

Banks still regarded as immoral and dishonourable – and have not atoned for their sins

76% of British public say bankers should waive their bonuses

As bank bonus season is upon us, an overwhelming majority of the 1,200 respondents to a survey by P2P lender ArchOver said that bankers should waive their bonuses.

The survey found that:

- 67% of people feel banks have behaved immorally
- 62% say bankers have not acted honourably
- 76% say bankers should waive their bonuses
- 73% think senior bank executives should cut their salaries
- 76% believe banks should pay more tax

Furthermore, 63% of respondents think that banks who have become reluctant to lend money should be more liberal towards SMEs with potential.

According to the research, bankers are not that much more popular than cold-call salespeople, traffic wardens, bailiffs, and politicians. They are even more unpopular than estate agents, journalists and reality TV stars.

Table 1: The most unpopular trades/professions in the UK

Answer Options	Response Percent
Cold call salespeople (e.g. call centre staff)	72%
Traffic wardens	57%
Politicians	48%
Bailiffs	48%
Bankers	35%
Estate agents	22%
Reality TV stars	20%
Journalists	14%
Lawyers	9%
Accountants	4%

Why are banks so unpopular?

The top reasons cited for bankers' unpopularity are mis-selling financial products and market manipulation (73%), followed closely by having caused the financial crisis through irresponsible lending (69%).

Table 2: Key contributing factors in dishonourable behaviour

Answer Options	Response Percent
They have manipulated the market - such as Libor fixing	73%
Because they mis-sold products	73%
They caused the crash by irresponsible lending	69%
They care only for their profits	68%
Bankers are paid too much	63%
Customers are there to be upsold (made money from)	49%
They charge exorbitant fees to retail accounts	36%
Banks don't offer enough customer care	36%
Banks don't have enough local branches	19%
Other	4%

How banks can fix their damaged reputation

76% of respondents who say banks have a moral obligation to society also say they could fix their reputation by suspending big bonuses to staff and stopping tax avoidance measures. 73% say salaries to top executives need to be lowered.

Table 3: Banks have a moral obligation to society. They should:

Answer Options	Response Percent
Suspend big bonuses to staff	76%
Stop tax avoidance measures	76%
Lower top salaries to executives	73%
Cut dividends to shareholders	29%
Give more to charity	23%
Other (please specify)	

63% of people also say banks should lend liberally to SMEs with potential.

Angus Dent, CEO of ArchOver comments:

“Almost six years after the financial crisis, we’re continuing to see a lot of intense public anger towards the banking industry. Taxpayer funded bailouts and a string of controversies from mis-selling scandals to Libor and Forex rigging have played their part in ruining the public perception of the big banks. The fact that pay for bankers has continued to be so generous while pay has stagnated elsewhere in the economy has only heightened the public’s anger.

“Small businesses have been the big losers because the banks have starved them of credit in the process of rebuilding their balance sheets after the financial crisis.



“Fortunately, businesses and consumers alike can now vote with their feet and avoid dealing with the banks by using peer-to-peer lending platforms instead, which enable businesses to borrow directly from savers who are looking for higher returns than those available from the banks.

“Marketplace Funders like ArchOver cut out the banks and enable those with capital to lend it for a healthy return to the businesses that need it to grow and create jobs.”

ArchOver believes that it achieves greater financial safety than any other peer-to-peer lender in the sector by securing loans against the borrowing parties’ customer invoices and insuring the borrowers’ customers’ payments against default.

Ends

Notes:

Over 1200 adults across the UK responded to an online survey in January 2015.

This was conducted by Wriglesworth Research – winner of several industry awards for use of research including the CIPR Awards, Golden Hedgehog Awards and PR Week Awards.