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market intelligence

People & Planet Report 2024

Exploring the attitudes, perceptions and priorities of Australian consumers and mortgage brokers on the evolving role of social and environmental considerations in residential mortgage lending.

Sponsored by

Beyond Bank
AUSTRALIA



 **PeopleFirst
Bank**

Foreword

The *People & Planet Report 2024* is an important initiative designed to illuminate the prominent role of mutual banks in today's financial landscape. Conducted in collaboration with prominent mutual banks, this report aims to showcase their capabilities and competitiveness alongside the alignment they achieve with their clients' values and needs.

Today, values like community and sustainability are gaining traction among Australian consumers. The role of customer-owned banks in providing an option for borrowers that is both competitive as well as ethical is growing in importance. Customer-owned banks believe that the concept of a long-term lender-borrower relationship, built on trust, shared values and supporting their communities does not mean a sacrifice of positive experiences, convenience or percentage points.

We understand the significance of customer-owned banks in shaping a better financial future for Australian homeowners and consumers. That's why we've partnered with these banks to explore their stories, goals and visions as well as how they align with the needs and values of their customers. This report isn't just about numbers; it's about the relationships between banks, brokers, and the communities they serve.

By listening to the voices of brokers, clients, and community leaders, we've uncovered insights that go beyond the bottom line. We've discovered the profound connections between customer-owned banks and their communities – the ways they support local businesses, fund community projects, and champion sustainability.

So, we invite you to join us on this journey. Let's explore the stories, the challenges, and the opportunities that define the relationship between customer-owned banks and the people they serve, including both Australian consumers and mortgage brokers. This report isn't just a document; it's a roadmap for positive change in the mortgage industry. Together, let's shape a financial landscape that truly benefits everyone involved.


Michael Johnson
Director
Agile Market Intelligence

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Introduction

The inaugural *People & Planet Report 2024* explores the unique values, opportunities, and evolving role of customer-owned lenders in today's competitive lending market. This report examines the competitiveness of mutual banks within the third-party lending channel and highlights the distinctive advantages of the 'community-owned' model for consumers.

Customer-owned banks, or mutual banks, prioritise member benefit over profit maximisation, setting them apart in the financial landscape. By reinvesting profits into the community, these institutions drive economic resilience, social equity, and environmental sustainability. Mutual banks leverage their community-centric approach to compete effectively, offering competitive rates and personalised services. This fosters deep trust and loyalty among their customers, who understand these banks as more transparent and ethical.

The report identifies gaps between the priorities of consumers and mortgage brokers, providing a roadmap for better alignment and education. By understanding and bridging these gaps, brokers can better serve their clients and build stronger and longer trust-based relationships. Additionally, the report showcases the benefits that customer-owned banks bring to their members and the broader Australian society, including support for local economies, community projects, and sustainable practices.

As the modern mortgage market becomes increasingly complex, the role of customer-owned lenders is more significant than ever. Their commitment to ethical practices, community development, and sustainability not only sets them apart but also positions them as key drivers of positive change.

The *People & Planet Report 2024* highlights the unique contributions of mutual banks. By aligning the priorities of consumers and mortgage brokers with the values of customer-owned banks, a more sustainable, equitable, and resilient financial system can be fostered – one that truly benefits people and the planet.

2,002
consumers

477
mortgage and finance brokers

About the *research*

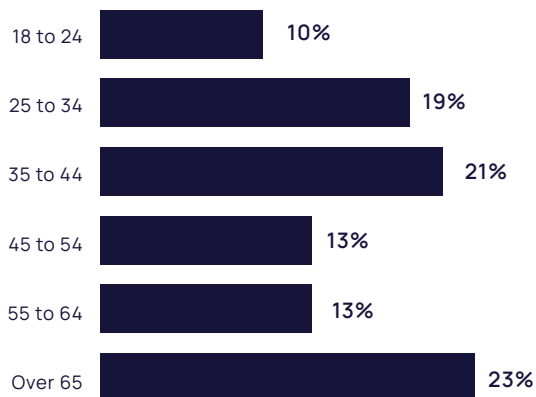
The consumer survey, fielded by Lightspeed Australia, received a usable sample of 2,002 responses, including 680 who have an existing home loan.

The broker survey, fielded by Agile Market Intelligence's Broker Pulse panel, received a usable sample of 477 mortgage and finance brokers.

Age (consumer)

Demographics

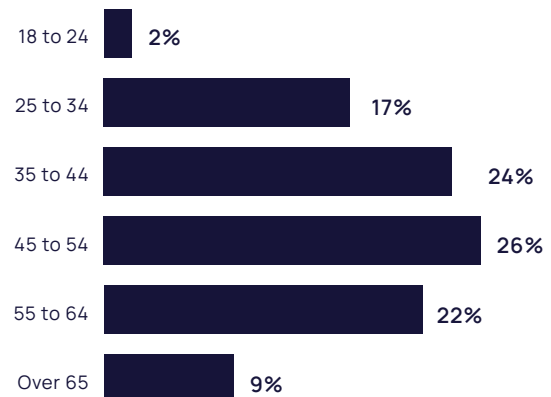
What is your age bracket?



Age (broker)

Demographics

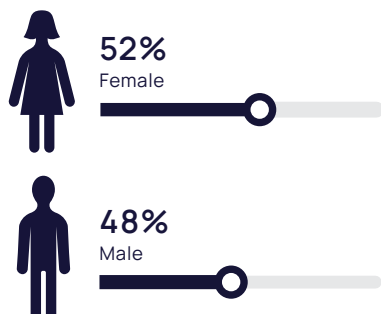
What is your age bracket?



Gender (consumer)

Demographics

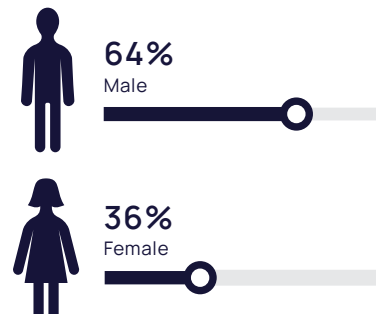
What is your gender?



Gender (broker)

Demographics

What is your gender?

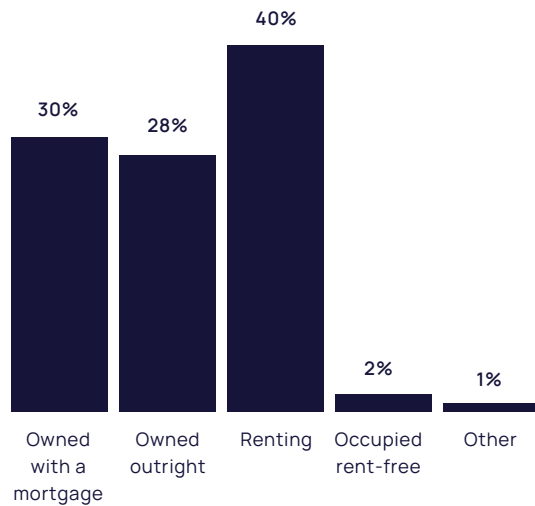


Due to rounding errors, some figures may not equal 100%. All figures have been rounded to their nearest decimal for the purpose of this report.

Residence (consumer)

Demographics

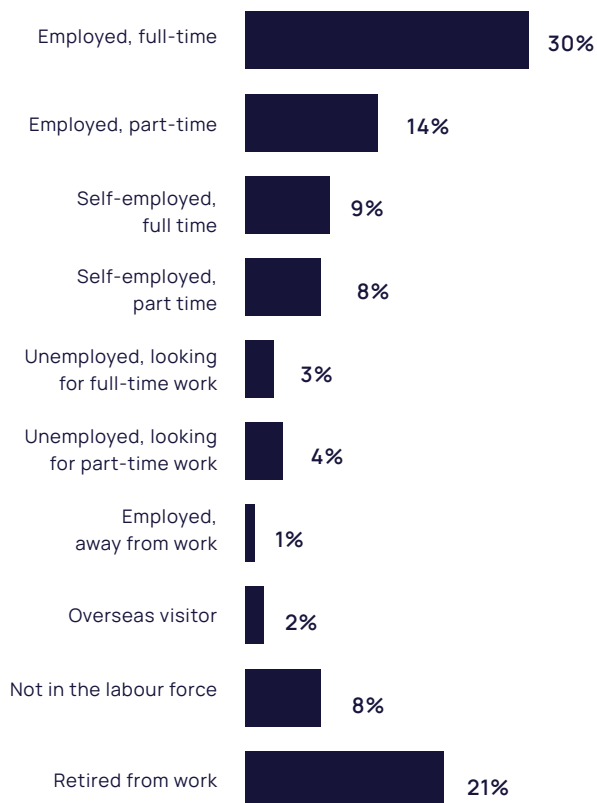
Which of the following best describes your place of residence?



Employment (consumer)

Demographics

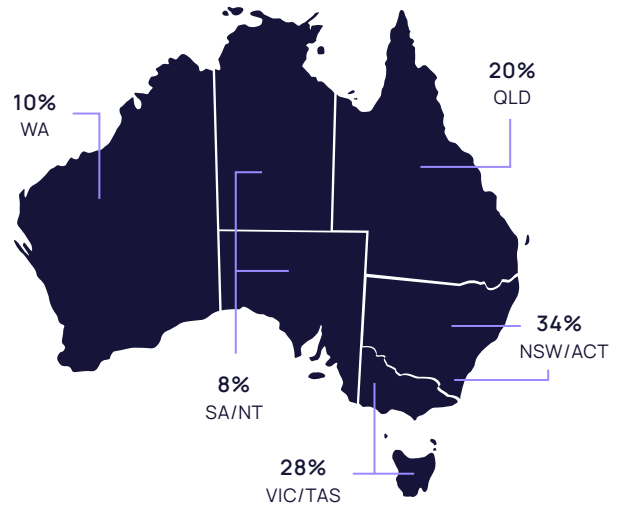
What is your employment status?



State group (consumer)

Demographics

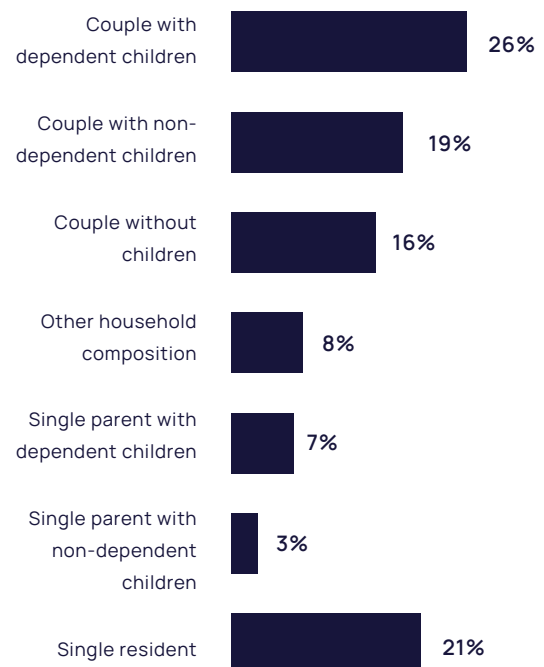
What state are you from?



Household composition (consumer)

Demographics

Which of the following best describes your household?



Key findings

Consumers demand that corporations prioritise impact over profit and play a greater role in environmental and social issues.



More than 7 in 10 (71%)

consumers believe companies should prioritise reducing their carbon footprint or improving their social impact over profit.



44% of consumers

are willing to pay more for products and services that are environmentally sustainable or have a positive social impact.

Brokers recognise the rising importance of social and environmental considerations among their clients.



Nearly 3 in 5 (57%) brokers

discuss the importance of lenders' value alignment with clients, recognising its increasing relevance.



69% of brokers

expect the importance of lenders' social and environmental commitments to increase in the future.

Consumer loyalty increases with lenders' commitment to environmental and social programs.



34% of homeowners

are more likely to stay with their lender if they demonstrate strong environmental and social initiatives.



Almost half (46%) of Gen-Z homeowners

highly value their lenders' commitment, indicating a growing importance for environmental and social programs.

Brokers realise lenders' social and environmental initiatives are key drivers in client retention.



3 in 5 (60%) brokers

believe their clients are more likely to stay with a lender that is actively engaged in environmental programs.



37% of brokers

reported at least one client has requested to refinance their loan to a lender due to their support for environmental, social or community issues.

Customer-owned banks excel in building trust through community involvement and support.



34% of consumers

believe customer-owned banks are superior in providing local support.



38% of consumers

perceive customer-owned banks as genuinely caring about their clients.

Pricing remains dominant as the most decisive factor for both consumers and brokers in lender selection.



7 in 10 (70%) of consumers

rated pricing as their top priority when choosing a lender.



Among brokers, 9 in 10 (90%)

rated pricing as their top priority when selecting a lender for their clients.

People & Planet equation

Understanding the People & Planet pie

The People & Planet approach signifies a shift towards a more holistic banking model – one that considers the wellbeing of individuals, communities, and the environment. By aligning the values of customer-owned banks with those of Australian consumers and mortgage brokers, we can create a financial ecosystem that fosters economic prosperity, social equity, and environmental sustainability.

Key players

01 Australian consumers

Australian consumers are integral to shaping the People & Planet approach. They seek banking solutions aligned with values such as transparency, ethical practices, and support for community development and sustainability.

02 Mortgage brokers

Mortgage brokers serve as intermediaries between consumers and banks, guiding individuals towards institutions that share their values. They understand the importance of ethical banking and strive to provide tailored solutions that meet the needs and values of their clients.

03 Customer-owned banks

Customer-owned banks are fundamental to the People & Planet approach. These institutions prioritise their members and community over their bottom line and reinvest profits into the community to foster economic resilience and social equity.

Core principles

01 Trust and alignment

Trust and alignment form the bedrock of the People & Planet approach. Consumers prioritise transparency, trust and alignment on issues that are core to their personal experiences and these impact their choice of brokers and lenders in the medium- to long-term.

02 Community engagement

Community engagement is the idea of actively supporting local initiatives, funding community projects and strengthening connections with consumers by reinforcing commitment to supporting a community.

03 Environmental responsibility

Environmental responsibility is becoming increasingly important for consumer preferences and with the large footprint of mortgage lenders, we predict that lenders and brokers embracing the importance of this are more likely to create stronger connections with their clients in the medium- to long-term.

The growing importance of sustainability and environmental footprint among consumers.

The data reveals a strong consumer preference for corporate environmental and social responsibility. More than 7 in 10 (71%) consumers agree to some degree that companies should prioritise reducing their carbon footprint or improving their social impact over profit.

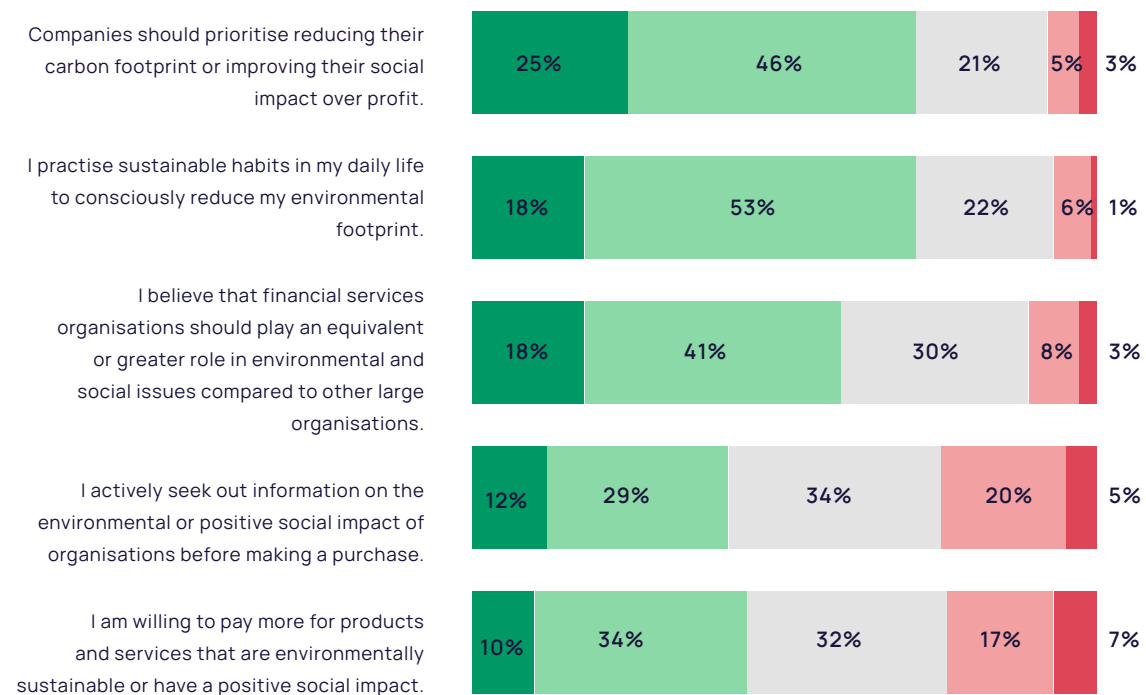
Almost 3 in 5 (59%) consumers believe financial institutions should play a greater role in environmental and social issues.

This reflects a growing consumer demand for companies to adopt sustainable and ethical practices.

Consumers are becoming more sustainable, with 70% practising sustainable habits and consciousness of reducing their environmental footprint, while 44% are willing to pay more for environmentally sustainable services.

Importance of social and environmental issues

To what extent do you agree or disagree with the following statements:



How do you believe Australian mortgage lenders should approach environmental and social issues?

Mortgage lenders should do more to help environmental and social issues that are prevalent in today's society.

– Female, consumer, 18 to 24

Community-owned bank profiles

Beyond Bank



01 What is Beyond Bank's (brief) history?

Beyond Bank is one of Australia's largest customer-owned banks. For over 60 years, we've changed the lives of our customers and communities through financial wellbeing.

We provide personal, business, and community banking to approximately 300,000 customers. We have over \$9 billion in assets under management and more than 50 branches and offices in the ACT, New South Wales, South Australia, Victoria, and Western Australia.

We are 100% owned by our customers, so our profits are used to benefit our customers through better rates, fairer fees, responsible lending, superior customer service and our multi-award-winning internet banking and mobile app.

Beyond Bank is a B Corp – a business that is certified as meeting high standards of social and environmental impact. We use our business as a force for good to drive positive outcomes that benefit our people, communities and planet.

Since 2007, the Beyond Bank Australia Foundation has raised funds and donated to many important community programs. The Foundation's current focus areas include financial wellbeing, housing affordability, and supporting our community during natural disasters.

[Learn more](#) about us and our journey to build stronger, more connected communities.



02 What does Beyond Bank stand for or support?

As a purpose-driven mutual bank, our customers are our owners. That's why, at Beyond Bank, our customers always come first and we'll always act in their best interests.

Beyond Bank is at its best when the customers and communities we support are thriving. We have a dedicated community development team that works with local communities to create stronger outcomes together. While the Beyond Bank Australia Foundation focuses on financial wellbeing, housing affordability, and supporting our community during natural disasters, our community development team invests in and supports many other initiatives and causes through both financial and in-kind support.

We are also deeply committed to the customer-owned banking movement in Australia, which provides banking to over 5 million Australians today and is a genuine alternative to the major banks. As a proud member of the Customer Owned Banking Association (COBA), we often work with the sector to raise awareness of customer-owned banks, ensuring more Australians have the opportunity to experience customer-owned banking.

Beyond Bank



03 Why do customers turn to Beyond Bank?

Beyond Bank aims to be the best bank for relationships with our customers and our communities. Customers often turn to us because Beyond Bank is an organisation that provides the very best in customer service excellence.

We recognise that it is important to support and serve our customers through their preferred channels and our customers can connect with us in person and through exceptional digital experiences.

To enable this, we have almost 50 local branches across metropolitan and regional Australia and provide a digital banking platform that has won Canstar's Customer Owned Bank of the Year for Digital Banking Award every year since 2015.

We pride ourselves on our operational excellence, which means customers can expect quick turnaround times, regular updates, and a seamless overall experience.

We are also seeing an increase in the number of customers who want to bank with an organisation that aligns with their values. As a certified B Corp committed to meeting high standards of social and environmental impact, our current and prospective customers know that we are committed to driving positive outcomes for people, communities, and the planet.



04 How can brokers identify customers best suited for Beyond Bank?

If you have a client who suits the major banks, you might find they are better suited to Beyond Bank. Our interest rates are always competitive, and the additional features we are able to offer are as good as or, in many cases, better. As a customer-owned bank, we don't have shareholders so there is never any tension between what is best for the customer versus what is best for the shareholder. Our profits are either invested back into improved products and services for our customers or invested back into the communities in which we operate.

05 What do you want brokers to know that they might not already know?

Beyond Bank is strongly committed to efficient, 'straight-through' processing. We already accept e-sign for all documents required with a loan application and use e-sign for all loan documentation. At present, we fund most refinances within 24 hours of the client executing the loan documentation.



Darren McLeod

Head of Broker
Beyond Bank

P&N Bank

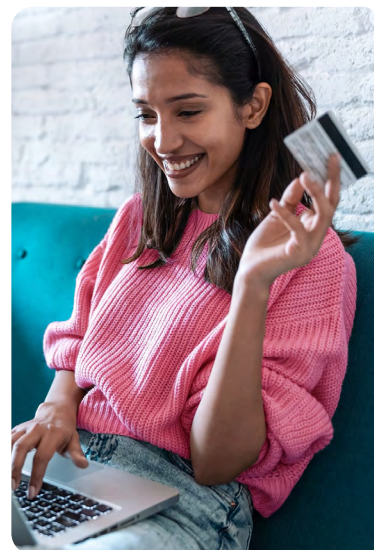


01 What is P&N Bank's (brief) history?

Ever since we started out in 1969 we've put local people first. Back then, we were the Western Australian Police Union Cooperative Credit Union Society Limited only for local police officers and employees.

But since then, we've grown and evolved, and gone through some mergers and name changes. We've proudly opened our doors and services up to everyone in WA, and in all that time, we've never lost sight of our community roots.

That's why, while we have a much snappier name now (and a broader range of award-winning products and digital tools than ever), everything we do is designed to empower our broker partners, our customers and the WA community.



02 What does P&N Bank stand for or support?

Everyone deserves to be able to access banking services, and we know that greater financial education and literacy leads to greater financial stability, less stress, and a higher quality of life.

We strive to create an inclusive banking and financial experience ensuring everyone can feel confident about their money, no matter their lived experience, background or where they are in their financial journey.

We empower our customers to make the most of their money and build the financial future they want for themselves and their families.

We are committed to making our broker experience, branches, WA-based call centre and digital banking tools easy to access for all our customers. Our policies, processes, products, and services seek to provide an exceptional experience for everyone who wants to bank with us – no matter who they are or where they come from.



03 Why do customers turn to P&N Bank?

As the largest, locally-based customer-owned bank in WA, our customers and owners are one and the same, so there's no conflict with shareholders, like the listed banks.

Our brokers can rest assured their clients are in the best hands when they bank with us. We were named Bank of the Year 2023 in the Roy Morgan Customer Satisfaction Awards, we were also awarded Most Recommended Customer Owned Bank and Best Customer Service at the 2023 DBM Financial Awards. These awards reflect customer feedback on customer experiences with their financial institutions, so to be named as a winner is a direct result of customer votes.

P&N Bank



04 How can brokers identify customers best suited for P&N Bank?

Your valued clients who deserve an award-winning banking experience are welcome to continue their financial journey with us by their side.

From customers who love to visit our local branches, those who call our WA-based call centre to our customers who prefer to interact with us digitally on our mobile app, website, or internet banking – providing seamless, transparent and personalised service is at the heart of everything we do.



05 What do you want brokers to know that they might not already know?

P&N Bank is the genuine alternative to the big banks you can offer your clients in WA.

We're known for our great customer service, but just as importantly our Business Development Managers (BDMs) are renowned for offering our broker partners outstanding service. This includes regularly listening to feedback on how we can better support our brokers and implementing initiatives that directly benefit our brokers (just like our new fast-track home loan process).

With great rates, a trusted brand and a range of home lending products, rest assured we can look after you and your clients with an award-winning banking experience.



Kaine Adamson
General Manager Broker
P&N Bank

People First Bank



01 What is People First Bank's (brief) history?

People First Bank is a member-owned banking organisation, driven by purpose rather than profit. People First Bank was formed following the merger of People's Choice Credit Union and Heritage Bank in March 2023. The merged organisation can trace its origins back to 1875, with the formation of the Toowoomba Permanent Building Society, the forerunner of what became Heritage Bank.

People's Choice was formed in 1949, originally as the South Australian Public Service Savings and Loans Society. Together, the merged organisation is now one of the leading customer-owned banking organisations in the country. While it has now officially adopted the new name of People First Bank, the organisation is continuing to trade under the existing brand names of Heritage Bank and People's Choice for an interim period, as the full integration process continues.



02 What does People First Bank stand for or support?

As a 100% customer-owned and purpose-driven organisation, People First stands for its members, and the communities where they work and live. Creating positive impact isn't something new to People First Bank – in fact, it's a key reason that it was formed in the first place.

Unlike the big banks, People First does not aim to maximise profits so it can pay dividends to shareholders. Its customers are its owners, so it retains the profits it makes, and uses them to provide better products and services.

People First serves the best interests of its members, and also embraces a wider responsibility to do good. That means not only looking after the financial well-being of members, but also contributing to the best interests of the wider community through a variety of charitable and philanthropic activities, through minimising its environmental impacts, and through supporting positive social action. People First Bank is committed to doing good across all of its operations.

03 Why do customers turn to People First Bank?

Customers turn to People First Bank for many reasons. They understand that as a customer-owned bank, People First Bank is focused on doing the right thing by its members. People First Bank's highest priority is meeting its members' needs, not maximising profits like the big banks. That translates into highly competitive rates and fees. It also means friendlier and more personalised service, from employees who care about doing the right thing by their members.

Increasingly, consumers are also turning to People First Bank because they recognise the wider commitment it has to doing good, in all aspects of its operations. People want to deal with businesses that have a strong awareness of their social impact.

People First Bank



Customer-owned banks such as People First have always had a strong connection and commitment to the communities they serve. They understand that serving the interests of their members is not solely about financial considerations, but also about what's best for the wider world we live in. That's why People First Bank places increasing importance on meeting high standards of environmental, social and governance (ESG) performance in all activities.

To bring that commitment to life, People First Bank makes significant contributions to community and charity groups around the country through the People First Community Lottery and the People First Bank Foundation. People First Bank is also proud to have achieved BCorp certification, which means that it is demonstrating high standards of environmental and social performance, as well as ethics and transparency. BCorps are a community of businesses recognised for balancing profit and purpose. They are dedicated to driving positive change to benefit their people, their communities and the planet. That's absolutely what drives People First Bank.

04 How can brokers identify customers best suited for People First Bank?

As this research shows, there is a growing segment of customers who really care about what the organisations that they bank with stand for. People First Bank is founded on the principles of doing good by people and the planet.

As a member-owned organisation, People First Bank does not have the profit-maximisation motive that drives the shareholder-owned banks. Instead, it can focus completely on doing good for its members, and the communities they live in. So for brokers, the choice is clear – if their customers are looking for a banking provider that is purpose-driven, rather than profit-driven, then People First Bank is a great alternative.

People First Bank is powered by our People's Choice and Heritage Bank brands, and brokers have access to great products under both banners.



05 What do you want brokers to know that they might not already know?

In the coming year, brokers will see some big changes from People First Bank. At present, we are continuing to trade under the Heritage Bank and People's Choice brands. There will be significant growth occurring under our People's Choice brand in the near future. That's because this brand is built on our future technology stack, in preparation for the launch of our new lending products under the People First Bank branding in 2025.

In doing business through the People's Choice brand, brokers will be able to experience the improved service model which is built on the new technology stack. That platform has received very positive feedback from brokers so far. We are very excited for when brokers will be able to first offer a home loan under the People First Bank in 2025.



Nic Savage

Group Head of Lending
People First Bank

Lending relationship: Health & longevity

Consumer

This section captures respondents' home lending relationship to measure satisfaction, likelihood of churn, and awareness of and alignment with lender values.

Satisfaction with experiences is high among current homeowners, highlighting confidence in current lending practices.

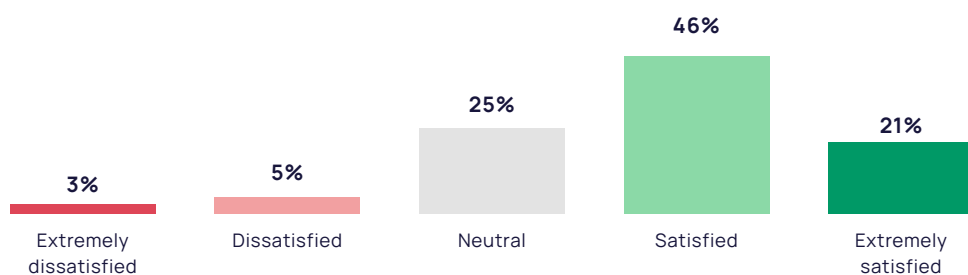
The survey revealed that a majority of homeowners (67%) were satisfied with their home loan experiences. Nearly half (46%) of homeowners reported being satisfied, while more than 1 in 5 (21%) felt extremely satisfied.

Conversely, dissatisfaction with home loan experience only accounted for a minority (8%) of homeowners. Extreme levels of dissatisfaction accounted for 3%, while 5% of homeowners felt dissatisfied.

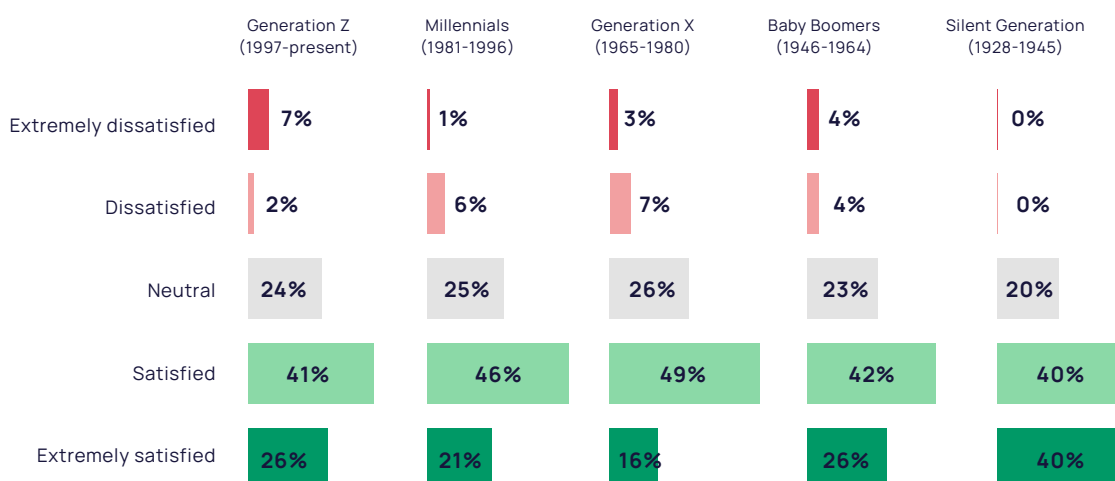
The data reveals that more than 1 in 4 (26%) homeowners expressed neutrality towards their home loan experience, highlighting the opportunity for lenders and brokers to work together for a better experience for their clients.

The analysis also revealed that younger generations generally felt less satisfied with their home loan experience compared to older homeowners.

How satisfied were you with your home loan experience?



How satisfied were you with your home loan experience?



Younger homeowners are more aligned with the values of their lenders, whilst older homeowners have less awareness of these values.

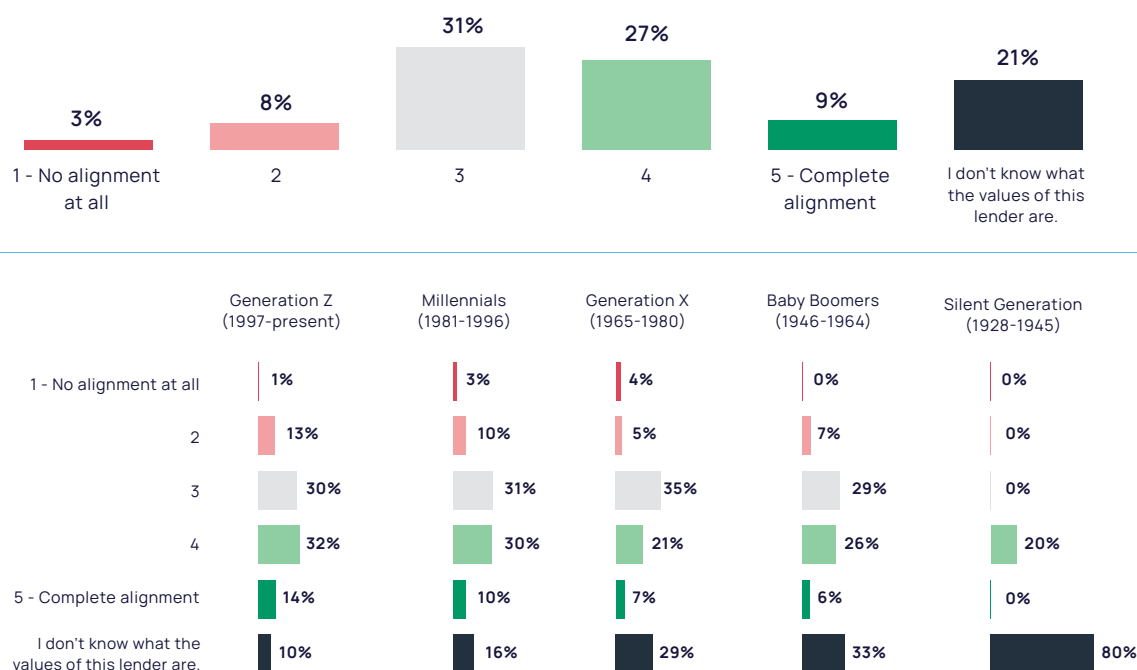
The data reveals a telling story of the landscape in terms of personal values alignment between consumers and their lenders, emphasising the increased alignment that comes from knowledge of lender values.

Almost 2 in 5 (36%) of homeowners felt a strong level of alignment between their lender and personal values. Only a minority (9%) expressed complete alignment, while a majority (27%) felt somewhat aligned. Further analysis reveals younger generations feel more aligned, with 32% of Gen Z feeling most aligned with their lenders.

Interestingly, more than 1 in 5 (21%) homeowners stated they did not know their lenders' values. The increased level of unawareness in Gen X onwards results in far less alignment with lender values, with over double the amount of respondents not knowing the values of their lenders.

However, there remains a portion of clients who perceive their values as poorly aligned with their lenders. Almost 1 in 10 (8%) of homeowners reported minimal alignment, while 3% indicated no alignment at all.

Do you feel that your personal values align with those of your lender(s)?
Consider your values in context to social and environmental priorities.



How do you believe Australian mortgage lenders should approach environmental and social issues?

Listening to the people who use their banks and seeing what values they want.

– Male, consumer, 35 to 44

It should be a priority – investing a certain amount of profits back into the environment.

– Female, consumer, 25 to 34

There is a significant lack of awareness about lender investment in community and environmental programs.

The results reveal a significant gap in homeowners' awareness of lenders' investment in environmental, social, and community impact programs.

More than 3 in 10 (31%) homeowners indicated they do not know what investments their lenders make in these programs, highlighting the opportunity for increased transparency and communication.

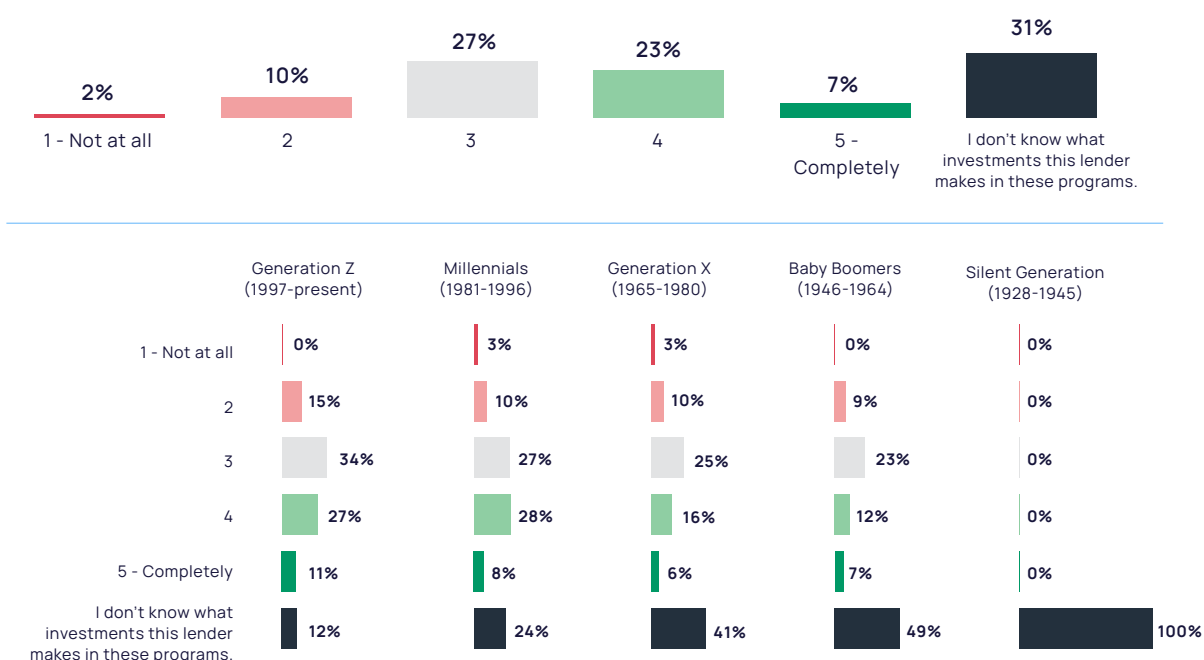
Older generations of homeowners are less likely to be aware of lenders' investment in these programs, with nearly half (49%) of Baby Boomers

unaware. Younger generations such as Gen Z are more aware of their lenders' investment.

A large portion of homeowners (30%) who were aware of their lenders' level of investment in these programs felt generally satisfied, with 23% feeling their lenders invested somewhat enough, and 7% feeling completely satisfied with the level of investment.

The data underscores the increased appetite for younger generations to explore the ethical, social and community programs lenders offer as part of fact-finding for their perfect lender.

Do you feel that your lender(s) invest enough in environmental, sustainability, social and community impact programs?



How do you believe Australian mortgage lenders should approach environmental and social issues?

Verbalising their values to the broader community. Educating brokers as to their values so they can share them with prospective clients.

– Male, broker, 55 to 64

Nearly half of homeowners do not plan to refinance away from their current lender in the foreseeable future.

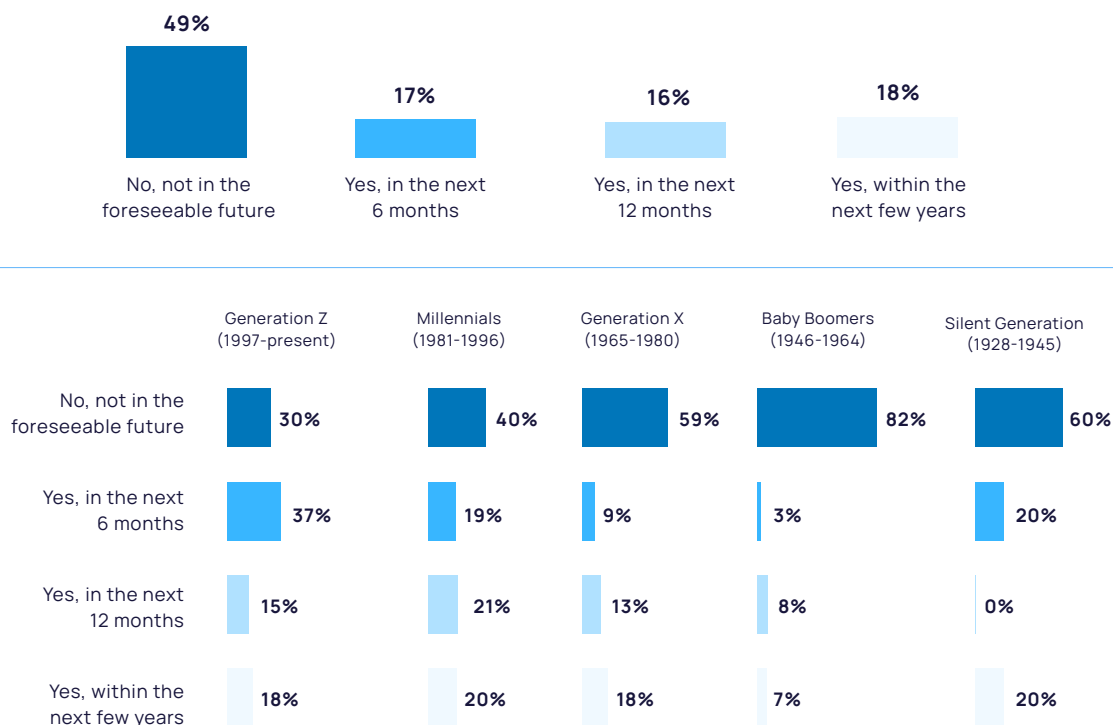
A significant portion of homeowners expressed loyalty to their current lenders, with 49% indicating they do not plan to refinance their mortgage away from their current lender, highlighting positive experiences and satisfaction with their existing arrangements.

However, a considerable portion of homeowners are contemplating refinancing in the long term. Specifically, almost 1 in 5 (18%) homeowners are considering refinancing within the next few years, suggesting that despite high loyalty, a lack of positive experiences or a difference in values may drive homeowners to seek a new lender.

The results indicate that younger generations are more active in exploring their options with other lenders, while older generations prefer to stay with their lender long-term.

This highlights a diverse consumer relationship. While many are content with their existing lenders, there remains a proportion that is exploring other options, potentially driven by the search for better terms or services aligning more closely with their evolving needs and values.

Are you likely to refinance your mortgage away from this lender?
Consider your values in context to social and environmental priorities.



The majority of homeowners are likely to stay with lenders investing in environmental and social programs.

The results of the survey highlight the importance of social and environmental practices, with a majority of homeowners indicating their inclination to stay with lenders that invest in these programs.

More than 3 in 10 (34%) homeowners were more likely to stay with their lender if they demonstrated commitment to having an environmental and social impact. Additionally, 18% felt they were significantly more likely to maintain their relationship under these conditions.

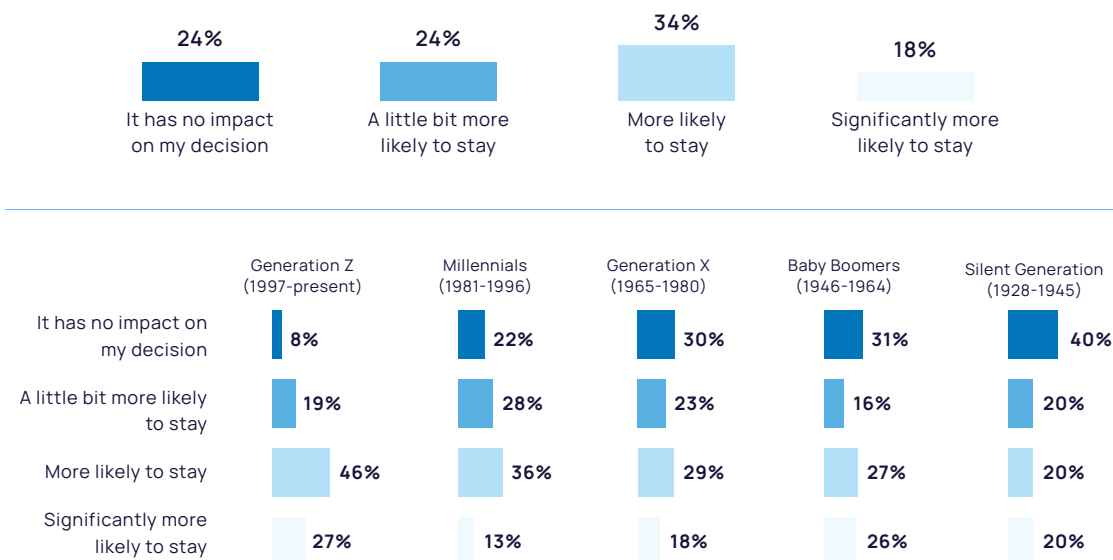
Younger generations are placing more importance on environmental programs, making it more valuable for lenders to increase their investment

to align their values with consumers, aiding in increased satisfaction and loyalty.

Almost half (46%) of Gen Z clients are likely to stay with their lender if they demonstrate initiatives in these programs. In contrast, older generations are less likely to be influenced by their lenders' environmental and social initiatives.

The value that comes from increased investment in social, environmental and community programs cannot be understated. The weight of these programs has never been more important in attracting a younger demographic that has a higher propensity to shop around.

To what extent are you more likely to stay with a lender for the life of your home loan if they invest in and demonstrate their environment and social impact?



How do you believe Australian mortgage lenders should approach environmental and social issues?

Lenders should show their interest by supporting social issues with financial backing and advertising.

–Male, consumer, over 65

Communicating to prospective clients on what actions they're taking.

– Male, consumer, 35 to 44

Lending relationship: Health & longevity

Broker

This section captures respondents' perceptions of their clients' attitudes towards environmental and social issues, including how they expect businesses to interact with these to aid our understanding of their persona and profile.

Brokers reveal mixed engagement in assessing client values during initial consultations.

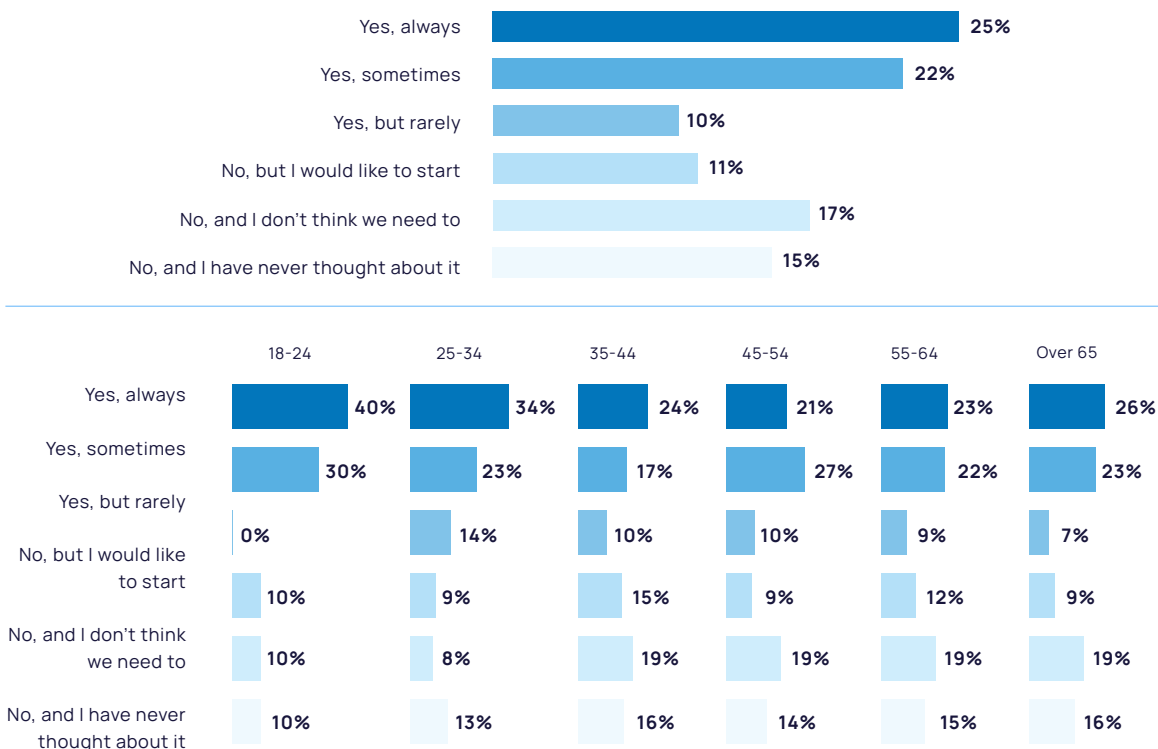
More than half of brokers are interested in understanding their clients' personal, social, community and environmental values, with nearly 3 in 5 (57%) stating they asked clients about the importance of value alignment.

Conversely, more than 2 in 5 (43%) brokers have indicated they have not asked clients about the importance of value alignment. While 32% of brokers have no desire to assess their clients' values, as noted previously, the likelihood of these questions existing in a broker's fact-find decreases the older the broker gets.

For brokers who include these questions in their fact-find, 1 in 4 (25%) said they always ask clients, while 22% sometimes ask clients, and 1 in 10 (10%) rarely ask. Importantly, 1 in 10 (11%) brokers want to begin having these conversations.

This data points to a significant opportunity for the broker community to enhance their services by integrating values into client engagement strategies.

During your client fact-find, do you ask whether it's important for their lender to support or align with their personal, social, community and environmental priorities?



How do you believe Australian mortgage lenders should approach environmental and social issues?

It's a delicate topic and not all customers feel it's important to discuss. One should keep feelings and emotions in mind while talking to customers who feel close to social and environmental topics.
– Female, broker, 45 to 54

After full discussion with clients, discussing their specific requests regarding social and environmental issues with zero bias.

– Female, broker, 55 to 64

The majority of brokers anticipate the growing importance of lenders' social and environmental initiatives for clients.

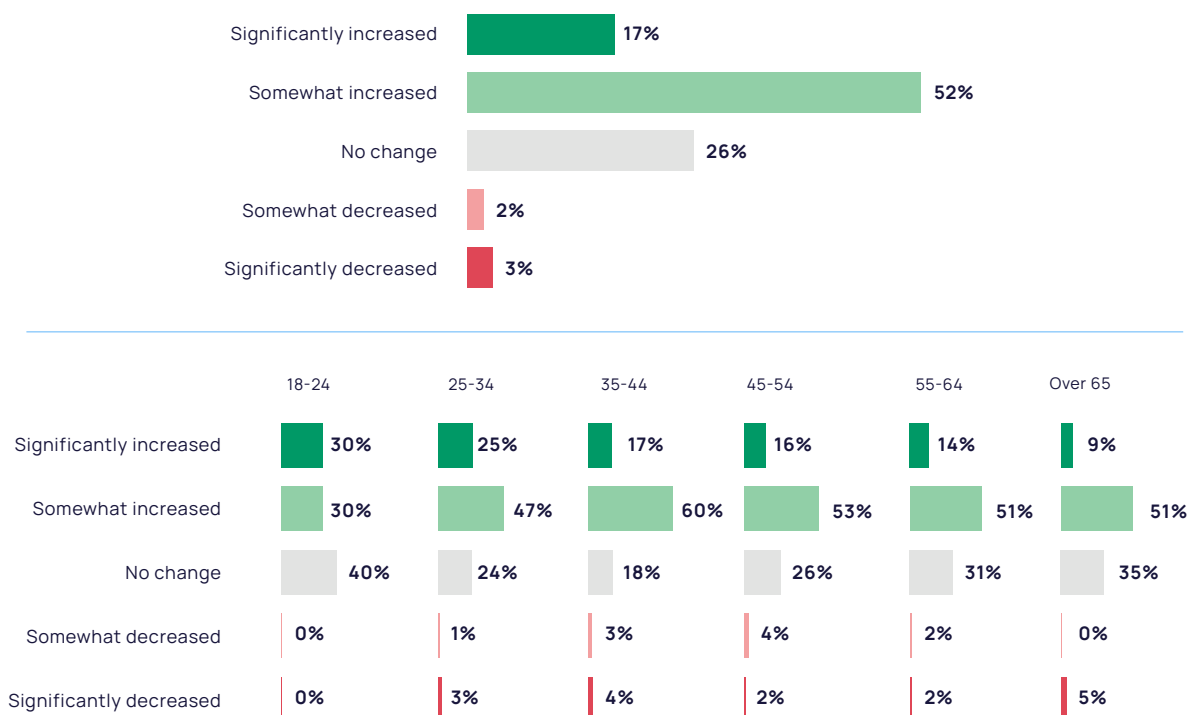
The majority of brokers believe their clients will place increased importance on a lenders' social, community, and environmental investment commitment in the future.

The results indicate that 69% of brokers believe the importance of these factors will increase for clients in the coming years, with 52% expecting somewhat increased importance while 17% are forecasting a significant increase.

More than 1 in 4 (26%) brokers are predicting no change in the importance of these investments, indicating a belief that investment into these programs will not affect clients.

While brokers of all ages believe that these programs will continue to increase in importance, the younger generation of brokers has the highest confidence in significant increases in the value of these programs for clients looking for their lender.

How important do you believe a lender's social, community or environmental investment will become for clients over the next few years?



How do you believe Australian mortgage lenders should approach environmental and social issues?

It is an important part of the future. If we do not all work together, future generations may be in for a lot of serious living conditions.

– Male, consumer, over 65

With the climate changing drastically, lenders should invest more in preserving the environment for the future generations.

– Female, broker, 35 to 44

Brokers believe loyalty based on environmental and social impact will increase in the coming years.

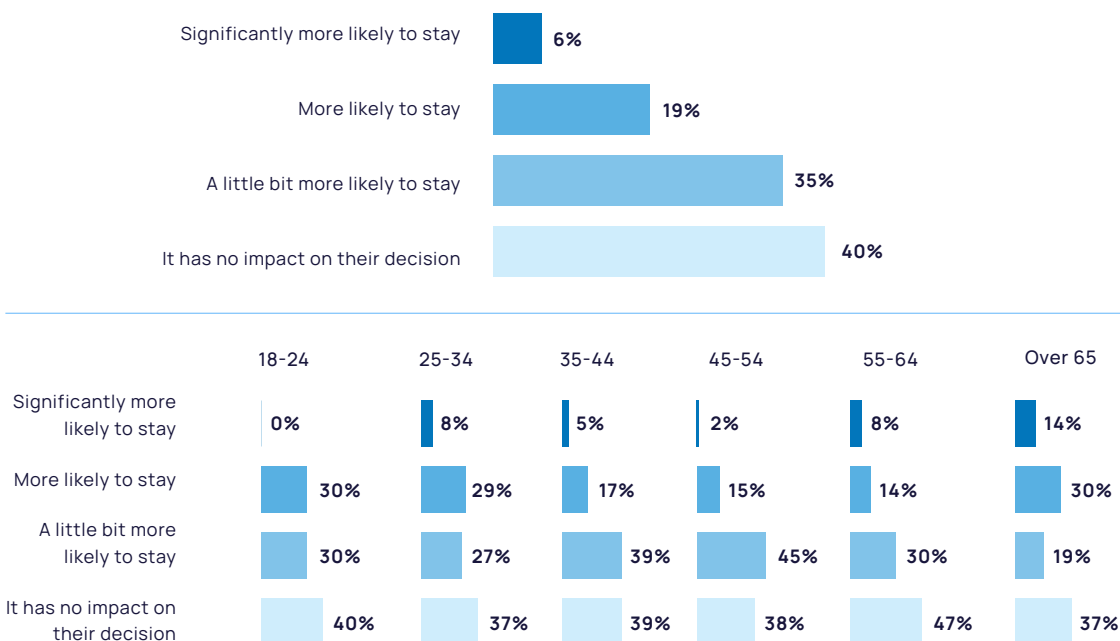
The majority of brokers (60%) believe clients are more likely to remain with their current lender if they conduct environmental and social programs.

Almost 2 in 5 (35%) of brokers believe the environmental impact of lenders will influence client loyalty by a little, while nearly 1 in 5 (19%) brokers believe it is more likely to influence loyalty. Only 6% of brokers strongly believe a lender's environmental impact will influence client loyalty significantly.

Interestingly, a difference in belief is highlighted as 2 in 5 (40%) of brokers indicated lenders' environmental impact will have no impact on client loyalty, suggesting other factors take precedence in decision making. However, 35% of brokers indicated that it has a small influence on client decisions.

While not industry-wide, the environmental, community and social impact of lenders have an important role in client decision making when selecting a long-term lender.

To what extent do you believe clients are more likely to stay with a lender for the life of a home loan if the lender invests in and demonstrates their environmental, community and social impact?



How do you believe Australian mortgage lenders should approach environmental and social issues?

With transparency and authenticity. I believe it has a stronger impact, connects when it truly matters, and aligns with business values and goals.

– Female, broker, 25 to 34

Doing a lot of research and deciding what is best for future generations.

– Female, consumer, 25 to 34

Lending relationship: Priorities in decision making

Consumer

This section captures respondents' home lending priorities to measure the importance and influence of people- and planet-related issues in their decision to choose a lender when all else is consistent.

Pricing is the most important factor for a majority of homeowners when choosing a lender.

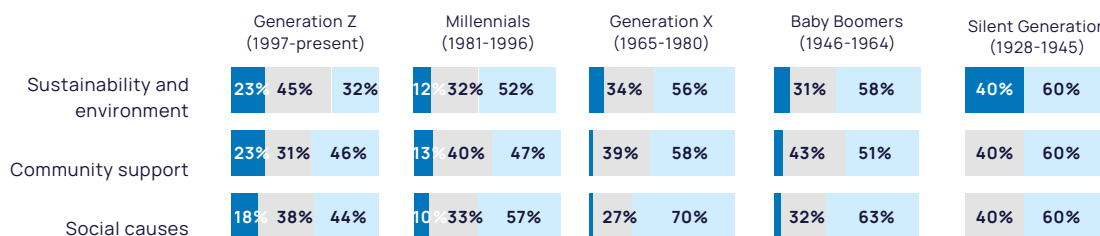
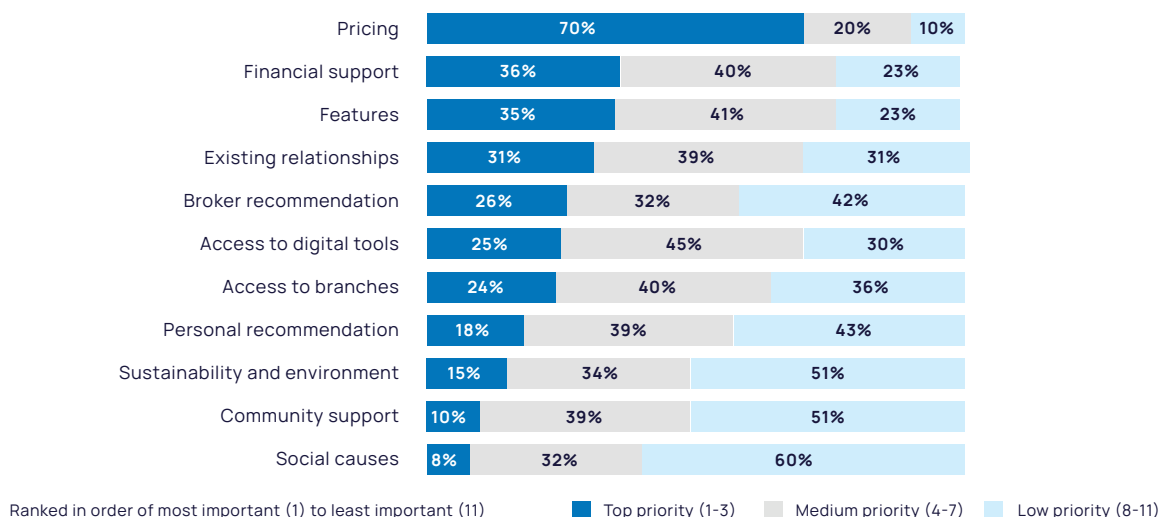
Pricing emerges as the most crucial factor, with 70% of homeowners rating it as their top priority. Among other key priorities, financial support and features were also rated highly at 36% and 35% respectively.

Recommendations and relationships are important to homeowners, as 31% of homeowners have indicated existing relationships as a key priority, 26% have stated a recommendation from their broker as a key priority, and nearly 1 in 5 (18%) have rated personal recommendations as a key priority.

Usability and features were rated highly among homeowners, although not as a top priority. More than 2 in 5 (45%) of homeowners rated access to digital tools as a lower priority, followed by features (41%).

Interestingly, lender engagement in social, sustainability and environmental issues is among the lowest priority. These areas are gaining traction and importance among younger generations and future homeowners.

When considering your decision of which lender to choose, how important are the following factors?



How do you believe Australian mortgage lenders should approach environmental and social issues?

This financial year I have had several Gen Z clients who want to back banks that are sustainable and give back to their communities. I think it is a feature that sets them apart from other lenders.

– Female, broker, 35 to 44

Lending relationship: Priorities in decision making

Broker

This section captures respondents' priorities on the basis that product criteria is met to compare and contrast the importance of social and environmental factors in their decision-making relative to other transactional factors.

Both consumers and brokers prioritise pricing as the most important factor in lender selection.

A comparative analysis of these factors reveals a unified importance on pricing as the most critical factor, with 70% of consumers and 90% of brokers considering it the top factor. This demonstrates a clear consensus across both groups that cost-efficiency is paramount in decision making.

In addition to pricing, both groups show varying degrees of importance attached to other factors. For instance, the features offered by the lender are also highly valued, with 35% of consumers and 68% of brokers rating them as highly important. This highlights a preference for value-added services that enhance the lending experience.

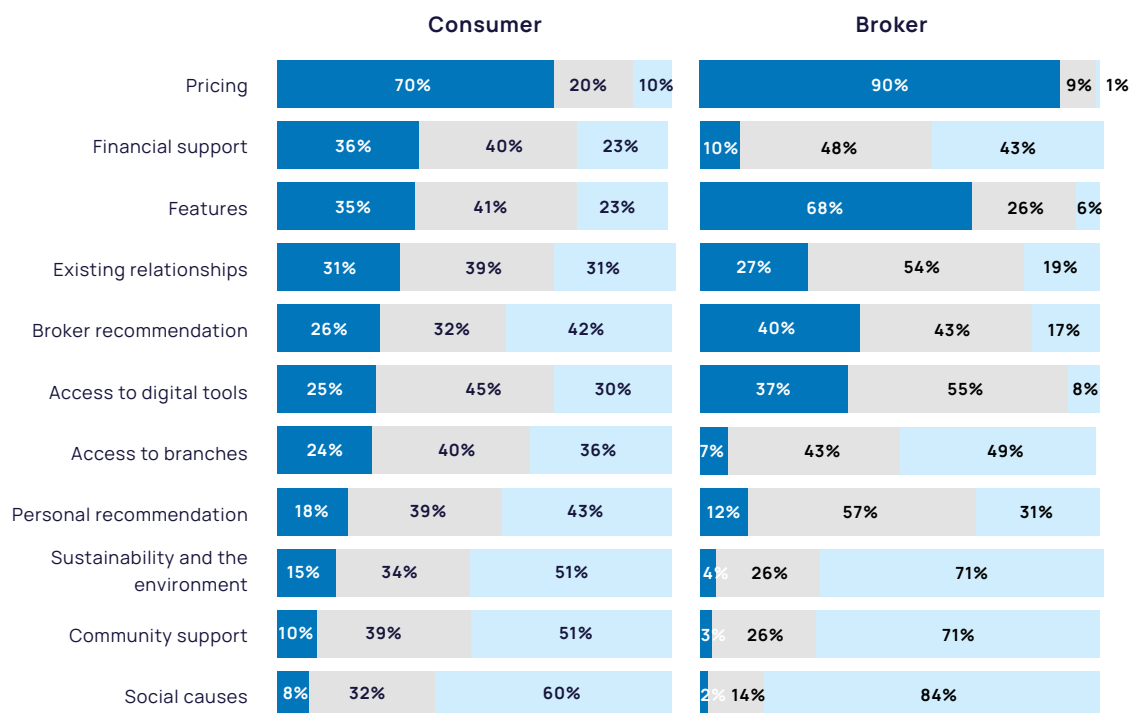
Brokers, however, place greater importance on access to digital tools, with 37% rating it as a top priority compared to 25% of consumers.

This disparity may indicate that brokers, who manage multiple clients, understand the value of digital tools which can effectively processes.

Existing relationships and personal recommendations hold varying influence, with brokers rating existing relationships (27%) and recommendations (40%) a top priority. While consumers valued existing relationships more at 31%, while only 18% viewed recommendations as a top priority.

This dual perspective highlights a shared priority in pricing but also underscores specific needs and values within each group, providing an opportunity for lenders to tailor their offerings to meet the demands of both consumers and brokers.

When considering which lender to choose, how important are the following factors?



Ranked in order of most important (1) to least important (11)

■ Top priority (1-3) ■ Medium priority (4-7) ■ Low priority (8-11)

Lending relationship: Customer-owned bank comparisons

Consumer

This section captures respondents' perceptions of customer-owned banks to determine the competitive differentiation they have compared to non-customer-owned banks as an opportunity to highlight perceived strengths.

Familiarity with customer-owned banks remains moderate, highlighting niche awareness.

The results reveal varying levels of familiarity with the concept of customer-owned banks, with the majority of consumers (37%) stating they are moderately familiar.

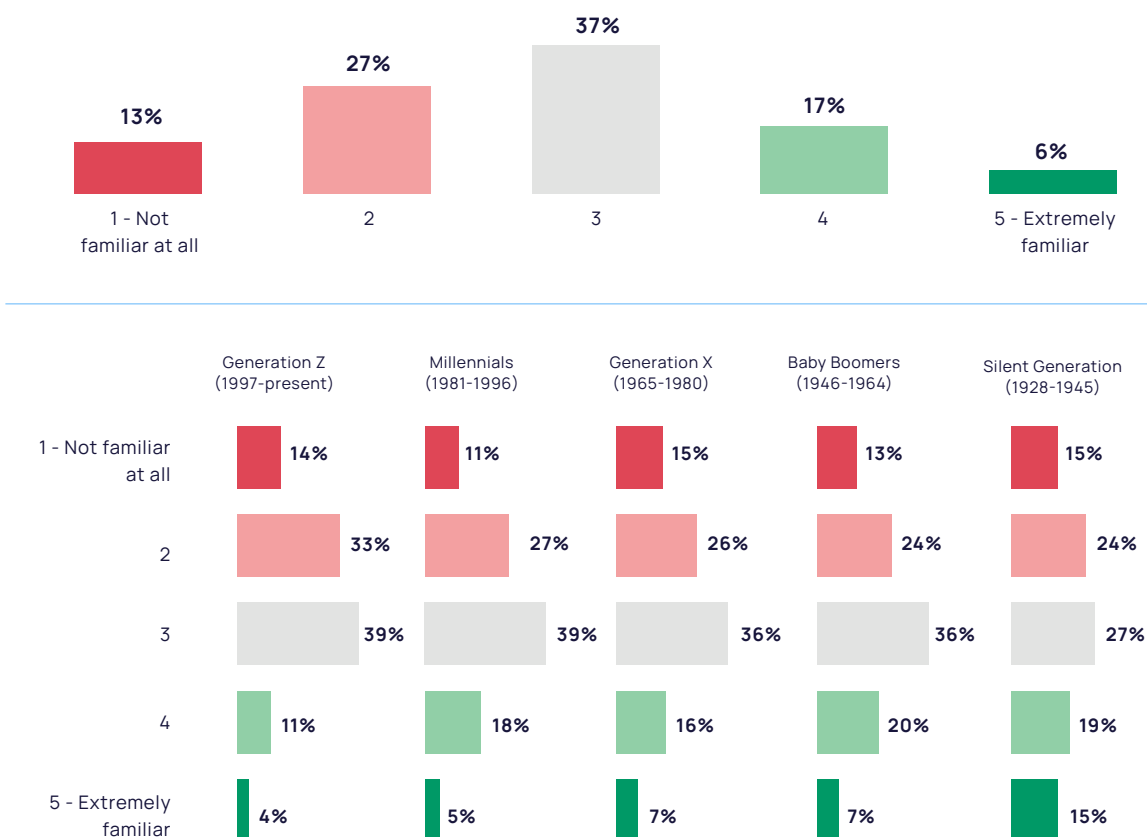
More than 1 in 5 (23%) have indicated a strong level of familiarity, highlighting the niche status of customer-owned banks and the opportunities for further education to gain wider familiarity among consumers.

Conversely, 2 in 5 (40%) consumers have stated they are slightly or not familiar at all with the

concept of customer-owned banks, with 27% indicating slight familiarity and 13% of consumers having no understanding at all.

Interestingly, younger generations – which have by far the most alignment with the values of customer-owned banks – have the lowest level of awareness. This highlights a gap for brokers and lenders to share opportunities with consumers that best align with their wants and needs.

How familiar are you with the concept of customer-owned banks?



Perceptions of customer-owned banks highlight strong trust in customer care and community support.

Customer-owned banks hold distinct advantages in the way that they are perceived by consumers regarding how they view and treat their customers and serve their community.

More than 1 in 3 (34%) consumers associate customer-owned banks with offering local customer support, higher than the 17% for non-customer-owned banks. This local presence ensures personalised service.

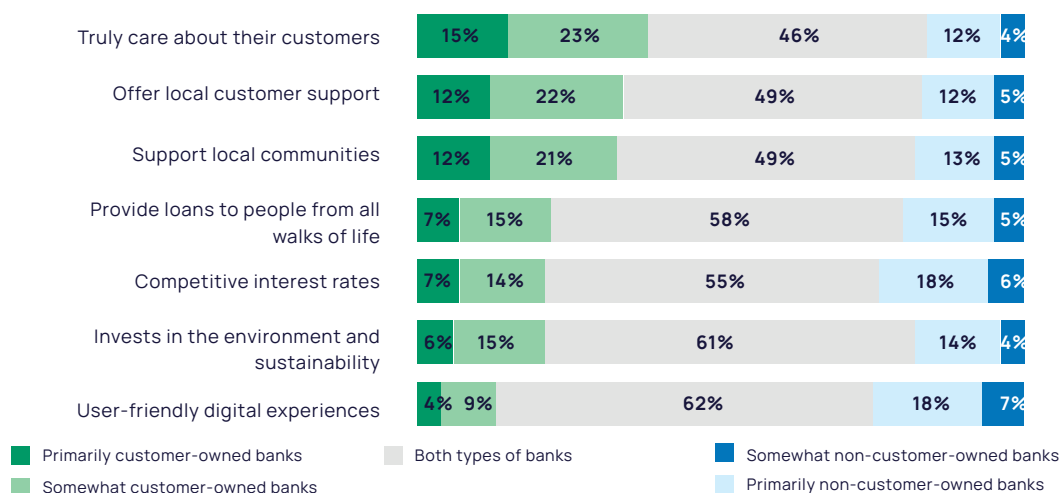
Trust is another critical area where customer-owned banks excel. Nearly 2 in 5 (38%) consumers believe customer-owned banks truly care about their customers, compared to 16% for non-customer-owned banks. This trust can be crucial for homeowners seeking reliable financial partners.

Customer-owned banks are also recognised for their community support, with 33% of consumers associating them with supporting local communities. This highlights their role in local development.

Inclusivity in lending is another strength, with 22% of consumers recognising customer-owned banks for providing loans to people from all walks of life, benefiting a diverse range of borrowers.

However, customer-owned banks have opportunities for growth in digital services (only 13% associate them with user-friendly digital experiences) and competitive interest rates (21%). These are areas for potential enhancement.

To what extent do you associate these statements with customer-owned banks or non-customer-owned banks?



How do you believe Australian mortgage lenders should approach environmental and social issues?

They make enough money – they should put back into the community rather than shareholders. Hence [why I support] customer-owned banks.
 – Female, broker, 45 to 54

I believe they should listen to local communities where they have branches and earnestly do what's best for lower-income populations.
 – Male, consumer, 18 to 24

They should talk to the local communities they operate in about how they can improve their social and environmental impact.
 – Male, consumer, 18 to 24

Lending relationship: Customer-owned bank comparisons

Broker

This section captures respondents' perceptions of customer-owned banks to determine the competitive differentiation they have compared to non-customer-owned banks as an opportunity to highlight perceived strengths.

The majority of brokers recognise the support and services of customer-owned banks.

Customer-owned banks present significant opportunities for brokers in providing the best service and support for their clients and brokers are recognising this opportunity.

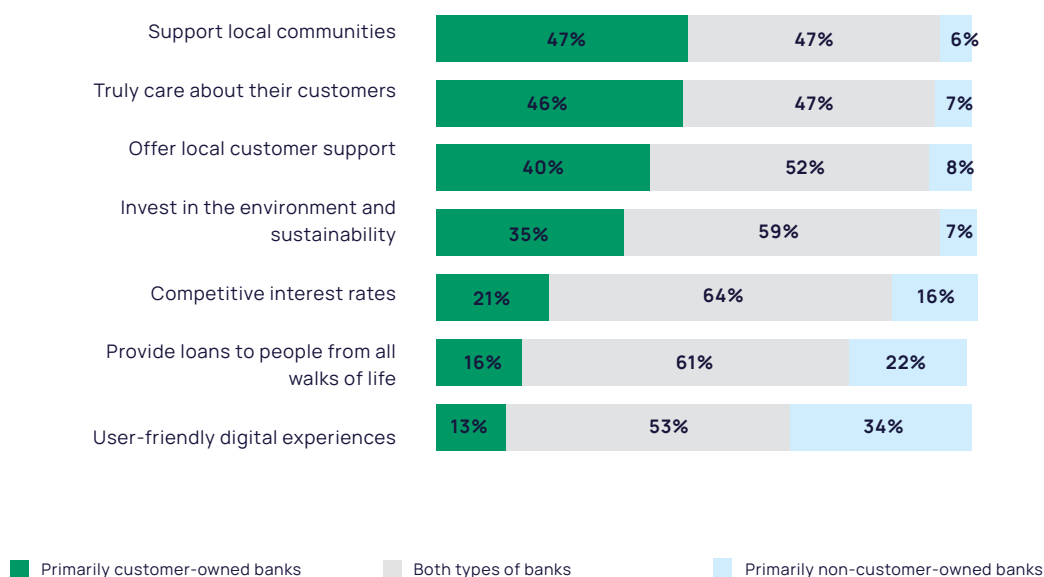
Almost half of brokers (47%) link customer-owned banks with community support, compared to just 6% for non-customer-owned banks. This strong emphasis on community underscores the important role of customer-owned banks in local development.

Another vital area where customer-owned banks shine is trust. About 46% of brokers feel that customer-owned banks genuinely care about their customers, in contrast to only 7% for non-customer-owned banks. This level of trust is essential for brokers seeking dependable financial partners for their clients.

Customer-owned banks are also highly regarded for their local customer service, with 40% of brokers associating them with this attribute, significantly more than the 8% who feel the same about non-customer-owned banks. This demonstrates the personalised attention that customer-owned banks provide.

Nevertheless, there are areas where customer-owned banks can improve, such as offering competitive interest rates (only 21% of brokers see them as competitive) and enhancing digital services (13% for user-friendly digital experiences). These are key areas for potential growth.

To what extent, do you associate these statements with customer-owned banks or non-customer owned banks?



Broker Pulse

To compare and contrast the competitiveness of mutual banks in the third-party channel compared to traditional commercial and major lenders.

Major banks lead in market positioning despite competitive performances by customer-owned banks.

Customer-owned banks demonstrate a competitive performance, with only a marginal 2-day difference in turnaround times at an average of 7 days compared to the 5 days of major banks.

Notably, customer-owned banks surpass major banks with a Net Promoter Score (NPS) of +32 against +31, indicating competitive levels of broker satisfaction.

This highlights customer-owned banks' ability to compete effectively by providing strong levels of service despite their smaller market share.

	Customer-owned banks	Major banks
Broker usage Definition: Percentage of participating brokers who submitted applications to this lender.	32%	77%
Turnaround times Definition: Average number of business days to initial credit decision as reported by brokers.	7 days	5 days
Net Promoter Score Definition: A measure of how likely brokers are to recommend the lender to clients or colleagues based on their experiences.	+32	+31

Brokers experience higher satisfaction levels with customer-owned banks across multiple stages.

Customer-owned banks are delivering high broker satisfaction across various service stages, often surpassing major banks despite their higher market share. They lead with 77% satisfaction in the business development manager (BDM) category, showcasing stronger relationships and support than the 66% of major banks.

While trailing slightly in application satisfaction at 73% versus 78%, they surpass major banks in assessment satisfaction and exceed them in settlement satisfaction, scoring 69% and 76% respectively. These figures demonstrate customer-owned banks' commitment to service excellence and effectiveness.

	Customer-owned banks	Major banks
BDM satisfaction Definition: Showing the level of broker satisfaction at the BDM phase as reported by brokers.	77%	66%
Application satisfaction Definition: Showing the level of broker satisfaction at the application phase as reported by brokers.	73%	78%
Assessment satisfaction Definition: Showing the level of broker satisfaction at the assessment phase as reported by brokers.	69%	67%
Settlement satisfaction Definition: Showing the level of broker satisfaction at the settlement phase as reported by brokers.	76%	73%

Thank you to our sponsors



The background of the image is a modern office interior. On the left, there is a large, lush green vertical garden with various plants. In the center, a large glass wall reflects the office environment. To the right, a person is walking away from the camera. The overall atmosphere is bright and modern.

agile.

market intelligence