

Current Accounts - UK - July 2015

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“The current account market has always been labelled as being notoriously ‘sticky’. The launch of the CASS had as a primary goal the removing the barriers to switching and boosting competition. Even though the market has heated up with deals to lure switchers, activity remains split somewhat equally among switchers and non-switchers.”
 – Chryso Kolakkides, Senior Financial Services Analyst

This report looks at the following areas:

- Tailored packaged current accounts can better reflect consumers' preferences
- Even dissatisfied customers fail to switch

Current account ownership is almost universal, making current accounts the most widely held financial product in the UK. Market share data, with the top five individual current account providers accounting for nearly two thirds of the market, reveals a mature and heavily concentrated market. Historically, barriers to entry have been high as a result of strict regulation and high levels of customer inertia.

The introduction of the Current Account Switch Service (CASS) in September 2013 however, coupled with the entry of several challenger brands, has recently heated up competition in the market. Although these developments have had some positive impacts on switching activity, customer churn remains rather limited with nearly half of current account holders never having switched their main account provider.

This report examines how the current account market is evolving in light of these changes. It provides an overview of the size and composition of the market and reviews competitive strategies including various recent product developments in the market. Mintel's exclusively commissioned research concludes the report, looking at current account ownership, factors influencing consumers' choice of current account, consumer attitudes towards paid-for packaged accounts, satisfaction with providers, current account switching activity and consumer satisfaction with the CASS.

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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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Nationwide NOW

Barclays and others look to their customers with disabilities

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Just over 70% of current account holders are aware of the CASS

More than four in five CASS users are satisfied with the service

58% of adults would be interested in a current account comparison tool...

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...but only just over one quarter would be happy to share their personal data for personalised information on deals

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