Brits Put Their Faith In Traditional Banking Values

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According to latest independent research from MINTEL, state-backed NS&I is the most trusted high street banking brand in the UK, highlighting Britain's desire for security in the current economic climate.

National Savings and Investments (NS&I) tops the leader board in the trust stakes, with one in four (25%) adults saying that they trust this brand. This is considerably higher than the average across the leading high street banks, which stands at just 16%.

"The security offered by the Governmentâ€™s backing is hugely attractive in today's more uncertain times. This is confirmed by the fact that NS&I has had to trim rates as too many savers have turned to them, desperate for a safe home for their money,â€• comments Toby Clark, senior finance analyst at MINTEL.

â€œBritish consumers clearly do feel more secure putting their money in schemes backed by the Government. This gives grounds for hope that the Government's rescue bid could go some way to restoring consumer confidence in the banking sector," he adds.

Beyond Government backing, consumers are most likely to trust those financial institutions that pride themselves on what was, until recently, seen as a more old fashioned approach to banking. Indeed, Nationwide and Lloyds TSB make up the remaining top three most trusted brands in the finance sector, with 20% and 18% of adults trusting the companies respectively.

"Nationwide has long made a point of the fact that it is owned by its customers, not its shareholders, while Lloyds TSB is seen as being more conservative than some of its high street rivals. And in the current environment this reputation looks like it is paying off," comments Toby Clark.

But overall, all leading high street banking brands have been affected and people are generally less trusting of the financial system. Indeed, back in 2007 an average of 33% of adults trusted a major high street banking brand. But by September this year, this average had dropped by half to just 16%.

One of the main justifications for Labour's emergency support package is that banks no longer trust each other enough to lend to one other. Mintel's brand research shows that this lack of trust has spread to the high street, with few consumers placing much faith in financial services organisations.

"Trusting a bank today means something very different to what it did last year. While before it was more about whether or not a bank would get your statement right or charge you the right amount on your credit card. Today, the fear is more about whether or not your bank will actually exist tomorrow," explains Toby Clark. â€œThe governmentâ€™s rescue plan should help restore confidence in the banking system, but consumer trust will take much longer to rebuild.â€•

"Those banks that can persuade even a small percentage of people to trust them and so reassure them that their money is safe, are doing well," he adds.