

Bank Satisfaction on a Downward Spiral

(25 June 2009 – Australia) Businesses continue to demonstrate dissatisfaction with their banks, according to East & Partners' latest Business Banking Customer Satisfaction Monitor (BBCSM). The overall satisfaction score now stands at a mere 4.89 points (where 0 = very dissatisfied and 10 = very satisfied) whereas just under twelve months ago the score reached 5.54.

The latest BBCSM also shows that, for the second month in succession, the overall satisfaction rating for all the banks fell. Of the Big Four, ANZ took the biggest hit and their continued slide in business customer satisfaction over the past twelve months means that ANZ is now only marginally ahead of the last placed bank, CBA.

NAB and St George have been the least affected of all the banks, with their satisfaction rating decreasing 0.3 and 0.5 percentage points respectively over the past month.

"Satisfaction continues to fall. This month's BBCSM is the ninth month in succession that overall satisfaction has dropped" Robert Morgan, head of market analysis for East & Partners said.

"Satisfaction with pricing remains low, pulling down the overall satisfaction rating. However, the banks are naturally keen to protect their margins in the face of relatively high funding costs. Consequently, pricing will remain an issue for business customers in the foreseeable future" Mr Morgan added.

"Given the current financial backdrop, banks need to move into damage control and ensure that, once the market conditions change, there is not large scale customer attrition" Mr Morgan concluded.

The top rating this month, in terms of overall satisfaction, continues to go to the Regional banks, with a satisfaction score of 6.59. However, NAB has once again closed the gap on the Regional banks and stands marginally behind them with a rating of 6.57.

The Business Banking Customer Satisfaction Monitor is based on interviews conducted each month Australia-wide with a structured sample of 850 companies turning over A\$5-500 million per annum, some 10,200 direct interviews with business banking customers annually.

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About the East & Partners' Business Banking Customer Satisfaction Monitor

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