



Main financial services providers – do they treat their customers fairly?

All major financial institutions have to embed in their operations Treating Customers Fairly principles that are monitored by the Financial Services Authority.

In 2005 when TCF was being introduced, JGFR commissioned GfK NOP to undertake a representative survey among 1,000 UK adults aged 16+ which asked respondents whether they agreed with the following statement (one of several):

'My main financial services provider treats me fairly'*

Overall 71% of respondents agreed with the statement suggesting a notable minority not in agreement.

To see whether there had been an improvement in customer perception of TCF, GfK NOP was commissioned to conduct a further survey on behalf of JGFR among 2,000 adults aged 16+ last March. Survey respondents were asked whether the following statement applied to them:

'My main financial services provider treats me fairly'*

Slightly fewer respondents (69%) agreed with the statement suggesting that there has been no improvement in TCF in the ensuing 18-month period despite great efforts by the FSA to get institutions to build in TCF principles in their operations.

Young people aged 16-22 especially felt they were not being treated fairly – only 49% agreed with the statement - suggesting a need to engage more with young people in managing their finances. More ABs (75%) felt they were fairly treated – no doubt reflecting better service in view of their higher revenue-generating potential.

Regionally there are differences in treatment. 75% of customers in East Anglia felt they are treated fairly compared to 63% in the West Midlands. In London where competition is considerable and the economy has been booming only 64% felt they are treated fairly.

TCF and the major banks: A big issue for 2008

In 2008 personal current accounts will be close to the top of personal finance issues as the result of the OFT's Market study** into personal current accounts is published. This report, together with the ongoing test case in the High Court being launched by the OFT on the legal principles behind the banks' unauthorised overdraft charges and returned items and whether these are fair, form part of a broad examination of competition and value for money offered by the banks.

The survey evidence produced by JGFR suggests that for some 15 million people they do not feel they are being treated fairly by their main financial services provider, with no improvement in the past two years despite the efforts of the FSA in getting TCF embedded in the operating principles of financial institutions.

*around 80% of consumers regard one of Lloyds TSB, Barclays, HSBC, NatWest, Halifax, Nationwide, Abbey, Bank of Scotland, Alliance & Leicester and Royal Bank of Scotland as their main financial services provider

**Retail Banking Retail Study, OFT due out early 2008

For more details of this survey and other work on main financial services providers please contact info@jgfr.co.uk or ring 0208 944 7510.