

# ONLINE BANKING

Whether via a smartphone, tablet or desktop, more than two million New Zealanders now use online banking.



## WE'RE ALL GETTING ONLINE...

| Age   | %  |
|-------|----|
| 15-24 | 68 |
| 25-34 | 87 |
| 35-44 | 81 |
| 45-54 | 73 |
| 55-64 | 69 |
| 65-74 | 55 |
| 75+   | 35 |

According to data released by Statistics New Zealand in late April, approximately 2.05 million Kiwis use internet banking, up from 1.74 million in 2009. It isn't an activity confined to the younger generations either; while younger demographics are the most likely to transact online, internet banking is increasingly popular among all age groups. More than half of the 65 – 74 year age group and more than a third of the 75+ age group do at least some banking online.

Increasingly, online banking users are also using their mobile phones to transact – whether it is to check their account balance at the shops, or to pay a bill remotely. Statistics New Zealand advises that one-quarter of recent internet users access the world wide web via their mobile phone; that percentage jumps to 40% of 25 – 34 year olds.

For the second year running, CANSTAR has undertaken an extensive research exercise to determine the level of online banking functionality and ease of use each New Zealand financial institution has to offer and this year, reflecting our increased use of smartphones, mobile banking has been assigned its own category, carrying twenty-five percent of the total score. Overall, CANSTAR's *Online Banking Award* considers the functionality that customers value most:

Nowadays, you can:

- Speak to your personal banking manager via online chat,




- Pay a friend back for a movie ticket via text message / mobile banking,

- Save on weekly expenses with an automated analysis of your transaction history, and

- Keep track of your spending on your next holiday with various apps and currency converters

... All at the touch of your phone.



|   |                         |   |
|---|-------------------------|---|
|  | <b>Internet banking</b> | Including banking services, reporting, self-service, communication, security and product applications.  |
|  | <b>Website</b>          | Including product application, consumer education and tools, online help, ease of use, web 2.0 public interaction and location services.  |
|  | <b>Mobile banking</b>   | Including core banking needs such as transactions, product applications and additional methods of payment and other applications and functionality, such as calculators, location services and contact. |

CANSTAR has collected more than 300 pieces of information on the online capability of each New Zealand institution assessed. Details of the CANSTAR methodology are contained in this document.

## BUT YOU NEED TO STAY SAFE...

Online security is top of mind for many consumers – and for their banks! While all financial institutions assessed for our online banking award have good-quality online security measures in place, the specific measures used do vary between organisations. It's important for consumers to be aware of the measures used by their institution of choice.



Of course, security issues go both ways. Banks should provide secure online banking for customers, but customers need to do their bit as well and understand their banks' terms and conditions. Breach those terms and conditions and a bank may not be liable to reimburse a customer's losses.

It's a good idea to check your accounts daily, or at least weekly, to identify any unusual transactions. Banks can decline to reimburse customers who have not reported frauds within a "reasonable timeframe". Tip: be aware that some banks require you to notify them if your mobile phone is stolen.

## AND THE WINNER IS...

For the second year running, ASB has ranked as the best provider of online banking in New Zealand, continuing to impress with their focus on providing a good user experience across all mediums. The ASB website scores very well for ease of use with excellent online help, chat and phone backup services. Their mobile banking is particularly impressive, with a competitive advantage being their multiple payment options of email, Facebook and pay-to-mobile. They have a good focus on online security and customer service and easy-to-access online product applications.



**Best Online Banking  
New Zealand**

Some notable examples of ASB's innovations over the years include:



- **Extra Home Loan Online Payment Function (2013):** provides customers with a fast, safe, and convenient way to make extra payments against their home loan with just a few 'simple clicks'. Customers can now log onto ASB FastNet Classic, view their available account balances, and choose to make extra variable home loan payments without the need to call, e-mail, or visit a branch.
- **ASB Triple Check (2012):** An additional three security questions by ASB through websites protected by 'Verified by Visa' and 'MasterCard® SecureCode™', to prove identify of the person before they can shop online.
- **Virtual Branch (2010):** Allows Facebook users to chat in real time with dedicated banking specialists, where they can make product enquiries, obtain general advice on products, set up automatic payments and direct debits.
- **Pago (2006):** A 'virtual wallet' giving customers the ability to pay for purchases at selected online stores or send money to other people without the need to disclose personal banking or credit card details.

Technology has fundamentally and permanently changed the way that consumers interact with both their bank and their own finances. We congratulate ASB on their win this year and look forward to tracking their developments over the next twelve months.

## USE IT OR LOSE IT.

Want to really leverage the power of online banking to your advantage? Then use the budgeting applications provided by your financial institution.

Online money management applications take the grunt work out of budgeting by crunching the numbers for customers automatically. That way you can track your spending in each category and plug any financial leaks before they become a cashflow flood. Here are some of the options:



### *Track My Spending.*

Track My Spending is a FastNet Classic service which shows you where you spend your money. With Track My Spending you can assign categories to each of your transactions (e.g. Food and Groceries, Vehicle and Transport) and see how it all adds up.



### *YouMoney*

YouMoney enables customers to personalise their accounts and payees with relevant images and track spending and set savings goals which can be tracked at a glance by progress bars.



### *heaps!*

heaps! pulls together your transactions from across your accounts and helps you to sort them into categories, so that you can see exactly where you've been spending your money. It also enables you to set a realistic budget or set a savings goal and track your progress.

Banking has made enormous strides over the past generation, thanks largely to online capability. The days of having to get to the bank before closing hours, or even standing in line for an ATM are long gone. Via our smartphone we now carry our financial institution in our pocket. So from transactional capability to budgeting, general educational information and 24-hour help, so make the most of the functionality provided by your financial institution - and reap the financial benefits.

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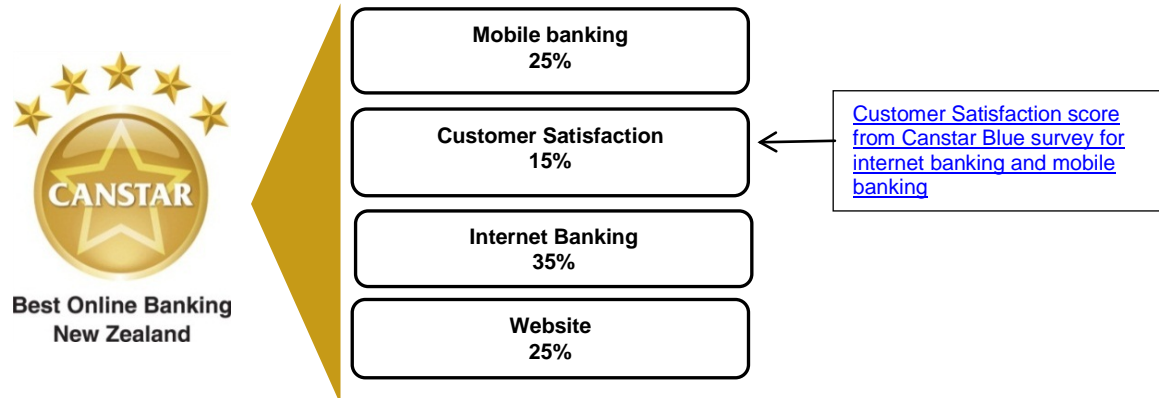
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## ONLINE BANKING

### Overall Methodology



### Categories Assessed

CANSTAR collected over 300 pieces of information on the online capability of New Zealand institutions. Information was centered on three main areas: Mobile Banking, Internet Banking (the secure login) and Website (the public, unsecure side of the website). Within these areas, points are allocated for how well the three areas were integrated. The details and weightings of each category are as follows:

### Mobile Banking

| Feature Category                            | Weight     |
|---|------------|
| <b>Core Banking</b>                         | <b>70%</b> |
| Transactions                                | 40%        |
| Information                                 | 20%        |
| Compatibility                               | 10%        |
| Security                                    | 10%        |
| Additional methods of payments              | 10%        |
| Product applications                        | 10%        |
| <b>Other Applications and Functionality</b> | <b>30%</b> |
| Tools/Calculators                           | 40%        |
| Location Services                           | 40%        |
| Contact                                     | 20%        |

## Internet Banking

| Feature Category                  | Weight     |
|-----------------------------------|------------|
| <b>Banking and Other Services</b> | <b>25%</b> |
| Transactions                      | 70%        |
| Other Services                    | 30%        |
| <b>Reporting</b>                  | <b>20%</b> |
| <b>Self Service</b>               | <b>15%</b> |
| <b>Communication</b>              | <b>10%</b> |
| Alerts                            | 50%        |
| Help                              | 50%        |
| <b>Security</b>                   | <b>10%</b> |
| <b>Product Applications</b>       | <b>20%</b> |

## Website

| Feature Category                     | Weight     |
|--------------------------------------|------------|
| <b>Product applications</b>          | <b>40%</b> |
| Process                              | 70%        |
| ID Verification                      | 15%        |
| Online ID Verification – Information | 15%        |
| <b>Consumer education/tools</b>      | <b>20%</b> |
| <b>Ease of Use</b>                   | <b>15%</b> |
| Website Split                        | 35%        |
| Quick links                          | 15%        |
| How consumers find products          | 30%        |
| Transparency                         | 20%        |
| <b>Online Help</b>                   | <b>15%</b> |
| <b>Web 2.0 Public interaction</b>    | <b>5%</b>  |
| <b>Location Services</b>             | <b>5%</b>  |

### How often are all the products reviewed for rating purposes?

All ratings are fully recalculated annually based on the latest features offered by each lender. CANSTAR also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites etc).

## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.co.nz](http://www.canstar.co.nz) if you would like to view the latest star ratings reports of interest.



- Agribusiness
- Business deposits
- Cash PIE
- Credit cards
- Credit card rewards
- Home loans
- Kiwisaver
- Online banking
- Personal loans
- Savings accounts
- Transaction accounts

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