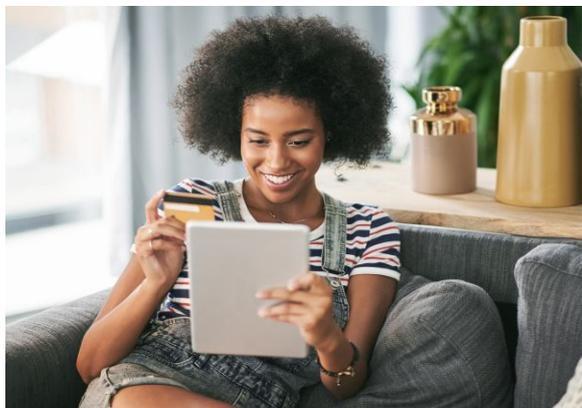


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"The COVID-19 recession will be as challenging for current account providers as for any consumer-facing brand. Rising unemployment, migration and falling economic activity will all hit demand for new accounts, limit demand for value-added services, and increase the risk of debt defaults. But there are still opportunities for brands that are agile and sensitive enough to respond."  
**– Brian O'Connor, Senior Consumer Analyst**

This report looks at the following areas:

- The impact of COVID-19 on consumer behaviour and market dynamics in the current account sector.
- How the number of active current accounts held by Irish consumers has changed in recent years and the impact COVID-19 lockdown will have.
- The current level of ownership of current accounts, the types of accounts that consumers own and the main current account providers in NI and RoI.
- Consumers' preferred channels for conducting different banking activities.
- How consumers feel about various issues relating to personal data, data breaches, overdrafts and IT failures.

While COVID-19 has had a profound impact within the financial services industry, its real impact on the current account sector has not yet materialised. The effect to date has primarily been in how consumers conduct banking activities and engage with their current account provider. Consumers are now far more likely to use mobile banking, online banking and even telephone banking than in-branch counter services, further accelerating a shift that was long underway. COVID-19 has forced many digital sceptics to overcome the initial hurdles of setting up digital access and learning how to use the various services available. Some will return to old behaviours once the pandemic has eased, but for many others, the changes will stick.

A more macro-impact will be seen if the COVID-19 pandemic ushers in a period of economic contraction, unemployment and emigration. When this last occurred during the 2008 recession, there was a significant decline in the number of active current accounts both in NI and RoI. It is highly likely that this will occur again for a limited period at least. The recession will also test banks' ability to support their customers through difficult times, either through a more flexible approach to managing overdrafts, or through broader support with managing household finances.

Despite the fact that the 2008 financial crisis was mainly linked to investment banking rather than the retail sector, high street brands were tainted by association, causing real damage to trust and brand equity. Banks have an opportunity to play a much more positive role this time by helping customers find their way through what will inevitably be an extremely tough economic climate.

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- RoI main current account market dominated by Big Two providers
- Consumers prefer mobile or online banking over branches
- Consumers trust providers to protect data, but won't tolerate breaches
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