Looking at the bank from the customer’s point of view

October 2014
Contents

Executive summary ................................................................. 3
The drivers behind customer choice ........................................ 4
A brand new customer journey ............................................... 7
Dealing with customer dissatisfaction ...................................... 10
Advice for advocacy; a win-win approach ............................... 13
Conclusion .............................................................................. 17
About us ................................................................................. 19
During the summer of 2014, EY was asked to contribute to four think tanks organised by Efma, the European association for retail financial services. The think tanks explored the theme Looking at the bank from the customer’s point of view.

Discussions were framed around the results of EY’s third annual Global Consumer Banking Survey: Winning through customer experience, which launched in spring 2014. The survey canvassed the views of more than 32,500 retail banking customers in 43 countries worldwide.1

This paper summarises the key areas of discussion, including contributions and insight from Efma members who participated in the think tanks. Each event examined a particular aspect of customer service in retail banking. Some of the key points were as follows:

• European banks’ customers are increasingly willing to switch. This is making long-term customer relationships more valuable. In response, banks are strengthening their acquisition and retention efforts. Transparency, simplicity and effective communication are particular areas of focus.

• Customer interactions with their banks are moving from a physical to remote-channel framework, and are increasingly split between self-served and intermediated. Personalised, human-based contact is still preferred for complex needs, but openness to remote counselling is growing. This requires banks to move from a silo multi-channel approach to an omni-channel model, supported by effective segmentation, to deliver a customer-centric experience.

• Customer complaints are growing in number and reputational importance. They also represent a golden opportunity to build stronger relationships. Banks are trying to improve their response, but face many structural obstacles. Transparency, employee empowerment and data analysis play a key role.

• Effective advice is a key driver of satisfaction, trust and advocacy. Though many customers prefer personal advice, there is scope to do more remotely. But this requires a difficult mix of technology and expertise. Regulation is also a hurdle. For banks that can use it to their advantage, social media has the potential to enhance levels of engagement with customers.

Reconciling these competing forces to achieve success will not be easy. There will be significant implications for banks’ business models. The overall strategic imperatives are to strengthen customer attraction and retention.

Making the required improvements will depend on developing a range of capabilities and overcoming a variety of obstacles. These will depend on each bank’s current business models and competitive positioning.

We hope readers will find this paper a useful and interesting starting point to explore some of the complex customer challenges facing European banks. We would be delighted to hear your views.

---

1 Visit www.ey.com/gcbs to download a copy of EY’s Global Consumer Banking Survey 2014.
About us

Efma

As a global not-for-profit organisation, Efma brings together more than 3,300 retail financial services companies from over 130 countries. With a membership base consisting of almost a third of all large retail banks worldwide, Efma has proven to be a valuable resource for the global industry, offering members exclusive access to a multitude of resources, databases, studies, articles, news feeds and publications. Efma also provides numerous networking opportunities through working groups, online communities and international meetings.

For more information: www.efma.com or info@efma.com

Karine Coutinho
karine@efma.com
Tel: +33 1 4742 6982

EY

Building a better working world

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

About EY’s Global Banking & Capital Markets Center

In today’s globally competitive and highly regulated environment, managing risk effectively while satisfying an array of divergent stakeholders is a key goal of banks and securities firms. EY’s Global Banking & Capital Markets Center brings together a worldwide team of professionals to help you succeed — a team with deep technical experience in providing assurance, tax, transaction and advisory services. The Center works to anticipate market trends, identify the implications and develop points of view on relevant sector issues. Ultimately it enables us to help you meet your goals and compete more effectively.

Nicole Allen
nallen@uk.ey.com
Tel: +44 20 7951 9829

Clare Duffy
cduffy@uk.ey.com
Tel: +44 20 7951 9982
Looking at the bank from the customer’s point of view

October 2014