

THE AGE OF THE CONSUMER: BUILDING TRUST IN FINANCIAL SERVICES



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Executive summary



The digital revolution has transformed financial services. Companies with familiar names used to be able to rely on consumers to trust them but they now face a wave of disruption. They must work harder than ever to earn that trust.

The global financial crisis of 2008 placed a huge dent in the public's trust of financial services providers. The brands that had lectured consumers on fiscal prudence were suddenly exposed and, in some cases, needed taxpayer bailouts.

Over that same timeframe digital technology has empowered a fintech revolution, with new brands providing innovative online and mobile services built around delighting customers rather than plodding along with legacy technology and organisational silos. Established brands have had to raise their game to keep up.

The resulting increase in choice begs the question: how do consumers know whom to trust? London Research, working in association with Trustpilot, has produced this report based on a survey of 1,000 consumers in five different markets: the UK, the US, France, the Netherlands and Italy.

The research has found that advertising is not particularly trusted by consumers for choosing financial services providers when used in isolation. Instead, trust is primarily established through two main sources of information, the brand's website and customer ratings.

Key findings from the study include:



68% of consumers surveyed find a company's website 'very important' or 'important' when researching finance-related products, making this the most important source of information.



63% of people think ratings for mortgage products are very important or important, making it the type of financial services product consumers are most likely to rely on ratings for.



The next most valued touchpoint is consumer ratings, rated as important or very important by **61%** of consumers.



Overall, more than half of those surveyed believe ratings are very important or important for choosing a range of financial products.



Around three-quarters of consumers find television advertising (**72%**), social media (**77%**) and digital display advertising (**73%**) to be, at best, only 'moderately important'.



75% of consumers agree that positive consumer ratings would make them more likely to become a customer of a bank, compared to only **9%** who disagree.

1

Whom to trust. Bankers, ad execs or consumers?

According to a London Research survey of 1,000 consumers, carried out exclusively for Trustpilot across five different countries, the deterioration in trust in financial services is still evident, even a decade on from the financial crisis. Consumers are 50% more likely to say that their level of trust in financial services providers has decreased rather than increased over the last three years (30% versus 20%, see *Figure 4*, appendix).

In the age of the fintech revolution, the question on all financial service providers' lips is how can they build or repair a trusting relationship with consumers, and through which means?

Brands who look at this conundrum have two major challenges if they decide to advertise their way into the consumer's heart. Trust in bankers, and by implication, financial services more broadly, is low and ad executives behind campaigns are the least trusted of all professions.

That is according to the [2018 Ipsos MORI Veracity Index](#) which further warns that if brands were to switch tactics and get a PR to convince newspapers to write good things about them, they hit another snag. Journalists are only trusted by one in four people.

Clearly, the answer to convincing the public a financial services brand is trustworthy is to rely on the 'ordinary man or woman in the street' who is trusted by 62% of the population, according to Ipsos.

This realisation shifts the onus for brands from paying for awareness to engendering positive ratings among consumers through providing best-in-class customer experiences. Devise an exciting proposition, execute it brilliantly to delight customers and they will tell peers what a great service they enjoy — both through word of mouth and its digital equivalent, ratings and reviews.



2

Customer journey focus underpins trust

Trust in financial services is largely maintained through the work of industry regulators, including the Financial Conduct Authority (FCA) and Financial Services Compensation Scheme (FSCS) in the UK.

However, while this may help to engender faith in the industry as a whole, trust in individual companies is best established through understanding and influencing the user journey, suggests financial services marketing expert Sanjit Badhan, formerly Head of CRM at money transfer company TransferGo.

“Historically, choice has been very limited in financial services,” he says. “That means trust is interwoven with customers’ learnt behaviour. There’s now more choice, but how do you get over that inertia and convince people it’s worth looking around and committing to one of these new exciting providers?”

“For me, the key is a better user journey. Too many new brands are just intent on acquiring new customers, and they don’t devote as much time and effort to providing an excellent journey and customer experience that builds trust.”

Badhan believes that financial service providers need to be clear about their proposition in terms of whether they are price-led or experience-led. Either is fine, and will build trust, but consumers need to know which side of the price or service fence a brand sits on.

“You can be the brand that can’t be beaten on rates or you can be the brand that empowers customers to get on with their lives through the best service available,” he says.

“Brands have to be able to show which they are. Too many brands are trying to be both but it’s too expensive to offer the best service, a smart app in every language available with telephone support, as well as not being beaten on price. Brands need to choose a side. Consumers understand, and they will pick which is more important to them and build trust around how well the company delivers its brand promise.”



For me, the key is a better user journey. Too many new brands are just intent on acquiring new customers, and they don’t devote as much time and effort to providing an excellent journey and customer experience that builds trust.

Sanjit Badhan

Consultant and former Head of CRM, TransferGo

3

Where do people find trust?

Financial services decisions used to be very simple. Most people would visit a local high street bank or call a highly familiar provider that had been in business for generations and was likely to have been patronised by friends and family.

This centuries-old model has now been replaced by digital disruption through the fintech revolution.

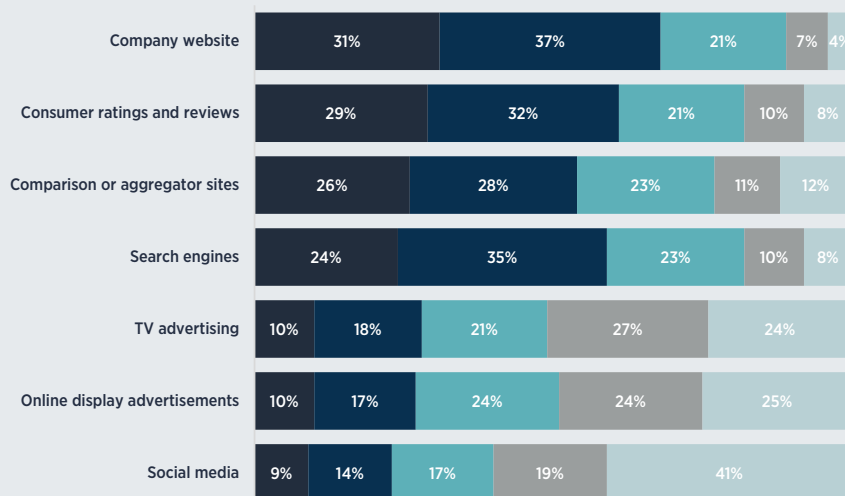
However, our survey shows that the most important source of information in this new landscape is still what a company says about itself and, just like in the days of word of mouth, what other people say about the provider and its service.

As can be seen in *Figure 1*, the top influencer for consumers is the company's website (rated as 'very important' or 'important' by 68% of consumers), followed by consumer ratings and reviews (61%). In fact, ratings and reviews are more trusted by consumers making decisions relating to financial services and products than aggregators and search engines.

It is understandable that many brands surrounded by so many new names are trying to raise awareness, but our findings show that consumers are around three times as likely to regard the company's own website and consumer ratings as 'very important' than for TV advertising, online display ads and social media.

Conversely, people are three times more likely to ascribe zero influence to TV and online advertising over their financial product decisions, compared to ratings. The same applies to social media, only five times over.

FIGURE 1
How important are the following sources of information when you are researching a finance-related product, for example mortgages or loans?



61% of consumers regard ratings and reviews as 'very important' or 'important' when they are researching a finance-related product.

- Very important
- Important
- Moderately important
- Only slightly important
- Not important

n=1,000 consumers

4

Data-driven services delight customers

The question around trust, then, is less about what brands say about themselves in traditional and digital advertising channels. Instead, it is more a case of what they can convey on their websites and apps, and how they back that up with high levels of service.

For Duncan Leslie, Head of Product Experience at investment platform Hargreaves Lansdown, this means the key to getting customers to trust a financial services brand is customer experience. This requires helpful customer services experts, available online and on the phone, but that is just the start.

In his experience, a brand needs to build a service around focusing every use of technology on customer needs. The benchmark is being set increasingly higher by companies in all sectors beyond banking, he warns.

“Expectations aren’t just set by financial services providers, they’re set by the likes of Amazon, that’s how simple and convenient you have to be to use,” he says.

“We use a lot of data from our customer interactions to understand what customers want and how we can give them the best experience possible. One key learning from this approach was realising our first mobile app was a little ‘flat’. It offered a bit of everything, even though the data showed most people just want the quickest way to get logged on and check their balances.”

The result was a reworked, simpler app that allowed people to check in and out conveniently but can still offer further information for those wanting to explore further. It is here that the brand’s customer experience strategy is focused around intuitively knowing what the client is most likely to be interested in.

“We’re constantly updating our app and online service by using machine learning to understand what type of customer is logging on, and what they might be most interested in,” says Leslie.

“That way, we can personalise offers of additional products around their likely understanding and comfort with financial products. A seasoned investor may be shown a product that requires more understanding and confidence than someone who is less au fait with financial products.”



5

Relevance is key to personalised customer experiences and trust

Almost two-thirds of consumers (63%) agree that financial services providers personalise the online experience with relevant information and recommendations based on their needs (*Figure 6*, appendix).

Building products and services around the customers they serve is the new mantra all financial services operators must adhere to in order to be successful, according to Firas Khnaisser, Head of Decisioning at Standard Life.

He lives by the simple rule that “the customer has to be at the heart of everything we do”.

“Although we’re an established name we try to think like a start-up when we’re looking at delivering new products and services”, he says. “It helps us to not get tangled up in organisational silos, processes and technology, and to really put ourselves in the customers’ shoes.

“We have invested significantly in our data, analytics and customer engagement capabilities. This allows us to develop a deeper understanding of our customers which allows us to better deliver against their needs.

“We first used this capability in the marketing space but now we see it being used across the whole organisation, from customer service and operations, to sales and distribution, to fraud prevention. This goes to show that for good customer experience to happen the entire company needs to be pulling in that same direction.”

He says the data and technology available to the business allows them to have more relevant, timely and personalised interactions with their customers across multiple touchpoints.

“Organisations that are able to leverage the data and the technology available to them are able to deliver a far superior experience to their customers which will, in turn, deliver better business outcomes,” he adds.

Khnaisser agrees that online reviews give increased transparency into the type of service customers could expect to receive from a brand. The more transparent brands are, the easier it becomes for customers to trust the brand.



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Firas Khnaisser

Head of Decisioning, Standard Life

6

Consumers base decisions on ratings

Our research shows that three-quarters (75%) of respondents agree that positive consumer ratings would make them more likely to become a customer of a bank, compared to only 9% who disagree (*Figure 2*).

The importance of consumer reviews hasn't escaped the attention of challenger banks, including Atom Bank which displays its Trustpilot rating on its home page with the number of 'excellent' ratings constantly updated.

Atom Bank's Head of Marketing, Neil Costello, says: "We think smart brands should always let people coming to their site know how other people rate them."

"We don't really advertise but I always think brands like Purplebricks, that also include their ratings scores in their advertising, are really smart. There's no better way of transparently showing the public what other consumers think of you than proudly displaying those stars. It shows you've got nothing to hide, that you can be trusted."

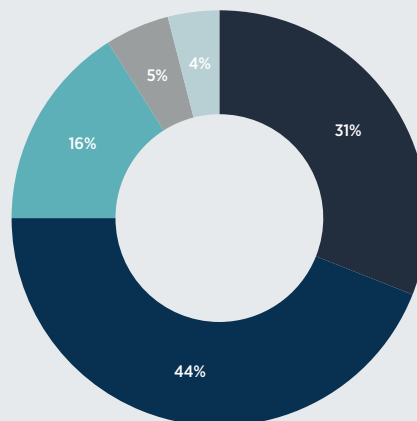
Costello believes that many of the most familiar names in financial services, who were the only choices before digital disruption came along, are hamstrung by concerns the reviews may not be too favourable.

75%

of respondents agree that positive consumer ratings would make them more likely to become a customer of a bank

FIGURE 2

To what extent do you agree that positive consumer ratings and reviews make you more likely to go with a bank?



Three-quarters (75%) of consumers agree that positive ratings and reviews make them more likely to go with a particular bank.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

n=1,000 consumers



We don't really advertise but I always think brands like Purplebricks, that also include their ratings scores in their advertising, are really smart. There's no better way of transparently showing the public what other consumers think of you than proudly displaying those stars. It shows you've got nothing to hide, that you can be trusted.

Neil Costello
Head of Marketing, Atom Bank

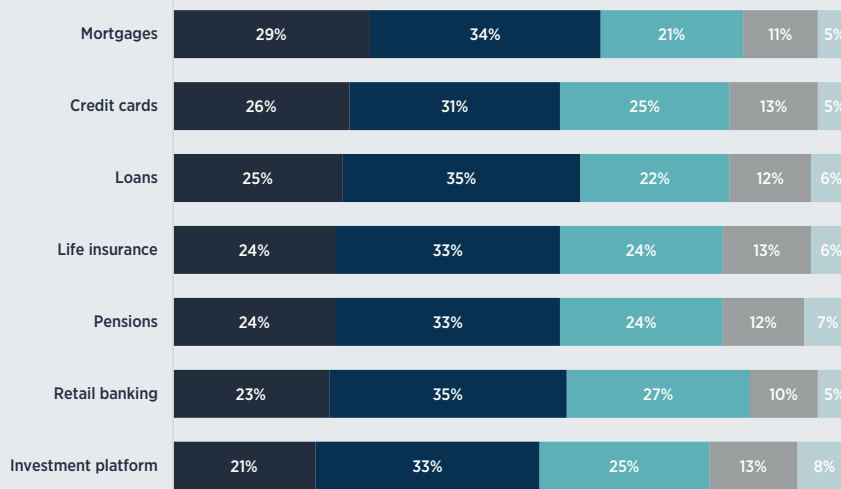


"The big brands are probably just waking up to the power of reviews, now that they tend to be used a lot more by challengers and disruptors to show the public how trustworthy they are," he says.

"The trouble is, they may well have far too many bad reviews in the past that are holding back their averages and they may be worried by more coming in which they are not set up to deal with."

Ratings are not just critical for choice of bank but across every service a financial services company provides. Mortgages are slightly ahead as the product where most consumers seek confirmation from ratings (Figure 3). However, it is worth noting that more than half of consumers regard ratings as at least 'important' for choosing a wide range of products, including loans, credit card, pensions, life insurance and an investment platform.

FIGURE 3
How important are consumer ratings and reviews when you are researching the following types of product or service?



The majority of consumers believe that ratings and reviews are important when they are researching a range of finance-related products and services.

- Very important
- Important
- Moderately important
- Only slightly important
- Not important

n=1,000 consumers

7

Ratings improve customer service

The cornerstone of a great customer experience is good customer service. This is where money transfer business Azimo believes it gets some of the best value from embracing reviews.

Its Head of Digital Marketing, Laura Bent, points out that in addition to reviews showing a brand is willing to have a transparent, open and honest relationship with its customers, there is also a lot to learn from what customers are saying.

The brand carries out regular Net Promoter Score studies to understand what consumers are thinking about its products and services, but these are, by definition, internal reviews. By displaying ratings on its home page, she believes Azimo is able to join in

a conversation with consumers and show that it is willing to deal with any issues that arise.

“Reviews and ratings are a great tool for both listening to our customers and then acting on those insights,” she says.

“We show ratings in real time and so if a customer has a concern we can deal with it there and then. That’s very useful for showing that we’re not just there to show five-star ratings, but we’re also actively looking to address problems and put them right. It’s the best way to be open and honest but also helpful.”



Azimo displays customer reviews prominently on its website.

AZIMO

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Thousands of people like you choose Azimo every day.

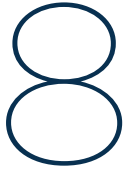
John



Great service and instant delivery without putting you or your recipients in any dilemma. Also there's no need for your recipients to leave the comfort of their home to have to fill out or sign any papers before been given the money. Azimo is efficient, quick send and receive within a matter of a minute or two.

20 February 2019 from [Trustpilot](#)





Conclusion— Unlocking digital word of mouth

Success for financial services providers is no longer guaranteed by being a familiar name. Across every financial services niche, consumers are being offered a plethora of products and services by disruptors focusing on a better customer experience and personalisation of services.

And yet the old-fashioned way in which people have traditionally selected financial brands they trust is still alive and well. The big change is that word of mouth is now accompanied by its digital equivalent, ratings and reviews.

These are far more influential in consumer decisions than traditional and digital advertising channels and are second only in building trust to a brand's own website.

A home page with ratings prominently displayed, then, combines the two most effective ways of showing consumers that people trust a brand. If a company is open and transparent in its relationship with the public, it will happily point to what people are saying about it in real time.



Atom Bank displays its five-star Trustpilot rating above the fold on its home page.



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Most banks put themselves first. We're not most banks. In fact, we're the UK's first app-only bank. But we don't just do it differently, we do it better. Our service is fast, fair and all about you.

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Over 2,200 reviews. Rated "Excellent".



Appendix

FIGURE 4

Has your level of trust in financial services providers increased or decreased over the last three years?

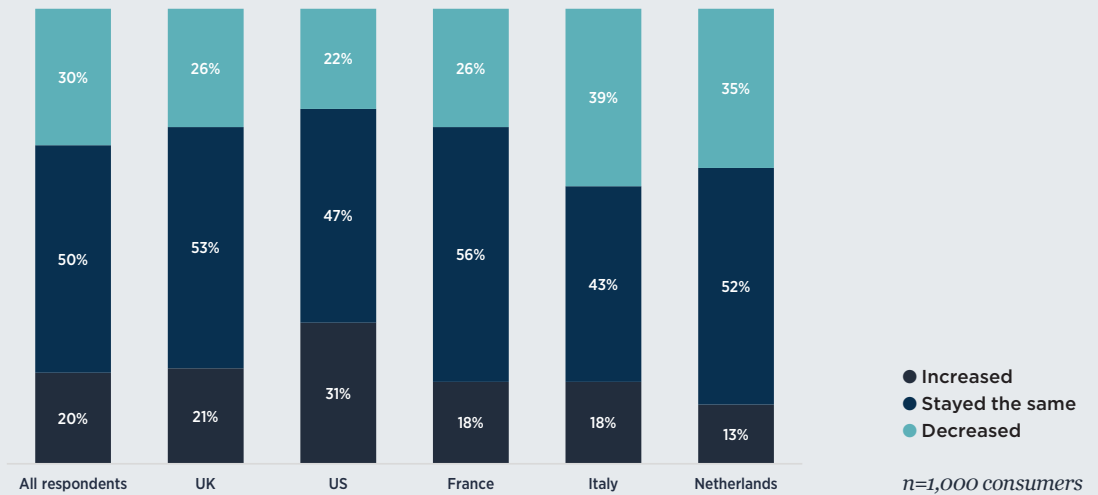


FIGURE 5

Proportion of respondents rating the following sources of information as 'very important' when researching a finance-related product

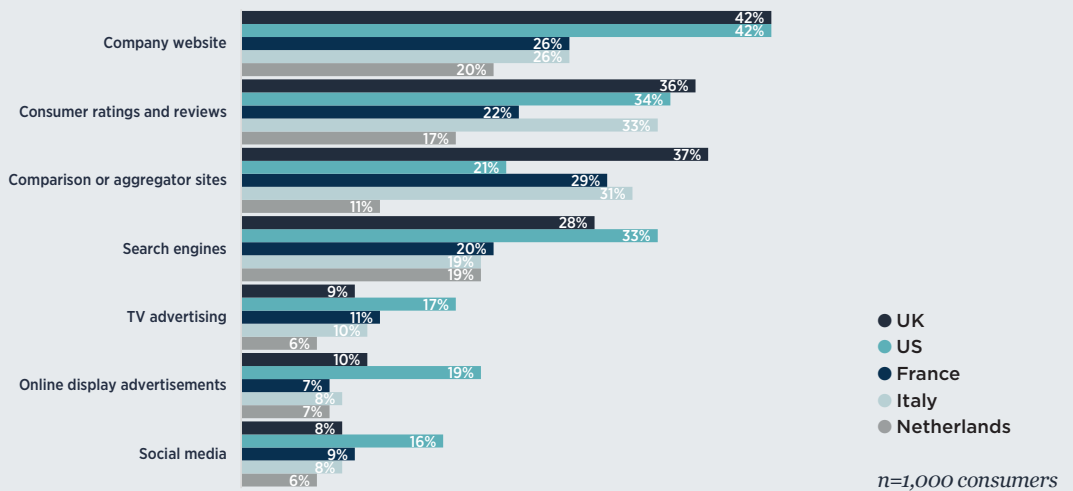


FIGURE 6

To what extent do you agree that financial services providers personalise the online experience with relevant information and recommendations based on your needs?

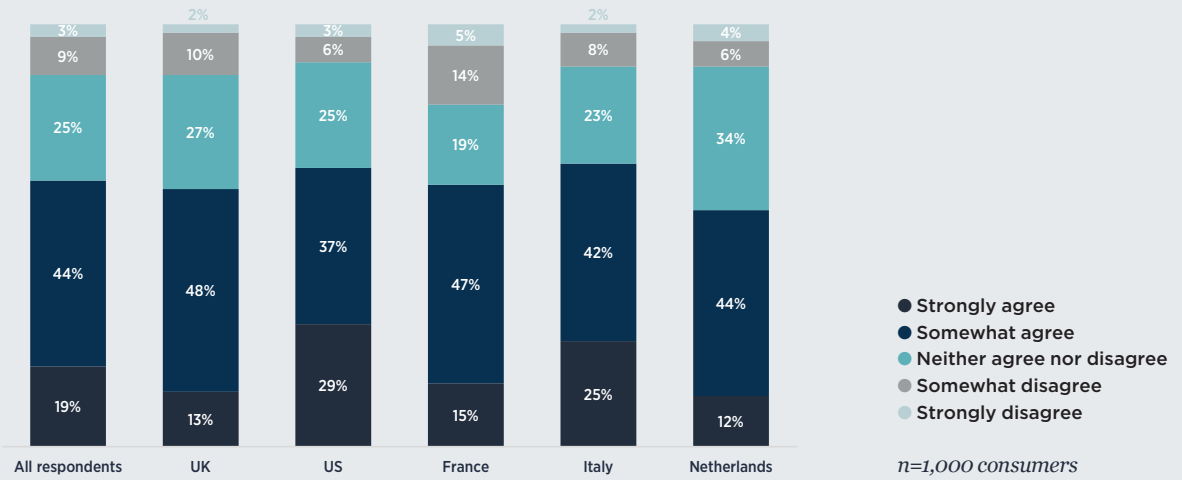


FIGURE 7

Proportion of respondents rating consumer ratings and reviews as 'very important' when researching the following types of product or service

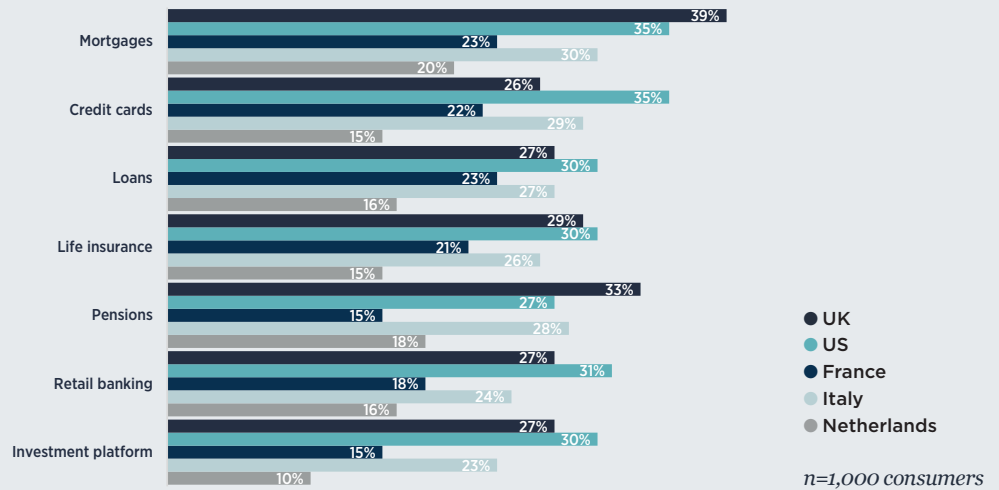
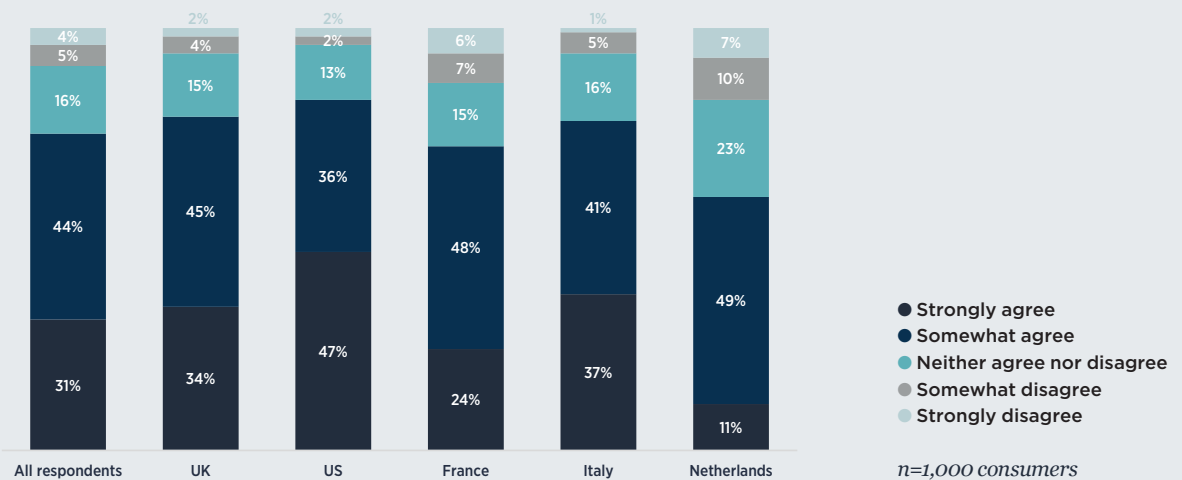


FIGURE 8

To what extent do you agree that positive consumer ratings and reviews make you more likely to go with a bank?



**ABOUT
THE AUTHORS****Linus Gregoriadis**
Director, London Research

Linus, an experienced digital marketing and ecommerce analyst, is the Co-Founder and Director of London Research, which was launched in 2017. He previously spent more than a decade setting up and building the research function at Econsultancy, a digital research and training company now owned by Centaur Media. After leaving Econsultancy, where he oversaw the production of hundreds of survey-based trends reports, buyers' guides and best practice guides, he launched ClickZ Intelligence for B2B media company Contentive. London Research is a sister company to Digital Doughnut, the world's largest community of marketers and digital professionals, and also to Demand Exchange, an advanced B2B lead generation platform.

**Sean Hargrave**
B2B journalist

Sean Hargrave is a highly experienced B2B journalist covering media and technology, specialising in digital marketing, where the two intersect. He worked in the '90s as the Innovation Editor of The Sunday Times covering the dot com boom before leaving in 1999, when the section closed, to freelance for The Guardian and The Telegraph, writing mostly about technology and start-ups, as well as SME issues. As well as writing for London Research, he is the London Editor for New York-based Mediapost.com and contributes regularly to CMO.com.

**LONDON
RESEARCH**

London Research, set up by former Econsultancy research director Linus Gregoriadis, is focused on producing research-based content for B2B audiences. We are based in London, but our approach and outlook are very much international. We work predominantly, but not exclusively, with marketing technology (martech) vendors and agencies seeking to tell a compelling story based on robust research and insightful data points.

As part of Communitize Ltd, we work closely with our sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead generation platform), both to syndicate our research and generate high-quality leads.

For more information, visit
<https://londonresearch.com>

 **Trustpilot**

Trustpilot is the world's most powerful review platform - free and open to all. With more than 57 million reviews of over 270,000 domains, Trustpilot gives people a place to share and discover reviews of businesses, and we give every company the tools to turn consumer feedback into business results. Our mission is to bring people and businesses closer together to create ever-improving experiences for everyone.

Trustpilot reviews are seen more than 2.5 billion times each month by consumers worldwide. With offices in Copenhagen, London, New York, Denver, Berlin, Melbourne and Vilnius, Trustpilot's 700 employees represent more than 40 different nationalities.

For more information, visit
<https://www.trustpilot.com/>

METHODOLOGY

London Research was commissioned by Trustpilot to carry out a survey of 1,000 nationally representative consumers in January 2019. The sample comprised 200 respondents in five different countries: the UK, the US, France, the Netherlands and Italy. The survey was conducted using a Toluna research panel. London Research also carried out interviews for this report.

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Firas Khnaisser, Head of Decisioning, Standard Life
Duncan Leslie, Head of Product Experience, Hargreaves Lansdown



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