

Which?

NOVEMBER 2019

Everyday Finances

Key Statistics

Which? wants all consumers to have fair access to the products and services they need to get by in their day-to-day lives.

Which? has been championing the cause for consumers since 1957, asking probing questions of businesses and manufacturers, and pursuing the answers that put consumers in the driving seat.

Our new research shows that there are many people who feel that, as we are transitioning to a world dominated online banking and digital payments, they are no longer in the driving seat.

Which? has undertaken a large scale research project to truly understand what is is people want and need from the UK banking and payments industry. The key statistics presented here represent the findings from two nationally representative surveys undertaken as part of this work.

The statistics are grouped into the four themes that emerged through our research:

1. The essential nature of banking and payments
2. Engagement and exclusion
3. Supporting consumers through change
4. What consumers want

There is an additional set of statistics included on access to cash as the issues of cash was one that provoked strong reactions from people throughout the research.

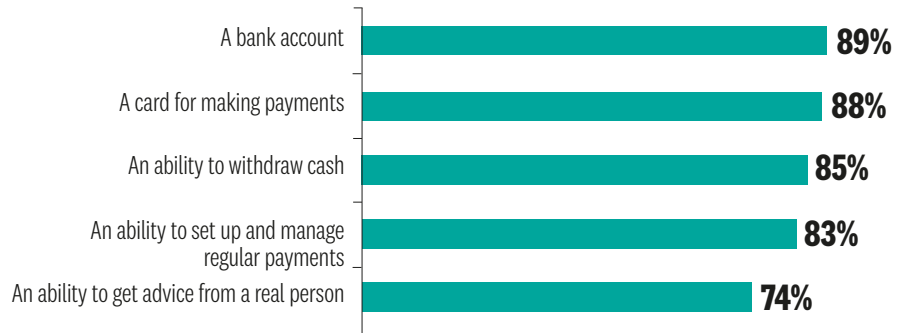
The essential nature of banking and payments

Consumers see everyday banking and payment services as utilities everyone should have access to

75%

of consumers think everyday banking products and services are as essential to the way they live their lives as gas and electricity.

Most consumers would find it difficult to live their lives without:

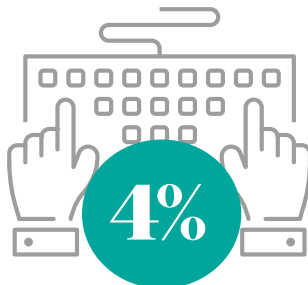


Two in five consumers would find it difficult to live their lives without the ability to pay on credit

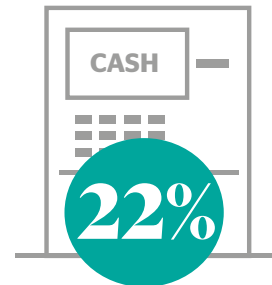
Access to a range of banking and payments products and services is key to meeting the needs of all consumers

73%

of consumers use **both** digital and non-digital forms of banking*



exclusively use digital banking



exclusively use non-digital methods

A sizeable proportion of consumers would find it difficult without the option to:



access a bank branch



use mobile app-based banking



use online banking



telephone banking services

Which? surveyed 1,002 GB adults between 29th August and 2nd September 2019 and 1,004 GB adults between 22nd and 27th August 2019. Fieldwork was carried out via telephone by Populus and data have been weighted to be representative of the GB population (aged 18+).

*Digital banking includes web and app-based banking. Non-digital banking includes use of branches, ATMs, post offices and telephone banking.

Engagement and exclusion

Almost everyone has concerns about the future of banking and payments. There is a risk people will not be able to engage digitally and they will be excluded

94%

have concerns linked to **digital connectivity**



92%

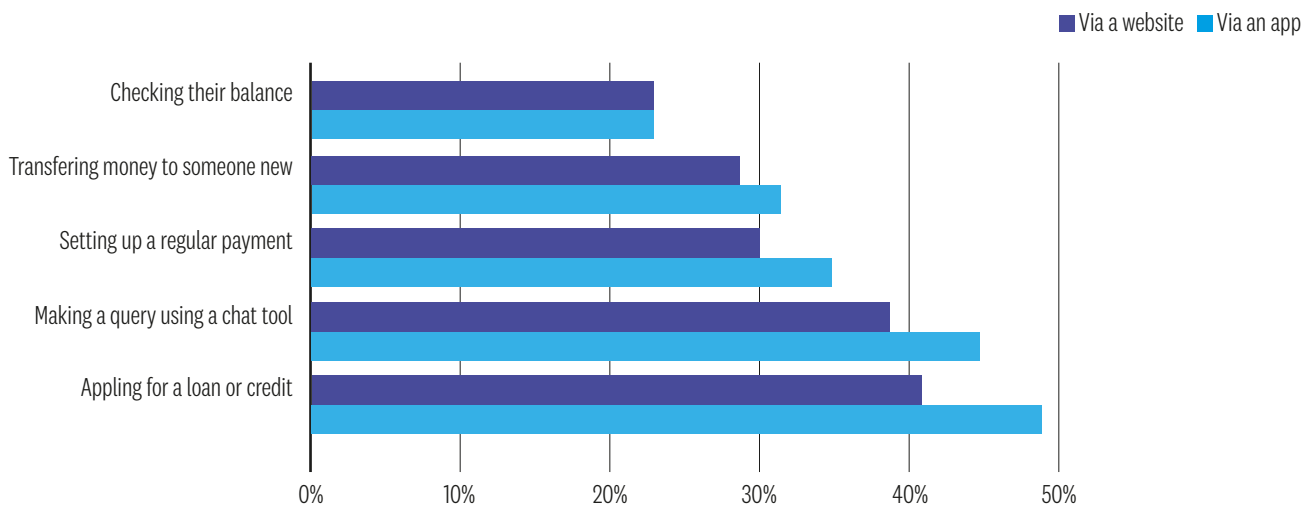
have concerns linked to **safety and security**

83%

have concerns about the size of their **digital footprint**

Not all consumers are confident banking online

The proportion of consumers who would not be confident using online banking to do the following



Around 11 million adults would not be confident checking their balance online

People also have concerns about the impact using technology has on spending

72%

on low incomes are concerned

vs.

43%

on high incomes are concerned

The cost of engagement and lack of reliable infrastructure are barriers for some people

25%

would need financial assistance to pay to get online for banking

26%

agree that the internet or mobile network in their area is too unreliable to depend on their smartphone or smart device to make payments

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Estimates of the number of adults are based on the ONS UK population estimates for 2018. We used total GB population over 18 in 2018, this was estimated to be 50,940,708.

Supporting consumers through change

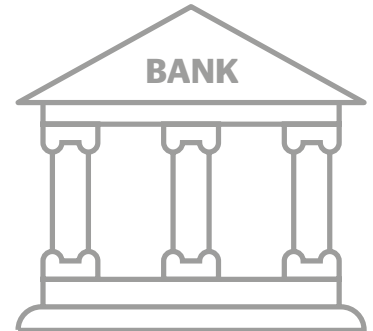
A large proportion of consumers still rely on being able to bank in person

8.4 million

adults (17%) still prefer to bank at a branch

7 in 10

Consumers use a mix of digital and in-person banking



around 11 million adults (22%) did not use any online bank in the last three months

Most consumers would need support if they were required to interact with their bank online

85%

of consumers identified at least one support need

Consumers would need support



if something went wrong

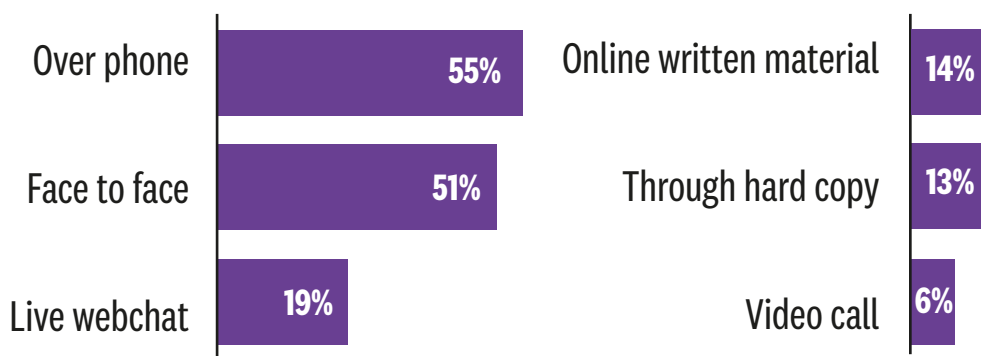


to gain the digital capability necessary to bank digitally*



to stay safe when banking digitally

People would want to receive support from appropriately trained staff



Nine in ten consumers expressed some concern about people being left behind

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Estimates of the number of adults are based on the ONS UK population estimates for 2018. We used total GB population over 18 in 2018, reduced by 3% to account for those unbanked. This was estimated to be 49,412,487.

*Digital banking includes web and app-based banking.

What consumers want

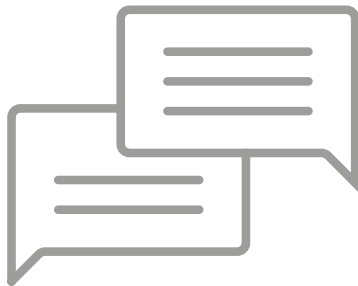
Consumers feel it is important to have choices over how they bank and pay for things:

6 in 10

say the option to access and manage their bank account without having to go online is important

7 in 10

say the option to manage their account online through a website or mobile app is important



86%

agree they would like to have the choice over whether to pay with cash or not

83%

say the choice to speak to a real person when in need is of great importance

The changes we are experiencing - the rise of digital and the decline of high-street banking - leave consumers with mixed feelings about the future:

48%

28%

24%

■ Pessimistic ■ Neither ■ Optimistic

Reflecting the utility status of core banking issues:

97%

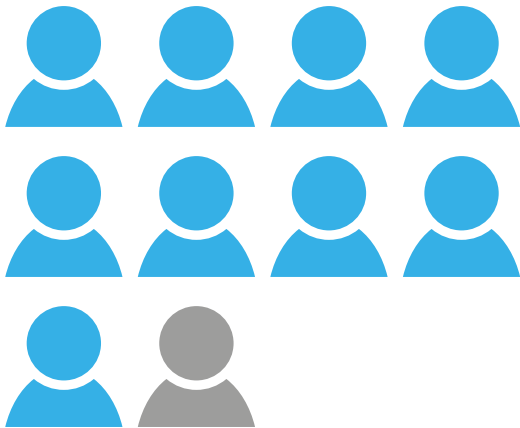
of consumers feel it is important that everyone can access a bank account for free

79%

of consumers support cross-subsidisation as a way of providing free bank accounts

Access to cash

Cash is an essential payment option for consumers



9 out of 10

consumers like the freedom to choose between cash, card and other forms of payment

9 out of 10

of consumers agree that they need access to their cash free of charge

For a majority of people - 74% - it is important that they are able to pay for goods and services using cash

52%

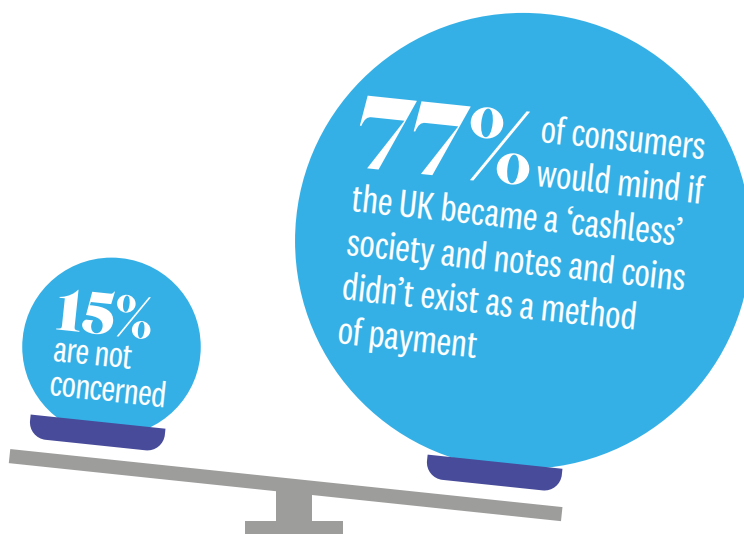
of consumers say it is important to make payments with cash instore

34%

of consumers say it is important that key services provides, such as utility companies, accept payments in cash

44%

of consumers say they would use cash more frequently if it was more convenient to withdraw



9 out of 10

consumers think cash is important to have as a backup as it doesn't rely on a digital IT system to work



Which? has conducted this work to feed into our engagement with stakeholders, to develop our understanding of consumers and to work together with others to achieve positive change for consumers.

The key conclusions that emerged from the Everyday Finance research project are:

1. Everyone **must have access to core banking and payments services** that meet their needs.
2. People **must not face unnecessary barriers or experience harm** when engaging with digital banking and payments.
3. People who cannot – or may struggle to – adopt newer banking and payments technology **must have access to appropriate products, services and support.**
4. People **must have a choice over how they access essential banking and payments services** and be able to access them at a fair price.

For more information about this project and to find out what Which? is doing in this space visit: which.org.uk/everydayfinances

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