

## Small Businesses in Canada Looking at Banks for Advice to Weather Challenging Economy, J.D. Power Finds

### TD Canada Trust Ranks Highest in Small Business Banking Satisfaction

**TORONTO: 31 Oct. 2022** — Six in 10 small businesses in Canada are classified as financially unhealthy<sup>1</sup> and say they are challenged by high inflation (59%), supply chain issues (49%) and workforce shortages (39%). To weather the economic turmoil, small business owners are looking to their banks for guidance, but while 64% have an assigned banking relationship manager, those experts mainly deliver transactional assistance (58%) and only 17% provide comprehensive advice that is fully aligned with the small business's goals, according to the J.D. Power 2022 Canada Small Business Banking Satisfaction Study,<sup>SM</sup> released today.

According to the study, 81% of small businesses are interested in receiving financial advice or guidance from their bank, however, only 56% indicate receiving such advice or guidance in the past 12 months, and only 51% strongly agree that their bank provides useful advice or guidance.

"Small businesses are looking to their banks as a resource to help them better manage their business finances with practical advice and guidance such as how to lower banking fees, save money and learn ways a bank's technology can benefit the business," said **Paul McAdam, senior director of banking and payments intelligence at J.D. Power**. "While Canada's banks do provide good overall service levels to businesses in both digital and personal interactions, there is still a plethora of areas where the banks can fine-tune and personalize their advice and services to meet small business owners' needs and expectations."

Following are some key findings of the 2022 study:

- **Banks missing opportunity to deliver comprehensive advice:** Providing added-value advice to business customers has a direct correlation to higher satisfaction. Overall satisfaction among customers who receive comprehensive advice is 826 (on a 1,000-point scale), 74 points higher than among those who receive constructive advice and 180 points higher than among those who receive transactional advice.
- **Business sector more satisfied with banks than households:** Canada's big banks are better catering to the needs of small businesses than households, as banking satisfaction among business owners is higher than among households (653 vs. 607, respectively). The main areas in which Canada's banks excel to meet the needs of small businesses than among individuals include helping save time and money (+86 points); problem resolution (+71); and account offerings (+63).
- **Small businesses feeling strain of weakening economy:** Only 40% of small business banking customers in Canada are classified as financially healthy (compared with 50% in the United States). More than one-third (36%) of customers in Canada fall into the financially vulnerable category, while 13% are capital-constrained and 11% are cash-constrained.

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<sup>1</sup> J.D. Power measures the financial health of a small business as a metric combining their timeliness of paying bills, cash reserve, credit worthiness and safety net items like insurance coverage. Small businesses are placed on a continuum from healthy to vulnerable.

## Study Ranking

**TD Canada Trust** ranks highest in small business banking customer satisfaction with a score of 667. **Scotiabank** (657) ranks second.

The 2022 Canada Small Business Banking Satisfaction Study, now in its fourth year after having been published from 2012 to 2014, includes responses from 2,201 small business owners or financial decision-makers at small businesses that use business banking services. The study was fielded from June through July 2022. The study also provides financial health support index benchmarking data evaluating banks' proficiency in delivering financial support to small business customers. Top-performing banks in the small business banking financial health support index are (in alphabetical order): **BMO Bank of Montreal** and **Scotiabank**.

For more information about the Canada Small Business Banking Satisfaction Study, visit <https://www.jdpower.com/business/financial-services/canada-small-business-banking-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-is/2022154>.

## About J.D. Power

**J.D. Power** is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit [JDPower.com/business](http://JDPower.com/business).

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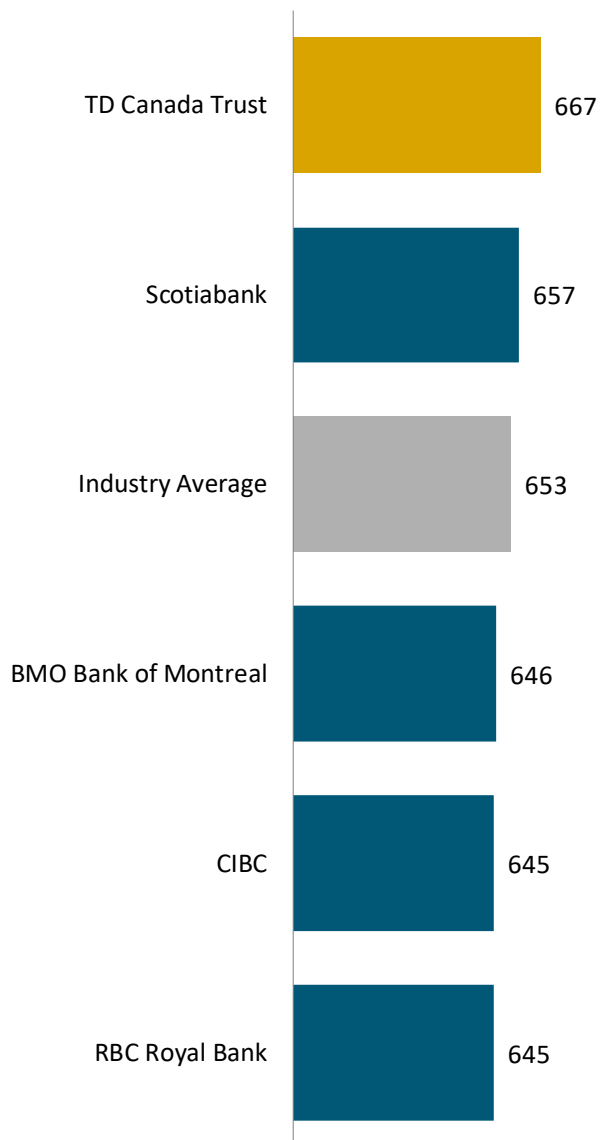
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NOTE: One chart follows.

# J.D. Power 2022 Canada Small Business Banking Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



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Source: J.D. Power 2022 Canada Small Business Banking Satisfaction Study<sup>SM</sup>

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