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FEWER AUSTRALIANS LOOKING TO BANKS FOR A MORTGAGE

Wednesday 24th October 2007, Melbourne, Australia. One in two Australians no longer wants to deal directly with a bank for their mortgage, according to a research just released by Global Reviews.

As the market for mortgages has become more competitive, finding the best product has become a time-consuming and confusing process. The research reveals that consumers have responded by turning to mortgage brokers. 57% of people preferred a broker because they could get a comparison of different mortgages without spending time doing research.

Mortgage brokers were also seen as more focused on consumer needs. Worryingly for banks, just 15% of respondents said that banks understood their mortgage needs, whilst more than twice that number – 33% - felt this way about mortgage brokers.

According to Barbara Kallis, Research Director at Global Reviews, much of this sentiment can be traced to the type of interaction that many brokers provide.

“When a customer visits a mortgage broker they feel a sense of understanding – the right questions are often asked by the broker, who then makes a specific recommendation. Our research has found this needs-based experience is often missing in bank branches.”

The news isn't all bad for banks, though, with banking relationships still playing a vital role. Approximately two thirds of respondents said they took out a mortgage with their bank because of an existing relationship.

On the question of how to get the lowest mortgage rate, consumers have mixed opinions. 25% of people went to brokers to “get a better deal” by avoiding the banks, whilst 25% went to banks to deal directly in order to get a lower rate.

The internet has now become a vital part of researching and selecting a mortgage. 65% of people with a mortgage had visited a website to conduct research, with the vast majority visiting a bank's site at some point in the process. In contrast, just 37% of people visited a mortgage broker website. Applying in person at a branch is still the most popular way of taking out a mortgage – and the most preferred.

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About Global Reviews

Global Reviews helps clients improve their business performance by measuring and improving customer experience. With offices in Australia and the UK, financial services clients include: NAB, ANZ, HSBC, Citibank, Westpac, Wizard, GE, ING Direct, Aussie, Lloyds, Suncorp, and others. Global Reviews Benchmarks customer experience across key communication channels including online, contact centre and branch network. More information can be obtained from www.globalreviews.com

This research, the “Mortgages Industry Monitor 2007”, was conducted online by Global Reviews and involved surveying over 1000 Australians.