

Consumers and Banking Innovation - UK - December 2018

Report Price: £2195.00 | \$2963.91 | €2470.25

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“The launch of Open Banking has transformed the retail banking landscape for providers looking to attract customers with innovative services. However, the limited participation of the biggest banking brands and consumers’ cautious approach towards new services has resulted in a muted impact so far.”

– **Rich Shepherd, Senior Financial Services Analyst**

This report looks at the following areas:

- **Innovation cannot be allowed to threaten financial inclusion**
- **Security is still the key barrier to adopting new services...**
- **...but innovation is generally seen to be positive**

The introduction of Open Banking in January 2018 has the potential to revolutionise how people bank and who they bank with. Change will be gradual, however. Consumers are typically slow to adopt new ways of doing things, especially in retail banking. They are also wary of the security implications of an initiative that relies on people sharing their personal and financial data.

Innovation in banking is necessary and Open Banking provides an environment for it to flourish. The challenge for providers lies in convincing customers to adopt new innovations, while ensuring that no-one is left behind. Many consumers see no reason to change the way they bank, and shouldn't be forced to do so. Providers need to develop a way of serving customers at either end of the spectrum with regards to interest in innovations.

This Report examines innovation in retail banking in the UK. First, we look at the current innovation environment, such as regulatory changes and banking channel preferences. The Report then explores recent developments in banking innovation. Mintel's exclusive consumer research then looks at consumer use of and interest in existing innovations, how people tend to approach new services, and the types of things people want banks to improve. Finally, we look at consumers' general attitudes towards banking innovation, including whether innovation is a good thing, and how it affects security.

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DID YOU KNOW?

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

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Current accounts are the primary point of interaction with providers

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Most use contactless cards but are cold to further payment innovation

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