



CCPC

CURRENT ACCOUNT SWITCHING WAVE 2



INTRODUCTION

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OBJECTIVES & METHODOLOGY



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

This is the second wave of this survey following a previous iteration in June 2022.



Survey conducted through computer-assisted telephone (CATI) interviews, with fieldwork conducted between 7 and 30 September 2022.



Data is presented as collected and has not been weighted.

Objectives

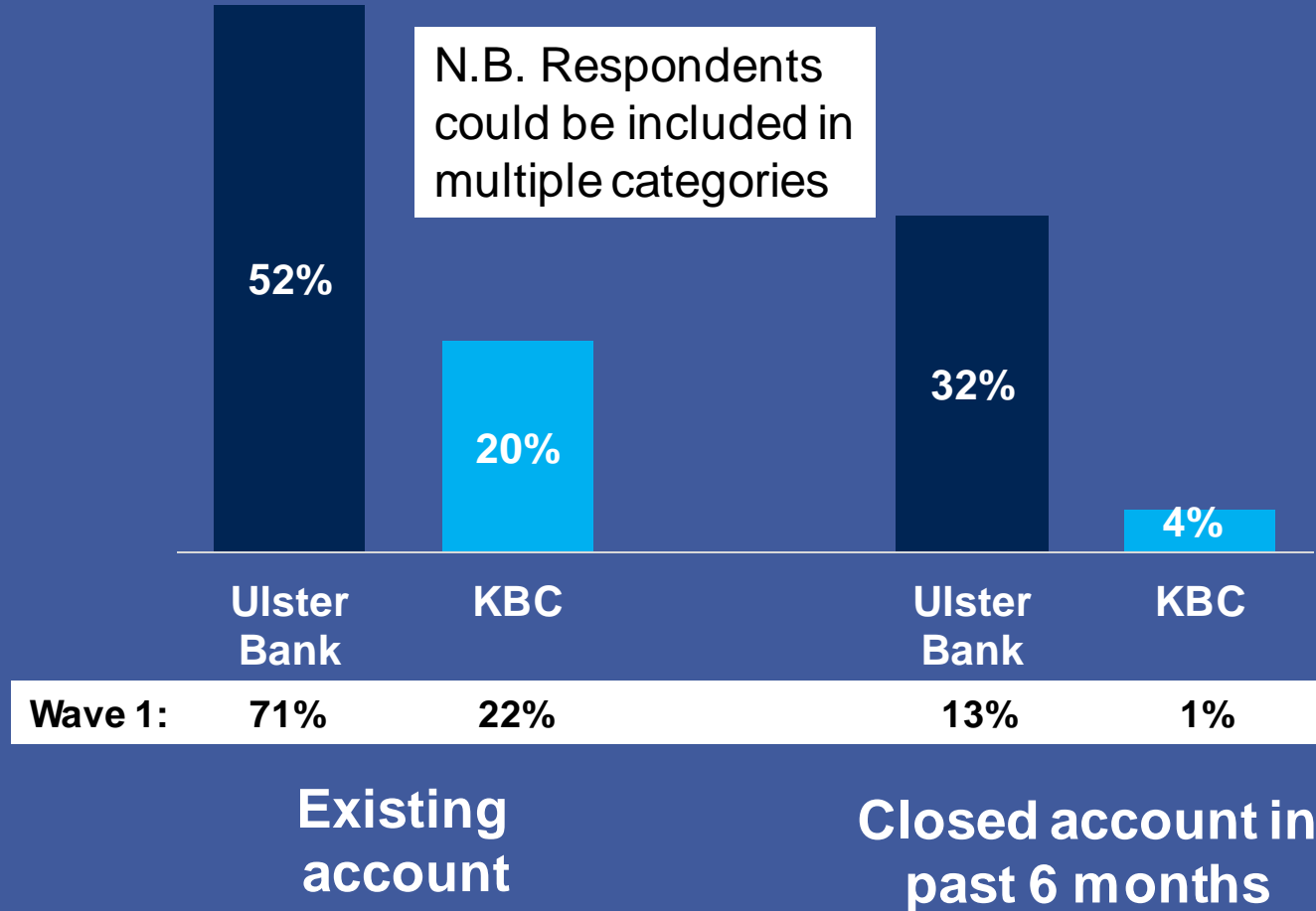
To understand attitudes towards switching and experiences of switching in advance of Ulster Bank and KBC exiting the Irish market, including:

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

SAMPLE PROFILE

– NATURE OF BANK RELATIONSHIP

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



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

Ulster Bank: 50% (W1:63%)
KBC: 50% (W1:50%)

97% are aware that they may need to close their account (W1:98%)

Base: All respondents (500)

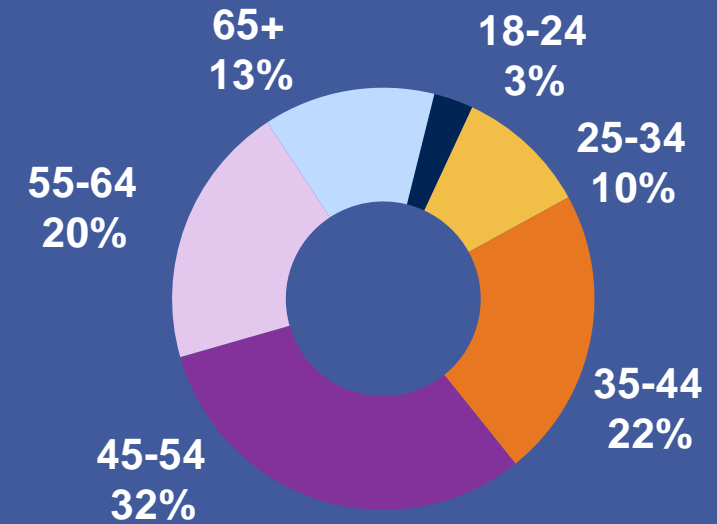


THOSE WITH AN OPEN ULSTER BANK/KBC ACCOUNT – DEMOGRAPHICS

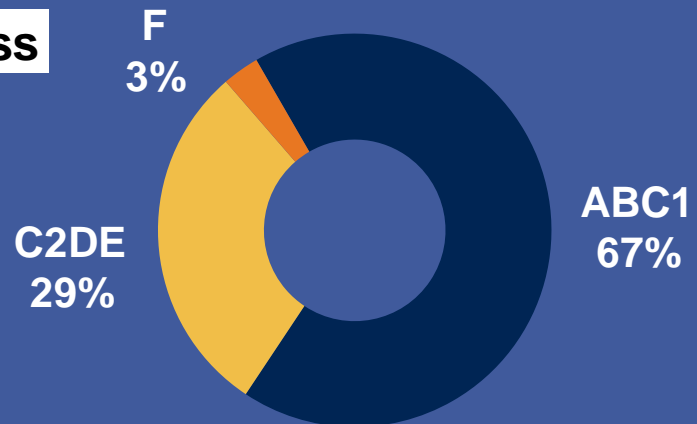
Gender



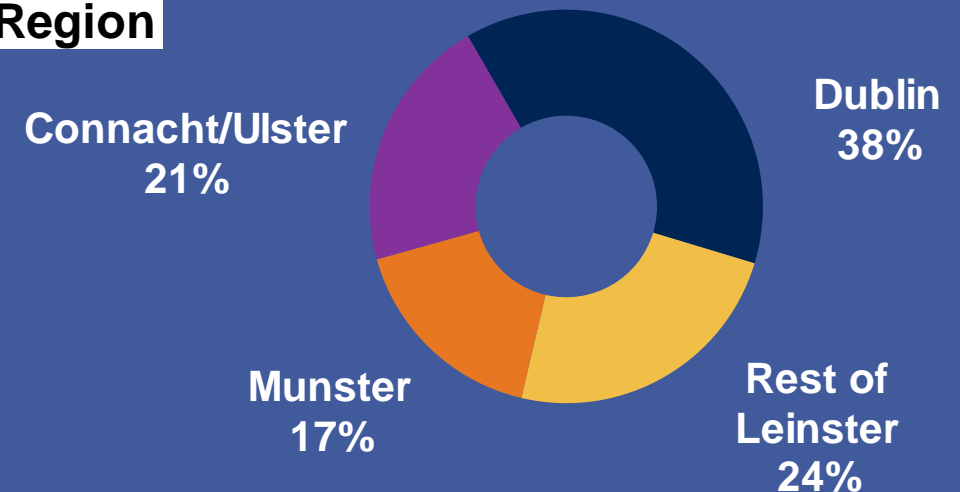
Age



Social Class



Region



Base: All with an open current account with Ulster Bank or KBC (349)

EXECUTIVE SUMMARY

- This wave of the research shows some progress in the switching journey for many customers with the majority of remaining customers having opened a new account. However roughly 1 in 8 have yet to even decide on a new bank.
- Almost two-thirds of Ulster Bank customers who plan on switching expect to have done so within the next month. Most others expect to switch within the next 6 months (18% in next 1-2 months and 13% in next 2-6 months).
- Branch location is the key motivator in choice of new provider, and as a result AIB, BOI and PTSB are the most popular choices among switchers. An Post and Credit Union are attracting more customers than the newer digital-only providers.
- 60% of customers identify a challenge that they have experienced in switching, with transferring direct debits and payments remaining the key challenge.
- Awareness and intended usage of the switching code remains low



FINDINGS

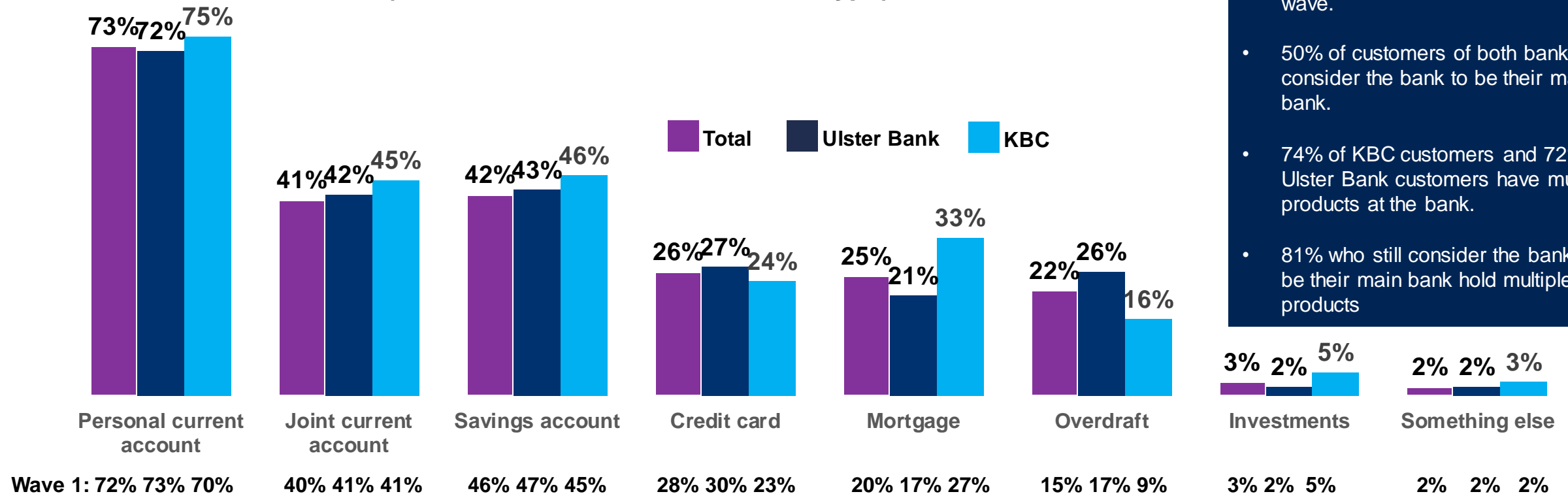
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THE TYPES OF PRODUCTS HELD BY CUSTOMERS REMAIN BROADLY THE SAME AS IN THE PREVIOUS WAVE OF RESEARCH

Other products held with Ulster Bank/KBC

Thinking of all the accounts you have with Ulster Bank/KBC, what accounts do you have with that bank?

(% with at least 1 of that account type)



- Ulster Bank customers have an average of 2.5 products at the bank, and KBC customers have an average of 2.3 products. These are both unchanged since the previous wave.
- 50% of customers of both banks still consider the bank to be their main bank.
- 74% of KBC customers and 72% of Ulster Bank customers have multiple products at the bank.
- 81% who still consider the bank to be their main bank hold multiple products

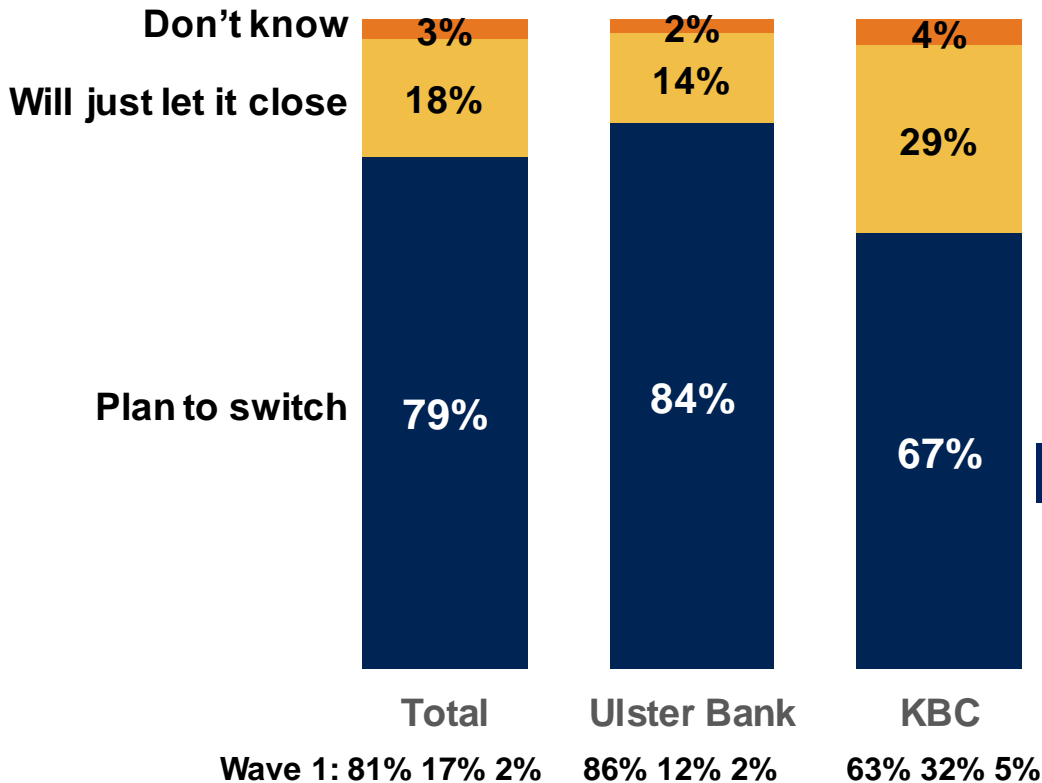
Q.5/Q.6 Thinking of all the accounts you have with Ulster Bank/KBC, how many of the following types of accounts do you have with that bank?

Base: All with an open current account with Ulster Bank or KBC (349)

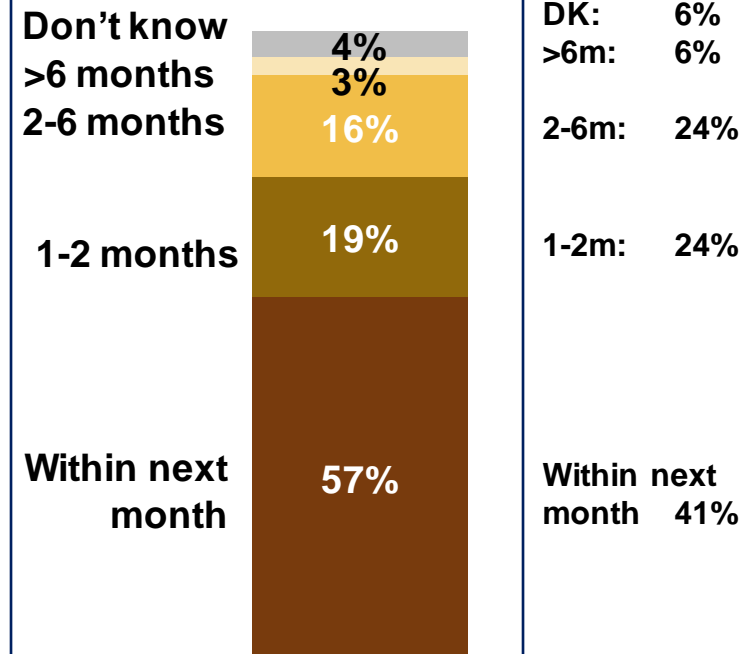
KBC CUSTOMERS ARE LESS LIKELY TO BE CONSIDERING SWITCHING THE ACCOUNT TO ANOTHER BANK

Expected switching actions

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



When do you expect to complete the switch?



Wave 1:

DK: 6%

>6m: 6%

2-6m: 24%

1-2m: 24%

Within next month 41%

- Main account customers more likely to be considering switching with 89% planning on doing so, compared with 61% for whom it is not their main account
- As with the first wave, those with multiple products at the bank are more likely to be considering switching than those with no other products – 84% and 69% respectively.
- 63% of Ulster Bank customers planning on switching expect to have done so within the next month. Most others expect to switch within the next 6 months (18% in next 1-2 months and 13% in next 2-6 months).
- No differences across other dimensions in terms of likelihood of switching or when the switch is expected to be completed.

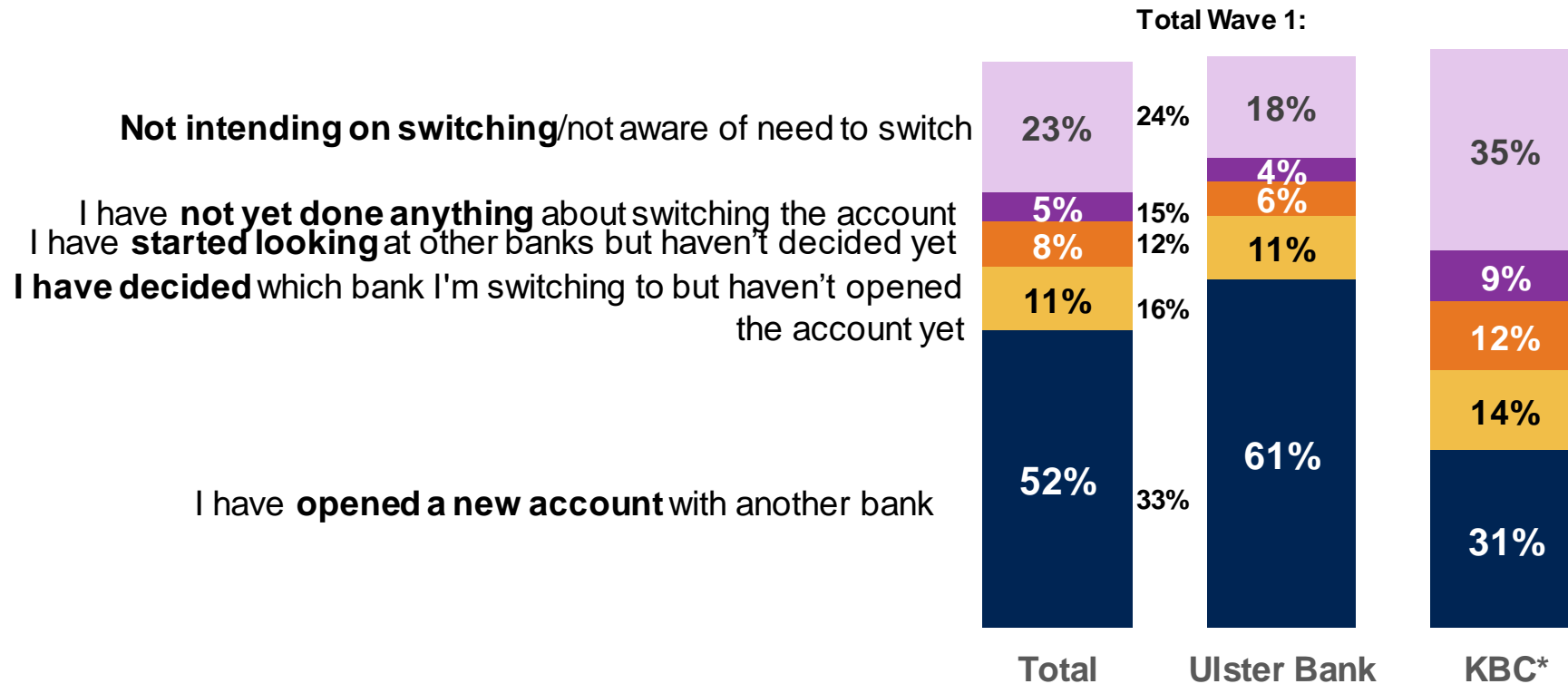
Q.8 Do you plan on switching the current account(s) to another bank or will you just let them close?
Base: All aware that they will need to close their account (341)

Q.9 When do you expect to complete the switch to another bank
Base: All intending to switch (270)

SIGNIFICANT UPLIFT IN ACCOUNT OPENING ACTIVITY SINCE THE PREVIOUS WAVE WITH OVER HALF HAVING OPENED ANOTHER ACCOUNT

Current status with switching

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

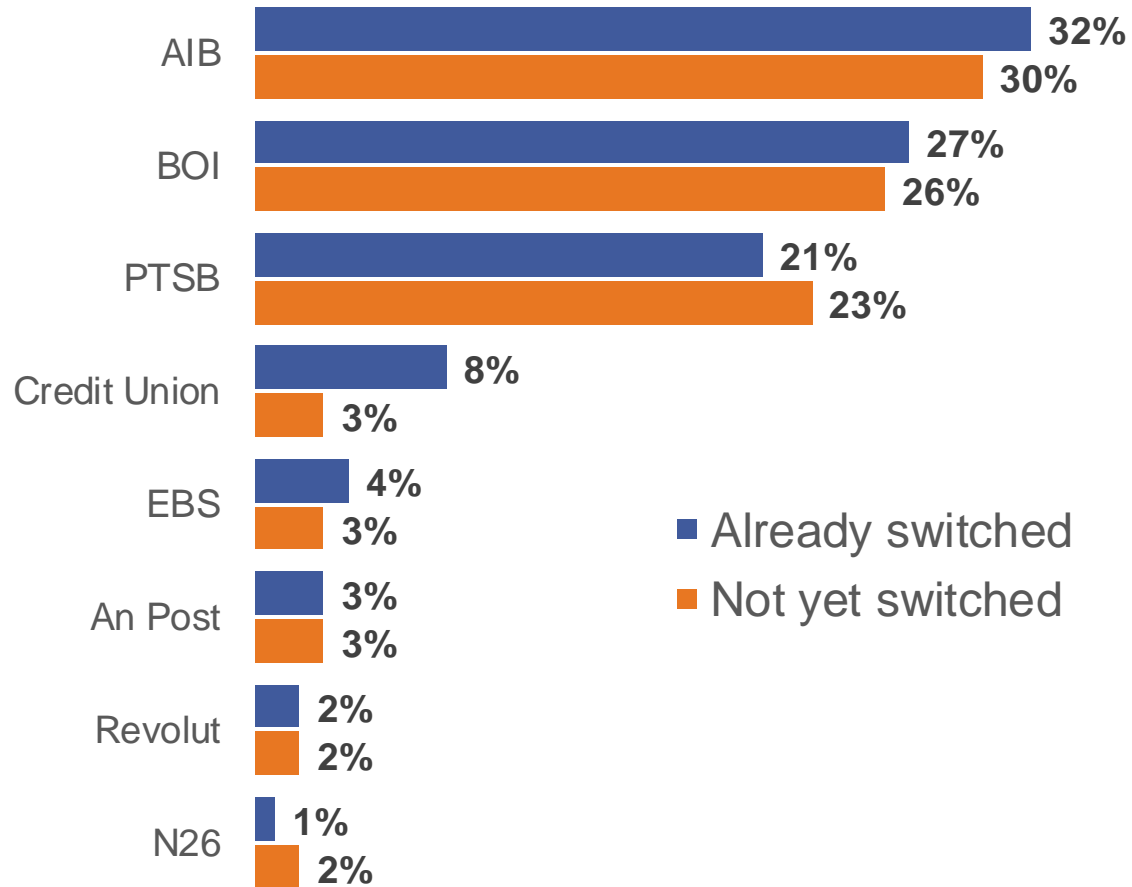


- 52% (w1: 33%) of those who have their main account with Ulster Bank or KBC have opened an account with another bank.
- 80% of those who plan to have the switch completed within the next month have opened a new account, only 2% have not yet done anything.

Q.10 Which of the following best describes what stage you are at in relation to switching your current account?
Base: All with an open account (349)

THE THREE TRADITIONAL BANKS ARE THE PREFERRED CHOICE FOR SWITCHING WITH LESS THAN 5% CONSIDERING REVOLUT OR N26

New current account provider / Current account provider being considered



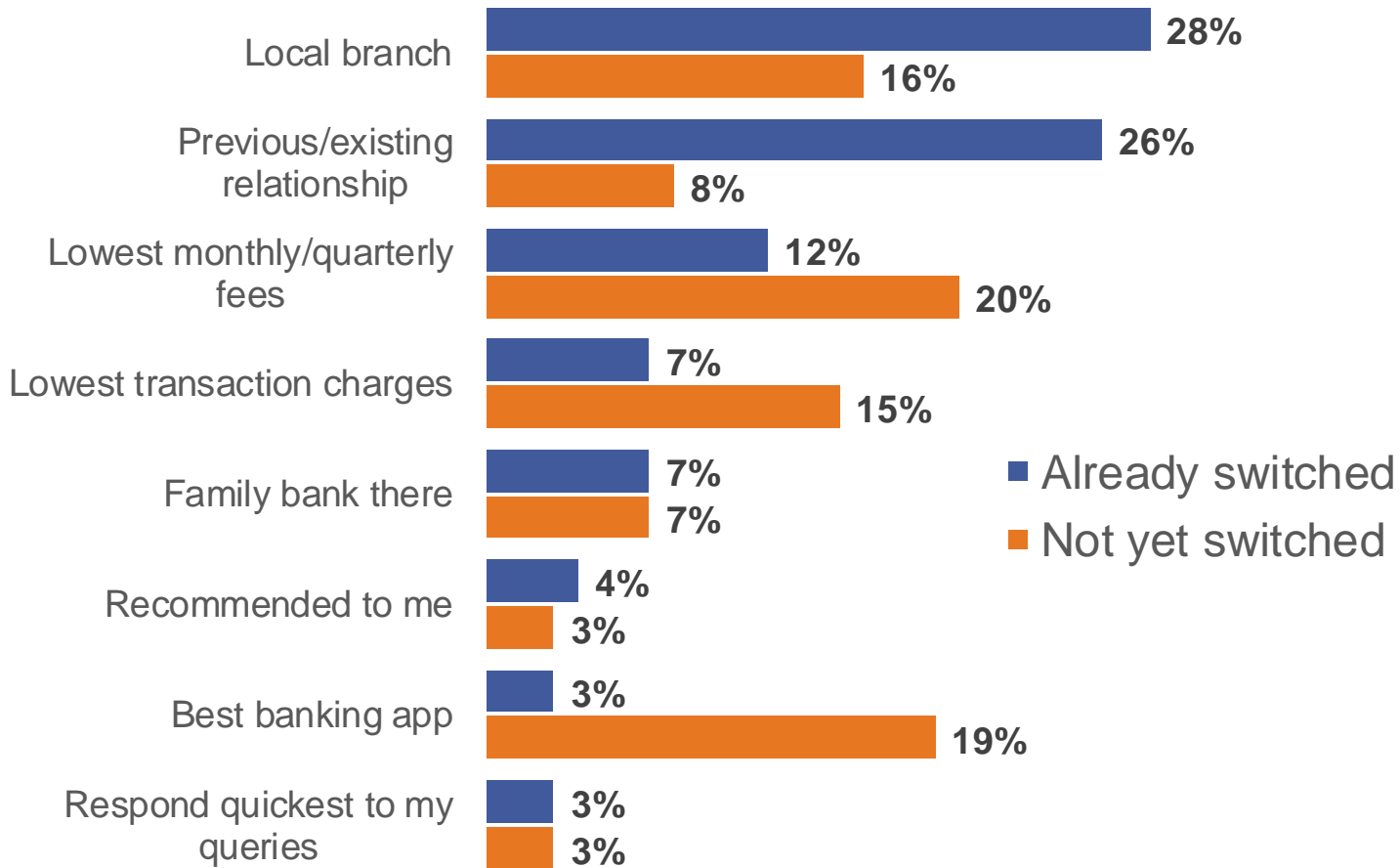
- Little demographic variance in terms of choice of current account provider.
- An Post - 7% of over-65s and 6% of those living in Dublin have switched to An Post.
- Credit Union – 15% of those living in Munster have switched to the Credit Union

Q.18 Which provider have you opened a new current account with?
Base: All who have switched (310)

Q.20 Which provider do you think you will switch your current account to?
Base: All likely to switch (87)

BRANCH AND RELATIONSHIP WERE KEY MOTIVATORS FOR THOSE ALREADY SWITCHED WHILE POTENTIAL SWITCHERS MORE FOCUSSED ON FEES AND APP

Motivations for choosing new provider



Q.19 For what reasons did you choose this provider?

Base: All who have identified a new provider (298)

Q.21 What will be most important to you when choosing a current account provider?

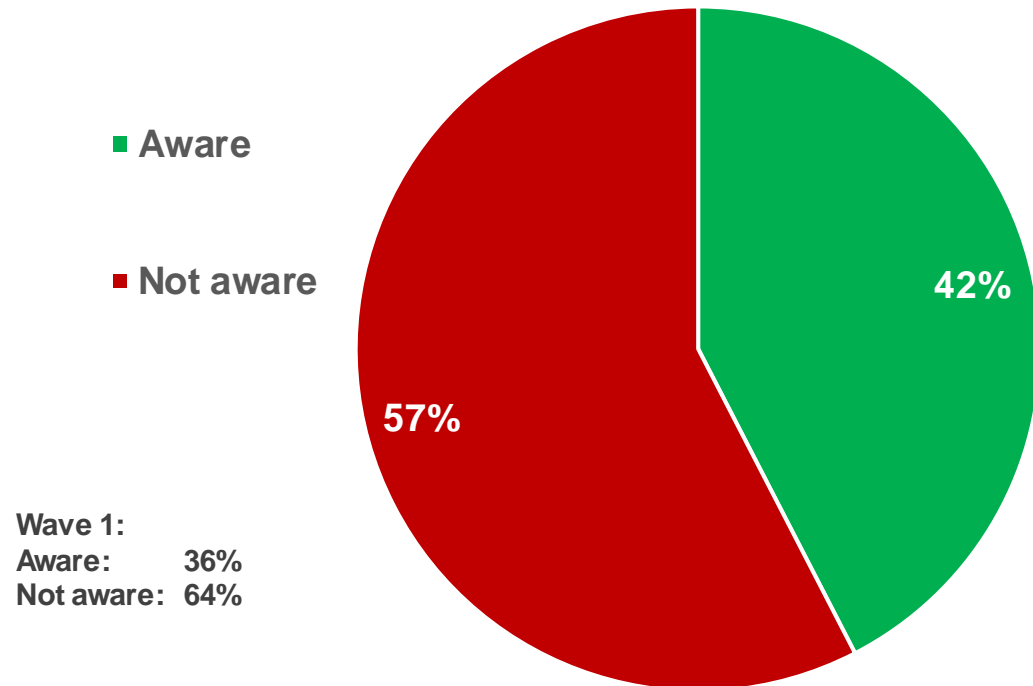
Base: All identifying a new provider (75)

- Local branch is the main reason for most demographic groups, although particularly for those aged over 65 (49%).
- Similarly, 42% living in Connacht/Ulster chose their provider based on branch location as did 41% of C2DE social class.
- Low monthly/quarterly fees particularly important for those aged 45-54 (21%), with 12% of 25-34 year olds chose on the basis of a recommendation.

AWARENESS OF THE SWITCHING CODE REMAINS LOW WITH RELATIVELY FEW LIKELY SWITCHERS INTENDING TO USE IT

Awareness/Use of the Switching Code

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



Wave 1:
Aware: 36%
Not aware: 64%

- ABC1s are more likely to be aware of the switching code with 45% aware of it, but they are no more likely to be planning to use it.
- Those aged under-45 less likely to be aware of the switching code than those older than this (35% and 46% respectively).
- Of the 66 respondents who have already switched, 7(11%) report using the switching code.

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

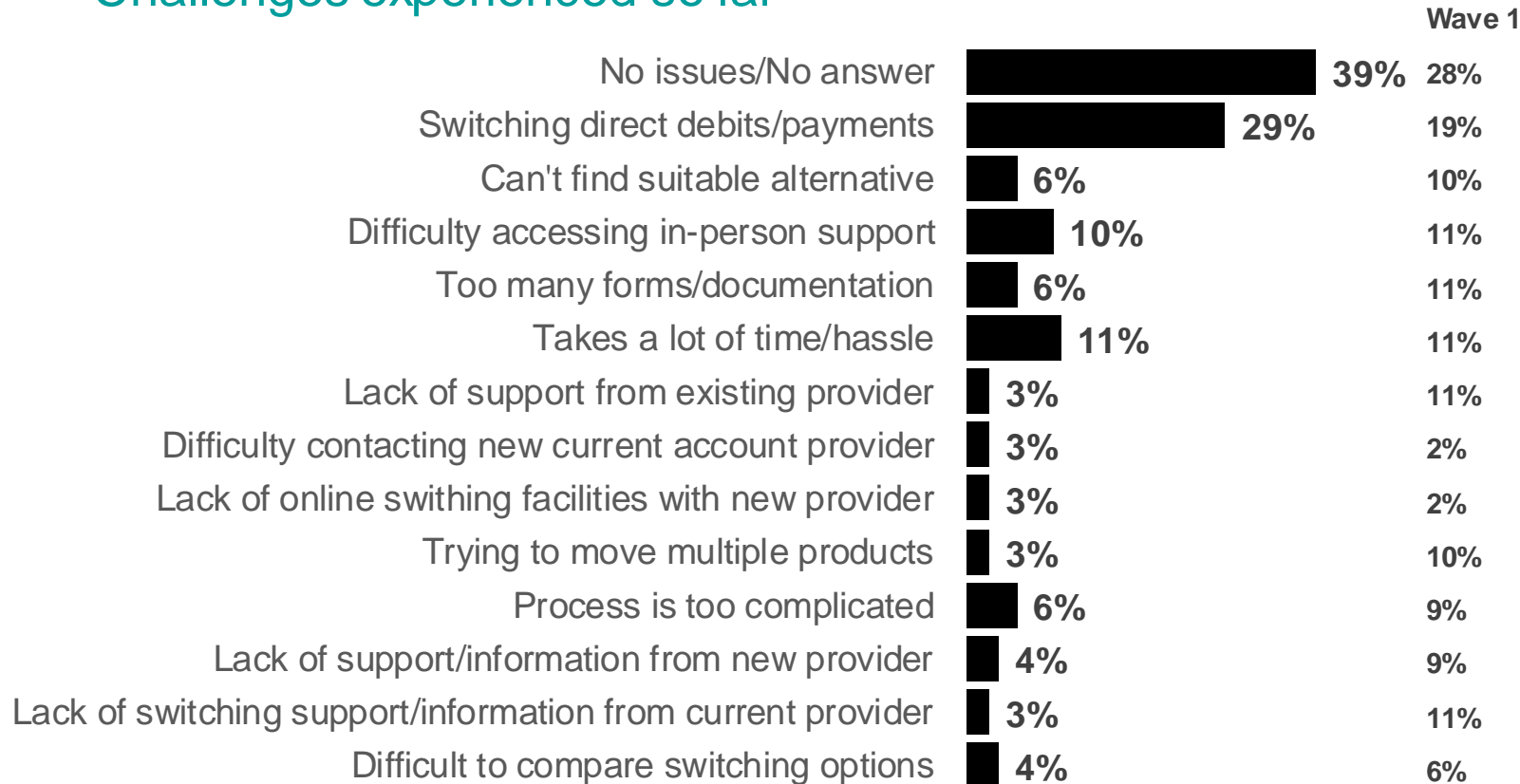
Base: All respondents (500)

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

Base: All who plan to switch and are aware of the switching code (107)

THE MAJORITY OF CUSTOMERS CONTINUE TO REPORT CHALLENGES WITH DIRECT DEBITS/PAYMENTS THE MAIN ISSUE

Challenges experienced so far



- 17% of those living in Connacht/Ulster report a difficulty accessing in-person support/appointment.
- 6% of 55-64 year olds report a lack of switching information/support from their existing current a/c provider

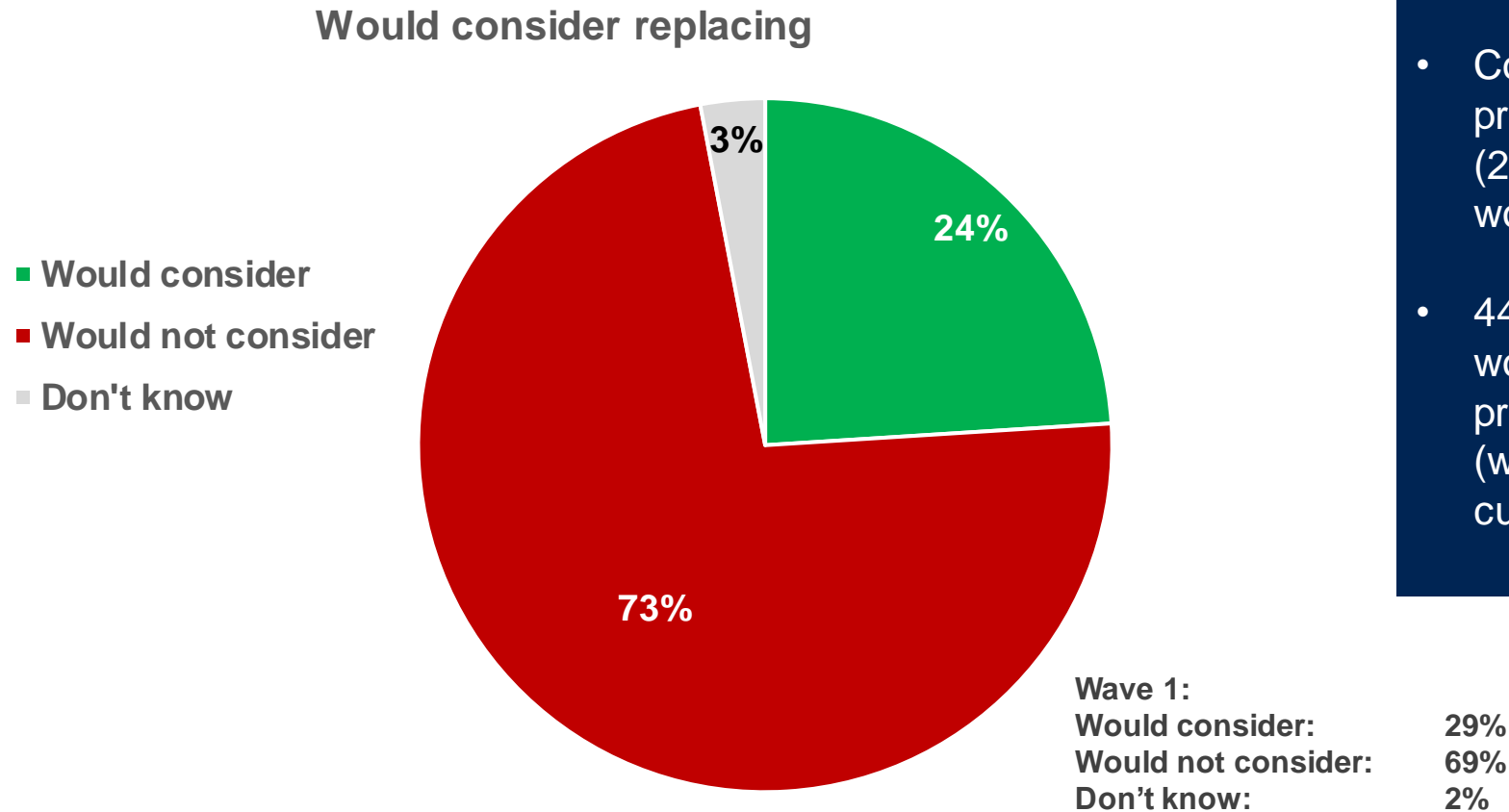
Others at less than 3%

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

Base: All who have switched/opened another account or have started looking at other banks (377)

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

Consideration of an online-only provider



- Consideration of an online-only provider highest among men (29%). This compares to 18% of women.
- 44% of KBC (w1:52%) customers would consider an online-only provider, but this drops to 23% (w1: 24%) among Ulster Bank customers.

Q.17 Would you consider replacing your main current account provider with one that only offers online banking services and does not have any branches in Ireland?

Base: All respondents (500)

CONTACTS

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