



UAE banking sentiment index

1 January – 31 December 2022
In collaboration with DataEQ



2023
KPMG Lower Gulf

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Introduction

For the third consecutive year, KPMG has partnered with data analytics company, DataEQ, to analyze consumer sentiment on social media about major retail banks in the United Arab Emirates (UAE). By unpacking the key drivers of consumer satisfaction and frustration, the study aims to ascertain whether UAE banks are meeting expectations of customer service and market conduct on social media.

The seven banks benchmarked 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 96,321 public tweets¹ mentioning these banks for the period from 1 January - 31 December 2022 and processed them using their unique Crowd² and AI technology. A statistically relevant sample of these mentions was analyzed to understand consumer concerns within the UAE retail banking sector in areas such as customer service, products, reputational risk, and market conduct.

¹ Only public tweets were included in this study due to limitations imposed by other social media platforms.

² The DataEQ Crowd is a proprietary crowd-sourcing platform comprising a network of trained and vetted local language contributors. The full DataEQ methodology can be found in the Appendix.



Highlights



01

Net Sentiment improved year on year in the industry, while remaining net negative overall. Positively, most banks showed improvement in performance.



02

Reputational Net Sentiment masked the banks' operational deficiencies. The Industry Net Sentiment was elevated by reporting on awards, partnerships and company financial performance.



03

Customer service complaints due to slow turnaround time and staff competency drove down operational performance for most banks. Other bottlenecks included account admin, transfer delays, loan applications, and fees.



04

On average, response rate improved with almost two thirds of priority conversation receiving a reply. However, response time still exceeded a full working day.



05

Risk conversation grew, heavily influenced by downtime and perceptions of business conduct. These service interruptions and suspected fraudulent transactions increased consumer cancellation threats.



06

Investment products and business banking resonated with consumers. Savings, investments, and SME assistance were key themes in this regard. Debit and credit accounts drew complaints due to delayed transactions and service issues.

Industry overview

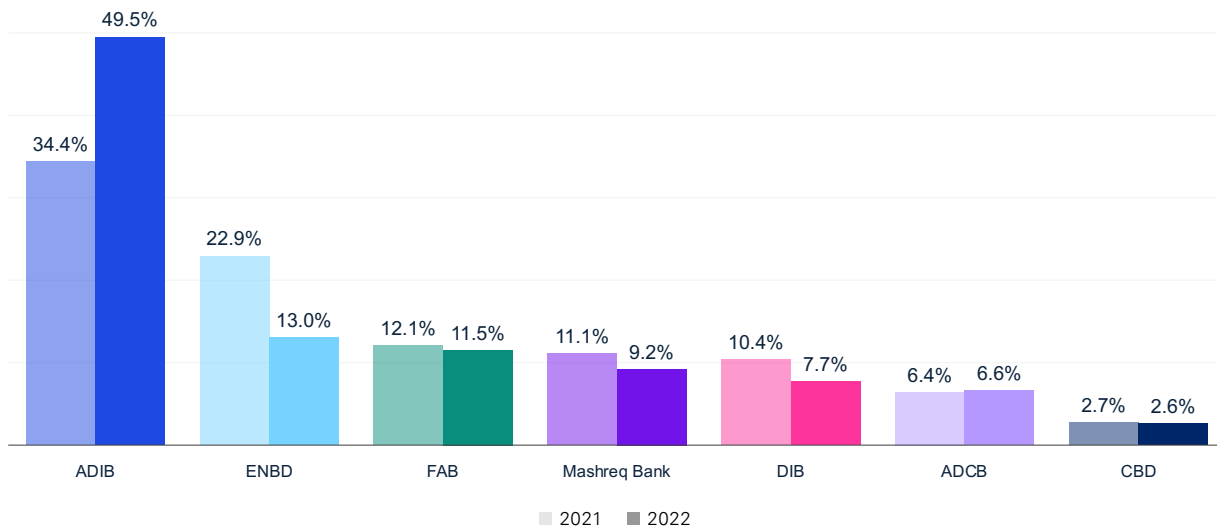


Abu Dhabi Islamic Bank continued to command the highest share of voice in the industry



Mirroring the results of last year's study, Abu Dhabi Islamic Bank commanded the largest share of voice³ on social media, followed by Emirates NBD. Meanwhile, Commercial Bank of Dubai continued to have the lowest share of voice.

Share of voice: 2021-2022



The columns on the left show 2021 data and columns on the right show 2022 data.

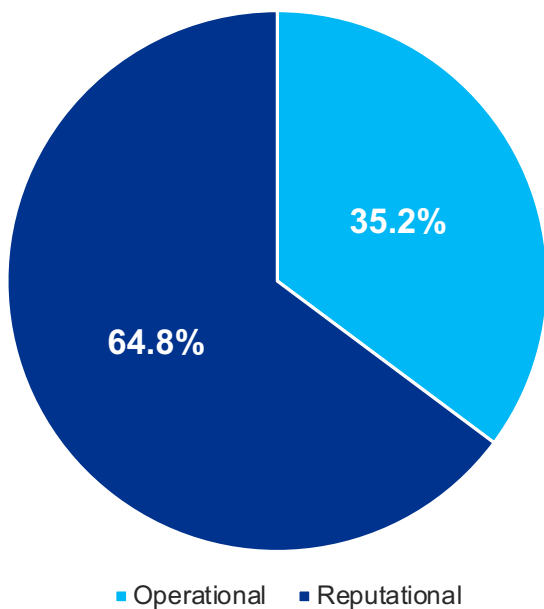
³ This metric includes all public tweets by brands, consumers and media accounts.



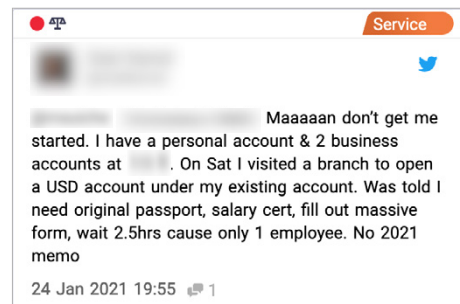
Reputational conversation dominated the sector and drove positive sentiment

The overall Net Sentiment score comprises two categories of conversation, operational and reputational. Reputational mentions, which include posts about brand-driven content, promoted services, and CSR activities, made up the majority (64.8%) of social conversation.

Volume distribution



Reputational mention



Operational mention

The industry's overall Net Sentiment improved in 2022, due to a reputational Net Sentiment boost



Although still negative, industry Net Sentiment improved

Both operational and reputational Net Sentiment improved from last year's study, resulting in an industry aggregate of -7.4%. This marks a seven-percentage point improvement from last year's industry aggregate of -14.4%.

Industry Net Sentiment comparison: 2021-2022



The columns on the left show 2021 data and columns on the right show 2022 data.

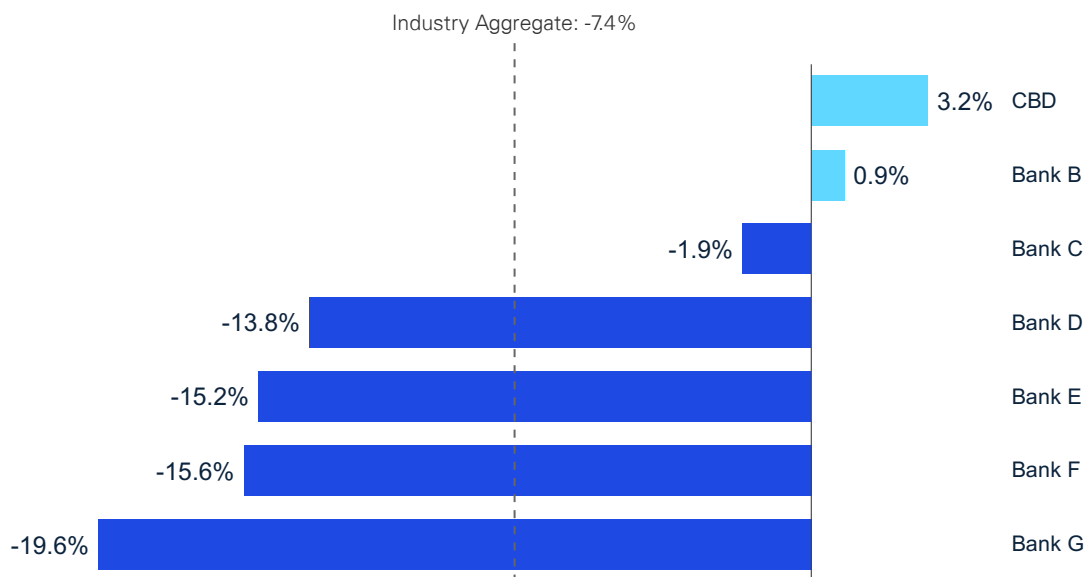
Net Sentiment was prominently negative across most banks



Two banks entered positive Net Sentiment territory

Six out of the seven banks saw an improvement in Net Sentiment from last year's study. Impressively, two banks achieved positive scores. Simply, this means that they received more praise than complaints online. of -14.4%.

Overall Net Sentiment performance: 2022



Commercial Bank of Dubai leads in overall Net Sentiment

Despite having the lowest share of voice, Commercial Bank of Dubai topped the ranking in terms of Net Sentiment. Being named by other studies among the Middle East's best-performing banks, positive company financial performance and technological innovation were among the main topics driving positive sentiment for Commercial Bank of Dubai.



Industry Net Sentiment performance varied significantly

The variation in overall Net Sentiment scores across the industry was once again significant, ranging from positive 3.2%, achieved by Commercial Bank of Dubai, to the worst performer coming in nearly 23 percentage points behind with a score of -19.6%. In addition to a variation of scores across the industry, the banks themselves showed significant monthly variance in Net Sentiment performance over 2022.

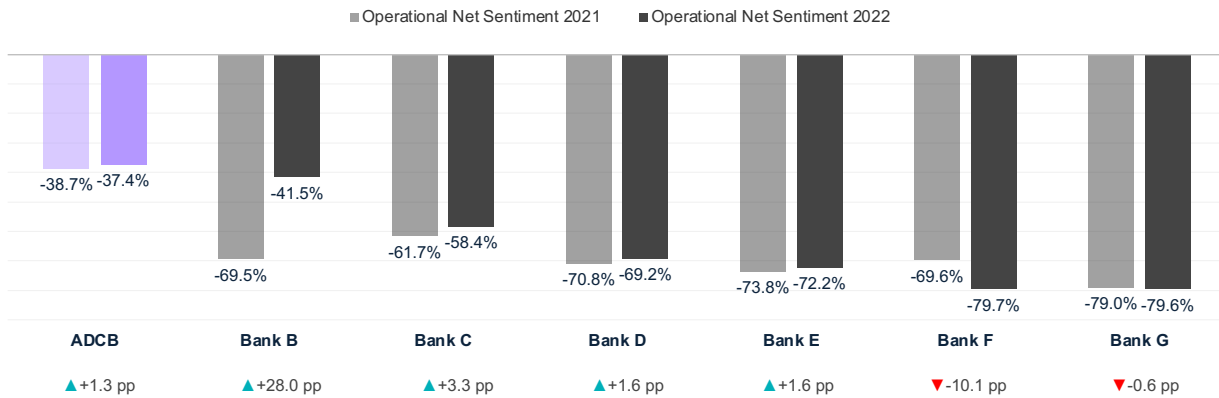
Monthly industry Net Sentiment



Abu Dhabi Commercial Bank outperformed the industry operationally, while Dubai Islamic Bank led in reputational Net Sentiment

For the second year running, Abu Dhabi Commercial Bank recorded the highest operational Net Sentiment score.

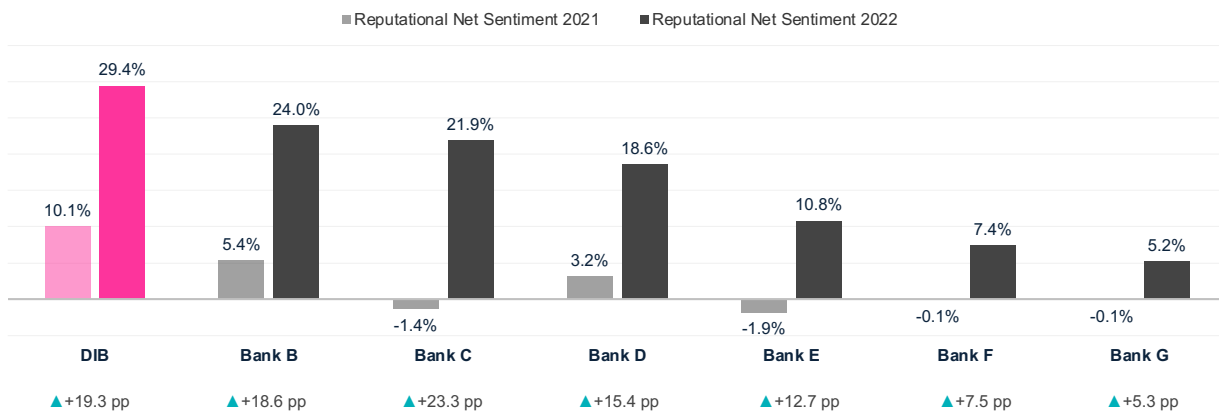
Operational Net Sentiment: 2021 - 2022



* Operational Net Sentiment is conversation about the customer experience.

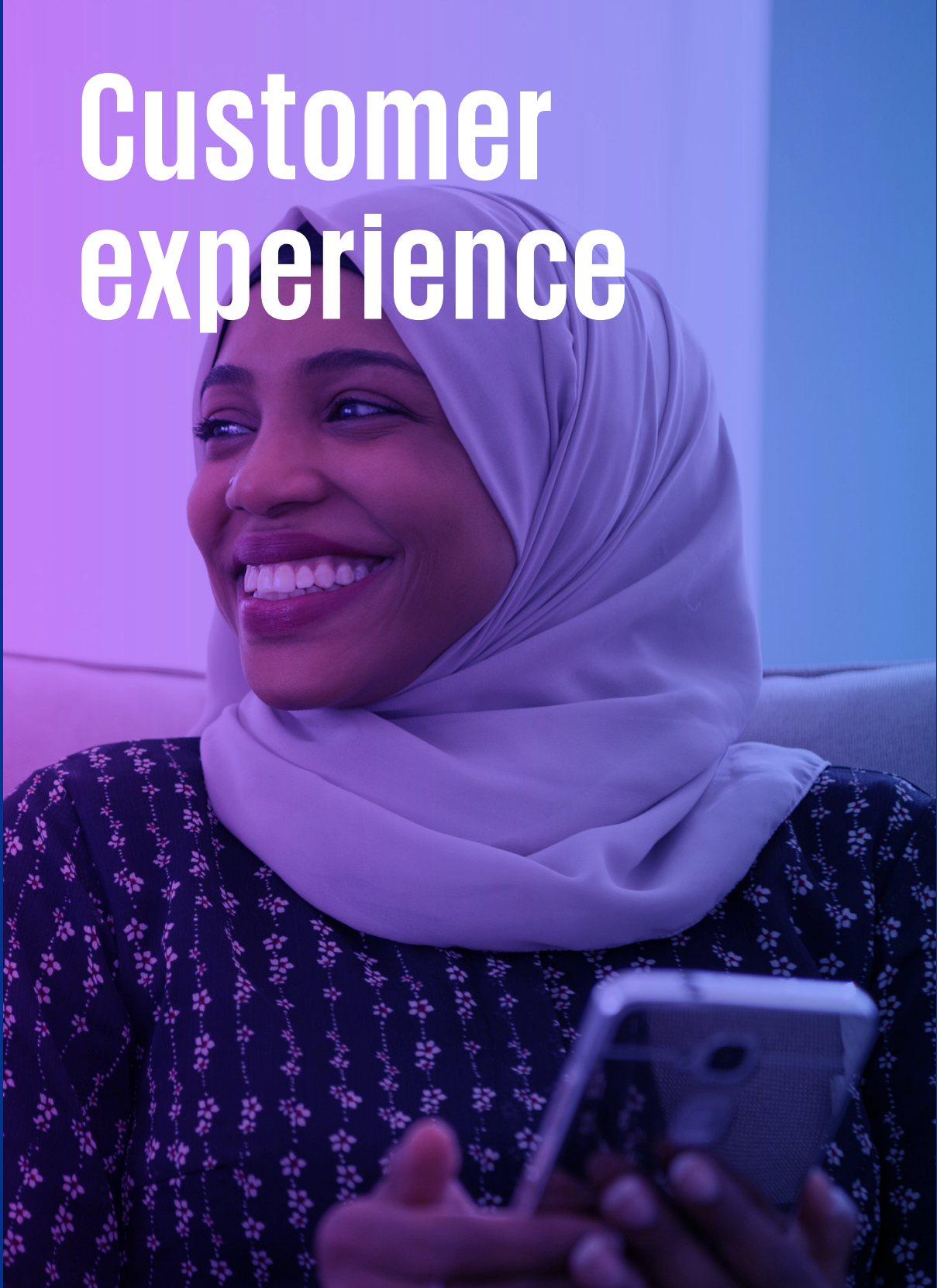
While all seven banks showed marked improvement in reputational performance from last year's study, Dubai Islamic Bank maintained the top ranking.

Reputational Net Sentiment: 2021 - 2022



** Reputational Net Sentiment is conversation driven by brand's own campaigns, CSR activities and press.

Customer experience



Operational theme 1: Customer service



Although the industry saw an improvement in overall Net Sentiment, operational conversation - comprising mentions from consumers that are currently involved in the customer journey with a bank - remained predominantly negative.

Operational themes driving conversation

	Volume		Net Sentiment	
Customer service	70.5%	<div style="width: 70.5%;"></div>	-83.7%	<div style="width: 83.7%;"></div>
Products	29.9%	<div style="width: 29.9%;"></div>	-76.2%	<div style="width: 76.2%;"></div>
Account admin	26.2%	<div style="width: 26.2%;"></div>	-94.0%	<div style="width: 94.0%;"></div>
Digital experience	20.6%	<div style="width: 20.6%;"></div>	-87.9%	<div style="width: 87.9%;"></div>
Physical facilities	10.6%	<div style="width: 10.6%;"></div>	-74.9%	<div style="width: 74.9%;"></div>
Transactions	7.9%	<div style="width: 7.9%;"></div>	-88.4%	<div style="width: 88.4%;"></div>
Pricing or fees	4.0%	<div style="width: 4.0%;"></div>	-74.7%	<div style="width: 74.7%;"></div>

Customer service was a major driver of negativity, with a Net Sentiment of -83.7%

While the topic of account admin scored lowest in terms of Net Sentiment, customer service generated the highest volume of negative conversation. The biggest pain points for customers were slow turnaround time, non-responsiveness and staff competency issues.

Top drivers of customer service complaints

	Volume	
Turnaround time	53.6%	<div style="width: 53.6%;"></div>
No response received	25.3%	<div style="width: 25.3%;"></div>
Staff competency	24.2%	<div style="width: 24.2%;"></div>



Call centers remained the most complained about customer channel

In terms of communication channels, call centers were mentioned most frequently (15.3%), followed by physical branches (6.2%) and mobile apps (5.3%). Out of all the channels, call centers had the highest levels of negative sentiment (-91.6%), eliciting frequent customer complaints.

Industry channel distribution

Volume	Channel	Net Sentiment
15.3%	Call Center	-91.6%
6.2%	Branch	-68.8%
5.3%	Mobile App	-74.0%
3.2%	Email	-91.2%
2.5%	SMS/Whatsapp	-83.7%
2.3%	Online Banking	-84.8%
1.5%	ATM	-79.6%
0.2%	Live Chat	-82.1%

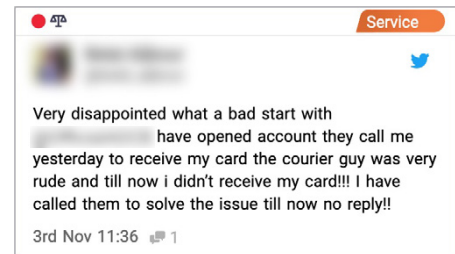
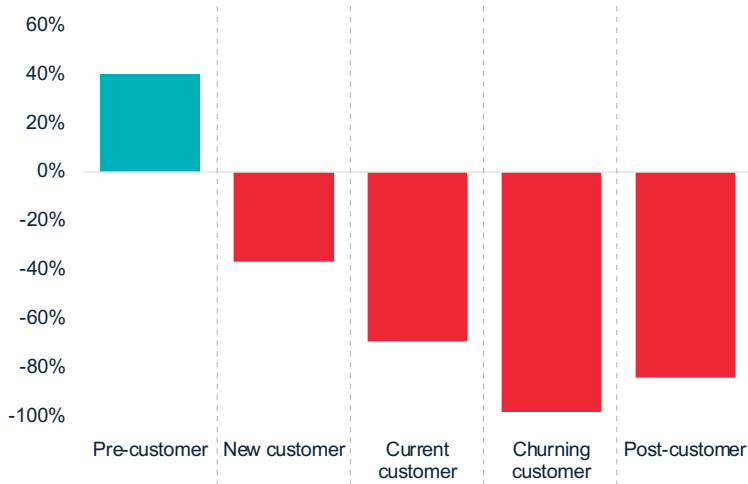
Conversation around physical branches was the least negative, as some customers volunteered positive feedback about efficient in-branch customer support, fast resolution and impressive staff conduct.



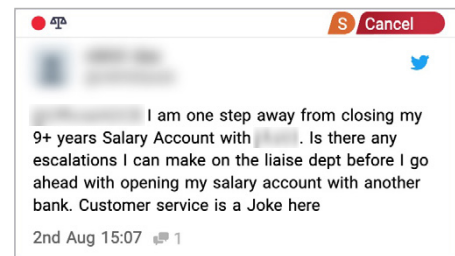
Banks failed to meet new customer expectations

When analyzing each stage of the customer journey, from pre-customers looking to sign up to post-customers reflecting on their experiences after leaving, current customers were responsible for the majority of conversation about the banks. This conversation was prominently negative across the industry with a Net Sentiment of 69.5%. Turnaround time was a major driver of frustration by current customers, followed by staff competency.

Customer journey Net Sentiment for industry



New customer example tweet



Churning customer example tweet

New customer experiences are vital in the overall journey as they set the tone for the relationship between the bank and customer. The sudden drop in sentiment from the pre-customer stage to new customer stage signifies a failure of banks to meet their customers' expectations after onboarding them.

Operational theme 2: Products



The majority of product-related conversation was negative

Complaints largely revolved around account irregularities, malfunctioning cards and ATMs, and long turnaround times. Debit cards and credit cards were frequently mentioned under customers' pain points as they complained of delays in receiving their cards and disputed certain fees and charges. Accounts and transactions remaining frozen for long periods of time was also a prominent driver of complaints.

Numerous consumers also reported their cards being hacked and money being stolen, with minimal support being offered. Complaints of slow delivery of issued cards and delayed activations were also frequent amongst all banks.

Industry volumes and Net Sentiment towards products

		Volume		Net Sentiment		
Debit cards or other cards	24.4%		▼ 6.7 pp	-74.3%		▲ 2.5 pp
Credit cards	15.2%		▼ 9.0 pp	-65.0%		▲ 24.1 pp
Loans (also known as "credit solutions")	9.7%		▼ 10.0 pp	-46.7%		▲ 49.4 pp
Reward/loyalty programs	5.1%		▲ 1.4 pp	-46.0%		▲ 34.0 pp
Investment products	4.8%		▲ 2.5 pp	5.2%		▲ 105.2 pp
Business banking	3.1%		▼ 0.3 pp	-3.7%		▲ 74.1 pp
Mortgages/home loans	2.4%		▼ 2.9 pp	-58.0%		▲ 42.0 pp
Overdraft	0.6%		▲ 0.2 pp	-81.1%		▲ 18.9 pp

*Products were surfaced using the topics methodology.

Investment products, savings and business banking solutions resonated with consumers

Investment products recorded the highest and only positive Net Sentiment at 5.2%, following a 105.2 percentage point increase since last year. Business banking saw the second-highest increase in Net Sentiment and was the second-most positively spoken about product. This was largely due to all the banks signing partnerships with third parties aiming to assist creative startups and small to medium-sized businesses (SMEs) in gaining access to funding and essential financial services, which drove favorable interactions towards most banks.

Operational theme 3: Account admin

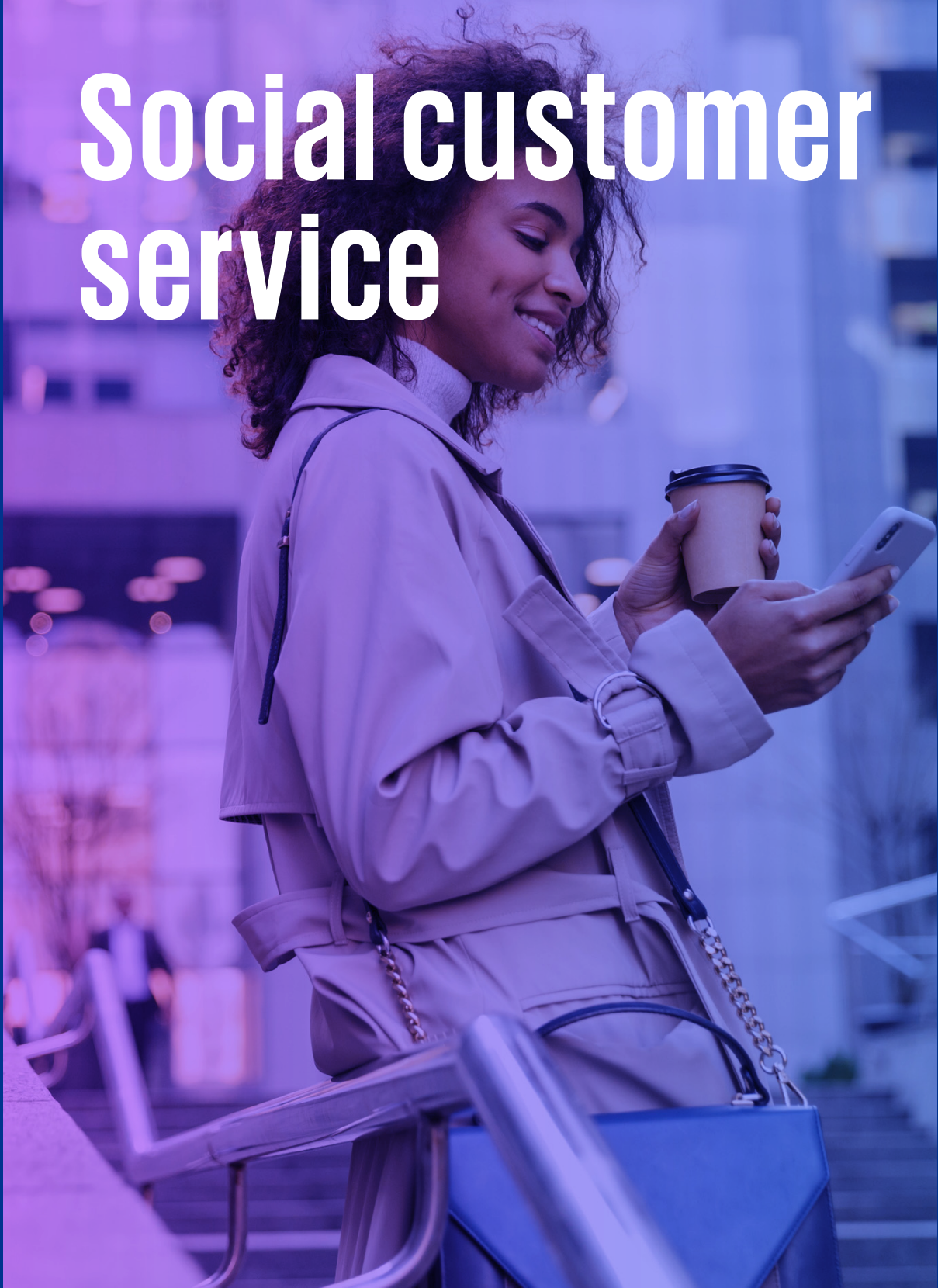


Account admin issues caused customer frustration

Unsolicited fees and hidden charges were a common pain point for all the banks, with customers protesting high account charges and transfer fees, as well as unreasonable fines and deductions. They also complained of inactive accounts, frozen funds, and unprocessed transfers, even after they had submitted all required documents.



Social customer service





As part of the analysis, DataEQ identified the most valuable customer interactions via priority tags assigned to the data.

Risk

Mentions that pose a reputational risk for the brand

Purchase

Mentions from prospective customers who want to purchase products or services

Cancel

Mentions from customers looking to cancel their service or not purchase from the brand again

Service

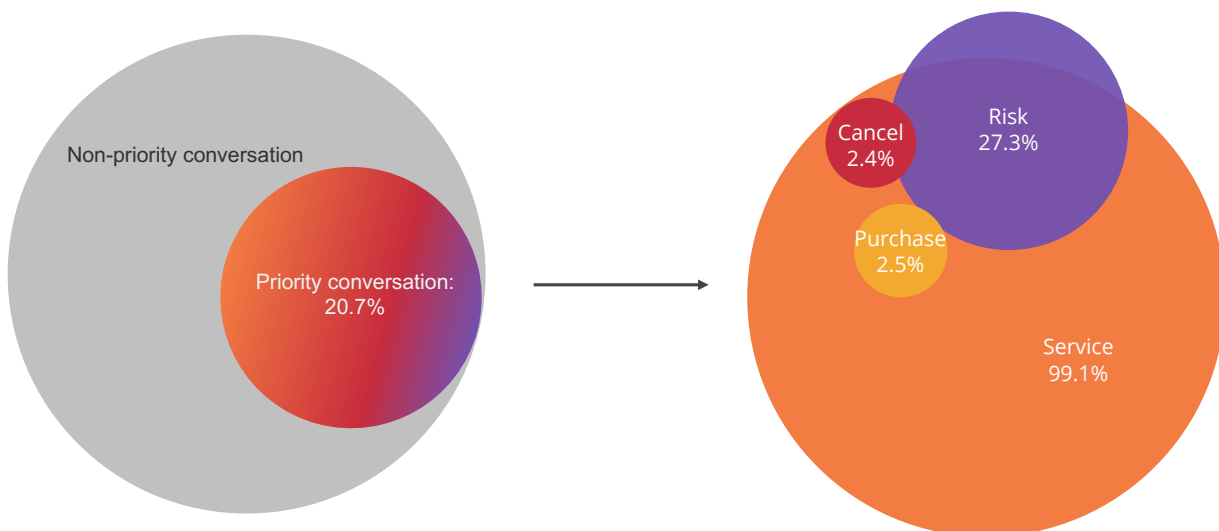
Mentions from customers who require assistance or describe an experience with the brand

A fifth of all online conversation about banks warranted attention

One in every five online mentions regarding the banks was tagged as a priority interaction, meaning it posed a potential risk or 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 80% of all online conversation about the banks was noise for social customer service teams, hindering their ability to prioritize the mentions which did warrant a reply.

Priority conversation: 2022

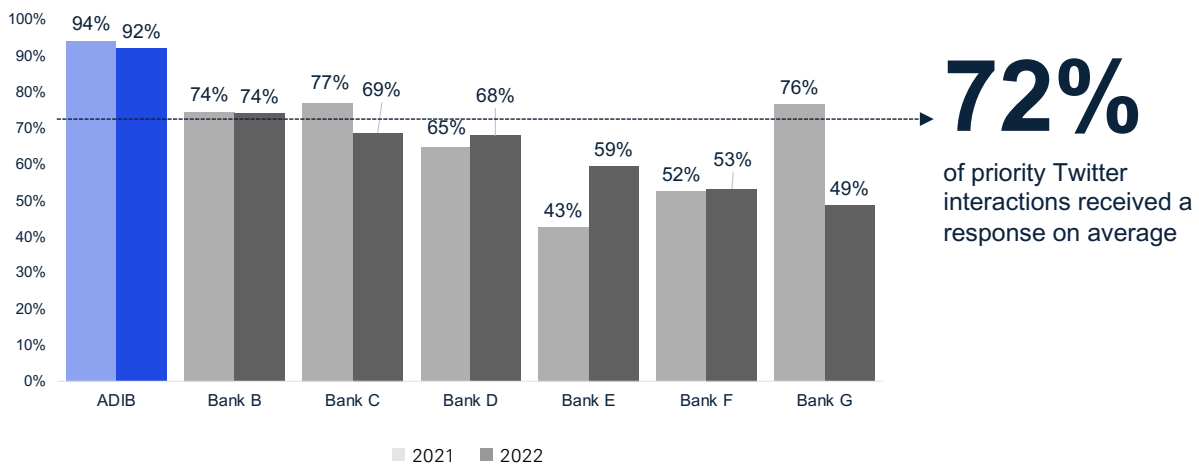


Industry response rate improved from last year's study

On average, 72% of priority tweets received a public response, up marginally from 69% the previous year. However, this still means that 28% of priority tweets went unanswered by the banks.

Abu Dhabi Islamic Bank was once again the most responsive bank. Despite receiving the most social conversation with the highest percentage of priority mentions, Abu Dhabi Islamic Bank achieved the best response rate of 92%. In contrast, the least responsive bank replied to only 49% of tweets - 23 percentage points below the industry average and over 43 percentage points below Abu Dhabi Islamic Bank.

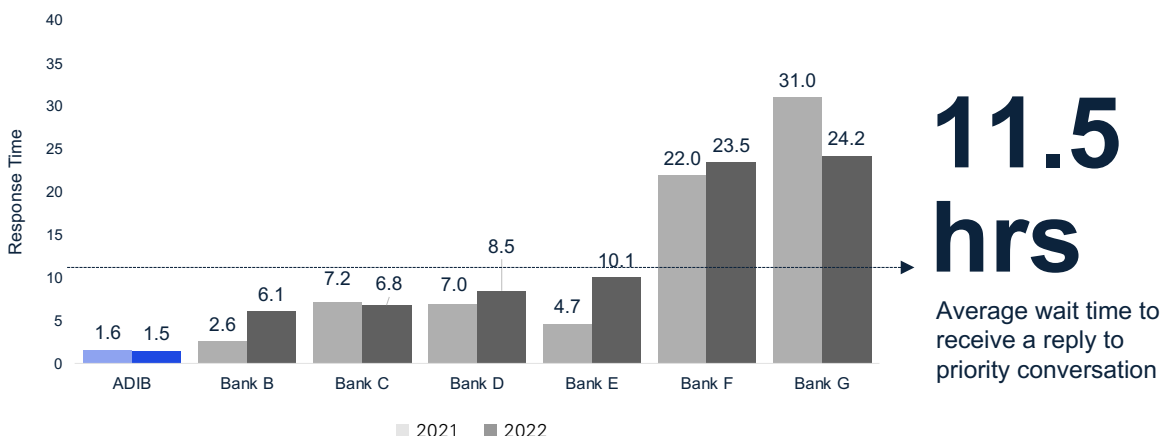
Response rate: 2021-2022



Response time, however, was 11.5 hours on average

The average time it took the banks to respond was 11.5 hours, which was 0.6 hours slower than the average response time of 10.9 hours reported in the previous study. In addition to being the most responsive bank, Abu Dhabi Islamic Bank was also the fastest, responding to 92% of mentions within two hours.

Response time: 2021-2022



Most priority conversation response rates declined per category

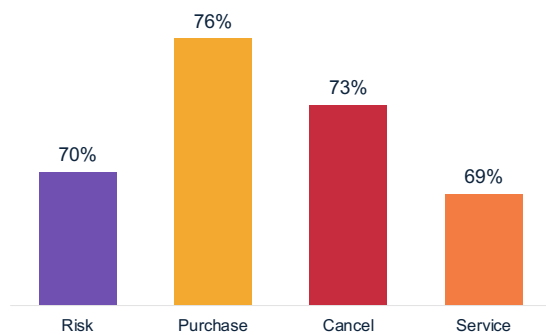


While most banks were able to tackle consumer requests for assistance or feedback within 12 hours, the two slowest banks took, on average, around 24 hours to reply to their priority mentions.

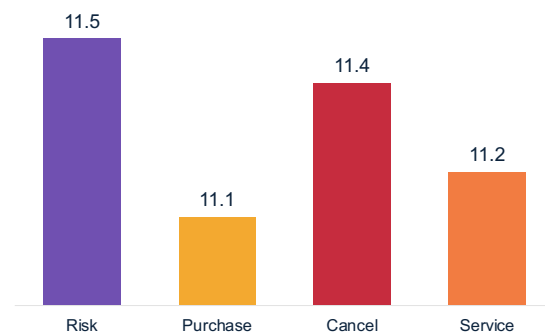
Purchase opportunities were most likely to elicit a response

When looking at response rate and time to priority conversation distributed by priority type, banks were most likely to respond to consumers looking to purchase a product or service.

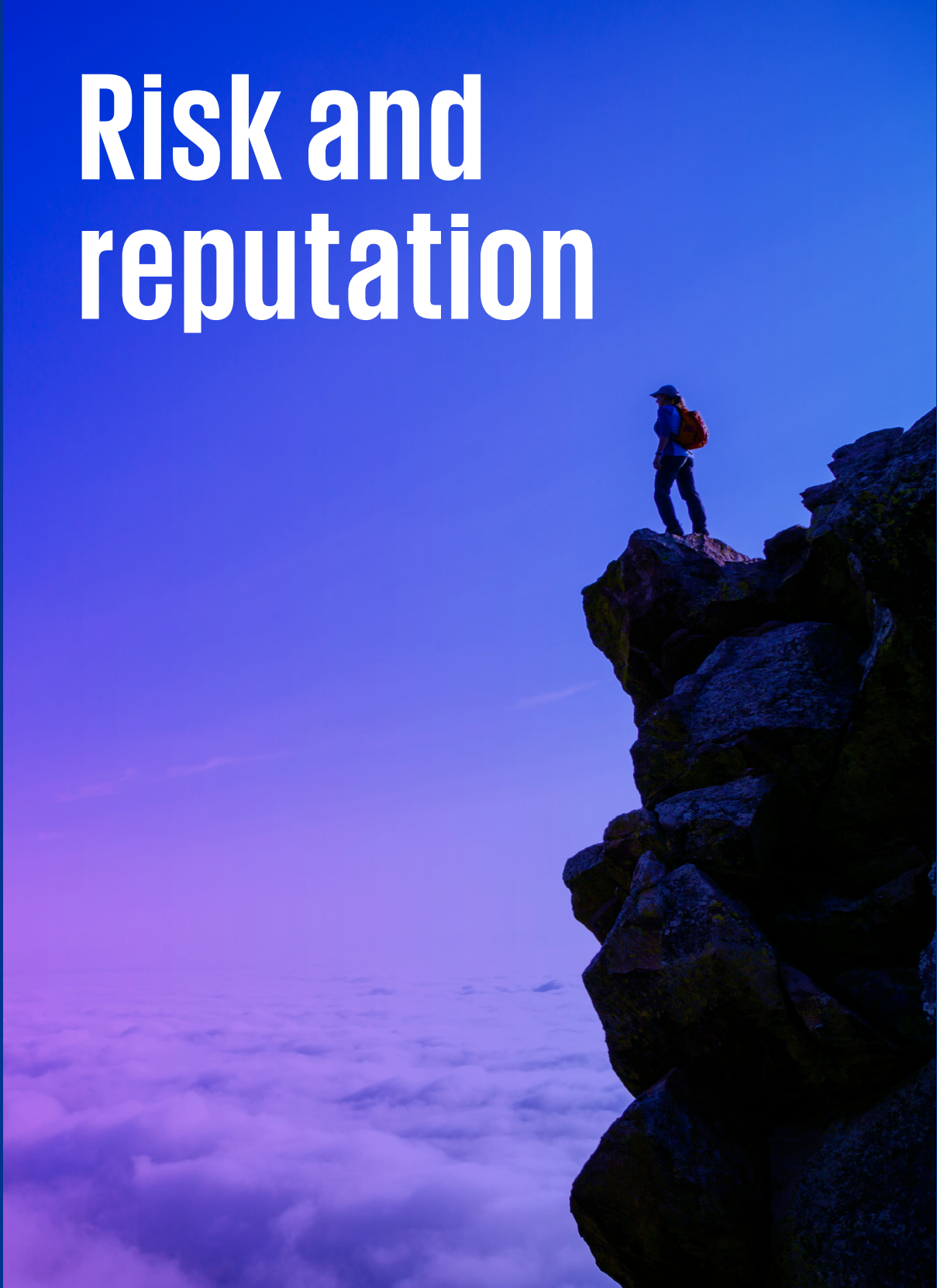
Industry aggregate response rate per priority category



Industry average response time per priority category (hrs)

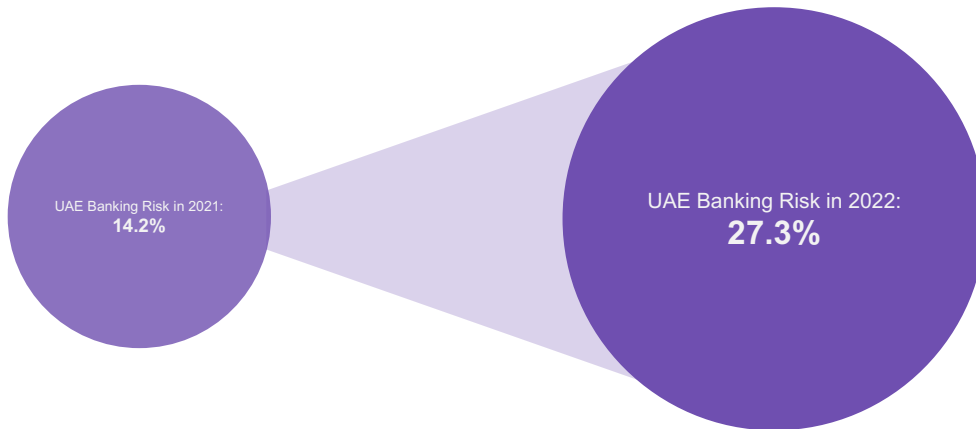


Risk and reputation





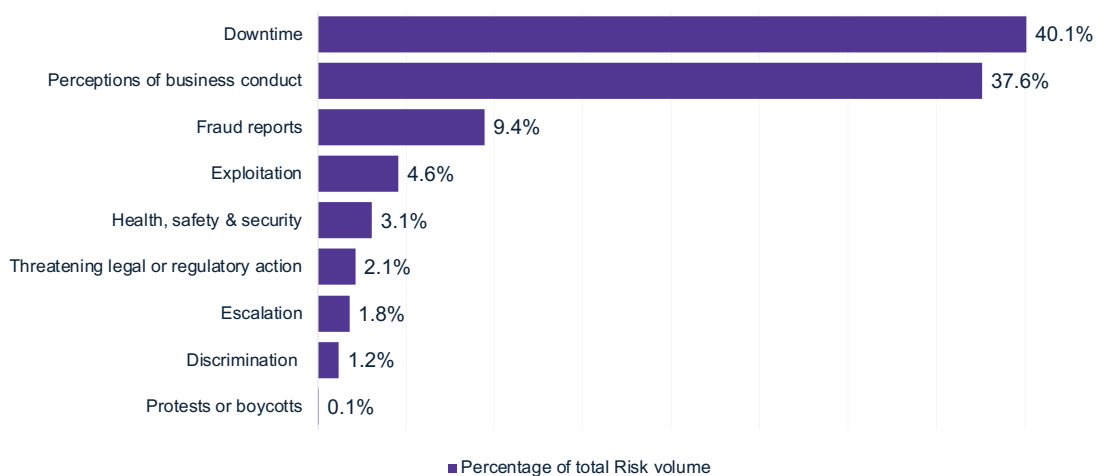
From last year's study, the ratio of risk conversation across the industry increased by 13.1 percentage points, driven largely by downtime complaints and perceptions of business conduct. All seven banks recorded a notable increase in the percentage of risk mentions.



Downtime overtook perceptions of business conduct as the biggest risk

This year's study saw downtime overtake perceptions of business conduct as the biggest risk factor, as customers complained about their inability to access online banking, malfunctioning mobile apps, and barriers to electronic transfers.

Industry aggregate response rate per priority category



In their conversations about perceptions of business conduct, consumers complained about long turnaround time and not receiving adequate support for their inquiries. This included complaints about hidden charges and unsolicited fees, as well as reports of security breaches, suspected fraudulent transactions, and receiving misleading information.

Market conduct

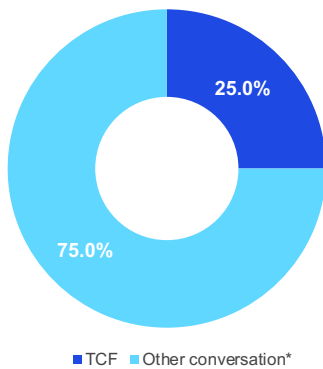




A quarter of consumer conversation referenced at least one market conduct theme

On average, 25% of all consumer mentions about the banks contained at least one of the six Treating Customers Fairly (TCF) outcomes. Performance and service was the most notable conduct theme across the UAE banking industry, which is consistent with findings by DataEQ in other markets.

Conduct theme contribution to overall conversation



Volume by conduct theme

	Volume
Performance and service	95.8%
Claims, complaints and changes	9.5%
Culture and governance	6.5%
Product suitability	2.0%
Disclosure	0.8%
Suitable advice	0.1%

Conversation referencing Performance and service included feedback on customer service, channel performance, and product performance. Authors actively complained about the poor customer experience they received from their bank, including unanswered inquiries, unsolved technical issues related to their accounts, long waiting times, and unsatisfactory responses from staff. Product performance complaints were more focused on accounts being frozen, unsuccessful transactions, malfunctioning mobile apps, and even security breaches and money embezzlement.

Claims, complaints and changes remained the second-largest conduct outcome for the second year in a row. Conversation around complaint handling was most prominent, followed by mentions about accessibility and claims. Consumers were critical of the bad quality of support they received and the incompetence of the bank's staff. Major issues reported included customers being charged with fees for cards that were closed years ago, not receiving requested documents from the bank, failure to issue card replacements, and unsuccessful refunds of money defrauded through security breaches.

Numerous consumers also expressed frustration towards restricted accessibility to their funds even after providing the bank with the necessary documents, not receiving their mobile app credentials, and not being able to complete transactions with other local banks, often resulting in funds being frozen for unknown reasons and for long periods of time.

A promising outlook

A promising outlook

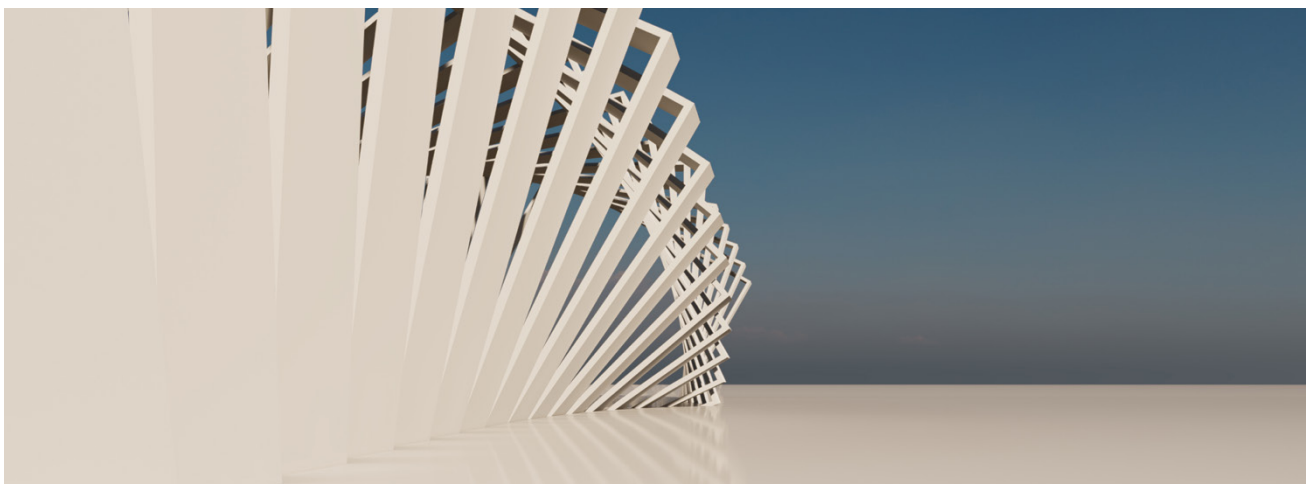
At an industry level, this year's study recorded Net Sentiment improvements across the board. Year-on-year shifts were also largely positive when looking at the performance of individual banks, with six of the seven banks achieving better Net Sentiment scores than last year.

While this improvement is commendable, it is important to note that industry Net Sentiment was elevated by widespread reporting on awards, partnerships and company financial performance. This positive reputational sentiment essentially masked the banks' operational deficiencies - many of which were already identified as customer pain points in previous years' studies.

When drilling down into these factors, it was found that customer service complaints due to slow turnaround time and staff competency drove down operational performance for most of the banks. Other bottlenecks included account admin, transfer delays, loan applications, and fees.

For a consumer market as digitally evolved as the UAE, these operational issues across digital channels should be of high priority for banks.

Banks operating in the region have a unique opportunity to create a significant business advantage by capitalizing on digital service. While some appear to be more focused on this feat than others, the race is still largely open for any bank to take the lead in this regard.



Methodology

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