SPRINGER NATURE Link

Search

Cart

Home > Journal of Financial Services Research > Article

When Does the General Public Lose Trust in Banks?

Published: 10 August 2014

Volume 48, pages 127–141, (2015) <u>Cite this article</u>



Journal of Financial Services

<u>Research</u>

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

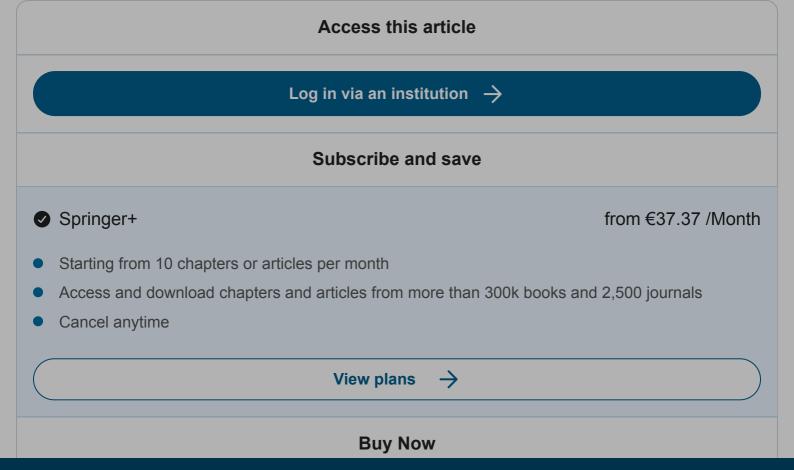
We use cookies and similar technologies for the following purposes:

- > Store and/or access information on a device
- > Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences



Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies	
Reject optional cookies	
Manage preferences	

Explore related subjects

Discover the latest articles and news from researchers in related subjects, suggested using machine learning.

Public Sociology	Banking	Economic Sociology	Financial Crises	Public Economics	Public Finance
	Public Soc	<u>iology</u>			

Notes

- 1. Source: <u>http://www.financialtrustindex.org/resultswave15.htm</u>. ULR last accessed 31 January 2013.
- 2. In the 2010 survey, respondents were initially presented with more than eight scenarios. In 2012 we used the eight scenarios where differences of opinion

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

- 7. We thank an anonymous referee for this suggestion. Detailed results available upon request.
- 8. Complete regression tables are available upon request.

References

Alesina A, La Ferrara E (2002) Who trusts others J Public Econ 85:207–234

Article Google Scholar

Bagehot W (1920) Lombard Street. A description of the money market. 14th

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

Carbó Valverde S, Maqui-López E, Ródriguez-Fernández F (2013) Trust in banks: Evidence from the Spanish financial crisis. Accessed 2 May 2014. <u>http://ssrn.com/abstract=2310273</u>

De Haan J, Vlahu R (2013) Corporate Governance of Banks: A Survey. De Nederlandsche Bank Working Paper No:386

Diamond DW, Dybvig PH (1983) Bank runs, deposit insurance, and liquidity. J Polit Econ 91:401–419

Article Google Scholar

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

Goldsmith-Pinkham P, Yorulmazer T (2010) Liquidity, bank runs, and bailouts: Spillover effects during the Northern Rock episode. J Financ Serv Res 37:83–98

Article Google Scholar

Guiso L (2010) A trust-driven financial crisis. Implications for the future of financial markets. Einaudi Institute for Economic and Finance Working Paper, 1006

Haleblian J, Finkelstein S (1993) Top management team size, CEO dominance, and firm performance: the moderating roles of environmental turbulence and discretion. Acad Manag J 36:844–863

Article Google Scholar

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

times of crisis. Oesterreichische Nationalbank Working Paper, 158

Laeven L, Valencia F (2013) Systemic banking crises database. IMF Econ Rev 61:225–270

Article Google Scholar

Lusardi A, Mitchell OS (2008) Planning and financial literacy. How do women fare? Am Econ Rev 98:413-417

Article Google Scholar

Lusardi A, Mitchell OS (2011) Financial literacy around the world: an overview. J Pension Econ Financ 10:497–508

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

Reports No, 502

Olfson M, Marcus SC, Druss B (2008) Effects of food and drug administration warnings on antidepressant use in a national sample. Arch Gener Psychiatry 65:94–101

Article Google Scholar

Osili UO, Paulson A (2014) Crises and confidence: Systemic banking crises and depositor behavior. J Financ Econ 111:646-660

Article Google Scholar

Penas MF, Tümer-Alkan G (2010) Bank disclosure and market assessment of

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

extreme performance: The moderating role of a powerful board. J Manag Stud 48:1479–1503

Article Google Scholar

Teppa F, Vis C (2012) The CentERpanel and the DNB household survey: Methodological aspects. De Nederlandsche Bank Occassional Studies 10 (4)

Van der Cruijsen CAB, De Haan J, Jansen D, Mosch RHJ (2012) Households' decisions on savings accounts after negative experiences with banks during the financial crisis. J Consum Aff 46:436–456

Article Google Scholar

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

Yang AS (2013) Decision making for individual investors: A measurement of latent difficulties. J Financ Serv Res 44:303–329

Article Google Scholar

Acknowledgments

This paper relies on survey material collected in 2010 by the second author and Kirstin Spahr van der Hoek as well as material collected by the authors and Jakob de Haan, also in 2010. We are grateful to both of them. Corrie Vis (CentERdata) helped arranging the various surveys using the CentERpanel. Jansen thanks DNB's Governance and Accounting Department for hospitality while starting work on this paper. We thank conference participants at the University of Surrey.

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

Corresponding author

Correspondence to David-Jan Jansen.

Appendix : Questions from the surveys

A. We submitted the following questions on trust to the members of the CentERpanel in 2010 and 2012.

Introduction:

This questionnaire is on trust in your bank(s).

Q1: How likely is it, that because of the following events, you will withdraw the funds from your bank, as you no longer trust the bank due to these events?

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

h) The government nationalizes the bank.

B. We submitted the following questions on crisis experiences to the members of the CentERpanel in 2010.

Q27: During the past 3 years did a bank at which you were customer go bankrupt?

- a) yes, DSB.
- b) yes, Icesave.
- *c*) yes, other.
- *d*) no.

Q28: During the past 3 years did a bank at which you were customer

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

```
10 August 2014
October 2015

DOI
https://doi.org/10.1007/s10693-014-0201-y
```

Keywords

<u>Trust</u>	<u>Banks</u>	<u>General public</u>	Financial crisis	<u>Survey data</u>

JEL classifications

<u>D12</u>	<u>D14</u>	<u>D18</u>	<u>G01</u>	<u>G21</u>

Search

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies
Reject optional cookies
Manage preferences

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to nature.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Accept all cookies	
Reject optional cookies	
Manage preferences	