

Not a focus group

**We took to the streets
of the UK to find out
what people are really
feeling about banking**



Welcome to

**the
people's
money
survey**



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Produced by **Dozens**, in collaboration with **Explain the Market**.
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This report was created in January 2020 from data collected between June to September 2019.

Dozens is a trading name of Project Imagine Ltd, a company registered in England and Wales (No. 11153882). Our registered office is at 1 St Katharine's Way, London E1W 1UN. We are not a bank. We are authorised by the Financial Conduct Authority as an e-money institution (FRN 900894) and also as an investment firm (FRN 814281)



Foreword

At a time when billions is being invested in financial technology, when so much is getting written about the industry, and London is the fintech capital of the world, you'd expect customers in the UK to be revelling in a wealth of new customer experiences, enjoying greater access to knowledge and new found financial confidence.

Are they?

It's very easy in the bubble of the industry to believe the public are fully aware and excited about all the new options. We talk as if tech is the answer to everything, and for everyone. But if we're all honest with ourselves we must know this is not the case.

For me, as the founder of a fintech, nothing is more important than what the people outside 'the bubble' think. They are the people we are here to serve and the reason we exist. However our way of listening to them is broken. I've spent 13 years in banking across various continents, and everywhere user testing is conducted in dark rooms, behind one-way glass. Why are we trusting engineered situations to give us honest insights?

This is why we ran The People's Money Survey. We wanted to hear the real conversations people have in pubs and cafés. We wanted to know what was on people's mind when it comes to money. How do they feel about banking in the news? What does a bank mean to them? And are we delivering what they want?

Are we solving the right problems?

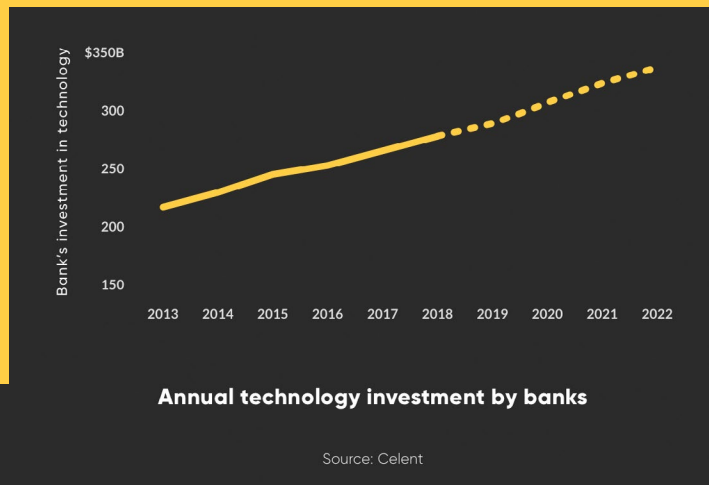
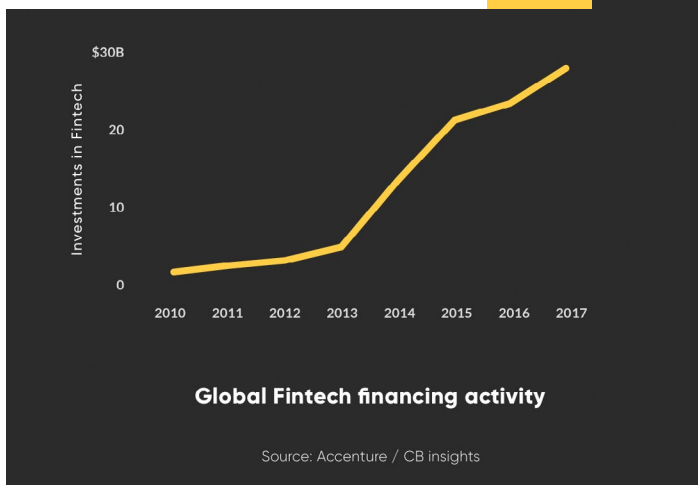
It's time to stop talking and just sit back, have a read and listen.

Aritra Chakravarty,
Founder & CEO of Dozens



Background

The rise of tech in finance

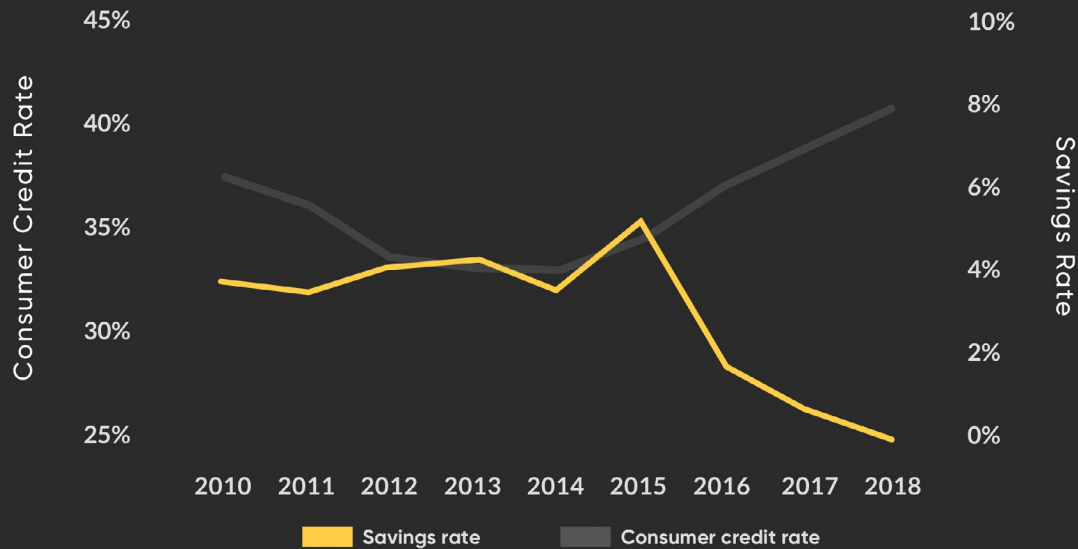


Over \$100bn has been invested into fintech globally.

There are now over 12,000 fintechs worldwide (*Crunchbase*), all providing new ways for consumers to manage their money, or better ways for companies to offer financial services. Fintechs have introduced new features and made existing ones digitally accessible, from the ability to freeze your card to categorising spend and getting instant notifications of payments. This instant form of money management has proven particularly popular with the millennial market.

The surge in fintech has also introduced technological innovation to the wider financial industry.

Traditional banks have invested heavily in digitisation to bring services online that were previously reserved for in-branch. Overdraft applications, changing personal details and paying in cheques, for example, can now often be done online or via an app. This upgrading of banking services by the traditional banks is impressive, given that it involves reworking an ageing infrastructure, which is another level of complexity compared to starting from scratch as fintechs are able to do.



UK consumer credit and savings rates: % of disposable income

Source: Office for Budget Responsibility

Since 2015, the consumer credit rate is rising, while the consumer savings rate is falling

So, what impact has this increase in technology had?

People are managing their money in a whole new way.

Challenger banks are the likely catalyst for the rise in technology across the banking industry, and it's proved popular with customers. According to *Business Insider* (2019), **72% of consumers in the UK now do their banking online.** Plus, *Dozens' YouGov* survey found that almost half of people had tried a financial app.

Spending is easier than ever.

In 2017, debit cards overtook cash for the first time to become the most used form of payment in the UK. **Now, only three in ten transactions are paid with cash** (*UK Finance*), and it's little wonder with contactless payments allowing people to pay with phones, watches or the tap of a card.

Accessing credit is nearly instant.

Consumer credit has increased in recent years. Could this be due to easier access, as consumers can now apply for overdrafts and loans online and get an approval or rejection within minutes?

Methodology

Dozens is a new UK fintech on a mission to improve people's financial lives. We conducted *The People's Money Survey* in association with *Explain the Market*.

At *Dozens*, we're keenly aware of the significant shifts in the financial industry, but we weren't convinced that the story on paper showed the full picture. We wanted to go beyond the facts and figures and get to the heart of how these changes have affected day-to-day money management for people in the UK.

Explain the Market, founded by Euronews and NBC journalist Guy Shone, seeks to find financial insights in qualitative data. We partnered up to look further into people's feelings about finance.

People's relationships with money are personal and complex. Life experiences, news events and childhood memories all shape our attitudes and, ultimately, affect the decisions people make about money every day.

If the financial industry wants to improve relationships with customers, we can't simply look at aggregated figures and feedback from focus groups. Instead, we need to truly understand the lived experiences of our customers.

Earlier in the year *Dozens* conducted a *YouGov* survey that found a gap in financial awareness and advice across the UK. As an example we found that half of savers have no idea what the interest rate they receive is. These findings were fascinating and we wanted to dig deeper. We wanted to hear from real people in their own words about how they feel about money and banking.



Chatting with locals in Hay-on-Wye

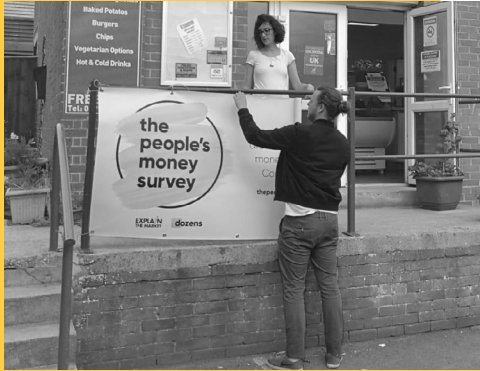


On air with BBC Cheltenham

How do people feel about their banking provider? How are they getting on with digital services? How confident do they feel about money?

This is what we set out to do with *The People's Money Survey*. We broke free from a traditional survey format, to look for richer, more personal insights.

We wanted the survey to feel natural and organic so we aimed for relaxed, everyday settings, where we could interact with people as they went about their day. So we walked into cafés, approached people



The Dozens team hard at work all over the UK

on the street, gave call-outs on local radio stations, and simply sat with people and asked to have a chat. We believe that the best way to find out what customers really think is to converse and connect with them on a human level.

Sometimes we used a printed questionnaire as a conversation starter, sometimes we ran a community event to attract people, but our focus was always on the resulting conversations.

For much of the survey, a car-load of the Dozens team took to the road with

We spread the word about TPMS online, in print and in person all over the UK.

a rough destination in mind, but often we found ourselves being redirected by locals because *"you really need to visit that town, they'll have loads to say!"*

We were pleasantly surprised by the number of people who were willing to stop their day and chat to us, often very passionately.

We recorded hundreds of hours of interviews, as well as local online responses. This report highlights the themes and opinions that came up most.

What people think about **online banking**



Kathryn really struggles with not having a branch nearby.

They love online

The majority of people we heard from manage at least some of their finances digitally, and many really enjoy being able to do things from the comfort of their home, whenever they need to.

The services people can access online depends on their bank's features as well as their personal digital ability.

"My online banking experience, I find really, really good."

"The fact that you can put cheques in online using your phone is a huge advantage over having to go into branches."

But they mourn the loss of branches

The general consensus was that, while people appreciated the advantages of online banking and understood that people are using bank branches less, they strongly resented those branches being shut down.

Over half of those who engaged with *The People's Money Survey* said the only reason they would go into a branch would be to cash a cheque or deposit cash, but the qualitative data from the interviews tells a different story. For those who aren't 'digital natives', who don't have access to the internet or don't know how to use it, the closure of bank branches is devastating. Particularly as many closures are seen in the areas that, perhaps, need the branches the most.

We visited a small town in Wales where residents have to travel for nearly an hour to get to the nearest branch of any of the big banks. For people who aren't able to travel far and don't possess the means for online banking, managing their finances is becoming more and more of a challenge.

Of those who considered themselves digitally savvy, many mentioned that digital services are still limited in some cases, like being unable to pay in cheques/deposit cash, and so they still don't feel able to make the complete switch to digital and wanted a branch close to hand.



Michael passionately feels that action needs to be taken for banking customers to get the service they deserve.



In many towns the bank branches were turned into shops or cafés. In others, they were simply boarded up and left derelict.

"I'd be happy to not have a branch close to me if I could do everything I wanted to do online... but I can't."

"You try and do it online, but it says, 'Oh you can't do that, you've got to go to the branch.'"

"Trying to get to a bank, whether you work normal hours or really erratic hours, is almost impossible nowadays."

Branches are about more than the transaction

A large proportion of people also highlighted that they felt digital was generally limited to transactional services, and there's a range of soft services it doesn't deliver.

It would appear that the advance of digital has accelerated the closure of branches, and taken with it face-to-face customer service, help and advice, and a sense of community.

The majority of people we spoke to tended to think of digital banking as online, on a desktop rather than via an app. Many cited that it felt safer and more secure that way.

"I think they're trying to do away with cash and it's just going to be internet banking but you lose the community spirit."

"It affects the community a lot, we've only got one cashpoint in town."

"My mobile phone is rubbish! There's no way I'm doing anything on my mobile."



Steph struggles with the lack of bank branches in her local area and relies on the internet for financial advice.

What people think about **service and support**



Adam thinks banks should help people reach their financial goals.

People want a human connection

The idea that the rise of automation and technology-based services has reduced human connection is not new, but it is particularly relevant to the financial industry.

Bank branches are seen as a pillar of the community, and their closure is devastating to those who need a human connection when it comes to their finances.

During the interviews many people mentioned that they felt reassured by the availability of banking staff, as they could easily ask questions. The closure of bank branches makes them concerned for the future of their community, as well as feeling less supported in the future of their finances. With many expressing concerns with regards to how the uncertain political climate may affect their finances, the lack of support is unnerving.

“Not everyone wants to do things like mortgages online. We want the personal face-to-face stuff.”

“Everybody knew the cashiers around here.”

“It took me three weeks to work it out (internet banking), because there’s no one there to say, ‘If you press this button, it will help you get to that.’”

“There’s a lot of pensioners and a trip to the bank makes their day because they bump into people. They’ve just ripped that all out.”

They want better financial knowledge

The lack of financial education was a frequently recurring theme, coming hand in hand with questions like, "Where are you supposed to learn it?"

Many stated they only learnt about money from their parents and occasionally consulted online comparison sites.

"Vulnerable people may be taken advantage of because there are no banks for them to sit and chat and say, 'How do I do this? How do I do that?'"

"It's as if they're leaving it to families and friends to sort out."

"Well, I'm worried about Brexit and how it's going to affect my life in the future. And also I'm 60, so it's very worrying."

"Bank managers don't exist anymore."



Chloe's mum was able to help her out financially when it came to major life events, but she fears she won't be able to do the same for her daughter.



The only thing Paul wants from his bank is a closer branch.

Data has potential, if it's correctly managed

If the thing that people like about banking staff is their ability to help them understand their money, perhaps the future of banking is in customer data.

With open banking, a customer's historical financial data is accessible (with their permission) and that could be used to help them gain confidence in their future financial decisions.

Customers expressed that they would find this very valuable. However, as to be expected in our times, as soon as 'data' is mentioned the issue of trust and motive also arises. So data has potential, but bridges need to be built before some customers would sign up.

Plain english, please

When it comes to advice, if it can't come face-to-face, consumers at least want it to be easy to understand.

An overwhelmingly common theme throughout was the desire for clearer language, particularly when exploring more complex products like investments, mortgages and loans.

How can customers be empowered to manage their money if they feel like they can't understand the products designed for it?

It is apparent that fintechs are pushing for change in this area. They have clearly moved on from the traditional, formal tone of the big banks and are making banking more accessible simply by the way they communicate with their customers.



Most frequently used words in over 100 surveys

Big life hurdles cause most money worries

The large majority of people we spoke to felt most worried about money during large life events such as starting a family, graduating from university or buying a house.

During these often vulnerable and emotional times, regardless of demographic, customers need a human connection, sense of community and genuine support – all elements that, by its very nature, technology can lack.

These are huge personal financial commitments. If we as financial service providers want to benefit from the custom, how can we better support a person during this financial upheaval, particularly when our relationship with them is more and more digital?



Chris has been with the same bank for his whole life, despite the nearest branch now being half an hour away.

What people think about **financial products**



There are now no bank branches in Milford Haven, and Karen feels that a sense of community spirit has been lost as a result.

"Interest rates. Interest rates. Interest rates."

This is something we heard over and over again. While people find the 'tech' handy, what they really care about is the 'fin' – the finance.

When we asked people what their 'dream bank' would offer, the majority of people said higher interest rates. This is unsurprising given that interest rates have been historically low in recent years, and this has caused concern that savings aren't growing at the same rate as inflation. There was a general sense of hopelessness among savers who questioned whether interest rates will ever go up again. It was particularly prevalent among the 45+ age group who remember savings accounts earning 5–10%.

"I've got more money than I've ever had in my life and the interest rate is absolutely abysmal."

"Giving me a better interest rate because it's crap at the moment."

"The interest rates are absolutely appalling."

The issue of debt

There were also stories from the other side of the coin – of friends or family who had become trapped in a cycle of debt that started with an overdraft or loan.

Young people we spoke to felt hugely overwhelmed by the lifetime of debt they felt they needed to take on.

With credit more accessible than ever, it's getting harder and harder for people to get themselves out of the debt cycle.

There seems to be an expectation of debt from younger generations, a state of mind that desperately needs to be changed if the number of people struggling with debt is to be reduced.

"Right now I'm worried about money. I'm stretched as just bought a house and have a young family with exorbitant childcare costs."

"I'd like to be able to save to help my daughter out financially. I don't think I'll be able to do that, unless I win the lottery."



Tara is a recent graduate so naturally worried about debt. She wished her bank offered more financial education.

What people think about **the banking industry**



Our social media manager, Julia and Guillaume discuss banking in Cheltenham.

Trust is low

The majority of people who were part of The People's Money Survey believed that trust in banks has decreased in the decade since the 2008 financial crash.

While fintechs might have the capacity to rebuild some of this trust as the 'fresh face' of banking (over two thirds of *The People's Money Survey* respondents believed that challenger banks were improving on trust), they still have a way to go before they have the kind of market share held by the big banks in the UK. Around a third of the people we spoke to had opened an app or online-only account, but the majority still preferred traditional banks.

"Banks are still looking after themselves first."

"Generally, banks don't have your interest in mind."

"Banks are following a political agenda. Banks don't really want people saving money. It doesn't do the economy any good, and banks are going along with that."



George does all of his banking online and almost never goes into a branch.

Cynicism is high

Around six in ten people asked agreed with the statement, 'banks do not have their customers best interests at heart.'

This suggests that, despite considerable spend on attempts to modernise to keep up with fintechs, the perception of the traditional banks might not be changing in the eyes of their customers.

Banks are working on keeping up with tech innovation to ensure they don't lose customers, but are they rebuilding the trust? The fact that the tech innovation of fintechs hasn't been enough to lure the majority of the market yet, suggests the latter should be the priority of the banks, particularly as well over two thirds of respondents did not believe that their bank was helping them achieve their goals.

Consumers are staying with the big banks because their old-age authority offers some sense of safety, but this doesn't necessarily denote trust. Almost none of the people we spoke to as part of *The People's Money Survey* cited being satisfied with their service as a reason for staying with their bank. Instead, a large majority simply said that it wasn't worth the effort of switching (when probed on this the majority hadn't heard of, or didn't understand, the Current Account Switching Service) or they'd just never thought of it, many saying that they considered all banks to be the same.

"Well, I have never even looked at changing before. It's just been there, it is the one I've set up with and I just thought when in Rome, might as well stick with it."

"I don't think, ultimately, banks have got our welfare at stake, they think of their own welfare."



Karen doesn't believe that banks want to help people save money, and she's exceptionally dissatisfied with her low interest rate.

Conclusions

What did we learn from The People's Money Survey?

We've seen a high uptake in online banking from consumers, and an appreciation for the technological innovation that the industry has seen in recent years. A great number of UK consumers now manage their money exclusively online and are satisfied with this service. **However, from what we gathered in our conversations, this focus on tech is not working to improve trust, confidence or financial products and these are the things that people really care about.**

Customers want human support

Our findings suggest that consumers do not see their banking as strictly transactional, and a human relationship with their bank and someone to listen to their worries is what they are looking for.

A point to consider: As more and more bank branches are closing down, what is the future role for financial services in the high street and communities?

Customers want to feel confident about big life decisions

Particularly during times of life when finances are generally a big worry (i.e. when moving house or starting a family), consumers would like to have personalised advice so they can feel confident they are doing the right thing.

A point to consider: As an industry we have the data that can show a person's entire financial history. How can we use this to inform their options going forward?



Customers want financial products that work better for them

Customers are looking for a range of products, whether it's better interest rates, or debt that is manageable and doesn't spiral out of control. Above everything, people see banks as responsible for the increase or decrease of their money. They care more about the amount of money in their account than the platform they will manage it on.

A point to consider: Consumer credit is on the rise, and savings rates are plummeting. Has the rise in fintech potentially had a downside? By providing ever easier access to high interest credit products, like overdrafts and loans, the fintech innovation might actually be further fuelling consumption and having negative effects on consumers financial lives.

Customers want to trust the institution they keep their money with

The financial crisis still weighs on customers' minds. Many felt insignificant in the eyes of their bank. There was repeated mention of 'they don't care about me/us out here/ people my age/savers.'

A point to consider: The traditional banking model relies on customer debt for profit. To progress financially people need the opposite – to save and grow. Is it possible to build trust when the needs of customers are the opposite of what the bank needs from them?

Thank you for taking the time to read this report. We hope it can have a positive impact on your work and ideas.

Let us know your thoughts on Twitter @wearedozens or contact us on hello@dozens.com



The Dozens team

About Dozens

Dozens was founded because of the need to align shareholder interests with the customer's financial wellbeing.

We're building a business model that does not rely on debt for profit. Instead, it rewards customers for saving and good financial behaviour.

Dozens is the only fintech in the UK to hold both an e-money and a MiFID license. Our aim is to help people on their journey from spender to saver to investor by opening up access to financial products and providing

customers with simple, digital access to financial literacy.

Our team are a mixed bunch. We are not all from the finance industry. But we are full of the wonderful range of experiences and backgrounds you'd see from an everyday crowd of people. **What brings us all together is our passion to change the financial status quo.**

For more info please visit dozens.com or contact hello@dozens.com



**Thank you to everyone
who took part in
The People's Money Survey,
attended events and shared
their opinions, experiences
and feedback.**

the people's money survey

People across the UK are having their say on money and banking. Come and join in.

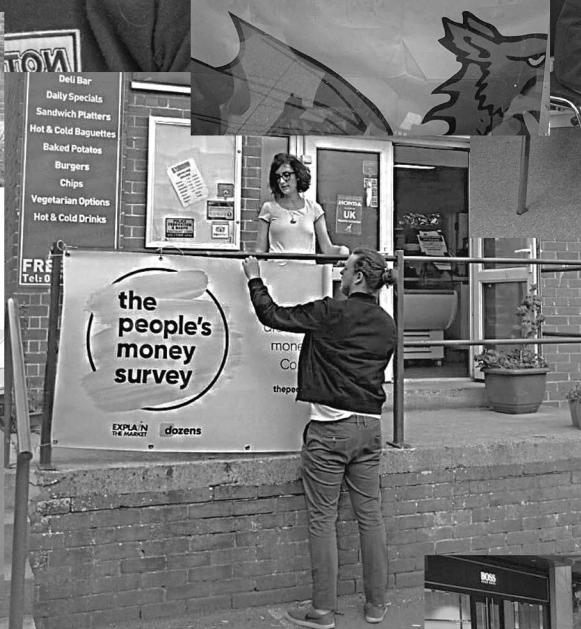
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*To be born Welsh is to be privileged,
not with a silver spoon in your mouth,
but with Music in your blood
and Poetry in your soul.*



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