Challenger banks: A customer sentiment analysis

+89,000 reviews show what customers expect from their banking experience
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Methodology

Background
Challenger banks are revolutionizing the banking experience offered by the traditional banks from ‘one-size fits all’ to a next-gen digital and secure ‘tailor-made banking’ solution.

We took data from two years worth of Trustpilot reviews for each bank, from April 1st 2019 through to April 18th 2020. This time frame is of particular interest as we gained an understand of variations caused by the COVID-19 pandemic.

Our approach
We trained our AI model to the industry and used machine learning to identify and recognize topics in the data. This meant that thousands of reviews could be categorized in minutes.

Using machine learning, we’ve identified 25 customer expectation or topics by data exploration and trained ML models to recognize these topics in 0000s of data.

Alongside, we ran analyses to study each bank’s strengths and weaknesses.

Channel
Trustpilot reviews
Data

Data overview
We analysed 89,683 reviews.

<table>
<thead>
<tr>
<th>Challenger Banks</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atombank</td>
<td>2,000</td>
</tr>
<tr>
<td>Chime</td>
<td>5,401</td>
</tr>
<tr>
<td>Monzo</td>
<td>6,549</td>
</tr>
<tr>
<td>N26</td>
<td>3,296</td>
</tr>
<tr>
<td>Revolut</td>
<td>25,882</td>
</tr>
<tr>
<td>Starling</td>
<td>10,293</td>
</tr>
<tr>
<td>Tide</td>
<td>2,272</td>
</tr>
<tr>
<td>Transferwise</td>
<td>36,262</td>
</tr>
</tbody>
</table>

Themes
Which split into 4 main themes.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Total reviews % distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>40%</td>
</tr>
<tr>
<td>Customer Support</td>
<td>10%</td>
</tr>
<tr>
<td>Financial Benefits</td>
<td>20%</td>
</tr>
<tr>
<td>Security</td>
<td>5%</td>
</tr>
</tbody>
</table>

Topics overview
And further into 25 sub-topics.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Benefits</td>
<td>FX Rates, Transaction Charges/Fees, Interest Rates, Insurance, Rewards, Budgeting/Saving pots, vault, etc.</td>
</tr>
<tr>
<td>Convenience</td>
<td>App Usability, Ease of Transaction, Account Setup, Card Usability, Instant Notifications, International Acceptability, Card Delivery, etc.</td>
</tr>
<tr>
<td>Customer Support</td>
<td>Quality of Service, Responsiveness, In-app chat support, etc.</td>
</tr>
<tr>
<td>Security</td>
<td>Overall Security, App Security, etc.</td>
</tr>
</tbody>
</table>
Convenience

Results from 49,285+ reviews about ‘convenience’

% volume distribution of ‘convenience’ reviews

Convenience is a main driver of positive customer sentiment.

Customers most frequently mentioned easy transactions (37k+ reviews), app usability (30k+ reviews), and instant notification (3k+ reviews).
What about inconvenience?

21,000 reviews discuss **ease of transaction**. The reviews were general positive, but customers were unable to forgive frozen accounts, poor customer support and lack of communication drive negative sentiment.

1,578 Frequent freezing or blocking of account is a common cause of inconvenience across all the challenger banks. Among the considered banks, **Monzo** has received the highest percentage mentions (6%) of frequent “Freezing or Blocking of Account” related reviews.

“Account frozen, robotic responses. Honestly stick to your barclays and natwest folks, these folks act like the mob, freeze your accounts for little to no reason instantly.”
Accessibility of support

Customer support reviews account for 14% of total reviews (volume only)

Customers most frequently mention in-app chat support (1K+ reviews), customer responsiveness (2K+ reviews) and customer support service (9K+ reviews).

Tide has received the highest percentage mentions (12%) of customer support responsiveness reviews over a span of 2 years.

2,586
Superior Financial Benefits

11,000 reviews discuss financial benefits like smart pots, budgeting help, low fees and great FX rates.

Traditional banks ripped off customers for too long with large overdraft fees, tricky to navigate charges, transaction fees, and poor FX rates. Customers loved the clarity with which they could manage their financial situation.
Other findings

15k+ Reviews discussed app usability.

1.5k+ Reviews discussed how amazing it was to be notified of a transaction instantly. Certainly a ‘wow!’ feature.

3.7k+ Reviews discussed onboarding time. Seamless account setup and onboarding is hugely convenient and is a customer expectation from their banking app.
Revolut vs TransferWise

We deep dive two disruptive FX technology players
Sentiment (2-year view)

Sentiment in the past two years was broadly positive for both companies. ~70% of reviews were positive.
Fierce competition

Revolut stands out with a higher mix of reviews that centre on Convenience while the TransferWise reviews show a larger proportion on the topic of Financial Benefits.

Customer sentiment (Jun 2018 - Jun 2020)

<table>
<thead>
<tr>
<th>Category</th>
<th>Revolut</th>
<th>Transferwise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>71%</td>
<td>68%</td>
</tr>
<tr>
<td>Financial Benefits</td>
<td>74%</td>
<td>70%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Security</td>
<td>80%</td>
<td>86%</td>
</tr>
</tbody>
</table>

Revolut - 22,780 responses  |  Transferwise - 25,963 responses
Declines during COVID-19

How have perceptions changed April to June 2020? Overall positive sentiment towards Revolut has declined to 56 (that’s minus 15 points) while TransferWise only dipped to 68 (minus two points).
Sentiment impact

If Revolut chose to improve service quality, reduce frozen accounts, and increase customer service responsiveness, they could dramatically improve their customer sentiment score.
Thank you

SentiSum is a customer analytics software platform.

Your customer feedback data (the contents of support tickets, NPS surveys and customer reviews) is analysed by our NLP engine, which automatically tags each data point with a topic and sentiment.

Our SaaS dashboard then allows you to understand drivers of customer contact, complaints, and frictions in their journey at the click of a button. You’ll have the ability to respond to events in real-time, while also tracking long-term trends affecting your customers.

Reach out directly at ben@sentisum.com and we’ll show you what we do. We back our AI tech, so we offer a free trial so you can prove value yourself.