

Consumers and Retail Banking - UK - September 2015

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“Mobile and online are the most frequently used banking services, but far from gathering dust, branches are supporting a resurgence in trust for banks as time distances them from the financial crisis. The decision on whether to innovate or integrate with existing technologies can mean the difference between grief and glory for the main banks.”

– Patrick Ross, Financial Services Analyst

This report looks at the following areas:

- Making the best return on tech strategies will make all the difference
- Cost sensitivity is one of few factors that can drive customers away
- Loyalty has few rewards, encouraging customers to look for better deals

Retail banks have entered a new era where little is straightforward and nothing can be taken for granted. The FCA (Financial Conduct Authority) is determined to open up the market to greater competition, starting with the introduction of the CASS (Current Account Switch Service) in September 2013. Banks can no longer rely solely on customer inertia to retain business and a low interest rate environment has dampened cross-selling as credit specialists are offering record-breaking deals.

The way the main banks respond over the next five years will be crucial to their defence of the highly concentrated market. Technology can be hugely disruptive, and with online and mobile experience becoming ever more important, an effective digital strategy is crucial. Knowing when to invest in own-brand technology and when to partner with technology specialists will be key to retail banking profits. This being said, branches won't just be gathering dust. Customers still place value on face-to-face interaction, making the recent spate of branch closures a dangerous trend.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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