

## Bankers face exodus and ‘good’ isn’t good enough

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More than half of local business people will look to change their bank in the next three years due to lack of faith in their current provider, according to research conducted by IFAs at Arlington Financial and accountants at Horwath Clark Whitehill.

The research looked at opinions about and perceptions of the Tees Valley based interviewees’ current banks and how these had changed during the course of the recession.

Of those interviewed, 52.6% disagreed that they had faith in their bank “and will not want to change in the next three years”. Barclays customers who took part in the research were the most scathing, with 66.6% disagreeing, alongside 62.5% of HSBC customers.

However, the research was good for two banks Yorkshire and Lloyds TSB, whose customers, by a clear majority, wanted to stay put and expressed confidence in the service they are receiving.

RBS customers were split 50-50, while Natwest fared slightly worse, with only 44% saying they had faith and would not be looking to move.

Jon Sturrock, managing director of Hartlepool-based Arlington Financial said: “Customer care should be the priority at any time, let alone during a recession in which the banks are under such scrutiny, but what we saw when we looked at the results of this research is that this doesn’t seem to be the case. Our clients, and those of Horwath Clark Whitehill, who joined us in this research, have little or no faith in the banks they work with.”

Heather O’Driscoll, partner at Horwath Clark Whitehill, also in Hartlepool, added: “This lack of faith isn’t simply based upon a perception built up by national headlines. We specifically spoke with the clients about the local representatives of their banks and 38.5% said the level of service they received from these people was below expectations or poor. This compared to 34.3% who felt that way about the overall service from their banks.”

Other interesting figures thrown up included 57.9% of clients feeling that their bank had used the credit crunch as an excuse to increase charges to their business. Less than a third of customers (32.4%) had changed the way they did business with their banks to try to save money.

Jon added: “While more than two thirds said their bank’s overall service was ‘good’ or ‘very good’, 88% - the overwhelming majority – of those people went for the lesser option of ‘good’. When you compare those figures to the numbers whose lack of faith meant they wanted to change banks, it shows ‘good’ isn’t good enough.”

Heather continued: “One other perception which came out of the survey was that two thirds of people felt that their bank’s local management had less decision making power since the credit crunch.

Businesses need to be treated fairly and banks can only do that if they look at the needs of each one individually and this can not be done at arm's length by national policymakers. Only with good, fair and closer working can the faith in banking be restored.”