

2009 Banking and Credit Card Survey



About Checkmyfile

Checkmyfile Pty Ltd was the first to provide Australian consumers with online access to their credit reports, making it easier for consumers to discover and understand the information held about them.

Checkmyfile was also first in Australia:

- to offer consumers the ability to check their own credit score online for free and give plain English explanations how credit scoring works.
- to match lenders to consumer credit ratings for free, using credit scores, to help consumers find the cheapest deals and to reduce the risks of being declined.
- to offer a free online Identity Theft Risk Assessment Service.

About this survey

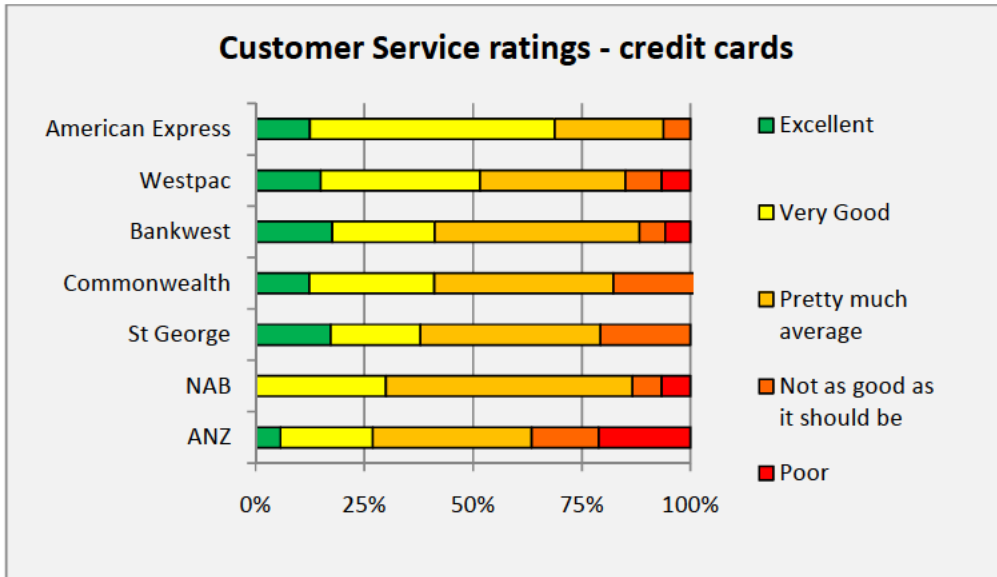
Each year, Checkmyfile asks its customers to rate their bank or credit card company. Respondents are incentivised by an invitation to enter a prize draw. This year's randomly selected winner received a cash prize of \$250.

Checkmyfile uses the results to ensure that when suggesting financial institutions to its customers, it can give an independent assessment of the service levels likely to be provided. Using credit scoring in reverse, it also ensures that applicants are matched to lenders who are most likely to say yes, so the risks of being declined are minimised.

Over 400 people took part in the 2009 survey.

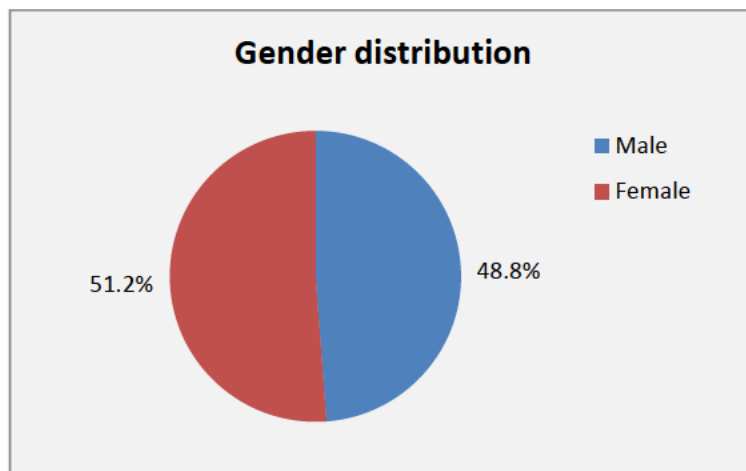
Summary of Survey Results

This is the first national Banking and Credit Card Survey of its kind in Australia, and the results show a significant difference in the level of customer service that lenders provide. The following table ranks credit card providers in order to the highest percentage that are rated by their customers as giving 'Excellent' and 'Very Good' levels of customer service.

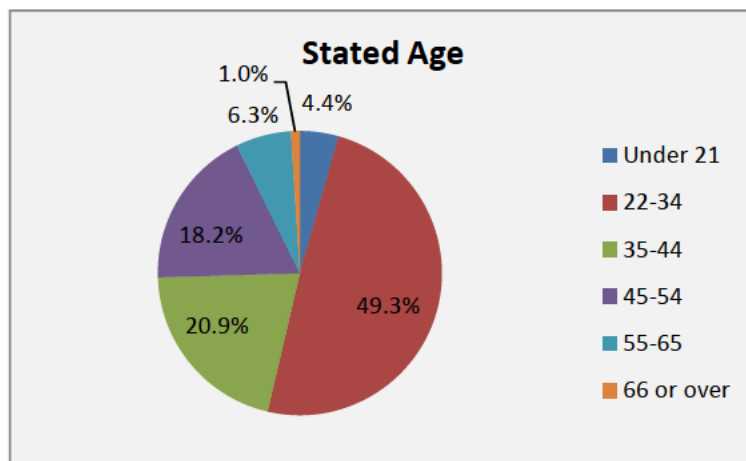


When it comes to credit cards, American Express come out at top rated, despite sometimes being criticised for not being so readily accepted by all retailers, which is due mostly to the much higher merchant service charges applied by American Express compared to those applied by Visa and MasterCard. Whilst both Commonwealth Bank and St George were placed in mid-table, it is worthy of note that neither were described as 'poor' by their customers. The survey shows that ANZ customers have a significantly higher percentage of customers who rate the customer service they get as 'Not as good as it should be' or 'poor'.

Age and Gender Distribution of Sample

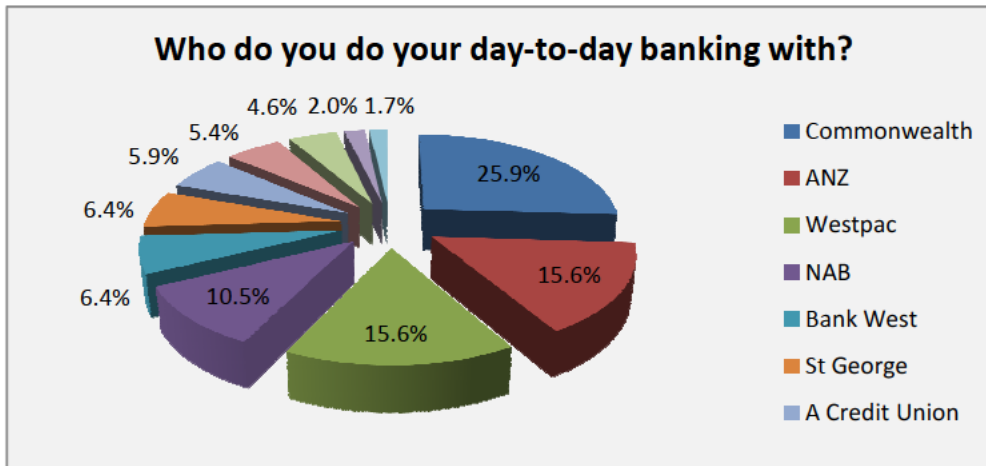


Compared to similar surveys in the UK and US, Checkmyfile sees a greater proportion of female visitors and survey respondents in Australia.

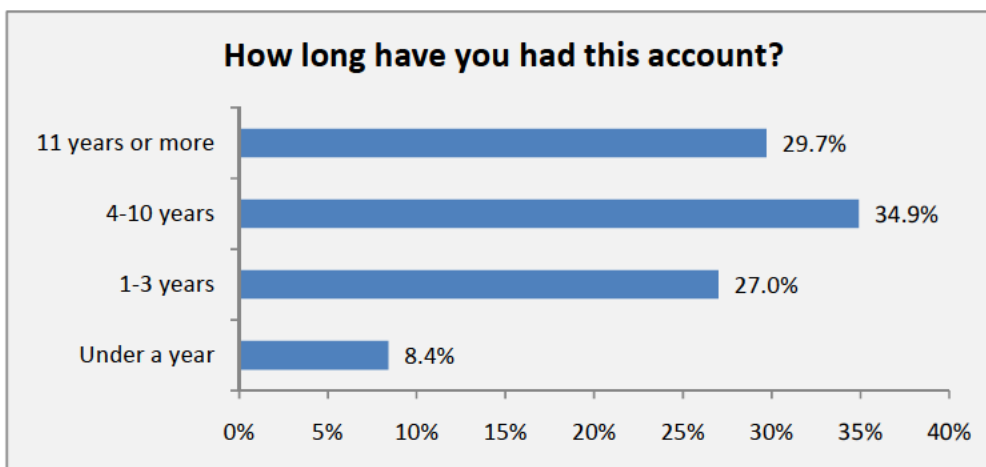


The age distribution corresponds with the level of general financial activity in Australia - as we get older we have less interest in and need for credit.

Distribution of Banking Relationship

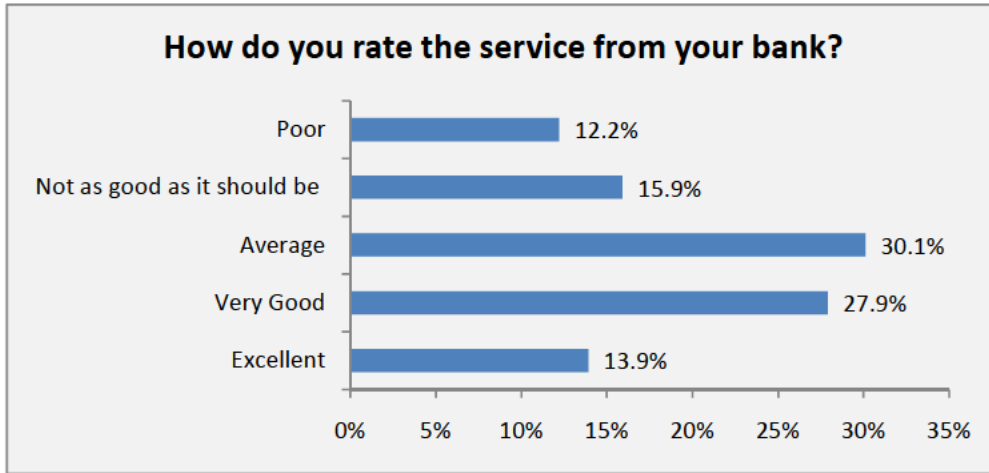


The 'Big Four' banks have around 2/3rds of all accounts, with the remainder split fairly evenly between other banks and Credit Unions.

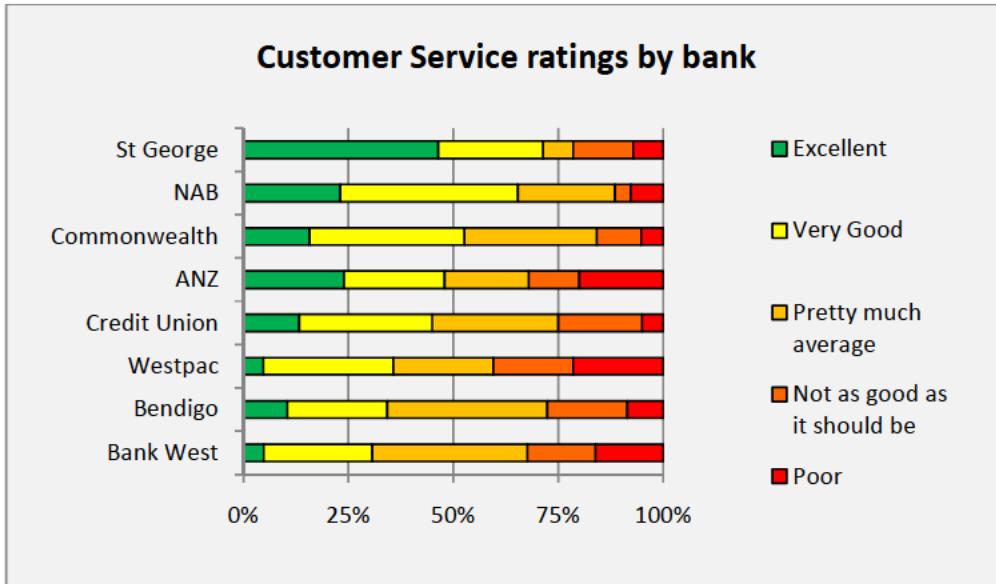


Most people have been with their current bank for a long time – almost 30% of them for over 11 years.

Customer Service levels compared – banks

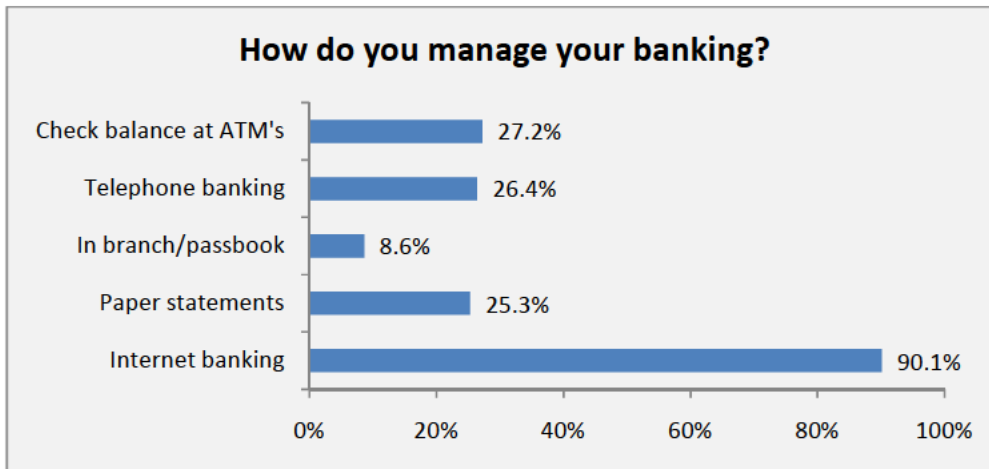


Overall, more than 1 in 4 people felt that the customer service they receive from their bank was sub-standard. Less than 14% of respondents described their bank as 'excellent'.

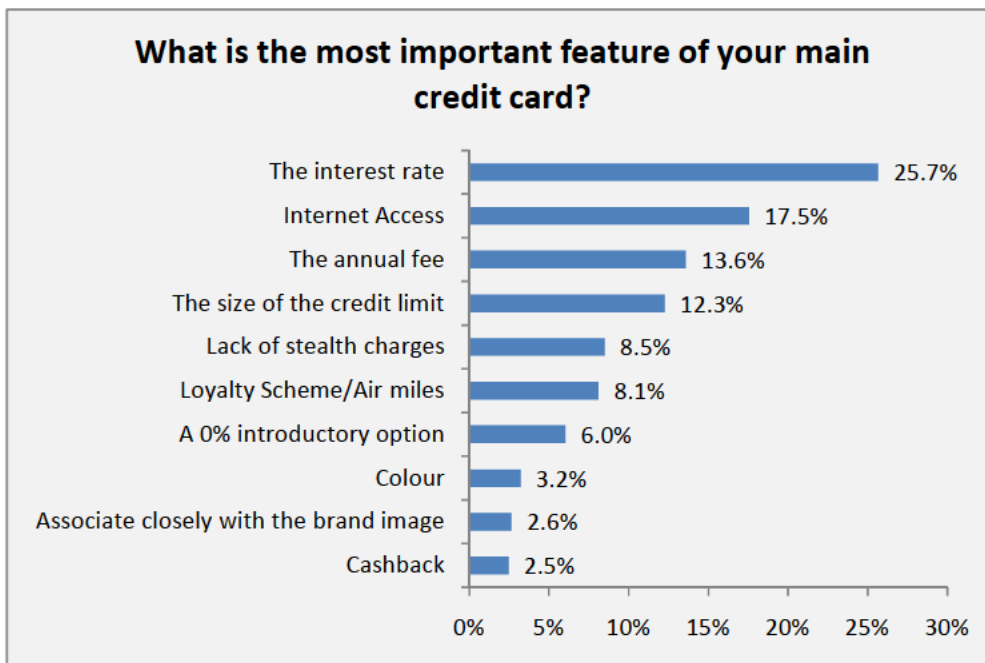


St George beats the 'Big Four' banks to top spot when it comes to customer service, with Westpac faring worse than credit unions. Some individual credit unions received particularly strong reviews.

How people manage their banking and what they like about their credit card.

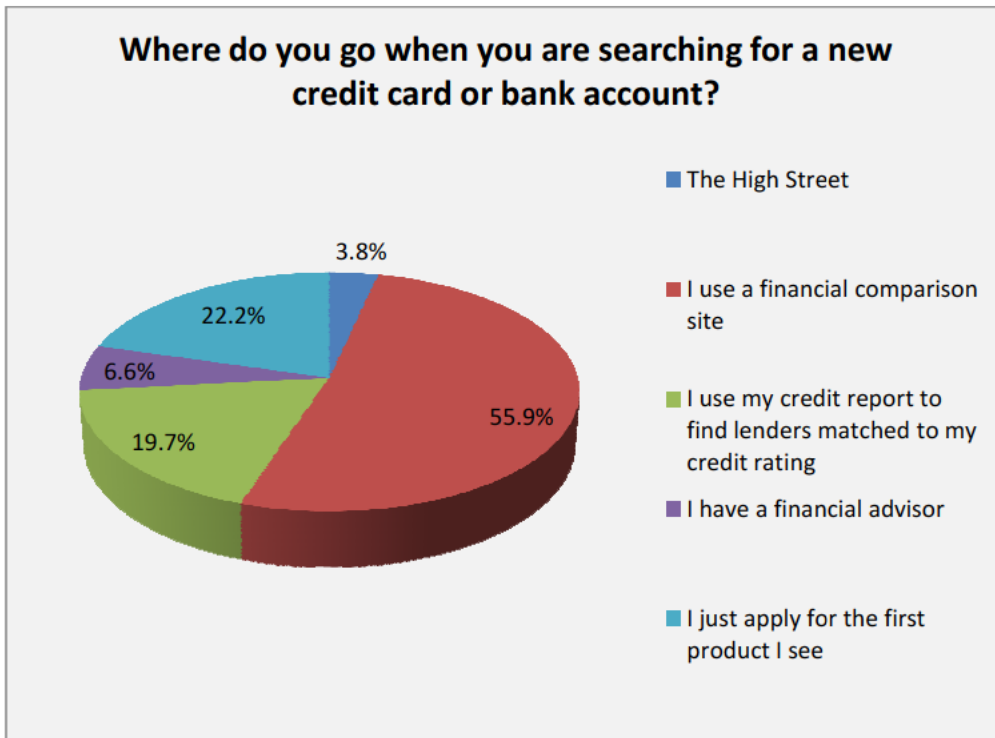


Perhaps predictably, given that this is an Internet based survey, the survey says that Internet Banking is by far the most popular method of account management, with 90% of customers using it, compared to a surprisingly small 8.6% using bank branches. Only one in four people use their paper statements to help manage their banking.

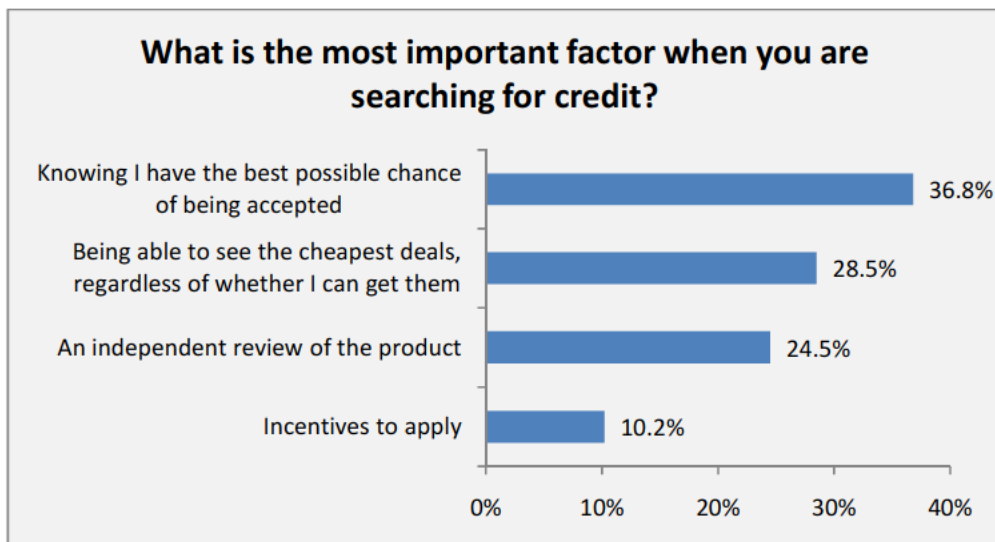


Interest rates are much more important to consumers than incentives such as rewards programmes or cashback. Lack of 'stealth charges' and the annual fee are also very important.

Searching for new credit – where people go and what’s important.



Most consumers use financial comparison sites to find a new bank account or credit card, but a shocking 22% apply for the first product they see. 19.7% of people are much savvier, and use their credit report to find lenders matched to their rating.



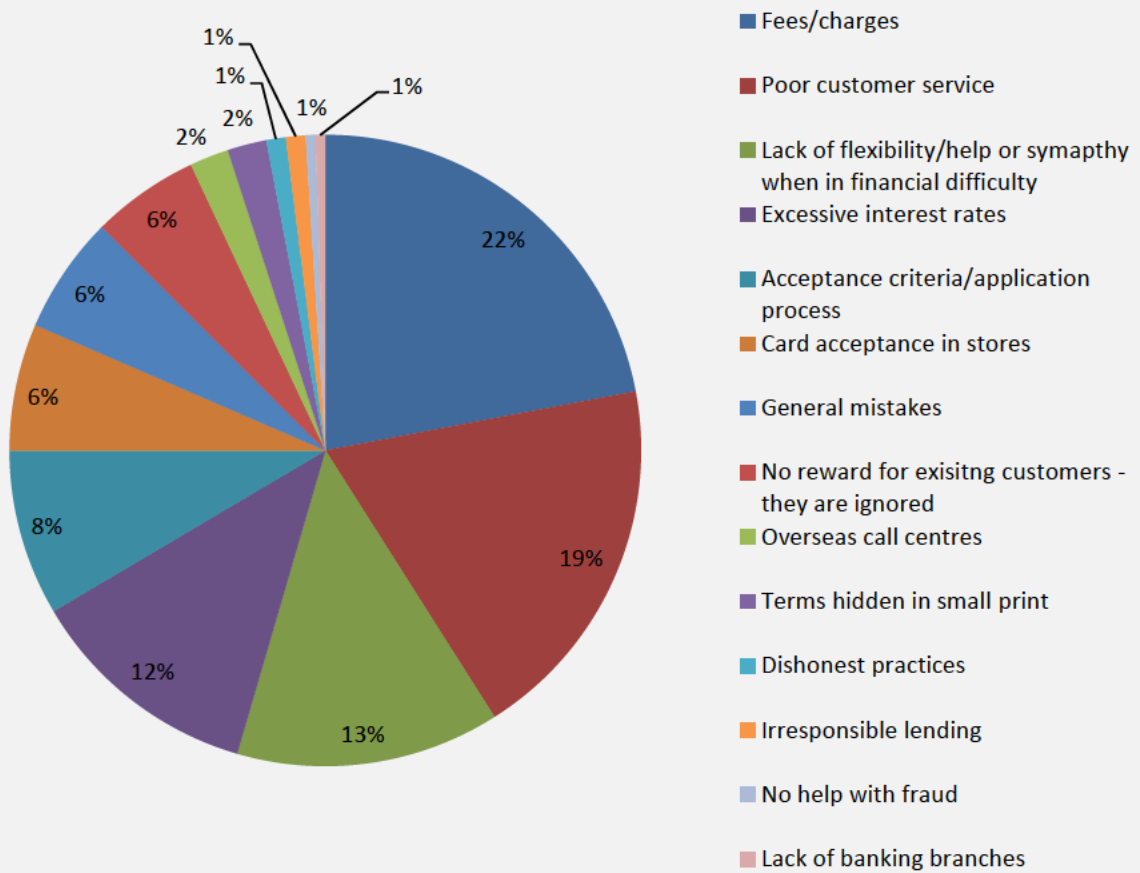
Knowing they have the best possible chance of being accepted is the most important factor for consumers when searching for credit.

Is there a bank or credit card you'd never recommend to a friend because of your experience?

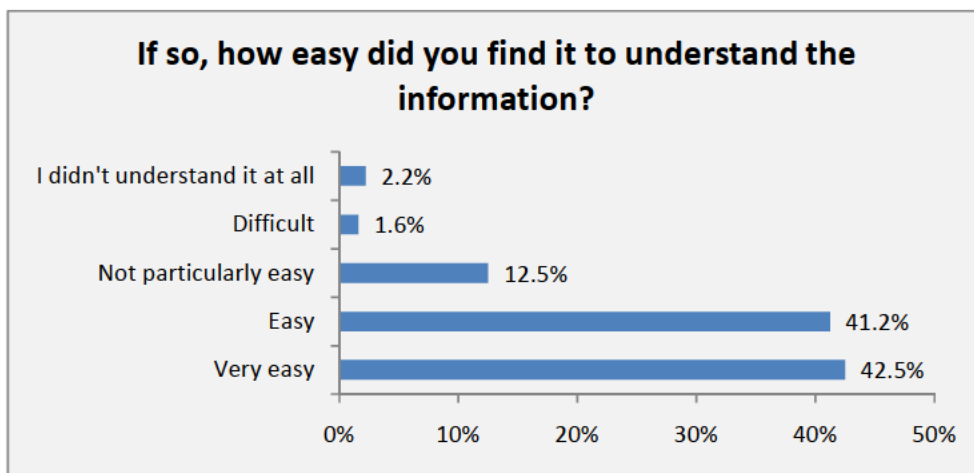
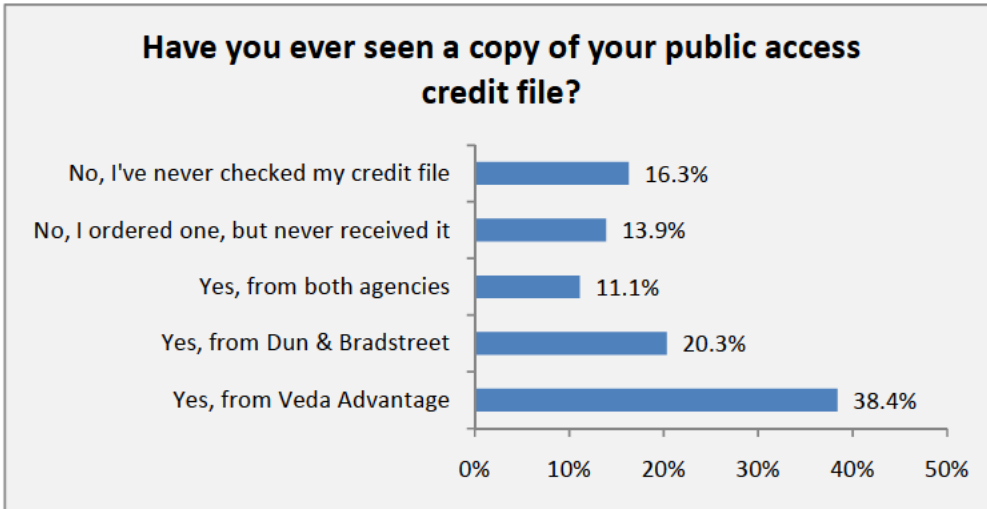


An astonishing 44% of people feel strongly enough about a particular lender to NEVER recommend them to a friend. Fees and charges as well as shoddy customer service were the most common explanations.

If so, what are the reasons for your strong negative feelings?



Consumer access to credit files.



The vast majority of consumers who have seen a copy of their credit file found the information easy to understand.