

Consumers remain upbeat

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Despite the global recession and the crisis in the banking sector, consumer confidence in financial services remains intact, according to a report compiled for the Nottingham University Business School.

The Financial Services Trust Index 2009, by Professor Christine Ennew is based on 1400 consumer interviews and is the first of its kind to look at simple yes and no answers.

Professor Ennew said: "The Index offers a boost to the sector with results showing consumers' trust in financial services is even more than venerable institutions like the BBC and NHS."

The index shows an overall trust rating of 75.02 for financial services institutions (FSIs), compared to the NHS and BBC who scored 53 and 61 respectively.

Of the individual sectors brokers/advisors received the highest rating (81.67) with investment companies (76.24), general insurers (75.98) and building societies (75.22) following. Banks scored highly with 73.96 followed by [credit card](#) companies (71.55) and life insurance companies (72.69) on the lower end of the scale.

Professor Ennew said: "By employing a strict yes or no answers approach, the Index develops a more complete understanding of consumer trust by looking at base level (cognitive) and high level (affective) trust."

Base level (cognitive) trust is significantly above high level (affective) trust as might be expected - respondents are more convinced about the reliability/dependability of FSIs and less convinced about the extent to which FSIs have their interests at heart.

Professor Ennew added: “In terms of different types of FSIs, brokers and advisors are seen as the most trustworthy, with credit card companies seen as least trustworthy.

“But evidence showing that a “crisis of trust” does not appear to have arisen out of the current conditions, is not grounds for complacency.

“Behind an overall average that suggests consumers have moderate levels of trust in financial service providers, there is considerable variability. Indeed the evidence suggests that a significant proportion of customers (around 20%) can be characterised a low trust; over-represented in this group are the young, male consumers who use remote channels. And the average industry figures hide a wide disparity in trust for individual institutions within specific sectors.”

Other findings include:

- The ratings for brokers who are independent are higher than for brokers who are tied.
- In terms of the drivers of trust, FSIs attract their highest ratings in relation to ability/expertise and are weakest in relation to shared values, a result which is consistent with findings from previous surveys.
- Older customers in financial services have significantly higher ratings of trust and trustworthiness than younger customers. This suggests that FSIs may face an important challenge in the future in building and maintaining trust among the younger age groups.
- Service failures which result in a complaint have a negative impact in all dimensions of trust. However, successful service recovery as

measured by satisfaction with complaint handling, does help to restore consumer trust.

- There continues to be some variability in trust by channel, but what is most noticeable is the apparent decline in levels of trust among those who tend to use the internet and this is particularly marked for banks and credit card providers.
- Comparative analysis with the results of the Trust Index Surveys in 2005, 2006, 2007 and 2008 suggests a high degree of consistency in levels of customer trust in FSIs. Brokers and advisers are consistently the most trusted FSIs although they experience a marginal decline in 2009; life insurers tend to be the least trusted FSIs, along with credit card companies. Banks, Building Societies, general insurers, life insurers and investment companies all experience a slight increase in 2009 while credit card companies deteriorate after an improvement in 2008.

Source: Nottingham University

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