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## YouGov plc

### **Financial Services Consumers Give a Thumbs Down to the Lloyds TSB Takeover of HBOS**

*A comprehensive survey<sup>j</sup> of British financial services consumers has found that on balance most think that the takeover of HBOS by Lloyds TSB will be a bad thing for consumers in the long run.*

*The majority of consumers are not confident that the latest round of interventions will resolve the current crisis facing financial markets and only around one in six are confident that the FSA is doing a good a job in regulating the financial services industry.*

The takeover of Halifax Bank Of Scotland Group by Lloyds TSB has been widely regarded as a necessary step to fend off the likely collapse of HBOS and a potential systemic failure in the UK financial system. However, the takeover also raises serious questions about UK competition policy and whether the creation of a new super-bank is in the best of interest of consumers. A cross-section of 3,929 consumers of the leading financial services brands in the UK were interviewed by YouGov about the current crisis facing financial markets and the takeover of HBOS by Lloyds TSB.

45% feel the takeover would be a bad thing for consumers, compared with 25% who think it would be a good thing (a further 20% were indifferent and 9% were not sure). Customers of the new merged bank were themselves in agreement, with 45% saying it would be a bad thing. (19% indifferent, 8% don't know). Scots are not surprisingly even more sceptical: 55% of Scottish financial services consumers thought it would be a bad thing.

When asked what impact the takeover would have on confidence in the UK financial system, consumers are fairly lukewarm. On a scale of 1-10, where 10 equates to boosting confidence a great deal, 43% give a score less than six with the average score being 5.6.

Despite the extraordinary efforts of Government, regulators and markets to intervene and restore confidence in the financial services industry, the vast majority of financial services consumers remain unconvinced: around six in 10 (62%) said that they are not confident that the actions taken would resolve the current crisis.

Only 17% of financial services consumers are confident that the FSA is effectively regulating the financial services industry. This stands in stark contrast to the FSA's own research published in July 2008 which found that 67% of the population who were aware of the FSA were confident that FSA is effectively regulating the financial services industry.

Despite the lack of confidence in steps to resolve the crisis and in regulation, over eight in ten (81%) of GB savers are confident that their savings are safe and secure. Nevertheless, one in five of all consumers with a deposit account or a cash ISA intend to withdraw some or all of their savings in the next month. Those who intend to withdraw money are less confident in the safety and security of their savings. Of those who intend to withdraw money, a fifth said they would switch their money to another provider.

Commenting on the findings, Steve Nuttall, Head of YouGov's Financial Services Consulting said that *"While restoring the market confidence is of paramount priority, the global financial crisis has severely dented consumer confidence at a time when confidence in the financial system was already fragile following the failure of Northern Rock. Government, regulators and banks face a significant uphill struggle to restore consumer confidence: the takeover of HBOS by Lloyds TSB is clearly not sufficient in its own right to achieve this."*

## Enquiries

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## Notes to Editors

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YouGov interviewed 3,929 customers of the main UK financial services providers. 2,803 held a savings account or a cash ISA. The breakdown of number of interviews by customers of leading financial services firms is as follows:

Abbey	1036
Alliance and Leicester	982
Barclays	1149
Halifax/ Bank of Scotland	913
HSBC	1352
Lloyds TSB	1029
Nationwide	1366
RBS/ NatWest	1038

Fieldwork was undertaken 18-19 September 2008. Interviews were undertaken on-line.

Headline figures for the questions asked are given below.

**How confident or not are you that your savings are safe and secure?**

<b>Base</b>	2803
Very confident	25%
Quite confident	56%
Not very confident	14%
Not at all confident	3%
Don't know	2%

Base For this question: All with savings account or cash ISA

**How likely or unlikely are you to withdraw all or some of your savings in the next month?**

<b>Base</b>	2803
Very likely	6%
Quite likely	14%
Not very likely	38%
Not at all likely	40%
Don't know	3%

Base For this question: All with savings account or cash ISA

**You said that you were likely to withdraw savings in the next month what do you intend to do with money you take out? (please tick all the apply)**

<b>Base</b>	555
Switch to another savings account provider	27%
Buy premium bonds	6%
Pay off debts	20%
Switch money into investments	5%
Pay for home improvements	16%
Pay for a holiday	17%
Buy a car	5%
General spending	22%
Nothing in particular	3%
Other (please specify)	12%
Not sure	3%

Base For this question: All with savings account or cash ISA and plan to withdraw savings

**How confident or not are you that the actions taken recently by central banks governments and the financial markets will resolve the current crisis facing the financial services industry?**

<b>Base</b>	3929
Very confident	2%
Quite confident	29%
Not very confident	48%
Not at all confident	14%
Don't know	7%

Base For this question: All respondents

**Overall how confident are you that the Financial Services Authority (FSA) is effectively regulating the financial services industry?**

<b>Base</b>	3929
Very confident	1%
Fairly confident	16%
Neither confident nor unconfident	31%
Fairly unconfident	26%
Very unconfident	19%
Don't know	6%

Base For this question: All respondents

**A merger between Halifax/Bank of Scotland (HBOS) and Lloyds TSB has been proposed. On a scale of 1 to 10 where 1 is will decrease confidence and 10 is boost confidence a great deal how far if at all do you think this merger will go in helping to help**

<b>Base</b>	3929
1	3%
2	3%
3	7%
4	9%
5	20%
6	16%
7	17%
8	11%
9	3%
10	2%
Don't know	9%
Mean	5.60
Don't know.	9%

Base For this question: All respondents

**In the long run do you think a merger between HBOS and Lloyds TSB will be a good thing or a bad thing for UK financial consumers?**

<b>Base</b>	3929
Very good thing	2%
A reasonably good thing	23%
Neither a good thing nor a bad thing	20%
A slightly bad thing	32%
A very bad thing	13%
Don't know.	9%

Base For this question: All respondents

All figures, unless otherwise stated, are from YouGov Plc.

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## **About YouGov**

YouGov is an international, full service research company primarily using online panels to provide quantitative and qualitative research across a range of specialisms. These include consumer markets, financial services, public sector, technology and telecoms, media and organisation (both employee and employer aspects). YouGov's full service offering spans added value consultancy, syndicated and product offers, omnibus and field and tab services.

YouGov is considered the pioneer of online market research. Through panel management expertise, flexibility and an innovative approach to recruitment, YouGov operates a quality panel of over 200,000 UK members representing all ages, socio-economic groups and other demographic types, with excellent response rates. YouGov also specialises in growing and maintaining dedicated panels of specialist consumer and professional audiences.

Based on its record, YouGov has been acclaimed as the UK's most accurate opinion pollster and dominates Britain's media polling. YouGov is one of the most quoted agencies in Britain and has a well-documented and published track record illustrating the success of its survey methods and quality of its client service work.