

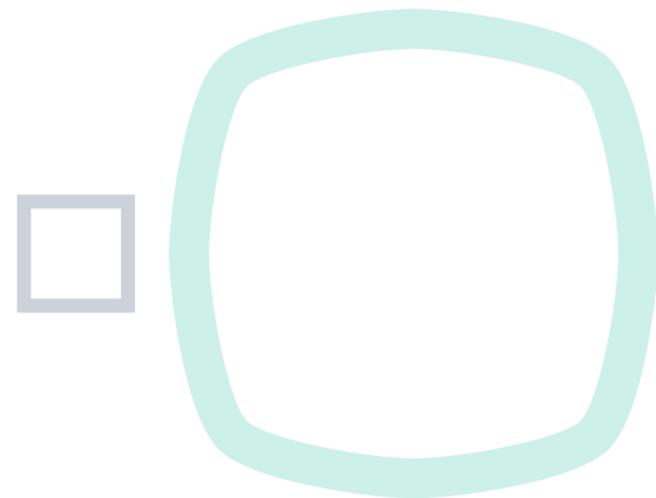
# 2022

## Public Trust in Banking Survey



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# FOREWORD

## IBCB CHAIRMAN MR JUSTICE JOHN HEDIGAN

I welcome this publication of the éist Public Trust in Banking survey 2022 which follows on from our first survey using the Edelman Trust methodology in 2021. This year’s survey further analyses the Irish public’s trust in banking and this year we have included a specific assessment of trust levels from the farming community also.

The findings of the survey measure the progress made by our member banks in rebuilding trust and will inform our work programme for the year ahead. I look forward to exploring these results in more detail, particularly engaging directly with the farming community this coming Autumn.

We are currently facing a challenging economic and political period, and the survey

results point to concerns regarding the wider economy, cost of living pressures and concerns around account switching due to the impending departures of both Ulster Bank and KBC Bank Ireland from the market. While the banking sector will also be impacted by these economic headwinds, it is important that it appropriately supports its customers during the difficulties ahead, particularly in relation to those impacted by the need to change their banking relationships. We will be assessing the public’s perceptions of these supports in our future éist surveys.

Thank you to all involved in creating this survey and to those who responded.

A handwritten signature in black ink that reads "John Hedigan".

# INTRODUCTION

## IBCB CEO MARION KELLY

Welcome to the results of the Irish Banking Culture Board's éist Public Trust in Banking Survey 2022. This is the second time we have conducted this survey in conjunction with our partners Edelman Data & Intelligence using their globally recognised methodology. Through leveraging this methodology, we are able to track developments and changes year on year in the public's trust in Irish banking and to also draw some international comparisons.

Éist means 'listen' in the Irish language. A prerequisite for building trust is to ask for feedback, to listen to it and to act as a result. This is the core objective of the IBCB's independent éist trust surveys. This year's results point to continued low but stable levels of trust in banking from the general public, a small but

positive trajectory of trust with specific customer cohorts – in particular SMEs, however the findings also clearly highlight severely low levels of trust in banking from rural Ireland, driven largely by the farming sector.

The farming industry is currently facing a multitude of harsh headwinds, many of which are external to Ireland and unrelated to banking, nonetheless it is imperative that IBCB member banks reflect on these concerning results, engage with their farming customers, and identify how best to address these concerns. To assist with this process, the IBCB will hold a dedicated roundtable event in the Autumn with our member banks and key stakeholders in the farming industry.

Mounting concerns regarding the economic outlook and increasing costs of living are also reflected in the wider survey results from the general public. While it is not realistic to expect banks to take the lead in solving all economic and societal challenges, it is reasonable to expect that they do all they can to support economic stability and recovery and continue to meet their customers' needs in good times and bad.

The Irish banking sector is currently experiencing unprecedented change with the imminent departure of both Ulster Bank and KBC Bank Ireland resulting in huge volumes of customers having to alter their established banking relationships. The volume of change also presents significant logistical challenges for the

remaining banks in the sector. The manner in which this change is handled will impact trust levels going forward and is an area that the IBCB will be assessing via our Guiding Principles for Customer Support on Account Moving, Switching and Closing as well as via future éist surveys.

IBCB member banks recognise the challenges they face in rebuilding trust with the public and will continue to ask for, and listen to, the feedback from their customers through their own processes and through the IBCB's éist surveys in order to continue to improve overall trust levels.



# ABOUT THE IBCB AND THE PUBLIC TRUST IN BANKING SURVEY

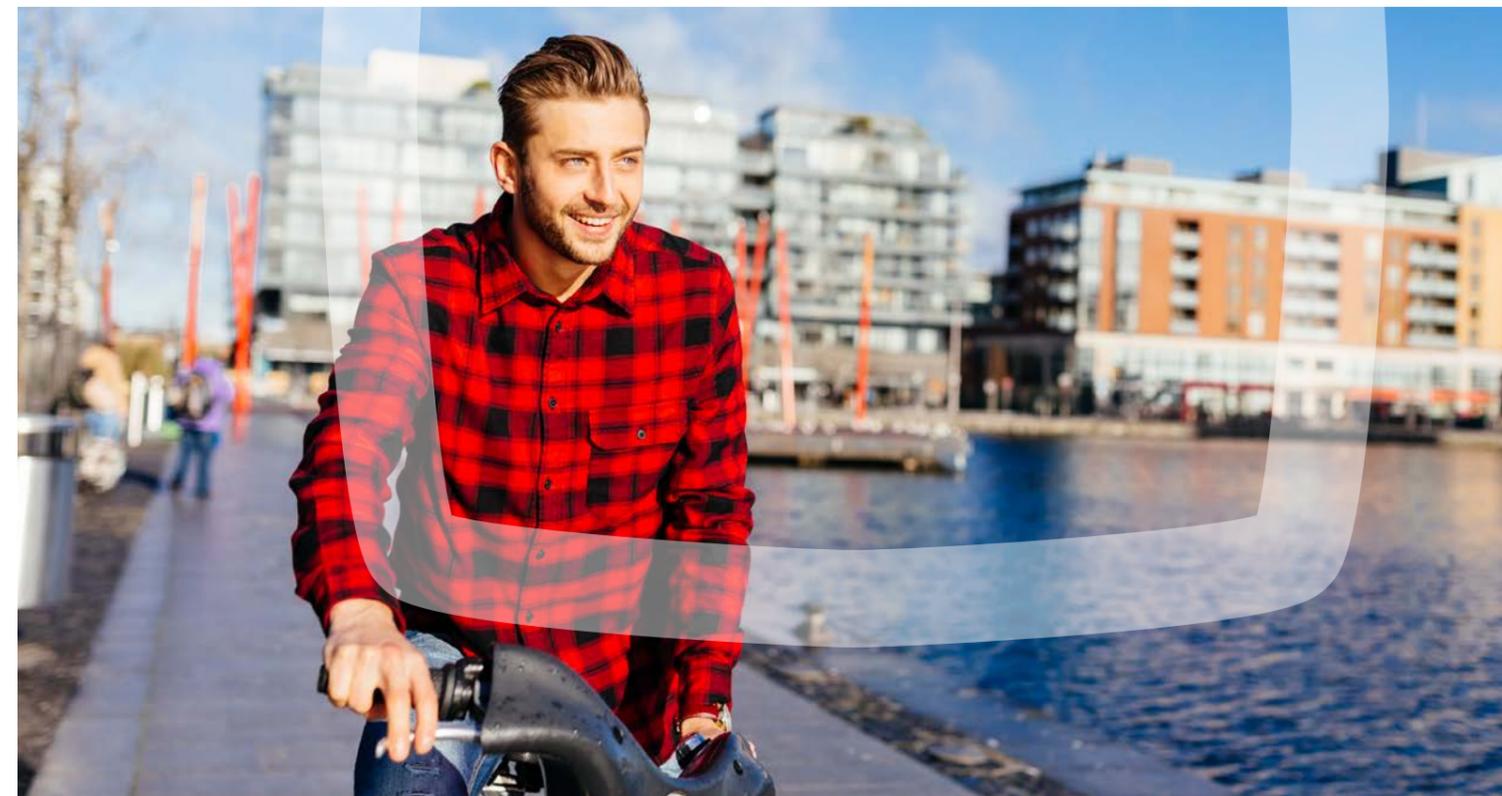
The Irish Banking Culture Board (IBCB) was established to address the issue of banking culture in Ireland. The Board's mission is to work with our member banks to build trustworthiness and to assist the industry in regaining public trust. The IBCB requires our member banks to improve culture, customer outcomes and competence. Our purpose is rooted in the knowledge that a changed culture can change outcomes and our determination is to promote ethical behaviour and to advocate for humanity, decency, and respect in the banking sector. Public sentiment towards the banks is a critical measure of the progress being made in re-establishing trust and is a crucial factor in the formulation of the Board's work.

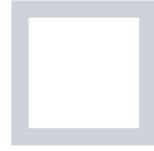
The IBCB Board is comprised of fourteen Directors in total, with the majority being non-bank. In addition to the Chair and CEO, there are seven non-bank Directors drawn from across Irish society. Three Directors represent the interests of Consumers, two others represent other bank customers – most notably SMEs and Farmers. There is a Director drawn from the Financial Services Union, acting as a voice for staff and a Director who is a leading academic with expertise in corporate governance and culture. In addition to these seven Directors, each of the founding member banks of the IBCB are represented on the Board by Senior Executives from each respective institution,

all of whom report to the CEO. This senior representation ensures that the IBCB has direct access at the highest level in our member banks. The diverse representation on the Board ensures diversity of thought and perspective.

This study leverages the Edelman Trust Measurement (ETM) framework, a robust, tried and tested research tool to measure trust in the banks based on the four dimensions of Ability, Integrity, Dependability and Purpose, amongst a cross-section of the

general population (including SMEs and Farmers). The conclusions in this éist Public Trust in Banking Survey provide a year-on-year comparison with the baseline results of the éist Public Trust in Banking Survey 2021 to understand progress being made in cultural change in the sector. Facilitating cultural change and reform will be an ongoing process. How retail banking services are delivered is evolving at pace and it is critical that the interests of customers and staff remain





# ABOUT THE IBCB AND THE PUBLIC TRUST IN BANKING SURVEY

(CONTD)

central throughout that change process. Regardless of how services are delivered to customers, or how staff are deployed in an increasingly digitised world, the culture that informs the sector must be characterised by transparency, competence, and respect and in measuring trust we are getting an insight into the progress being made in these areas. Trust must be seen to be non-negotiable in the delivery of banking services to the public, by a staff who are fully supported in the delivery of those services.

In 2021, to better inform the IBCB of core public sentiment towards and trust in banks, Edelman DxI explored trust amongst the Irish public in the Irish banking sector as a whole and in the individual IBCB member banks. This year,

a second wave was undertaken to ensure that the IBCB continues to remain informed not only of the level of sentiment towards the banks, but how this sentiment has changed over the past 12 months.

The research objectives were to:

- Measure and assess sentiment towards the banks amongst a cross-section of the Irish public, including SMEs and for the first time, the farming community
- Measure how Trust in banks has changed, compared to the benchmark created in 2021.
- Provide analysis and recommendations to support the further actions banks need to take to improve trust and to better inform the activities of the IBCB.

## METHODOLOGY

The methodology replicated that used in 2021 and this year included 98 Farmers, geographically spread, working on all types of farms. The Survey comprised a 15-minute online questionnaire together with 77 separate telephone interviews conducted amongst an audience of the public aged 65+.

Questionnaire included the following topics:

- Perceptions of the economic situation in Ireland.
- Edelman Net Trust Score (ENTS) for Irish banks as a whole and for IBCB member banks.
- Scores across four key Trust dimensions.
- Scores across customised Trust behaviours.



# AUDIENCES

1,002 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).

252 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.

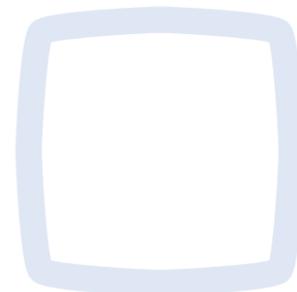
98 Irish farmers, responsible for key business decisions and working as managers or owners across all types of farms.

**Fieldwork:** The timeframe for the fieldwork was 30 March 2022 to 26 April 2022.

*Note 1. General Population and SME interviews were recruited by Edelman Dxi panel partners.*

*Farmer interviews were recruited via the Irish Farmers' Association (IFA) database, with the IFA sending out invites and reminders.*

*Note 2. The Report makes reference to both IBCB member banks which are the five listed above and the "wider banking sector" or "the sector as a whole" as trust is measured in both entities.*



# EDELMAN TRUST MANAGEMENT DIAGNOSTIC

## EDELMAN NET TRUST SCORE (ENTS)

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 years 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.



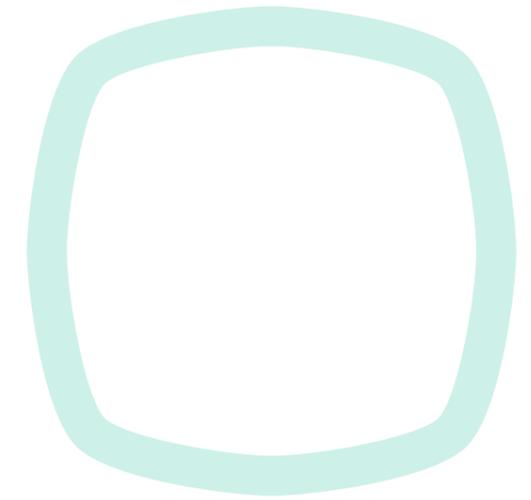
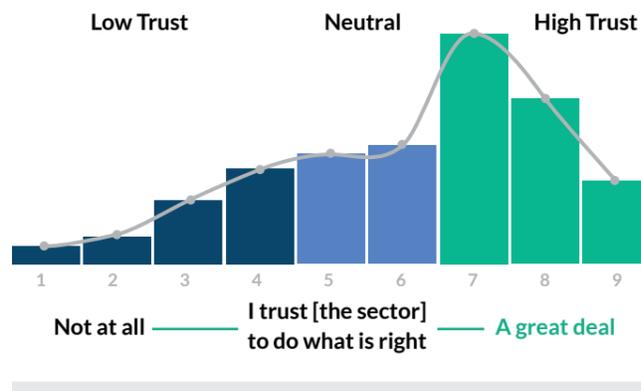
### Measuring the Trust Capital: **WHAT**

**EDELMAN NET TRUST SCORE (ENTS)**

A singular, numerical score of the sector or organisation’s trust level and where it’s heading, broken down into high, neutral, and low trust.

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 and the ability to identify the strategic focus areas to concentrate its efforts on.

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

- ABILITY** “Is good at what it does”
- INTEGRITY** “Is honest”
- DEPENDABILITY** “Keeps its promises”
- PURPOSE** “Tries hard to have a positive impact on society”

### Managing the Trust Capital: **WHY**

**SCORE ACROSS TRUST BEHAVIOURS**

Specific areas that are important to improving trust to set short, medium, and long term priorities. These sit under the four trust dimensions.

22 statements tested in total.  
*Full list available in notes.*

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

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

# EXECUTIVE SUMMARY

This is the second éist Report to be published by the Irish Banking Culture Board, the first having been published last year, measuring public sentiment towards the five retail banks currently operating in the sector in Ireland and the findings of which will inform the programme of work of the IBCB. The éist research process follows an initial assessment of public sentiment towards retail banks and the wider financial sector, which was conducted ahead of the formal establishment of the board in 2019 and informed the IBCB's initial terms of reference.<sup>1</sup>

It is clear from the findings of this year's survey that while there is some evidence of improved trust in certain areas, momentum needs to be maintained and more work

remains to be done to address deeply ingrained feelings of distrust towards the banking sector amongst the Irish public. It is also clear that continued positive behaviour on behalf of retail banks, the evidence of which needs to be both visible to and felt by bank customers, is necessary to further restore public trust and belief in the sector. Banks are working extremely hard to address the trust deficit that exists and have proactively undertaken several positive customer and staff centred initiatives that show a willingness, not just to improve the culture of the sector, but to be seen to be doing so. The rapid and efficient delivery of payment breaks, aimed directly at customers in financial difficulty during the worst of the Covid-19 pandemic is one such

example. IBCB member banks also came together this year to promote the IBCB authored and sponsored guide to the basic bank account, which is designed to help customers in a vulnerable position navigate the process of securing financial independence by opening a current account. IBCB member banks, are fully committed to the work programme of cultural and behavioural change that the Board pursues. The fruits of that commitment will only be seen over time and maintaining a customer centric approach is fundamental to making ongoing progress on cultural change.

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1. [IBCB Public and Stakeholder Consultation Report 2019](#)



## TRUST LEVELS STABLE IN AN UNSTABLE ENVIRONMENT

The report records trust in the banking sector as remaining stable in comparison to last year. This is significant given the volatile economic, social, and geopolitical backdrop and changes in the domestic banking market against which the survey fieldwork was conducted. While the overall trust score for the general population has increased by three points, compared to last year, it remains low.

Encouragingly, the trust score for the SME sector continues to trend in a positive direction standing at -7, and improvement of six points on last year. However, there is a clear absence of trust amongst the farming community, who were surveyed as a specific cohort for the first time this year. The report records

very low levels of trust amongst this cohort, with 69% of respondents stating that their trust in banks has declined since the economic crash in 2008.

Interestingly, IBCB member banks are viewed much more positively than the 'banks', as in the sector as a whole. On trust there is an increase of 13 points amongst the general population, a 15-point improvement in the SME sector, and while trust of member banks in the farming cohort does improve in comparison to their trust in the wider sector, it remains very low overall.

## THE DRIVERS OF TRUST ARE CHANGING

The emerging societal factors outlined above have also informed the drivers of trust, as expressed by those surveyed across all cohorts. There is an increased focus now on banks *understanding customer needs and on the delivery of quality products and services*, with issues of integrity such as *transparency and caring about customers in vulnerable positions* staying prominent especially for SMEs. Of the top ten attributes the IBCB member banks perform best amongst the general public with improvements across most attributes including: the *quality of staff* at 33% approval rating, *the delivery of high-quality products* at 30% approval and *the secure handling of customer data* at 31% approval. Trust amongst SMEs is increasing. In particular, the micro-business sector performed strongly, with 38%

of SMEs surveyed retaining high levels of trust in IBCB member banks. This shift in emphasis in drivers of trust in the banking sector are also reflected in research carried out by Edelman in other industries. Research carried out across six markets on behalf of a global insurance entity reveal that the drivers of trust deemed most important by those surveyed are very similar to those that led in an IBCB context, with *quality products and services* and *looking out for customers best interests* as the first and second most important drivers of trust respectively.

## 2022 Top 10 Drivers of Trust

1	A	Understands customer needs
2	A	Delivers high quality products and services
3	I	Listens to what customers have to say and acts on it
4	A	Deals with customer issues/ problems/ complaints in an efficient and timely way
5	I	Handles customer data safely and securely
6	D	Acts to prevent or address any issues that could have vva negative impact on their customers*
7	A	Innovates in the interests of all customers*
8	A	Has high quality/ competent staff
9	I	Puts customer needs first when making decisions
10	I	Engages transparently and constructively with the public on issues

EDELMANDXI/© 2021

\* New Top 10 driver for 2022

## 2021 Top 10 Drivers of Trust

1	A	Delivers high quality products and services
2	I	Handles customer data safely and securely
3	A	Has high quality/ competent staff
4	I	Cares about customers in vulnerable positions**
5	I	Engages transparently and constructively with the public on issues
6	I	Puts customer needs first when making decisions
7	I	Listens to what customers have to say and acts on it
8	A	Understands customer needs
9	P	Acknowledges and care about the impact of their sector on the environment and society**
10	A	Deals with customer issues/ problems/ complaints in an efficient and timely way

EDELMANDXI/© 2021

\*\* Top 10 driver in 2021 but not 2022

8 out of top 10 drivers are consistent year on year, albeit there are some shifts in priority.

A	Ability
I	Integrity
D	Dependability
P	Purpose

# THE DRIVERS OF TRUST ARE CHANGING

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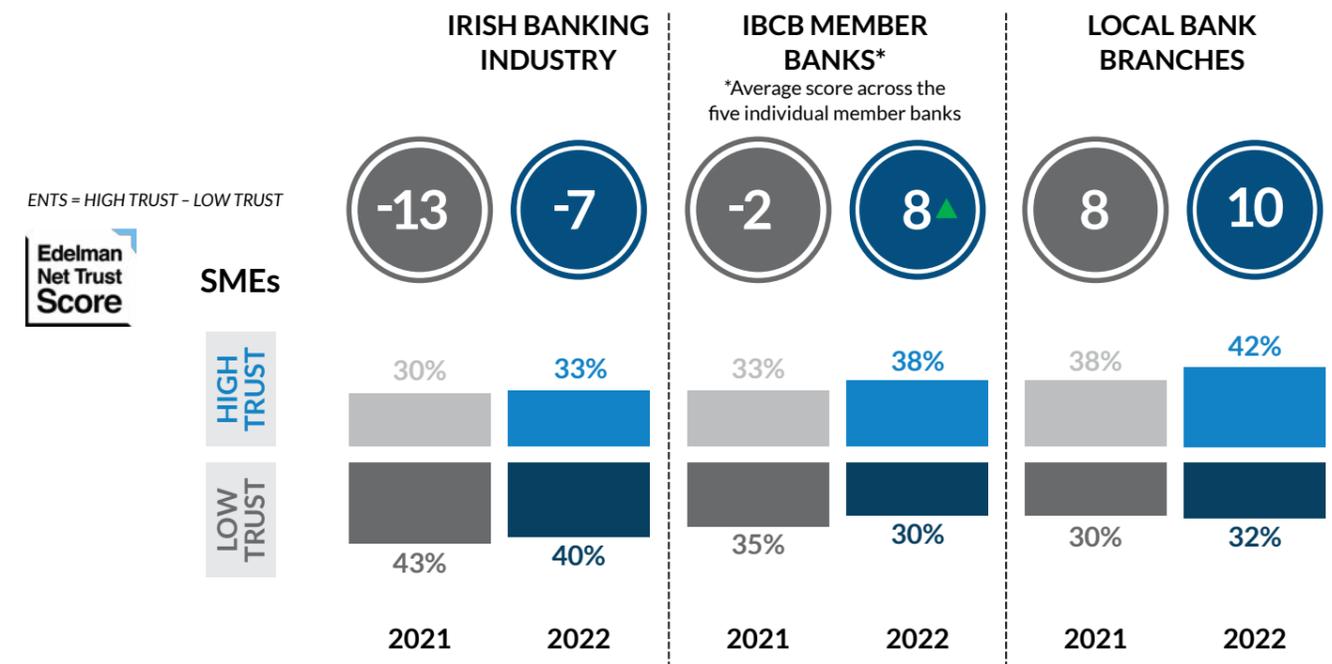
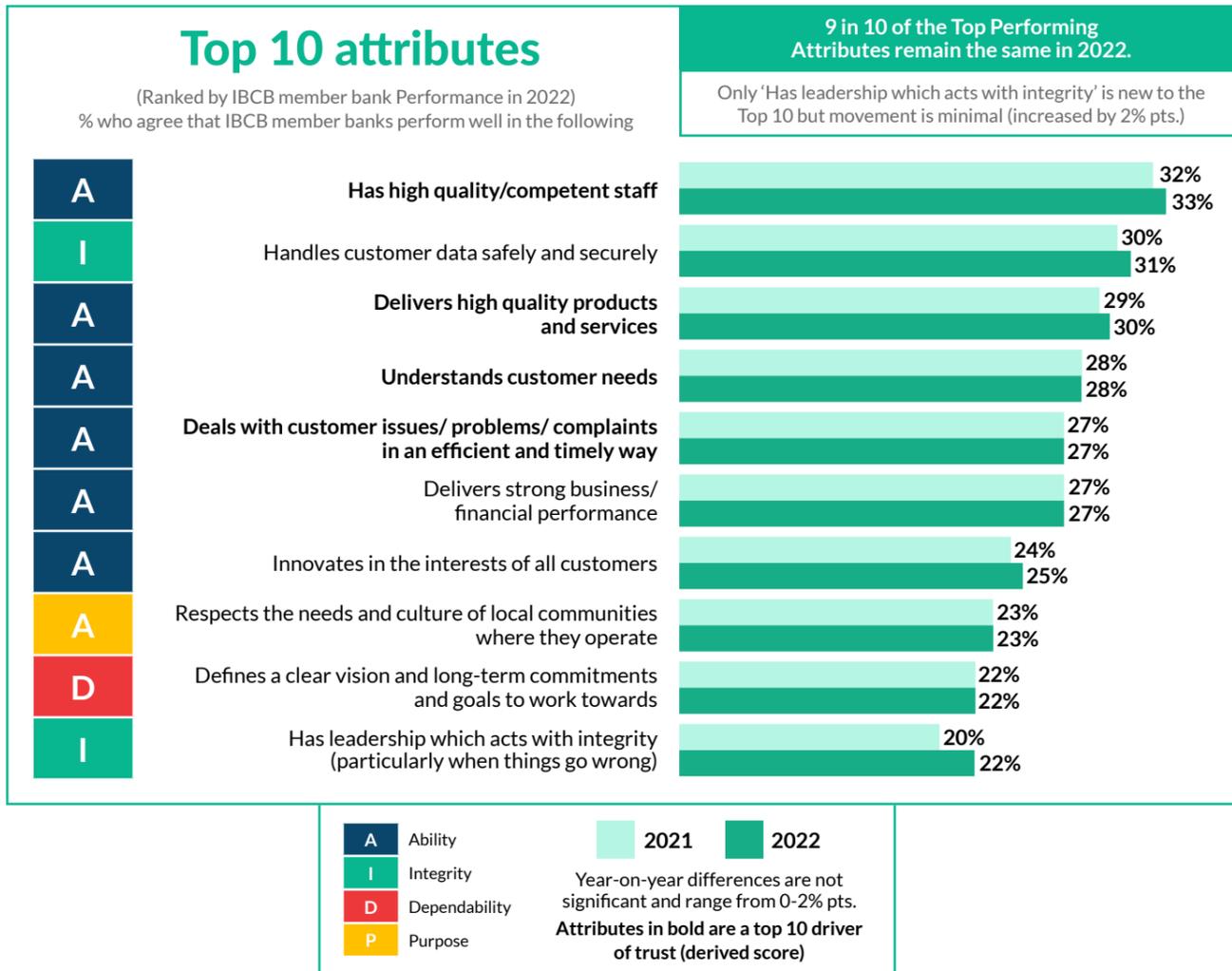
While IBCB member banks and other bodies have published advice which aims to help bank customers recognise, avoid and combat fraud/security risks, 45% of the general population understandably list this as a top financial concern in 2022. In an increasingly digitalised era, the risk of financial fraud is undoubtedly higher. IBCB member banks have and will continue to invest in systems, procedures and staff directed towards mitigating the risk of fraud but given how many customers expressed concern on this issue, there is clearly much to be done to help

customers manage this risk. Clear, intentional and localised communications will help banks build trust among the general population and SMEs. Given “listening to what customers have to say and acting on it” is listed as a top three driver of trust among the general population and a top 10 driver of trust among SMES, alleviating the concerns and threat posed by fraud/security risks presents a good opportunity for banks to build trust among this cohort.

# INCREASED TRUST IN THE SME SECTOR ENCOURAGING

Encouragingly, trust in the SME sector is moving in a positive direction against all four dimensions of trust: Ability, Integrity, Dependability, and Purpose. The report found that the relationships businesses form with banks in securing credit and managing their ongoing finances is contributing to an

increasingly positive sentiment. Replicating this across the general population and amongst the farming cohort is key. The farming sector clearly requires an urgent focus by banks to address the very low levels of trust. Knowing the scale of the challenge is the first step in addressing it.



# STRONG ECONOMIC, GEO-POLITICAL AND SOCIETAL HEADWINDS

The banking sector, like any other, is not immune from the effects of the economic and societal headwinds that have become a reality in the last twelve months. Cuts to growth projections, the ongoing effects of Brexit and uncertainty around the Northern Ireland protocol, the emergence of inflation and a cost-of-living crisis, driven by the energy crisis, itself accentuated by Russia's invasion of Ukraine and Covid-19 continuing to linger have had an impact on all sectors of society. The impending departure of two retail banks from the market and the unprecedented upheaval that is causing for current account holders,

has and will continue to have an enormous effect on how the banks are perceived by the public. How well the banks manage this process represents an opportunity to inform how positively or otherwise the public views them, and will be the subject of future éist surveys.

# CULTURAL REFORM IS NOT A FAST-FIX PROCESS

As highlighted by the IBCB since its inception, there is no fast fix available to reverse a widespread negatively held perception that has embedded itself over the past decade. Progress is being made; cultural reform is clearly underway (as evidenced by the result of the IBCB éist Bank Staff Culture survey), trust levels are improving slowly,

and the reality is that public acknowledgement of reform will be based on the lived experience of their direct dealings with the sector. Retaining a consistent customer centric focus is critical in making progress in the cultural reform process.



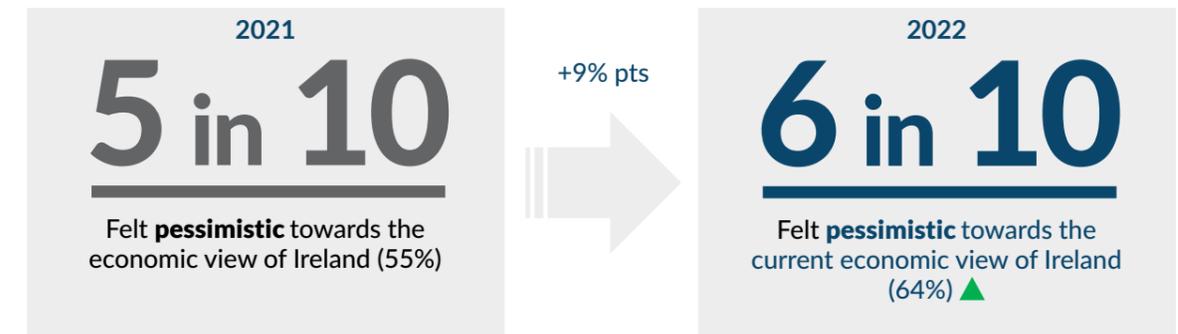
# FINDINGS

## IRELAND'S ECONOMIC BACKDROP/ ECONOMIC SITUATION IN IRELAND

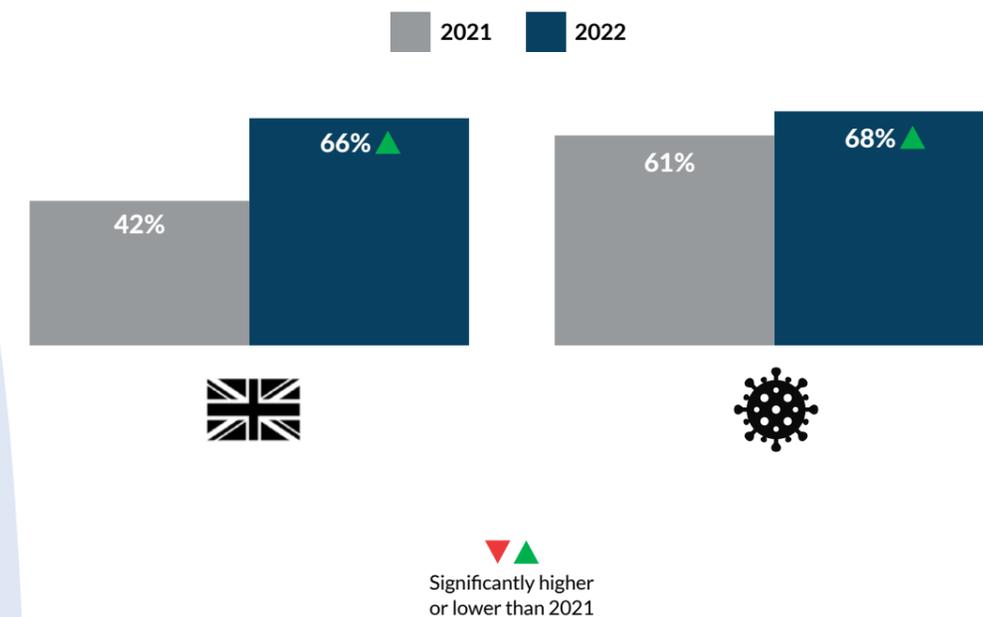
Banks, and the wider financial sector, are key pillars in any functioning economy. Banks especially tend to be representative of the wider economy in the minds of media and the public. In Ireland, banks have yet to become fully unmeshed from the economic collapse of 2008 and the inexcusable behaviour in relation to tracker mortgages that followed. Wider economic uncertainty can lead to hostility from the public towards the banks, not just because of past wrongs but simply due to the fact that they are seen as so integral to the economy. Accordingly, an awareness of the economic

backdrop against which research into trust levels amongst the public in banks was undertaken, is important when analysing the findings of the research.

This research also sought to assess peoples' feelings towards the economy, with 64% of those surveyed expressing a sense of pessimism on Irelands economic outlook, up 9 percentage points on last year. 66% of people feel their financial situation has been negatively affected by Brexit, while 68% believe Covid-19 has undermined their economic prospects.



% of general public who say their financial situation has been negatively impacted by Brexit/Covid-19 (Net negative)



# FINANCIAL CONCERNS - NEW AND EXISTING

Many of the financial concerns previously identified by those surveyed are more pronounced than last year. 54% of people are concerned about having a reduced income, up 6 percentage points from last year amongst the general population. 46% are fearful of being unable to make payments, up a full 10 percentage points from last year and 41% of the public believe they will have to postpone planned purchases, a rise of 8 percentage points from last year. Unsurprisingly, there is also a new set of concerns occupying the minds of the public, with 89% expressing concern over energy prices, 85% worried about the cost of living, 76% worried about the effects of Russia's invasion of Ukraine and 61% of those surveyed also

fearful of rising interest rates. Evidence that the economy and the banks are inextricably linked in the minds of the public, can be seen in the 68% who believe banks should take a leadership role in dealing with the societal crises listed here compared to 82% who believe the government should do so.



Many of the top financial concerns in 2021 are more pronounced a year later

	2021	2022
Having a reduced income ( <i>Top concern in 2021</i> )	48%	54% ▲
Not being able to make some payments	36%	46% ▲
Security / fraud concerns with banking	N/A	45%
Having to postpone planned purchases	33%	41% ▲
Unemployment (me/my family)	41%	38%
Having no income at all	33%	38% ▲
Needing to apply for government support schemes	32%	32%
Losing money invested in different financial products	28%	29%
Having to change my bank	N/A	21%
Having to sell property or real estate	15%	17%

Yet these are being dwarfed by new financial concerns

Top worries that most concern the Irish public (New statements)		2022
#1	<b>Rising energy prices</b>	<b>89%</b>
#2	<b>General cost of living</b>	<b>85%</b>
#3	<b>War in Ukraine</b>	<b>76%</b>
#4	<b>Rising interest rates</b>	<b>61%</b>

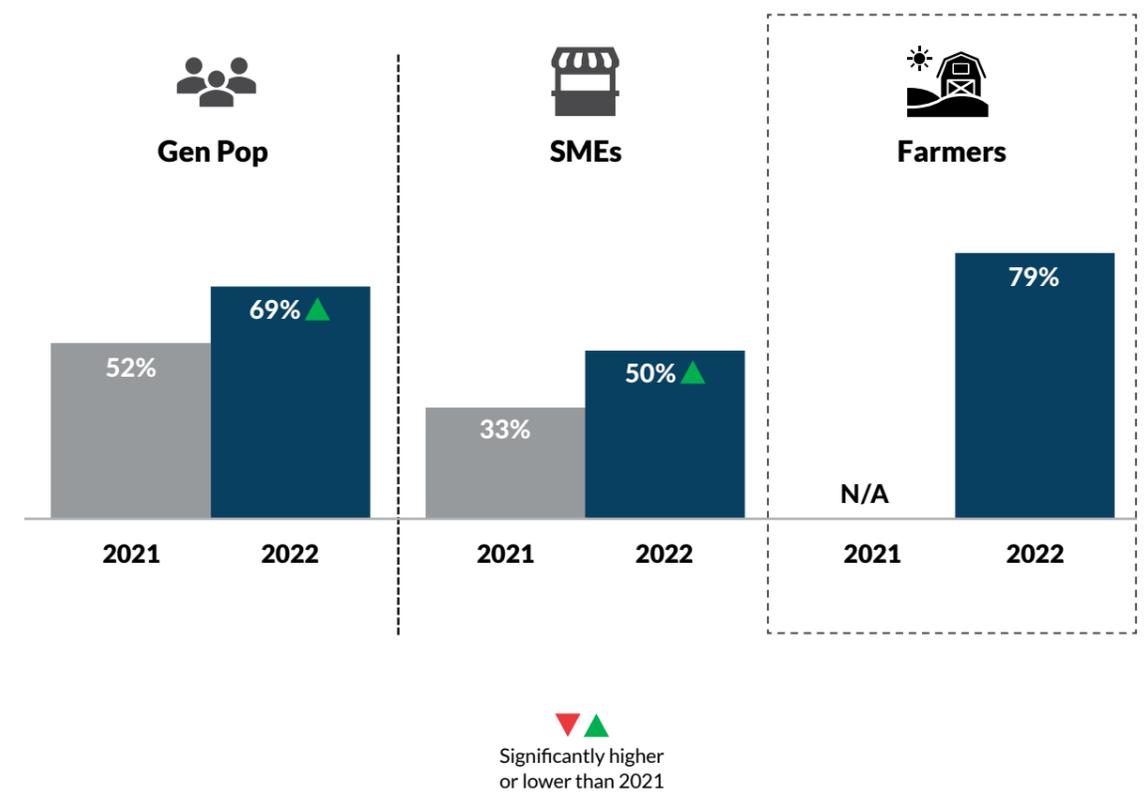
▲ ▼  
Significantly higher or lower than 2021

# VIEWS ON THE ECONOMY REFLECTED IN PERCEPTION OF BANKS

It is not realistic to expect banks to take the lead in solving all economic and societal challenges, but it is reasonable to expect that they do all they can to support economic stability and recovery and continue to meet their customers' needs in good times and bad. There is a clear correlation between views on the economy, amongst the separate cohorts surveyed, and their relationship with the banks. SMEs are less pessimistic about the future of the economy and warmer towards the banking sector,

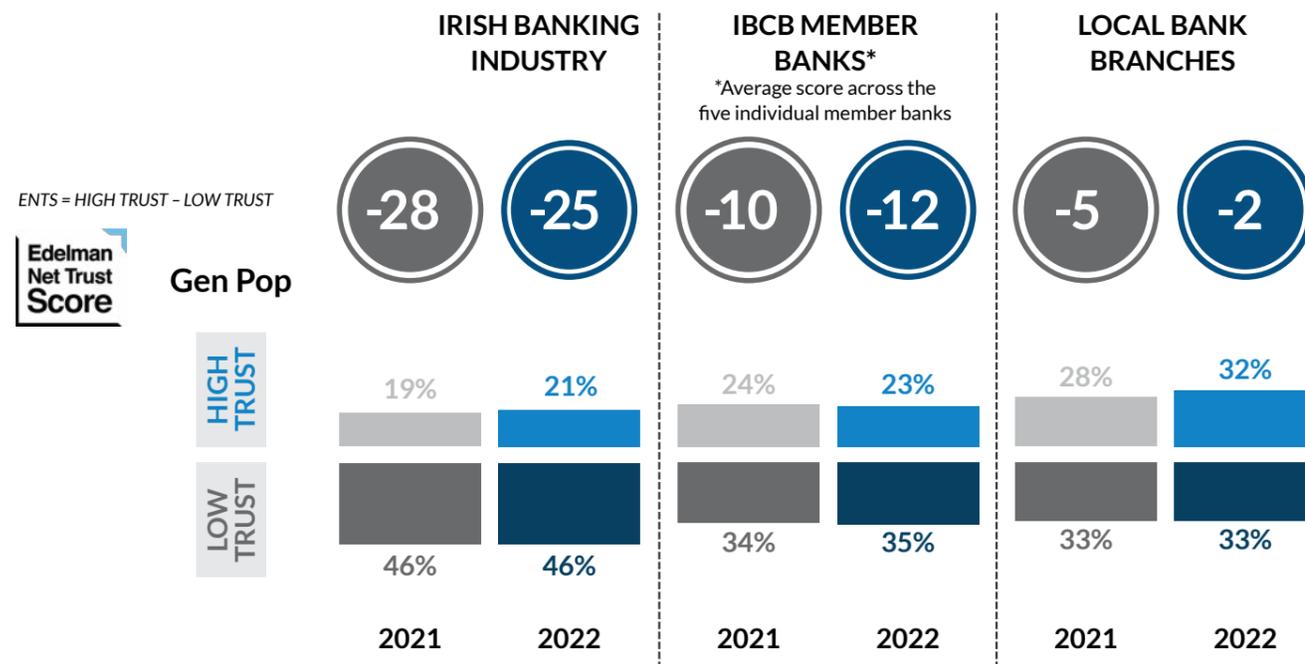
while farmers are deeply pessimistic about their economic prospects and deeply distrustful of banks. Farmers are worried about many of the same things that the public is concerned about, with the volatility of input costs being the chief concern for 84% of those surveyed. Maintaining current levels of trust in the banks, against the backdrop of such high levels of economic pessimism amongst the public, is significant but the challenge of shifting perceptions also remains equally so.

% who think that the **Irish economy will get worse in the next 12 months**



# IRISH BANKING SECTOR TRUST LANDSCAPE

TRUST HAS REMAINED STABLE SINCE 2021



A key finding of the 2022 éist report is that trust levels in the IBCB member banks amongst the Irish public has remained stable, when compared with the 2021 report, with an improvement of trust levels within the SME sector. This result is significant given the ongoing economic and societal headwinds caused by Covid-19, inflation and geopolitical conflict together

with the enduring ongoing fluctuation in the Irish banking sector. Notwithstanding these factors, trust levels remains low and momentum needs to be maintained and more work remains to be done by IBCB member banks to address the deeply ingrained feelings of distrust towards the banking sector amongst the Irish public, particularly amongst farmers.

# COVID-19 – NO LASTING IMPACT ON PEOPLE’S PERCEPTION OF THE IRISH BANKING SECTOR

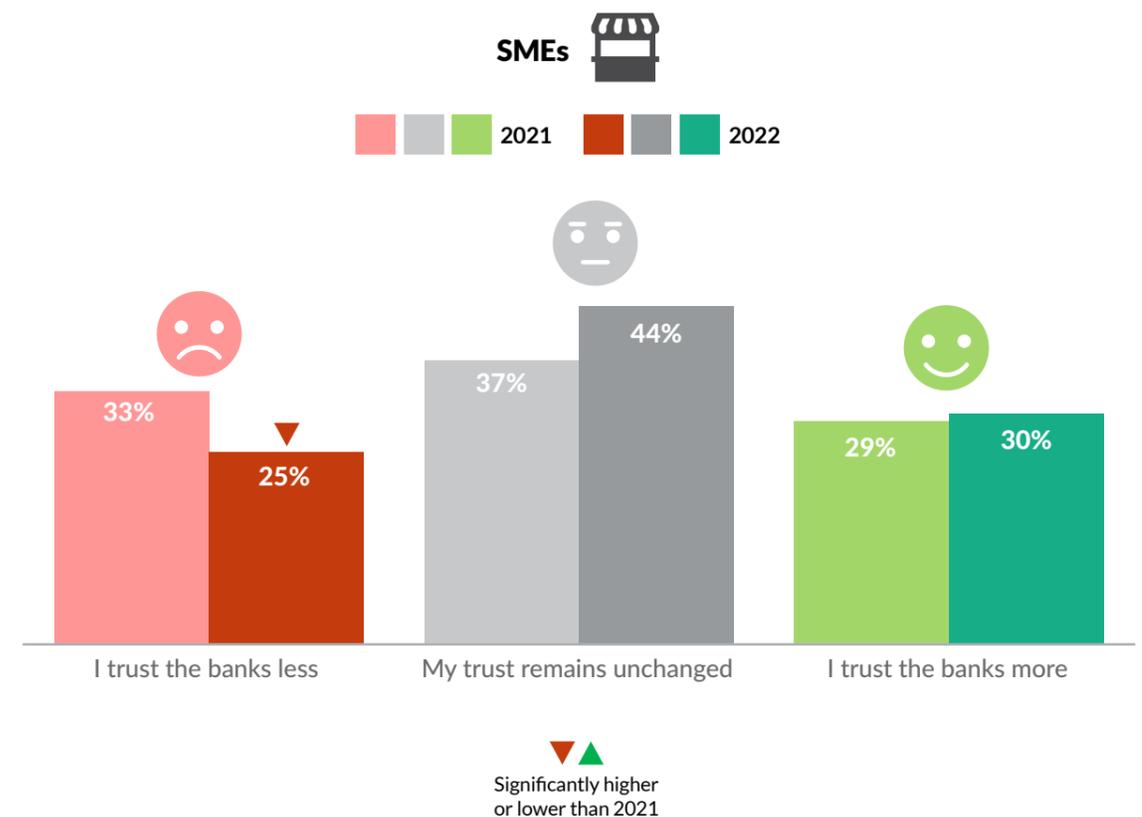
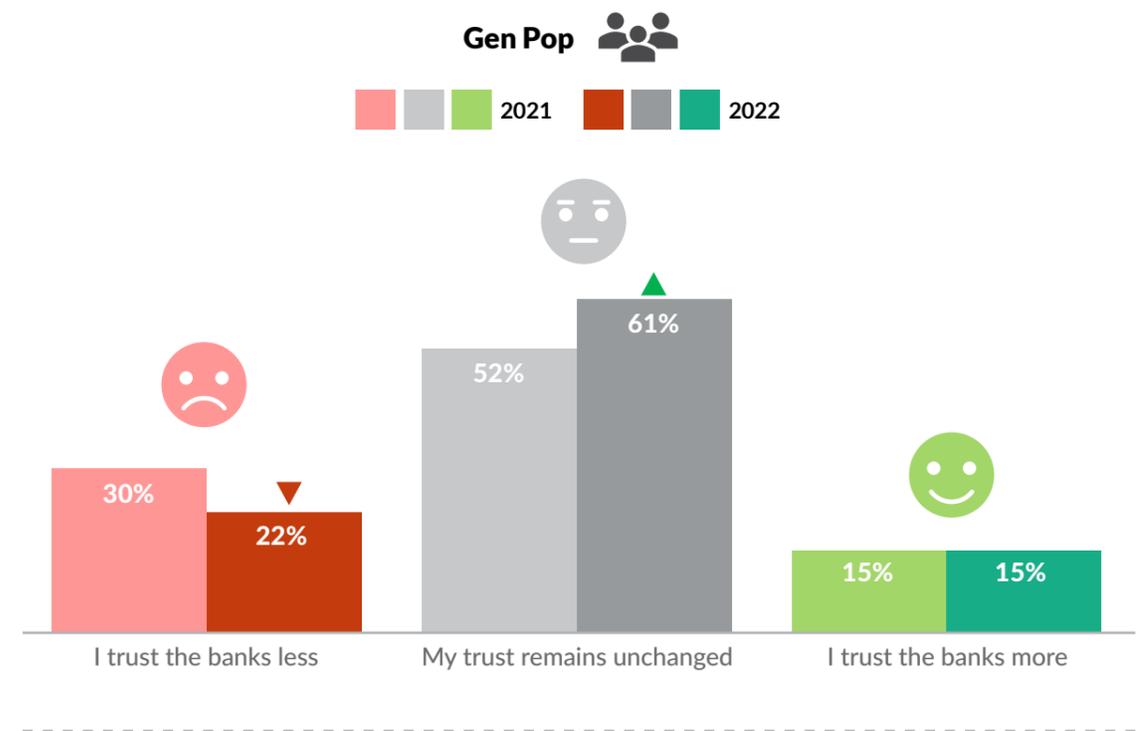
Covid-19 has been one of the most challenging periods economically and socially in the last century. It has had a profound effect on every aspect of Irish life. Specifically, the virus impacted our population’s ability to work and earn a living, a fact that prompted swift action from IBCB member banks in assisting its customers. Despite the unprompted and effective nature of this action, it had little obvious positive affect on people’s perception either of the banks or the sector in general.

The report indicates that Covid-19 is no longer as strong a negative influence on the

general public’s perception of banks, with those saying they trust banks less due to the pandemic falling from 30% to 22%. Equally, the amount of people who have said that their trust remains the same is up from 52% to 61%. These improvements are indications of minor progress and while encouraging, they need to be built upon. A similar trend can be observed in the SME sector with 22% of respondents saying they trust banks less because of Covid-19, compared to 33% in 2021.



Extent trust levels in banks have been impacted by Covid-19





# CHANGED DRIVERS OF TRUST IN 2022

Trust is never static, and neither are the factors that drive it. In separate research carried out by Edelman measuring global levels of trust in various sectors over the last ten years, the technology and healthcare sectors have consistently led the way.<sup>2</sup> Interestingly, trust in banking globally has been steadily improving since 2012, a point not long after the global crash, for which the banks were deemed partly culpable and when its worst effects were being felt by citizens. This provides further context to this year's results which record stable levels of trust in Irish banks despite significant headwinds and offer some

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2. The research referred to here was conducted in November 2021, *Trust in Industry Sectors: Long-Term Trends*

# CHANGED DRIVERS OF TRUST IN 2022

(CONTD)

encouragement that the industry is trending in the right direction, notwithstanding the obvious challenges that need to be met. Specific to this éist research, there is a noticeable change to the drivers of trust with a tilt in emphasis towards ability. The most significant change in relation to a trust driver is *understanding customer needs* which has increased in priority from ranking 8 in 2021 to ranking 1 in 2022. This, together with the rise in other customer-related behaviours such as putting customer needs first when making decisions are critical to act on. There has also been a drop in the respondents' prioritisation of how banks *handle customers data safely and securely* and significantly, how banks should *care about customers*

*in vulnerable positions* which has fallen out of the top ten drivers of trust in 2022. The data illustrates that having high quality and competent staff is a key driver of trust in IBCB member banks in 2022, along with providing high quality products and services, understanding customers' needs and dealing with complaints/needs in an efficient manner. The focus *this year is on customer-centric trust behaviours* which may reflect the general public's concerns around wider economic uncertainty. Given the current economic context, it is not surprising that people seem to want their banks to focus on delivering the basic services that meet their financial needs, rather than on wider issues of societal purpose.

## Top 10 attributes

(Ranked by IBCB member bank Performance in 2022)  
% who agree that IBCB member banks perform well in the following



9 in 10 of the Top Performing Attributes remain the same in 2022.  
Only 'Has leadership which acts with integrity' is new to the Top 10 but movement is minimal (increased by 2% pts.)

## Remaining attributes outside of the Top 10

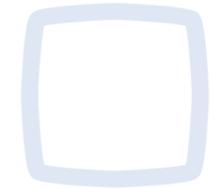
% who agree that IBCB member banks perform well in the following (Top 2 Box on 7pt scale)



**A** Ability  
**I** Integrity  
**D** Dependability  
**P** Purpose

2021 2022

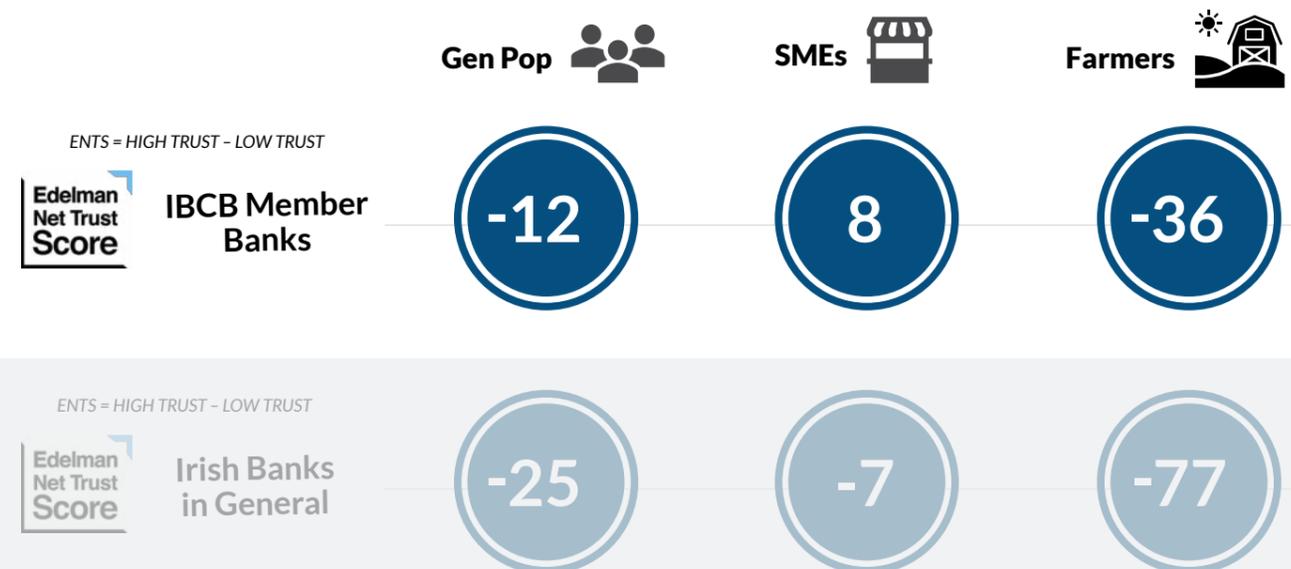
Year-on-year differences are not significant and range from 0-2% pts.  
Attributes in bold are a top 10 driver of trust (derived score)



# BUILDING TRUST IN IBCB MEMBER BANKS

This iteration of the éist research has continued to assess trust levels among the general population and SME cohorts, as it relates to IBCB member banks. An additional build to the 2022 report includes a review of trust levels among the farming sector. Member banks are seen

in a more positive light than the banking sector generally. However, as with 2021, there is still work to be done to increase trust, and when it comes to the IBCB member banks, it is clear that the cultural shift is being seen most among the SME cohort.

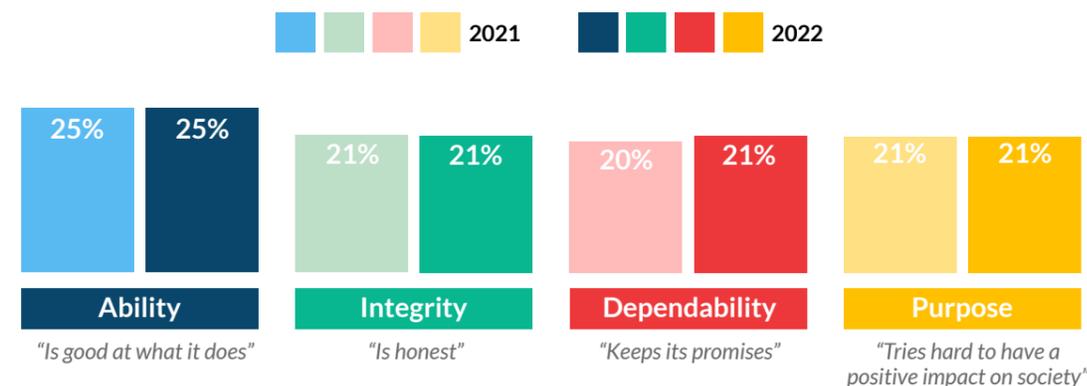


# TRUST OF THE GENERAL POPULATION IN IBCB MEMBER BANKS REMAINS STABLE

Despite ongoing economic and social volatility, the 2022 éist report findings show that trust levels in IBCB member banks remain stable amongst the general population in comparison to 2021. On balance, and against the backdrop of significant challenges –

namely the continued impact of the pandemic, the announcement of two retail bank member exiting the market, geo-political impacts of Russia’s Invasion of Ukraine, Brexit, rising inflation, and a cost-of-living crisis looming – a lack of year-on-year change in trust levels in all

% Gen Pop who think that IBCB member banks perform well at the following



key areas of Ability, Integrity, Dependability, and Purpose for the member banks among the general population is significant.

What is clear, however, is that the general population has shifted priorities as it relates to the role that banks play in their individual lives. This is evidenced by a change in the drivers of trust; findings show that people are, naturally, more concerned with the role banks play to support them directly, as opposed to their impact on wider society. Given the context of geo-political and socio-economic volatility this is understandable. Retaining a consistent customer centric focus remains critical for banks in building and maintaining trust.

The priorities in 2022, among the general population are: understanding customer needs, listening to what customers have to say, and acting on it, delivering high quality products and services, and handling customer data safely, which is in contrast to the 2021 findings. IBCB member banks’ performance has remained stable, with member banks performing best on Ability measures, however, as with last year, there is still more work to do to improve Integrity measures.

# STEADY INCREASE IN SME TRUST LEVELS

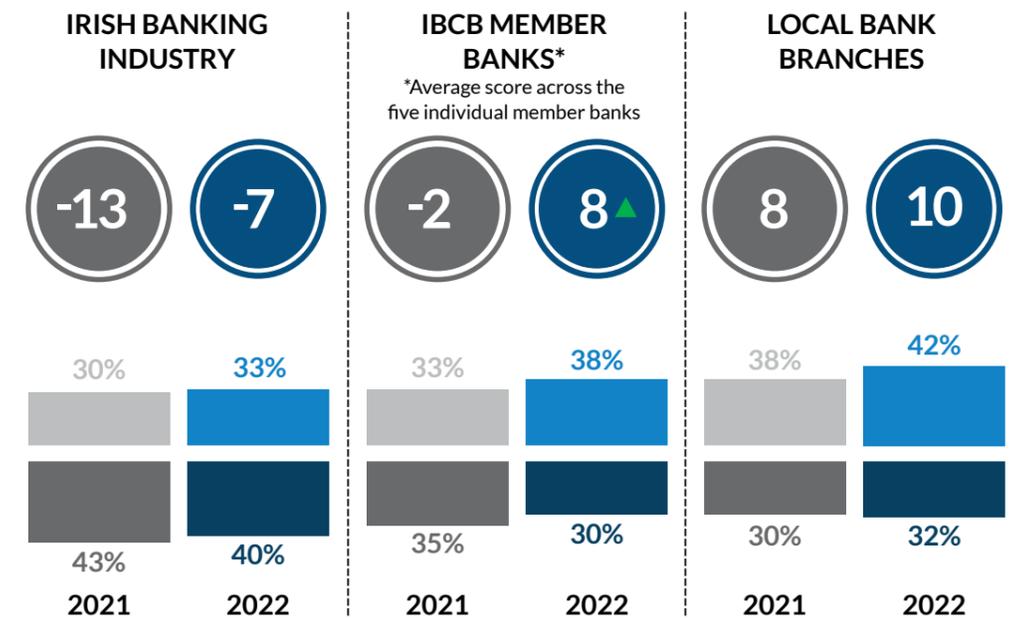
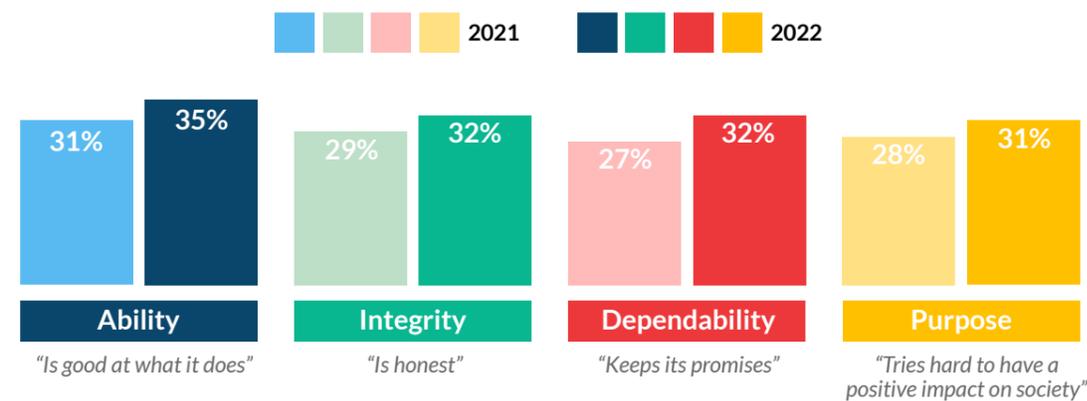
In the same way that stable levels of trust among the general population may be seen as encouraging, a clear increase in the levels of trust among SMEs is a positive outcome, indicating that the work being

done by the member banks to improve trust levels with this cohort is having an effect. Performance amongst this cohort is moving in a positive direction across all four dimensions of trust since 2021.

Trust in the IBCB member banks has grown over the past year amongst the business community, recording a 10-point increase compared to 2021. This has

been driven by a significant increase in trust amongst micro business owners, whose trust score rose from -8 to +3 over the last twelve months.

% SMEs who think that IBCB member banks perform well at the following



# STEADY INCREASE IN SME TRUST LEVELS (CONTD)

The report's findings indicate a link between trust and positive relations between IBCB member banks and the SME sector, with 38% of SMEs reporting high levels of trust in member banks. Survey verbatims further illustrate the importance of good relationships, *'I've never had any problems with them; if I have any queries, they answer my questions instantly.'* It is not solely accessibility that has increased the trust levels among SMEs in member banks – the report also indicates an increase in all four pillars of trust since 2021, with Dependability – that banks 'keep their promises' – seeing the highest increase, going from 27% in 2021 to 32% in 2022.

Similar to findings amongst the general population, a focus on basic customer needs has also become more important over the last year with SMEs. Again, the drivers of trust have also changed for this cohort with new drivers of trust entering the top 10 priority list.

While there is little to separate performance across behaviours, IBCB member banks must continue to show their dependability. SMEs feel that member banks are performing well across all measures, with a less than 10 percentage point difference in the top performing and bottom performing attributes.

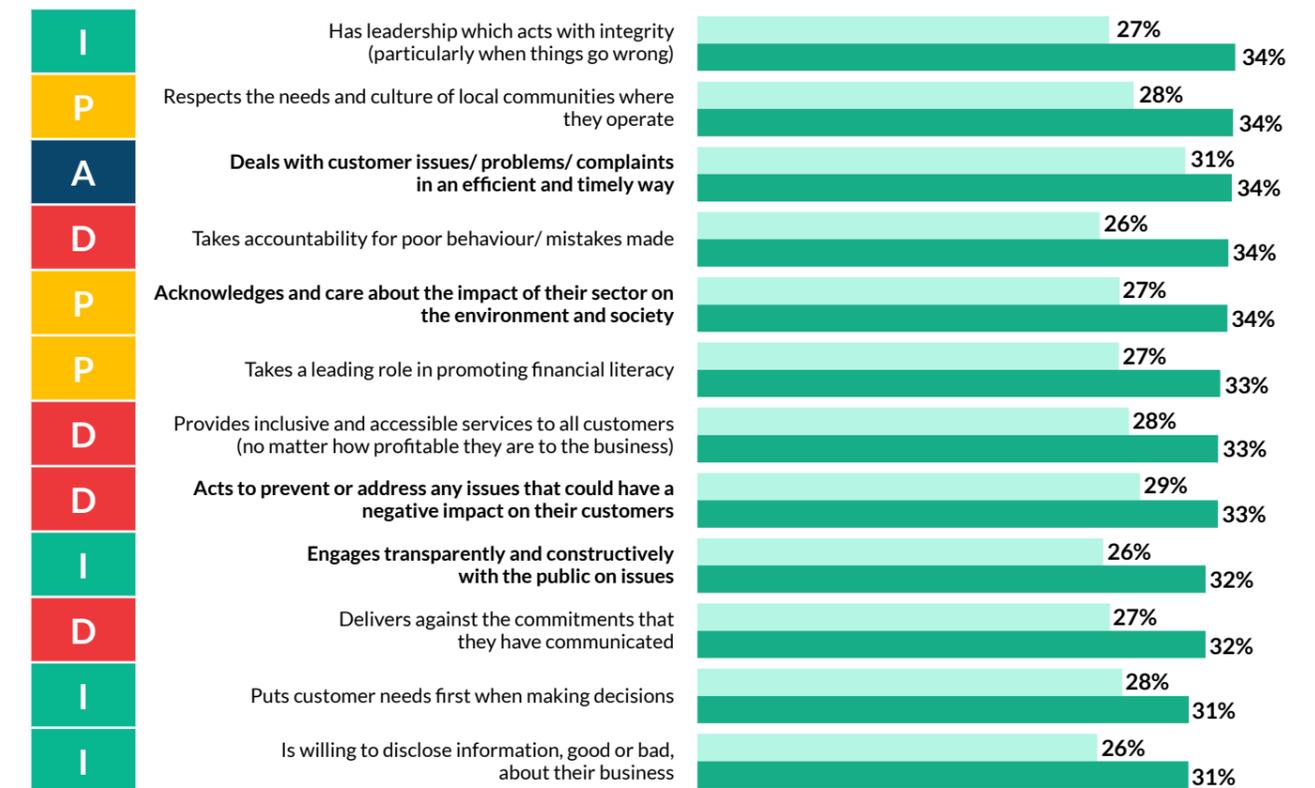
**4 IN 10 SMEs SAY THEY HAVE HIGH TRUST IN IBCB MEMBER BANKS**

## Top 10 attributes

(Ranked by IBCB member bank Performance in 2022) % who agree that IBCB member banks perform well in the following (Top 2 Box on 7pt scale)



## Remaining attributes



SMEs feel banks are performing well across all measures, with a less than 10pt difference in the top performing and bottom performing attributes.

**A** Ability  
**I** Integrity  
**D** Dependability  
**P** Purpose

2021 2022  
Year-on-year differences are not significant and range from 0-2% pts.  
Attributes in bold are a top 10 driver of trust (derived score)

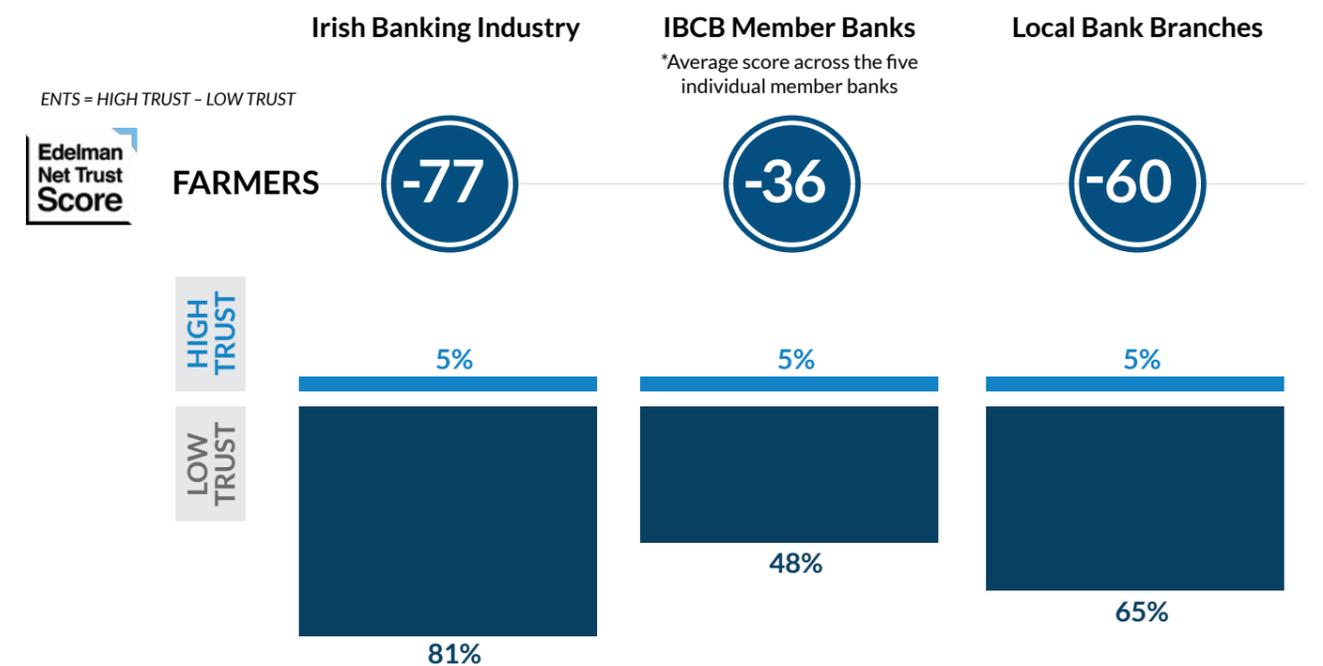
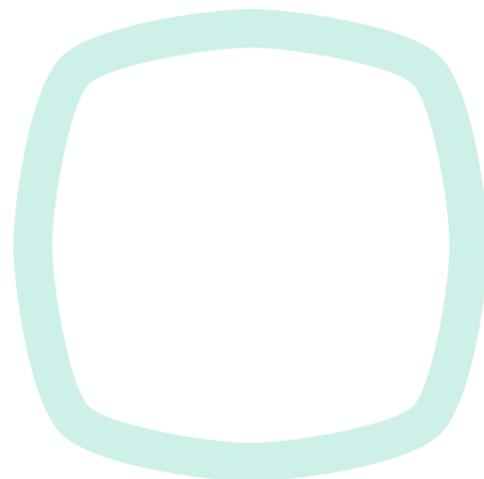
Significantly higher or lower than 2021

# FOCUS ON FARMERS

For the first time, the 2022 éist research includes a dedicated survey to assess levels of trust in banks amongst the farming sector in Ireland, which was supported by the Irish Farmers' Association. What is clear, as outlined in the Executive Summary, is that there is a considerable amount of work to be done to build trust in banks amongst farmers as trust levels in banks are very low, accompanied by a high level of pessimism on the economy with 79% of farmers believing that the economic situation will get worse over the next 12 months.

The findings show significantly lower levels of trust in the member banks among the farming sector with a -36 ETM score, compared to the general population or SME cohorts.

Those surveyed reflect rural Ireland, spread throughout the four provinces, with the majority from Munster (45%) and Leinster (30%). Additionally, the farmers surveyed are drawn from a balance of specialisations from within the sector from Beef, and Dairy, to Tillage and Sheep. Of the farmers surveyed, 73% are between the ages of 35 and 64 while 24% are over 65 with 58% of farming activity involving beef (whether suckler or cattle finishing), 28% engaged in dairy and 28% engaged in tillage. The remainder are divided amongst sheep, poultry, pigs, horticulture, and other types of farming.



# UNDERSTANDING THE NEEDS OF FARMERS

The issues of most concern to farmers centre on the belief that the services banks deliver do not reflect an understanding of their specific needs, or the nature of farming financial concerns. Farmers are concerned about rising costs impacting their business as well as adapting and planning for the future with 29% worried about farm succession planning. When asked about their financial situation in the next 12 months, the volatility of input costs is their number one concern – a considerably high level, 84%, naming this as their main concern, followed closely by an equally high 83% indicating the rising costs of energy as their next chief concern. Like all those surveyed cost of living issues are front of mind for farmers with 66%

of them saying it is a concern for them for next 12 months. Also, much like the general population, farmers are looking at where, specifically, banks can support them, and with almost half (46%) of them saying that banks do not deliver a quality service, and 41% saying that banks are not responsive when dealing with farmers, there is an obvious and urgent need to address these concerns.



## Top 5 worries for farmers

#1	Volatility of <b>input costs</b>	84%
#2	Rising <b>energy prices</b>	83%
#3	War in <b>Ukraine</b>	78%
#4	Having a <b>reduced profit</b> margin	66%
#5	General <b>cost of living</b>	66%

## Farmers are concerned about adapting to regulations

**53%**  
are worried about **regulation** requirements

**39%**  
are worried about **sustainability** requirements

## As well as what the future holds

**29%**  
are worried about farm **succession** planning

# UNDERSTANDING THE NEEDS OF FARMERS

(CONTD)

Farmers want to and deserve to see a greater understanding of their financial pressures and the delivery of tailored financial products and services that reflect those pressures, which currently, based on the findings, they do not believe they receive from banks. Farmers want their needs to be heard and understood, and based on these trust findings, there is little confidence amongst them that banks understand the specific industry challenges they face, and they remain unconvinced that banks are motivated to support them in meeting those challenges.

Based on the findings of this research, we also learn that farmers believe IBCB member banks need to prove that they are a positive force in society; only 10% of farmers feel that member banks perform well on Purpose. Although farmers are slightly more favourable in their views on the practical competencies of the member banks, such as handling data safely, and dealing with customer complaints, only 4% strongly agree that banks engage transparently and constructively with the public on issues of importance.

## 2022 Top 10 Drivers of Trust of Farmers

1	A	Deals with customer issues/ problems/ complaints in an efficient and timely way
2	A	Has high quality/ competent staff
3	I	Has leadership which acts with integrity (particularly when things go wrong)
4	A	Delivers high quality products and services
5	A	Delivers strong business/ financial performance
6	A	Understands customer needs
7	I	Handles customer data safely and securely
8	I	Engages transparently and constructively with the public on issues
9	I	Is willing to disclose information, good or bad, about their business
10	P	Shows real evidence of the good they are doing in society

A	Ability
I	Integrity
D	Dependability
P	Purpose

**5 IN 10 FARMERS SAY THAT BANKS DO NOT OFFER LOW-COST FINANCE TO FARMERS**

# A RURAL ISSUE?

Given where farmers are located, the findings seem to reflect lower levels of trust in banks in rural Ireland. While that divide should not be overstated, we do know that trust in IBCB member banks among the general population that live in urban Ireland is -9 trust compared to those who live in rural Ireland at -18. It is difficult to avoid the conclusion that the closure of a considerable number of bank branches in rural Ireland has had a significant effect on the perception of banks amongst rural communities.

The extent of the challenge to build trust in banks among the farming cohort is captured in the answer to the question on how much farmers trust their local bank branch to do what is right. It records a -60 ENT score. Notwithstanding the age profile of the farming

population, it is noteworthy that levels of digital engagement reflects those of other sectors; farmers are frequently using digital banking 81% of the time and gen pop 82%. A statistic that captures the extent of the wider disengagement that has taken place between banks and those farmers surveyed and the scale of the challenge that needs to be met, is that only 7% access their local branch regularly.

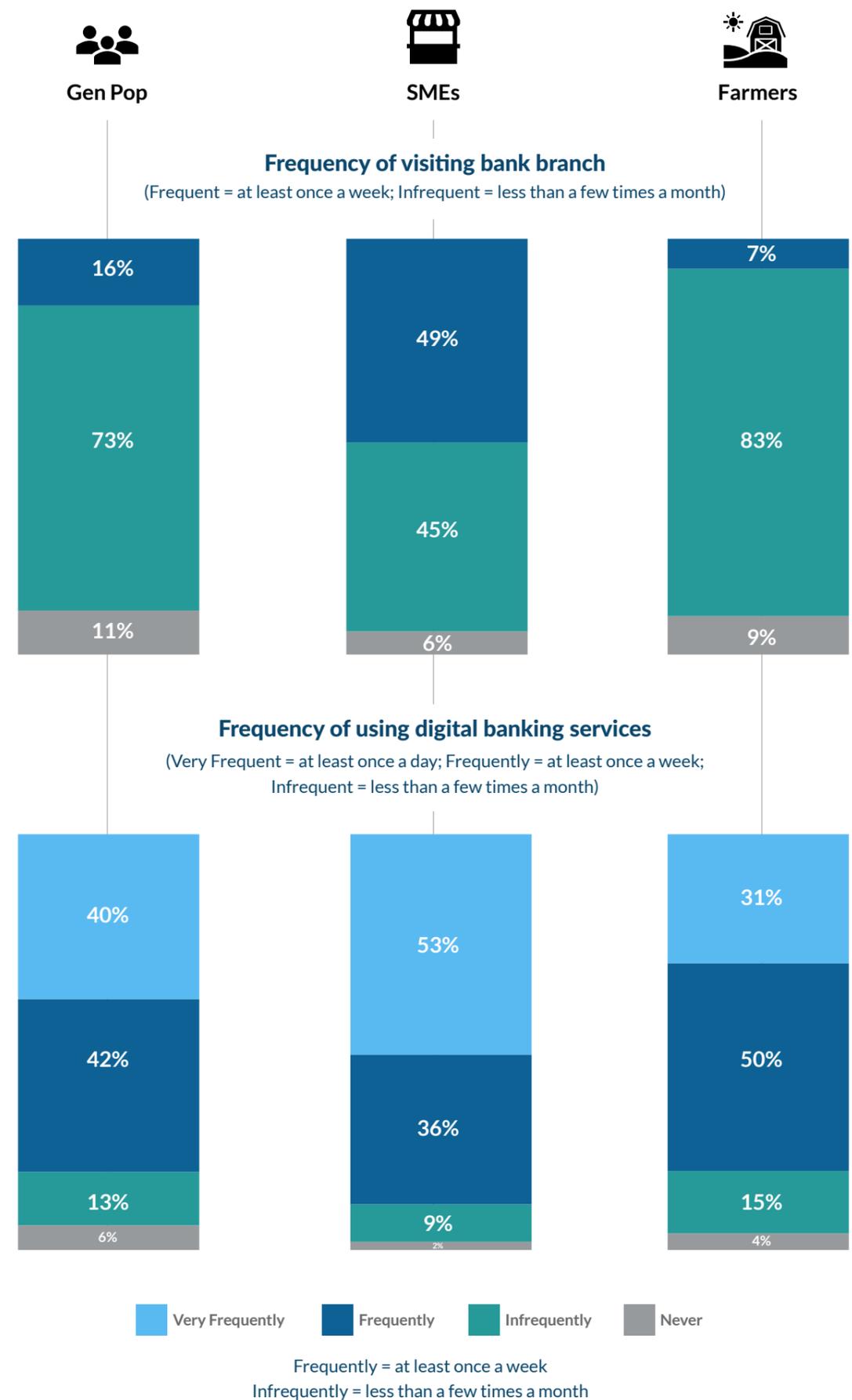
Overall, farmers want to see strong leadership from the IBCB member banks, tailored financial offerings and a responsive and personalised service. The -36 ENTS score in this cohort indicates strongly that rebuilding trust with this audience is vital, in order to create a better understanding of the specific needs of the farming community in Ireland.





# DIGITAL BANKING AND BANKING IN BRANCH

It is notable that across all audiences surveyed, the frequency of using digital banking services is high with the vast majority using them at least once a week. 82% of the general population, use digital services either very frequently (once a day) or frequently (at least once a week). Use of digital services is highest amongst the SMEs surveyed at 89%. Only 6% of the general population state they have never used digital banking services. On the frequency of engaging with banking staff and visiting bank branches 49% of SMEs surveyed state they visit a bank branch at least once a week, 73% of the general population saying they do so and only 7% of farmers saying they visit a branch on a weekly basis. Whilst our survey highlights increasing usage of digital banking tools, it is important that banks continue to support those customers who are not digitally active.



# CONCLUSION AND IBCB CONSIDERATIONS

**1** Trust levels remain low but are broadly stable in an unstable environment. However, drivers of trust have changed from 2021 to 2022, becoming more focused on individual concerns, whilst social purpose in banking remains a consideration for SMEs.

## Issues for IBCB to Consider:

- The IBCB and member banks will continue with its programme of activities supporting social purpose in banking, including financial awareness, financial inclusion, fraud/financial abuse prevention and support for customers in a vulnerable position.
- The IBCB will also continue to carry out its independent éist research to assess trust levels and emerging trends at regular intervals.

**2** Trust levels have improved among SME customers. Relationships between businesses customers and their bank are contributing to these results.

## Issues for IBCB to Consider:

- The IBCB and its member banks will continue to monitor this trend via our surveys and ongoing engagement with the sector.

**3** The changing landscape of the Irish Retail banking sector will be one of the biggest challenges over the next years. The impending departure of two retail banks from the market will cause an unprecedented upheaval for current account holders. How well the banks manage this process represents an opportunity to inform how positively or otherwise the public views them.

## Issues for IBCB to Consider:

- The IBCB Board will review and challenge its member banks' (those exiting and remaining) adherence to the agreed Guiding Principles for Customer Support on Account Moving, Switching and Closing to assess member banks' commitment to providing the necessary supports to assist customers with the transition.
- The IBCB will contribute to the Department of Finance Retail Banking Review and any follow up activities.

**4** The top financial concerns have changed over the past 12 months. Respondents are concerned with issues which are largely outside of the control of banks (for example, cost of living increases and rising energy prices), but also highlight concerns about financial fraud and the need to switch their bank account.

**5** It is clear from all groups surveyed that people are increasingly concerned about the future economic outlook in Ireland, with significant increases in the cost of living and input costs for businesses.

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

- In addition to the work underway across member banks and using the IBCB's Guiding Principles for Customer Support on Account Moving, Switching and Closing, the IBCB intends working with our member banks and others to continue to focus on raising awareness on fraud prevention.
- The IBCB will continue to promote access to the Basic Bank Account.

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

- While these concerns are not the responsibility of the banking sector and the industry itself will also be impacted by many of the pressures, the IBCB and its member banks will continue to focus on how they can support their customers in the current uncertain economic environment. This can be achieved through support of financial awareness and financial inclusion initiatives including a continued focus on communicating with customers on options to improve their financial well-being and improve their financial resilience.
- The IBCB will continue to promote awareness on products to support customers who may currently be financially excluded, through the Basic Bank Account.
- The IBCB is currently working with Safe Ireland and TASC to support women, who are victims of domestic abuse and have experienced abuse to build their financial awareness.

**6** Our survey highlights a rural urban divide as regards trust levels in banking, with the farming sector in particular having minimal trust in banks. Whilst the survey identifies the challenge, which the IBCB and banks will need to address with the sector, understanding the scale of the challenge is a first step in meeting the challenge.

**7** It is evident that building trustworthiness to assist the banking industry to regain public trust is a long-term process and will require the IBCB and its member banks to stay the course.

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

- The IBCB and its member banks will hold a specific farming industry event in Autumn 2022 to discuss the survey findings and identify actions that can be taken by the banking industry to address some of the concerns identified.
- The IBCB and its member banks will also consider the wider rural vs. urban feedback and engage in stakeholder sessions to further understand how this can be addressed.

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

- While there have been some improvements in trust levels with specific cohorts, trust remains low and to maintain momentum, it is important to continue to independently assess public sentiment and the underlying trust drivers in order to ensure that the industry is aware of emerging concerns and areas to focus on. The IBCB will continue to measure trust in banking through our regular éist Public Trust in Banking Surveys. and specific surveys of Bank Staff, both of which will be repeated in the coming year.

# GLOSSARY OF TERMS

**AIB** – Allied Irish Banks

**BOI** – Bank of Ireland

**CEO** – Chief Executive Officer

**Edelman Dxi** – Edelman Data & Intelligence

**ENTS** – Edelman Net Trust Score

**ETM** – Edelman Trust Measurement (Diagnostic)

**FSU** – Financial Services Union

**IBCB** – Irish Banking Culture Board

**IFA** – Irish Farmers' Association

**KBC** – KBC Bank Ireland

**PTSB** – Permanent TSB Ireland

**SME** – Small & Medium Enterprise

**UB** – Ulster Bank



**Irish Banking  
Culture Board**

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