

COAST CAPITAL SAVINGS SURVEY

Six-in-Ten (61%) Canadians Think Preferential Rates on Term Deposits Unfair

Less than Half (45%) of Canadians Aware Can Negotiate Term Deposits

Majority (58%) Dislike the Negotiation Process

Half (53%) of Canadians More Likely to Deal with Financial Institution that Eliminates Rate Negotiation



Ipsos Reid

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Vancouver, BC – A new survey conducted by Ipsos Reid on behalf of Coast Capital Savings reveals that six-in-ten (61%) adult Canadians think it is unfair that those who have more money to invest get higher rates on their term deposits. The survey also shows that less than half (45%) of Canadians are aware they can negotiate or haggle with financial institutions about interest rates on term deposits. The opportunity to negotiate may not be a positive for many consumers, as nearly six-in-ten (58%) Canadians say that they dislike negotiating or haggling over the price of a product or service.

Moreover, half (53%) of Canadians say they are more likely to deal with a financial institution that eliminates haggling and promises to offer their best rates on term deposits and mortgages. In addition, a full six-in-ten (60%) say they would be more likely to do business with a financial institution offering the same rate for all term deposits regardless of the amount deposited.

These are the findings of an Ipsos Reid telephone poll conducted November 29 to December 4, 2005 with a randomly selected sample of 1,270 Canadian residents 18 years and older. The results are considered accurate to within ± 2.75 percentage points, 19 times out of 20, of what they would have been had the entire Canadian population 18 years and older been polled. The margins of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population 18 years and older according to the 2001 Census.

Six-in-Ten (61%) Canadians Think Preferential Rates on Term Deposits Unfair

Sixty-one percent of adult Canadians think it is unfair that those who have more money to invest get higher rates on their term deposits (20% somewhat unfair and 41% very unfair), while 35% think it is fair that these investors receive higher rates (21% somewhat fair and 14% very fair).

- Seventy percent of women think preferential rates are unfair (23% somewhat unfair and 47% very unfair), compared to 51% of men (16% somewhat unfair and 35% very unfair).
- Middle income Canadians are more likely to think preferential rates are unfair (68% unfair among \$30-\$59K vs. 63% <\$30K, 56% \$60K+).

Less than Half (45%) of Canadians Aware Can Negotiate Term Deposits

Less than half (45%) of Canadians say they are aware that consumers can negotiate or haggle with financial institutions about interest rates for term deposits. This compares to seven-in-ten (70%) Canadians who say they are aware they can negotiate mortgage rates with financial institutions.

- Younger Canadians are less likely to be aware they can negotiate term deposits than older Canadians (33% of 18-34 years vs. 43% of 35-54 years, 58% of 55+ years).
- Men are more likely than women to be aware they can negotiate term deposit rates with financial institutions (50% vs. 40%, respectively).
- Canadians with higher household incomes are more aware they can haggle with financial institutions for better term deposit rates (49% of \$60K+ vs. 35% of <\$30K and 43% of \$30-\$59K).
- Slightly more than half (53%) of Canadians with term deposits are aware they can haggle with financial institutions for better term deposit rates.



Majority (58%) Dislike the Negotiation Process

A majority of Canadians (58%) say they generally dislike negotiating or haggling over the price of a product or service (24% dislike it a little and 34% dislike it a lot). Four-in-ten (39%) say they generally like negotiating or haggling (20% like it a little and 19% like it a lot).

- More women than men say they dislike negotiating (61% vs. 55%, respectively).

Half (53%) of Canadians More Likely to Deal with Financial Institution that Eliminates Rate Negotiation

Slightly more than half (53%) of Canadians say they are more likely to deal with a financial institution that eliminates haggling and promises to offer their best rates on both term deposits and mortgages (22% somewhat more likely and 31% much more likely), while only 8% (4% somewhat less likely and 4% much less likely) say they are less likely. However, more than one-third (38%) say that it would have no real impact on their choice of a financial institution.

In addition, a full six-in-ten (60%) say they would be more likely to do business with a financial institution that offers the same rate for all term deposits regardless of the amount deposited while only nine percent (4% somewhat less likely and 5% much less likely) are less likely. Two-in-ten (29%) say this would have no real impact on their decision to deal with a financial institution.

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