



Methodology

Online Banking Award

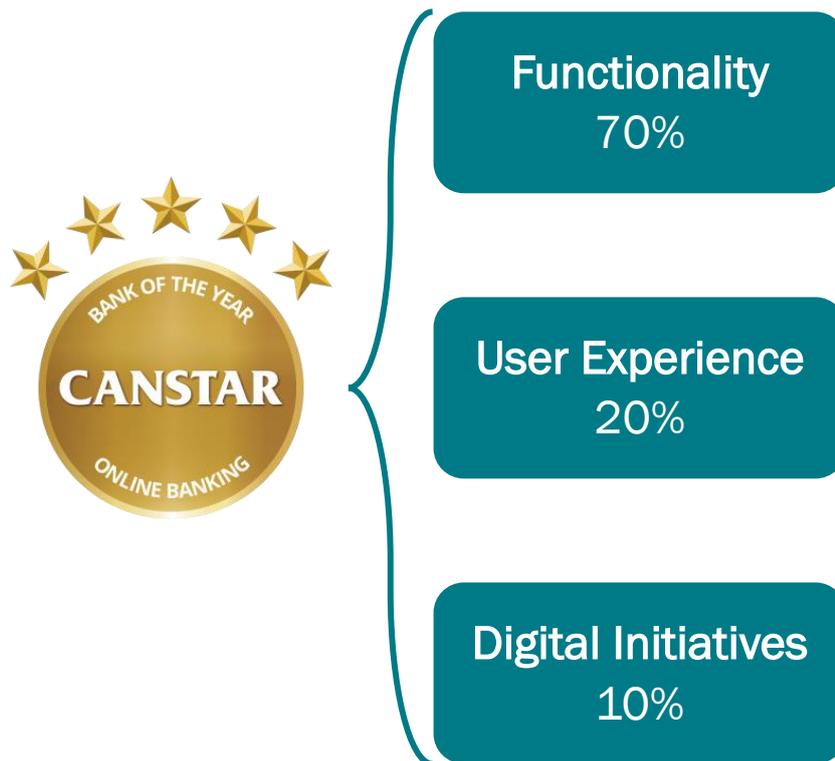
August 2017

What is the Canstar *Online Banking award*?

The Canstar *Online Banking award* involves a sophisticated award methodology unique to Canstar that compares the offering of features on online banking platforms across New Zealand. The award aims to recognize institutions who offer quality online services and developments to further enhance customer experience.

How is the Canstar *Bank of the Year Online Banking award* calculated?

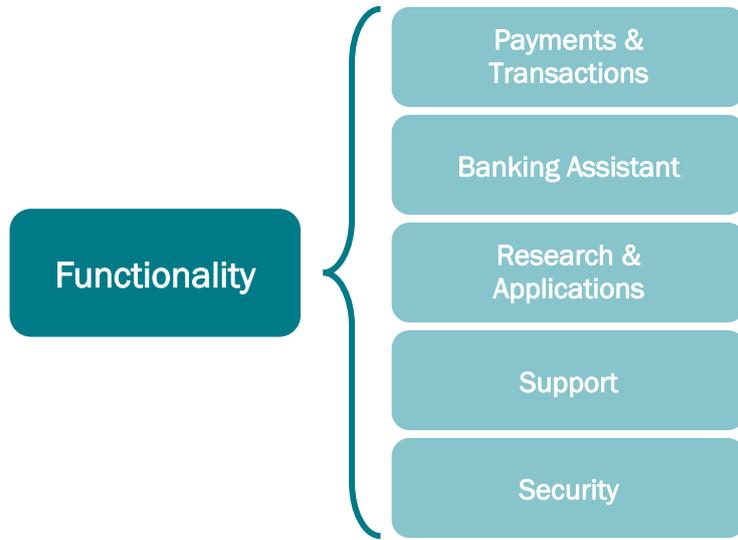
Each of the institution's online banking platforms will be reviewed for the *Canstar Bank of the Year Online Banking award*. Canstar collects over 200 different features on the online capability of New Zealand institutions. The main areas of consideration are Functionality (features offered on website, desktop and mobile banking, etc.), User Experience (customer and non-customer user testing of desktop online banking platforms for usability and experience) and Digital Initiative (institutions ability to shape or improve the online banking landscape and the impact it has on consumers). Category weights are assigned appropriately depending on its level of importance across the three components to arrive at the total score. The institution which cumulatively receives the highest score across the areas of consideration will be awarded the *Online Banking award*.



TOTAL SCORE = FUNCTIONALITY + USER EXPERIENCE + IDEOLOGY

Functionality

The Functionality score consists of five feature categories outlined in the methodology tree below, and is weighted by relative importance. All five categories are assessed over online banking platforms (desktop and mobile) and website.



Payments and Transactions

The Payments and Transactions feature category holds the greatest weight of the Functionality score and includes features such as: Bill payments, Contactless payments (ApplePay, Android Pay, etc.), Home Loan (additional repayments, modify repayments, etc.) and Credit Card (Activate, Lock/Hold, and Cancel Credit Cards, etc.) functions.

Payments & Transaction	30%	
Domestic	35%	This section considers the available functions and restrictions when banking online or through mobile i.e. transfer limits, transfers through Facebook/bump/email, notifications and settlement times.
Bill Payments	25%	This section considers the availability of Bill Payment options and management of future payments.
Product Specific	20%	
Credit Cards	70%	This section considers the ability to make and schedule repayments, card control, and access to reward points etc.
Home Loans	30%	This sections considers the functions to make additional loan repayments, ability to rollover home loans, accept pre-approved offers etc.
Contactless	10%	This section considers the ability to make payments through contactless /NFC technology across different handsets.
International	10%	This section considers the restrictions placed on international transfers i.e. currencies, transfer limits and transparency of fees.

Banking Assistant

The Banking Assistant feature category consists of 6 parts, which account for account maintenance (personalisation functions such as change account details, i.e. address), account status and information (availability of transaction history, search functions, etc.), budgeting tools, alerts, compatibility (iPhone/Android apps), and other services such as access to insurance or kiwisaver via online banking.

Banking Assistant	25%	
Account Status & Information	30%	This section considers the availability of account information i.e. balance, transaction history, bank statements, search functions etc.
Account Maintenance	20%	Ability to update information and customise layout and appearance, personalisation of name and visual account identification etc.
Budgeting Tools	20%	This section considers functions like being able to set goal savings, graph transaction behaviour, graph savings and 'what if' scenarios.
Other Services	15%	Ability to access account information across other products within online banking e.g. insurance account, investment account, KiwiSaver account etc.
Alerts	10%	Availability of alerts to notify account holders of payments due or cost incurring transactions through email, SMS, push alerts etc.
Compatibility	5%	Availability of specific applications for iPhone, Android, Windows, tablet etc.

Research and Application

The Research and Application feature category consists of 4 parts, and assesses the application functionality (i.e. online application and ID Verification), calculators, educational tools, and product information (accessibility of quick links, website split between personal and business, and transparency of product offerings).

Research & Application	20%	
Application	40%	
Process	45%	Availability of an online application and functions for home loans, personal loans, credit cards etc.
Functions	30%	Ability to save forms, monitor application progress, pre-approval, pre-determine discounts etc.
ID Verification	25%	ID verification points required.
Educational Tools	25%	Available FAQs, articles, online educational videos etc.
Product Information	20%	
Quick Links	40%	This section considers the availability of quick links for rates & fees, documents, calculators, latest offers etc.
Transparency	30%	This section considers access to documents and information like interest rates, PDS, fee information.
How consumers find products	20%	This section considers the various paths to find products i.e. home page, search tips product list.
Website Split	10%	This section considers whether a separate page dedicated to personal/business/corporate banking is available on the website.
Calculators	15%	This section considers the availability of calculators to assist customer financing decisions i.e. mortgage repayments calculator, retirement calculator etc.

Support

The Support feature category includes assessment on how the institution enacts the customer service and marketing of their product. This includes availability of call centres, presence on social media (Facebook, Twitter, etc.) and locational services (ATM or branch locators and information).

Support	15%	
Customer Support	40%	This section considers the availability of a call centre, online chat , phone-back, press to call function etc.
Location Services	40%	This section considers the ability to search for ATM or branch location using current location or postcode.
Community Interaction	20%	Availability of channels and resources to resolve customer complaints and queries through channels like Twitter and Facebook etc.

Security

The Security feature category assesses the functionality of features such as: fingerprint verification, pin passcode, secondary authentication methods, and alerts triggered by a strange transaction protocol.

Security	10%	
This section looks at the security processes available for banking online through both desktop and mobile which includes: Secondary authentication; Automatic log-off; Automatic lockout; Strange transaction protocol; Customer liability for not-at-fault transactions		

User Experience

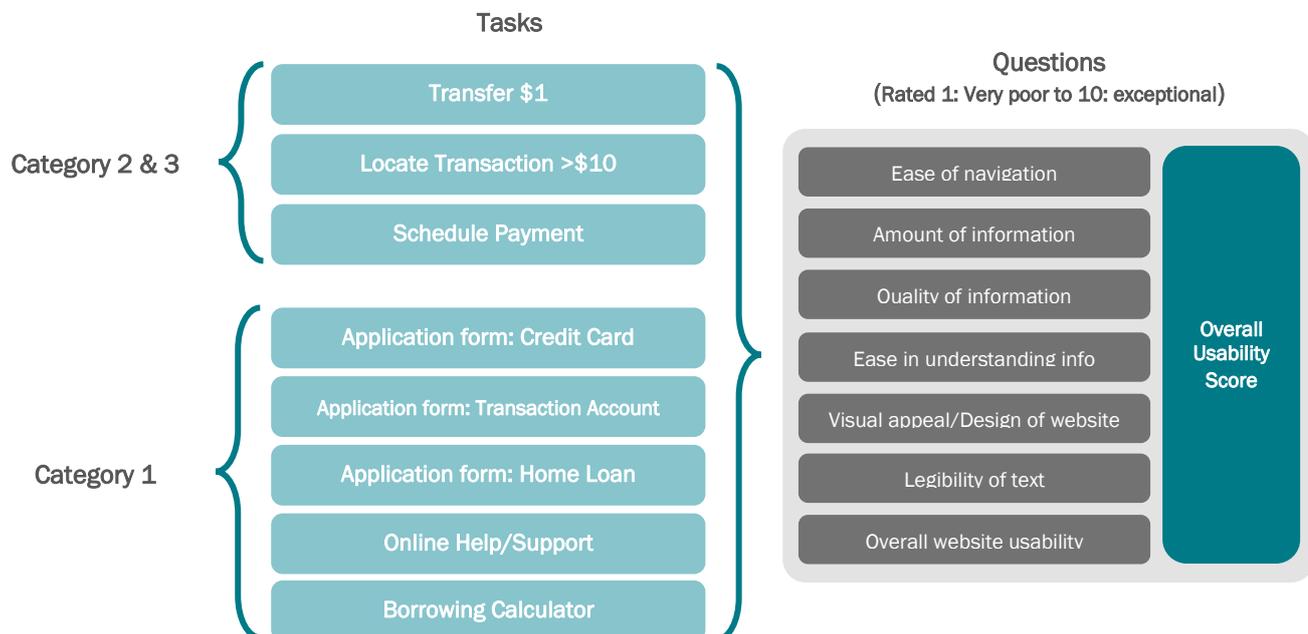
For Canstar to understand and recognise an institutions ability to offer customers an intuitive and user-friendly online banking platform, user testing was conducted between customers and non-customers to quantifiably measure online banking user experience.

The study involved 518 online surveys, and to be eligible for participation, all respondents met the following criteria:

- (1) 18 years or over
- (2) A customer of at least one of the institutions eligible in the online banking award

Customers and non-customers where assessed on 3 categories, with each category involving a tasks and questions to be completed (as listed below) to quantifiably measure the user experience of the website and online banking platform.

- Category 1: Website usability test as non-customer
- Category 2: Banking portal usability test as a non-customer
- Category 3: Banking portal usability test as a customer



From this, the below tree outlining Canstar's scoring for the User experience component of the Online Banking award.



The following table breaks down the above into further components and detail of scoring.

Feature Category	Weight	Task Description
Online Banking	60%	
Existing Customer	60%	
Transfer between accounts	33.4%	Login to your online banking portal and transfer \$1 from one account to another
Filter Transactions	33.3%	Login to your online banking portal and locate a transaction where the amount spent was greater than \$10
Schedule Payment	33.3%	Login to your online banking portal and schedule an online payment
New Customer	40%	
Transfer between accounts	33.4%	Login to the test online banking portal and transfer \$1 from one account to another
Filter Transactions	33.3%	Login to the test online banking portal and locate a transaction where the amount spent was greater than \$10
Schedule Payment	33.3%	Login to the test online banking portal and schedule an online payment
Research & Application	40%	
Application Form: Credit Card	20%	Locate the section on applying for a credit card and review the information provided
Application Form: Transaction Account	20%	Locate the section on applying for a transaction account and fill in the application form
Application Form: Home Loan	20%	Locate the section on applying for a home loan and find the interest rate for a 1 year fixed term home loan
Online Help/Support	20%	Locate the section for online help/support and review the information provided
Borrowing Calculator	20%	Locate the borrowing calculator and insert the borrowing amount of '\$500,000' and calculate the monthly repayments

Digital Initiatives

Canstar acknowledges that each institution adopts a different approach in how its digital assets are deployed and prioritised. To assist in the assessment of each institutions digital capability, Canstar has asked institutions how they assist individuals and communities to improve their financial literacy through their digital initiatives.

Each of the ideology submissions were assessed across two criteria:

- (1) How an institution has used its digital initiatives to assist customers/consumers achieve their financial goals.
- (2) How much of an impact the digital initiative has carried—breadth (number of people reached) and Depth (material impact on consumers in terms of \$ and educational).



Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

How often are products reviewed for award purposes?

This award is recalculated every 12 months, based on the latest submissions from each institution. Canstar also monitors changes on an ongoing basis.

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers, who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the Canstar website at www.canstar.com.au if you would like to view the latest star ratings reports of interest.



- Business deposits
- Term Deposit
- Credit cards
- Credit card rewards
- Home loans
- Kiwisaver
- Online banking
- Personal loans
- Savings accounts
- Transaction accounts

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