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Credit unions rule the roost of quality service

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Toronto-Dominion Bank rules its fellow banks when it comes to quality customer service, but even TD bows to the credit unions.

TD crushed its peers in the Canadian Financial Excellence Awards handed out this week by the market research firm Synovate. There were 11 award categories and TD was the leading Big Five bank in seven of them, including overall quality of customer service. Royal Bank of Canada came second with wins in two categories.

Both TD and RBC were so pleased with themselves that they issued media releases to draw attention to their award wins. What they didn't mention is that the happiest clients in the country bank at credit unions and alternative banks.

Synovate actually has a two-tier award system, one for the Big Five banks and one for all financial institutions. In the latter grouping, the country's 618 credit unions scored their third consecutive award for overall quality of customer service. Alternative banks such as ING Direct and President's Choice Financial also won a few categories, while TD was left with a win in a single category.

There's no doubt that TD is shrewdly building a customer-service powerhouse of a bank, and the Synovate people say RBC is making strides in this area, too. Still, it's worth keeping an open mind when choosing a place to bank on the basis of customer service.

Credit unions are sometimes knocked for being a motley crew of big and small names that lack the cohesive identity needed to dominate in the financial marketplace. Still, there's a common characteristic of credit unions that accounts for the high opinion people have about their customer service.

Credit union customers are called members, which means they have paid fees of maybe \$10 to \$50 to become part-owners of the institution. While credit unions are profit-making operations, their main goal is to serve members well. "We're not doing customer service so that we can turn around and make a bigger profit, we're doing it because that's what we do," said Art Chamberlain, media relations manager for Credit Union Central of Canada.

Synovate's financial service excellence awards are based on questionnaires filled out by 17,500 people earlier in July and earlier this month. Credit unions, which have the strongest market presence in Quebec and Western Canada, scored well in a variety of categories.

In addition to winning the award for overall quality of service, credit unions also led or tied in four categories that include in-branch staff service. Caisses populaires, the Quebec equivalent of credit unions, won in a pair of categories - online banking and bank machines. ING led in providing value for money its products and services, and it also won a category based on the extent to which clients would recommend a financial institution to friends and family. PC Financial was the winner in the category of interest rates and services charges.

It's dodgy comparing ING and PC Financial to the big banks because they don't have nearly as many customers and they don't offer as many products and services. Still, it's clear that ING is keeping customers happy by flogging high-interest savings accounts and cut-rate mortgages, while PC Financial is doing likewise with its no-fee chequing account and other products.

TD beat all comers in the category of branch access and convenience, which should please the strategists at the bank who have been extending branch hours, opening new branches at a quick pace and generally trying to make TD sound like a comfortable place to do business. "They've been consistent with that message for quite some time now, and it's increasingly resonating with customers," said Adrian Murphy, Synovate's syndicated research services director.

TD's overall victory among the Big Five banks was its third in a row. Coming on strong this year was RBC, which took top honours for providing value for money with its products and services, and for staff service at branches. "Royal has made massive strides in the past year," said Rob Myers, Synovate's managing director in Canada. Bank of Nova Scotia and Canadian Imperial Bank of Commerce each won a category, while Bank of Montreal was nowhere to be found.

Synovate says the big banks have registered a 28-per-cent improvement in the overall quality of customer service since 2002. If you're still not satisfied with the service you're getting at your bank, remember the great job that credit unions and alternative banks are doing at keeping their customers happy and loyal.

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PLEASING CUSTOMERS

The market research firm Synovate recently ranked Canada's financial institutions on their customer

service.

Here are the results:

Big Five Banks All institutions

Overall quality of customer service TD Canada Trust
Credit Unions

Value for money of products and services received
RBC Royal Bank ING*

Would recommend to family and friends TD Canada
Trust ING*

Values "my" (i.e. the customer's) business
Scotiabank Credit Unions & ING*

Staff service at "my" (i.e. the customer's) branch
RBC Royal Bank Credit Unions

Branch access and convenience TD Canada Trust
TD Canada Trust

Information handling and communications TD
Canada Trust Credit Unions

Financial products and services TD Canada Trust
Credit Unions**

Interest rates and service charges CIBC President's
Choice

ABMs TD Canada Trust Caisses Populaires*

Online banking TD Canada Trust Caisses
Populaires*

SOURCE: SYNOVATE

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