



Financial Services Management

Trust-in-Banking Survey

Cite

OCC, Request for Information on Annual Consumer Trust in Banking Survey

Recommended Distribution

Policy, Legal, Government Relations

Website

<https://www.occ.treas.gov/news-issuances/federal-register/2023/88fr37917.pdf>

Impact Assessment

- This survey could be just one more survey from the banking agencies or the predicate for additional “relationship-banking” or other policies, at least from the OCC.

Overview

Reflecting Acting Comptroller Hsu’s focus on consumer protection, fairness, and inclusion, the OCC is seeking views on what could become an annual survey of what consumers and especially bank customers think of their bank. Mr. Hsu did not lay out what he thinks they think or should think nor did he indicate any policy goals beyond the need to have the information necessary to ensure fairness, consumer service, and access.

Impact

Although the OCC of course only regulates entities with a federal charter, it believes that consumer trust has broad benefit across the banking system and, indeed, the nation. As a result, its survey is not confined to the entities it regulates although it does seek views about this broad scope. For example, the RFI notes that consumer mistrust leads to deposit outflows that undermine credit and economic growth while discrimination leads certain communities to distrust banks and use higher-risk financial-service providers. Further, because trust in banks is essential to bank earnings and stability, it is said to be a legitimate concern for bank regulators; in the past, issues such as trust in a sector have been principally considered marketing or branding concerns for the private sector.

The survey would also assess trust in bank supervision on grounds that it is essential to trust in banks. Results would be published in an annual report and perhaps also special reports on specific issues, with the agency providing no insight into how, if at all, results would also factor into regulatory and supervisory policy.

What's Next

The agency announced this RFI on June 9. Comments are due by October 10, indicating that a survey will not be released until well into 2024 should the agency decide to move forward with it and the Office of Management and Budget fail to object under its Paperwork Reduction Act authority.

Analysis

Despite the agency's indication that the survey will also look at supervision, its focus is exclusively on banks. Questions for the survey on which comment is sought include:

- the need for targeted survey respondents based on factors such as demographics and the nature of bank services;
- the need for questions related to specific products or services;
- how best to ensure consumers distinguish between different types of financial institutions;
- the need to focus only on federally-chartered entities or conversely on a broad universe including BHCs;
- the definition of the components and drivers of trust and how best to differentiate them;
- ways to measure and survey for these components; and
- whether the OCC should do this survey on its own or with other regulators.