

Bank customer satisfaction dips amid pandemic: Study

Decline of 1.7%; consumers seen to be more price-sensitive, given economic situation

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Bank customer satisfaction dipped amid the Covid-19 pandemic, even as more turned to online financial services, according to an annual study by the Singapore Management University (SMU).

Bank users gave lower satisfaction ratings and indicated lower levels of loyalty and price tolerance, the Customer Satisfaction Index of Singapore (CSISG) study found.

The study computes customer satisfaction scores at national, sector, sub-sector and company levels. The findings of the study on the finance and insurance industry were released yesterday.

The finance sector comprises banks, credit cards and e-payments sub-sectors.

The banks sub-sector scored 74 points out of 100 in customer satisfaction, a 1.7 per cent decline from the previous year.

The credit cards sub-sector scored 72.7 points, which was similar to the previous year's results,

while the e-payments sub-sector – a new inclusion to the study this year – scored 79 points.

The insurance sector scored 73.8 points, but the score was not comparable with that of previous years due to changes in survey and sampling methodologies.

Ms Neeta Lachmandas, executive director of the Institute of Service Excellence (ISE) at SMU, which conducted the survey, said bank customers became more price-sensitive, given the economic environment. “Coupled with reduced service levels, such as temporary branch closures due to the Covid-19 pandemic, the industry as a whole had a tough time in 2020.”

The study also found that use of

the banks' digital channels rose from 72.1 per cent in 2019 to 76.9 per cent last year. The percentage of customers aged 60 and above who indicated use of these channels rose from 20.3 in 2019 to 65.5 last year.

Mr Chen Yongchang, ISE head of research and consulting, said: “Banks adapted to the closure of branches by ramping up their digital channels, prompting older customers who tended to not use these channels to adopt them in a big way in the past year.”

These customers were observed to be relatively satisfied with the use of Internet banking, he noted.

In the credit cards sub-sector, online shopping marketplaces saw an increase in the proportion of their

spending, with 10.8 per cent of respondents indicating it as their “most recent spend” category, compared with 6.6 per cent in 2019.

E-payment systems, which were added to the CSISG study this year included e-wallets and payment apps such as Apple Pay, GrabPay and PayLah!

Some 79.2 per cent of e-payment respondents reported an increase in the use of e-payments compared with 2019.

Between last October and January, some 4,720 local consumers were surveyed for the finance and insurance sectors. This is the fourth and final set of findings released.

The infocommunications and retail sectors were measured in the first quarter last year, the air transport and land transport sectors in the second quarter, and the food and beverage as well as tourism sectors in the third quarter.

Based on the scores for eight key economic sectors and 22 sub-sectors of the economy, the national customer satisfaction score for last year was 74 points, compared with 74.3 in 2019.

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74

National customer satisfaction score for last year, down from 74.3 points in 2019.

74

Points scored by the banks sub-sector last year, down 1.7 per cent from 2019.

72.7

Points scored by the credit cards sub-sector last year, similar to 2019.