

# 2021 Public Trust in Banking Survey



# Contents

---

Foreword - Chair IBCB, Mr Justice John Hedigan	02
Introduction - Chief Executive IBCB, Marion Kelly	04
About the IBCB and the Public Trust in Banking Survey	07
Methodology	09
Executive Summary	13
Findings	17
Conclusions and Issues the IBCB will Consider	39

---

# Foreword

## IBCB Chairman Mr Justice John Hedigan

I welcome the publication of the latest IBCB surveys of bank staff and the public and I congratulate all involved in their preparation. They are an excellent analysis of staff and public perceptions of our member banks. Their content invites careful reading and will be of inestimable assistance in determining our roadmap for the future.

Éist is the name carefully chosen for the staff and public sentiment surveys commissioned by the IBCB this year. It means listen in the Irish language. We will listen to and learn from what staff and the public tell us concerning current culture in the Irish banking sector.

The 2021 éist surveys follow on from our 2018 staff survey and public consultation reports published at our launch in April 2019. The 2018 findings were used as the framework upon which our work programme to

date was based. The findings of these éist surveys will also inform our work programmes for the future.

This report on Public Trust in Banking, addresses the perceptions of the general public, including SMEs, towards the banking sector and the member banks of the Irish Banking Culture Board. It looks at the four dimensions which make up trust, namely ability, integrity, dependability, and purpose and creates a trust benchmark, which will allow us to periodically measure and track progress. The findings of the survey, which are the views of the public, show low levels of financial optimism in general, and low levels of trust in banks. This is similar to feedback received in our previous public consultation report. There are some encouraging signs that faith in the banks' competence and ability is returning but more attention is needed

## Foreword (contd)

to demonstrate integrity and honesty. The findings of the staff survey show real progress has been made in cultural change across the five IBCB member banks. This manifests itself in a strong focus on the customer and improved confidence in the speaking up processes. Alignment between stated values and daily decision making are also improving.

As I said at the launch of the IBCB in April 2019, cultural change is a long and difficult process and progress will always be slow. The journey has however started. This bank sentiment survey shows that the indications of progress in the internal bank staff survey, particularly in the area of customer focus, are evident in the public's feedback on competence and ability, but much remains to be done to restore the trust of the public in the Irish banking sector. It is encouraging that definite signs of progress are

evident from these surveys. We will engage directly with the problem areas identified and work to continue progress there. It is entirely logical that improvements in culture should emerge from the bank staff from top to bottom before public trust levels can rise in the commitment by the banks to real and meaningful change.

I think these éist surveys show that this change is underway. A great deal of work has already been done.

While there is much that remains to be done, I would encourage a balanced focus on the positives as well as the areas for improvement.



## Introduction

IBCB CEO Marion Kelly

Welcome to the results of the Irish Banking Culture Board's éist Public Trust in Banking survey 2021. As our Chairman, Mr. Justice John Hedigan mentioned in his foreword, we have expressly selected this name for our surveys, as one of the most consistent pieces of feedback we receive from bank customers and staff alike is that they want banks to listen to them more and to then act on that feedback.

The IBCB's activities and areas of focus are based on what we hear from bank customers, wider stakeholders, and staff in our member banks through our surveys. The results provide us with real insight into current culture and behaviour in our five member banks, and into overall trust levels for the sector. This enables us to comment on the areas which show some improvement, as well as those where further focus is needed.

This survey was conducted in conjunction with our partners Edelman Data & Intelligence, using their globally recognised methodology for assessing trust – the Edelman Trust Management Diagnostic. Through application of the Edelman methodology, we can also benchmark the findings for Irish banking with comparative international data. This allows us to gauge how the Irish industry compares globally on key aspects of culture and behaviour and overall trust.

This survey was conducted during March 2021 – a period characterised by immense pressures for many bank customers due to the ongoing Covid-19 pandemic and upheaval in the banking market. In addition, there were material announcements from IBCB member banks during this period which will result in changes to organisational structures and the

# Introduction (contd)

wider banking market in Ireland. These announcements will have both direct and indirect consequences for many customers of our member banks and wider stakeholders. While the impact of the prevailing pandemic and the changes in the banking market are relevant context for these results, it is clear that notwithstanding this recent context, there remains significant work for the industry to do to regain the trust of the Irish public. The results indicate that many of the concerns we heard from bank customers back in 2018 when we conducted a public and stakeholder consultation process, continue as key concerns today. Customers are concerned about the reduced 'human interface' of banks and how this impacts their day-to-day relationship with their bank, particularly in rural Ireland. There remain significant concerns from a number of customer groups regarding the integrity of banks and how they support customers in a vulnerable position and smaller businesses.

There are also a number of positives coming through the results which offer real opportunity for the industry to build on, and leverage, to help the journey towards rebuilding trust. These positives include sentiment relating to the quality of service and products, the competence of staff, and also a small minority (higher in SMEs) who report that their trust levels in banks have increased during the pandemic. There is also an expectation amongst the Public that Banks will play an important role in the wider economic recovery as Ireland emerges from the pandemic.

The IBCB's approach to measuring progress on cultural change and overall trust levels in banking is founded on our Bank Staff Culture survey and this Public Trust survey – combined, these form the 'two sides of the coin' needed to form a rounded view on culture and trust in the sector. Assessing bank culture from the perspective of staff is essential, as only cultural change that

comes from within is authentic and sustainable. We are pleased the results of our 2021 Bank Staff survey shows that real progress on cultural change has been made across all IBCB member banks in the period since 2018 – the strong emphasis on the customer is evident across all five banks and there has been a material improvement in staff's confidence levels in speaking up – which is core to an effective culture.

However, it is clear from the results of this Public Trust survey, that this internal culture progress has yet to resonate externally with the majority of bank customers and the public in general. Achieving this is key for the future of the industry and for overall pride levels of staff. Trust is the key currency of change in the banking sector. For it to be authentic and sustainable it must be both earned by the banks and recognised by the public.

Finally, as evidenced by material market announcements in recent months, the composition of the Irish retail banking

market is fundamentally changing and as a result the IBCB will also need to evolve. These changes will have a significant impact on both customers and staff and fairness and transparency in how they are treated, therefore, will be central to our work going forward. Regardless of the composition of the Irish banking market in the future, applying the principles of good culture will be critical to the success and sustainability of the industry.



# The Irish Banking Culture Board

The Irish Banking Culture Board (IBCB) is an independent industry initiative. It was established in 2019 by its five member banks (AIB, BOI, KBC Bank Ireland, Permanent TSB, and Ulster Bank), with the aim of rebuilding trust in the banking sector by championing behavioural and cultural change.

The IBCB is not a regulator and is not an industry body. Its remit is to work with all stakeholders in the industry – the banks, their customers and wider Irish society to improve bank culture and contribute to a restoration of trust in the sector.

*For more information*  
[www.irishbankingcultureboard.ie](http://www.irishbankingcultureboard.ie)

# éist: Public Trust in Banking Survey

In 2021, the IBCB commissioned Edelman to conduct its first customer survey of Trust in the Irish banking sector the 'éist' Public Trust in Banking Survey.

This report leverages the **Edelman Trust Measurement (ETM)** framework, a robust, tried, and tested research tool to measure trust in banks amongst a cross section of the general population, including Small and Medium Enterprises (SMEs). The results provide

an initial baseline that can, and will, be repeated, ensuring that the work of the IBCB is always informed by accurate and relevant sentiment data.



# Methodology

**Survey:** The survey method was a 15-minute online engagement with each respondent;

- The Survey Questionnaire included some of the following topics:
- Perceptions of the economic situation in Ireland and Covid-19
- Edelman Net Trust Score (ENTS) for the Irish banking industry and for IBCB member banks
- Scores across four key Trust dimensions
- Scores across customised Trust behaviours

**Audiences were as outlined:**

- 1,007 members of the General Population of Ireland, including natural fall-out (no quotas applied) of those familiar with IBCB's five member banks (AIB (including EBS), Bank of Ireland, KBC Bank Ireland, Permanent TSB, and Ulster Bank).
- 251 Irish SME business decision-makers or owners. Micro businesses are defined as having an annual turnover of up to €2,000,000. Small/Medium businesses have an annual turnover of over €2,000,000.

**Fieldwork:** The timeframe for the fieldwork was 9 March 2021 to 26 March 2021



# Edelman Trust Management Diagnostic

Trust is the ultimate currency in our relationship with all Stakeholders. It defines the license to operate, lead and succeed. Trust is the foundation that allows organisations to take responsible risk, and, if mistakes are made, to rebound from them. Lasting trust is the strongest insurance against competitive disruption, the antidote to consumer indifference, and the best path to continued growth. For over 20 year of Trust research, Edelman's Trust Barometer shows that trusted organisations are better prepared against risk, they are more resilient in the face of crisis, and are better equipped to unlock their full potential.

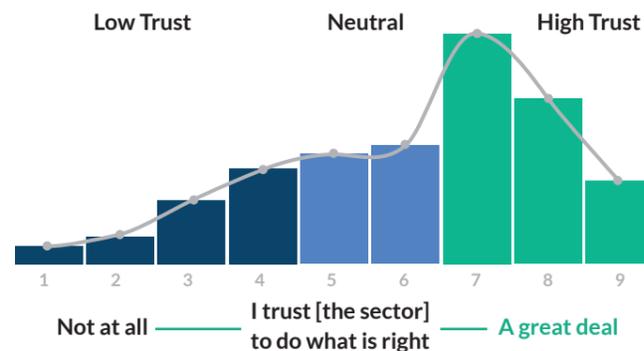
## Measuring the Trust Capital: WHAT

### EDELMAN NET TRUST SCORE (ENTS)

A singular, numerical score of the sector or organisation's trust level and where it's heading.

ENTS is calculated by high trust minus low trust.

**"Do you trust [the sector / bank] to do what is right?"**



The IBCB Edelman Trust Management Diagnostic included the following key metrics:

## Understanding the Trust Capital: HOW

### SCORES ACROSS FOUR KEY TRUST DIMENSIONS

These scores explored where the sector or organisation's strengths and weaknesses are.

**"To which extent do you agree or disagree that [the sector / bank]..."**

<b>ABILITY</b>	"Is good at what it does"
<b>INTEGRITY</b>	"Is honest"
<b>DEPENDABILITY</b>	"Keeps its promises"
<b>PURPOSE</b>	"Tries hard to have a positive impact on society"

## Managing the Trust Capital: WHY

### SCORES ACROSS TRUST BEHAVIOURS

Specific areas that are important to improving trust to set short, medium, and long-term priorities.

22 statements tested in total.

**"To which extent do you agree or disagree that [the bank]..."**

"Understands customer needs" ( <i>Ability</i> )
"Engages transparently and constructively with the public on issues" ( <i>Integrity</i> )
"Takes accountability for poor behaviour/ mistakes made" ( <i>Dependability</i> )
"Acknowledges and cares about the impact of their sector on the environment and society" ( <i>Purpose</i> )

# Executive Summary

The data captured in the éist Public Trust in Banking survey represents a significant challenge to the IBCB and our member banks. However, there are definite signs, amongst SMEs and younger people, in particular, that the dial on negative perception can be turned.

It is worth setting the context for the research. Given recent announcements regarding the composition and structure of the banking industry, the imposition of significant regulatory sanctions, the vagaries of the national mood and the prevailing social and economic headwinds that all of society has faced during the pandemic, it would be surprising if perceptions of banks had improved materially. Notwithstanding this, the findings are stark – if not surprising.

The outcome of this survey indicates that there is an ongoing resistance to the idea that banks can be, and are, a positive

force in society. Despite significant progress made across the industry, it will take time to alter this mindset in a meaningful way.

There are encouraging signs that faith in the banks' competence and ability is returning, however slowly. Interestingly, significant numbers of people believe banks will play a key role in economic recovery post the pandemic. People understand the role of banks; the challenge is to convince them of the benefits banks can provide to people, communities and society. The reality is that trust in the sector is low and this underscores the importance of the IBCB and our member banks working together to rebuild that trust in a way that is authentic and sustainable.

The survey findings show that while there is a negative perception of the sector this seems to be driven less by

specific experiences and more by a general 'feeling' that banks prioritise themselves. Again, while banks are seen to deliver on the functional elements of their role, customer engagement has so far not resulted in enhanced levels of trust.

Key drivers of trust are integrity and honesty, and they need to be explicitly demonstrated by banks. In order to materially improve the trust dynamic, they must convince the public that they act fairly and that they care about all customers, including those in vulnerable positions.

## **Generational Perspectives:**

Rebuilding trust amongst the older and millennial generations involves a demonstration that the sector has learnt from its past mistakes and is committed to accountability. The financial crisis of 2008, and the banks' role in it, remains a factor and continues to be a source of distrust especially for millennials and older generations; 43% say their perception towards banks has got worse since 2008, with older generations as the least likely to say their perception

towards banks has improved (18%). In contrast, Gen-Z and younger millennials, attracted as they are to innovation, offer an opportunity for banks to show they can respond well in a crisis. 18-34-year-olds offer the opportunity of a clean state – this audience are far less affected by previous crises and depending on the behaviours of banks during the recovery from the pandemic, are more likely to acquire higher levels of trust in banks over time.

**Digitalisation:** The issue of digitalisation is two sided; on the one side, older more rural customers feel alienated by the advent of digital banking and the absence of human contact. Conversely, innovation and convenience and the digitalisation of services are precisely what younger customers desire and need. Banks need to find ways of promoting the human, and more trusted, side of the sector while continuing on the path of innovation

**Pandemic Support:** It is disappointing for the sector that wider negative commentary drowned out the positivity

engendered by the payments breaks initiative undertaken by banks at the outset of the crisis. The genuine efforts made by banks to support customers were eclipsed and therefore had no effect on how they were perceived during that period. Understandably peoples focus has been on their personal finances and clearly that has been the prism through which they have assessed banks. Six in ten people say their finances have been negatively impacted by Covid-19, while only 38% agree that the banking sector responded well in helping society during the pandemic. Transparent engagement and demonstrating how the sector is supporting customers in vulnerable positions during the remainder of the pandemic is vital to rebuilding trust with this audience.

**The Economy:** The current economic situation in Ireland is challenging – optimism is low, and Covid-19 is causing significant concern. Five in ten people feel pessimistic towards the current economic outlook, with three quarters of those surveyed expressing concern about the impact of the pandemic.

Customers are looking at banks as one of the key sectors to guide them through the crisis. The destabilising impact of the pandemic will have an impact for years to come and there is still opportunity for banks to demonstrate their support for customers.

**SMEs and Micro Businesses:**

The survey shows that banks need to engage with all businesses, regardless of size. Six in ten SMEs surveyed have seen a negative impact on their finances due to Covid-19. Although trust amongst SMEs is slightly higher than trust amongst the general public, micro businesses have felt particularly let down by the sector's response to the pandemic. Ensuring products and services are inclusive and accessible to all businesses will be important to demonstrate.

In a period of economic uncertainty, offering reassurance that banks are dependable and deliver on their commitments will build trust with SMEs.

# The Economy Today

Pre-pandemic, Ireland's economy had made a very strong recovery from the 2008 financial crisis with a population at close to full employment, and strong economic growth. The trauma of the previous decade was beginning to fade. Covid-19 has changed that. Ireland, like every other country, is facing an uncertain economic future with the added complication of Brexit. It is also clear from this survey that memories of the banks' involvement in Ireland's past economic difficulties remain.

It is therefore understandable that the survey reveals that more than half (55%) of people surveyed feel pessimistic about Ireland's economic prospects, with Covid-19 and Brexit as key influencing factors.

Six in ten (61%) say their finances have been negatively impacted by the pandemic; the problem especially acute among young people aged 18 and 44. Small-and medium-sized businesses (SMEs) are likewise concerned. Two-thirds (66%) report a reduction in their financial health during the pandemic. See Figure 1. Climate of concern. More than half of people (52%) and a third of SMEs (33%) also expect the economy to get worse rather than better in the next 12 months.

Figure 1. Climate of concern.

Top current financial worries for individuals and SMEs.

Top 4 financial impacts that most concern people		Top 4 financial impacts that most concern SMEs	
1	Having a <b>reduced income</b> (48%)	1	Having a <b>reduced profit margin</b> (57%)
2	Me/my family <b>remaining or becoming unemployed</b> (41%)	2	Not being able to <b>receive some payments</b> (47%)
3	Not being able to <b>make some payments</b> (36%)	3	Having <b>no profits at all</b> (47%)
4	Having to <b>postpone planned purchases</b> (33%)	4	Falling into <b>debt</b> (45%)

# Trust Levels in Banks Remain Low

Yet if the economic landscape seems rocky, what about the level of faith in the financial institutions which will help the country navigate it? In 2018, we conducted a public and stakeholder consultation into the state of trust in the banking industry, finding much work to be done in repairing the relationship between IBCB member banks and their customers.

At that point, the tracker-mortgage scandal and the financial crash were still creating considerable anger and distrust towards the industry as a whole. Two years on, we find a very different world but many of the same challenges.

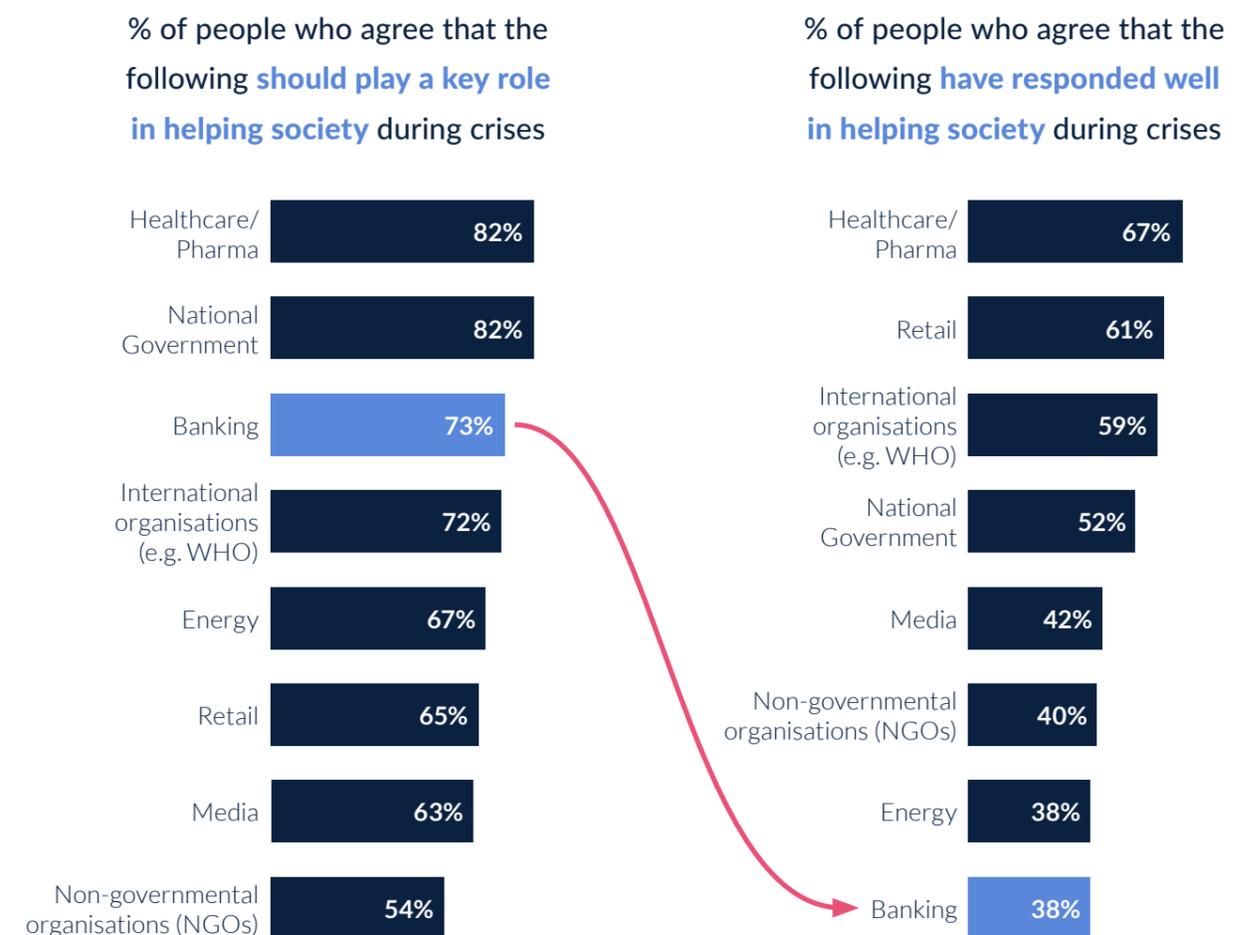
Nearly three-quarters (73%) of the members of the public who took part in our new study believe banks should

play a key role in helping society during crises such as the one we face right now, placing banking behind only the healthcare/pharmaceutical industry and the national government (both 82%). However, when asked to list which sectors have responded well to the challenge of supporting the nation through Brexit and COVID-19, banking was named by only 38% of people. This places it bottom of the pile of sectors included – something we explore further in the next section of this report. This is clearly very disappointing for the sector and in particular its staff, especially those in the front line, who worked to put in place huge numbers of payment breaks and other supports for customers during the pandemic.

See Figure 2. Tepid response.

Figure 2. Tepid response.

Public view of different industries' role in a crisis.



Only 38% of people feel the banking industry has done well in helping society during the coronavirus crisis.



# Turning a Negative into a Positive

While some of the trust data is clearly very challenging for banks there are some encouraging signs when it comes to developing trust, especially amongst the younger people surveyed and many SME respondents. 32% of 18-to 34-year olds have seen their view of the banking industry improve over the last decade while just 18% of those aged over 45 have seen their view improve over the same period. Clearly many of those who lived through the 2008 recession will be slow to reinvest their trust in banks but younger people are clearly open to doing just that. The SME perspective also offers encouragement in that 49% of those surveyed, whose annual turnover exceeds €2 million say their view of the banking sector has been enhanced

since 2008. While that number drops to 32% for those SMEs with an annual turnover of less than €2 million, the seeds of trust have clearly been sown in this portion of society.

Given the difficult context in which the survey was conducted, it is perhaps not surprising, though disappointing, that 43% of those surveyed say their perception of banks has disimproved since 2008 while the 23% who say their perspective has been enhanced offer a strong basis on which to improve trust in the sector. The challenge ahead is to positively influence the 43% and convince them that the sector is indeed worthy of their trust.

Whilst 23% say their perceptions have improved, 43% of people say their perception of banks is worse now than it was after the 2008 financial crisis

# The Banking Industry Vs My Bank

As discussed in the previous section, trust in the Irish banking sector is low. The ETM calculates that 46% of respondents have low trust in the industry, giving it a net trust score of -28 points. Yet it also finds this perception is driven more by underlying suspicion than personal experience. In other words, there is a distinction between people's perception of the banks (i.e. the industry) and my bank. As one study participant put it: "I haven't had a bad experience personally, but I am very wary of trusting the large banks in Ireland as I don't believe they have customers at heart." The importance of the local interface to levels of trust comes clearly through in

the findings, with far higher levels of trust in local bank branches than in the sector overall. In this regard, we benchmarked IBCB member banks with the Credit Unions in Ireland who consistently score highly on assessment of trust, likely very much driven by their local presence.

Indeed, the net trust score for the nation's local bank branches is -5, much better than the overall sector tally. Local bank branches also significantly outperform the industry in both the levels of high trust (28% vs 19%) and low trust (33% vs. 48%).

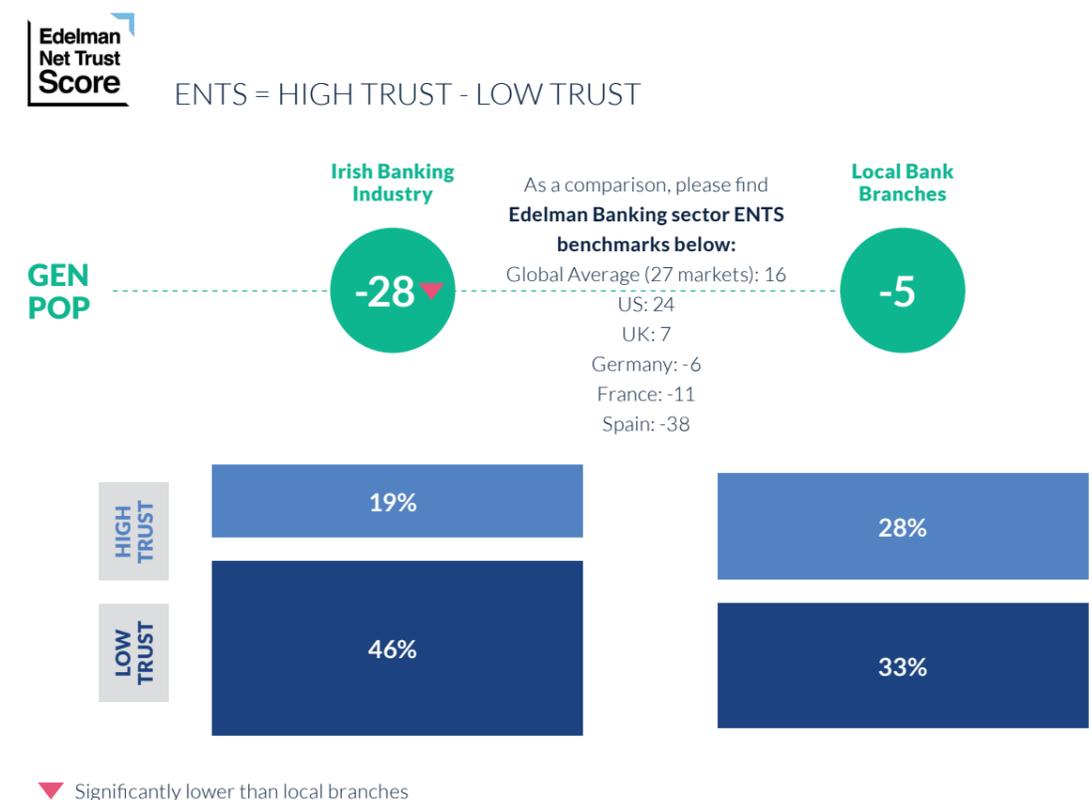
See Figure 3. Going Local.

And while this may seem anomalous at first glance, it highlights the need for banks to bridge the gap between the everyday interactions customers have with them and the perception of the

sector as a whole. Change must be positive but, crucially, it must also be collective and the IBCB can play a key role in this.

Figure 3. Going Local.

Trust in the banking sector vs. local branches.



"I haven't had a bad experience personally, but I am very wary of trusting the large banks in Ireland as I don't believe they have customers at heart."  
- Member of the public

# Spotlight on IBCB Member Banks

In relative terms the trust news is better for the IBCB member Banks, in how they are perceived individually and represents an opportunity for increasing trust levels in the wider sector. How people view the banking landscape can be quite nuanced and in the context of this research it settles mainly into three perspectives. Firstly, it's the sector as a whole and this is where the public is at its least forgiving. The second perspective is based on people's relationship with their local branch and the third is how they view specific named banks, (i.e. IBCB member banks) either as customers or on the basis of familiarity with that bank. While the report card for the banking sector reads "could do better," when the public were asked about the specific member banks the outcome, by and large, makes for more positive reading.

While the industry's net trust score is measured at -28, that number improves to -10 for the IBCB members. Among the

public who are familiar with them, they are also more likely to be high-trusted and less likely to be low-trusted. In each case, however, they are outpointed by local bank branches, once again highlighting the 'my bank vs. the bank' divide discussed earlier.

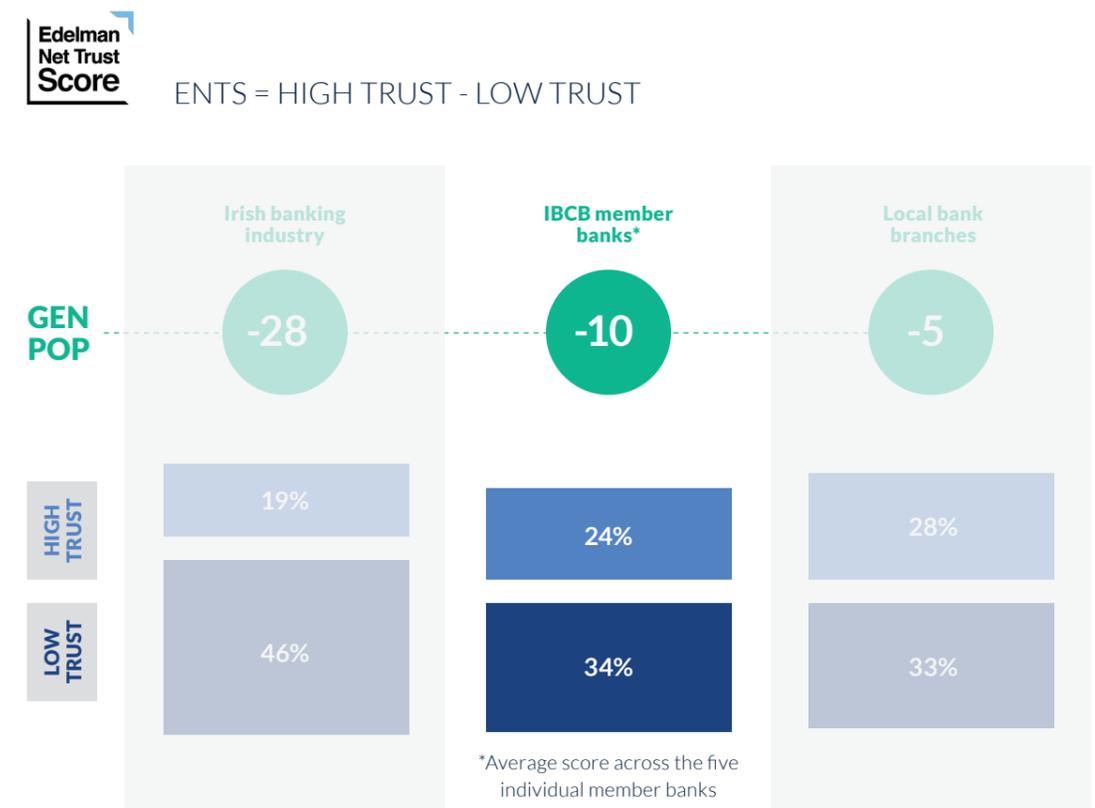
See Figure 4. Better not best.

It is a similar story, but slightly better, story among SMEs, with the IBCB banks' net trust score again falling between the sector overall and local branches (-2 compared to -13 and +8 respectively). As with the general population findings, this underlines the need for the whole sector, including the IBCB members, to work together to restore the faith of all customers.

We also need to consider the local dimension and how this can be maintained, even via alternative means where local branches close.

**Figure 4. Better not best.**

IBCB member banks net trust score vs. the Irish banking sector and local branches.



# Demographic Differences

The sector / 'my bank' divide is actually just one of several disparities uncovered by the study. There is also a wide variation in the distribution of trust across Ireland's urban and rural communities. In the latter case, the level of distrust is significantly greater, with a net trust score of -41 for the banking sector and -17 for local branches. For city residents, those figures are -22 and 0 respectively.

Much of this disconnect appears to stem from the move towards digitalisation, a process accelerated by the restrictions of the pandemic. Among our rurally based study participants, many made the point that branch closures and the shift to online interactions rather than human ones have made them feel unwelcome and suspicious of their bank. Equally noteworthy is the discrepancy between generations. While the banking sector's net trust score among those who

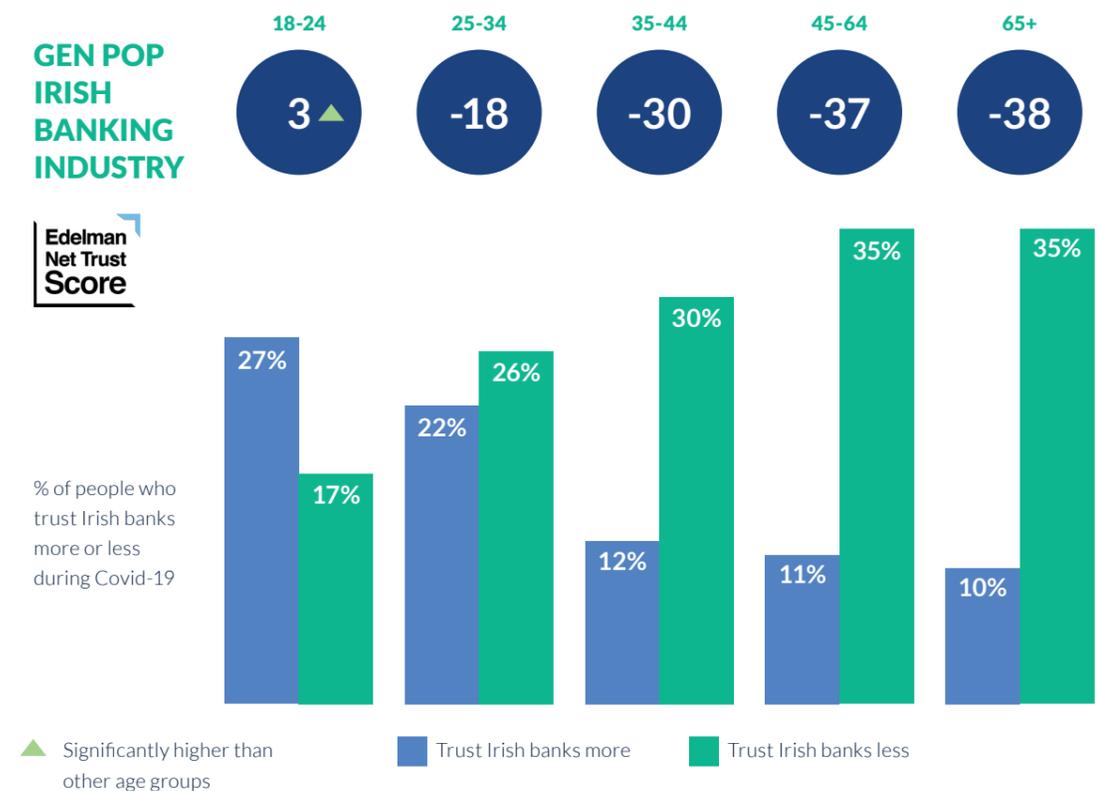
support digitalisation, the 18-24-year-olds, is +3, it falls to -38 among people aged 65 and over.

See Figure 5. An age-old problem?

A net trust score of +3 offers reason for hope as banks welcome their next generation of customers. Indeed, while legacy concerns of older patrons cannot and should not be overlooked, the industry appears to have a far cleaner slate upon which to build trust among younger Irish citizens and business owners. The task now is to seize that chance.

Figure 5. An age-old problem?

ENTs Score that reflects trust in the banking sector, according to age.



# Pandemic Pain and Possibility

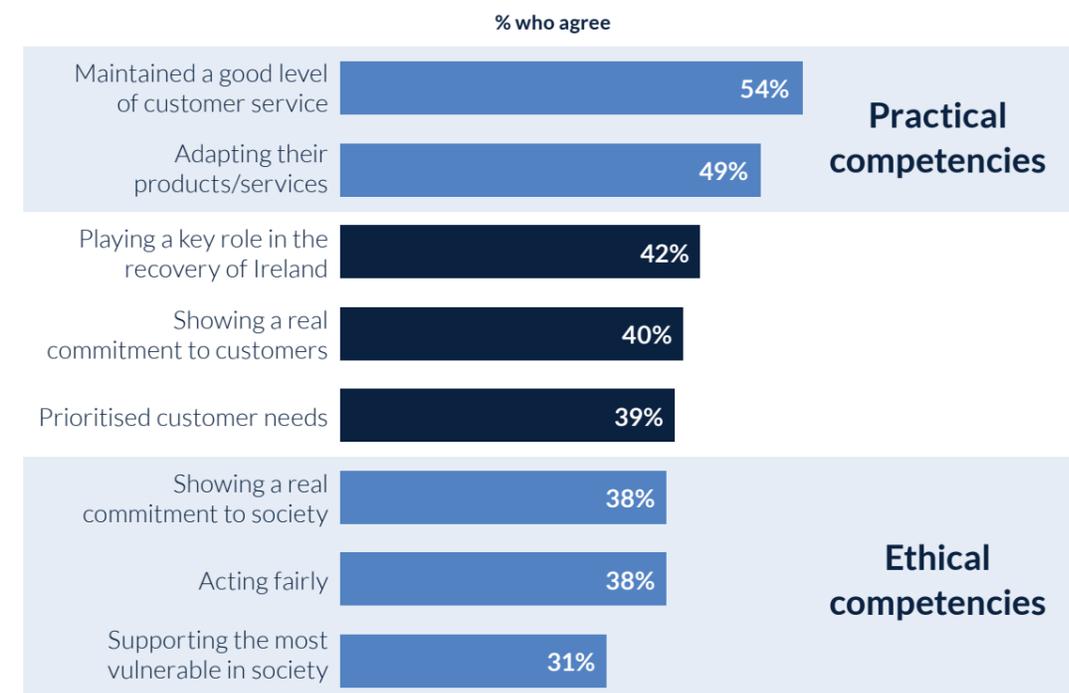
The perception that banks have not performed as well as other sectors in supporting customers during the coronavirus crisis is also a key influencing factor in their low net trust scores. Among the general population, these include a perceived lack of compassion and less than fulsome support for society's most vulnerable. Much of the public's concerns centre not around the industry's

competency but its integrity. So, while banks' ability to maintain customer service and adapt their products to pandemic-life are viewed positively, their commitment to helping society navigate the challenges of Covid-19 were questioned. This is despite the delivery of a range of supports for customers and as noted earlier is disappointing.

See Figure 6. Ethical concerns.

**Figure 6. Ethical concerns.**

How people feel banks have performed in the pandemic.



“I don't think [the banks] have responded well to helping vulnerable people during COVID-19.” – Member of the public

# Turnover the Difference?

While much of the public sentiment we have discussed is also reflected in the views of the study's SME decision-makers and owners, there are some notable differences. For example, while only 15% of Irish citizens trust the country's banks more as a result of the pandemic, that number nearly doubles to 29% among SMEs. This points to more successful engagement with business customers than personal customers in the past year.

However, there is a perception that banks have prioritised 'bigger fish' during the current crisis when the figures are broken down into micro businesses turning over up to €2 million per year and SMEs whose annual revenues exceed that. While the industry's net trust score is -21 among micro businesses, it rises significantly to 0 among the larger firms. For trust to be rebuilt, Irish banks need to demonstrate their commitment to supporting all customers, not just the largest.

For trust to be rebuilt, banks need to demonstrate the same level of support for all customers, not just the most profitable.

# The Trust Dimensions

As for what is driving these scores, we again examined them through the lens of the key trust dimensions: ability; integrity; dependability; and purpose. And like the overall sector picture described earlier, clear distinctions emerge when it comes to IBCB members' performance across these four areas.

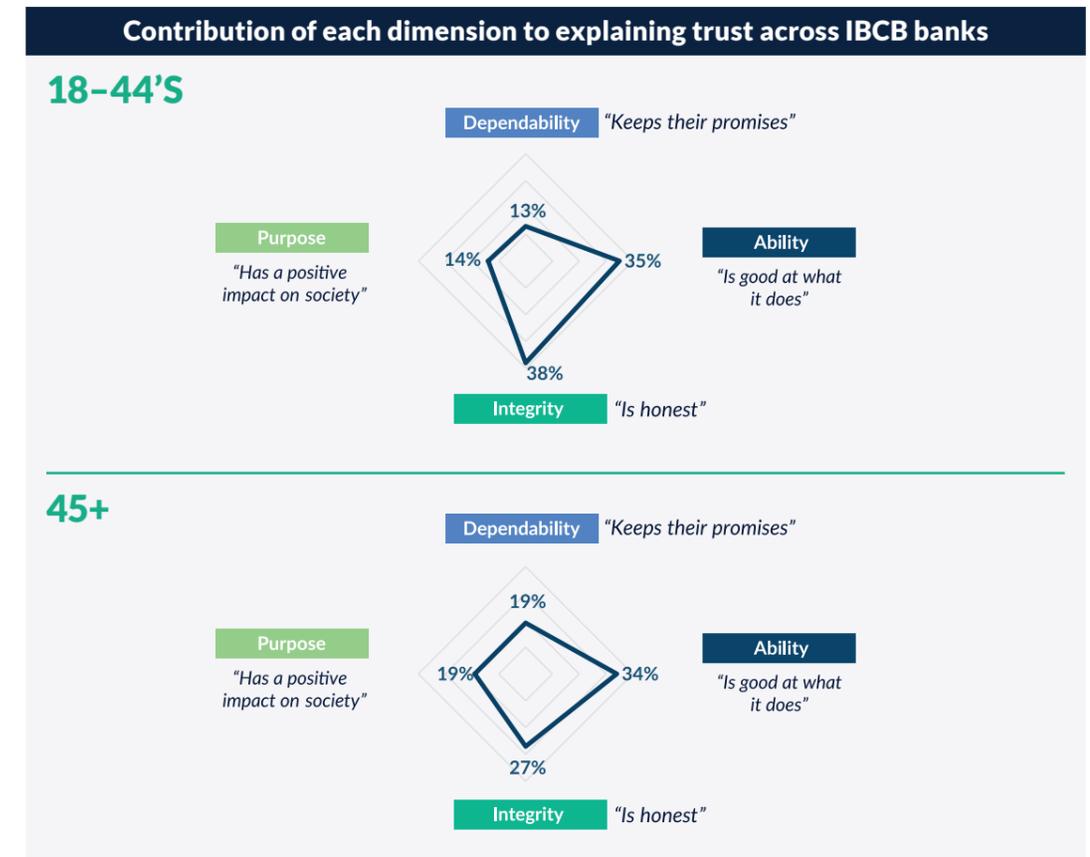
Before looking at these more closely, however, we must recognise the differing values that audiences attach to each of the dimensions. While all age groups and SMEs rate ability most highly, the emphasis on integrity is higher among 18- to 44-year-olds than for those aged 45 and over. Conversely, older generations and SME customers place far greater stock on dependability.

See Figure 7. Added dimensions.

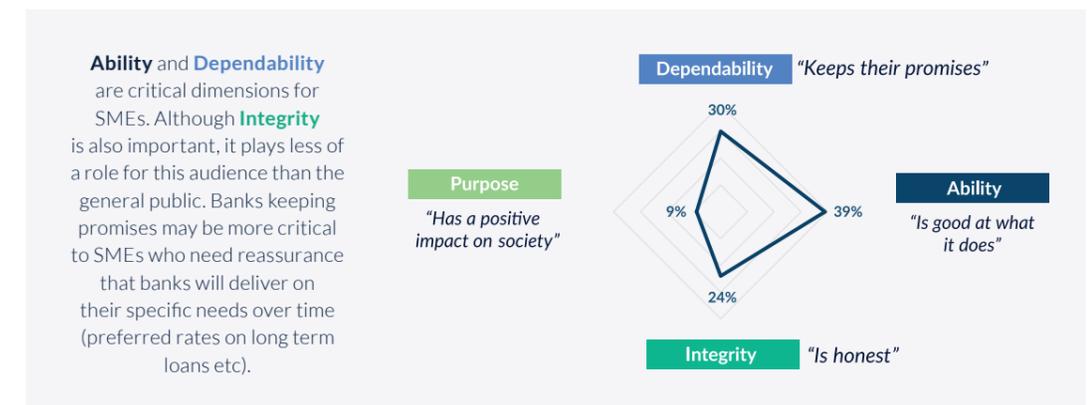
For IBCB and our member banks, this provides a powerful insight to the key focus areas for the road ahead which we consider in detail in the final section of this report. For example, the fact that trust across all four dimensions is higher among SMEs than the Irish public suggests the banks have a stronger base on which to operate with their business customers. Likewise, focusing on highlighting their ethical and governance credentials could represent an effective way to strengthen relationships with younger people.

Figure 7. Added dimensions.

Different trust dimensions ranked according to audience.



Ability and Dependability are the main drivers of trust in IBCB banks for SMEs. Integrity has slightly less importance for this audience.



# A Question of Balance

Building on the perception of competence will continue to be important, reassuring citizens and businesses that their finances are in capable hands. Indeed, ‘has high-quality/competent staff’, ‘understands customer needs’ and ‘delivers high-quality products/services’ all featured in the top five statements with which the public and SMEs agreed. This dovetails well with the value both audiences place on the ability dimension of trust.

Yet as we see in Figure 8. Competing priorities., this functional excellence isn’t allied to belief that banks put customers’ and society’s best interests first. One in five (20%) people believe IBCB member banks put customer needs first when making decisions while even fewer (18%) think they take accountability for poor behaviour. Just a quarter of SMEs (26%) feel IBCB banks show evidence of the good they are doing in society.

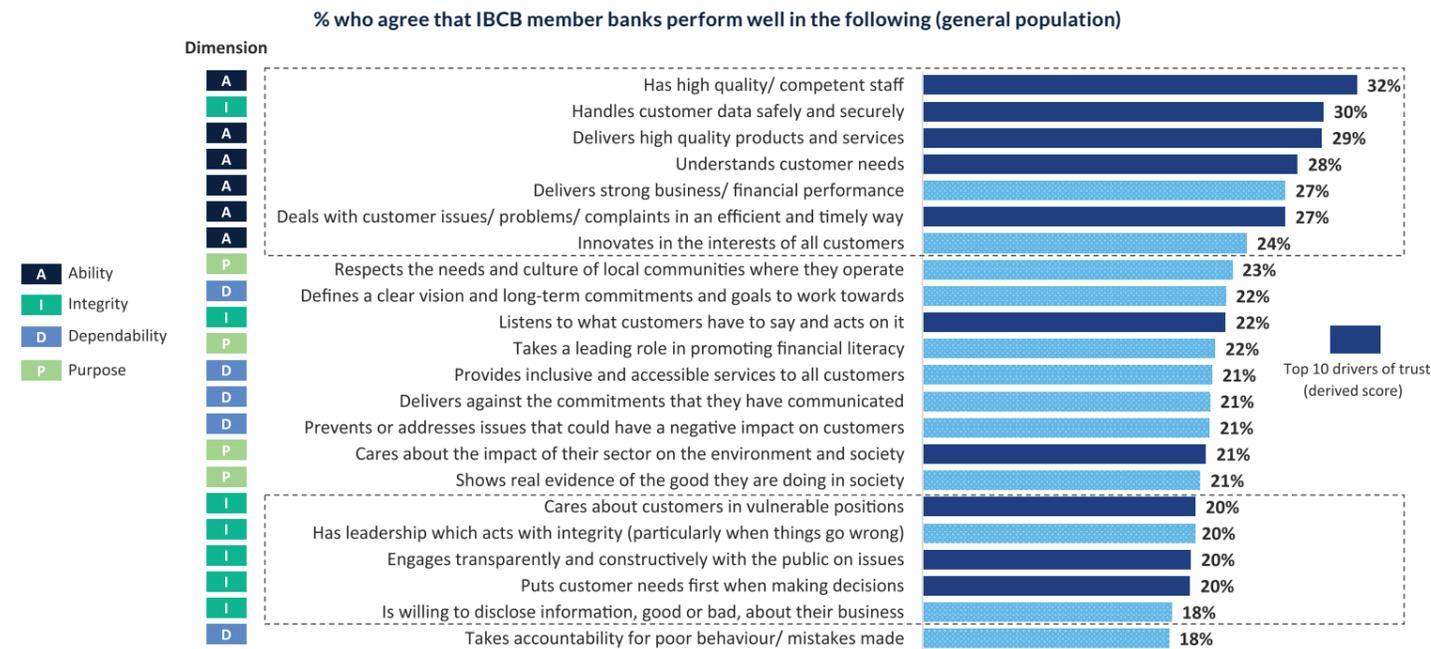
The diversity of views expressed by those who participated in the study bring to life this evolving landscape. On one hand, there was praise for IBCB member banks as “helpful”, “open long hours” and providing “very good service”. Yet at the same time, they were criticised as “not to be fully trusted”, “archaic” and “only wanting to make money for themselves”.

Of course, no organisation can reasonably expect to please all of the people all of the time. The diversity of these comments along with the fact they appear to fit so neatly into the ability and integrity dimensions of trust is telling. There is growing expectation among customers that the banks must deliver on purpose as well as performance. To balance being effective and capable in what they do with being transparent, responsible, fair and compassionate in how they do it.

32% of the public and 36% of SME customers say IBCB member banks have high-quality/competent staff.

Figure 8. Competing priorities.

How the public and SMEs rate different IBCB member bank competencies.



SMEs see banks as performing better on *Ability* measures but must show they have learnt from past mistakes, are *Accountable* and *Dependable* to deliver on future commitments



# The Road Ahead

As we have seen, there is considerable work to do for the Irish banking sector, when it comes to restoring public trust and creating a future in which the sector is trusted to deliver better, fairer, and more sustainable experiences for customers across the board. But the findings also point to a positive path ahead. The areas in which banks are performing well offer a platform upon which to build and evolve.

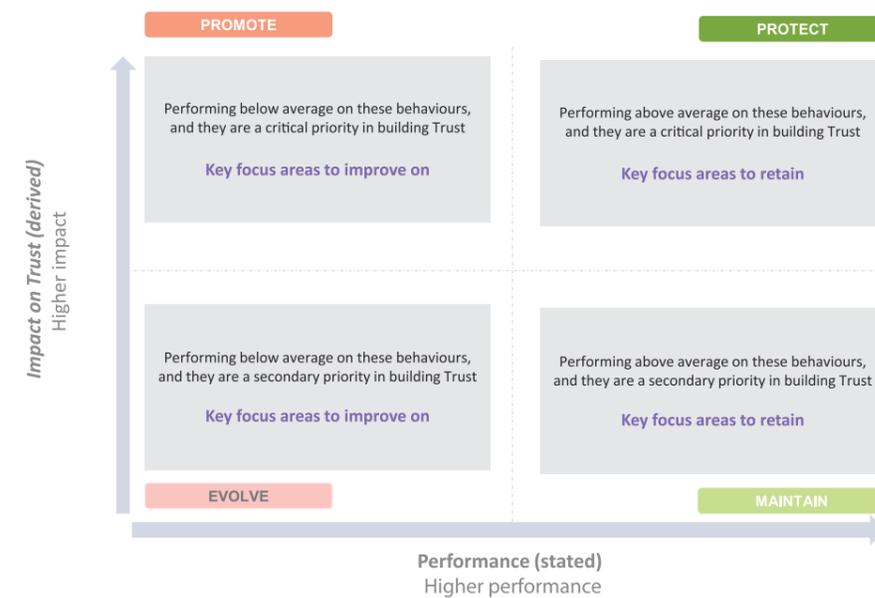
The key is to explicitly and consistently display behaviours such as honesty and integrity in order to supplement a reputation for functional expertise. To treat all customers with humanity and service, regardless of their size, especially in the SME sector. To be accountable for their actions and omissions. To be seen to address concerns around ethics,

governance and digitalisation. In Figure 9. All mapped out, we chart the top ten trust-driving behaviours for members of the public aged 18 to 44, aged 45 and over, and SMEs. These behaviours span all four of the key dimensions – ability, integrity, dependability and purpose – while the quadrants map the different behaviours according to their overall impact on trust and the current perceived performance of the banks. This, in turn, highlights the areas where attention is most needed, most urgently – be that to continue the good work (protect and maintain) or where to improve (promote and evolve).

Figure 9. All mapped out.

Top 10 trust drivers vs. current bank performance across all customers.

Understanding how to map trust behaviours.



Banks need to take a customer-centred approach and show they care about the most vulnerable when engaging with a younger demographic.

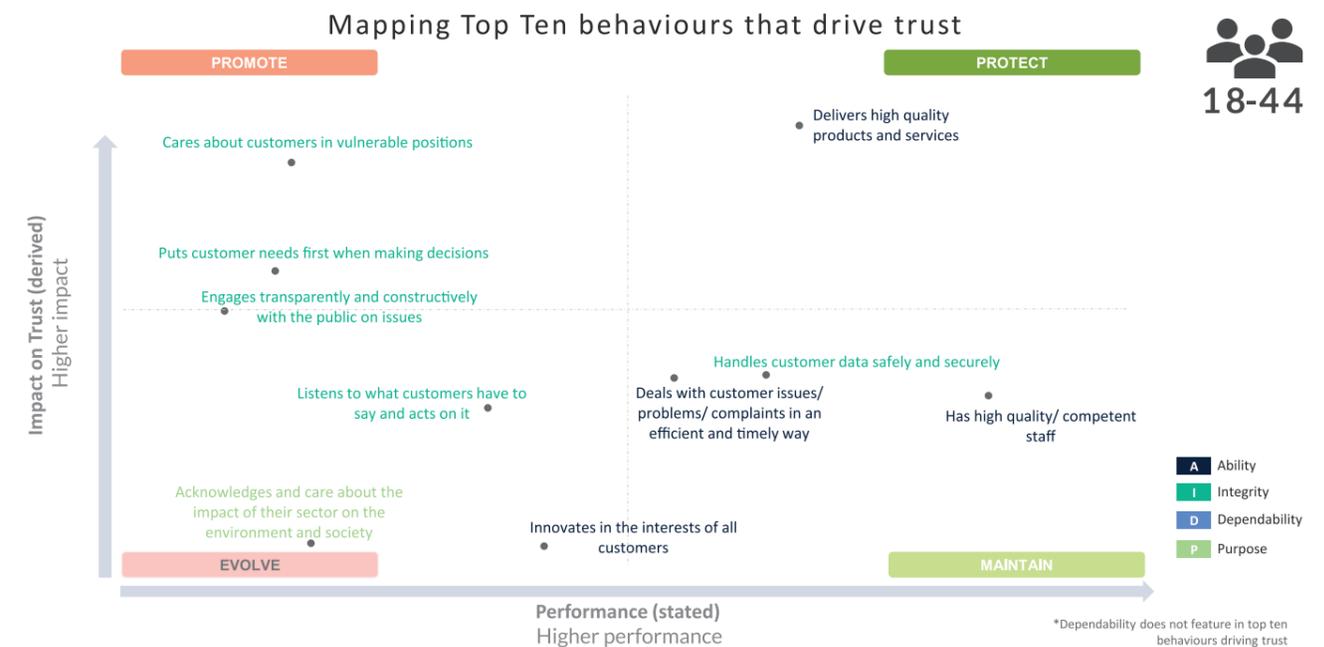
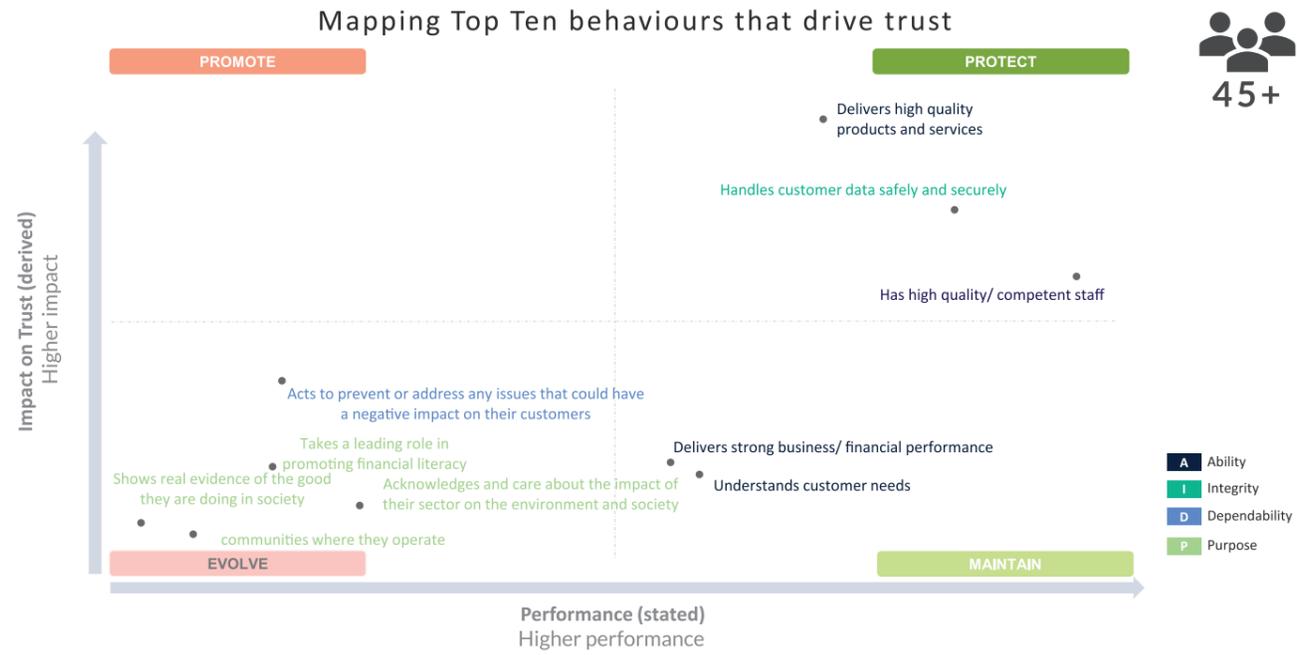
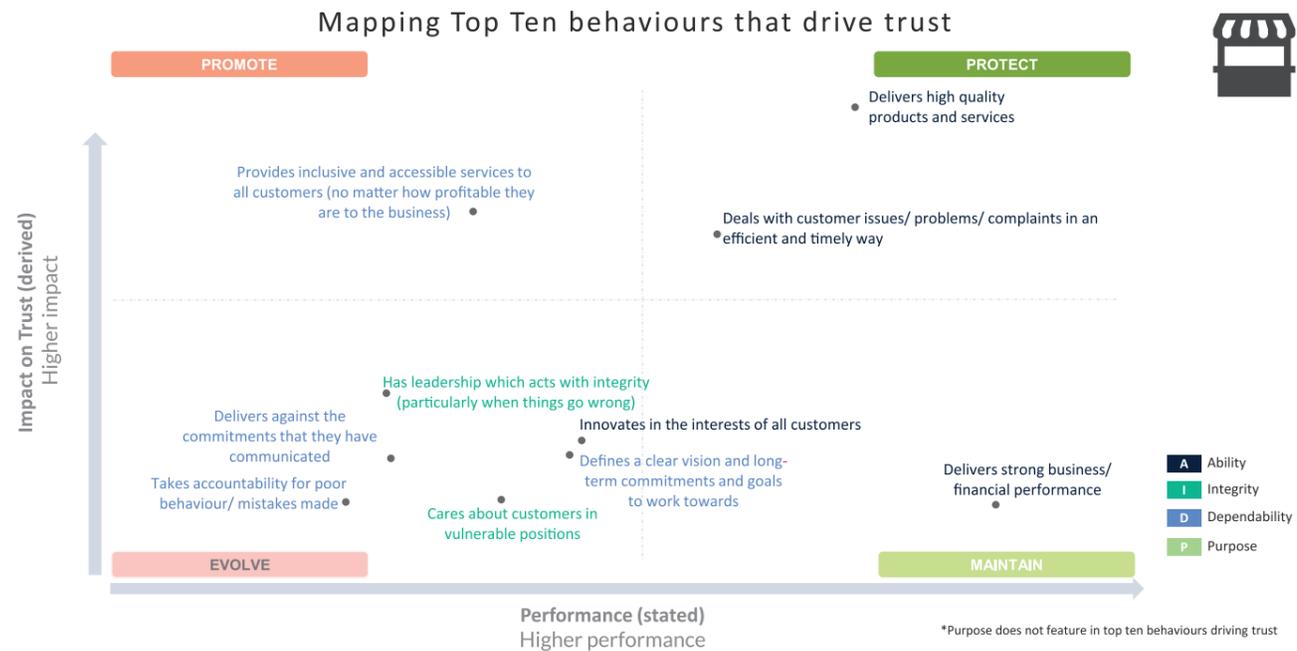


Figure 9 (continued)

Whilst over 45s want banks to show their commitment to societal good.



Banks should ensure they engage with all SME customers, regardless of size or turnover to build trust with their SME audience.



# Conclusions and Issues that IBCB will Consider

The road ahead will not be straightforward; current levels of distrust are high, but there are positives and the means and motivations by which to address this challenge are clearly available. Below, we summarise five key takeaways where we consider the Irish banking sector should focus its efforts in restoring trust and have highlighted the areas that the IBCB will consider.

**1** Trust in banks amongst the public remains low. Trust levels in banks among younger people are improving, but the research indicates that is not the case among the older generations surveyed. Banks must be honest in acknowledging legacy issues as well as transparent in their decision-making to reassure people they will not be repeated. Younger generations, less wearied by past failings, also represent a clean slate on which to build trusted relationships for the future.

## Issues for IBCB to Consider:

- How can banks demonstrate transparency of decision-making, that they are actively considering customers in their decision-making and are focussed on fair and improved outcomes for customers?
- How can the industry demonstrate that it takes accountability for past mistakes or poor behaviour and that they will not repeat these mistakes again in the future?
- How can the industry use the introduction of Senior Executive Accountability Regime (SEAR) to demonstrate this change in behaviour?

**2** The banking sector is not seen to have done enough to help society during the Covid-19 crisis. Despite the bank's initiative around payment breaks, the research has found that the public don't believe the banks have thus far done enough for wider society during the pandemic. The survey also reflects that banks can repair this perceived failure with initiatives that help drive the recovery and support the most vulnerable.

#### Issues for IBCB to Consider:

- How can the industry build on the supports provided via payment breaks and demonstrate its commitment to providing supports in the coming period?

**3** Digitalisation presents a dual challenge to the banking sector. Younger generations are generally attracted to innovation and the digital services provided by the banks. Many of the older generation are somewhat hostile, seeing it as removing the person-to-person contact from banking and viewing it in the same terms as the closure of local bank branches in rural Ireland. Bridging that gap in trust levels between the industry and the local banks is a challenge the banking sector will have to meet. Banks have an opportunity to demonstrate how the personalisation of online services can be beneficial and prevent the further alienation of older people.

#### Issues for IBCB to Consider:

- Accessibility and inclusion are important to ensure that no customers are left behind with technology changes in banking. What can banks do to ensure that they provide choice and support for customers who can't or don't want to use digital services? What actions can be taken to ensure that they continue to show their human side to customers and continue to offer personal interaction? What are the key actions that banks can take to re-gain and retain trust among older groups?
- What actions can be taken to address the divide in perception between those in rural locations versus urban locations on banking services?
- How can the industry build on and develop new partnerships and approaches to facilitate the provision of services to customers in rural or other locations impacted by branch closures?

**4** All businesses, large and small, need to be engaged with actively. The research shows that banks are believed to prioritise larger business customers with micro businesses feeling their interests are of less priority to banks. Vitrally, banks must prove they put the best interests of all customers first, regardless of size, location, and profitability. All SMEs, especially, need to see promises kept and commitments delivered.

#### **Issues for IBCB to Consider:**

- What can member banks do to demonstrate their commitment to SME businesses, regardless of size?
- What actions can be taken to demonstrate accountability and dependability to SMEs?

**5** The industry is viewed as competent in delivering products and services but lacking in integrity and compassion. Accessibility and inclusion are important to ensure that no customers are left behind. How banks treat customers in vulnerable positions is the acid test of their integrity. The research records encouraging levels of trust in competence and ability to deliver services, but also reflects the view that banks don't demonstrate enough integrity and compassion. The view is that banks must demonstrate their ethical commitments through actions rather than words and focusing on doing good in society.

#### **Issues for IBCB to Consider:**

- Performing well on practical competencies is encouraging but isn't enough to build trust. What can the sector do to demonstrate fairness to all customers and that they are putting customers first? What other factors will improve trust in banks? What can banks do to develop on the positive feedback on competence (products and staff) to restore trust in other key dimensions?
- What can the sector and member banks do to better demonstrate understanding and support for customers in vulnerable positions?
- How can the industry evidence its commitment to supporting societal good via social purpose?

**6** IBCB members banks outperform the industry overall across all dimensions of trust. How people view the banking landscape can be quite nuanced and in the context of this research it settles mainly on three perspectives: their view of the sector as a whole, their view based on their relationship with their local branch and how they view specific named banks ie the IBCB member banks.

While member banks face the same trust challenges as those that exist in the wider sector, including transparency, fair treatment of customers and demonstrating trust behaviours they are ideally positioned as members of the IBCB to both facilitate and lead that process.

### Issues for IBCB to Consider:

- Trust in the sector is lower than trust in individual banks and local branches. What initiatives can the IBCB and its member banks develop to help bridge this gap?
- What actions can be taken to build on improvements in staff feedback to restore trust with customers?



**Irish Banking  
Culture Board**

38/39 Lower Baggot St, Dublin 2. **email:** [info@ibcb.ie](mailto:info@ibcb.ie) **web:** [ibcb.ie](http://ibcb.ie)