

banking
confidence monitor



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'Consumer confidence remains stable. The banks strive to help their customers as much as possible in difficult times; it is nice to know that customers obviously recognise this.'

Foreword

Chris Buijink
Chair
Dutch Banking Association

2020 was a difficult year as a result of the pandemic that had serious consequences for everyone around the world. In the Netherlands as well, people were and are faced with challenges that are not comparable with the challenges that the banks usually face. At the same time, in 2020 the banks had an opportunity to show what the sector can mean for a society in an emergency.

The advanced degree of digitalisation in our sector meant that services to our customers could continue as normal. The sector also maintained its commitment to secure and error-free payments traffic. One thing that was more than ever of value in this period was that the banks were able to work with their customers to find solutions for extra flexibility in financially difficult times. We were able to help many of our customers, but not all of them.

Consumer confidence in the banks remained stable in 2020, with even some positive outliers in some months. This shows us that consumers saw that the banks offer them support as much as possible in difficult times. The sector will thus continue in this direction in the years to come: the direction of continuing to carefully listen to customers, go forward together and improve services wherever possible and necessary. So that banks and customers can help each other, in both good and less favourable times.

At a glance

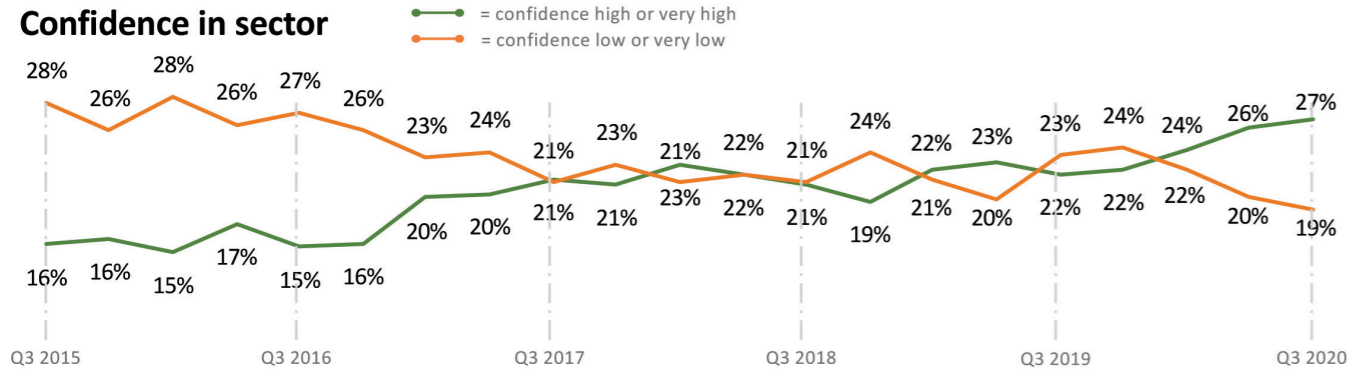
The scores for the confidence of Dutch citizens in the banking sector and their own banks are stable at 3.0 and 3.3 respectively. There was, however, a slight increase in Q2 and Q3 2020. This positive trend break is clearly shown in the figure below.



2019-Q4 to 2020-Q3



Confidence in sector

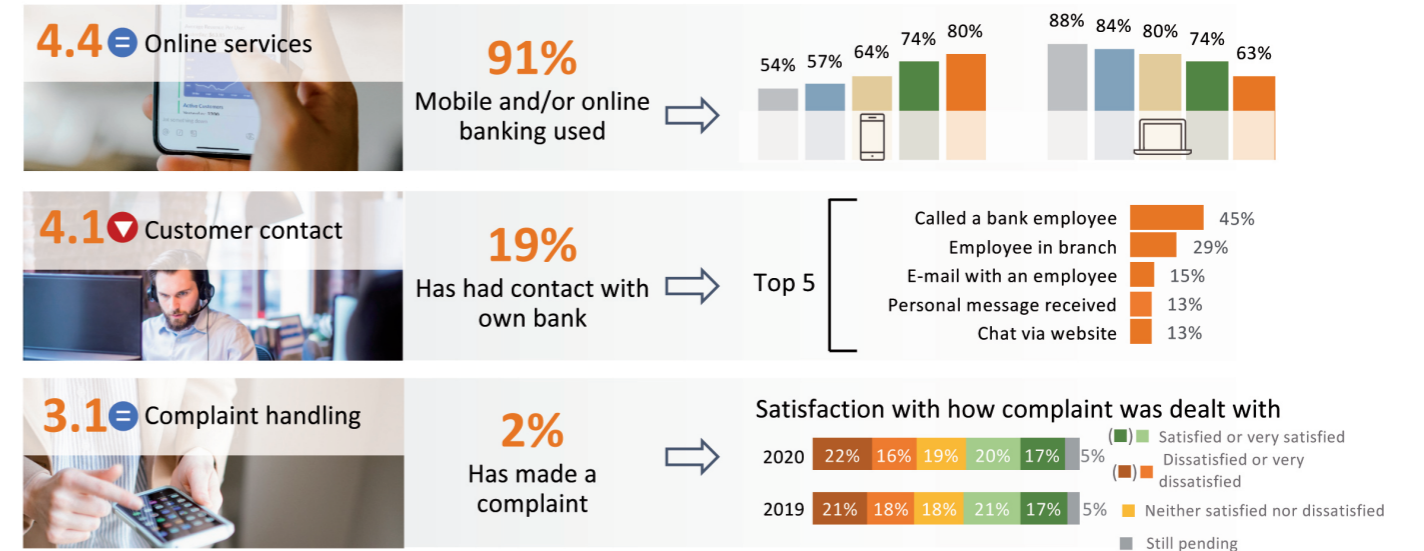


What affects confidence?

Two new aspects were added to the measures this year: social engagement and treatment of privacy.



Service & Use



Availability



What did consumers think of their banks during the corona crisis?



Corona posed serious challenges for us in 2020 – at both the social and individual level. What we had all considered to be completely normal was suddenly no longer normal. The world around us was shocked into a standstill.

Especially in difficult and uncertain times, it helps to have confidence in each other and in the future. To have confidence in your own bank and in the sector; The banks were visibly proactive towards consumers right from the start of the corona crisis in March 2020. The banks took on their social role, taking a realistic stance from the outset: they would do what is possible. We can make a significant difference for consumers, but we cannot help everyone.

The sector has been able to rely on stable consumer confidence in recent years. To maintain this show of confidence, the sector initiated an in-depth survey in its regular Banking Confidence Monitor in March 2020. We asked our customers more frequently and specifically about their concerns in the corona period.



Empty shopping streets during the corona time.

'Consumer confidence volatile during the corona period. But confidence in general remained stable.'

The findings helped the sector to respond to the changing needs in this hectic period.

Looking back at 2020, we can say that the development of consumer confidence in the banks was variable. Some customers felt the impact of the crisis directly in their pockets. And their bank was not able to offer a satisfactory solution in all cases. At the same time, we note that overall consumer confidence in the banking sector has remained stable. We also see that there is still room for improvement, as the survey showed that some customers faced with a financial challenge did not contact us.




Consumers

Number of private customers helped **37,000**
Number of mortgage customers receiving a payment holiday **25,000**
Number of payment holidays for consumer and other loans **12,000**

Period in question: 1 January to 15 December 2020

The AFM on the challenges for the sector

with respect to maintaining
consumer confidence

A portrait of Natalie Aartsen, a woman with shoulder-length brown hair, wearing a dark blue blazer over a white blouse. She is smiling and standing outdoors in a park-like setting with trees and greenery in the background.

Natalie Aartsen Head of Lending, Savings and Retail Investments Supervision Division,
Dutch Authority for the Financial Markets

'We expect households to continue to experience more financial uncertainty as a result of corona in 2021. More households will likely be faced with loss or reduction of income and experience financial stress and problems. When a customer with payment problems turns to their bank for help, the bank should work with them on a solution. The essential point is that there is a clear policy of giving central priority to the customer's interests and that this can be applied on a large scale. We are also seeing a rapid increase in online payments as a result of corona, and with this also an increase in fraud such as phishing and spoofing. It is thus still important that the banks inform their customers as effectively as possible on how to effect online payments securely. The continuing tightness in the housing market and the search for yield also pose challenges. The banks need to take account of the needs of their customers as well as their customers' interests in order to provide their services with an appropriate level of care. This will help to prevent foreseeable disappointments.'



Consumer confidence

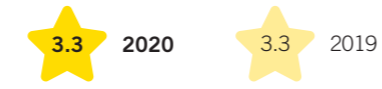
We use a scale of 1 (very low confidence) to 5 (very high confidence).

Confidence in the sector and own bank was stable in 2020.

Confidence in sector



Confidence in own bank



Notable
Consumers continued to have confidence during these financially uncertain times. There were increases in confidence in both the sector and consumers' own banks in the second and third quarters.

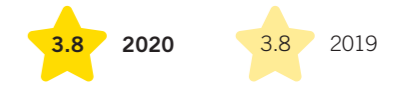
Customer focus



Transparency



Expertise



How does the bank deal with privacy and its social role?

In 2020 we included two new aspects in our questions to consumers that also affect consumer confidence. Namely, how we deal with privacy and the extent to which consumers think that the sector contributes to society.

Bank & privacy



Bank & society



My own bank:

... has products and services that I can tailor to meet my personal wishes



... does not pass my details on to others without my permission



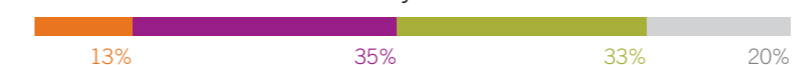
... deals with personal data correctly



... is socially engaged



... contributes to a better society



● disagree or disagree totally
● neither agree nor disagree
● agree or agree totally
● don't know



How do customers experience contacts with their bank?

The figures on a scale of 1 (disagree) to 5 (agree) show how customers experience contacts with their bank and the use of online services.

The banks scored lower on customer contact in 2020. Complaints handling was stable.

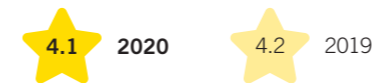
Online services



More mobile banking

The shift to mobile banking continued in 2020. 80% of the consumers surveyed who use online banking do this with mobile devices. In 2019 this was 74%.

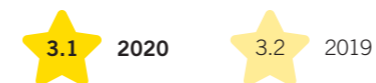
Customer contact



Less contact

The percentage of customers contacting their bank declined from 20% (2019) to 19%. The banks scored lower on the aspect of 'convenience'. Slightly fewer customers said that their question was dealt with effectively.

Complaint handling

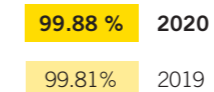


2% of consumers submitted a complaint

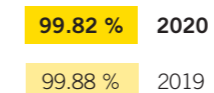
This percentage is the same as in 2019 and 2018. Almost 40% were satisfied or very satisfied with how the bank dealt with their complaints. The decline in the score from 3.2 (2019) to 3.1 is not significant, and is due to the size of the sample.

Availability

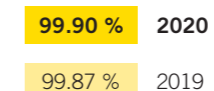
Online banking



Mobile banking



iDEAL



Recommendations of the Advisory Board

Members of the Advisory Board

Mr P.C. (Peter) Verhoef (chair)

Professor of Marketing and Dean of the Faculty of Economics and Business, University of Groningen

Mr F. (Fred) Bronner

Emeritus Professor of Media and Market Research, Faculty of Social and Behavioural Sciences, University of Amsterdam

Ms (Yolanda) Verdonk-van Lokven

Director of HR and Organisation Development, Dutch Railways

Mr E. (Eric) van Dijk

Professor of Psychology, Faculty of Social Sciences, University of Leiden

Mr H.A.M (Harry) Dekker

Benelux Media Director for Unilever

Ms D. (Diana) Janssen

Director of DDMA

Mr G. (Gerrit) van Bruggen

Professor of Marketing, Rotterdam School of Management, Erasmus University (RSM)

General observations on confidence

2020 was dominated by the COVID-19 pandemic, which had a severe effect on society and the economy. The banks were also affected directly, due to the effect on the financial position of Dutch citizens. The findings of the Banking Confidence Survey therefore also should be seen in the light of the COVID-19 pandemic. The findings for the period under review do not show any increase in average confidence.

However, in the first three quarters of 2020 we see that the percentage of people with a positive opinion of the banks became greater than the percentage with a negative opinion. The average also increased significantly in the last three quarters, possibly indicating an increase in confidence during the COVID-19 pandemic. A segmentation analysis also shows that convenience-oriented consumers had the lowest level of confidence. Consumers oriented towards advice had the highest level of confidence.

It is difficult to say whether the possible increase of confidence in the banks is a direct result of the banks' activities. The Advisory Board in any case takes a positive view of the way in which the banks have presented themselves towards Dutch consumers during the corona crisis. So far, the banks have presented themselves as part of the solution. But this also presents possible dangers.



The longer the crisis lasts, the more likely it will be that the banks find it more difficult to effectively help a growing number of customers with financial problems.

Additional analysis of the data from the Confidence Monitor shows that consumers with financial difficulties as a result of corona have less confidence in the banks in general and also less confidence in their own bank. If more customers get into difficulties in the coming months and the banks are not able to offer as much assistance as was originally expected and promised, the current increase in confidence could subside again and even perhaps turn into a decline.

It is therefore crucial that the banks strive to effectively assist customers in difficulties due to the corona crisis and at the same time not raise unrealistic expectations.

The Advisory Board is positive regarding the changes in the Banking Confidence Monitor. We particularly approve of the inclusion of questions on the aspect of privacy and the contribution of the banks to society.

We wish to repeat our recommendation for an in-depth study of the actual customer orientation at the banks by means of a cultural survey.

More detailed information on how customer contact occurs in practice is also a necessary item for a future study in times of increasing digitalisation and the continuing reduction of opportunities for physical contact.

Focus items for the banks

- The change to the contents of the Monitor involved the addition of the aspects of 'privacy' and 'the banks' contribution to society' to the questionnaire. This has been a good and very useful addition. The results clearly show that these factors significantly influence confidence. Among other things, this implies that the banks can achieve an increase in confidence by demonstrating their contribution to society. This presents ample opportunities, for instance during the current corona crisis and the energy transition.
- The banks score highly on the manner in which they deal with customer data. They have a significant advantage in this respect over the large digital companies, for example. A notable point is the relatively high score on the item 'deals with personal data correctly'. This is in line with other studies such as the privacy monitor of the DDMA, the industry association for data and marketing.
- Customer contact is becoming increasingly less personal and more digital. This digitalisation has been further strengthened as a result of corona. Consumers are also satisfied with the provision of digital services. But people are finding it more difficult to contact their bank when they need to. The banks are moreover reducing the possibilities for physical contact, for instance by closing branches. People are also less satisfied with the quality of their contact once contact has been made. The cause of this is unclear.

We recommend that the banks improve their customer contact and consider how personal customer contact can still be effectively structured in these times of digital transformation. It is very important that vulnerable customer groups, such as older people, can continue to be offered a good service.

- The banks' communication with customers over their role in the corona crisis can also be improved. Many customers have no idea of the extent of the assistance the banks are offering to people who are financially affected by the corona crisis.

Response from banks

The banks hope that the stable trend of improvement in consumer confidence will continue and wish to boost this where possible. The items of attention noted by the Advisory Board are very relevant in this context. We recognise the challenge we face, whereby we want to help our customers as much as possible, but without losing sight of their long-term interests.

Please go to the websites of the participating banks for their individual progress on the opportunities for improvement for 2020 (in the Banking Confidence Monitor for 2019).





Confidence & Perception

- Since **1 July 2015** this section has been surveyed **on a daily basis** (7 days a week, 365 days a year)
- On an annual basis, this section was surveyed with **12,000 respondents**
- Selected from Internet panel (around 100,000 respondents)
- **Representative of the Netherlands (18+)**
- Equally distributed across the 5 banks (4 major banks + other)



Service & Use

- This section is surveyed **once per quarter**
- On an annual basis, this section was surveyed with **11,000 respondents** (2,750 per quarter)
- The questions for this section require specific respondents. These respondents must have been involved in one of the following aspects: online services, customer contact or complaints handling
- Therefore: initial screening of Internet panel
- Equally distributed across the 5 banks (4 major banks + other)

Method



Online survey

Field work



Confidence & Perception
continuous (from 1 October 2019
to 30 September 2020)



Net sample: n=11,815



Response 61%



Service & Use
Each quarter



Net sample: n=10,821



Response 80%

Sample



Internet panel, persons aged
18 years and over



The sample is weighted according
to gender, age, education, region
and most important banking
relationship



	Sector		ABN AMRO		Argenta		ASN Bank		Centraal Beheer		ING		NIBC		Rabobank		RegioBank		SNS		Triodos Bank		Woonfonds	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Confidence & Perception																								
Confidence in banking sector	3.0	3.0	3.0	3.0	3.0	2.9	2.7	2.6	3.1	2.9	3.0	2.9	3.1	3.0	2.9	3.0	2.9	3.0	2.9	2.6	2.5	3.1	2.8	
Confidence in own bank	3.3	3.3	3.3	3.2	3.4	3.4	3.8	3.8	3.5	3.4	3.2	3.1	3.4	3.4	3.4	3.4	3.8	3.8	3.5	3.4	4.0	4.0	3.6	3.6
Transparency	3.6	3.5	3.5	3.5	3.8	3.7	4.1	4.0	3.8	3.7	3.5	3.5	3.8	3.7	3.6	3.6	4.1	4.1	3.8	3.7	4.1	4.2	3.8	3.7
Customer focus	3.4	3.4	3.3	3.3	3.5	3.5	3.8	3.8	3.6	3.5	3.3	3.3	3.4	3.4	3.5	3.5	4.0	4.0	3.6	3.6	3.8	3.9	3.6	3.5
Expertise	3.8	3.8	3.7	3.7	3.8	3.8	4.0	4.0	3.8	3.8	3.7	3.7	3.8	3.8	3.8	3.8	4.2	4.1	3.9	3.8	4.1	4.1	3.8	3.7
Privacy	3.6		3.6		3.8		3.9		3.8		3.5		3.8		3.7		4.0		3.8		4.1		3.8	
Society	3.4		3.2		3.3		4.4		3.4		3.2		3.1		3.6		3.8		3.5		4.5		3.5	
Service & Use																								
Online services	4.4	4.4	4.3	4.2	4.3	4.3	4.6	4.5	4.2	4.2	4.4	4.4	4.2	4.3	4.4	4.4	4.7	4.5	4.6	4.5	4.7	4.7	3.7	3.7
Customer contact	4.1	4.2	4.0	4.1	4.0	4.0	4.3	4.3	4.1	4.1	3.9	4.1	4.0	3.9	4.2	4.2	4.7	4.6	4.3	4.4	4.5	4.6	3.9	3.8
Complaint handling	3.1	3.2	2.8	3.1	**	**	3.5	3.6	**	3.2	3.0	2.9	**	**	3.2	3.2	4.1	3.9	4.1	3.8	3.1	3.6	2.9	2.8
Availability as a %*																								
– Online banking	99.88	99.80	99.92	99.87			99.88	99.66			99.94	99.72			99.78	99.85	99.89	99.66	99.83	99.45	99.98	99.91		
– Mobile banking	99.82	99.84	99.92	99.87			99.97	99.53			99.79	99.91			99.70	99.78	99.97	99.53	99.97	99.54	99.98	99.91		
– iDEAL	99.90	99.84	99.92	99.85			99.87	99.71			99.91	99.89			99.89	99.80	99.88	99.76	99.87	99.76	Not known			

* Measurement period figures 2019: Q4 2018 to Q3 2019.

Measurement period figures 2020: Q4 2019 to Q3 2020.

** Too few observations for reliable results.

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