DEC 15
Lauren Ashcraft

Banking customers seek out better interest rates over general satisfaction

Article

The findings: J.D. Power's 2023 US National Banking Satisfaction Study revealed that although customer satisfaction has improved at national banks (those with domestic deposits which exceed $300 billion and at least 200 branches, per the study), **better deposit interest rates can still lure consumers away.**

- These results are based on a survey of 2,938 US retail banking customers fielded in August-September 2023.

By the numbers: The survey highlighted **the importance of a customer's ability to save,** which they prioritize over their general satisfaction,

- Customers are opening up secondary accounts with wealth management companies and/or internet-only financial institutions (FIs) to take advantage of their rates.
- **Around 50% of national bank customers have such secondary accounts, up from 44% in 2022.**

Add open banking to the equation: These results show that **customers leave accounts open while investing elsewhere for better rates**—but that may not still be the case when the US moves to a more open banking system.

- **73% of customers using open banking services are willing to switch providers** if there are better services available elsewhere.
- 36% of millennials and 24% of Gen Z would be "very" or "extremely" interested in switching bank accounts in an open banking environment.
- However just 6% of baby boomers and seniors felt the same.

Key takeaways: While the average US consumer keeps bank accounts between 16 and 18 years, they also cite the "hassle" of switching accounts as a motivator behind their loyalty.

- That means after account-switching gets easier, even major FIs that provide consistently excellent customer service will need to offer a competitive selection of products and services that help customers save—and yes, good interest rates.