



Capitalflow

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CAPITALFLOW
Annual Switcher Report

Introduction

In the current changing landscape where inflation and the rising cost of living are putting a squeeze on household budgets across the nation, it appears that Irish consumers are becoming increasingly savvy when it comes to getting bang for their buck.

Whether it's changing insurance provider or shopping around for a different gas or electricity service, Irish consumers are seeking to switch service providers more than ever before, with a massive 91% of all adults in Ireland admitting to switching at least one service within the last five years.

In fact, brand new research in Ireland from specialist lender, Capitalflow, shows that the main reasons Irish adults consider making a switch comes down to getting better deals, a seamless switching process, and loyalty or rewards programmes.

Capitalflow is a Dublin-based business lender that works with Irish SMEs and property investors to provide flexible finance options to scaling companies through its digital platform. It was acquired by European neobank bunq in 2021, which launched an Irish IBAN this year with quick sign-up, transparent fees, and a suite of easy-to-use banking products.

However, Capitalflow's new research shows that when it comes to moving to a new bank or switching mortgage providers, Irish adults are a little more reluctant, citing time and complexity as the main barriers to making the switch.



Ronan Horgan, CEO, Capitalflow

The research was carried out on behalf of Capitalflow by market research agency iReach, which delved into Irish people's attitudes and habits when it comes to switching - from banking to telecoms, insurance to utilities, and more.

In this report, we present expert opinions from respected professionals and feature advice from some of the most trusted sources when it comes to consumers' switching habits. We also reveal just how much Irish consumers understand about the switching process, what motivates them to pursue a change, and the perceived barriers that often discourage them from seeking a saving.

Why are Irish Consumers Making the Switch?

The research conducted on behalf of Capitalflow revealed that nearly half (49%) of Irish adults have a tendency to shop around before renewing contracts with service providers. The research also revealed that the top incentive that encourages adults to switch providers are better deals, fees, or interest rates. A seamless switching process with minimal fuss is also high on the priority list, while other benefits or a loyalty programme are also deemed important.

“Consumer apathy and lack of time have been replaced in recent times, as current financial restraints have brought switching to the forefront for consumers seeking better value - and ultimately money back in their pockets,” explains John Lowe of MoneyDoctors.ie.

For those switching utilities, the highest average savings are generated from energy providers, with savings of €189.73 from gas providers and savings of €222.21 from heating providers.

When switching utilities, 68% of adults surveyed found it easy to switch mobile phone services, 63% found it easy switching broadband services, and 59% found it easy to switch waste or bin collection services.

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The Biggest Switch

Insurance services have the highest levels of switching in Ireland, the research revealed, with 85% of adults having switched car insurance, 70% having switched home insurance and over half (51%) having switched health insurance in the last five years.

Gas services are also one of the highest services that are prone to switching with 75% of adults admitting to changing providers.

Over three quarters of adults (76%) have switched broadband providers while 73% have switched mobile phone service.

Of those who change to new service providers, almost half of Irish adults (49%) like to shop around when their renewal date is approaching, while 32% were enticed to switch by a bundle discount offering, and 20% said they made the switch to feel valued and to be rewarded for loyalty.



"We established Capitalflow to challenge the status quo in the banking sector and now we are part of the bunq family, the second largest neobank in Europe. We thought it was a good time to explore Irish people's attitude towards switching. We know switching is a hot topic of conversation with two main banks exiting, higher interest rates and an energy crisis so this market research helps us with insights into how best we can think about looking after our customers and making their lives as easy as possible." says Ronan Horgan, CEO of Capitalflow.

Triggers and Barriers to Switching

For Irish adults who didn't switch services in the last five years, one third of respondents admitted that it simply wasn't worth the hassle. Almost half (48%) said they didn't switch service as they were happy with their

existing provider but 17% said they 'couldn't be bothered.'

Just 11% said they were put-off switching providers due to the amount of paperwork it

"It is unfortunate that it takes an energy crisis to seriously change consumer attitudes. No matter what level of income someone is at, savings are still savings and we constantly need to be vigilant about finding value at all times. It is always worth the effort, and I'm delighted to support this Capitalflow initiative to help consumer awareness in this area," says John Lowe of MoneyDoctors.ie.

would involve.

For those that did switch, however, 25% said that they found the whole switching process difficult. Many admitted that it was a time-consuming process while a massive 86% said that they found the legalities too difficult.

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Moving Money – Attitudes to Switching Financial Services in Ireland

While changing utility providers is emerging as common practice amongst Irish adults, it seems that shopping around for - or changing to - a new financial service is a little bit more complicated.

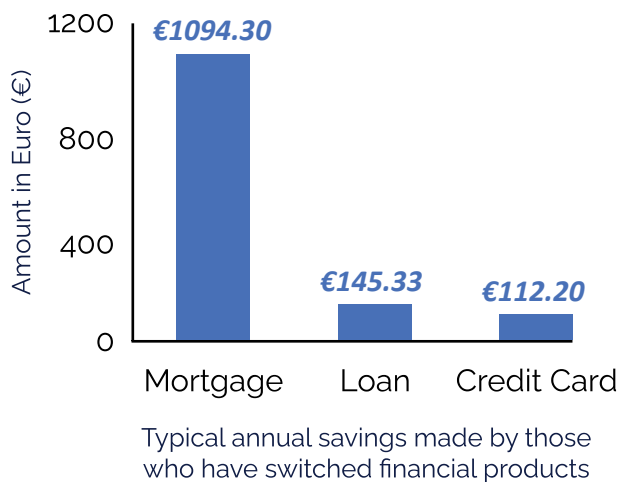
Over three quarters of those surveyed stated that they did not find it easy to switch mortgage provider while two thirds of adults said the process of switching a loan or loan account was not an easy one. A total of 58% said they did not find it easy to switch credit cards.

48% of all adults in Ireland have switched some financial services.

The research showed that in general there is a lower level of switching amongst consumers when it comes to their financial services compared to other utilities, which may be a direct result of the difficulty of switching services.

While 54% have switched loan accounts, just 40% have switched their credit card and 37% have switched their current accounts in the last five years. Notwithstanding the greater level of complexity involved in switching, 38% of respondents would still consider having their mortgage with a different provider to their current account, and 14% have already made that switch.

"Switching mortgages has now become fashionable, especially as tracker rates are no longer the 'manna' they used to be. Some of the current mortgage fixed rates are actually cheaper than the recently increased tracker rates – but tracker rates are not finished with further increases expected over the coming months," says John Lowe of MoneyDoctors.ie.



Of those who switched financial services or bank providers, 28% admitted that they had no other choice, as their bank was closing in Ireland, while 27% said they moved in order to save money on bank fees. The research showed that the majority of adults are aware of the bank fees their current provider charges.

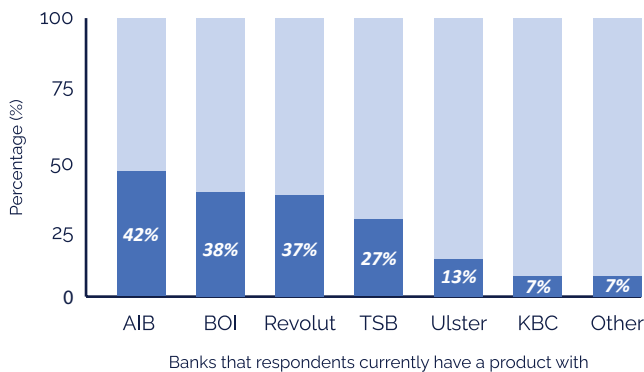
“With the withdrawal of both Ulster Bank and KBC Bank from the market, customers are looking for security and longevity in their new bank, in addition to first class service. It’s also important to shop around and have choice within the market.” comments John Lowe of MoneyDoctors.ie

While making financial savings is one of the main reasons Irish consumers would consider switching bank services, 63% of adults said they would or might be influenced to switch providers due to the sustainability commitments of a bank or financial service provider.

Of those surveyed, over half of Irish adults would or might consider moving to a digital bank, but the majority would require a high level of online security to protect their data, and 69% would want all services available online and via a banking app.

“We know from previous market research, undertaken by Statista on behalf of Okta early this year, that Irish people are the fastest adopters of digital banking services in the world after Brazil. We know there is a steady decline in physical branch visits and traditional banks are trying to catch up by switching to digital platforms. They are focusing on their own internal processes and challenges while bunq as a bank with a full EU license and regulated by the Dutch Central Bank was created for that pure digital user experience, with the user coming first in everything they do. We can see the combination of bunq and Capitalflow in Ireland as an exciting new offering for Irish customers – both consumers and businesses.” explains Ronan Horgan, CEO of Capitalflow.

“Trust is one of the biggest factors when it comes to money. Whether it’s moving banks, taking financial advice, or sorting out that mortgage, pension or investment, consumers need to be sure of their provider. Do the groundwork but once you are happy with that choice make that move – it really is better for your pocket.” says John Lowe of MoneyDoctors.ie.



Only 21% of adults think the banking or financial services market in Ireland is competitive. 63% think it's not competitive.



Top Tips for Saving Money around the Home

When it comes to tightening the purse strings, we all know the first steps to take and the first things to go. No more afternoon lattes; volunteering as designated driver on nights out; planning staycations instead of going abroad. But sometimes, it's the things that are a little less obvious that can make the biggest difference – the creature comforts we're so used to having, we couldn't imagine being without. **John Lowe** of **MoneyDoctors.ie** outlines his four top tips:

Utilities

Don't worry, I'm not advocating trading in electricity for candlelight – but there's a lot to be said for re-examining your utilities providers at least once a year. Many people enjoy the ease of sourcing their gas and electricity from the same provider – but you could save literally hundreds of euros by switching from a dual-fuel bundle to separate providers. Providers are changing their tariffs all the time so be vigilant and recheck.

Just remember – if you switch before the end of your contract, you could face a charge of up to €100, depending on provider. So it pays to keep a list of your contracts, be they for gas, electricity, mobile phone, internet, TV or anything else, along with their end dates on your laptop, iPad or phone. Then, set an alarm the month before your contracts are up and do a bit of market research in good time to change. Remember, your current provider may offer you a discount just to keep you on their books! In the meantime, the rule is switch off and plug out when not in use.

Internet and entertainment

With fibre-power broadband now available across the country, it is an excellent time to compare internet providers. There are huge variations in offers available from the main providers, and it really can be worth the hassle of having someone call out to install a new dish or swap out your modem for the savings you'll make.



Top tip? While almost all offers are available to buy online, try to make the effort to phone the company you're interested in joining. A deal can often look perfect, until you find out that the broadband speed is slower than what you currently have; or you might have seen something that looks just right, apart from the 160 extra channels you don't need. Where possible, speak to a human – and remember, your money matters, so don't be afraid to push for the best deal.

Banking

Banks generally don't reward customers for loyalty, so never be afraid to shop around. Because your banking is so often tied up in the biggest outgoings in your household budget – mortgage, car loan, college loan – look at the interest rate you are being charged and find out if there are better options even within your own bank. This is really the best place to start when you're trying to save money. The same goes for life and health insurance products. There are enormous savings to be made simply by shopping around.

If you're already saving, take a good look at the rate you're getting; many banks offer less than 0.25% AER and that is for regular saver accounts. If you have substantial funds at negligible deposit rates, perhaps consider prize bonds – you cannot withdraw for the first three months but then only need seven days' notice to withdraw all.

It's also a good idea to think about how you pay for things on a daily basis. If you use your debit card a lot and have no idea of the fees you're incurring until your quarterly statement lands, consider switching to an online bank that offers more transparent fees and advanced digital offerings to track your spending.

Make a financial plan

Last but not least, this is the single most important step when it comes to saving money. While everything listed above can help with choices already made, a financial plan will guide you in choices yet to come, followed closely by completion of an in-

depth budget plan. If you're intimidated by the idea, haven't made one previously, or just need some expert advice, contact [MoneyDoctors.ie](https://www.moneydoctors.ie) for a free budget planner spreadsheet template.



About Capitalflow Group

Established in 2016 and led by Ronan Horgan, Capitalflow is Ireland's fastest growing Business specialist lender. Partnering with Irish SMEs and Property Investors, Capitalflow provides flexible finance options through its digital platform to companies looking to grow and scale their business. Headquartered in Dublin, with offices in Santry and Baggot Street, the company employs 80 experienced decision makers, and it has advanced over €900 million in facilities to a broad range of SMEs across all sectors since formation. Capitalflow is Deloitte Financial Services Innovation Finalist 2021 and the Winner of the FS Awards Specialist Lender 2022.

About John Lowe of MoneyDoctors.ie

John Lowe is one of Ireland's most respected personal finance experts, advisor, and a writer. Best known for his popular books 'The Money Doctor', '50 Ways to Wealth', and the Money Doctors finance annuals published since 2006, he is a #1 bestseller in Ireland.

With over 27 years' experience in the banking sector, John is now managing director of Providence Finance Services Limited t/a Money Doctors based in Stillorgan Co Dublin. He is a Fellow of the Institute of Bankers, a Qualified Financial Adviser (QFA), since 2014 a Personal Insolvency Practitioner (PIP) and an Accredited Product Adviser (APA Debt Management MCC) and has a genuine interest in helping people make their money work for them. He also has a Diploma in Company Direction from IMI (2010).

John is also a member of the National Union of Journalists and has been a frequent interviewee and commentator on TV, radio and in print and online media. He is regularly invited to speak on personal finance to companies and organisations from all sectors as part of his Financial Wellbeing programme and to help them make the most of their money. In his free time he enjoys spending time with his family, playing golf and indulging his love of music.

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Thank you! For more information on Capitalflow, follow us @[@capitalflow.ie](https://twitter.com/capitalflowie) or visit us at www.capitalflow.ie.

