

A research paper by Wellington IT
Survey carried out by Censuswide

What the Irish public expect from their financial institution and how they rate Credit Unions

wellington IT



Survey carried out by [Censuswide](#).
All information gathered in April 2021.



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The “Why” Behind This Whitepaper

Without a doubt, 2020 and 2021 have been two of the most challenging years of our lifetimes.

In Spring 2021, Wellington IT carried out a national survey across Ireland through independent research organisation, Censuswide.

The primary objective of this survey was to provide Credit Unions with meaningful data on the public perception of financial institutions, to help them with their strategic vision, digital strategy and marketing.

With bank closures of Ulster Bank, KBC and Bank of Ireland, now is a golden opportunity for Credit Unions to attract members. Credit Unions should also aim to convert ex-credit union members as well as dormant and irregular members to become much more active members.

The challenge seems to be the incorrect consumer assumption that Credit Unions are not competitive from a digital services point of view. This is borne out by the survey, with only 10% of respondents believing Credit Unions are the most digitally enabled financial institutions.

The fact is that modern Credit Unions offer an enviable array of banking services and digital banking apps. Credit Unions must spread the word on just how digitally-enabled your services are and the full range of account products that you offer consumers.

After all, there has never been a better time to stand out from the competition and in this sector.

Credit Unions are without a doubt, the best choice of financial institution for anyone. You are owned by your members, not-for-profit, embedded into your communities and you offer ethical lending.

Your members are your advocates, and we at Wellington IT are too. We want to help promote Credit Unions to the wider public – and this survey alongside our recent press releases have helped to do that.

In this whitepaper, we will highlight the results of the survey including:

- 1. How the public really feel about Credit Unions
- 2. What would influence the public to switch to a Credit Union?
- 3. How digital can play a huge role
- 4. The opportunity available for Credit Unions



At a time of uncertainty, it is important that we all collaborate, share our insights and experience, and help each other to continue to thrive during this tumultuous time. I hope you find this whitepaper useful and informative. Thanks for reading,

Declan Colfer
Managing Director,
Wellington IT

How The Public Really Feel About Credit Unions

1

Credit Union Member Feedback



Generating new members who borrow is vital for Credit Unions to be sustainable. Some of the strongest forms of marketing are member testimonials and 'Word of Mouth' or recommendations.

In this survey, we segmented member feedback from the general public feedback, so you can understand your members that bit better. We strongly encourage you to survey your own members for a true reflection, relevant to your Credit Union, however in general we discovered:

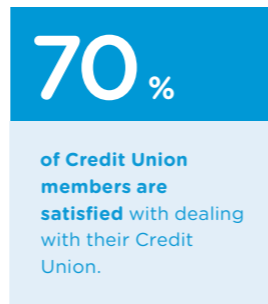
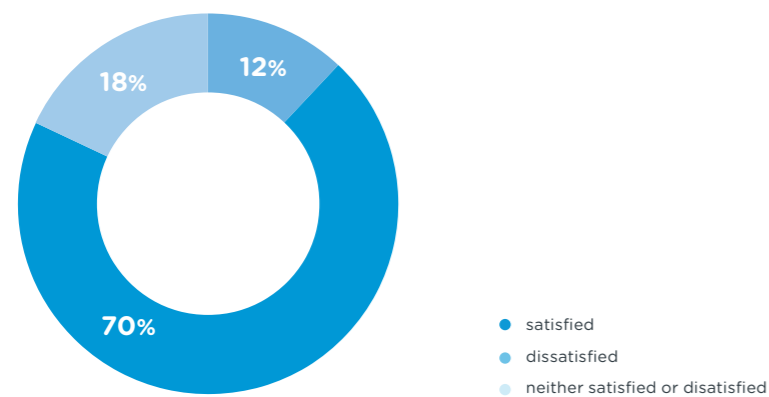
70% of Credit Union members are satisfied with dealing with their Credit Union. This is higher in those who have a Credit Union account but not as their main account or where they have the most money, at 58%

Only 12% said they disagreed with the statement

18% said they neither agreed nor disagreed

This proves that the majority of your members, who manage their finances with you, are satisfied.

Credit Union Member Satisfaction Overview

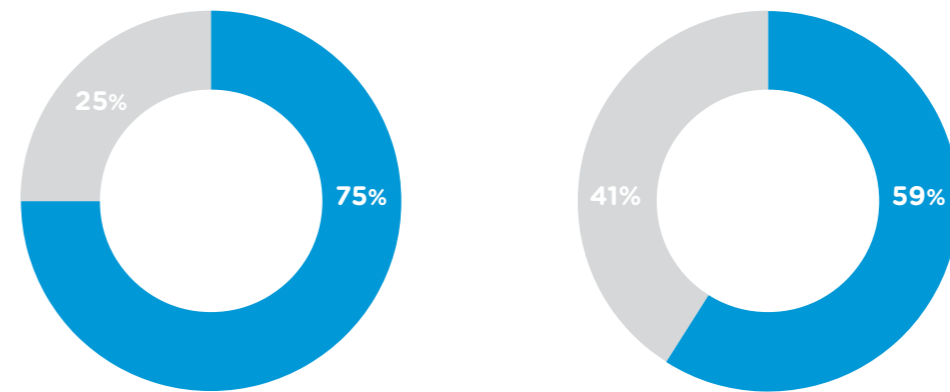


Breaking this down further, we discovered that:

75% of Credit Union members are satisfied with the experience of dealing with their Credit Union in-branch. Not surprising after your 6-year run of winning the CXi Customer Experience Award!

And 59% of members are satisfied with the experience of dealing with their Credit Union online proving that with mobile apps, online loan applications and the ability to join online, Credit Unions can rival FinTechs without compromising customer service.

Credit Union Member Satisfaction Breakdown



In Branch

Online

● preferred method and place of interaction

The key point here is how you integrate digital technology with your customer service strategy and this needs to be incorporated into your digital strategy.

Insight

Credit Unions can rival FinTechs, without compromising customer service.

Reasons Members Closed Their Credit Union Account



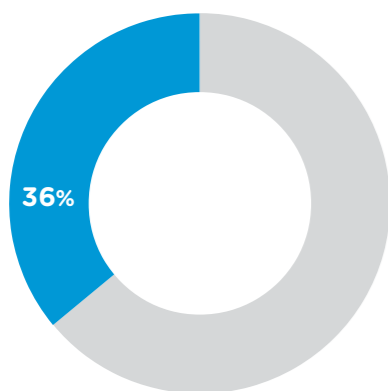
We wanted to help you understand why members would close their Credit Union account, and we found that:

36% of people who stated they used to have a Credit Union account, but don't any more, **closed their Credit Union account due to a lack of digital services.**

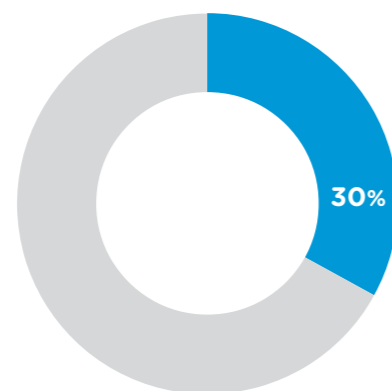
(e.g. mobile app/online banking). That's over a third and is significant. People want convenience in this day and age, and that's what online services provide. This further compounds the importance of your digital offerings.

However, **30% of people who also closed their Credit Union account did so because of a lack of in-branch services.** Whilst digital is hugely important, you can't neglect your in-branch services. It's also your key differentiator now that key banks are leaving the Irish market and there are so many branch closures. And remember, in-branch incorporates digital too. Think of digital signage, digital signatures, self-service kiosks etc. Technology is an enabler to your fantastic customer service; it's not always a replacement.

Reasons Members Closed Their Credit Union Account



due to a lack of Digital Services



due to a lack of In-Branch Services

Insight

Think of digital signage, digital signatures, self-service kiosks, etc. Technology is an enabler to your fantastic customer service - it's not a replacement.



More Interesting Member Feedback



Some other interesting findings from the survey revealed:

32% of people who cited Credit Union as their main financial institution **never use mortgages from you, yet the same percentage are aware that Credit Unions offer mortgages.**

35% use telephone banking with their Credit Union, at least once a week. Compare this with Retail banks - only 17% use telephone banking with their retail bank at least once a week. Why is this? Are your members aware of the banking facilities they can carry out online? The more they can self-serve, the less telephone calls required (and this in turn will reduce that frustration of phone wait times that we'll soon cover).

67% of those who cited Credit Unions as their primary financial institution utilise loan applications in Credit Unions once a year or more. This is a significant percentage. Your members must be aware of your loan offerings so you're getting your message to your members. Yet 23%, almost a quarter, never use loan applications from Credit Unions, despite it being their primary financial institution.

The common theme here is how you market your products and services. Are you making it easy for your members to learn more of your offerings?

67%

of those who cited Credit Unions as their primary financial institution **utilise loan applications in Credit Unions once a year or more.**



General Public Feedback



Moving on, we wanted to discover the perception that the Irish public have of Credit Unions (not limited to Credit Union members).

Knowing this will enable you to communicate and market your services more effectively.

We asked the public to rate financial institutions including Banks, Building societies, FinTechs such as Revolut and PayPal and, of course, Credit Unions across several areas. Unsurprisingly, Credit Unions came up top for...

41% most trustworthy

41% best for customer service

44% best for customer experience

41% best value for money

According to this survey, Credit Unions rate top for customer experience!



and.. as of 2021, you've enjoyed a 6-year run of winning the CXi Customer Experience Award!



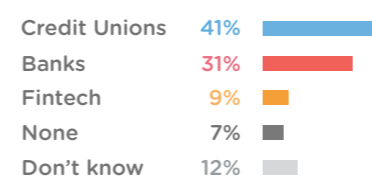
However, whilst you've got the customer experience and service nailed and the public trust you over your competitors, they still aren't seeing Credit Unions as being digitally enabled or as their main financial provider:

Only 10% voted you most digitally enabled

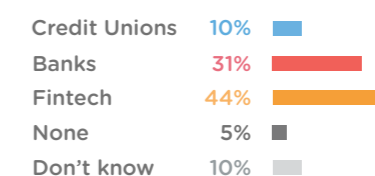
and only 18% cited you as where they expect to do most finances in the future

For context, see below graph:

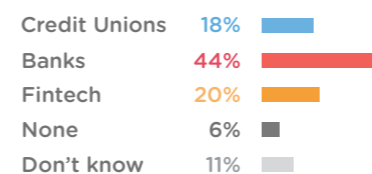
Most Trustworthy



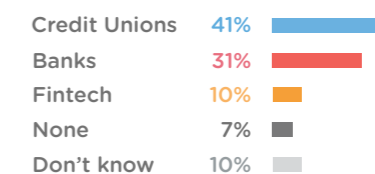
Most Digitally Enabled



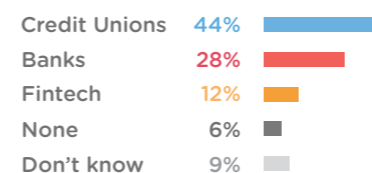
Where I Expect To Do Most Transactions In The Future



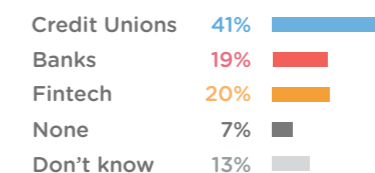
Best For Customer Service



Best For Customer Experience



Best Value For Money

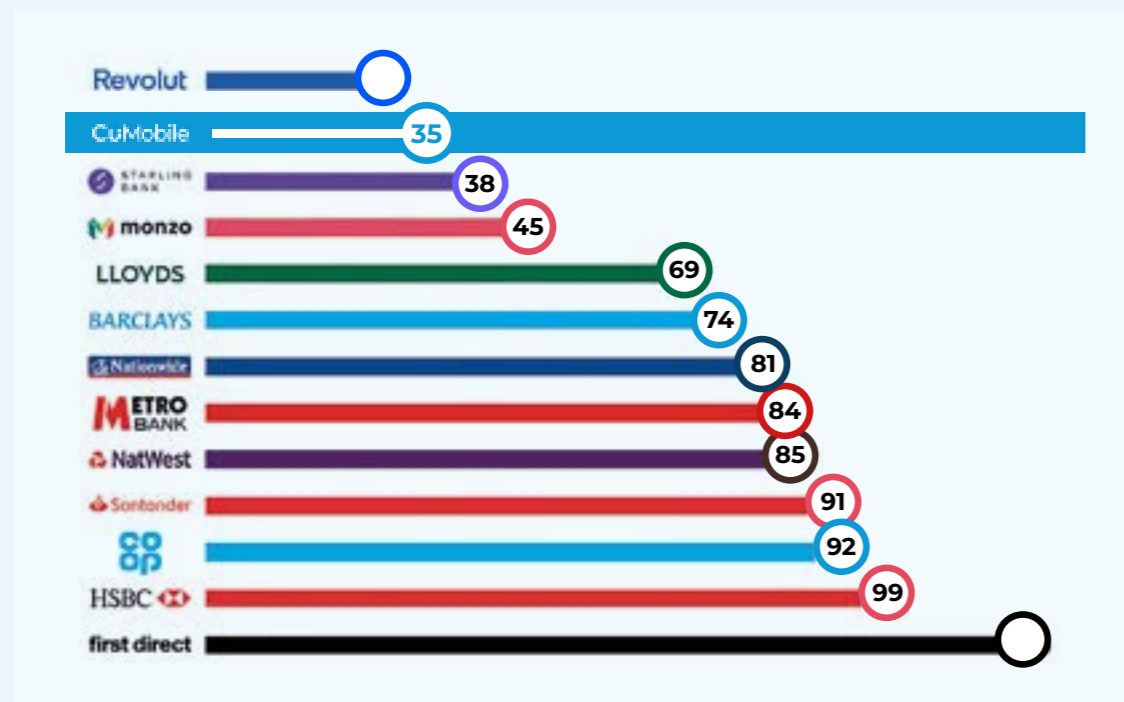


As you can see, **Fintechs came up top with 44% for most digitally enabled, which isn't surprising, given their significant investment into technology.**



However, Credit Unions are more than able to compete with Fintechs, as proven by research from builtformars coupled with findings from one of our customer Credit Unions, Member First Credit Union.

Number of clicks to create an account



We as Credit Unions need to be confident in what we are offering our members. With our new mobile app, it only takes a prospective member 35 clicks to open an active account. This places us in 2nd place, only below Revolut.

Conor Ralph, Marketing Officer at Member First Credit Union referred to this research during his presentation at industry event cuEngage.



Traditional banks came up top with 44% on where the public expect to do most finances in the future.

Clearly, customer service is important, but it isn't enough on its own to convert people. You need to get the message across that Credit Unions are digitally enabled and here for the long-term.

So, in the next chapter, we will look at what would make the general public switch to a Credit Union as their main financial provider.

Key Takeaways From This Chapter

The great news is that Credit Unions are top for overall customer experience. But it is not enough.

Credit Unions are not currently seen as being digitally enabled or as a main financial provider. In chapter 3 we discover that a segment of people would prefer their banking experience to be digital, so it's vital that you market your digital offerings effectively.

Digital services are hugely important, but so are the services you offer from your local branch - with a significant **30% closing their accounts due to a lack of in-branch services.**

The key element is how you integrate digital tech with your customer service strategy and this needs to be incorporated into your digital strategy.



Digital Services Are A Key Influencing Factor When Switching Financial Institutions



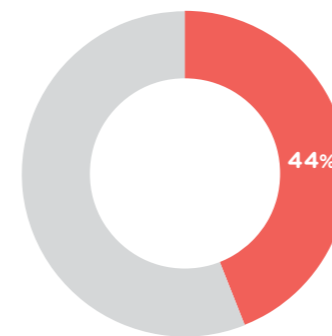
Why Would The Public Switch To A Credit Union?

When we asked the Irish public what would make them switch to a Credit Union as their main financial provider, they revealed that a focus on digital services is key.

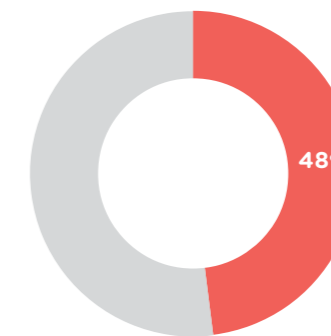
44% would consider making their local Credit Union their PRIMARY financial institution if they offered online loan application and approval. **25% disagreed and 31% were on the fence.**

48% of the Irish public would consider switching financial institutions if they offered a better mobile and digital experience.

Top Factors That Would Motivate Respondents To Switch To A Credit Union



Online Lending



Mobile and Digital

● would switch ● don't know

That's almost half of the general public who would completely switch their financial institution to receive better mobile and digital experiences.

This is a huge opportunity for Credit Unions - you have access to technology and digital solutions - **this 48% could switch from their retail bank or FinTech to the Credit Union!**



2

Digital Banking vs In-Branch Banking



Further evidence to suggest the need for a focus on digital.

59% of people believe the entire banking experience will be **COMPLETELY digital in 10 years' time, and there'll be no physical branches.**

Further to this, **84% of the Irish public regard 24/7 access to finances as important.** This can only be achieved by digital offerings.

We tend to think that it's the Millennials and the Gen Z who are pushing digital, however people of all ages are becoming more digitally-enabled. Generation X and "Baby Boomers" whilst not growing up with technology, are very forward thinking about technology because a lot of them are experienced with it through their work nowadays.

In fact, almost **90% of Gen X (your 45-54 year olds) said 24/7 access to finances was important**, compared to 77% of Gen Z (16-24 year olds). By offering digital alternatives to engage with their Credit Union, you aren't negating the needs of your older members.

90%

of Gen X (your 45-54 year olds) said 24/7 access to finances was important compared to 77% of Gen Z (16-24 year olds).

CuMobile

Learn more about our mobile app in our case study with **Member First Credit Union**, who are receiving 5* reviews from members for their new app!



What Does The Public Expect From Their Financial Mobile App?



We know that mobile app access, online banking services, and 24/7 access to finances are important, particularly to the younger generations, but what does the public expect from their financial mobile app?

The basic tasks the public expect to do from their app are:

- Transfer money
- View savings
- Manage direct debits/standing orders
- Manage personal details
- Upload documents e.g. proof of address
- Apply for a loan
- Change passwords
- Mobile or app notifications
- Manage your credit cards
- Apply for a current account
- Ability to message the financial institution/bank
- Connect their other bank accounts

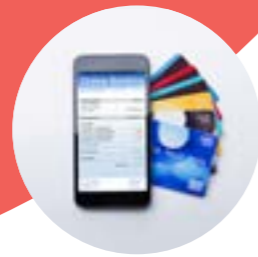
Basic Tasks Respondents Want Their Mobile App to Perform

Transfer Money	66%	<div style="width: 66%;"></div>
View Savings	64%	<div style="width: 64%;"></div>
Manage Direct Debits/Standing Orders	50%	<div style="width: 50%;"></div>
Manage Personal Details	50%	<div style="width: 50%;"></div>
Change Passwords	49%	<div style="width: 49%;"></div>
Apply for a Loan	45%	<div style="width: 45%;"></div>
Change Password	44%	<div style="width: 44%;"></div>
Mobile or App Notifications	44%	<div style="width: 44%;"></div>
Manage Credit Cards	43%	<div style="width: 43%;"></div>
Apply for a Current Account	42%	<div style="width: 42%;"></div>
Message Financial Institution	41%	<div style="width: 41%;"></div>
Connect My Other Bank Accounts	41%	<div style="width: 41%;"></div>

The good news here is that the majority of these are already available to your Credit Union as member services. But if you haven't yet embarked on your digital journey, when focusing on digital, these would be a good place to start.



Open Banking

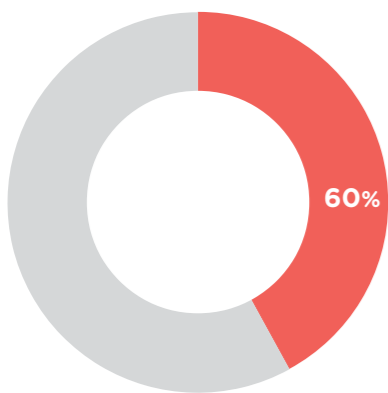


Open Banking is the biggest shake up the financial sector has seen in a long time.

By enabling customers to share their transaction data with new financial institutions in a standard and secure way, it aims to open the way for a range of new businesses and services to compete with the big banks, by providing customers with better products, more choice and lower prices.

When it comes to their financial banking app, **60% would like to view all financial info through the one banking app.**

Open Banking Preferences



View All Financial Info Through One App

With **58% of people considering switching to their Credit Union as their primary financial account for their day-to-day financial services**, this is a massive opportunity for Credit Unions to “own” that relationship.

Want to learn more about Open Banking? Check out a recording of our cuEngage session from 5th May 2021.



Key Frustrations With Primary Financial Institution



As part of this study, we wanted to understand the key frustrations that the public have with their primary financial institution, so Credit Unions can determine how to reduce these frustrations for their members.

However, the top 3 frustrations are:

- Phone wait times **31%**
- Necessity to come into branch to carry out some services **24%**
- Branch wait times **15%**

3 Top Frustrations With Primary Financial Institutions



Interestingly, these were the exact same frustrations with Credit Unions, as cited by their members. In chapter 1, we revealed that 35% used telephone banking in their Credit Union, as opposed to only 17% using telephone banking in traditional banks. And they cite phone wait times as one of their biggest frustrations. Are your phone lines congested with members asking for information, or applying for a loan, or wanting you to authorise a transaction for them? They can perform all these tasks online, freeing up your phone lines for those with genuine enquiries that can only be achieved via the phone.

The more your members can self-serve, the less they'll phone your branch, providing a more efficient experience for them and giving your staff time back to focus on other important tasks.

And we know digital technology both in branch and online tools such as mobile apps can reduce this.



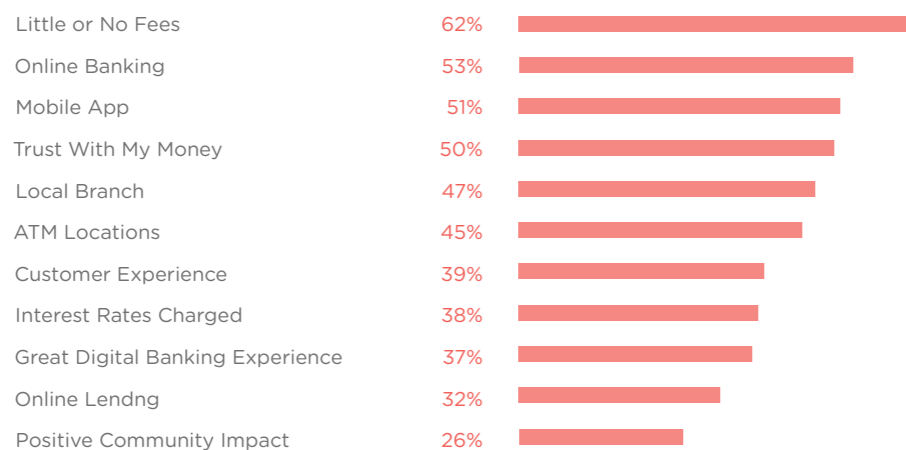
What Would Make The Public Switch Financial Institutions?



When asked specifically what would make them switch their financial provider, participants rated the following as top factors including mobile app, local branch and little or no fees.

The basic tasks the public expect to do from their app are:

What Would Make The Public Switch?



We want to drill into these a little further.

Interested in hearing about a real Credit Union's journey implementing member fees? Visit below to access a recording of a session led by **First South Credit Union** on their journey and learnings with implementing member fees.



Member Fees

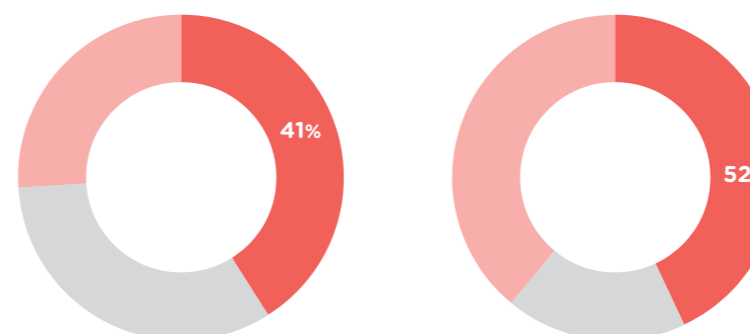


The hot, and quite polarising topic of Credit Unions introducing fees has been talked about a lot since the pandemic, for Credit Unions to benefit from a new revenue stream. Some Credit Unions are totally against this process, whilst others see it as a vital way to generate revenue and stay afloat and assure their members that they'll be there for them in 5, 10, 20 years' time (both in-branch AND online of course!)

We wanted to try and understand a bit more about how the public react to fees from their financial institution.

A resounding "no" most likely... well... not exactly!

Respondents Attitudes Towards Member Fees



Irish Public

Credit Union Members

● would stay ● would leave ● unaware of service

The good news here is that **41% agreed that if their primary financial institution was providing an excellent experience, the introduction of fees would not make them leave.** 1/3 disagreed and 27% were on the fence. Not as polarising as we thought. And, when we look at only those people who cited that their Credit Union is their primary financial account, the amount who agree is even higher. **52% of Credit Union members agree that if they were receiving an excellent experience, the introduction of fees would not make them leave. 26% disagreed and 22% were on the fence.**

This shows more loyalty to Credit Unions. Members genuinely care about their Credit Union, it seems, more so than any other type of financial institution. We hope this provides you with some food for thought if you're thinking about fees.

41%

agreed that if their primary financial institution was providing an excellent experience, the introduction of fees would not make them leave.



Online Banking and Mobile Apps

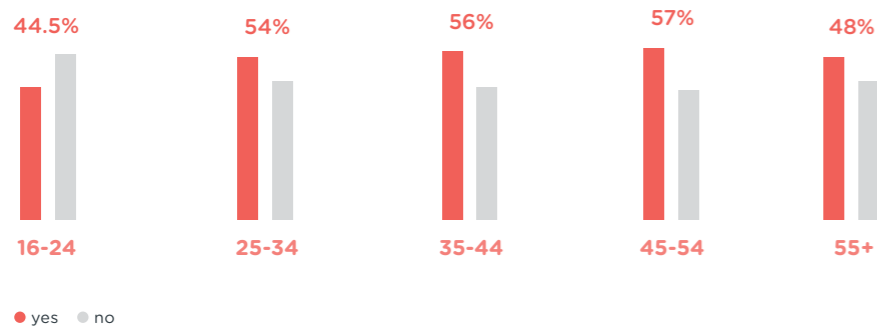


Another notable factor to influence someone switching to a Credit Union as their main financial provider is online banking and mobile apps:

Online access to banking services had **53% of the vote** and

Mobile app access to finances had **51%**

Respondents That Would Insist On A Mobile And Banking App

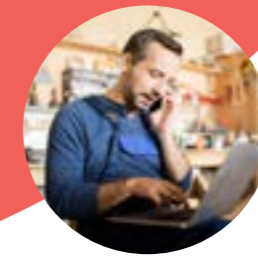


Over half of people won't switch to a financial institution that doesn't offer online banking or a mobile app. That's substantial!

As we can see here from the bar chart, this is particularly important to Millennials (our 25-44 year olds), however not quite as important to Gen Z (16-24) and our Baby boomers (55+). Generally though, it is still an important factor across the board and the difference is very marginal, suggesting the move towards digital is important across generations.



Trust



As we mentioned earlier, most respondents voted Credit Unions as the most trustworthy of Financial Institutions compared with High Street banks and FinTechs and see this as an influencing factor to switch.

This is a great accomplishment for Credit Unions and it's important, because half of respondents, **50%**, cited **"trust with my money"** as a **key factor when it comes to switching their financial institution.**

However, where their trust may falter slightly is when they ask themselves "will Credit Unions be around long-term"?

We already discovered that only 18% of people voted Credit Unions as where they'll do most of their finances in the future and even less, 10% voted them as most digitally enabled. You need to shake this perception and promote that Credit Unions will always be there for their communities, and offering these digital solutions to futureproof members' finances will help boost that trust.

50%

cited **"trust with my money"** as a key factor when it comes to switching their financial institution.



Local Branch



The fifth most important factor was having a local branch (with 47% of the vote) closely followed by ATM locations (with 45% of the vote).

With multiple bank closures during the pandemic, a local branch is now another differentiating factor for Credit Unions.

You haven't pulled out of the Irish market. Your doors stayed open throughout the entire pandemic. And you genuinely put your members' needs first.

It's no surprise you're the most trusted financial institution, and a local branch only adds to that trust.

Other Influencing Factors



There were also some other factors that would influence their decision that are worth noting, albeit to a lesser extent.

The customer experience they receive had 39% of the vote. Interesting to note that customer experience wasn't as high up on that list as we would have expected, though still hugely important. It appears that the importance of this does decline as the respondents got younger which is also true for interest rates charged, indicating that customer service and interest rates are not as high a factor for younger people.

The ability to offer a great digital banking experience had 37% of the vote and the ability to apply for a loan online had 32%. This further evidences the importance of digital solutions such as online loan applications, digital member onboarding and a mobile app.

The institution making a positive impact on the community had 26% of the vote. We thought this would be higher, however a quarter of people is still a significant amount. And it's something that's embedded into the very foundation of Credit Unions.

Further to that (and this is a big one) **57% agreed that the first priority for Credit Unions is to invest in online banking, apps and improvements to their digital offering.** Only 15% disagree.

Considering many of you do already offer these services, we had to ask the question, do the public truly know what a Credit Union does?

57%

agreed that the first priority for Credit Unions is to **invest in online banking, apps and improvements to their digital offering.**

Do The Public Know What Credit Unions Offer?

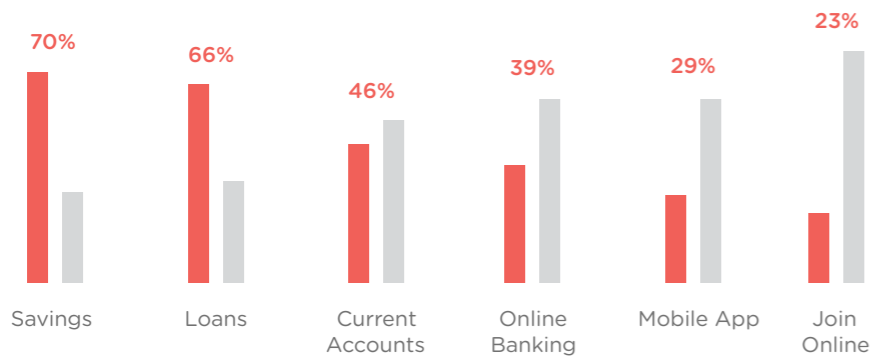


We don't need a survey to know that the public perception for Credit Unions over the past few decades has been as a place to save money and you have made great efforts to shake this image. However, with the introduction of new loan types, mobile apps and current accounts, has the perception changed much?

We asked the public to choose from a list of your key services to see if they were aware of what you offer:

Unsurprisingly, **most respondents know Credit Unions offer savings (70% in fact), and 66% know you offer loans.** However, there is still 34% who don't know you can get a loan from a Credit Union suggesting you still haven't fully shaken the savers club image.

What Services Respondents Think A Credit Union Offers



Less than half (46%) know that Credit Unions have the ability to offer current accounts

Even less again (39%) know that Credit Unions offer online banking

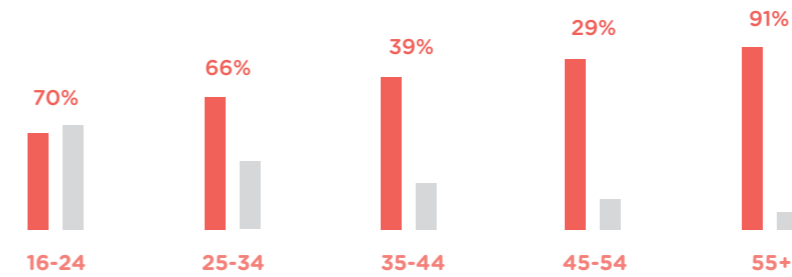
Only 29% know that Credit Unions offer a mobile app

Just 23% know there is an ability to join online



The age group here is also extremely interesting. As you can see, the percentage of those aware of Credit Unions offering savings and loans (the red bar) decreases as the audience gets younger suggesting that the younger audiences just aren't being reached, en masse.

Respondent Awareness Of Credit Union Key Services By Age



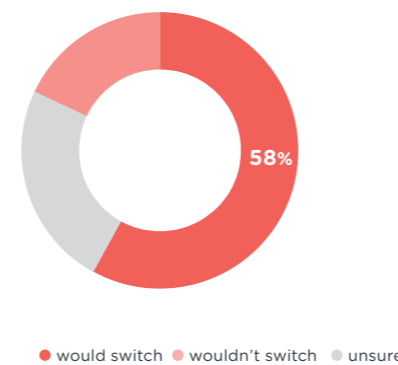
Another interesting point is that even basic services like direct debits (31%), standing orders (29%) and overdrafts (17%) have such little awareness from the public (particularly Gen Z and Millennials).

This suggests an image problem and ties in with our findings that only 18% of the public expected to do most of their finances in the future with a Credit Union.

Over Half Of People Would Switch To Their Local Credit Union

The good news is, this survey in itself provided awareness to Credit Union services, and **58% of all participants stated that they would switch their primary financial provider to their local Credit Union knowing they have all these services.** 18% wouldn't and 24% aren't sure yet, suggesting you still have some more you can win over!

Repondents That Would Use A Credit Union As Their Primary Provider Based On Provision Of These Services



Key Takeaways From This Chapter

Customer experience is very important to the public, with 39% voting it as a factor to switch.

It is important to **51% that they trust the institution** with their money.

Yet these weren't ranked as high as having online access to banking services, which had 53% of the vote and mobile app access to finances, with 51% of the vote. This was favoured by Millennials in particular – your target borrowing demographic!

Generation Z and Millennials are not aware of many of the services that Credit Unions offer but these are typically the services that would influence them to join.

The good news is you don't need to look far to ensure you have the services to grow your membership. **Key services like mobile and online banking are already available to your Credit Union.**

58% of all participants stated that they would switch their primary financial provider to their local CU knowing they have all these services.

But...**having these products are only half the battle.**

Credit Unions still have an image problem, particularly with the younger audience. You can have all the technology there is to offer, but without marketing your services effectively, you'll never change the perception the public have about Credit Unions.

You need to start attracting new members, mainly Gen Z and Millennials as they are your future and current borrowers. **Millennials are likely looking at mortgages, home improvement loans, wedding loans, whilst Gen Z are looking at student loans, first car loans, holiday loans** and of course these other loan types in the near future. You need to communicate your loans offerings to these younger members.

Credit Unions have used the pandemic as a chance to adapt their offerings and become more creative. For example, marketing home improvement loans in 2020 during lockdowns, and marketing holiday loans in Spring 2021 when lockdowns were easing.

Industrial Credit Unions such as Garda Credit Unions, promote very tailored loan offerings to their members: for example, offering €500 loans to buy books/equipment/uniform. This is something community Credit Unions can do too. Target students with a €500 loan to purchase their books and laptop. Target parents in June with loans to help buy their kids' school supplies/uniforms for the next school year.

Your core system should hold a wealth of information on your members, which can be analysed and result in actionable insights. Use these insights to help you stay relevant with your marketing. (Remember, Wellington IT customers can access and drill down into this data via cuInsight).

Also, **highlight your online capabilities – show your members how convenient it is to take out a loan with their local Credit Union!**

How Digital Can Play A Huge Role?

3

Preference For Digital Services

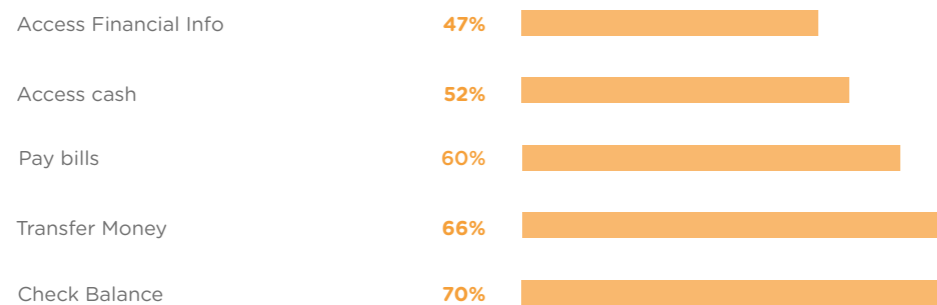


Given the clear demand for digital technology and in-branch services, we want to delve into this further and see what tasks and services that the public prefer to carry out online versus in person.

First up digital.

Most people said they would rather check account balance (70%), transfer money (66%), pay a bill (60%), access cash (52%) and access financial information (47%) digitally.

Preference For Digital Services



These are pretty basic tasks that should only take a few seconds, so it makes sense that people prefer to carry these tasks out online.

Digital services are important to a lot of people. If a financial institution can't allow for simple transactions like the above to be carried out digitally, then consumers won't be interested in joining.

The good news is that Credit Unions are equipped, or have the technology available to them, to do at least these basic transactions online.

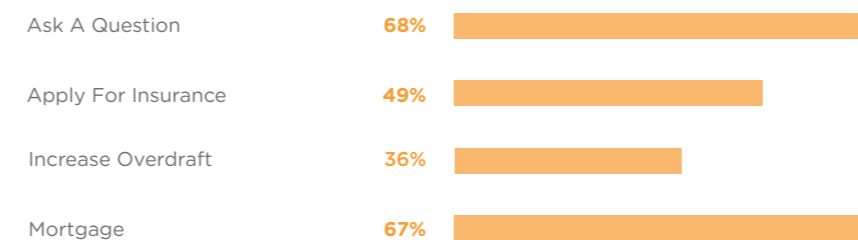


Preference For Services In Person



The majority of people would rather take out a mortgage (67%), increase an overdraft (36%), apply for insurance (49%) and ask a question (68%) via a human interaction.

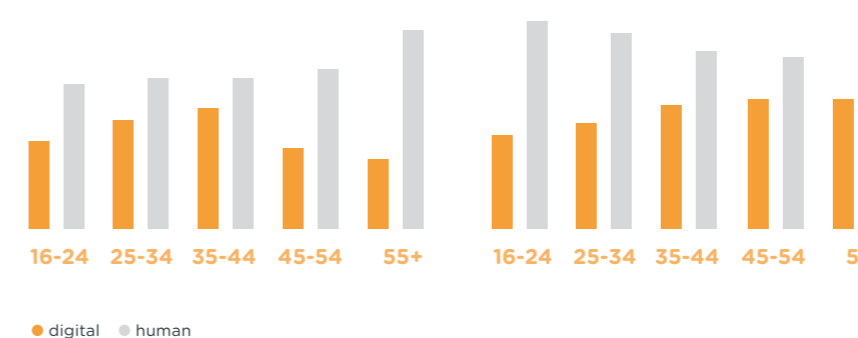
Human Interaction



These types of products are bigger decisions, for example, a mortgage is likely the biggest loan anyone will take out in their lifetime. In addition, sometimes having a question answered face to face can give you the peace of mind you need. However, it is worth noting that the trend is moving towards digital as we start to see less of a preference for human interaction as the age group gets younger, particularly for Gen Z and Millennials, indicating that whilst these tasks may presently be favoured face-to-face, this may not be the case in 5 or 10 years' time for things like joining a Credit Union or asking a question.

Join Credit Union

Ask A Question



● digital ● human



Loan Applications And Decision-As-A-Service



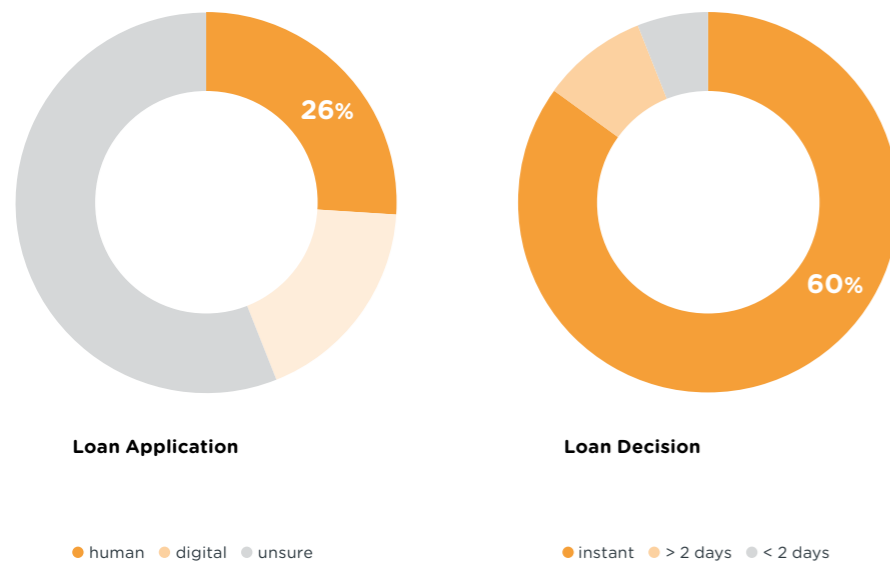
Over a quarter of people would prefer to take out a loan online.

...whilst around half cited they'd prefer to deal with a human when it comes to taking out a loan, indicating the need still for in-branch services.

85% want a loan decision in 2 working days or less.

Of this, 28% expect a decision instantly.

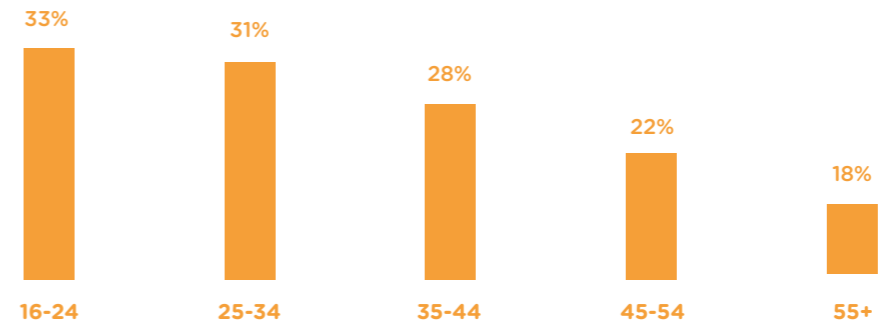
Expectations of When a Loan Decision Will Be Made



This is again where the younger generations top the poll slightly and we can see this gradual increase in demand with **33% of 16-24 year olds wanting a loan decision instantly.**



Instant Loan Decision



When it comes to growing your loan book, you have a wealth of data sitting in your core system that you can access via culnsight. In reality, are the 45+ year olds taking out loans?

They've most likely already got their mortgage, their car, have some savings behind them. It's their children that will be looking to take out loans - first car loans, student loans, loans for wedding, for holiday, first mortgage. These are who you need to cater for. And they want fast decisions on loans, or else they may go elsewhere.

The good news here is that we already know that a lot of our customers can boast 24 hour or less loan decisions, with tech at your fingertips such as online loan applications, e-signatures, and Decision-as-a-Service.

Check out this demo of Visualyse, an automated lending decisioning engine.



Why Is All This Important?



As we covered previously, 45% of people want to be able to apply for a loan via their app and we know 39% of respondents apply for a loan at least once a year.

This probably isn't necessarily "new" information to you, but it's good to get confirmation that focusing your efforts on the younger generations when it comes to loans is the best way to go.

The key for you is to ensure you're marketing it effectively – this sounds obvious – but having the technology is only half the battle. As we discovered already, the public aren't completely aware of all the services that Credit Unions can offer so never underestimate the power of marketing.

This insight into the perception of digital really ties everything together. Clearly there is a need for both in-branch and digital services depending on the task. However, what we have also seen across the board is that the needle, particularly amongst Gen Z and Millennials, is moving increasingly towards digital.

As a Credit Union, you need to plan for this and ensure that you have a digital strategy as part of your wider business strategy.

Key Takeaways From This Chapter

Most people would prefer a banking experience that's a combination of digital and in-branch, though the trend is **moving towards digital with younger generations.**

Almost 60% of people don't think physical branches will be here in 10 years' time

The demand for faster loan decisions is evident

When it comes to loan growth, your younger members are your key target and you can use tools such as cuInsight to help find out more about them

Now more than ever it is vital that you develop your digital strategy

Having the technology is only half the battle – you need to market it effectively

Digital technology can complement in-branch

In the meantime, there's lots that you can still do to ensure that you can facilitate your member needs and we would be remiss to not highlight that all of these are currently available and in use by most of our own Credit Unions, or indeed on our Product and Services roadmap.

Services such as Digital Member Onboarding with ID Verification, virtual tellers, websites with highly accurate loan repayment calculators, overdrafts and mortgages all enable you to offer a digital experience for your members, whilst still maintaining your customer service levels.

Blending these digital services with your in-branch services allows you to generate efficiencies and still provide a good in branch experience.

For example, we know some Credit Unions who use iPads for Digital Member Onboarding applications and loan applications installed that allows members to self-serve whilst still having the support from staff in-branch. In addition, when the pandemic first hit, some Credit Unions were quick to use their websites to direct members to the correct online services to enable them to access their finances.

Finally, with tools such as Decision-as-a-Service, you can receive recommended decisions that can speed up the lending process to help meet the public expectation of faster loan decisions. You can even fully or partially automate this, so the member automatically receives their loan into their account!

Conclusion: Golden Opportunity For Credit Unions To Win Big Amid Bank Closures

4



A Huge Opportunity To Boost Membership

The results of this survey, along with the recent bank closures in Ireland offer up a huge opportunity for Credit Unions who are already in a great position with:

75% of Irish people having had a Credit Union account at some stage of their lives

61% of Irish people having some form of a Credit Union account already



Former Members



Current Members

This 14% of respondents (almost 700,000 people) who closed their accounts due to a lack of in-branch services (30%) and/or a lack of online services (36%) could be won over again, if they're aware of the digital services you now offer. Things like self-service kiosks to reduce branch wait times and online loan applications via a mobile app to help reduce phone wait times can help persuade former members to re-join. You could even create a specific loan type in Scion to entice them back to you.

And there's a huge opportunity for Credit Unions to convert that **58% of people who'd consider switching to their local Credit union for their day-to-day banking needs.**

Over half of respondents said they'd switch to their Credit Union for their primary day-to-day financial needs, now that they're more aware of what services they offer.

But the thing is - they don't even have to switch! They can utilise their Credit Union whilst still having one or more other financial accounts. Getting people to switch completely is no mean feat, but getting them to open an account with you, and borrow from you is much more achievable.



However, you need to change the perception of Credit Unions, and highlight the services you offer, as we learned that largely, the general public aren't aware of them.

The good news is technology can be a fantastic enabler for your existing services: Digital Member Onboarding – people want convenience and want to be able to apply for a loan straight away. If they're not already a member, they'll want to join right away.

ID&V

Automated ID Verification provides a quick and seamless joining process for your new members and saves your Credit Union quite some time. Check out Core Credit Union's case study on Digital Member Onboarding with ID&V [here](#).

Customised Loan Offerings

Did you know Scion allows you the capability to create and launch your own new loan products? Ask your Customer Experience Manager for more information.

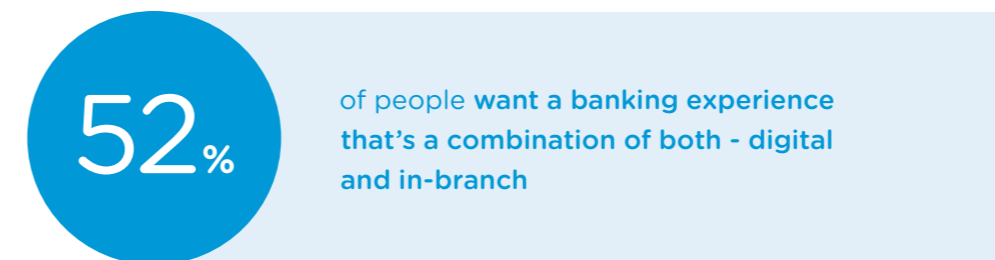
Website

Your website is a 365, 24/7 staff member, generating leads via loan application forms every single day. Community Credit Union are seeing 15% of loan applications coming through their website alone and expect this to continue to increase. Check out the case study [here](#).



A Local Branch Is Still Important

Despite a third of respondents citing the preference to have a fully digital banking experience, 52% of people would prefer their banking experience to be a combination of in-branch and digital.



A key differentiator is your local branch.

Since the pandemic began, Ulster Bank and KBC have exited the Irish market, and Bank of Ireland announced many branch closures.

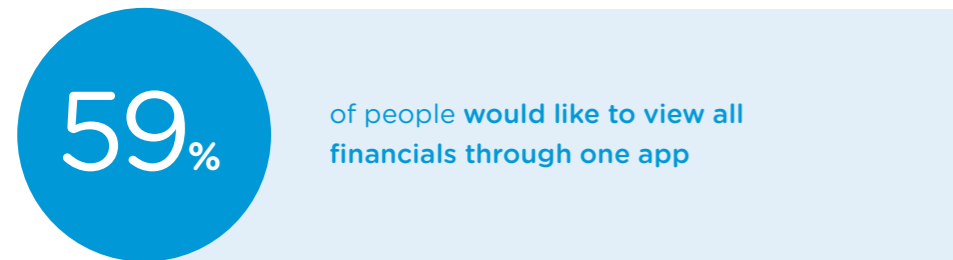
Bank branches are closing, your local branch is a differentiator – as we know 52%, over half of people, would prefer a combination of both and want physical branches for the larger loans. We also know that a local branch is a key influencing factor for 47% of people when opening a new financial account (with any institution).

And remember, Digital Transformation doesn't just cover online – it covers in-branch too. Think of digital signage, digital signatures, self-service kiosks, ATMs, e-receipts – these are all digital services within your physical branch.



There's No Denying Though, That There's a Huge Shift To Digital

Remember, 59% of people don't believe there'll be any physical branches in 10 years' time!



And 33% of people would prefer an entirely digital banking experience.

57% agreed that the first priority for Credit Unions is to invest in online banking, apps and improvements to their digital offerings, which of course, many of you already have done!

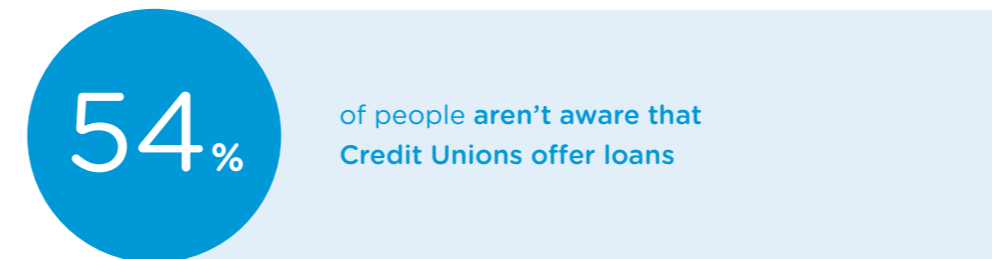
So you can't neglect digital services. This perception won't help you generate new members unless you start getting your messages out that you offer digital services. People want to futureproof their finances and will only switch to financial institutions who have digital services in place.

53% of people said that online access to digital services and 51% said mobile app access to banking services are key influencers when it comes to opening a new financial account.

You *need* to get these messages out into the market as best you can in order to boost membership.

Current Accounts Are How Most People Interact With Their Financial Institution

More than half of people are not aware that Credit Unions Have The Ability To Offer Current Accounts.



Current Accounts are of course a significant business decision, and not all Credit Unions will adopt Current Accounts. However, **we discovered that Current Accounts are how most people interact with their primary financial institution, with 77% utilising their current accounts at least once a week.**

Credit Unions do have the capabilities to offer current accounts to members.

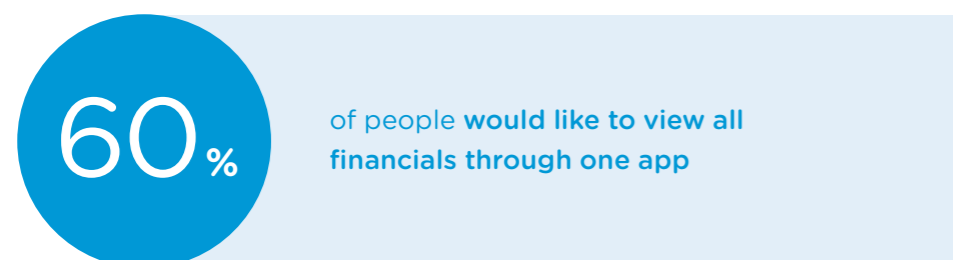
Yet the public are not aware of this, with **54% citing they didn't know that credit unions could offer current accounts.** 47% of people who aren't aware that Credit Unions can offer Current accounts, plan on opening a current account within the next year.

By offering current accounts, you're providing more choice to the public of where they manage their finances. Even more significant with so many bank closures across Ireland.

Learn more about the benefits of a Current Account in this case study with **St Dominic Credit Union**

Open Banking

Open Banking is the biggest shake up the financial sector has seen in a long time. By enabling customers to share their transaction data with new financial institutions in a standard and secure way, it aims to open the way for a range of new businesses and services to compete with the big banks, by providing customers with better products, more choice and lower prices.



An Open Banking integration would of course make this possible and offers huge opportunity for Credit Unions.

Open Banking's aim is to foster competitive markets and encourage innovation.

The regulations require banks to disclose performance and fee data, which will make it easier for members to compare the offerings and results of different financial providers.

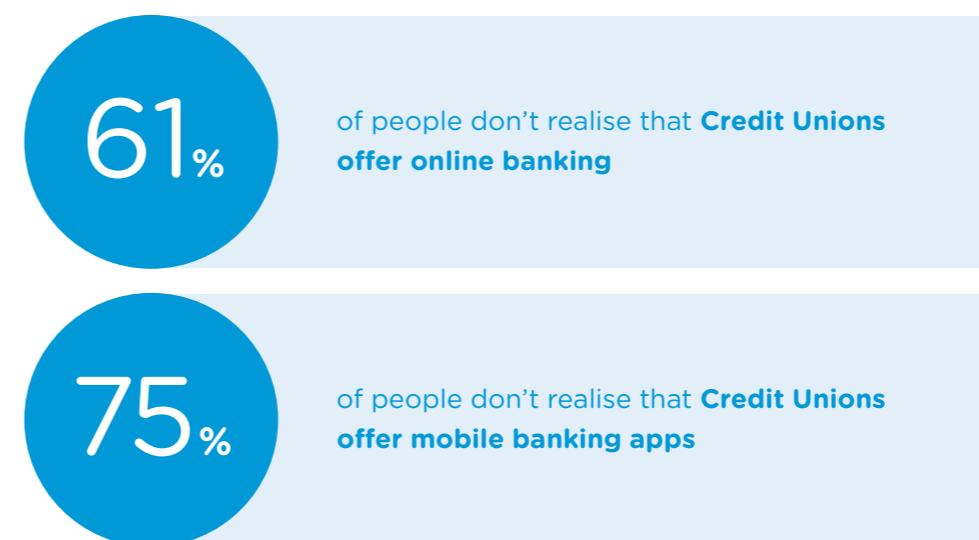
With 2.7m people considering using their Credit Union as their primary financial account for their day-to-day financial services, this is a massive opportunity for Credit Unions to "own" that relationship.

Use Open Banking to your advantage and make the Credit Union the account they choose to open!

Want to learn more about Open Banking? Check out a recording of our cuEngage session from 5th May 2021.

Digital Transformation Is Key!

We cited earlier that 61% of people don't realise that Credit Unions offer online banking, and 71% of people don't realise that Credit Unions offer mobile banking apps.



Yet 53% of respondents cite online access to banking services as a key influencing factor when opening a new account within a financial institution.

Digital solutions are no longer just "nice to haves" - they're crucial in order for you to attract new members. Remember, 33% of people would prefer an entirely digital banking experience!

However, having the technology is only half the battle. You must market these services too.

Promote your online and mobile app offering. You already have these offerings available - lead your marketing with that.

Applying for a loan can be so easy with Credit Unions! Do people know they can apply for a loan online? And get quick decisions? Incorporate this into your marketing too.

Reputation Is The Key To Success

Credit Unions in Ireland are already top for overall customer experience with:

41% voting you most trustworthy, best for customer service and best value for money, 44% voting you best for customer experience

41% most trustworthy

41% best for customer service

44% best for customer experience

41% best value for money

However, consumers are unaware that most Credit Unions can cater to majority of their day-to-day banking needs.

The Great News Is...

2.7M people, which is 58% of the 4.6M who don't currently use a Credit Union as their primary financial institution, say that they would consider switching to a Credit Union had they known that they could offer all these services which include, online banking, mobile banking, Current Accounts and Mortgages.

There is huge opportunity for Credit Unions to convert people who do not want to bank with traditional banks – especially those whose accounts are closing with KBC and Ulster bank.

But there's also an opportunity (perhaps an easier one too) to upgrade the 2.86m people who currently bank in Credit Unions, but don't use you as their main financial institution. Those key targets include:

The 27% (roughly 1.33M people) who say their Credit Union is where they keep most of their money.

The 31% (roughly 1.53M) of people have a Credit Union account but it is not their largest one.

Also, 72% (roughly 3.57M) of Irish people use a traditional retail bank such as AIB, BOI, Ulster Bank and KBC as their main financial institution (e.g main current account, or where have the most accounts) – this should be a major imminent target for you.

Having The Technology Is Only Half The Battle...

You need to market your services effectively.

Some key messages to help persuade those people to switch are:

- **Promote your online and mobile app offering:** 56% (approximately 2M) of people who use a retail bank as their main financial institution would consider switching to a Credit Union only if they had online banking and a mobile app. You already have this offering available, lead your marketing with that.
- **Also, 44% of people would consider a Credit Union as their primary institution if they offered online loan application and approval.** Again, you already have this service available so make sure that your members and wider public are fully aware of these offerings!

Some other factors to consider when influencing people to switch are:

- **Little or no fees.** 62% stated this as a factor to join a new financial institution. Interestingly, this is even more noticeable for women - 67% of women choose this as one of the important factors.
- **Online access to banking services.** 53% of respondents notes this as an important factor. Again, this was slightly more popular with women, with 58% voting for this.
- **Mobile phone app access to banking services and trusting the institution with their money was also important, as was having a local branch.**

Final Thoughts

There is a golden opportunity to attract the consumers who do not want to bank with traditional banks anymore and to convert former Credit Union members as well as dormant and irregular members to become much more active. We know anecdotally that younger people are not favourable towards the big banks, they'd much prefer to bank with institutions that have corporate social responsibility, just like Credit Unions. Take advantage of this and make sure they know your story! That they know about your community ethos, they know about your offerings and they know about your **ethical** lending!

The challenge seems to be the incorrect consumer assumption that Credit Unions are not competitive from a digital services point of view. This is borne out by the survey, with only 10% of respondents believing Credit Unions are the most digitally enabled financial institutions. The fact is that modern Credit Unions offer an enviable array of banking services and digital banking apps and are very well placed to fill the gap left by exiting banks.

At the start of the pandemic, when Zoom meetings were brought in people thought, this will never work long-term. Look at it now. Most people don't even want to go back into the office! The truth is, when a new, more convenient way of doing something is introduced, people won't go back to how it was before. Once your members see they can join Revolut or Monzo in less than 5 minutes, any time, from the comfort of their home, the thought of going into a branch to open an account becomes archaic.

The survey shows that people demand 24/7 access to a full suite of banking services. They want to know that they can easily and conveniently manage all of their daily activities, such as online banking and bills, as well as their major financial events, including mortgages. The lack of awareness about the digital capabilities of Credit Unions has no doubt had an impact on their ability to convert consumers to using their services.

In particular, we know that younger people, who tend to be tech-savvy, consider digital capabilities as an essential offering when considering where to open their accounts. The public perception is that other financial institutions outside of Credit Unions have better online access and can better meet their banking needs, but this is simply not the case.

And if you don't promote your ethical lending, people will go to their banks or worse, moneylenders for loans. Banks nowadays don't even wait for their customers to apply for a loan – they message their customers informing them that if they apply for €2000 now, they will be accepted and receive their money in 2 days' time. This is what you are competing against.

Credit Unions must spread the word on just how digitally-enabled their services are and the full range of account products that they offer consumers. You need to be relevant in marketing. Get your message right. Be smart and use data-driven decisions.

Credit Unions do so much for their communities and members and in the current landscape in Ireland, there has never been a better time to stand out from the competition and in this sector and seize the day!

Appendix

A

Appendix 1: Survey Background

Censuswide Survey Criteria

All questions must be clear and concise and not mislead the participant.

Answer sets could not be leading i.e. Yes/No. Answers were either based on a sliding scale i.e., Strongly Agree – Strongly disagree or a “tick all that apply” option.

Survey could not have a sizable difference between gender and age of recipients.

Survey must be completed by a sizeable audience to be statistically viable.

All participants must remain anonymous and the research was carried out by Censuswide to ensure impartial results.

1001 people across Ireland completed this survey

1001 people in Ireland completed this survey which provided a good pool of demographics that allowed us to segment results and unearth some interesting findings.

All of this helped ensure that we had a statistically sound range of participants to allow us to scale the results for analysis.

27% of respondents were aged 16-24 (our Gen Z)

24% of respondents were aged 25-34 and,

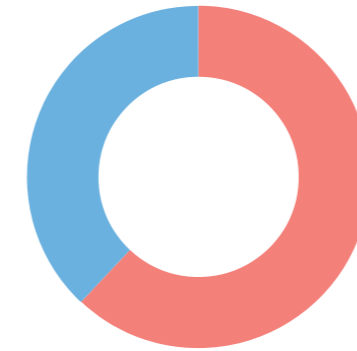
22% of respondents were aged 35-44 (our Millennials)

14% of respondents were aged 45-54 (Gen X)

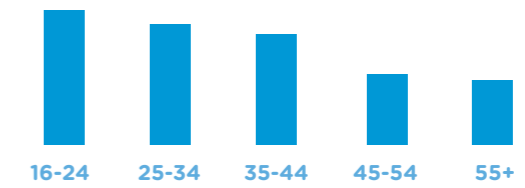
And **13%** of respondents were aged 55+ (our baby boomers).



Survey Demographics



Gender



Age

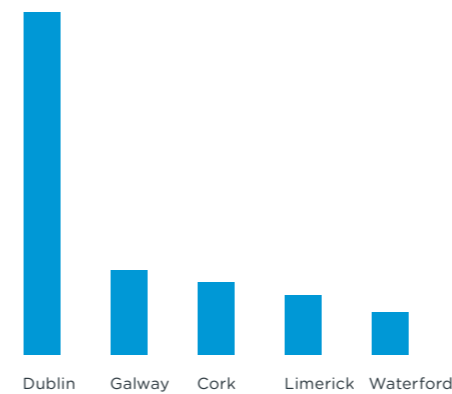
Location

Participants were surveyed across the island of Ireland, and we can see here that geographically the closest city for most was Dublin. This made sense, given that Dublin is the capital city of Ireland so there was nothing of concern there.

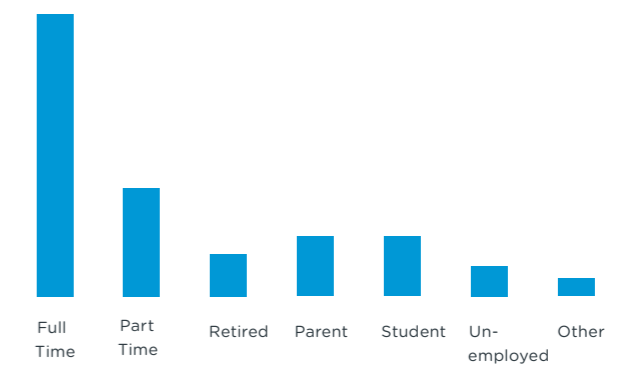
Employment status

We could also see their employment status to make sure we had a good pool from each, with the most having full or part time work.

Survey Demographics



Region (Closest City)



Employment Status



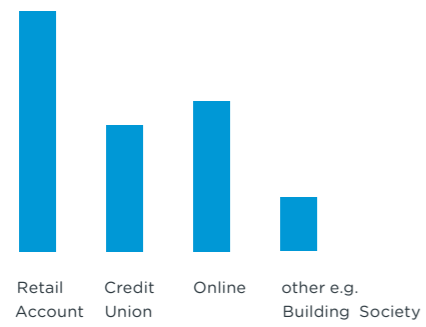
Type of account

We could also see what types of accounts participants had, in fact we saw that 61% of the Irish people surveyed have some form of a Credit Union account already.

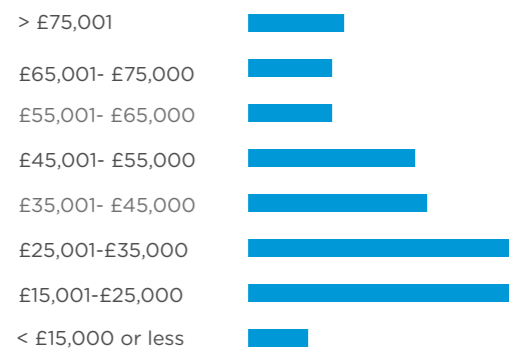
Household income

We could also see their household income to make sure we had a good pool from each, with the majority having between €15-€45k.

Survey Demographics



Household Income



We hope you found this information useful.

If you have any questions, or are interested in exploring Wellington IT Services for your Credit Union, please feel free to get in touch.

We look forward to hearing from you, contact details are on the back.

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