

# Millennials are the most likely to stick with a single bank.

Results from a February 2017 credit card survey conducted by Ipsos on behalf of LowestRates.ca

These are some of the findings of an Ipsos poll conducted between February 14 and February 15, 2017, on behalf of LowestRates.ca. For this survey, a sample of 1,001 Canadians from Ipsos' online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the sample's composition

reflects that of the adult population according to census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 3.5 percentage points, 19 times out of 20, had all Canadian adults been polled.



# Not all credit cards are created equal.

When it comes to credit cards, most Canadians understand that it's important to do their homework.



**71%**

of Canadians *disagree* that  
all credit cards are the same

**&**



**91%**

of Canadians *agree* that doing  
a little research can help them  
find a credit card that best  
suits their needs

So why aren't Canadians  
comparing their options?

Reason #1: Because  
they don't *want* to shop  
around

**77%** of millennials prefer to  
have all their financial products and  
credit cards with one bank

**60%** of gen-Xers prefer to  
have all their financial products and  
credit cards with one bank

**55%** of baby boomers prefer  
to have all their financial products and  
credit cards with one bank

So why aren't Canadians  
comparing their options?

Reason #2: Because  
they don't know *how* to  
shop around

**50%** of Canadians report  
being unaware of a good resource to  
compare credit cards across different  
financial institutions

Men (54%) are more likely to be aware of a  
comparison resource than women (46%)

Millennials (56%) are more likely to be  
aware of a comparison resource than  
gen-Xers (49%) and baby boomers (46%)

# Then how do we get new credit cards?

**Not surprisingly, the internet plays a big role, especially among millennials.** And good old fashioned word of mouth still has a place in the world of credit cards.

**Here are the common approaches Canadians take when looking for a new credit card\***

**54%** Go online to do research and compare options

**20%** Ask friends or family for recommendations

**15%** Take the card recommended by their primary bank

**14%** Consult with a bank other than their primary bank

**13%** Take some other course of action

\*Respondents were allowed to choose multiple answers instead of just one. Therefore, the answers sum up to more than 100%, indicating that some Canadians do several things when looking for a new card.

# What features do we look for?

There are many credit card features to consider. But in terms of importance to Canadians, two top the list by a long shot: **low interest rates and low annual fees.**

## Here's the breakdown:

Feature	Most / Second-Most Important
Low interest rate on balances	58%
Low annual fee	58%
Cash back	39%
Flexible point redemption options (e.g. electronics, gift cards, etc.)	19%
Travel rewards	15%
Perks (e.g. airport lounge access, access to concert tickets, personal concierge, etc.)	11%

# Let's break it all down, shall we?

We asked three experts to weigh in on why millennials stick with their banks.

## **“Millennials are just as – if not more – loyal”**

**Jessica Moorhouse, CEO, [JessicaMoorhouse.com](http://JessicaMoorhouse.com)**

“The numbers certainly show that millennials are just as – if not more – loyal than other generations. I think a big reason why millennials don't want to switch to a different credit card is the convenience factor. It's convenient having a credit card with the institution you're banking with. It's very easy to pay your credit card bill within one platform and keep track of pending charges. It's nice to keep things simple, even if it means you may not have the best credit card for your needs.

Millennials are the ultimate internet researchers, but as good as they are at researching the best AirBnB, when it comes to anything personal finance, including credit cards, most millennials are completely unaware.”

## **“A lack of convenience”**

**Tea Nicola, Co-Founder and CEO, [WealthBar](http://WealthBar)**

“That entrenched loyalty to a single financial institution for multiple accounts might just show that they're stuck. Millennials and more mature clients are held back from choosing their own financial institutions mainly from a lack of convenience. The technological hurdle is straightforward. In contrast with much of the international scene, Canadian banks are notoriously slow at transferring funds between institutions. That's a problem some Canadian fintech companies are already in the process of solving. When they do, the banks will be forced to catch up.

There's also a cultural factor, of course. Younger millennials who depend financially on their parents will naturally take direction from them when it comes to their finances. But as lower-cost, more convenient options become available, they'll go their own way.”

## **“It just comes down to awareness”**

**Justin Thouin, Co-Founder and CEO, [LowestRates.ca](http://LowestRates.ca)**

“The banks are the biggest players. We know them, we trust them, and we're not used to thinking beyond them. But with credit card shopping, it just comes down to awareness. Millennials think, ‘Well I don't have that much money to spend, so what's a rewards card going to do for me?’ and they just stick with cards from their bank. They don't realize that there are other types of cards that can benefit them now – like low interest, balance transfer – and their banks simply aren't giving them all the options.”