

## Changing Channel Preferences in Retail Banking - UK - October 2016

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“Consumers have made an irreversible switch from traditional banking channels to digital banking. People not only use online banking more than branches, but see it as the preferential choice for everyday banking. The challenge for banks is how to prevent the shift online weakening customer relationships and undermining loyalty.”

– **Rich Shepherd, Senior Financial Services Analyst**

This report looks at the following areas:

- Consumers have forgiven security concerns to reap the benefits of online banking
- Branches still have a place in modern banking
- Early adopters have significant influence over future innovation

Banking in the UK has changed significantly in the last 15 years. The growth of digital channels offers consumers greater choice over how they manage their accounts and interact with their bank. Online and mobile banking provide more convenience than traditional options such as branch services, and current account holders have taken advantage of this by moving on from a reliance on branches. By moving their customers on to new, remote channels, banks have had the opportunity to reduce their branch networks and significant overheads, increasing profitability.

This report examines consumers changing channel preferences in retail banking. This includes looking at the wider market trends in channel use and a brand-level discussion of what channels are offered by both leading banks and newer challengers. Mintel’s exclusive consumer research includes a look at the frequency of use of different banking channels and what tasks they are used for, how people would prefer to bank, and how satisfied they are with their bank’s channels. Attitudes towards banking channels are also examined. This includes consumers’ approach towards new digital services, branch closures and how people prefer to be contacted by their bank.

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### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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## The Market – What You Need to Know

Current account holders have moved online...

...and new regulations offer further opportunities for development

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More people are registered for, and use online banking than telephone banking

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Challengers look to digital opportunities, but Metro Bank bucks the trend

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Current account holders more likely to use online banking than branches

Digital channels are the go-to choice for managing accounts

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