

## Customers are increasingly happy with online banking

by AP-News

NEW YORK (AP) — Banks have been disappointing customers many ways lately — tightening mortgage lending standards, paring back home-equity and credit-card lines and lowering savings interest rates — but they're receiving higher marks for at least one thing: their Web sites.

Customer satisfaction with online banking sites has risen significantly over the past five years, according to a survey released Tuesday by ForeSee Results. ForeSee's survey uses the University of Michigan's American Customer Satisfaction Index, and this year, the index registered a score of 82 out of 100 for online banking, up 12 percent, or 9 points, from a score of 73 in 2003.

The reading of 82 was higher than customers gave banks overall — 78 in 2007 — suggesting they are more pleased with banks' online operations than with branches and call centers. The score is also strong compared to other arenas: Online retailers, the highest-scoring category measured by the ACSI, recently scored 83.

Satisfaction is up partly because people are more comfortable banking online than they used to be, said ForeSee Results president and CEO Larry Freed. Other big reasons he cited include efforts by banks to boost security, allow more types of transactions, and ease navigation.

Web site technology is expensive, Freed said, but the payback is significant. The same survey showed that highly satisfied online banking customers are 31 percent more likely to buy additional services from the bank and 54 percent more likely to recommend the bank to others.

So as banks wrangle with a deteriorating credit climate and huge mortgage-related losses, they will need to keep investing in their Web sites to hold onto their customers.

"If banks don't evolve with the latest and greatest technology ... they'll fall behind again. It's not something where they can rest on their laurels," Freed said. "Banks should not only look at themselves and their peers, but look at other industries."

The survey measured customers' experiences with three types of financial institutions — banks, credit card companies and investment services firms. Results were not broken down for individual banks.

Banks got the highest score out of the three financial categories.

ForeSee's study, conducted with Forbes.com, polled 1,600 respondents through an online survey during the first quarter of 2008. The margin of error for each of the industry scores was plus or minus 2 points.

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