

## **Banks versus Building Societies**

Welcome to this presentation from Market Harborough Building Society. Have you ever wondered how a building society, like Market Harborough, can compete with other financial service organisations such as a much larger bank? Recent independent research shows that building societies provide better service than other financial service institutions. The GFK NOP Financial Survey, carried out on behalf of the Building Societies Association, found that 71% of Savers were extremely or very satisfied with building societies compared to just 56% at other savings institutions. For mortgage customers the survey found that 72% were either extremely or very satisfied with building societies as opposed to 62% with other mortgage providers.

Unlike Banks we have no Shareholders to whom we must pay dividends. This allows us to provide good long term value to our customers.

When asked ‘Does your provider offer reasonable value for money?’ The survey showed that over two thirds, 68%, of building society customers agreed that they get reasonable value for money. Whereas only 45% of bank customers feel they get value for money and 1 in 5 bank customers strongly disagreed.

A report from KPMG one of the top 4 accountancy firms in the UK, says: ‘Societies represent a vibrant, successful, imaginative and innovative sector of the economy. Over the last 18 months they have successfully diversified, and boosted their profits, while at the same time cutting their margins –to the benefit of their members. And all of this has been achieved without cutting service standards, which are still higher than those of their plc competitors’.

Adrian Coles, Director-General of the BSA, said “KPMG’s report endorses many of the conclusions that the BSA had itself reached from its own study of building societies’ recent financial results”

Thank you for listening. Copies of the BSA survey are available at all of our branches. The KPMG report can be found on the BSA web site at [www.bsa.org.uk](http://www.bsa.org.uk)