

MONEY

Consumers hope competition will shake up banks

BY GORDON WILSON

The Office of Fair Trading has just completed a review of the £9billion personal current-account market and concluded that banks need to do more to focus on the needs of the customer and to make the market more competitive.

The big banks seem to have the market sewn up and they are doing little to make it easy for customers

to compare the costs of different accounts or to transfer to a competitor.

The result is apathy – we just can't be bothered going to the trouble of moving our current account from one bank to another. I am probably a classic example. I opened my current account with Bank of Scotland at Elgin in 1986 and 27 years later I use the same current account.

Over the years I have had

reason, on several occasions, to complain about service or unexplained charges or administrative errors. With any other service provider I would have left and gone elsewhere by now, but I'd rather just put up with the hassle.

My latest gripe was when I sold my car and had the money paid into my account. Having not heard from my branch for years, I had a phone call within sec-

onds of it hitting my account and an offer of advice regarding the investment of the funds. The service when there is the sniff of a sale kicks in seamlessly.

But things are about to get better. It is hoped that the sale of some branches of Lloyds and the Royal Bank of Scotland will lead to increased competition. New automated account switching and product comparison services

should make the whole process of shopping around more user friendly.

The problem is that trust in banks is at a low and also the commonly-held belief there is little difference between them. A survey last year of 314 global finance professionals by the Chartered Institute for Securities and Investment found that only 2% of respondents rated Britain's banks as totally trustworthy.

Against this backdrop, where do you go? Until new entrants make a significant impression on the old guard, we have little choice but to put up with banks following their own agenda with scant regard for what their customers want.

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Gordon Wilson: needs of the customer