

Fact sheet

18 February 2009

The Money and Pension Panel Consumer Barometer is a survey of how consumers experience a number of aspects of the financial sector. The Barometer is based on a questionnaire survey of about 5,000 Danes over 18 years old. Data collection has been carried out by Capacent Epinion via their internet panel.

The Barometer reveals how consumers perceive and experience five different financial sectors¹:

- Banks/savings banks
- Insurance
- Pension
- Mortgage credit
- Investment associations

Consumers were asked about a number of aspects relating to their experience before, during and after entering into financial agreements. Consumers had to express an opinion on: 'transparency', 'low waiting time²', 'customer treatment', 'service', 'low costs of changing supplier³', 'communication', 'targeted information', 'satisfaction', 'loyalty', 'involvement', and 'confidence'.

The Barometer reaches across the five financial sectors and shows how consumers experience transparency, satisfaction, communication etc. within the individual sectors. The Money and Pension Panel will carry out a similar survey every other year. Repeating the same question themes will make it possible to document changes in how consumers perceive the financial sector.

Conclusions from the Barometer show that consumers generally find it difficult to fully understand financial enterprises and it is hard for them to find comprehensible information about individual enterprises. They perceive the financial markets as complex and lacking transparency.

In particular, consumers see problems in the pensions area, both with regard to their own ability to understand the pensions market, and in terms of the sector's ability to supply targeted information for consumers.

Finally, the Barometer shows that in general consumers consider changing supplier in the financial sector time-consuming, cumbersome and costly.

Consumers are most satisfied within insurance, mortgage credit and banks and savings banks. Compared with the financial sector in general,

¹ The survey includes consumers who are customers with at least one enterprise within one of the five financial sectors (banks/savings banks, insurance, pensions, mortgage credit or investment associations), and who have been in contact with at least one enterprise within these sectors within the last two years.

² With regard to low waiting time, consumers were asked, for example, whether they generally experience long waiting times when they need to talk to a member of staff at the financial enterprise, or whether the enterprise understands that low waiting times are important for consumers.

³ With regard to 'low costs of changing supplier', consumers were asked whether it is easy to change from one financial enterprise to another, both with regard to financial costs and costs in terms of time and difficulty.

consumers are more satisfied with their supplier in these areas. Furthermore, consumers within mortgage credit as well as banks and savings banks had greater confidence in their suppliers compared with the financial sector in general.

The conclusions from the Barometer will be used to set priorities for future initiatives by the Money and Pension Panel. The Barometer has led the Panel to the following recommendations:

Recommendation 1: Efforts to improve consumers' experience of transparency in the financial sector.

The Money and Pension Panel intends to

- *Continue analyses of the information collected for use in the Money and Pension Panel Barometer with special focus on the groups within the Danish population who find financial products and financial markets hardest to understand.*

The Money and Pension Panel will

- *Set up a consumer panel to act as a focus group for the various initiatives in this area with a view to improving consumers' experience of transparency in the financial markets.*

Recommendation 2: Efforts to improve consumers' experience of transparency and targeted information in the pensions area by supplying more targeted and relevant material on pensions products for consumers and/or through initiatives which, through information and education, increase consumer understanding of, and interest in, pension products.

The Money and Pension Panel intends to

- *Look more closely at why pensions customers find the pensions sector particularly lacking in transparency, including the fact that they lack targeted and comprehensible information. The Panel will carry out a qualitative survey of pension customers' experience on the basis of the annual statement of cover they receive from their pension companies.*

Recommendation 3: Initiatives to help consumers experience and realise that changing supplier within the financial sector does not necessarily have to involve great difficulty, time or money, as well as initiatives focusing on reducing actual consumer costs of changing supplier within the financial sector.

The Money and Pension Panel recommends that

- *After consulting the proposed focus group, information material be prepared which describes the costs of changing supplier and which shows that changing supplier does not necessarily have to involve great difficulty, time or money.*

Further information about the Barometer and the objects and tasks of the Money and Pension Panel is available at www.pengeogpensionspanelet.dk.