

Consumers cite 'data security' as a reason for not switching their primary status to neobanks

Article

The news: A sizable swath of US consumers don't want to move their primary banking relationships to digital-only players due to security concerns, per a new survey from PYMNTS and Optherium.

At **47.4%**, **data security was the issue most widely cited** by survey respondents who are either just "slightly" or "not at all" interested in switching their primary status to a digital-only bank supported by a large company.

The security generation gap: Older respondents are more likely to name data security as a concern:

- For Baby boomers and seniors, **32.6%**.
- For Generation X, the level falls dramatically to **25.2%**
- Millennials and Generation Z have respective responses of **16.2%** and **17.8%**.

The big takeaway: The results indicate that established banks have a competitive advantage over neobanks in consumers' digital trust.

The perceived superiority of incumbents in safeguarding consumers' data will come in handy now that digital banking has become the norm:

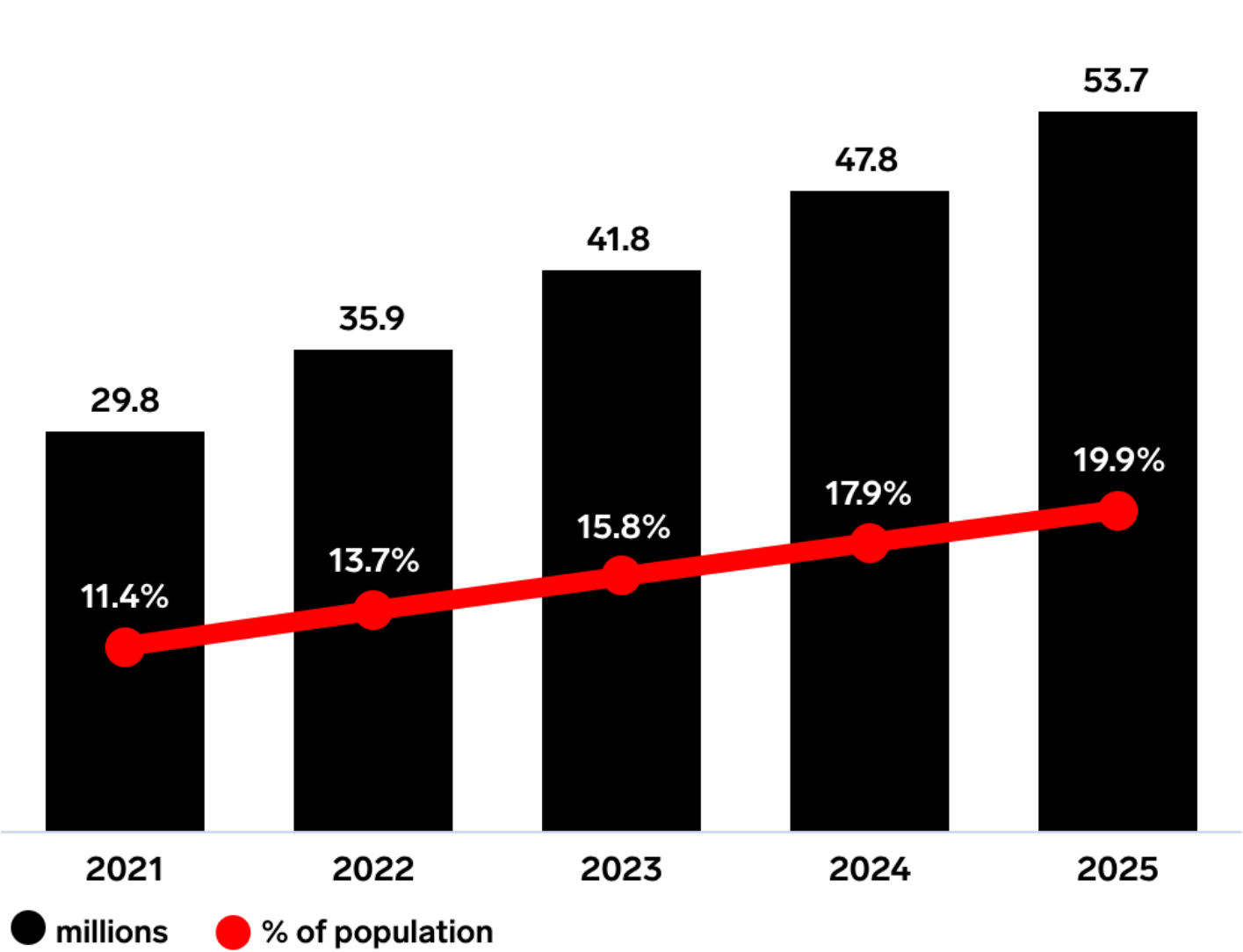
- The survey shows that **82% of consumers use some kind of digital method** to connect to their bank accounts.
- Results by channel show that **mobile-app usage is the most popular, with 41.4%** of respondents picking it as their most used method. Digital banking through a computer placed second in the most-used responses, at **26.1%**.

People with above-average digital trust in their bank are more likely to be valuable customers in some respects than those with below-average trust, per our 2021 [Banking Digital Trust Report](#):

- **38.8% of people with above-average trust were willing to open a new account or product** with their bank, versus just **21.3%** for those with below-average trust.
- **37.1% of people with above-average trust said they have multiple accounts** with their bank, versus only **28.3%** of respondents with below-average trust.

For a deeper dive into the rise of neobanks and the major disruptors that could rattle the competitive dynamics between incumbents and challengers, as well as the wide range of counterattacks available to traditional banks, read [“The US Digital-Only Banking Revolution: How Legacy Banks Can Hit Back as Neobanks Take Off.”](#)

Digital-Only Bank Account Holders and Penetration US, 2021-2025



Source: eMarketer, May 2021

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