UAE banking perspectives 2022

Progression, pace and power: shaping financial services today and tomorrow

KPMG Lower Gulf
April 2022
For the second consecutive year, KPMG has partnered with social media analytics company, DataEQ (formerly BrandsEye), to analyze the key drivers of consumer satisfaction amongst major UAE retail banks, and ascertain whether they are meeting expectations of conduct and service. The seven UAE banks included in the analysis are Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Commercial Bank of Dubai, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, and Mashreq Bank UAE. DataEQ retrieved 172,588 public tweets mentioning these banks for the period from 1 January - 31 December 2021 and processed them using their unique Crowd and AI technology. The full study is due for release in March 2022; we summarize the key findings below.

Although still prominently negative, industry Net Sentiment improved from the 2021 study. All seven banks received negative Net Sentiment scores, resulting in an industry aggregate of -14.4%. However, this was an improvement on the industry aggregate of -37.7% in the 2021 study.

Customer service was the top driver of negativity, with a Net Sentiment of -83.9%
Consistent with the findings of the 2021 report, the main source of customer frustration was again slow turnaround time, with long wait times and delayed responses being the most common points of criticism towards the banks.

Topics driving customer service complaints

A third of all online conversation about banks required a response
One in every three online mentions regarding the banks posed a potential risk, contained a customer service request, an acquisition opportunity, or a cancellation threat. Any of these should be considered as requiring a response from the bank. This, however, means that almost two-thirds of all online conversation about the banks was noise for social customer service teams, hindering their ability to prioritise the mentions which did warrant a reply.

Industry net sentiment breakdown

<table>
<thead>
<tr>
<th>Overall net sentiment</th>
<th>Operational net sentiment</th>
<th>Reputational net sentiment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year</td>
<td>-14.4</td>
<td>-66.8</td>
</tr>
<tr>
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Highlights of the UAE Banking Sentiment Index 2022

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Perceptions of business conduct and downtime pose potential operational and reputational risk

Consumers frequently complained about a lack of efficient support for their reported issues relating to business conduct, which included suspected fraud and incorrect information being received. In downtime conversation, consumers mentioned not being able to access online banking and mobile apps.

Banks responded to 68.8% of priority consumer conversation on social media

While banks still do not respond to close to a third of priority consumer conversation, the average time it took to respond was ten hours, which was an improvement from the 13 hours reported in the previous study.

Call centres were the most mentioned customer channel with high levels of negative feedback

In terms of communication channels, call centres were mentioned most frequently (45.7%), followed by branch (17.9%) and mobile apps (12.6%). Call centres had high levels of negative sentiment (-88.6%) on social media. Consumers expressed frustration at their calls going unanswered despite multiple attempts.

62.4% of consumer conversation referenced at least one market conduct theme

On average, 62.4% of all consumer mentions about the banks contained at least one of the six Treating Customers Fairly (TCF) outcomes. The TCF outcomes are a regulatory framework used in the UK, Australia, and South Africa by the financial services industry to report on the fair treatment of customers. Recent regulatory changes in the UAE look to develop similar standards for customer fairness. ‘Performance and service’ was the most notable conduct theme across the UAE banking industry, which is consistent with findings by DataEQ in other markets.

“With customers increasingly preferring to use digital channels for engagement with their bank, there is an opportunity to mine this valuable unstructured feedback for real-time insight, and importantly, an obligation to deliver effective, fair and compliant customer service on these channels.”

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### Percentage of total risk volume

<table>
<thead>
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<th>Perception of Risk</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance and service</td>
<td>58.9%</td>
</tr>
<tr>
<td>Claims, complaints and changes</td>
<td>4.3%</td>
</tr>
<tr>
<td>Culture and governance</td>
<td>2.3%</td>
</tr>
<tr>
<td>Product suitability</td>
<td>1.3%</td>
</tr>
<tr>
<td>Disclosure</td>
<td>0.6%</td>
</tr>
<tr>
<td>Suitable advice</td>
<td>0.1%</td>
</tr>
<tr>
<td>No outcome</td>
<td>37.7%</td>
</tr>
</tbody>
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Nic Ray
CEO, DataEQ

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Performance highlights

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