

# BUILDING SOCIETIES: PROVIDING A BETTER CUSTOMER SERVICE



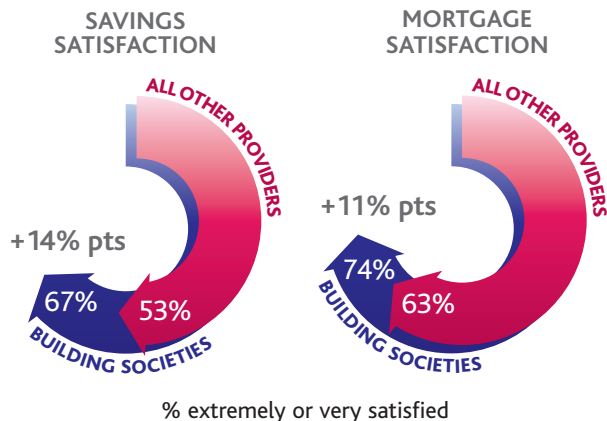
## BUILDING SOCIETIES: PROVIDING A BETTER SERVICE

For a second year running, independent research commissioned by the BSA has found that customers were more satisfied at building societies than at other financial service providers. 67% of savers at building societies were extremely or very satisfied, compared to 53% at other savings providers. This is a difference of 14 percentage points.

In the mortgage market, 74% of customers at building societies were extremely or very satisfied compared to 63% of customers at other mortgage providers. This is a gap of 11 percentage points.

“Customer satisfaction” reflects how consumers review their actual experience compared to the service that they expected to receive prior to entering the branch, picking up the phone, or logging onto the internet. Therefore, satisfaction doesn’t necessarily mean that the quality of the service received was good.

To understand further how customers feel about the different aspects of service provided by their bank or building society, customers were asked how strongly they agreed (or disagreed) that they received good levels of service across several criteria. Overall, a greater percentage of building society customers agreed with the statements, and more bank customers disagreed. This would suggest that building society customers are more satisfied because the quality of the service they receive is better.



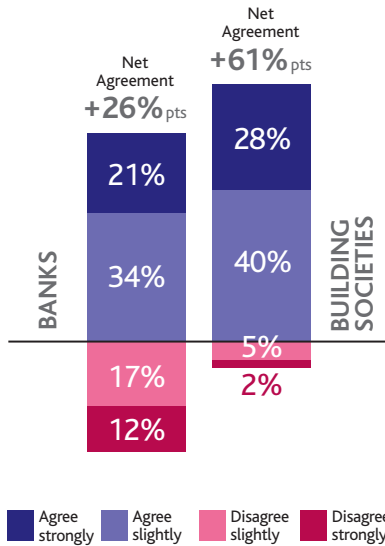
FRS, 6 months ending July 2008,  
32,305 individuals interviewed

FRS, 6 months ending July 2008,  
9,419 individuals interviewed

“ Overall, it seems that loyalty with a building society is a two-way process. Stick with them and they will generally play fair with you. If you deal with banks, you are on your own. You might earn more interest and get a better deal in the short-term, but watch out because somewhere along the line they will get you and make a stack of money from your savings. They do, after all, have shareholders to pay. ”

Tony Hazell, Daily Mail, 23 July 2008

## Does your provider treat you fairly?



Respondents were asked whether they agreed that their bank or building society treated its customers fairly. The results are summarised in the chart above.

In total 68% of building society customers agreed that they were treated fairly, compared to 55% of bank customers. In more stark comparison, 8% of building society customers did not agree they were treated fairly compared to 29% of bank customers.

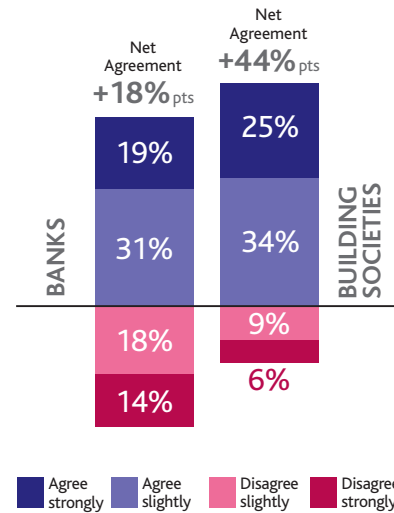


Most building societies have taken "treating customers fairly" in their stride, claiming with justification that they put customers first irrespective of whether they are long-standing or newish.



Jeff Prestridge, The Mail on Sunday, 10 February 2008

## Do you trust your provider to give good advice?



Respondents were also asked whether they agreed that they could trust their bank or building society to give good advice.

58% of customers agreed that they would trust their building society to give good advice (with 25% strongly agreeing). This compares to 50% of bank customers who would agree. Again, a significant proportion of bank customers disagreed (32%) compared to just 14% of building society customers.

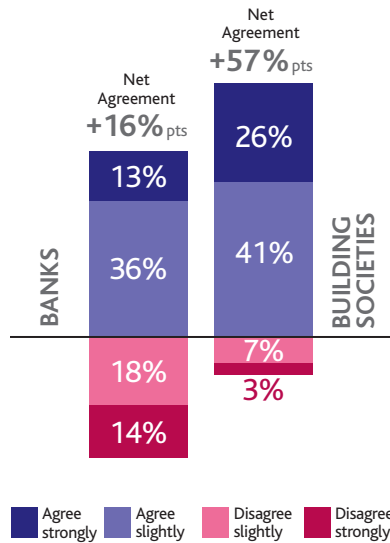


If you just want competitive savings rates, good personal service and a range of home loans from a prudent business that's well equipped to ride out global market shocks, building societies remain a solid bet.



The Scotsman, 7 June 2008

## Does your provider offer reasonable value for money?



Building societies also outperformed banks in terms of value for money with 67% of customers agreeing (26% strongly) that they receive reasonable value for money. Only 48% of bank customers felt the same way. 10% of building society customers and 32% of bank customers disagreed.

Building societies are mutually owned institutions and do not have shareholders. Therefore any profits generated are used to reward members with lower mortgage rates, and higher savings rates, rather than paying dividends to shareholders.

“ The majority of best-buy accounts come from building societies, according to research out this week. A survey by Investec Private Bank found that of 61 accounts which appeared in the best-buy tables on the comparison site Moneyfacts between 25 April 2007 and 9 July this year, 40 of these were from building societies. ”

## Would you recommend your provider to friends or family?



Over two thirds (67%) of both building society and bank customers agree that they would recommend their providers' services to friends or family. This represents high levels of satisfaction across the whole financial service sector. However, 22% of bank customers did not agree, compared to 13% of building society customers.

Totals may not add up due to rounding. These charts do not show those that answered "neither agree or disagree" or "don't know". The satisfaction questions were asked via GfK NOP's Financial Research Survey which interviews approximately 5,000 individuals aged 16 or over each month across Great Britain. The four statements were posted in GfK NOP's omnibus survey where the questions were asked face to face to 2,073 adults aged 16 or over, between 16 and 21 October 2008. In all this research, respondents were asked to identify with which brands they had savings or a mortgage. The researchers then allocated the responses to the appropriate type of institution to avoid any confusion about which are banks and which are building societies.

# BUILDING SOCIETIES PROVIDING A BETTER SERVICE

Building societies consistently provide high levels of customer service and value for money, which other institutions such as banks cannot match. Not only do the above results in this leaflet demonstrate this, but building societies are frequently listed in 'best buy' tables with market leading rates.

The reason building societies are able to provide better service and greater value for money is because they are owned by their customers, unlike banks that are run for their shareholders. Banks strive to maximize profits in order to provide returns to their shareholders, which is not always beneficial for their customers. Building societies also have to bring benefits to their owners, but their owners are their customers.

Therefore, a society's priority is not to maximize profits, but to carefully manage the amount of profit they make to ensure that they are financially secure, while also passing on benefits to their customers in the form of better interest rates and higher levels of service.



The best argument for mutuality is blindingly simple - a building society is owned by its savers and borrowers so its sole purpose is to serve them. That goal is not complicated by a conflicting need to satisfy the square mile.



Observer 8 June 2008

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