

Public Opinion in Europe: Financial Services Executive Summary

Fieldwork November-December 2003

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This executive summary is based on a survey of a sample of views of EU citizens on financial services.

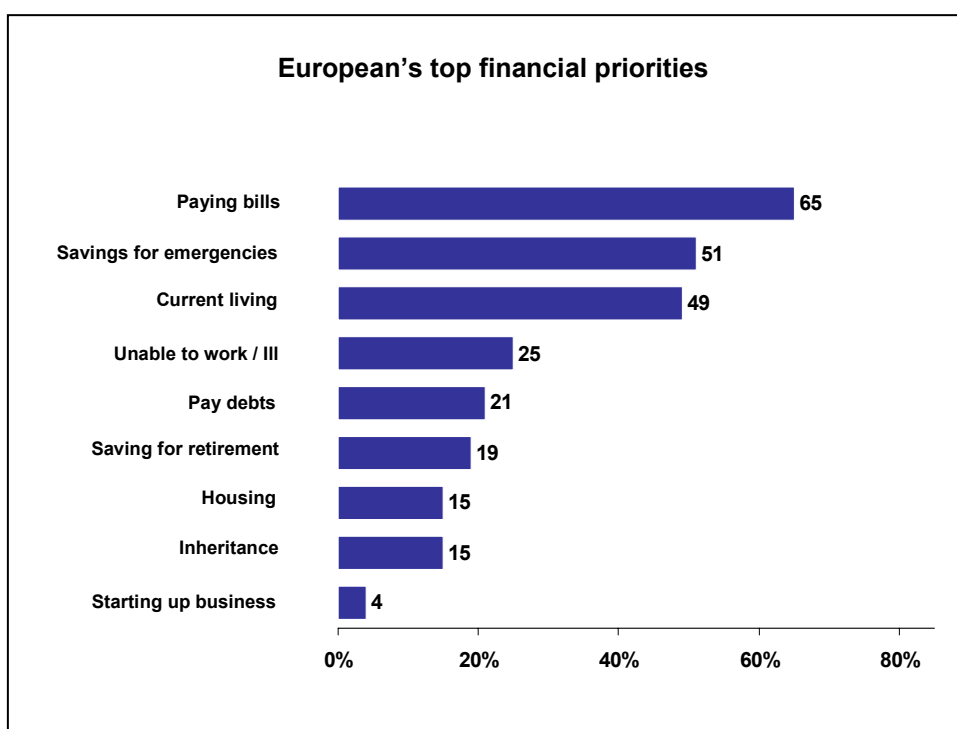
Views are assessed across the European Union and results are presented according to results at EU level, country level and with socio-demographic analysis, which attempts to highlight both the similarities and differences by such varied factors as gender, age, education, occupation, etc.

The main data making up this report was gathered between 02 November 2003 and 12 December 2003 and are part of wave 60.2 of the Standard Eurobarometer.

In the detailed analysis of the data in this survey, it became apparent that fundamental variations in attitude were most apparent between different countries, rather than as a result of a particular socio-demographic characteristic. Accordingly, this Executive Summary focuses on country variations and a detailed socio-demographic analysis is contained in Report A and Report B.

Europeans' top financial priorities

65% of the EU15 respondents ranked "paying the bills" as their top financial priority. 51% of those polled considered "having some savings for emergencies" to be a top priority and 49% cited "living as well as I can on my current income" as one of their top financial priorities.



The top 3 priorities were the same from one country to another. The proportion of respondents citing a given financial priority ranged significantly between countries. While 63% of Dutch and 61% of Italian respondents cited "having some savings for emergencies" as a top priority, only 33% of Danes and 30% of Finns felt the same way. In Finland 61% of the respondents saw "living as well as I can on my current income" as one of their top three financial priorities. Together with the Irish (58%), Dutch (58%) and British figures (57%), the Finnish figure was in contrast to a figure of 36% in Italy.

Europeans' views regarding their finances and financial services

Respondents were asked about their feelings when thinking about their finances and financial services.

Across the EU15, the most common response (23%) was that thinking about finances and financial services was "complicated". The second most common feeling (20%) was "intimidating". The next most chosen option was that thinking about their finances and financial services was "depressing". 19% of respondents across the EU15 felt this way.

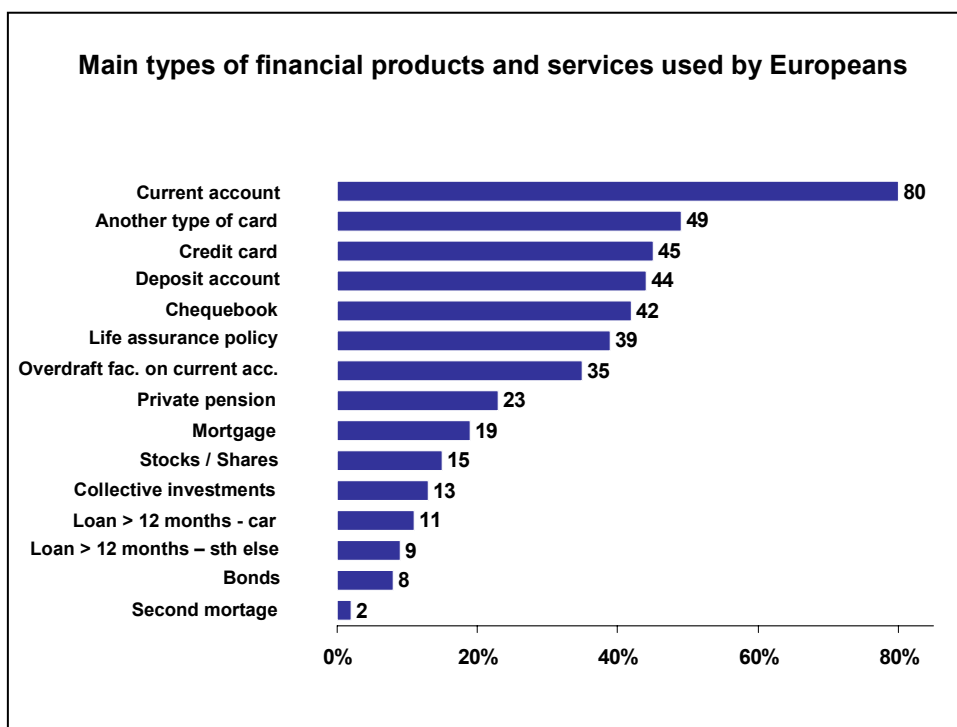
There are however some important variations across countries. The figures for "complicated" ranged between 12% (Luxembourg) and 45% (Portugal), for "intimidating" between 3% (Denmark) and 40% (Greece) and for "depressing" between 7% (Denmark) and 32% (UK).

Main types of financial products and services used by Europeans

80% of EU15 respondents surveyed had a current account with a payment card or chequebook. The picture across the EU15 was patchy: high figures were recorded for the Netherlands (98%), Belgium (93%), France (93%) and Germany (91%). In contrast to these was the figure for Greece. Only 20% of the Greek had a current account with a payment card or a chequebook.

Almost half (45%) of the Europeans had a credit card. Ownership of a credit card was extremely high in France (75%) and Luxembourg (69%) and much lower than the EU15 average in Germany (26%), Portugal (21%) and Greece (20%).

Almost one out of two (44%) respondents said they had a deposit account which pays interest but has no payment card or chequebook. 75% of the respondents in Belgium and Austria reported having one, while Italy (11%) and Portugal (19%) were at the low end of the scale with scores below 20%.



In general the ownership of different types of financial products and services was very low in Greece and Portugal.

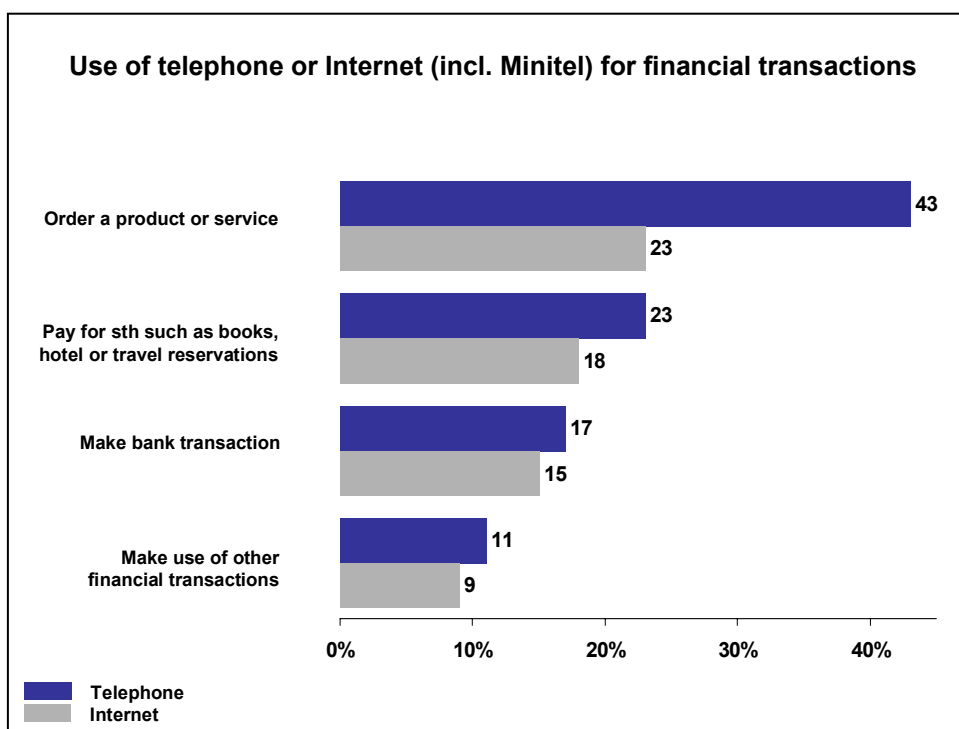
Use of telephone or Internet for financial transactions

In general, more EU15 respondents reported they had used the telephone than the Internet to make a financial transaction.

Ordering a product or service is the most common financial transaction for which the telephone or Internet is used. 43% of respondents said they had used the telephone to order a product or service and 23% said they had used the Internet for this.

While 43% of the respondents said they had used the telephone to order a product or service, only 23% reported they had paid via the telephone. This gap is smaller for financial transactions via the Internet: 23% said they had ordered via the Internet and 18% said they had paid via the Internet.

Almost half of the respondents (42%) who replied they had never used the telephone to pay for something explained that they just were not interested in paying that way and 20% thought it was not safe.

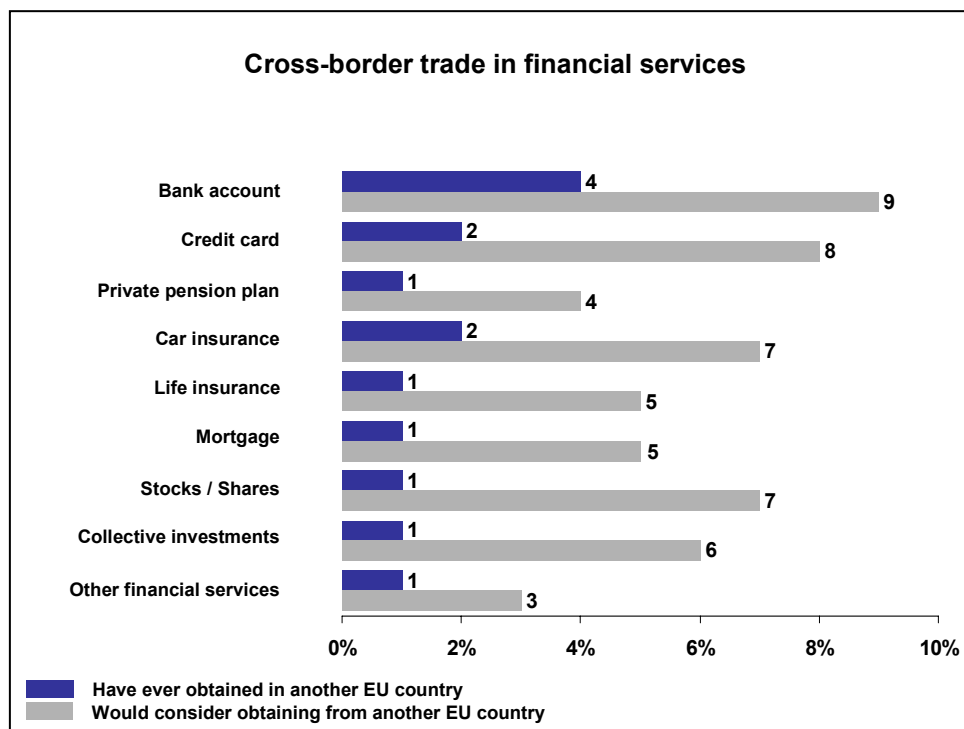


The use of telephone or Internet for financial transactions is high above the EU15 average in the Nordic countries (DK, S, FIN, UK, NL), while Portugal and Greece are at the bottom of the scale.

Cross-border trade in financial services and obstacles to trade

The levels of cross-border trade in financial services were, for the most part, very low in Europe ranging from 4% (bank account) to 1% (most other financial services). Luxembourg respondents are in general above the EU15 average.

The extent to which respondents would consider obtaining financial services from another EU country within the next 5 years was also low, never surpassing a level of 10%.

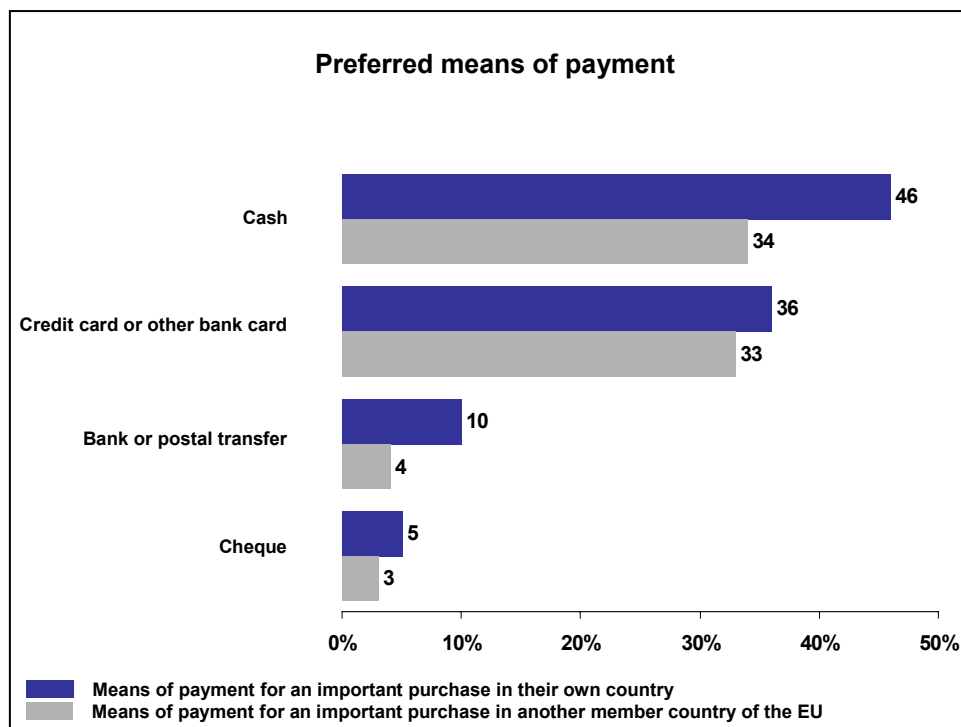


Overall, EU15 respondents reported “lack of information” as main obstacle (24%) to cross border trade in financial services. Next to this, more than one out of five mentioned “too risky” (23%) and “language problems” (22%) as an obstacle.

28% of the EU15 respondents did however not experience any obstacles preventing them from using financial services elsewhere in the European Union.

Preferred means of payment

European respondents preferred to use cash for payments in their own country (46%) and both cash (34%) and credit card or another bank card (33%) in another member country of the European Union. Cheques were the least preferred means of payment.



The EU15 average hid enormous disparities between countries. While 94% of the Greeks preferred cash to pay in their own country, only 3% said they made use of a credit card. In France an opposite picture was discerned: only 20% of the French preferred to pay with cash in their own country, but 37% preferred a cheque.

Most respondents reported "because it is easy" as the most important reason for the preferred means of payment in their own country (78%) and in another EU country (69%). Besides, they mentioned most "safety and security" reasons (14% in own country – 18% in another EU country) and "to avoid the risk of loss or theft" (14% in own country – 18% in another EU country).

It is also worth mentioning that more than one out of five respondents overall and 41% in Greece, 34% in Portugal, 25% in Spain, 25% in France, 24% in Ireland and 22% in UK had never bought anything in another member country.

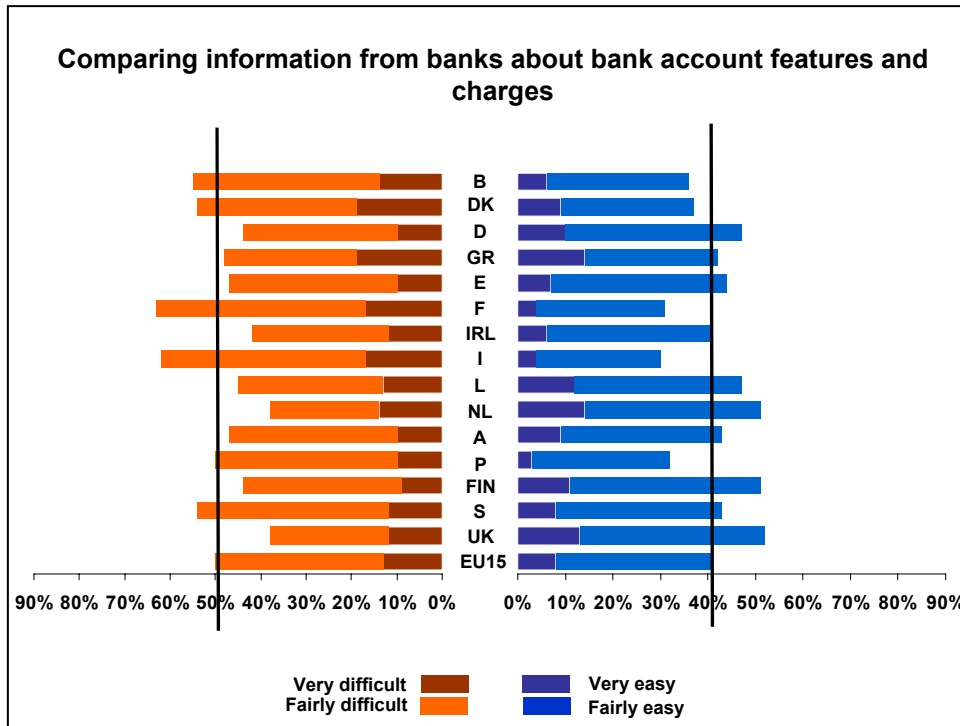
Electronic purse

While 13% of the EU15 respondents reported having used an electronic purse, 20% said that they would consider using it within the next few years. 65% reported that they would not and 15% did not know.

The use of an electronic purse was the most common in Belgium (42%), the Netherlands (41%) and Luxembourg (38%).

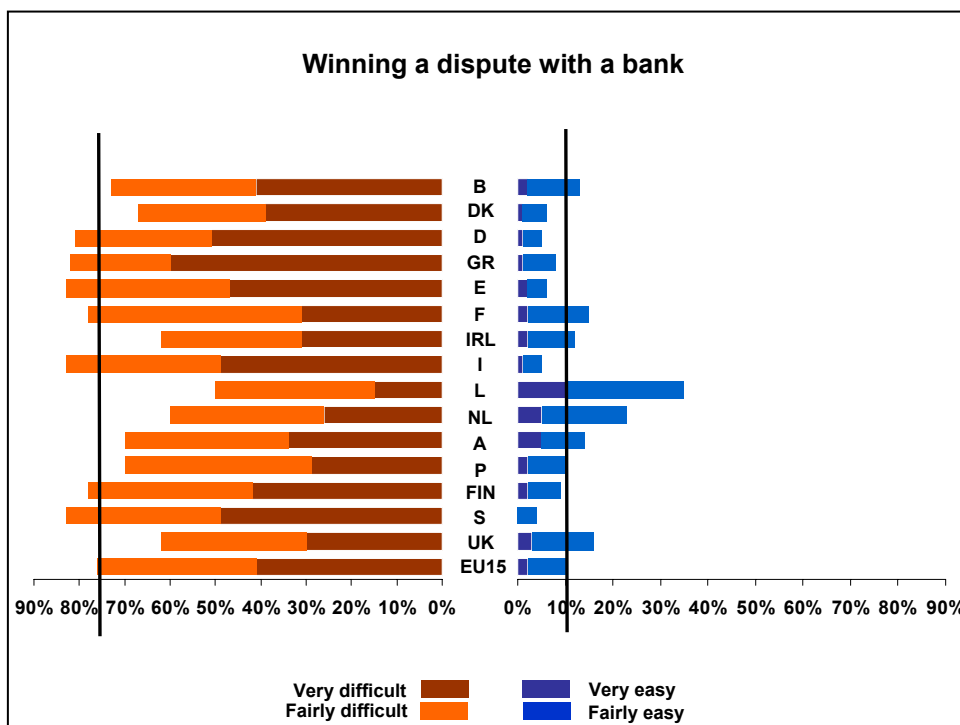
Comparing information from banks about bank account features and charges

50% of EU15 respondents believed that it was 'difficult' to compare information from banks about bank account charges and features (37% 'fairly difficult' + 13% 'very difficult'). 41% felt it was easy (33% 'fairly easy' + 8% 'very easy'). 9% did not know.



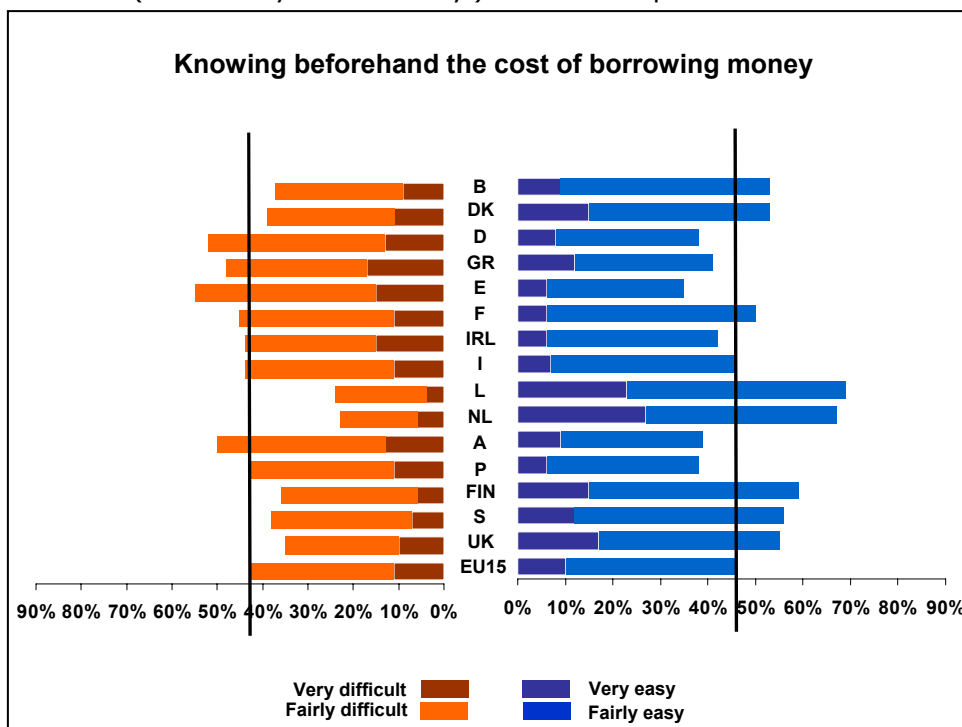
Winning a dispute with a bank

76% of EU15 respondents believed that it was 'difficult' to win a dispute with a bank (35% 'fairly difficult' + 41% 'very difficult'). Only 10% felt it was 'easy' (8% 'fairly easy' + 2% 'very easy'). 'Don't knows' across the EU15 amounted to 15%.



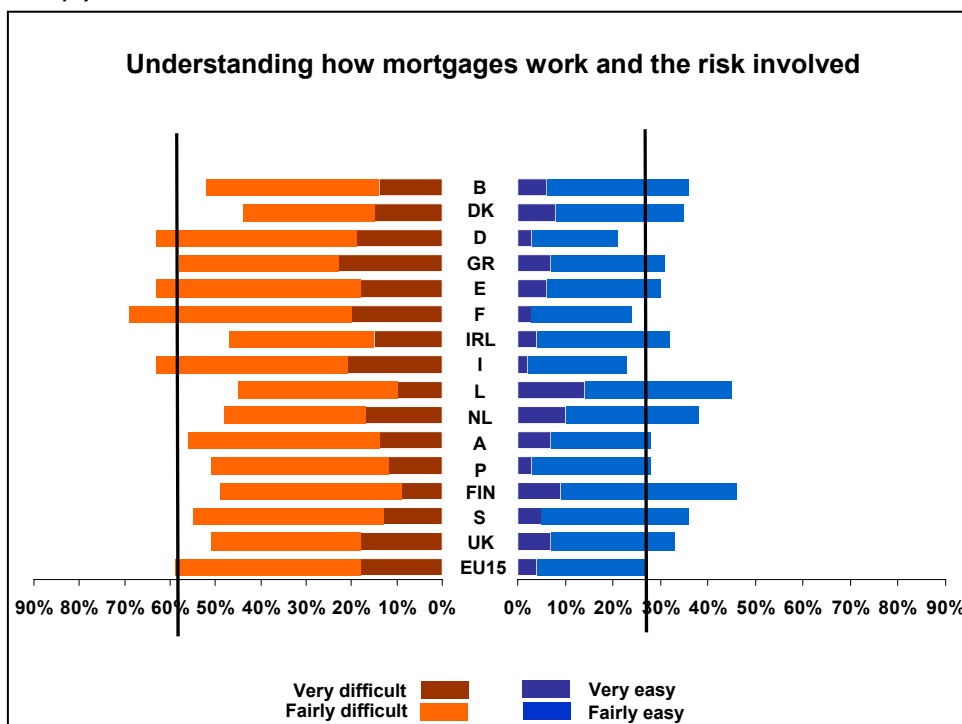
Knowing beforehand the cost of borrowing money

46% of EU15 respondents felt it was 'easy' to know beforehand how much it was going to cost to borrow money (36% 'fairly'+ 10% 'very'). 43% of respondents believed it to be 'difficult' (32% 'fairly'+ 11% 'very'). 10% of respondents did not know.



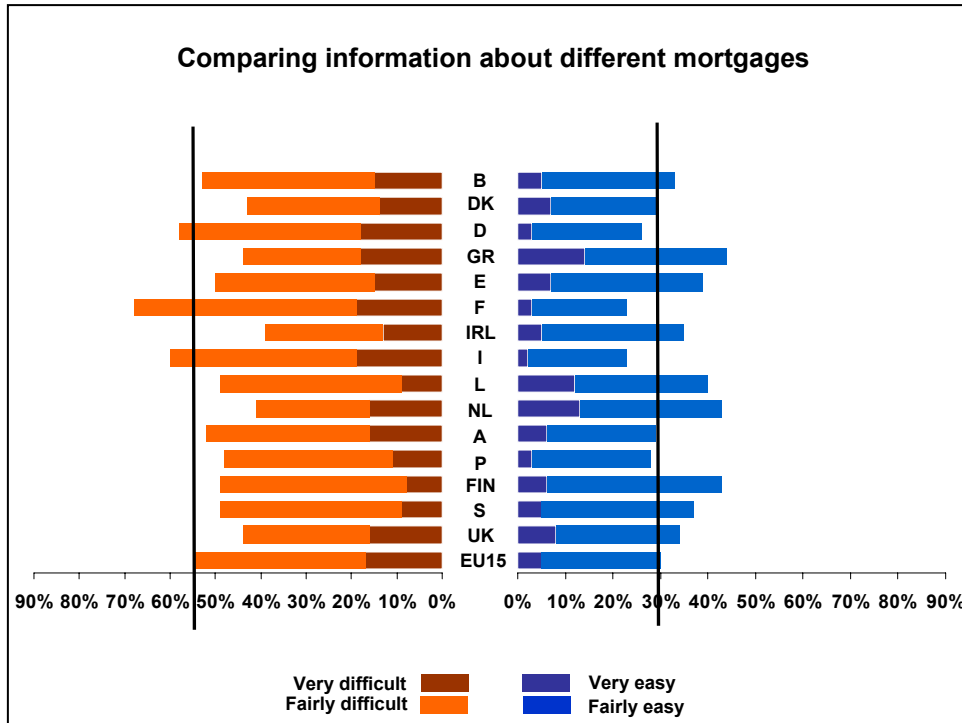
Understanding how mortgages work and the risk involved

59% of respondents across the EU15 believed it was 'difficult' to understand the information given by financial institutions about the way their mortgages work and the risks involved (41% 'fairly' + 18% 'very'). 27% believed it was 'easy' (23% 'fairly' + 4% 'very'). 14% did not know.



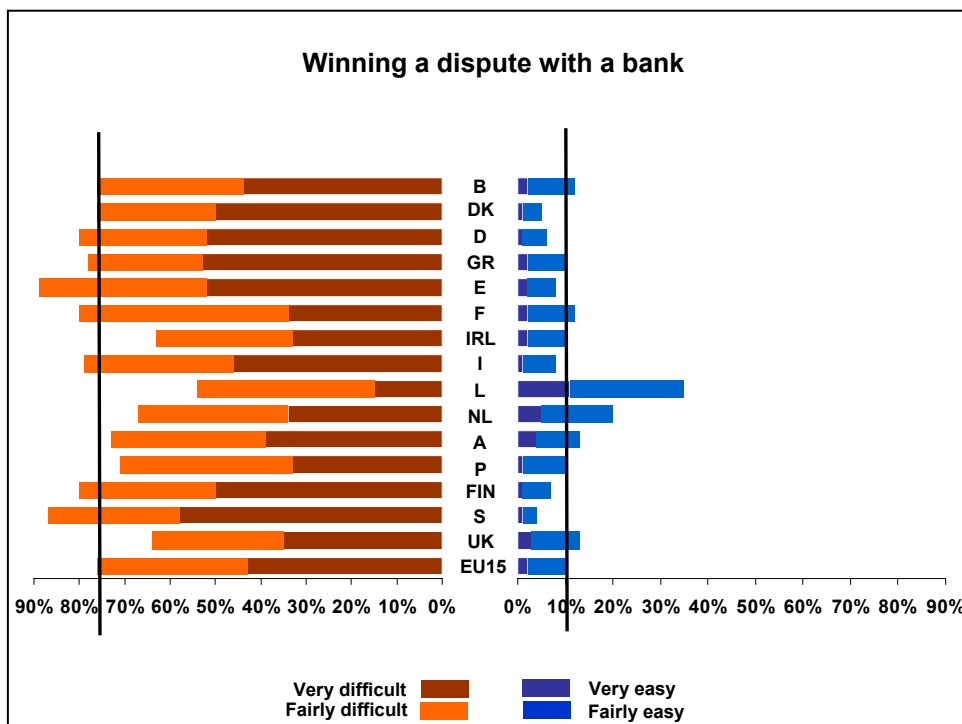
Comparing information about different mortgages

55% of respondents across the EU15 felt it was 'difficult' to compare information about different mortgages (38% 'fairly' + 17% 'very'). 30% thought it was 'easy' (25% 'fairly' + 5% 'very'). 16% of respondents had no opinion.



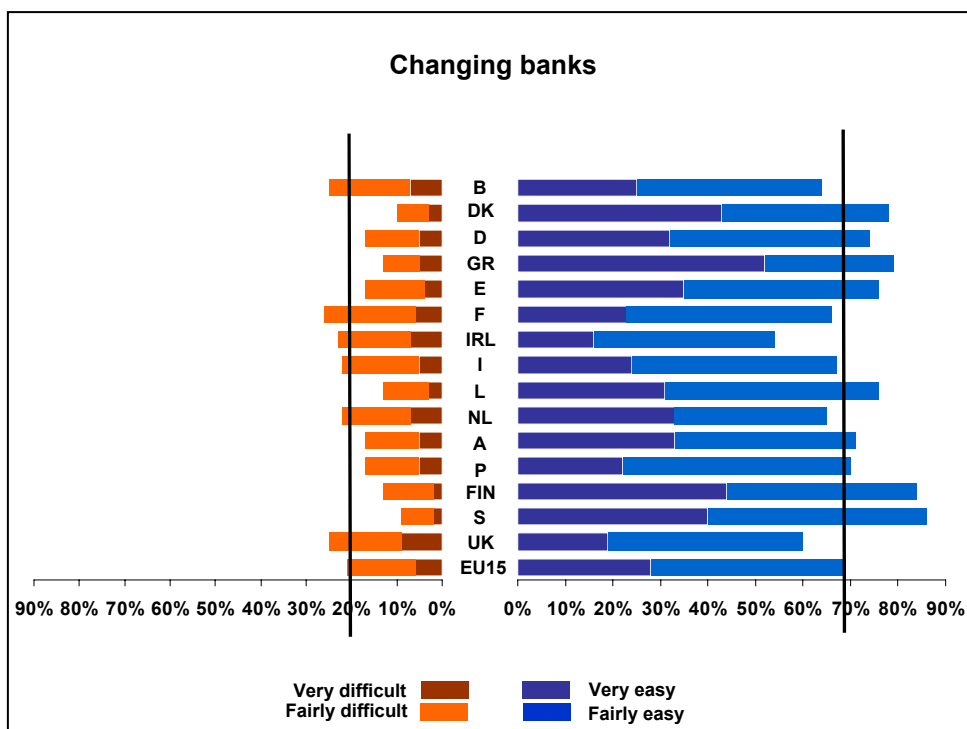
Winning a dispute with an insurance company

76% of EU15 respondents felt it was 'difficult' to win in a dispute with an insurance company (33% 'fairly' + 43% 'very'). Only 10% felt it was 'easy' (8% 'fairly' + 2% 'very'). 14% said they did not know.



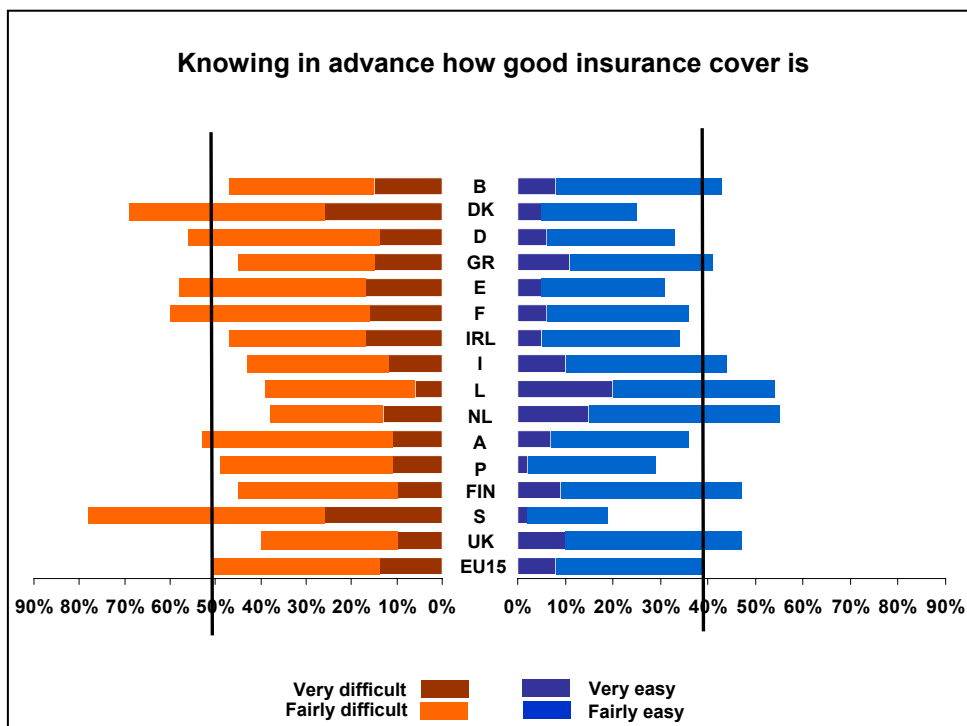
Changing banks

Only 21% of EU15 respondents believed it was 'difficult' to change banks (15% 'fairly' + 6% 'very'). 69% believed it was 'easy' (41% 'fairly' + 28% 'very'). 10% did not know.



Knowing in advance how good insurance cover is

39% of the EU15 respondents reported that they believed it was 'easy' to know in advance how well they are covered by insurance policies (31% 'fairly' + 8% 'very'). Half of the EU15 respondents believed it was 'difficult' (37% 'fairly' + 14% 'very'). 11% did not know.



Having a bank account is expensive

In the EU15, 45% of respondents shared the opinion that having a bank account is expensive. On the other hand, 48% disagreed with this statement and 7% had no opinion.

The EU15 average hid a wide range of opinion across Europe. Only 20% of the Dutch agreed that it was expensive, while more than three-quarters of Italians (80%) believed this to be the case.

More respondents disagreed with the statement than agreed with it in Denmark (57%), Germany (49%), Greece (61%), Spain (50%), France (50%), the Netherlands (73%), Finland (58%), Sweden (72%) and UK (71%).

Buying on credit is more useful than dangerous

35% of Europeans agreed that buying on credit is more useful than dangerous. However, slightly more than half (52%) disagreed, while 13% had no opinion.

There were considerable differences between countries: 49% of Spanish, 47% of Irish and British, and 46% of Italian respondents agreed with the statement, while only 12% of the Dutch did.

Conversely, the percentages for those disagreeing with the statement ranged from 30% in Italy to high scores of 71% in Austria, 74% in Denmark and 80% in the Netherlands.

No real checks on borrowing

Seven out of ten Europeans disagreed that it is possible for them to borrow as much as they like because there are no real checks. 12%, on the other hand, agreed with the statement and 11% had no opinion.

More than three quarters of the Portuguese (76%), Spaniards and Italians (77% each), Finns (78%) and Swedes (80%) disagreed with the statement that they could borrow as much as they like because there are no real checks. There were only three countries where those disagreeing fell below the two-thirds mark: UK (60%), France (63%) and Austria (64%).

Indebtedness problem does not exist in the respondent's country

More than seven out of ten (73%) Europeans disagreed that the problem of borrowing more than one can pay back did not exist in their country. 14% agreed with the statement and a further 13% had no opinion.

30% of Finns and 20% of Greeks and Luxembourgers surveyed agreed with the statement that the problem of indebtedness did not exist in their countries.

The Dutch (93%) topped the list with their opposition to the statement, followed by the French (86%), the Belgians (82%) and the Danes (81%). On the other hand, only 61% of Spaniards and Finns and 62% of Greeks surveyed registered their disagreement.

Marketing techniques of financial institutions are aggressive

Almost six out of ten (57%) of EU15 respondents agreed with the statement that marketing techniques of financial institutions are aggressive. 22% had no opinion and 21% did not agree.

There were substantial variations in the readings recorded by the various EU15 countries.

The most striking aspect is that 51% of Finnish respondents disagreed with the statement. At 29%, Luxembourg and Belgium were second in this ranking. This means a disparity of 22% between the first and second position.

On the other hand, more than two-thirds of French and Swedish (66% each), Danish (67%) and Dutch (74%) respondents agreed with the statement.

Information from financial institutions is clear and understandable

58% of EU15 respondents disagreed with the statement that the information they get from financial institutions is clear and understandable. 29% agreed and 13% had no opinion.

Close to two-thirds of French (64%), Italian (66%) and Swedish respondents (67%) disagreed with this statement.

On the other hand, 44% of Luxembourgers, 46% of Finns and 44% of the Belgians and the Irish agreed.

Consumer rights are adequately protected in relation to financial services

A quarter of EU15 respondents had no opinion on the statement that their rights as consumers are adequately protected in relation to financial services. 34% agreed with the statement and 41% disagreed.

More than half of Finns (60%) and Luxembourgers surveyed (58%) agreed with the statement, trailed by 44% of Belgian and 43% of Danish respondents.

On the other hand, in Greece (56%), Sweden (53%), Italy (50%) and France (49%) above-average scores were recorded for respondents who disagreed with the statement.

There are easy ways to settle disputes with banks and insurance companies

58% of EU15 respondents disagreed with the statement that there are easy ways to settle disputes with banks and insurance companies. Only 17% agreed with it and 26% had no opinion.

Those disagreeing with the statement were headed by the Swedes (72%), the Finns (67%), the Italians (65%) and the French (64%).

In Luxembourg, almost half of those surveyed (45%) agreed.

Financial transactions are generally secure

Half (55%) of EU15 respondents agreed with the statement that financial transactions are generally secure. 24% disagreed and 21% had no opinion.

The Scandinavian countries recorded high numbers of responses agreeing with the statement that financial transactions are generally secure: 86% of Finns, 78% of Danes and 77% of Swedes. Next in line came the Netherlands (73%) and Luxembourg (70%). The lowest level of agreement was to be found in Greece (29%).

Greece was the only country where more respondents disagreed (46%) with the statement than agreed (29%).

Confidential information given to banks or insurance companies is adequately protected

Half the EU15 respondents surveyed (51%) agreed with the statement that the confidential information they give to banks or insurance companies is adequately protected. A fifth of the respondents (22%), however, did not have an opinion and 27% disagreed.

The EU15 figure concealed the diversity of opinions on this point.

While the level of agreement was only 37% in Portugal, more than two-thirds of all Scandinavian respondents agreed with the statement: Sweden (67%), Denmark (73%) and Finland (74%). Figures slightly below the EU15 average were recorded in Italy (48%), France (48%) and Germany (49%), whereas Spain (51%), Ireland (52%) and Austria (53%) were slightly above the average (51%).

Trust in telephone for banking transactions

24% of EU15 respondents agreed, 61% disagreed and 15% had no opinion on the statement that they trusted the telephone for banking transactions.

More than half of the Swedes (60%) and Danes (55%) surveyed agreed with the statement. A high agreement figure of 49% was also recorded for the Dutch respondents.

In the Netherlands (42%), Sweden (32%) and Denmark (27%), there were fewer respondents who disagreed than agreed with the statement. Roughly as many Irish disagreed (40%) as agreed (38%).

Trust in Internet for banking transactions

58% of EU15 respondents disagreed with the statement regarding trust in using the Internet for banking transactions and payments. Only 20% agreed and 21% had no opinion.

There were considerable variations in the views of respondents in the different EU countries.

As with trust in the phone, the Scandinavian countries tended to be the most trusting with respect to the use of the Internet for banking transactions and payments: Denmark (56%), Sweden (55%) and Finland (48%). The Dutch respondents also agreed to a high degree (46%).

Disagreement levels were highest in Greece (71%), Italy (68%), France (64%) and Germany (63%).

Transactions on the Internet are generally secure

In the EU15 countries, 45% disagreed with the statement that transactions on the Internet are generally secure, 22% agreed, and 33% had no opinion.

Despite the EU15 average of only 22% agreeing with the statement, half or more of those surveyed in the Scandinavian countries agreed: Finland and Denmark (51% each) and Sweden (59%). The figures for the Netherlands were also high: 29% of respondents agreed with the statement.

The highest levels of disagreement were amongst respondents in Greece (64%).

Harder to sort out problems that arise if transaction is by Internet

40% of EU15 respondents had no opinion on the statement that if they make a transaction on the Internet, it's harder to sort out any problems that may arise. 30% agreed and the same proportion disagreed. A possible explanation for the high 'don't know' score is the high proportion of people who have never tried to make a transaction using the Internet.

53% of Portuguese respondents had no opinion, nor did 46% of the Spaniards and Irish and 44% of the Italians and British.

The Finns (52%) and the Swedes (44%) were most likely to agree.

On the other hand, more than a third of the Swedish (33%), Belgian, Greek and French (34% each) and 37% of the Luxembourg respondents disagreed.

In eight countries the proportion of respondents who disagreed was greater than the proportion of those who agreed: Belgium, Germany, Greece, France, Ireland, Luxembourg, Portugal and UK.

Consumers' expectation of financial institutions giving advice

74% of the EU15 respondents expected to be given advice by financial institutions. 21% did not expect this kind of advice and 6% did not have an opinion.

Huge cross-country differences were observed. In three countries less than half of the respondents expected to receive advice from financial institutions: Greece (37%) and Portugal and Spain (46% each).

At the very top of the table were Germany (92%), Denmark and the Netherlands (88% each), Luxembourg (86%), Finland (84%) and Sweden (80%), where more than eight out of ten respondents expected to be given advice by financial institutions.

Consumer makes own financial decisions

92% of the EU15 respondents made their own financial decisions; only 6% said they did not do so. 2% had no opinion.

No striking differences were observed between the member countries. Except for Spain (86%) and Italy (89%), more than 90% of the respondents in all countries reported that they made their own financial decisions.

Trust in advice given by financial institutions

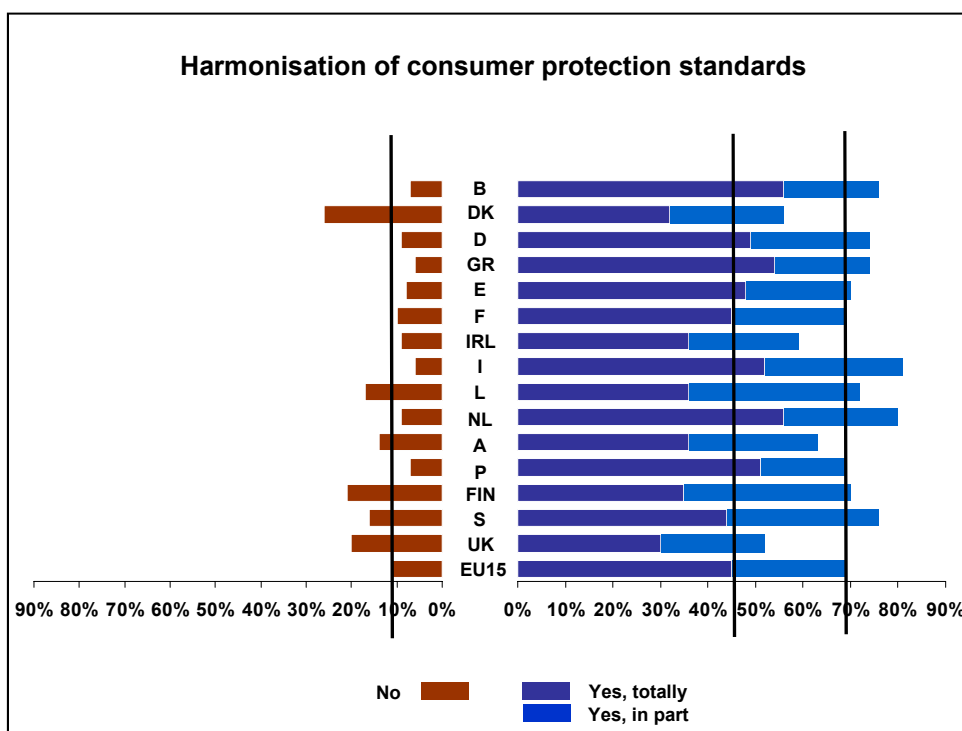
47% of the EU15 respondents trusted the advice given by financial institutions, 38% did not and 15% did not have an opinion.

The highest figures for trusting the advice given by financial institutions were recorded in Denmark (72%) and Finland (73%). The Austrians (65%), Germans (56%) and Luxembourgers (55%) also recorded figures well above the average.

At the other end of the scale were to be found Greece (20%), Italy (33%), Spain and Portugal (41% each), France (46%) and UK (48%), all showing figures below 50%.

Harmonisation of consumer protection standards

45% of EU15 respondents felt that there should be total harmonisation of consumer protection standards across Europe. A further 24% felt that there should be partial harmonisation, while one-fifth said they had no opinion. 11% of respondents were against the harmonisation of consumer protection standards.



When a more specific question was asked about harmonisation in relation to financial services, no significant differences were observed with answers to the question about harmonisation in general. This gives evidence that respondents understood the general question correctly as being about harmonisation in relation to financial services.