


Transparency is vital for earning digital trust of banking consumers

Article



The news: Companies are more optimistic about consumers' level of trust in their technology than consumers themselves are, per data published by PYMNTS—and this mismatch in perception has significant implications for digital-banking relationships.

More on this: The data reveals a gap of 34 percentage points between the groups about whether trust is on the upswing:



- 55% of business leaders believe that trust from consumers in their technology is increasing.
- Meanwhile, **only 21% of consumers said their trust is going up**
- In contrast, **28% of consumer respondents said their trust is declining.**

The results also show a wide gap between how businesses view the problem of trust and how they view their own companies:

- 76% replied that there is a crisis in consumers' trust in technology companies.
- **However, 80% of respondents gave their companies A or B grades for using solutions designed to protect customers' data.**

What people want: PYMNTS added that consumers prioritized data transparency from businesses in several responses:

- 44% said they want companies to respond to breaches by being transparent and taking visible action.
- 39% said they want to know how companies monetize their data and how it's used.
- Another 39% replied that they value transparency from businesses about how they share their data.

The publication added that consumers **value the security implied by a certain level of friction tied to authentication more than they are frustrated** by dealing with it.

The big takeaway: The findings point to the importance of transparency for banks and other financial institutions (FIs) in building digital trust with consumers, which **is crucial** for getting and keeping their business. Trust is integral to wider adoption of open banking, which **requires account holders' consent** to share their data with outside vendors.

In this **growing space**, there's also a **gap** between banks and third-party FIs. When it comes to digital trust, banks are in better shape. For example, a March 2021 international survey from Capgemini and Efma showed that, while 86% of respondents were willing to share their data, the cohort expressed varying levels of comfort depending on the circumstance:

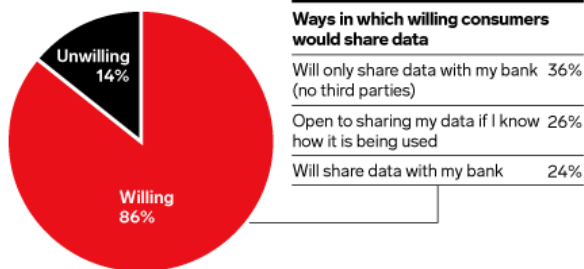
- 36% of that group said they would **only share their data with their banks, and not third parties.**

- 26% expressed an **openness to sharing their data, provided that they know how it's being used.**
- 24% simply replied that they were willing to share data with their bank.

Open banking could gain more favor with consumers if FIs, particularly third parties, are up front with them on how they handle their data. This can include disclosure of security measures and of the entities with which they subsequently share data.

Willingness to Share Data According To Banking Customers Worldwide, Nov 2020

% of respondents



Ways in which willing consumers would share data

Will only share data with my bank (no third parties)	36%
Open to sharing my data if I know how it is being used	26%
Will share data with my bank	24%

Willingness to share data

Note: n=8,559

Source: Capgemini, "World Retail Banking Report 2021" in collaboration with Efma, March 25, 2021

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