

# Financial Services: The Path to Purchase - UK - 2021

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

- The impact of COVID-19 on the research and purchase journey in financial services.
- Product buying activity.
- Perceptions of purchase journeys for different FS products.
- Preferred research channels.
- Reasons for not completing a product purchase.
- Attitudes towards product research and purchase.

Among financial services customers, more people than not say they enjoy researching financial products (49% vs 44%), which indicates that existing channels meet their needs, with a majority preferring online over in-branch comparison and purchase. Digital channels work particularly well in financial services, and consumers have greatly benefitted from this being the focus of innovation in the sector over the last two decades.

As such, the impact of COVID-19 on the way people research, arrange or switch products has not been that marked compared to other areas of consumer behaviour, with a vast majority seeing no major disruptions.

However, the pandemic has highlighted existing differences in this industry, with some sectors such as mortgages, pensions and protection insurance still heavily dependent on traditional, off-line and in-person channels for sales. During the initial lockdown these channels were severely affected and forced to quickly respond to lockdowns and social distancing, highlighting the need for all sectors and providers to develop engaging digital purchase channels.

As the shift to digital accelerates, there is an opportunity to harness its potential for more complex products and to cater for customers who have typically relied on traditional channels. More specifically, there is greater scope to use digital channels to make expert advice and guidance cheaper and easier to access and to bridge the gap between face-to-face channels.



“The shift towards online research and purchase channels in financial services over the last two decades means that COVID-19 has not been as disruptive in this sector as in several other consumer markets.”

– Irene Salazar, Senior Financial Services Analyst

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### OVERVIEW

- Key issues covered in this report
- COVID-19: market context
- Economic and other assumptions
- Products covered in this Report

### EXECUTIVE SUMMARY

- **Impact of COVID-19 on research and purchase channels in financial services**

Figure 1: Short-, medium- and long-term impact of COVID-19 on research and purchase channels in financial services, June 2021

- **The market**
- **COVID-19 disruption underlines the importance of switching incentives in the current account market**

Figure 2: Number of switches per month using the CASS, October 2013–April 2021

- **FCA to ban the ‘loyalty penalty’ at the expense of constant switchers**
- **Consumers recognise the positives and negatives of shopping online**

Figure 3: Attitudes towards shopping online, March 2021

- **The consumer**
- **More than half of consumers have recent experience of buying general insurance**

Figure 4: Products switched/arranged, April 2021

- **Perceptions of ease vary greatly by product**
- Figure 5: Perceptions of how easy or difficult opening a new product is, April 2021

- **Younger consumers more likely to have changed plans**
- Figure 6: Delaying/cancelling a product purchase or switch, by age, April 2021

- **Fast-changing conditions and uncertainty lead to cancelled plans**

Figure 7: Reasons for delaying/cancelling a product purchase or switch, April 2021

- **PCWs dominate insurance research while providers’ websites are more relevant for retail banking**

Figure 8: Past research channels, April 2021

- **Shoppers likely to stick to their preferred sources, and branches remain key**

Figure 9: Future research channels, April 2021

### What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **COVID-19 perpetuates existing trends**

Figure 10: Attitudes towards product research and purchase, April 2021

### ISSUES AND INSIGHTS

- **Time to address the digital gaps between different financial services sectors**
- **Physical spaces can become a point of differentiation**
- **Incentives are vital for people to switch**

### THE MARKET – KEY TAKEAWAYS

- **COVID-19 disruption underlines the importance of switching incentives in the current account market**
- **FCA to ban the ‘loyalty penalty’ at the expense of constant switchers**
- **Expect consumers to become more demanding during the recovery period**

### MARKET DRIVERS

- **Switching activity remains subdued**

Figure 11: Number of switches per month using the CASS, October 2013–April 2021

- **Consumers recognise the positives and negatives of shopping online**

Figure 12: Attitudes towards shopping online, March 2021\*

- **The role of the smartphone in online shopping continues to expand...**

Figure 13: Smartphone activities, July 2019 and March 2021\*

- **...but device ownership is far from universal**

Figure 14: Personal ownership of technology, March 2021\*

### MARKET ENVIRONMENT

- **PCWs to help consumers through the recovery period...**
- **...with Open Banking key to future developments**
- **Comparethemarket.com is the most commonly-used aggregator**

Figure 15: Price comparison sites used for researching financial services products in the last 12 months, July 2020

- **FCA rules aim to end the ‘loyalty penalty’...**
- **...at the expense of constant switchers**
- **FCA finalises guidance on branch closures**

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

THE CONSUMER – KEY TAKEAWAYS

- COVID-19 disrupts consumer finances and preferred channels
- People benchmark different product journeys based on their limited experiences
- Providers need to remove the fear from applying to appeal to younger generations
- Under-35s need more support to avoid cancelling plans to purchase
- Use of financial advisers for mortgages shows consumers value professional support
- Branches remain key despite social distancing restrictions
- ID verification developments could alienate some consumers

IMPACT OF COVID-19 ON CONSUMER BEHAVIOUR

- COVID-19 has had a major impact on online/offline behaviours...  
Figure 16: Impact of COVID-19 on consumer behaviour, 27 May-7 June 2021
- ...and derailed household finances  
Figure 17: Impact of COVID-19 on consumer finances, 27 May-7 June 2021

PRODUCT BUYING ACTIVITY

- More than half of consumers have recent experience of buying general insurance  
Figure 18: Products switched/arranged, April 2021
- Current accounts still seen as long-term relationships...
- ...but incentives remain key
- People benchmark different product journeys with their limited experiences  
Figure 19: Repertoire of products switched/arranged, April 2021

PERCEPTIONS OF PURCHASE JOURNEYS

- Perceptions of ease vary greatly by product  
Figure 20: Perceptions of how easy or difficult opening a new product is, April 2021
- Pensions are seen as intimidating
- Life stages and individual needs have major impact on perceptions  
Figure 21: Perceptions of how easy opening a new FS product is, by age, April 2021

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### REASONS FOR NOT COMPLETING A PRODUCT PURCHASE OR SWITCH

- **Younger consumers more likely to have changed plans**  
Figure 22: Delaying/cancelling a product purchase or switch, by age, April 2021
- **Fast-changing conditions and uncertainty lead to cancelled plans**  
Figure 23: Reasons for delaying/cancelling a product purchase or switch, April 2021

### PAST RESEARCH CHANNELS

- **PCWs are the dominant channel for researching general insurance...**
- **...but life insurance customers consult a wider range of sources**  
Figure 24: Past research channels, April 2021
- **Providers' websites are more relevant for retail banking**  
Figure 25: Past research channels, April 2021
- **Use of financial advisers for mortgages shows consumers value professional support**

### FUTURE RESEARCH CHANNELS

- **Shoppers likely to stick to their preferred sources**  
Figure 26: Future research channels, April 2021
- **Branches remain key despite social distancing restrictions**  
Figure 27: Future research channels, April 2021
- **PCWs have potential to dominate the research journey in consumer credit**

### ATTITUDES TOWARDS PRODUCT RESEARCH AND PURCHASE

- **COVID-19 perpetuates existing trends...**
- **...and highlights areas for personalisation**
- **Help people narrow down choices and make decisions**  
Figure 28: Attitudes towards product research and purchase, April 2021
- **Convenient solutions can nudge consumers into action...**  
Figure 29: Attitudes towards ID verification, April 2021
- **...but convenience does not mean the same thing to all consumers**  
Figure 30: Attitudes towards photo/ video ID verification – CHAID – tree output, April 2021

### What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- **Abbreviations**
- **Consumer research methodology**
- **CHAID analysis methodology**

Figure 31: Financial services: path to purchase – CHAID – table output, April 2021

**What's included**

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

**Did you know?**

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

**Buy this report now**

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.