



Retail Banking Report Q2 2021

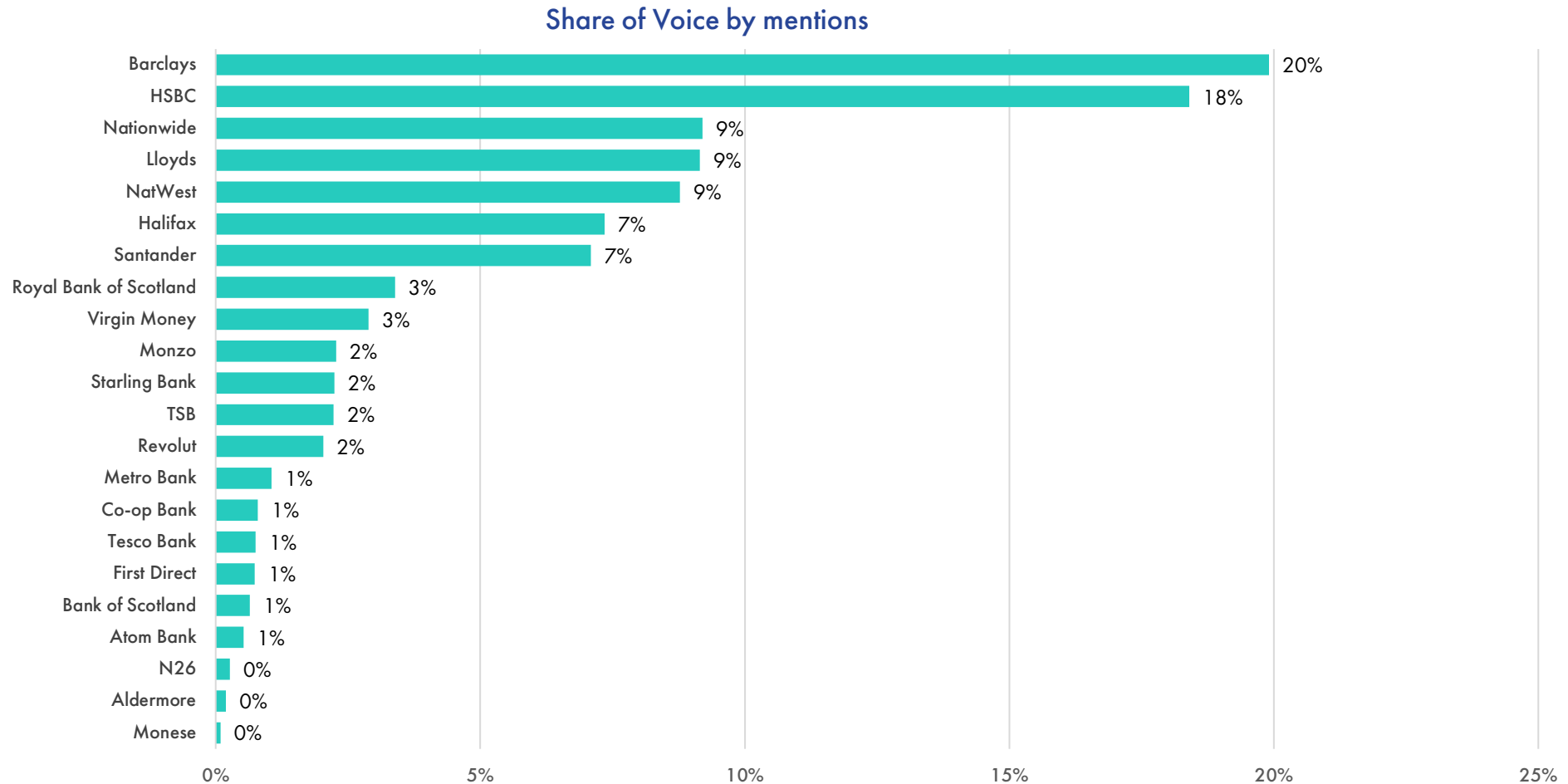
Key Takeaways

- Challenger banks were present in a higher proportion of consumer media, as outlets tended to mention them in relation to the best deals and money-saving tips, while Traditional banks were more visible in high-reaching trade outlets.
- **Barclays** had the highest share of voice, featuring in 20% of all mentions. Positive coverage focused on its high growth rates and prediction of an economic boom, whereas negative sentiment was fuelled by stories on its plastic waste and contribution to global warming.
- **Virgin Money** was the most visible Challenger bank, with 31% of all Challenger coverage mentioning it, and top stories including its reduced loan rates and Club M account. **Monzo**, **Starling** and **Revolut** were very close behind, and Revolut had the highest proportion of headline mentions.
- Traditional banks and Challenger banks tended to be discussed in relation to similar themes, however there were some differences. After the Extinction Rebellion protests, climate change proved to be a big topic in Traditional bank coverage, generating negative sentiment. Meanwhile the expansion of the fintech industry meant that the theme of digital revolution was seen in Challenger news.

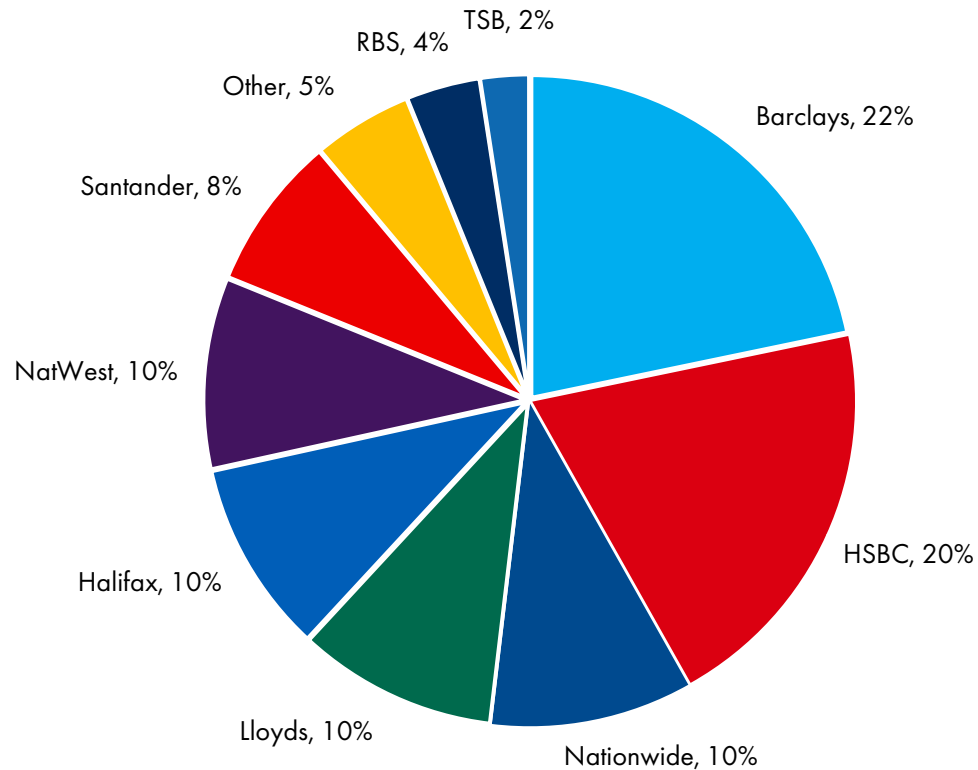


Share of Voice

- Traditional banks had a significantly higher share of voice in Q2; accounting for 90% of total mentions. This was due to a higher number of articles being published, but also because of the high-reaching media it was present in, such as *BBC Online* and *Bloomberg*. Traditional banks tended to feature in national trade outlets more frequently, while Challenger banks were more prominent in consumer media.
- Both Challenger and Traditional banks' top themes included: the 5% mortgage deposit scheme, Covid-19 and the fraud epidemic. Challenger banks saw a high proportion of coverage on the digital revolution, meanwhile Traditional banks were featured in more reports discussing climate change and the use of fossil fuels; This sentiment was, however, predominantly negative.

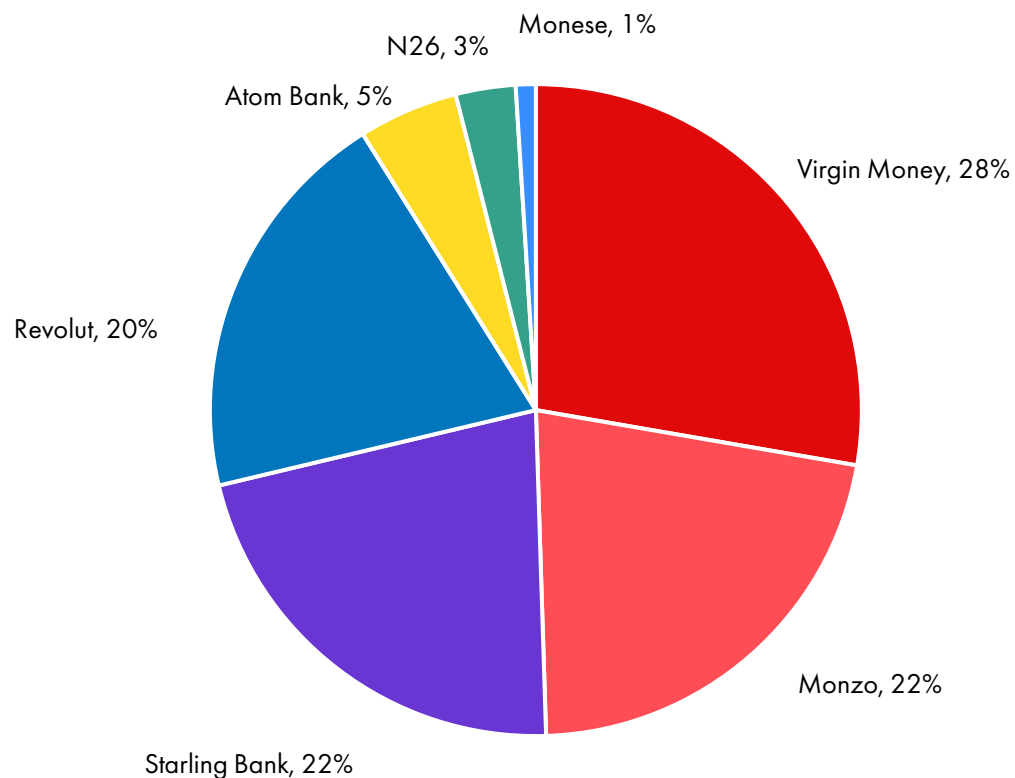


Traditional Banks' Coverage



- **Barclays** – Main topics included the prediction of the biggest economic boom since 1948, its Q1 profit more than doubling, and it being one of the best places to ‘build and sustain a career’, according to LinkedIn. Not all stories were positive however, as climate change generated a lot of negative sentiment. For example, the HQ’s windows were smashed during the Extinction Rebellion protest after it was revealed that Barclays’ commercial arm loans money to the some of the 20 companies that produce 55% of the world’s plastic waste.
- **HSBC** – the Huawei extradition battle generated a high volume of coverage for HSBC, after internal documents were released in June. Another visible story was news that HSBC has joined forces with Asian Development Bank, investing \$300m in vaccine financing across Asia.
- **Nationwide** – coverage included: profits almost doubling during April, House Price Index research showing a rise in house prices of 5.7% annually, and news that it will increase the amount it lends to first-time buyers.
- **Lloyds** – Profit increases were a visible theme for Lloyds too, as its Q1 results exceeded expectations. Coronavirus was also particularly prominent, with the firm calling back Covid loans, and planning to close offices in order to facilitate working from home.
- **Halifax** – Like Nationwide, its House Price Index fuelled coverage, after studies showed that first-time buyers are saving £800 a year more than renters, and house prices are at an all-time high. It also relaunched its £100 switching bonus, which contributed to positive sentiment.
- **NatWest** – The launch of its green mortgage scheme generated media exposure; it offers discounted rates to customers buying a home with an energy efficiency rating of A or B. Other stories included its profit increase of 82%, the relocation of its HQ if Scotland votes for independence, and its refusal to serve any business customer that accepts cryptocurrency payments.
- **Santander** – Coverage was mixed during Q2 with positivity being driven by its position in the Net-Zero Banking Alliance, its cycling scheme being extended, and 3% interest rate on children’s savings accounts. On the other hand, negativity was prominent, as it is one of the banks to see the biggest losses in 2020, and a high volume of branches are closing following the pandemic.
- **Royal Bank of Scotland** – As the firm is under NatWest, it shared a lot of similar coverage; particularly surrounding the relocation of office headquarters if Scotland votes for independence. Positive sentiment was present after RBS reported on an upturn in Scottish permanent job placements.
- **TSB** – Its collaboration with the Pride of Britain awards generated lots of its coverage. Other top stories included its plan to ban cryptocurrency after numerous scams, and opening up 43 pop-up banks after branches closed following the pandemic.

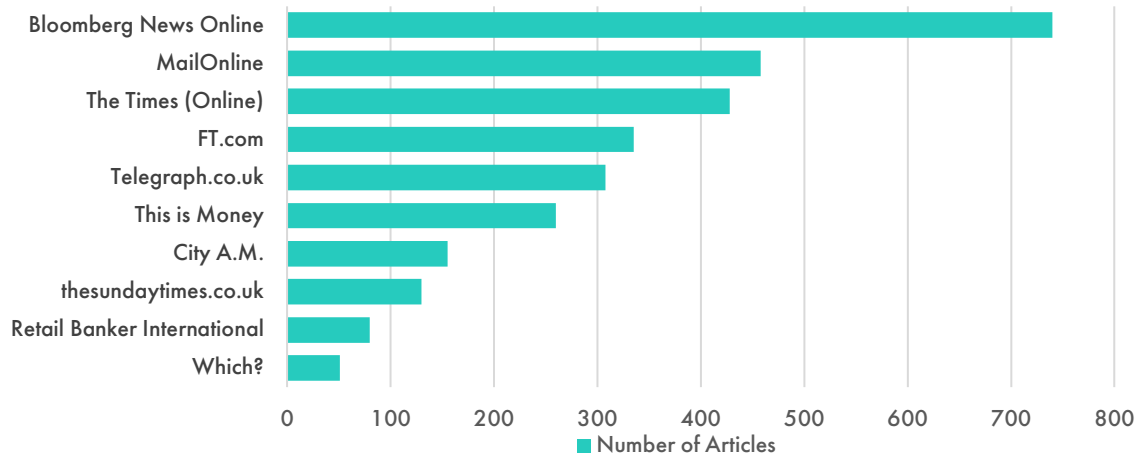
Challenger Banks' Coverage



- Virgin Money** – Over a quarter of all Challenger mentions came from Virgin Money, and exposure was mainly positive, with outlets focusing on a range of schemes offered by the bank. These included the ‘Virgin Money Back’ scheme which offers 15% cashback from certain retailers, the Virgin Money Macmillan guides to support those affected by cancer, and giving new customers a case of wine and £50 charity donation.
- Monzo** – Positivity was high for Monzo, as the digital firm has been described to ‘lead the charge to tackle climate change’. Its unicorn status positions the company as a key player in the online banking industry, especially as Europe feel pressured to be the home of fintech. News that it provides employees 10 days paid leave after pregnancy loss pushed reach and gained praise, particularly on 10 May after the story was published on *BBC Online*. Monzo also received negative coverage, however, mainly on the topic of fraud and subsequent complaints, as they failed to provide 143,000 ex-customers with statements, and almost 1,500 complaints were made in 2020.
- Starling Bank** – Goldman Sachs’ £50m investment was a top story for Starling Bank, after it featured in *FT.com* and *The Times (Online)*. It was also the winner of the biggest current account of the year so far, with the second-highest net gain. Other positive stories included its ambition to improve gender diversity and representation in the finance industry, particularly through its adverts, and that it is part of the SMS SenderID Protection Registry, which shields customers from spoof messages. Although coverage was mainly favourable, news reported on a former employee filing a complaint about discrimination in the workplace.
- Revolut** – Coverage was also mostly positive for Revolut, with *The Times (Online)* reporting on the firms’ decision to allow employees to work from anywhere in the world 60 days of the year. Its growth was a big topic in the media, too: it aimed to increase its valuation to \$10bn, it launched Revolut Junior – an app to encourage children to learn financial skills – and it added 300 staff to its support hub in India. With this being said, high-reaching outlets did report negatively on Revolut after its losses doubled last year despite the end-of-year cryptocurrency boom (*The Guardian Online*).
- Atom Bank** – News was mainly positive, but the majority of Atom Bank’s mentions were made in passing. It regularly featured in a list of the best banks; particularly on the new 5% mortgage deposit scheme, as it offers two-year fixed rates with no upfront fee. It also raised its easy-access to 0.5%, and gained praise for being the UK’s first online-only bank. Negative sentiment was present in *ThisIsMoney*, as it reported on Atom Bank’s valuation dropping by £5m.
- N26** – Passing mentions were prominent for N26, with stories reporting on its need for better IT security in order to prevent money laundering, and it being a main competitor in the fintech industry.
- Monese** – Only six articles were published during Q2, with five of these being in June. Coverage included studies conducted by Monese that showed that millennials are most concerned with spending as things reopen. Sarah Holt, Head of Partnerships, was visible in coverage too, as she revealed the best places to shop to get the cheapest deals.

Top Outlets

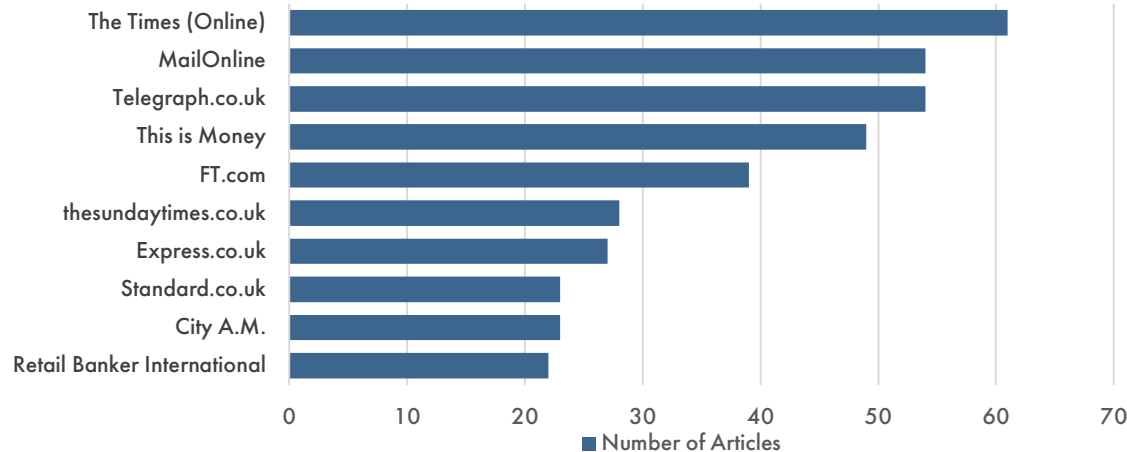
Top Outlets – Traditional Banks



Traditional Banks

Bloomberg News Online was the most popular outlet for Traditional banks; making up 25% of total coverage. Key coverage reported on how banks plan on getting workers back into offices, the change in stocks and shares, and global investments. It particularly focused on Barclays, as it regularly featured spokespeople, and HSBC, following its executives' move from London to Hong Kong. *MailOnline* was the second most popular outlet, with *The Times (Online)* closely behind; notable stories tended to report on 95% mortgages and the rise of house prices. Meanwhile, *FT.com* produced 334 articles, and focused on international relationships, such as 'HSBC's painful retreat from France' (07.04) and how the 'US recovery is lifting world trade' (04.05). All top outlets were high-reaching national media, with a mixture of trade and consumer news. Overall topics were similar across all outlets, with Covid, house prices and mortgages being the significant coverage drivers. Headline mentions in top outlets were highest for HSBC, with 5%, while Barclays had 3%.

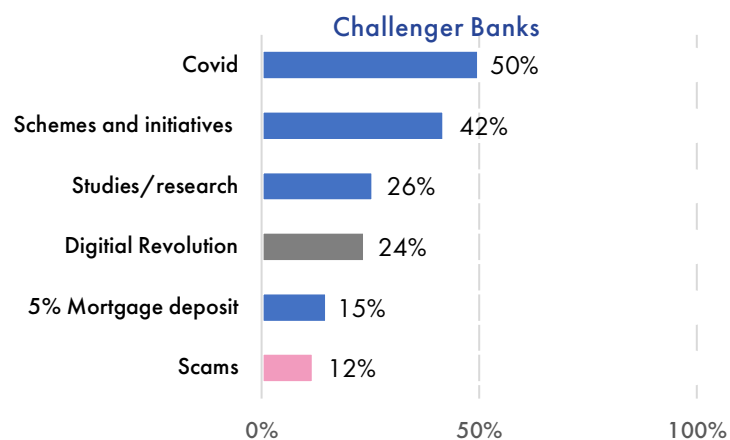
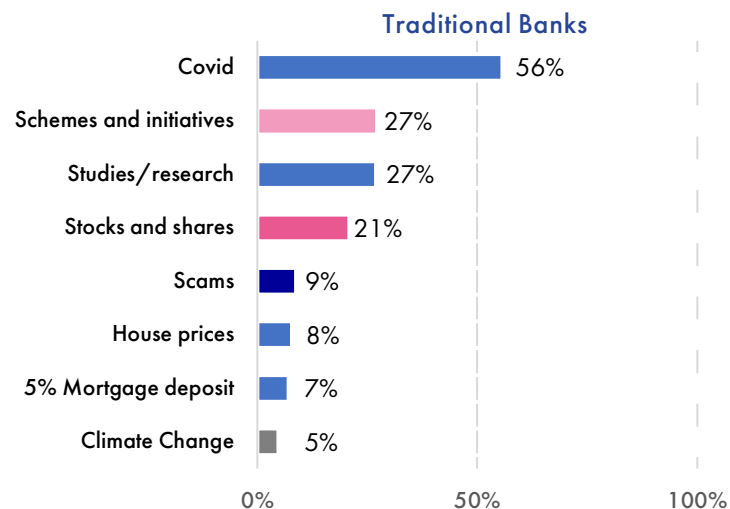
Top Outlets – Challenger Banks



Challenger Banks

Challenger banks tended to have a similar top outlet list, however in a much smaller quantity. *The Times (Online)* and *MailOnline* collectively contributed towards 21% of total coverage, with 115 articles altogether. The rise of fintech was an overall theme among each outlet, however *The Times (Online)* continued to question whether 'banks are ready for a digital future'. The majority of outlets reported on ways to save money, and which digital bank is the best and why. *Which?* just missed out on being a top outlet, however was a key consumer media in this sense; recommending Monzo's 'jolly pot', and Challenger banks Starling and Monzo as they gained the most current account customers in 2020. Revolut was the top bank in terms of prominence; with 5% of all top outlet coverage containing a headline mention. *Bloomberg News Online* reported on its revenue tripling, while *Telegraph.com* commented on its 'risky expansion into China' (11.04).

Top Themes: Traditional vs Challenger Banks



Covid-19

The pandemic was mentioned in over half of all Traditional banks' coverage. The 'closure of 500 bank branches' and changes to office life were prominent stories; as the majority of banks opt for a hybrid working structure (*MailOnline*, 17.05). High-reaching national outlets commented on Covid regularly, particularly on the increase in savings as a result of people staying in, and how banks are adapting to the new working regime. For example, HSBC introduced 'zoom-free' afternoons, while Nationwide allow its 13,000 staff that don't work in branches, to work from wherever they want. Covid was the most visible theme for Challenger banks too; appearing in over 50% of its coverage. Closures of Traditional bank branches mean there has been an increase in fintech users, and a 'hiring high', according to *City AM*.

Studies and research

Just over a quarter of coverage contained studies, research and commentary from Traditional banks, as well as Challenger banks. The topic of lockdown easing and the growth in consumer spending was a visible theme across Traditional companies; Rhys Herbert, senior economist at Lloyds Bank, commented on the 'pent-up demand' of buyers in the *MailOnline*, while Liz Martin, senior economist at HSBC, commented on rising inflation rates. TSB carried out a survey that showed 55% of people plan to keep their pandemic savings habits, while Starling's Mark Hipperson, commented on the 'need to protect investors' when dealing with cryptocurrency.

Schemes and initiatives

While schemes and initiatives were important for Traditional banks such as HSBC, this topic was more visible in Challenger bank media as these firms are positioned as the more affordable banks with the best deals. For example, Revolut allows employees to work abroad for 60 days a year, Atom Bank offer a great deal on 95% mortgages, and Virgin Money offered a 2% interest rate and £50 charity donation. Traditional banks were more competitive in their schemes and initiatives, contributing to a high volume of coverage. HSBC offered customers £125 and a 1% regular saver, and Barclays stopped offering cashback on current accounts.

Stocks and Shares

This theme was only visible across Traditional banks' coverage, with one of the main stories being a typo that caused Barclays' trade valuation to drop by nearly £3bn. Positive coverage included the *BBC* reporting on high Lloyds shares, while Britain's mid-cap index was at an all time high during May, with Barclays gaining 2.5%.

Scams

A higher proportion of Challenger coverage contained this theme, at 12% compared to 9%. The *Guardian Online* reported on the victims of bank transfer scams, looking at customers of Monzo and Santander. Although Monzo did refund the victim's money, and Santander offer employees training to be more sympathetic to victims of fraud, coverage was overall negative. The rise of authorised push payment fraud, romance scams, and firms blaming customers for being victims were all prominent stories across Challenger and Traditional coverage.

House Prices

Nationwide and Halifax's House Price Index was visible in high-reaching media such as *BBC Online*, as it found that house prices had soared by almost 11% in the space of a year. Though these firms were mentioned in passing, it helped to push volume up.

5% Mortgage Deposit

Coverage boomed in April, after the scheme was first announced, with high-reaching national outlets listing the Traditional banks that offer it. Consumer media like *Which?* reported on all the best rates, among both Traditional and Challenger banks, with Atom Bank being a top contender.

Climate Change

Climate Change was present in 5% of all Traditional banks' coverage, with protests and banks' use of fossil fuels being main stories. The Extinction Rebellion made headlines in *BBC Online*, after headquarter windows were smashed at HSBC and Barclays, and coverage was also generated after The Plastic Waste Makers Index report found that 20 companies contribute to 55% of the world's plastic waste, with many of those financially supported by Barclays and HSBC.

Digital Revolution

Being the fourth most popular theme in Challenger coverage, Digital Revolution news discussed Revolut's expanding workforce in India, the crash of Bitcoin and cryptocurrency firms failing to meet money laundering rules.

Coverage Breakdown

Subject	This study analyses the impact of the PR activity generated by the banking industry and how it is perceived in the media landscape.
Period	April 2021 – June 2021
Markets	UK
Media	Selected reading list of online UK nationals and trade media

An aerial photograph of London, England, featuring a prominent view of the Gherkin (30 St Mary Axe) and the Shard. The Gherkin is a distinctive, conical skyscraper with a glass facade, while the Shard is a tall, thin, pointed skyscraper. The River Thames is visible in the background, along with other city buildings and the Tower Bridge. The sky is a mix of blue and orange, suggesting a sunset or sunrise.

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