



CURRENT ACCOUNT SWITCH SERVICE DASHBOARD

Issue 17: Covering the period 1 October 2017 to 31 December 2017



MARKET COMMENTARY



Q4 2017 saw high levels of switching in November, which is likely to have been driven by broader bank market activity and supported by the CASS advertising campaign launched in autumn.



Our previous research underlined the importance of product innovation and promotion in prompting customers to consider whether they should switch current accounts. Reflecting on the published gains and losses of participants in Q2 2017 (available on page four), the range of incentives and product offering is likely to have driven switching trends.



The industry is on the cusp of major change following the introduction of Open Banking this month (January) which has the potential to transform the retail banking industry and increase competition and innovation by supporting the growth of technology that can be adopted by banks and non-banks alike.

*See page five for full commentary

PERFORMANCE OVERVIEW



CONSUMER AWARENESS

Consumer awareness of the Current Account Switch Service is at **82%**.



SATISFACTION WITH THE SERVICE

During Q4 2017, **93%** of those that had used the Current Account Switch Service in the last three years said they were satisfied with the overall process.



7 DAY SWITCH COMPLETION

More than **99.3%** of switches completed in the seven working day timescale.



ADVERTISING REACH

In Q3/Q4 2017, the Current Account Switch Service, mass audience advertising campaign reached **98.6%** of the UK adult population. Full details on page two.

SWITCHING DATA



The central switching engine has successfully processed almost **4.5 million** switches.



In the past 12 months (1 January 2017 to 31 December 2017) there were **931,956** switches.



Over **38.4 million** payments have been successfully redirected using the service.



46 brands are now participating in the Current Account Switch Service.



PERFORMANCE OVERVIEW

CUSTOMER AWARENESS AND CONFIDENCE

Consumer awareness of the Current Account Switch Service is currently at **82%**. Composite confidence score is at **76%**.



To measure customer awareness, confidence and satisfaction in the service an online, monthly omnibus survey is being undertaken with people aged 18 and over, using a sample size of 2,200 respondents across Great Britain and Northern Ireland. For 'customer awareness', an end target of 75% was set for the middle of 2015.

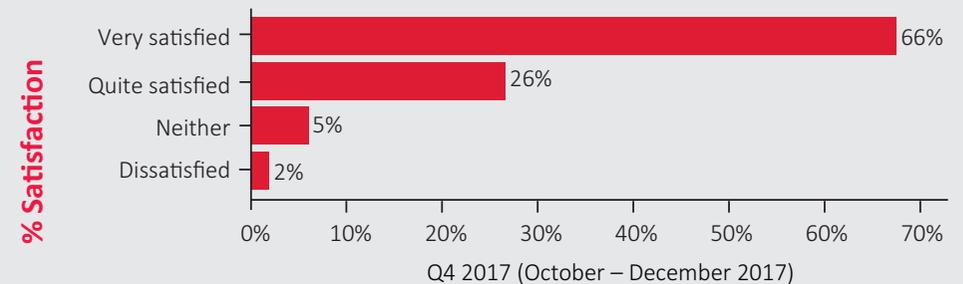
Consumer awareness is measured by respondents answering 'Yes' to the question: 'Have you heard of the Current Account Switch Service?'

7 DAY SWITCH COMPLETION

More than **99.3%** of switches completed in the seven working day timescale.

SATISFACTION WITH THE SERVICE

During Q4 2017, **93%*** of those that had used the Current Account Switch Service in the last three years said they were satisfied with the overall process.



Due to rounding, combined figures do not always add up to 100%.

*Actual percentage figure for combined satisfaction is 92.6%.

Consumer satisfaction is measured by respondents who are identified as having used CASS in the last three years (770 in Q4 2017), answering to the question: 'How satisfied were you with the overall process of switching banks.' The target for satisfaction is 90%.

ADVERTISING REACH

In Q3/Q4 2017, the Current Account Switch Service ran two overlapping advertising campaigns. One targeted at 18-24s running from August to October, and the second, a mass campaign, running from September to November. The mass advertising campaign reached **98.6%** of the adult UK population. This includes:

- A **99.2%** reach amongst C2DEs (the financially disadvantaged)
- A **99.4%** reach of SMEs
- A **97.3%** reach of 18-24s

The dedicated 18-24 campaign also reached **95.7%** of the target audience.

SWITCHING DATA



The total number of switches since the service launched in 2013 now stands at **4,452,146**.



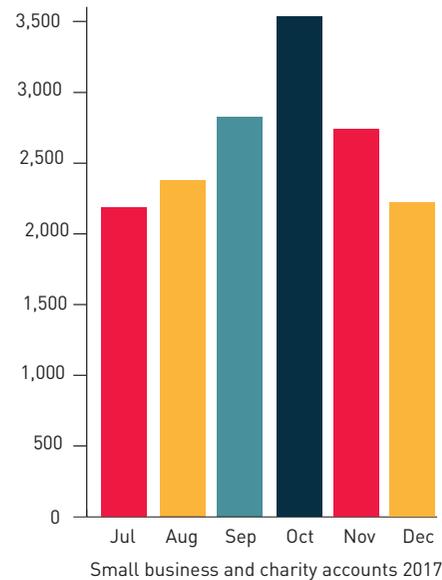
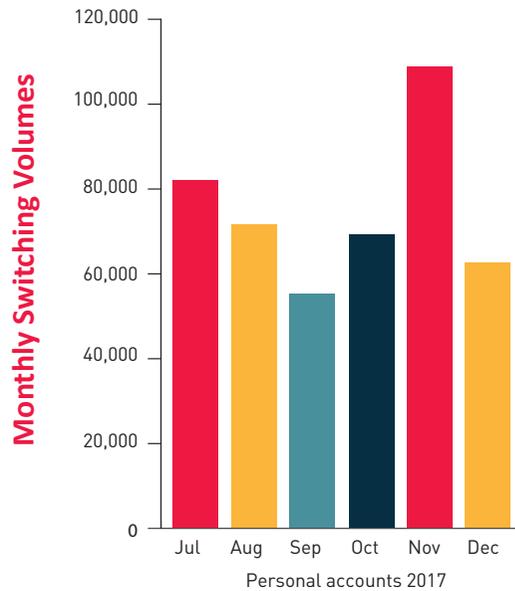
November 2017 saw the most number of monthly switches last year (**110,774**), the highest figure since March 2016. A total of **247,700** switches were completed in the last three months of 2017.



In the past 12 months (1 Jan 2017 to 31 Dec 2017) there were **931,956** switches. This compares to **1,010,423** switches in the previous 12 months.



The redirection service has successfully redirected over **38.4 million** payments from a switched customer's old account to their new one.



Period	Total Switches	% personal vs small business and charity ¹	Switches with Guarantee	Switches without the Guarantee ²
Jul 2017	84,041	97.4/2.6	81,561	2,480
Aug 2017	73,476	96.7/3.3	70,861	2,615
Sep 2017	60,299	95.5/4.5	57,779	2,520
Oct 2017	72,475	95.1/4.9	69,330	3,145
Nov 2017	110,774	97.5/2.5	107,964	2,810
Dec 2017	64,451	96.6/3.4	62,521	1,930

¹Small business and small charity switches

Small business and small charity switches are collated as one figure because many banks and building societies record their small charity accounts as small businesses.

Additionally, as this information is based on the type of account and not the type of customer, the percentage of small businesses and small charities that have switched will be higher than the figure shown.

This is because many small businesses - especially sole traders - might use an additional personal current account for their business transactions rather than a small business current account.

²Customer elects to leave old account open, and is therefore not covered by the switch Guarantee.

Switches (with and without the Guarantee)

Some customers choose to move their Direct Debits, standing orders and bill payments to a new bank or building society - using the switching system - whilst keeping their old account open. This means that the customer does not receive the Guarantee or benefit from the redirection service.

These switches are included to allow a proper comparison between switching levels now with those before the service launched.



PARTICIPANT DATA

QUARTER 2 2017

Bacs is publishing this data on behalf of the Current Account Switch Service participants who have consented to its disclosure.

This commercial data is owned by the individual participants and any questions should be directed to the organisations concerned. This data will be published every quarter.

The data provided is for the second full quarter of 2017 (so for switches completing between 1 April and 30 June 2017) and is therefore [six months in arrears](#).

Brand	Gains	Losses	Net Gains/Losses
AIB Group (UK) p.l.c.	83	1,998	-1,915
Bank of Ireland	453	692	-239
Bank of Scotland	4,630	3,764	866
Barclays	8,441	18,605	-10,164
Clydesdale Bank	1,617	11,073	-9,456
Co-operative	5,048	17,758	-12,710
Danske	743	664	79
Halifax	21,891	29,731	-7,840
HSBC	34,750	29,823	4,927
Lloyds Bank	14,180	18,954	-4,774
Nationwide	46,503	7,877	38,626
NatWest	11,030	24,856	-13,826
RBS	2,385	9,891	-7,506
Santander	21,031	21,119	-88
Tesco Bank	1,687	443	1,244
TSB	30,317	10,197	20,120
Ulster Bank	507	1,052	-545
Low Volume Participants	1,260	621	639

This table presents the number of full account switches* completing in the reporting period. Data from Handelsbanken and Metro Bank has not been provided for Q2 2017.

*This data includes personal customers, small businesses and small charities that have switched using the Current Account Switch Service and received the benefits of the Guarantee and payment redirection services.

Account Switching Brand Grouping:

AIB Group (UK) p.l.c. includes the First Trust Bank and Allied Irish Bank (GB) brand switches.

Bank of Ireland includes the Post Office brand switches.

Clydesdale Bank includes Yorkshire Bank brand switches.

Co-operative includes the Smile brand switches.

HSBC includes First Direct and Marks & Spencer Bank brand switches.

RBS includes Adam & Company, Coutts and Isle of Man brand switches.

Low Volume Participants comprises Arbuthnot Latham, C Hoare & Co, Commerzbank, Cumberland Building Society, Hampden & Co, Investec, Reliance Bank, Spectrum Financial Group, Starling Bank Ltd, Triodos Bank, Virgin Money and Weatherbys Bank switches.



MARKET COMMENTARY

Q4 2017 saw particularly high levels of switching in November 2017, which is likely to have been driven by broader bank market activity, such as the launch of high value switching incentives. These were supported by the central high-profile CASS advertising campaign launched in autumn.

Reflecting on the published gains and losses of participants in Q2 2017 (available in this dashboard) interestingly five out of the six banks or building societies to have recorded a positive net gain during the quarter all offered a switching incentive, or increased interest rate during this period, which is likely to have had an impact on switching rates. As previously discussed in our range of [research papers](#), product innovation and promotion is key to prompting customers to consider whether they should switch current accounts.

This month (January) saw the launch of Open Banking in the UK, allowing consumers and small businesses to share their banking data securely with third parties, enabling a range of possible services such as product comparison based on personal requirements. Open Banking also has the potential to encourage multiple product holding, given the improved ease of accessing multiple accounts through aggregator services.

While there may be hesitancy associated with sharing consumer financial data in the short term, in the longer term it will likely become commonplace within the industry. This may be similar to contactless payments, where there was hesitancy at first, but ten years since its launch, it is now used for a third of card transactions.

At this stage it is uncertain what impact this latest development will have on switching figures. For instance, improved ease of holding multiple accounts through aggregation services could reduce switching, while improved comparison of products could increase switching. In light of these developments, our research strategy for 2018 focuses on understanding broader market developments beyond switching, closely monitoring for changes in the market.