CARDLYTICS BANKING LOYALTY INDEX · 2026

From loyalty to relevance.

Why personalised rewards matter more than ever for UK banks

UK consumers may feel loyal to their bank, but that loyalty is increasingly conditional.

Published by Cardlytics

THE HEADLINE

Loyalty is increasingly conditional.

4,000

UK adults surveyed in a nationally representative study, 2026.

New research from Cardlytics, based on a nationally representative survey of 4,000 UK adults, shows that while most customers are not actively planning to switch, many are open to reassessing where they bank when the value is clear.

Two-thirds of consumers (65%) say they feel loyal to their main bank, and 60% say they are unlikely to switch in the next 12 months. But that stability should not be mistaken for permanence. More than half (57%) have switched their main bank account at some point as an adult, and many now spread their money across more than one provider.

The result is a banking market where retention is no longer just about keeping customers from leaving altogether. It is about staying relevant in more of their everyday financial decisions.

Trust and service still matter, but they are now the baseline.

When asked what keeps them with their current bank, UK consumers are most likely to cite good customer service (40%), brand trust and reputation (35%), and the quality of mobile or online banking (32%).

40%
good customer service

35%
brand trust and reputation

32%
quality of mobile or online banking

These are the foundations of a strong banking relationship. They help explain why customers stay put, particularly older generations. For example, Baby Boomers are significantly more likely to say customer service is a key reason they stay with their bank (50%).

> ***But these factors are increasingly expected. They are essential to retention, but on their own they may be less effective at creating real competitive advantage.***

02 · SWITCHING

Switching is infrequent, but it happens when the value exchange changes.

Only 16% of UK adults say they are likely to switch their main bank in the next 12 months. However, this rises to 25% among Gen Z and 24% among Millennials, suggesting younger consumers are more willing to reconsider their banking relationships.

16%

UK adults overall

25%

Gen Z

24%

Millennials

Among those who have not switched away from their main bank, the biggest reasons are practical rather than emotional.

28%

say they have been with their bank a long time and see no strong reason to change.

24%

say their finances are already set up there.

20%

say switching feels like too much hassle.

This points to an important reality for banks: inertia is powerful, but it is not the same as deep loyalty. Many consumers are staying because changing banks feels unnecessary or inconvenient, not because they feel strongly attached to their provider.

Consumers define loyalty in ways that go beyond tenure.

When people think about loyalty in banking, they do not just mean staying with one provider for years.

32%

say loyalty means feeling valued or rewarded for being a customer.

32%

say it means trusting their bank to act in their best interests.

31%

say it means staying with the same provider long term.

This matters because it suggests loyalty is not just about length of relationship. It is also about whether customers feel recognised, understood and rewarded in ways that are meaningful to them.

> ***That interpretation is particularly relevant at a time when 30% of consumers say loyalty to one bank does not affect the value they receive, and 17% say they move between providers to get better offers, rates or incentives.***

04 · THE TRIGGER

Financial value is one of the clearest triggers for action.

If trust and service explain why customers stay, financial value is one of the clearest reasons they reconsider. Asked what would motivate them to switch banks, consumers are most likely to point to:

36%

better savings or interest rates

28%

better cashback or rewards

27%

a financial incentive to switch, such as a cash bonus

This shows that when customers do act, they are often responding to tangible, immediate benefits.

The same pattern appears when consumers are asked about retention. If their bank offered personalised cashback or rewards based on their actual spending habits, 47% say it would make them more likely to remain with that bank, including 20% who say it would make them much more likely to stay. Among 18-34s, that rises to 55%.

47% **more likely to stay** · **20%** much more likely · **55%** among 18–34s

That is a significant opportunity for banks. Personalised rewards will not matter equally to everyone, but they have the potential to strengthen retention among a large share of customers, especially younger ones.

05 · 06 · 07

Relevance, visibility and the rise of shared wallets.

05 · PERSONALISATION IS WHAT MAKES REWARDS MORE RELEVANT

Rewards alone are not the whole story. The more important point is relevance.

Consumers are managing day-to-day finances with a clear focus on value. When thinking about everyday spending such as groceries, fuel and bills, 39% say their top priority is keeping overall costs as low as possible. A further 22% prioritise convenience, while 13% say accessing rewards or cashback is most important. This suggests rewards are most likely to resonate when they feel useful in the context of real, everyday spending. Personalised cashback linked to how people actually shop and pay has the potential to feel more immediate, more relevant and more valuable than generic incentives. For banks, that means rewards should not be seen simply as a promotional extra. They can be a strategic way to make the banking relationship feel more relevant in customers' day-to-day financial lives.

06 · BANKS ALSO FACE A VISIBILITY CHALLENGE, NOT JUST A PRODUCT CHALLENGE

There is another notable finding in the research: 40% of consumers say their main bank currently offers cashback or rewards linked to spending, but 22% are not sure whether it does. That uncertainty matters. It suggests that for some banks, the issue may not just be whether rewards exist, but whether customers understand them, notice them and see them as relevant. In other words, value needs to be visible as well as available.

07 · LOYALTY IS NO LONGER EXCLUSIVE

Many consumers are no longer concentrating all their financial activity with one bank. While 44% say they do not hold more than one current account, the rest are increasingly using multiple accounts to manage money in different ways. Common reasons include separating different types of spending (17%), avoiding reliance on one bank (14%), managing joint and personal finances separately (13%), accessing better interest rates (12%) and getting better rewards or cashback (11%). This changes the competitive challenge for banks. It is no longer only about being the provider a customer never leaves. It is also about remaining relevant enough to capture a greater share of that customer's attention, activity and spending.

08 · WHAT THIS MEANS

What this means for banks.

The Cardlytics Banking Loyalty Index highlights a clear shift in the nature of loyalty.

Customers still value trust, service and strong digital experiences. But these factors are increasingly the price of entry, not always the deciding factor. At the same time, tangible financial value, especially when it is personalised and easy to understand, can play a meaningful role in strengthening retention and deepening engagement.

> ***For banks, the implication is clear: loyalty cannot be assumed, and it cannot rely on legacy relationships alone. It has to be earned repeatedly through relevance.***

That is where personalised rewards matter. Done well, they can help banks move beyond passive retention and build more active, everyday customer relationships, particularly with audiences who are more open to change and more motivated by value.

In a market where customers may stay put until something better comes along, relevance is what keeps a bank front of mind. And increasingly, personalised rewards are one of the most visible ways to deliver it.

Source · Cardlytics Banking Index 2026, nationally representative survey of 4,000 UK adults.

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