

Simple users hit with rocky migration to BBVA USA

Article

Many customers of shuttered neobank Simple, whose accounts were migrated to sister bank BBVA USA over the weekend, were locked out of their accounts in the process, per The Verge. Multiple error notifications popped up, including a “system error” message. A BBVA spokesperson attributed the lockouts to the number of simultaneous enrollment attempts

through online and mobile banking channels. BBVA USA placed a [red banner](#) at the top of its website apologizing for the disruption and offering customer support.

Simple was an early neobank whose closure is part of PNC's pending purchase of BBVA USA.

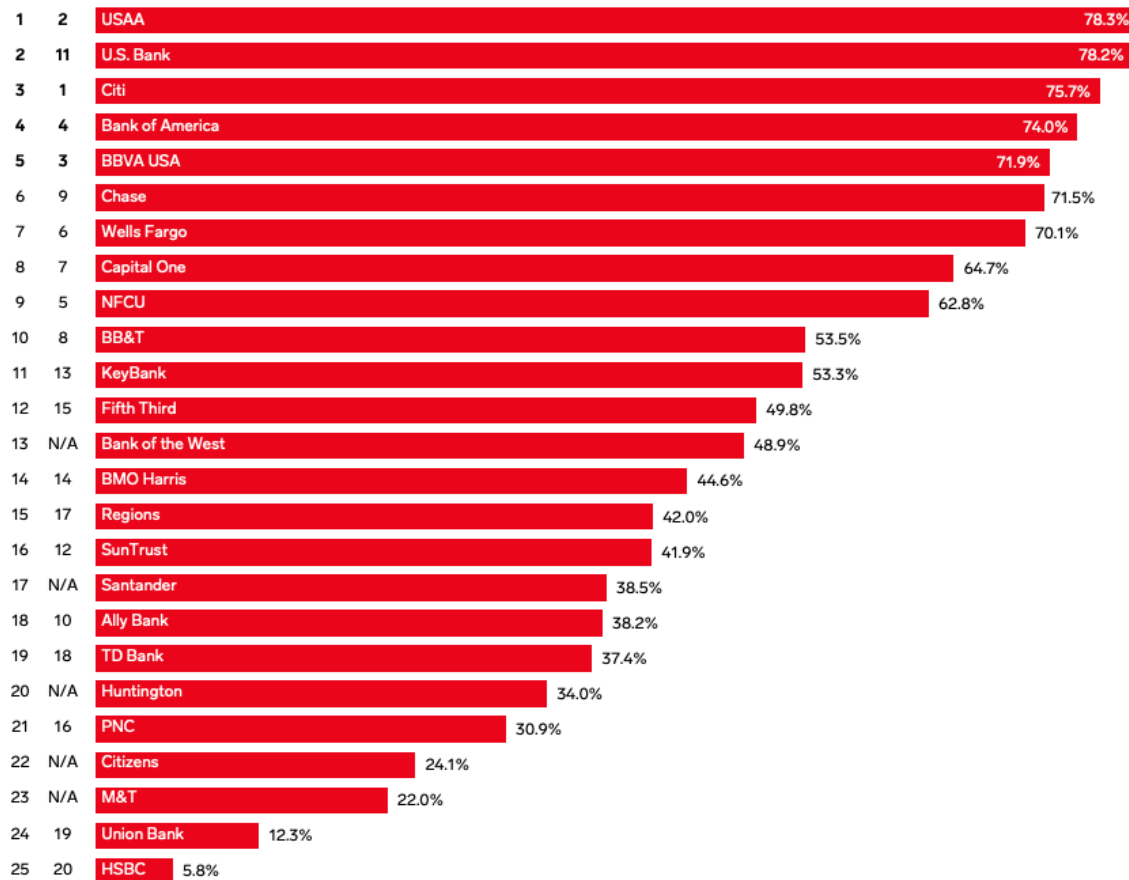
- It [arrived](#) on the scene in 2009 and amassed about 100,000 users by the time BBVA acquired it in 2014. As part of [the](#) \$117 million deal, the neobank was promised autonomy under the BBVA corporate umbrella.
- Simple's phaseout was [announced](#) in January as part of a streamlining move related to PNC's upcoming acquisition of BBVA USA. Users who stick around following this past weekend's migration will have to make another move when the deal closes—the transaction, [valued](#) at \$11.6 billion, is slated to wrap up in the middle of this year, pending regulatory approval.

The glitches in the transition from Simple to BBVA USA could push more users than [expected](#) to other neobanks. Giving Simple autonomy let BBVA offer a neobank that could draw in younger users who weren't keen on using traditional banks, [per](#) TechCrunch. While BBVA USA had a chance to retain Simple's users with the convenience of an automatic migration, the account lockouts and resulting turbulence could undermine the incumbent bank's efforts to keep them. That and the upcoming second account migration to PNC give other neobanks with similar value propositions an opening to attract Simple's customers. Potential winners include US-based challengers like SoFi, which is [planning](#) to go public by June 1; Varo, which [received](#) a national banking charter last September; and Chime, which recently [closed](#) a \$485 million funding round. One way that BBVA USA—and later this year, PNC—may be able to blunt attrition is by building on its already-formidable mobile app offering: The incumbent [ranks](#) fifth out of 25 banks in Insider Intelligence's US Mobile Banking Competitive Edge Report for 2020.

Overall Results: FIs with the Most Desirable Mobile Banking Features

Weighted score out of 100 points possible

2020 2019



Note: This chart reflects the year-over-year rankings and 2020 scores of the top 25 US FIs by assets. Insider Intelligence added five FIs to the scorecard in 2020

Source: Insider Intelligence US Mobile Banking Competitive Edge Study, August–September 2020; US Mobile Banking Competitive Edge Study, August–September 2019

Methodology: The 2020 data is based on an online survey of 2,324 US mobile banking users and a study of 25 banks. The 2019 data is based on an online survey of 2,000 US mobile banking users and a study of 20 banks. Respondents to the online surveys were sourced from a third-party sample provider to closely resemble US demographics on the criteria of gender, age, and income.

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