Mobile banking – the next generation

How should ways to bank and pay evolve in future?

ING International Survey Mobile Banking 2017 – Newer Technologies May 2017

thinkforward

Ipsos

This survey was conducted by Ipsos on behalf of ING

ING

Table of contents

About the ING International Survey

The ING International Survey aims to learn how retail customers – and potential customers – around the globe spend, save, invest and feel about money. It is conducted online several times a year, with reports hosted at **www.ezonomics.com/iis**.

Ipsos conducted this survey between 7 February and 27 February 2017. Sampling reflects gender ratios and age distribution, selecting from pools of possible respondents furnished by panel providers in each country. European consumer figures are an average, weighted to take country population into account.

15

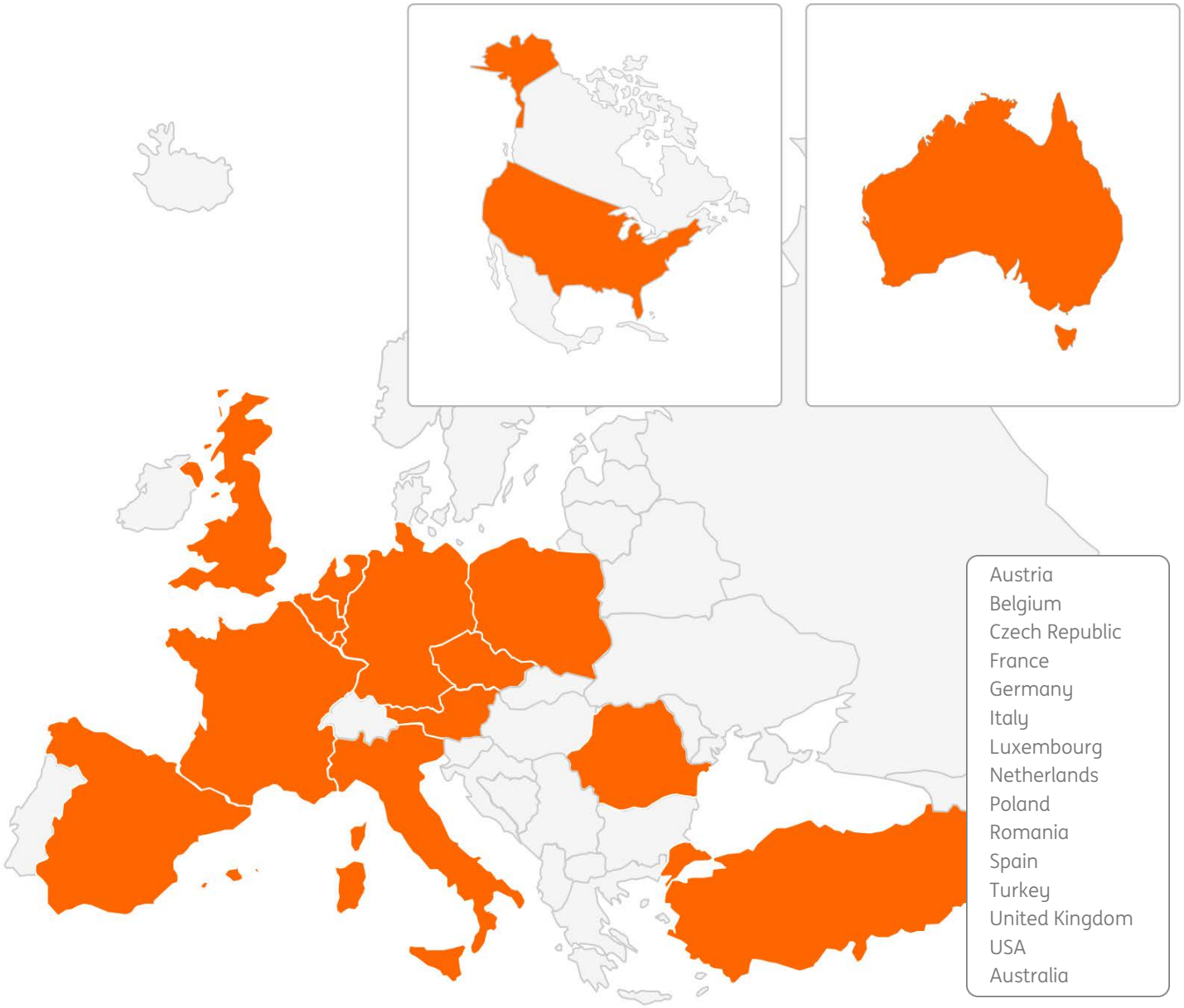
countries are compared in this report.

1,000

About 1,000 respondents were surveyed in each, apart from Luxembourg, with 500.

14,692

is the total sample size of this report.



"Give me convenience when banking – but let me keep control"

Across all countries surveyed people like to pay and bank on their mobiles; security and trust remain concerns

Banking, shopping and paying with a smartphone, tablet or other mobile device has become increasingly popular in recent years – as our ING International Surveys on mobile banking over the last five years show.

It's clear that many people have shifted their approach to managing money as a result of these newer technologies – but as technology advances further what might a more mobile future hold?

With this question in mind, the ING International Survey Mobile Banking 2017 – Newer Technologies set out to explore the attitudes and preferences of nearly 15,000 people across 13 countries in Europe, as well as the USA and Australia.

Automatic for the people?
Part one of the 2017 report focuses on what could be defined as the human-technology interface. We ask people what they'd be comfortable letting a computer program do automatically for them.

Many indicate they wish to retain control of their finances themselves – even if they favour the advantages of automated services, such as online access to robo-advice.

Out of all activities we asked about, people are least comfortable with allowing automatic transfers of one or six months' pay into investments. Only about a third are happy to automate savings transfers or even order milk from the shop.

Choose your device
The second half of the report looks at mobile banking. We find that nine in 10 in Europe own a smartphone. Tablets are also popular: more than half of Europeans have one of these.

Fifty-seven percent of smartphone owners in Europe have done their banking on this device at least once, and nearly half of Europe's tablet owners (49%) have used them for banking.

"Among those 'on the outside looking in' when it comes to mobile banking, for more than half, the reasons include that they don't trust the security"

Smaller shares across Europe who own "ordinary" mobile phones or wearables choose to use them for banking. Results are similar in the USA and Australia.

Convenience the key
More than half (54%) of those residing in Europe who have banked on their smartphone, tablet or wearable cite "convenience" as the main reason. More say this in the Netherlands (67%) and Turkey (67%).

Across all 15 countries surveyed, the most popular mobile banking activity in the 12 months to February 2017 was to check a balance or transaction.

In 12 of the 15 countries polled, at least a third have used mobile banking to make a payment or transfer.

Among those "on the outside looking in" when it comes to mobile banking, for more than half (56%), the reasons include that they don't trust the security. This tallies with previous ING International Surveys.

In Europe, 14% choose "other reasons". When asked to specify, a popular answer is "I prefer my laptop or PC". Others don't have a suitable device, or just say they aren't interested.

Looking to the future
One interpretation is that many may welcome greater automation and mobile convenience. Yet service providers – whether financial institutions or fintechs – should remain cautious when designing new services.

Fleur Doidge, editor
Nathalie Spencer, behavioural scientist


How to manage money as the world goes mobile

Many people want to keep control of their finances even when adopting new digital services like robo-advice – a key finding from the ING International Survey Mobile Banking 2017 – Newer Technologies, which asked almost 15,000 people in 15 countries about attitudes to mobile banking and next-generation technologies. Smartphones and other mobile devices are incredibly popular and now often used for banking in many countries.

87%
own a smartphone

87% of Europeans own a smartphone - and 57% of Europe's smartphone owners have banked on them.

56%
of non-mobile bankers don't trust security

56% of non-mobile bankers in Europe don't trust the security; 22% say it offers nothing new.

4%
choose tailored online advice

4% in Europe would use a computer for advice if investing a month's pay.

91% would not let a computer make money decisions. Just 3% say they would be OK with robo-advice.

91%
would not let a computer make decisions

Even better than the real thing?

Beyond the digital hype – what people say they want

New technologies are typically developed to improve products or services. Today these can often transform hands-on, manual activities into automated, digital experiences and tasks.

But what do customers want? We asked people in 15 countries how comfortable they are with the idea of computerised services automatically doing certain everyday activities.

Responses are mixed. People were least comfortable with allowing a computer to automatically transfer six months' pay into investments; just 12% in Europe indicate comfort with this.

However, we also find (see p9 for more on this) that many respondents say they would never invest money.

One in five indicate they'd be happy to let a computer apply for new health insurance for them.

About a third feel comfortable automating savings transfers (to avoid an overdraft) or having a computer program order milk from a shop (before they have run out).

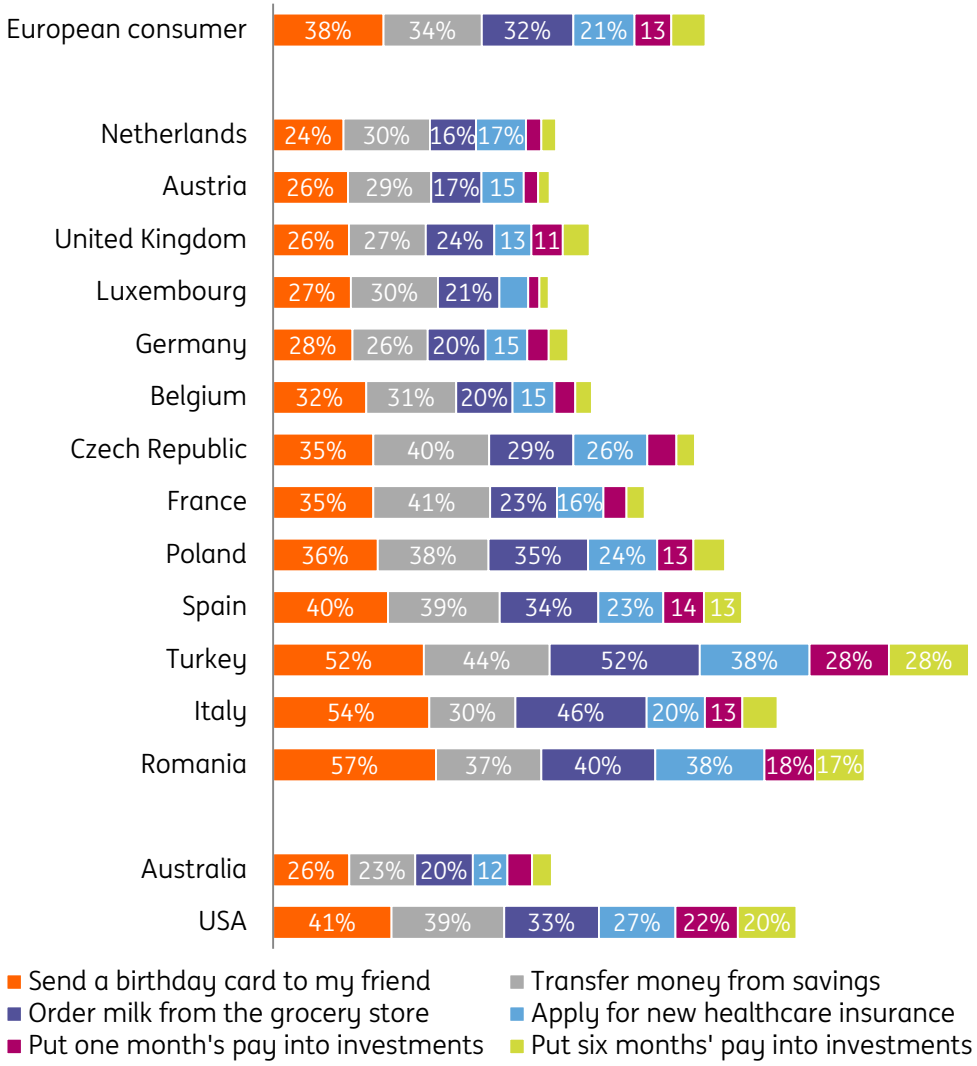
The age and gender gap

Women are more likely to say they are "uncomfortable" letting a computer program do any of these tasks – especially investing, where the gender gap is about 10 percentage points. Older folk, too, are more likely to say they would be "uncomfortable". The share rises with age: the over-65s are much likelier to cite discomfort with any of these activities.

The question

Please indicate how comfortable or uncomfortable you would be letting a computer program do the following tasks for you:

Shares who choose "4" or "5" on a scale of 1-5, where 5 represents the greatest level of comfort with an activity being automated. Investments have an expected return of five percent but can still make a loss.



Sample size:14,692

People overwhelmingly want to retain control of finances

We defined a robo-adviser as a computer program that learns your preferences and invests money for you based on this information. We wanted to learn about attitudes to robo-advice.

Nearly two in five (36%) in Europe do not want any automated financial activities. More than half say this in Luxembourg, Austria and France.

Only small shares say they would like a computer to conduct financial activities for them without their approval – in other words, have them fully automated. Across Europe just three percent say this.

People in the Czech Republic (38%) and the Netherlands (37%) are relatively receptive to accepting advice from a computer program as long as they themselves still make the decision.

More Turks and Romanians (40%; 38%) suggest they would let a robo-adviser make financial decisions for them, if these decisions still need final approval from them. The average across Europe is just 26%.

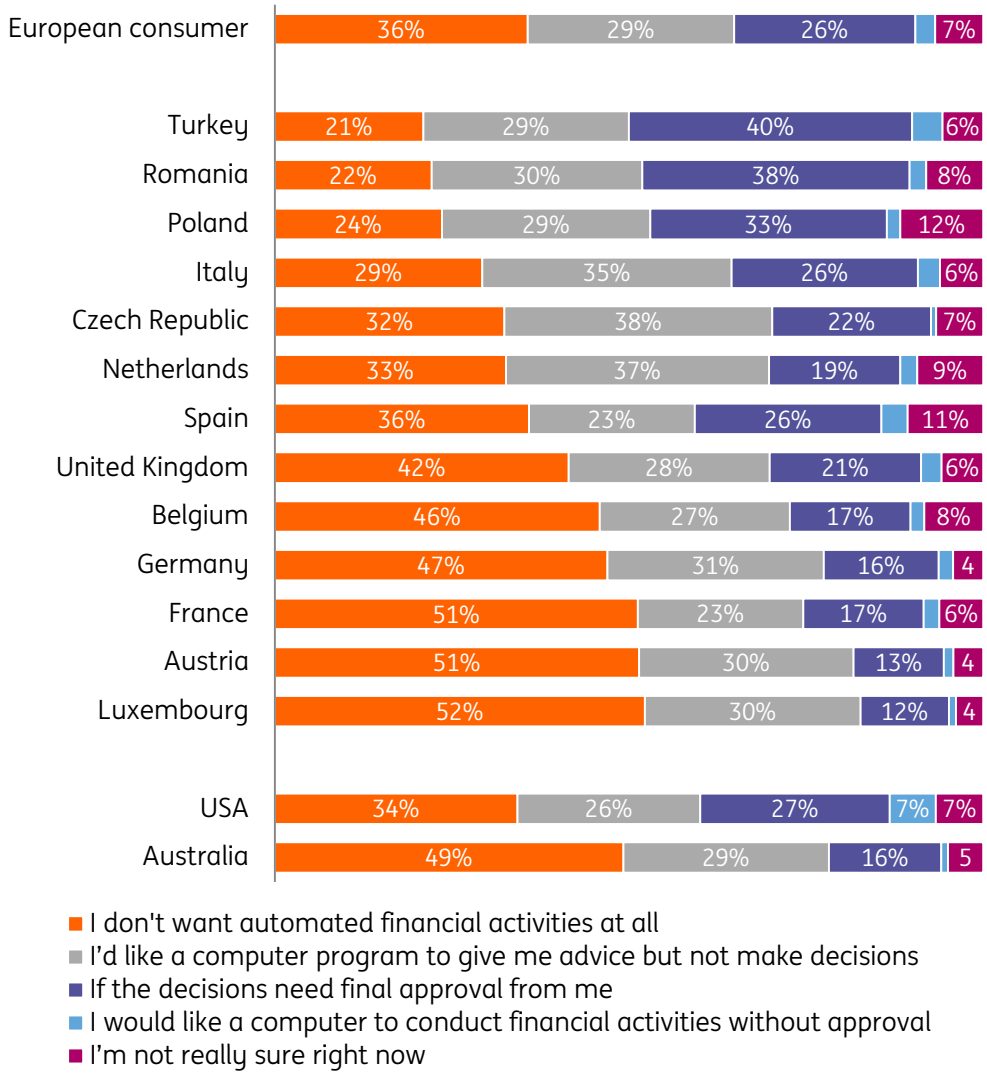
Paying a price to stay in charge

Understanding how people think is key to understanding their choices. People are typically reluctant to lose control – or perceived control – over decisions, even if outsourcing the decision (to an expert or an algorithm) would lead to a better expected outcome. This "control premium" may partly explain why so few say they would hand their money choices to a robo-adviser.

The question

Would you allow a robo-adviser to make financial decisions for you?

Sample size is based on the weighted numbers for European data grouped together.



Sample size: 10,525

"Who do I trust to advise me on my money matters?"

We find a distinct preference in most countries for receiving advice from a real, perhaps even a professionally trained, human being – such as a financial or bank adviser.

Larger shares of people in Luxembourg (51%) and Austria (51%) say they'd plump for the personal touch.

The most striking exception is the Netherlands – primarily because nearly half (45%) simply answer "I (would) never invest money".

The next highest share who say they do not or would never invest is in Belgium (25%). The European consumer average is 15%.

People in the UK are more likely to prefer advice from the internet or specialist websites than are residents of other countries.

Eleven percent in Europe choose "I don't know" as their answer.

Americans, Turks, Australians and Romanians are more likely than the European average to favour "friends or family" as sources of advice.

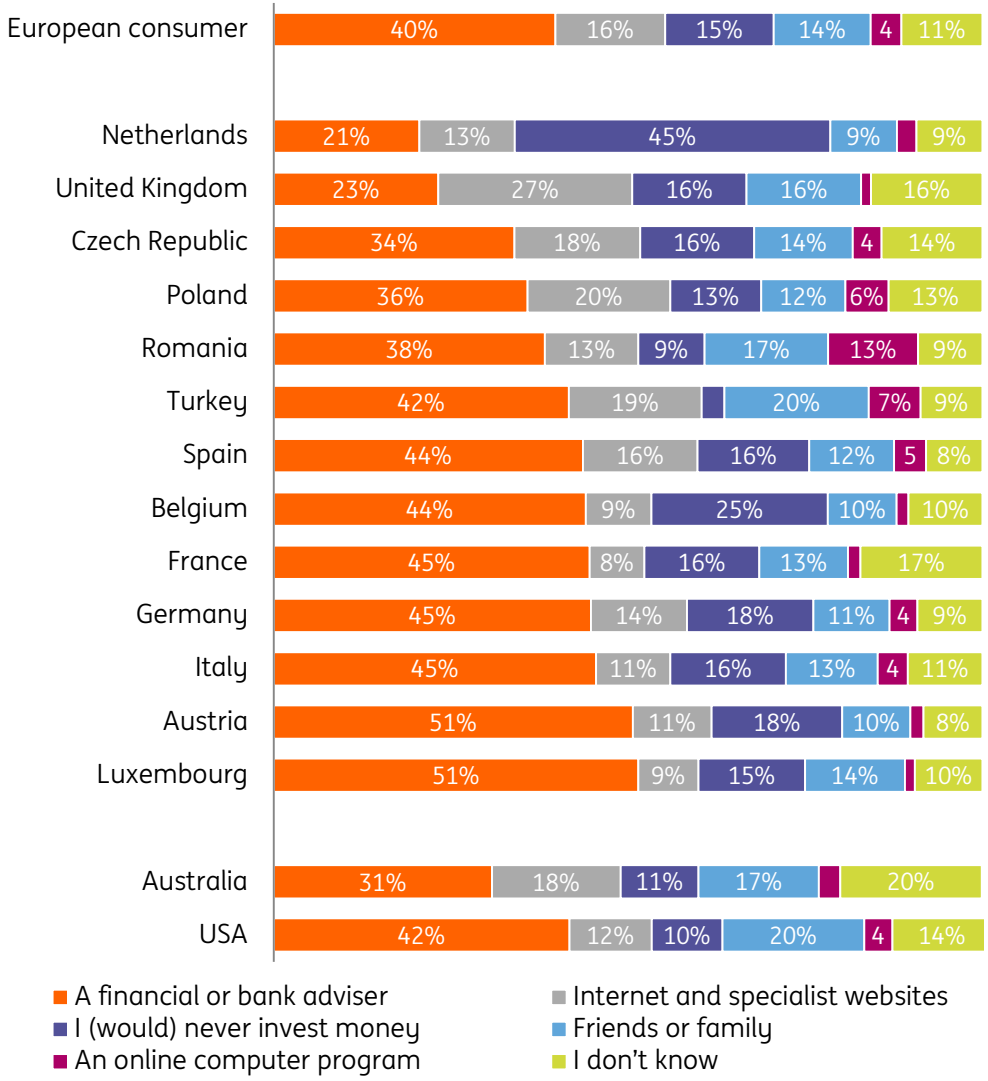
More men may choose online investing advice

Looking into our full database, we discover that men are more likely (20%) than women (12%) to say they would probably choose to seek advice using the internet and specialist websites. Women are a fraction likelier (17%) than men (13%) to say they would never invest, as are people 45-54 or older. Twenty-five percent of 18-24s say they'd ask friends or family.

The question

If you had money available (about one month's take-home pay) to invest, where would you most likely get advice?

Asked to everyone.



Sample size: 14,692

"My own bank" still top choice for managing money

Emerging technologies are changing the banking scene for consumers. Yet, when asked which organisations they would prefer to go to for a range of new products, most people in Europe, the USA and Australia still reply: "My own bank".

A quarter simply have no preference, whether the item is a new investment product, money management product, loan, payment product or account, or money transfer service.

It seems that trust in a brand or name is key. For example, the third most-favoured option is "another bank" or a "well-known third party". Less favoured are start-ups or "less-known" firms.

This idea may be backed up by comparing these results with our Mobile Banking 2015 and 2016 survey findings.

In 2015 and 2016, we asked: "Of the following channels, which would you trust most?" The possible answers were "my bank", "named groups (such as Google or Apple)", "other suppliers", "social media" or "other banks".

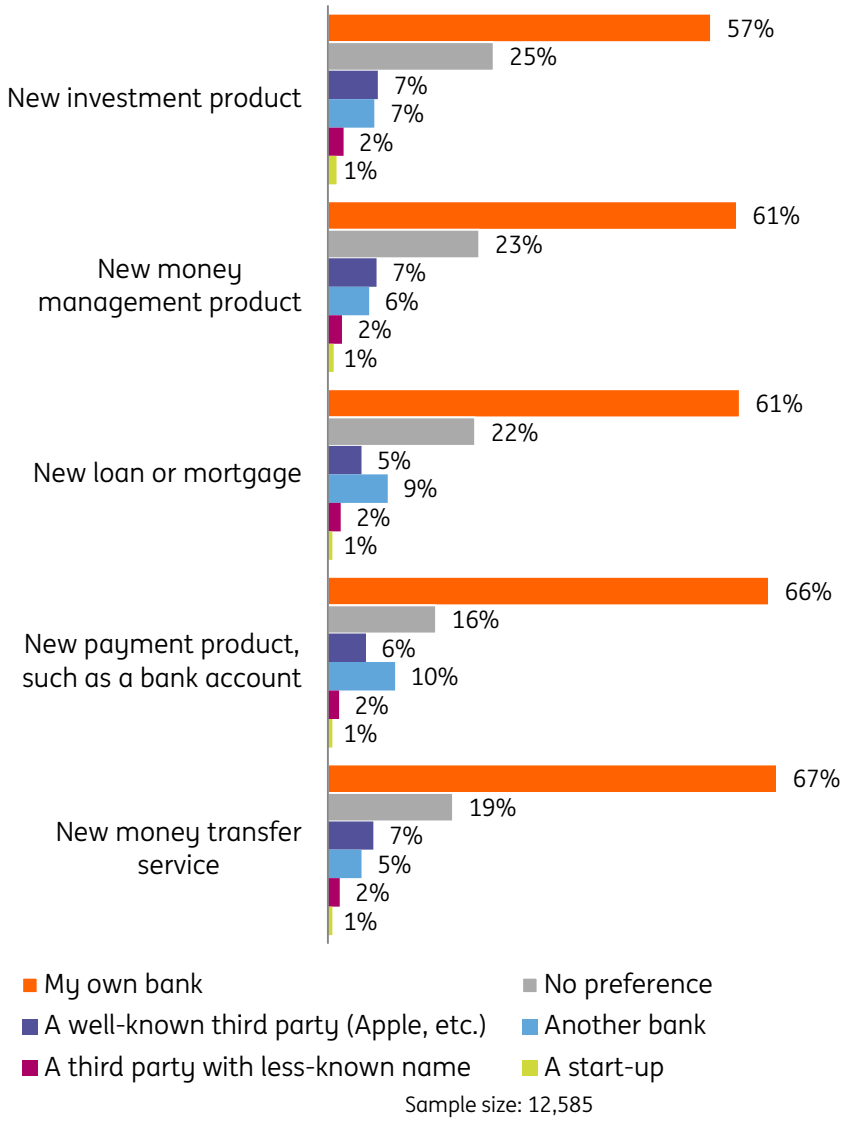
In both years, more than three-quarters of respondents in Europe replied "my bank". However, the share who selected third-party "named groups" as their answer doubled in a year – from five percent in 2015 to 11% in 2016.

While people still prefer their own bank, the challengers are becoming better known – and more trusted.

The question

Suppose you need a new ... Which organisation would be your preference?

Chart shows results from Europe only.



Sample size: 12,585

Banking anywhere, any time

Many different devices used for mobile banking

New technology has made it easy to bank on a range of devices – managing personal finances anywhere, any time.

In 2017, almost nine in ten (87%) in Europe own a smartphone. Nearly half (48%) of the total European sample have used a smartphone for banking at least once.

Tablets too are popular choices for banking on the go: about a quarter (26%) of respondents from Europe have banked this way.

Just eight percent say they own a wearable device, such as an Apple Watch. One in every 100 Europeans surveyed has used a wearable device to do their banking, at least once.

Results in the USA and Australia are similar to those from Europe.

Smart TVs are not portable and "ordinary" mobile phones do not have the internet-enabled features of smartphones, tablets or wearables. Use of these devices is not considered "mobile banking" in this report – but they are included on the charts for comparison.

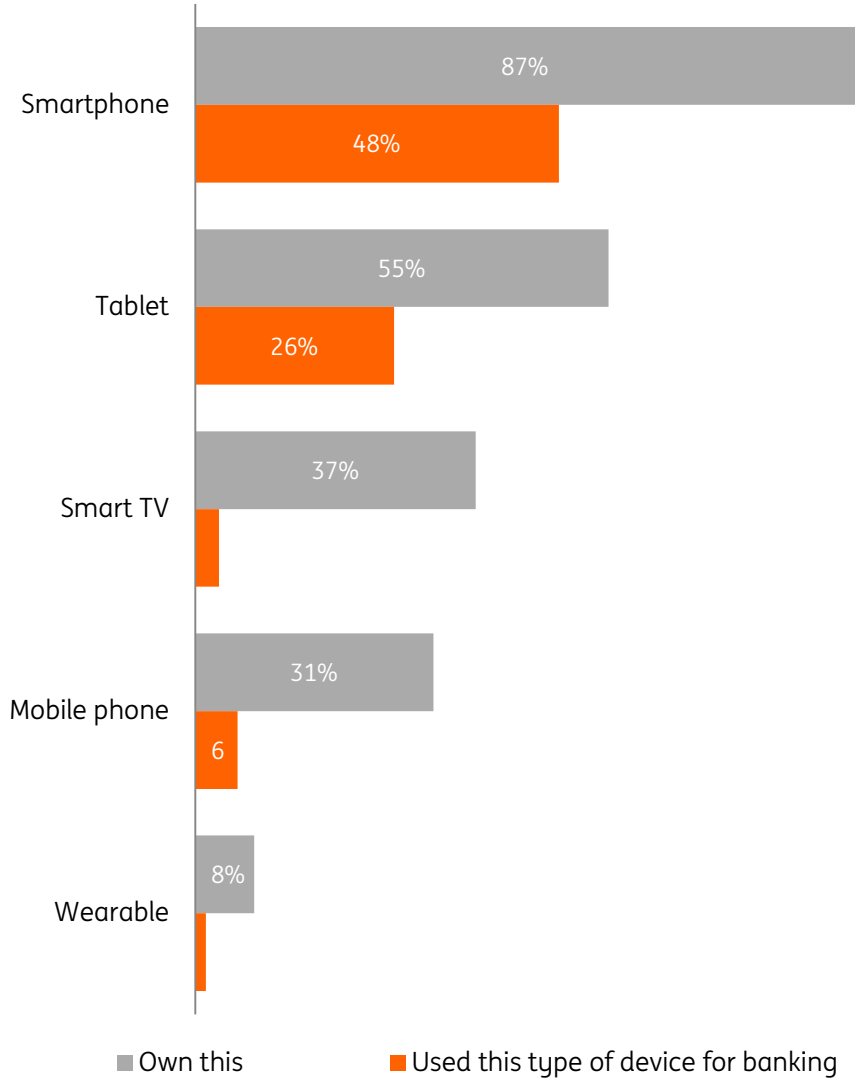
So who is a "mobile banker"?

This year we defined the "mobile banker" as referring simply to smartphone, tablet or wearable owners who use them for banking. In previous years we have adjusted for internet penetration, but countries use different methods for calculating this. This year's updated approach more closely matches what people mean by the term "mobile banking" and is more globally comparable.

The question

Please check all items you own / Have you ever done your banking on a ...

The proportions who indicate they own each type of device and who have banked on that device as shares of the total sample size for Europe only.



Sample size: 12,585

Mobile banking by country – a deeper dive by device

What share of device owners actually uses those specific devices for banking? The table shows the percentage per country that have banked on a specific device.

More smartphone owners and tablet owners living in Turkey have used these devices at least once for banking. This may reflect sample bias in Turkey, where online respondents are more likely to be young, affluent and well-educated than in other countries.

Poland and USA are next, with 65% of smartphone owners also having used the device for banking. They are followed by Spain and the Netherlands.

In Germany, on the other hand, less than two-fifths (38%) of smartphone-owning respondents say they have used it for banking.

The UK is closest to the European average.

Smart TVs are not portable and "ordinary" mobile phones do not have the internet-enabled features of smartphones, tablets or wearables. Use of these devices is not considered "mobile banking" in this report.

Gadget ownership by country

Our full dataset reports an 87% smartphone penetration in Europe – but Turkey (94%) and Spain (93%) stand out. The share falls to 75% among Czechs. Tablet ownership is highest in Spain (66%), and lowest in the Czech Republic (46%). Smart TVs are most popular in Turkey (46%) and least common in France (18%). Italians have slightly above average levels of wearable device ownership (11%).

The question

Have you ever done your banking on a ... ?

Shares are the proportions of owners of each device who indicate that they have banked on the specific device that they own at least once.

	Smart phone	Tablet	Wearable device	Mobile phone	Smart TV
European consumer	57%	50%	21%	18%	10%
Turkey	80%	63%	39%	32%	20%
Poland	65%	59%	31%	26%	12%
USA	65%	55%	34%	20%	15%
Spain	64%	47%	15%	26%	10%
Netherlands	64%	42%	16%	13%	4%
Czech Republic	58%	44%	11%	19%	5%
France	57%	55%	25%	17%	13%
United Kingdom	57%	46%	23%	11%	7%
Australia	55%	48%	13%	14%	7%
Romania	53%	38%	25%	15%	6%
Belgium	53%	43%	18%	14%	8%
Italy	49%	48%	10%	14%	9%
Austria	47%	49%	14%	13%	5%
Luxembourg	43%	46%	12%	12%	5%
Germany	38%	41%	11%	9%	5%

Convenience and availability the key factors

More than half (54%) of those residing in Europe who have banked on their smartphone, tablet or wearable cite "convenience" as the main reason. More say this in the Netherlands (67%) and Turkey (67%).

Convenience appears least important in France (35%) – although it was still the most-often cited reason, followed by "my bank started offering it".

"I became comfortable with the security" around mobile banking is the third-most chosen reason for adoption in all countries except Australia. Smaller shares say this was their main reason for adopting mobile banking in France (5%), the Czech Republic (6%), Luxembourg (6%) and Austria (6%).

The European average is one in ten, so security fears may still be a concern for many people.

About eight percent in Europe indicate they started mobile banking simply because they had purchased a compatible device.

The USA and Australia approximate the European consumer average.

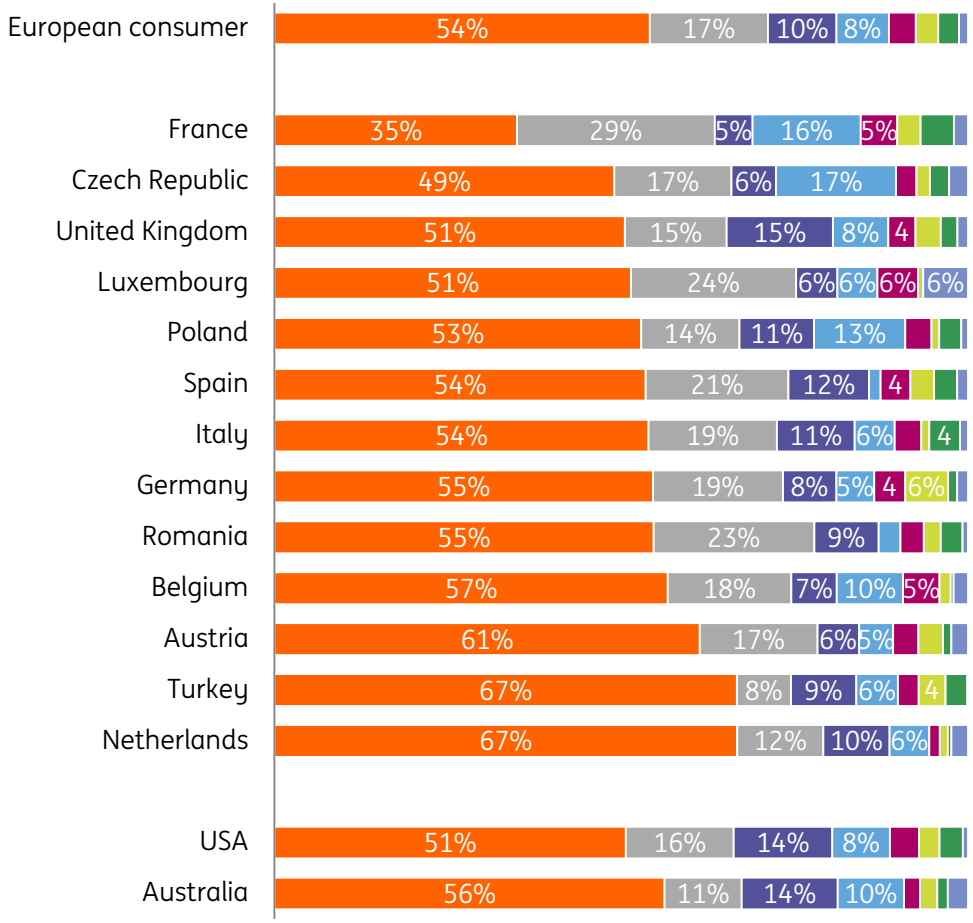
Yes, we're still creatures of habit

About three-quarters (79%) say they started mobile banking simply because it was convenient, made available to them by their bank, or they had acquired the right sort of device. This suggests – as behavioural science has found – that as creatures of habit we typically prefer easy decisions that require little effort, and to need a push to shift from the status quo or a default option.

The question

What was the MAIN reason you started using mobile banking when you did?

Asked to those who indicate they own a smartphone, tablet or wearable and have used it for mobile banking. Sample size is based on the weighted numbers for European data grouped together.



Sample size: 7,989

"Why I do not follow the mobile banking trend"

Among those "on the outside looking in" when it comes to mobile banking, for 56% the reasons include that they don't trust the security. This tallies with surveys in previous years.

This year, residents of Germany (68%), the UK (63%) and the USA (63%) are the most likely to cite security fears as the reason not to bank on the go. Italians, Turks and Romanians are least likely to agree.

High shares, in Australia (37%), the UK (35%), Luxembourg (32%), the Netherlands (32%) and the USA (32%) particularly, say mobile banking offers them nothing new. The exception is Turkey, where just nine percent say mobile banking adds nothing new.

Nearly a quarter in Turkey say they find mobile banking "difficult". A relatively high share (15%) of Turks say they don't have access to compatible software.

In Europe, 14% choose "other reasons". When asked to specify, a popular answer is "I prefer my laptop or PC". Others say they don't have a suitable device or indicate a lack of interest in mobile banking.

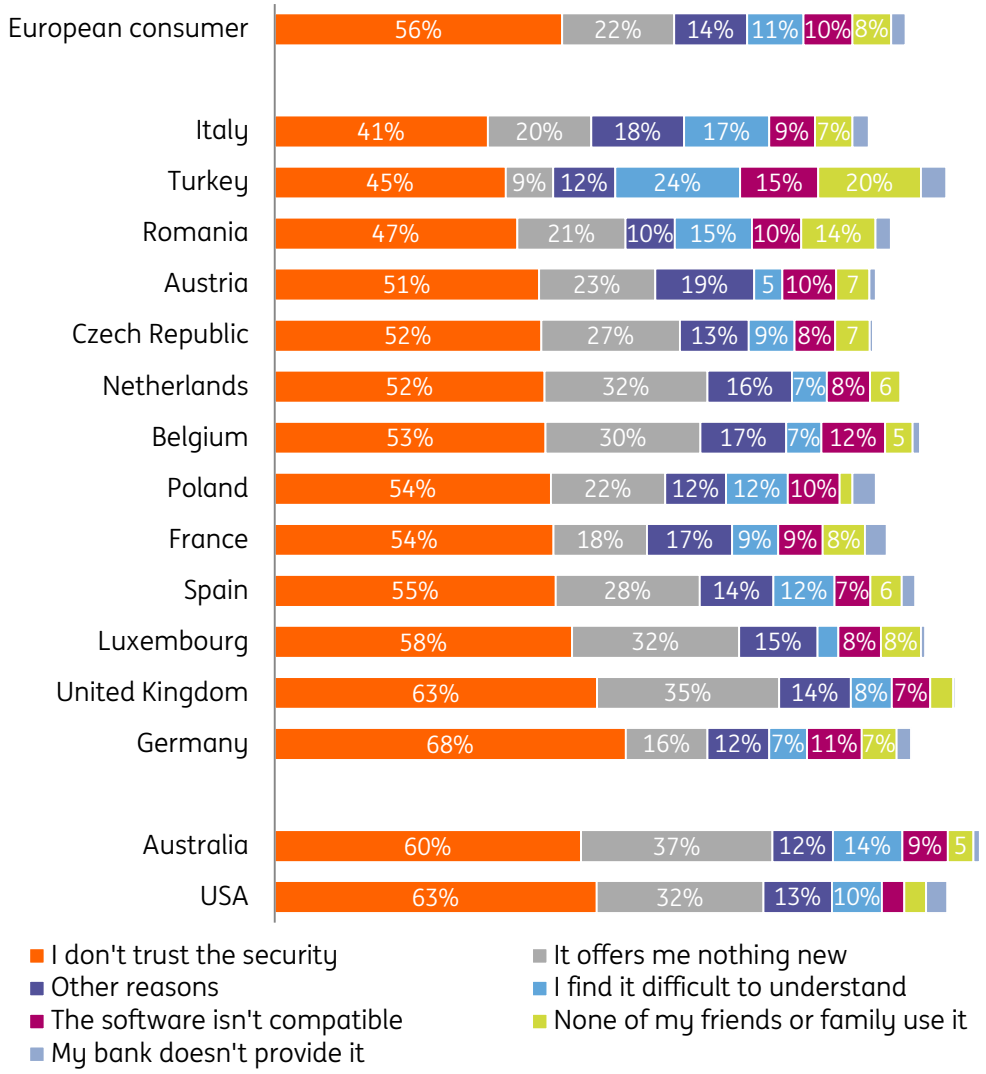
What different groups of people say

In Europe 22% on average say mobile banking "offers me nothing I cannot do in other ways when interacting with my bank". People with a university education, and men, are somewhat more likely to say this. And those who agree that "I will never go completely cashless" or who say they do not want automated financial services are more likely to say they distrust mobile security.

The question

What are the reasons you do not use mobile banking?

Asked to those who indicate they do not use mobile banking. Multiple answers possible. Sample size is based on the weighted numbers for European data grouped together.



Sample size: 6,327

Keeping tabs on your balance? Many people do

Mobile devices can be used for many different banking activities. Across all 15 countries, relatively larger shares used mobile banking in the 12 months to February 2017 to check a balance or transaction.

In 12 of 15 countries, at least a third say they have used mobile banking to make a payment or transfer money.

A third in Europe also used mobile banking facilities to receive alerts – typically checking personal finances or activity on one's bank account.

In the USA, 28% say they "deposited a cheque" into their accounts electronically, using the camera on their mobile phone.

The countries with the highest proportions participating in multiple mobile banking activities were Turkey and Poland. Germany, on the other hand, had relatively small shares who did each activity.

In the Netherlands, eight percent say they scanned and paid a giro.

Twenty-four percent in Europe did "none of these" activities.

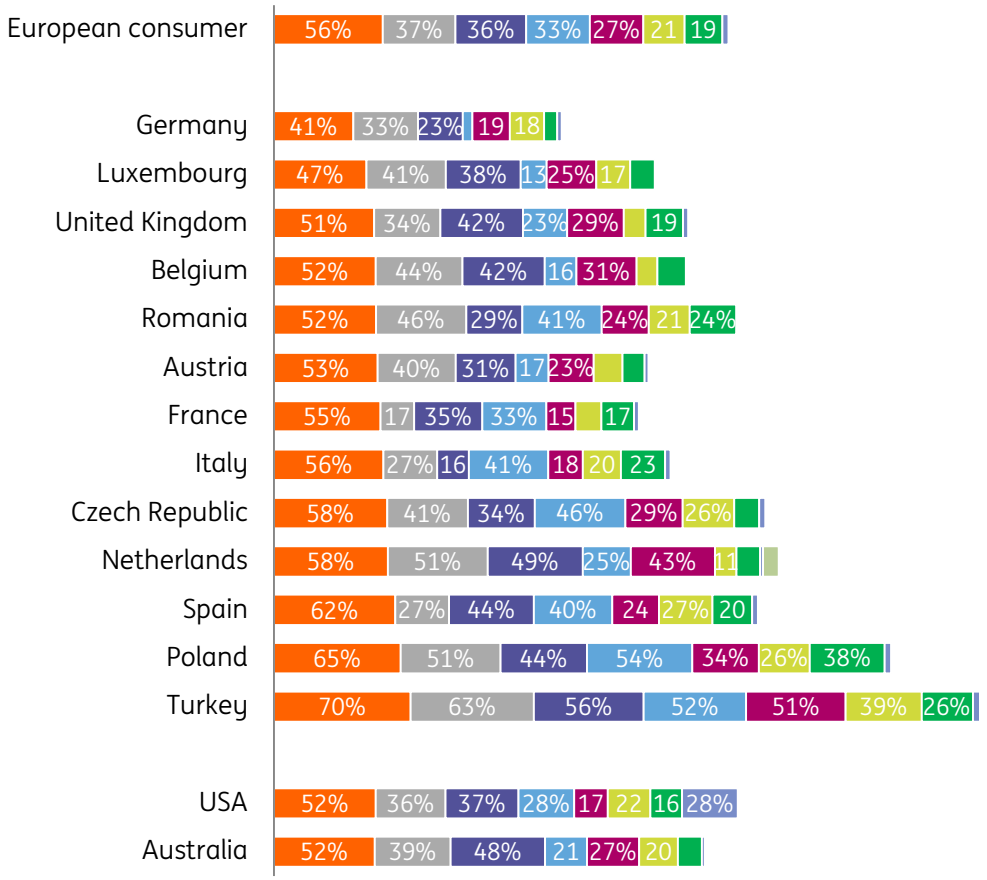
Age and gender matter in mobile banking

Men, generally, appear slightly more likely than women to say they have participated in any of the suggested mobile banking activities in the last 12 months. Younger folk are more likely to have done any of these actions than people aged 45 or older – with the peak age, with the highest shares saying they had done one or more of these activities, in the 25-34 bracket.

The question

Using your mobile phone/tablet/wearable device, have you done any of the following in the past 12 months?

Asked to smartphone, tablet and wearable owners. Multiple answers possible. Those who replied "none of these" not shown.



Sample size: 11,361

Contact details

Country	Name	Phone number	Email
Australia	Kristen Costandi	+61 2 9018 5160	kristen.costandi@ingdirect.com.au
Austria	Valerie Hauff-Prieth	+43 168 0005 0199	valerie.hauff-prieth@ing-diba.at
Belgium	Vanessa Zwaelens	+32 2 547 2484	vanessa.zwaelens@ing.be
Czech Republic	Martin Tuček	+42 02 5747 4364	martin.tuček@ing.cz
France	Florence Hovsepian	+33 1 5722 5534	florence.hovsepian@ing.fr
Germany	Zsófia Köhler	+49 69 27 2226 5167	zsofia.koehler@ing-diba.de
Italy	Silvia Colombo Lucio Rondinelli	+39 02 5522 6645 +39 02 5522 6783	silvia.colombo@ingdirect.it lucio.flavio.rondinelli@ing.it
Luxembourg	Yves Denasi	+352 4499 9632	yves.denasi@ing.lu
The Netherlands	Eva Hersbach	+31 6 5130 1832	eva.hersbach@ing.nl
Poland	Milosz Gromski	+48 22 820 4093	milosz.gromski@ingbank.pl
Romania	Diana Pincescu	+40 21 222 1600	diana.pincescu@ing.ro
Spain	Cristina Cabeza	+34 91 634 9200	cristina.cabeza@ingdirect.es
Turkey	Buket Okumus	+90 21 2335 1079	buket.okumus@ingbank.com.tr
UK	Ian Bright	+44 20 7767 6656	ian.bright@uk.ing.com
Editor	Fleur Doidge	+44 20 7767 5567	fleur.doidge@uk.ing.com
Ipsos	Nieko Sluis	+31 20 607 0707	nieko.sluis@ipsos.com

Disclaimer