Consumer-Centric
AUTHENTICATION
STUDY

Transforming The Consumer's Digital Banking Experience

The Consumer-Centric Authentication Study: Transforming The Consumer's Digital Banking Experience analyzes survey response data from 2,835 American consumers regarding their control over and preferences for authentication controls when banking via mobile. The study identifies the transactions and use cases in which consumers feel control over authentication methods can be improved and the steps banks can take to entice their customers to more frequently download and use mobile banking apps.

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Introduction

Chase Erwin is one of approximately 150 million Americans whose personally identifiable information (PII) was compromised during the 2017 Equifax security breach. In a recent interview with the *Wall Street Journal*, he expressed a deep-seated fear that the attack and subsequent breaches have left him vulnerable to identity theft but explained that financial fraud is less a potential risk for him than a looming inevitability.[1]

"You hear about these data breaches over and over and over again," he said. "It's a fact of life."

To mitigate the risks of this inevitability, Erwin has made digital security part of his daily routine. He logs on to check his bank account and credit information for suspicious activity every night when he comes home from work. Erwin does not know whether his PII was compromised in other data breaches but takes comfort in his security routine. He believes it will help alleviate the risk of identity theft or financial fraud — and stop fraudsters before they can do real damage to his financial well-being.

Erwin's methods may seem excessive, but he is not alone in wanting to take his digital security into his own hands. Recent PYMNTS research suggests most consumers want more control over digital security, particularly for their mobile banking experiences, with 93.1 percent of those surveyed wanting to be able to choose their login methods. That analysis also notes that 86.5 percent want to be able to add authentication requirements for all in-app transactions.

This leads us to two questions: Are mobile banking solutions providing consumers with their desired control levels, or can financial institutions (FIs) do more to meet their demands for greater control over their mobile banking authentication systems?

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[1] Carpenter, J; Lam, B. The Capital One Hack: Life in the Time of Breach Fatigue. The Wall Street Journal. 2019. https://www.wsj.com/articles/the-capital-one-hack-life-in-the-time-of-breach-fatigue-11564824600. Accessed September 2019.

In the Consumer-Centric Authentication Study: Transforming The Consumer's Digital Banking Experience, an Entersekt collaboration, PYMNTS analyzes survey response data from 2,835 American consumers regarding their control over and preferences for authentication controls when banking via mobile. The study identifies the transactions and use cases in which consumers feel control over authentication methods can be improved, as well as the steps banks can take to entice their customers to more frequently download and use mobile banking apps.

These are our key findings:

01

Most consumers want control over how and when their transactions are authenticated.

Consumers use mobile banking apps to access a wide variety of banking services and in-app features. The most common app-based activities in which mobile banking app users partake include checking their account balances (78.1 percent), adjusting and monitoring mobile card controls (63.5 percent), depositing checks (62.6 percent) and paying bills (61.9 percent). Our research suggests few consumers have control over authentication requirements for these transactions, however. As much as 25.9 percent of consumers with bank accounts who use mobile apps are not given the option to authenticate in-app transactions. Just 34.3 percent have the option to choose from a list of authentication methods, and 39.9 percent are allowed to assign authentication requirements to specific transaction types.

02

More than half of consumers say they would make more mobile banking transactions if they had more control over their authentication processes.

Our findings reveal that more control over mobile banking authentication can lead to more transactions. In fact, 54.1 percent of all surveyed consumers say they would make mobile banking transactions either "somewhat more often" or "much more often" if they had more control over their mobile banking authentication features.

03

Consumers want more control even if it increases authentication friction and fraud liability.

Some believe having more control over their mobile banking apps' authentication requirements increases their fraud liability, but most of these consumers *still* want more control than they currently have. Of the 7.6 percent of respondents who believe they would be "much less" legally accountable for fraudulent transactions if they had more control, 59.1 percent report wanting "much more" control. In short, they believe they can have their cake and eat it, too.

Our survey also suggests many consumers want more control even if it will make them more legally responsible for fraudulent transactions, however. Of the 16.8 percent of those surveyed who believe they would be held "much more" legally responsible for fraudulent transactions if given more control, 60.2 percent say they would still want "much more" control over their mobile app authentication requirements than they have now. It therefore appears that some consumers believe the benefits of having more control outweigh the risks of added liability.

04

Consumers believe they would be better than their FIs at maintaining their mobile banking security.

Many mobile app users believe they can do a better job of maintaining their mobile banking security than their FIs can. Our analysis shows that 71.2 percent of respondents believe the security of their mobile banking data would be either "somewhat" or "much" stronger, and 54.1 percent believe the risk of fraudulent transactions would be "somewhat" or "much" lower if they were in charge.

This presents an opportunity for banks: Not only are consumers open to taking more control over their mobile banking authentication systems — many would actually prefer it.

05

Consumers from different generations have varying expectations of their mobile banking authentication systems.

Varying factors motivate consumers from different generations to download and use mobile banking apps. Senior consumers are the most likely to say they want more authentication options in their mobile banking experiences, for example, with 35.7 percent saying they want their FIs to provide more of them. Just 30.6 percent of baby boomers and 26.8 percent of Generation X consumers say the same.

Improved access to authentication controls also seems to affect how frequently consumers make mobile banking transactions. Our research shows that 60.4 percent of millennials and 62.5 percent of Generation Z consumers would transact more often if they had more control over their mobile banking authentication features. Meanwhile, 60.1 percent of bridge millennials — those aged 30 to 40 who share characteristics with both millennials and Generation X consumers — also say having more control over their mobile banking authentication experiences would entice them to make more transactions.

These findings are just the beginning. The following pages will explore why — and how — mobile banking consumers are looking to take the fight against fraud into their own hands, not only with mobile banking apps, but also when using other mobile-based digital banking solutions.
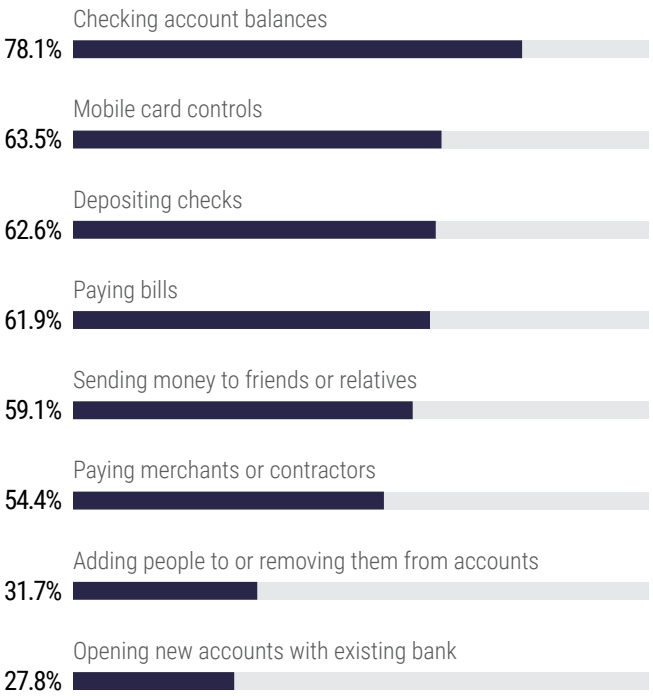
Authentication and
mobile banking apps

Mobile banking apps have become cornerstones of many consumers' financial lives, with many turning to such apps for a wide range of use cases. Our research shows 62.6 percent use them to deposit checks, rather than doing so through ATMs, and 61.9 percent use them to pay their bills.

62.6%
of consumers use mobile banking apps **to deposit checks.**

FIGURE 1:

How consumers use mobile banking apps
Share who report performing select actions via mobile banking apps

Checking account balances
78.1%

Mobile card controls
63.5%

Depositing checks
62.6%

Paying bills
61.9%

Sending money to friends or relatives
59.1%

Paying merchants or contractors
54.4%

Adding people to or removing them from accounts
31.7%

Opening new accounts with existing bank
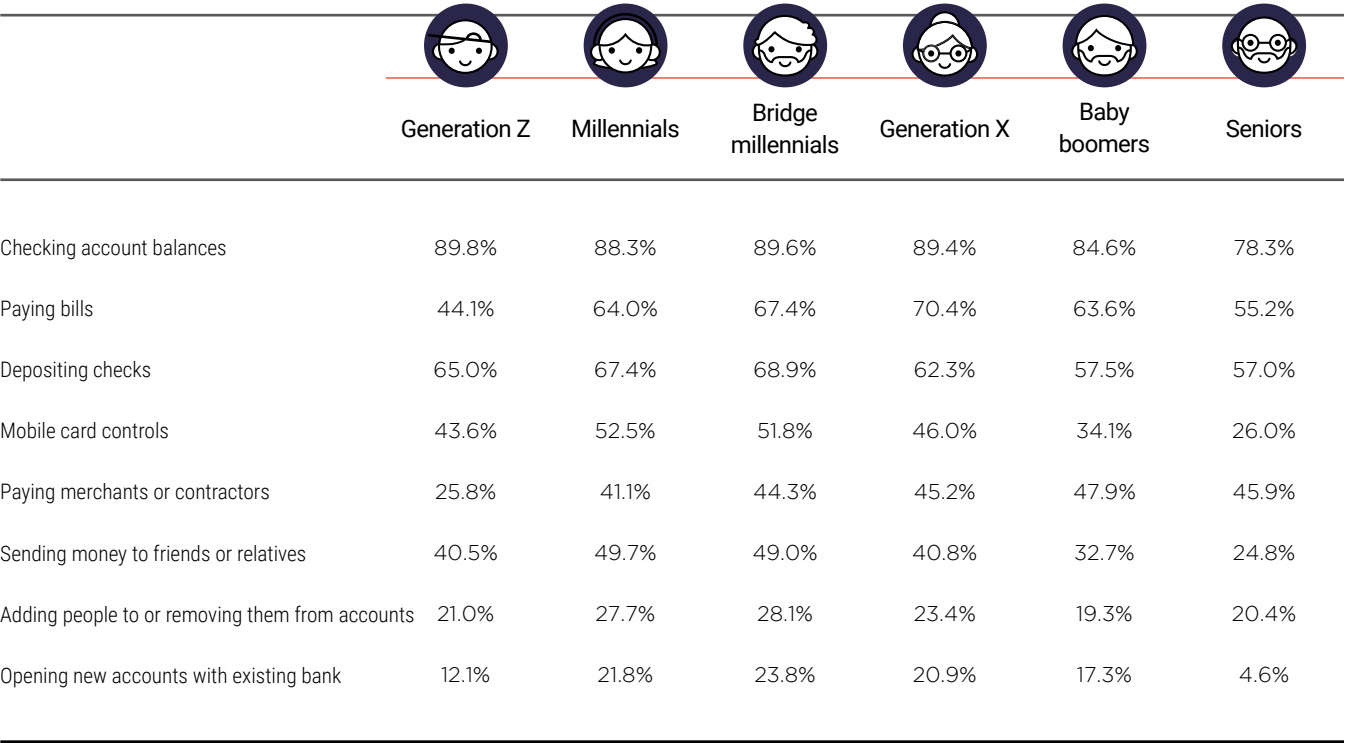27.8%

Source: PYMNTS.com

Other actions consumers typically perform via mobile banking apps include accessing mobile card controls (63.5 percent) and sending money to friends or relatives (59.1 percent). The most common is checking account balances, with 78.1 percent of respondents using mobile banking apps to do so. In other words, consumers appear to be using such apps to manage all aspects of their financial lives.

That said, consumers in different age groups tend to use their mobile banking apps to perform varying types of transactions. Generation X consumers and bridge millennials are most likely to pay their bills via mobile apps, for example, with 70.4 percent and 67.4 percent, respectively, relying on mobile banking solutions to do so. Just 44.1 percent of Generation Z and 55.2 percent of seniors do the same.

Our research also shows that millennials and bridge millennials are the most likely to use five of the eight mobile banking services we studied: 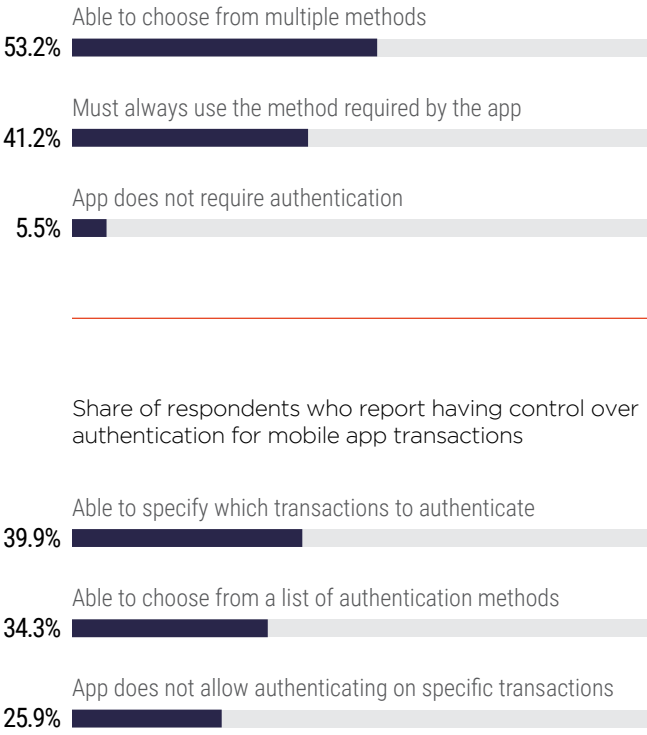mobile check deposits, mobile card controls, sending funds to friends and relatives, adding people to or removing them from their accounts and opening new accounts via mobile. They are also among the most likely to use their mobile apps to check their account balances, indicating a particularly strong demand for mobile banking services among these generations.

For all the banking services now available via mobile, consumers are given very little say in how those services are authenticated. When asked about their control over their login processes, 41.2 percent of app users say they must "always" use the authentication methods required by their apps, and 5.5 percent say they are not required to authenticate their identities when signing in. Just 53.2 percent of consumers say they are allowed to choose how they authenticate.

Consumers are given even less control over in-app transaction authentication. Our analysis shows that 34.3 percent of mobile banking app users say they can choose how they approve in-app transactions and 39.9 percent report being allowed to specify which transactions they would like to authenticate.

Another 25.9 percent say their mobile banking apps do not require them to authenticate their in-app transactions. They are free to make any transactions they wish once logged into their accounts, and they do not need to authenticate them at all. This means mobile banking app users must rely on their FIs to maintain the integrity of their mobile authentication systems.

This is not necessarily how consumers want their mobile authentication to be handled, however. Many would instead prefer the opportunity to manage it themselves.

FIGURE 2:
How consumers use mobile banking apps
Share who report performing select actions via mobile banking apps, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers	Seniors
Checking account balances	89.8%	88.3%	89.6%	89.4%	84.6%	78.3%
Paying bills	44.1%	64.0%	67.4%	70.4%	63.6%	55.2%
Depositing checks	65.0%	67.4%	68.9%	62.3%	57.5%	57.0%
Mobile card controls	43.6%	52.5%	51.8%	46.0%	34.1%	26.0%
Paying merchants or contractors	25.8%	41.1%	44.3%	45.2%	47.9%	45.9%
Sending money to friends or relatives	40.5%	49.7%	49.0%	40.8%	32.7%	24.8%
Adding people to or removing them from accounts	21.0%	27.7%	28.1%	23.4%	19.3%	20.4%
Opening new accounts with existing bank	12.1%	21.8%	23.8%	20.9%	17.3%	4.6%

Source: PYMNTS.com

FIGURE 3:
Consumers' current control levels over mobile banking app authentication
Share of respondents who report having control over authentication methods when logging into their mobile banking apps

Able to choose from multiple methods
53.2%

Must always use the method required by the app
41.2%

App does not require authentication
5.5%

Share of respondents who report having control over authentication for mobile app transactions

Able to specify which transactions to authenticate
39.9%

Able to choose from a list of authentication methods
34.3%

App does not allow authenticating on specific transactions
25.9%

Source: PYMNTS.com

The demand for control

O ur research suggests most mobile banking app users want more control than they are given over their in-app authentication settings. They also want options when logging into their accounts, including how they authenticate their identities, the ability to implement additional authentication factors and to set transaction-specific authentication controls.

Our analysis finds 93.1 percent of mobile app users want to choose the login methods for their mobile banking apps, but just 53.2 percent are given this option, as seen in Figure 3.

Another authentication mechanism over which consumers want more control is transaction-specific authentication. When asked, 86.5 percent of respondents say they want to be able to set authentication requirements for different types of transactions made using their mobile banking apps. This compares to the 39.9 percent seen in Figure 3 who can currently do so.

So, which types of transactions do consumers want to authenticate?

The answer is all of them. Consumers report high levels of interest in implementing in-app authentication requirements, regardless of the types of transactions being made. They also tend to be far more interested in authentication requirements for payments that draw funds out of their accounts than in depositing checks or checking their account balances.

Our analysis finds 65.5 percent of all respondents would like to be able to set authentication requirements for transferring money to friends and relatives, while 25 percent would like to introduce additional authentication requirements for money transfers to friends or relatives. Similarly, 64.5 percent of consumers say they would like to authenticate merchant or contractor

FIGURE 4:

In-app authentication controls consumers would like to have
Share of respondents who report wanting control over specific mobile banking authentication functions
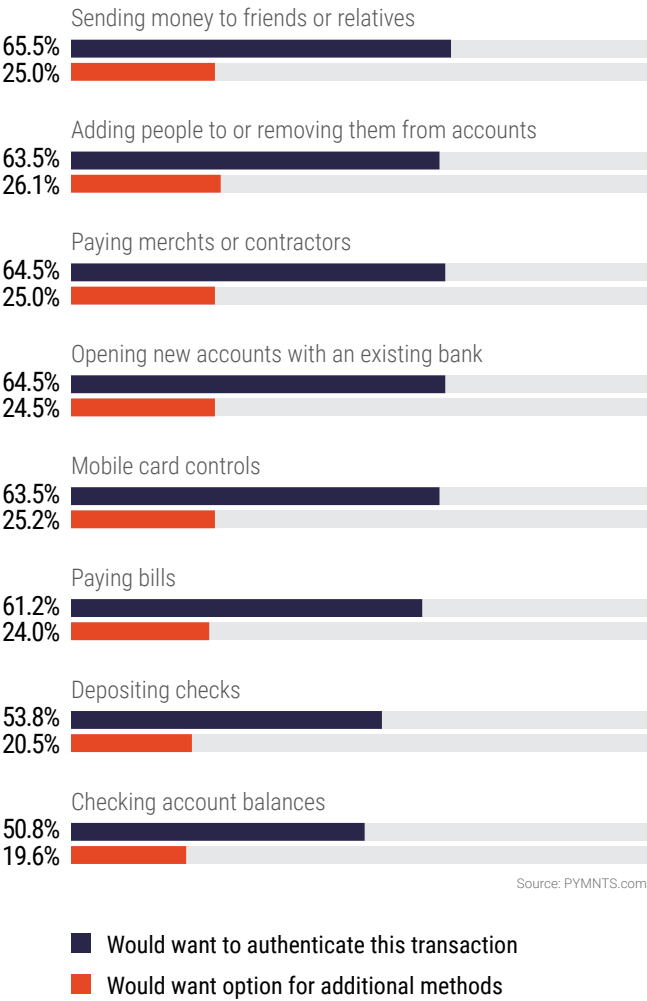
Choosing login authentication methods
93.1%

Adding login authentication methods
89.1%

Adding transaction authentication methods
86.5%

Source: PYMNTS.com
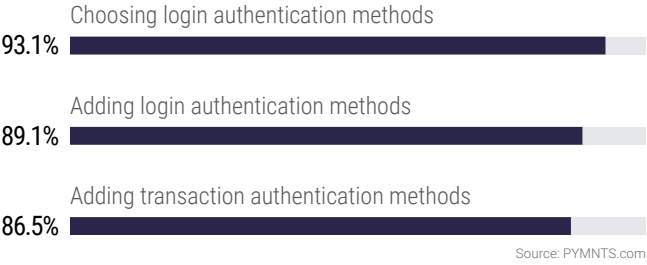
64.5%

of consumers would like to **authenticate merchant or contractor payments.**

Transactions for which consumers would like to require authentication
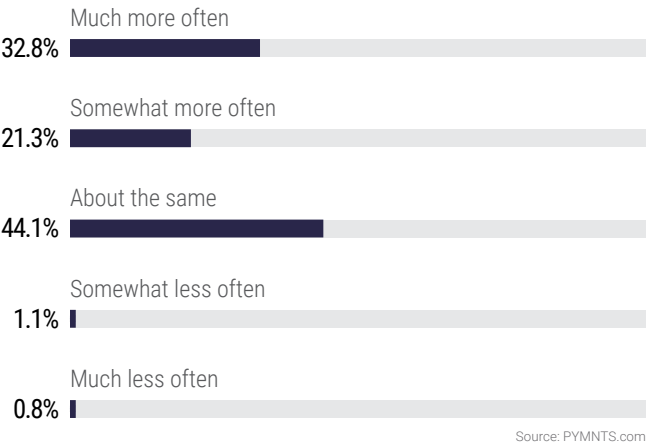Share of respondents who would like to authenticate select transactions, by transaction type

Sending money to friends or relatives
65.5%
25.0%

Adding people to or removing them from accounts
63.5%
26.1%

Paying merchts or contractors
64.5%
25.0%

Opening new accounts with an existing bank
64.5%
24.5%

Mobile card controls
63.5%
25.2%

Paying bills
61.2%
24.0%

Depositing checks
53.8%
20.5%

Checking account balances
50.8%
19.6%

Source: PYMNTS.com

■ Would want to authenticate this transaction
■ Would want option for additional methods

payments, and 25 percent would like to adopt additional authentication requirements for such payments.

By contrast, 53.8 percent express interest in authentication requirements for depositing checks, and 20.5 percent say they would like to have additional authentication requirements to do the same. It appears many consumers are less concerned with authenticating transactions when adding funds to their accounts than when taking them out.
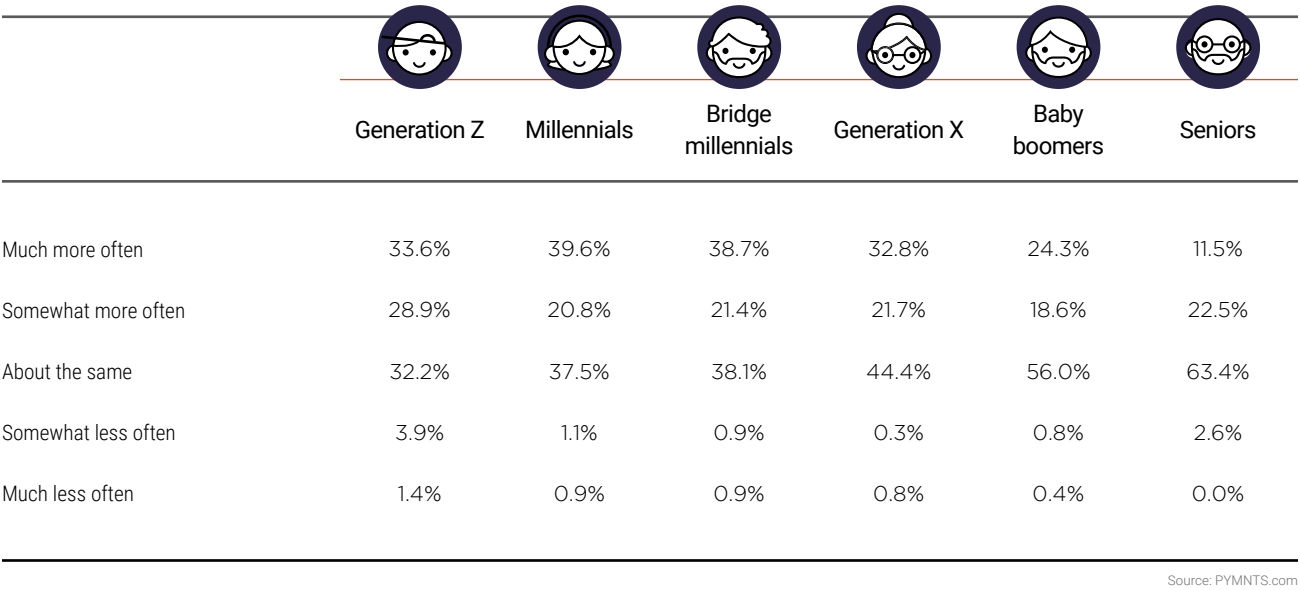
More significantly, the majority of consumers say having more control over their mobile banking authentication systems would entice them to make more mobile banking transactions. Our findings show 51.4 percent of consumers say they would transact via mobile either "somewhat more" or "much more" often if they had more control.

FIGURE 6:

How having more control can change consumers' mobile banking behaviors
Share of respondents who say they would transact more frequently if they had more control

Much more often
32.8%

Somewhat more often
21.3%

About the same
44.1%

Somewhat less often
1.1%

Much less often
0.8%

Source: PYMNTS.com

Having more authentication control is particularly enticing to bridge millennials, millennials and Generation Z consumers, all of whom are more likely than seniors, baby boomers and their Generation X counterparts to say they would be more likely to use mobile banking solutions if they had more control over their authentication systems. Our survey shows that 60.1 percent of bridge millennials, 60.4 percent of millennials and 62.5 percent of Generation Z consumers would be more likely to use mobile banking solutions if they came with more authentication controls. Just 34 percent of seniors, 42.9 percent of baby boomers and 54.5 percent of Generation X consumers say the same.

FIGURE 7:

How having more control can change consumers' mobile banking behaviors
Share of respondents who say they would transact more frequently if they had more control, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers	Seniors
Much more often	33.6%	39.6%	38.7%	32.8%	24.3%	11.5%
Somewhat more often	28.9%	20.8%	21.4%	21.7%	18.6%	22.5%
About the same	32.2%	37.5%	38.1%	44.4%	56.0%	63.4%
Somewhat less often	3.9%	1.1%	0.9%	0.3%	0.8%	2.6%
Much less often	1.4%	0.9%	0.9%	0.8%	0.4%	0.0%

Source: PYMNTS.com

Understanding consumers' **desire for control**

The primary reason so many consumers would like the ability to control their mobile banking apps' authentication requirements is that they feel it would improve data security. Most genuinely believe they would be better at maintaining data security than their FIs, with 71.2 percent of respondents saying the security of transactions made via mobile app would be at least "somewhat" stronger if they had greater control over in-app authentication processes.

FIGURE 8:

How consumers believe their authentication control would affect their mobile banking app security
Share of consumers who believe their banking apps' overall data security would be stronger or weaker if they had greater control
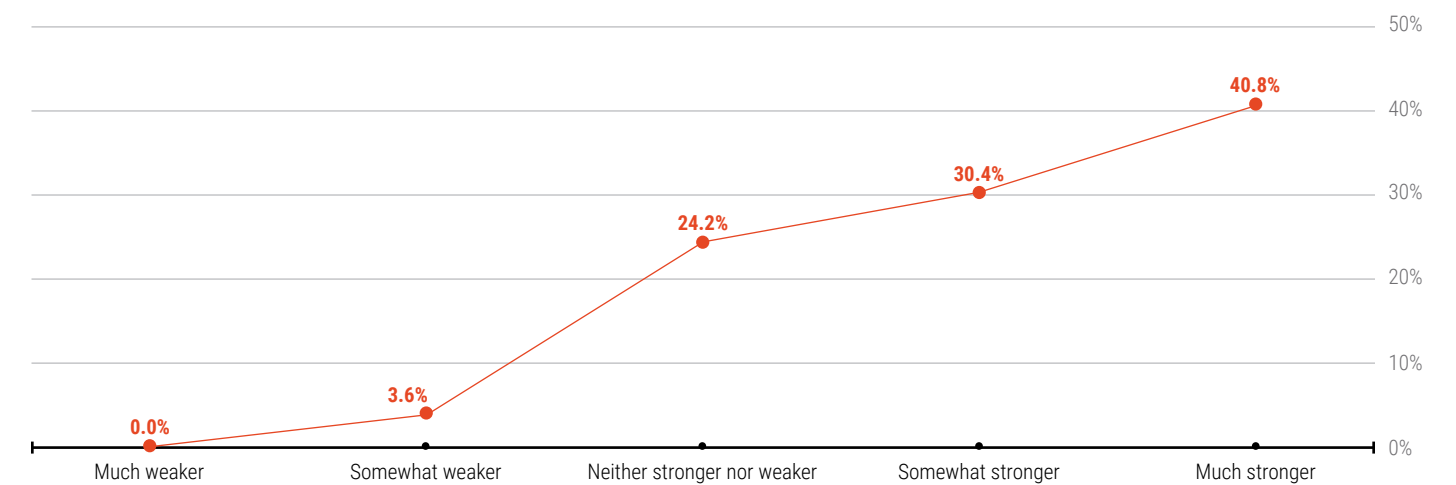
Share of consumers who believe there would be more or fewer fraudulent transactions if they had greater control over their mobile banking authentication systems
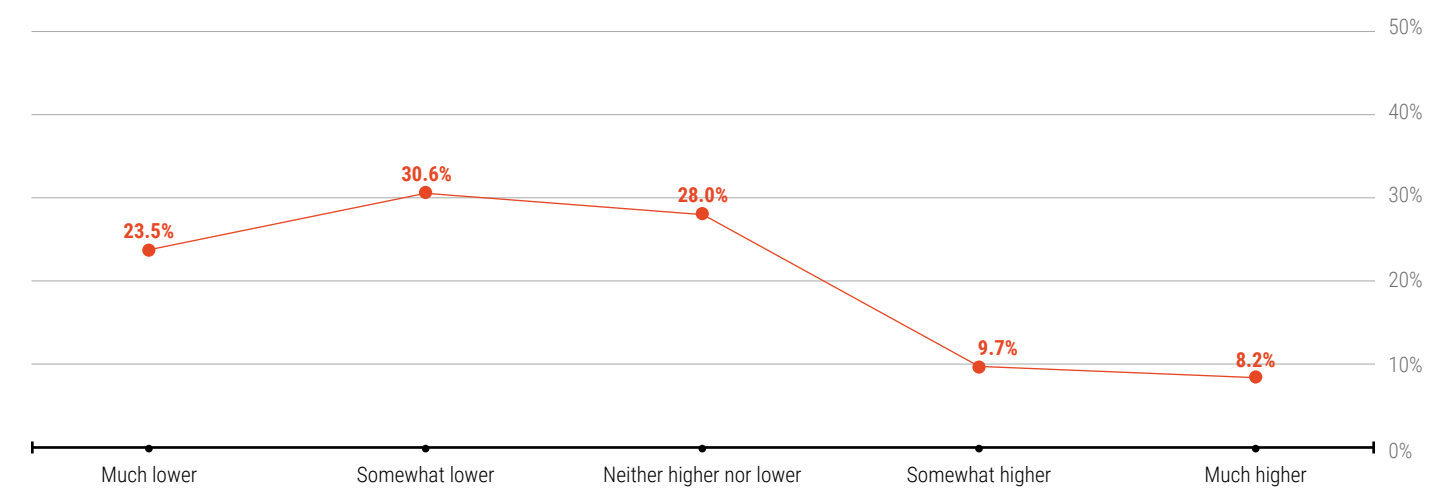
Along the same lines, 54.1 percent of surveyed consumers believe the chances for fraudulent transactions would be at least somewhat lower if they were given more control over their apps' authentication requirements.

Another big part of this desire for more control over authentication in their mobile apps is that it makes consumers feel safer. Two-thirds of respondents who want more control over their mobile banking experiences say it would help them feel safer, and 38.3 percent say the added security is worth the extra time.

Many also believe having more control over transaction authentication would make the process easier, more convenient or just more familiar. Among respondents who report wanting more control, 43.1 percent cite improved ease of use and 32.9 percent cite enhanced convenience. Our study also finds 54.3 percent of respondents want greater authentication controls so they can choose to authenticate their identities with methods they already use.

Consumers' demand for control over their mobile banking apps' authentication systems is high, but one, big hurdle — fraud liability — may prevent some users from jumping on board.

FIGURE 9:

Consumers' desire for authentication controls
Share who cite select reasons for wanting authentication controls

Would feel safer
66.6%

Could choose methods already used
54.3%

Would make authentication easier
43.1%

Security is worth the extra time
38.3%

Would be more convenient
32.9%

Would save time
26.3%

Source: PYMNTS.com

FIGURE 10:

Consumers' desire for authentication controls
Share who cite select reasons, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers	Seniors
Would feel safer	62.9%	66.2%	64.7%	66.3%	69.1%	65.2%
Could choose methods already used	46.1%	52.1%	55.1%	54.9%	59.1%	63.7%
Would make authentication easier	42.2%	42.9%	43.9%	42.2%	44.7%	43.6%
Security is worth the extra time	36.5%	34.6%	32.4%	36.5%	46.3%	47.3%
Would be more convenient	41.4%	34.2%	35.5%	31.9%	29.9%	23.6%
Would save time	23.9%	31.1%	29.6%	25.0%	22.8%	12.6%

Source: PYMNTS.com

54.1%
of consumers **believe chances for fraud would decrease** if they had more control over their mobile banking authentication requirements.

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The liability question

The question of where fraud liability lies when consumers use mobile banking apps is often a legal gray area. Many FIs do not explicitly state which party is legally responsible for fraudulent transactions that occur via mobile banking apps, for example, leaving many consumers in the dark with regard to their legal standing.

This confusion can have real impacts on consumers' mobile banking app perceptions. Many feel having more control over in-app transaction authentication means they would legally be held more responsible for fraudulent transactions: 40 percent of those in our survey report believing they would take on "somewhat" or "much" more fraud liability.

Interestingly, respondents from different generations appear more concerned about this potential shift in fraud liability than others. The younger the consumers, the more likely they are to hold this belief. Fifty-seven percent of those from Generation Z believe taking on more authentication control as-

FIGURE 11:

How consumers perceive fraud liability might shift if given more authentication control
Share of users who believe they will be held liable for fraud if they have more control, by generation

	DESIRED DEGREE OF CONTROL				
	Much less	Somewhat less	About the same	Somewhat more	Much more
AVERAGE	**7.6%**	**11.2%**	**41.2%**	**23.2%**	**16.8%**
Generation Z	6.3%	6.7%	30.1%	38.3%	18.7%
Millennials	6.7%	10.0%	36.9%	25.7%	20.7%
Bridge millennials	6.2%	9.6%	39.0%	24.5%	20.7%
Generation X	6.4%	10.4%	45.2%	21.9%	16.0%
Baby boomers	11.1%	14.5%	46.1%	16.6%	11.7%
Seniors	7.1%	20.9%	47.1%	14.8%	10.1%

66.9%

of consumers want **"somewhat" or "much" more control** over their mobile banking authentication systems.

FIGURE 12:

How consumers prioritize control compared to fraud liability
Share who want more control, by perceived change in user liability

	DESIRED DEGREE OF CONTROL				
	Much less	Somewhat less	About the same	Somewhat more	Much more
AVERAGE	**1.1%**	**2.4%**	**29.6%**	**37.6%**	**29.3%**
CHANGE IN USER LIABILITY					
Much less	0.9%	2.0%	17.2%	20.8%	59.1%
Somewhat less	0.0%	3.1%	21.8%	47.8%	27.4%
About the same	0.5%	1.5%	40.7%	39.6%	17.7%
Somewhat more	0.9%	3.5%	27.0%	49.9%	18.8%
Much more	3.6%	3.1%	16.5%	16.5%	60.2%

Source: PYMNTS.com

signs them at least "somewhat more" fraud liability, for example, as opposed to just 24.9 percent of seniors. Younger consumers thus appear to be more anxious about the legal repercussions of using mobile apps than their elders.

It is important to note that these perceptions are not necessarily based in reality. Even if it were true that taking on more control over in-app transaction authentication placed additional legal responsibility on consumers, our research suggests most would still opt for greater control.

Consumers who believe that having more control over authentication increases their personal fraud liability are actually more likely to want that added control, according to our findings. Among respondents who feel having more control over their mobile banking apps' authentication requirements would legally make them "much more" responsible for fraudulent transactions, 76.7 percent would want at least "somewhat more" control and 60.2 percent want "much more."

This not only shows how strong consumers' demand for greater authentication control is, but also signals a huge opportunity for banks to expand their customer base by providing such features.

76.7%

of consumers believe gaining more authentication control **would give them more fraud liability, but they** would still opt for more control.

28.3%
of consumers would transact more via mobile banking apps **if they were allowed to authenticate specific transactions.**

How banks can convince consumers to download and use mobile banking apps
Share of consumers who cite select factors that might convince them to use apps

Bank should cover potential mobile app fraud
33.2%

Add authentication for certain transactions
28.3%

Offer more authentication choices
27.7%

No improvements
27.8%

Make app faster
20.7%

Make app easier to use
17.2%

Better login security
16.4%

Better security
14.7%
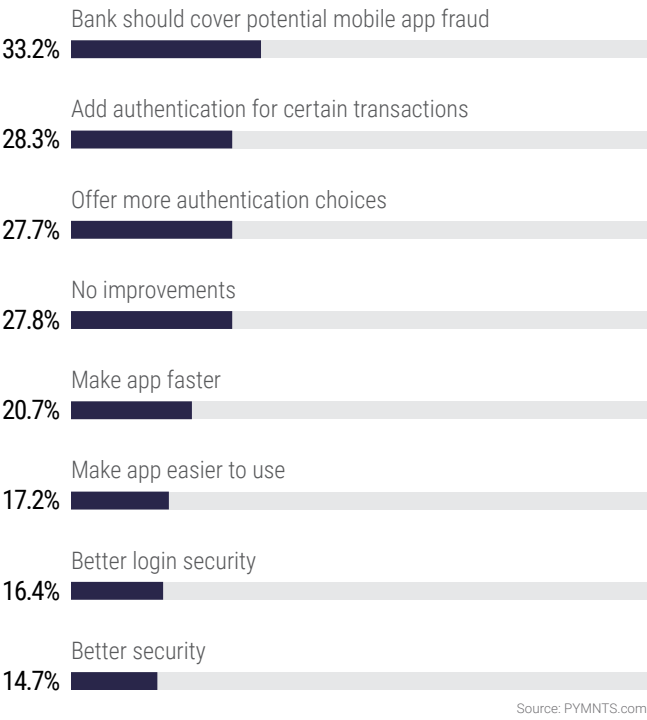
Source: PYMNTS.com

There are reasons banks might benefit from being open with their customers about where mobile banking app fraud liability lies, however. As eager as many consumers are to obtain more control over their mobile banking authentication methods, 33.2 percent say they would be even more willing to use their banking apps if their banks would clearly communicate which entity covers or is liable for fraudulent transactions.

Other offerings consumers say might entice them to use mobile banking apps include added authentication features for certain

How banks can convince consumers to download and use mobile banking apps
Share of consumers who cite such select factors, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers	Seniors
Bank should cover potential mobile app fraud	29.0%	29.8%	31.0%	31.4%	40.2%	52.3%
Add authentication for certain transactions	21.4%	28.4%	27.9%	29.9%	27.1%	23.8%
Offer more authentication choices	34.3%	26.2%	27.1%	26.8%	30.6%	35.7%
No improvements	32.9%	26.9%	27.3%	28.8%	25.8%	26.1%
Make app faster	27.1%	25.2%	22.1%	18.9%	14.9%	10.1%
Make app easier to use	20.2%	14.7%	15.5%	14.4%	19.3%	24.4%
Better login security	23.1%	18.7%	17.5%	16.9%	13.6%	13.5%
Better security	16.2%	14.7%	14.3%	14.2%	14.5%	16.4%

Source: PYMNTS.com

transactions and greater variety in authentication methods from which to choose. This is yet another testament to their demand for more control over their apps' security systems.

As important as consumers believe mobile banking authentication may be, it is not the only factor they consider when deciding to download and use their FIs' mobile apps. Many also focus on operational speed and

ease of use, with 20.7 percent saying they would be more inclined to use their FIs' mobile apps if they were faster and 17.2 percent saying the same if they were easier to use.

FIs will thus likely need to implement these improvements — including making their apps faster, easier and more convenient to use — if they hope to entice customers to more frequently use their mobile banking apps.

Deep Dive:

What consumers from **different generations** expect from in-app authentication

Consumers of all ages express similar enthusiasm for enhanced control over transaction-specific authentication requirements, but different generations prioritize it for very different in-app transactions. We took a closer look at the types of transactions over which each wanted more control to gain a sense of how age coincides with these demands.

The first use case considered was sending funds to family members or friends. As shown in Figure 15, 90.5 percent of all respondents would like greater control over this transaction type.

Consumers' likelihood of wanting control over authentication for transactions like these varies by age, however. Generation Z is the most likely group to say it would like to be able to authenticate money transfers to family members or friends, cited by 68.4 percent. Seniors are the least likely to express this sentiment, with just 60.1 percent saying they would want to authenticate such transfers.

There is not always a direct connection between consumers' ages and desires for transaction-specific authentication controls, though. Generation Z consumers care less about the latter than baby boomers and

Consumers' desired control over sending funds to friends and relatives
Share who want to have more control over select transactions
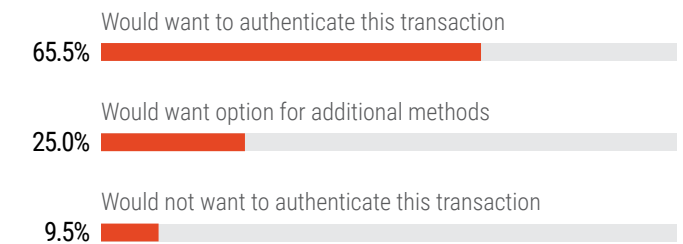
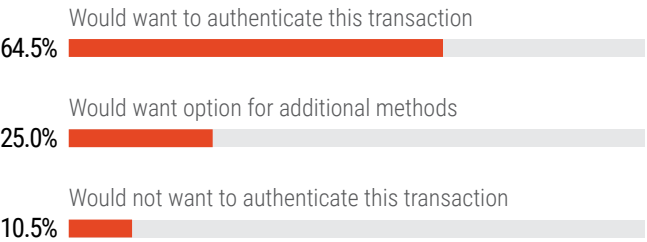Would want to authenticate this transaction
65.5%

Would want option for additional methods
25.0%

Would not want to authenticate this transaction
9.5%

Share who want to have such control, by generation

Generation Z
68.4%
24.7%
6.9%

Millennials
67.7%
22.6%
9.7%

Bridge millennials
66.5%
24.0%
9.6%

Generation X
65.3%
24.7%
9.9%

Baby boomers
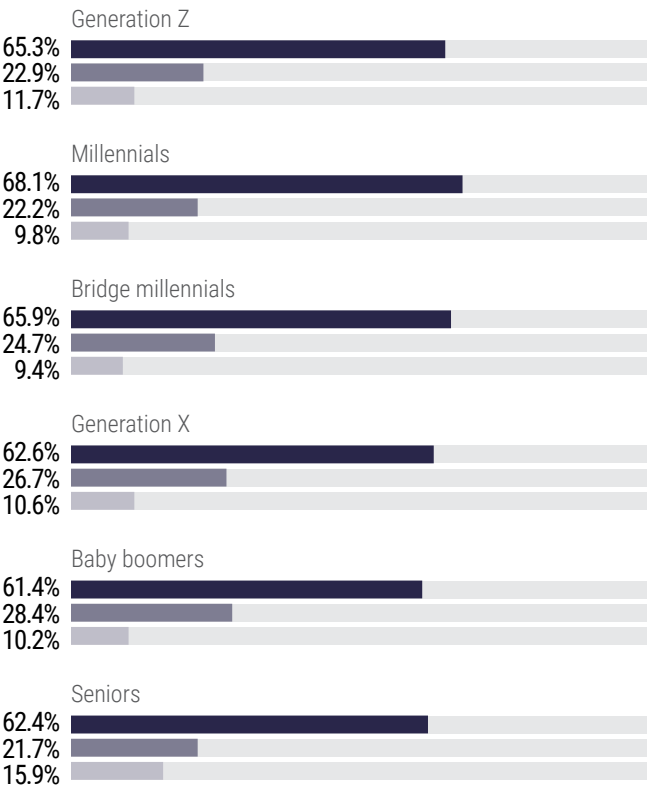61.7%
28.7%
9.6%

Seniors
60.1%
30.7%
9.3%
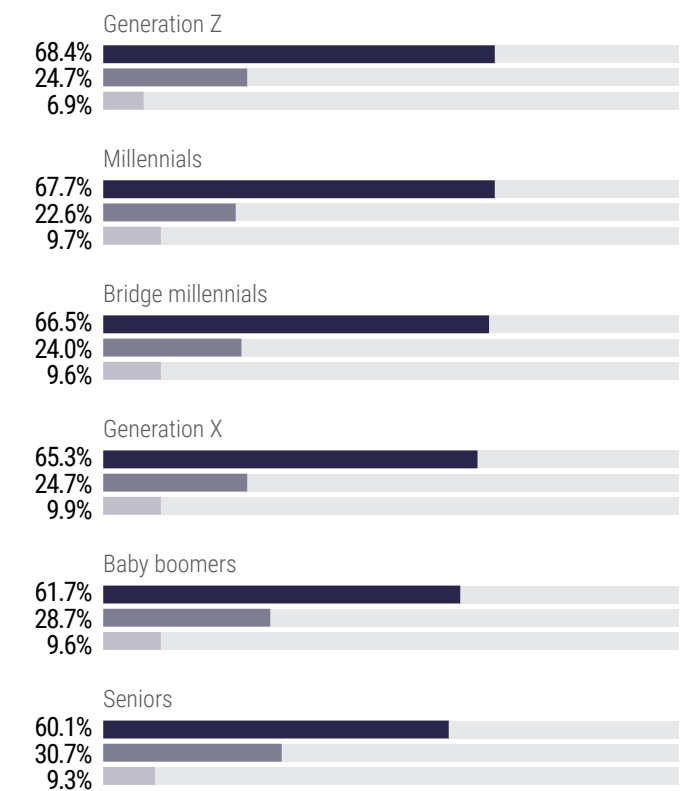
Source: PYMNTS.com

■ Would want to authenticate this transaction
■ Would want option for additional methods
■ Would not want to authenticate this transaction

FIGURE 16:

Consumers' desired control over paying merchants and contractors
Share who want to have more control over select transactions

Would want to authenticate this transaction
64.5%

Would want option for additional methods
25.0%

Would not want to authenticate this transaction
10.5%

Share who want to have more control over select transactions, by generation

Generation Z
65.3%
22.9%
11.7%

Millennials
68.1%
22.2%
9.8%

Bridge millennials
65.9%
24.7%
9.4%

Generation X
62.6%
26.7%
10.6%

Baby boomers
61.4%
28.4%
10.2%

Seniors
62.4%
21.7%
15.9%

Source: PYMNTS.com

■ Would want to authenticate this transaction
■ Would want option for additional methods
□ Would not want to authenticate this transaction

65.9%

of **bridge millennials** would like to authenticate merchant or contractor payments.

Generation X consumers when it comes to authenticating payments for merchants and contractors, for example.

Just 22.9 percent of Generation Z consumers say they would like to be able to add additional authentication controls for approving payments to merchants and contractors, compared to 28.4 percent of baby boomers who say the same. At the same time, 26.7 percent of Generation X consumers indicate they would like additional authentication controls.

Consumers feel far less concerned about authenticating in-app transactions when re-

ceiving funds into their accounts, however, and no age group is less inclined to adopt authentication requirements for check deposits than Generation Z. Just 47.6 percent of these consumers say they would want to authenticate check deposits via mobile banking app, compared to 53.8 percent of consumers on average.
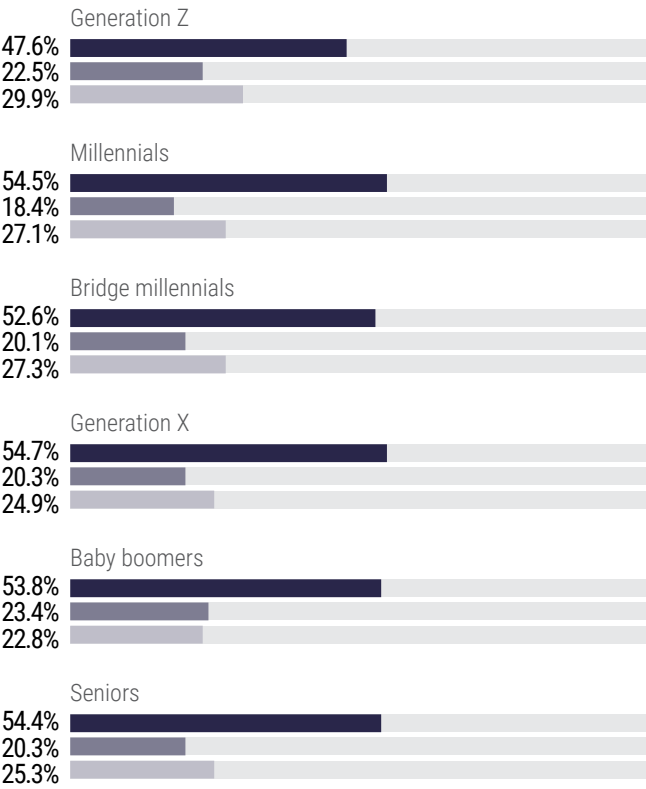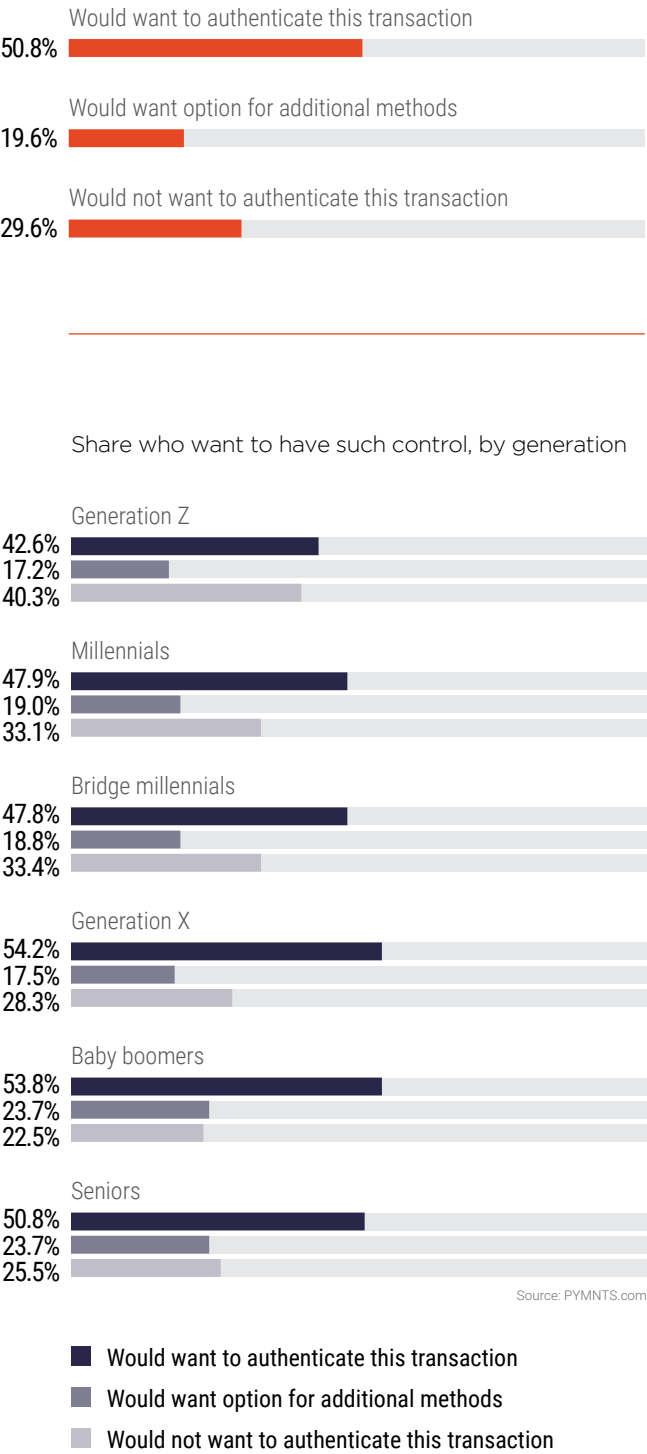
Generation X is the most likely to say they would want to authenticate check deposits via mobile banking apps, cited by 54.7 percent. Millennials are the least likely to express interest in additional authentication requirements, though, with just 18.4 percent saying they would like to implement more in the future.

Consumers are also generally less concerned about authentication controls when viewing their account balances than when making payments. We observe several interesting generational differences here as well. Generation Z, millennial and bridge millennial consumers are all considerably less concerned with having control over their mobile banking apps' authentication requirements than those from the Generation X, baby boomer and senior brackets. Just 42.6 percent of Generation Z consumers say they would want to authenticate their identities to view their account balances, for example,

FIGURE 17:

Consumers' desired control over check deposits
Share who want to have more control over select transactions
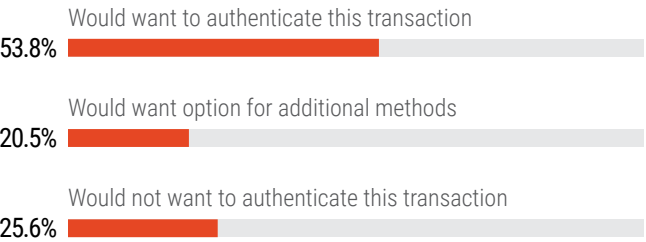
Would want to authenticate this transaction
53.8%

Would want option for additional methods
20.5%

Would not want to authenticate this transaction
25.6%

Share who want to have such control, by generation

Generation Z
47.6%
22.5%
29.9%

Millennials
54.5%
18.4%
27.1%

Bridge millennials
52.6%
20.1%
27.3%

Generation X
54.7%
20.3%
24.9%

Baby boomers
53.8%
23.4%
22.8%

Seniors
54.4%
20.3%
25.3%

Source: PYMNTS.com

■ Would want to authenticate this transaction
■ Would want option for additional methods
□ Would not want to authenticate this transaction

FIGURE 18:

Consumers' desired control over checking account balances
Share who want to have more control over select transactions

Would want to authenticate this transaction
50.8%

Would want option for additional methods
19.6%

Would not want to authenticate this transaction
29.6%

Share who want to have such control, by generation

Generation Z
42.6%
17.2%
40.3%

Millennials
47.9%
19.0%
33.1%

Bridge millennials
47.8%
18.8%
33.4%

Generation X
54.2%
17.5%
28.3%

Baby boomers
53.8%
23.7%
22.5%

Seniors
50.8%
23.7%
25.5%

Source: PYMNTS.com

■ Would want to authenticate this transaction
■ Would want option for additional methods
■ Would not want to authenticate this transaction

while 29.6 percent of all consumers say they would not want to authenticate their identities to view this information.

On the other end of the spectrum, 54.2 percent of Generation X consumers say they want to authenticate their identities when logging in to check their account balances, with just 28.3 percent reporting they would not want to do so. Baby boomers and seniors are not far behind.

These findings indicate FIs would do well to consider generational preferences when designing their mobile banking apps' authentication systems but should not lose sight of how in-demand these authentication controls are. Consumers across the board appear to want more control over their data security, and the FIs that provide tools to accomplish this goal will go a long way toward helping them acclimate to mobile app-based banking experiences.

50.8% of consumers would like to implement authentication controls **for the simple act of checking their account balances.**

CONCLUSION

Data security can induce a great deal of anxiety, but FIs can help alleviate this by providing their customers with more control over authenticating their in-app transactions. This affords users the peace of mind they need to feel safe in a digital world, and many genuinely believe they are better able to identify fraudulent activity than their FIs. Who knows their financial activities better than they do, after all?

FIs need to overcome a few roadblocks — primarily regarding fraud liability — before some of their customers will be willing to adopt mobile banking apps, however. Addressing such concerns would not only help users better understand related issues, but also help foster more open, trusting relationships.

Methodology

PYMNTS surveyed 8,363 American consumers for the Consumer-Centric Authentication Study: Transforming The Consumer's Digital Banking Experience, asking them about their usage of mobile banking apps and the level of control they are given over those apps' login and transaction-specific authentication requirements. We removed 1,002 responses from our original sample due to illegibility, inaccuracies or other issues that rendered them unusable, and another 745 were removed due to incompletion. This left us with 6,616 responses, of which 2,835 were from respondents who had a bank account, owned a mobile device and used a mobile banking app. Our data analysis considered the response data from this group, and our weighted sample was then census-balanced in terms of age, income, gender and education levels.

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