



# 30 banks rated by you

We reveal the best – and worst – financial providers as rated by you, their customers

**T**he public's confidence in financial institutions has been badly shaken over the last two years. Many consumers are looking for a safe haven for their money rather than simply chasing the best deals, and are placing greater importance on value, reputation and service.

Our research team has quizzed more than 14,000 of you over the last six months to identify the banks that Which? members trust with their current account, savings, credit card and mortgage. The results make grim reading for some of the biggest names on the high street.

## Best and worst brands

First Direct and Co-operative Bank were clear winners in the race for the overall customer satisfaction crown, with First Direct (87%) just ahead of Smile (86%). Co-operative Bank (which also owns Smile) came third with 81%.

At the other end of the spectrum, the same big names came up over and over again with low satisfaction scores. Halifax and Abbey were rated consistently poorly by Which? members across the range of products covered by the surveys.

## Everyday banking

Our survey revealed outstanding current account providers both online and on the high street. Online providers Cahoot, First Direct and Smile all got a five-star rating, despite not having any branches. On the high street, Nationwide and Co-operative Bank got top marks.

But the big four banks – NatWest, Barclays, HSBC and Lloyds TSB – all got poor ratings (see right for more details).

## Savings accounts

The happiest savers are with First Direct, which narrowly beat last year's top performer, Co-operative Bank. Bradford & Bingley came bottom. For more details, see p66.

## Credit cards

John Lewis/Waitrose was the most highly rated credit card provider, followed by First Direct. Mint (owned by RBS) was the least popular provider.

## Mortgage providers

First Direct is the most popular mortgage provider. Halifax and Northern Rock got the lowest ratings in our survey.

### WHICH? RESEARCH

We surveyed Which? online panel members to find out how they rated their financial product providers.

Their responses are reflected in customer scores out of 100 shown in the tables. Scores are based on the panel members'

overall satisfaction and their likelihood to recommend their provider to a friend.

We asked 5,710 panel members to rate their credit card providers between 30 March and 17 April. We then asked 6,347 members of the panel

to rate their current account and savings account providers in a survey in May 2009.

In June and July 2009, we asked 1915 members to rate their mortgage provider.

For the complete ratings, go to [www.which.co.uk/money](http://www.which.co.uk/money).

## CURRENT ACCOUNTS

**Smile and First Direct  
beat the big four banks****Online and telephone are king**

Online and telephone banks beat the big boys when it came to current accounts.

Customers of Smile and First Direct are the most satisfied with their bank, scoring 91% and 90% respectively in our survey.

The big four banks (NatWest, Lloyds TSB, HSBC and Barclays) are still used by 47% of Which? members, but all were rated below average in our survey, scoring between 55% and 60% overall.

Three other big names – Bank of Scotland, Abbey and Northern Bank – were rock bottom with customer scores of just 53%, 51% and 50% respectively.

**Winners and losers**

Co-operative Bank (84%) and its sister bank Smile (91%) both did very well, but elsewhere there were major differences between banks within the same group.

Online banks tended to do better than their high street parent. For example, HSBC got a 60% satisfaction rating, but its online offshoot First Direct scored 90%.

The contrast is even more startling at the Santander Group, where the big brands Alliance & Leicester (64%) and Abbey (51%) compared badly with Cahoot's impressive 84%.

Both high street banks in the RBS Group (NatWest and Royal Bank of Scotland) scored below average in our survey, as did the three (Lloyds TSB, Halifax and Bank of Scotland) that belong to Lloyds Banking Group. Only RBS's online bank, Intelligent Finance, saved its blushes.

**What really matters**

Just one in five Which? members is happy with the interest on their account – hardly surprising when banks like NatWest and Lloyds TSB, pay as little as 0.1% interest on smaller credit balances.

**'BARCLAYS CAN REQUIRE LOTS OF PATIENCE'****Marcus Koehler 38, Cambridge**

Marcus Koehler has had a current account with Barclays for nearly 10 years. The bank got a score of 55% in our survey – well below average and Marcus admits he should move.

Marcus says: 'I don't think Barclays' products are particularly good. I started banking with it as a graduate student, attracted by the benefits such as the interest-free overdraft.'

He likes the bank's large branch network and Barclays' partnerships with banks in his home country, Germany.

But he has complained about the rudeness of branch staff and says: 'Branch banking with Barclays is sometimes quite trying and can require lots of patience at times. If I know I can get better service elsewhere, I'll definitely consider switching'.

However, some banks manage to overcome this weakness. First Direct, for example, pays no interest on its current account, but it's so good in other areas, such as service, that it's second overall in our survey.

**Switching**

61% of Which? members have had the same current account for more than 20 years. The number of people switching is growing, but still just 23% of those surveyed have switched provider, 7% doing so in 2008.

More than half of people who had switched told us they'd experienced no problems when doing so.

Visit [www.which.co.uk/current-accounts](http://www.which.co.uk/current-accounts) to find Which? Best Buys.

CURRENT ACCOUNT PROVIDER	SCORE (%)
<b>THE BEST</b>	
<b>SMILE</b> (206)	<b>91</b>
<b>FIRST DIRECT</b> (423)	<b>90</b>
<b>CO-OPERATIVE BANK</b> (151)	<b>84</b>
<b>CAHOOT</b> (68)	<b>84</b>
<b>NATIONWIDE</b> (676)	<b>79</b>
<b>INTELLIGENT FINANCE</b> (60)	<b>74</b>
<b>YORKSHIRE BANK</b> (48)	<b>68</b>
<b>THE WORST</b>	
<b>BANK OF SCOTLAND</b> (264)	<b>53</b>
<b>ABBEY</b> (200)	<b>51</b>
<b>NORTHERN BANK</b> (33)	<b>50</b>

Figures in brackets show sample size



## SAVINGS ACCOUNTS

### First Direct and Co-op get top marks with customers

More than nine out of ten Which? members have at least one savings account and most have seen interest rates slashed in the past two years. If you're unhappy with how you've been treated, it's more important than ever to find the right account and be ready to switch.

The most satisfied customers in our survey were with First Direct, which narrowly beat last year's leader (and winner of this year's Which? Award for best financial provider), the Co-operative Bank.

Bradford & Bingley, which had its savings business taken over by Abbey last year, came bottom and had the biggest fall in satisfaction since last year, plunging to 40% in 2009 from 60% in 2008.

Banking groups that have had state support in the past year (Lloyds TSB, Halifax, Bank of Scotland, NatWest, Royal Bank of Scotland, Northern Rock and Cheltenham & Gloucester) all scored less than the 58% average.

### Biggest not always best

Nationwide has the biggest market share among Which? members (18%) and enjoys an above-average customer satisfaction rate, 65%. Customers gave its internet banking service four stars, though they gave its over-the-phone service just one star. Halifax has the second biggest market share at 7%, down from 11% in 2008, but languishes near bottom for satisfaction with just 46%. It was awarded one star out of five for its telephone banking, the same as the third biggest provider, Abbey.

### Savings rate letdowns

The Bank of England base rate dropped from 5% in July 2008 to 0.5% in early 2009 and savings rates have followed it downwards.

Hardly surprising then that 34% of those surveyed were unhappy with the interest they were getting on their savings, with a further 19% neutral at best. It's not surprising



### 'WHAT HAPPENED TO MY £2,500 SAVINGS?'

#### Ronald Carter, 74, Crawley

Ronald, from Crawley, West Sussex, has had an Alliance & Leicester cash Isa for 10 years and was concerned he hadn't been paid the correct interest on his savings or received statements for years.

After failing to get the information he needed from his local branch, he asked Which? to contact the bank's new owner, Santander. A spokesperson told us: 'Annual statements are sent each year along with information on interest rates. The reason the interest Mr Carter has received is less

than expected is because of a withdrawal of almost £2,500 made in 2003. We have sent Mr Carter a breakdown of interest earned and interest rates over the past 10 years.'

Ronald said: 'The service I have received from Alliance & Leicester has been awful. Over the last few months I've wasted time and money visiting them. On each occasion they've been unable to give a breakdown of the interest I have earned.'

Alliance and Leicester got a below-average rating of 53% in our survey.

either that Which? members are starting to switch to find better rates.

A third told us they have switched their savings account at some point, a big increase on last year's figure of 18%. The two-thirds of members who haven't switched could be missing out on best rates. Barclays and NatWest, for example, pay just 0.1% on some of their popular savings accounts. By contrast, Manchester Building Society has a Best Buy account that pays more than 3%. For more Best Buys, see p72 and see also [www.which.co.uk/savings](http://www.which.co.uk/savings).

SAVINGS ACCOUNT PROVIDER	SCORE (%)
<b>THE BEST</b>	
<b>FIRST DIRECT</b> (213)	<b>82</b>
<b>CO-OPERATIVE BANK</b> (55)	<b>79</b>
<b>COVENTRY BS</b> (121)	<b>70</b>
<b>THE WORST</b>	
<b>ABBEEY</b> (308)	<b>47</b>
<b>HALIFAX</b> (439)	<b>46</b>
<b>CHELTHENHAM &amp; GLOUCESTER</b> (48)	<b>44</b>
<b>BRADFORD &amp; BINGLEY</b> (96)	<b>40</b>

Figures in brackets show sample size

## CREDIT CARDS



## CUT OFF BY HSBC

**Malcolm Swallow**, 53, London

Accountant and finance director Malcolm Swallow received a letter from HSBC cancelling his credit card after he missed just one monthly payment.

Malcolm said the bank's letter failed to give an explanation and had no details of its appeals or complaints procedures.

'I had missed one credit card payment, which I caught up with as soon as I became aware. HSBC had already made a £12 late-

payment charge, so I felt closing my card account was a disproportionate action.'

Malcolm complained to the bank and was later told it had reversed its decision.

He said, 'Any damage to my credit rating has a knock-on effect – as a self-employed accountant, I rely on my good credit file to be able to trade effectively. I feel like HSBC acted as judge, jury and executioner.'

HSBC got a 67% rating in our latest survey.

**Waitrose and First Direct get best scores for their credit cards**

We asked Which? members to rate their overall satisfaction with their credit card provider. We also rated other aspects of each provider's service, including the card's interest rate, the provider's customer service and how easy the account is to manage online and by phone.

John Lewis/Waitrose was most highly rated, at 87%, followed by First Direct. RBS-owned Mint was by far the least popular card provider with a satisfaction score of just 37%. Other RBS companies including NatWest and Royal Bank of Scotland were also rated below average.

Those who took part in our survey were unimpressed with a host of other big names too. Lloyds TSB, Bank of Scotland, MBNA, Goldfish, Barclaycard, Abbey and Halifax all scored below 60%.

Barclaycard is the most widely held card brand (27% of members have one). Barclaycard rates below average for satisfaction at just 58%.

Nationwide cards are held by 21% of members, but only a third of these use it as their main credit

card. This makes sense as Nationwide's cards are Best Buys for use on holiday within Europe, but not for borrowing or cashback rewards.

**Accuracy and acceptance**

Members say that the accuracy of statements and how widely the card is accepted are both important. These are also the areas where members are most satisfied, with all providers scoring four or five stars for accuracy. American Express was the only provider to score poorly for how widely it is accepted.

**Check your rate**

61% of members have held their main credit card for more than five years, 19% for more than 20 years. If you're one of these customers, it's worth checking the deal you're on to see if it's worth switching. Our cheapest Best Buy, the Barclaycard Simplicity Visa card, charges just 6.8% APR.

Barclaycard scores poorly for customer satisfaction, but as most of us have minimal day-to-day contact with our credit card provider you may decide that the low interest you're charged makes up for poor service.

Don't expect your credit card provider to tell you about better deals

they're offering new customers – just 11% of members are satisfied with how well they're kept informed. The main reasons people switched were a better cashback or rewards scheme, a good balance transfer/purchase deal or they were dissatisfied with their existing card. For Best Buys, see p72 or visit [www.which.co.uk/creditcards](http://www.which.co.uk/creditcards).

CARD PROVIDER	SCORE (%)
<b>THE BEST</b>	
JOHN LEWIS/WAITROSE (415)	<b>87</b>
FIRST DIRECT (67)	<b>84</b>
CO-OPERATIVE BANK (220)	<b>81</b>
SMILE (76)	<b>81</b>
<b>THE WORST</b>	
BARCLAYS/BARCLAYCARD (712)	<b>58</b>
ABBEEY (31)	<b>58</b>
GOLDFISH (108)	<b>58</b>
NATWEST (363)	<b>58</b>
BANK OF SCOTLAND (59)	<b>56</b>
MBNA (205)	<b>54</b>
HALIFAX (183)	<b>54</b>
MINT (31)	<b>37</b>

Figures in brackets show sample size



## MORTGAGES

### First Direct gets top marks from mortgage customers

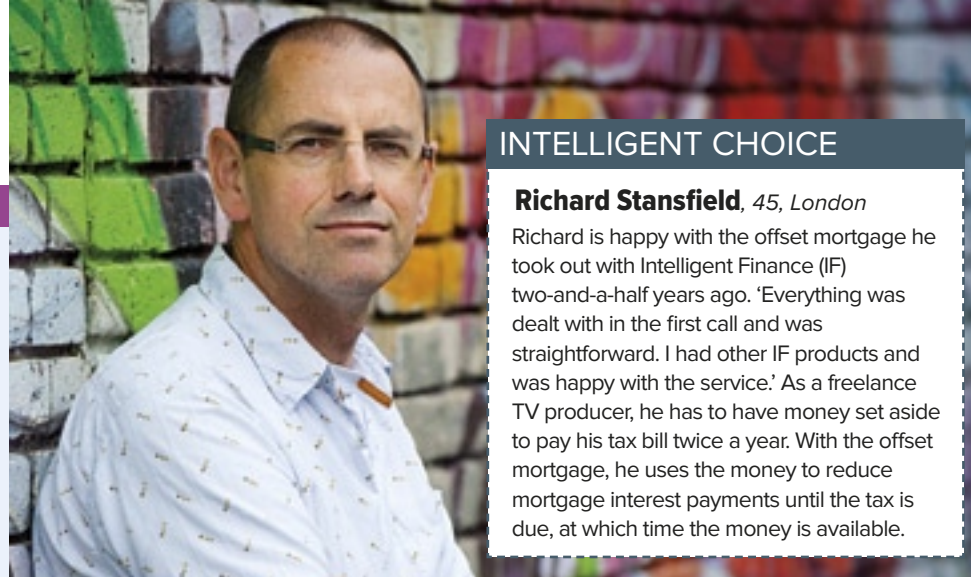
First Direct is the clear winner with mortgage customers. Its satisfaction rating was 90%, putting it well ahead of second-placed The One Account (77%) and third-placed Coventry BS (75%). You rated Northern Rock and Halifax worst, with scores of just 47% and 45% respectively.

### Mixed news for big banks

First Direct's high-street sister bank, HSBC, scored best among the banking giants with 67%, beating NatWest (57%) and Barclays/Woolwich (52%/59%).

First Direct is the only bank or building society to score a maximum five stars for customer service and the only bank to score five stars for dealing with any problems.

HSBC is the only provider to be awarded top marks for the interest rate it offers, as well as scoring five stars for the overall cost of its deals.



## INTELLIGENT CHOICE

### Richard Stansfield, 45, London

Richard is happy with the offset mortgage he took out with Intelligent Finance (IF) two-and-a-half years ago. 'Everything was dealt with in the first call and was straightforward. I had other IF products and was happy with the service.' As a freelance TV producer, he has to have money set aside to pay his tax bill twice a year. With the offset mortgage, he uses the money to reduce mortgage interest payments until the tax is due, at which time the money is available.

The newly restructured Lloyds Banking Group had more mixed results. Lloyds announced in June that its online arm Intelligent Finance (IF) would no longer accept new mortgage business. This is bad news for consumers – IF was one of Lloyds' best-performing brands with a 69% satisfaction score (see 'Intelligent choice', above), beating its biggest mortgage offshoot, Halifax, by 24%.

If you are shopping for a new deal, visit [www.which.co.uk/mortgages](http://www.which.co.uk/mortgages) to find the best mortgage for you.

MORTGAGE PROVIDER	SCORE (%)
<b>THE BEST</b>	
<b>FIRST DIRECT</b> (192)	<b>91</b>
<b>THE ONE ACCOUNT</b> (74)	<b>77</b>
<b>COVENTRY BS</b> (76)	<b>75</b>
<b>THE WORST</b>	
<b>ABBEY</b> (318)	<b>50</b>
<b>NORTHERN ROCK</b> (88)	<b>47</b>
<b>HALIFAX</b> (388)	<b>45</b>

Figures in brackets show sample size

PHOTOGRAPHY CHARLES BEST

# Introducing the Which? Money Helpline

Now you can call the Which? Money Helpline for unbiased, jargon-free help – every Tuesday in September

If you've ever wondered where to turn for impartial, expert advice on a wide range of money issues, Which? has the answer. Every Tuesday throughout September, money experts will be ready to receive your money query.

And although we can't give you financial advice on specific products, we can give you lots of unbiased and jargon-free information to help solve your money concerns.

So, simply mark a Tuesday in your diary and give us a call – this valuable service is free.



Call **01992 822848**

Lines open Tuesdays in September 2009. 10am – 1pm and 2pm – 4pm.

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