

Millennials Put Their Trust (And \$\$\$) in Tech

But older consumers remain comparatively wary

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New financial services, underpinned by emerging technologies, have the potential to upend traditional banking and finance services in the US.

But the adoption of financial technology, or fintech, products and services breaks down differently along generational lines, according to recent research from [Bain & Company](#).

The business management consulting firm found that nearly three-quarters of US internet users ages 18 to 34 polled in August 2017 were willing to buy a financial product from a tech company. That figure declined, however, as the respondents grew older, with just 42% of those ages 55 and older expressing the same sentiment.

US Internet Users Who Would Buy Financial Products from Technology Companies, by Age, Aug 2017
% of respondents in each group



Source: Bain & Company, "Customer Loyalty in Retail Banking" conducted by Research Now as cited in "Evolving the Customer Experience in Banking," Nov 20, 2017

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For most consumers, trust is likely the key barometer by which new digital financial services are gauged, and younger cohorts appear to simply have more faith in fintech.

When asked which companies they would trust with their money, respondents said they had the most faith in their primary bank, followed by banks in general. But tech firms PayPal and Amazon followed in third and fourth place.

In other words, while consumers generally remain most comfortable with traditional banks for their retail banking and other financial needs, they are at least open to some of the larger tech firms taking over those responsibilities.

Bain & Company noted that part of the reason that tech firms stand to disrupt the finance sector is because of their strong brand recognition, as well as their ample experience providing solid customer service—two attributes that finance-focused startups might not yet have.

Bain & Company found that tech companies' brand equity translated well for consumers considering adopting financial services from them. More than half of US internet users surveyed said they would consider using a credit card issued by a tech firm. About one-third said they would use a bank account from a technology enterprise, while three in 10 would use an investment service.