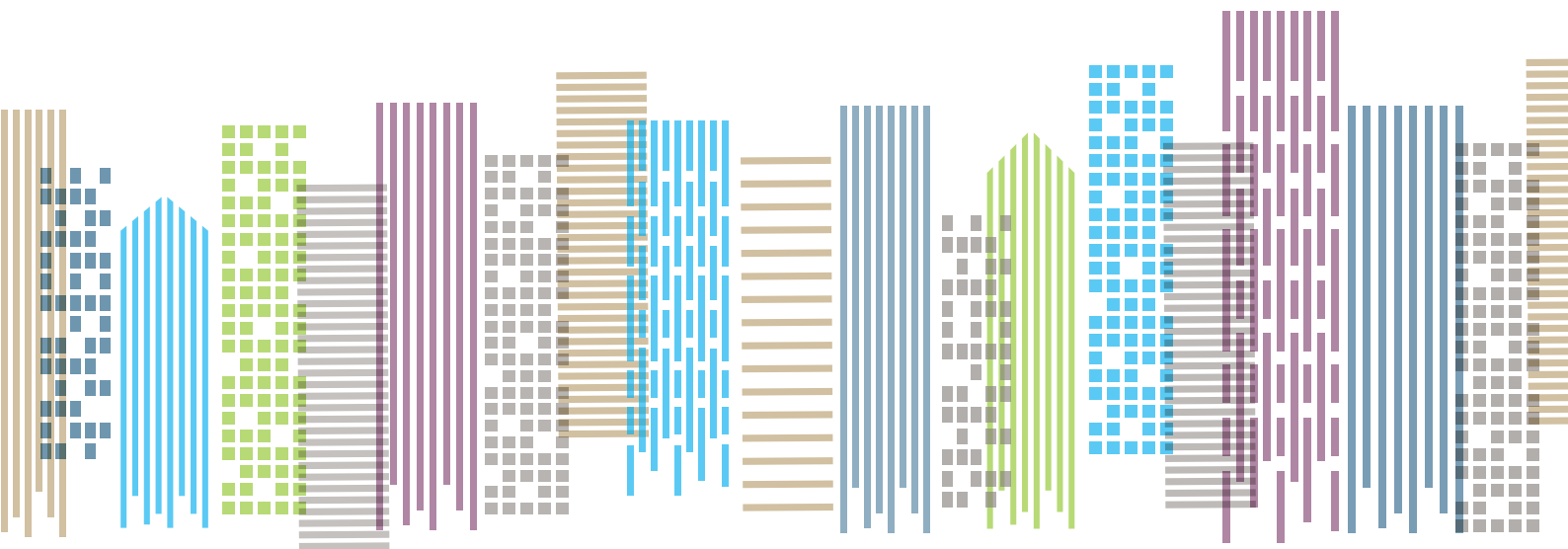


# Chartered Banker

Professional Standards Board

## Building Professionalism in Banking

CB:PSB Research 2012–2017



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*Since 2012, YouGov plc have worked closely with the CB:PSB to design and undertake their annual research surveys and provide additional research information in the form of our Reputation of Banking Reports – our ongoing engagement has seen the surveys evolve to provide comprehensive measurements of how confidence and trust in bankers, banks and the banking industry, professionalism and awareness of the initiative and its professional standards has changed since its inception in 2011. YouGov plc look forward to continuing its research partnership with the CB:PSB as it continues to measure the delivery and success of its overarching aims.*



**Norrie Hernon**  
Associate Director, Financial Services, YouGov plc

**YouGov**<sup>®</sup>  
What the world thinks

This Report is published alongside the **CB:PSB Progress Report 2017**. The Progress Report outlines the detailed activities of the CB:PSB, over the last year, to meet its Purpose and Aims. It also provides analysis of key findings of the YouGov plc/CB:PSB research. Building Professionalism in Banking should be read in conjunction with the Progress Report.

# Foreword

Lady Susan Rice CBE  
 Chairman, CB:PSB



The Chartered Banker Professional Standards Board (CB:PSB) is a unique voluntary initiative between UK banks and the Chartered Banker Institute. Established in 2011 – before banking culture and conduct became key issues for policymakers and regulators – the CB:PSB set out to develop and embed professional standards for individual bankers. Our aim was to help build, over time, greater public confidence and trust in individuals, institutions, and the banking industry overall and enhance pride in the banking profession.

In the intervening years, the CB:PSB's professional standards have defined what it means to be a professional banker and supported hundreds of thousands of bankers in the UK and globally to demonstrate their professionalism.

The outcomes from the CB:PSB YouGov plc surveys are detailed in this report, Building Professionalism in Banking. There are positive trends across all key measures but it is clear that there is much work to do. Perhaps most encouraging, the Report shows that:

- Confidence and trust in individuals in banks is increasing
- Professionalism – and professional standards in particular – is valued

These outcomes confirm the importance of the work of the CB:PSB – but also serve as a reminder that the message that banking is changing – that it is becoming more professional – is yet to resonate strongly with the public and stakeholders.

I'm grateful to all our member institutions for carrying this work forward within their firms, and sharing more widely the commitment and belief we have that things can change, and that the CB:PSB is the way to change them. YouGov plc have been excellent partners in this project and, together, we hope you find the content of Building Professionalism in Banking insightful.

“...the CB:PSB is the only UK initiative undertaking such detailed research on perceptions of banking over the past five years.”

Since 2012, the CB:PSB has worked with YouGov plc to commission a range of surveys asking UK Adults, MPs, Opinion Formers and Banking Employees about their levels of trust, confidence and pride in banking. Indeed, the CB:PSB is the only UK initiative undertaking such detailed research on perceptions of banking over the past five years.

“The research confirms the importance of professional standards in restoring the trust of customers and confidence in the Financial Services industry. We will continue to work closely with the Chartered Banker Professional Standards Board and other relevant professional bodies to achieve these twin goals.”

**Nick Winsor**

Head of Remediation Management Office UK, HSBC Bank plc and CB:PSB Board Member

## EXECUTIVE SUMMARY

40%

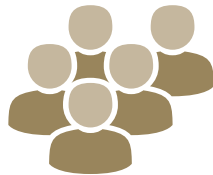
**OF UK ADULTS** believe that staff who meet professional standards would make them trust the UK banking industry more.



**UK ADULTS, MPs and OPINION FORMERS'** confidence and trust in the UK banking industry **continues to increase**, however, this is much stronger amongst UK Adults (2 out of 5) with only a quarter of MPs and less than a fifth of Opinion Formers.

75%

**OF UK ADULTS** trust **staff at their local bank** to tell the truth a great deal/fair amount but only a quarter believe the same of the people running UK banks.



NEARLY 60%

**OF UK ADULTS** have **confidence and trust in individuals** working in banking in the UK.

50%

of **UK Adults** now consider **individuals working in the banking industry** as 'competent/extremely competent'.



### MPs and Opinion Formers

continue to strongly believe the banking industry as a whole is probably/definitely not doing enough to change their culture – similarly in relation to individual banks.



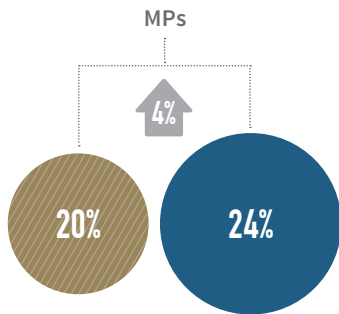
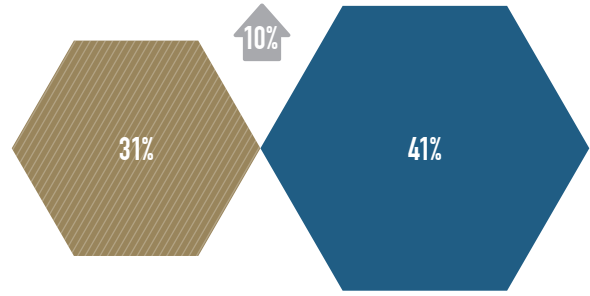
All 2017 figures illustrated, unless otherwise stated are from four separate surveys collated and analysed by YouGov plc on behalf of the CB:PSB during January 2017. UK Adults, Opinion Formers, MPs and UK Banking Employees were asked their opinion in relation to the baseline measures that were agreed in 2013. In addition to these four surveys, the CB:PSB Stakeholder Forum was surveyed for the first time in January 2017 – additional research has also been obtained from the YouGov plc 'Reputation of Banking' Report 2017. Details of these information sources can be found in the Appendix to this Report.

## BANKING INDUSTRY

% of UK Adults who said they have 'high' or 'some' confidence and trust in the **UK banking industry**.

● 2013 ● 2017

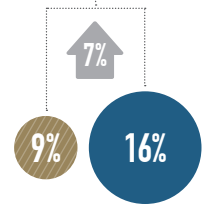
↑ Rising trend over 4 years



% of Respondents who said they have 'high' or 'some' confidence and trust in the **UK banking industry**.

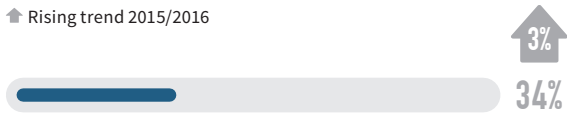
● 2013 ● 2017 ↑ Rising trend over 4 years

Opinion Formers



% of UK Adults who trust the **UK banking industry** to focus on the best interests of its customers and wider society.

↑ Rising trend 2015/2016



% of UK Adults who have 'high' or 'some' confidence and trust in **banking institutions in the UK**.

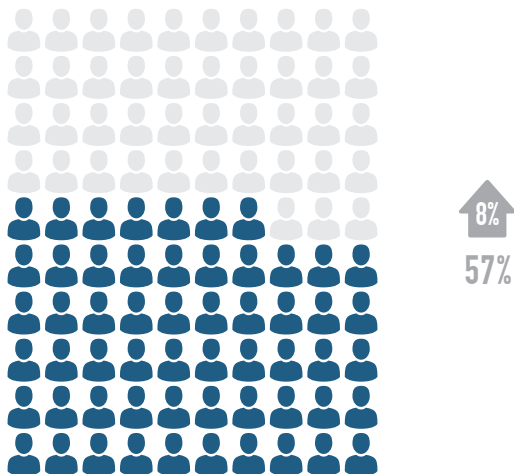
↑ Rising trend over 5 years



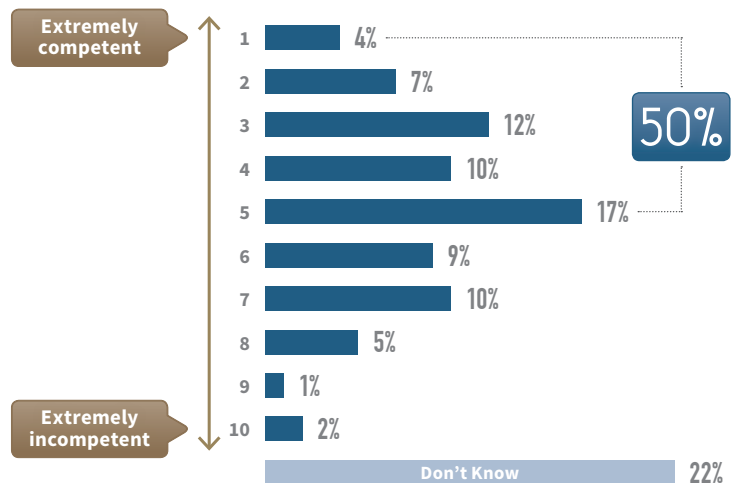
## BANKING INDIVIDUALS

% of UK Adults who have 'high' or 'some' confidence and trust in **individuals working in banking in the UK**.

↑ Rising trend over 5 years



% of UK Adults who rated the competence of **individuals working in the banking industry** (Ranked from 1 – Extremely competent to 10 – Extremely incompetent).

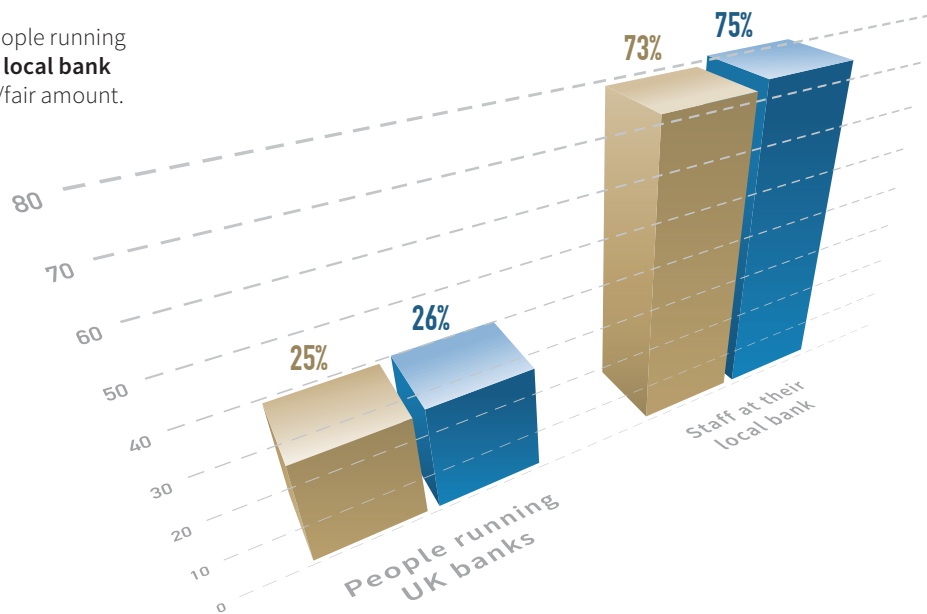


Above figures rounded to nearest 0.5 fraction.

## BANKING INDIVIDUALS

% of UK Adults who trust people running UK banks and **staff at their local bank** to tell the truth a great deal/fair amount.

● 2015 ● 2016



06



From the beginning of the CB:PSB initiative, I have been Chair of the independent customer focused Advisory Panel and now Chair of the Stakeholder Forum. From a user of banking services and products perspective, the embedding of professional standards in our banks, derived from the initiative, has clearly enhanced customer confidence. I look forward to further progress by the CB:PSB in their endeavour to change the culture in banking and banks' relations with customers.



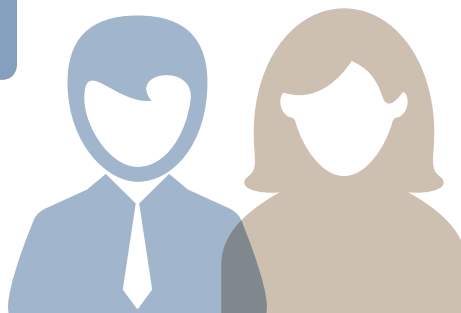
**Professor Robin Jarvis**

Chair, CB:PSB Stakeholder Forum and Professor of Accounting, Brunel University

In general, I trust banks.

34%

of UK Adults (2016)



Staff who meet professional standards would make me trust the UK banking industry more.

40%

of UK Adults (2016)

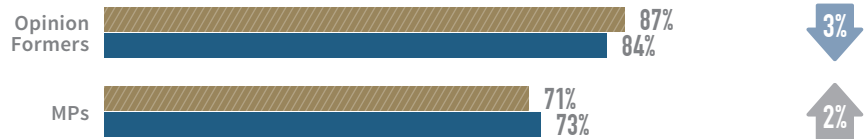
## BANKING CULTURE



Trend over 3 years

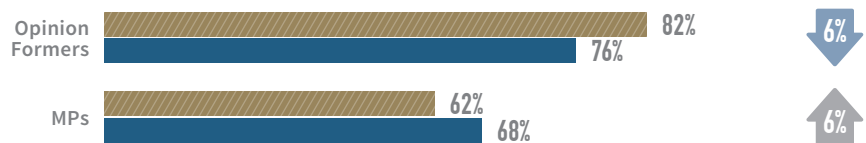
% of Respondents who believe the **banking industry** as a whole is probably/definitely not doing enough to change their culture.

● 2014 ● 2017



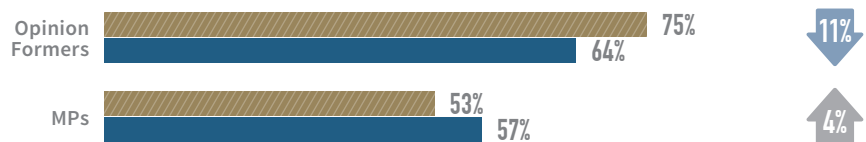
% of Respondents who believe the **individual banks** are probably/definitely not doing enough to change their culture.

● 2014 ● 2017



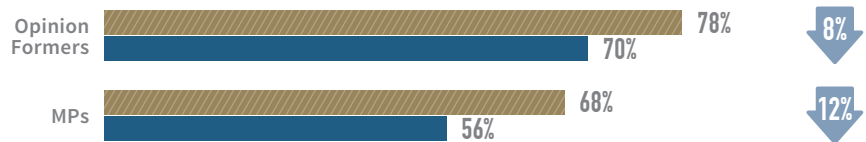
% of Respondents who believe the culture of **individual banks** needs to change a lot.

● 2014 ● 2017



% of Respondents who believe the culture of the **UK banking industry** as a whole needs to change a lot.

● 2014 ● 2017



# 52%

of **Banking Employees** believe the culture in the **banking industry** has improved a lot/somewhat in the last 12 months.

● 2015 ● 2016



# 48%

of **Banking Employees** believe the culture in **their organisation** has improved a lot/somewhat in the last 12 months.

● 2015 ● 2016

Industry	2012	2013	2014	2015	2016	5 year trend
Technology	76%	73%	75%	73%	74%	↓ 2%
Food & Beverage	63%	63%	64%	63%	64%	↑ 1%
Consumer Packed Goods	57%	60%	61%	60%	61%	↑ 4%
Telecommunications	58%	60%	61%	59%	60%	↑ 2%
Automotive	62%	65%	69%	66%	60%	↓ 2%
Energy	53%	57%	57%	58%	58%	↑ 5%
Pharmaceutical	54%	54%	55%	54%	53%	↓ 1%
Financial Services	43%	47%	48%	48%	51%	↑ 8%

Source: 2016 Edelman Trust Barometer Q45-429. Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please use the same nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". (Top 4 Box, Trust) General Population, 25-country global total.

\*From 2012-2014, Pharma included as a subsector (Q).

\*\*From 2012-2015, Pharma included as an industry sector (Q43-60). 2012-2014 data recalibrated as a sector.



## The 2016 Edelman Trust Barometer Report...

highlighted that, from a global perspective, trust ('to do what is right') in the Financial Services industry is increasing (from 43% in 2012 to 51% in 2016), one of the few industries in which this upward trend is the case. However, 'trust' in the Financial Services industry still lags some way behind industries such as Technology and Food & Beverage.



## The 2017 Edelman Trust Barometer Report...

confirmed that global and UK public confidence and trust in institutions (government, business, media and non-governmental organisations) and business leaders has dropped by more in the past year than in any other since the financial crisis in 2008/2009. Edelman propose that this can be linked to globalisation, rapid changes in technology and other factors such as the US election and Britain's vote to leave the EU.





Since becoming one of the founding members of the CB:PSB in 2011, we have worked together to build and launch the CB:PSB Code of Conduct and its first professional standard – the Foundation Standard. I am delighted that 90% of Virgin Money’s in-scope population attain the Foundation Standard each year and with all member banks making similar efforts, it’s no surprise that the CB:PSB Research 2012–2017 confirms that good progress is being made in the drive to make banking more professional and trusted. Based on the excellent results so far, we are now working to introduce the new Intermediate Standard to our colleagues later this year.

**Stephen Pearson**  
Senior Adviser, CEO Office, Virgin Money and CB:PSB Board Member

## EXECUTIVE SUMMARY



70%

**OF MPs** consider the banking industry to be very/reasonably professional.



**OF UK ADULTS** consider **bank employees** within the UK banking industry to be very/somewhat professional whilst half have this opinion of bank services.



OVER 50%

**OF BANKING EMPLOYEES** agree with the statement ‘*I am a professional banker*’.



**OF STAKEHOLDERS, MPs and OPINION FORMERS** consider professional standards as **the key hallmark** of a profession.

OVER HALF

**OF BANKING EMPLOYEES** believe that the CB:PSB Foundation Standard helps them provide a **better service to customers** and this is also increasing.



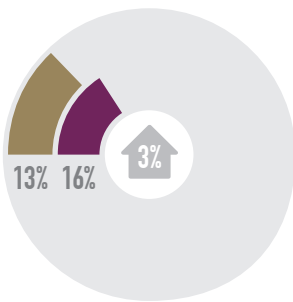
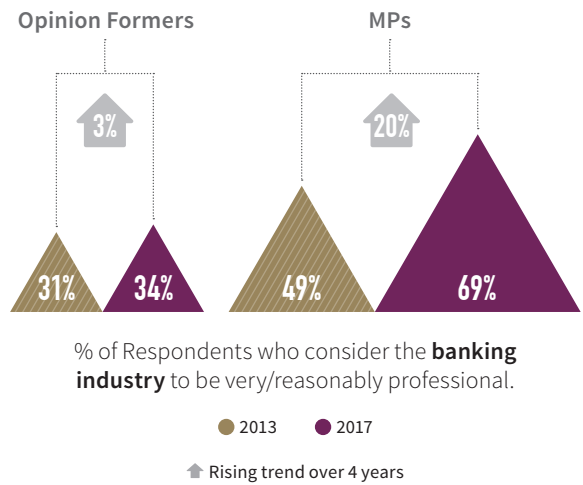
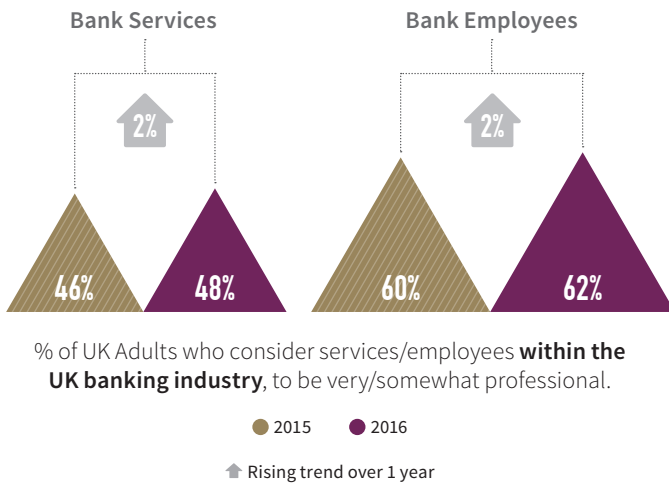
**BANKING EMPLOYEES** who feel a lot of pride in the banking industry continues to increase whilst those feeling no pride at all continues to decrease.

There has been a

17% INCREASE

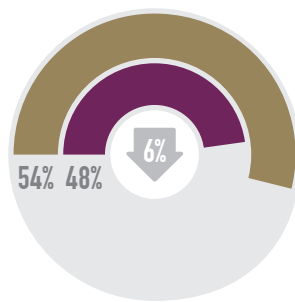
in Banking Employees’ awareness of the CB:PSB initiative.

## PROFESSIONALISM



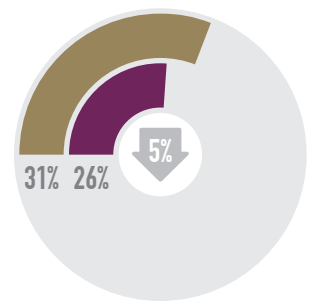
% of UK Adults who agreed that the UK banking industry has **improved in the past year** in making sure all bankers are professionally trained & meet professional standards.

↑ Rising trend over 2 years



% of UK Adults who agreed that the UK banking industry **needs to improve further** in making sure all bankers are professionally trained & meet professional standards.

↓ Decreasing trend over 2 years



% of UK Adults who agreed that banks are at best 'unprofessional', and at worst 'dishonest'.

↓ Decreasing trend over 2 years



I joined the Chartered Banker Professional Standards Board as an Independent Member two years ago, and I am pleased to see the hard work by Board Members' banks and the Chartered Banker Institute is beginning to pay off. This latest research shows some encouraging signs that embedding professional standards is beginning to have an impact on the perception of banks and bankers. There is still a long way to go to change culture. While people increasingly trust their own bank to be professional and act in their interests, trust and confidence in the industry as a whole remains low. Mis-selling, LIBOR and bonuses continue to cast a long shadow over bankers' pride in their own industry. Not enough bank staff are aware of the standards, and the role they can play in professionalism and ethics. But progress is being made, and I am sure it will continue, to the benefit of banks' staff and the customers they serve.

**Sue Lewis**  
Independent CB:PSB Board Member





How does the Foundation Standard help Banking Employees provide a **better service to customers**?

## BANKING EMPLOYEES

- ff By professionalising the industry.
- ff By thinking about the culture of our Bank and the conduct towards customers.
- ff It encourages professionalism and a strong Code of Conduct ensuring customers receive a high standard of service.
- ff Ensures all customer service staff trained to the same level.
- ff It gives guidelines as to the standards that should be adhered to when dealing with customers.
- ff Sets out basic expectations and standards required.
- ff More knowledgeable.
- ff It helps to focus service on what the customer needs and on the best way to deliver the service to them.
- ff Have a better understanding of the banking industry.
- ff Better training means better understanding.
- ff Consistent approach from all bankers.
- ff Gives a professional grounding and knowledge so that customers get the best experience possible.



Thinking about their **personal banking experiences**, respondents describe how the initiative has impacted them:

## UK ADULTS

- ff Bankers (are) more aware of compliance and taking conduct seriously.
- ff It gives more confidence in the banking system.
- ff Great success, I am a bank manager myself and love the job I do and my staff.

## MPs

- ff I think it could be a morale boost to the industry including those who work in banks.
- ff I think the sector and many who work in it feel quite beaten up at the moment and this could help with morale and therefore ultimately customer service.

## OPINION FORMERS

- ff Very involved in all the work going on to change culture and improve professional standards. The initiative raises awareness of expected standards.
- ff It's made bankers more aware of the importance of putting customers financial needs first above the personal desire for commission on (mis-)selling financial products.
- ff Given me a little reassurance that the banking industry wants to improve and avoid the disasters of the past caused by a lack of professionalism. Hence I worry a little less about what may happen.

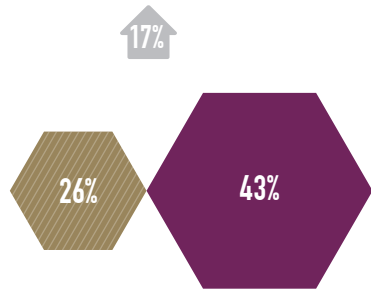


Banking Employees describe how the initiative has had an **impact** on them:

## BANKING EMPLOYEES

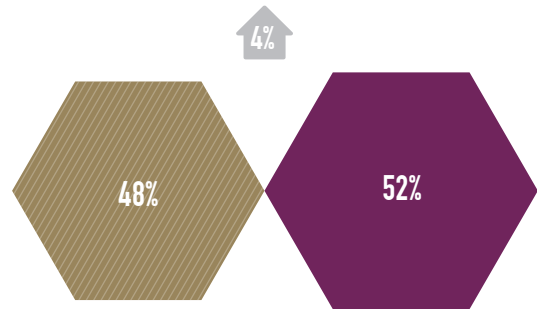
- ff More competent, more professional, more knowledge of banking.
- ff Professionalising banking.
- ff Increased compliance standards.
- ff Knowing all my colleagues can be held to account to a common standard.

## AWARENESS



% of Banking Employees who are aware of the CB:PSB initiative.

● 2013 ● 2017  
 ↑ Rising trend over 4 years



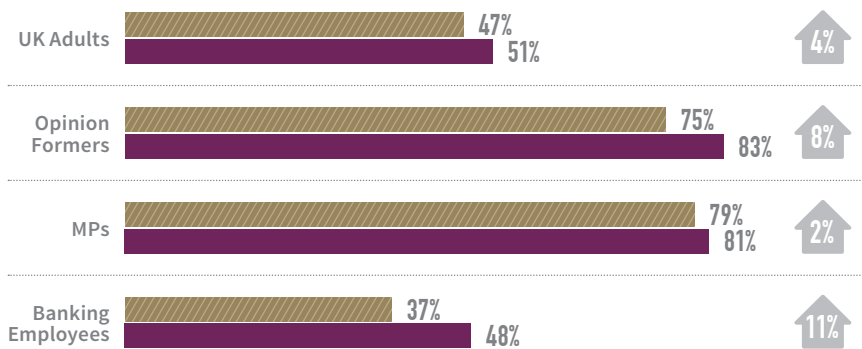
% of Banking Employees who believe that the CB:PSB Foundation Standard helps them provide a better service to customers.

● 2016 ● 2017 ↑ Rising trend over 1 year

12

% of Respondents who are agreed that it is important to have a **common Code of Professional Conduct** for bankers.

● 2016 ● 2017  
 ↑ Rising trend over 1 year

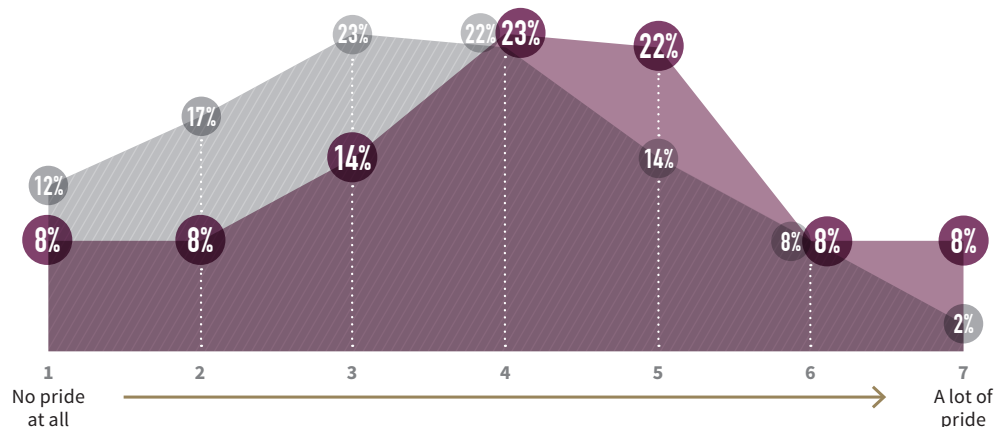


## PRIDE

On a **scale from 1-7**, where 1 is no pride at all and 7 is a lot of pride, % of **Banking Employees** who rated how much pride they felt in the banking industry.

● 2013 ● 2017

NB: Data omitted relates to "don't know" or "rather not say".



**BANKING EMPLOYEES'** pride levels are influenced primarily by continued job losses/restructuring in their firm, although ongoing issues around LIBOR and mis-selling remain factors. Digitalisation also now appears as a factor.

Banking Employees' concerns around bonuses/pay mirror those across other industries as reported by the **Institute of Business Ethics**.

## PRIDE

Together with Nottingham University Business School’s Centre for Risk, Banking and Financial Services (CRBFS), the Chartered Banker Institute has undertaken research into the professional pride felt by its 30,000-strong membership.

The Personal Professional Pride Index (PPPI), shows that bankers who are members of a professional body feel considerably more pride, with the mean level of professional pride (on a scale of 1 to 100 where 50 is neutral) sitting at 73.24. This compares to 59% of bankers (who may or may not be members of a professional body) occupying the middle ‘neutral’ ground in the CB:PSB/YouGov plc survey and only 16% feeling the highest levels of pride. Professor James Devlin, Professor of Financial Decision-Making at Nottingham University Business School and Director of the Centre for Risk, Banking and Financial Services, said:



*The truth is that the vast majority of bankers are utterly justified in taking pride in their work... They constantly strive to act in a professional manner and with their customers’ very best interests at heart. It should also be remembered that those providing data for the study were all members of a professional body, the Chartered Banker Institute and as a result, may well be reporting levels of pride that are above industry norms.*



51% of Respondents who strongly agree/agree with the statement: **‘I am a professional banker’** went on to say:

### BANKING EMPLOYEES

- “ I will always do what is best for the customers.
- “ I have a professional approach to my work with high standards of integrity.
- “ I act responsibly and fairly in all my dealings with customers.

Of those who disagreed, the majority view themselves as experts in their field e.g. IT, Accountancy.



Respondents expressed why they feel **a lot of pride** in the banking industry:



### BANKING EMPLOYEES

- “ I am proud of progress the banks have made to genuinely help customers.
- “ Great service and innovation to customers.
- “ I always follow our codes of conduct and put the customer first.
- “ The positive contribution we make.
- “ I regard it as a profession. I have qualifications in the banking industry and I strive to maintain professional conduct at all times within my role.
- “ I always consider my customers’ best interests, first and foremost, above anything else.
- “ I work in banking that makes a positive contribution to the real economy.

## CHANGING MINDSETS

Perceptions of individual bankers, institutions, the industry and its professionalism is beginning to improve, although favourable sentiment remains relatively low compared to other industries.

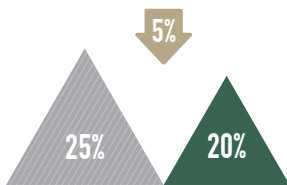
The CB:PSB – through implementing professional standards of conduct and expertise – is seeking, not only to enhance customer confidence, but to change perceptions of the industry and its professional bankers.

14



% of UK Adults who were extremely/fairly favourable towards the **UK banking industry**.

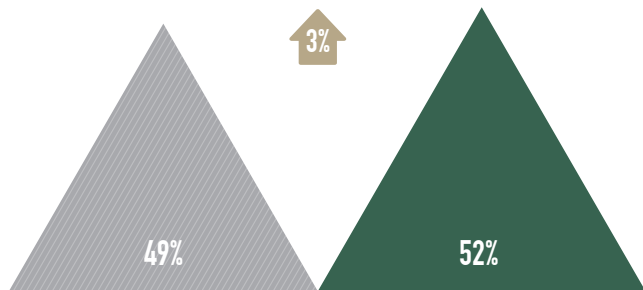
● 2014 ● 2016 ↑ Rising trend over 2 years



% of UK Adults who agreed with the statement: 'I am ashamed of the **British banking industry**'

● 2014 ● 2016

↓ Decreasing trend over 2 years



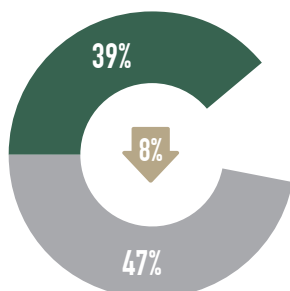
% of UK Adults who agreed that their '**main bank** is competent'

● 2014 ● 2016 ↑ Rising trend over 2 years

% of UK Adults who agreed that there is a widespread problem of ethics in the **British banking industry**.

● 2014 ● 2016

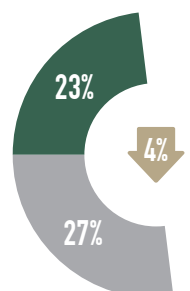
↓ Decreasing trend over 2 years



% of UK Adults who agreed that **British banks** have lower ethical standards than other major UK businesses.

● 2014 ● 2016

↓ Decreasing trend over 2 years





**UK Adults**

Sample size:  
**2,168 adults**

*Fieldwork was undertaken between 16th and 17th January 2017.*

Source:  
YouGov



**Reputation of Banking**

Sample size:  
**2,106 adults**

*Fieldwork was undertaken between 27th and 31st October 2016.*

Source:  
YouGov



**Opinion Formers**

Sample size:  
**961 Opinion Formers**

*Fieldwork was undertaken between 19th and 27th January 2017.*

Source:  
YouGov



**Banking Employees**

Sample size:  
**502 adults**

*Fieldwork was undertaken between 23rd and 31st January 2017.*

Source:  
YouGov

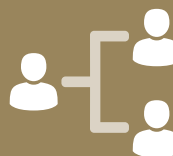


**MPs**

Sample size:  
**102 MPs**

*Fieldwork was undertaken between 16th and 30th January 2017.*

Source:  
YouGov



**CB:PSB Stakeholder Forum**

Sample size:  
**6 individuals/ organisations**

*Fieldwork was undertaken between 16th and 20th January 2017.*

Source:  
CB:PSB

ALL SURVEYS WERE CARRIED OUT ONLINE

# Chartered Banker

Professional Standards Board

## Building Professionalism in Banking

CB:PSB Research 2012–2017



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The Chartered Banker Professional Standards Board and Chartered Banker Institute have offices in Edinburgh and London.

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Chartered Banker Institute is a trading name of The Chartered Institute of Bankers in Scotland.

Charitable Body No SC013927

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