

# The restoration of consumer confidence in the financial sector

## Final Dissertation

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## Executive summary

Dutch households still appear to have no confidence in the financial sector. In the period of 2006 until 2009, public confidence in Dutch financial institutions fell sharply. In 2010, this somewhat rebounded, but since then remains substantially lower than before the start of the financial crisis. This thesis focuses on consumer confidence in the financial sector in the Netherlands during the economic crisis and the measurements taken by ING and ABN AMRO in order to restore the consumer confidence.

From 2008 until 2015, consumer confidence in the financial sector decreased as a result of the financial crisis and the political instability in the Netherlands and in Europe. ING and ABN AMRO have focused on transparency, paying attention to the consumer and reducing bonuses of top managers in order to regain consumer confidence. Have these developments changed the public opinion? Both ING and ABN AMRO have used stakeholder engagement (dialogues, in-depth interviews and questionnaires) and transparency as the measures to restore the consumer confidence in the financial sector. Both banks have provided programs to make financial matters easily understandable in order to increase the transparency.

Some of the measures taken by ING and ABN AMRO correspond to the characteristics of CSR. Stakeholder engagement is part of the characteristics trustworthiness and ethical behaviour. The measure of transparency is one of the most important characteristics of CSR. The outcome of this research is that some of the implemented efforts have been in CSR thinking.

Although, there is not a universal, commonly accepted definition of the term Corporate Social Responsibility, the following definition is used in this thesis: *‘CSR refers to a concept that combines social and environmental issues or activities into a company’s daily operations and interactions with stakeholders’*. The characteristics of CSR are environment, ethical behaviour, trustworthiness, transparency, cooperate governance, materiality and community.

However, consumer confidence continues to decrease despite various actions taken by the banks. Measures have not been effective, because consumers are still not satisfied and the percentage of confidence is not increasing. Even though the measures correspond to the characteristics of CSR, it does not seem enough to regain consumer confidence. ING and ABN AMRO should follow and/or consult the example of banks such as Triodos Bank and ASN Bank in order to compare these banks to them. Also, the banks should promote their activities to restore consumer confidence in the financial sector on social media.

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## Preface

When choosing this subject, I did not think that I would read so many articles and Annual Reports in order to write a thesis of fifty pages. I had heard many stories on writing a thesis of my friends and/or roommates and they were not very positive about it. At first, I thought that it could not be that awful. I had just finished the Europe 21 report and that went very well. However, the difference of course is that you write a thesis on your own.

The consumer confidence in the financial sector during the economic crisis seemed very interesting, because I wanted to know how this has developed in the past seven years. I had heard a lot about the consumer confidence in general, but how did people think about their own banks? Had the confidence in banks decreased or increased after several Dutch banks received state aid and Fortis needed to be bought by the Dutch state? Did people start to transfer to other banks? I did not know much about the confidence in banks and the financial sector. This is probably because I was too young to fully understand what really caused the crisis in 2008 and that was a reason why I wanted to know about the rebuilding of banks and the confidence of the Dutch consumer in their banks.

The target group I have been focusing on is from 17 until 65 years old. This target group is chosen, because 65 years old is the maximum age that had filled in the questionnaire. I do not exclude ages above 65 or under 17, but a line had to be drawn. People from every age have the possibility to gain knowledge by reading this thesis.

When starting to write the thesis, I had some difficulties with finding the right track for my research. Fortunately, my supervisor Mr. Van Weperen and second reader Mr. Veldman have helped me very well during the process and they have guided me into the right direction to write an interesting thesis. Thank you very much for your help and I definitely will remember your tips and/or points of improvement for the next thesis.

Leiden, 20 September



## 1 Introduction

“The Financial crisis forms the starting point of the market failure. Financial markets failed in managing risk and the proper allocation of investment capital. Governments and other regulators have not properly monitored and have not driven financial activities” (Tonkiss, 2009, p. 196). Stiglitz (2008) believes that the financial crisis occurred from a catastrophic collapse in confidence. Whether the decline in confidence is an effect or the actual cause of the crisis, it will remain as a chicken-and-egg problem. It is at least arguable that the confidence crisis has a major impact on the duration, complexity and severity of the crisis. “Trust is the backbone of the economy. It is a critical component of finance, successful businesses, growth and development” (Gurría, 2009). Arrow (1972) suggests that confidence in every commercial transaction involved and lack of confidence is the cause of most of the economic decline in the world. The degree of confidence is positively related to national prosperity (Beugelsdijk, the Grott & van Schaik, 2004; Whiteley, 2000; Zak and Knack, 2001). According to Covey and Link (2012), the crisis of confidence in the world has a profound impact on quality of life. This indicates the relevance of confidence in the economy and the current economic climate in particular.

However, not only is consumer confidence in the general economy harmed, but the trust in the financial sector has also changed since the financial crisis. Dutch households still appear to have no restoration of confidence in the financial sector. In the period of 2006 – 2009, public confidence in the Dutch financial institutions fell sharply. In 2010, somewhat rebounded, but since then it has remained substantially lower than before the start of the financial crisis (De Nederlandsche Bank, 2012). The media has also paid a lot of attention to lack of consumer confidence in the economy and the banking sector in particular in recent years. Headlines such as: “Little confidence in banks” (NOS.nl, 2013) and “Banks need to regain confidence” (Nu.nl, 2014) have appeared.

How has the consumer confidence developed in the banking sector? What are the (general) measures that both ING Bank and ABN AMRO have taken to restore consumer confidence? What is CSR and what are the characteristics of CSR? The following central question will be answered with the help of the answers on these questions: ‘What measures have ING and ABN AMRO taken in the Netherlands to restore consumer confidence since the economic crisis in 2008, and can these measures be regarded as CSR measures?’ In order to answer this question,

academic literature, publicly available reports, marketing, and questionnaires concerning the financial sector have been used.

The third chapter discusses consumer confidence in the financial sector during the economic crisis. The focus is on the period in which the confidence started to decrease and the reasons and cause of distrust in the financial sector. The fourth chapter examines measurements taken by ABN AMRO & ING in order to restore the consumer confidence in the financial sector. Some of the taken measures will be consulted and research will be done on the outcomes of these efforts. Furthermore, the role of the government during the economic crisis will be enlightened. The fifth chapter focuses on corporate social responsibility. This phenomenon has become an essential part of the financial sector. The chapter concludes with a possible definition even though there has not been a universal commonly known definition for CSR until now. It is important to understand the basics of the term and the most important characteristics of CSR. The sixth chapter analyses the reasons of distrust, the measures taken by the banks and the government and the level of improvement until now. In addition, the chapter compares the CSR characteristics to the CSR policies of the banks and examines if these correspond to the points of improvement of the consumers. Finally, the conclusion suggests points of improvement in order to regain consumer confidence in the financial sector. This thesis closes with recommendations for further research.

## 2 Methodology

*This chapter outlines the methods on which the thesis is based. The chapter mentions the methods used and the description of the process; the used research approaches, including collecting data and the analysis of data, to be able to evaluate the quality of the research and trustworthiness of this thesis.*

This research aims to examine how the consumer confidence has changed in the financial sector in the Netherlands and what measures ABN AMRO and ING have taken to restore the confidence since the economic crisis. In addition, other goals are to define what Corporate Social Responsibility is, if it adds value to the confidence of the consumer and what CSR measures ABN and ING have implemented. Careful research has been conducted to collect findings and data. A questionnaire was used to investigate consumer confidence in-depth idea in the financial sector.

### 2.1 Methods



“Conceptual model”

The method of research is explained in the figure given above. The research started with extensive desk research on consumer confidence in the banking sector. Then the research focused on the possible measures taken by ING and ABN AMRO in order to restore consumer confidence. Furthermore, the definition and characteristics of CSR are examined and afterwards compared with the efforts of the banks. Finally, the conclusion was written about the outcomes of the research that answered the main question.

#### 2.1.1 Sub question 1

For this thesis qualitative research has been done on the first sub question ‘How has the consumer



confidence developed in the banking sector?’ in the form of desk research. In this way it was possible to go more in-depth of the consumer confidence in the financial sector in the Netherlands. The aim of this paper was to research consumer opinion and confidence by gathering information about this topic in the period from 2008 until 2015. Also, a questionnaire has been done in order to compare the opinion of the consumers in 2015 to surveys from earlier years. Stakeholders are very important, because they are the ones that need to be satisfied. Therefore, the banking sector, their performance and application of CSR policy have been tested among the consumers of different Dutch banks. The advantages of using desk research were the stated definitions of terms and clear explanations of information. The disadvantage was the limited number of opinions from external parties. By using desk research, the credibility was high because the information was based on facts from several sources. The advantage of using a questionnaire was that it often provided various opinions of consumers from different age categories. The disadvantage was that it often lacked something with regards to other questionnaires, which made it difficult to compare them.

### 2.1.2 Sub question 2

Qualitative research in the form of desk research has also been used for the second sub question ‘What are the (general) measures that both ING & ABN AMRO have taken to restore consumer confidence?’ Desk research was chosen due to the trustworthiness of publicly available documents such as annual reports of banks. This large amount of information made it able to discuss different measures taken by the banks and compare these to the efforts taken by the government for the financial sector in general. Annual reports of banks have been used to define their goals in the area of restoring consumer confidence. Also, the questionnaire has been used to compare the measures with the opinion of the consumers to see if the measures have worked. The advantage of using desk research was to be sure of credible information, however the disadvantages were the lack of views of experts and the ideal picture that was painted in the annual reports.

### 2.1.3 Sub question 3

Finally, the same method of research has been used for the last sub questions ‘What is CSR and what are the characteristics of CSR?’ Desk research has been utilised, because it offered credible information of Corporate Social Responsibility experts. In addition, discussions on the most important characteristics of CSR were found due to desk research. This type of research provided enough information to obtain a clear view of the definition and its characteristics in order to

compare these with measures taken by the banks in the analysis. The advantage of using desk research was that the characteristics were stated in an orderly manner, however the disadvantage was that some important characteristics were missing in various overviews and that made it difficult to examine. This made the credibility a little insecure.

This research aims to increase knowledge on the purposes of consumer confidence, the measures to restore consumer confidence, CSR and the implementations of the term in the financial sector. The discipline of desk research investigates the degree of importance of consumer confidence in combination with CSR in the financial sector. Consequently, this research aims to give a better insight how CSR can influence consumer confidence and how this perspective can influence future banking application of CSR.

## **2.2 Scope & limitations**

### **2.2.1 The scope**

The term consumer confidence is very broad and having the confidence of your consumers is of large importance in every sector. This thesis focused on consumer confidence in the financial sector and the measures to restore the confidence by two banks (ING and ABN AMRO) and governmental parties. Furthermore, another emphasis was on the definition and characteristics of CSR. These characteristics have been compared to the CSR policies, and the improvement of these policies, of ING and ABN AMRO in order to see if these corresponded to the points of improvements of consumers. Are banks focusing on points that consumers would like to see improved or are they focusing on other affairs? That was researched in the thesis. The subtopics were chosen because it is important to understand what has happened to the consumer confidence during the economic crisis, what banks have done to regain the trust, what CSR can do to build consumer confidence and if these characteristics correspond to points of improvement of the consumers.

### **2.2.2 Limitations**

This thesis was limited to consumer confidence during the economic crisis until now (2008-2015) in the financial sector. Furthermore, the research was focused on ING Bank and ABN AMRO. The banks were chosen due to their degree of largeness in the Dutch society. Also, the term CSR was limited to the basic definition and the main characteristics of the term have been mentioned. CSR has been seen as an umbrella term for many definitions that have something to do with CSR.

Only the two closest related terms Creating Shared Value and Sustainability are explained in order to understand the differences. The overall research of this thesis is done between July and September 2015.

### Chapter 3 Consumer confidence in the banking sector

*This chapter outlines the change of consumer confidence in the financial sector. Over the past ten years, a lot has changed in the Dutch financial sector and the consumers seem to suffer from it. What has changed in the ten years? The chapter will focus on the cause of diminution and on a possible solution to restore the confidence.*

#### 3.1 The start of the economic crisis

The fall of Lehman Brothers is the largest bankruptcy in history. The bank is both perpetrator and victim of a real estate crisis occurring in 2008 in the United States and later on in the rest of the world. The crisis has turned into a banking, credit and financial crisis. The financial system was falling apart and Lehman Brothers got buried under the rubble. The fall of Lehman Brothers became the foundation upon which an economic crisis arose that still persists until this day, seven years later (Kampen, A. van, 2008).

The problems within the Dutch banking sector came across in the summer of 2008. On June 26, 2008, Fortis announced that 8.3 billion euros was needed to reinforce the capital buffer, while the bank had taken over a part of ABN AMRO eight months earlier. The financing of the acquisition of ABN AMRO appeared to be a major problem, but also the losses on the US subprime mortgages fell heavily. Persistent rumours about capital increase and liquidity problems at Fortis continued to resurface. Fortis continued to deny financial issues until mid-September 2008. On July 24, 2008 it emerged that Fortis internally had admitted to issues concerning liquidity management and liquidity needs. On September 28, 2008, the Belgium, Dutch and Luxembourg governments announced that each would buy 49% of the Fortis Bank in their country. However, the capital injection of the Benelux countries did not appear to comply. On October 3, 2008 it was announced that the Dutch State would buy the Dutch parts of Fortis and ABN AMRO. On October 2, 2008 the integration of Fortis Bank Netherlands and ABN AMRO took place (Vereniging van Effectenbezitters, n.d.).

The difficulties of ABN AMRO started before the crisis. In December 2005, the American justice imposed a fine of 80 million dollars to ABN AMRO. The bank received this penalty for the facilitation of criminal transactions, parking in illegal business with Iran and Libya (Simpson, 2005). In 2006, ABN AMRO paid a fine of 16.85 million dollars due to irregularities in the closure of thousands of mortgages in the United States. In the period from 2000 to 2003, the bank had wrongfully qualified approximately 28 000 mortgagors for a mortgage (Metro, 2006). These

issues have had relatively little attention in the Netherlands. The Dutch gave more attention to the departure of CEO Rijkman Groenink. Groenink left after ABN was taken over by Fortis, Royal bank of Scotland and Banco Santander. The CEO earned 19.9 million euros with the sale of the options and stocks (Tamminga, 2007). On October 17, 2007 the Lower House held an emergency debate on the takeover of ABN AMRO and the reward of Rijkman Groenink, who would not have performed well according to some members of the parliament (Tweede Kamer, 2007). Now, the bonuses in the banking system are still an issue for many people. Minister Dijsselbloem decided that banks could only give their employees a bonus of 20 per cent of the fixed salary from January 2015. However, ABN AMRO already changed their plans in advance by giving their top managers a salary increase of 20 per cent (De Zeeuw, 2014). This news caused a great fuss (from Uffelen, 2014; Volkskrant, 2014; Wawoe, 2014). The respondents survey of KPMG (2013) revealed that 62 per cent of the respondents sees the lowering of bonuses in the financial sector as a solution to improve customer confidence in the bank.

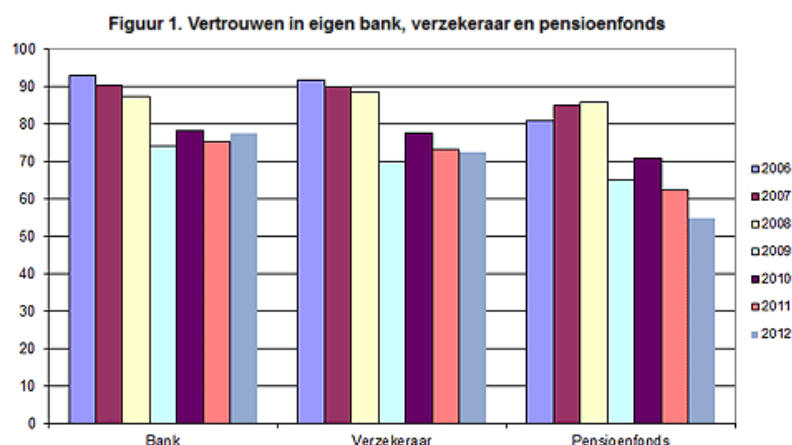
Although ING maintained that the losses in the US mortgage bonds were better than expected, the company did not succeed to convince the other parties. In October 2008, ING concluded that it needed aid from the Dutch government to keep its capital position intact and the company received a capital injection of 10 billion euros (Parlementaire Enquêtecommissie Financieel Stelsel, 2012). ING had the same problems regarding the bonuses received by a top executive. In 2011, it turned out that Jan Hommen, CEO of ING, received an annual bonus of 1.25 million euros in 2010 while the bank was receiving state aid. After angry reactions from customers, unions and politicians, Hommen gave up its variable remuneration (Volkskrant, 2011). On June 12, 2012, ING had to pay a fine of 619 million dollars to the American government because of the violation of trade sanctions in the period up to 2007. The company would have channelled 1.6 million dollars illegally through US banks (Nu.nl, 2012). In March 2014, there was a commotion about ING/a commotion was caused by ING. The bank was planning on making commercial use of customer data. This would not be in the interest of the customer and in line with Code Banks (Klompenhouwer, 2014).

### **3.2 Differences in consumer confidence in the financial sector**

The Dutch retail banks sector is in a deadlock. Competitors keep each other in a headlock because a few major players dominate the market. Consumers recognize the impasse and are therefore very sceptical about the quality of their retail bank. Regulator De Nederlandsche Bank (2013) discovered that economic factors do not only determine consumer confidence; banks play a key

role. The Dutch citizen has always had a strong faith in the future, more than anyone else in the world. From the 90s, consumer confidence in the Netherlands became substantially higher than in Germany. The Dutchman is a high consumer in these golden years. However, after 2008, the Dutch consumer confidence decreased enormously (Follow the Money, 2013; Berger, 2013).

In the period of 2006 until 2009, confidence of the consumers in the Dutch financial sector declined strongly. In 2010, somewhat amended, but remains lower than before the crisis. In 2012, confidence in banks ascended slightly in relation to 2011. Confidence in the life insurer remained more or less stable, while the confidence in the pension funds decreased. Confidence of the consumers in DNB has expanded for the first time in five years. The findings are based on a research of DNB Household Survey (DHS) held among a representative sample of the Dutch population aged 16 and older at the end of March 2012. A number of 2272 people took part in this survey. The following figure shows the trust of the respondents in their bank, insurer and pension funds between 2006 and 2012 (De Nederlandsche Bank, 2012).



Source: De Nederlandsche Bank, 2012

The number of respondents, who indicated to have an entirely or predominantly confidence in their bank, has increased between March 2011 and March 2012 from 75% to 78%. This percentage regained the same level of 2010. However, this level is still 12-percentage point lower than in 2007. Confidence in one's own life insurance company remained 73% in 2012 and is thus unchanged towards 2011, as can be seen in Figure 1. Public confidence in own pension funds decreased from 62% in 2011 to 55% in 2012. This is 30-percentage point lower than in 2007. The score is also significantly lower than the scores for banks and insurers. It probably has a connection with the announced reductions in pension entitlements, the on-going debate about the

future of the pension system and the raising of the retirement age (De Nederlandsche Bank, 2012).

The judgements regarding the expertise and integrity of directors of financial institutions – which suffered from a decline last year – appeared to have sunk further in 2012. It is striking that one estimated the integrity of directors significantly lower than their expertise. 36% of respondents responded positive and 21% negative on the argument that directors are experts. Only 18% responded positive and at least 35% responded negative on the proposition that directors are honest. In comparison to 2006: only 7.8% of the respondents mentioned to disagree with the proposition that directors are experts and honest (De Nederlandsche Bank, 2012).

### 3.3 Decreasing of trust in the financial sector

In 2012, 19% of respondents said to have little trust in financial institutions, compared to twelve per cent in 2010 and only five per cent in 2008, according to the DNB Household Survey (2013). The financial crisis triggered a series of incidents, such as the European debt crisis. This has led to a decline of confidence that the Dutch have had in Europe, according to surveys by the European Commission (European Commission, n.d.). Restoring political instability in the Netherlands and in Europe can contribute to the restoration of consumer confidence in the financial sector. All governments since 1998 came to an early fall and this created uncertainty among citizens about the economic direction of the country. (De Nederlandsche Bank, 2013)

Consultancy Roland Berger and market researcher GfK concluded in a study published in 2013 that consumers have lost confidence in their own banks. However, they also did not have enough faith in the competition in order to switch banks. Confidence among consumers in financial services decreased in 2012 from 39% to 33%; confidence in banks dropped from 44% to 40% (figure 2). According to researchers, the financial crisis had a major impact on the Dutch banking sector. “The banking sector has changed; three banks have received public support, two banks are nationalised and niche players DSB and Friesland Bank disappeared,” said Roland Berger. (Trouw, 2013) The banking sector is dominated by a limited number of players with ING, Rabobank and ABN AMRO as the front-runners. However, they all offer the same products and services. “This is why their distinctiveness is limited to a minimum, because they all offer the same type of products and services. The banks know that consumers are not interested,” said the researchers. (Trouw, 2013) Also, foreign banks have little interest to enter the Dutch market, because the banking sector is characterized by low profits. The co-operative oligopoly leads to an

impasse with the result that the necessary structural changes in the industry will be obstructed. Mark de Jonge, partner of Roland Berger, gives an example: “If one of the banks make a change, the others will react immediately in order to not lose on any ground. In this way, it is impossible to make structural changes.” (Consultancy, 2013; Berger, 2013)

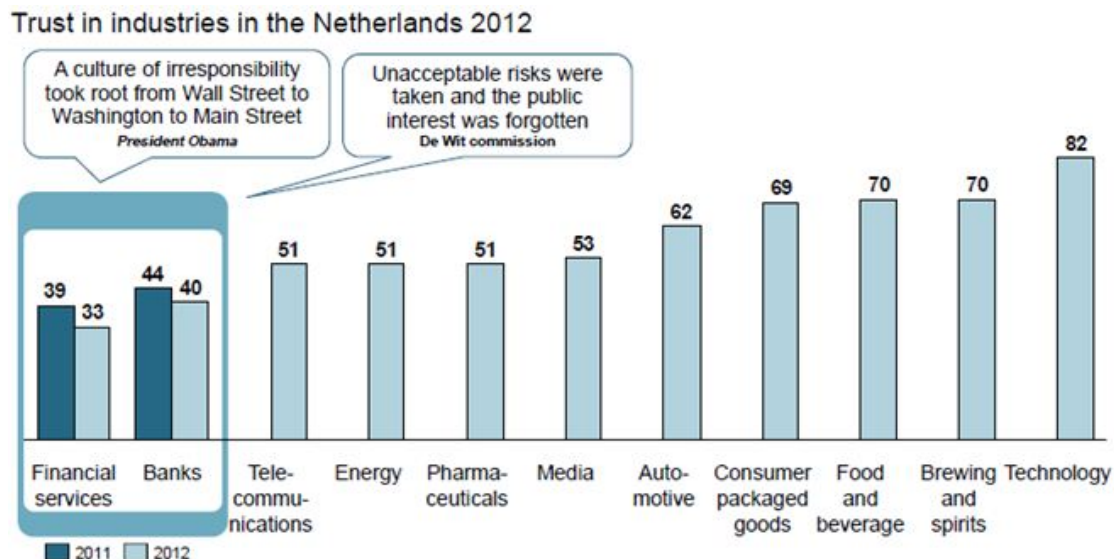


Figure 2 Source: DNB Household Survey, 2012

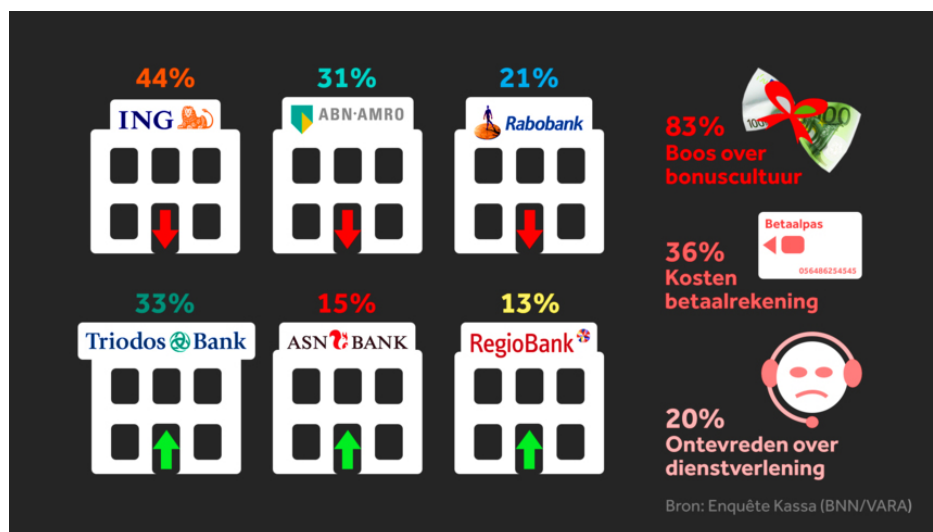
The study ‘Dutch Retail Banking’ of Roland Berger Strategy Consultants also conducted research on the most important values for consumers when choosing a bank. The top three values were trustworthiness (91%), expertise (79%) and carefree service (79%). The banking sector had a remarkable low switching rate due to the fact that consumers could not find these values exclusively at one specific bank. 98% of consumers indicated that they would not change their primary bank. Consumers announced that other banks did not have better services (58%), or better products (53%), or found them to be more cost effective (45%). Additionally, consumers shuddered from the administrative fuss when switching banks. (Consultancy.nl, 2013)

Tonkens and Swierstra (2010) claimed that the regaining of confidence should be very high on the agenda of governments and businesses in this decade, because we live in a society with little confidence at the moment. Five steps need to be taken to grow the trust, say Tonkens and Swierstra (2010). These relevant steps create the keyword ‘commitment’. There must be more room for transparency and discussion in contemporary society. It is also important that people will believe in the idea of public interest and altruism, and the relationship between actors within a situation of trust should be one of responsibility and solidarity.



### 3.4 The transfer to other banks

However, a change has come in April 2015. A research of Kassa (April, 2015) showed that 40% of 12,000 respondents considered switching to another bank. They are more and more frustrated with the bonus culture at banks. Especially ING consumers (44% of respondents), but also ABN AMRO (31%) and Rabobank (21%) consumers wanted to change banks. Most people wanted to go to Triodos (33%), ASN Bank (15%) and Regio Bank (13%). The bonus culture is the main reason that consumers are very angry and would like to transfer. 83% of respondents are naming this reason. Other mentioned reasons are the cost of the payment account (36%) and dissatisfaction with the service (20%). In 2014, 110,000 people choose for another bank. That is less than half a per cent of the total number of bank accounts in the Netherlands. 7% of the nearly 12,000 participants of the survey recently switched to another bank. 83% experienced the transfer as easy. Since the credit crisis, banks say that their emphasis has been placed on the consumer. However, 97% of the consumers experience this differently, according to the survey of Kassa (2015).



Source: Kassa, 2015

The sequel of this fuss is that thousands of customers have transferred to ASN Bank in the last six months. The reason is the commotion on the salaries of executive directors of ABN AMRO and ING. Also, Triodos has a lot more new registrations due to the bonus commotion. The consumers are switching banks as an “expression of dissatisfaction”, says Ewoud Goudswaard, CEO of ASN Bank. “People want to see a change in the banking world. They want banks to be more involved

in society, more attention to the consumer and be transparent about what happens with their money” (Kleinnijenhuis, 2015).

Journalist Rutger Bregman even introduced the “I switch banks” week in April 2015. He tried to call consumers en masse to change banks to issue a signal on the current banking system. Bregman states in an article on De Correspondent: “It is insane: seven years after the largest financial crisis ever and nothing has virtually changed.” (Bregman, 2015) He stated that problems of high mortgage debt and low buffers will not disappear when transferring, but it gives a clearer signal than frustration according to Bregman. The journalist believes that consumers usually do not change banks that easily, because they think that they are “still the only one” and that they cannot change the system as a ‘lonely consumer’. On April 20<sup>th</sup> 2015, he called the Dutch consumers to leave their banks because of the high bonuses that are paid. Bregman was not afraid that banks would fall down. “I do not think that it will happen so fast.” According to him, many people want to leave their bank for years, but there is not one that is ‘holy’ or ‘perfect’. (Bregman, 2015) Triodos seems to have gotten approximately 10,000 new consumers since the fuss around ING and ABN AMRO. Normally, the bank has 2,500 new consumers a month, but in April/May 2015 this number extended to 12,500. In these four weeks, there has been a fourfold to fivefold increase of the influx. ASN has experienced the same, albeit to a reduced extent. There would have been ‘several thousands’ of switchers. According to a spokesman, the influx of consumers has been doubled and the growth of the number of payment accounts has been tripled. Normally, the flow flattens a week after the fuss, but both ASN and Triodos noticed that it continued. Both banks think that the “I switch banks” week is a cause of this change. The interest is even now much higher than normal, according to the spokesman of Triodos (Bregman, 2015).

### 3.5 Outcomes of the questionnaire

Because Berger’s and DNB’s research has been taken place in 2013, another questionnaire has been done to compare the consumers confidence between now and then. Even though there has been a large research in April 2015, it seemed interesting to compare the results of all surveys. The research has been done among 70 respondents in the age category of 17 until 65 years old in the Netherlands. This survey has been done to research the consumer confidence in different age categories; students and people in employment in order to see how these two groups view their bank and the financial sector.

The research showed that 51% of the respondents were connected to ING Bank, 22% to Rabobank, 21% to ABN AMRO and 5% to smaller banks such as ASN Bank, Van Landschot, SNS Bank and KNAB. However, even though Kassa's research says that 40% of their respondents wanted to switch banks, this thesis' research showed that the opinion of 21% of the participants has not changed. They are neutral and do not think that their confidence in the bank has increased or declined. In addition, 56% is very positive about their bank; reasons are consumer service, more transparency, state aid and well responding to issues in society. However, the confidence of 23% has declined due to bonuses, too little attention to CSR and the economic crisis. On the other hand, the respondents are more negative about the financial sector than the banking sector. 55% is negative and does not have trust in the financial sector. Mainly because of the crisis, but factors such as distrust, little transparency, unfair division of money and banks that go bankrupt play an important role as well. 28% does not have an opinion or is neutral and 12% is positive, because of growth in the economy.

Factors such as transparency, CSR, consumer service and a clear website are very important to the respondents. These all had a 4 or 5 of importance on a scale of 5. The most important were the website and consumer service. This could be because the services of a bank can highly increase the satisfaction of the consumer. Missing facts in the table with scale marks were interest and personal approach. The recipients would like to have a higher interest; this triggers people to save money, and a more personal approach to people in order to stay satisfied. Both surveys showed that consumers value service and clearness enormously. Financial information needs to be easy to understand and good services make a consumer satisfied.

64% of the respondents are very familiar with CSR and 36% knows something but relates the term more to the environment. Approximately 77% believes that CSR contributes to the confidence, 9% is neutral and 11% believes that CSR is unrelated to the banking sector. Respondents say that the bank looks more reliable if it will focus on CSR, which results in an expanding confidence. Respondents also say that when a bank behaves responsibly with regards to its duties, then this could be positive for the bank and eventually for the trust.

Finally, 85% would like to stay with their current bank, 9% would like to switch to another bank such as Triodos or ASN Bank and 6% is considering it. What the respondents would like to change to their bank is more transparency, more attention to the consumer, a higher interest, a reduction of bonuses and less power. Even though 42% says that their bank does not have to change anything and 7% still has faith, 51% believes that their bank must change to restore the

damage. Consumers would like to see better contact with the customer, higher interests, a good CSR policy, transparency and clearness.

*In conclusion, the consumer confidence in the financial sector has decreased strongly from 2008 until now due to the financial crisis and the political instability in the Netherlands and in Europe. Consumers were in general not interested to switch banks, because they all offered the same products and services. In addition, the large banks such as ING and ABN AMRO do not have much possibility to stand out, because in this oligopoly culture is everyone following very quickly. Consumers value banks that focus on expertise, carefree service and trustworthiness. The bonus culture is the main reason of frustration among consumers. 7% of the nearly twelve thousand participants of Kassa's survey recently switched to another bank. Triodos seems to have gotten approximately 10,000 new consumers within a month. However, the questionnaire of this thesis shows that 21% of the participants is neutral about their bank; 56% is very positive, but 23% is negative due to bonuses, too little attention to CSR and the crisis. According to the consumers of all surveys in this thesis, banks should focus on more transparency, more attention to the consumer, a higher interest and a reduction of bonuses in order to regain consumer confidence and to develop more positivity among the Dutch consumers. This chapter described the situation of consumer confidence in the financial sector, what factors have led to this situation and how the confidence should be restored.*

## Chapter 4 Policies and measures to restore the consumer confidence

*The measures that some institutions attempt to take or have already taken show that diverse institutes know the importance of confidence in banks. This chapter discusses some of the measurements and reforms in the financial sector that aim to restore consumer confidence. What kind of actions did the banks take personally? Did these measures have had the desired effect and which measures or changes took place from the industry itself?*

### 4.1 Measures of ING Bank

After consulting the Corporate Responsibility reports of ING from 2008 until 2014, different measurements came across that should help to restore the consumer confidence crisis. In 2008, ING implemented a project named ‘Customer Suitability’. This is mainly focusing on customers, which is different than the term consumer. It is important to make clear that these terms are not the same, while they are often used in the same context. “A customer is someone who buys services or goods from someone else while a consumer is someone that consumes a product or commodity” (Differencebetween.net, n.d.). Although, Customer Suitability is one of the most important elements in their method to create a better overall customer, it is focused on the broader group of customers. However, it can also add value to the consumers that is why this method of improvement is mentioned. The customer capability means that ING provides appropriate products and services to the right customers. The focus is laid on the customer personally (ING Group, 2008; ING Group, 2009; ING Group, 2010; ING Group, 2011; ING Group 2012; ING Group 2013; ING Group 2014).

In 2009, ING supported consumers who were negatively affected by the financial crisis. The bank invited consumers and clients to ask ING’s senior management questions about the economic situation and its implications for the clients personally. The bank provided more information on financial matters with the website ‘economics.com’ to make the consumer’s finances easier to understand and entered into dialogue with different stakeholder groups to create better services. This is called the ‘stakeholder engagement’. The only difference is that the stakeholder engagement is focused on all stakeholders instead of only on consumers. The bank has separated their banking activities and their insurance and investment management activities in 2011 in order to make the bank more transparent. Another factor to improve transparency is the launching of ‘Be Good at Money’ in 2011, an online initiative that gives access to consumers in order to understand financial information easier (ING Group, 2008; ING Group, 2009; ING Group, 2010; ING Group, 2011; ING Group 2012; ING Group 2013; ING Group 2014).

ING has introduced the so-called NPS-method in 2011. NPS stands for *Transactional Net Promoter Score*. The method is based on two surveys; how consumers experience their bank and who gives the consumer financial advice (Spelier, 2009; ING Group, 2011). Based on these two studies, ING has decided to make it easier for its customers; the bank went back to the basics. ING scored its customer satisfaction on five variables. ING assumed that if the customer is positive on these variables than one will speak positively about ING and will promote the bank to family, friends and acquaintances. The five variables can be divided into service elements and elements of trust. The service elements are: quickly and effectively, and the elements of trust are clear understanding of financial condition, professional advice and transparency (Spelier, 2009; ING Group, 2011). In short, ING focused in the past seven years on ‘stakeholder engagement’ (dialogues, in-depth interviews and questionnaires), ‘customer suitability’ and the NPS-method in order to restore the confidence of customers in general.

#### 4.2 Measures of ABN AMRO

After consulting the Sustainability Reports (2011-2014) of ABN AMRO, it became clear that ABN also uses stakeholder engagement in order to improve their consumer confidence. They included stakeholder dialogues in their reports too. However, this only contained the opinion of large organisations. The impression of consumers was missing. ABN has implemented an extensive stakeholder analysis in 2011. ABN wanted to take initiative and be proactive, that is why the bank was having conversations with the key stakeholders. In this way, the bank hoped to integrate the needs and concerns of the stakeholders in the bank’s business in order to restore consumer confidence. In 2012, the bank has adjusted the website to make it more understandable for every consumer. Also, the bank is focusing on costs transparency. Hence, the consumer is informed about the price and the product, which makes it more transparent. Furthermore, they are adjusting their services on the target group. ABN has started to target specific age groups such as the elderly and students. The bank is giving special advice to seniors and is educating youth to manage their own money with programs such as ‘Money’. This program teaches them about money in a playful manner. In the report of 2013, ABN is mentioning client panels and the increasing use of social media in order to help consumers. In 2014, ABN achieved a performance on the growth of their stakeholder engagement through a social media newsroom (ABN AMRO, 2011; ABN AMRO, 2012; ABN AMRO, 2013; ABN AMRO, 2014). The measures taken by ABN AMRO correspond to the measures of ING. Both are focusing on stakeholder engagement

in order to make the bank more transparent by improving the website and/or programs that easily explain financial matters.

#### 4.3 External measures

On October 7, 2008, the Minister of finance announced an increase to the coverage of the deposit guarantee scheme from 38,000 euros to 100,000 euros. This means that depositors still received deposits to 100,000 euros from their bank even though it had been declared bankrupt. The main purpose of this measure was to maintain confidence among savers. It is clear that the turmoil on the banks has not disappeared after October 7, 2008. The Parliamentary Committee of Inquiry Financial System has discovered that a certain degree of turmoil has been developed in the days after the increase of coverage to smaller banks. The commission devoted this to the communication of the decision. It was not sufficiently clear to the depositors that the increase of coverage applied to all Dutch banks (Parlementaire Enquêtecommissie Financieel Stelsel, 2012). This decision was made when the banks were in acute trouble and when a great uncertainty had arisen regarding the stability of the financial system. Therefore, measures have been taken which should prove in the long term that these are actually beneficial for the consumer's confidence in banks.

Van Mierlo (2008) called for a professional oath for bankers: the so-called banker's oath. The Committee Code Banks (2009) took this argument and since the first of January 2013 all directors and auditors working at financial institutions are required by law to take the banker's oath. "The banker's oath contains statements that focus on consumer interest, the abuse of knowledge, the secrecy of which has been entrusted and the making of a careful balance of interests." (Autoriteit Financiële Markten, n.d.) It was intended that this moral-ethical statement should result in better consumer service and higher moral integrity of bankers, which therefore should lead to an increasing confidence in banks. Contrary to the opinion of the Committee Code Banks to involve the supervisor closely to the oath, the implementation and enforcement of the oath is the responsibility of the bank (Autoriteit Financiële Markten, n.d.).

On March 14, 2014, the government agreed to disciplinary rules for bankers. This allows them to be suspended for misconduct or be dismissed from their profession. In addition, the banker's oath will apply to all employees of financial companies. The fact that there are actual sanctions for misconduct, and thus violating the oath, makes the oath more valuable and perhaps more important to restore confidence (Zandstra, 2014).

Remuneration policies at banks are standing in the spotlights and the government has already taken action in several occasions. In March 2009, the then minister of finance, Wouter Bos, signed a gentlemen's agreement with the top of the Dutch financial sector on moderation of the bonuses (Volkskrant, 2009). In June 2012, the Senate approved the proposal of Bos's successor, Jan Kees de Jager, to ban bonuses at state-supported institutions (Rijksoverheid, 2012). The bankers' bonuses are also dealt with on European level. On April 16, 2013, the European Parliament approved a bonus restriction; bankers' bonuses may not exceed an one year's salary. A bonus of up to two years' salary is possible if a large majority of the bank's shareholders agree (Nu.nl, 2013). The current minister of Finance, Jeroen Dijsselbloem, found this not enough and he wrote a bill remuneration policy. He introduced a bonus ceiling of 20 per cent of the annual salary (Rijksoverheid, 2014). However, the top of ABN AMRO has received a salary increase of 100,000 euros last year. Wages have risen by 17 per cent to 707,500 euros. ING also wanted to give their CEO a 28 per cent increase. His fixed salary would increase to 1.63 million. The remuneration committee of ING said that the fixed salaries of the management board have not been increased since 2009, when the bank relied on the government's help for the second time. The bank may pay bonuses again since ING has paid back the state aid. The fixed salary has also been raised from this year, because the variable remuneration by the Dutch law should be limited to 20 per cent of the fixed salary. Thus the bank is not breaking the rules. (NOS, 2015).

ABN AMRO rejects the criticism of the unions. "The salaries are on the low side in our sector. The law allows an expansion of 20 per cent on the salaries of the management board. We are increasing the wages by 16.7 per cent," said a spokesman for ABN AMRO (NOS, 2015). Minister Dijsselbloem is dissatisfied with the salary increase for the top of ABN AMRO. "My moral view is that this is hard to understand in heavy times like these, wherein people still get fired and wherein we believe that the sector still needs to be repaired", said Minister Dijsselbloem (NOS, 2015). The Minister of Finance cannot change the decision. It arises from a change in law in 2012 on which his predecessor and the Lower House have agreed.

The Authority for Financial Markets (AFM) has received the authority to oversee the development of financial products in the interest of the consumer orientation of banks. The AFM has to discourage new financial products, which have not been developed with the consumer interests at heart. (Rijksoverheid, 2012). This still has not led to the banning of a particular financial product. Stricter rules exist for bank's capital in response to the Basel III-agreement to further ensure the stability of the banking sector. This agreement consists of the rule that banks must keep a larger reserve capital in their cash desk. In this way, they can better withstand future



crises and it has to prevent that governments should intervene. Banks must maintain, on the basis of European banking directives, more and better quality of capital that results in making them more solid (Ministerie van Financiën, 2013). In October 2013, the European Central Bank announced that all the big banks would be subjected to a risk assessment stress test, which reviewed asset quality. The aim is to promote transparency and restore confidence. A good rating increases the confidence in the stability of the banks (European Central Bank, 2013).

#### 4.4 Cultural change

As for the measures taken by the banking industry itself, or measures that should have been taken, there is much talked about the fact that large changes need to take place (Deira, 2013; Nu.nl, 2014; Rijksoverheid, 2012). What have the banks changed so far and did it have any effect, or will it have the desired effect?

The Dutch Banking Association is the representative of all banks operating in the Netherlands. This organisation enabled the Advisory Committee Future of Banks in late 2008 in order to provide tools for restoring confidence in the banks. The Board of the Dutch Association of Banks turned the recommendations coming from the report of the Advisory Committee Future of Banks into the Code Banks on September 9, 2009. On June 1<sup>st</sup>, 2010, The Code Banks, retroactive to January 1st 2010, was designed as code of conduct for banks operating in the Netherlands. As the previous section already explained, some parts of the Code Banks are also included in the Dutch law. On March 24, 2010, the Minister of Finance and the Dutch Banking Association have set up the Monitoring Committee Code Banks to monitor compliance with the Code Banks. The Monitoring Committee Code Banks (2012) has noted that the banking sector has made progress with the implementation of the code, but the industry itself must take a more active role in order to restore confidence. The banks have introduced programs to anchor changes concerning the centrality of the consumer in the business culture. The number of banking products, which are not profitable for the society, declined. The application of the code has resulted in fewer, simpler and more transparent products. The banks agreed to place a cap on the bonus system based on a maximum of one year's salary and the basis of the performance-related scale. The Committee concluded that the banks take steps and show changes. This has not been well communicated towards the Dutch citizens which results that the degree of confidence in banks have not yet come close to the level of trust before the crisis.

*In conclusion, this chapter explained the measures taken by banks and government towards the declining of the consumer trust in banks in the Netherlands. After completing research on the actions, it is clear that banks have many measures in common. ING uses stakeholder engagement, the customer suitability method and the NPS method to measure and to improve the consumer satisfaction at ING. They use these methods in order to stimulate growth and to change the dissatisfaction. ABN AMRO is also focusing on stakeholder engagement and on costs transparency. This should better inform the consumer on products and prices, which makes ABN AMRO more transparent for consumers. Furthermore, it is focusing on the different target groups. The bank made financial affairs easier to understand by means of improving the website and programs that teaches children about money management. Is this helping to make the consumers more satisfied? In addition, the government has taken action to restore the confidence in the financial sector. The Minister of Finance implemented the measure to increase the coverage of the deposit guarantee scheme to 100,000 euros in order to regain consumer trust. The Committee of Code Banks required all employees of banks to take the banker's oath. These implementations are focusing on customer and consumer interest, the abuse of knowledge, the secrecy of which has been entrusted and making a careful balance of interests. In addition, the government has already implemented a law that restricts the banks to give bonuses that may not exceed the amount of one year's salary. However, banks are still increasing their top managers' salaries, which cause frustration among the consumers.*

## Chapter 5 Definition and characteristics of CSR

*This chapter outlines the definition of Corporate Social Responsibility (CSR) and the characteristics of the term. Firstly, it is important to have a clear understanding of CSR before jumping into the characteristics. How have ING and ABN AMRO applied CSR in order to restore consumer confidence in the financial sector? Therefore, the first sub questions “What is CSR?” and “What are the characteristics of CSR?” will be answered in this chapter. Due to the discussions that are taking place about the definition of CSR, it is difficult to distinguish the term. The goal is to provide various perspectives and to compare these perspectives. This should make clear that there is not a universal, commonly accepted definition and that the field of CSR is still in development.*

### 5.1 A brief history of CSR

The concept of Corporate Social Responsibility began to receive attention during the social disruptions and activist movements of the 1960s and 1970s. Economist Milton Friedman started a debate about the commitment of businesses to tackle societal problems in an article of the New York Times in 1970. Friedman says, “There is one and only one social responsibility of businesses – to use its resources and engage in activities designed to increase its profits as long as it stays within the rules of the game, which is to say, engage in open and free competition without deception or fraud.” (Moore, 2014) In the 1980s, privatization, deregulation, corporate takeovers and leveraged buyouts were the main reasons of CSR. In the 1990s, awareness and activism were the most important. Globalisation and communications technology accelerated the flows of capital, information and people across borders. More and more stakeholders demanded transparency and accountability from firms. They rewarded companies that contributed positively to social and environmental well-being and punished companies that ignored or neglected their negative business practices. (Moore, 2014)

### 5.2 Definitions of CSR

What is CSR exactly? The sponsoring of a sports club has already been named corporate social responsibility, which actually seems more part of advertising fees for medial performances. Also, many of the sustainability reports do not go beyond reporting on the personal use of environmentally friendly paper or the amount donated to charity. In addition to this Anglo-Saxon thinking (charity as CSR), there is a strong trend arisen towards CSR in the core business. CSR should be understood as an innovation instrument of the management in order to achieve real

responsibility. The point is to what extent profit maximization and social responsibility can reconcile into a meaningful whole. CSR should focus on all aspects of business. Whether its mission, profile or strategy, the real success of CSR can only be achieved in an integrated manner. Social pressure is absolutely also a major driving force behind the commitment, but CSR should definitely be a convincing choice of the organisation. (Brian, 2007)

According to the European Commission, “Corporate Social Responsible (CSR) refers to companies taking responsibility for their impact on society. As evidence suggests, CSR is increasingly important to the competitiveness of enterprises. It can bring benefits in terms of risk management, cost savings, access to capital, consumer relationships, human resource management, and innovation capacity.” The Commission encourages that “enterprises should have a process in place to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders” (European Commission, 2014). Liza Maw, CEO of Non-Profit organisation Net Impact, says that CSR is becoming more mainstream as forward thinking companies insert CSR into the core of their business operations to create shared value for business and society (Fallon, 2015).

The United Nations Industrial Development Organisation says that Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. The term is usually understood as being the way through which a company can achieve a balance of economic, environmental and social affairs, while also addressing the expectations of shareholders and stakeholders (“The Triple-Bottom-Line-Approach” or otherwise said People, Planet & Profit). In this case, it is important to draw a distinction between the different meanings of CSR. It can be a strategic business management concept, charity, sponsorships or philanthropy. Although philanthropy can also make a contribution to poverty reduction, it will directly enhance the reputation of a company and strengthen its brand, but CSR clearly goes beyond that. (The United Nations Industrial Development Organisation, n.d.)

Corporate Social Responsibility has grown in importance and significance over the decades. It still often is the subject of debates, commentary, theory building and research. Despite the on-going discussions on the definition of the term and what it embraces, it has developed and evolved in academic and practical communities all over the world. Business enterprises feel some responsibilities to society beyond making profit for the shareholders. This all began around the

World War II and actually did not become important until the 1960s and beyond. It really is a product of the past half-century. Today, it is not even possible to pick up a newspaper, magazine or journal without seeing discussion about CSR, the recent news about what business is doing about CSR, or a conference that is being held. The business community has formed organisations specialised in the topic. One of these organisations is Business for Social Responsibility (BSR) founded in 1992 with the aim to provide corporations with expertise on the subject and the opportunity for businesses to advance the field and learn from one other (Brian, 2007).

As already mentioned in the introduction of this chapter, it is very difficult to give one specific definition to CSR. This is because the term is still developing and thus it does not have one universal, commonly accepted definition. However, it is necessary to make use of a definition when discussing CSR in this thesis. That is why the following definition will be used in this thesis; *CSR refers to a concept that combines social and environmental issues or activities into a company's daily operations and interactions with stakeholders.*

### 5.3 CSR as an umbrella

Although it is not generally known that CSR is a large umbrella for many terms that all have something to do with Corporate Social Responsibility, it is very important to recognize the difference between the terms. Examples of these terms are corporate citizenship; business ethics, stakeholder management, sustainability and creating shared value. The two largest definitions Creating Shared Value (CSV) and sustainability will be explained and compared to CSR in this thesis. Michael Porter and Mark Kramer introduced the concept of CSV in a Harvard Business Review article in 2006. According to Porter and Kramer, business has increasingly been viewed as a major cause of social, environmental and economic problems. "Companies are widely perceived to be prospering at the expense of the broader community." (Porter, Kramer, 2011) What made it worse is that the more business started to embrace corporate responsibility, the more it has been blamed for the failures of society. The right of business has fallen to levels that are not seen before in recent history. This decreased trust in business leads to new policies that undermine the competitiveness and demolish economic growth. Business is victim of a vicious circle.

Creating Shared Value can be explained as policies and operating practices that enlarge the competitiveness between companies while advancing the economic and social conditions in the operating communities. The concept focuses on identifying and expanding societal and economic

issues and their progress. It rests on the basis that economic and social progress both need to be addressed using value principles. Value creation is an idea that has been recognized to businesses for a while. However, businesses have often threat value creation as side issue. This made the relation between economic and social matters more complicated. It is even less common to think in value terms in the social sector. Social related organisations and government institutions often see success exclusively in achieved benefits or the money expended. When governments and non-governmental organisations are more thinking in value terms, their interest in cooperating with business will grow directly. Creating Shared Value gained success and credibility in the business world in the three years since the article was published. Many of the world's largest corporations such as Unilever, Nestle, Intel, Western Union and the Coca-Cola Company embrace CSV and the term has been spread very quickly beyond the whole private and public sector. (Moore, 2011)

#### 5.4 Difference between CSR and CSV

According to Carol Moore, CSR is essentially about taking resources from businesses, and investing these resources in order to be a good citizen through recycling, donating money to social causes, reporting on social and environmental impact and hire employees in community works. Creating Shared Value aims at changing how business normally works. The focus is on its strategy, structure, employees and stakeholders, processes and rewards in order to deliver triple bottom line returns (Moore, 2011). In short, CSV is more about designing new products and services that meet social and environmental needs while simultaneously delivering a financial return. However, CSR refers to taking responsibility for a company's impact on society.

#### 5.5 Sustainability and CSR

What about the difference between CSR and sustainability? The two terms are often used in the same context and thus difficult to understand when some say that it does not mean the same. Some say, as already mentioned before, that CSR functions as an umbrella for different terms under which sustainability. Others say that CSR is part of the three P's (People, planet, profit). There are definitely differences between the two. Normally, CSR refers to the responsibility of businesses to act in an ethical way and consider their operating impacts on the community at large. This does not directly mean that it encompasses sustainability. Sustainability is carrying about resources and is operating in a way that is helpful to long-term trading. Some say that the clearest difference is in the vision of the terms. It is said that CSR looks backwards at the performance of a company, usually over the last 12 months, while sustainability has a more

forward focus to secure the future for trading (Knowles, 2014). In short, both terms understand that the community and environment in which a business operates is the key to business' success. However, sustainability also takes the needs of the future generations into account and thus goes one step further than CSR. It is also said that CSR is part of the company's mission and/or vision, but meanwhile is sustainability part of the daily operations of the company, in example how it uses its energy.

### 5.6 The triple bottom line

Elkington introduced the 'triple bottom line', which is one of the best-known models to discuss the core of CSR. This model explains the concept of CSR emphasized on three responsibilities of a company: economic, social and environment. These responsibilities are the key to ensure economic prosperity, environmental quality and social justice. In short, the societal principle of CSR is that companies contribute to a better society. Therefore, they should consist the contribution the build better societies. Furthermore, they should include social concerns into their core strategies as well as consider the full extent of the company's impact on society. The principle does require companies to implement fair wage policies, uphold human rights, fair trade and ethical issues, produce safe products and cooperate in the companies and communities' network. The economic responsibility accentuates company efficiency in producing goods without affecting social and environmental values. This principle stands for the combination between going along with their responses to the financial expectations of their shareholders and focusing on the economic wellbeing of society as a whole. Lastly, the environmental responsibility states that the environment should not be harmed in order to maximise a company's profits. Also, the company should have a large role in trying to repair the environmental damage caused by their own inaccurate use of natural resources. These principles can be seen as the drivers of different CSR practices and they are therefore very important factors for the introduction of any strategies for the development of CSR practices. (Rahim, M.M., 2013)

### 5.7 The characteristics of CSR

Next to the 'triple bottom line' concept, CSR has core characteristics that are essential features of the concept. These features could be the reasons that companies are more focusing on CSR, because researchers say that it could be beneficial for the business activities.

- **Environment.** Energy saving seems to be one of the top priorities on the CSR agenda of companies' reasons to start with CSR. It is urgent, tangible, in line with society's expectations and it is profitable. Also, resource shortages are more often a strategic point of attention. Of all CSR activities has the saving of energy the largest priority according to companies. Energy saving is a first-rate activity on which companies place their focus when starting with CSR. It is not surprising that business resolve to verify their energy use. This area still needs to realise improvement, but that does not require argumentation. The CO<sub>2</sub> emissions need to decrease, however, it is still increasing despite the economic crisis. Half of the Dutch citizens agree on the fact that the CO<sub>2</sub> emissions need to decrease. (Lageweg, Vlaming, Tol, Klomp, 2012) These issues are usually not taken into account in a firm's decision-making process and are also not included in the market price for goods and services. It is possible to arrange regulations that force firms to internalise the cost of externalities, for example fines on pollution. However, it is more effective that CSR represents a voluntary approach to these environmental problems. In example, a firm investing in technologies that prevent pollution.
- **Ethical behaviour.** Ethical behaviour means to not only focus on the company's goals, but to also focus on stakeholders values. A company has an economic responsibility; it namely has to earn a return for its stockholders. However, Corporate Social Responsibility means that companies do not only have economic responsibilities, but also have ethical and societal responsibilities. CSR involves considering a range of interests and impacts among a variety of different stakeholders other than just shareholders. The concept requires other organisations to expand their understanding of the importance of responsibilities to other stakeholders such as employees, customers, suppliers, governments and international organisations. Ethics could be a crucial element of individual and group behaviours. Stakeholders could make or break an organisation. Consumers are becoming more demanding and are giving more importance to the environment. Various companies and organisations are focusing on both economical and environmental responsibilities due to the specific expectations of the stakeholders nowadays. It is very difficult to stay into the old pattern, because stakeholders are very powerful and can change businesses easily if they are not satisfied with the outcomes.



- **Trustworthiness.** Trustworthiness of stakeholders could lead to an increasing consumer confidence. This is the effect of focusing on ethical behaviour instead of only on the company's values. This causes that consumers continue to buy products or services from a known company to source their material and labour in an ethical and responsible way. Moreover, stakeholders will believe that their money is used in a manner that aligns with their own morals when knowing that the company has stated their values and made a promise to work in an ethical and responsible way. All these examples show that trustworthiness of stakeholders is increasing if a company is focusing on good business ethics or giving the right impression to improve. Finally, the stakeholders' trust is more worth than anything. (Ethics and Corporate Social Responsibility, n.d.)
- **Transparency.** Transparency is one of the most important characteristics of Corporate Social Responsibility. This pushes companies to be honest with their consumers. It is easier to show the positive side of the company that needs to attract the stakeholder when firms have to be sincere about their affairs. Otherwise said, there is no CSR without transparency. It is not possible to know about a company's CSR without transparency. At some level, the greater the transparency, the greater the trust created for readers of sustainability reports. It is great when large companies are reducing their environmental mistakes or when they sell some green products, but neither of these two make a company sustainable or shows the concept of CSR in terms of creating a positive impact on society and/or environment. (Kassoy, 2010) It is even said that transparency is the new "leadership imperative". The reality is that transparency needs to start at the top and cascade its way through the company. Including an open CEO who is willing to be transparent through blogs, events with employees and media interviews. There is a much greater likelihood when the company will practice transparency in its daily activities. In short, it is not possible to say that a company is combining its business with corporate social responsibility if it is not clear what the company's plans are to diminish its environmental footsteps or what the company is already changing. (Coles, 2012)
- **Corporate Governance.** Corporate governance consists of rules and practices by which a company ensures accountability, fairness and transparency in a business' relationship with its stakeholders. The framework consists of explicit and implicit contracts, which are between the company and the stakeholders. These contracts are

made for distribution of responsibilities, rights and rewards, procedure for coordinating the conflicts between stakeholders (i.e. different interests) in agreement with their duties, privileges and roles, and procedures for proper supervision and control. (Business Directory, n.d.; Rahim, M. M., 2013)

- **Materiality.** Materiality, or the identification of and focus on material topics, is a frequently used term that is central to Corporate Social Responsibility reporting. It becomes easier to understand which topics have a direct or indirect impact on the ability to create, preserve or erode economic, environmental and social value for a company, their stakeholders and the society with this reporting. The topics can form the basis on which a company is going to focus their CSR efforts and on what they report. These issues are usually announced to shareholders and discussed within the company's strategic planning process. Materiality analysis concerns identifying issues which are of high concern to the stakeholders and that are also of high strategic relevance to the company. The affairs are normally at the core of the corporate responsibility approach. (Meyer, D. D., 2011) The importance of materiality lies in the annual reports. These cover aspects such as the reflection of the organisation's significant economic, environmental and social impacts. The Global Reporting Initiative (GRI) tests these aspects in order to promote the use of CSR reporting as a way for companies and organisations to become more sustainable and contribute to a sustainable global economy.
- **Community.** CSR strives to be responsible and ethical, providing good return for shareholders and a safe and satisfying workplace for its people. However, banks also have a strong responsibility to the broader community, by being a good corporate citizen and helping to make the world a better place. Good community relations benefit both CSR and the communities in which the banks operate (Levy, 2014).

*This chapter focused on the definition of corporate social responsibility, a brief history of CSR and the differences between CSR and other terms such as Creating Shared Value and sustainability. Even though, there is no commonly accepted definition, the chapter has managed to find an appropriate definition that suits in this thesis. The 'triple bottom line' and the seven characteristics could capture the main thrust of CSR. The characteristics of CSR are environment, ethical behaviour, trustworthiness, transparency, cooperate governance, materiality and community. These characteristics are often subject to large benchmarks such as the*

*transparency benchmark of the Dutch Economic Affairs, because all characteristics are part of the term CSR. This means that if one of the pieces is missing, then CSR is not CSR anymore. Therefore, these principles will be compared to the measures taken by ING and ABN AMRO in the analysis.*

## 6 Analysis

*This chapter explains and analyses the collected data outlined in the previous chapters more precisely. This analysis discusses the development of consumer confidence in the financial sector. Furthermore, the execution of measures and policies of ING Bank, ABN AMRO will be examined in order to see if these have added value to today's consumer confidence. Moreover, the CSR characteristics will be compared to the CSR policies of the banks to discuss if these correspond to the points of improvement of the consumers. Annual reports will be consulted to research what the banks have changed between 2008 and 2015. The focus will be on the regaining of consumer confidence and the CSR policies of ING and ABN AMRO.*

### 6.1 Consumer confidence in the Dutch banking sector

#### 6.1.1 The results of the surveys

The Dutch always had a rock-solid confidence in the future. However, this changed in 2008. The financial crisis had a major impact on the Dutch Banking sector. Banks have changed due to the crisis. They diminished their risks and observed their competitors very well. The banking sector was dominated by a limited number of players and all offered the same products and services. If one of the banks wanted to make changes, then the others would follow immediately. The economic factors were not the only reasons for the decrease of consumer confidence in the financial sector; banks played an important role. Banks were busy with keeping an eye on their competitors and the financial crisis, instead of focusing on their consumers. The research of De Nederlandsche Bank (DNB) showed that the economic crisis, public confidence in Europe and political instability are the factors that harmed the consumer confidence in the financial sector.

Roland Berger concluded in his research that consumers value trustworthiness, expertise and carefree service the most in banks. Consumers never had necessity to switch banks, because they could not find these values exclusively at one bank. However, this changed since April 2015; thousands of consumers have transferred to banks such as ASN Bank and Triodos Bank. The most important reason for switching banks was the fuss about the increased salaries of executive directors of ING and ABN. Consumers still do not feel that there is much changed in the sector. They also miss more involvement in society and attention to the customers.

This persistence changed after the introduction of the “I switch banks” week in April 2015 by journalist Rutger Bregman. He called consumers en masse to switch banks in order to give a

clearer signal that banks have not changed a lot between 2008 and 2015. Bregman says that consumers wanted to change banks a long time ago already, but never did because they did not think that it would matter if one would change. His call definitely worked, because thousands of consumers have registered at a different bank. Triodos has approximately 10,000 new consumers and also ASN has experienced more or less the same. The influx of consumers has been doubled and the numbers continued to grow even after this week.

A research of Kassa (April, 2015) showed that 40% of 12,000 consumers considered switching to another bank. They are more and more annoyed about the bonus culture of banks. The consumers of ING (44% of respondents), ABN AMRO (31%) and Rabobank (21%) want to change banks in particular. Most people want to transfer to Triodos (33%), ASN Bank (15%) and Regio Bank (13%). The bonus culture is the main reason that consumers are very frustrated and want to switch. 83% of respondents are giving this reason. Other mentioned reasons are costs of the payment account (36%) and dissatisfaction with the service (20%). In 2014, 110,000 people chose for another bank. That is less than half a per cent of the total number of bank accounts in the Netherlands. 7% of the nearly 12,000 participants of the survey recently switched to another bank. Since the credit crisis, banks say that their emphasis has been on the consumer. However, 97% of the consumers are experiencing this differently, according to the survey of Kassa (2015).

#### 6.1.2 The comparison of the surveys

It is very noticeable that the outcomes of the three researches have a lot in common when comparing the results, but on the other hand they also have many differences. The difference between the researches is that negativity on banks is more emphasized in Kassa's and Bergman's surveys, this does not correspond to the results of the thesis' questionnaire. The respondents of the two external surveys are not very satisfied with their bank, while respondents of the questionnaire are very positive (56%). Also, it is not clear on which age category the external researches are based. This makes it difficult to compare the outcomes of the different age categories due to the fact that Berger and Kassa do not mention the specific age groups. The majority of the respondents of the questionnaire are between 17 and 30 years old. They in general have a more neutral opinion than the respondents of 30+. 77% of the age category between 17 and 30 is positive about their bank and has confidence in comparison to 29% of the respondents with the age of 30+. The students are more interested in a higher interest and do not worry a lot about the banking sector. The category of 30+ is more negative about the sector and mentions more expenses and less focus on the consumer as disadvantages. This could be a reason because the

30+ category is more worrying about, for example, mortgages and investments, while the 17 until 30 years old group usually does not have a mortgage yet. Students are in a different stage of life and they often have not more than a payment and savings account. This is probably the reason why they are more positive and/or neutral. Respondents above 30 say that the banking and financial sector has put the market forces offside: the mortgage market is not free and pension funds are the toys of investors. However, these reasons cannot be confirmed, because the external surveys do not mention the age groups on which their questionnaires are based and thus it is not possible to compare the data. This means that this outcome can only be viewed as optional.

On the other hand, the respondents of all questionnaires give the same reasons regarding the positive or negative view on their bank. Berger's and Kassa's research show that bonuses, less attention to consumers and declined service are the reasons for distrust. This corresponds to the results of the research of this thesis; the respondents give the same reasons. Unfortunately, Kassa and Berger have not processed the consumers who might have given a positive opinion about the banking and/or financial sector. Therefore, it is not possible to compare the results, because only the positive outcomes from the smaller questionnaire are available, which means that there is no comparative data.

All three researches differ from each other regarding the percentage of transfers to other banks. Berger asserted that only 2% of the respondents would be willing to change banks. Kassa's research showed that 40% of the 12,000 respondents considered switching banks. This questionnaire resulted that 9% of the 70 respondents were interested in other banks and 6% was considering. These numbers do not correspond to each other. The only difficulty is that the number of respondents of Berger's research is unknown, which means that it cannot be said how many people are part of the 2%. The difference between the external surveys is that Berger's research has been taken place in 2013 and Kassa's research in 2015. In these two years, more research has been done on consumer confidence. The opinion of respondents has especially changed after Bregman's article in April 2015. This has awakened the consumers and let them take a really good look at their bank, which resulted in the notion to transfer to other banks. The thesis' questionnaire showed a relatively lower number. This could be due to the larger number of youth (77%) between 17 and 30 years old who were satisfied with their bank. The respondents who were willing to transfer to another bank are above 30 years old, except for one respondent who was 26 years old. Unfortunately, it is not clear on which age category the other surveys have been focused. Thus it is not possible to have a reliable conclusion.

In addition, a high number of respondents of the questionnaires value consumer interest, transparency, involvement in society and good services. These are the factors on which banks should focus when improving their policies. The points that consumers would like to change are the amount of the bonuses, more attention to the consumers and thus improvement of the service and more involvement of CSR. Respondents denote that these are the factors that can restore confidence among customers. Another interesting point is the different view of various age groups. The group from 30 years and older is much more interested in the current situation of banks, while the category from 18 until 30 years old often only value factors such as a reliable interest rate, a good payment account and care-free service. The last factor also applies to the older group, however, the younger group is faster satisfied and they are already appeased with the present level of their bank's service. The older age group has more requirements and is less easily satisfied. What can be concluded from the questionnaire is that consumer interest, transparency, consumer services and a good CSR policy are valued the most by all respondents of the surveys. It is very noticeable that the reasons of distrust among the respondents correspond to each other. On the other hand, the percentage of respondents who would be willing to switch banks does not correspond at all. Also, it is interesting to notice that there is a large difference between the opinions of the 17 until 30 years old age category and the 30+ age category.

However, it was very difficult to compare the data of the three surveys, because of the many differences. This thesis' questionnaire only had 70 respondents, which makes it not very extensive when compared to surveys with 12,000 respondents such as Kassa's. Also, it was not clear on which age category Kassa's and Berger's research were based. And finally, Kassa's and Berger's research were more or less based on negative opinions of consumers. It is not clear if there were also positive reactions of consumers, because these were not mentioned. That is why the outcomes of this research cannot be seen as reliable, but as optional due to the limited used sources and information. The thesis' questionnaire would be more reliable if 100 respondents or more could have been consulted.

## **6.2 Measures and policies taken to restore consumer confidence**

### **6.2.1 Overview of the measures**

The financial sector has taken collective measures and policies to restore consumer confidence in the Netherlands. ING Bank implemented 'Customer Suitability' in 2008. Although this project is more focusing on stakeholders in general, the consumer is part of the stakeholder, according to ING. That is why it is important to mention this project. Customer Suitability means that ING

provides appropriate products and services to the right customers. The focus is laid on the customer personally. In 2009, the bank began to focus on stakeholder engagement: dialogues, in-depth interviews and questionnaires. Also, ING provided an easier way to understand financial matters through the website 'ezonomics.com'. In 2011, the banking activities and the insurance and investment management activities were separated and the NPS method was introduced to regain transparency. The bank tested consumer satisfaction based on service elements (quickly and effectively) and elements of trust (clear understanding of financial conditions, professional advice and transparency). They use the reactions to change the way of doing business.

ABN AMRO focused on stakeholder engagement to restore damage with customer dialogues, in-depth interviews and questionnaires. In 2012, the bank had adjusted the website to make it more understandable. Also, the bank is focusing on cost transparency. Hence, the consumer is informed about the price and the product and that makes it more transparent. Furthermore, ABN has started to target specific age groups such as the elderly and students. For example, the bank is giving special advises to seniors and is educating youth to manage their own money with the program 'Money'. Finally, ABN is more focusing on social media in order to help consumers via the Internet since 2014.

In 2008, the Minister of Finance increased the coverage of the deposit guarantee scheme from 38,000 to 100,000 euros. However, this was not communicated well which led to indistinctness among consumers. In addition, another measure was the oath for bankers. All directors and auditors working at financial institutions were required by law to take the banker's oath. It contains statements that focus on customer interest, the abuse of knowledge, the secrecy of entrusted matters and a careful balance of interests. The goal behind this measure is that it should lead to better customer service and more integrity of bankers. In 2012, the European Parliament agreed that bonuses might not exceed one year's salary and a bonus up to two years' salary is possible, but only if the majority of the bank's shareholders agree, but in 2014 Minister Dijsselbloem has implemented a bill remuneration policy. He introduced a bonus ceiling of 20 per cent of the annual salary. However, this does not seem to work, because the top of ABN AMRO and ING has received a large salary increase last year. The banks try to defend themselves with saying that these salaries are on the low side in comparison to the whole banking sector. ING has paid back the state aid, so the bank is paying bonuses again. The Advisory Committee Future of Banks has made a report that consists of the recommendations of the Dutch Banking Association. This report contains the so-called 'Code Banks' as a code of conduct for banks operating in the Netherlands. The banker's oath is an example of Code Banks that is implemented in the Dutch



law. The application of the code resulted in fewer, more transparent and simpler products and the banking products that are not profitable for the society declined.

### **6.2.2 The outcomes of the measures**

However, these measures are all not well communicated which results that consumers did not know about these changes and the confidence has not yet come close to the level of trust before the crisis. More than that, Rutger Bregman states that literally nothing has changed in the past seven years. “We did not go beyond symptom control (an oath for bankers) and symptom indignation (outrageous, another bonus)”, says Berger.

It is noticeable that both ING and ABN AMRO have focused on transparency and stakeholder engagement to restore consumer confidence in both banks. Furthermore, if one of the banks makes a change, the others will react immediately in order to not lose on any ground. This is because both banks have the same approach on transparency and stakeholder engagement. Also, it is odd that it can be possible that measures are not well communicated to the consumers, the group of which the banks try to regain trust. In addition, it is interesting that the bonuses have such large impact on the trust of the consumers in the financial sector.

However, only annual and Corporate Responsibility reports of the banks have been used in order to provide the measures that should restore consumer confidence in ING and ABN. Interviews with employees of the banks could not be consulted due to the lack of availability of the employees. Therefore, the information cannot be compared to other forms of research such as interviews or opinions of external companies or organisations. The outcomes can be considered as optional results.

### **6.3 Characteristics of CSR compared to the measures of banks**

As can be read in the previous chapters, CSR is valued very much among the respondents of this thesis' questionnaire. 77% of the 70 respondents believe that CSR would contribute to confidence. The other surveys did not focus on CSR, thus these unfortunately lack data on CSR. Respondents said that a better CSR policy gives a more reliable look for consumers, which results in an increasing confidence. When one notices that the bank takes citizens and society into account, then one gets the feeling that there is taken account with them personally. As already discussed in chapter 3, CSR is a very broad and does not have one universal definition. However, it is important to use a definition to understand the broad sense of the term, that is why the

following definition is chosen to use in this thesis: *CSR refers to a concept that combines social and environmental issues or activities into a company's daily operations and interactions with stakeholders*. It is important that banks make a very clear distinction between CSR and other terms such as Sustainability and CSV. These are often seen as the same, which is definitely not the case. The most important characteristics of CSR are transparency, environment, ethical behaviour, trustworthiness, corporate governance, materiality and community.

The most important characteristics in this thesis are transparency, ethical behaviour and trustworthiness. These are seen as the most important, because the consumers would like to have a more transparent bank, more attention to the consumers, which can be achieved with ethical behaviour, and trustworthiness, which is the confidence that needs to increase. These three characteristics shortly describe the factors that need to be improved in order to restore the consumer confidence in the financial sector.

It is noticeable that the banks' efforts correspond to certain characteristics of CSR. It is also interesting that many terms are being used to describe the term Corporate Social Responsibility. This makes it very confusing, because they all have something in common with CSR, but the terms are not the same. It seems that the most important characteristics of CSR are transparency, ethical behaviour and trustworthiness, because without these factors consumers will not have faith in one of the banks and thus will definitely transfer to another bank. Consumers (and stakeholders) remain the most important for the banks. The bank cannot sell a product or service if there are no consumers.

#### **6.4 The comparison of the development of consumer confidence to the taken measures**

The measures of ING and ABN AMRO do not seem to work. Consumers are still not satisfied despite the stakeholder engagement and the efforts for improvement of transparency to restore consumer confidence in the Dutch financial sector. Also, the banker's oath, Code Banks, the increased coverage of the deposit guarantee scheme and the new laws on bonuses did not add enough value to restore the consumer confidence crisis. The poor communication on the implemented measures of the Dutch government caused that consumers did not know about these advances. This also did not help to increase consumer confidence in the financial sector. The bonus culture is the number one reason of frustration among consumers and this does not seem to change. ING and ABN AMRO remain paying bonuses to their top managers as a reward for the achievement of predetermined objectives in the business. At first, consumers did not do more than

becoming frustrated. Now, there is arisen a large commotion and consumers do not accept it any longer. This resulted in the biggest switching period of the past seven years. As already mentioned in chapter 1, the consumer believes that the lowering of bonuses in the financial sector will work as a solution to improve consumer confidence in the bank.

### 6.5 The comparison of the CSR characteristics to the measures taken by the banks

ING and ABN AMRO are focusing on the same aspects in order to regain consumer confidence in the financial sector. The measures that both banks have taken are based on transparency and stakeholder engagement. It becomes clear that both efforts are part of the characteristics when looking at the characteristics of CSR. One of CSR's most important characteristics is transparency and the aim of becoming more transparent is also one of the measures of the banks. Stakeholder engagement can be linked to ethical behaviour and trustworthiness. These two are also important characteristics of CSR. Consumers are part of the stakeholders. Ethical behaviour defines the importance of stakeholder value. Thus, bank should not only focus on the company's goal, but also focus on stakeholder values. This decrease in consumer confidence caused that stakeholders (and thus consumers) began to appreciate their bank less. That is why the banks are focusing on stakeholder engagement, or otherwise said ethical behaviour, in order to restore the damage. Trustworthiness of stakeholders could lead to an increasing consumer confidence. This is the effect of focusing on ethical behaviour instead of only on the company's values. Thus they are actually focusing on both characteristics: to centralize the values in order to regain the trust of the consumers.

*In conclusion, after completing the analysis on consumer confidence in the financial sector, it became clear that plenty has to be done in order to restore the trust in the sector.. The questionnaires all had different outcomes, which made it difficult to compare to results, but an optional outcome has been mentioned. Bank should more focus on value consumer interest, transparency, involvement in society and good services. These factors are valued most by respondents of the questionnaire. Consumer confidence is not increased because of the taken measures by the banks. The main reason is the bad communication towards consumers. The efforts of the banks do not seem to work even though they are focusing on stakeholder engagement and transparency. The measures are compared with the characteristics of CSR and the outcome was that the efforts corresponded to certain characteristics. The outcomes are further stated in the conclusion and optional improvements are mentioned in the recommendations.*

## 7 Conclusion & recommendations

### 7.1 Conclusion

*This chapter highlights the conclusion of the thesis with concern to the main purpose of this study and provides an answer to the central question based on earlier justifications and theories. Finally, the chapter states out several recommendations for further research.*

After completing conductive research in this thesis, there can be given a proper answer to the central question: ‘What measures have ABN AMRO & ING taken in the Netherlands to restore consumer confidence since the economic crisis in 2008, and can these measures be regarded as CSR measures?’ The efforts that banks have taken are focused on stakeholder engagement (dialogues, in-depth interviews and questionnaires) and becoming more transparent. These mentioned measures are corresponding to the characteristics of CSR. Stakeholder engagement is part of the characteristics trustworthiness and ethical behaviour. The measure transparency is one of the most important characteristics of CSR. The outcome of this research is that the measures implemented by the banks are both CSR measures.

The consumer confidence in the financial sector has not developed positively between 2008 and 2015. The bonus culture is the main reason that consumers are very frustrated and that they are willing to transfer to another bank. Other factors that need to be improved are transparency, attention to the consumer and involvement in society.

The term CSR refers to a concept that combines social and environmental issues or activities into a company’s daily operations and interactions with stakeholders. The main characteristics of CSR are environment, ethical behaviour, trustworthiness, transparency, corporate governance, materiality and community.

However, the consumer confidence continues to decrease despite the various measures taken by the banks. The measures are not effective, because consumers are still not satisfied and the percentage of confidence is not increasing. Even though the measures correspond to the characteristics of CSR, it does not seem enough to regain the confidence of the consumers.

## 7.2 Recommendations

ING and ABN AMRO should follow and/or consult the example of banks such as Triodos Bank and ASN Bank. It seems like ING and ABN are taking CSR more as a side dish than a really important part of their business. Triodos, ASN Bank and other sustainable banks mainly focus on creating value for the consumers, after that business becomes important. ING and ABN AMRO first focus on their business strategies and then take a look at CSR. Triodos, for example, does not provide bonuses for the top management. ING and ABN should take a look to learn from their principles. Consumers seem to value banks that create value when looking at the transfer numbers. This should be an eye opener for banks such as ING and ABN that mainly focus on business.

Also, ING and ABN AMRO should promote their activities in CSR more in order to let consumers know what they are doing. It can be prevented that consumers do not know about the bank's activities. Social media is a good platform to reach consumers. Both ING and ABN AMRO already have a platform on social media in order to have contact with consumers. However, the bank can also posts new updates concerning the restoration of consumer confidence. Consumers would like to read news on social media about amendments, in this case, the consumer confidence in the financial sector. It is about informing consumers on the improvements of the bank in order to regain trust.

This thesis could serve for further examination to the taken or yet to be taken measures based on the development of the consumer confidence in the financial sector, the given measures and most important characteristics of CSR. In example, this thesis' questionnaire could be utilised to do further research on the opinion of consumers in different age categories and the positive and negative opinions about banks.

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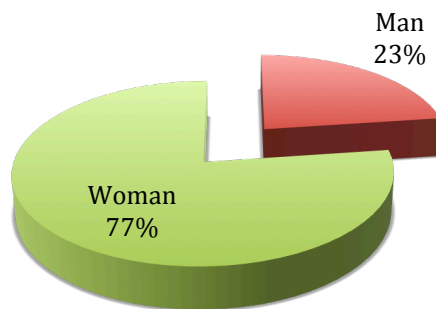
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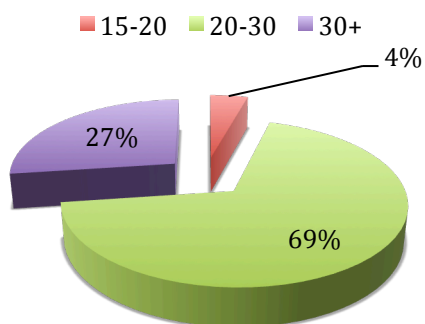
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## Appendix

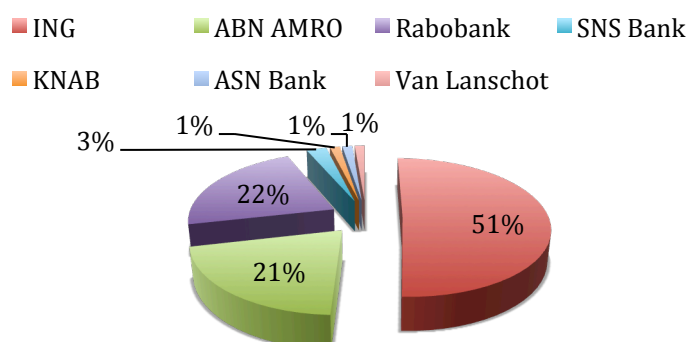
### Q1 Are you a ...



### Q2 How old are you?



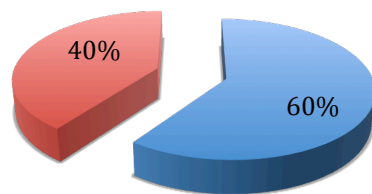
### Q3 To which bank are you affiliated?





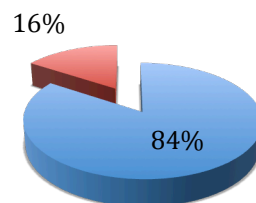
#### **Q4 Do you have confidence in the financial sector?**

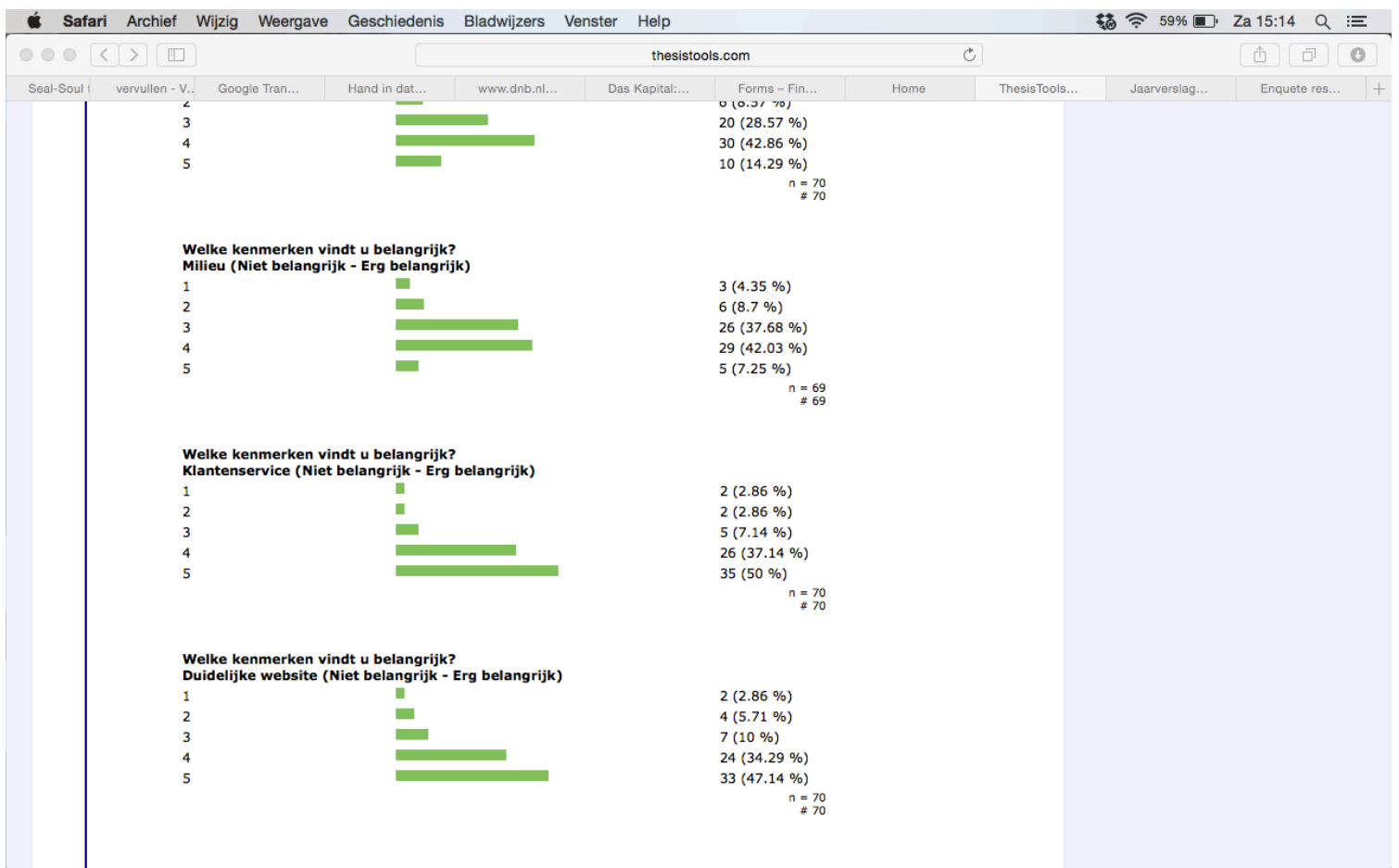
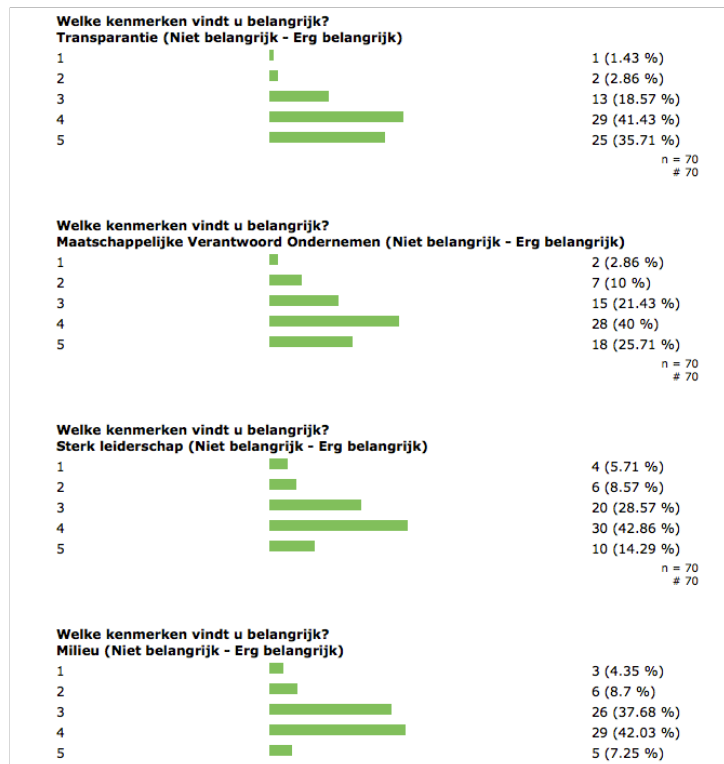
■ Yes ■ No



#### **Q6 Do you have confidence in the banking sector?**

■ Yes ■ No





The outcomes are given in this way, because the file of the outcomes was too big to include in the document. However, the file will be put on the CD-ROM in October.

1. *Waarom is uw vertrouwen in de sector toegenomen/afgenomen?*

**Negatief**

Crisis IIIIIIIIII = 12 = 16,9%

Banken die failliet gaan IIII = 4 7,4%

Onzekerheid III = 4

Oneerlijke verdeling geld sector IIIIII = 8 = %

Meer toezicht II =7

Wantrouwen/weinig transparantie IIIII = 6 = 9,5%

Weinig service I 1 = 1,4%

$$37 = 53\%$$

## Neutraal

Interesseert me niets II =2 = 2,8%

Niet veranderd qua mening IIIIIIIIIIIIIIIII = 20 = 28,2%

22= 31%

**Positief:**

Uit het dieptepunt heeft geslagen II

Groei economie IIIII = 6 = 9,5%

Velen maatregelen III = 3

11= 16%

70

## 2. Vertrouwen in uw bank

**Negatief**

Niet erg transparant, te lastig te begrijpen I = 1,04%

Bonussen III = 3 = 3,1%

Marktwerving buitenspel I = 1,04

Crisis III = 3,1

Te weinig oog voor mvo II = 2,1%

Weinig vertrouwen IIII = 4 = 4,1%

Niet eerlijk I

Risicomijdend I

16 = 23%

## Neutraal

Gelijk gebleven IIIIIIIIIIII = 14 = 19%

Alertheid toegenomen I

15 = 21%

## Positief

Extra inzicht dat geboden wordt I

Vertouwen IIII = 4

Klantenservice IHHHHHHHHHHH = 17 = 22

## Focus op studenten II

Transparantie IIIIII = 6 = 6,3%

## Geen schandalen II

Goed ingespeeld op kwesties in maatschappij I



70

## 6. Bank wisselen?

Ja IIIIII =6 = 9%

## Al overgestapt door bonussen

ASN of Triodos II

ING I

RABO: II

Misschien III 6%

Nee IIIIIIIIIIIIIIIIIIII = 60 = 85%

## Niets te klagen

### Andere banken niet beter III

# Tevreden

Teveel gedoe

70

7. *Wat veranderen aan de bank/sector?*

Minder macht IIII = 6%

Meer toezicht II = 4%

Random reader I =

Meer aandacht aan jongere doelgroep II

Aandacht consument IIIIII = 9 = 13%

## Zekerheid van je geld II

Hogere rente IIIIIIII = 9 = 13%

Geen te hoge bonussen meer IIIII = 6 = 9%

Meer ondersteuning lenen I

## Meer duidelijkheid beleggen I

Meer transparantie IIIIII = 7 = 10%

Meer MVO III = 4%

Meer durf

Minder risico I

Niets: 23 = 33%

70

8.0 wat kan de bank doen om vertrouwen terug te winnen?

Alle vertrouwen is er nog IIII 5= 8%

Niets IIIIIIIIIIIIIIIIIIIIIIII = 29 = 42%

Goed contact onderhouden met klanten IIIIII = 7 = 10%

Hogere rente → motiveert mensen om geld op de bank te zetten IIII = 6%

## Bonussen omlaag I

## Sterke commercials I

MVO IIIII = 6 = 9%

Duidelijkheid IIIII = 6 = 9%

Transparantie IIIIIII = 8 = 11%

Vernieuwend II 3%

Toegankelijkheid voor de ouderen I 1%

32

Totaal: 70