

UK's competitive banking climate helps power new relationships amid pandemic

Article

The news: Close to one in three UK consumers have formed new banking relationships during the pandemic, [per](#) a new survey from financial technology provider FIS.

The study, which FIS conducted with Ipsos, used a sample with higher educational attainment and affluence than the UK's general population. It covers new relationships with both financial institutions and non-bank companies.

By age groups: FIS' survey covered adults ages 18 to 74, with findings showing that:

- **Younger millennials (ages 25 to 29) were the most likely to switch banks, at 46%.**
- **Senior millennials (ages 30 to 40) and Gen Zers (ages 18 to 24) were tied in the middle at 39% each.**
- **Gen Xers (ages 41 to 55) and Baby Boomers (ages 56 to 74), were the least likely to switch, at just 23% and 17%, respectively.**

Why they switched: Respondents most frequently answered that **they want better benefits, at 35%**. FIS included other categories—and in a press release it shared examples of age groups being disproportionately represented:

- **Starting new life chapters, at 24%.** Within this category, 48% of Gen Zers cited important life events such as getting a first job, starting university, or leaving school.
- **Accessing new financial products that weren't available at other banks, at 23%.** Meanwhile, 38% of young millennials cited this category, with mortgages and credit cards as examples.
- **Unpleasant customer service was the least-cited factor, at only 7% of respondents.**

What do they want next?: FIS said that **respondents prioritize accessing real-time/faster payments, which it called "key for consumers in the next six months."**

Access was the most sought-after among five categories, with 17% either replying they needed it now or definitely need it, plus another 14% replying that they might need it.

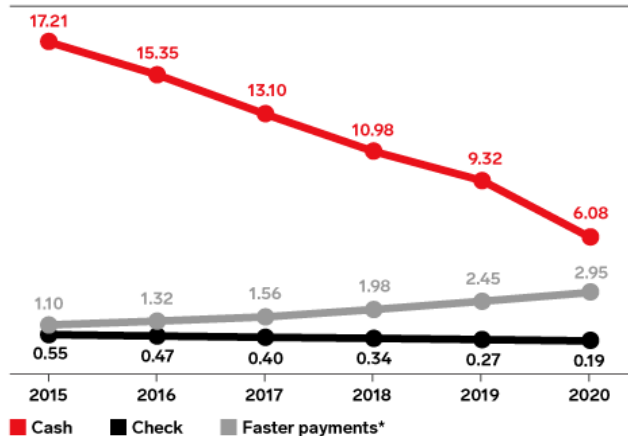
- **Banking players should meet consumers where they are and deepen their newfound banking relationships by offering this in-demand feature.**
- **Faster payments have seen explosive growth in recent years through mobile P2P, [per](#) our 2021 UK Mobile Payments Forecast, with a **169% jump from 2015 to 2020.****

The pervasiveness of new relationships is fostered by a banking environment in the UK that encourages competition and consumer choice:

- The **Current Account Switching Service (CASS)** makes changing banks easier by **letting** consumers pick a new bank and choose a change date, while the affected banks on both ends handle the rest of the process.
- **Open banking has also surged** during the pandemic, **per** Experian, because it greases the wheels for fintechs to form relationships with consumers, while supporting data sharing for digital financial services.

UK Total Payment Volume, by Payment Method, 2015-2020

billions



Note: *and other remote banking

Source: UK Finance, "UK Payment Markets Summary" 2016-2021, June 16, 2021

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