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Credit Unions Rate Above Banks in Overall Customer Experience

According to recent research undertaken by international market intelligence company brandmanagement Group, New Zealand Credit Unions ranked well above banks in terms of the overall customer experience when they were looking to become a customer.

Chief Executive of the New Zealand Association of Credit Unions (NZACU) Henry Lynch commented "We're obviously very encouraged with the findings – as brandmanagement suggested in their presentation to us, New Zealand Credit Unions should be doing the 'financial services haka' right now."

"Unlike Banks, Credit Unions are fully owned by, and exist solely for, their members (who are their customers). They don't have the pressure to maximise profits for external shareholders so they put profits back into a combination of better rates, fairer fees, responsible lending, community support and of course, outstanding customer service."

The research was undertaken as a mystery shopping exercise with the 'customer' asking to set up a new savings account with the bank or credit union and recording their experience of the process.

"We asked our Mystery Shoppers to rate everything from their impression of initial contact and friendliness of staff, through to the more objective areas of their interaction such as disclosure of fees and quality of material and information provided" explained Mr Andrew Inwood, Principal of CoreData Research, a part of the brandmanagement group.

"There were a number of areas that credit unions ranked significantly higher than banks, including keenness, professionalism and disclosure of fees. Whilst the sample size used in the survey was not large, the overall score reflects the fact that credit unions really are a financial service provider focused on their customers' needs and are on the right track" said Mr Inwood.

The enthusiasm and knowledge of staff is something that really showed through in the findings, largely due to the genuine buy-in that staff have to the credit union philosophy of 'people helping people'.

Mr Inwood said that the keenness shown by Credit Union staff to ensure they are providing a full service experience to the customer is something that really stood out. "After all, when all is said and done, what customers really care about is how important the organisation they are dealing with thinks they are and how interested they are in their happiness."

Mr Inwood said that there were any number of data points that bore out the focus that credit unions have on their customers. "All over the world we can see a persistent pattern with credit unions - they have fewer complaints against them, problems get resolved faster and they tend to be much more flexible when dealing with customer distress."

"For a lot of the people working at credit unions – they have chosen to work there because they want to make a difference and this really shows through in the work they do."

Henry Lynch concurs, "Credit unions obviously don't have big advertising budgets like the large banks, so credit unions focus on really getting to know our members and doing our best to help them improve their financial position. Customer (member) satisfaction is our best form of promotion."

"Credit union members also like the fact that being 100% New Zealand-owned and operated, members' funds are retained in New Zealand."

With around 177,000 members and 95 branches across the country, the credit union network here is working hard to provide New Zealanders with a genuine alternative to the traditional big overseas owned banks.

"Credit unions are very popular in Australia, the UK and US in particular, but are still largely unfamiliar territory to a lot of New Zealanders. Having said that, word is getting out that anyone can be a credit union member and they're a great option for anyone who is looking for truly personal, friendly service. There are no joining fees and plenty of benefits for Kiwis to shift their everyday banking needs to a locally owned organisation that genuinely has their best interests at heart" said Mr Lynch.

ENDS

Attachments:

- Key slide from brandmanagement research presentation
- "What is a credit union?"
- NZACU Key Facts and Figures
- NZACU Branch Locations
- "What we mean by a co-operative"

For further information contact:

Henry Lynch
Chief Executive Officer
NZACU
Phone: +64 9 306 1240
Mobile: +64 27 497 4993
Email: henry.lynch@nzacu.org.nz

Andrew Inwood
Principal
Core Data
Phone: 0061 2 9231 0200

Email: andrew@brandmanagement.com.au