

Consumers' trust in digital banking is shifting from their primary financial institution

Article

The news: Increasing cybercrimes, political uncertainty, and a bleak economic outlook all have an impact on consumers' choices of how they will manage their money and who they'll

trust to do it. Our research shows that **banks and financial institutions (FIs) in the US are at a pivotal moment in their journey to earn the trust of their customers.**

Our annual report **[US Banking Digital Trust Benchmark](#)**, now updated for 2022, ranks banks and neobanks by their degree of consumer digital banking trust and identifies the key features banks and FIs should focus on to earn and maintain the trust of their digital customers. The report surveyed 1,961 US digital banking users between May and June 2022.

Key stat: Digital banking consumers' preferences are changing when it comes to who they're trusting with their banking needs. For the first time, **consumers ranked PayPal above their current bank or credit union** as their most trusted provider for banking services.

Leading Providers US Digital Banking Users Would Trust Most to Provide Them with Banking Services, 2021 & 2022

% of respondents

	2022	2021
PayPal	42.2%	40.7%
Current primary bank** or credit union	41.9%	48.0%
Visa	32.8%	31.7%
Mastercard	20.3%	20.6%
Apple	19.2%	13.0%
Amazon	19.1%	23.3%
American Express	12.9%	16.0%
Venmo*	12.3%	-
Discover	12.0%	11.8%
Another traditional bank or credit union	9.9%	9.9%
Walmart*	7.0%	-
Microsoft	5.1%	6.0%
Another "digital-only" bank	3.1%	5.1%
Alphabet (Google)	2.9%	13.5%
Meta (Facebook)	2.2%	3.3%
TikTok*	1.5%	-
Klarna*	1.3%	-
Other	0.7%	0.8%
Uber	-	0.7%
Lyft	-	0.6%

Note: *newly added in 2022; **primary bank could include either a traditional bank or a digital-only bank

Source: Insider Intelligence, "US Banking Digital Trust Benchmark 2022," Aug 2022

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Factors influencing trust: The benchmark report asked for respondents' input on five major components to building digital trust. Here's what the participants value, what they feel is lacking, and what's on their minds.

Security

- The shift to digital banking has increased cybersecurity risk for consumers, and regulators are cracking down on how banks handle breaches and protect their customers.
- But banks shouldn't wait for regulation to tighten their security measures. **Consumers are more likely to blame the bank for hacks than the actual hackers.**
- Things banks can do to help consumers feel more secure include guaranteeing fraud reimbursement, providing real-time alerts for sensitive transactions, and monitoring for stolen information online.

Privacy

- Bank customers crave personalized guidance and customization, but they realize their personal data is used in developing these solutions.
- Consumers are more cognizant than ever of data sharing and data harvesting, and **48% of US consumers are willing to switch banking providers due to their data collection and data sharing policies.**
- Data that consumers are wary about having collected includes their location and financial and lifestyle/behavioral data. Consumers are generally comfortable with the collection of direct communication data like their contact with call centers.

Reputation

- Consumers are growing more ethically conscious—especially younger generations—and **they expect their FI to reflect their beliefs and values.**
- Regulators are also holding banks to higher standards. They're cracking down on discriminatory bank practices and even threatening to revoke the licenses of banks that repeatedly act unethically.
- One main area of interest for consumers is environmental impact. **Over 50% of US consumers "never" or "only sometimes" believe banks' claims of being environmentally friendly.** They are also concerned with their bank's societal impact and community philanthropic efforts.

US Digital Banking Users' Perception of Their Banks' Corporate Ethics, June 2022

% of respondents

	Strongly agree
Policies reflect customers' priorities and concerns	21.4%
Cares for the rights and wellbeing of its workforce (e.g., supports flexible working)	18.3%
Marketing and messaging accurately reflects corporate values	17.6%
Aligns corporate ethics and values with current issues (e.g., ties executive pay to ESG targets)	17.5%
Uses philanthropy to support the communities it serves	13.3%
Mitigates its negative social impact (e.g., through bias elimination in decisioning algorithms)	12.6%
Mitigates its negative environmental impact (e.g., through fossil fuel divestment)	11.7%

Note: numbers may not add up to 100% due to rounding

Source: Insider Intelligence, "US Banking Digital Trust Benchmark 2022," Aug 2022

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Reliability

- Consumers demand digital access to their accounts whenever they want. FIs must be aware of this when maintenance work on their digital platforms could take them offline for a period of time—or unexpectedly longer.
- Consumers will avoid certain banking features if they feel they can't rely on their financial institution's ability to execute on them. Primarily these features include digital bill payments, money transfer between personal accounts, and peer-to-peer transfers.

Feature breadth

- Consumers expect banks and FIs to offer a full range of digital features and services. Those that don't signal to consumers that they are slacking or not keeping up.
- But while consumers value digital access to their financial accounts, they also expect banks to provide timely and efficient human support when needed. Consumers also expressed dissatisfaction in their FIs' security features and personal financial management (PFM) tools.

Ease of use

- Not only must banks provide digital banking experiences, but their interfaces and tools must be intuitive and easy to use and understand.
- Things that consumers said were frustrating or difficult to use as part of their online banking experiences are the **complicated and confusing banking terms and jargon the online features use, loading speeds, and accessibility, like the size of the text on screen.**

Go deeper: Find out which bank topped our charts in digital trust, and how other banks and digital challengers stacked up in our benchmark review by clicking [here](#).

This article originally appeared in Insider Intelligence's **Banking Innovation Briefing**—a daily recap of top stories reshaping the banking industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.

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