



The Gatehouse Bank Islamic Finance Consumer Report 2019



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Chief Executive Officer of Gatehouse Bank

Welcome to the first Islamic Finance Consumer Report, commissioned by Gatehouse Bank.

The UK is recognised as a leading Western centre for Islamic Finance and a growing number of providers are now offering Shariah-compliant products and services to individuals and businesses.

However, as a relatively new member of the Islamic Finance community, I have been amazed how little research has been carried out amongst UK Muslim consumers. This is why I was eager for Gatehouse Bank to commission this study.

In order to ensure the Islamic Finance market continues to offer attractive services, it is important to understand how it is viewed by existing and potential customers and how the industry can better engage and provide the support they need to help them realise their dreams and aspirations.

This report, which we believe is the first of its kind, highlights a number of areas where Islamic Finance is having a positive impact. It also reveals barriers that Muslim consumers feel they face when considering the best financial solution for their individual needs.

I hope that this document will help interested parties to understand the views of the UK Muslim community and prove useful for those looking to engage and provide attractive services. At Gatehouse Bank, a growing UK bank offering Shariah-compliant financial services, we are eager to understand more about the banking needs of UK Muslims and will be utilising the insight this report provides to develop new and innovative propositions and services.



1982

UK's first Islamic bank

5

Fully Shariah-Compliant banks

20

Banks with offerings

£6.9bn

Total Islamic Finance assets (2016)

Islamic Finance in the UK

An established part of the UK financial landscape

Islamic Finance as we know it today was established in 1975 with the formation of the Islamic Development Bank in Jeddah, Saudi Arabia. Islamic Finance arrived in the UK in the 1980s with the launch of the first UK Islamic bank in 1982. Its growth accelerated from 2001 when an Islamic Finance Working Group was established by the Bank of England.

The UK is the leading Islamic Finance centre outside of the Middle East and South East Asia, and is the leader in Europe.

What is Islamic Finance?

As the name suggests, Islamic Finance is based on principles outlined in the Qur'an and Islamic teachings, and goes back 1400 years to the time of the Prophet Muhammad. Islamic Finance covers all aspects of corporate and personal finance. Sometimes it is referred to as 'Shariah-compliant' as the rules which govern Islamic Finance are based on 'Shariah', the body of laws derived from the Qur'an, and the hadith, the traditions of the Prophet.

Islamic Finance is built on the principle of sharing risk between financial institutions and individuals rather than basing relationships on interest – known as 'riba' - which is forbidden in the Quran. It also means that certain investments are off limits when it comes to products that are themselves forbidden like alcohol, pornography and gambling.

Sources: ThomsonReuters Islamic Finance Development Indicator Report 2017
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/367154/UKTI_UK_Excellence_in_Islamic_Finance_Reprint_2014_Spread.pdf





Executive Summary

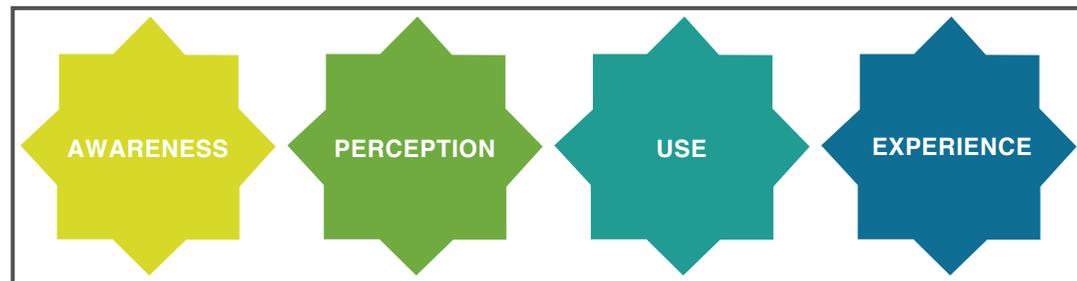


Understanding UK Muslim consumer attitudes to Islamic Finance

Whilst the Islamic Finance industry in the UK has been established since 1982, relatively little insight is available on the opinions of Muslim consumers, what they know about the industry and how they interact with it.

This first-of-its-kind study aims to address these questions so that the industry can create stronger engagement at every stage of the consumer journey from awareness and perception through to use, experience and advocacy. In particular the study addresses the profiles of existing users, those who are interested and those who currently say that they are not interested. It also identifies key drivers and barriers for users in deciding whether to purchase Islamic Finance products and services.

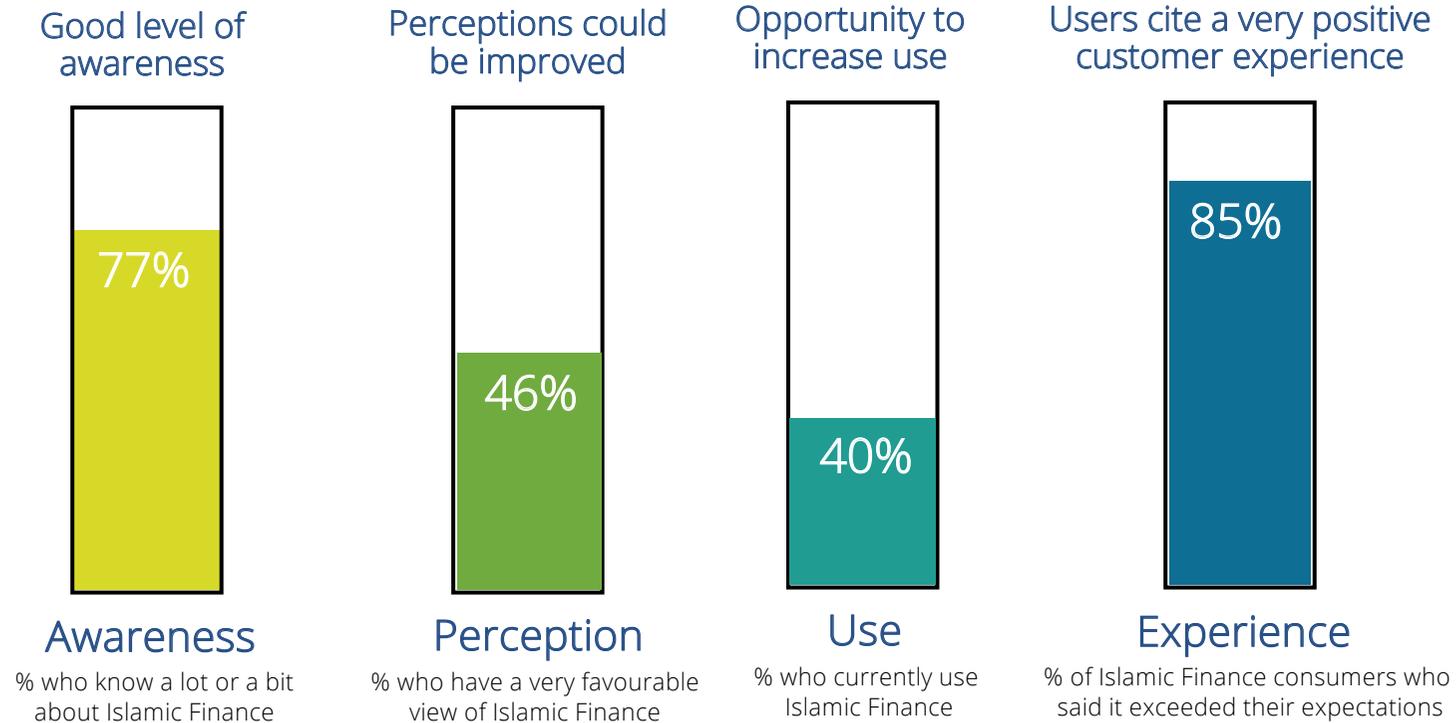
The report introduces an Islamic Finance Health Indicator as a snapshot which measures the current state of the industry across the consumer journey. At each stage of the consumer experience we investigate the responses of Muslim consumers, and highlight where the biggest areas of focus should be.



Snapshot: Islamic Finance Health Indicator

n = 1000

Snapshot: The 2019 health indicator suggests that the biggest opportunity in front of the Islamic Finance industry lies in increasing positive perceptions of the industry within the UK Muslim community in order to drive use of Islamic Finance products and services. Within this there are specific roles for increasing awareness among key segments, crafting a strategy built on the key drivers and barriers to uptake, and mobilising community advocates.

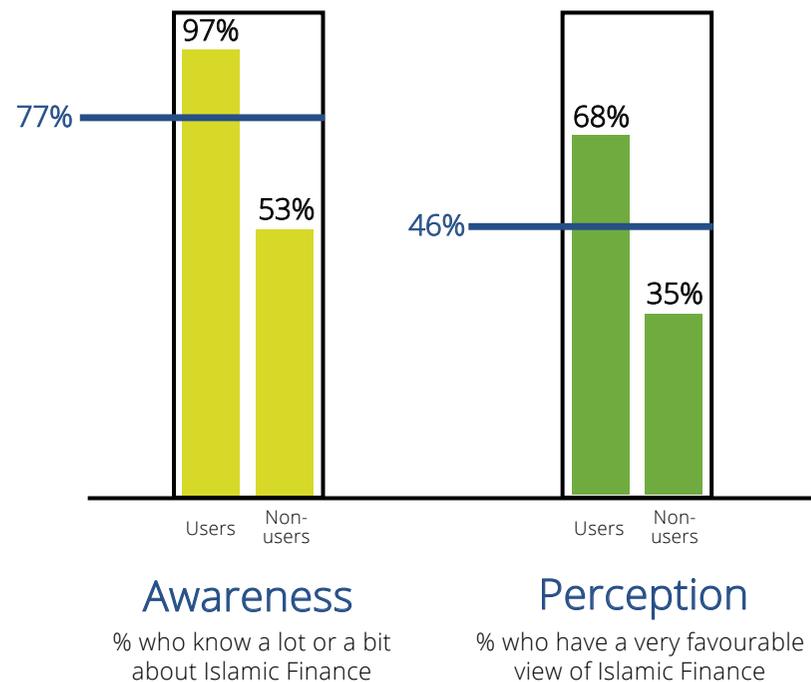


Digging deeper into the health index: users versus non users

There are clear gaps in awareness and perception between users and non-users; these are key areas to focus upon

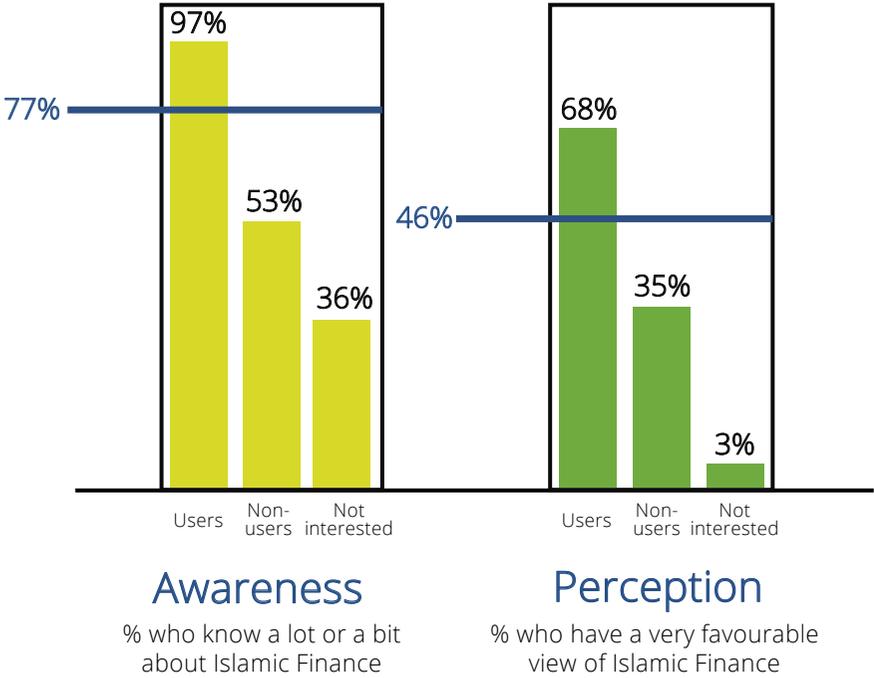
n (users) = 543
n (non-users) = 457
Overall

Only half of non-users are aware of Islamic Finance Perceptions of non-users are relatively poor



This is even clearer when looking in depth at users, those interested and those not interested, showing again that awareness and perception are the key areas where efforts need to be focused

n (users) = 543
n (interested) = 248
n (not interested) = 209
Overall



Awareness

Key takeaway: We need to further build awareness among those interested and currently not interested.

77%
AWARENESS

Awareness of Islamic Finance is good on the whole

- 77% are familiar with Islamic Finance. 35 to 44 year-olds are most familiar (82%).
- However, this drops to just over half for those interested and just over a third for those not interested, suggesting awareness is key to unlocking interest.

"Islamic Finance" is the more familiar terminology

- More people are familiar with the term "Islamic" than "Shariah-compliant" finance (77% vs 66%).

Driving awareness via word of mouth in local communities is key

- Friends, family and colleagues are the most common way to hear about Islamic Finance (39%). Specifically, the opinions of these individuals are regarded as the most valuable, in comparison to all other sources of information (64% vs 36%).

Perception

Key takeaway: This is the main area of focus as significant challenges exist with perception overall but particularly among non-users. This is the key to unlocking growth.



Perceptions of Islamic Finance are more positive amongst current users with significant work to do among non-users

- 68% of current users vs 21% of non-users viewed Islamic Finance very favourably.

Experience with Islamic Finance boosts perceptions of the wider financial industry

- The whole financial industry is viewed more favourably by current Islamic Finance users (59% very favourable) compared to non-users (19% very favourable).

Islamic Finance is perceived as having a strong sense of community

- People believe Islamic Finance is dedicated to the interests of the community (71%) and works hard to better serve its customers (61%), suggesting that building on this sense of community could be a powerful universal driver of use.

Some scepticism about how Islamic the products truly are

- Some people felt that they didn't know how certain Shariah-compliant products really were (61%), suggesting more work needs to be done to increase the clarity and understanding of Islamic Finance products and services.

Seen as ethical, trustworthy and a good service but difficult to purchase

- Most people felt that Islamic Finance aligned with their values and beliefs (72%), was trustworthy and ethical (71%), and offered a good service (71%), but was difficult to purchase (60%) and that it was difficult to compare options (62%). This suggests more work needs to be done to make it more accessible and easier to obtain.

Use

Key takeaway: There is an opportunity to increase uptake, and a strategy addressing both barriers and drivers is vital.

40%
USE

Opportunity to increase use of Islamic Finance

- 40% of Muslim consumers currently use Islamic Finance. 35 to 44 year-olds (56%) and men (45%) are most likely to currently use Islamic Finance.

Common products are current and savings accounts

- The most used Islamic Finance products are current accounts (57%), savings accounts (36%) and credit cards (29%).

Shift in the way people want to acquire it

- Those considering IF are more likely to use online and via branch methods to purchase and less likely to use a third party website or a broker than those who have previously used it.

Strong base of people to convert

- 53% of Muslim consumers are interested in Islamic Finance products and services. Of those, 96% are interested in current accounts, savings accounts (86%) and credit cards (72%).

Trust and quality customer service are key drivers of use

- 18% said that trusting the industry and good quality customer service were amongst their top 3 reasons that would encourage them to use Islamic Finance.

Community opinions are the best universal driver of use

- People place highest value the opinions of family, friends and colleagues when deciding whether to use Islamic Finance (64%). This is consistent across levels of use, interest, and age.

Accessibility of information, other people not using it and use of the term 'interest' are the biggest barriers to use

- 15% -17% reported that one of these featured in the top 3 reasons that would dissuade them from using Islamic Finance.

Cost compared to conventional finance is an important factor

- 16% reported cost to be amongst their 3 top reasons that would both dissuade (if the cost was high) and encourage them (if the cost was low) to use Islamic Finance.

Experience and Advocacy

Key takeaway: When people actually use Islamic Finance it exceeds their expectations. The Islamic Finance Industry should use consumer advocates to promote it.



Experience of Islamic Finance exceeds expectations

- 85% of Islamic Finance users said it exceeded their expectations. This was especially true for 35 to 44 year-olds (93%).

Ideal advocates of Islamic Finance are aged 35-44

- 46% of Islamic Finance users would highly recommend it to others.
- 35-44 year olds are most likely to recommend it with 62% highly recommending it.

Strong opportunity to mobilise community advocates

- The Islamic Finance Industry has a good Net Promoter Score (+18) but this could be improved considering the extent to which this industry is driven by a strong sense of community.

Notable findings

Islamic Finance is a community movement, and it needs to be grown as such.

Islamic Finance is a growing social movement within the Muslim community, with green shoots waiting to be nurtured. Other people's opinions are most influential in making decisions about whether to purchase Islamic Finance products; people are affected by how many of their peers use it, and how highly the industry is regarded by their peers. Users of Islamic Finance feel that it serves the needs of the community, that it is innovative and does good.

The Islamic Finance category may boost positive perceptions of the finance industry as a whole.

Islamic Finance users tend to view wider financial services more generally in a more positive light than non-users.

There is high emotional importance placed on financial products and services aligning with values and ethics.

Muslims polled extremely highly that they would like their financial services to align with their values and ethics. This builds on previous findings that religion is a strong determinant of identity for Muslims in the UK.

Although perceptions are mixed, when people do use Islamic Finance, they are pleased.

Those who use Islamic Finance products have a high opinion of it, thinking of it as having good customer service, reasonable costs and being beneficial to the community. They are highly likely to recommend it. Their experience of it is better than they expect.



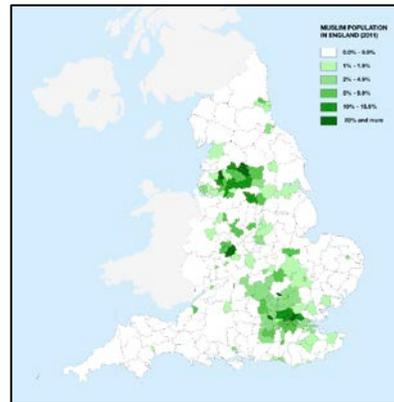


The UK Muslim Consumer and Islamic Finance gatehousebank

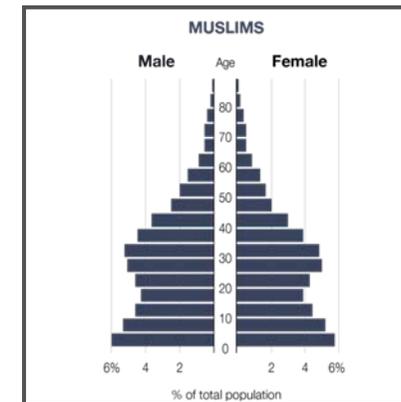
The UK Muslim consumer is young, urban and wields significant spending power

2.8m
Muslims in the UK

UK Muslims make a contribution of £31bn to the UK economy, with a spending power of £20.5bn



76% of Muslims live in Greater London, the West Midlands, the North West and Yorkshire and Humberside. Muslims make up 12.4% of London's population



Muslims in the UK are much younger than the average person, and have larger than average household sizes

Religious identity along with their values and ethics are core to Muslim consumers' identities and play a significant role in their lives

Financial products fitting with people's values and ethics are consistently important and almost unanimously important for those who are interested in or have used Islamic Finance products.

This suggests that the Islamic values and ethical benefits of Islamic Finance need to be communicated clearly to drive conversion as they serve an important emotional function.

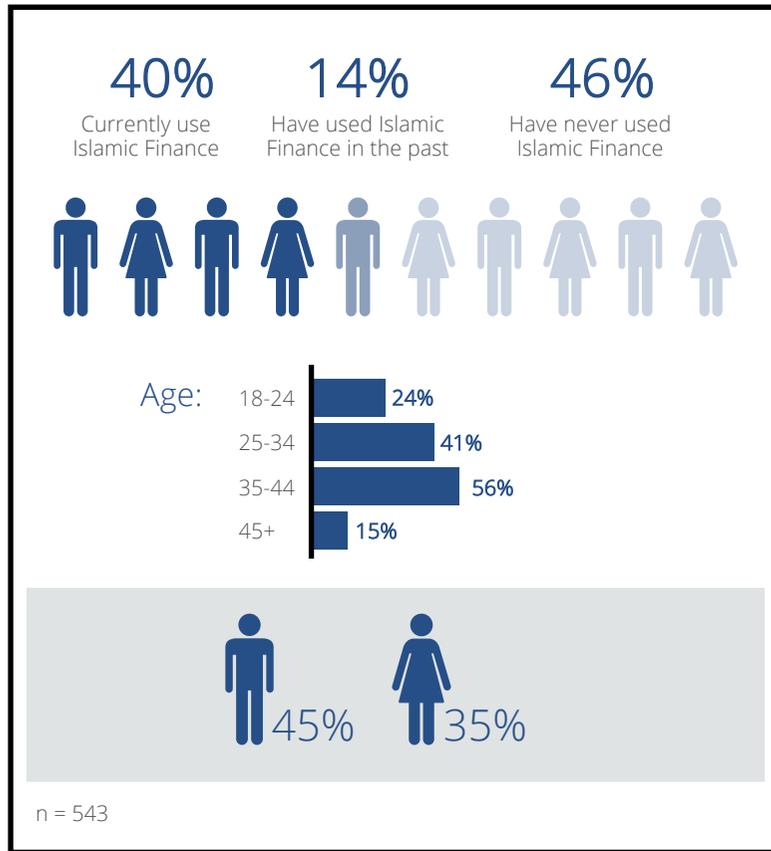


Q. How important is it to you that the finance products you purchase fit with the values and ethics of your life? (94%)
n = 1000

Source: Citizenship survey "How important is your religion to your sense of who you are (74%)



Muslim Consumer Profile: Existing Islamic Finance User



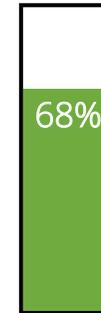
Very high level of awareness



Awareness

(% who know a lot or a bit about Islamic Finance)

Good perceptions



Perception

(% who have a very favourable view of Islamic Finance)

Very positive customer experience



Experience

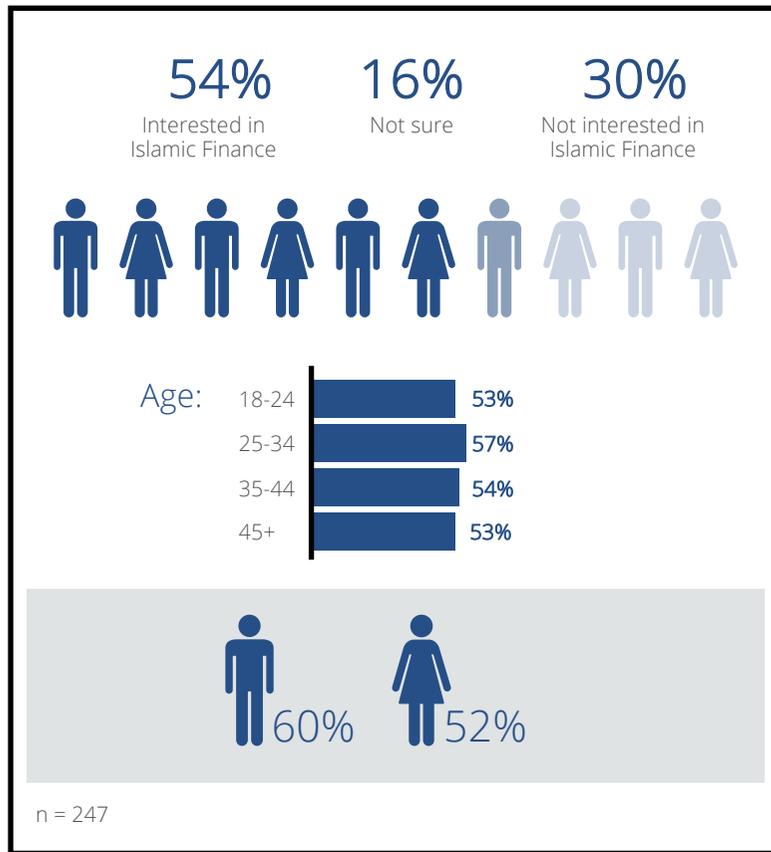
(% of Islamic Finance consumers who said it exceeded their expectations)

KEY DRIVER *Good quality customer service (19%*)*

KEY BARRIER *High costs and mention of interest (17%*)*

*% of people who selected as one of their top 3 reasons

Muslim Consumer Profile: Interested in Islamic Finance

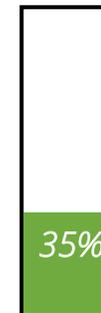


Good level of awareness



Awareness
(% who know a lot or a bit about Islamic Finance)

Perceptions could be improved



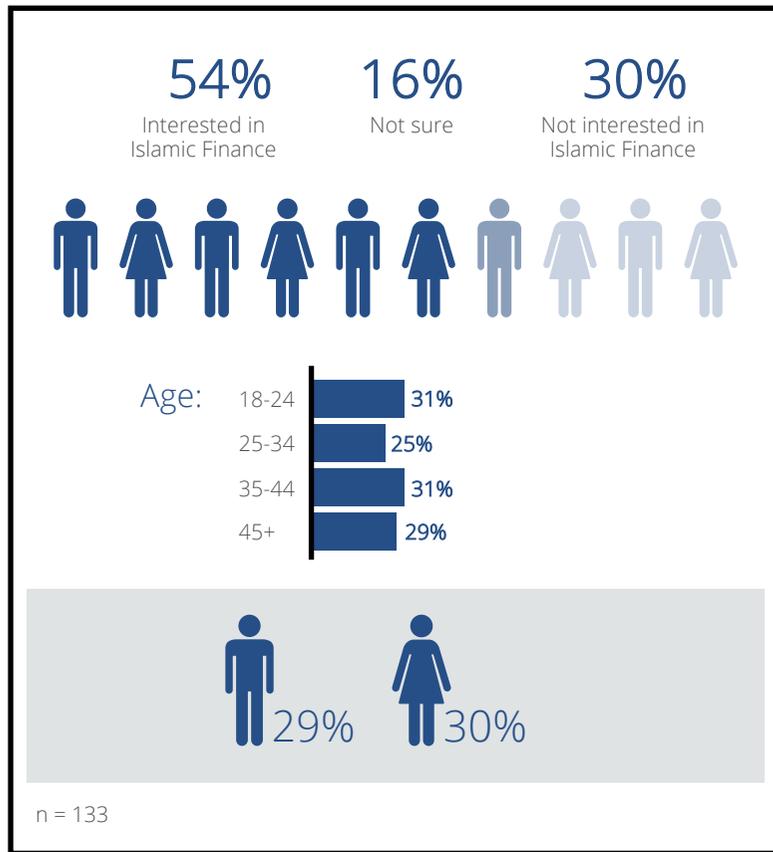
Perception
(% who have a very favourable view of Islamic Finance)

KEY DRIVER *Clear banking practices (21%*)*

KEY BARRIER *Limited info and others not using it (19%*)*

*% of people who selected as one of their top 3 reasons

Muslim Consumer Profile: Not currently interested in Islamic Finance



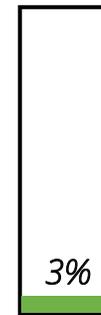
Low level of awareness



Awareness

(% who know a lot or a bit about Islamic Finance)

Perceptions need to be improved



Perception

(% who have a very favourable view of Islamic Finance)

KEY DRIVER

Nothing would encourage them (28%)*

KEY BARRIER

Others they know not using it (34%)*

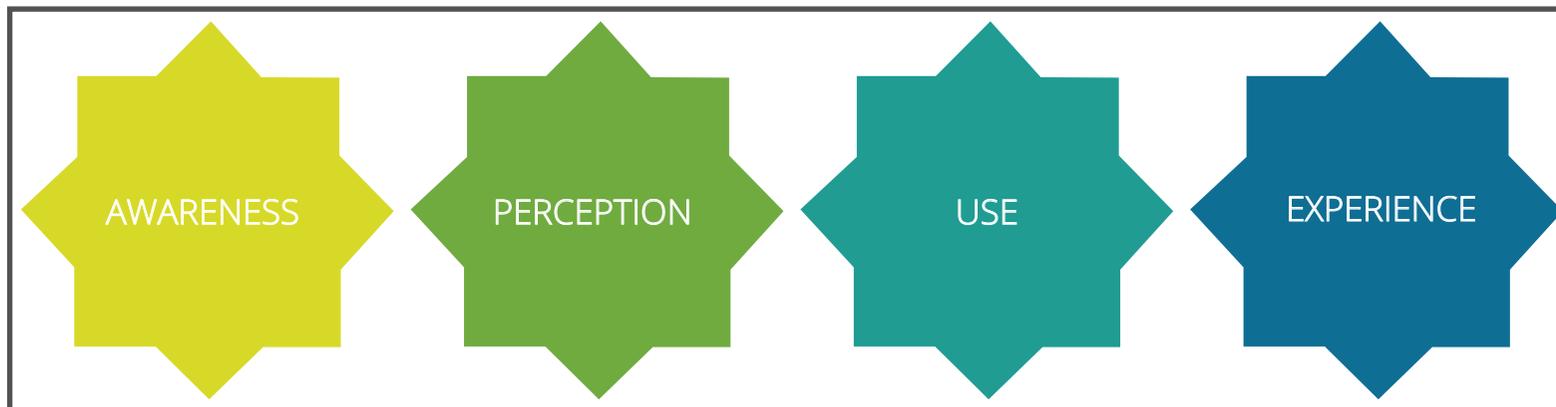
*% of people who selected as one of their top 3 reasons



Mapping the Consumer Journey



Mapping the consumer journey



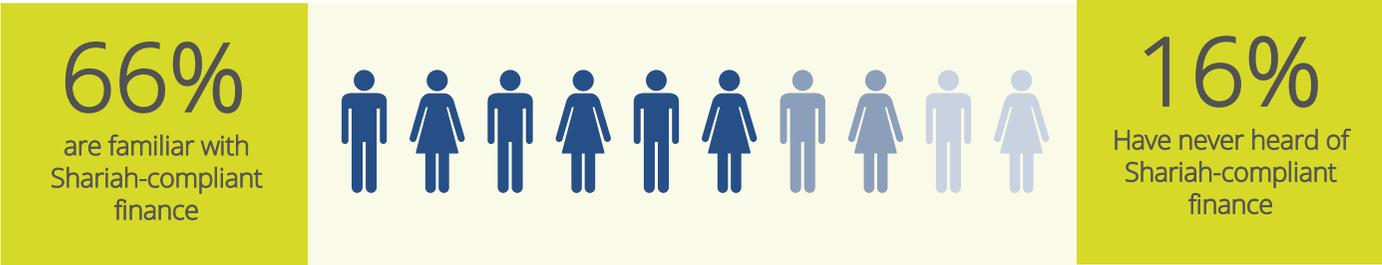
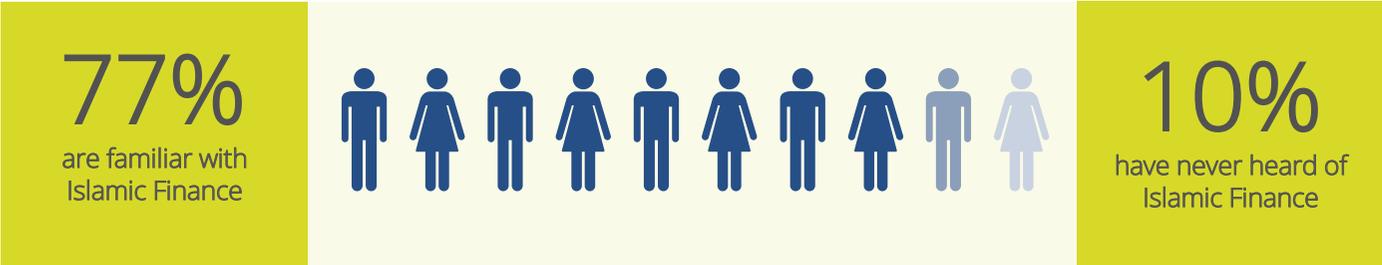
In this section we explore the journey that the Muslim consumer undertakes from learning of Islamic Finance and their perceptions of the industry to what products are relevant for them and how they purchase those products. Ultimately, for those who do become consumers, we look at what experience they have of using Islamic Finance.

AWARENESS

Awareness of Islamic Finance is good



More Muslim consumers are familiar with the term “Islamic Finance” than “Shariah-compliant” finance
Men and 35 to 44 year-olds are generally more familiar with the industry.



Most familiar = % know a lot/a bit
Least familiar = % never heard of it

n = 1000 Q. How familiar are you with the following types of finance products and services?



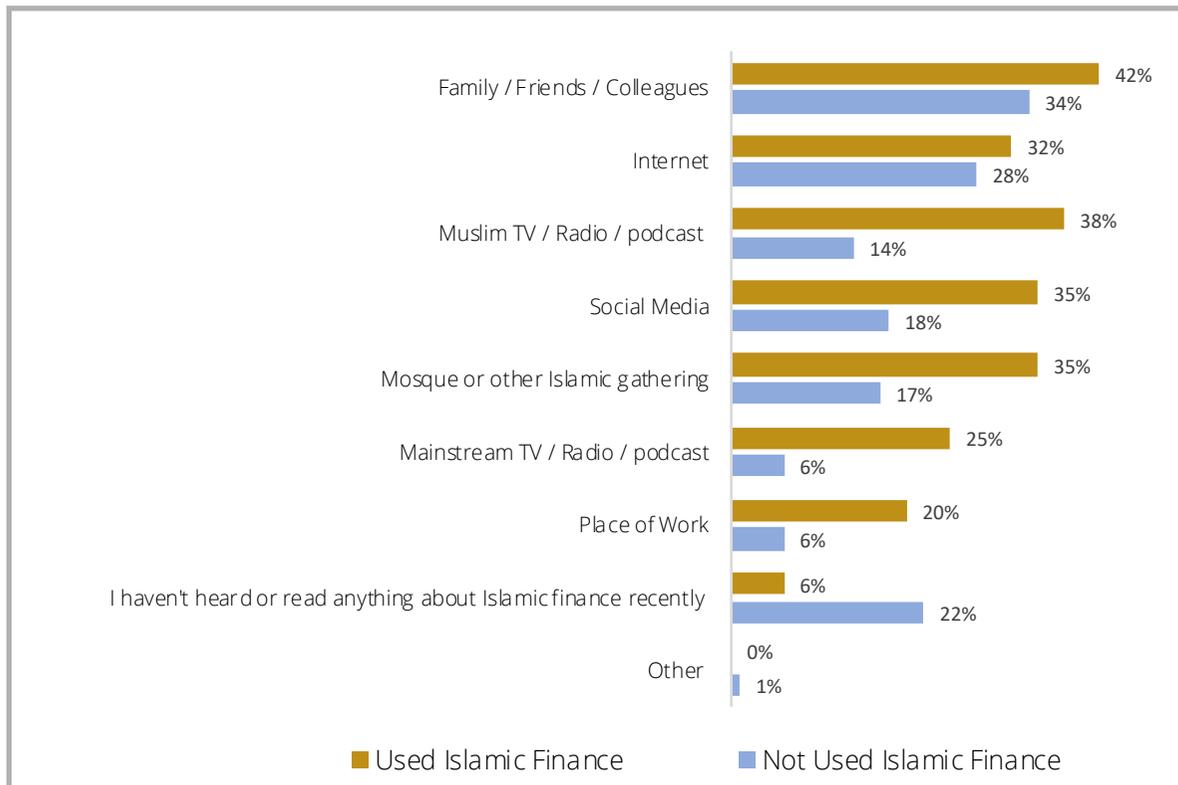
Friends, family and colleagues are key to driving awareness



They are the most common way overall of hearing about Islamic Finance (39%).

Muslim-specific media, social media and the Internet are also common and, therefore important routes to driving awareness.

This suggests that the best way to spread knowledge and awareness of Islamic Finance is through local communities and social networks.



#1

channel for users (42%) and non-users (34%) is word of mouth

18-24yr olds
Less likely to hear via social media, mainstream media and place of work.

35-44yr olds
More likely to hear via social media and mainstream media.

45+yr olds
Less likely to hear via Muslim media and more likely to have heard nothing.

22%

of non-users haven't heard anything

Men are more likely to hear about Islamic Finance via Internet, Muslim media, mosque and mainstream media

Women are more likely than men to have heard nothing recently (22% vs. 6%)



PERCEPTIONS

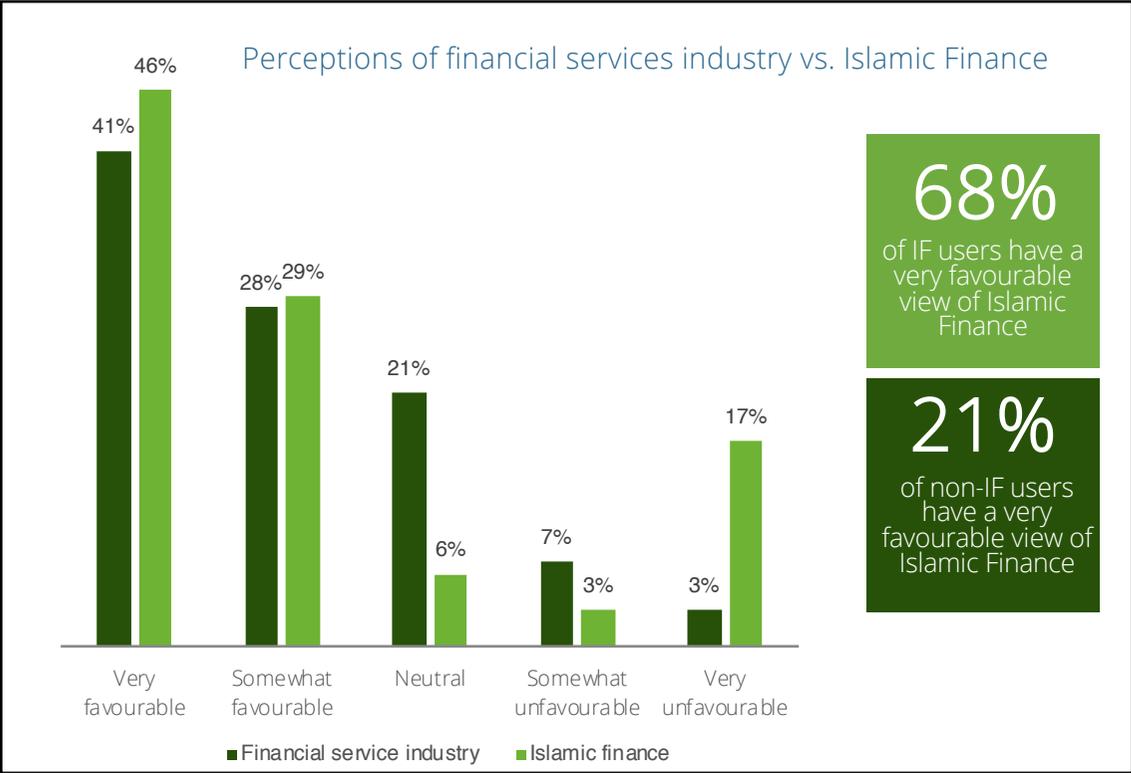
Islamic Finance is viewed more favourably than the wider finance industry in general



This is particularly the case among Islamic Finance users (68% vs 59% very favourable). People have strong feelings about Islamic Finance.

People are also less likely to have neutral views about Islamic Finance than finance generally and more likely to have very unfavourable views towards Islamic Finance than the whole financial services industry.

This might be fuelled by a lack of consistent knowledge and awareness.



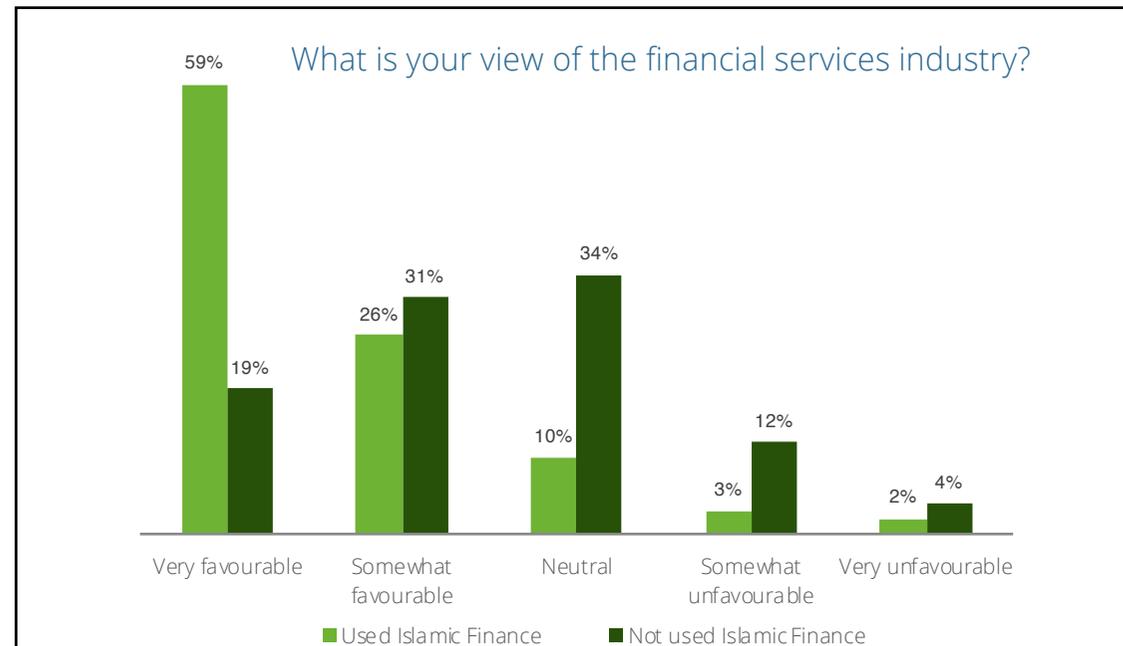
n = 1000 Q. What is your view of the financial services industry?
Q. What is your view of Islamic Finance?

Experience with Islamic Finance is associated with a more positive perception of financial services generally



Islamic Finance consumers view the whole financial services industry more favourably compared to non-Islamic Finance consumers (85% of Islamic Finance users had a favourable view vs. 50% amongst non-Islamic Finance users).

This suggests that those who use Islamic Finance also have improved perceptions of financial services more generally.



n (used) = 543
n (not used) = 457

Q3. What is your view of the financial services industry?

People believe Islamic Finance has a strong sense of community and is customer centric



However, they have concerns over accessibility and the extent to which it is truly Islamic.



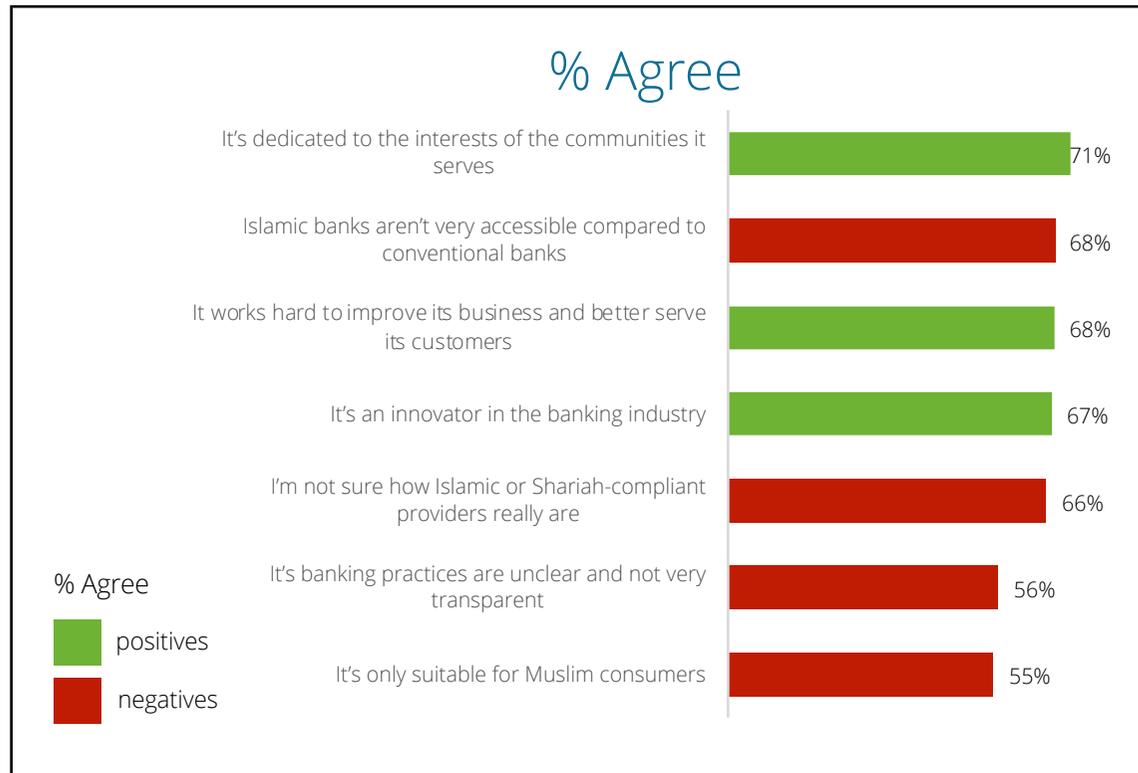
Perceptions of Islamic Finance having a strong sense of community are high among all those questioned, suggesting that this is a powerful universal driver of conversion. Notions of Islamic Finance being customer centric are highest among those who have used it (84%)



Those who are interested in using Islamic finance also have a high opinion of this (70%), suggesting that this is a key benefit that should be communicated to others.



Scepticism about how Islamic the products truly are is most prominent in those who are not interested in Islamic Finance (61%). This suggests more work needs to be done to increase the clarity and transparency of Islamic Finance products/services.



n = 1000 Q. How well do these describe your view of the Islamic Finance industry?



People believe Islamic Finance aligns with their values and beliefs and offers a good, trustworthy service which addresses their financial needs



However, they are uncertain about it because they don't know others who use it.



IF users
Positive views of the quality of customer service are highest among users (83%).

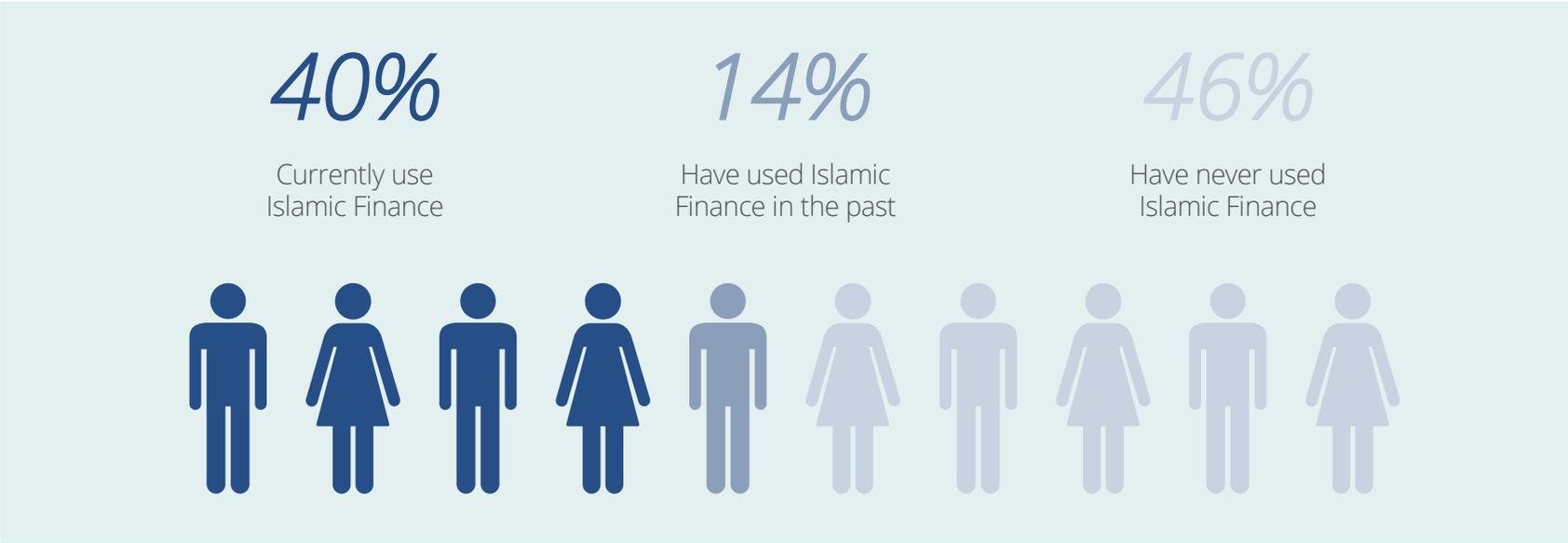
Interested
Positive perceptions of the values and trustworthiness of the industry are highest among those who use (84%) and are interested (70%) in Islamic Finance.

Not Interested
Uncertainty for social and practical reasons, such as not knowing others who use it (49%) and difficulty in accessing information (35%) and purchasing (38%) are highest among those not interested.

This suggests that to drive conversion we need to communicate a complete solution: making the ethical benefits clear, utilising word of mouth in local communities and improving accessibility to information and services.

USE

40% of Muslim consumers currently use Islamic Finance
46% have never used Islamic Finance

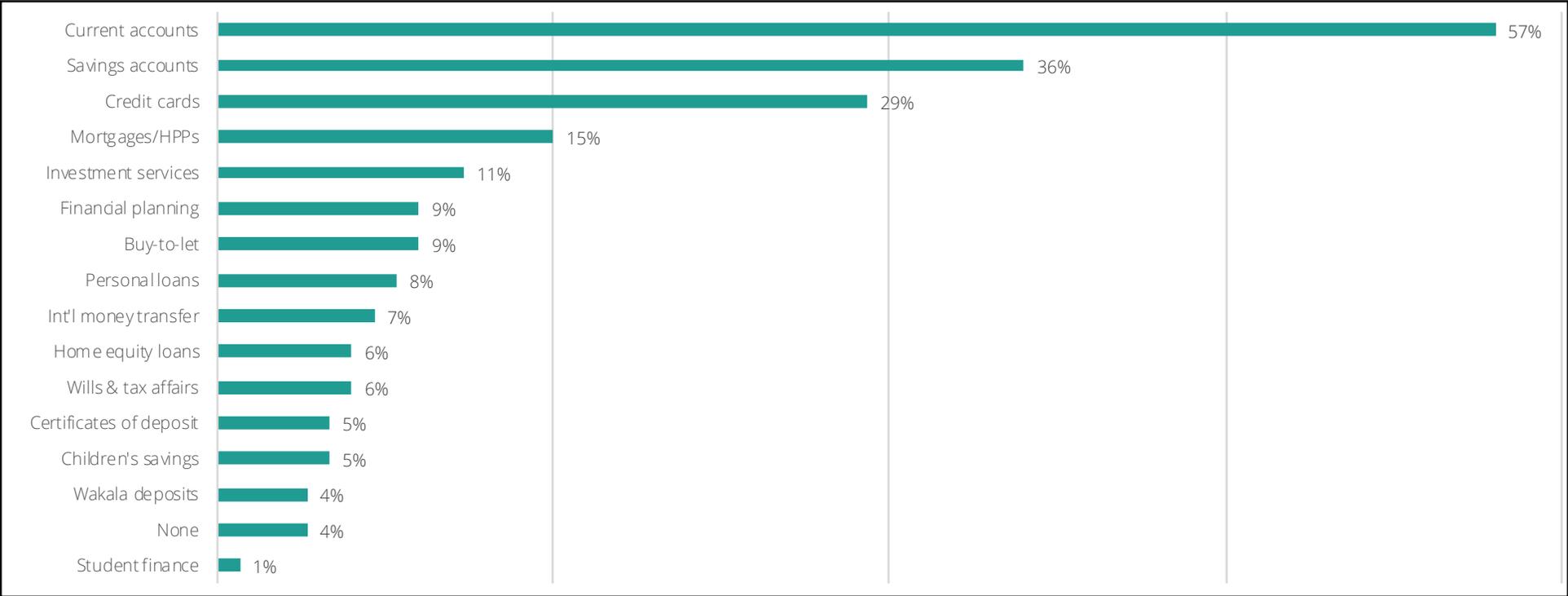


n = 1000
n = 543

Q. Have you ever used Islamic Finance products?
Q. You've indicated that you use the following products.
Please indicate if any of these products were provided by an Islamic/Shariah-compliant finance provider.



Current accounts, savings accounts and credit cards are the most popular Islamic Finance products

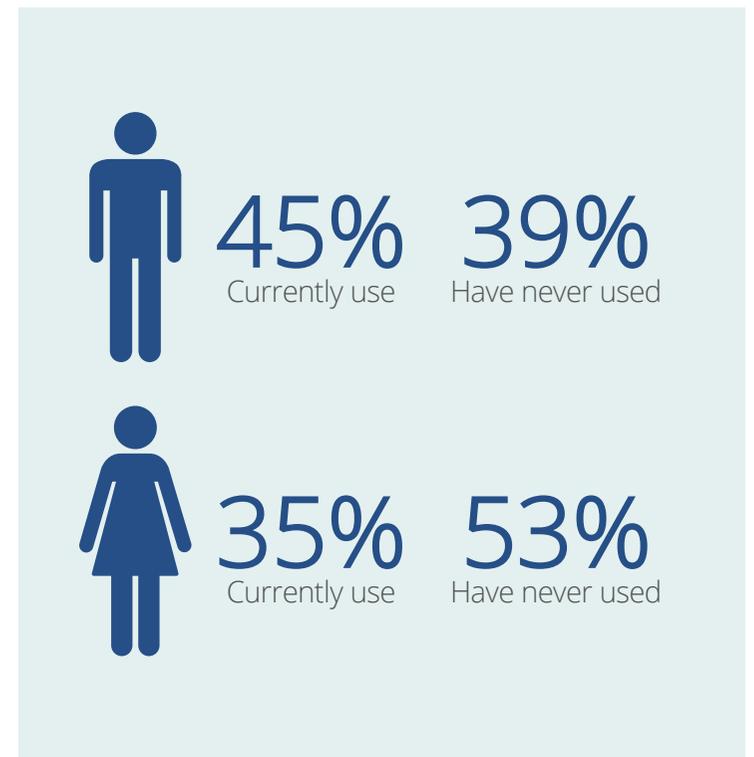
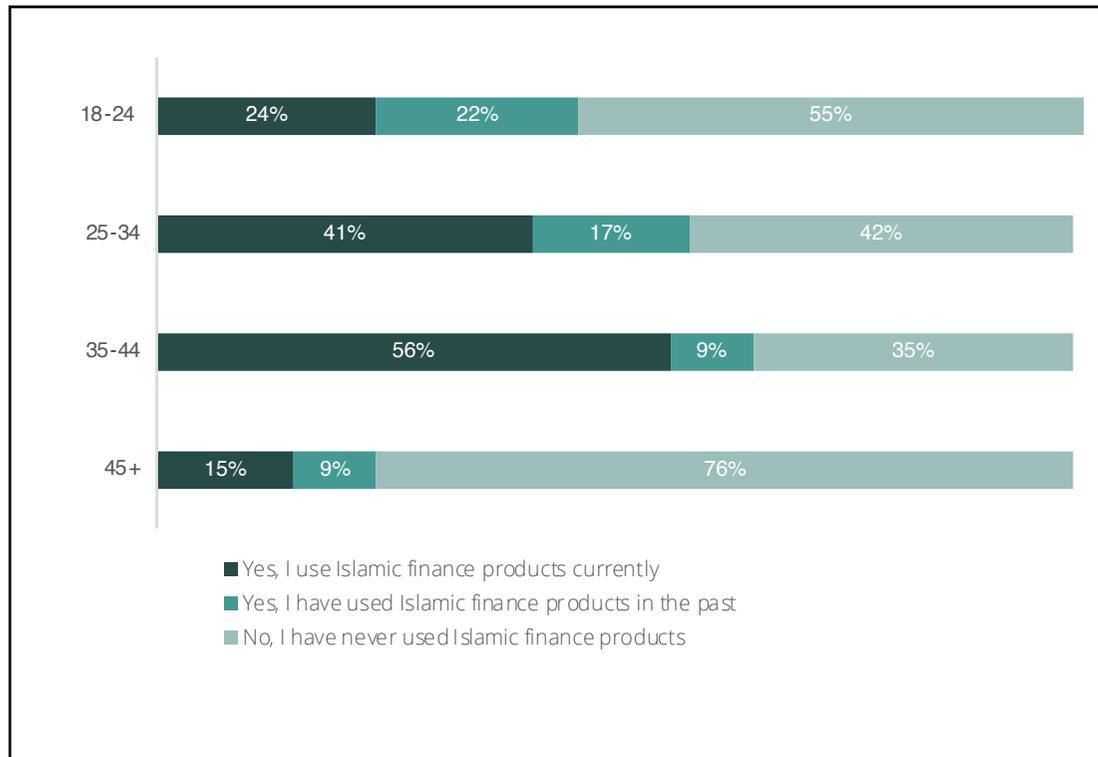


n = 543 Q. You've indicated that you use the following products. Please indicate if any of these products were provided by an Islamic/Shariah-compliant finance provider.



35 to 44 year-olds are most likely to use Islamic Finance 45+ years old are least likely to have used Islamic Finance

Men are more likely to use or have used Islamic Finance than women

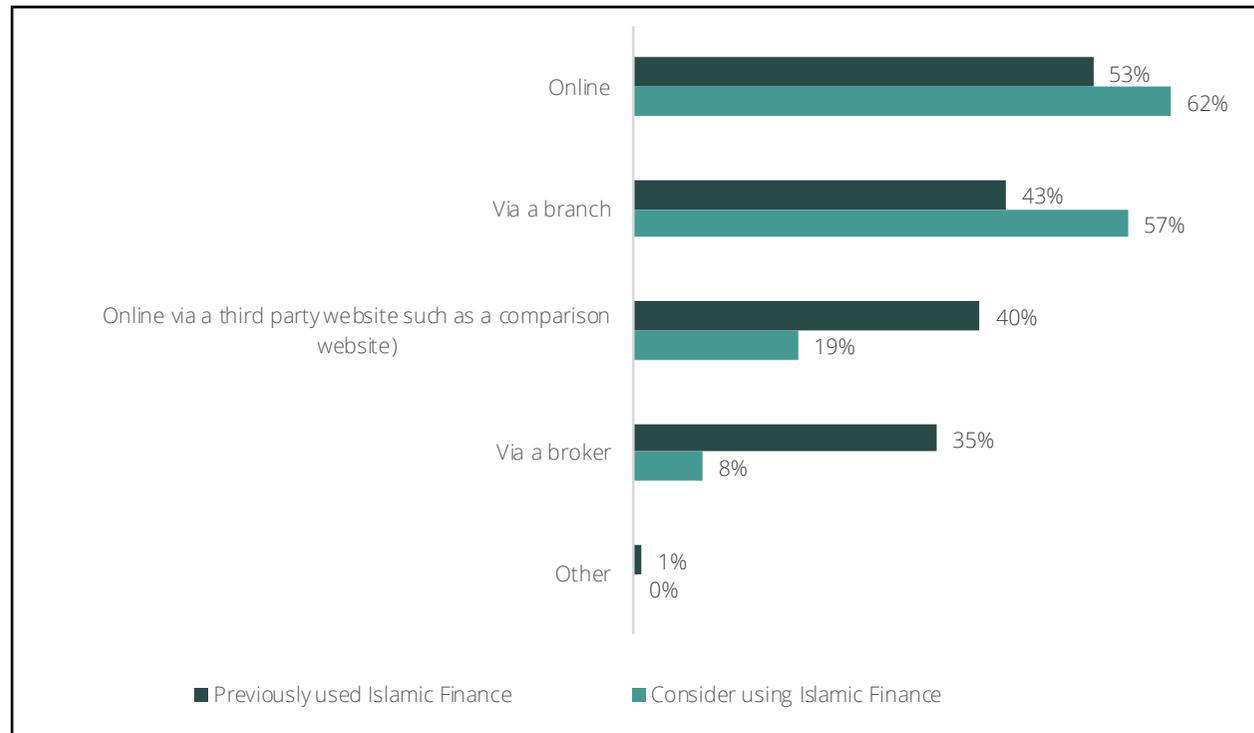


n = 1000 Q. Have you ever used Islamic Finance products?

Online is the most popular channel for buying Islamic Finance



Those considering Islamic Finance say they are more likely to use online or purchase via a branch and less likely to use a third-party website or a broker than those who have previously used it. This suggests a shift in the way people want to acquire Islamic Finance products and services.



n = 543
n = 227

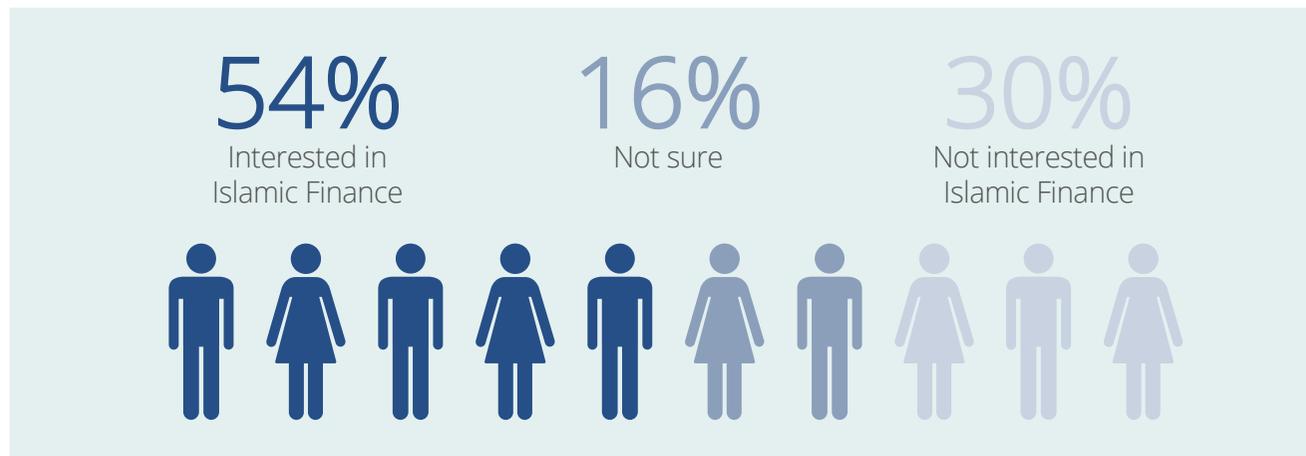
Q. You previously indicated you have taken out an Islamic Finance product. How did you arrange this?

Q. You previously indicated that you might consider buying an Islamic Finance product. How would you be most likely to arrange this?



54% are interested in using Islamic Finance

The majority of potential consumers are interested in current and savings accounts, credit cards and insurance.



Similar across ages

The products people aware of Islamic Finance are interested in are:

Current accounts (96%), savings accounts (86%), credit cards (72%), insurance (70%), children's savings (70%), international money transfers (68%), personal loans (68%), Mortgages/HPPs (68%), wills and tax affairs (67%), Investment services (67%), Financial Planning (66%), certificates of deposit (62%), home equity loans (62%), buy to let (62%).



n = 457
n = 791

Q. You've indicated that you have never used Islamic Finance products.
To what extent would you be interested in these types of products in the future?
Q. In the future, how likely would you be to consider the following products if they were provided by an Islamic Finance provider.



Trust is the main driver to using Islamic Finance, whilst accessibility of information is the main barrier



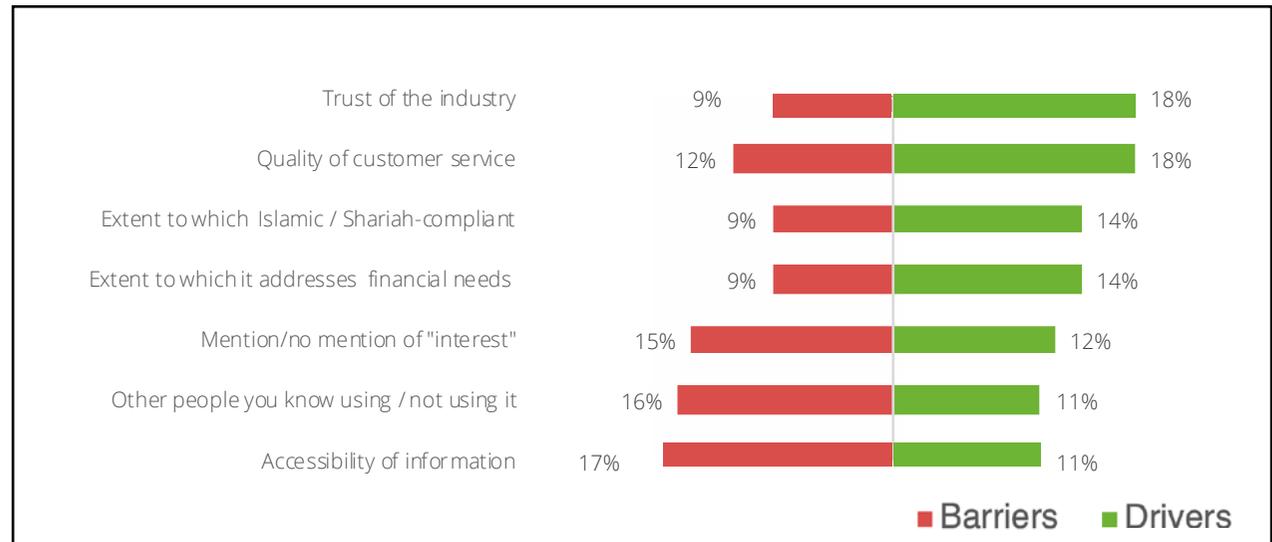
Trust, good quality customer service, Shariah-compliance and addressing financial needs are the main drivers towards Islamic Finance.

Limited information, other people not using it and mentions of 'interest' are the biggest barriers to use.

Costs compared to conventional finance are also an important factor. Low costs drive use, whilst high costs are a key barrier.

These findings suggest more work needs to be done to increase accessibility and clarity of information on Islamic Finance. Work also needs also to be done to drive its presence in local communities by ensuring people know others who use the services.

Other factors that influenced purchase revealed smaller differences, suggesting they were considered nearly equally as drivers (D) and barriers (B). These factors were: opinions of scholars (D = 9%; B = 11%), ease/difficulty of comparing options (D = 12%; B = 10%), likelihood of being accepted (D = 11%; B = 10%), opinion of the community (D = 11%; B = 10%), clarity of the benefits over conventional finance (D = 12%; B = 13%), alignment with values and beliefs (D = 12%; B = 10%), ease/difficulty of purchasing Islamic Finance products (D = 12%; B = 10%), accessibility compared to conventional banks (D = 13%; B = 15%) and clarity of banking practices (D = 12%; B = 13%).



High cost was a strong barrier (16%)

Low cost was a strong driver (16%)

% of people who selected statement as one of their top 3 barriers and drivers to use

n = 1000

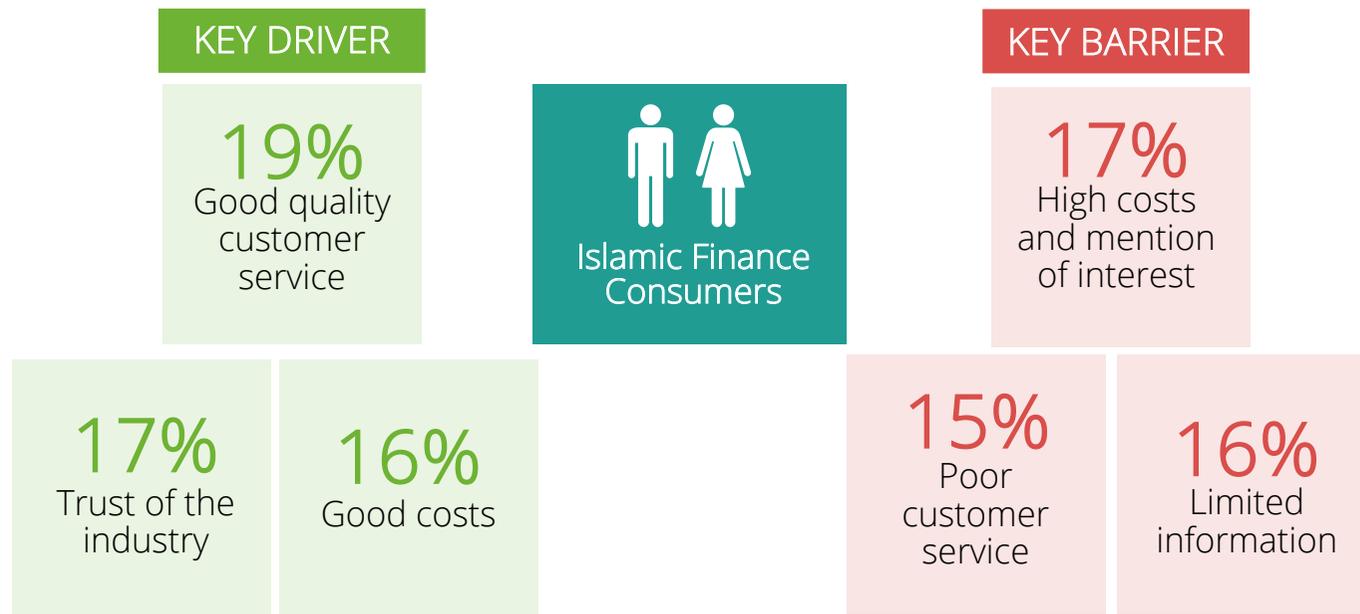
Q. Which of the following are most likely to encourage you to use or consider Islamic Finance?
Q. Which of the following are most likely to dissuade you from using or considering Islamic Finance?





Current consumers are motivated by service, but dissuaded by high costs

Islamic Finance consumers are most motivated by a good competitive service but would be most dissuaded by high costs and mentions of interest.



% = % of people who selected as one of their top 3 reasons

n = 543

Q. Which of the following are most likely to encourage you to use or consider Islamic Finance?

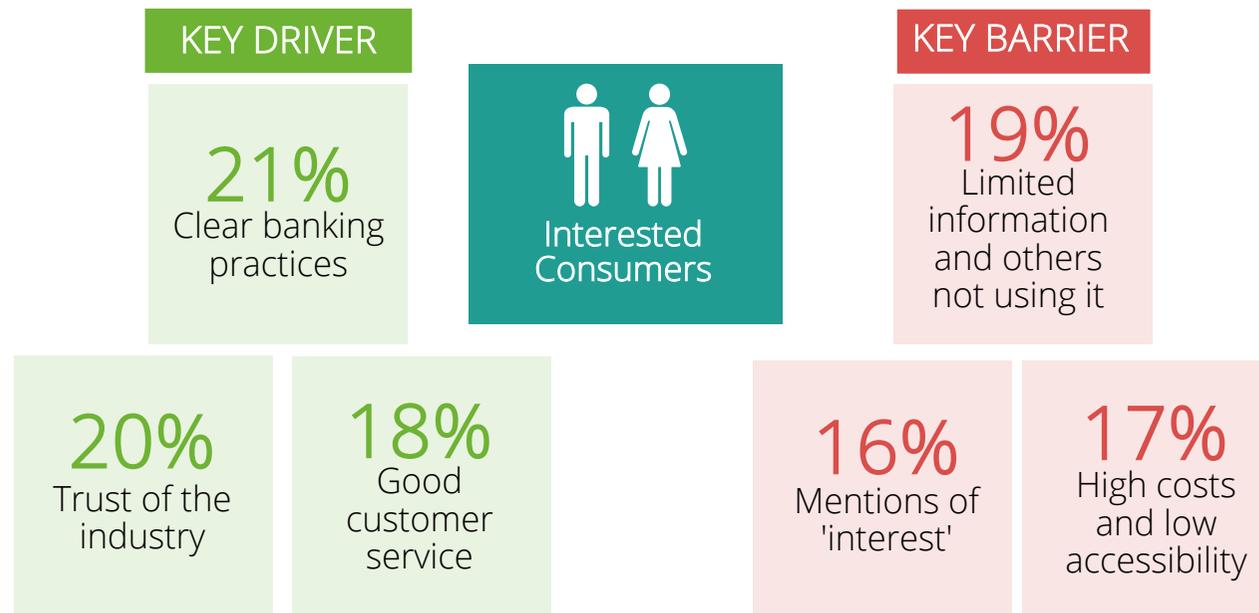
Q. Which of the following are most likely to dissuade you from using or considering Islamic Finance?





Interested consumers are motivated by clear practices, but dissuaded by limited information

Interested consumers are most motivated by clear banking practices and would be most dissuaded by limited information and others they know not using it.



% = % of people who selected as one of their top 3 reasons

n = 248

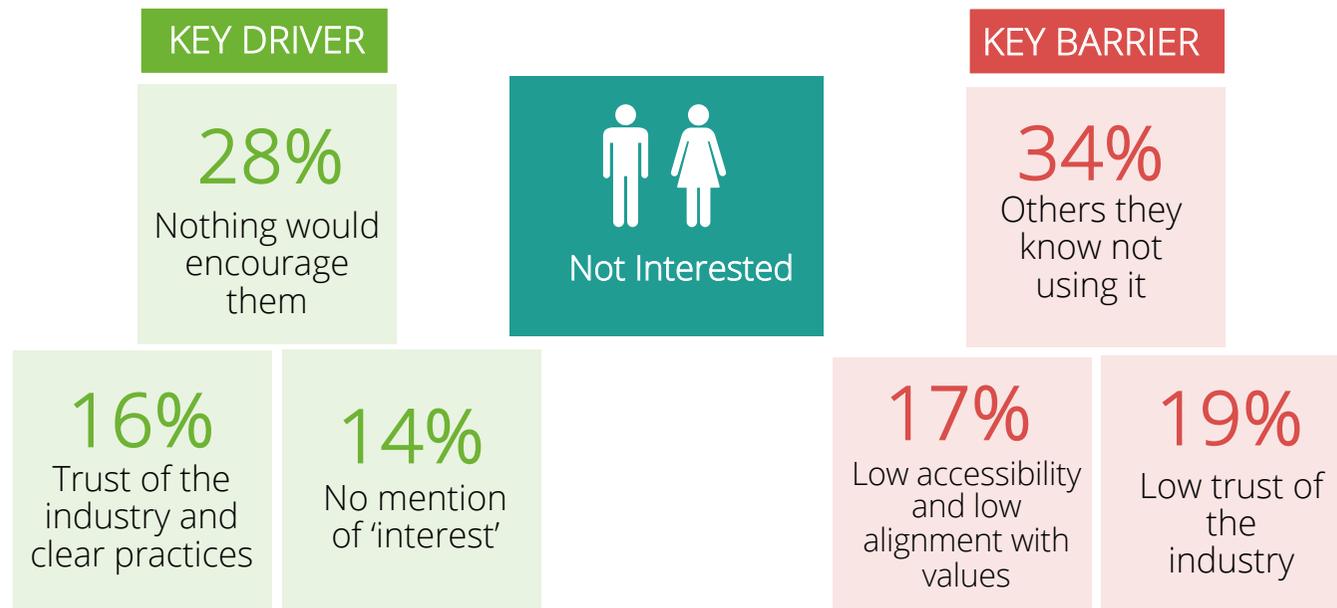
Q. Which of the following are most likely to encourage you to use or consider Islamic Finance?

Q. Which of the following are most likely to dissuade you from using or considering Islamic Finance?



Those consumers not interested don't know anyone who is using Islamic Finance

Uninterested consumers are dissuaded by the fact that they do not know others using it, and they say they are unlikely to be motivated by anything.



% = % of people who selected as one of their top 3 reasons

n = 209

Q. Which of the following are most likely to encourage you to use or consider Islamic Finance?

Q. Which of the following are most likely to dissuade you from using or considering Islamic Finance?



Conversion is driven by community engagement

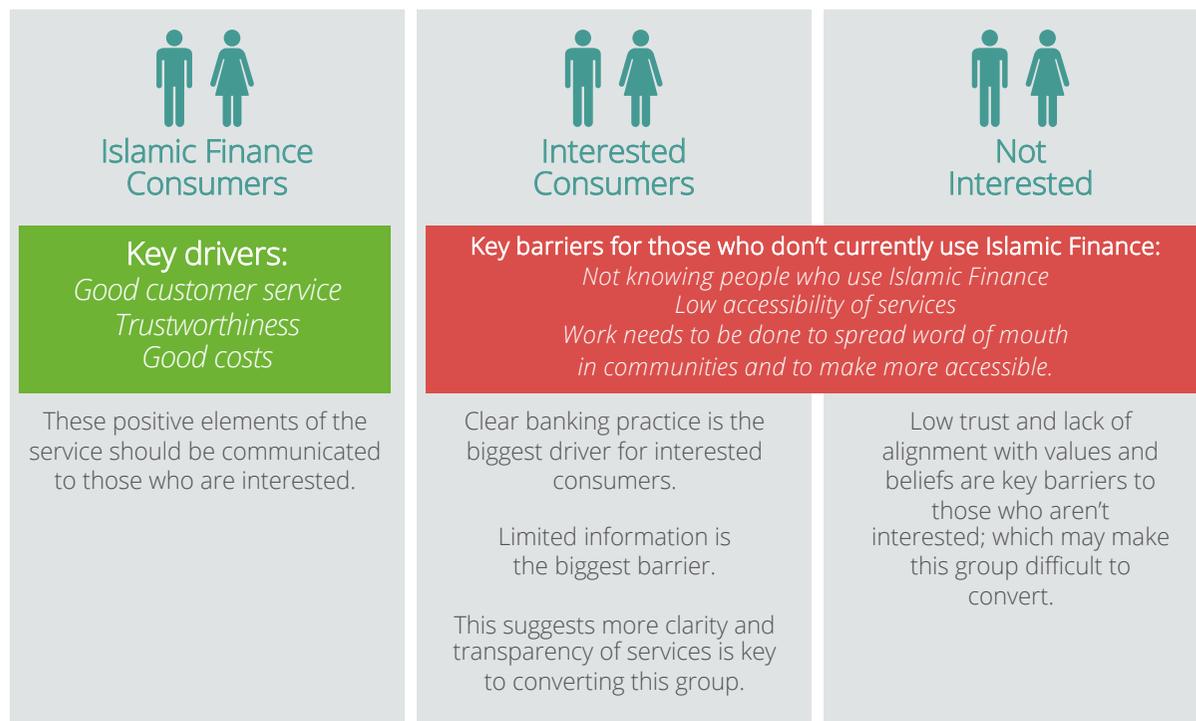


The biggest opportunity to drive conversion is to build a stronger Islamic Finance community to share information, and to promote its customer service, trustworthiness and attractive costs

Current and interested consumers are focused on practical concerns such as customer service and costs.

Non-users are focused on social factors such as whether others they know anyone who uses Islamic Finance.

Limited information is the biggest barrier for those who are interested.



n = 1000

Q. Which of the following are most likely to encourage you to use or consider Islamic Finance?
 Q. Which of the following are most likely to dissuade you from using or considering Islamic Finance?

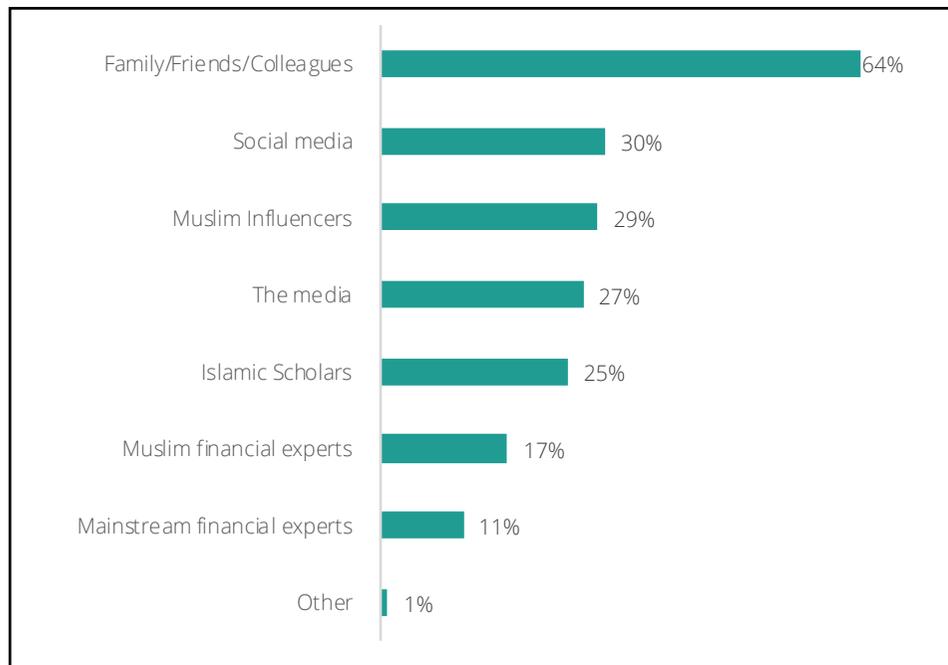


Working with the community to increase awareness and improve perception is key

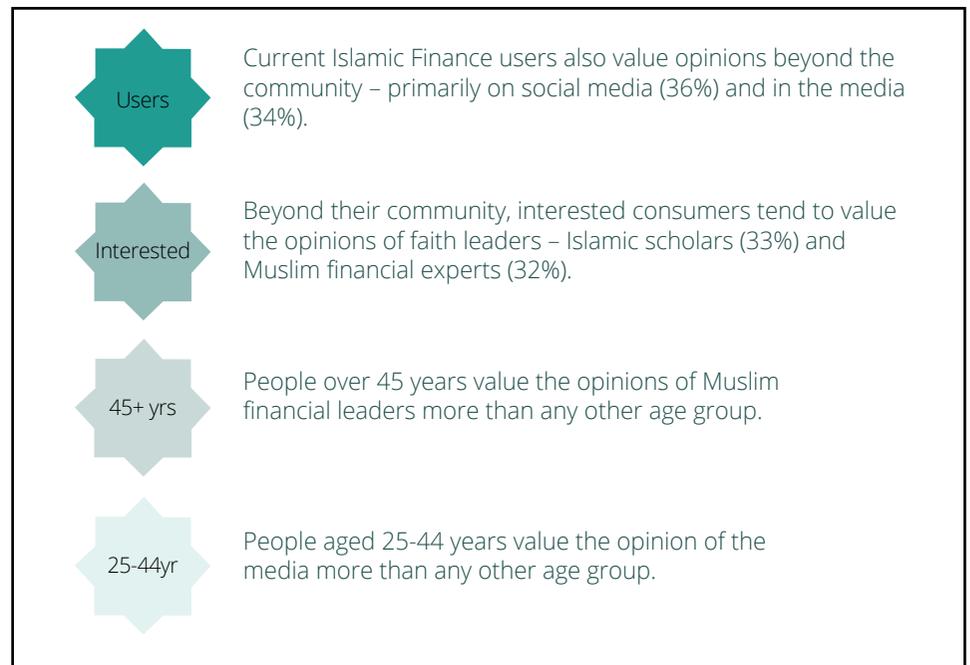


The opinion of the community is the best universal driver of conversion, with further opportunity to utilise faith leaders to persuade interested consumers.

People most value the opinions of family, friends and colleagues on Islamic Finance consistently across levels of use, interest, and age.



Beyond their communities, current consumers value the opinions of the media whereas interested consumers value the opinions of faith leaders.



n = 791 Q. Whose opinion do you value when thinking about purchasing Islamic Finance products?



EXPERIENCE
AND
ADVOCACY

When people use Islamic Finance, it far exceeds their expectations



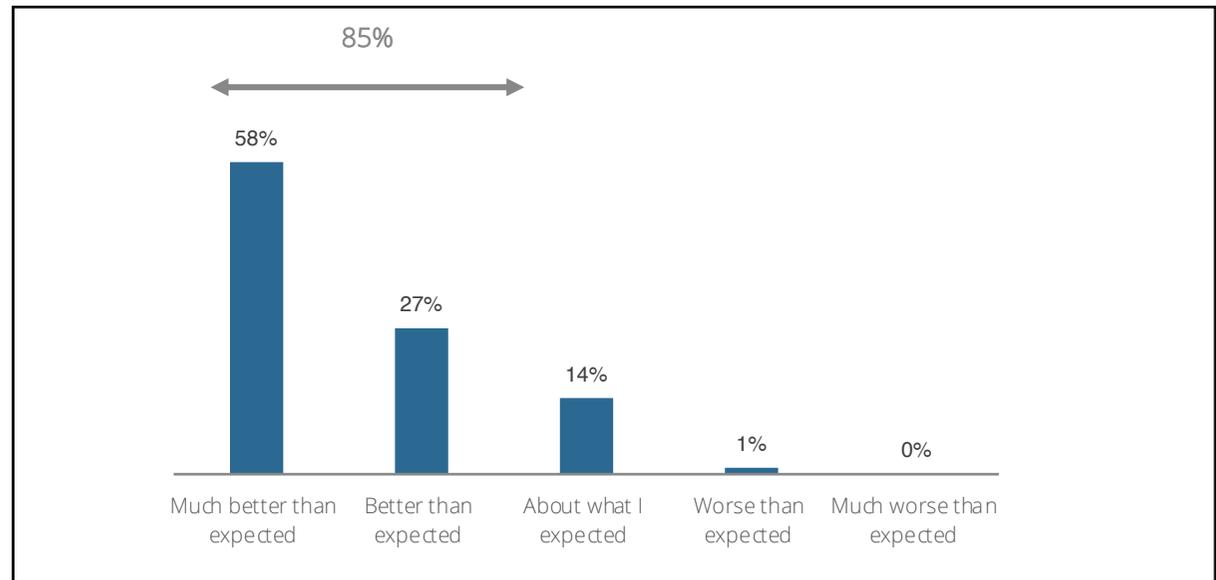
In fact, 85% agree that the Islamic Finance product they purchased exceeded expectations. This number is even higher among 35-44 year olds.

This suggests that any initial concerns around using Islamic Finance (such as banking practices and accessibility compared to conventional banks) were overcome once people actually used it.

Therefore, in the awareness and perception stages of the consumer journey more work needs to be done to overcome any negative perceptions and initial concerns.

One method could be to mobilise existing customers to advocate on behalf of the industry about their experiences and the benefits of the services.

93% of 35 to 44 year-olds said their experience of Islamic Finance exceeded expectations



n = 543

Q. You've previously purchased a product or service provided by an Islamic Finance institution. How would you evaluate your experience with these products and services?



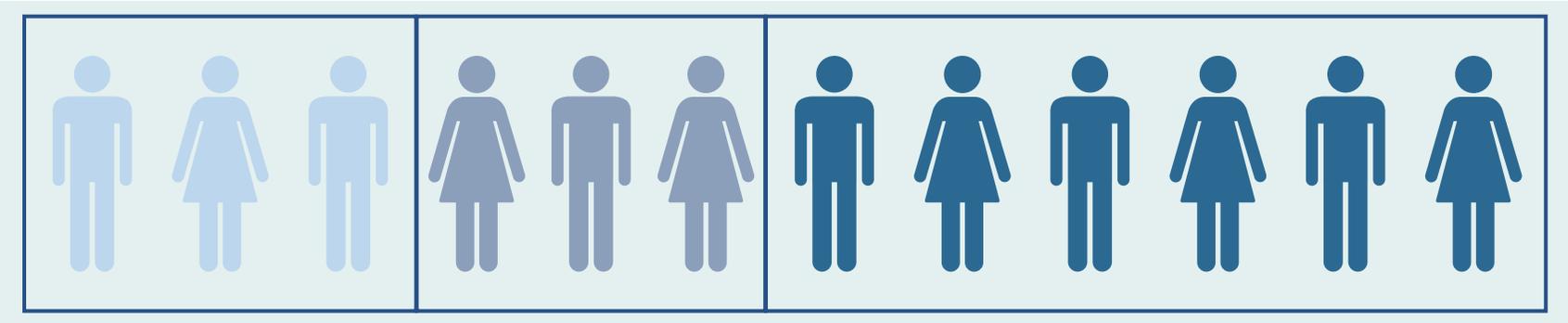
46% of Islamic Finance users would highly recommend it to others



Detractors

Passive

Promoters



28%

Unlikely to recommend
(0-6)

26%

Neutral about recommending
(7-8)

46%

Highly likely to recommend
(9-10)

n = 543 Q. How likely are you to recommend Islamic Finance products to a friend or associate? (0-10)



Understanding advocacy of Islamic Finance



To further understand the opportunity to mobilise the community to advocate for Islamic Finance and grow the industry we have calculated a Net Promoter Score for the Islamic Finance industry.

This enables us to judge the extent to which users would advocate and the overall mood in the community.

What is a Net Promoter Score (NPS)?

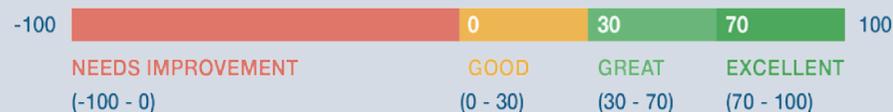
The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

Net Promoter Score Calculation

Customers are surveyed on one single question. They are asked to rate on an 11-point scale the likelihood of recommending the company or brand to a friend or colleague. "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?" Based on their rating, customers are then classified in 3 categories: detractors (rating 0-6), passives (rating 7-7) and promoters (rating 9-10).

Net Promoter Score = % of promoters - % of detractors

What is a good NPS score?



A Net Promoter Score above 0 would generally be considered good. The benchmark for banking is considered to be 35.

Sources: <https://www.medallia.com/net-promoter-score/>
<https://npsbenchmarks.com/industry/financial-services/banking>

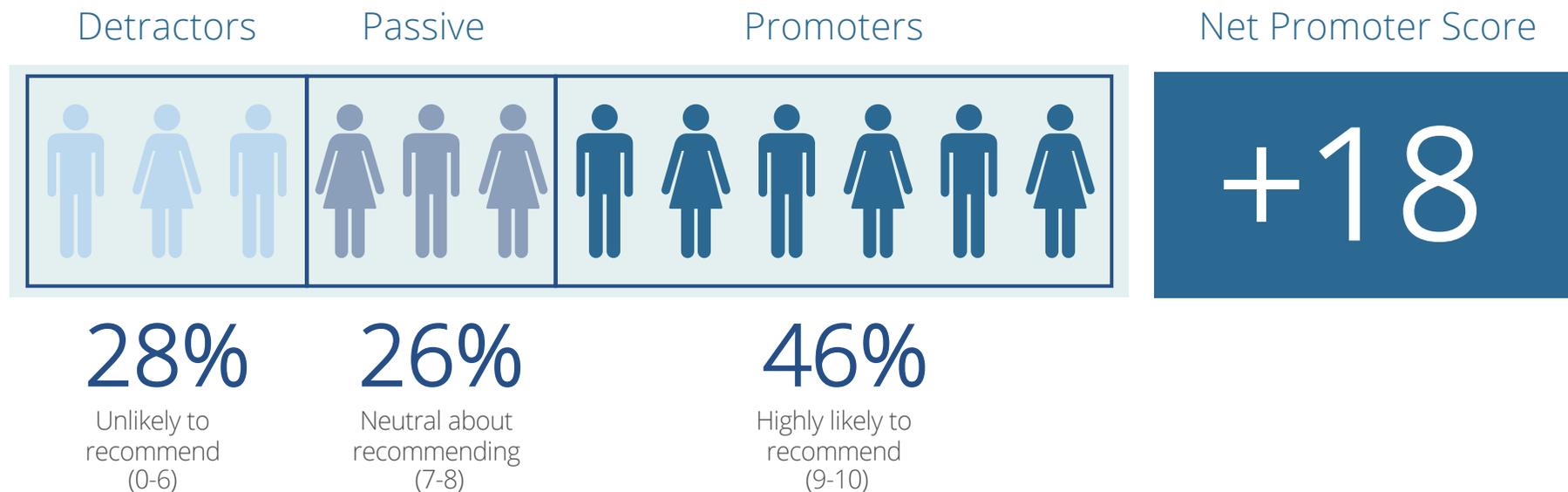


The overall net promoter score for Islamic Finance is +18



Although the Net Promoter Score falls in the 'good' range, it is at the lower end of the scale and could be improved. This is particularly important given how highly both users and non-users value the opinions of their peers and the regard in which others do or don't hold the industry, and the importance of community.

This suggests there is much more to do to engage the community and that there is an opportunity for the community to mobilise its community advocates.



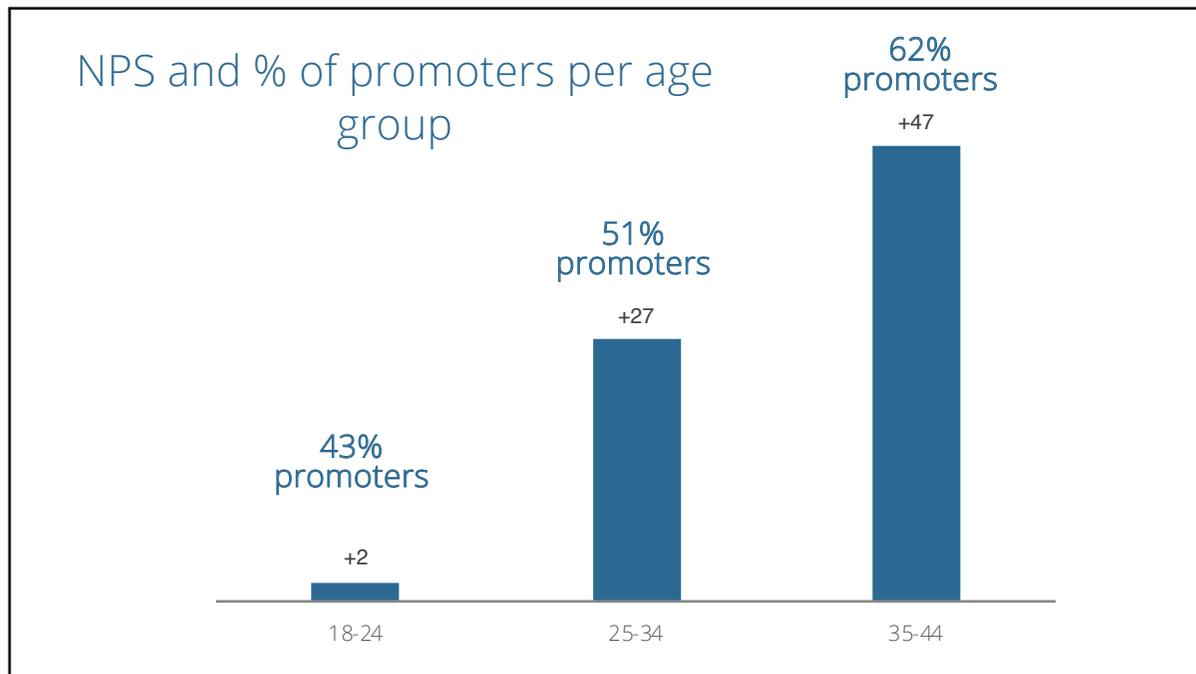
n = 543 Q. How likely are you to recommend Islamic Finance products to a friend or associate? (0-10)



Amongst 35-44 year olds there is a +47 NPS score, compared to a +2 score amongst 18 to 24 year-olds



There is a large disparity in the likelihood of advocating Islamic Finance between age groups. 35 – 44 year olds are the biggest promoters of Islamic Finance, making them ideal for advocacy.



This suggests there is opportunity to tap into the 35 – 44 year old group of Islamic Finance consumers to help promote the benefits of the industry to the wider community.



Looking Ahead: Conclusions and Recommendations

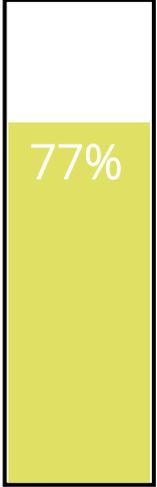


Snapshot: Islamic Finance Health Indicator

n = 1000

Snapshot:
The 2019 health indicator suggests that the biggest opportunity ahead of the Islamic Finance industry is to increase positive perceptions of the industry within the UK Muslim community in order to drive use of Islamic Finance products and services. Within this there are specific roles for increasing awareness among key segments, crafting a strategy built on the key drivers and barriers to uptake, and mobilising community advocates.

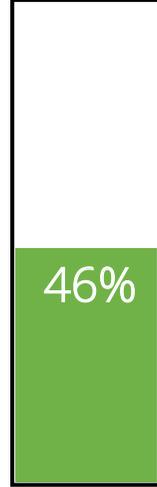
Good level of awareness



Awareness

% who know a lot or a bit about Islamic Finance

Perceptions could be improved



Perception

% who have a very favourable view of Islamic Finance

Opportunity to increase use



Use

% who currently use Islamic Finance

Users cite a very positive customer experience



Experience

% of Islamic Finance consumers who said it exceeded their expectations



Looking ahead: Recommendations for the industry

Communicate a complete solution

UK Muslim consumers are motivated by both emotional and rational factors when it comes to Islamic Finance, suggesting we need to communicate a complete solution to their needs.

The strong majority of UK Muslims feel that finance should align with their ethics and values which suggests that clearly communicating the ethical benefits of Islamic Finance is key.

However, consumers also want a good quality service which competes with conventional finance on customer service, costs, and accessibility. This suggests that these benefits need to be equally apparent to encourage interested consumers and grow the industry.

Increase clarity and understanding

Work needs to be done to increase the clarity and understanding of Islamic Finance products and services.

There is currently a high level of scepticism about how Islamic the products truly are. This is further fuelled by a lack of clear and accessible information about what providers offer and confusion over banking practices.

A community movement

The power of the community's opinions towards Islamic Finance is the most significant factor in building on the momentum that already exists.

With UK Muslims valuing the opinions of their friends, family and colleagues the most when it comes to making decisions about Islamic Finance, driving word of mouth in local communities is key to growing the industry.

To boost perceptions of the industry we need to mobilise our community advocates, primarily 35 to 44 year-old Islamic Finance consumers, with further opportunities to utilise faith leaders (Islamic scholars and Muslim financial experts) to convert interested consumers.

Looking ahead: More work to be done

Increase awareness and knowledge

Awareness, perception and uptake were particularly low among 18 to 24 year-olds. This is a key growing demographic, and early engagement is important.

The industry should think about how to build relationships in this early stage.

Women also show lower awareness and engagement with Islamic Finance. More investigation is required into why this might be the case, and whether it fits into similar, wider financial consumer trends. This could be a particularly rich area of investigation.

Understanding perceptions across age

Our research suggests that awareness and use of Islamic Finance vary quite considerably across age groups, with 35 to 44 year-olds being considerably more likely to both know about and use it than any other age group.

Further research should be conducted to uncover the reasons behind differences in awareness and opinions amongst age groups to help tailor effective messaging.

Effective messaging

Our research suggests that mobilising our community advocates to boost perceptions of the industry by advocating its ethical and practical benefits is key.

However, more work needs to be done to determine the most effective message and channel to reach our potential consumers.

Further investigation is also required to assess levels of awareness and knowledge around Islamic Finance.



Appendix

1. Survey methodology and sample
2. About Gatehouse Bank
3. Partners and acknowledgements

Survey methodology and sample

This survey was conducted among 1000 Muslim respondents living in the UK.

The interviews were conducted online by Sapio Research in April 2019 using an email invitation and an online survey.

The report was written by Ogilvy Consulting UK and Gatehouse Bank.

Age			
18-24	25-34	35-44	45+
251	296	367	86
25%	30%	37%	9%

Gender		
Male	Female	Prefer not to say
513	480	7
51%	48%	1%

Marital Status					
Single/ Divorced / widowed	Married	Married with children still at home	Married with children who have left home	Single / divorced / widowed with children still at home	Single / divorced / widowed with children who have left home
382	407	177	6	22	6
38%	41%	18%	1%	2%	1%

Ethnicity						
Asian or Asian British	Black or Black British	Mixed	White	Chinese	Other ethnic group	Prefer not to say
490	170	100	179	0	36	25
49%	17%	10%	18%	0%	4%	3%

Employment							
Higher managerial (administrative or professional)	Intermediate managerial (administrative or professional)	Supervisory, clerical or junior managerial (administrative or professional)	Skilled manual worker	Semi-skilled or unskilled manual worker	Casual worker	Unemployed	Retired
326	211	173	127	65	26	52	20
33%	21%	17%	13%	7%	3%	5%	2%

Education					
GCSE's	A-levels	Diploma	Bachelor's degree	Master's	Doctorate
129	204	89	238	279	61
13%	20%	9%	24%	28%	6%

Geographical Location											
East	East Midlands	London	North East	North West	Northern Ireland	Scotland	South East	South West	Wales	West Midlands	Yorkshire and The Humber
67	63	480	17	86	4	28	50	29	15	88	73
7%	6%	48%	2%	9%	0%	3%	5%	3%	2%	9%	7%



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About Gatehouse Bank

Gatehouse Bank plc is a Shariah-compliant bank based in London and is a subsidiary of Gatehouse Financial Group Limited.

It is authorised by the Prudential Regulation Authority (PRA) and regulated by the Prudential Regulation Authority and the Financial Conduct Authority (FCA).

Founded in 2007, Gatehouse Bank supports savvy savers looking for a better return, aspiring homeowners and businesses driving for growth. We offer a genuine alternative to conventional banks, with products that are transparent, fair and socially responsible.

Our Values

Responsible

We believe in a transparent, fair and socially responsible system of finance, based on Shariah principles. Through the sharing of both risk and reward in an equitable way, we offer an alternative, balanced approach to banking for our customers.

Open

We encourage an open and transparent dialogue with our customers and colleagues, welcoming different ideas and perspectives. We recognise the value of listening and the progress that comes from freedom of thought and permission to fail.

Can-do

We embrace opportunity and are resourceful in the face of challenge. By looking beyond accepted conventions, being willing to adapt, and always working as a team, we move forward where others stand still. Our attitude is refreshingly can-do.



Acknowledgements

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