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Including vulnerable groups in financial services: insights from consumer satisfaction

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The crisis brought into relief problems within the financial sector which seriously affected consumer trust. This paper provides new evidence on the experiences of two socio-economic groups associated with potential vulnerability – the less educated and the elderly – with financial service markets across Europe. We find that the less educated and the elderly are less satisfied and experience greater difficulties than other consumers as regards complaining, comparing offers, or switching, in the mortgage, and investment product and bank account markets, respectively. This evidence is of use to policy-makers seeking ways of improving financial regulation from a consumer perspective.

Keywords: financial services; consumers; satisfaction; regulation; vulnerable consumers

JEL Classifications: D12, D18, G20, G28

1. Introduction

The severity of the financial crisis of 2008 highlighted the inadequacy of the previous regulation and supervision of the financial sector (HLEG 2012). Excessive risk-taking of banks was not matched with adequate capital protection, whilst the very size of financial institutions and the close links between them created high levels of systemic risk. Since the crisis, calls to introduce new regulation at different levels, starting from the individual bank and working up to the international level, have grown, in the name of providing greater banking stability. Most of these efforts focus on financial institutions themselves, and aim to increase their capital and liquidity requirements, or to change banking standards and culture, governance mechanisms, risk management and incentive schemes (HLEG 2012; PCBS 2013).

The problems laid bare by the crisis also concern the relationship between citizens and financial services. Institutions such as the World Bank and the European Parliament have acknowledged that limited consumer protection played an important role in exacerbating the global financial crisis (Pasiouras forthcoming). The crisis confirmed that citizens find many financial services a challenge to understand. Providers took advantage of inadequate consumer protection, hence, many citizens received insufficient financial advice and, in the worst cases, suffered product misselling (PCBS 2013). Since the crisis, the banking sector faces a widespread loss of trust by consumers, a position from which it must still recover (PCBS 2013; Group of Thirty 2015).

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One of the strands of the rethinking of regulation since the crisis, particularly prevalent in the United States (US), Australia, the United Kingdom (UK) and the European Union (EU), is that which attempts to "empower" consumers when they take decisions, in financial markets, as well as other markets, such as household utilities (telecommunications, energy, water and so on) (EC 2012; PCBS 2013). These regulatory efforts aim to promote greater transparency of financial instruments, clearer information and heighted awareness of consumer rights. They seek to build knowledge and capacity so that consumers can better participate in complex markets. Other related efforts are focused on improving financial literacy on the grounds that this is essential to facilitate effective consumer action in financial markets (World Bank 2014; EP 2015; Pasiouras forthcoming).

To date, these combined efforts are still insufficient. The Liikanen Report (HLEG 2012) points out various important weaknesses and omissions that remain in financial regulation in the EU. This report recognises that EU initiatives to improve the transparency of financial instruments "may not be sufficient effectively to protect retail consumers" (HLEG 2012, 94). The surveys on consumer experiences and perceptions in European markets produced by the EU find that investment products and mortgages are (together with real estate services) the *worst performing services markets for consumers in the EU*, whilst those of bank accounts and loans and credit also score below the average (EC 2011). More than 50% of EU citizens state they would like to have simpler financial products and services (EC 2012).

The problems experienced by consumers in the financial sector may require a redefinition of financial regulation, including a more intensive regulation of products and marketing practices (HLEG 2012). Given the increasing size of banks, some experts are calling for them to be regulated in a similar way to a public utility (Molyneux 2017). For decades, utilities have been regulated with a distinct approach to that of the private business sector (Clifton et al. 2011). To introduce an analogous approach to that applied to utilities into the financial sector would mean enhancing regulation to protect consumers against price gouging and unfair practices, in addition to concerns about bank capital and liquidity requirements, operations and governance. The new European Directive in Financial Instruments (MiFID II) constitutes a significant step in this direction (EU 2014). Previously, financial regulation had focused on the consumer of a financial product, understood to be the party responsible for purchasing them after using financial education and information. MiFID II has reoriented regulation on the protection of consumers. It emphasises that the design of investment products should be better adapted to the *profile* of consumers, while financial advice should be more independent. It also contemplates banning the distribution of certain financial instruments which are particularly complex or risky. MiFID II constitutes an important movement in the direction of redefining financial regulation to better address consumer protection issues. However, there is still a long way to go before effective protection is obtained and trust by European consumers returns.

Whilst the crisis revealed that financial markets are a challenge to many citizens, problems were revealed to be particularly prevalent among a range of socio-economic groups in a disadvantaged position (EC 2011). Prior to the crisis, a stream of literature that analysed problems experienced by consumers in complex markets had already emerged from the utilities sector. Here, both policy-makers (EC 2012; EP 2012) and scholars (Clifton et al. 2011; Clifton, Díaz-Fuentes, and Fernández-Gutiérrez 2014; Jilke and Van de Walle 2013; Jilke 2015) sought to better understand the experiences of so-called "vulnerable consumers" in a range of household utility markets. Vulnerable consumers are defined by Andreasen and Manning (1990) as those "at a disadvantage in exchange relationships where that disadvantage is attributable to characteristics that are largely not controllable by them". Because vulnerability is not directly observable, these studies use socio-economic variables associated with features that may render consumers potentially vulnerable, including age, education, employment, race, disabilities and income (Burden 1998; George, Graham, and Lennard 2011). Now, though the concept of "vulnerable consumers" has been less commonly used in the financial sector, the concept of "financial exclusion" is already well-known. Financial exclusion is defined by Simpson and Buckland (2009) as the lack of, or the limited access to, mainstream financial services (such as bank accounts, credit, savings, liquidity and payment services). Specific socio-economic groups of disadvantaged consumers tend to use some financial services less than other consumers, and this may lead to social exclusion (Deku, Kara, and Molyneux 2016; Kara and Molyneux forthcoming). These groups also exhibit lower rates of satisfaction with these services (EC 2011). Hence, concern about vulnerable consumers and the need to improve their experiences by regulation has spread from utilities to the financial sector (EP 2012; ECCG 2013; EC 2015).

This paper identifies where the most significant difficulties lie as regards the experience of two groups of potentially vulnerable citizens – the less educated and the elderly – in financial services in Europe. Following the literature on consumer vulnerability, the less educated and the elderly are more likely to lack certain skills or resources required for adequate decision-making in complex markets (Lunn and Lyons 2010; Clifton, Díaz-Fuentes, and Fernández-Gutiérrez 2014; Jilke 2015). This places them at a disadvantage, making them potentially vulnerable. We use microdata on consumer stated preferences from the Market Monitoring Survey (EC 2011), which provides information on the experiences of around 13,000 consumers in four financial markets in the EU-27: bank accounts, investment products, mortgages and loans and credits. Stated preferences have been used to analyse the functioning of EU markets of electricity (Fiorio and Florio 2011), telecommunications (Bacchiocchi, Florio, and Gambaro 2011) and transport (Fiorio, Florio, and Perucca 2013) from the consumer perspective, as well as the experiences of vulnerable consumers in EU utilities markets (Clifton et al. 2011; Clifton, Díaz-Fuentes, and Fernández-Gutiérrez 2014, 2016; Jilke and Van de Walle 2013; Jilke 2015). This paper extends this approach to financial services, using the "exit-voice-loyalty" framework (Hirschman 1970) to analyse the interaction between consumers and services. We analyse the differences associated with consumers' educational attainment and age as regards the use of the services, consumer satisfaction and trust, problems and complaints (as indicators for consumer "voice"), and ease of comparing offers and switching (as indicators for "exit"). Results show that the less educated are associated with lower satisfaction and greater difficulties in exercising "voice" and "exit" in mortgages and exhibit lower satisfaction with loans and credit. The elderly are associated with lower satisfaction and more frequent problems in the market of investment products, and with lower satisfaction and greater difficulties in exercising "exit" in bank account markets. These experiences help us better understand why there is less use of and trust in these services among these consumers.

The paper is structured as follows: the second section describes the theoretical and policy developments in the analysis of consumer vulnerability; the third section presents the data and empirical approach; the fourth section sets out our descriptive and econometric results; conclusions discuss how the results are relevant in the quest to improve financial sector regulation from the consumer perspective.

2. Vulnerable consumers and consumer policy

Before the crisis, financial market regulation was generally based on the traditional dominant view of individuals' behaviour in economics and finance. These traditional models conceived agents as rational, selfish and independent decision-makers, who make choices that best serve to maximise their individual utility, reasonably free from external influence (Barberis and Thaler 2003; Erta et al. 2013; De Bondt, Mayoral, and Vallelado 2013). The crisis, however, demonstrated that this framework does not account for many decisions that occurred in the financial markets, such as sudden reactions of panic or massive cases of misselling in the retail market.

The emergence of behavioural sciences increasingly challenges traditional assumptions about consumer behaviour. The behavioural approach avoids the most stringent assumptions about agents' behaviour, and analyses this from empirical observations using insights from psychology. Thus, it conceives that human behaviour may result in constrained or bounded rationality and biases in decision-making, as well as in strong interdependency on others (Barberis and Thaler 2003; De Bondt, Mayoral, and Vallelado 2013). Behavioural finance provides a framework to better understand interactions in financial markets, and contributes to explaining issues such as information asymmetries, network effects, searching and switching costs, the use of heuristics and the importance of framing (namely, that consumer decisions are affected by the way in which a product is promoted or presented, see Erta et al. 2013).

Behavioural finance changes the possibilities available to financial regulation (Lunn and Lyons 2010; EC 2012). Behavioural insights can serve to explain how errors in using and choosing financial products arise, why they persist and what can be done to ameliorate them (Erta et al. 2013). In the US and the UK, financial regulators and consumer protection authorities increasingly apply behavioural insights to address adverse consumer outcomes (Lunn 2012). In the EU, the Commission requested a behavioural study on the retail investment market, in response to the low score this sector achieved in the satisfaction surveys (Ciriolo 2011). This study showed that consumers are often confused about the risks of their investment, their searches for information were often inadequate, and that they tended to rely on the advice of the investment provider. It also revealed that consumers frequently fail in making investment choices, exhibit framing effects and take poor decisions where uncertainty, ambiguity and complexity are found (Chater, Huck, and Inderst 2010).

One important implication from behavioural finance is that, as decision-making depends on consumers' perception of circumstances, those who lack the skills, experience or confidence to take adequate decisions may take worse ones than other consumers with greater skills, experience or confidence. Empirical evidence shows that groups of vulnerable consumers more frequently have cognitive limitations to accessing and processing information. The less educated may have lower literacy and numeracy skills, for example, while the elderly may exhibit declining skills (Lunn and Lyons 2010). Both groups also usually exhibit higher risk aversion, whilst the less-educated tend to show higher time discount rates (placing more importance on immediate benefits) and the elderly are usually more sensitive to framing (Lunn and Lyons 2010; Jilke 2015). As a result, vulnerable consumers are more prone to experiencing the biases predicted by behavioural insights, affecting decisions on adopting the services or not, searching and switching activity and purchasing from available options.

Consumer biases are particularly important in financial services. Many products are highly complex, having multiple attributes and price points; they are also abstract and non-tangible, and involve infrequent purchasing (for example, a retirement plan or mortgage). Financial decisions also involve trade-offs between the present and the future and assessing risk and uncertainty (Erta et al. 2013). Hence, advice, framing and trust are essential in financial markets. However, according to behavioural finance, problems of asymmetric information may arise not only when a consumer has less access to relevant information than others, but also if that consumer is unable to assimilate, understand or process that information. In these cases, just providing more information may be ineffective for an adequate functioning of the market.

Some groups of vulnerable consumers (such as the less educated) are not only more prone to biases in decision-making, but they are also more likely to earn a lower income. These features frequently interact (George, Graham, and Lennard 2011): for instance, if a consumer finds internet services unaffordable this is likely to hinder accessing and comparing information on financial services. Analogously, lack of access to financial services may exacerbate economic disadvantage (Kara and Molyneux forthcoming). Empirical studies showed that socio-economic characteristics such as income, education, age and ethnicity are determinants of financial exclusion (Deku, Kara, and Molyneux 2016). It may result from greater difficulties for decision-making, because consumers do not fulfil the required economic criteria (i.e., for accessing a credit), or because providers discriminate against them for other reasons. For instance, in the UK and for segments of low income, non-white households are less likely to access financing (Deku, Kara, and Molyneux 2016), and black households are less likely to obtain a mortgage, when compared to white households (Kara and Molyneux forthcoming). In view of concerns about financial exclusion, the UK announced that some rights for accessing basic financial services such as a bank account, the payments system and money management services should be recognised for all consumers, irrespective of their financial circumstances. In addition, the term "unsophisticated customer" has gained currency in the UK to determine eligibility for access to the Financial Ombudsman Service, although this concept has been criticised for being based on too narrow a definition (PCBS (Parliamentary Commission on Banking Standards) 2013).

The "exit-voice-loyalty" framework (Hirschman 1970) is a useful approach to analyse services provision from the consumer perspective. This has already proved useful to evaluate utilities provision (Clifton and Díaz-Fuentes 2010; Tummers, Jilke, and Van de Walle 2013; Jilke, Van Ryzin, and Van de Walle 2016). Hirschman described two types of individual responses to unsatisfactory situations as regards the provision of a service: "exit", meaning leaving the service; and "voice", essentially meaning complaining, with a view to improve the service. "Loyalty" is associated with satisfaction, for example, repeat buying. A key characteristic of utilities, which also applies to financial services, is that a complete "exit" (completely withdrawing from the service) is often not feasible, or is associated with consumer high costs. In this context, switching to a different provider constitutes a useful sub-form of "exit". Nevertheless, even this option can be often difficult for consumers, because there is not enough effective competition in the market, the perceived costs of switching are too high, or information is unclear. We apply the "exit-voice-loyalty" framework to understand the provision of financial services from the consumer perspective, focusing on the difficulties experienced by groups of vulnerable consumers.

As a result of their greater difficulties for decision-making, and/or a lower income, vulnerable consumers may be more prone to be excluded from the use of financial services. Here, the first hypothesis is:

H1. The percentage of users of financial services among groups of potentially vulnerable consumers is lower than among the rest of consumers.

For the same reasons, vulnerable consumers may obtain poorer results from their decisions in financial services markets. We analyse this from consumers' stated preferences, addressing the following hypothesis:

H2. Groups of potentially vulnerable consumers are less satisfied with financial services.

Vulnerable consumers may also exhibit more difficulties when exercising the mechanisms described by Hirschman (1970) when facing an unsatisfactory situation. As regards "voice", Jilke and Van de Walle (2013) found that the less-educated and the elderly are less likely to complain in the case of utilities. As regards "exit", Jilke (2015) found that these groups are less likely to switch in the case of telecommunications. In this light, our third and fourth hypotheses are:

H3. The use of "voice" mechanisms among groups of potentially vulnerable consumers is lower than among the rest of consumers.

H4. The use of "exit" mechanisms (understood as switching to another service provider) among groups of vulnerable consumers is lower than among the rest.

3. Data and methodology

We evaluate EU financial markets using microdata from the European Consumer Markets Monitoring Survey (MMS) corresponding to 2011 (EC 2011). MMS is provided by the Directorate General of Health and Consumers of the European Commission as part of the Consumer Markets Scoreboard, and constitutes its main empirical tool to evaluate consumer satisfaction. MMS-2011 provides information on 51 markets across EU-27 countries, including four financial services: bank accounts, investment products (including private pensions and securities), mortgages and loans and credit. The MMS sample includes around 500 consumers with recent purchasing experience for each country and market (around 250 for Cyprus, Luxembourg and Malta). It yields a sample of 12,831 consumers for the market of bank accounts, 12,783 for investment products, 12,784 for mortgages and 12,843 for loans and credits.

For each of these markets, we consider seven dependent variables obtained from EC (2011).

3.1. Satisfaction

We use here an indicator of general consumer satisfaction, derived from the answers provided to the question: *to what extent did < the services/products > on offer from different < suppliers/retailers > live up to what you wanted within < the past period>?* Answers are provided on a scale ranging from 0 ("very poor") to 10 ("very well").

3.2. Trust in consumer protection

We consider here a complementary indicator of satisfaction, oriented to consumer perceptions on the degree of protection resulting from their relation with the providers. To do so, we use the answers provided to the question *to what extent do you trust < suppliers/retailers > to respect the rules and regulations protecting consumers?* also provided on a scale ranging from 0 ("very poor") to 10 ("very well").

3.3. Problems

We analyse here whether consumers have experienced problems in the markets. We use answers to the question: *did you experience a problem with the < service/product > or the < supplier/retailer>, where you thought you had a legitimate cause for complaint?* Answers are provided as a binary variable ("yes" or "no").

3.4. Complaints

Have consumers that experienced a problem complained? For this purpose, we use the answers to the question *have you complained about < this problem/one of these problems>?* Answers are obtained as a binary variable: "yes", if the consumer has complained about the problem to the provider or to a third party complaints body, or "no", otherwise.

3.5. Ease of comparing

Do consumers perceive it is difficult to compare the alternatives available in the market? We consider here the answers to the question *how difficult or easy was it to compare the < services/products > sold by different < suppliers/retailers>?* Provided on a scale ranging from 0 ("very difficult") to 10 ("very easy").

3.6. Switching

Are consumers active as regards changing their supplier or the product they purchased in the market? We use the answers to the question *have you switched < tariff plan > or < supplier > in the < past period>?* Answers to this question are provided as a binary variable ("yes" or "no").

3.7. Ease of switching

Do consumers perceive it is difficult to change supplier? We take the answers to the question *how difficult or easy < do you think it is/was it > to switch < supplier > in the < past period>?* Answers are provided on a scale ranging from 0 ("very difficult") to 10 ("very easy").

The variables on satisfaction, switching and ease of switching refer to a time-period of two years for bank accounts, investment products and mortgages, and three years for loans and credit.

For independent variables, our main points of interest are the groups of potentially vulnerable consumers. Considering the literature on consumer vulnerability, we operationalise our analysis by focusing on two socio-economic dimensions representative of vulnerability available in EC (2011). First, educational attainment, using information on the age when individuals finished full-time education: at 15 or before (basic education, considered as potentially vulnerable); between 16 and 19 (secondary education, introduced as a control variable); and 20 or over (higher education, used as category of reference). Those still studying are assigned to the group corresponding to their current age. Secondly, we examine age, differentiating four categories: those over 64 years of age (considered as potentially vulnerable); between 50 and 64, 35 and 49 (both categories introduced as control variables); and under 35 (category of reference). We use the rest of the socio-demographic information on consumers provided by EC (2011) as control variables: gender; employment status (employed/non-employed); and country of residence, by introducing a country variable for each EU-27 Member State.

We enquire about the statistical relationships between education and age and the dependent variables considered. We connect these variables using the “exit-voice-loyalty” framework (Hirschman 1970). As the survey only focuses on those consumers with recent purchasing experience in each market (users), prior to the econometric analysis we test our first hypothesis by analysing the distribution of the users of each service according to education and age. Thus, we identify whether vulnerable groups (the less educated and the elderly) are under-represented in the use of the service in question (which would indicate a complete “exit” of the service). Next, we perform an econometric analysis to determine whether the less-educated and the elderly are associated with lower scores on each dependent variable and market, after controlling for the rest of socio-demographic factors available in the survey. We test our second hypothesis by considering the variables on “satisfaction” and “trust” as indicators of consumer satisfaction with the services. In those markets where a low educational attainment or an older age is associated with lower scores on any of these indicators, we identify that difficulties exist for that group. Next, we test our third hypothesis (on “voice”) by focusing on the “problems” and “complaints” variables: do vulnerable groups experience more problems, and do they complain less when they have problems? Then, we test our fourth hypothesis (on “exit”), by focusing on “ease of comparing”, “switching” and “ease of switching”: do vulnerable groups experience greater difficulties when comparing offers and switching, and do they switch less? We aim to identify in which markets vulnerable groups are associated with lower satisfaction, and connect this with the concepts of “voice” and “exit”. Figure 1 illustrates our use of the “exit-voice-loyalty” framework for this purpose.

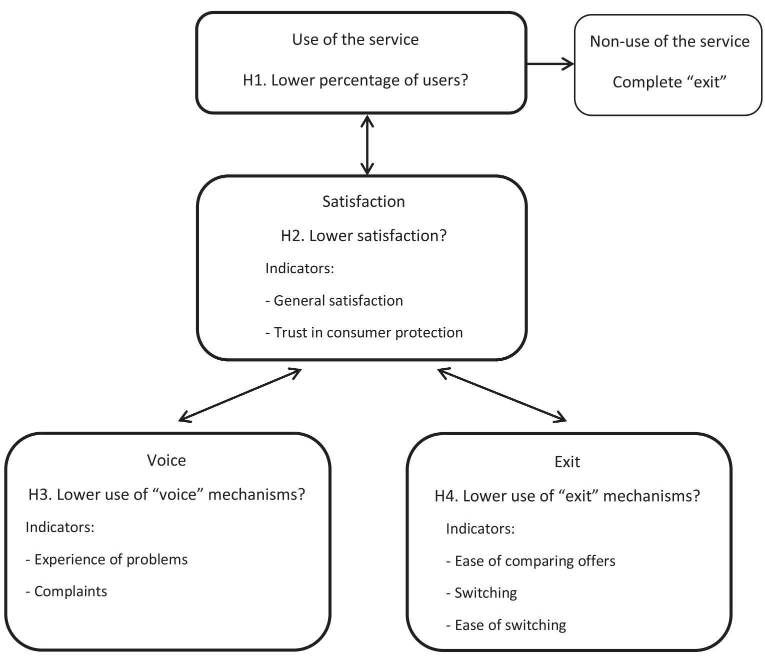

Figure 1. “Exit-voice-loyalty” framework, adapted to analyse interaction with services for a group of potentially vulnerable consumers.

We use two different models in our econometric estimations, depending on the definition of the dependent variables. For those dependent variables measured on a scale from 0 to 10 (“satisfaction”, “trust”, “ease of comparing” and “ease of switching”), considering Van Praag’s (2004) discussion on methodological approaches for analysing financial satisfaction, we carry out Ordinary Least Squares (OLS) estimations of the form:

$$y_i = f(\mathrm{Ed}_i,\ \mathrm{Age}_i,\ x_i)$$

where y_i = value of the dependent variable in question for the individual i; Ed_i = educational attainment of individual i; Age_i = age of individual i; x_i = vector of control variables for the individual i (gender, employment status and country of residence).

For those dependent variables defined as binary variables (“problems”, “complaints” and “switching”), also following Van Praag (2004), we estimate probit models, commonly used for modelling binary variables in analyses of utility markets (see Fiorio and Florio 2011; Clifton, Díaz-Fuentes, and Fernández-Gutiérrez 2014 and Jilke 2015). Assuming the dependent variables are distributed as a standard normal (Φ), we carry out probit estimations of the form:

$$\Pr(y_i = 1) = \Phi(\mathrm{Ed}_i,\ \mathrm{Age}_i,\ x_i)$$

All the estimations are clustered at the country level, enabling correction for within-country correlations of the error term. Additionally, the estimations incorporate sampling weights, yielding results which are representative at the EU-27 level.

4. Results

4.1. Descriptive analysis

Table 1 describes, for each of the four financial services, the distribution of the samples of users according to their educational attainment and age. As a reference, we take the average distribution of users among utility services included in the MMS (electricity, gas, water, postal services, fixed and mobile telephone, internet, urban transport, train and air transport), as representative of services whose use is broad. If the percentage of users of a financial service from a particular socio-economic group is lower than in the average of utilities, we take this as a sign of low use of the service for that group.

Table 1. Composition of the sample of users (%), by market.

	Basic Educ.	Second. Educ.	Higher Educ.	Age <35	Age 35–49	Age 50–64	Age >64
Bank accounts	20.40***	33.64	45.96	24.40	34.45***	28.32***	12.83***
Investment products	14.58***	32.21**	53.21***	20.65***	39.43***	28.96*	10.95***
Mortgages	14.30***	29.87***	55.83***	20.10***	47.72***	26.66***	5.52***
Loans and credit	16.96***	33.20	49.84***	23.74	37.72***	28.96*	9.58***
Utilities (average)	21.49	33.23	45.27	23.98	31.15	29.68	15.19

Note: Asterisks indicate statistically significant differences with respect to the average of utilities, at the following levels: *10%; **5%; ***1%.
Source: Computed by authors based on EC (2011).

On average, 21.5% of users of utilities have a basic educational attainment. In comparison to that, for bank accounts, the percentage of users with a basic educational attainment is lower (20.4%). Even greater differences with respect to the average of utilities are observed for the other services: investment products, where those with basic education constitute 14.6% of users; mortgages, where they are 14.3%; and loans and credit, where they are 17%. So, in comparison to utilities, consumers with a basic educational attainment are notably under-represented in markets of investment products, mortgages, loans and credit and, to a lesser extent, in that of bank accounts.

As regards age, 15.2% of users of utilities are over 64. In comparison to that average of utilities, for bank accounts the percentage of users over 64 is lower (12.8%). This is also observed, with even greater differences, for the rest of financial services: investment products (11%); mortgages (5.5%); and loans and credit (9.6%). In comparison to utilities, elderly consumers are under-represented in all the markets of financial services under analysis. The smallest difference is found in bank accounts and the largest in mortgages.

In terms of the "exit-voice-loyalty" framework, the option of a complete "exit" is being taken by a much higher proportion of those vulnerable groups under analysis (those with basic education and the elderly) in markets of financial services than in the average of utilities. This could be explained because their need or demand for the financial service in question is voluntarily lower, or because they face barriers which hinder service use. Due to the lack of information on non-users, insight on why this is the case has to be inferred from what is happening among those using the services.

Table 2 shows the average value of each dependent variable for each financial service market. The highest average scores for satisfaction and trust in consumer protection are found in loans and credit (7.18 and 6.25, respectively) and bank account markets (7.04 and 6.26, respectively), whilst the lowest average scores appear in investment products (6.40 and 6.04, respectively) and mortgage markets (6.55 and 6.01, respectively). "Voice" is particularly strong in the bank account market: 16.5% of those using the service state having experienced a problem and 13.7% complained (82.7% of those having experienced a problem). In the other markets, the percentage of those voicing a problem, and the proportion who actually complained, are lower. As regards "exit", average ease of comparing offers is particularly low in investment products (5.96) and mortgages (6.26), whilst in this latter case, average ease of switching is also particularly low (5.81). The highest percentage of switchers is observed in investment products (18.5%), whilst it is lower in bank accounts (14.4%), loans and credit (12.9%) and mortgages (12.5%).

Table 2 also shows the average value of the dependent variables for each educational and age group, in comparison with the total average of each market. As observed, when using the services, less-educated consumers express lower scores than the average in nearly all the items and services under analysis. They are less satisfied and exhibit less trust in consumer protection than the average in all four markets. These consumers also experience more problems than the average, and find it more difficult to compare offers and switch than the average, in all four markets. On the contrary, among consumers over 64, poorer scores than the average are concentrated only in some dependent variables and markets. Satisfaction and trust in consumer protection among the elderly consumers is lower than the average for investment products, a market where they experienced more problems than the average. Also, their trust in consumer protection is lower than the average for mortgages. Consumers over 64 exhibit greater difficulties as regards switching than the average in bank accounts and investment products markets, and they switch less than the average in all four markets except that of investment products.

Table 2. Average value of dependent variables, by market and socio-economic characteristics.

Bank accounts	TOTAL	Basic educ.	Second. educ.	Higher educ.	Age <35	Age 35–49	Age 50–64	Age >64
Satisfaction (0–10)	7.04	6.78***	7.20***	7.04	7.26***	7.03	6.90***	6.98
Trust consumer prot. (0–10)	6.26	5.92***	6.39***	6.33**	6.64***	6.17**	5.99***	6.43**
Problems (%)	16.50%	20.43%***	14.85%***	15.97%	15.74%	17.92%**	16.92%	13.23%***
Complaints (%)	13.65%	16.49%***	12.05%***	13.55%	12.32%**	15.60%***	14.30%	9.46%***
Ease of comparing (0–10)	6.60	6.36***	6.73***	6.61	6.75***	6.61	6.49***	6.53
Switching (%)	14.39%	12.91%**	14.11%	15.25%*	17.01%***	15.43%*	13.33%*	8.98%***
Ease of switching (0–10)	6.95	6.71***	7.04**	7.00*	7.16***	7.03**	6.88*	6.53***
Investment products								
Satisfaction (0–10)	6.40	6.04***	6.51***	6.43	6.63***	6.48**	6.20***	6.15***
Trust consumer prot. (0–10)	6.04	5.91**	6.02	6.08	6.22***	6.10*	5.89***	5.83***
Problems (%)	13.94%	17.13%***	13.84%	13.12%**	12.50%**	12.92%**	15.18%**	17.01%***
Complaints (%)	9.68%	10.80%	10.02%	9.17%	7.87%***	9.44%	10.29%	12.36%***
Ease of comparing (0–10)	5.96	5.82**	6.02	5.96	6.05*	6.04**	5.83***	5.90
Switching (%)	18.49%	17.19%	18.75%	18.69%	17.09%*	19.17%	18.30%	19.20%
Ease of switching (0–10)	6.50	6.27***	6.55	6.53	6.52	6.60***	6.50	6.09***
Mortgages								
Satisfaction (0–10)	6.55	6.08***	6.40***	6.74***	6.34***	6.61*	6.61	6.44
Trust consumer prot. (0–10)	6.01	5.14***	5.76***	6.36***	5.79***	6.15***	5.96	5.74***
Problems (%)	12.89%	15.57%***	12.87%	12.22%*	17.28%***	12.29%	11.06%***	11.02%
Complaints (%)	9.15%	11.13%***	8.69%	8.88%	11.66%***	9.33%	7.17%***	7.96%
Ease of comparing (0–10)	6.26	5.70***	6.07***	6.50***	6.01***	6.36***	6.27	6.19
Switching (%)	12.47%	10.27%***	12.77%	12.87%	11.20%**	13.59%**	12.05%	9.46%***
Ease of switching (0–10)	5.81	5.29***	5.65***	6.03***	5.41***	5.97***	5.87	5.65

(*Continued*)

Table 2. (*Continued*).

	TOTAL	Basic educ.	Second. educ.	Higher educ.	Age <35	Age 35–49	Age 50–64	Age >64
Loans and credits								
Satisfaction (0–10)	7.18	6.85***	7.13	7.33***	7.11	7.09***	7.31***	7.35***
Trust consumer prot. (0–10)	6.25	5.82***	6.06***	6.52***	6.30	6.11***	6.34**	6.39*
Problems (%)	13.42%	15.45%***	14.05%	12.30%***	15.90%***	14.71%**	11.82%***	7.00%***
Complaints (%)	10.04%	12.20%***	9.73%	9.51%	11.32%**	11.30%***	8.93%**	5.29%***
Ease of comparing (0–10)	6.64	6.42***	6.54**	6.78***	6.60	6.59	6.73*	6.69
Switching (%)	12.85%	12.35%	12.09%	13.54%	13.75%	14.45%***	12.27%*	6.14%***
Ease of switching (0–10)	6.63	6.42***	6.52***	6.78***	6.49***	6.62	6.73**	6.74

Note: Asterisks indicate statistically significant differences with respect to the total average in each market, at the following levels: *10%; **5%; ***1%.
Source: Computed by authors based on EC (2011).

Table 3. Semi-elasticities obtained for bank accounts.

	Variable	Satisfaction	Trust	Problems (%)	Complaints (%)	Ease of comparing	Switching (%)	Ease of switching
Sex	Woman	0.039***	0.057***	−0.269***	0.015	0.020	−0.166**	0.007
		(0.012)	(0.015)	(0.086)	(0.039)	(0.012)	(0.066)	(0.014)
	Man							
Employment	Nonempl	0.011	0.020*	−0.129*	−0.069***	0.012	−0.264**	−0.003
		(0.008)	(0.011)	(0.075)	(0.025)	(0.012)	(0.111)	(0.013)
	Employed							
Education	Basiced	−0.002	−0.001	0.112	−0.088	0.003	−0.067	−0.011
		(0.045)	(0.048)	(0.206)	(0.054)	(0.046)	(0.101)	(0.049)
	Seconded	0.025***	0.022	−0.052	−0.030	0.023*	−0.022	0.008
		(0.008)	(0.015)	(0.084)	(0.027)	(0.013)	(0.110)	(0.008)
	Highed							
Age	Age <35							
	Age 35–49	−0.023*	−0.057***	0.113	0.034	−0.002	−0.099	0.005
		(0.012)	(0.016)	(0.102)	(0.023)	(0.008)	(0.160)	(0.013)
	Age 50–64	−0.051***	−0.098***	0.080	0.036	−0.025	−0.171	−0.023
		(0.013)	(0.017)	(0.130)	(0.037)	(0.022)	(0.228)	(0.023)
	Age >64	−0.046***	−0.042	−0.123	−0.091	−0.022	−0.332*	−0.062**
		(0.011)	(0.029)	(0.256)	(0.075)	(0.027)	(0.177)	(0.027)
Country variables		Yes	Yes	Yes	Yes	Yes	Yes	Yes
	N	12,831	12,831	12,831	1,896	12,831	12,831	12,831

Notes: Statistical significance at: *10%; **5%; ***1%. Robust standard errors in parenthesis. Semi-elasticities are obtained from OLS estimations (those on satisfaction, trust, ease of comparing and ease of switching) and from probit estimations (those on problems, complaints and switching).
Source: Computed by authors based on EC (2011).

Table 4. Semi-elasticities obtained for investment products.

	Variable	Satisfaction	Trust	Problems (%)	Complaints (%)	Ease of comparing	Switching (%)	Ease of switching
Sex	Woman	0.013	0.033***	−0.211***	−0.029	−0.002	−0.212***	−0.039***
		(0.012)	(0.010)	(0.067)	(0.048)	(0.012)	(0.064)	(0.011)
	Man							
Employment	Nonempl	−0.005	0.006	0.081	−0.063	0.016	−0.036	0.008
		(0.011)	(0.010)	(0.137)	(0.092)	(0.017)	(0.082)	(0.016)
	Employed							
Education	Basiced	−0.038	−0.010	0.280	−0.127*	−0.008	−0.160	−0.025
		(0.036)	(0.038)	(0.256)	(0.069)	(0.048)	(0.102)	(0.035)
	Seconded	0.022*	0.000	0.055	0.052	0.017	−0.002	0.009
		(0.013)	(0.015)	(0.092)	(0.039)	(0.016)	(0.079)	(0.015)
	Highed							
Age	Age <35							
	Age 35–49	−0.026*	−0.022**	0.118	0.069	0.008	0.122**	0.022**
		(0.013)	(0.009)	(0.107)	(0.077)	(0.014)	(0.056)	(0.011)
	Age 50–64	−0.066***	−0.059***	0.247**	0.021	−0.021	0.086	0.014
		(0.016)	(0.012)	(0.115)	(0.075)	(0.018)	(0.081)	(0.019)
	Age >64	−0.069**	−0.074**	0.345**	0.142	−0.006	0.158	−0.048
		(0.027)	(0.035)	(0.146)	(0.109)	(0.038)	(0.150)	(0.031)
Country variables		Yes	Yes	Yes	Yes	Yes	Yes	Yes
	N	12,783	12,783	12,783	1,911	12,783	12,783	12,783

Notes: Statistical significance at: *10%; **5%; ***1%. Robust standard errors in parenthesis. Semi-elasticities are obtained from OLS estimations (those on satisfaction, trust, ease of comparing and ease of switching) and from probit estimations (those on problems, complaints and switching).
Source: Computed by authors based on EC (2011).

Table 5. Semi-elasticities obtained for mortgages.

	Variable	Satisfaction	Trust	Problems (%)	Complaints (%)	Ease of comparing	Switching (%)	Ease of switching
Sex	Woman	0.011	0.043**	−0.240***	0.049	−0.031	−0.136*	−0.028
		(0.010)	(0.015)	(0.042)	(0.055)	(0.019)	(0.071)	(0.022)
	Man							
Employment	Nonempl	−0.011	−0.012	0.134	0.043	−0.024	−0.377***	−0.007
		(0.010)	(0.020)	(0.113)	(0.057)	(0.017)	(0.106)	(0.009)
	Employed							
Education	Basiced	−0.021	−0.082***	−0.030	−0.166***	−0.054***	−0.255*	−0.015
		(0.014)	(0.015)	(0.102)	(0.026)	(0.016)	(0.145)	(0.028)
	Seconded	−0.024*	−0.050	−0.090*	−0.088**	−0.037	0.022	−0.019
		(0.012)	(0.022)	(0.047)	(0.045)	(0.023)	(0.105)	(0.023)
	Highed							
Age	Age <35							
	Age 35–49	−0.002	0.030	−0.230*	0.071	0.032**	0.213*	0.056***
		(0.018)	(0.020)	(0.134)	(0.051)	(0.016)	(0.112)	(0.017)
	Age 50–64	−0.001	−0.004	−0.338***	−0.094	0.021	0.115	0.043
		(0.016)	(0.027)	(0.102)	(0.067)	(0.015)	(0.143)	(0.026)
	Age >64	−0.019	−0.028	−0.350*	−0.017	0.026	0.011	0.005
		(0.041)	(0.042)	(0.181)	(0.132)	(0.027)	(0.133)	(0.055)
Country variables		Yes	Yes	Yes	Yes	Yes	Yes	Yes
	N	12,784	12,784	12,784	1,682	12,784	12,784	12,784

Notes: Statistical significance at: *10%; **5%; ***1%. Robust standard errors in parenthesis. Semi-elasticities are obtained from OLS estimations (those on satisfaction, trust, ease of comparing and ease of switching) and from probit estimations (those on problems, complaints and switching).
Source: Computed by authors based on EC (2011).

Table 6. Semi-elasticities obtained for loans and credit.

	Variable	Satisfaction	Trust	Problems (%)	Complaints (%)	Ease of comparing	Switching (%)	Ease of switching
Sex	Woman	0.004	0.036**	−0.212***	−0.097**	0.006	−0.204*	−0.025*
		(0.010)	(0.016)	(0.050)	(0.039)	(0.013)	(0.105)	(0.013)
	Man							
Employment	Nonempl	0.037***	0.048***	−0.064	−0.029	0.036**	−0.426***	0.034*
		(0.011)	(0.013)	(0.070)	(0.032)	(0.014)	(0.108)	(0.018)
	Employed							
Education	Basiced	−0.049**	−0.061	−0.066	−0.041	−0.024	−0.011	−0.033
		(0.020)	(0.038)	(0.129)	(0.050)	(0.037)	(0.106)	(0.024)
	Seconded	−0.019	−0.055	0.027	−0.095	−0.026	−0.065	−0.029
		(0.014)	(0.034)	(0.066)	(0.069)	(0.033)	(0.096)	(0.019)
	Highed							
Age	Age <35							
	Age 35–49	−0.002	−0.027**	−0.019	0.056	0.007	0.039	0.024
		(0.010)	(0.013)	(0.080)	(0.046)	(0.012)	(0.121)	(0.016)
	Age 50–64	0.020	−0.001	−0.238***	0.028	0.021	−0.059	0.039
		(0.015)	(0.017)	(0.089)	(0.070)	(0.018)	(0.108)	(0.025)
	Age >64	0.022	−0.000	−0.836***	0.044	0.007	−0.489**	0.041
		(0.032)	(0.036)	(0.264)	(0.090)	(0.039)	(0.200)	(0.035)
Country variables		Yes	Yes	Yes	Yes	Yes	Yes	Yes
	N	12,843	12,843	12,843	1,695	12,843	12,843	12,843

Notes: Statistical significance at: *10%; **5%; ***1%. Robust standard errors in parenthesis. Semi-elasticities are obtained from OLS estimations (those on satisfaction, trust, ease of comparing and ease of switching) and from probit estimations (those on problems, complaints and switching).
Source: Computed by authors based on EC (2011).

4.2. Econometric analysis

Tables 3–6 show the semi-elasticities, which reflect the expected percentage change in each dependent variable associated with each independent variable, for the sample of users of each service. The semi-elasticities are obtained from the estimations carried out on the dependent variables: OLS estimations for those defined between 0 and 10, and probit estimations for those defined as binary variables, as specified in the methodology section. Unlike the coefficients of these estimations, the semi-elasticities indicate the effects on all the dependent variables (both the continuous and the binary) in the same scale (the expected percentage change). All the coefficients from which these semi-elasticities are derived are included in the Annex 1.

For bank accounts, consumers with a basic educational attainment do not exhibit significant differences in indicators on satisfaction with respect to those with higher education, nor for those on "voice" and "exit". In contrast, consumers over 64 are less satisfied in this market (−4.6%) than the youngest group. The elderly find it more difficult to switch (−6.2%), and switch less (−33.2%). As regards the variables related to "voice", no significant differences are detected.

For investment products, differences in indicators on satisfaction associated with educational attainment are not statistically significant. The same is observed for variables on "voice" and "exit", except that when a consumer has experienced a problem, consumers with a basic educational attainment are less prone to complain (−12.7%). For investment products, elderly consumers are also less satisfied than the group of reference (−6.9%), and their trust in consumer protection is lower (−7.4%). Consumers over 64 have experienced far more problems in this market than those below 35 (+34.5%), whilst significant differences are not observed as regards "exit".

For mortgages, consumers with a basic educational attainment are less satisfied than those with higher education, considering the indicator on trust in consumer protection (−8.2%). As regards "voice", these consumers are less prone to complain after experiencing a problem (−16.6%). Regarding "exit", they find it more difficult to compare offers (−5.4%), and switch less (−25.5%). In contrast, there are no significant differences between consumers over 64 and younger consumers, and even consumers over 64 have experienced less problems in this market (−35%).

For loans and credit, consumers with basic education are less satisfied than those with higher education (−4.9%). Nevertheless, this is not associated with differences in any of the other dimensions on "voice" and "exit" under analysis, which would seem to indicate that some other type of difficulties might exist. As regards the elderly, there are no significant differences in satisfaction with respect to younger consumers. In fact, consumers over 64 are less prone to experience problems in this market (−83.6%), and thus their lower propensity to switch (−48.9%) should not be interpreted as a negative signal.

In sum, a basic educational attainment is not systematically associated with lower scores for all the variables and markets under analysis, as could be inferred from the average scores. Nevertheless, basic education is associated with difficulties that are concentrated in mortgages: consumers with basic education are less satisfied with consumer protection, and they exhibit greater difficulties regarding "voice" and "exit". Additionally, consumers with a basic educational attainment are less satisfied with the loans and credit market, although, in this case, this difference cannot be explained by difficulties associated with the variables for "voice" and "exit" under analysis.

As for the elderly, their difficulties are particularly concentrated in investment products. Consumers over 64 are less satisfied and have less trust in consumer protection in this market. They experience problems far more frequently with investment products, but they do not rely more on “exit” mechanisms. The elderly exhibit particular difficulties in bank accounts, reflected in low satisfaction rates and difficulties to “exit” (switch).

5. Conclusions

The crisis revealed the urgent need to improve financial regulation. Demands to improve consumer protection in financial markets have increased, particularly as regards consumers in disadvantaged positions, with a view to improve consumer trust and confidence. This paper provides new evidence on vulnerable consumers’ experiences in four EU financial markets. In particular, it pinpoints which groups and financial services are associated with specific difficulties, and where in particular these difficulties arise. We focus on two socio-economic characteristics representative of potential vulnerability: less educated and elderly consumers.

We find that the less educated and the elderly use most of the financial services under analysis less than consumers with more education and younger consumers. Whilst the gap affecting these groups is generally small as regards the use of bank accounts, those affecting the other financial services (investment products, mortgages and loans and credit) are rather large.

Focusing only on the sample of users of each service, we find that the less educated are less satisfied with mortgages, and loans and credit services. The elderly are less satisfied with investment products and bank accounts. We interpret these lower scores as a result of the difficulties experienced by these groups when using these services, which may contribute to explaining the higher rates of exclusion of many consumers with similar characteristics from using these services. In contrast, the lower use of other financial services among groups of potentially vulnerable consumers (such as mortgages by the elderly, or investment products by the less-educated) may be due to a voluntarily lower demand, or to other barriers affecting the use of the services.

Less educated mortgage consumers are less prone to complain after experiencing a problem, whilst elderly consumers of investment products are more likely to have experienced a problem. Less-educated mortgage consumers also exhibit greater difficulties as regards comparing offers and lower switching rates, whilst the elderly exhibit more difficulties in switching and lower switching rates in bank accounts, and no higher use of switching mechanisms in investment products (even when having experienced more problems). These difficulties for exercising “voice” and/or “exit” mechanisms contribute to accounting for most of the circumstances where groups of vulnerable consumers are less satisfied when using financial services.

This analysis reflects the importance of providing new evidence from the consumer perspective in order to understand the experiences of consumers at disadvantaged positions in financial markets. The difficulties of some groups of vulnerable consumers in exercising “voice” and “exit” mechanisms may feed their dissatisfaction when using some financial services, and even lead to their financial exclusion. This appears to be the case of the less-educated with mortgages, and the elderly with investment products and bank account services. A better understanding of the difficulties experienced by groups of vulnerable consumers in financial services is important when rethinking the design of regulation, and identifying where bottom-up regulation may be required.

Further research is needed to shed new light on what is happening to those who do not use these services, and why, as well as the consequences of this financial exclusion for social exclusion. This research also opens the door to further research on other socio-economic characteristics (ethnicity, employment or disabilities) which may be associated with vulnerability in financial markets. The small number of variables on consumer characteristics provided by MMS survey limits this analysis. Further research on consumer vulnerability in financial services requires more complete sources of information, which incorporates information on both the users and the non-users, and a wider range of consumer characteristics. A consumer perspective to inform policy and regulation of the financial sector is an emerging and much-needed research line if consumer trust is to be restored in the financial sector and make it work better for all.

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Annex 1. Coefficients obtained from OLS estimations

Bank accounts	Variable	Satisfaction	Trust	Ease of comparing	Ease of switching
	Constant	7.473***	7.064***	7.117***	7.468***
		(0.101)	(0.130)	(0.144)	(0.146)
Sex	Woman	0.270***	0.349***	0.134	0.051
		(0.086)	(0.091)	(0.081)	(0.094)
	Man				
Employment	Nonempl	0.074	0.126*	0.079	−0.020
		(0.054)	(0.066)	(0.079)	(0.087)
	Employed				
Education	Basiced	−0.016	−0.005	0.016	−0.075
		(0.313)	(0.294)	(0.302)	(0.335)
	Seconded	0.177***	0.137	0.150*	0.057
		(0.053)	(0.094)	(0.085)	(0.057)
	Highed				
Age	Age <35				
	Age 35–49	−0.160*	−0.353***	−0.013	0.032
		(0.082)	(0.101)	(0.053)	(0.088)
	Age 50–64	−0.359***	−0.603***	−0.166	−0.161
		(0.092)	(0.105)	(0.148)	(0.158)
	Age > 64	−0.322***	−0.257	−0.146	−0.430**
		(0.076)	(0.177)	(0.178)	(0.188)
Country variables		Yes	Yes	Yes	Yes
	N	12,831	12,831	12,831	12,831
Investment products					
	Constant	6.749***	6.480***	6.063***	6.668***
		(0.086)	(0.083)	(0.130)	(0.104)
Sex	Woman	0.084	0.195***	−0.013	−0.252***
		(0.076)	(0.061)	(0.071)	(0.069)
	Man				
Employment	Nonempl	−0.031	0.037	0.095	0.049
		(0.073)	(0.058)	(0.102)	(0.102)
	Employed				
Education	Basiced	−0.244	−0.060	−0.045	−0.162
		(0.227)	(0.230)	(0.285)	(0.228)
	Seconded	0.142*	0.000	0.100	0.060
		(0.083)	(0.090)	(0.095)	(0.094)
	Highed				
Age	Age <35				
	Age 35–49	−0.163*	−0.129**	0.045	0.143**
		(0.082)	(0.054)	(0.081)	(0.069)
	Age 50–64	−0.420***	−0.355***	−0.121	0.088
		(0.102)	(0.070)	(0.105)	(0.125)
	Age >64	−0.436**	−0.442**	−0.035	−0.311
		(0.169)	(0.208)	(0.225)	(0.198)
Country variables		Yes	Yes	Yes	Yes
	N	12,783	12,783	12,783	12,783
Mortgages					
	Constant	7.687***	7.220***	7.229***	6.963***
		(0.118)	(0.110)	(0.105)	(0.127)
Sex	Woman	0.071	0.244**	−0.190	−0.157
		(0.067)	(0.088)	(0.115)	(0.122)

(*Continued*)

(*Continued*).

	Variable	Satisfaction	Trust	Ease of comparing	Ease of switching
	Man				
Employment	Nonempl	−0.068	−0.069	−0.149	−0.041
		(0.063)	(0.112)	(0.101)	(0.050)
	Employed				
Education	Basiced	−0.135	−0.467***	−0.330***	−0.087
		(0.089)	(0.084)	(0.101)	(0.156)
	Seconded	−0.156*	−0.288	−0.226	−0.105
		(0.076)	(0.128)	(0.144)	(0.128)
	Highed				
Age	Age <35				
	Age 35–49	−0.013	0.169	0.197**	0.316***
		(0.117)	(0.112)	(0.095)	(0.097)
	Age 50–64	−0.010	−0.022	0.129	0.243
		(0.105)	(0.152)	(0.093)	(0.147)
	Age >64	−0.122	−0.158	0.157	0.028
		(0.263)	(0.240)	(0.163)	(0.311)
Country variables		Yes	Yes	Yes	Yes
	N	12,784	12,784	12,784	12,784
Loans and credit					
	Constant	7.547***	6.895***	6.855***	7.125***
		(0.102)	(0.124)	(0.157)	(0.133)
Sex	Woman	0.030	0.222**	0.040	−0.162*
		(0.073)	(0.101)	(0.083)	(0.088)
	Man				
Employment	Nonempl	0.261***	0.293***	0.236**	0.227*
		(0.080)	(0.083)	(0.093)	(0.120)
	Employed				
Education	Basiced	−0.349**	−0.374	−0.160	−0.214
		(0.141)	(0.236)	(0.242)	(0.160)
	Seconded	−0.136	−0.339	−0.171	−0.190
		(0.099)	(0.209)	(0.219)	(0.126)
	Highed				
Age	Age <35				
	Age 35–49	−0.013	−0.169**	0.043	0.161
		(0.072)	(0.077)	(0.080)	(0.102)
	Age 50–64	0.141	−0.008	0.136	0.255
		(0.104)	(0.102)	(0.120)	(0.165)
	Age >64	0.155	−0.001	0.047	0.273
		(0.229)	(0.224)	(0.255)	(0.231)
Country variables		Yes	Yes	Yes	Yes
	N	12,843	12,843	12,843	12,843

Note: Statistical significance at: *10%; **5%; ***1%. Robust standard errors in parenthesis.
Source: Computed by authors based on EC (2011).

Coefficients obtained from probit estimations

Bank accounts	Variable	Problems (%)	Complaints (%)	Switching (%)
	Constant	−1.209***	0.800***	−0.933***
		(0.097)	(0.148)	(0.087)
Sex	Woman	−0.174***	0.051	−0.103**
		(0.055)	(0.130)	(0.041)
	Man			
Employment	Nonempl	−0.083*	−0.228***	−0.165**
		(0.048)	(0.081)	(0.069)
	Employed			
Education	Basiced	0.073	−0.291	−0.042
		(0.133)	(0.178)	(0.063)
	Seconded	−0.034	−0.099	−0.014
		(0.054)	(0.090)	(0.069)
	Highed			
Age	Age <35			
	Age 35–49	0.073	0.111	−0.062
		(0.066)	(0.075)	(0.100)
	Age 50–64	0.052	0.118	−0.106
		(0.084)	(0.123)	(0.142)
	Age >64	−0.079	−0.301	−0.207*
		(0.165)	(0.246)	(0.111)
Country variables		Yes	Yes	Yes
	N	12,831	1,896	12,831
Investment products				
	Constant	−1.234***	0.448***	−1.078***
		(0.089)	(0.142)	(0.042)
Sex	Woman	−0.130***	−0.057	−0.144***
		(0.041)	(0.094)	(0.043)
	Man			
Employment	Nonempl	0.050	−0.124	−0.024
		(0.085)	(0.182)	(0.056)
	Employed			
Education	Basiced	0.173	−0.249*	−0.108
		(0.158)	(0.137)	(0.069)
	Seconded	0.034	0.102	−0.001
		(0.057)	(0.078)	(0.053)
	Highed			
Age	Age <35			
	Age 35–49	0.073	0.136	0.083**
		(0.066)	(0.152)	(0.038)
	Age 50–64	0.153**	0.042	0.058
		(0.071)	(0.147)	(0.055)
	Age >64	0.213**	0.280	0.107
		(0.090)	(0.215)	(0.101)
Country variables		Yes	Yes	Yes
	N	12,783	1,911	12,783
Mortgages				
	Constant	−1.385***	0.906***	−1.138***
		(0.062)	(0.127)	(0.060)
Sex	Woman	−0.142***	0.101	−0.081*
		(0.025)	(0.113)	(0.042)

(*Continued*)

(*Continued*).

	Variable	Problems (%)	Complaints (%)	Switching (%)
	Man			
Employment	Nonempl	0.079	0.090	−0.224***
		(0.066)	(0.117)	(0.063)
	Employed			
Education	Basiced	−0.017	−0.343***	−0.151*
		(0.060)	(0.053)	(0.086)
	Seconded	−0.053*	−0.181**	0.013
		(0.028)	(0.092)	(0.062)
	Highed			
Age	Age <35			
	Age 35–49	−0.136*	0.146	0.126*
		(0.079)	(0.106)	(0.066)
	Age 50–64	−0.199***	−0.195	0.068
		(0.060)	(0.139)	(0.085)
	Age >64	−0.207*	−0.035	0.007
		(0.107)	(0.273)	(0.079)
Country variables		Yes	Yes	Yes
	N	12,784	1,682	12,784
Loans and credit				
	Constant	−1.382***	0.812***	−0.945***
		(0.049)	(0.115)	(0.074)
Sex	Woman	−0.126***	−0.229**	−0.123*
		(0.030)	(0.092)	(0.063)
	Man			
Employment	Nonempl	−0.038	−0.068	−0.256***
		(0.042)	(0.076)	(0.064)
	Employed			
Education	Basiced	−0.039	−0.097	−0.007
		(0.077)	(0.117)	(0.064)
	Seconded	0.016	−0.225	−0.039
		(0.039)	(0.163)	(0.058)
	Highed			
Age	Age < 35			
	Age35–49	−0.011	0.132	0.024
		(0.048)	(0.110)	(0.073)
	Age50–64	−0.141***	0.067	−0.0035
		(0.052)	(0.164)	(0.065)
	Age > 64	−0.495***	0.104	−0.294**
		(0.155)	(0.213)	(0.120)
Country variables		Yes	Yes	Yes
	N	12,843	1,695	12,843

Notes: Statistical significance at: *10%; **5%; ***1%. Robust standard errors in parenthesis.
Source: Computed by authors based on EC (2011).