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Nationwide snubs fair banking survey again

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JONATHAN BRADY/PA WIRE

Nationwide has refused to take part in an independent assessment of which financial products are good for customers for the second year running.

The UK's biggest building society chose not to hand over information to the Fairbanking Foundation, a charity that awards ratings for products including savings accounts and credit cards from the financial services industry.

Nationwide did not participate despite its emphasis on the importance of serving its customers fairly. Its spokesman said: "A number of organisations seek to assess fairness through various measures. This can be demonstrated by our members being the most satisfied of any major high street provider."

There are several organisations that measure fairness in banking, leading to different results. Nationwide believes that its approach of offering long-term value to customers is not always picked up by such surveys.

The Fairbanking Foundation, which is funded through donations, grants and fees for advisory work to organisations such as the Money Advice Service, said that a “tipping point” had been reached of customers receiving better service because of improvements in technology, competition and regulation. Current accounts in particular have shown improvement, and banks have made progress with overdraft costs by sending alerts such as text messages when a customer is about to go into the red, a recommendation of the Competition and Market Authority’s retail banking study.

HSBC received a special mention for being the only bank that appeared to enrol customers automatically for alerts about their overdrafts. The bank told the foundation it spent £100 million between 2014 and 2016 sending messages to customers to warn them.

Clydesdale shot to the top of the ranking for current accounts with overdrafts with its new B account, while U, the fintech newcomer, did the best for current accounts with no overdrafts. Capital One, a lender mainly to customers with poor credit, was praised for its credit card, particularly over its help with payment plans to reduce customers’ debts.

Nationwide achieved a middle ranking for its current account despite its non-participation in the survey. The Swindon-based mutual said last week that it believes it has paid £280 million more than the rest of the industry to its depositors, with its average deposit rate standing at 0.8 per cent compared with 0.6 per cent from rivals.

Antony Elliott, chief executive of the Fairbanking Foundation, said: “We are now seeing both challenger and traditional banks genuinely focus on products which have their customers’ financial wellbeing at their heart.”

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