

## Consumers and Current Account Switching - UK - November 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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“Brand familiarity remains a key factor in the choice of main current account provider. However, multi-account ownership is growing and customers using more than one account are less wedded to established brands for their additional accounts.”

- Douglas Kitchen, Financial Services Analyst

This report looks at the following areas:

- Multi-account ownership is growing, and brands need to adapt
- Mobile banks have work to do to become a 'main bank account'

This Report examines the current account market environment, and the major factors which are influencing switching activity. It considers the brand strategies when it comes to attracting new customers, and the estimated market share of the current account market. Mintel's exclusive research looks into current account ownership and switching activity. It then moves onto expectations of future switching activity and behaviours, as well as general attitudes toward current accounts and account switching.

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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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### Issues and Insights

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Multi-account ownership is growing, and brands need to adapt

The facts

The implications

Mobile banks have work to do to become a 'main bank account'

The facts

The implications

## The Market – What You Need to Know

Multi-account holders on the rise

Branches decline by over a third since 2015

Current account interest rates decline

Less than one million switches via CASS in 2019

Regulators focus on improving transparency

## Market Environment

Number of consumers with multiple current accounts grows

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Online channels now dominate current account distribution

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Switching via the CASS remains low

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Nationwide and HSBC achieve most gains in 2018/19

Challenger banks make up three of the top five

Ethical concerns move up consumer the agenda

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## Regulatory and Legislative Changes

Increased focus on improving transparency in the current account market

Through the official bank service league...

...and the publishing of mandated and voluntary information

Despite difficulties, Open Banking is set to drive further innovation

Banks react to recent overdraft regulations

## Companies and Brands – What You Need to Know

Barclays and LBG dominate the current account market

Online or app-only banks appeal to those with more than two accounts

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High street banks launch digital solutions aimed at specific customers  
 New innovation on the high street...  
 ...and through app-only banks

## Providers Share of the Current Account Market

Close to one in five holds their main account with Barclays  
 LBG accounts for one quarter of main current accounts  
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 Online or app-only banks more common among those with more than two accounts  
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 Santander launches Openbank  
 RBS develops BÓ  
 Revolut targets Gen Z  
 HSBC revamps First Direct to appeal to the younger market  
 Cash switching deals return to the market...  
 ...while Barclays improves upon its rewards offering  
 Lloyds, Bank of Scotland and Nationwide reduce their in-credit interest rates  
 NatWest leads innovation on the high street  
 Through a new video banking service...  
 ... and Open Banking partnerships  
 App-only banks use Open Banking to build their 'Marketplace'...  
 ...while premium accounts have a mixed impact

## The Consumer – What You Need to Know

Over a third own more than one current account  
 Just under 50% have not switched or opened an account in the last five years  
 Multi-account holders are switching or opening a new account elsewhere  
 28% are planning to switch or open a new account in the next 12 months  
 Over 60% plan on retaining use of their main current account  
 Definite switchers prioritise high street brands  
 30% do not see the importance of branch services  
 Multi-account ownership is driving improved money management

## Current Account Ownership

Majority own just the one account...  
 ...but over one third own more than one account  
 Figure 21: Current account ownership, August 2019 vs May 2016

## Current Account Switching Activity

Almost half have not switched or opened a new account in the last five years...

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...with over-55s among the least likely to be active in the market

Figure 22: Current account switching/account opening activity, August 2019

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Consumers holding their first account offer a unique opportunity

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Figure 37: Agreement with attitudes towards current accounts and current account switching, by future current account switching/account opening behaviour, August 2019

## Attitudes towards Current Accounts and Current Account Switching

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