



How Canadians and Small Business Owners Feel About Financial Services



March 2022

Methodology

Data in this report comes from two surveys:

- 1) **General Population Survey:** An online survey of a randomly-selected sample of **2,001** adult (18+) Canadians, fielded February 22nd to March 3rd, 2022.
 - Online surveys cannot be assigned a margin of error, but as a guideline, a probability sample of this size carries a margin of error of $\pm 2.2\%$, 19 times out of 20. The margin of error is larger for sub-segments.
 - The data was weighted by gender, age, and region using the most recent Census data, to ensure the sample reflects the actual population of adult Canadians.

- 2) **Small Business Owner Survey:** An online survey of a randomly-selected sample of **600** Canadian small business owners, fielded March 2nd to March 11th, 2022.
 - Online surveys cannot be assigned a margin of error, but as a guideline, a probability sample of this size carries a margin of error of $\pm 4.0\%$, 19 times out of 20. The margin of error is larger for sub-segments.
 - The data was weighted using Statistics Canada figures on small business ownership by region.



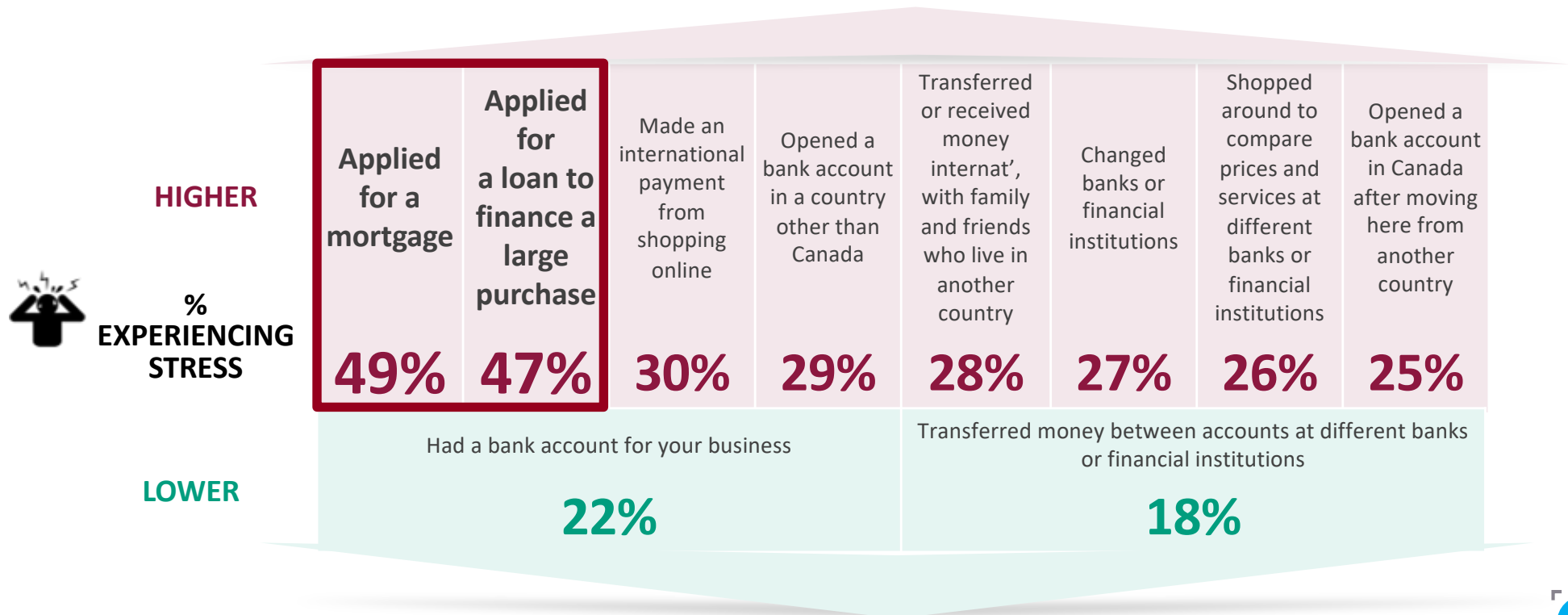
Banking Experience

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Nearly half of Canadians find mortgage and large loan applications stressful

- Women are more likely than men to be stressed by each of these activities.

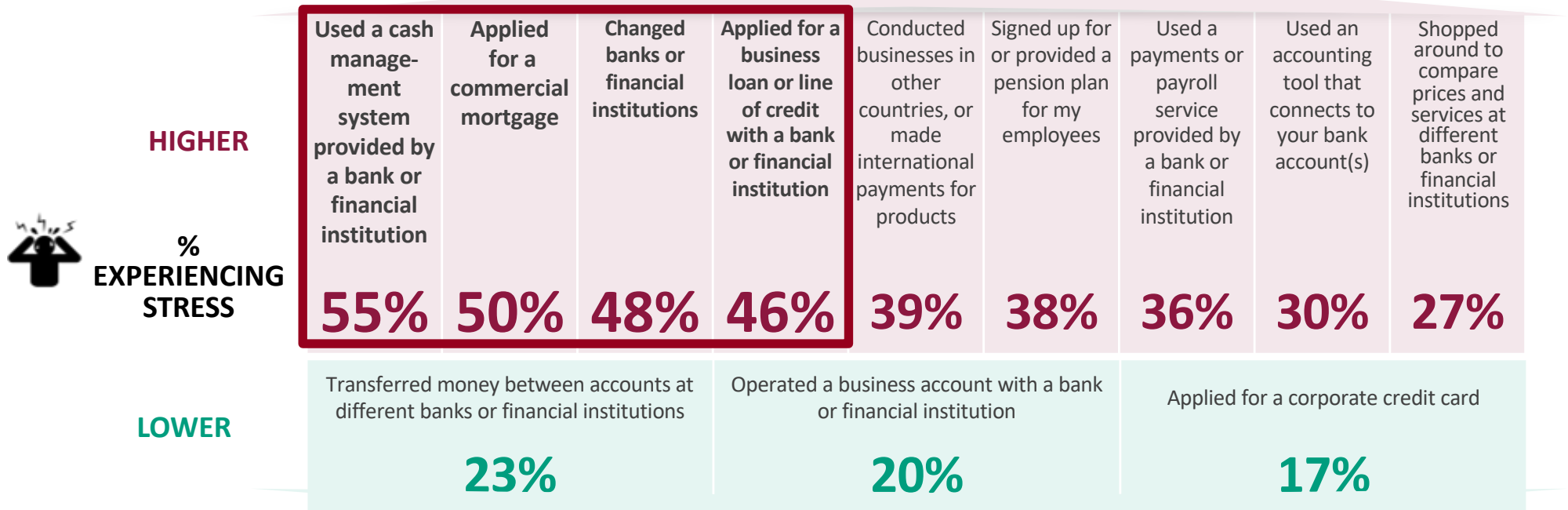
STRESS LEVEL AMONG THOSE WHO HAVE DONE THESE



QP2. And were you ever stressed when you had to do the following? Base: (GenPop survey: Those who have done each of these types of financial transactions)

Majority of small business owners who use bank-provided cash management system find this stressful

STRESS LEVEL AMONG THOSE WHO HAVE DONE THESE



QP2. And were you ever stressed when you had to do the following? Base: (Small Business survey: Those who have done each of these types of financial transactions)

Small business owners much more likely than other Canadians to find changing banks stressful

STRESS LEVEL AMONG THOSE WHO HAVE DONE THESE

GENPOP

HIGHER



% EXPERIENCING STRESS

LOWER

Used a cash management system provided by a bank or financial institution	Applied for a commercial mortgage	Changed banks or financial institutions	Applied for a business loan or line of credit with a bank or financial institution	Conducted businesses in other countries, or made international payments for products	Signed up for or provided a pension plan for my employees	Used a payments or payroll service provided by a bank or financial institution	Used an accounting tool that connects to your bank account(s)	Shopped around to compare prices and services at different banks or financial institutions
55%	49%** 50%	27% 48%	47%* 46%	39%	38%	36%	30%	26% 27%
Transferred money between accounts at different banks or financial institutions			Operated a business account with a bank or financial institution		Applied for a corporate credit card			
23% 18%			20%		17%			

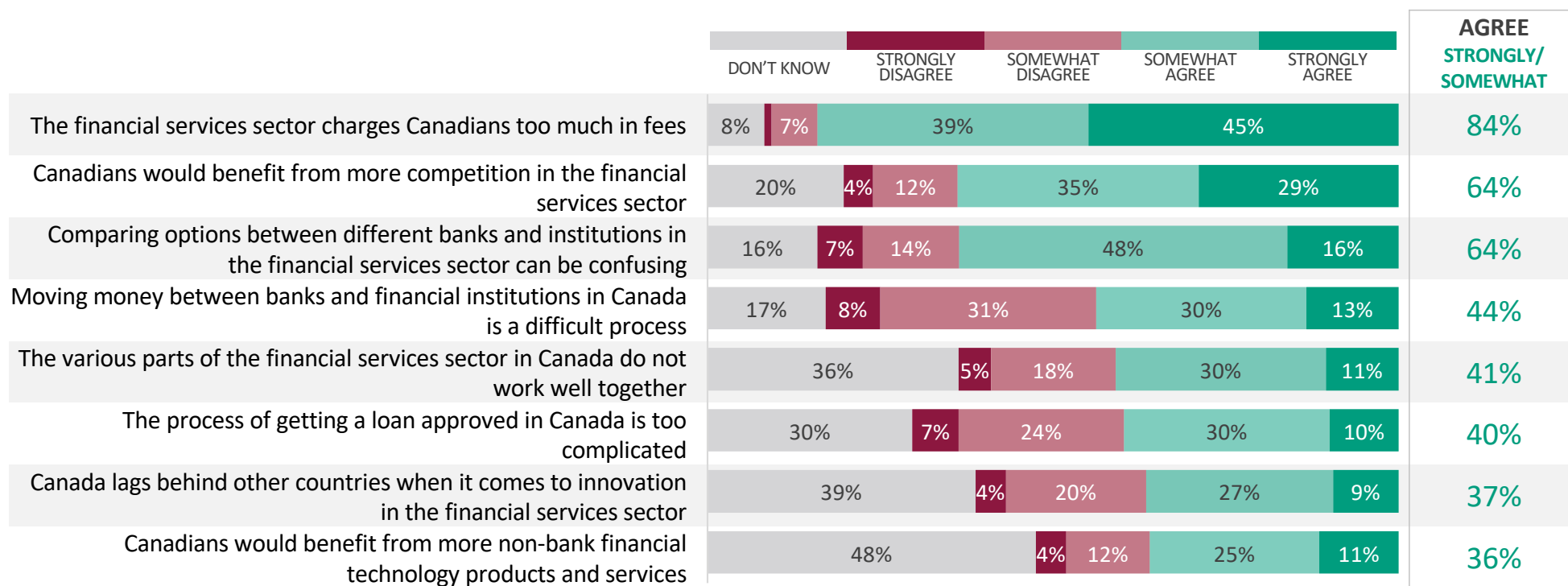
QP2. And were you ever stressed when you had to do the following? Base: (Small Business survey: Those who have done each of these types of financial transactions N=27-298) *Applied for a loan to finance a large purchase **Applied for a mortgage



Views on the Financial Services System - Canadians

Majority believe financial services sector charges too much and would benefit from competition

- Nearly two-thirds (64%) feel that comparing options between banks and financial institutions can be confusing. Those under 50 are more likely to feel this way (68%) than those 50+ (59%).

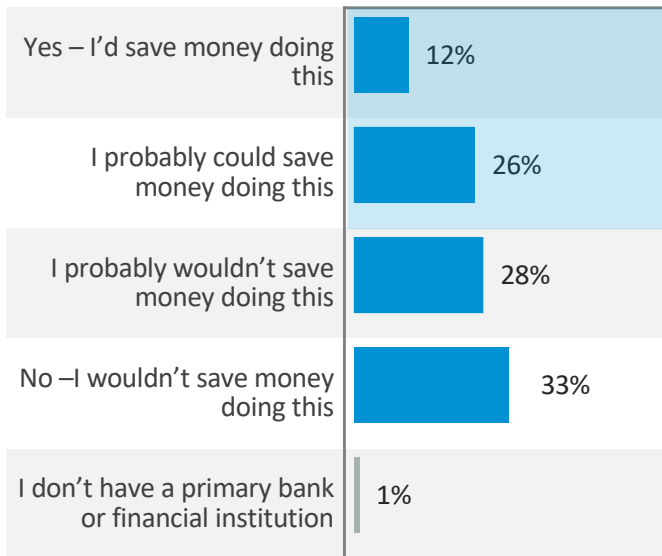


QB1. Do you agree or disagree with the following statements about the financial services sector in Canada, which includes all the ways banks, borrowers, lenders, and investors all interact.
Base: (Split Sample GenPop survey N=934-1067)

In total, 15% think they could save by switching banks but haven't because the process is too hard/complicated

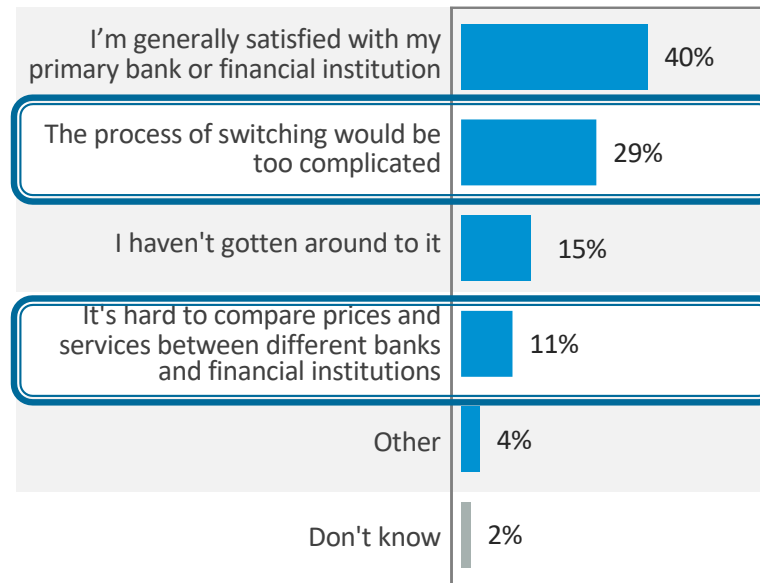
- Four-in-ten (38%) Canadians think they could save money by switching away from their primary bank or financial institution. Within this group, 29% haven't switched because the process is too complicated and 11% haven't switched because they find it too hard to compare prices and services between banks.

WHETHER COULD SAVE MONEY IF SWITCHED PRIMARY BANK / FINANCIAL INSTITUTION



38%
NET: WOULD SAVE MONEY

REASONS FOR NOT CHANGING PRIMARY BANK / FINANCIAL INSTITUTION



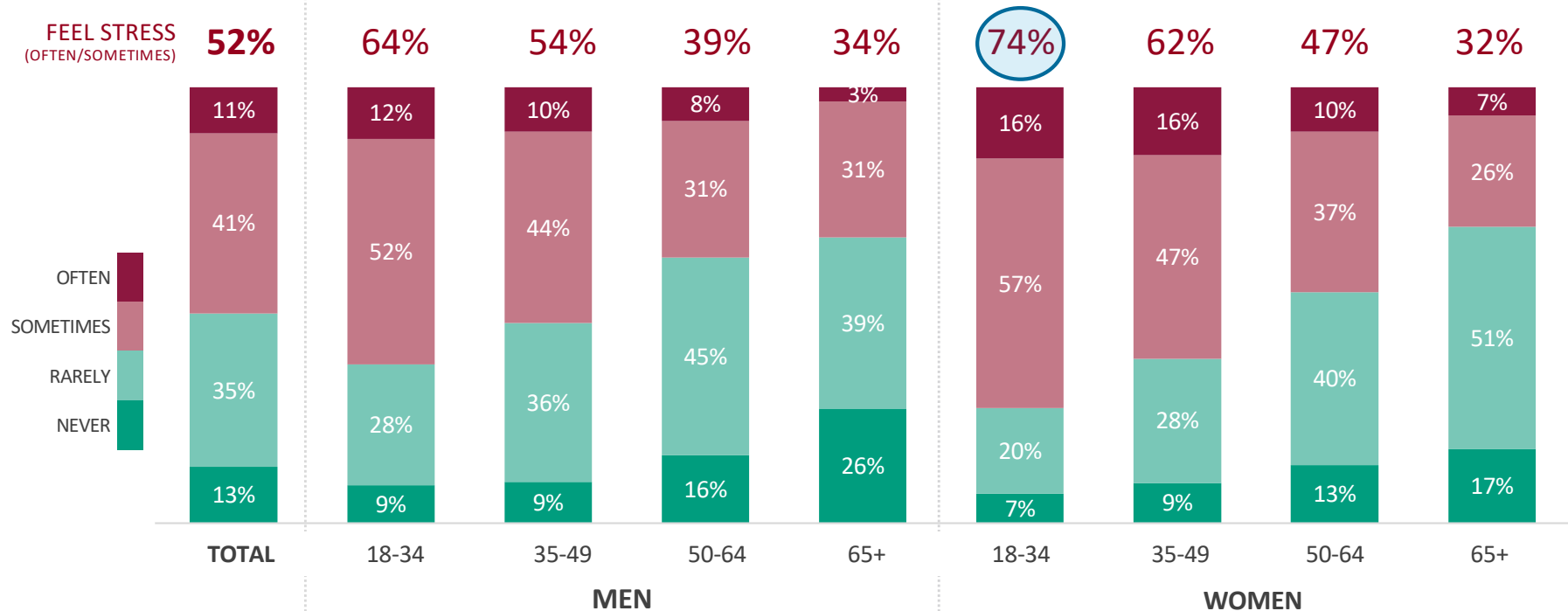
NET: 40% of those who think they could save by switching (15% of all Canadians)

QP4. Do think you could save money if you switched from your primary bank or financial institution, to a different one? Base: (GenPop survey N=2001) | QP5. What is the main reason why you haven't changed your primary bank or financial institution, if you think you could save money doing this? Base: (GenPop survey: Those who said "yes" or "probably" could save money if switched N=741)

Just over half (52%) of Canadians feel stress when interacting with financial services sector

- Younger Canadians and women are especially likely to feel stress when interacting with the financial services sector.

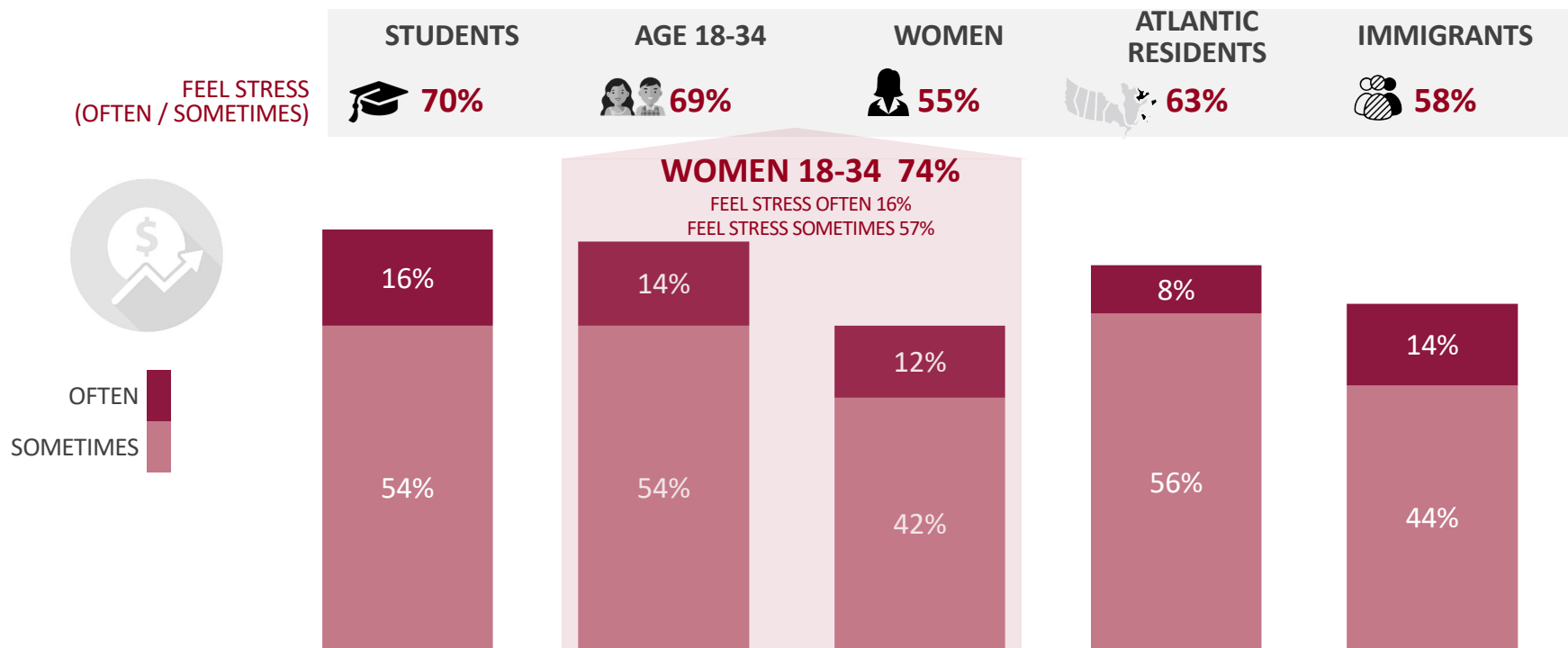
FREQUENCY OF FEELING STRESS WHEN INTERACTING WITH FINANCIAL SERVICES SECTOR IN CANADA



QB2. How often do you feel stress when interacting with the financial services sector in Canada? This could include dealing with banks, lenders, or other financial institutions. Base: (GenPop survey N=2001, Men 18-34 N=193, 35-49 N=271, 50-64 N=267, 65+ N=273, Women 18-34 N=328, 35-49 N=233, 50-64 N=244, 65+ N=183)

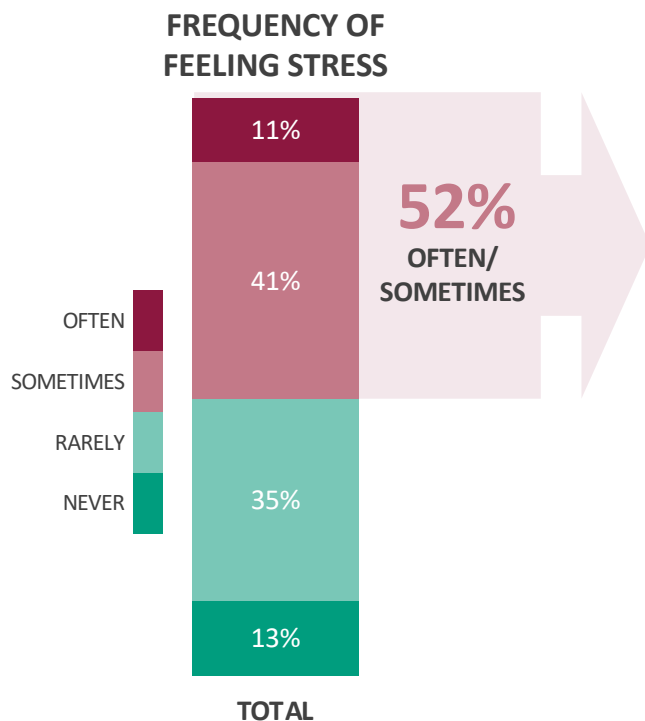
Students and immigrants also feeling especially stressed by financial services sector

FREQUENCY OF FEELING STRESS WHEN INTERACTING WITH FINANCIAL SERVICES SECTOR IN CANADA – BY SEGMENT



QB2. How often do you feel stress when interacting with the financial services sector in Canada? This could include dealing with banks, lenders, or other financial institutions. Base: (GenPop survey: Students N=148, Age 18-34 N=527, Women N=988, Women 18-34 N=328, Immigrants N=316, Atlantic Residents N=200)

Common sources of stress – *in their own words*



- **Lack of understanding about how system works**
(16% of respondents – more so: women, young people, higher income)

“I don’t have a lot of knowledge about financial things, and am embarrassed to talk to people who know about it”

“I don’t feel I’m knowledgeable enough to really know what’s going on in the conversation”

- **Poor customer service**
(9% of respondents – more so: Ontarians, people aged 35-49)

“Not being able to speak to a person without being on hold 4 hours”

“When an error is made, it takes a long time to correct it”

- **Fees**
(9% of respondents – more so: British Columbians, people aged 35-64)

“Service fees when transferring funds between different banks”

“All the hidden fees”

QB2. How often do you feel stress when interacting with the financial services sector in Canada? This could include dealing with banks, lenders, or other financial institutions. Base: (GenPop survey N=2001)

QB3. What stresses you out the most about dealing with the financial services sector, generally speaking? Base: (GenPop survey: Split sample those who said they are “often” or “sometimes” stressed N=511)



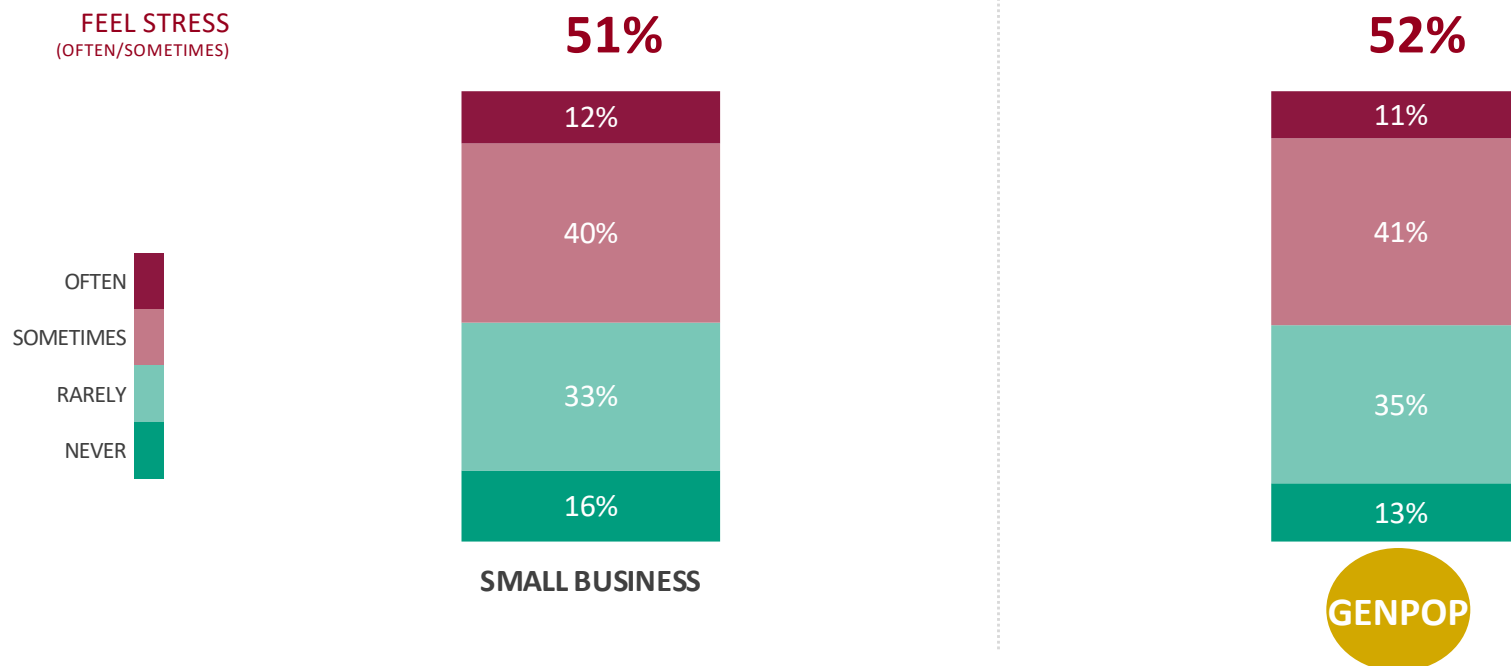
Views on the Financial Services System – Small Business Owners



Half (51%) of small business owners feel stressed when interacting with the financial services sector

- This is nearly identical to the level of stress the general population in Canada reports.

FREQUENCY OF FEELING STRESS WHEN INTERACTING WITH FINANCIAL SERVICES SECTOR IN CANADA

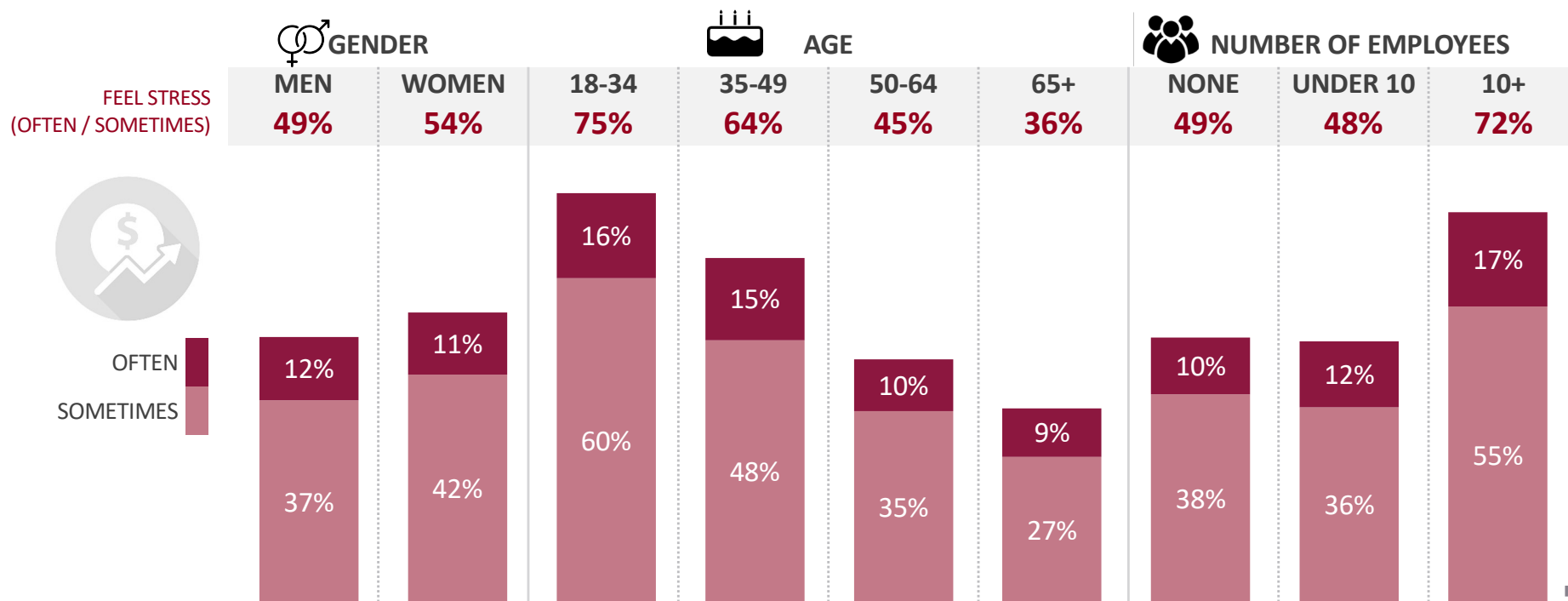


QB2. How often do you feel stress when interacting with the financial services sector in Canada on behalf of your business? This could include dealing with banks, lenders, or other financial institutions.
Base: (Total: Small Business N=600, Genpop N=2001)

Younger small business owners, and those with more employees, report largest levels of stress

- Immigrant small business owners are also more likely to feel stress (55%) when interacting with the financial services sector.

FREQUENCY OF FEELING STRESS WHEN INTERACTING WITH FINANCIAL SERVICES SECTOR IN CANADA – BY SEGMENT



QB2. How often do you feel stress when interacting with the financial services sector in Canada? This could include dealing with banks, lenders, or other financial institutions. Base: (Small Business survey: Men N=307, Women N=291, 18-34 N=65, 35-49 N=172, 50-64 N=226, 65+ N=137, No Employees N=378, Under 10 Employees N=153, 10 or More Employees N=69)

Stressful incidents – *in their own words*

MOST STRESSFUL INCIDENT PERSONALLY EXPERIENCED (OPEN-ENDED RESPONSES)

“I got an offer for line of credit from my bank but when I tried to access it, I was shot down from the branch, the hotline and I didn't know where to go”

-Ontario woman, age 50 (professional practice)

“Applying for a business loan”

“As a freelancer I have to juggle payments from multiple platforms since I contract with clients from different countries. Wires are expensive.”

- Alberta woman, age 58 (arts sector)

“Being judged”

“Requiring the three of us owners to all be in the same bank at the same time to open the account, rather than allowing for us to be in our separate cities and go to our local branch to sign documents.”

-Ontario woman, age 37 (arts sector)

“Delayed transfer times”

The business account was frozen along with line of credit. It created havoc with operations. It was very stressful to point of panic.”

- BC man, age 42 (restaurant owner)

“Bank Errors”

QB4. What is the most stressful incident you personally experienced when dealing with the financial services sector? Please be as specific as possible about the problem, and how it made you feel.
Base: (Small Business survey: those who said they are “often” or “sometimes” stressed N=304)

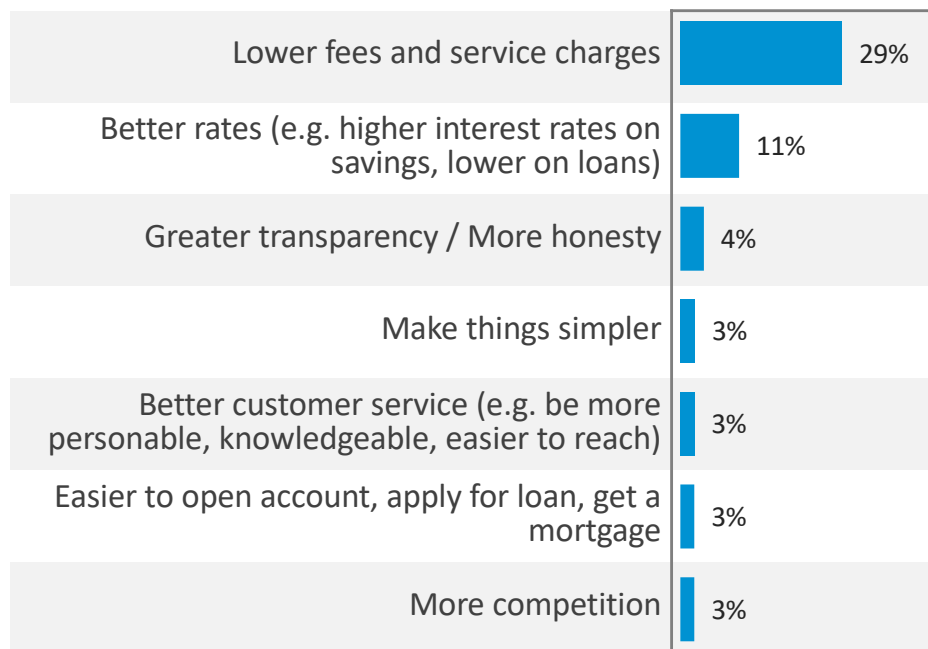


Banking Reforms

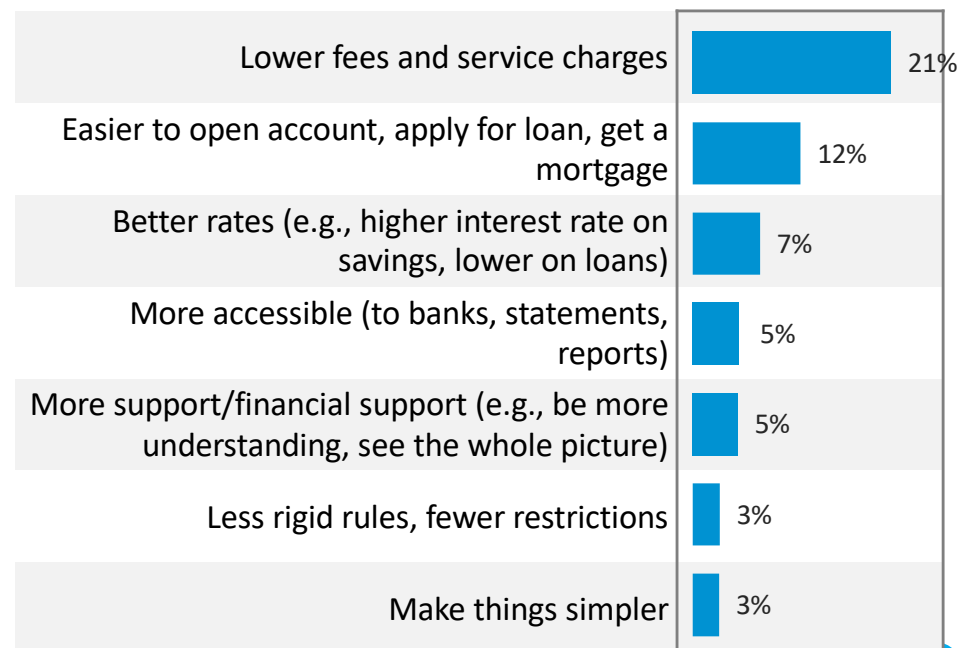
Desired changes to the financial services sector

CHANGES RESPONDENTS WOULD MAKE TO CANADA'S FINANCIAL SERVICES SECTOR (OPEN ENDED RESPONSES)

GENERAL POPULATION



SMALL BUSINESSES



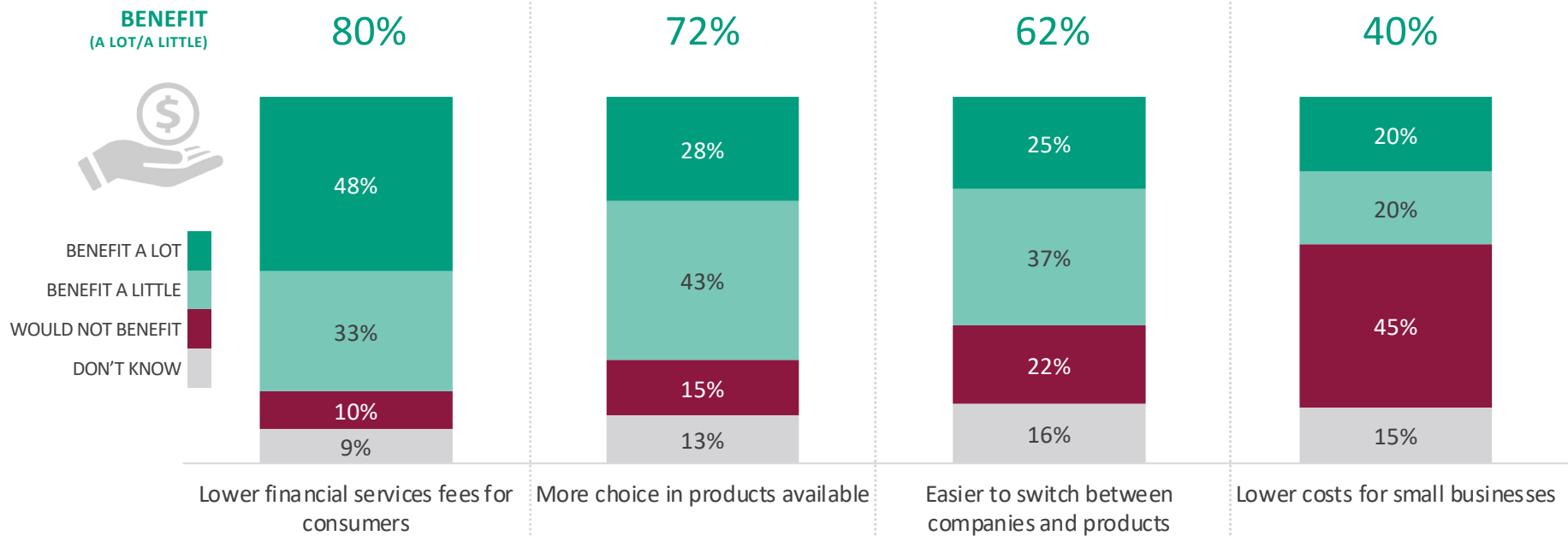
Base: (GenPop survey, Total N=2001) (Small Business survey, Total N=600)

QR4. If you could change one thing about Canada's financial services sector, what would it be? Please be as specific as possible.

Changes to financial services sector Canadians would benefit from

- The majority of lower, middle, and higher income individuals feel they would benefit from lower financial services fees, more choice in products available, and easier switching between companies and products.

PERSONAL BENEFIT OF CHANGES TO CANADA'S FINANCIAL SERVICES SECTOR



Base: (Split sample GenPop survey N=1484-1506)
 QR3. And would you personally benefit if the following happened in Canada's financial services sector?

Majority would benefit from tools that help them “shop around”, transfer money, personalize investment decisions

- Among immigrants, 56% think they would benefit from easier access to credit for New Canadians (83% among recent immigrants).
- Among those who have made international money transfers, 66% feel they would benefit from cheaper, more transparent, and quicker ways to make international payments.

PERSONAL BENEFIT FROM CHANGES TO FINANCIAL SERVICES SECTOR: GENERAL POPULATION

	GENERAL POPULATION				TOTAL	BENEFIT A LOT / A LITTLE		
	DON'T KNOW	WOULD NOT BENEFIT	BENEFIT A LITTLE	BENEFIT A LOT		INCOME		
						UNDER \$50K	\$50- \$100K	\$100K+
Easier ways to 'shop around' and ensure you get the best rate possible for chequing and savings accounts, credit cards, loans, or other financial products	12%	13%	37%	37%	75%	71%	77%	82%
Easier ways for you to transfer money quickly and securely	10%	17%	41%	32%	73%	70%	75%	75%
Tools that help you make investment decisions that are right for you	13%	18%	39%	30%	69%	64%	70%	78%
Dashboards or apps that could show you and help you manage all your accounts from different financial institutions together	14%	25%	34%	27%	61%	56%	59%	70%
New apps that pay bills when they're due, and transfer money between your accounts automatically to prevent fees for overdrafts or bounced cheques	12%	30%	33%	25%	58%	57%	62%	60%
Cheaper, more transparent, and quicker methods to make international payments, either for shopping online or for sending money to family and friends	16%	33%	28%	23%	51%	51%	53%	51%
Easier access to credit for new Canadians, by letting them share the strong creditworthiness they have built up in other countries	24%	42%	19%	15%	35%	36%	37%	33%

QR1. How much would you personally benefit from the following changes to the financial services sector: Base: (GenPop survey N=2001, Under \$50K N=570, \$50-\$100K N=672, \$100K+ N=566)

Small business owners would benefit from easier ways to “shop around” and better methods to transfer funds between accounts

- Among those who do business internationally, 78% say they would benefit from “cheaper, more transparent, and quicker methods to receive international payments”.

PERSONAL BENEFIT FROM CHANGES TO FINANCIAL SERVICES SECTOR: SMALL BUSINESSES

					TOTAL	BENEFIT A LOT / A LITTLE		
	DON'T KNOW	WOULD NOT BENEFIT	BENEFIT A LITTLE	BENEFIT A LOT		NUMBER OF EMPLOYEES		
						NONE	UNDER 10	10+
Easier ways to shop around and ensure you get the best rate possible for business accounts, credit cards, loans, or other financial products	10%	17%	41%	31%	73%	66%	83%	85%
Cheaper, more transparent, and quicker methods to transfer funds between different accounts	10%	21%	38%	30%	68%	63%	72%	90%
Alternatives to credit cards for merchants, to lower their interchange fees	14%	24%	31%	32%	62%	54%	73%	85%
More options to access business loans or credit	13%	29%	32%	27%	59%	51%	70%	77%
Apps that automate your bookkeeping and reconciliation	14%	28%	33%	25%	58%	51%	64%	82%
Dashboards or apps that could show you and help you manage all your accounts from different financial institutions together	15%	33%	30%	23%	52%	47%	53%	79%
Cheaper, more transparent, and quicker methods to receive international payments	17%	35%	23%	24%	47%	44%	45%	74%
Apps that boost your cash flow by optimizing your payables and automating your receivables	17%	36%	28%	19%	47%	40%	49%	80%

QR1. How much would your business benefit from the following changes to the financial services sector: Base: (Small Business survey N=600, No Employees N=378, Under 10 Employees N=153, 10 or More Employees N=69)

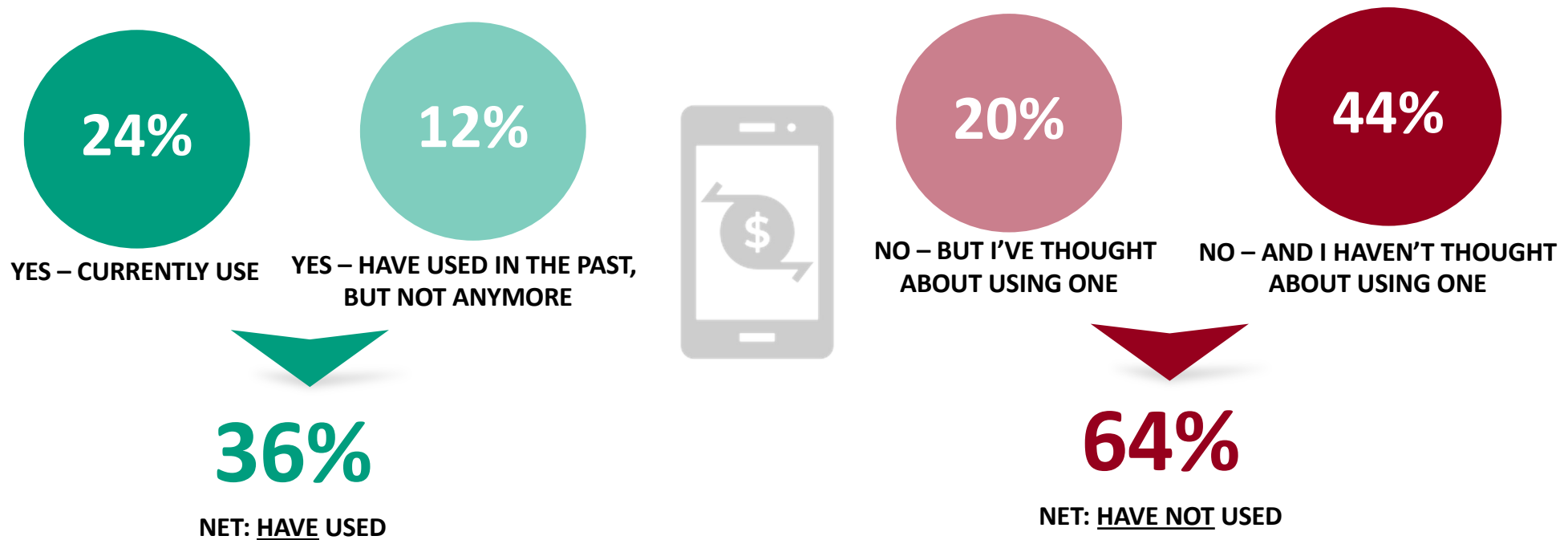


Non-Banking FinTech Apps

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One-in-four (24%) Canadians currently using Non-Bank Financial Technology Apps

NON-BANK FINANCIAL TECHNOLOGY APP – USAGE (GENERAL POPULATION)

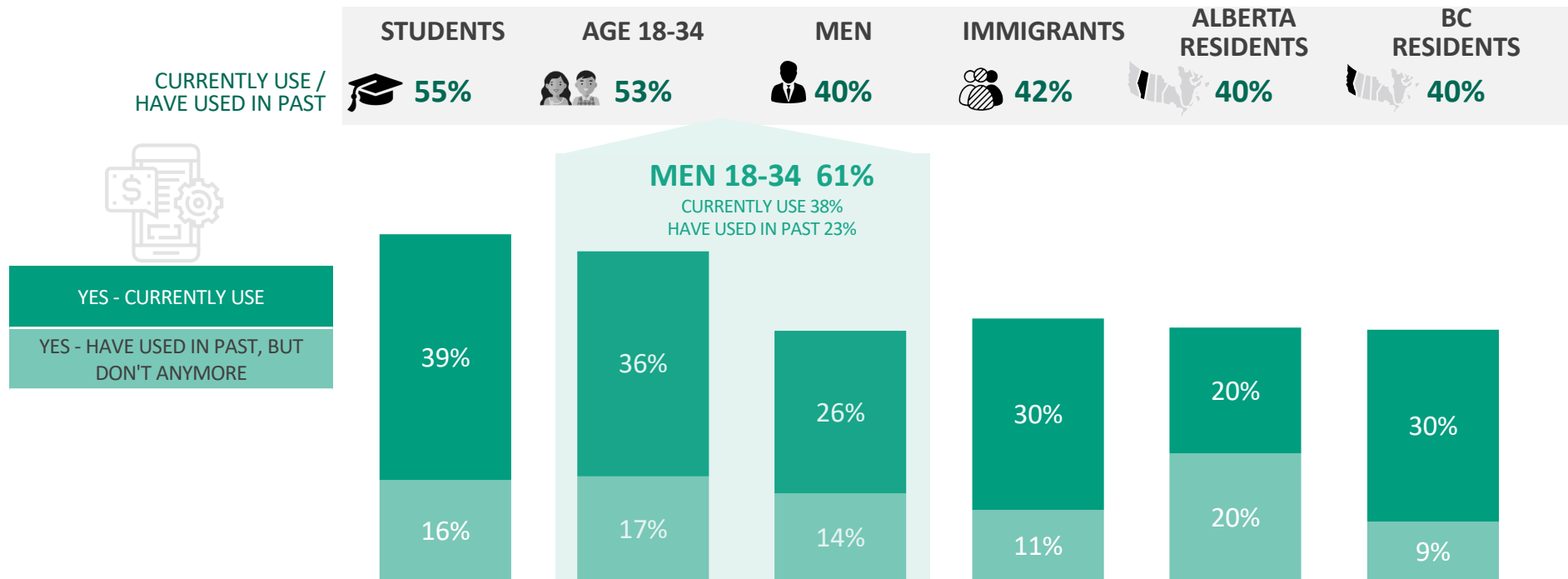


QP7. Have you ever used a non-bank financial technology app before? (e.g. WealthSimple, Questrade, Quickbooks, Mogo, Wise, Koho, Affirm, Afterpay, Klarna) Base: (GenPop survey: Those who are familiar with a non-bank financial technology app N=1321)

Students are heavy users of Non-Bank FinTech Apps; Usage also higher among immigrants

- The majority (61%) of young men either use (38%) or have used (23%) Non-Bank FinTech Apps.

CURRENTLY USE/HAVE USED NON-BANK FINANCIAL TECHNOLOGY APP – BY SEGMENT

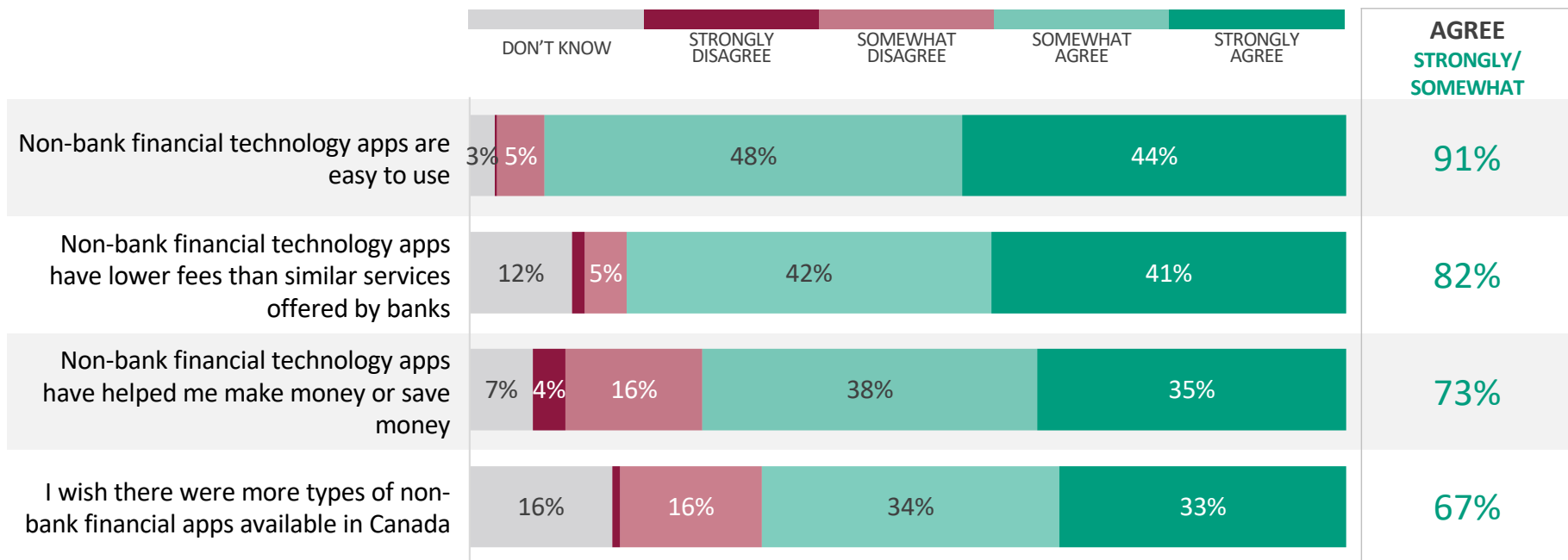


QP7. Have you ever used a non-bank financial technology app before? (e.g. WealthSimple, Questrade, Quickbooks, Mogo, Wise, Koho, Affirm, Afterpay, Klarna) Base: (GenPop survey: Those who are familiar with a non-bank financial technology app Students N=112, Age 18-34 N=397, Men N=697, Men 18-34 N=150, Immigrants N=223, Alberta Residents N=154, BC Residents N=226)

Widespread agreement among users of Non-Bank FinTech Apps that they are easy to use and save money

- While usage of Non-Bank FinTech Apps is lower among older Canadians, nine-in-ten (89%) Canadians 50+ who currently use them say they are easy to use.

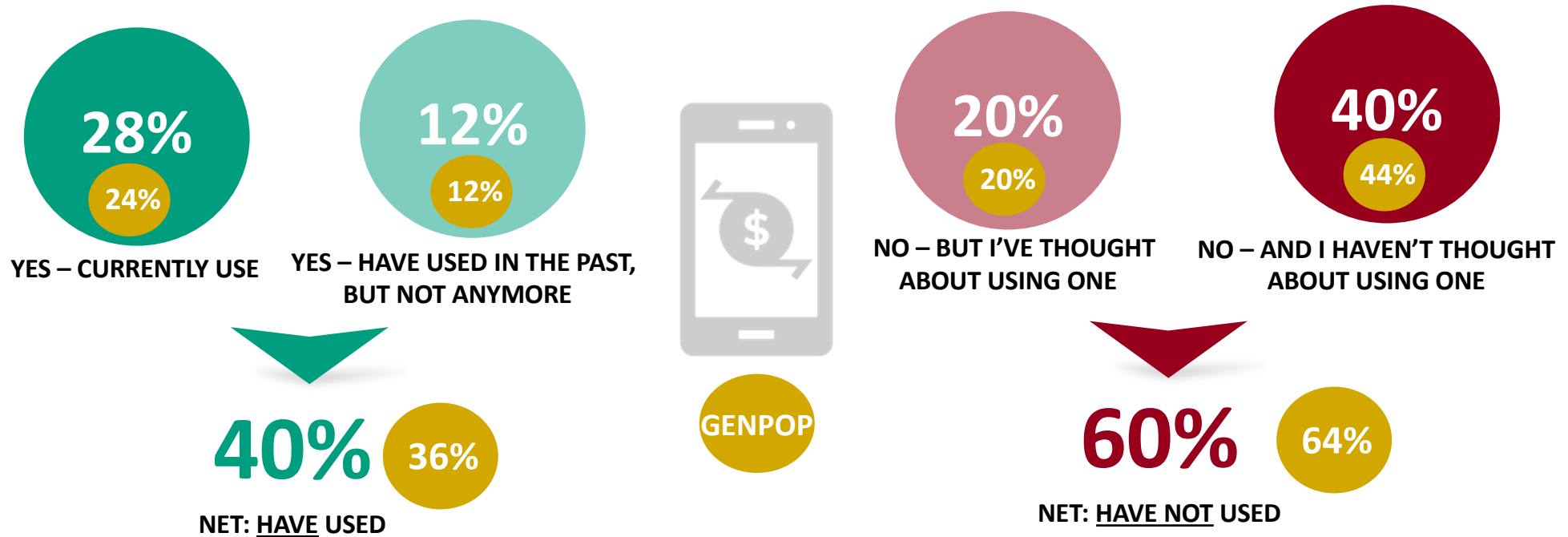
EXPERIENCE WITH NON-BANK FINANCIAL TECHNOLOGY APP (GENPOP)



QP8. Thinking about your experience with non-bank financial technology apps, do you agree or disagree with the following statements?
 Base: (GenPop survey: Those who currently use a non-bank financial technology app N=304)

Usage of non-bank FinTech apps is only *slightly* higher among small business owners than broader public

NON-BANK FINANCIAL TECHNOLOGY APP – USAGE SMALL BUSINESS VS. GENPOP

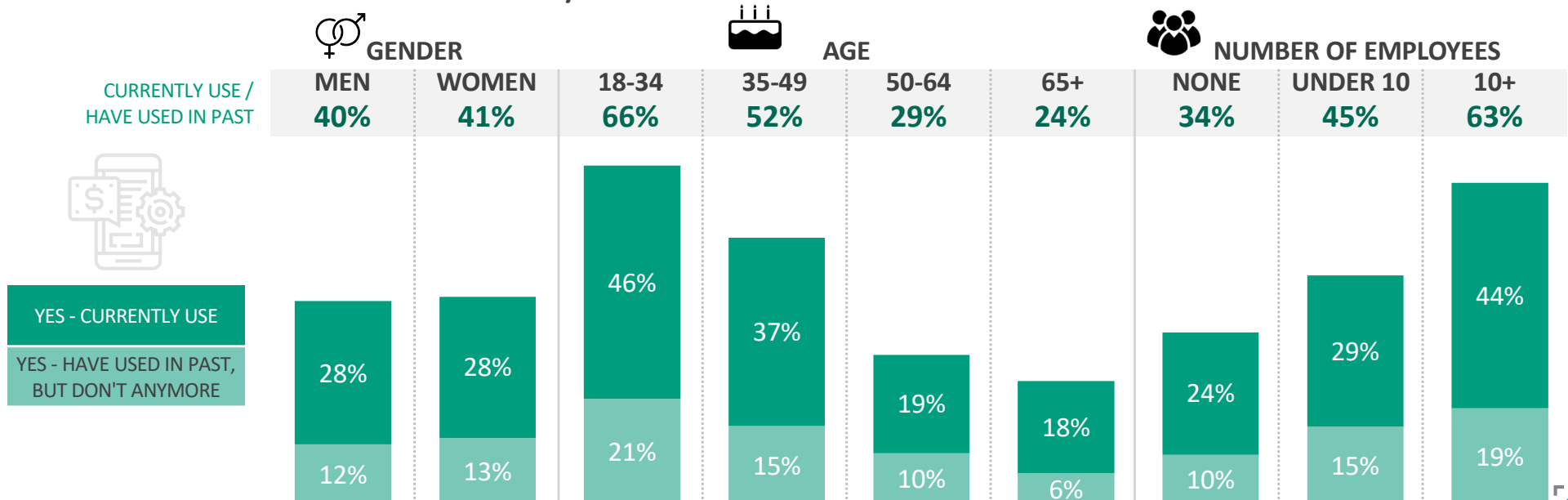


QP7. Have you ever used a non-bank financial technology app before? (e.g. WealthSimple, Questrade, Quickbooks, Mogo, Wise, Koho, Affirm, Afterpay, Klarna) Base: (Those who are familiar with a non-bank financial technology app Small Business N=447, Genpop N=1321)

Younger owners and larger employers more likely to have used non-bank FinTech apps

- While men are more likely than women to have used non-bank FinTech apps within the broader public, there is no gender gap in usage among small business owners.
- Immigrant small business owners are more likely to use these apps (30%), have used them (14%), or to be thinking about using them (26%).

CURRENTLY USE/HAVE USED NON-BANK FINANCIAL TECHNOLOGY APP – BY SEGMENT

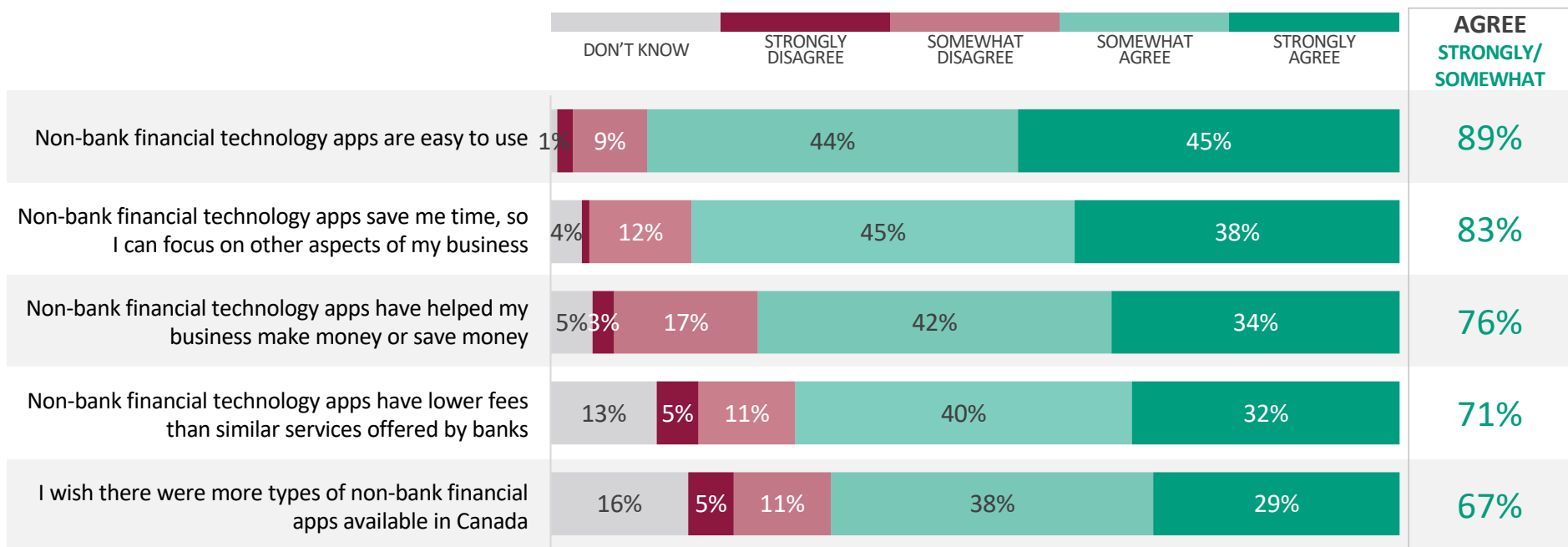


QP7. Have you ever used a non-bank financial technology app before? (e.g. WealthSimple, Questrade, Quickbooks, Mogo, Wise, Koho, Affirm, Afterpay, Klarna) Base: (Small Business survey: Those who are familiar with a non-bank financial technology app Men N=228, Women N=217, 18-34 N=59, 35-49 N=140, 50-64 N=161, 65+ N=87, No Employees N=277, Under 10 Employees N=112, 10 or More Employees N=58)

Widespread agreement among users of non-bank FinTech apps that they are easy to use, save time and money

- Most (83%) users of non-bank FinTech apps agree these have helped them save time so they can focus on other aspects of their business. This sentiment holds among those with no employees (83%), with under 10 employees (80%), and with 10+ employees (88%).

EXPERIENCE WITH NON-BANK FINANCIAL TECHNOLOGY APP (SMALL BUSINESSES)



QP8. Thinking about your experience with non-bank financial technology apps, do you agree or disagree with the following statements?
 Base: (Small Business survey: Those who currently use a non-bank financial technology app N=124)



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