determined by the Dutch Payments Association, which also performed the validation at banks offering payment services. The design was coordinated with the AFM.

The scores for payments were high, which showed that payment transactions posed limited (potential) risks for customer interests. That is why the Banking Confidence

1 MiFID II (Markets in Financial Instruments Directive) is a revision of the European MiFID Directive. The objective of MiFID II is to make European financial markets more efficient and transparent and to enhance investor protection.

### Confidence & Perception

- Confidence in banking sector \*
- Confidence in own bank \*
- Customer focus \*
- Transparency \*
- Expertise \*

### Product & Advice

- Cost transparency requirements under MiFID II \*\*
- Product governance requirements under MiFID II \*\*
- Situation concerning interest-only mortgages \*\*
- Revolving credit \*\*
- Lending criteria \*\*

### Service & Use

- Online services \*
- Customer contact \*
- Complaint handling \*
- Availability \*\*\*

\* Source Ipsos

\*\* Source AFM

\*\*\* Source BVN

Monitor did not include any research into payments in the subsequent years. The sector feels that ensuring secure, innovative and efficient payment transactions is as important a social task as ever, however. It lays an important foundation for the confidence that customers have in banks. For this reason, payment services were again included in the Banking Confidence Monitor 2019. In the Payments chapter, the sector explains how the banking sector managed to anchor the customer's interest in the organisation, facilitation and renewal of the payment system in 2019.

#### **Extra: exploratory study into financial digital inclusion**

The 2019 Banking Confidence Monitor also contains the results of an exploratory study into financial digital inclusion. With this study, banks are following the Advisory Board's recommendation that banks could increase the value of the insights in the Confidence Monitor by including an in-depth study of a particular topic (a product, process, problem or customer group), with the ultimate aim of strengthening customer confidence. For this Confidence Monitor, banks researched the topic of financial digital inclusion. The survey was carried out among a small group of people, which makes it more of an orientation than an extensive study. It provides insights into the digital use and self-sufficiency of a number of vulnerable groups in society.

#### **Results from earlier in-depth research**

Results from in-depth research in the past resulted in sector-wide improvements. For example, the results of the first in-depth study 'Open and honest' (2017) provided tools for the sector to claim a positive social role for itself. Banks did this by, among other things, defining actions in 'admitting mistakes and acting accordingly' and by consciously addressing the social interest and the question of how the banking sector contributes to a better society. Among other things, banks learned that they already do a great deal for society, but need to communicate this better. In short, they need to show themselves more.

The second in-depth study, on Debt (2018), was an impetus for the sector to look at how it can make a valuable contribution to preventing problematic and/or risky debt. After all: 70% of the customers surveyed indicated in that survey that they would appreciate it if their bank would contact them in the event of (incipient) payment problems. At the beginning of 2019, this led to the pilot project 'Samen schuldzorgen voorkomen' (Working together to prevent debt problems), in which banks use their unique early-warning power to guide customers with (incipient) payment problems to appropriate assistance. This public-private partnership

between banks, municipalities and partners in the debt domain, including SchuldenLabNL, resulted in October 2019 in the launch of the Nederlandse Schuldhulproute, or Dutch Debt Assistance Route – an upscaling of the pilot – attended by Queen Máxima.

#### **Formation**

The Banking Confidence Monitor was developed by the Dutch Banking Association in collaboration with market research agency Ipsos. The design was put together in consultation with the AFM. The banks that participated in the Ipsos survey in 2019 were: ABN AMRO, ASN Bank, Argenta, BinckBank, ING, Rabobank, RegioBank, SNS, Triodos Bank, Centraal Beheer, LeasePlan Bank, NIBC Direct and Woonfonds. The assessments and recommendations in the Product & Advice chapter come from the AFM. The exploratory research into financial digital inclusion was carried out by Ipsos. The Payments chapter was written on the basis of information provided by the Dutch Payments Association, in collaboration with banks.

# Confidence & Perception

The figures reflect the general confidence in banks. On a scale of 1 (very little confidence) to 5 (very high confidence), the sector as a whole scored a 3.0. This means that consumer confidence in the sector as a whole remained stable, as did the customer's trust in their own bank.

## Confidence in the sector is stabilising

After three years of rising consumer confidence, we see confidence stabilising in 2019. The sector scored 3.0 in 2019, the same as in 2018. It is striking that confidence in the sector fluctuates strongly from month to month during the course of a year. Negative publicity on the sector appears to have a very big impact. The percentage that has a high or very high level of confidence remains roughly the same as the percentage with a low or very low level of confidence. Both percentages are around 20%.

Young people (aged 18-34) expressed the highest confidence in the banking sector. People aged 50-64 have the lowest confidence. People with a low level of education have a relatively high or very high level of confidence in banks (24%). The percentage of consumers whose confidence was low or very low remained the same. That was 22% in 2019, the same as in 2018.

## Confidence in one's own bank is also stable

Confidence in one's own bank scored a 3.3 in 2019. That was also 3.3 in 2018 – significantly higher than the score of 3.2 in 2017. The score for confidence in one's own bank was higher than the sector score this year as well. Customers of small banks were more confident in their own bank than customers of large banks.

## Banking sector a big riser over past three years

The survey also asked about the degree to which consumers have confidence in 11 other sectors. With a score of 3.0, banks occupy sixth place in the sector top 12 and are therefore ahead of the government, insurers and pension funds. The confidence in banks has increased compared to three years ago. The strongest riser over the three years has been health care.



### The score for transparency was lower, while the scores for customer focus and expertise remained the same

Customer focus, transparency and expertise influence consumer confidence in banks. Customer focus has the greatest influence (43%), followed by transparency (39%) and expertise (19%). The score for customer focus was 3.4, the same as last year. Consumers gave a high score – 3.8 - for the individual aspect of ‘follows through on agreements’.

The score for expertise was the same as last year, 3.8. The score for transparency, 3.5, was lower than that of 2018 (3.6). Consumers gave banks in 2019 a lower score for ‘honesty’ – an individual aspect of transparency.

## Product & Advice

⋮ In 2019, the AFM examined a number of banks' products and services on a risk-driven basis. The AFM is investigating whether these products and services comply with laws and regulations and are in the interest of the customer.

### Cost transparency requirements under MiFID II

In 2018 and 2019, the AFM investigated compliance with the cost transparency requirements under MiFID II. Those requirements stipulate that investors receive all relevant information on the costs of a service and a financial product. This allows them to make informed choices. Banks still have steps to take in order to comply with all legal transparency requirements. A large proportion of their customers did not receive a cost overview geared to their personal situation when entering into an agreement or carrying out a transaction. The information they did receive lacked cost types. The AFM also saw differences in how banks dealt with cost transparency and the importance they attached to it. After the investigation, all the banks indicated that they would be taking energetic action to address the shortcomings identified in their transparency towards investors. The AFM therefore expects all banks to comply with the legal requirements by 2020.

### Product governance requirements under MiFID II

In 2019, the AFM investigated product governance at a number of banks offering investment services. The standard requires a bank to look critically at the added value of an investment product before including it in its product range. In addition, for each product, banks must define a substantiated, delineated target group with a distribution strategy tailored to this. They must regularly review this strategy to ensure that the product is not sold to other target groups. This prevents a mismatch between customer and product. The AFM identified a number of important shortcomings at various banks. For example, some banks offer complex, risky investment products without identifying a specific, substantiated target group for these. The AFM also expects a careful distribution strategy for such products. This was often missing, however. The AFM sees that the relevant banks are now taking steps in the right direction to better serve the customers' interests.

### Situation concerning interest-only mortgages

At the end of 2018, the AFM shared its supervisory approach for the situation concerning interest-only mortgages. The AFM focused its approach mainly on the four major banks in 2019. It was agreed with them that they would approach customers who may be exposed to a great deal of risk, which they did. The banks enabled these customers to make an informed decision about their interest-only mortgage. This also gave the banks more insight into the size (and nature) of the situation and what does and does not work in informing and spurring customers on to action.

The AFM will deploy its supervisory approach more broadly in 2020. The four major banks will be approaching their customers with a lower risk profile as well. It is important to the AFM that banks develop techniques and processes to approach different customer groups in an appropriate and effective manner and, if necessary, spur them on to action. The AFM also expects them to continually evaluate and optimise these processes. In doing so, the regulator wants banks to pay particular attention to customers with a very high risk profile who have not yet been reached or have not yet taken action.

In 2018, the AFM also conducted research into early mortgage repayments. This identified shortcomings on the part of several banks. The AFM then looked at the pace and quality of improvements by mortgage providers. Providers who used an incorrect calculation method had to demonstrate that they charge no more than the financial disadvantage and that where this did occur, the duped customers were compensated. The AFM emphasises that manual or partly automated processes entail risks. The problems surrounding the incorrect fees clearly exposed this and the regulator is still constantly receiving signals about this from consumers.

### Revolving credit

The AFM notes that banks have taken steps in the past year to further improve their consumer credit services. Most banks no longer offer traditional revolving credit for new customers. They have also introduced new forms of credit with limited possibilities of repeated drawdown. This is a positive development. Approximately 75% of the total loan portfolio of banks still consists of traditional revolving credit products. The AFM is therefore calling on banks to switch to the safer alternative for existing customers as well. In doing so, they would also be fleshing out a form of preventive management.

The AFM also sees that banks are making serious efforts in relation to their monitoring policy for revolving credit portfolios. This kind of policy is particularly important in identifying and preventing so-called locked-up situations, in which a customer is unable to make the switch. The AFM ascertained last year that many credit providers could make substantial improvements to their management processes. A number of banks now have a model for continuously monitoring the customer's (financial) situation. They are also making other improvements. The adaptation of the Dutch Banking Association's Code of Conduct contributes to this.

### Lending criteria

Preventing overextension of credit remains a priority for the AFM. It is important that people who want to borrow money have enough left to be able to pay their fixed costs and living expenses after paying the interest and repayments on the loan. In 2018, the AFM issued seven warnings to credit providers due to insufficient information collection and prohibited overextension of credit. In 2019, it published a fine for such an offence. The AFM found that there were shortcomings throughout the market, however. That is why the regulator has initiated a process with sector organisations the Dutch Banking Association and the Dutch Finance Houses' Association to evaluate and improve existing lending criteria. A new method for lending criteria is expected in early 2020, which credit providers will have to introduce. The AFM sees this as an important step in preventing people from ending up in problematic debt situations.

### Response from the banks

#### Cost transparency requirements under MiFID II

Banks have worked hard in recent years to further improve transparency about costs to investors. With the introduction of the 'total cost of ownership' in 2015, for example, Dutch banks showed that they were taking the lead in Europe in this respect. The constantly changing requirements regarding cost transparency and the great complexity of the rules were a major challenge during implementation. This contributed to the fact that (European) banks have come up with different solutions to meet the same requirements. This not only creates an uneven playing field for banks, but – more importantly – also very limited comparability for consumers. Banks benefit from clear, reliable legislation and regulations to be able to serve the customer's interests.

Banks consider cost transparency to be an important issue and will continue to implement cost transparency requirements in 2020. The starting point of the banks in this respect is that the information shown must be relevant, correct, comprehensible and in the customer's interest.

#### **Product governance requirements under MiFID II**

Banks believe it is important that investment products meet the customer's needs, so that there is no mismatch between product and customer. In 2018 and 2019, Dutch banks took extensive steps to define a substantiated and delineated target group and a distribution strategy. In 2019, banks drew up an improvement plan and proceeded to implement these plans. Banks will continue with this and take further steps in their product governance policy in 2020 as well. It is important that the rules are in the interest of the customer and that banks continue to be able to offer their customers suitable products.

#### **Situation concerning interest-only mortgages**

The banks enable all their customers to make an informed decision about their interest-only mortgage. The core of the approach is the (free) informative dialogue that is available to all customers and to which customers are invited. The major banks approached 350,000 customers in 2019, 60,000 of whom in a personal meeting. The majority of the customers approached come from the group with the highest potential risk. All customers remain part of the structural customer approach to be set up, even if they do not initially avail themselves of the possibility of an informative dialogue. Banks also continued the 'Word ook aflossingsblij' [Happy with your repayments] campaign in 2019.

With regard to the fees for early mortgage repayments: following the AFM investigation, the regulator ascertained that the majority of providers 'comply with the law and do not charge consumers more than the financial disadvantage'. Banks also stress that to the extent they used any incorrect calculations, almost all of these have now been corrected. The guideline from the regulator gives banks and customers clarity on how the fee is to be calculated.

#### **Revolving credit**

The sector has improved its consumer credit policy in recent years, partly on the instructions of the AFM. Policy on revolving credit was a focal point in that regard; customers are helped if it turns out that a loan is no longer a good match for them. The Dutch Banking Association also wants to introduce starting points on the sector

level in 2020. This allows banks to help customers if they have certain problems with their revolving credit.

#### **Lending criteria**

When providing loans, banks adhere to various codes and standards in order to arrive at a responsible credit limit (RCL) by means of a method. Using the method, banks look at the customer's financial situation and use standard figures from Nibud to arrive at a responsible credit limit for customers. Nibud's figures are revised each year and also submitted to the AFM. The Dutch Banking Association and Dutch Finance Houses' Association are working together with the AFM and Nibud on a process to update this method. An important discussion here is the extent to which banks are allowed to obtain customer data for lending purposes; the Dutch Banking Association has asked the AFM to discuss this with the Dutch Data Protection Authority (Dutch DPA).

## Service & Use

The figures for Service & Use show customer perceptions of contact with their banks and the use of online services on a scale of 1 (disagree) to 5 (agree). In 2019, a growing number of customers indicated that they use their mobile or online banking to take care of their day-to-day banking easily and without a hitch. Fewer customers sought contact with a bank employee, while chat contact continued to increase.

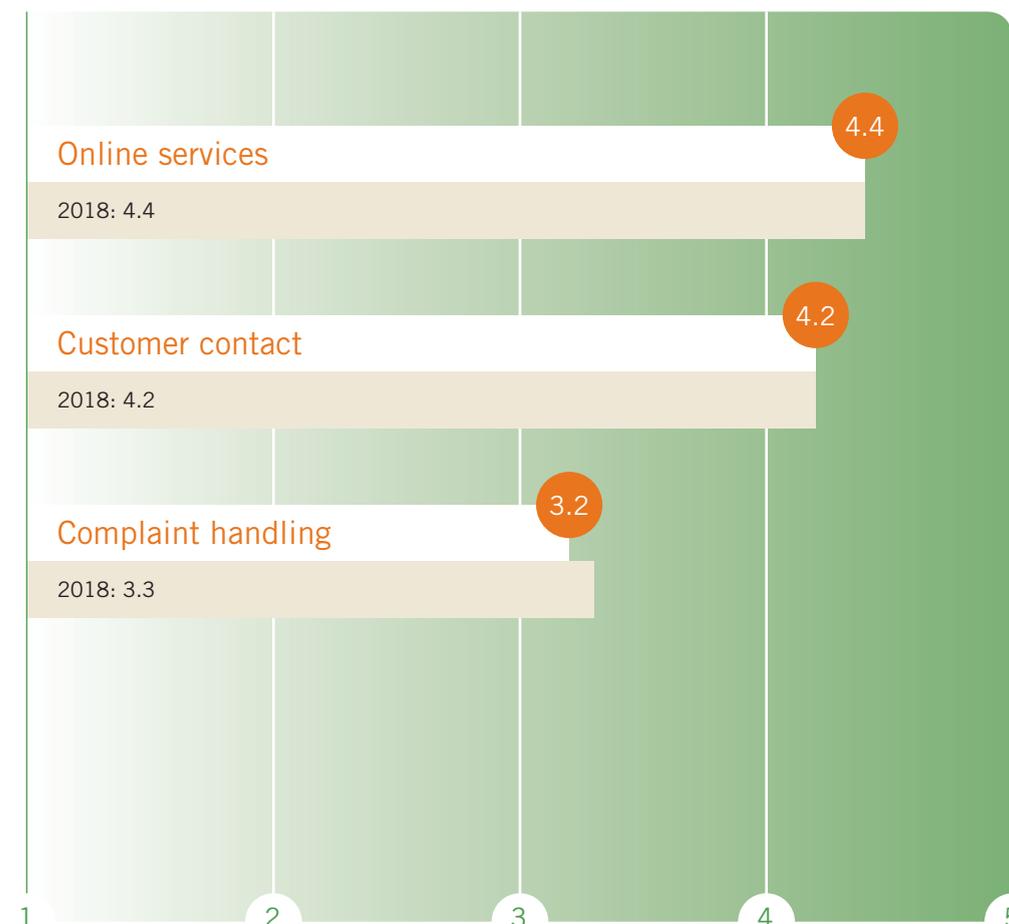
### Banking online easily and without a hitch: high, constant level

The number of customers who use mobile banking continues to rise: from 64% (2018) to 74% in 2019. The percentage of customers who use online banking was also 74% in 2019. That was higher in 2018: 80%. Customers find both mobile and online banking extremely convenient. 'I can easily take care of my day-to-day banking using the mobile banking app'. 52% (2018: 49%) of customers fully agree (and 39% 'agree'). The scores for online banking show the same picture. Mobile banking and online banking also score highly for 'banking without a hitch': 4.4. 'I can easily find the information I want on the website'. Almost 80% of customers surveyed agree or fully agree with this. The sector score is 4.0. As a result, customers' appreciation of the online services provided by banks is at a high, constant level. Availability figures for online services and iDEAL also rose. The sector scored 99.87% for iDEAL.

### Less contact with an employee

The number of customers seeking contact with an employee continued to fall in 2019. 20% of consumers had contact with a bank employee. This increasingly takes place via chat or video chat: 14% of the contact takes place via chat or video chat. That was just 2% in 2015. Customers who seek contact with an employee indicate this has become more difficult: the score of 4.2 for the individual aspect of 'ease' was significantly lower than the score in 2018. Somewhat fewer customers than last year said that their questions had been effectively handled through contact with a bank employee.

<sup>2</sup> This sector score is the weighted average over the period from the third quarter of 2018 up to and including the second quarter of 2019, as calculated and published by Currence.



### Availability as a %



### Complaint handling: balance between satisfied or very satisfied/dissatisfied or very dissatisfied

The number of customers who submitted a complaint was 2% (same as in 2018). Almost 40% of this group is satisfied or very satisfied with the bank's resolution of the complaint. On the other hand, almost 40% is dissatisfied or very dissatisfied. The customers who submitted a complaint indicated in 2019 that this was somewhat less easy than in 2018: the score for ease was 3.2 (2018: 3.4). Banks also scored lower for 'the handling of my complaint was taken seriously' (2019: 3.2; 2018: 3.3). Around half of those who submitted a complaint felt it was easy and felt they were taken seriously in the handling of the complaint.

## Payments

... In this chapter, the sector explains how the banks managed to anchor the customer's interest in the organisation, facilitation and renewal of the payment system.  
...

### Virtually always available

Virtually every Dutch adult has a current account. This means that virtually everyone in the Netherlands can participate in the payment system. They can count on a payment system that is virtually always available, without too many interruptions: the availability of online and mobile banking is well over 99%. Banks work together on this and with other parties, such as payment service providers. So that everyone can pay securely and easily in a way that suits them.

### Accessible for everyone

In the Netherlands, access to a current account is regulated by the European Payment Accounts Directive (PAD). This prescribes that every EU citizen must have a (basic) current account in order to be able to participate in society. But what about people whom banks can or must turn away because of their situation? For example, people without a permanent place of residence or address? Or people who have been convicted of a financial crime and therefore pose a risk to banks? Banks take on their social responsibility by guaranteeing access to the payment system for all, going beyond what is legally required of them. Together they concluded the Basic Banking Services Covenant. This ensures that specific groups of consumers can also be given a basic bank account. For example, homeless people, people with serious addiction, psychiatric and/or debt problems. But also people for whom one or more legal grounds for refusal or termination of a current account apply. Take, for example, people who have been convicted - or suspected - of a financial crime.

### Low costs for the consumer

The Netherlands' social costs for cash and debit card payments together are among the lowest in Europe. An important reason why the Netherlands has emerged as one of the most efficient countries is that consumers here pay efficiently and, for example, pay by debit card relatively often. Banks, together with other stakeholders, have actively contributed to this. With, among other things, public campaigns to stimulate that. For consumers, it means that the rates for (using) a current account

are also among the lowest in Europe. Consumers who want to know how much they pay for their bank's payment services can easily find the rates, on their bank's website, among other places. Every bank puts this information together in accordance with the requirements of the European Payment Account Directive, so that consumers can easily compare and choose.

### Consumer choice

Consumers can choose for themselves how they want to use their current account. Online and mobile banking are on the rise; consumers can pay anywhere and anytime via computer or smartphone or tablet. Even for people who are unable or unwilling to use digital means, access to the payment system remains guaranteed. Furthermore, banks continue to ensure that consumers have enough cash points, and enough points for entrepreneurs to deposit cash. Banks also pay constant attention to the interests of special user groups, such as the elderly, people with disabilities and people with low literacy levels. A forum to discuss this collectively with interest groups is the Working Group on Accessibility and Accessibility of the Social Consultation on Payment Transactions (Maatschappelijk Overleg Betalingsverkeer (MOB))<sup>3</sup>.

### Consumers are protected (as much as possible) from risks and surprises afterwards

Consumers who participate in payment transactions are exposed to risks. Actively protect consumers and inform them on how to protect themselves. These are topics which banks are constantly working on - and to good effect. In order to reduce the risk of fraud and customer error, virtually all banks have introduced the IBAN Name Check. This helps customers to check for themselves whether an IBAN entered in online or mobile banking corresponds to the party they expect. Consumers are also protected against another risk: unauthorised or unwanted direct debits. They have the latitude to easily reverse direct debits. The customer's interest is also safeguarded in the event of misuse of the bank card. Since 2019, the consumer's excess in the event of loss or theft of their bank card has been scrapped. Customers can also easily manage their own excess on their bank card. They can set a withdrawal limit and also easily manage settings for card use outside Europe, for instance. Since 2014, banks have set bank cards to 'use within Europe' as standard; together with the introduction of the EMV chip on the bank card, this has

led to a sharp drop in losses due to skimming.

The banking sector also works together closely to educate consumers, for example, via campaigns about secure (digital) banking, preventing phishing and handling the payment card securely. The sector has also worked with the Consumers' Association to draw up uniform security regulations for consumers. This way, it is clear to every consumer what they can do to make safe use of the bank's payment services, and what they can expect from their bank, regardless of what bank they use.

### Optimal insight

For digital users, banks provide real-time insight into balances and transactions; banks also provide access to the account history. As a result of discussion in society about the clarity of information in statements, the sector is taking steps to clarify, where necessary, the name of the beneficiaries (retailers, online retailers, catering establishments, etc.) on statements for users. The availability of the banks' digital environment is subject to high statutory minimum requirements. Banks report on this via their own websites and via the website of the Dutch Payments Association.

### Support and complaint handling

Banks have established internal procedures for handling complaints. Consumers with a complaint about payment transactions at their bank can report to the bank in question. Complaints can be submitted and handled digitally. But if necessary, personal contact with a bank employee is also possible. If the customer and bank cannot resolve the issue, the consumer can submit a complaint to the dispute committee of the Financial Services Ombudsman (Kifid).

<sup>3</sup> The MOB is chaired by DNB and focuses on promoting the social efficiency of the Dutch payment system. The MOB is a broad collaboration between parties representing providers and users in the payment system. The Ministry of Finance participates in the MOB and its working groups as an observer.

## Exploratory study

# Financial digital inclusion

**Society is increasingly digitalising, as is the banks' financial service provision. Digital services offer many opportunities to help groups take care of their banking more easily. Important advantages of digitalisation for the consumer include: speed, convenience and the sense of being in control. People are able to take care of much of their banking digitally, without even going to the bank.**

According to the government, 2.5 million Dutch people have difficulties with digitalisation. Banks are aware that there are people falling between the cracks in the digital society. Banks are already taking people who are less able to keep up with the digital society into account to a great extent. It is our ambition to enable more people to participate in society, and to feel confident about using digital financial resources. Because having access to financial services is important. If someone does not have access, they must rely on others to arrange their finances, while many feel this is private matter. Moreover, people like to keep control of their money themselves.

Banks are undertaking many initiatives in the field of digital inclusion. Banks make their products and services as accessible as possible for people with physical disabilities, for example. They help people who are less digitally skilled get started, for example by having them practice with a coach, either at home or at a branch. For people who really cannot manage it, the more traditional bank avenues are still open. But are there vulnerable groups which banks might not be aware of, despite their current efforts? And if so, can the sector do anything for these groups?

### About the study

The choice was made for an exploratory qualitative consumer study into financial digital inclusion. In the first phase of the study, a number of articles, studies and experts were consulted. This showed that the key groups that are unable to participate or have difficulty participating in the financial society are: the functionally illiterate, young people with a low level of education, people with disabilities (physical, auditory, visual and cognitive), low-income people and the elderly.

It emerged from interviews that a lack of computer skills, internet knowledge and confidence in one's own digital abilities are some of the main causes for why these groups of people are unable to participate or have difficulty participating in the digital society. Another important reason is functional illiteracy: having difficulty reading and understanding texts, which makes searching for and finding the right routes and information difficult. On the basis of this first phase, it was decided to focus the exploratory research on these four target groups: the elderly (65+), the functionally illiterate, people with a mild intellectual disability and young people (aged 16-24) in practical/special education.

This qualitative research was an exploration of the needs of these target groups. Experts emphasised that this could best be done through personal interviews. The second phase of the study therefore consisted of in-depth interviews with 17 respondents from the four target groups. For the target group of young people with a low level of education, a professional in guiding this target group ('plus coach') was interviewed.

### Exploratory study into digital use and self-sufficiency

#### Elderly people

- Elderly people use digital resources such as smartphones and computers a great deal. It is striking that they use these mainly as a means of communication (for emailing and phoning); this target group hardly makes use of any apps.
- There are many differences among the people in this target group. Some elderly people are digitally (very) self-sufficient. For others, 'digital' equals 'fear'. Anything digital is avoided. Some older women within that group are often still dependent on others; the man arranges (or arranged) the banking matters, digital or otherwise.

#### Functionally illiterate

- Some in this target group have a smartphone and use (some) apps, especially the voice-activated functions. This group makes less use of the computer because it is more difficult to use and websites are more complex.
- Here, too, there are great differences in self-sufficiency among people in the target group. For some, reading and writing (including typing) are both difficult, others only have difficulty with writing. Filling in forms proves to be an obstacle. This target group also often experiences digitalisation as even more of an obstacle ('things are already difficult, and this makes them even more difficult').

#### **People with a mild intellectual disability**

- This group uses either a smartphone or a computer; they prefer to continue using whatever it is they started with. They are open to digital use in simple language. But change and innovation are confusing for this group.
- Many people do not take care of their own banking; family or a guardian does this for them. There is some denial of one's own limitations; as a result, there may be overestimation of one's abilities. People think they are financially digitally literate when in reality they are not.

#### **Young people with a low level of education**

- This group was 'born digital': they can handle some digital resources extremely well and spend a great deal of time on them every day. They are active users of social media; this group also likes to shop online.
- This group considers itself digitally skilled or very skilled. But there is the risk of overestimation of one's own abilities in this group as well. Many (informative) websites are not designed for the intuitive media use of this target group. This group can have difficulty locating search functions and often do not use filters or dropdown boxes.

### **Key insights based on the interviews**

#### **1 Vulnerable target groups feel less secure digitally**

Growing digitalisation increases the sense of control among these target groups; because 'digitalisation' is elusive, these target groups tend to more quickly get the sense that things are happening without them being able to do anything about it. Take a topic like sharing (personal) data, for example; people are aware of discussions in the media and these are more likely to cause unrest among vulnerable target groups. Consequently, these people emerge to need human contact at the bank, because it gives a sense of security and trust.

#### **2 Vulnerable groups also want to feel independent but have fewer skills**

Wanting to take care of your finances independently is a deeply felt need for everyone, including these groups. However, they do not perceive this independence. That causes feelings of fear, shame and dependency. One of the reasons for this is a lack of digital skills and confidence in one's own abilities.

#### **3 Vulnerable groups experience frustration due to constant changes**

In the digital world, changes succeed one another with increasing speed. Vulnerable groups experience this speed as 'imposed' on them and overwhelming. Some seek out information on their own or ask for help from others. Others go to their bank for help. In general, keeping up with changes requires constant effort, which causes frustration.

#### **Response from banks**

Banks are already undertaking many initiatives to keep their services accessible. These extra insights are a valuable addition to this. This helps the sector to improve the accessibility of its services for vulnerable groups in an even more targeted way. This is the sector's improvement opportunity for 2020.

## Recommendations of the Advisory Board <sup>4)</sup>

### General observations on confidence and the monitor

In recent years, confidence in the banking sector and in individual banks has increased. Over the past period, we have seen a stabilisation of confidence in the sector as a whole and in most individual banks. Like last year, the score for the sector was 3, while the score for confidence in one's own bank was again 3.3. The question is, how realistic is it to expect a further rise in confidence in the coming years? We note the following in this regard:

- The confidence score is relatively strongly influenced by negative incidents, which understandably receive a lot of attention in the press. Recent research based on data from the Banking Confidence Monitor in past years clearly shows a decline in confidence with this type of negative incident<sup>5)</sup>. After such a decline, confidence rises again to (approximately) the 'old' level over time. An increase therefore certainly seems possible, if there are fewer or no incidents in the coming years, and we see an increase without a prior decrease.
- In terms of the confidence score, the banking sector is in the middle compared to other sectors. The highest score is currently 3.5 for science. Other sectors, such as the retail sector, now score a maximum of 3.2; such a score could also be possible for the banking sector.
- The percentage of customers with little confidence and the percentage of customers with a great deal of confidence have been relatively constant over the past two years. One quarter has a great deal of confidence, one quarter has little confidence and about half take the position in between. The question is whether any major shifts are still to be expected or whether the opinion of the group with low confidence is now very firmly established. If this is the case, the opportunities for increasing the confidence of this group are likely to be limited.
- The sector should be aware of the possibility that confidence can also decline again. No progress has been observed in any of the underlying determinants of confidence. However, the importance that respondents attach to a number of determinants for which banks score relatively low, such as 'open' and 'honest', is increasing, according to analyses. The question is whether the sector can still make a move in this respect.

<sup>4)</sup> This advice is conditional on the fact that additional analyses by IPSOS do not show any major changes.

<sup>5)</sup> See Verhoef, P.C. and Baake M. (2019), 'Vertrouwen in banken afgelopen jaren licht gestegen', *Economische Statistische Berichten*, 104 (4778), 482-483.

As Advisory Board, we are concerned about the confidence implications of ECB policy, which, among other things, results in low interest rates. This is positive for customers with a (new) mortgage, but negative for customers with savings. In particular, a possible negative interest rate on savings is likely to be difficult to explain to customers, despite the fact that it is not a direct consequence of banks' policies.

As Advisory Board, we were involved in the further development of the Banking Confidence Monitor. We find it very positive that the new Confidence Monitor pays more attention to the social importance of banks and the use of the large quantities of data that banks have on their customers, as well as to the tension between privacy and customisation/proactiveness in the service provision to customers. The insights from the textual analysis of customers' online opinions (social listening) were also valuable. The results of this research did not justify a continuous survey, however. In about two to three years, another such survey would be useful in discovering whether customers are paying attention to new things when it comes to their confidence in banks.

### Recommendations for the sector

- In this year's Banking Confidence Monitor, a significant and substantial decline in the score for complaint handling was observed. The cause of this is unclear. Proper and careful handling of complaints is important for confidence in banks. Banks must devote adequate attention to this. We think it is positive that banks included more in-depth questions about dealing with complaints in the questionnaires for the subsequent monitors and will use the results to determine what action they will take.
- The digitalisation of bank services continues and personal contact with banks is decreasing. The exploratory study into the digital inclusion of specific target groups shows that the further digitalisation of banks' services could result in a decline in the use of physical channels used by these target groups. At the same time, digitalisation and the use of new technology also offer many customers a great deal of convenience. We see this in the increasing popularity of mobile banking apps and the decrease in the use of online banking. Possibly forcing the switch to new digital channels could result in a drop in confidence, however, as customer freedom of choice becomes limited.

### Recommendations for the Banking Confidence Monitor

- It is important that banks keep paying attention to the differences in confidence between different customer segments. These differences are relatively large. This is why it is useful to carry out further research into whether and how confidence can be increased among customers with relatively low and average scores for confidence.
- The research on digital inclusion is a good starting point for discussion on this important subject. We think a deepening of this initial study is necessary. It is relevant to know how existing initiatives by banks to promote digital inclusion are rated and what more can be done by banks.
- Besides digital inclusion, we believe it is necessary to look at how customers view the contact with their bank. What does customer contact entail in these times of further digitalisation? How important is personal contact to customers? And what do customers think of contact increasingly taking place with the use of artificial intelligence (e.g. robots)?
- We reiterate the importance of in-depth research into a customer-focused culture at banks. To what extent is customer focus actually broadly supported at banks at all different levels? Is confidence an ongoing topic of discussion at the banks themselves? And where can employees turn if they have concerns about customer confidence in the bank?

## Opportunities for improvement in 2020

The banks hope that the stable trend of improvement in consumer confidence will continue and wish to boost this where possible. This will be achieved by formulating a number of opportunities for improvement for the sector that banks can adopt at individual level. The general opportunities for improvement listed below are based on the outcomes of research by the AFM and on the recommendations of the Advisory Board.

### 1 Continue actions in relation to interest-only mortgages

Banks invite customers to engage in an informative dialogue and enable them to make an informed decision about their interest-only mortgage. All customers remain part of the structural customer approach to be set up, even if they do not initially avail themselves of the possibility of an informative dialogue.

### 2 Continue efforts towards financial digital inclusion

Society is becoming increasingly digitalised. Digital services offer many opportunities to help groups take care of their banking more easily. Banks have also already developed many initiatives specifically aimed at target groups that have difficulty keeping up digitally. The extra insights from the exploratory study are a valuable supplement to this. The sector will therefore continue to make efforts to expand these initiatives and improve the accessibility of its services for vulnerable groups.

# 2018 in retrospect

## Recommendations of the Advisory Board in 2018

Last year, the Advisory Board advised banks to more visibly demonstrate the various initiatives being taken to serve customers better and meet the requirement of giving central priority to the customer's interests and fulfilling the duty of care. The Advisory Board also called for permanent attention to continue to act less legal and more practical in the interests of the customer. The Advisory Board also urged banks to take measures to follow the recommendations from the in-depth study into 'debt issues':

- Get to work on the fact that clients expect banks to play a proactive role in the (early) detection of payment problems.
- Give social ambitions a higher profile.
- Find a good balance between, for example, privacy legislation and customer preferences.

Other recommendations concerned the design of the Banking Confidence Monitor itself:

- Only report the AFM findings.
- Also measure the social importance of banks and the processing of data by banks (in connection with digitalisation and privacy).
- Conduct in-depth research to gain knowledge about digital inclusion.

Based on the recommendations above, the banks formulated this opportunity for improvement in 2018:

### Give social ambitions a higher profile

Last year, the Advisory Board advised banks to give their social ambitions a higher profile. Because although the Advisory Board felt that banks were already taking various good initiatives to better serve customers and to meet the requirement of giving central priority to the customer's interests and fulfilling the duty of care, the Board noted that consumers were not sufficiently aware of these initiatives.

The Advisory Board and the Dutch Banking Association have met to discuss the improvement opportunity and also to discuss the design of the Banking Confidence Monitor. These were the results:

- The recommendations of the Board arising from the study into 'debt' were adopted. Problematic debt is a complex social problem that causes a great deal of personal suffering. Banks have recognised this problem and want to contribute to the solution of problematic debt. That is why four banks united in the Dutch Banking Association entered into a partnership with four partners from the social domain and five municipalities in 2019. In a joint pilot 'Samen schuldzorgen voorkomen' (Working together to prevent debt problems), banks use their signalling power to alert their customers at an early stage to debt assistance provided via the social partners. The results of the pilot are encouraging and upscaling is being considered by bringing more companies and municipalities into the follow-up to the pilot; the Nederlandse Schuldhulproude (Dutch Debt Assistance Route).
- With the 'Word ook aflossingsblij' (Happy with your Repayments) campaign and the proactive approach to customers with interest-only mortgages, banks have implemented the recommendation to better inform consumers about the banks' activities undertaken in the interest of customers.
- With the 'financial digital inclusion' study, the banks implemented the Advisory Board's desire for more research into financial digital inclusion.
- The recommendation from 2018 to measure the social importance of banks and the processing of data by the banks (in connection with digitalisation and privacy) was, in the Board's view, well implemented by including these topics in the measurements for the 2020 Confidence Monitor.

## Review by banks of the opportunities for improvement from 2018

The participating banks have each worked on these opportunities for improvement individually. The approach differs per bank because each organisation is different and every bank wishes to develop its own activities. The websites of the participating banks (see Appendix 2) list which actions have been taken by which bank in order to give shape to those opportunities for improvement. A general sector picture for each opportunity is given below.

### Extra attention to suitability of revolving credit

In 2019, the sector made considerable efforts to improve its consumer credit services. For example, banks want to make new policies to help customers if it

emerges that a loan is no longer suitable for the customer. The Dutch Banking Association is also in the process of revising the Consumer Credit Code of Conduct. The aim is to improve the provision and management of consumer credit.

#### **Improve customer information in semi-automatic asset management (SAAM)**

Over the past year, banks offering semi-automated asset management have reviewed and, where possible, improved the processes surrounding customer assessment. Customer assessment involves creating a legally required risk profile and measuring risk appetite. The accessibility of services has not deteriorated as a result of the improvements applied.

#### **Give social ambitions a higher profile**

Banks indicated that they saw room for the further development of initiatives and more cooperation in order to contribute to a liveable and sustainable society in which everyone can participate equally. In addition to the aforementioned cooperation on preventing problematic debt, another social initiative is the financial sector's commitment to the government's climate targets. In the climate commitment, banks undertook to report on the climate impact of financing and investments from the 2020 financial year onwards. In addition, action plans must be in place by 2022 at the latest, including a reduction target for less CO<sub>2</sub> emissions.

Banks are also actively committed to facilitating ageing with financial security. They offer customers a helping hand to grow old with financial security and are committed to protecting them from all kinds of financial abuse wherever possible. That is why the sector developed a joint e-learning for bank employees in 2019, which is now being implemented at banks. The e-learning was presented to Minister Hugo de Jonge during a working visit to a bank. The e-learning was also the subject of a news programme on TV. In addition to this e-learning, banks have set up special reporting points for financial abuse. Banks are also using their combined knowledge for requests for advice from the Safe at Home Reporting Platform.

## Appendices

- 1 Banking Confidence Monitor Design
- 2 Results for sector and per bank
- 3 The Advisory Board
- 4 Ipsos market survey questions

## Appendix 1 Banking Confidence Monitor Design

### Development

The Banking Confidence Monitor is developed on the instruction of the Dutch Banking Association. A working group consisting of representatives from ABN AMRO, ING, Rabobank, de Volksbank, Triodos Bank, a representative from the 'other banks' <sup>6)</sup> and the Dutch Banking Association is responsible for this Confidence Monitor.

### Requirements

The Dutch Banking Association has determined what conditions the Confidence Monitor must meet as a measuring instrument:

- The instrument must speak for itself. This means that consumers must be able to understand the structure and content of the instrument;
- The elements of the instrument must be and must continue to be measurable so that follow-up measurements are possible;
- The results must provide insight into the quality of services and of the sector;
- The instrument must offer transparency with sufficient substantiation;
- The instrument must consist of elements that relate to confidence;
- The participating banks must be able to define improvement measures on the basis of the results;
- The scores of the participating banks must be comparable.

### Sections

The Banking Confidence Monitor consists of three general sections: Confidence & Perception, Product & Advice and Service & Use.

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6 The other banks were represented by Achmea Bank. These are the banks that are members of the Dutch Banking Association and are not one of the four systemic banks (ABN AMRO, ING, Rabobank and de Volksbank) with the exception of Triodos Bank, which is represented in the working group.

### Confidence & Perception

Confidence & Perception concerns the elements in which consumers state the extent to which they have confidence in their own banks and in the sector (on a scale of 1 to 5).

- The 'transparent' element concerns customer perceptions of how open and honest their own banks are and the question of whether their own banks communicate using accessible language. The 'transparent' element also contains consumers' views on the proactive behaviour of their banks in the event of changes in the products and services used;
- The 'customer focus' element concerns the extent to which consumers experience that their banks listen carefully to them, recommend products that are in their interest, support them in making financial choices, seek solutions together in the event of financial setbacks and meet their agreements;
- The 'expert' element contains customer experiences of the knowledge of banking affairs, the expertise of the bank employees and the insight that the bank provides into the consumer's banking affairs.

### Product & Advice

Product & Advice presents the results of a qualitative study by the Netherlands Authority for the Financial Markets (AFM). In 2019, the AFM chose to examine the following elements: cost transparency requirements under MiFID II, product governance under MiFID II, the situation concerning interest-only mortgages, revolving credit and lending criteria.

### Service & Use

Service & Use consists of four elements: online services, customer contacts, complaint handling and availability.

- The score for online services is based on consumer experiences with online banking and mobile banking in the past three months. There are four measurements per year. Consumers were asked about the experienced availability of online banking and mobile banking, the convenience of these services and the accessibility of the information through the banks' websites;
- The score for customer contact is based on the experiences of customers who have had personal contact with their bank in the past three months. There are four measurements per year. They were asked for their opinion on how easily they were able to make contact with a bank employee and how the bank handled their query;

- The score for complaint handling is based on the experiences of consumers who submitted a complaint in the past 12 months. They were asked how easy they found it to submit a complaint and how the bank dealt with the matter;
- The availability percentages of online banking and mobile banking give the availability determined by the banks themselves during prime-time hours over the last year (July 2018 to the end of June 2019). The hours considered to be prime time for online and mobile banking are: on weekdays and Saturdays from 7.00 am to 1.00 am and on Sundays and holidays from 8.00 am to 1.00 am. Night-time hours are not included, therefore;
- The availability percentages for iDEAL are stated for the six banks that have a statutory obligation to report on this: ABN AMRO, ING, Rabobank, SNS, ASN Bank and RegioBank. They publish these figures themselves. The smaller banks are not subject to this obligation and do not publish this information. The availability data published by the six banks are the figures from the third quarter of 2018 to the end of the second quarter of 2019, a total of twelve months (seven days per week during prime-time hours of 6.30 am to 1.00 am). The sector figure of 99.88% is from the same period and is calculated and published by Currence.

### Data sources

The results of the Banking Confidence Monitor are based on the following sources: customer survey by Ipsos, qualitative research by the Dutch Payments Association, qualitative research by the AFM and measurements by the banks themselves.

### 2019 Confidence Monitor and exploratory research by Ipsos

In this survey, consumers were asked for their experiences of the banking sector and their perceptions of the services by their own banks. For the Confidence & Perception section, 15,194 consumers completed a questionnaire in the period from 1 July 2018 to 30 September 2019. For the Service & Use section, 14,260 consumers completed a questionnaire in September and December 2018 and in March, June and September 2019. Customers of Woonfonds and BinckBank are insufficiently represented in the Ipsos panel. They therefore took a random sample from their customer files and distributed the questionnaire themselves. The sector score is an average score of all respondents.

The exploratory study into 'financial digital inclusion' took place in the summer of 2019. This research shows what makes it difficult for elderly people, the functionally illiterate, people with a mild intellectual disability and young people with a low level of education to participate in this digital society – in other words,

how do we increase financial digital inclusion? First of all, an exploration was made of existing research and experts were interviewed to determine the target groups and make use of existing expertise. Subsequently, qualitative research was conducted within the target groups of the elderly, the functionally illiterate, people with a mild intellectual disability and young people with a low level of education (via a Plus Coach) among a limited number of bank customers (17).

#### **Qualitative research by the AFM**

Over the past several years, the Banking Confidence Monitor published the results of the AFM's Customer Interest Dashboard. In it, the AFM measures the extent to which banks and other parties give central priority to customers' interests in policies and in practice. From 2019, the AFM will conduct qualitative research, i.e. without scores. This Banking Confidence Monitor includes the findings of the most recent qualitative study by the AFM into cost transparency requirements under MiFID II, product governance under MiFID II, the situation concerning interest-only mortgages, revolving credit and lending criteria.

#### **Qualitative research by the Dutch Payments Association**

The research into payment transactions was carried out by the Dutch Payments Association in collaboration with payment specialists from the participating banks.

## **Appendix 2 Results for sector and per bank**

The Confidence Monitor scores for the sector and the individual banks are given below. The individual banks also publish the results supplemented with their improvement measures on their websites:

ABN AMRO	<a href="http://www.abnamro.com/vertrouwensmonitor">www.abnamro.com/vertrouwensmonitor</a>
Argenta	<a href="http://www.argenta.nl/vertrouwensmonitor">www.argenta.nl/vertrouwensmonitor</a>
ASN Bank	<a href="http://www.asnbank.nl/vertrouwensmonitor">www.asnbank.nl/vertrouwensmonitor</a>
BinckBank	<a href="http://www.binck.nl/vertrouwensmonitor-2019">www.binck.nl/vertrouwensmonitor-2019</a>
Centraal Beheer	<a href="http://www.centraalbeheer.nl/vertrouwensmonitor">www.centraalbeheer.nl/vertrouwensmonitor</a>
ING	<a href="http://www.ing.nl/vertrouwensmonitor">www.ing.nl/vertrouwensmonitor</a>
LeasePlan Bank	<a href="http://www.leaseplanbank.nl/vertrouwensmonitor.nl">www.leaseplanbank.nl/vertrouwensmonitor.nl</a>
NIBC Direct	<a href="http://www.nibcdirect.nl/vertrouwensmonitor">www.nibcdirect.nl/vertrouwensmonitor</a>
Rabobank	<a href="http://www.rabobank.nl/vertrouwensmonitor">www.rabobank.nl/vertrouwensmonitor</a>
RegioBank	<a href="http://www.regiobank.nl/vertrouwensmonitor">www.regiobank.nl/vertrouwensmonitor</a>
SNS	<a href="http://www.snsbank.nl/vertrouwensmonitor">www.snsbank.nl/vertrouwensmonitor</a>
Triodos Bank	<a href="http://www.triodos.nl/vertrouwensmonitor">www.triodos.nl/vertrouwensmonitor</a>
Woonfonds	<a href="http://www.woonfonds.nl/vertrouwensmonitor">www.woonfonds.nl/vertrouwensmonitor</a>

### **Explanation of the figures**

Because of the transition to a different measurement period, on a one-off basis, the fieldwork by Ipsos for the 2019 Confidence Monitor covered 5 quarters, namely from 1 July 2018 to 30 September 2019. The fieldwork for the 2018 Confidence Monitor covered 4 quarters (1 July 2017-30 June 2018). It may be the case that the figures for 2018 do not correspond exactly to the figures cited in the 2018 Banking Confidence Monitor. This is due to the switch to a weighted average, whereas previously, every aspect within a component carried equal weight. In the Customer Contact section, 1 aspect was removed from the questionnaire. For the sake of comparability, this aspect was also omitted from the calculation of the average in 2018. It concerns the aspect of proactiveness, which was indeed asked about, but the results were not taken into account.

Element	Sector		ABN AMRO		Argenta	
	2019	2018	2019	2018	2019	2018
<b>Confidence &amp; Perception</b>						
Confidence in banking sector	3.0	3.0	3.0	3.0	2.9	2.9
Confidence in own bank	3.3	3.3	3.2	3.3	3.4	3.4
Customer focus	3.4	3.4	3.3	3.4	3.5	3.4
Transparency	3.5	3.6	3.5	3.5	3.7	3.7
Expertise	3.8	3.8	3.7	3.8	3.8	3.7
<b>Service &amp; Use</b>						
Online services	4.4	4.4	4.2	4.3	4.3	4.2
Customer contact	4.2	4.2	4.1	4.1	4.0	3.8
Complaint handling	3.2	3.3	3.1	3.3	--	--
Availability as a %*						
– Online banking	99.81	99.70	99.87	99.40		
– Mobile banking	99.88	99.70	99.87	99.40		
– iDEAL	99.87	99.59	99.83	99.85		

Element	ASN Bank		BinckBank		Centraal Beheer		ING	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Confidence &amp; Perception</b>								
Confidence in banking sector	2.6	2.7	2.8	2.9	2.9	3.0	2.9	2.9
Confidence in own bank	3.8	3.8	3.4	3.5	3.4	3.5	3.1	3.2
Customer focus	3.8	3.8	3.4	3.4	3.5	3.5	3.3	3.3
Transparency	4.0	4.1	3.7	3.7	3.7	3.8	3.5	3.5
Expertise	4.0	4.0	3.8	3.8	3.8	3.8	3.7	3.7
<b>Service &amp; Use</b>								
Online services	4.5	4.7	4.0	4.1	4.2	4.1	4.4	4.4
Customer contact	4.3	4.4	4.1	4.0	4.1	4.2	4.1	4.1
Complaint handling	3.6	3.2	3.3	3.1	3.2	--	2.9	3.0
Availability as a %*								
– Online banking	99.75	99.81					99.71	99.93
– Mobile banking	99.56	99.72					99.88	99.92
– iDEAL	99.75	99.51					99.90	99.93

\* Measured from July 2018 to June 2019

-- Too few observations for reliable results.

Element	Sector		LeasePlan Bank		NIBC Direct	
	2019	2018	2019	2018	2019	2018
<b>Confidence &amp; Perception</b>						
Confidence in banking sector	3.0	3.0	2.8	2.9	2.9	2.9
Confidence in own bank	3.3	3.3	3.5	3.5	3.4	3.3
Customer focus	3.4	3.4	3.4	3.4	3.4	3.3
Transparency	3.5	3.6	3.9	3.9	3.7	3.7
Expertise	3.8	3.8	3.8	3.8	3.8	3.7
<b>Service &amp; Use</b>						
Online services	4.4	4.4	4.3	4.3	4.3	4.2
Customer contact	4.2	4.2	4.0	4.1	3.9	3.9
Complaint handling	3.2	3.3	--	--	--	--
Availability as a %*						
– Online banking	99.81	99.70				
– Mobile banking	99.88	99.70				
– iDEAL	99.87	99.59				

Element	Rabobank		RegioBank		SNS		Triodos Bank	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Confidence &amp; Perception</b>								
Confidence in banking sector	3.0	3.0	3.0	2.9	2.9	2.9	2.5	2.5
Confidence in own bank	3.4	3.3	3.8	3.7	3.4	3.4	4.0	4.0
Customer focus	3.5	3.5	4.0	4.0	3.6	3.5	3.9	3.9
Transparency	3.6	3.6	4.1	4.0	3.7	3.7	4.2	4.2
Expertise	3.8	3.8	4.1	4.1	3.8	3.8	4.1	4.1
<b>Service &amp; Use</b>								
Online services	4.4	4.3	4.5	4.5	4.5	4.5	4.7	4.5
Customer contact	4.2	4.3	4.6	4.7	4.4	4.4	4.6	4.6
Complaint handling	3.2	3.6	3.9	--	3.8	3.6	3.6	--
Availability as a %*								
– Online banking	99.89	99.77	99.75	99.80	99.56	99.74	99.93	99.97
– Mobile banking	99.90	99.77	99.56	99.66	99.59	99.79	99.92	99.97
– iDEAL	99.89	99.82	99.81	99.54	99.80	99.44		

\* Measured from July 2018 to June 2019

-- Too few observations for reliable results.

Element	Sector		Woonfonds	
	2019	2018	2019	2018
<b>Confidence &amp; Perception</b>				
Confidence in banking sector	3.0	3.0	2.8	2.8
Confidence in own bank	3.3	3.3	3.6	3.5
Customer focus	3.4	3.4	3.5	3.5
Transparency	3.5	3.6	3.7	3.7
Expertise	3.8	3.8	3.7	3.7
<b>Service &amp; Use</b>				
Online services	4.4	4.4	3.7	3.6
Customer contact	4.2	4.2	3.8	3.8
Complaint handling	3.2	3.3	2.8	2.9
Availability as a %*				
– Online banking	99.81	99.70		
– Mobile banking	99.88	99.70		
iDEAL	99.87	99.59		

\* Measured from July 2018 to June 2019

-- Too few observations for reliable results.

## Appendix 3 The Advisory Board

The Advisory Board oversees the independence of the Banking Confidence Monitor. It advises on the measuring instrument and the opportunities for improvement by banks based on the results. Each member of the Advisory Board contributes to the development of the Banking Confidence Monitor on the basis of their own background and viewpoints.

### Composition

The Advisory Board has six members:

- Prof. P.C. (Peter) Verhoef (chair)  
Professor of Marketing and dean of the Faculty of Economics and Business, University of Groningen;
- Prof. F. (Fred) Bronner  
Emeritus Professor of Media and Market Research, Faculty of Social and Behavioural Sciences, University of Amsterdam;
- Ms Y. (Yolanda) Verdonk-van Lokven  
Director of HR and Organisational Development, Nederlandse Spoorwegen [Dutch railways];
- Ms (Miriam) M. van Tiel MBA  
Lead Value and Finance, Foundation for Public Code;
- Prof. E. (Eric) van Dijk  
Professor of Psychology, Faculty of Social Sciences, Leiden University;
- Mr H.A.M (Harry) Dekker  
Benelux Media Director for Unilever.

### Selection criteria

The members of the Advisory Board are selected on the basis of the following criteria:

- they have the consumer's point of view in mind;
- they are experts in the field of measurement, communication and giving central priority to customers' interests;
- they can make a substantive contribution to improvement measures;
- they are available for the meetings of the Advisory Board;
- Has no direct relationship with a bank involving paid employment.

### Remuneration

The members of the Advisory Board can claim compensation for the time for meetings and the travel costs incurred. Members receive reasonable remuneration for meetings per half-day.

### Tasks of members

The tasks of the members of the Advisory Board are:

- to participate in Advisory Board meetings at least twice a year;
- to assess the independence and effectiveness of the survey and the approach;
- to make suggestions for improvement of market research;
- to make recommendations whether on request or not on the interpretation of the survey results, measures for improvement and the presentation of the results.

### Tasks of the chair

The chair of the Advisory Board initiates and holds final responsibility for the realisation of adequate decision-making and advice. The chair ensures that:

- the Advisory Board has a vision of the objectives of the measuring instrument;
- the Advisory Board determines its advice on the methodology, results and effectiveness of the instrument with due care and in a timely manner, and communicates this on a regular basis (in any event, on a fixed date each year);
- the Advisory Board or, should this be required, a representative (in consultation with the Dutch Banking Association) attends and acts as a spokesperson on behalf of the Advisory Board at relevant meetings.

## Appendix 4 Ipsos market survey questions

### Confidence & Perception questions

- 1 How much confidence do you have in banks?
- 2 Can you explain why you have <answer to Question 1> in banks?
- 3 At which bank or banks do you bank?
- 4 Which bank do you regard as your main bank?
- 5 How much confidence do you have in your main bank?
- 6 Can you explain why you have <answer to Question 5> in your main bank?
- 7 To what extent do you agree or disagree with the following statements with regard to your main bank?
  - ... is open
  - ... is honest
  - ... communicates in a language I understand
  - ... actively informs me of changes in products and services
  - ... listens to customers
  - ... advises on products that are in the interest of customers
  - ... supports me in making financial choices
  - ... searches for solutions with me in the case of financial setbacks
  - ... has knowledge of banking affairs
  - ... has expert personnel
  - ... makes my banking affairs transparent
  - ... meets agreements reached
  - ... is easily accessible (online, by telephone, in branch)
  - ... is a solid bank financially
- 8 Which of the following financial products do you hold with your main bank?
  - Current account
  - Savings account
  - Investments
  - Mortgages
  - Credit/loans
  - Insurance
  - Other product
- 9 How much confidence do you have in the following industries?
  - Travel industry
  - Energy companies
  - Telecom companies
  - Health care
  - Pension funds
  - Insurers
  - Automotive industry
  - Retailers
  - Technology companies
  - Government
  - Sciences
- 10 Have any of the following changes occurred in your personal life in the past 12 months, effecting your financial situation?
  - Birth of a child
  - Marriage
  - Cohabitation
  - Separation
  - Death in the immediate family
  - Redundancy
  - New job
  - Other
  - None of the above
- 11 To what extent do you agree or disagree with the following statement?  
*My bank actively notifies me that a change in my personal situation could influence which product is the best for me.*
- 12 Please indicate whether statement a or b is more applicable to you when purchasing a financial product:
  - 1 a I look for a lot of information  
b I try to limit the amount of information
  - 2 a I take plenty of time for this  
b I do this as quickly as possible
  - 3 a I look at many alternatives  
b I look at a limited number of alternatives
  - 4 a I do my own research as far as possible  
b I let others do as much research as possible
  - 5 a I am inclined to trust advisers  
b I am not so inclined to trust advisers
  - 6 a My adviser compares products for me  
b I compare as many products as possible myself (online)

- 7 a I discuss this extensively with family and friends  
b I discuss this very little with family and friends
- 8 a I search until I find the best product  
b I stop searching as soon as I find a product
- 9 a I am prepared to take a gamble  
b I look for as much certainty as possible
- 10 a I am willing to try new products  
b I prefer to stick to familiar products
- 11 a I prefer a simple product  
b The product can also be complicated

### Questions Service & Use

#### Online services

- 1 Have you used any of the following online services of your main bank in the past three months?
  - Mobile banking app on smartphone or tablet
  - Online banking by logging on to the website
  - Searched for information on the website of my main bank
  - I have not used any of the above online services
- 2 To what extent do you agree or disagree with the following statements?
  - *I can usually use the mobile banking app without disruptions*
  - *I can usually use online banking without disruptions*
  - *I can easily arrange my day-to-day banking affairs through the mobile banking app*
  - *I can easily arrange my day-to-day banking affairs through online banking*
  - *I can easily find the required information on the website*
- 3 Which of the following financial products do you hold with your main bank?
  - Current account
  - Savings account
  - Investments
  - Mortgages
  - Credit/loans
  - Insurance
  - Other product

#### Customer contact

- 1 How have you had contact with an employee of your main bank in the past 3 months?
  - By telephone
  - E-mail
  - Visit to bank branch (personal meeting)
  - (Video) chat
  - Other, (please state) ...
  - I have not had contact with an employee
- 2 To what extent do you agree or disagree with the following statements?
  - *I can easily contact an employee (if necessary)*
  - *My question was handled well in my last contact with an employee*
- 3 Which of the following financial products do you hold with your main bank?
  - Current account
  - Savings account
  - Investments
  - Mortgages
  - Credit/loans
  - Insurance
  - Other product

#### Complaint handling

- 1 Have you submitted a complaint to your main bank in the past 12 months?
  - Yes, I have submitted a complaint to my bank
  - No, I did have a complaint, but did not submit this to my bank
  - No, I had no complaints
- 2 Can you explain what your complaint was?
- 3 Why did you not submit this complaint to your bank?
- 4 To what extent do you agree or disagree with the following statements?
  - *I found it easy to arrange for my complaint to be processed*
  - *The handling of my complaint was taken seriously*
- 5 How satisfied or dissatisfied are you with the way in which your complaint was solved?

6 Which of the following financial products do you hold with your main bank?

- Current account
- Savings account
- Investments
- Mortgages
- Credit/loans
- Insurance
- Other product

