

The Essential Report – Banking questions

19 May 2015

ESSENTIAL RESEARCH



The Essential Report

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Prepared by: Essential Research

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Essential Media Communications is a member of
the Association of Market and Social Research Organisations.



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the Australian Market and Social Research Society

About this poll

This report summarises the results of a weekly omnibus conducted by Essential Research with data provided by Your Source. The survey was conducted online from the 14th to 17th May and is based on 1,002 respondents.

This report includes questions banking

The methodology used to carry out this research is described in the appendix on page 14.

Note that due to rounding, not all tables necessarily total 100% and subtotals may also vary.

Trust for financial advice

Q1. How much trust do you have in the following for advice about money and finance issues?

	Total a lot or some	A lot of trust	Some trust	Not much trust	No trust	Not sure	Not applica ble
Parents	63%	25%	38%	11%	3%	4%	19%
Spouse/partner	61%	27%	34%	11%	2%	4%	22%
Other family	57%	10%	47%	22%	6%	8%	7%
Friends	56%	9%	47%	25%	7%	7%	5%
Your bank	56%	8%	48%	27%	8%	6%	3%
A paid professional financial adviser	55%	13%	42%	21%	11%	6%	7%
Newspapers or business/finance magazines	40%	2%	38%	34%	13%	8%	5%
Online	29%	2%	27%	38%	20%	8%	5%
Social media	11%	1%	10%	37%	38%	7%	6%

Important issues in banking

Q2. How important to you are the following issues in your banking?

	Very important	Somewhat important	Not very important	Not at all important	Not sure
Trust	58%	32%	4%	1%	4%
Ethical conduct	54%	33%	6%	2%	5%
Customer service	53%	37%	4%	1%	4%
Access and convenience	52%	38%	4%	1%	5%
Great value deals	40%	42%	10%	2%	6%
The financial advice I receive	31%	39%	16%	6%	7%
Innovation – digital banking services	28%	44%	16%	5%	7%
Investing profits in the community	25%	46%	18%	4%	8%

Trust in banks

Q3. What is your current level of trust in the big four banks (Commonwealth, Westpac, NAB or ANZ)?

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
High level of trust	7%	10%	5%	11%	6%	5%
Moderate level of trust	51%	51%	52%	53%	49%	52%
Low level of trust	35%	35%	35%	26%	38%	39%
Not sure	6%	4%	9%	10%	7%	4%

Financial planning scandals

Q4. How does the recent news about financial planning scandals involving the big banks impact on your trust in big banks?

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
Trust is higher	2%	3%	1%	3%	3%	1%
Trust is same	36%	37%	35%	40%	35%	35%
Trust is lower	43%	45%	42%	31%	44%	56%
Not sure	18%	15%	21%	26%	18%	8%

Maximising profits

Q5. Do you think a big bank that is working to maximise profits for its shareholders can be trusted to act in their customer's interest?

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
Yes	18%	21%	15%	22%	15%	15%
No	54%	59%	50%	48%	56%	60%
Not sure	28%	20%	35%	30%	29%	25%

Importance of diversity in banking

Q6. How important do you believe diversity of banking providers (that is, having different types and sizes of banks to choose from), is to the Australian economy, competition and consumers?

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
Very Important	42%	47%	36%	36%	44%	44%
Somewhat important	39%	36%	42%	38%	36%	43%
Not very important	7%	7%	8%	9%	9%	3%
Not at all important	2%	3%	1%	2%	1%	3%
Not sure	10%	8%	13%	15%	10%	7%

Importance of diversity of ownership in banking

Q7. There are a number of business ownership models in Australia across all sectors. These models include co-operatives (which are jointly owned by the users of the service), government-owned companies, listed companies and privately owned businesses.

How important do you think it is there is diversity in our banking organisations?

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
Very Important	38%	45%	31%	32%	41%	40%
Somewhat important	41%	37%	45%	44%	35%	45%
Not very important	6%	5%	6%	7%	7%	5%
Not at all important	1%	2%	1%	2%	1%	1%
Not sure	14%	11%	17%	16%	16%	9%

Banking preference

Q8. Would you prefer to bank with an organisation that re-invests profits to benefit its customers and the community, rather than a listed bank that has to maximise profits for shareholders?

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
Yes	63%	64%	62%	54%	64%	72%
No	11%	15%	7%	15%	9%	9%
Not sure	26%	21%	30%	31%	27%	19%

Priorities of financial institutions

Q9. In your opinion, what should be the top priorities for financial institutions? (Top 3 priorities)

	Total	Men	Women	Aged 18-34	Aged 35-54	Aged 55+
Look after its customers	79%	79%	80%	75%	78%	86%
Reinvest profits to benefit customers	54%	49%	58%	51%	56%	54%
Be a trusted source of financial advice	43%	38%	47%	42%	37%	53%
Use profits to benefit the community	37%	37%	37%	35%	38%	36%
Maximise profits	14%	19%	9%	17%	13%	11%
Create wealth for shareholders	12%	16%	8%	11%	11%	14%
Drive innovation	10%	13%	7%	13%	11%	6%

Important outcomes for the financial system

Q10. The Federal Government established an independent Financial System Inquiry (FSI) which reviewed Australia's financial system for the first time in almost 20 years. Please rate the importance of the outcomes below you would like to see in the future for Australia's financial system:

	Very important	Somewhat important	Not very important	Not at all important	Don't know
Easier to understand consumer information.	46%	37%	6%	1%	10%
More trust in the financial advice provided.	43%	40%	6%	1%	11%
Fairer rules for smaller institutions.	38%	41%	75	1%	12%
Support for diversity in the sector – where the small can take on the big and also support and serve local communities.	36%	43%	8%	1%	12%
More competition.	32%	41%	13%	1%	12%
A framework that promotes diversity in the banking market.	30%	46%	9%	1%	14%
Recognition of the value of customer owned business models in policy settings.	28%	45%	9%	1%	17%

Appendix: Methodology, margin of error and professional standards

The data gathered for this report is gathered from a weekly online omnibus conducted by Your Source. Essential Research has been utilizing the Your Source online panel to conduct research on a week-by-week basis since November 2007.

Each week, the team at Essential Media Communications discusses issues that are topical and a series of questions are devised to put to the Australian public. Some questions are repeated regularly (such as political preference and leadership approval), while others are unique to each week and reflect media and social issues that are present at the time.

Your Source has a self-managed consumer online panel of over 100,000 members. The majority of panel members have been recruited using off line methodologies, effectively ruling out concerns associated with online self-selection.

Your Source has validation methods in place that prevent panellist over use and ensure member authenticity. Your Source randomly selects 18+ males and females (with the aim of targeting 50/50 males/females) from its Australia wide panel. An invitation is sent out to approximately 7000 – 8000 of their panel members. The response rate varies each week, but usually delivers 1000+ interviews. In theory, with a sample of this size, there is 95 per cent certainty that the results are within 3 percentage points of what they would be if the entire population had been polled. However, this assumes random sampling, which, because of non-response and less than 100% population coverage cannot be achieved in practice. Furthermore, there are other possible sources of error in all polls including question wording and question order, interviewer bias (for telephone and face-to-face polls), response errors and weighting. The best guide to a poll's accuracy is to look at the record of the polling company - how have they performed at previous elections or other occasions where their estimates can be compared with known population figures. In the last poll before the 2010 election, the Essential Report estimates of first preference votes were all within 1% of the election results.

The Your Source online omnibus is live from the Wednesday night of each week and closed on the following Sunday. Incentives are offered to participants in the form of points. Essential Research uses the Statistical Package for the Social Sciences (SPSS) software to analyse the data. The data is weighted against Australian Bureau of Statistics (ABS) data.

All Essential Research and senior Your Source staff hold Australian Market and Social Research Society (AMSRS) membership and are bound by professional codes of behaviour. Your Source is an Australian social and market research company specializing in recruitment, field research, data gathering and data analysis. Essential Research is a member of the Association Market and Social Research Organisations (AMSRO). Your Source holds Interviewer Quality Control Australia (IQCA) accreditation, Association Market and Social Research Organisations (AMSRO) membership and World Association of Opinion and Marketing Research Professionals (ESOMAR) membership. Both Essential Research and Your Source are ISO accredited market research companies. This research was conducted in compliance with AS: ISO20252 guidelines.