

Packaged and Current Accounts - UK - June 2011

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What is this report about?

This report provides readers with a thorough overview of what is going on in the UK current account market. In addition to a detailed market size and market share sections the report highlights the most relevant economic and demographic factors impacting the market, and also investigates the prospects for potential new players such as Tesco Bank and Virgin Money. The final sections of the report reveal the findings of Mintel's exclusively commissioned, in-depth consumer research on current and packaged accounts.

What have we found out?

- While motivating people to switch their main current account has always been a notoriously difficult proposition, Mintel research has indicated that there may be some hope for existing and prospective providers. The segment of the population who has shown the most willingness to switch, the 25 to 34 year olds, is set to increase in number by 15% by 2020.
- On average a person holds just 1.8 products with their main bank and 3.3 with other providers. Making more of the quality of their relationship with a customer, particularly in regard to the convenience of being a one-stop shop for an individual's personal finance needs, may be an excellent way for banks to improve overall cross-selling rates.
- Nearly a third of consumers surveyed by Mintel said that they would be prepared to consider switching their main current account to a challenger branch such as Virgin Money or Tesco Bank. Men, those aged between 25 and 34, high-earners, and those who own fee-based packaged accounts were significantly more likely than average to say they would consider switching.
- Supermarket brands such as Tesco and Sainsbury's are well positioned to compete in the current account market, however, unlike the big banks, they will need to be careful about protecting their core brand identity.
- Mintel consumer research strongly suggests that there is an opportunity to increase packaged account ownership among these individuals - outside of the 16 to 24s, the over 55s are the least likely to own a packaged account.
- Consumer research on the availability and use of various packaged account benefits has revealed that there are some notable differences in which types of benefits are likely to be valued by different types of consumers. Empowering consumers to design their own packaged accounts may help to significantly boost take up.

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