

Four out of five households drive a better deal in 2015

Australians plan to save 20% on the cost of groceries power, phone and insurance

Monday, 2 February 2015: The ING DIRECT Household Financial Wellbeing Index confirms Australians are enjoying the highest level of financial wellbeing since tracking commenced in 2010. But households aren't resting on their laurels with big plans to make 2015 the 'Year of the Better Deal'.

Key findings for Q4 2014 (surveyed in January 2015):

- 79% of Australian households are looking for better value from key suppliers:
 - 57% are looking for savings on groceries
 - 50% hope to save on power bills
 - 45% plan to save on telecommunication bills such as phone, internet and pay TV
 - 40% are looking for savings on insurance premiums
- Among those households looking for better value, the average expected savings is 22% on key household expenses
- Half (53%) of Australians have got a better deal from a supplier simply by asking for it.

Financial wellbeing reaches 5-year high in Q4 2014

The quarterly Financial Wellbeing Index rates household comfort levels across six key aspects of personal financial wellbeing including credit card and mortgage debt, savings, investments, household income and ability to pay bills.

The ING DIRECT Financial Wellbeing Index rose to 111.8 in Q4 2014 - the highest reading since inception of the Index in Q1 2010, and up from 110.9 in Q3.

In Q4 2014, comfort with mortgages and credit card debt declined slightly – though from previous highest levels. All other indicators increased in Q4 with comfort with bills, savings, and investments reaching their highest level since tracking commenced.

Cutting key costs by one-fifth

Among those households looking for better value, expected savings on key costs are:

- 22% off the cost of grocery bills
- 22% off power bills
- 23% off telecommunications
- 21% off insurance premiums.

Households adopt smart strategies

Those households seeking a better deal are using a range of strategies to drive value.

Groceries

- 65% will purchase more items on special
- 60% plan to shop around for deals/specials

- 55% will cut back on non-essentials
- 43% will buy less junk food
- 40% will buy in bulk - rising to 50% of households with children.

Power and telecommunications

- 64% of households plan to shop around for another provider - rising to 72% of high income households compared to 57% low income households
- 48% will negotiate with their current supplier
- 27% will bundle services – rising to 41% of high income households
- 19% will look for added benefits thrown in for free.

Insurances

- 71% plan to shop around for a better deal from another provider
- Half (49%) will negotiate with their current provider
- 29% will review the included options and keep only those needed - rising to 41% of high income households
- 17% will cancel unwanted or unnecessary policies.

A better deal – just by asking

Overall, half (53%) of Australians say they have received better value from a supplier just by asking for it. By contrast, 27% of households have never approached a supplier about a better deal.

Eight out of ten (81%) high income households have asked suppliers for a saving or better deal compared to 68% of low income households.

Mr John Arnott, Executive Director, Customers, ING DIRECT, says, "It's wonderful to see that Australians are enjoying the highest level of financial wellbeing since 2010. Clearly, households are now focusing on taking control of their finances and getting better value for money.

"By taking a few simple steps, we can all enjoy more bang for our buck. It's all about making our money work harder and actively seeking better value rather than having to make cutbacks. For the small amount of effort involved, it's a strategy that will reap rewards in terms of improved financial wellbeing."

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Media contact:

Kristen Costandi
 PR Manager, ING DIRECT
 T: +61 2 9018 5160
 M: +61 413 317 225
 E: kristen.costandi@ingdirect.com.au

Research methodology

The ING DIRECT Financial Wellbeing Index was compiled by Galaxy Research from the online responses of 1,011 households between 15 January and 19 January 2015. The data was weighted by region and household size to reflect the Australian household population based on the 2006 census. The level of savings reported in the study is also calibrated to APRA national bank total deposits (households) to ensure accuracy of household savings levels.

About ING DIRECT

ING DIRECT changed the way Australians bank 15 years ago by launching the country's first high interest, fee free online savings account. Since then, we've brought this low fee value to home loans, transactional banking and superannuation. With over 1.5 million customers – and \$30 billion in savings and \$38 billion in mortgages – ING DIRECT has one of the highest Net Promoter Scores of any other bank in Australia.