

# Empowering consumers in a data-driven world

Creating memorable experiences and advantage for people

---

Discover more about your customers. Empower them with financial information. Strengthen your relationships through transparency and trust.

December 2018



# Contents

FOREWORD	01
WHAT ARE TODAY'S PEOPLE THINKING? ARE CONSUMERS REALLY COMFORTABLE ONLINE?	03
Q: DO PEOPLE TRUST THEIR FINANCIAL SERVICES?	04
Q: HOW MUCH DO PEOPLE KNOW ABOUT OPEN BANKING?	06
Q: ARE SECURITY CONCERNS A BARRIER TO INCREASED PEOPLE ENGAGEMENT?	08
Q: DO PEOPLE WANT TO HEAR FROM YOU?	09
CONCLUSION	10

## Foreword



**Amir Goshtai**  
Managing Director  
Core Affinity Partnerships  
& Propositions  
Experian Consumer Services

Consumers today are increasingly tech savvy and in the main comfortable using digital channels across the generations. Switching between all types of providers to get the best deals is something that consumers venture casually into on a more than daily basis these days too. And it is pretty much expected that fast, easy access to information and services alongside expert support is the norm. One thing is clear if the need is not immediately obvious, individuals will be quick to venture to find what they are looking for to achieve their desires elsewhere.

But, how are people's expectations changing right now?

How do they see their relationships with their financial providers, for example? Do they trust these organisations to act on their behalf and to protect their personal data? And do they fully understand the potential benefits of new regulation, such as Open Banking?

To answer some of these pertinent questions, Experian asked 2,000 consumers what they would like in relation to their financial situation. The survey provides a review of customer sentiment today. It identifies where there are opportunities to improve engagement and build stronger relationships with customers and touches on some of the important factors that have the potential to influence the future state of play for businesses.

People needs, preferences and desires continue to drive what services, new or more established organisations deliver and play a critical role in determining what's at the heart of a business' future strategy.

Relevant, timely and confident interactions are what will be central to building consumer trust in the future. There are some big brands out there right now who are delivering this really well. What's clear is those organisations who 'partner' to bring the sum of expertise together will create the advantage for consumers and themselves – and Experian would like the opportunity to help you on every step of this journey.

A handwritten signature in black ink, appearing to read 'Amir Goshtai'. The signature is stylized and fluid, with a horizontal line extending from the end.

## About Experian's consumer research

Experian surveyed 2,000 consumers to explore a range of subjects, around their use of financial services to channel preferences, data security concerns, and viewpoints on emerging data-sharing models such as Open Banking.

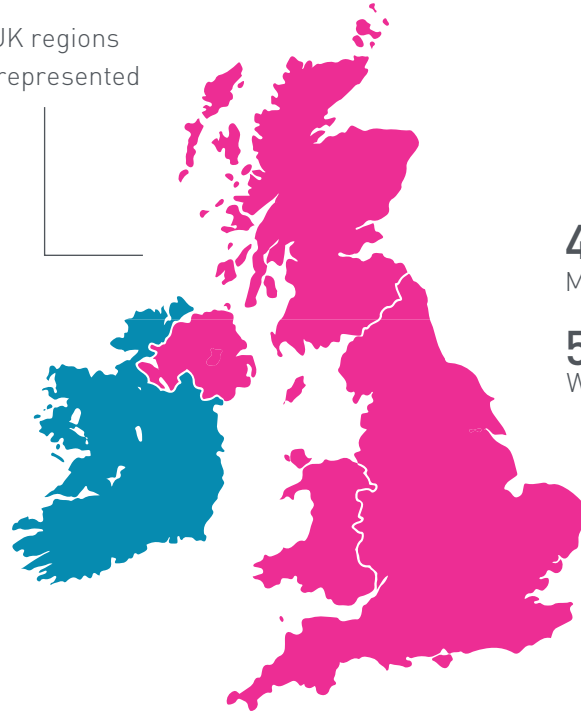
The consumer sample used to gather the research is statistically robust. It is made up of 56% women and 44% men, with 28% in the 18-24 age group, 41% aged 35-54, and 31% 55+. All UK regions are represented, although smaller data samples exist for Scotland, Wales and Northern Ireland.

The majority of our consumers work full time (43%) and a significant minority are either part-time or self-employed (23%), with only 32% in non-income-generating categories. Almost 40% of the sample have a household income of £20,000 to £39,999.



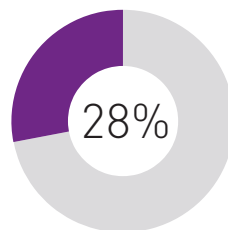
2,000 consumers surveyed

All UK regions are represented

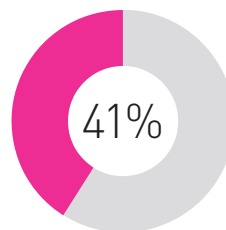


44%  
Men

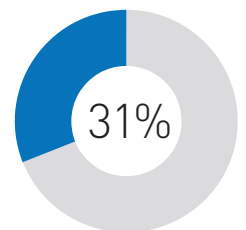
56%  
Women



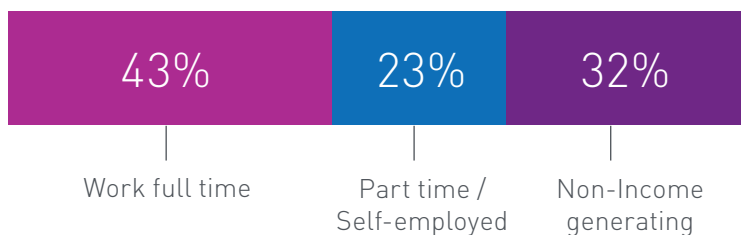
18-24 age group



35-54 age group



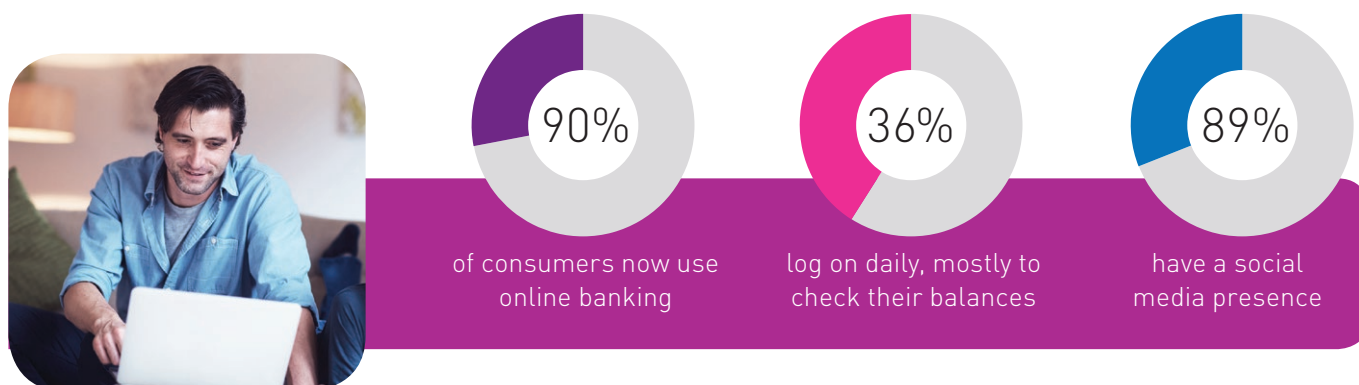
55+ age group



44%

have a household income of £20,000 to £39,999

## What are today's consumers thinking? How comfortable are people online?



According to the latest Experian research, nearly 90% of people now use online banking, with 36% of users logging on to check their balances at least once a day. This near-ubiquitous uptake of online banking is mirrored by wider technology adoption trends, with almost 90% of people now using social networks to connect with colleagues and peers.

These figures strongly indicate consumers' online comfort levels and their desire to interact with banks online and on mobile, presenting significant opportunities for organisations who get their digital strategies right. However, the fact that 10% of consumers never use online banking is also highly relevant. To optimise the experience for this small but significant minority, institutions need to continue investing in alternative channels to satisfy demand and to minimise the risk of digital, social and – ultimately – economic exclusion in the future.

### Deliver the great digital experiences people are looking for

While people are more comfortable online than ever, digital interactions can still be frustrating for consumers. A good example of this is the process of searching and choosing financial products on comparison sites, where consumers enter their detailed requirements, rekey their data into the chosen supplier's website, and finally submit to a credit check – which may derail the entire process at the very end of the digital journey.

Institutions can overcome these challenges and create better online experiences by making customer journeys more intuitive, and as simple as possible.

One key way to achieve this is to integrate your service-delivery systems and processes – ensuring that people only have to enter their information once, even for the most complex applications. Additionally, you can help streamline online experiences still further by embedding required checks – such as fraud checks, credit checks, and other steps that impact lending decisions – into your existing platform and process, saving time for consumers and reducing the complexity of their online journey.

These kinds of solutions save time and improve the consumer experience, while also ensuring that lending decisions are based on the best available data. Creating a process that is more consumer-centric by conducting required credit checks before users are required to spend time keying in their detailed information, rather than afterwards when they are anticipating being approved for a credit card or loan.

Or help people to understand upfront what their financial situation is and share with them how the lender might view their financial credit score, for example. This puts the openness and trust card in play and ultimately by providing this can help consumers to really start to take control and strive in a positive way to plan for the future and achieve those life ambitions.

## Do people trust their financial services providers to act in their best interests?

In the research half of UK consumers remained positive about their financial futures. Only 15% of the people who we surveyed said they had any concerns.

Our research found that in the current uncertain UK economy, almost half of all consumers remain optimistic about their financial futures. We also see a very high overall rate of satisfaction among consumers with regard to their financial services providers and products – with only 15% reporting any concerns about value or suitability.

These are positive findings overall, but the research also showed a number of areas where we can do more as an industry to increase consumer trust and engagement. For example, 31% of people still prefer to ask a family member or friend for a loan rather than engaging with a financial services provider, showing potential underlying issues or misunderstanding about help that can support them. There's also the fact that 30% of consumers don't want any advice about which products to choose – showing potentially a low perceived value in the relationship currently.

### Building trust is more important than ever

"People tend to trust organisations that deliver great value, with consistently memorable experiences. Many of the world's leading corporations have focused on this, ensuring that consumers always get excellent service, with products delivered on time every time, and with highly competitive prices. There is something memorable about receiving an experience that is easy, just in time and delivers on your needs - all with the hallmark of a faultless experience - you don't think about it at the time, but unconsciously you remember and that trust comes back again and again when the decision to interact comes back into play."

**Victoria Baker**  
Head of Affinity Partnerships

Financial institutions, in fact all organisations can mirror this approach to build customer trust by:

- 1) Creating personalised services that are truly valued by people**  
and can help individuals to improve their financial planning based on their current financial situation and future goals. With the right data and analytical solutions, you can also support consumers effectively through key life events, whether they are getting married, buying a house, or school / university fees. Ultimately the final experience of sitting in your home having achieved your ambitions is where the trust is created.
- 2) Meeting your service-delivery promises**  
with integrated processes and automated identity and credit checks that allow you to make faster lending decisions or offering bespoke added value services such as credit score insight or personal financial management tools. People can pivot their view, see the supportive aspects of your services, and how this translates to them achieving their ambitions. By doing this, you can gain a reputation for service excellence, take the anxiety out of credit applications, and build trust in your brand.
- 3) Implementing best-practice affordability and eligibility**  
that takes account of granular consumer personally identifiable information (PII), credit scores, coupled with open banking data to match the perfect products to the right people. With best-practice affordability, consumers will be comfortable, more engaged with their products again looking to further build upon that all important trust.



**31%**

of people prefer to ask friends or family for a loan than to apply with a financial services provider.

**Nearly half**

of people are concerned or very concerned about their financial future.

## How much do people know about Open Banking?

Our research discovered a relatively low-level of consumer understanding when it comes to Open Banking – both in terms of what it is, and what the consumer benefits are likely to be. Only half of our sample understood, for example, who will look after their data if they consent to share it. Likewise, only around half think that Open Banking will bring them any benefits at all.

This lack of understanding is a challenge – especially as most people who know about Open Banking 68% heard about it first in the media and not from their bank. However, it is important to realise that we are still at the beginning of the Open Banking journey, and that the opportunities will be transformative for the consumer.

In fact, our research showed that those who have already shared their data under Open Banking are interested in a number of the benefits it can provide. More than a third of our sample expressed an interest in the most common Open Banking benefits, which are:

- a) personalised offers,
- b) faster service delivery and
- c) financial management tools.

Additionally, nearly a quarter were interested in Open Banking in terms of receiving more timely credit offers, when coupled with affordability and real rates this is where everyone can achieve an advantage.

### **Maximise open banking opportunities with consumer education**

In the first instance, organisations can benefit by launching campaigns to explain the benefits of Open Banking to consumers, clarifying exactly how their data will be protected and used, and for what purpose.

Customer education campaigns also allow you to explain several key Open Banking user cases and how they as consumers can benefit, including improved affordability and eligibility, personalised offers, timely offers, and much more.

Once consumers fully understand how Open Banking works and what's in it for them, there is an opportunity to innovate and build upon those existing portfolios to harness and boost consumer engagement accordingly.



# 68%

of people have not yet heard of Open Banking. The new legislation came into force earlier this year, but still consumers are unaware of the positive part it can play in making life more efficient and deliver on some of these all important life time needs.

#### Of those who have heard of it:

- 68% learned about it on the news.
- 21% learned about it from their bank.
- 13% have already agreed to share their data.
- 50% of all people think open banking could benefit them.

### Empowering consumers with financial insight

Open Banking gives people the freedom to share their account information with chosen organisations in order to get the most relevant product and services. Businesses offering lending services, for example can give customers access to their credit score data at the touch of a button, and keep them actively informed about changes to their financial health. It means consumers can find out how they may be viewed when looking to secure a loan, mortgage, phone contract or other finance-dependent service.

With these type of services, you can gradually change perceptions around the value you bring to customers, and position yourself as a trusted partner.

You also have the opportunity to boost customer engagement with a range of other data-sharing user cases created in partnerships with other organisations. There are benefits across the board for all sectors, including utility, telecommunications and retail partners.

The savvy consumer will have the opportunity to gain better deals on goods and services. Those organisations that build out a network of partners who bring something unique to the table will by far be the ones that have the opportunity to build stronger relationships - adding real value above and beyond what is possible from a service perspective today.

## Are security concerns a barrier to increased consumer engagement?

Our research shows that consumers are generally concerned about data security – especially in online settings. This presents a challenge on one hand where Open Banking is concerned. With 66% saying they would not currently share their data under Open Banking. There is an opportunity for organisations to educate consumers about the benefits of sharing their data and look at ways to support them.

With high profile security breaches on the rise, it's no surprise that consumers are concerned about their personal information, such as their financial details. However, organisations still want to help consumers and provide access to personalised offers, which are tailored through affordability and eligibility insight, delivering ultimately what Open Banking intended.

---

### Play a part in educating consumers about protecting their identity

With the increasing sophistication of fraud and growing incidences of personal data theft consumers have a challenging decision to make about when to share their data. However, businesses have an opportunity to play a key role to help their customers make better choices and provide supporting information and services which all demonstrate the importance they place on the topic of personal identity protection. If businesses and consumers can come together on this challenge then this will create value for all.

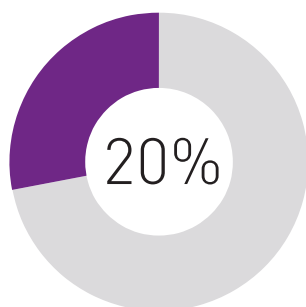


" Counterbalancing concerns around identity protection is a unique opportunity for organisations. Giving individuals the ability to protect themselves through monitoring services has the potential to reassure and further build trust."

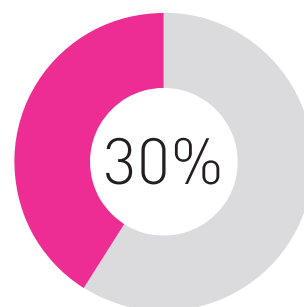
**Jim Steven**

Head of Data Breach Response

## Do consumers want to hear from you?



Only 20% are interested in receiving messages or notifications from their financial service providers



Less than 30% of consumers are interested in receiving product advice from their financial services provider

Consumers have the world at their fingertips and want to have a personalised experiences. Successful brands need to be able to give their customers access to relevant, timely information when they most need it (for example, understanding the services that best fit their financial status before making an application). We know that consumers are more likely to show an interest if messages offering them something of value, so presenting opportunities for financial services and other organisations to create relevant, personalised offers which are unique is an obvious step in the right direction.

### **Earn the right to have conversations with consumers**

By combining customer data, data from third party sources, and Open Banking data, it's possible to create personalised offers that deliver real value for consumers. You can also craft messages and notifications to keep consumers informed about their credit score, spending habits, alert them to new products they've been pre-qualified for, or save them money on goods and services they buy on an ongoing basis.

By creating messages and notifications that deliver real value for consumers, you can quickly increase engagement opportunities. Critically, you will earn the right to begin new conversations with them, many of which could lead to new revenue opportunities.

## CONCLUSION

### **A positive and upbeat environment**

A quick review of our research shows many reasons to be upbeat. A large percentage of consumers remain positive about their financial outlook, in spite of Brexit uncertainty and other challenging economic conditions in the UK. What's more, we can see that the vast majority of consumers are very satisfied with their financial products and services, which shows that the industry is managing to serve the people's needs.

### **Educational initiatives are the way to build future engagement**

However, there's so much more that can be done to ultimately change life for the better. In particular, the research revealed significant education challenges, particularly around the consumer benefits of data sharing under Open Banking. Most consumers also said that their security concerns may prevent them from sharing data with their providers – limiting potential to add value and create timely, personalised offers consumers want.

### **Building people trust will support the winning organisations**

Finally, there's the issue of trust, with 31% of consumers still happier to ask friends and family members for loans and only 20% of consumers wanting any kind of product advice from their providers. With these challenges in mind, the onus is on organisations to build consumer trust based on best practice affordability and eligibility; fast, convenient services, timely, personalised offers that add real value to the individuals life and recognised for just that.

### **How Experian can help**

Experian has been working with consumers and financial services for decades. By integrating credit scores and reports into organisations' platforms, we've helped give millions of individuals the ability to take control of their financial wellbeing and achieve their lifetime goals.

When you partner with the Experian Affinity Team, you have the advantage of directly providing an individual with access to their credit score and report information, as well as aggregated financial information relating to their spending habits. This helps you to ensure best-practice affordability and eligibility, with the option to prequalify consumers for products that are perfectly matched to their needs and circumstances.

Finally, the Experian Affinity team can help you enrich and differentiate your consumer relationships starting with consultancy and support. We can also help you leverage Open Banking data to support consumers' financial planning, and help them achieve their financial goals and ambitions.





To find out more about how your business can adopt consumer-centric approaches working with Experian and create stronger, longer-lasting, more profitable customer relationships. Contact: [victoria.baker@experian.com](mailto:victoria.baker@experian.com).

## Would you like to speak to our team of experts?

If you have any questions relating to this whitepaper or would like to know more about how we help organisations to engage consumers through tailored financial education programmes contact:



Victoria Baker  
Head of Sales

**Affinity Partnerships and Propositions**  
**Experian Consumer Services**

victoria.baker@experian.com  
+44 7973 690 102



Amir Goshtai  
Managing Director

**Affinity Partnerships and Propositions**  
**Experian Consumer Services**

amir.goshtai@experian.com

---

## About our research agency and survey

Experian commissioned C Space, our trusted partner, to unearth insight into consumer sentiments and behaviours. C Space, a customer agency, is a member of Market Research Society and was named Best Agency at their 2017 awards.

On our behalf C Space surveyed 2,000 British adults to explore a range of subjects, from their use of financial services products and services to channel preferences, data security concerns, and viewpoints on emerging data-sharing models such as Open Banking.



### About our resident insight expert

Allie Davidge, Director of Global Client Insight, Experian has worked in the customer engagement and research space for 26 years and specifically in client loyalty and experience across the last eighteen. She worked with Satmetrix, co-creators of the Net Promoter system, helping international organisations develop successful client feedback, VoC and NPS programs. After launching a client experience programme for global banking software provider, Temenos, she joined Experian as Director for Global Client Insight in January 2013. Her focus at Experian is to move global client experience to the next level. She holds a BA Hons from Goldsmiths College, London University, a diploma in Direct Marketing from IDM, and is a fully certified Net Promoter Associate.





---

Registered office address:  
The Sir John Peace Building, Experian Way,  
NG2 Business Park, Nottingham, NG80 1ZZ

© Experian 2018.

Experian Ltd is authorised and regulated by the Financial Conduct Authority. Experian Ltd is registered in England and Wales under company registration number 653331.

The word "EXPERIAN" and the graphical device are trade marks of Experian and/or its associated companies and may be registered in the EU, USA and other countries. The graphical device is a registered Community design in the EU. All rights reserved.

**Legal Notice:** The information obtained herein is not, nor intended to be, legal advice. We try to provide quality information but make no claims, promises or guarantees about the accuracy, completeness or adequacy of information contained. As legal advice must be tailored to the specific circumstances of each case and laws are constantly changing, nothing provided herein should be used as a substitute for the advice of competent legal counsel.