



# Can banks undo Gen Z's distrust of financial institutions?

## Article

**The trend:** Unlike previous generations, Gen Z doesn't inherently trust financial institutions (FIs). They question banks' motives and demand more transparency and ethical business practices, per Forbes.

**How we got here:** Gen Z grew up in the aftermath of the 2008 financial crisis and have [witnessed their parents' financial struggles for most of their lives.](#)

As digital natives, they also have little patience for glitches and technological mishaps. If an app or website is difficult to navigate, they will quickly turn to alternatives that offer a superior digital experience.

Plus, Gen Zers care more about corporate social responsibility than do older consumers. When we asked which factors were important in determining their level of trust in a bank brand, more Gen Zers cited the brand's socially and environmentally responsible practices than did any other generation. And some banks' decisions to rethink their DEI policies may be reinforcing skepticism among these young customers.

**What intrigues them about digital competitors:** Meanwhile, fintechs are outpacing banks in new checking account openings, per a separate Forbes and Cornerstone Advisors study. And though these may not be customers' primary accounts, it still means they associate fintechs with what they want—good digital experiences to fill gaps within their overall banking journeys.

**Our take:** Ultimately, attracting and retaining Gen Zers demands a comprehensive strategy. They want the best digital experience and features, and they care about an FI's reputation. But that's not all—many will likely check banks' stances on the environment and DEI—something retail customers are doing in full force. And given these customers' skepticism of FIs already, it may be hard for banks to message away even a temporary reprieve from their morals.