



Consumer experience of financial providers

July 2017

Methodology



The FMA commissioned Colmar Brunton to carry out research among consumers to understand their experience with financial services providers. The aim of the research is to help FMA understand consumer experience of the conduct of, and communications from, financial service providers.



The research was carried out online using Colmar Brunton's Omnijet.



Fieldwork was conducted from 15-22 March 2017.



A total of 1,000 New Zealanders took part in the research. Results are weighted by age, gender, and region to ensure the results are representative of the New Zealand population.

$$M.E. = \sqrt{\frac{0.25}{n}} \times 1.96$$

The margin of error for overall results n=1,000 is +/-3.1%.



Investments

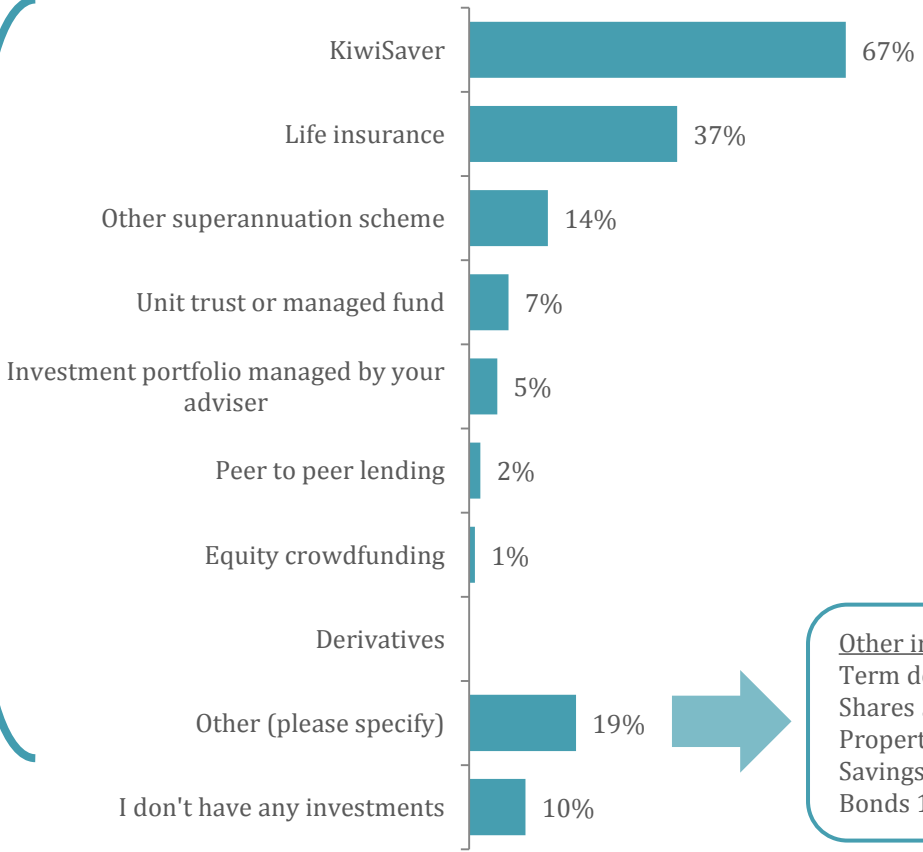
Nine out of ten people have one of the types of investments listed. Most commonly this is a KiwiSaver account, followed by life insurance

899
people have
an investment



454
people have
more than one
investment

445
have one
investment



This result is consistent with both the Investor omnibus 2016 survey and the KiwiSaver statements 2016 survey results

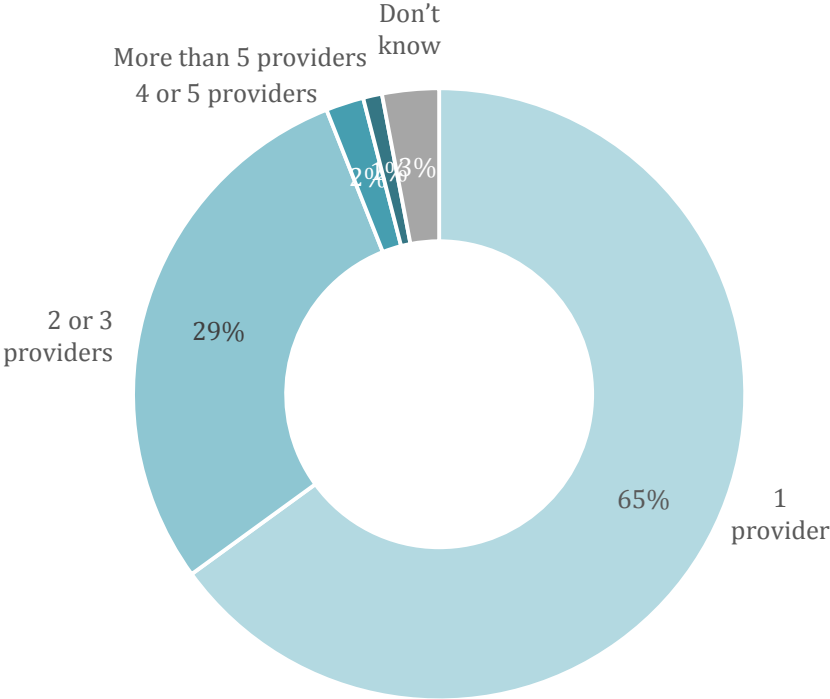
Other investments include:
Term deposit or bank deposit 6%
Shares 5%
Property 3%
Savings or cash accounts 2%
Bonds 1%



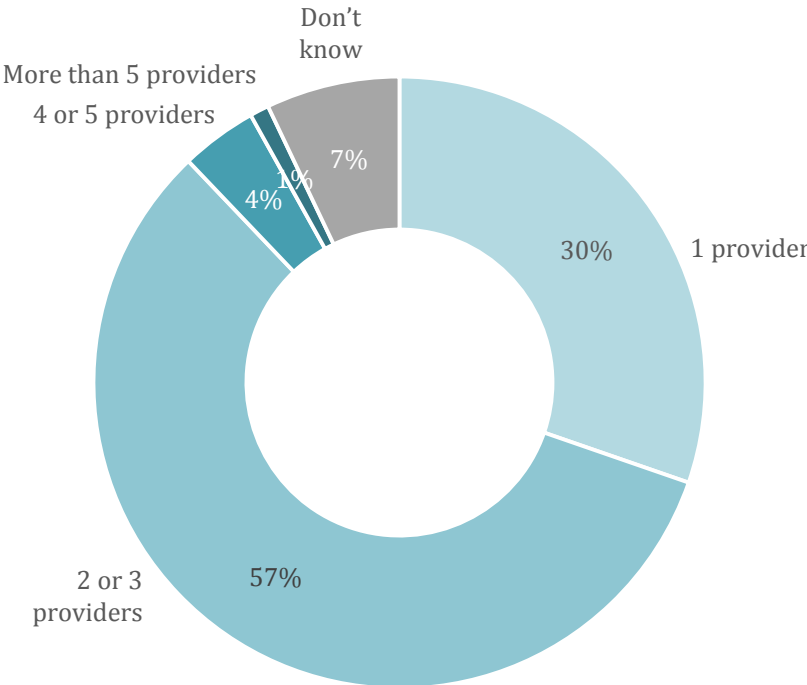
Number of financial providers

Two thirds of all people with an investment have one financial provider. Among people who have more than one investment the majority have two or three providers

All people with an investment
(n=899)



People with more than one investment
(n=454)

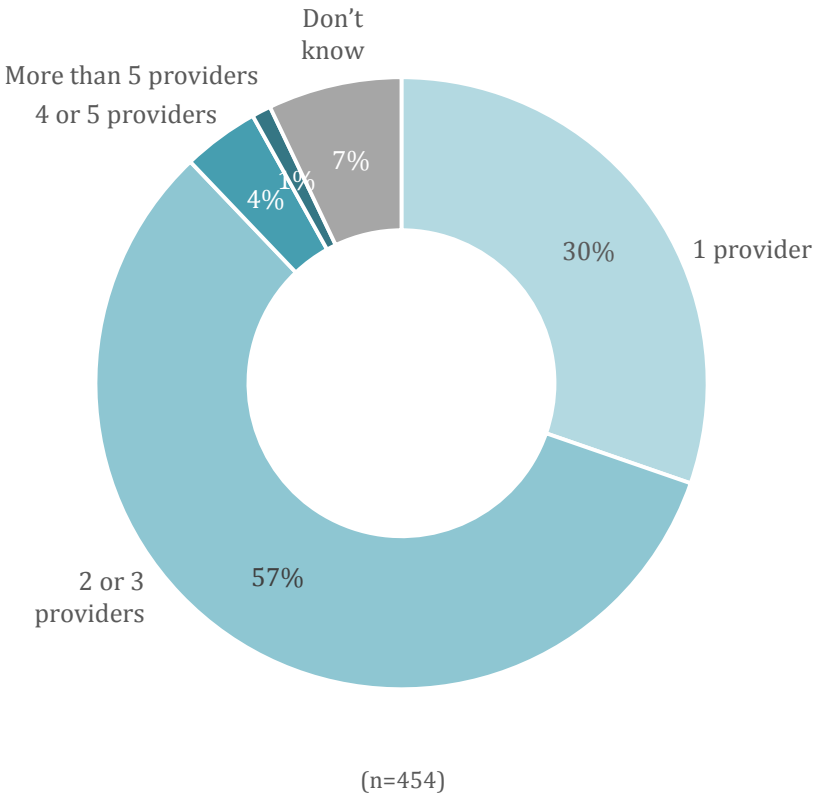


There are some demographic differences among the people who have more than one investment, and the number of providers they have for those investments...

People with more than one investment but only one provider are more likely to be aged 18-29 years old and live in the South Island outside of Canterbury. They are less likely to have a household income of \$100,000 or more.

People with more than one investment with 4 or 5 providers are less likely to be female, and more likely to have types of investments other than the ones we asked about.

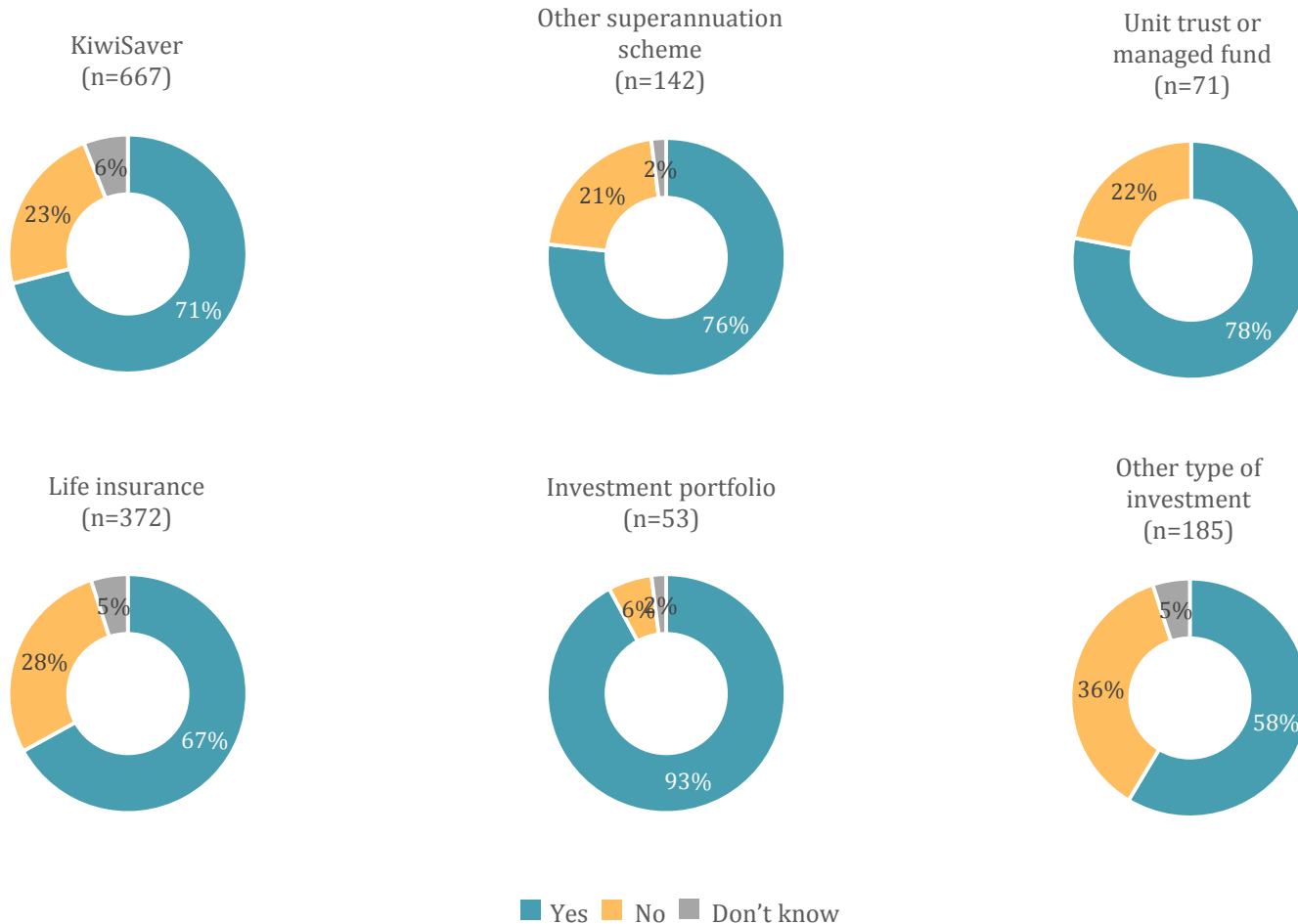
People with more than one investment (n=454)





Communication from financial providers

People with an investment portfolio are significantly more likely to have received a communication from their financial provider in the last 12 months than all other investment types. People with life insurance or another type of investment are least likely to have heard from their provider

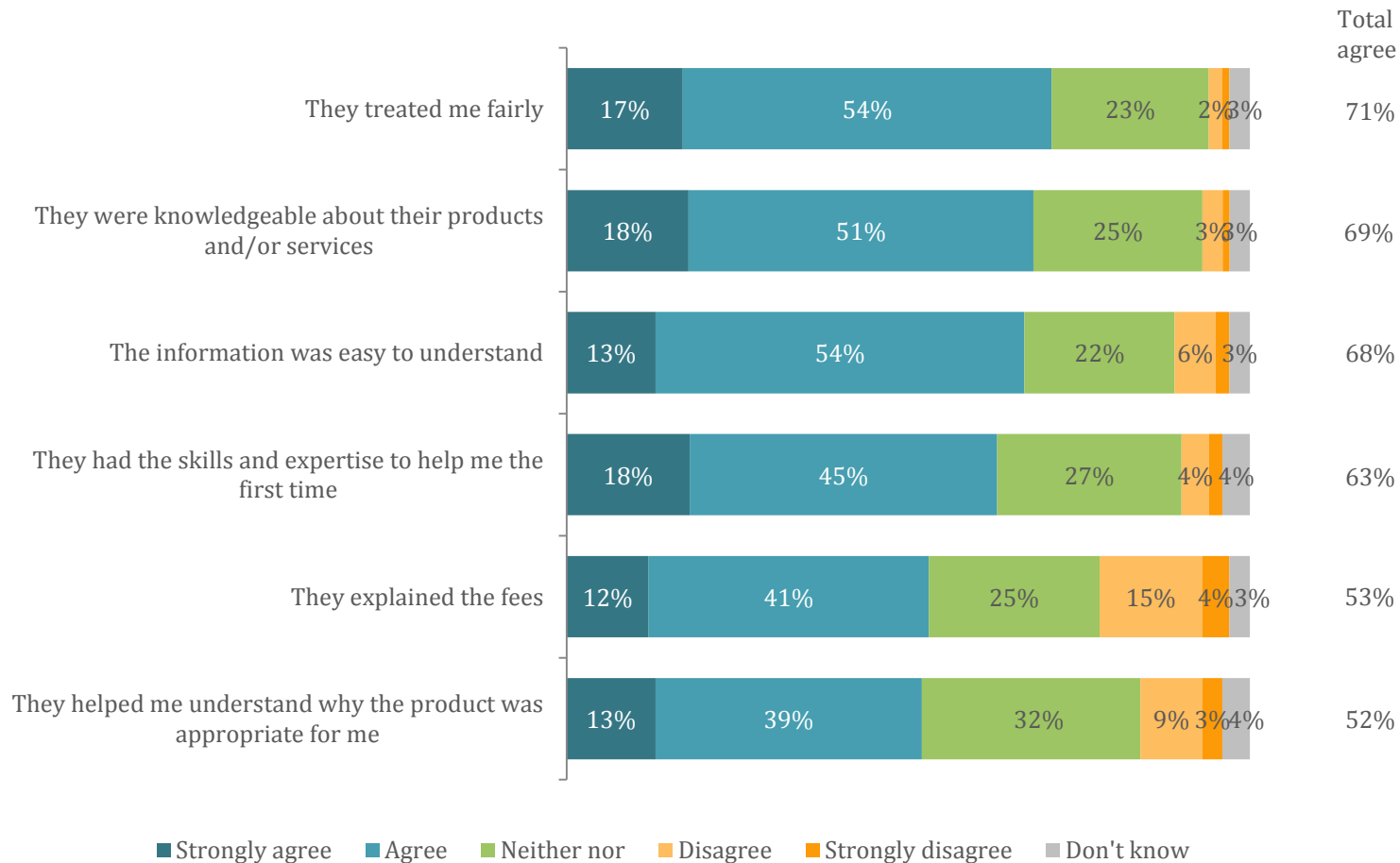


Note: Results presented for investments with n>30 investors

Q5. Has your financial provider communicated to you about the performance of your product or reminded you to review your investments over the last 12 months?

Base: Respondents with each type of investment

Investor perceptions about their financial provider/s are mostly positive, each statement has over 50% agreement. They are most likely to agree they were treated fairly, and least likely to agree their provider explained the fees or helped them understand why the product was appropriate



Q6. Thinking now about all the interactions and communications you have had with this financial provider in the last 12 months, including online, on the telephone, or face to face, whether you contacted them or they contacted you, please read each of the statements below, consider your interactions with the provider, and indicate how much you agree or disagree with each statement. If you have an adviser for your investments, please think about contact with your actual provider, not through your adviser.

Base: Respondents with investments (excl not applicable) n≈899

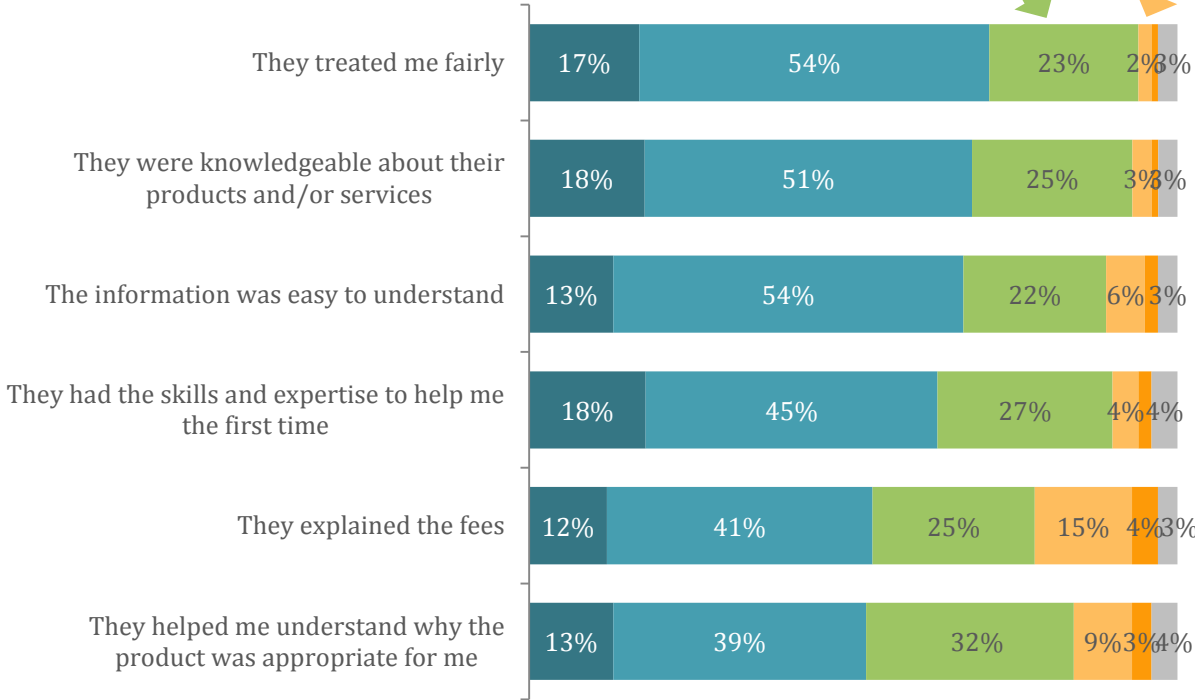
In more detail...

On average a quarter of people neither agree nor disagree with a statement – quite a high response. In this context a neither/nor response is similar to a don't know response indicating people don't have an opinion about their provider

Overall disagreement with the statements is low, people do not generally have negative perceptions about their financial provider

Increasing positive investor perceptions about financial providers should focus on increasing awareness of products and services rather than a need to change negative perceptions

Disagreement is highest with the statement 'They explained the fees'. 1 in 5 investors think their provider did not do this

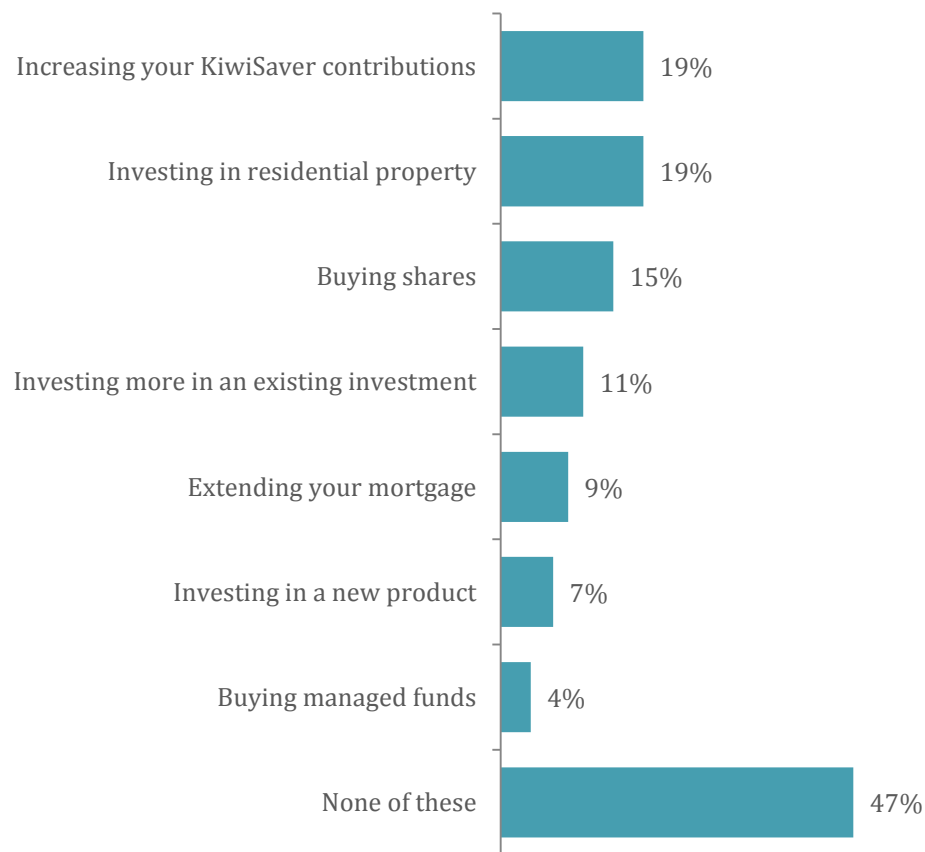


■ Strongly agree ■ Agree ■ Neither nor ■ Disagree ■ Strongly disagree ■ Don't know



Future behaviour

Nearly half of respondents have no plans to make any of the financial changes we asked about. Those who do plan to do something are most likely to increase their KiwiSaver contributions or invest in residential property



Q8. In the next 12 months are you considering doing any of the following?

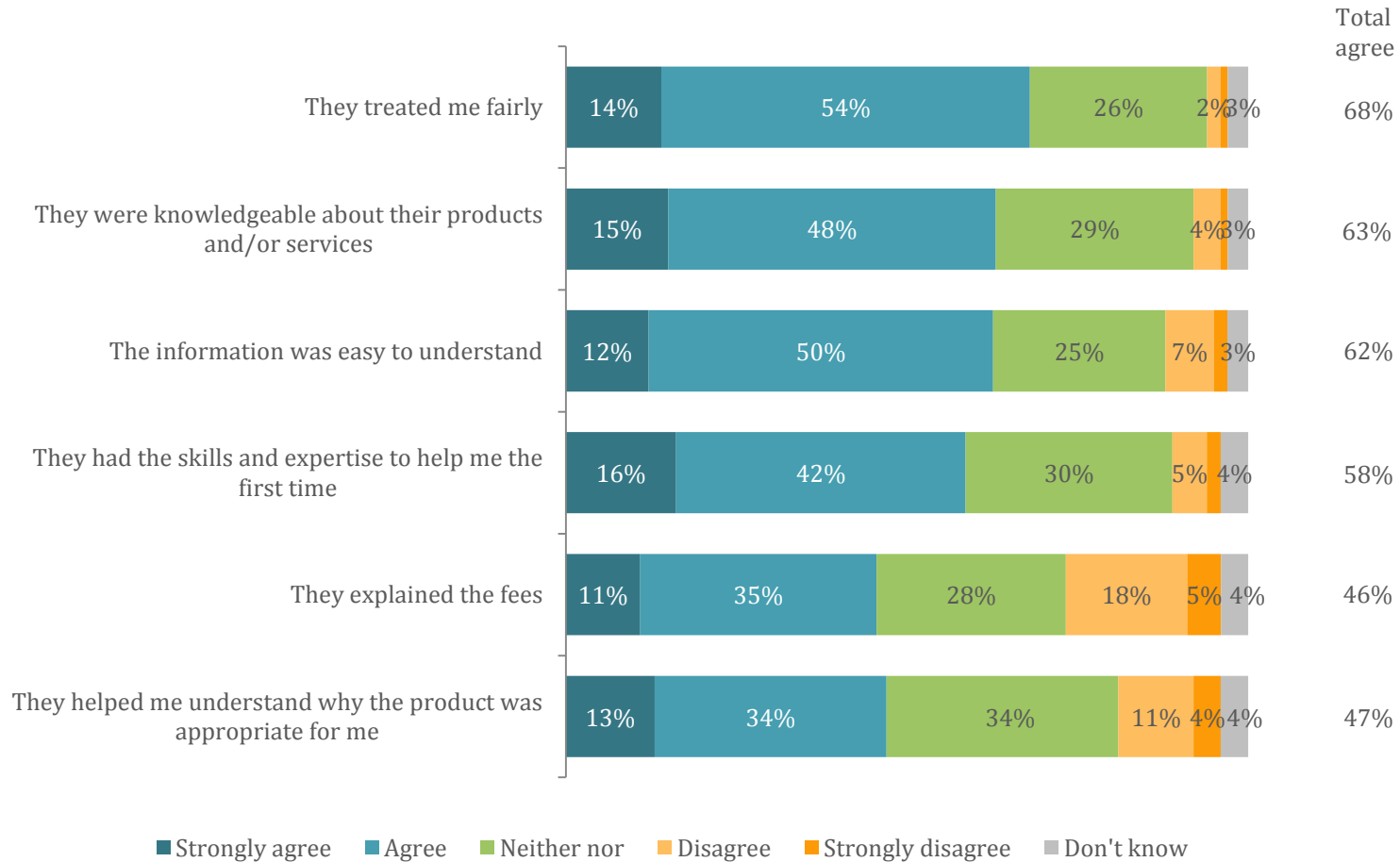
Base: Respondents with investments n=899



Appendix: Attitudes by product type

(Note: Results shown for products where $n > 30$)

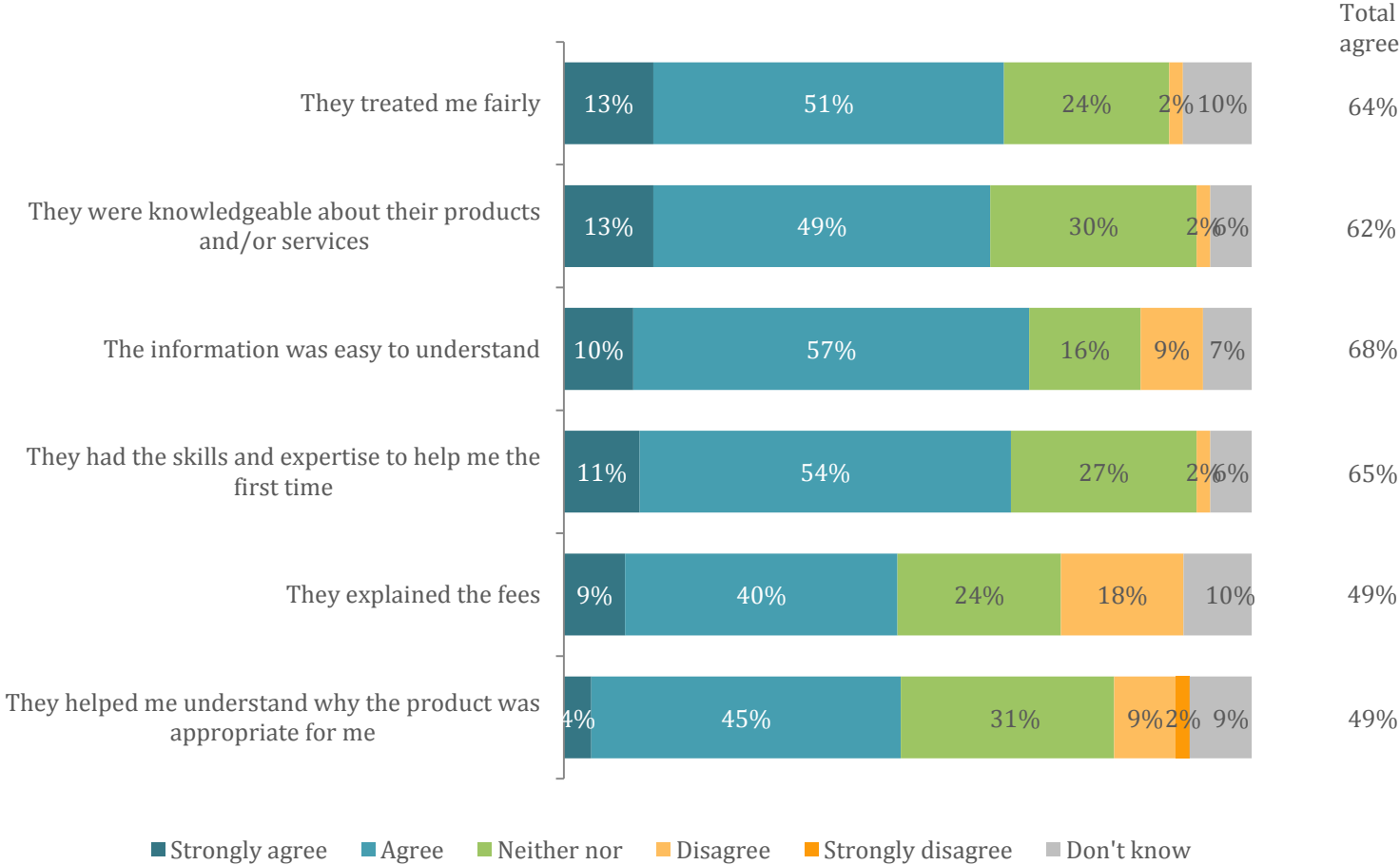
KiwiSaver



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Base: Respondents with KiwiSaver (excluding not applicable) n≈443

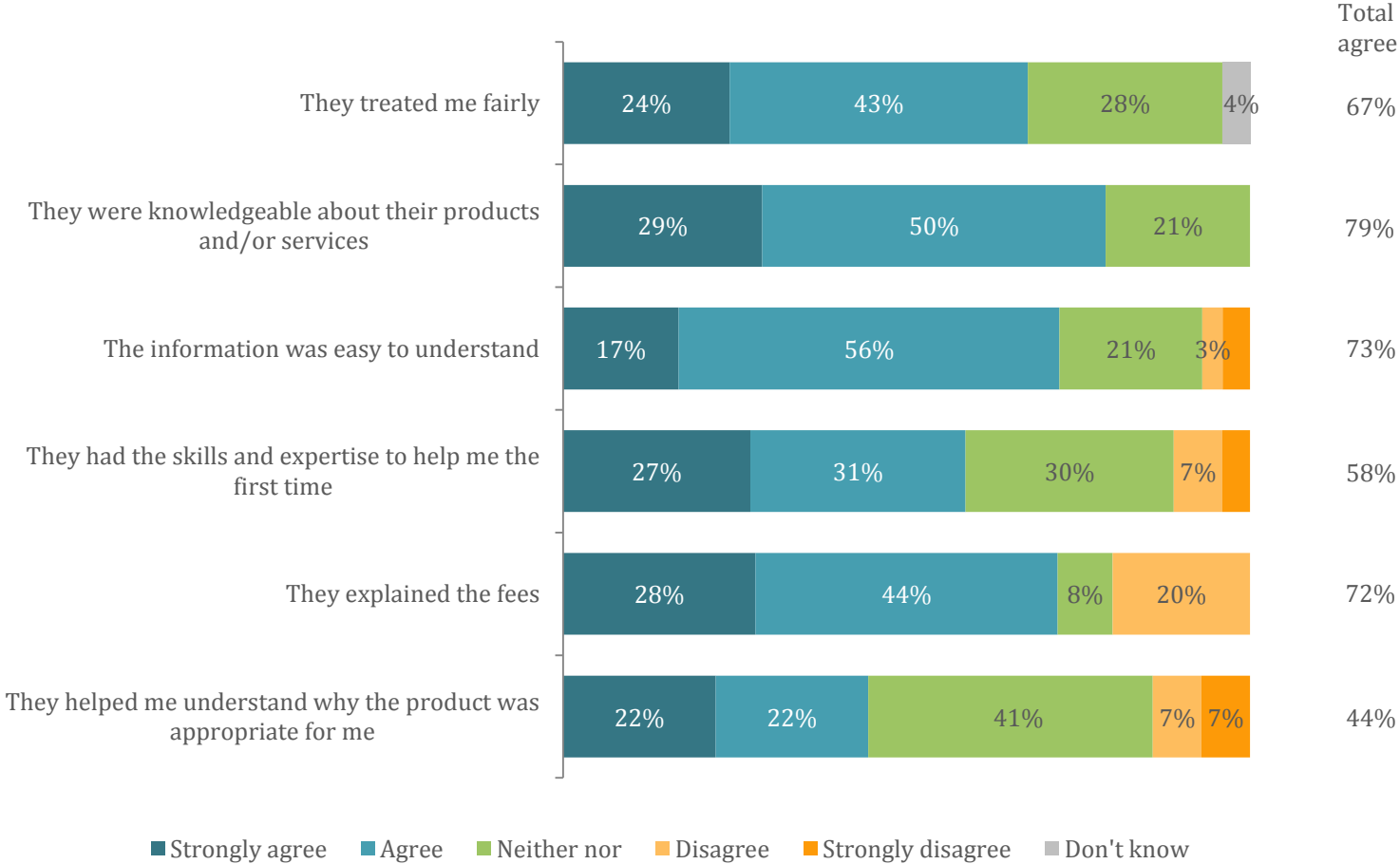
Other superannuation scheme



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Base: Respondents with an other superannuation scheme (excluding not applicable) n≈57

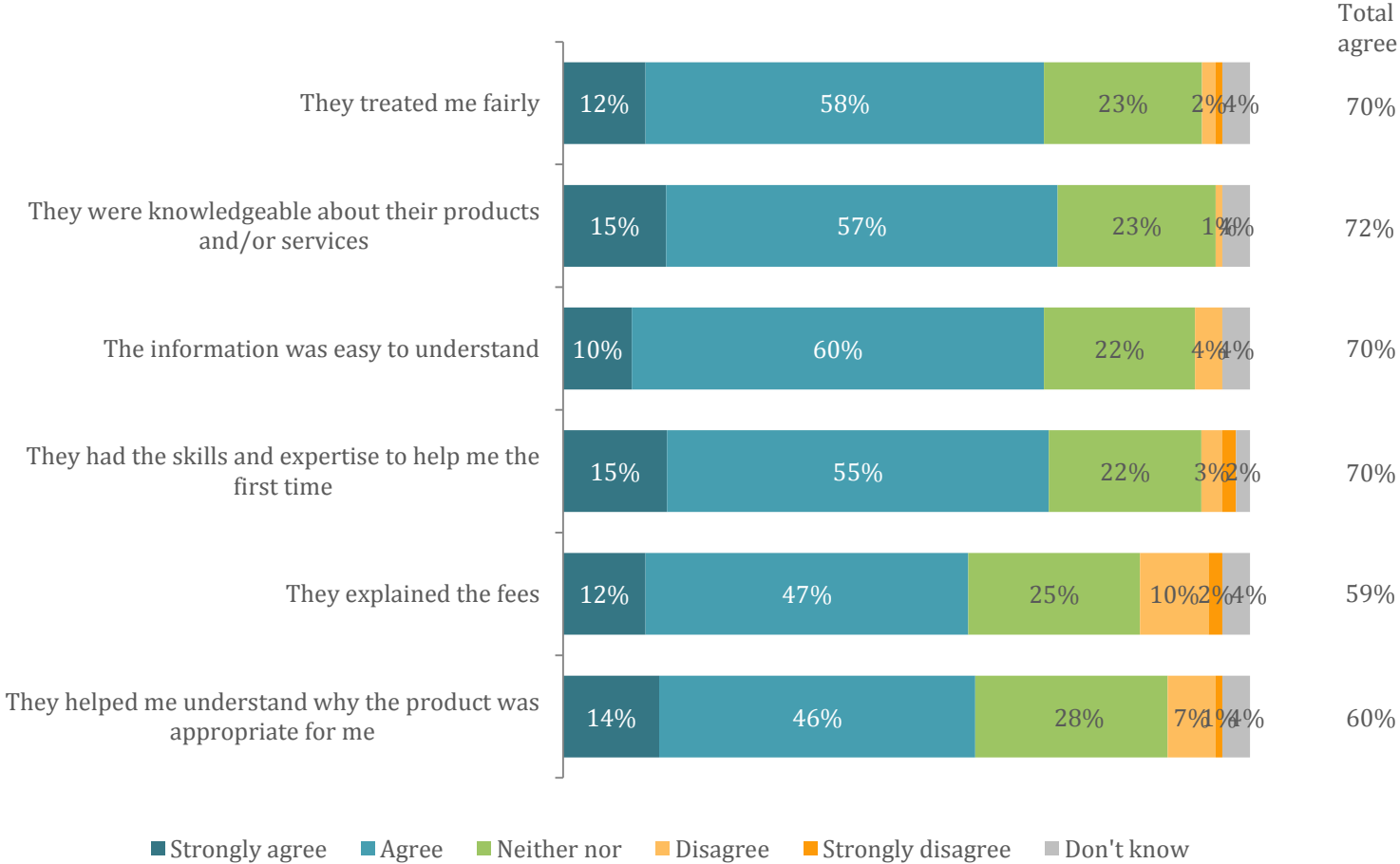
Unit trust or managed fund



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Base: Respondents with a unit trust or managed fund (excluding not applicable) n≈30

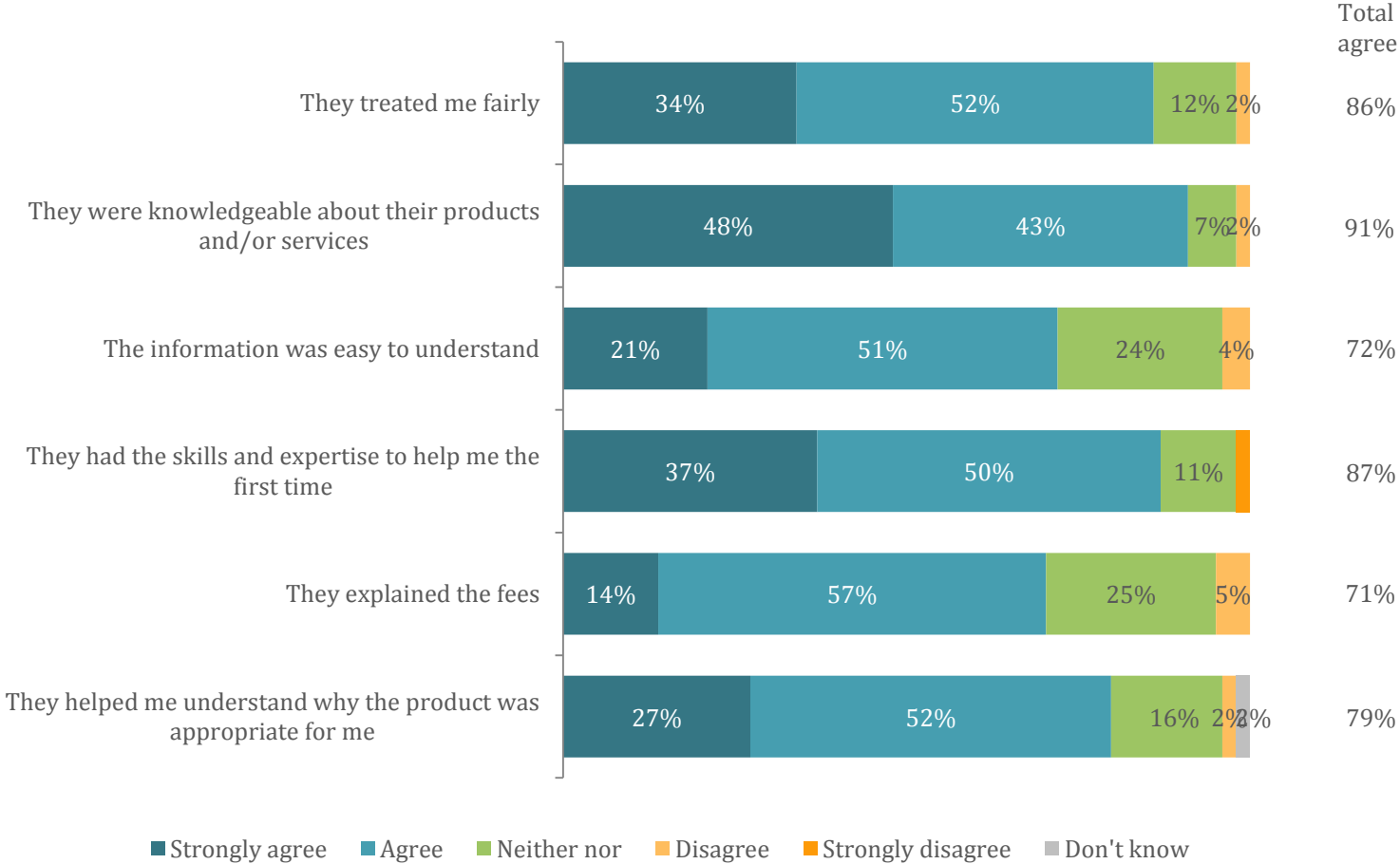
Life Insurance



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Base: Respondents with life insurance (excluding not applicable) n≈171

Investment portfolio



Q6. Thinking now about all the interactions and communications you have had with this financial provider in the last 12 months, including online, on the telephone, or face to face, whether you contacted them or they contacted you, please read each of the statements below, consider your interactions with the provider, and indicate how much you agree or disagree with each statement. If you have an adviser for your investments, please think about contact with your actual provider, not through your adviser.

Base: Respondents with an investment portfolio (excluding not applicable) n≈47



Appendix: Demographic profile

Demographic profile by gender and age

	KiwiSaver (n=667)	Investment portfolio (n=53)	Other superannuation scheme (n=142)	Life insurance (n=372)	Unit trust or managed fund (n=71)
Gender					
Male	48%	47%	54%	47%	62%
Female	52%	53%	46%	53%	38%
Age					
18-29 years old	27%	4%	4%	12%	15%
30-39 years old	19%	7%	11%	23%	4%
40-49 years old	21%	8%	26%	27%	17%
50-59 years old	19%	18%	31%	20%	18%
60+ years old	13%	63%	28%	18%	46%
Personal income					
Up to \$50K	31%	32%	16%	24%	33%
\$50-\$100K	36%	34%	40%	37%	34%
Over \$100K	16%	17%	28%	19%	20%

Demographic profile income and geography

	KiwiSaver (n=667)	Investment portfolio (n=53)	Other superannuation scheme (n=142)	Life insurance (n=372)	Unit trust or managed fund (n=71)
Household income					
Up to \$50K	21%	28%	10%	12%	28%
\$50-\$100K	32%	18%	27%	34%	19%
Over \$100K	28%	36%	47%	35%	40%
Region					
Auckland	35%	30%	34%	32%	34%
Canterbury	14%	10%	8%	12%	12%
Wellington	13%	11%	11%	12%	15%
Rest of North Island	29%	39%	36%	33%	30%
Rest of South Island	10%	10%	12%	11%	10%



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