

Mutuals: Better customer service



The Building Societies Association (BSA) represents mutual lenders and deposit takers in the UK, including all UK building societies. All research in this report was conducted by the independent research agency GfK NOP.

Mutuals: Better customer service



Addendum: August 2012

Since the research presented in the BSA report *Mutuals: Better customer service* finished running in early May 2012 a number of scandals have affected the largest banks in the UK. These include the manipulation of the LIBOR interbank rate, the mis-selling of swaps to small businesses, allegations of lax controls regarding money laundering, and IT problems that prevented people accessing their money. To establish whether these events had affected consumers perceptions of service at banks, the BSA commissioned GfK NOP to re-run a number of questions on key service factors.

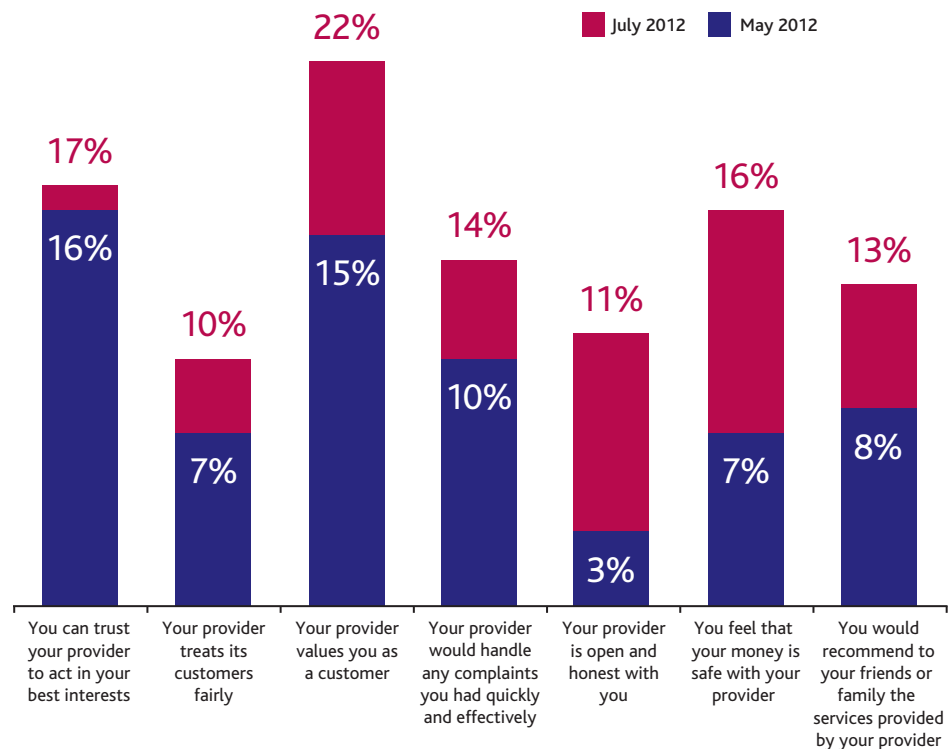
The results are summarised in the chart below. This shows how much more customers of mutuals tended to agree that their provider delivered on each factor compared to bank customers' views. Clearly, on the seven factors that were run again in July, mutuals tended to outscore banks in delivering these aspects of service by a greater margin in July than had been the case in May.

This was particularly the case for customers agreeing that

- their provider was open and honest (up 8 percentage points to 11 percentage points in July from 3 percentage points in May)
- their money was safe with their provider (up almost 9 percentage points)
- they felt a valued customer of their provider (up almost 7 percentage points)
- they would recommend their provider to family and friends (up over 5 percentage points).

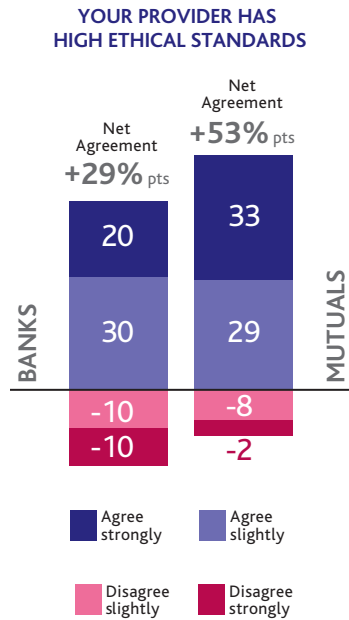
These changes are often driven by mutuals getting better scores, as well as banks doing less well.

MUTUALS VERSUS BANKS: DIFFERENCES IN NET AGREEMENT, % POINTS
Mutuals outscore banks by more in July than May 2012



GfK NOP Omnibus, UK adults, face-to-face. Fieldwork Dates: 19 July - 24 July 2012: 1,972 UK adults, face-to-face; 26 April - 1 May 2012: 2,005 UK adults, face-to-face. Re-run factors shown only. Figures may not sum due to rounding.

Does your provider have high ethical values?



In July we also asked to what extent customers believed their financial services provider had high ethical standards. On this factor, 62% of mutual customers thought their provider had high ethical standards; just 10% disagreed to some extent. Out of bank customers, 50% agreed, and 20% disagreed. As a result, after rounding, there was a difference in net agreement of 24 percentage points in mutuals' favour. Mutuals are clear that they are run in interests of members and their communities, and some also have explicit ethics policies. These factors, as well as the recent scandals, may explain why mutuals' members view them as more ethical than banks customers view their providers.

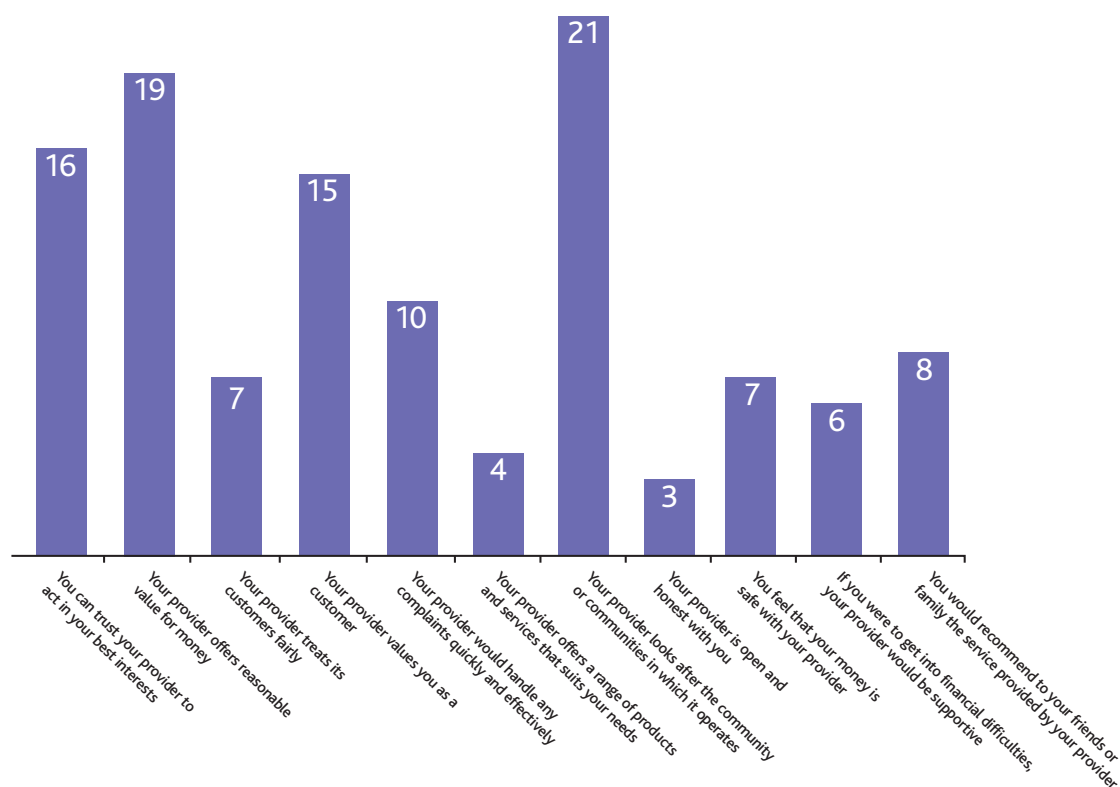
Mutuals: Better customer service July 2012

Building societies and other mutuals are owned by their customers, or members. Their purpose is therefore to serve their members' saving and borrowing needs, not those of external shareholders.

This is reflected in generally better standards of service than at shareholder-owned banks, as evidenced by the recent independent research described in this report.

The results show that building societies and other mutuals are more trusted, offer better value for money, treat their customers more fairly and are better at handling complaints than banks. As a result they satisfy their customers better and are more likely to be recommended by their customers to their friends and family.

MUTUALS VERSUS BANKS: DIFFERENCES IN NET AGREEMENT, % POINTS
Mutuals outscore banks across 11 different aspects of service



Customer service and business models

The BSA commissioned independent research agency GfK NOP to find out how customers at building societies and other mutual lenders and deposit takers view the levels of customer service that they receive, and how this compares to the experience of customers at shareholder-owned banks.

The research finds that people who hold their savings accounts, current account or mortgage with a mutual organisation are more satisfied and think that they receive better service across various aspects of service, including trustworthiness and value for money.

The results of this survey are no accident. They stem from the business model of building societies and mutual financial service providers that are owned by their customers. Without external shareholders requiring returns, mutuals can focus on the interests of the customers who own them.

Mutuals therefore put more energy into developing long-term relationships with their customers. While mutuals do encourage their members to engage with the organisation, this is not to say that mutuals try to be their customers' best friends. Instead, they work to understand what is important to their customers, their individual circumstances and how the services they provide can satisfy these needs. And it is about interacting with customers in a respectful and appreciative way. Customer ownership is not a pre-requisite to delivering this focus on consumers, but it does help to avoid other competing or conflicting objectives that might dilute the focus of the people in the business on the customer. Feedback from customers and other examples of mutuals going the extra mile to serve their members are given throughout the report, as are quotes from commentators that show that the benefits of a thriving mutual sector are widely appreciated.

These surveys were run before various high profile issues hit some of the largest banks in the UK. In June 2012, RBS suffered glitches with a software upgrade that stopped many of its customers being able to confidently send and receive money from their accounts. In the same month, Barclays received a record fine from the FSA for manipulating the LIBOR rate that is the base interest rate in many other financial transactions and products. And a number of big banks were implicated in an investigation by the FSA into mis-selling of swaps to small businesses. These issues may well have had a detrimental impact on perceived service levels at banks compared to those shown in this report.

Going the extra mile

"It is very refreshing to deal with people who are willing to give you their name, are actually interested in helping, are professional and talk common sense! All of which are very rare in the world of financial services these days."

A Loughborough Building Society customer

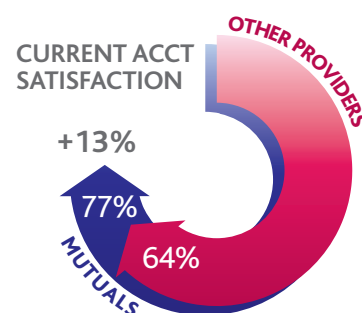
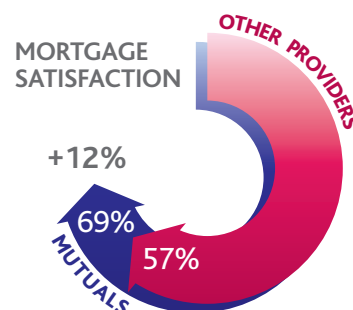
How satisfied are you with your provider?

In their regular survey GfK NOP ask consumers how satisfied they are with the financial service firms that provide their mortgage, savings and current accounts. This surveys about 30,000 UK adults face-to-face in every six month period.

We looked at how satisfaction differed at customer-owned mutuals compared to other providers. We have this data going back to 2004, and building societies/ mutuals have consistently outperformed other providers.

In the latest results, which relate to the six months ending in January 2012, 69% of mortgage borrowers at mutuals were extremely or very satisfied, 12 percentage points more than mortgage borrowers at banks. 77% of current account customers at mutuals were extremely or very satisfied which is 13 percentage points above bank customers, and 56% of savings account customers at mutuals were extremely or very satisfied, outstripping customer satisfaction at other providers by 10 percentage points.

Perhaps unsurprisingly, satisfaction with savings has dipped since the Bank of England's official rate dropped to 0.5% in March 2009. In mortgages and current accounts, satisfaction has remained broadly stable. However, it is notable that for as long as we have data mutuals consistently provide more satisfaction than do other providers.



Going the extra mile

The recent flash floods in the North East left many communities devastated. One of our branches was quickly flooded to a depth of several feet. The branch staff were determined to continue to offer a service to members and so they set up a makeshift counter so that customers could make emergency transactions from the street and didn't have to enter the damaged branch.

Newcastle Building Society

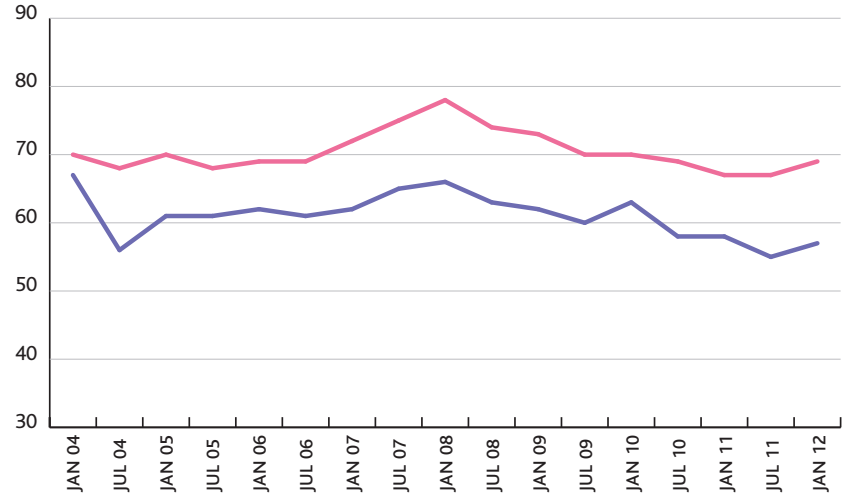
Source: GfK NOP Financial Research Survey for six months ending January 2012, surveying approximately 30,000 adults across the UK.

CUSTOMER SATISFACTION

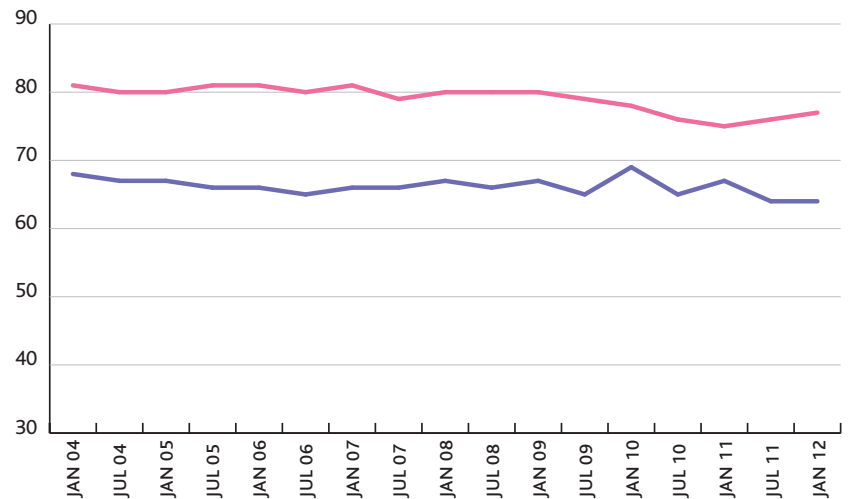
% extremely or very satisfied with their provider

Mutuals
All Others

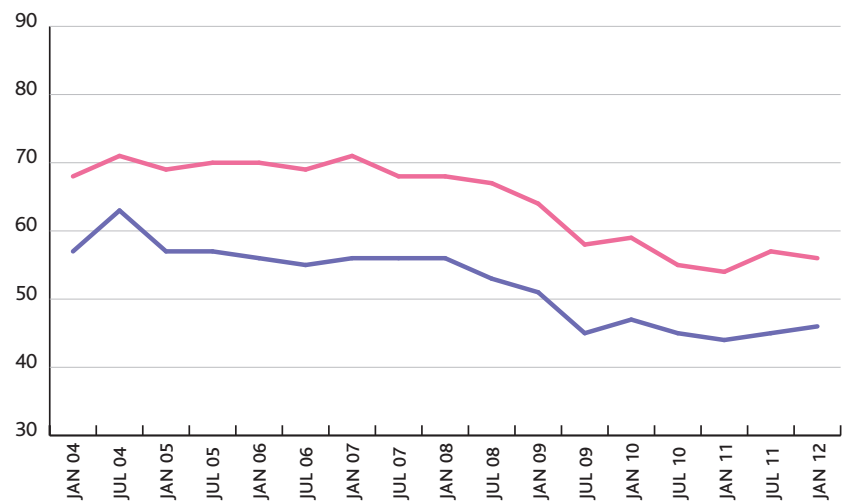
MORTGAGES



CURRENT ACCOUNTS



SAVINGS



Source: GfK NOP Financial Research Survey for six months ending January 2012, surveying approximately 30,000 adults across the UK.

Customer service

To try to understand what is behind the greater satisfaction at customer-owned financial service providers we asked GfK NOP to survey people across the United Kingdom to assess how they viewed various aspects of customer service relating to their current account, mortgage and savings providers.

Between 26 April and 1 May 2012, 2,005 adults across the UK were interviewed face-to-face. To ensure people were correctly categorised into customer-owned mutual financial service providers and other shareholder-owned banks, respondents were given showcards covering the various brands. They then identified which brands they held various financial products with. The research agency then allocated them to mutual or other bank groups.

GfK NOP then asked respondents, in relation to their provider, how much they agreed that they received various aspects of service. These results are described on the following pages. The charts presented do not show the proportions which said that they neither agreed or disagreed with the statements, or that they didn't know. Therefore, the percentages do not sum to 100%. Also, totals may not equal the sum of their constituent parts due to rounding.



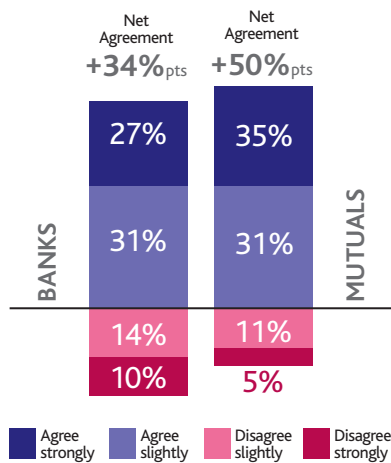
Banks, as presently constituted and managed, cannot be trusted to perform any publicly important function, against the perceived interests of their staff. Today's banks represent the incarnation of profit-seeking behaviour taken to its logical limits, in which the only question asked by senior staff is not what is their duty or their responsibility, but what can they get away with.

As my colleague, John Kay, has frequently pointed out, such behaviour, which might seem to be the logical consequence of profit-maximisation, is incompatible with the survival of a sophisticated market economy. Without trust in the probity of those one deals with, a host of potentially profitable long-term arrangements will collapse. This is particularly true in banking. Trust is not an optional extra in banking, it is, as the salience of the word "credit" to this industry implies, of the essence.



Martin Wolf, Financial Times, 2 July 2012

YOU TRUST YOUR PROVIDER TO LOOK AFTER YOUR BEST INTERESTS



Do you trust your provider to look after your best interests?

Trust is a broad concept that is fundamental to the provision of financial services, as consumers must be able to rely on the provider. Trust can be at quite a basic level, such as whether the provider is a safe and stable institution to deposit money with, or whether the provider will be competent in its operations, but it also extends to the extent to which the customer can rely on their provider not to take advantage of them and to treat them fairly.

The first question was about this higher level trust. However, various other questions in this research are closely related to other elements of the trustworthiness of a provider. Respondents were asked to what extent they agreed that their provider acted in their best interests.

Mutuals’ customers, their members, agreed that they trusted their provider to look after their best interests more than bank customers did. At mutuals, two thirds, 67%, of respondents agreed compared to 58% of bank customers. At banks, almost a quarter, 24%, of customers disagreed, 10% of these disagreeing strongly. This compares to 17% disagreeing to some extent at mutuals, of which 5% disagreed strongly.

Netting off those that disagreed against those that agreed gives a simple way of comparing the two groups. The higher the net agreement, the greater the proportion of customers which agreed with the statement. On this measure, mutuals had a net agreement score of 50 percentage points, compared to 34 percentage points at banks, a difference of 16 percentage points.

Why might mutuals be more trusted than shareholder-owned banks? Mutuals are owned by their customers, not external shareholders and this is reflected in how members of staff at building societies and other mutuals interact with their customers.

Also, although mutuals were not immune to the effects of the financial crisis, they did not cause it. They tend to run lower-risk businesses and as a result did not rely on Government support anywhere near to the extent that the banking sector did.

Going the extra mile

On numerous occasions a member of staff has visited the homes of elderly customers who were unable to get into the branch to withdraw money or make a deposit into their account. Likewise if we needed an extra signature for a transaction from an elderly customer it is common for a member of staff to visit the customer's home to collect it.

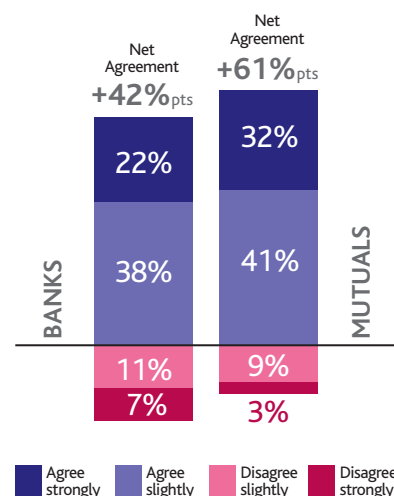
Beverley Building Society

Does your provider offer reasonable value for money?

As mutuals do not have external shareholders, they are not under pressure to maximise profits from customers in order to pay dividends. This can represent a cost saving for mutuals of more than 30%. Mutuals can pass on this saving to their customers in terms of more attractive interest rates.

The survey results indicate that consumers who are with mutuals appreciate this difference. Almost three quarters, 73%, agreed they got reasonable value for money, of which 32% agreed strongly. Just 12% disagreed, mostly slightly. In contrast, just 60% of bank customers agreed they got value for money and 18% disagreed. Accordingly, value for money from mutuals was rated a considerable 19 percentage points higher in terms of net agreement.

YOUR PROVIDER OFFERS REASONABLE VALUE FOR MONEY



“ Why is it that the building societies have generally emerged from the difficulties of the financial crisis in better health than the UK banking industry as a whole? Standard & Poor's believes that what keeps the building society sector on solid ground are its franchise stability, adequate capitalization, focus on prime residential lending, and customer deposit-based funding profiles. Furthermore, because building societies focus mainly on lending and deposit taking, we view them as good examples of "back to basics" banking. ”

"Back to Basics" Banking Keeps UK Building Societies on Solid Ground
Report published by Standards and Poor's
19 April 2012

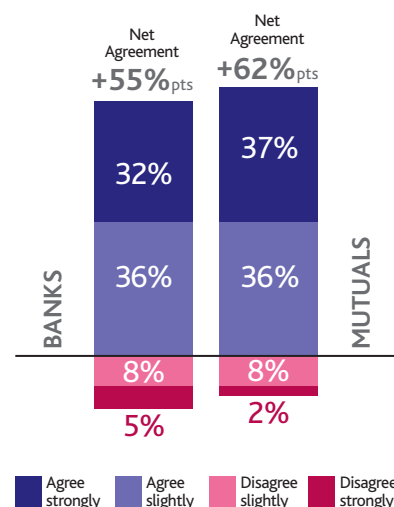
Does your provider treat its customers fairly?

One influence on how trusting a customer will be is the extent to which the customer feels they are treated fairly. For several years now this has been a key principle for the regulator in the UK, but really it is just good practice for financial service providers.

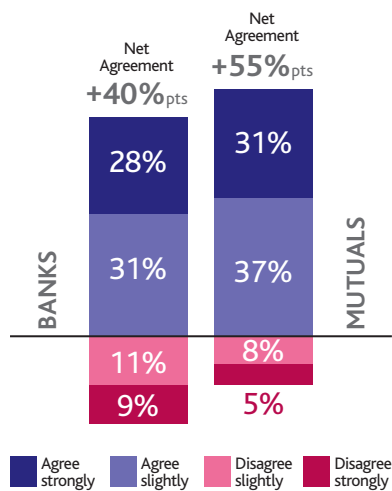
Respondents were asked how much they agreed that their provider treated its customers fairly. Almost three quarters, 72%, of customers at mutuals believed their provider treated customers fairly, compared to 68% of bank customers.

In terms of net agreement, mutuals outscored other banks by 7 percentage points. Mutuals exist to serve their members, not external shareholders, so there is nothing to get in the way of operating in members' best interests. This has been demonstrated in the recent PPI mis-selling scandal, where mutuals have had to set aside very little for compensating customers, while the big banks have had to pay out several billion pounds because they did not treat these customers fairly.

YOUR PROVIDER TREATS ITS CUSTOMERS FAIRLY



YOUR PROVIDER VALUES YOU AS A CUSTOMER



Does your provider value you as a customer?

If a customer feels valued by the organisation they deal with, this suggests that they are being treated well and are not just a number, and overall, that they matter to the organisation. Feeling valued therefore helps to engender loyalty.

At a mutual, employees know that they are serving not just a customer, but one of the organisation's owners. This changes how they behave and interact with customers, such that members often get a more personal, appreciative and respectful service.

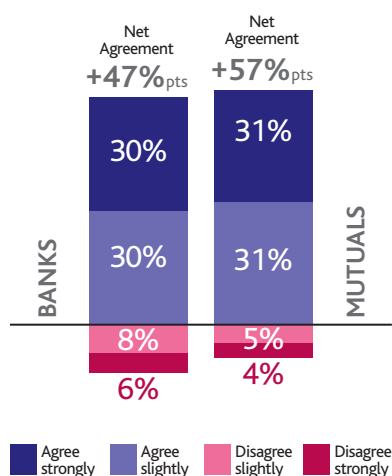
Mutuals exist to lend mortgages and to look after members' deposits, and they try to get to know what matters to their customers in how they do this in order to better meet their needs. This is why many mutuals seek feedback from members, and many have committees made up of volunteering members who meet regularly to give their views on products, services and the way the mutual is being run.

As a result, mutuals outscore banks by 15 percentage points.

“The destruction of the British building society movement – or much of it – in the two decades after the late 1980s... was one of the great acts of economic vandalism in modern times. The commercial banks largely abandoned locally based relationship banking in the decade before the recent financial crisis.”

Vince Cable, Secretary of State for Business, 18 June 2012

YOUR PROVIDER WOULD HANDLE ANY COMPLAINTS QUICKLY AND EFFECTIVELY



Would your provider handle any complaints quickly and effectively?

How a provider would deal with something going wrong will affect how customers view the service offered by their provider. If customers think that they will be supported by their provider, they are more likely to trust them.

Members of mutuals thought that their provider would handle complaints quickly and effectively more so than did customers of banks. At mutuals, net agreement was 57 percentage points, compared to 47 percentage points at banks, a 10 percentage point difference.

As mutuals are owned by the people who save with or borrow from them, they are much more accountable to their customers than banks are.

Other statistics show that building societies have a better record in handling complaints than banks. The Financial Ombudsman Service publishes data on the number of complaints it receives, and building societies accounted for just 3.5% of these complaints, despite having nearly a twenty percent market share of the mortgage and savings markets. In contrast, banks made up 65.5% of complaints referred to the FOS.

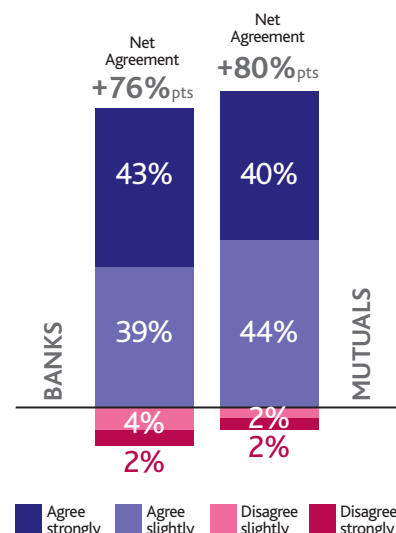
Does your provider offer a range of products and services that suits your needs?

Another aspect of service that respondents were asked about was the extent to which they felt their provider offered a range of products and services that suited their needs.

Although building societies and other mutuals generally focus on lending to aspiring homebuyers and helping people to save, their members broadly think that the range of products they offer satisfy their requirements, with 84% agreeing that this was the case. Mutuals do better than banks, with a 4 percentage point difference in net agreement.

As has already been mentioned, mutuals' close understanding of members' needs means that they can develop innovative products that satisfy these demands. For example, mutuals have developed mortgages to help first-time buyers to get into the housing market, such as ones that help them to save for a deposit, or to access shared ownership schemes.

YOUR PROVIDER OFFERS A RANGE OF PRODUCTS AND SERVICES THAT SUITS YOUR NEEDS



“Finding ways to lend money is not difficult right now but societies have certainly been more innovative than the major banks. ... Societies have proven far better at finding niches and also operate a more common sense approach to underwriting in contrast to the computer says no approach at some major banks.”

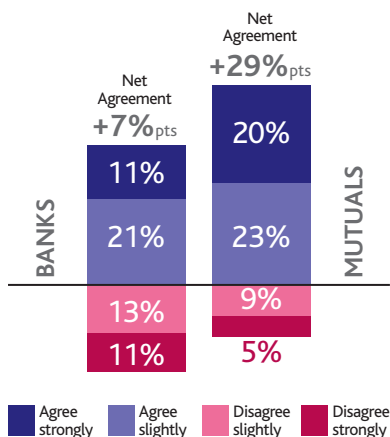
Ray Boulger of John Charcol mortgage brokers, as quoted in Mortgage Strategy, 13 February 2012

Going the extra mile

A customer who is blind wanted to open a savings account with us. He had tried to open accounts with some banks but they wouldn't help him. He didn't have a Braille machine so we did all the applications verbally initially. We then arranged for the details to be converted to Braille and will communicate with him this way going forward. We are now arranging to set up a system for him so he can easily make withdrawals from his account. This will mean the building society drawing a cheque and then going to his bank to pay it in for him. He was really impressed as he said most banks weren't willing to do anything for him.

Saffron Building Society

YOUR PROVIDER LOOKS AFTER THE COMMUNITIES IN WHICH IT OPERATES



Does your provider look after the communities in which it operates?

Building societies and other mutual lenders were originally established by people in local communities to house people in that area, and they continue to have very close links to the communities in which they operate. Many societies are still based in specific operating regions, or have an affinity with groups who have certain professions or values. This heritage means that community support is deeply embedded in mutuals' businesses, and is not just an add-on for good PR.

Mutuals place great value on supporting their communities as this helps to develop relationships with current and existing members, and also to engage their staff. Most mutuals welcome their members' input on which good causes should be supported.

Consumers may care first and foremost about the product the provider is offering, but a growing proportion of consumers also care about how the firms they use go about doing business in society.

The difference between mutuals and banks in this area appears to be noticeable to customers. 42% of mutuals' customers agreed that they looked after their communities, compared to 32% of bank customers. In contrast, a quarter (25%) of bank customers disagree that their bank looks after the communities in which it operates. The proportion at mutuals was just 14%. Regarding support for communities, there is therefore a considerable difference of 21 percentage points in net agreement in mutual providers' favour.

Going the extra mile

Through our 'Lending for Community Gain' package we support local community ownership. One example is a community purchase of a rural village shop and post office to prevent closure – we effectively took on a mortgage supported by projections from a completely new management of the business, in order to keep a vital community resource going.

Ecology Building Society

Is your provider open and honest with you?

Customers rely on their financial service provider to be open and honest with them, so that they have the information to make informed decisions.

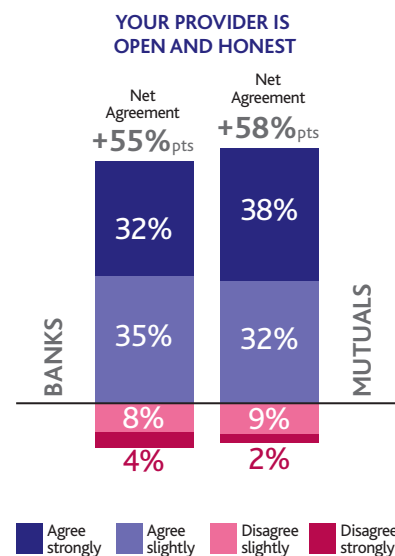
Mutuals do slightly better than banks on this metric, with a net agreement score three percentage points higher.

Mutuals' openness extends to how the organisation is being run, with ongoing efforts to encourage members to vote at the Annual General Meeting, and opportunities to engage in the running of the mutual, by meeting Directors or joining member panels, for example.

Going the extra mile

One of our regular customers was carrying out a couple of transactions. Whilst chatting to her, she commented how impressed she was to have received a statement on her Smart Save which told her that it would be best to shift it over to another account as the anniversary year was up. "No other organisation would do that, the funds would get left earning hardly any interest" were her words.

Ipswich Building Society

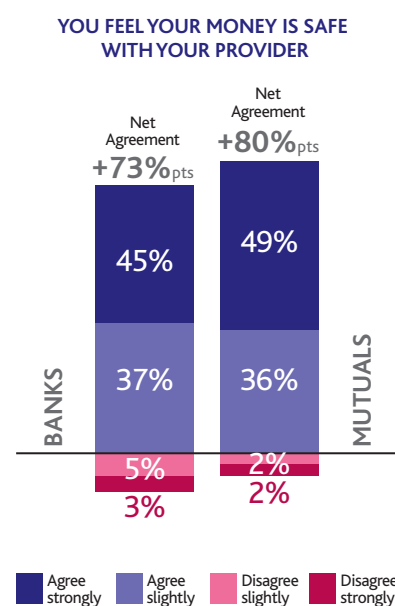


Do you feel that your money is safe with your provider?

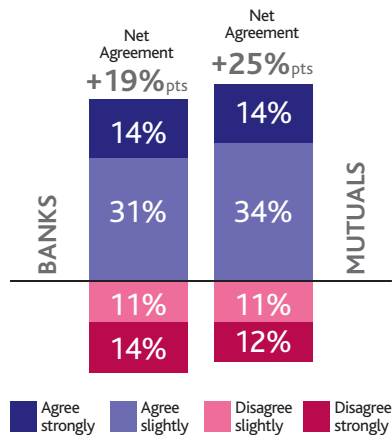
For many, the financial crisis started with the run on Northern Rock as savers with the troubled bank sought to withdraw their deposits in case they could not access them if the bank failed. This highlighted that a retail financial services provider cannot operate unless depositors have confidence in the stability and security of the institution.

The survey asked savings and current account customers of banks and building societies how safe they felt their money was with their provider. Agreement was relatively high for both banks and mutuals, at 81% and 84% respectively, though mutuals outscored banks by 8 percentage points in terms of net agreement. This may be because mutuals did not require taxpayer support to anywhere near the extent required to support banking groups including Northern Rock, Bradford & Bingley, RBS and Lloyds after its merger with Halifax Bank of Scotland.

In contrast, mutuals are low risk institutions. This is partly because they must accumulate their capital buffers from their profits over the years, and cannot rapidly raise capital on the markets as shareholder-owned banks can. They therefore have more prudent lending policies than banks, focused on ensuring the organisation will be able to continue to operate in a sustainable way over the long term.



IF YOU WERE TO GET INTO FINANCIAL DIFFICULTIES YOUR PROVIDER WOULD BE SUPPORTIVE



If you were to get into financial difficulties, would your provider be supportive?

Mortgage borrowers were asked if they thought their provider would be supportive if they were to run into financial problems. Although the Bank of England’s official Bank Rate has been low for a number of years, making it easier for many mortgage borrowers to meet their mortgage payments, unemployment has remained relatively high as the economic recovery has continued to be extremely weak. The potential for people to experience payment problems therefore remains a real risk.

However, since the financial crisis began, lenders have worked hard with borrowers who have experienced problems to try to help them stay in their homes. A range of forbearance options are used, including temporary reductions in the repayment amount, changes to the interest rate or other terms of the mortgage, or adding the arrears to the outstanding mortgage balance. The earlier a borrower who thinks they might face problems paying their mortgage gets in contact with their lender, the more options are likely to be open to them.

Overall, customers of mutuals were more likely to believe that their provider would be supportive if they did get into difficulties than were bank customers, with a difference of 6 percentage points in net agreement. However, a considerable 23% of customers of both types of provider said that they neither agreed nor disagreed with the statement, possibly because they could not envisage experiencing payment problems.

Going the extra mile

"Your employee is very thoughtful, caring and diplomatic as well as being exceptionally good at his job. He was able to conquer a mountain of paperwork, which had been too much for my 90-year-old mother to cope with. He took care to explain which papers and passbooks she should keep, and why, with such care. My mother had been worrying about visiting the branch to sort her accounts out but after a short time (30 minutes) with your employee her spirits were lifted considerably."

A Leeds Building Society customer

Would you recommend to your friends or family the service provided by your provider?

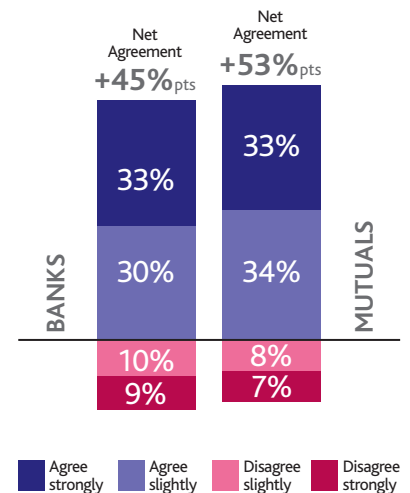
Members of mutuals are more likely to recommend the service offered by their provider to their friends and family than are customers of banks.

Whether or not somebody would advocate their provider is a strong indication of how satisfied they are with the service they receive, as people are staking their own reputation with their friends and family when they make a recommendation.

Social media is spreading the impact of customer recommendations, as consumers can quickly share their views with friends and followers on Facebook, Twitter and the like. As a result consumers can easily seek out others' opinions to guide their decisions.

Mutuals outscored banks on net agreement by 8 percentage points, possibly because of the results above which show that customer service at mutuals is better than at banks.

YOU WOULD RECOMMEND TO YOUR FRIENDS OR FAMILY THE SERVICE PROVIDED BY YOUR PROVIDER



Going the extra mile

We have a customer who is blind and lives in sheltered accommodation. She was confused about her accounts and thought she had lost her passbook. So we closed the account, opened a new one, and took the new passbook out to her. When we got there she had found her original passbook, so rather than making her re-organise her standing orders into the new account; we reversed the closure and she kept her original account.

Darlington Building Society

Reasons for selecting a provider

The research agency GfK NOP conducts detailed research into the reasons why people choose their providers of current accounts, mortgages and savings. We asked them to split their results between mutual providers and shareholder-owned banks to see if there were any notable differences between what members found appealing at mutuals relative to what attracted customers to banks. Customers at both types of institution said that factors such as the interest rate, or the specific product, or convenient access were generally the most important. However, certain factors stood out among customers who had selected mutuals.

For their choice of current account provider, customers at mutuals were much more likely to consider factors such as reputation or image (18% of respondents whose account was with a mutual chose this factor, compared to 10% of bank customers), agreeing with the ethical stance of the organisation (11% chose this, compared to just 1% of bank customers¹) and being dissatisfied with their previous provider (chosen by 10% by mutuals' customers, compared to 5% of bank customers, indicating that whatever caused the dissatisfaction at the old provider, people were more likely to think this wouldn't occur with a mutual than with another bank). There is no way to tell for certain that this is due to mutuals behaving in different ways, or whether it is due to mutual customers being different in certain respects to bank customers. For example, current account holders with mutuals may be more concerned about the ethics of their provider, while for customers at other providers this may be less important.

When selecting their current mortgage lender, borrowers' choices were often driven by the interest rate, recommendation by a broker or intermediary or whether the borrower already held other products with the provider. Mutuals' pricing advantage was often recognised (50% of mortgage borrowers at mutuals cited this as a factor in their choice, compared to 39% of bank borrowers²). Again, though, other factors such as reputation and image were relatively more important for members of mutuals (16% versus 9% for bank customers) as was recommendation by a friend or family member (10% of mutual borrowers compared to 5% of bank borrowers).

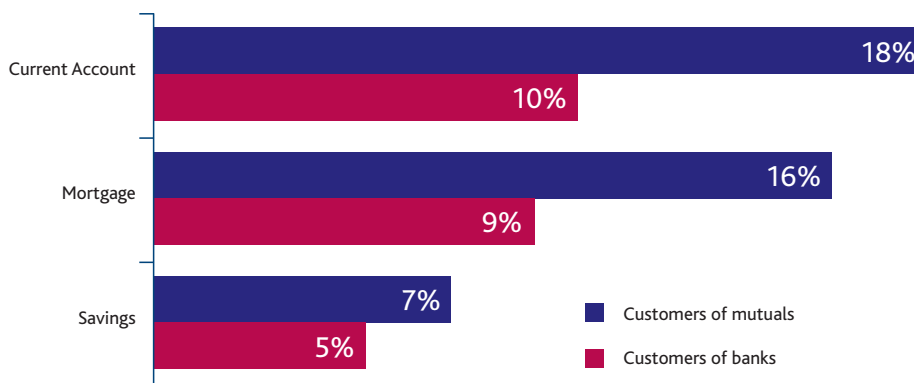
The choice of savings provider was often much more commodotised, with interest rate the most important factor, particularly for those who had switched in the last year. Amongst all savers, mutuals again did more than banks to attract customers via competitive rates of interest (36% of mutual savers stated this was a factor, compared to 28% of bank savers³). There was a small, but still statistically significant difference in reputation and image, with 7% of mutual savers saying this was important compared to 5% of bank customers.

¹ Source GfK NOP Financial Research Survey, six months ending March 2012. Number of new bank current account customers surveyed: 6,150, number of new mutual current account holders: 672.

² Source GfK NOP Financial Research Survey, six months ending March 2012. Number of new mortgage borrowers surveyed: 1414 bank borrowers, 369 mutual borrowers

³ Source GfK NOP Financial Research Survey, six months ending March 2012. Number of new bank savers surveyed: 9,062, number of new mutual savers 1,474.

PERCENTAGE SAYING PROVIDERS' REPUTATION/IMAGE WAS A FACTOR IN THEIR CHOICE



“ The Government believes that building societies have an important role to play in the future of UK financial services. They have been successful in delivering a range of services to a large proportion of the UK population, to a high degree of customer satisfaction. They have stayed faithful to a relatively low risk model, and have generally come through the financial crisis in good shape. Finally, they have offered a mutually-owned alternative to UK consumers, and contributed to diversity in the financial services sector. ”

The Future of Building Societies,
HM Treasury, July 2012

Conclusions

These independent survey results indicate that customer ownership leads to fundamental differences in how financial service providers go about delivering services to consumers. The interests of external shareholders do not dilute the focus on customers at mutuals.

Even with some of the most challenging economic conditions for many decades, mutuals have consistently provided better levels of service than other providers.

Consumers should be aware that there is a different option to suffering unsatisfactory service. Instead, becoming a customer of a mutual can result in a more trusted and valued relationship, better value for money, and support for the communities that they care about.

“ Societies, especially those set up on a regional basis, pride themselves on delivering first-class customer service. And though they may not always be able to offer the best savings rates, they provide an alternative to the big financial brands that are often more interested in the quick sale than building long-term relationships with customers. Local societies understand their customers and the communities they operate in. Societies are different in one other big way. They are owned by their customers - borrowers and savers - and these members have the right to have a say in how their society is run. ”

Jeff Prestridge, Personal Finance Editor,
Mail on Sunday
15 April 2012



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