

Almost half of UK banking customers don't trust their bank to help them through a recession

Article

The news: Nearly half of British bank customers don't trust their bank to help them manage their finances in a recession, per the GFT [Banking Disruption Index](#).

By the numbers: Germany-based IT service management firm **GFT** released its inaugural **Banking Disruption Index**, a new quarterly survey that measures UK citizens' satisfaction with their banks' digital capabilities. This quarter's index surveyed 2,000 UK respondents in August 2022. Here are the key stats:

- **48% of respondents said they don't trust their bank to help them manage their finances through a recession.**
- Conversely, only 33% said they trust both a digital and a traditional bank with their current account.
- 42% of those surveyed said they are concerned a market downturn would negatively affect not only their personal savings, but also their banks' finances.
- About half (52%) of 16- to 24-year-olds said they think their bank is keeping up with technology quickly enough.

But despite these less-than-stellar findings, **overall consumer sentiment remains positive**, with customers giving a satisfaction rating of 79 out of 100.

Banking Users Who Would Recommend Their Banks' Online and Mobile Banking Services, by Bank, June 2021

% of respondents

Monzo	88%
Starling Bank	87%
First Direct	82%
Halifax	80%
Nationwide	79%
Lloyd's Bank	79%
Bank of Scotland	78%
Barclays	78%
Metro Bank	77%
NatWest	75%
Santander	72%
HSBC UK	72%
Royal Bank of Scotland	68%
TSB	65%
Virgin Money	63%
The Co-operative Bank	61%
Tesco Bank	60%

Source: Ipsos MORI as cited in company blog, Aug 16, 2021

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Tech with a human touch: According to the Banking Disruption Index, **two-thirds of people would prefer to use digital channels to communicate with their bank**, instead of visiting a

branch. But there are caveats. Customers value human interaction when handling complex situations, and that could have a positive impact on trust.

- **77% of customers said that the ability to speak to a human when needed** would have a positive impact on their trust, according to a survey by Mitek and YouGov.
- Only half (52%) said that technology like artificial intelligence and biometrics builds trust in their banks.

But it's not all about tech: For much of this year, UK citizens have been struggling with record inflation and rising costs of living. As the winter months approach, energy bills are expected to rise by nearly 80%. UK banks' resistance to providing support for their customers is likely what's driving this distrust.

- Earlier this year, some high street banks said the cost of living crisis is largely not affecting their customers.
- But 64% of people said they think banks and financial institutions (FIs) still aren't doing enough to help their customers during difficult economic times, according to a CRIF survey.
- 40% want banks to tailor products and services to better meet customers' needs.

What Would UK Adults Like Brands to Do to Support Customers During the Cost-of-Living Crisis?

% of respondents, May 2022

Keep prices fair	57%
Freeze prices on value range products or services	36%
Offer more value for money propositions	33%
Reward existing customers' loyalty (e.g., with extra low prices, special treats, and small luxuries)	30%
Increase the number of promotions they offer	28%
Be transparent and forthcoming (e.g., about future price increases)	20%
Offer a greater choice of products/services across a range of price points	19%
Provide excellent customer service	16%
Support local communities, businesses, and charities	14%
Offer a wide range of support/practical tools for hardest hit groups	13%
Educate customers through their marketing channels (e.g., money-saving tips, cost-friendly ideas for the family, etc.)	12%
Improve/diversify loyalty scheme offerings	12%
Acknowledge the rising cost of living in their communications	11%
Make people aware of support services/resources available to them in their communications	11%
Offer affordable customer finance (e.g., interest-free credit)	10%
Engage directly with customers to develop new solutions and ideas	8%
Entertain and make customers laugh/smile	5%
Other	1%
None	8%

Note: ages 18+; respondents could select up to five

Source: Institute of Practitioners in Advertising (IPA) conducted by Opinium, May 26, 2022

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Our take: The added stress of an economic downturn is making it clear just how fragile overall customer trust in banks is. Though customers indicated that they are generally satisfied with the rate at which banks' digital transformations are progressing and the service they receive, obvious areas of improvement remain. Through the economic downturn, banks must demonstrate compassion and emphasize customers' individuality to ensure they come out with stronger customer relationships when the economy begins to turn around.

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