



**MONEY TRANSFER
COMPARISON**

Would Australians leave their banks in favour of innovative online lenders and fintech services?

A Money Transfer Comparison Study

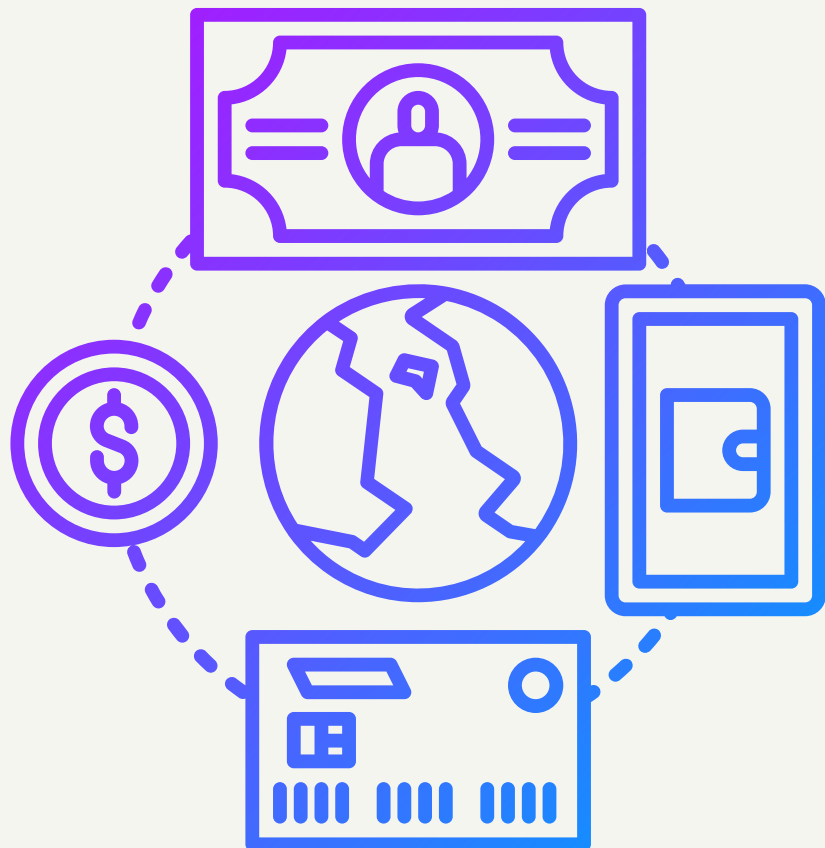
March

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ABOUT THE STUDY

Money Transfer Comparison commissioned a survey of 1002 Australians to gauge their level of satisfaction with traditional banks amid the growing prevalence of alternative fintech services, such as online money transfer platforms, digital credit cards, buy now pay later, and cashback and rewards programs. The survey also sought to uncover whether Australians would switch to a fintech platform if it offered a more affordable alternative for financial services such as home loans, money transfers, credit cards and savings accounts.

The survey respondents cover a geographical and population spread that is reflective of the Australian population.



Are traditional banks keeping up with digital innovations?

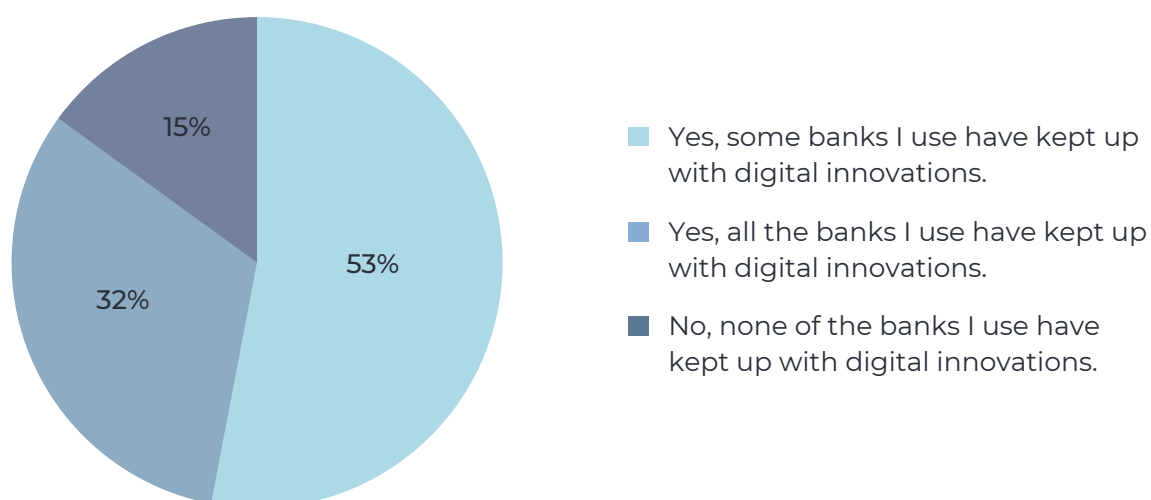
Money Transfer Comparison asked respondents whether they think traditional banks have kept up with digital innovations that are used by fintech services, such as online money transfer platforms, digital credit cards, ApplePay, buy now pay later, expense tracking, cashback and rewards programs.

The majority (85 per cent) believe that banks have kept with digital innovations, to an extent.

Fifty-three (53) per cent indicate that some of the banks they use have kept up with digital innovations, while 33 per cent believe all the banks they use have been able to keep up.

Fifteen (15) per cent of the survey respondents think that none of the banks they use have been able to keep up with digital innovations.

Do you think traditional banks have kept up with digital innovations that are used by fintech services?



Do you think traditional banks have kept up with digital innovations that are used by fintech services? By State.

Across the States, similar proportions of respondents think some of the banks they use have kept up with digital innovations available elsewhere. Specifically, 57 per cent of NSW and ACT respondents indicate this, followed by 56 per cent of South Australians, 53 per cent of Victorians, 52 per cent of West Australians, and 45 per cent of Queenslanders.

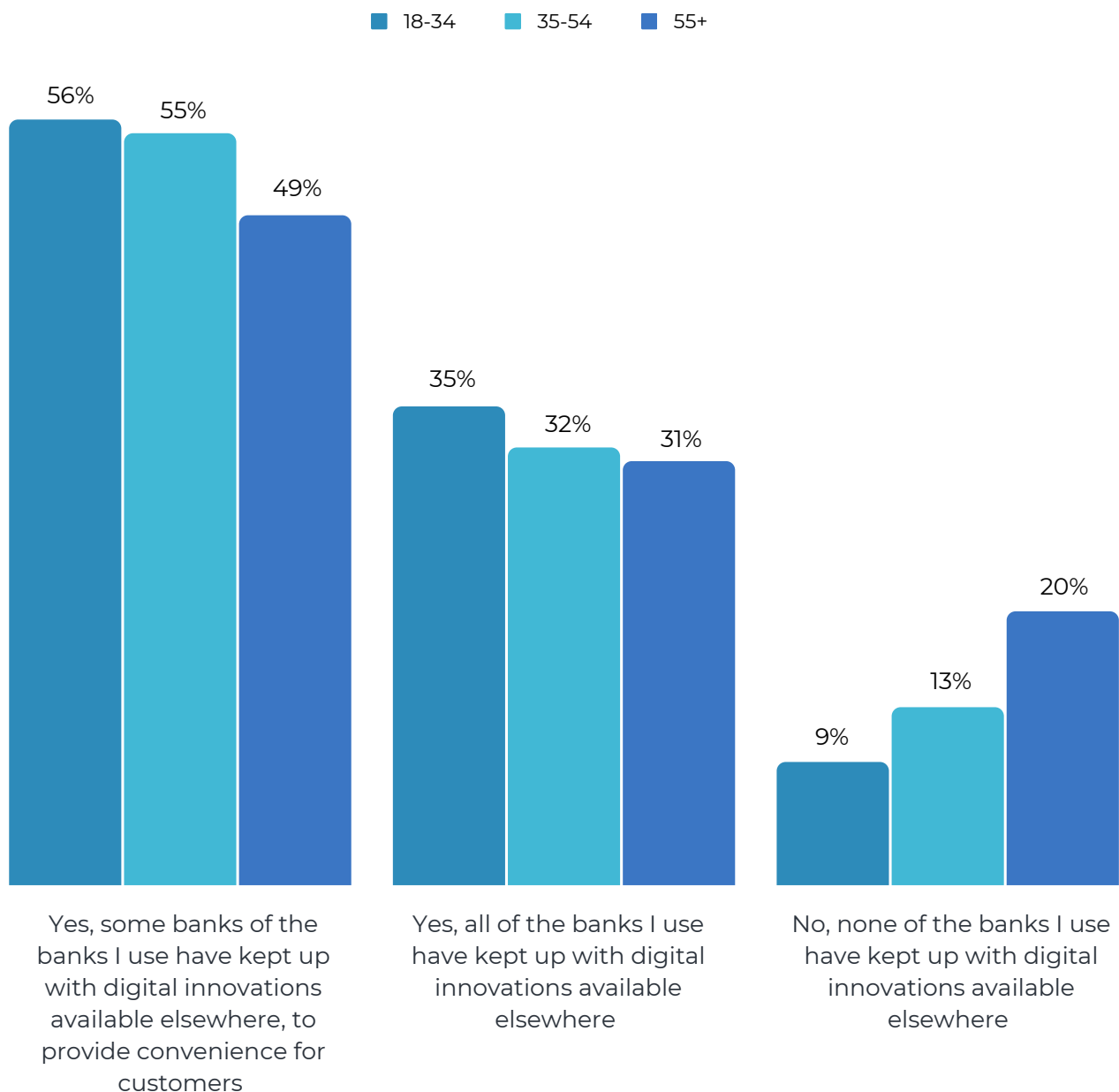
In contrast, a higher proportion of ACT respondents (29 per cent) indicate that none of the banks they use have kept up with digital innovations. This was followed by 22 per cent of WA respondents, and compares with 16 per cent of NSW respondents, 15 per cent of Queenslanders, 12 per cent of South Australians, and 9 per cent of Victorians.

Response	State (%)					
	NSW	VIC	QLD	SA	WA	ACT
Yes, some of the banks I use have kept up with digital innovations available elsewhere, to provide convenience for customers	57	53	45	56	52	57
Yes, all of the banks I use have kept up with digital innovations available elsewhere	27	38	40	32	26	14
No, none of the banks I use have kept up with digital innovations available elsewhere	16	9	15	12	22	29

Do you think traditional banks have kept up with digital innovations that are used by fintech services? By age.

Similar proportions of respondents across the age groups believe some of the banks they use have kept up with digital innovations to provide convenience for customers. More than half (56 per cent) of under-35s, 55 per cent of 35-54-year-olds and 49 per cent of over-55s indicate this.

Interestingly, more over-55s respondents do not think any of the banks they use have kept up with digital innovations, at 20 per cent. This compares with 13 per cent of 35-54-year-olds and 9 per cent of under-35s.



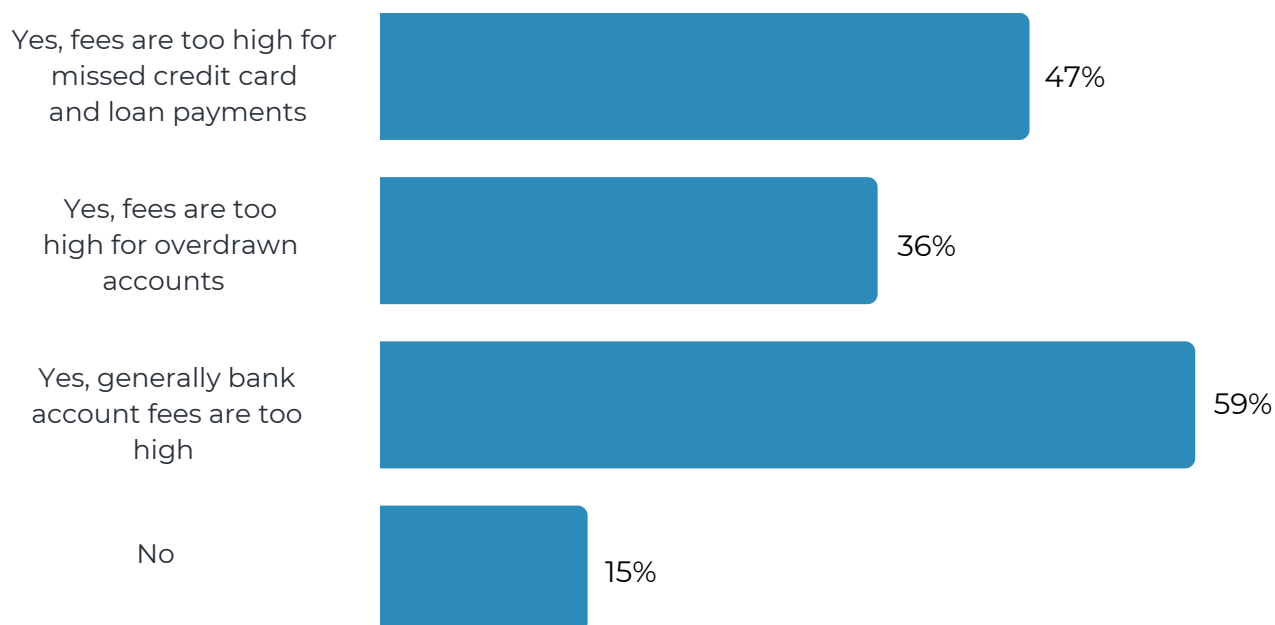
What proportion of Australians think banks charge unreasonably high fees for some services?

Survey respondents were asked to consider the current environment of high interest rates, along with the common fees banks tend to charge, such as wire fees of up to \$40 for international money transfers and missed payment and overdraw fees of up to \$15 on bank loans and credit cards. With this in mind, respondents indicated whether they thought these fees were too high.

Eight in 10 (85 per cent) respondents consider at least one type of fee charged by banks to be too high. More than half (59 per cent) indicate that bank account fees are generally too high, while 47 per cent think fees for missed credit card and loan payments are too high, and a third (36 per cent) believe overdrawn account fees are too high.

48% 52%

Do you think your bank charges you unreasonably high fees for some services?



Do you think your bank charges unreasonably high fees for some services? By State.

Similar proportions of respondents across the States agree that the fees associated with missed credit card and loan payments are too high. Specifically, 53 per cent of NSW respondents, 48 per cent of West Australians, 44 per cent of Victorians, 42 per cent of South Australians and 40 per cent of Queenslanders indicated this.

Respondents across the States also similarly agree that bank account fees are generally too high. Nearly two-thirds (64 per cent) of ACT respondents and 62 per cent of Queenslanders, South Australians and West Australians indicate this, followed by 58 per cent of Victorians and 55 per cent of NSW respondents.

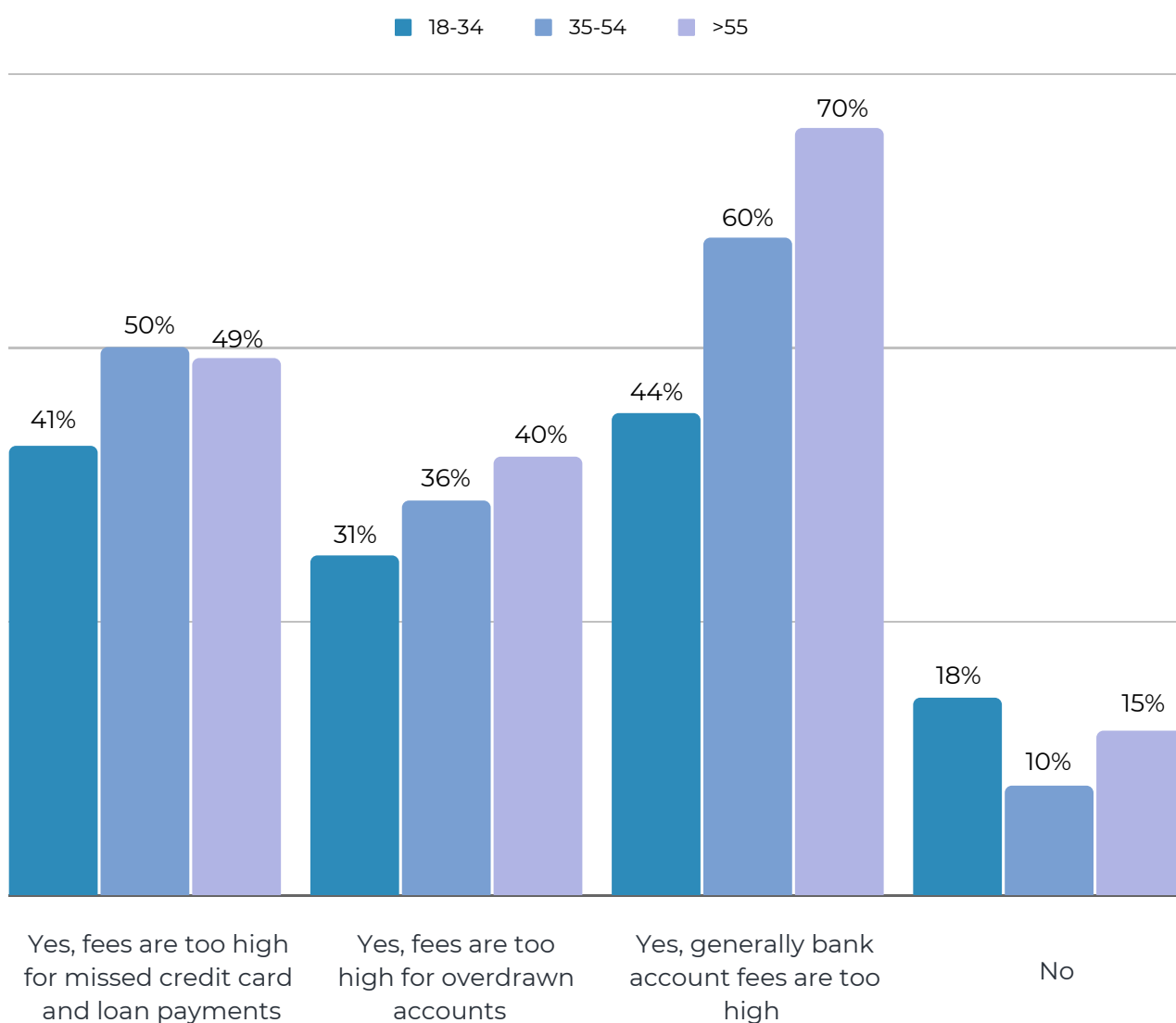
In contrast, a significantly smaller proportion of respondents do not believe bank fees are too high. Specifically, 17 per cent of Victorians do not believe the fees charged are high, along with 16 per cent of NSW respondents, 14 per cent of South Australians, 13 per cent of Queenslanders, 11 per cent of West Australians and 7 per cent of ACT respondents.

Response	State (%)					
	NSW	VIC	QLD	SA	WA	ACT
Yes, fees are too high for missed credit card and loan payments	53	44	40	42	48	57
Yes, fees are too high for overdrawn accounts	39	34	33	39	37	29
Yes, generally bank account fees are too high	55	58	62	62	62	64
No	16	17	13	14	11	7

Do you think your bank charges you unreasonably high fees for some services? By age.

Older Australians are more likely to regard the fees charged by banks as too high. Nearly three quarters (70 per cent) of over-55s believe that bank account fees are generally too high, compared with 60 per cent of 35-54-year-olds and 44 per cent of under-35s.

A higher proportion of older respondents, by a small margin, also indicate that overdrawn account fees by banks are too high, with 40 per cent of over-55s selecting this response. This compares with 36 per cent of 35-54-year-olds and 31 per cent of under-35s.



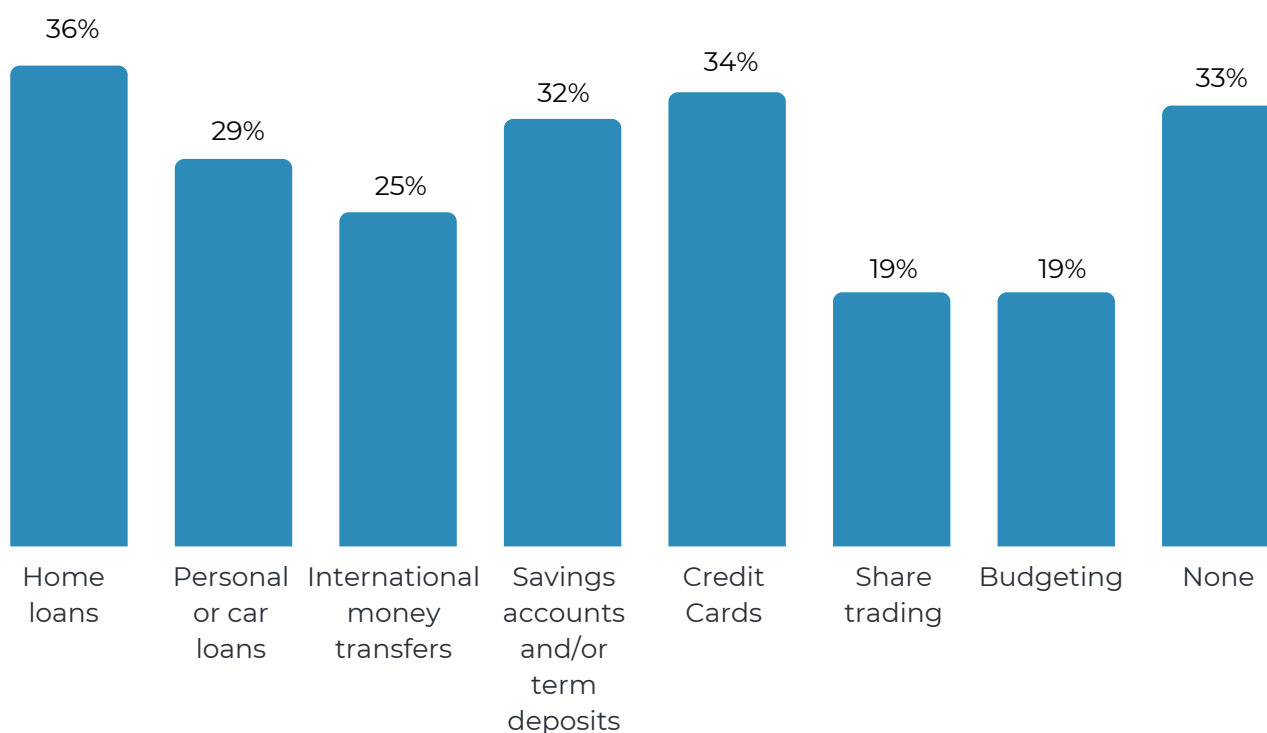
Would Australians switch some bank services to fintechs if they offered a safe and cheaper alternative?

Money Transfer Comparison sought to uncover the types of financial services that Australians would switch to alternative lenders and platforms, rather than a bank, provided the offering is safe and affordable. More than two-thirds (67 per cent) of respondents indicate they would move at least one service, from a list of seven.

Specifically, they would switch providers for:

- Home loan (chosen by 36% of respondents)
- Credit cards (34%)
- Savings accounts or term deposits (32%)
- Personal or car loans (29%)
- International money transfers (25%)
- Share trading (19%)
- Budgeting apps (19%)

Which financial services would you seek from fintechs if they were offering a safe and cheaper alternative to the banks?



Which financial services would you seek from fintechs if they were offering a safe and cheaper alternative to the banks? By State.

Similar proportions of respondents across the States indicate they would switch at least one service to an alternative financial platform. An equal 68 per cent of NSW respondents and South Australians would switch to a fintech platform for at least one traditional banking service, followed by an equal 66 per cent of Victorians and Queenslanders, and 62 per cent of West Australians.

More South Australians would outsource their credit cards, by a small margin, at 41 per cent. This is followed by 37 per cent of NSW respondents, 35 per cent of West Australians, 33 per cent of Queenslanders and 31 per cent of Victorians.

A higher proportion of Queenslanders, by a small margin, would switch for personal or car loans. More than a third (36 per cent) indicate this, along with 30 per cent of South Australians, 28 per cent of Victorians and NSW respondents, and 25 per cent of West Australians.



A slightly higher proportion of NSW respondents indicate they would switch for home loans, at 38 per cent. This is followed by 37 per cent of Queenslanders, 35 per cent of South Australians, and 34 per cent of Victorians and West Australians.

Response	State (%)					
	NSW	VIC	QLD	SA	WA	ACT
Home loans	38	34	37	35	34	14
Personal or car loans	28	28	36	30	25	21
International money transfers	28	28	24	20	22	36
Savings accounts and/or term deposits	32	33	35	35	26	14
Credit cards	37	31	33	41	35	29
Share trading	20	20	20	21	15	21
Budgeting apps	20	16	20	20	14	21
I would not outsource any financial services away from my bank.	32	34	34	32	38	36

Which financial services would you outsource to fintechs if they were offering a safe and cheaper alternative to the banks?
By age.

Money Transfer Comparison found that a higher proportion of younger respondents would move away from their banks for at least one financial service: 74 per cent of under-55s indicate this, compared with 51 per cent of over-55s.

Specifically, a higher proportion of younger respondents would outsource their savings account or term deposits, with 36 per cent of under-55s indicating this. This compares with 25 per cent of over-55s.

More under-55s, by a small margin, would also outsource share trading, at 22 per cent, compared with 16 per cent of over-55s.

