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Headline: Customer satisfaction with finance sector has improved, challenges remain: SMU study

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Customer satisfaction here with the finance sector has improved by 1.2 per cent year on year in the fourth quarter of last year to 74.8 points out of a possible 100.

The findings were part of a national study on customer satisfaction that the Institute of Service Excellence (ISE) at the Singapore Management University (SMU) conducts quarterly and annually.

The Customer Satisfaction Index of Singapore measures customer satisfaction across six key sectors in the service industry, including tourism, retail, land transport, and food and beverage.

A total of 4,700 local consumers were surveyed between October last year and January this year for the finance and insurance sectors.

Within the finance sector, the banks sub-sector scored 74.9 points, up 1.2 per cent year on year, while the credit cards sub-sector scored 73.2 points, a 0.7 per cent increase.

E-payment apps are a new inclusion, and scored 77 points.

Among the banks, UOB led in customer satisfaction with 75.1 points.

DBS, HSBC and OCBC followed closely, all scoring 74.9 points each.

The survey found that assurance and reliability are the most important drivers of customer satisfaction and loyalty.

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These two attributes are becoming more important in the light of recent events such as DBS' Internet banking outage last November and phishing scams that targeted OCBC customers last December.

Observers say more scams, glitches or digital disruptions can be expected from time to time.

Last week's payment glitch that hit 375 OCBC customers was an example of how a problem can arise suddenly.

The incident highlighted how banks' business partners have a role to play in ensuring the smooth functioning of payment ecosystems.

OCBC said its vendor that processes AXS payments on the bank's credit cards had a processing issue, resulting in duplicate transactions.

AXS told The Straits Times (ST) on Wednesday that all transactions on AXS are secured and have proper audit trails that allow the company to investigate any customer queries thoroughly.

The onus is then on the banks to respond quickly whenever there is an incident, said Mr Chen Yongchang, head of research and consulting at ISE at SMU.

Giving customers assurance is very important, he said, citing how DBS' and OCBC's senior management had quickly stepped forward to address the issues and apologise to customers.

The banks acknowledge the challenges involved in this digital era, where customers expect seamless access to banking services 24/7.

A DBS spokesman said the key is to have early monitoring systems to detect digital disruptions when they happen, and to expedite recovery to minimise customer inconvenience.

Competition is only going to get stiffer as digital banks start to operate this year.

There are two licences for digital full banks, one to the Grab-Singtel consortium, and the other to consumer Internet company Sea.

The SMU study found that close to 40 per cent of bank customers were willing to try out these digital banks.

The take-up rate was also quite consistent among the different age groups, from those in their 20s to those in their 60s.



Chart: STRAITS TIMES GRAPHICS • Source: SMU, INSTITUTE OF SERVICE EXCELLENCE, CUSTOMER SATISFACTION INDEX OF SINGAPORE (CSISG)

Mr Chen told ST that banking customers are attracted by the novelty, convenience and ease of use that digital banks offer.

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Digital banks will give traditional banks a run for their money in the credit cards, current and savings account, and investment spaces, he said.

Human touchpoints - front-line staff and personal service at branches - are where traditional banks should leverage their edge over digital banks, Mr Chen added.

Mr Sunny Quek, OCBC head of global consumer financial services, agreed that banking is about building relationships and trust.

"Customers do not just want to interact with banks via digital-only channels. For complex and deeper financial advisory conversations in wealth management, customers will still prefer the option of speaking with a real and qualified financial consultant in person," he added.

DBS chief executive Piyush Gupta said banking is about creating exceptional journeys and experiences for customers, and the bank does this by making banking "simple, intelligent and intuitive".

"We are also dialling up the usage of artificial intelligence to predict what customers are going to do, and from there how to give them the right advice and transaction suggestions", he added.