

Digital account openings at traditional banks grow modestly, with megabanks winning the lion's share

Article

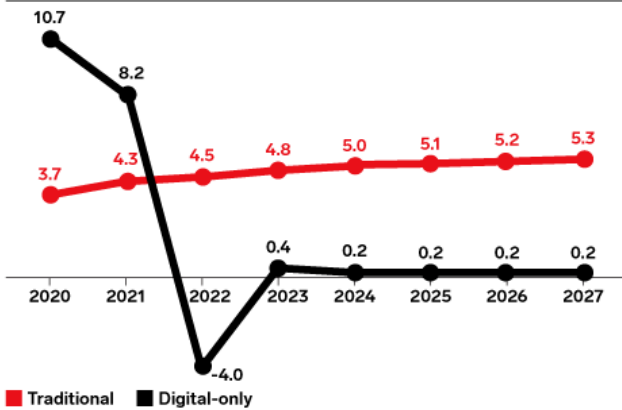
How we got here: Customers fled to bigger, older institutions they considered more stable amid the banking crisis earlier this year. This led megabanks to capture the bulk of the 4.8 million digital accounts opened at traditional banks in 2023.

- The initial surge of deposits to giants like JPMorgan Chase and Bank of America slowed at the end of March, but consumers remain wary. The latter reported continued customer growth in Q2 2023, with 157,000 new accounts. And Citibank saw a 21% quarter-over-quarter increase in new account acquisitions in the same period.
- This comes at the expense of other midsize and regional traditional banks. KeyBank deposits fell 3% YoY in Q2 2023, while Huntington Bank reported its lowest level of new consumer account originations since Q2 2022.

Looking ahead: Traditional banks will continue to see healthy account opening growth as consumers seek stability: Around 5 million accounts will be opened at traditional banks each year from 2024 to 2027. And the gap between traditional and digital-only account openings will keep widening.

US Digital Account Openings at Traditional vs. Digital-Only Banks, 2020-2027

millions



Note: includes FDIC-backed, full-service bank, credit union, or brokerage accounts opened by individuals via web browser or mobile app; excludes accounts opened in-person or over the phone but managed through an online platform
 Source: Insider Intelligence | eMarketer, June 2023

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Report by Caitlin Cahalan Sep 06, 2023

US Digital Account Opening Forecast 2023

