

Loyalty in Financial Services - UK - September 2012

Report Price: £1750 / \$2723 / €2181

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



“Two fifths of respondents believe that ‘if you show loyalty to a financial services firm, they’ll only ever take advantage of it’. This goes beyond issues of pricing, and raises the suggestion that financial services firms actively exploit those customers who show loyalty.

This is a pretty damning indictment on the industry. It is a business that is (or at least should be) built on trust, and it is at the centre of most people’s lives. It’s almost impossible to live in a modern society without dealing with financial services firms, and many products have an expected lifespan of decades. It’s hugely damaging that two fifths of people believe that if they show loyalty to the providers of these long-term products, the result will be that they will be ‘taken advantage of’.”

– Toby Clark, Director of Research, EMEA

In this report we answer the key questions:

- Who is most likely to have switched accounts?
- How cynical are people about banks’ claims to reward loyal customers?
- Do people think that loyalty has a non-financial payoff?
- How can financial services firms sidestep the price wars?
- How can banks give people an excuse to stay put?

In the financial services industry, loyalty is a huge issue. Motor insurance has long struggled to cope with the growing commoditisation of the product, and the expansion of price comparison sites has exacerbated the problem. Other general insurance markets are following suit. A sizeable group of consumers are taking a similar approach to savings products, particularly in the cash ISA market. They keep careful tabs on the best-buy tables and the price comparison sites, and show little hesitation in changing accounts if they can get a better deal elsewhere.

This report investigates consumers’ attitudes towards loyalty in financial services. It looks at perceptions of how financial services firms compare with other types of company when it comes to rewarding loyal customers, and how this feeds through into consumer behaviour. Loyalty is compared across a range of financial services products, and among those who have switched, Mintel has attempted to discover what prompted them to move accounts.

Your business guide towards growth and profitability

A Mintel report is your one, best resource for information and analysis on consumer markets and categories.

Each report contains:

- Primary consumer research
- Market size and five year forecast
- Market share and segmentation
- Brand and communications analysis
- Product and service innovation

To see what we cover in this report click on the report's "contents" section.

If you have any questions or require further information, send an email to oxygen@mintel.com or call one of our regional offices:

EMEA: +44 (0)20 7778 7151
Americas: +1 (312) 932 0600
APAC: +61 (0)2 8284 8100