

Consumer Attitudes towards Financial Services Innovation - UK - February 2017

Report Price: £2195.00 | \$2762.19 | €2558.93

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Open APIs have the potential to transform the financial services sector, with providers given greater opportunity to win new customers using personalised products and messaging. Customisation and security are the main two areas for banks to address. Consumers will demand control over their data and additional security measures in order to convince them to opt in.”

– Paul Davies, Senior Financial Services Analyst

This report looks at the following areas:

- Opening the financial floodgates
- Education and empowerment can overcome scepticism
- Forming new communication channels

Open banking has the potential to change the dynamics of retail banking in the UK. The opening up of banks' APIs (Application Programming Interfaces) should help to spark further innovation in the financial services sector, as the UK's leading banks aim to protect their vast customer bases, whilst digital-only challengers look to make the most of new opportunities to engage with a wider audience.

Brands are most likely to focus their attention on the development of online and mobile channels, however, consumers are just as likely to say that banks should focus on in-branch or face-to-face innovation over digital advancements.

Whilst digital dominates when it comes to the day-to-day management of financial services, those making big financial decisions still prefer the reassurance of speaking to somebody in person.

As a result high street providers would be wise to consider slimming down branches instead of continuing the recent flurry of closures, whilst FinTech start-ups need to find ways of delivering services that provide access to in-person advice and guidance.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Consumer Attitudes towards Financial Services Innovation - UK - February 2017

Report Price: £2195.00 | \$2762.19 | €2558.93

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Scope of this Report

Executive Summary

The market

Open banking reforms to accelerate innovation

Consumers wary of using challenger brands

The consumer

Majority yet to migrate to mobile

Figure 1: Consumers' usage of digital financial services, December 2016

Most people have a limited financial 'comfort zone'

Figure 2: Repertoire of consumers' usage of digital financial services, December 2016

Providers must educate and empower to overcome scepticism

Figure 3: Interest in new and potential innovations, December 2016

Half of consumers could be persuaded to 'opt in'

Figure 4: Ways of encouraging consumers to share information with financial services providers, December 2016

Consumers polarised by physical vs digital

Figure 5: Attitudes towards banking channels and interactions, December 2016

What we think

Issues and Insights

Opening the financial floodgates

The facts

The implications

Education and empowerment can overcome scepticism

The facts

The implications

Forming new communication channels

The facts

The implications

The Market – What You Need to Know

Contactless payments trigger further rise in card transactions

Digital dominates day-to-day

Acquisitions ahead

Open banking reforms to accelerate innovation

Market Background

UK still far from a cashless society

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Attitudes towards Financial Services Innovation - UK - February 2017

Report Price: £2195.00 | \$2762.19 | €2558.93

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 6: Volume of payments made in the UK, by payment method, 2015 and forecast for 2025

Digital dominates day-to-day

Figure 7: Retail banking channels used to complete various activities, July 2016

Consumers start to think 'mobile-first'...except in financial services

Figure 8: Ownership of computing and mobile devices, November 2014-September 2016

Consumers wary of using challenger brands

Regulatory Context

Open banking reforms to accelerate innovation

Figure 9: Overview of the CMA's open banking remedies, announced in August 2016

PSD2 due to go live in 2018

FCA creates 'safe space' for testing innovations

Recent Market Developments

Open banking APIs

Cloud computing in financial services

Online and mobile banking security

Figure 10: HSBC biometric login option using Apple's Touch ID, shown on iPhone and Apple Watch

Figure 11: Synaptics multi-factor 'Fusion Engine' software, launched January 2017

Mobile payment services

Figure 12: Awareness and use of selected mobile payment schemes, April 2016

Finance management apps

Figure 13: Money Dashboard's mobile and desktop budgeting trackers

The rise of AI

Telematics

Blockchain

The Consumer – What You Need to Know

Majority yet to migrate to mobile

Providers must educate and empower to overcome scepticism

Half of consumers could be persuaded to 'opt in'

Nearly half of adults believe mobile banking is risky

Consumers polarised by physical vs digital

Usage of Digital Financial Services

Majority yet to migrate to mobile

Figure 14: Consumers' usage of digital financial services, December 2016

Most people have a limited financial technology 'comfort zone'

Figure 15: Repertoire of consumers' usage of digital financial services, December 2016

Latest innovations a step too far for young women

Figure 16: Consumers' usage of digital financial services, by gender and age, December 2016

Opening the financial floodgates

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Attitudes towards Financial Services Innovation - UK - February 2017

Report Price: £2195.00 | \$2762.19 | €2558.93

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Interest in New Innovations

Providers must educate and empower to overcome scepticism

Figure 17: Interest in new and potential innovations, December 2016

WhatsAppening with my investments?

Figure 18: Interest in new and potential innovations, by generation, December 2016

Young affluent consumers most interested in robo-advice

Figure 19: Interest in innovative services – CHAID – Tree output, December 2016

The FinTech-savvy crowd will value aggregation

Figure 20: Interest in account aggregation services, by repertoire of consumers' usage of digital financial services, December 2016

Attitudes towards Data and Security

Nearly half of adults believe mobile banking is risky...

Figure 21: Attitudes towards data and security, December 2016

...though users are less afraid

FinTech users most open to personalisation

Figure 22: Attitudes towards sharing personal data, by repertoire of consumers' usage of digital financial services, December 2016

Incentivising Information Sharing

Half of consumers could be persuaded to 'opt in'

Figure 23: Ways of encouraging consumers to share information with financial services providers, December 2016

Millennials most open to data sharing

Figure 24: Ways of encouraging consumers to share information with financial services providers – Any (net), by generation, December 2016

Open banking must live up to its name

Figure 25: Ways of encouraging consumers to share information with financial services providers, by ways of encouraging consumers to share information with financial services providers, December 2016

Channels and Interactions

Consumers polarised by physical vs digital

Figure 26: Attitudes towards banking channels and interactions, December 2016

Generations apart

Figure 27: Attitudes towards banking channels and interactions, by age, December 2016

Half of consumers only want essential communications

Figure 28: Attitudes towards banking channels and interactions, December 2016

Digital channels favoured where possible

Figure 29: Attitudes towards banking channels and interactions, December 2016

Experience breeds financial confidence

Figure 30: Attitudes towards banking channels and interactions, December 2016

Online Banking Preferences

Nearly a third of consumers want significant upgrades

Figure 31: Attitudes towards online banking sites and features, December 2016

Majority wary of sharing transaction data

Figure 32: Attitudes towards online banking sites and features, December 2016

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Attitudes towards Financial Services Innovation - UK - February 2017

Report Price: £2195.00 | \$2762.19 | €2558.93

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

One in three people keen to use alternative login methods

Figure 33: Attitudes towards online banking sites and features, December 2016

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Methodology

Figure 34: Interest in innovative services – CHAID – Table output, December 2016

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com